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**PROSPECT OF SHIPBUILDING AND RELATED
INDUSTRIES IN SARAWAK**

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EXECUTIVE SUMMARY

This project paper attempts to study the prospect of shipbuilding and related industries in Sarawak.

There were 53 registered shipbuilders in Sarawak in 2001. Shipbuilding industry in Sarawak demonstrates significant potential. Sarawak's shipbuilders have entered niches that range weighing from small to 6,000 tons and have the potential to build cargo ships and passenger liners reaching 30,000 tons.

The results of the finding covers the opportunities available, the form of support needed such as a basic modern infrastructure in the form of suitable location, basic amenities, riverine and water conditions etc., and incentives such as tax rebates, financial assistance, technical assistance, as well as skills development, etc.

This paper also attempts to find out the problems faced by shipbuilding industry in Sarawak. Apart from that SWOT analysis is presented to show the strength, weaknesses, opportunities and threats facing the industry.

The recommendations are aimed at ameliorating current weaknesses, and to enhancing its strenghts to take advantage of the opportunities identified to assist

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CHAPTER 1

INTRODUCTION

1.1 Background

Shipbuilding was founded in Sarawak in 1912 with the opening of a dockyard by the British to service ships and other water borne equipment. Technology transfer through foreign experts' rubbing-off effects on Sarawak staff, and trial and error, helped form the early know how among assemblers in the state. Inter-generational technology transfers through owners passing on their businesses to their children - particularly through family lineage - helped transform shipbuilding in Sarawak to its current status. From wooden ships, Sarawak's shipbuilders have evolved significantly to produce aluminium, steel and fibreboard ships and other floating equipment. Although, shipbuilding constitutes an insignificant percentage of Sarawak State's 1999 manufactured exports, the industry demonstrates significant potential.

There were 53 registered shipbuilders in Sarawak in 2000, a majority of these shipyards are found in Sibul, several each in Bintulu and Miri, a couple of repair yards in Limbang and Kuching. All of them started as proprietary concerns with less than a handful staff. Concentrated in the

CHAPTER 2

AN OVERVIEW OF SHIPBUILDING INDUSTRIES IN SARAWAK

2.1 THE STATE ECONOMY

Based on Sarawak strengths and weaknesses the State aims to embark on a medium growth path in her development effort which aims to achieve a 90 percent parity with the national GDP per capita by the year 2005 and 100 percent parity by the year 2010. The medium growth path is planned to achieve an average annual GDP growth rate of 7.5 percent during the period of 2000-2005 and 9.9 percent during 2005-2010. The attainment of these rates would result in the growth of its GDP from RM 9, 962,000.00 in 1998 to RM 11,216,000.00 by the year 2000, RM 16,000,000.00 by 2005 and RM 25,800,000.00 by 2010.

Rapid transformation of the State's economy during the plan period will have to be effected with the industrial structure, the manufacturing sub-sector in particular, playing a greater role in the overall GDP growth process.