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Mahathir-aircraft

MALAYSIA TO MANUFACTURE LIGHT AIRCRAFT IN TWO YEARS

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MELAKA, April 16<sup>93</sup> (Bernama) -- Datuk Seri Dr Mnhathir Mohamad today announced that Malaysia would manufacture light aircraft in two -years' time.

The Prime Ministkr said the country had, over the last two year, acquired the entire equity of an Australian company producing light aircraft in preparation for the venture.

The equity of the company, Eagle Aircraft, was purchased at more than AS10 million, he said, adding that the Malaysian government held 50 per cent of the shares and the national oil corporation, Petronas, the other half.

"The company, which is now operating in Australia, is fulfilling orders for 10 training aircraft from that country," he told a news conference at the end of a two-day visit to Melaka, at Graha Makmur, here.

He said several Malaysians, including engineers and managers, were working with the company.

He also said that Malaysia would transfer the company to this country soon once it showed viability. -- more

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Dr Mahathir said the company had begun manufacturing light aircraft before Malaysia bought its equity.

"It (Eagle Aircraft) had begun work (to build training aircraft) but faced financial problems. That is why we were able to buy it," he said.

Initially, he said, the government only bought 50 per cent of the equity but later decided to take over the company as an investment in research and development and to prepare the country to venture into the light aircraft manufacturing industry.

However, he added, the company could not be transferred to Malaysia yet because it had yet to obtain certification from Australia.

The certification was necessary for acceptance by other countries of the Malaysian aircraft to be manufactured by the company, he said. -- more

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.DrMahathir said that when the company had been transferred to Malaysia, it would continue to build trainer aircraft,.

“We have to continue with work to build light aircraft first because our engineers and workers are in the process of learning the technology. When we have acquired sufficient knowledge, we can go into other areas,” he said,

The Prime Minister said the purchase of the company was also to enhance the capability of the country in the use of composite material technology.

He said the use of composite material such as fibreglass could result in the manufacture of very light aircraft and manufacture would be easy without having to depend much on machinery.

With the cost of labour in Malaysia lower than that in Australia, he said, the government was convinced the light aircraft manufacturing industry in Malaysia would incur lower costs and the product would be able to compete in the international market. -- more

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Asked why the purchase of the company was not announced earlier, Dr Mahathir said the government did not want to give the people high hopes before its investment had been successful.

He said the government felt that it was necessary for it to invest in high-risk ventures where profit was not guaranteed before handing them over to the people when it was commercially viable.

The Prime Minister said the government was convinced that ventures Malaysia had entered into would succeed if it was cautious and did not rush into ventures dominated by efficient giant corporations.

"That is why we have opted for trainer aircraft and not, passenger aircraft," he said.

Replying to a question, he said the government had not decided in which state the aircraft manufacturing plant would be located. -- Bernama

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