

# PM proposes ways to boost

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EXPANDING on his earlier address at Lima '95, Datuk Seri Dr Mahathir Mohamad has proposed three measures to expedite the progress of the country's aerospace industry to the next stage of development.

Addressing the Langkawi International Maritime and Aviation (Lima) international aerospace conference at the Berjaya Langkawi beach resort, the Prime Minister said the aerospace industry in the country "is neither in its infancy nor is it matured yet".

"The level of technology in Malaysia has only managed to reach the support stage and has yet to get to the production stage, and this is primarily due to the absence of necessary transfer of technology," he said.

To rectify the situation, the Prime Minister proposed the strengthening of three areas:

- consolidating the existing local aerospace industry structures in order to achieve synergy among lo-

cal aerospace major players;

- establishing the Kuala Lumpur International Airport in Sepang into a regional hub in order to attract airlines and support industries to relocate their activities in Sepang; and,

- encouraging local small and medium industries and existing vendors particularly in the automotive, oil and gas, and other hi-tech industries to participate in a national vendor development programme for aerospace.

Dr Mahathir, whose personal devotion is responsible for the country's take-off into the aerospace industry at the inaugural Lima '91, also outlined five rationales for the Government's deep commitment to the development of the industry.

Firstly, the Prime Minister said that the aerospace industry would have numerous indirect benefits in line with Malaysia's development strategy.

"There are linkages and spin-offs which can contrib-

ute to our industrialising process."

Secondly, the adoption of advanced technology in aerospace encourages and facilitates technical innovation and competition which, in turn, encourages higher productivity and improves quality standards of products. "Other industries will benefit from the technology and productivity," he said.

Thirdly, the individual earnings of its workforce will be enhanced as it requires greater skills and competence in modern technology.

Fourthly, aerospace products and services which cater for the foreign market will generate foreign exchange and raise exports.

And fifthly, when the new, KLIA in Sepang is opened, the present airport in Subang will provide a good site for all kinds of aerospace industries and activities.

The conference is the latest addition to the Lima programme of exhibition and airshows. Participants are

drawn from captains of industries and senior government officials from countries in and outside the region, including from Australia, the UK, France and the US.

Dr Mahathir said Malaysia accorded priority to the Lima exhibition and conference because it was keen to develop its aerospace industry. "The aerospace industry is one of the new frontiers for Malaysia. We have successfully ventured into the automotive and electronics industries and we believe we can do likewise with the aerospace industry (to) help complete the transformation of the Malaysian economy as envisaged in Vision 2020."

This vision, he added, stressed that Malaysia should not only be developed economically, but also politically, socially, spiritually, psychologically and culturally.

"What is more important is that in our efforts towards becoming a developed na-

## aerospace growth

tion, we want to also create a scientific society; one that is able to keep abreast of technological developments," he added.

While the aviation market contributes to about 1.2 billion passengers and 20 million tonnes of freight last year, with a turnover of US\$250 billion (RM637 billion), Dr Mahathir said the aerospace industry on the other hand had a worldwide annual turnover of some US\$220 billion.

Furthermore, the demand for aircraft in the Asia-Pacific region by the year 2015 is estimated to comprise a quarter of the global demand. This has put Asia in a strong position to propagate the continuous development of the aerospace industry. "Our own Malaysia Airlines is in the market for new aircraft," he said.

In aviation infrastructure development, Dr Mahathir said Asia had established itself as a focal point of aerospace and aviation activities with many nations

seeking multi-billion dollar airport projects. A case in point is the new KLIA in Sepang.

"We envisage the KLIA to be one of the better and more advanced airports in the world... (and) will enable aerospace companies, airlines and other relevant and supporting industries to locate their regional headquarters there."

In this regard, the Prime Minister said Malaysia must establish the necessary framework to accelerate its industrialisation process in the aerospace industry, which was seen as a critical sector that offered abundant opportunities for the transfer of advanced technologies in engineering, electronics, composite materials as well as manufacturing and system integration.

He welcomed the world's leading aerospace and aviation companies to take advantage of the country's infrastructure and facilities to serve the Asean region. The

Government, he said, "is willing to give reasonable support and incentives to encourage interested parties".

In looking at the global trend, Dr Mahathir said although the Cold War had ended, the so-called peace dividend had not yet resulted in any significant decrease in global armaments trade. Military aviation, he added, would continue to lead technological innovations in the aerospace industry as nations built their defence deterrence and invest in new military aircraft.

"Malaysia is also upgrading its own defence capability and is investing in new aircraft and equipment for our defence forces.

"...But let me assure our neighbours that we are not a threat. We in Asean are peace-loving people preferring dialogue to threats, cooperation rather than confrontation, and peace and stability instead of hostilities and uncertainties."