



25 SEP, 2026

'M'sian-flagged ships for M'sian strategic cargo' call



The Sun, Malaysia

'M'sian-flagged ships for M'sian strategic cargo' call

KLANG: Malaysia should aim to have more than half of its strategic cargo carried by Malaysian-flagged vessels to strengthen food and energy security and reduce reliance on foreign shipping during major disruptions, according to the Malaysia Shipowners' Association (Masa).

Masa chairman Mohamed Safwan Othman said Malaysia was currently "really far" from having sufficient domestic tonnage to carry its own strategic cargo.

He said major commodities including palm oil, petroleum products, coal and sugar continued to depend heavily on foreign-flagged vessels, exposing Malaysia to potential supply-chain vulnerabilities during geopolitical crises.

"The best is 100%, but of course we know we cannot get 100%. But at least be more than 50%," Mohamed Safwan told *SunBiz* in an interview.

He said a share of more than 50% would provide sufficient economies of scale for financiers and other parts of the maritime ecosystem, while ensuring Malaysia could continue moving essential cargo during disruptions.

"Increasing Malaysian participation in shipping would help retain more of the value generated from the movement of Malaysian cargo within the country. It would also help reduce the country's balance of payments deficit."

Mohamed Safwan highlighted the extent

of the country's reliance on foreign shipping through several strategic commodities.

He said almost 20 million tonnes of Malaysian palm oil a year were currently carried by non-Malaysian-flagged vessels.

For coal, he said Malaysia currently had only five vessels, compared with more than 420 shipments required annually by Tenaga Nasional Bhd.

For petroleum products, Mohamed Safwan said around 2 million tonnes a year were carried by foreign-flagged vessels, which he estimated represented more than 70% of current petroleum-product shipments.

He identified sugar as another strategic commodity where Malaysia continued to rely on non-Malaysian-flagged vessels.

Mohamed Safwan said the issue was not merely commercial but also one of national resilience.

"During a major disruption, governments in some countries could have provisions allowing them to prioritise or requisition vessels to move their own cargo, potentially leaving countries dependent on foreign ships more exposed. That's why security is very important."

Malaysia, therefore, needs sufficient domestic tonnage to carry strategic cargo, particularly cargo related to food and energy security, during crises such as the Strait of Hormuz disruption.

Mohamed Safwan said Malaysia's cabo-

tage policy had broadly been successful in developing local participation in certain segments, particularly oil and gas.

He pointed to the transformation of the oil and gas shipping industry over the past three decades, from one that relied heavily on foreign-flagged vessels to one with significant Malaysian-flagged and Malaysian-owned participation.

"If you look at the cabotage policy as a whole, I would say it's a success. But cabotage needed to be supported by other policies to encourage further investment and Malaysian-flagged capacity."

The disruption around the Strait of Hormuz should prompt Malaysia to strengthen the strategic importance of the Strait of Malacca, Mohamed Safwan said.

"Malaysia, Singapore and Indonesia, as the littoral states, are in a position to benefit from increased movement through the Strait of Malacca as companies reassess shipping routes amid geopolitical uncertainty."

"The disruption should not be viewed purely as a gap or threat, but as an opportunity for Malaysia to strengthen its shipping and port industries."

"The government should look into how to centre the importance of the Straits of Malacca in terms of world trade."

Increased cargo movement through the region could create opportunities for Malaysian shipping companies and ports, Mohamed Safwan said. - by **HAYATUN RAZAK**