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Mahathir-LIMA

DR MAHATHIR PREDICTS GREATER HEIGHTS FOR REGIONAL AEROSPACE INDUSTRY

LANGKAWI, Dec 2 (Bernama) -- The fourth Langkawi International Maritime and Aerospace (LIMA) exhibition took off today with Prime Minister Datuk Seri Dr Mahathir Mohamad expressing optimism of Southeast Asia's aerospace industry growing at the same accelerated pace as the region's economy prior to last July's economic setbacks.

Manufacturing of aircraft and components has advanced a lot since 1991 when the first LIMA -- now the world's largest air and maritime show -- was held in this scenic resort island of legends, he said.

Many Southeast Asian countries were now producing small aircraft and components for big commercial airplanes, he said.

"Offset programmes have contributed much towards this development," Dr Mahathir said opening the LIMA '97 at the Mahsuri International Exhibition Centre here.

His key-note address dwelled on the "Asia-Pacific Region as the New Growth Centre: Challenges and Opportunities for the Aerospace and Maritime Industries".

The Prime Minister said with depreciating currencies now, the region was going to be more attractive for the production of high quality components at lower cost, particularly labour-intensive composite items. --

He said some countries in the Asia-Pacific region were actively negotiating joint ventures to produce regional jets and other commercial aircraft.

"Without doubt, the aerospace industry in this part of the world will be growing at the same accelerated rates as was the economy prior to July 1997," Dr Mahathir said.

He said the anticipated demand for aircraft by Asia-Pacific countries was estimated at one quarter of the 15,000-aircraft requirement of the world or US\$400 billion in value by 2014.

This would create tremendous opportunities for the major aircraft manufacturers, he said.

"It is therefore not surprising that of late aircraft manufacturers have been concentrating their marketing efforts in this part of the world.

"The currency crisis is not going to dampen too much as clearly exciting things are happening," Dr Mahathir said

"And all these things will generate a lot of business for those in the aerospace and maritime industries," he said.

It is expected that several Memorandums of Understanding worth billion of ringgit will be signed during the six-day show.

Dr Mahathir said despite the region's currency depreciation resulting in reduced purchasing power, everyone was convinced that the region's resilience would make the present problem temporary.

He said trading partners have vested interests in Malaysia's and the region's recovery.

"The devaluation of the currencies of the region will make us even more competitive and we expect our earnings to increase and our balance of payment to go into surplus. One way or another the spending capacity will return and will grow.

"We were poor countries before but we have been able to develop ourselves. We should be able to do it again now," he said.

Dr Mahathir believed that growth would return strongly to the Asia-Pacific region, which in the last decade emerged as the fastest

growing area in terms of economic performance and world trade.

With almost two billion diligent and skilful people in Northeast and Southeast Asia, their needs even at the time of recovery would be huge and bigger than ever.

"We have no ambition to make the 21st century the Asian Century. Malaysia has never subscribed to this fanciful dream. But we do believe the 21st Century will be the global century, the century when all the countries of the world will coalesce, when borders will divide countries less and less, when people and goods, technologies and information will move freely between nations and throughout the world," he said.

The Prime Minister said Southeast Asia was also seeing a booming cruising industry with the biggest fleet belonging to a Malaysian company.

While saying that the size and luxury of their ships were comparable to the best in the world, leisure craft were also in demand and interest in sailing and racing sail-boats and speed-boats has increased.

"The Malaysian Challenge will be a world event which should attract some of the best sailors. A round-the-world solo sailing by a Malaysian is also in the offing as is a round-the-world speed attempt by a catamaran," he said.

Dr Mahathir said although LIMA was not a defence exhibition, aerospace and maritime industries could not be separated from air and naval defence.

He said there was no arms race in this region but the fact remained that old equipment needed to be replaced with more modern ones and capacity enhanced as areas of defence responsibility widened.

"There will therefore be a great deal of interest on the part of governments in the region for replacement for their outdated fleets and aerial defence equipment," he said.

Several defence ministers and military personnel from the region are also attending the show.

The Prime Minister said an airshow was always interesting to the ordinary public.

"You never know if a curious young visitor may turn out to be a top executive in a company or government. He may be choosing the aircraft or the ship or the cruise boat for the government or the company," he said.

"Nevertheless there will be many among the young visitors who will be looking at the exhibits with quite a professional interest. So the non-trade visitors will be potential customers also," Dr Mahathir said.

Dr Mahathir thanked the Royal Air Force (RAF) and British Aerospace for bringing the world-renowned Red Arrows aerobatic team to the LIMA show and hoped other manufacturers and air forces would bring their aerobatic teams in the future.

About 10,000 visitors are expected at this year's show, which will be opened to traders until Friday.

The public will be able to visit the exhibition during the weekend.

Lima '97 maritime segment is being held at Tanjung Malai, some six kilometres away from the aerospace site, with four submarines being the main attraction. -- BERNAMA

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