

# New policy on defence contracts for local firms

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LUMUT, Mon. — The Cabinet has approved a new policy of awarding contracts to local companies involved in building ships, vehicles, small arms, maintenance of aircraft and providing other defence supplies.

Defence Minister Datuk Seri Mohd Najib Razak said such contracts would be awarded for five years and could be extended for another five.

He said the Government, to stimulate the local defence industry, was also looking into introducing a new procurement policy.

“We want foreigners to buy our defence products if we are to have trade with them,” he said after attending the Royal Malaysian Navy Hari Raya Open House at the base here today.

Also present were Defence Forces chief Jen Tan Sri Mohd Zahidi Zainuddin, RMN chief Laksamana Pertama Tan Sri Abu Bakar Jamal, Lumut RMN fleet operations commander Laksamana Madya Datuk Ilyas Din, Royal Malaysian Air Force chief Jen Datuk Sulaiman Mahmud and Army chief Jen Datuk Seri Md Hashim Hussein.

Najib said the Government had also awarded a contract to PSC Naval Dockyard to build a yacht to train youths and RMN staff.

The RMN, said Najib, was studying the technical specifications like whether to have three or four masts before the yacht is built.

It is also subject to financial negotiations with PSC, he said.

Najib said Prime Minister Datuk Seri Dr Mahathir Mohamad mooted the idea of building the yacht to train youths and RMN sailors in basic navy work.

He said the yacht, about 100 metres long and about 2,500 tonnes in weight, will have the capability to sail around the world and could accommodate 100.

Work is expected to begin this year and the yacht is scheduled for completion in 18 months.

Najib said the yacht will allow youths to be adventurous and they will gain invaluable sailing experience.

Besides gaining knowledge of the sea, a stint on the yacht will also help build leadership qualities.