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Composite-R&D
COMPOSITE TECHNOLOGY EARMARKS RM2 MLN FOR R&D

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KUALA LUMPUR, April 15 (Bernama) - Composite Technology Research Malaysia Sdn Bhd (CTRM), a wholly-owned Government of Malaysia company set up in November 1990 to spearhead Malaysia's entry into the strategic high-technology industries of aerospace and industrial composites, plans to focus more strongly on research and development (R&D) in order to propel its operations to a higher plane of growth and development.

A branchchild of the Prime Minister, Datuk Seri Dr Mahathir Mohamad, CTRM has decided to spend RM2 million in R&D under its current annual budget.

Its newly-appointed chairman Tan Sri Dr Ahmad Zaharudin Idris said the company had planned to invest five percent of its total turnover in R&D to raise its operating capacity by collaborating with local universities and institutions.

"It may not be a large amount (RM 2 million) but in terms of percentage it is respectable: it will help to improve our national R&D stature," he said.

CTRM wants to play a greater role in R&D by increasing its design capability and looks forward to training more Malaysians in aerospace and composites technology," he told Bernama in a recent interview at CTRM's main production facility in Batu Berendam, Melaka.

Dr Ahmad, who is also the Science Advisor to the Prime Minister, said that, in the long run, CTRM would contribute to the expansion of Malaysia's range of manufacturing industries and the export of the country's goods and services.

"Besides the investment in R&D, there are other strategic and basic investments that we have to make and continuously participate in, like the so-called Airbus project under which CTRM is required to produce and supply panels of leading-edge and trailing edge equipment to the Airbus aeroplane production company of Europe," he added.

Explaining the role of CTRM, he said the company is a research company which is evident from its registered name.

However, this is an unique case of a research company which has turned into a manufacturing company: however, according to Dr Ahmad, "the research element was lost to the public".

The company needs to build a young team which has a passion for the aerospace industry.

As such, the company has another crucial role to assume, namely to build the team spirit among CTRM and its subsidiaries and thereafter create interest among the people to enhance the market.

For a start, Dr Ahmad said CTRM needs to promote the general use of small aircraft among Malaysians, because in countries like the US it is quite common for businessmen to use private aircraft to fly to the smaller cities for meetings.

With the advancement of the general aviation industry worldwide and the further economic development of Asia, CTRM stands well-poised to tap the "flying culture" market.

"CTRM wants to contribute to the growth of the aerospace industry not only in Malaysia but also in the region." Dr Ahmad emphasised.

He said the company's newly-built Lancair Columbia 300 light aircraft, which is fully certified by the Federal Aviation Administration (FAA) of the US, would be used to create greater awareness about the importance of general aviation in Malaysia.

"We are studying how we can increase the performance of Malaysian companies through Lancair," he said.

"We are also looking forward to bringing in some new technologies and manufacturing activities here (Malaysia)."

Asked on the restructuring exercise that the company completed recently, Dr Ahmad said it was a re-generation process to overcome weaknesses, to find new strategic partners, to build upon strengths and to clinch new business contracts.

To a question whether the restructuring exercise would entail any capital injection, he said: "We need a capital injection since we need to continue with some projects like the Airbus business. We need to borrow at a reasonable (interest rate) and relate it to the earning potential."

Dr Ahmad added that CTRM was aiming to turn around in three years "as the aerospace industry requires a longer gestation period on investments".

On the outlook for the industry, he said CTRM that was aiming to become a global player in the aerospace sector and to remain competitive.

Dr Ahmad stressed that CTRM's main challenge was to be able to design and manufacture products and services according to the stringent standards of the aviation industry,.

CTRM has four related companies namely Excelnet Sdn Bhd (identified as the leading aerospace design centre in the region and an associate company of CTRM), Eagle Aircraft (M) Sdn Bhd (the maker of light aircraft like the Eagle airborne reconnaissance vehicle or ARV - produced in Malaysia and developed for the Malaysian armed forces), Aero-Composites Technologies Sdn Bhd and the Lancair company.

CTRM is 90 percent owned by the Ministry of Finance and 10 percent by Petronas.

Since its inception in 1991, CTRM has scored many firsts including the production of the twin-seater Eagle 150B aircraft.

It is the only company to achieve a quality design approval from BAE Systems (a UK-based global systems, defence and aerospace company) in the ASEAN region and the first to win a "design and build" turnkey aerospace contract from BAE Systems for the latter company's Nimrod MRA4 airstairs.

The Eagle ARV which was presented to Ministry of Defence Malaysia last week was developed by CTRM within a record time of seven months.

CTRM is also optimistic that it will play a part in the Airbus A380 design and build programme.

The Airbus A380 is scheduled to enter commercial service in early 2006.

Over the next five years, CTRM is projecting an annual growth of 15 to 20 percent with its order book worth some RM250 million as at end-January this year. -- BERNAMA

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