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No holding back LIMA

FOR obvious reasons, America's Thunderbirds aerobatics team and Britain's Red Arrows could not make it to Langkawi this year. Always a top draw at previous Langkawi International Maritime and Aerospace (LIMA) exhibitions, they were missed. Then again, for the throng of visitors maybe not that much, thanks to the impressive show put up by the Royal Malaysian Air Force (RMAF); which was arranged at short notice too. The RMAF pilots even drew praise for their complex formations and manoeuvres from no less than the chief of the US Pacific Command, Air Force Gen William J. Begert. The Malaysians were also well supported by Russian and South African displays.

On the ground, the buzz was no less intense with some 300 companies from 26 countries participating in the aerospace segment of LIMA 2001 alone. Another 250 companies are showcasing their maritime products. Although this is far fewer than in previous LIMAs, virtually all of the exhibition space allocated was taken up. In any case, the number of participating companies is no real measure of the strong response to the ongoing exhibition. As has been pointed out, the industry has seen many mergers among major players since 1999. There is of course also the slowdown in the US economy, which was apparent even before the September 11 attacks on New York and Washington.

First held in 1991, the biennial LIMA is undoubtedly a success story all of its own, an event that has come to be deeply etched in the international calendar of like exhibitions. In the process, Langkawi has been transformed into a top-rate tourist, exhibition and conference destination known across the globe, bringing progress and opportunities like never before to the local people. But it is through LIMA's spin-off effects on the rest of the country's economy that the exhibition series has come truly into its own. Already, Malaysia has the capability to design and manufacture a wide range of aircraft parts under sub-contract from the industry majors, and local companies have also ventured into high-tech areas like systems integration and simulator development.

"We encourage vendor development or joint venture with Malaysian companies in the manufacture, design and even research and development of original equipment manufacturer projects or of completely new products," Prime Minister Datuk Seri Dr Mahathir Mohamad said at the opening of LIMA 2001 yesterday. The Eagle X-TS, the first Malaysian-made Unmanned Aerial Vehicle, is but one example of the potential of such partnerships. It is manufactured by Composites Technology Research Malaysia while the electronics and associated systems are supplied by BAE Systems. There have also been substantial transfers of technology effected through "offset programmes" incorporated into agreements by Malaysia when purchasing military aircraft and ancillary systems, for example.

LIMA also features the latest in civilian aerospace gear, but it is the defence products that have tended to draw a bigger number of exhibitors and bigger crowds. Like it or not, defence is a big industry, and it can only get bigger in the wake of events following the terrorist attacks on the US last month. For example, Britain sells an average of STG5 billion worth of defence equipment each year, making it the world's second largest supplier of such goods. This is why the country has maintained a strong presence at LIMA since the very first exhibition. And while Malaysia is not about to help promote a global arms race, it is realistic enough to recognise that it is big business. Apart from being an opportunity to see

to the country's own defence needs, LIMA has also seen Malaysian companies developed the capacity and capability to provide products and services that could meet the requirements of its neighbours, if not more developed countries further away. In the previous LIMA in 1999, which was held just when the region was emerging from the Asian financial crisis, some RM300 million in sales were concluded. There is no betting against the figure at least being matched this year.

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