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AIM to lead proposed aerospace consortium

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AEROSPACE Industries of Malaysia Sdn Bhd (AIM) has been appointed lead-company of the proposed consortium that will spur greater growth in the country's aerospace industry.

Announcing this to reporters after the signing of a RM35 million contract between the Government and Airod Sdn Bhd in Subang yesterday, Defence Minister Datuk Abang Abu Bakar Mustapha also listed out four new components of the consortium.

They are SME Industries Sdn Bhd, Airod Sdn Bhd, Composite Technology Research Malaysia (CTRM), Aerospace Technology Systems Corp Sdn Bhd and Aerospace Resources Malaysia Sdn Bhd.

However, Abang Abu Bakar said the proposed consortium has yet to begin activities and was still waiting for CTRM to say whether it would join the group.

Last year, Prime Minister Datuk Seri Dr Mahathir Mohamad announced that Airod would spearhead the proposed consortium comprising three other components namely AIM, SME Industries and UPECA Engineering, a local high precision engineering company.

Abu Bakar's announcement yesterday came as a surprise, especially with the inclusion of CTRM into the consortium.

In November last year, the Prime Minister had said that CTRM was not included in the consortium as the company is "doing things on its own at the moment".

Clarifying on the matter, AIM and Airod president Tan Sri Ahmad Johan said CTRM has been given the option to join the group.

"There is no specific deadline given. It is up to CTRM whether to join us or not. We have extended our invitation. Let them decide," he said.

On the reason for choosing AIM to spearhead the proposed consortium, Ahmad Johan said the company represents most of the activities outlined under the aerospace industries.

For example, he said SME Industries has subsidiaries with various types of activities. These include manufacturing of aircraft, research and development, as well as producing aircraft components.

The "blueprint for the aerospace industry in Malaysia", which was unveiled at the Langkawi International Maritime and Aerospace exhibition in Langkawi in December 1997, 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.

Earlier in his speech, Abang Abu Bakar said a proposed merger of aerospace companies under one entity or a consortium is in tandem with the present world's phenomena.

"We already saw the merger of major aviation companies such as Boeing Co with McDonnell Douglas.

"So, the Government agreed to the proposal to merge companies with

government interest so that they can be self reliant and able to compete globally," he said.

Noting that such restructuring exercise as a smart partnership between the Government and private sector, Abang Abu Bakar said this will provide benefits for both the public and private sectors.

He praised AIM for being able to excel not only in maintenance services but in other fields, including manufacturing.

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