# MALAYSIA AS A MARITIME SITUATION: PROSPECTS AND CHALLENGES\*

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## INTRODUCTION

Geographically, economically and historically, the idea of Malaysia as a maritime nation is not new. In the past, Malays were known to be great seafarers, their livelihood and way of life closely connected to the sea. One of the most important Malay kingdoms, Malacca, was a great port in Southeast Asia. Today, the maritime sector plays an important part in the Malaysian economy.<sup>1</sup> The South China Sea separates east and Peninsular Malaysia physically, at the same time the sea strategically, and with its resources, can be the bridge that links the two parts of Malaysia. For the purpose of leisure and recreation, it is the sea more than mountains that attract Malaysians. Yet in spite of the close association with the sea culturally, historically and economically, the idea of a maritime community and nation has not been consciously accepted by majority of the population.

Today, rethinking about Malaysia as a maritime situation has become important not only due to the economic and political prospects, but also because of the increasing security vulnerabilities coming from the sea. This paper's modest aim is to present some perspectives on the prospects and challenges to Malaysia as a maritime nation, especially in securing that position in the face of security threats emanating from the sea.

## THE CONCEPT OF MARITIME NATION

Geographical location is an important factor in determining the concept of a maritime nation. Malaysia is situated at the crossroads of Southeast Asia. On the west, Malaysia controls the Straits of Malacca, important and strategic waterways between east and to the East, Malaysia is bordered by the South China Sea and to the south, and it is separated and connected by waters to Singapore and Indonesia. West Malaysia is a peninsula, an extension of mainland Asia while Eastern states are situated on one of the world's largest islands. Five of its neighbours share its maritime boundaries namely Singapore, Indonesia, Brunei, the Philippines and Thailand. Although Malaysia does not have the sea as its strategic heartland, the sea is seen as increasingly important factor in the economic and security aspects of the country.<sup>2</sup> Malaysia shares with Indonesia, an archipelagic state, the control of one of the most heavily trafficked sealanes in the world, the Straits of Malacca. In the

east, it shares maritime borders with the Philippines, a nation of islands whose internal political developments have significant security, economic and social consequences for Malaysia. The waters of Borneo are part and parcel of livelihood and way of life to the people of East Malaysia and the Philippines.<sup>3</sup> It is also an area of extreme vulnerability in terms of managing security.

The importance of the sea in the economic and livelihood of the people are seen in the development of ports in the country. Major industrial and economic centres of Malaysia are located in Selangor on the West and Johore in the South which have important ports of Port Klang and Tanjung Pelepas.<sup>4</sup> In addition, there are also ports in Sabah and Sarawak and on the East Coast of Peninsular Malaysia.5 Likewise, the tourism industry is greatly dependent on the sea as its major selling point and activities. From Langkawi Island in the North to the islands in Borneo waters, the sea is becoming an important income generator. Malaysia also has important naval bases off the coast of Peninsular, Lumut in Perak, Tanjung Pelepas in Johore in the South, Kuantan on the South China Sea. Others include those in East Malaysia such as Kota Kinabalu and Sandakan. While the sea provides economic support for the country and the population, it has also served as the gateways for illegal immigrants from Indonesia and Philippines. At the end of Vietnam War, Malaysian coasts became landing pads for thousands of refugees from Vietnam, which sparked off intense diplomatic and security worries for Malaysian authorities. Thus briefly, activities relating to the sea have always been an important aspect of Malaysia's economic and political life. But the question remains as to what extent does the idea and concept of maritime state impregnated or consciously embedded in the minds of Malaysians?

It can be safely said that the notion of maritime nation as applied to Malaysia has yet to gain the level of consciousness that would generate policies and rethinking of strategies suited to a maritime nation. Malacca which was once a great entreport with its maritime laws to govern and manage a maritime community has yet to find an heir to inherit that great maritime tradition. The historical and political development of Malaysia did not provide a conducive environment to encourage the development of a maritime nation. After the Second World War, threat to political internal stability and security came from land, thus Malaysia's defence and political strategies became land-based. A Malaysian historian argued that due to the overwhelming desire of the Malays to establish themselves as land-based people, their maritime past has been overlooked.<sup>6</sup> As a result, consciousness about their maritime past and traditions slipped away. Both Malacca and its modern day sister port of Penang fell into oblivion. Only Singapore continued to grow in stature as one of the world's greatest ports, enhanced ironically, by its departure from Malaysia in 1965.<sup>7</sup>

It would not be an exaggeration to say that the growth of Singapore partly contributed to the decline of maritime importance of Malaysia. It was not until recently that Malaysia recognised its economic and geographical advantages which make it worthwhile to explore the idea of a maritime nation. The 4<sup>th</sup> Malaysian Plan (1982-1986) declared that it is the government objective to attain for the country the status

of a "maritime nation." Ironically, threats and vulnerabilities emanating from the sea such as smuggling, illegal immigrants and piracy also contributed in this "awakening "of the maritime situation of Malaysia". Recently, the threat of terrorism, including the possibilities of maritime terrorism provided an added dimension to the significance of the sea to Malaysia and in its aspiration to become a maritime nation.

# DEVELOPMENT OF MARITIME INTEREST AND ACTIVITIES IN MALAYSIA

British rule in Malaysia helped to develop this country into a land based economy. Mining, farming, rubber planting were all connected to land. Roads and railways were also developed for the purpose of developing its economy and as means of communication. The use of waterways, such a rivers and canals, was not very developed in West Malaysia. Later, the independent Malaysian government paid attention to the development of the interior such as opening up of agricultural lands through Felda schemes, or new villages and plantations. One of the reasons for this was the idea of "security and development" as a means of helping to stabilise the country and face the communist threat. Thus land base threat became a significant factor in devising security and defence strategies.

The development in East Malaysia followed a different imperative. Because of its geography, Borneo has been developed since the days of British to serve as an important maritime centre through the development of shipping, ports and trade.<sup>8</sup> After the Second World War until 1963 when the two states were incorporated into Malaysia, the British developed the communication system necessary to expand trade in the area. Major ports in East Malaysia are situated at the mouths of rivers linking them to the economic hinterland of the interior. Borneo became an important centre for Chinese traders coming from various provinces in China such as Nanking, Amoy and Canton. Together with Bugis and Malay traders, they controlled much of the maritime trade in the area. These traders covered a large area of the Malay Archipelago including Penang, Malacca, Riau, and Aceh.

> "The commerce between Singapore and the West Coast of Borneo Island is carried on with the various native ports in the country of Borneo proper, and the northern extremity of the island, and with Dutch settlement of Sambas, Mempawa and Pontianak. The whole trade is conducted by Malay and Bugis in prows."<sup>9</sup>

By the end of its rule in 1963, the British had been able to develop maritime commerce and infrastructures in Sabah and Sarawak with many major ports such as Kuching, Miri, Brunei, Jesselton (KK), Kudat, Sibu, Sandakan and Tawau. Ports in British Borneo consisted of 3 types that comprise major ports, secondary major and small ports. Major ports served as centres of distribution of commodities such as timber and petrol. Besides, many of these ports also used to be ports of call for international shipping liners. With adequate infrastructure, the two states were able to exports their produce directly to international markets without going through foreign ports such as Singapore. As communication on land was not well developed in

Borneo due to its vast size and difficult terrain, Sabah and Sarawak continued to look to the waters (seas and rivers) as important means of communication and livelihood of its population.

# CURRENT MARITIME INTEREST AND ISSUES IN MALAYSIA

As mentioned above, Malaysia has a long tradition of maritime activities, in traditional forms and history. Current maritime interests in Malaysia extend beyond trade and shipping activities to include issues related to security and defence. The issue of maritime security is pertinent in current environment of uncertainty, especially after September 11. Threats to the security coming from the sea are associated with the uncontrolled flow of illegal immigrants into the country especially along the coastal areas of Sabah and West coast of Peninsula Malaysia, piracy and the use of islands and bays as safe haven for transnational crime offenders. Because of its extensive and dispersed coastline, Malaysia is vulnerable to such threat.

Maritime boundaries between Malaysia and her neighbours, namely Indonesia and Thailand have been delineated through bilateral agreements. Two bilateral agreements covering the boundaries of the territorial sea and the continental shelf in the Straits of Malacca have been signed by Malaysia and Indonesia in October 1969. Another agreement of March 17, 1970 between the two countries defined a 174 nautical-mile line separating both nations' territorial seas. Recent decision of the International Court of Justice regarding claims of both countries on Sipadan-Ligitan helped settled a potentially explosive situation that would have added to the environment of insecurity in the region. Currently, Malaysia is at odds with Singapore over Singapore's reclamation of the stretch of water separating the two countries in the southern part of the Peninsular. The overlapping claims in the Spratlys are yet another example of unresolved disputes involving territorial waters.

## MARITIME SECTOR AND THE MALAYSIAN ECONOMY

The maritime sector is now recognised as an important sector in the Malaysian economy. Traditionally the economic activity of the country is dependent to a large extent on its maritime resources and related industries such as fishing, coastal transportation and communication and sea recreation. The expansion and globalisation of the economy contributed to the increase in the role of ports and shipping activities. The increase in ports and shipping activities can be seen in major ports of Malaysia such as Port Klang, Tanjung Pelepas in Johore, Kuantan and Penang in the Peninsular. At the same time, ports in East Malaysia such as Bintulu, Kuching, Miri, Rajang and ports in Sabah have also increased their activities. In terms of growth, Port Klang experienced the highest growth at 47.4%, while Tanjung Pelepas at 32.5%. The port of Tanjung Pelepas has shown a tremendous performance as a second transhipment hub for the country with the aim of cargo handling between 3.5 million to 3.6 million TEU this year.<sup>10</sup> As testimony to its performance, Tanjung Pelepas Port succeeded in bringing back half the amount of container traffic from Malaysia that previously shipped through Singapore. This has caused some worry to Singa-

pore authorities on the competition in the maritime sector from Malaysia.

Besides ports and shipping, maritime sector's contribution to the national economy can also be seen in the inshore and offshore fishing. This industry can be categorised into three component activities, namely marine fisheries, aquaculture and inshore fisheries. Inshore fisheries activities are those carried out in zone from 0 to 12 nautical miles while offshore activities refer to those carried out in zone from 12 to 200 nautical miles. In the year 2003, the total landing of fish increased at 2.5% to 1.32 million ton. Aquaculture production has also increased from 184,000 ton in 2002 to 197 000 tons in 2003. This increase will help fulfil domestic demand and help to increase export activity of the industry. <sup>11</sup>

Offshore oil and gas also contributed to the growing importance of the maritime sector to the economy. The production of petroleum with an average of 739,800 barrels per day in the last six months of this year represents an increase of 8.1% as compared to the period of last year. The same goes for the production of natural gas which showed an increase of 6.2% to 864,500 million cubic feet as compared to last year's production of 814,100 cubic feet. With the recent development of MLNG 3 Petroleum Nasional Berhad (PETRONAS) at Bintulu in March this year, Malaysia is expected to be the world's second largest producer of natural gas.<sup>12</sup>

Maritime tourism is another sector contributing to the development of Malaysia as a maritime nation. Malaysia's maritime assets which include its coastlines and islands have been major tourist attraction in the country. Traditionally, marine tourism in the country involves trips to the beaches for relaxation or recreation. However, there is now an increasing interest in developing off-shore islands as major tourist destinations. Marine based activities and eco-tourism constitute yet another important segment of tourism having great potential. Most of the eco-tourism activities occur in areas that have been gazetted as marine parks in peninsular Malaysia and in Sabah.

The above economic activities are indicative of the growing interest and importance of the maritime sector in the national economy. It also shows the potential of maritime sector that could be developed as a component of a maritime nation. The idea and concept of maritime nation as applied to Malaysia can only be realised if there is a significant role of the maritime sector in its economy. As such creating a conducive security environment for it to flourish is necessary, especially in current uncertainty created by both traditional and new forms of security threats. So far, Malaysian ports have not been exposed to any threat or attacks. Except for highlighted cases of kidnappings at island resorts, the country has not faced direct threat to its maritime infrastructures such as ports and naval bases. Incidences such as kidnappings at Sipadan Island and other islands off the coast of Borneo did not suggest links to terrorist activities. It is important to differentiate the activities of piracy, kidnappings and other transnational crimes such as smuggling as part of terrorist acts. These activities are motivated by monetary or material gains rather than politically inspired. Thus if we were to talk of threat to Malaysian maritime security, it would more

appropriate to talk of threats and vulnerabilities coming from these sources rather than associating them with terrorism.

# SECURITY PROBLEMS IN MALAYSIAN WATERS

Security problems in Malaysian waters are not new. However, what is new is the magnitude of the problem and the potential transformation of the problem into a terrorist related activity if it is not controlled. Activities at sea or via the sea which have been considered as posing security problems include that of piracy, illegal immigrants, smuggling, drug trafficking, encroachment into territorial waters, hijacking, kidnapping and place of refuge for criminals.

Piracy had been a fact of life among the coastal population of the Malay Archipelago for a very long time.<sup>13</sup> However, in recent years this has been seen and accepted as security threat due to the increase in frequency and degree of violence to boats and ships and their crew. The Straits of Malacca has been known to be infested with pirates.<sup>14</sup> However, attacks in Malaysian waters including in the Straits of Malacca saw a reduction this year as compared to the previous year, albeit a small one. Violence to crew on the other hand saw a rise with 145 cases this year as compared to 85 cases in the same period last year. Port authorities and marine police co-operated through the exchange of information on the possible dangers at sea. The Malaysian marine police have also intensified patrols in the waters following the war in Iraq.<sup>15</sup> The IMB Piracy Centre also advises ships and mariners on the dangers of piracy. They are urged to maintain anti-piracy watches and report all pirate attacks and suspicious movement of crafts to the IMB Piracy Reporting Centre in Kuala Lumpur.<sup>16</sup> Despite the seriousness of the dangers that piracy pose to ships and mariners, this is an activity which will be difficult to control and eliminate.

Apart from piracy, Malaysia has faced an influx of illegal immigrants as consequences of political instability and upheaval in neighbouring countries.<sup>17</sup> In the 70s and 80s, the problem of illegal Vietnamese immigrants (refugees) became the focus of security threat. Massive arrival of refugees could create socio-economic problems to the host country. However, the main threat coming from these refugees was thought to be more of political and subversive in nature- fear of communists. While this fear and perceived threat to national security were quietly managed, the authorities also took steps to eliminate the potential socio-economic threat that such large and uncontrolled arrival of refugees might cause. This was done by not allowing them to access the country, but designating special areas to house them temporarily. Some of the islands used were those off the coast of Trengganu and Johore. Once their entry processed and upon arrival on land, they were placed in temporary shelters (refugee camps) while waiting for departure to a third country. Thus, the Malaysian authorities were able to bring security threats under control.

When the problem of Vietnamese refugees subsided, new wave of illegal immigrants kept coming ashore, this time from Indonesia and Philippines. While the Indonesian immigrants became a source of worry both to authorities and population on Peninsula and East Malaysia, Filipino immigrants concentrated mainly in Sabah.<sup>18</sup>

Two types of threat can be identified as coming from these groups. The first is insecurity due to their criminal activities like robbery, rape, murder, smuggling and other related activities. The second is insecurity directly related to waters, that is piracy and robbery at sea. These groups however did not pose great political threat to the country. There have been incidences where some of the immigrants attempted to stir politically inspired threats, but these were never to the extent of becoming a serious one. Some members of Achenese secessionist group were involved in gang like criminal activities, but this was quickly tracked by the security forces.

To what extent then are we to consider terrorism as a source of threat to Malaysian maritime security? Is maritime infrastructure vulnerable to such attacks? Are our ports at risk from such attacks? Unless we consider piracy as part of terrorism, then the level of threat from terrorist activities is indeed low. There have been suggestions that piracy should be considered as part of terrorism. However, one has to weigh the merits and demerits of such an idea. Even if some of the methods used in attaining their objectives, piracy and terrorism do not necessarily have the same ultimate aims. Putting the two together may result in confusion and ineffectiveness to counter and control such threat. Dealing with terrorism as politically inspired violent activity needs a different approach from that of ordinary criminal activities. Combating terrorism is a long-term process that needs political and diplomatic means while combating other forms of crime requires diligent and proper adherence to rules and procedures already in place to deal with such matters.<sup>19</sup> Also the means to cope with it can be precisely spelt in terms of the need for more manpower and material to eliminate or reduce the criminal activities. Politically and diplomatically too, authorities do not have to legitimise its actions in dealing with criminals, but it would face the problem of legitimising its actions if these are related to terrorism.

The problem of maritime insecurity as seen for example in waters around Borneo is to a large extent a problem of ineffective means and methods of controlling these threats. It is known and even acknowledged by certain quarters within the security enforcement circle that one of the problems is lack of co-ordination or inability to work together among various agencies in charge of security. The Malaysian navy for example is empowered and has been equipped with sufficient means to overcome pirates and other criminals at sea. But once these criminals are apprehended by the navy, they are handed over to other agencies such as the police. It is not unknown that the same criminals will soon find their way onto the waters where they were caught before. Another common complaint among enforcement agencies is that they lack the means including manpower and equipment. Some even lamented that pirates possess faster boats than they do! However, even in such circumstances, it is difficult to envisage maritime terrorism as presenting a large-scale threat to the security of Malaysia. As terrorism is politically motivated, the current political, economic and social stability in Malaysia does not provide a fertile breeding ground for terrorists. Politically, Malaysia is currently not a prime target for maritime terrorism as envisaged in such messages as "we will take to the

## waters; your ships will not be safe at port or sea."20

However, as terrorist attacks are also unpredictable, it is worthwhile to try to explore the possibilities of threat to maritime security in the Malaysian context. One is to identify sectors that can be most vulnerable to such threat. As said earlier, Malaysia has major and smaller ports spread all over the country. In West Malaysia, Port Klang and Tanjung Pelepas in Johore and Kuantan are the most important ones. These are modern ports well equipped for international shipping and maritime trade, especially Port Klang and Tanjung Pelepas, which is said to provide stiff competition to Singapore. Typically, port security and protection would involve strict selection and screening of staff, facilities for physical infrastructure security of ports such as cameras, container checks and so forth. At present this is not yet a target for terrorist attacks in Malaysia.

On the other hand, sea-lanes and shipping routes are exposed to frequent attacks from pirates. The IMO sources state that piracy has been on the decline in Malaysian waters, but hijacking cases have increased. As piracy has had an entrenched existence in the region for the past few centuries, (as argued by historian Nicholas Tarling in the 1970s that regional piracy of the past was more than mere banditry), it is extremely difficult to eradicate piracy in the area. The areas around Borneo waters are prone to such insecurity. Recently, some Filipinos were apprehended for carrying arms off the coast of Sabah. Although their explanation that these were for the purpose of wedding celebration (as customary in some cultures) lacked credibility, it has not been established that they were part of a terrorist network.

Kidnapping and robbery on island resorts off the coast has created a sense of insecurity not only for tourists, but also painted an unfavourable picture of Malaysia's security environment regarding threat of terrorism internationally. Such attack on island resorts is also unfavourable to the development of the maritime economic sector of the state. The government will also need to allocate more resources to provide security guarantee for tourists and the population. Another source of threat that cannot be discounted is effect of the political and socio-economic instability in the neighbouring Philippines and Indonesia, resulting in large numbers of arrival of illegal immigrants.

# **PROVIDING MARITIME SECURITY AND SAFETY**

Maritime security and safety here refer to capabilities, measures and mechanism available and deployed for the protection and smooth functioning of maritime activities. First and foremost, security in the sense of political stability will affect other forms of security. Malaysia is bordered by two countries facing internal political instability with the spill over effect of having to receive large numbers of immigrants from Indonesia and the Philippines. In addition to this, Malaysia also has to be alert to the unpredictable and unexpected acts of terrorism in view of terrorists' activities in neighbouring countries. In view of the large Muslim population in the country, Malaysia is also expected to be vigilant to subversive attempts of internal and external groups looking for possible allies in the war of terror. However, this does not

mean that Malaysia is unsafe or has become a prime target for terrorist activities. The speed with which an unfortunate event or act of common crime is associated with terrorism is quite disturbing. It would not be fair to associate this with terrorism. Except for piracy (which has long existed in the area, especially in the Borneo waters, and in the past constituted as a part of life style of some groups!) and kidnappings especially in islands around Sabah, there has not been serious and violent attacks on ships which can be considered as acts of maritime violence. It is perhaps fair to conclude that conditions for producing such politically motivated acts of violence at sea (which would be an element of maritime terrorism) are not ripe in Malaysia.

Admittedly though, surrounded by vulnerabilities, Malaysia has taken measures to ensure, or at least improve maritime security in Malaysia. Safety precautions for vessels transiting Malaysian waters are being looked into. For example, ships plying the Straits of Malacca and South China Sea are now able to plot their positions 25% more accurately with the global navigation satellite system (SISPELSAT) service provided by the Marine Department. SISPELSAT is an addon to the existing global positioning system (GPS) and can be picked up by ships within a 250km radius from the reference stations located in Lumut and Kuantan Coverage in the Straits of Malacca. It extends from Langkawi in the north to Tanjung Tuan in the South while in the South China Sea, the range stretches all the way from Kelantan to Tg Sedili.<sup>21</sup> Other safety mechanism include Vessel Traffic System (VTS) while has been in operation since 1997 with the Singapore Vessel Traffic Information System (VTIS) which extends radar coverage to the entire stretch of the normal routes in the Malacca Straits including the Singapore Straits. Such sea communication facilities will undoubtedly contribute to enhancing safety measures for ships plying the area. However, sophisticated equipments will not yield the desired result of achieving maritime security if the political will is lacking. Since countries in the Archipelago face threats from piracy, it would be useful to organise a regional "coalition of the willing" against piracy. Countries such as Indonesia, Philippines, Thailand, Singapore and Brunei could lend serious support to such projects.

Most important would be the availability of the services of the navy. This is especially so in the case of Malaysia. Because of the "maritime situation" of the country, the navy is in a position to be given a leading role in securing the conducive environment for the development of the economic, security, industry and R& D components of a maritime nation. Its R&D can combine both peace and wartime needs. The Royal Malaysian Navy (TLDM) is given the task of "policing" the waters, with the co-operation of other enforcement agencies such as the marine police. Measures and initiatives taken such as surveillance, control and protection of Malaysian waters from sources of threat have resulted in a fairly safe security environment, even if some of the problems do persist.

In the attempt to provide the security environment necessary for the maritime and coastal socio-economic development, protective measures should be given in some areas such as:

i. control of arrival of illegal immigrants

ii. co-operation with neighbouring countries, especially Philippines and Indonesia, since most of the immigrants originate from these two countries

iii. an international initiative to guarantee protection of sea lanes in the region

iv. improvement of port infrastructures

Specifically, it is necessary to identify the vulnerable sectors, define and precise the role of agencies, draw up a comprehensive evaluation of threat from the sea and make optimum use of available financial and material resources of the various agencies. Each agency should have a clear responsibility and authority, which would eliminate duplicating of duties as well as inefficiency resulting from delays and confusion over decisions to be taken. The Malaysian navy, being at the forefront in this search for maritime security should enhance its protective capabilities. Naval modernisation is necessary if the country is to achieve a maritime nation status. Protection of national security, territorial integrity and economic interest are closely related with the sea in view of the growing maritime economic activities both already realised and potentials. In view of the existing and potential territorial disputes in the region, especially in the South China Sea, the navy's combined role of protector and generator of the maritime nation is all the more important.

## CONCLUSION

In exploring the maritime vision of the country, one has to look not only at its past maritime tradition and its geographical characteristics, but also to the changing maritime security environment which demand greater attention than ever before. In view of the fact that Malaysia has to compete with other neighbouring countries having similar aspiration, it must provide a more attractive and conducive environment for the growth of maritime economic activities and industry. The TLDM has a significant role to secure such an environment; thus strengthening TLDM is necessary. (Even, as a result, potential for naval arms race in the region then cannot be discounted!).

The motivations for such move will be both security and economic. This is clearly seen in the case of Malaysia where growing reliance on sea born trade, extraction of resources from the sea, potential political disputes arising out of overlapping claims and economic activities and strategic and political considerations have created greater awareness of the possibility of reconstructing Malaysia as a maritime nation. Transnational crime and terrorism can jeopardise the realisation of such a vision. Although maritime terrorism has not yet become a problem to national security, prevention is better than cure. It is in this direction and for this purpose that discussion on maritime terrorism in Malaysia is relevant at present. It is hoped that with greater interest on the part of the authorities, the country can effectively move

from a "maritime situation" to a "maritime nation", incorporating its past maritime traditions, current availabilities and potentials.

## FOOTNOTES

\* This paper has been presented at MIMA Wokshop on Maritime Terrorism, 9<sup>th</sup>-12<sup>th</sup> December 2003.

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