

## Featured *MSP Perspectives*:



### Singapore's Port Development: Smooth Sailing Ahead?

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By Philipp Martin Dingeldey

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### *Singapore's Port Development: Smooth Sailing Ahead?*



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Singapore's port depends on the transshipment business, accounting for roughly 85% of overall container volume. The sheer amount of logistics needed to service ultra-large container vessels (ULVCs) and mega alliances requires ports to have advanced logistics to stay attractive. Nevertheless, these new complexities in operations and increased cost consciousness of shippers have allowed smaller ports in the region to compete with the Lion City.

So far Singapore's port has been more attractive for shippers due to the multitude of services and the comparative geographic advantage it offers. To stay competitive, the port has committed to a two-step modernisation plan. First, the Pasir Panjang terminal is undergoing modernisation for US\$2.6 billion, raising the throughput capacity to 50 million twenty-foot equivalent units (TEUs) by the end of this year.

In a second step, the Tuas port project will unify container operations by 2030, more than doubling the port's current throughput capacity to 65 million TEUs. The Tuas port will specifically cater to ULVCs and alliances with fully automated operations. In order to speed up transfer and loading times, PSA and the government aim to integrate port operations with a truck platooning system.

The question is whether Singapore's planned investments will keep it ahead of the competition.

Besides their ambitious projects, it is questionable whether the ports of Tanjung Pelepas and Klang can really compete with Singapore. Currently both ports serve only a small number of customers and may face lower international connectivity. This is especially true for Port Klang, as The Alliance will only make one port call on one of its 32 offered routes from April. Additionally, Port Klang's mega hub plans can only be viewed as long-term project, questioning the ports growth trajectory as Singapore may be better positioned to fend off rivals in the transshipment business.

Singapore port has offered equity stakes to major liners, in order to win back transshipment business from its nearby competitors. For

example, CMA CGM, a major customer of Westports, has entered a joint venture with PSA to jointly operate 4 berths at Singapore's Pasir Panjang Terminal. Additionally, the company is planning to shift its regional HQ to Singapore, while China Cosco is also increasing its cooperation with PSA in Singapore.

Additionally, the idea of a China-Malaysia port and shipping alliance has recently gained some traction, with Malaysia's East Coast Rail Line (ECRL) project and several port projects being backed by Chinese banks. Such alliance would involve 11 Chinese and 6 Malaysian ports to boost the shipping and logistics industries in both countries. Additionally, the overland rail connection from Malaysia's west coast to its east coast would allow Chinese and other bulk carriers to circumvent Singapore. Nevertheless, the growth of further port facilities in the Strait of Malacca will likely intensify the intra-Malaysian competition for transshipment business, adding pressure for Malaysian ports.

In Indonesia, officials are confident to compete with Singapore for transshipment traffic. Though, it is questionable whether their investment in the port of Tanjung Priok can be competitive, as the port lacks size and services, and will be limited to routes towards Australia.

Overall, Singapore has invested a lot into its port to stay ahead of the competition. Due to its experience and connectivity, its service infrastructure, cooperation to bind clients long-term, and its investment into modern port facilities Singapore's port looks set to stay ahead in the short- to medium-term.

Nevertheless, to speak of a smooth sailing would be inappropriate as Singapore will face uncertainties of an industry that still has to ride out the waves of its recent crisis.

In order to stay ahead of the competition, Singapore's port will have to continuously adjust to market and technological changes.

*This is an abridged version of the article published in the RSIS Commentaries (click [here](#)).*



CHINA | 27 APRIL | XINHUA

## China launches first domestically built aircraft carrier

China launched its second aircraft carrier Wednesday morning in a Dalian shipyard in Liaoning Province in northeast China.

[Full Report](#)

TAIWAN | 5 APRIL | REUTERS

## Taiwan to build eight submarines under indigenous shipbuilding project

Taiwan plans to build eight submarines to bolster its current fleet of four ageing foreign-built vessels, a senior Taiwanese navy official said on Wednesday.

[Full Report](#)

JAPAN | 7 APRIL | THE JAPAN TIMES

## Japan to stake claim to 148 inhabited isles, register 273 others as state-owned property

The government on Friday set a basic plan governing its maintenance of 148 inhabited offshore islands, with an eye to China's expansionary activities at sea.

[Full Report](#)

THE PHILIPPINES | 7 APRIL | ABS-CBS NEWS

## AFP to improve PH facilities in South China Sea

The Armed Forces of the Philippines (AFP) on Friday said it would reinforce troops and improve facilities on islands in the South China Sea within the Philippines' exclusive economic zone (EEZ) in heed of President Rodrigo Duterte's directive.

[Full Report](#)

THE PHILIPPINES-UNITED STATES | 10 APRIL | THE PHILIPPINE STAR

## War games dropped from Balikatan

War games have been dropped from the Balikatan exercises scheduled next month here and in Guiuan, Eastern Samar, according to the Presidential Commission on the Visiting Forces Agreement (PCVFA).

[Full Report](#)

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NORTH KOREA | 14 APRIL | REUTERS

### **North Korea displays submarine-based missiles for first time at military parade**

North Korea displayed its submarine-launched ballistic missiles (SLBM) for the first time on Saturday ahead of a massive military parade in the capital, Pyongyang.

[Full Report](#)

SINGAPORE-UNITED STATES | 15 APRIL | THE STRAITS TIMES

### **Singapore, US deepen ties with new naval exercise in Guam**

In a further deepening of ties, Singapore and the United States will hold a bilateral naval exercise in Guam in August, and the deployment of US littoral combat ships to the Republic will be ramped up.

[Full Report](#)

TAIWAN | 17 APRIL | FOCUS TAIWAN

### **Taiwan has 'overall plan' to boost defense of Taiping Island**

The government is formulating a comprehensive plan to boost the country's defensive ability on Taiping Island in the South China Sea, but will not disclose such details as manpower and weapons deployment, the Ministry of National Defense (MND) said Monday.

[Full Report](#)

SOUTH KOREA | 19 APRIL | KOREA JOONGANG DAILY

### **Navy develops new ship-to-ground missile**

South Korea's Navy has completed the development of new tactical ship-to-ground guided missiles that would enhance its ability to strike North Korea's key military facilities, the country's arms procurement agency said Tuesday.

[Full Report](#)



UNITED STATES | 19 APRIL | USNI NEWS

### **Forward Navy Maintainers Cutting Down on Repair Time on Littoral Combat Ships**

The U.S Navy's Commander Logistics Group Western

Pacific/Task Force 73 has reorganized the process for dealing with maintenance incidents for Littoral Combat Ships deployed to the Indo-Asia-Pacific, reducing turn-around time for such incidents from 15 days to four days, Rear Adm. Don Gabrielson told USNI News.

[Full Report](#)

INDIA | 21 APRIL | HINDUSTAN TIMES

### **Navy successfully test-fires Brahmos land attack missile**

The Indian Navy successfully test-fired the land-attack version of Brahmos supersonic cruise missile on Friday.

[Full Report](#)

JAPAN-UNITED STATES | 23 APRIL | REUTERS

### **Japanese ships join U.S. carrier for drills as it nears Korean waters**

Two Japanese destroyers on Sunday began an exercise with the U.S. Carl Vinson carrier strike group in the Western Pacific as it approaches waters around the Korean peninsula, Japan's navy said.

[Full Report](#)

THE PHILIPPINES | 25 APRIL | UPDATE PHILIPPINES

### **DND confirms development of Philippine Navy's submarine capability**

The Department of National Defense, through its Public Affairs Service, has confirmed to Update Philippines that the Philippine Navy will develop its submarine capability.

[Full Report](#)

THAILAND | 26 APRIL | BANGKOK POST

### **Govt defends 'cheap' sub deal**

The military government has defended its decision to buy a 13.5-billion-baht Chinese submarine, saying it acted transparently and that the vessel is not only cheaper than other foreign competitors but comes with free missiles.

[Full Report](#)

CHINA | 28 APRIL | XINHUA

### **Chinese naval fleet conducts first resupply mission in western Pacific**

A Chinese naval fleet on Friday conducted its first resupply mission in western Pacific waters.

[Full Report](#)



CHINA-INDIA | 9 APRIL | REUTERS

### **India, China navies stop suspected Somali pirate attack on merchant vessel**

A Chinese navy ship supported by an Indian navy helicopter thwarted an attack by suspected Somali pirates on a Tuvalu-flagged merchant ship, India's defence ministry said on Sunday.

[Full Report](#)

THE PHILIPPINES | 1 APRIL | REUTERS

### **Philippines seeks to rename marine zone after China shows interest**

The Philippines said on Saturday it was planning to change the name of a stretch of water east of the country in a bid to highlight its sovereignty over the area, which was surveyed recently by a Chinese vessel.

[Full Report](#)

SOMALIA | 3 APRIL | REUTERS

### **Somali pirates hijack Indian vessel off coast of Somalia**

Pirates have hijacked an Indian commercial vessel off the coast of Somalia, the second attack in weeks after years without such seizures, industry and security sources said on Monday.

[Full Report](#)

SINGAPORE | 7 APRIL | THE STRAITS TIMES

### **New emergency response force to patrol waters from June**

A new emergency response force (ERF) trained with counter-assault skills and armed with sub-machine guns and carbines to counter terror attacks will soon patrol the waters around Singapore.

[Full Report](#)

INDONESIA | 9 APRIL | ANTARA NEWS

### **Neighboring countries replicating Indonesia's illegal fishing restriction**

Several neighboring countries are taking a cue from Indonesia's regulation restricting illegal, unreported, and unregulated (IUU) fishing in the territory that has increased the fish catch.

[Full Report](#)

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JAPAN-TAIWAN | 11 APRIL | THE CHINA POST

### **No consensus over Okinotori fishing**

No consensus was reached over whether Taiwanese fishermen can operate freely in a Japanese-claimed territory in the Pacific Ocean following the conclusion of the first meeting aimed at solving the issue on Sunday.

[Full Report](#)

JAPAN-SRI LANKA | 13 APRIL | NIKKEI ASIAN REVIEW

### **Japan, Sri Lanka PMs vow further cooperation on maritime security**

Japanese Prime Minister Shinzo Abe and his Sri Lankan counterpart Ranil Wickremesinghe agreed Wednesday to further advance their cooperation in maritime security.

[Full Report](#)

CHINA | 12 APRIL | CHINA DAILY

### **Nation's first Antarctic airfield may see building begin by 2018**

Progress continues on China's first airfield in Antarctica, with site selection and a survey completed and plans set for construction to begin as early as year's end, according to a senior scientist.

[Full Report](#)

INDIA-PAKISTAN | 15 APRIL | THE EXPRESS TRIBUNE

### **India calls off 'maritime security meeting' with Pakistan**

India has decided to put on hold all bilateral exchanges with Pakistan in reaction to a military court's verdict sentencing Kulbhushan Jadhav, an Indian national accused of espionage, to death.

[Full Report](#)



SOUTH KOREA | 15 APRIL | KOREA JOONGANG DAILY

### **Illegal crab fishing mysteriously stops**

Every spring, Chinese fishing boats come to the waters around Yeonpyeong Island, Incheon, to illegally catch

blue crab.

[Full Report](#)

INDONESIA-THE PHILIPPINES | 18 APRIL | THE JAKARTA POST

### **Indonesia to ratify EEZ agreement with Philippines**

The government and the House of Representatives are set to ratify a historic maritime agreement pertaining to an exclusive economic zone (EEZ) between Indonesia and the Philippines to safeguard the two countries' maritime security from threats such as the Abu Sayyaf group.

[Full Report](#)

THE PHILIPPINES | 19 APRIL | GMA NEWS

### **Military foils armed men's seajacking attempt in Zamboanga del Norte**

The military on Wednesday said it has foiled pirates from seajacking a cargo vessel in waters off Siocon, Zamboanga del Norte.

[Full Report](#)

CHINA-THE PHILIPPINES | 21 APRIL | GMA NEWS

### **Lorenzana's Pag-Asa-bound aircraft challenged four times by China**

The aircraft carrying Defense Secretary Delfin Lorenzana, military officials, and members of the media was challenged by China four times before reaching this island on Friday.

[Full Report](#)

MALAYSIA | 28 APRIL | THE STAR ONLINE

### **Hisham: Joint Sulu Sea patrols are on**

The anticipated Malaysia-Philippines-Indonesia joint security patrols in the Sulu Sea will begin in May, says Datuk Seri Hishammuddin Tun Hussein.

[Full Report](#)

SINGAPORE | 29 APRIL | MARINE LINK

### **Singapore Conducts Chemical Spill Drill**

To test and demonstrate Singapore's readiness to tackle oil and chemical spills, a multi-agency joint chemical spill exercise was conducted on Friday.

[Full Report](#)



WORLD | 3 APRIL | REUTERS

## Shipping container price spike points to global trade growth

Prices for shipping containers, the metal boxes that carry 90 percent of the world's manufactured goods, have risen to their highest since October 2015, a clear indicator that seaborne trade is increasing and should grow further this year.

[Full Report](#)

CHINA | 5 APRIL | FINANCIAL TIMES

## China's emergence as top US oil buyer highlights economic ties

China was the top foreign buyer of US crude in February, according to data that show the growing interdependence of the world's big energy consumers.

[Full Report](#)

WORLD | 6 APRIL | BLOOMBERG

## Global shipping fleet braces for chaos of \$60 billion fuel shock

Little more than 2 1/2 years from now, the global fleet of merchant ships will have to reduce drastically how much sulfur their engines belch into the atmosphere.

[Full Report](#)

WORLD | 13 APRIL | HELLENIC SHIPPING NEWS

## Shipping could find itself in new overtonnage supply in two years' time

As the growth potential for global trade appears to be limited for the time being, ship owners should continue to look to trim further tonnage supply, in order to avoid a new crisis in the freight market.

[Full Report](#)

INDONESIA | 19 APRIL | ANTARA NEWS

## Increase predicted in Indonesia's sea fishing production

Indonesia's sea fishing production is predicted to rise to 7.8 million tons this year from 6.7 million tons last year.

[Full Report](#)

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WORLD | 19 APRIL | THE GUARDIAN

### **New global shipping treaty to unlock \$30b investment**

The Ballast Water Management (BWM) Convention of the International Maritime Organisation (IMO), is poised to unlock an unprecedented estimated private sector investment of about \$30b in the next few years.

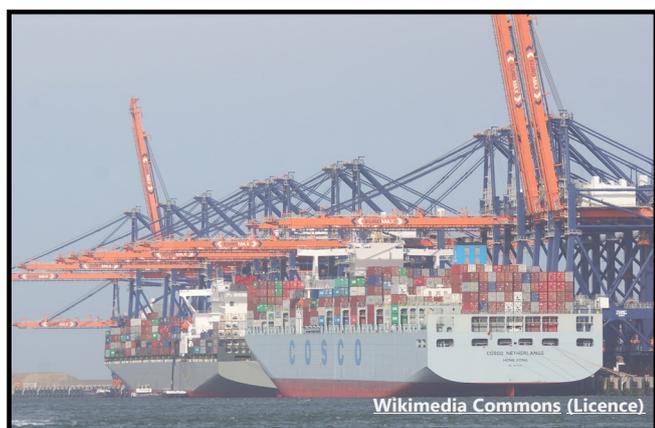
[Full Report](#)

SOUTH KOREA | 20 APRIL | KOREA JOONGANG DAILY

### **Higher rates, fewer ships plague local shipping industry**

Two months have passed since the collapse of Hanjin Shipping and Korea's logistics industry is still suffering from the fallout of higher freight rates and reduced vessel operation.

[Full Report](#)



CHINA | 23 APRIL | XINHUA

### **Feature: On ancient route linking Southeast Asian countries, a symbolic voyage by COSCO vessel**

Merchant Vessel (M.V.) COSCO Netherlands arrived at port of Singapore on Sunday morning after sailing more than 3,800 km from east China in a voyage aimed at cementing a traditional friendship between China and Southeast Asian countries.

[Full Report](#)

SINGAPORE | 24 APRIL | THE STRAITS TIMES

### **Full steam ahead for new Tuas mega port**

Works are in full swing at the future Tuas port, with reclamation ongoing for two out of four phases of the development and more than 3km of caisson already installed to form the wharf.

[Full Report](#)

VIETNAM | 25 APRIL | VIETNAM NET

### **Vietnam set to improve ship standards**

The Secretariat of the Memorandum of Understanding

on Port State Control in the Asia-Pacific Region has announced that Vietnam could be blacklisted due to low-quality of its vessels and a high number of detained vessels overseas.

[Full Report](#)

CHINA | 25 APRIL | XINHUA

### **Economic watch: Chinese ports cruise on sustainable routes**

On top of fast business growth at the start of this year, Chinese ports aim to become greener and more sustainable with strengthened core competitiveness.

[Full Report](#)

WORLD | 26 APRIL | CNBC

### **Shippers unsettled by rising protectionism**

The world's shipping players have a vested interest in preserving free global trade, and as they meet in Asia, they say they've grown unsettled by rising protectionism in Europe and the U.S.

[Full Report](#)

CHINA | 26 APRIL | LLOYD'S LOADING LIST

### **China box congestion spreads to other ports**

Container port congestion in China is spreading up and down the coast as new liner alliance schedules added to poor weather cause disruption to container shipping operations.

[Full Report](#)

SINGAPORE | 29 APRIL | THE STRAITS TIMES

### **Singapore launches LNG bunkering standard**

Singapore has launched its first standard for liquefied natural gas (LNG) bunkering operations.

[Full Report](#)

INDONESIA-THE PHILIPPINES | 30 APRIL | ANTARA NEWS

### **Jokowi, Duterte inaugurate Davao-Bitung Ro-Ro ferry service**

President Joko Widodo and President Rodrigo Roa Duterte inaugurated Ro-Ro ferry service that connects Davao and General Santos in the Philippines with Bitung in Indonesia's North Sulawesi Province.

[Full Report](#)