

Langkawi to be centre for aerospace industry

By AHIRUDINATTAN

LANGKAWI Island will be developed into the country's centre for aerospace industry, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

Opening Lima '91, the aerospace and maritime exhibition on Langkawi, Datuk Seri Dr Mahathir said a site has been identified near Langkawi International Airport for the purpose.

To ensure smooth development, Langkawi's status as a free trade area will be retained. "Imports and exports are completely tax-free. Components or products can be brought in for processing or sale, and re-exported without any hassle."

The Prime Minister said Malaysia will be encouraging investments in "selected aerospace industries and businesses". To make it more attractive, the Government plans to allow expatriates to take up temporary residence on the island.

He said bungalows and condominiums are being built for sale, rental or time-sharing to enable expatriates to live comfortably.

Some 5,000 exhibitors, aerospace and maritime industry participants and guests attended the opening of the inaugural Lima. The Sultan of

Kedah opened the five-day exhibition.

Datuk Seri Dr Mahathir said Malaysia is also keen to build up its own maritime industry, including the building of pleasure boats, patrol boats and other small police, customs, immigration and naval craft.

The industry is to cater for demands in the whole region. "The boat yards of the region are not sophisticated enough at the moment," he added.

He said the Government is prepared to extend incentives for investments in the production of these craft locally. "I'm sure local partners and investors are keen on joint ventures to build all kinds of craft here."

The Prime Minister, said Malaysia's aspiration to develop its own aerospace and maritime industries, albeit on a selective basis, is one of the reasons the Government has backed the idea of another air show, despite "a surfeit in air shows in the region".

The other two reasons, he said, are the growing demand for air travel in the region and to enhance Langkawi's status as a major tourist destination on the world map.

In Malaysia as well as the other countries in the region, air travel has become an accepted mode of transport even for the low income group. "Today in Malaysia, a padi farmer thinks nothing of flying from his state to Kuala Lumpur in the morning to return late at night," he added.

Datuk Seri Dr Mahathir said the higher standard and quality of life, in turn, leads to luxury sports such as flying and yachting, to a rise in domestic tourism and increased demand for air charters.

This situation has caused, among other things, shortages of aircraft and airline pilots. "Malaysia welcomes the setting up of flying schools from abroad in joint ventures with local partners."

On the growing popularity of pleasure boats, Datuk Seri Dr Mahathir said the Government has earmarked Langkawi, Labuan and Terengganu for the development of marinas and boat servicing and maintenance facilities.

He said no tax will be imposed on all pleasure craft. "Foreigners are welcome to register their boats in Malaysia. Of course, they can keep

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their boats here as well," he added.

Some 50 companies from 15 nations, including the US, UK, USSR and Australia, are participating in Lima '91. The next exhibition has been scheduled for 1993.

Later, speaking to reporters during his visit to the maritime show, Datuk

Seri Dr Mahathir said the selected aviation-based projects include manufacturing of small aircraft, servicing and maintenance.

The Government, he added, will not be involved. "We'll leave it entirely to the private sector. We'll provide all the necessary infrastructure."