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Enhancing defence capabilities

WHILE the dazzling aerobatics of air force pilots may have caught the eye at the seventh Langkawi International Maritime and Aerospace (Lima) exhibition, what is more important is the role that Lima has been playing in the development of Malaysia's defence industry and its aspirations to become, in the words of the Prime Minister, a "regional hub for manufacturing and marketing activities in civil and military aerospace products".

Datuk Seri Dr Mahathir Mohamad is happy with the spinoffs from Lima over the past 12 years because Malaysian companies now have the ability to manufacture where they previously did not. He pointed out, for example, that the Business Focus Group "has progressed from building a lousy little boat to building warships, frigates and offshore patrol vessels". Its subsidiary, PSC-Naval Dockyard, was awarded a RM5.35 billion contract in 1998 to supply six offshore patrol vessels to the navy. Other success stories include Airod, Composites Technology Research Malaysia (CTRM) and Sapura.

These have been some of the fruits of a conscious policy which has allowed the country to secure important countertrade, offset and technology transfer arms deals with foreign countries in order to reduce the country's reliance on imports for defence procurement. The Malaysian Defence Industry Council which was established in 1999 has been working towards making the country more self-reliant in meeting our defence needs.

While there have been impressive gains, more needs to be done if we are to progress from being a mere purchaser to a producer of defence equipment. We have developed a high degree of capability in providing maintenance and logistical support but are still dependent on foreign contractors in high technology areas. The number of companies that have progressed into designing and manufacturing original defence equipment is still too small and our R&D capabilities still too limited. This should be overcome. We should at least be able to produce enough small arms for both military and civil uses.

Admittedly, as a small developing country, we can never be completely self-sufficient and will need to continue to purchase a lot of our defence equipment abroad. Moving from the licensed production of foreign military equipment to designing and producing our own is not as easy as it looks. Nevertheless, bilateral defence arrangements should be negotiated with a view to ensuring the effective transfer of technology from foreign vendors to the local defence industry. Russia, for example, has been unusually amenable to technology sharing. Rather than focusing on high-technology areas, we should also perhaps look at the niches that can be created from more middle-of-the-road technologies. Local defence companies should also not rely exclusively on the armed forces and police. They should set their sights on foreign markets and take part in defence exhibitions overseas to introduce and market their products to the world.

It would not be impossible that sometime in the future, Malaysia would be entering fields in the defence industry that were once considered beyond us. Given the progress that we have made so far, it would certainly not be beyond our capability to establish ourselves at least as a major regional military maintenance and servicing centre.