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PM: 4 aerospace firms to merge

THE rationalisation of local aerospace companies into one entity will involve four firms - Aerospace Industries Malaysia Sdn Bhd (AIM), Airod Sdn Bhd, UPECA Engineering Sdn Bhd, and SME Industries Sdn Bhd.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the merger of the four companies will avoid unnecessary overlaps, reduce costs and make Malaysia's aerospace industry more competitive globally.

"We are working on this. We have agreed in principle. It is now a question of evaluating each company and their roles," he said at a press conference in Subang yesterday.

Dr Mahathir earlier witnessed the handing over ceremony of Boeing 757/767 parts manufactured by Airod to ShinMaywa of Japan and rocket booster parts to Macnab Engineering of the US. Airod was also presented with ISO9002 certification from Bureau Veritas Quality International of France.

The Prime Minister said the merged entity will focus its activities on manufacture of components, modification of aircraft, avionics, and repair and maintenance.

The "blueprint for the aerospace industry in Malaysia", which was unveiled at the Langkawi International Maritime and Aerospace exhibition in Langkawi last December, listed 45 recommendations to pilot the industry's lift-off.

One is to "consolidate various light aircraft manufacturing companies into a single entity either through a merger or the formation of a consortium to be called Consortium for Light Aircraft and Systems led preferably by an entrepreneur with expertise in aerospace/aviation".

Another recommendation is for the establishment of a "large consortium to lead Malaysia's entry into systems integration" which will consolidate the nation's investments in large aerospace-related systems such as airport facilities, RMAF weapons systems and Malaysia Airlines flight simulators into a single entity.

Asked why Composites Technology Research Malaysia (CTRM) Sdn Bhd, which has designed and manufactured Malaysia's first composites-based aircraft, is not included in the consortium, Dr Mahathir said: "CTRM is doing things on its own at the moment. They are specialised in composites, so at the moment we will leave them out."

In his speech earlier, Dr Mahathir praised Airod president Tan Sri Ahmad Johan's efforts in making the company a success and hoped that he would lead the rationalisation of the aerospace industry.

Airod's success in handing over the first batch of locally manufactured parts for use in Boeing 757/767 aircraft and space rockets has already attracted interest from other industry players.

"We have received many enquiries from the US and Europe. In today's ceremony we have representatives from Asahi Aerospace Japan who have indicated interest in having us manufacture components for the Boeing 777," Ahmad said.

He said UPECA Engineering, a local high precision engineering company, has also received orders for various non-aerospace components for 1999 amounting to about RM15 million per year.

Airod is Malaysia's premier aerospace maintenance and modification facility providing support to military and commercial aircraft, engines, aerocomponents and avionics. Its main customers are the Royal Malaysian

Air Force and the US Air Force.

The ISO9002 certification it received yesterday was for provision of aircraft maintenance and modification, overhaul and rectification of aircraft engines, engine components and aircraft components.

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