

Speech for Opening Ceremony of the 15th Langkawi International Maritime and Aerospace Exhibition (LIMA'19)

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(MIEC), LANGKAWI

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1. First of all I would like to welcome everyone to the beautiful island of Langkawi. The Langkawi International Maritime and Aerospace Exhibition (LIMA) started in 1991 and since then it continued to be hosted here.

2. As the Member of Parliament for Langkawi, it is indeed with pride that I witness this edition of LIMA still attracting international maritime and aerospace players and businesses from all corners of the globe.

3. The 15th edition of LIMA brings back memories of the momentous 1991 edition when I launched the 1st Blueprint for the Development of the Aerospace Industry in Malaysia.

4. It was a bold move for some and baby steps for others. But looking at what we have before us the development of the aerospace industry today, it was a necessary move to ensure that Malaysia kept up with the catalytic and rapidly growing industry.

5. Today, LIMA has gained prominence as the leading Maritime and Aerospace exhibition in the Asia Pacific area. I would like to congratulate

the Ministry of Defence (MINDEF), Ministry of Transport (MOT) and EN Projects Sdn. Bhd. as the co-organiser of LIMA`19 for making it an event worthy of international attention.

6. I was informed that LIMA`19 will be hosting business delegations from 31 nations and a total of 390 defence and commercial companies. 195 international businesses will be displaying their products and services throughout the 5 days of LIMA`19. Some 42,000 trade visitors are expected to converge at LIMA`19, not only to see the latest products and services offered by the exhibitors, but also to explore business potential particularly with Malaysia-based companies.

7. LIMA`19 comprises 60% defence and 40% commercial contents. In this regard, MINDEF and MOT are being supported by the Ministry of International Trade & Industry (MITI) and its agencies in organising industry seminars, business meetings and talks to promote business engagements and to highlight Government initiatives on industry development and trade facilitation.

8. I would like to express my gratitude to the Malaysian Armed Forces; MITI through National Aerospace Industry Coordinating Office (NAICO), Malaysia External Trade Development Corporation (MATRADE) and Malaysian Investment Development Authority (MIDA); the Ministry of Home Affairs and the Ministry of Finance for their support and contribution towards LIMA`19.

9. I am happy to note that the more than 119,000 square metres of indoor and outdoor exhibition space at the MIEC and Resorts World Langkawi are fully taken up by local and international exhibitors. LIMA`19 is hosting more than 300 defence and security delegations, 98 aircrafts, 43

visiting warships & maritime assets as well as 400 local & foreign journalists.

10. Expenditures on both defence and commercial sectors are expected to increase based on the rising demands for security, defence and commercial needs. In 2018, the defence expenditures for Southeast Asia were estimated to be more than USD35 billion. As for the commercial sectors, the expansion of Low-Cost-Carrier businesses in Southeast Asia had accelerated the activities for aerospace manufacturing, MRO (Maintenance, Repair & Overhaul) and training and the travel and tourism industries.

11. The original equipment manufacturers (OEMs) are forecasting that by 2037, more than 4,200 new aircrafts valued at USD650 billion will be delivered to this region.

12. Under the 2019 Budget, Malaysia has allocated a total of RM5.9 billion for the security sector which covers defence, public order and enforcement. The investment in the security sector will involve equipping the Armed Forces with the state-of-the-art technologies and weaponries. Modern security threats require Malaysia and other countries to continue to upgrade and modernise their strategic assets.

13. We plan to make Malaysia the leading aerospace nation in South East Asia and an integral part of the global market. This is spelt out under the Malaysia Aerospace Industry Blueprint 2030. To achieve it, MITI through the National Aerospace Industry Coordinating Office has implemented various aerospace industry development initiatives covering industry facilitation, local supply chain development, competency development, Research & Technology (R&T), international collaboration and human capital development. As of today 19 key initiatives of the Blueprint are

being implemented by the National Aerospace Industry Coordinating Office.

14. In 2018, the Malaysian Aerospace Industry saw positive developments particularly in the aerospace manufacturing and MRO (Maintenance, Repair & Overhaul) business. The industry secured RM14.4 billion revenue with 24,500 highly skilled workers serving the industry. The aerospace manufacturing sector continues to lead the industry with 48% market share while MRO captured 46% of it.

15. In the global arena, Malaysia is known for its quality aerospace products produced for global aerospace leaders such as Airbus, Boeing, Rolls-Royce, Safran, Honeywell and Thales. Aerospace parts and components produced in Malaysia include Fan Cowl by Composites Technology Research Malaysia (CTRM), Aircraft Doors by Spirit AeroSystems, Fan Casing by UMW Aerospace, Carbon Brakes by Safran Landing Systems, Avionics System by Honeywell Aerospace Avionics and Aileron by Aerospace Composites Malaysia (ACM). Some of these products are being showcased throughout LIMA`19 to highlight Malaysia's capabilities in producing world class aerospace products. LIMA`19 should serve as the place for global players to search for local suppliers involved in the export of aerospace products.

16. Last year, the total export of aircraft and associated equipment and parts was valued at RM8.48 billion, an increase of 20.7% compared with 2017. Export destinations included the United States of America (USA), Singapore, United Kingdom, China and France.

17. Trade missions conducted by the Malaysia External Trade Development Corporation (MATRADE) is the main platform to promote Malaysia-based suppliers to global players.

18. It is forecasted that our aerospace industry will continue to expand as 11 new aerospace investment projects worth RM 816.3 million were approved in 2018 and expected to generate more than 1,500 employment opportunities. The Malaysian Investment Development Authority (MIDA) will continue to play a critical role in attracting more aerospace investments to Malaysia.

19. The Shipbuilding and Ship Repair (SBSR) in Malaysia is a subset of the marine industry. The industry is currently employing over 15,000 people. Last year, the SBSR industry recorded an export value of RM1.29 billion, an increase of 20.3% compared with 2017. Our main exports under this sector are ships, boats and floating structures which included among others light vessels, dredgers, floating docks and cargo ships. These products are exported to various destinations namely Thailand, Australia, Nigeria, USA and Indonesia.

20. Apart from shipbuilding and repair activities, Malaysia is also known for training and education services. In expanding the SBSR business, Malaysia shall look at other opportunities in the industry particularly ship designing; parts and components manufacturing; system integration; and other marine equipment production.

21. As a business friendly nation, Malaysia welcomes business delegations to explore opportunities to collaborate with Malaysian companies. The Government will continue to facilitate investment projects and business partnerships as well as providing business platforms for the aerospace and maritime industries.

22. The Ministry of Defence Malaysia is in the midst of preparing its first ever Defence White Paper. It is aimed at informing the public on its priorities and future plans to bolster defence and security of the country. It

sets out the Government's expectations for Defence in the coming decades. The White Paper reflects the Government's commitment to a more regular cycle of defence policy updates.

23. The Defence White Paper is a significant contribution to the Malaysian defence landscape for several reasons. It represents a strategic outlook on defence. The Paper is also a preview of the core elements of the country's defence strategy which listed the strategic interests of national defence and security, the framework within which defence and security issues exist, the various tools and approaches used to bridge many interests as well as conceptualising the ideal roles of the military as well as the various government agencies.

24. As a comprehensive, responsible long term plan for Malaysia's defence, the Paper reiterates the need to develop an indigenous knowledge, research and technology based defence industry to support the Malaysian Armed Forces. The objective of achieving this vision is driven by key defence policy attributes, namely; to develop and enhance the local defence industrial capabilities; to achieve self-reliance in defence technology; and to prepare for global competition in selected niche areas strategy.

25. Therefore, the introduction of the Defence White Paper is indeed timely. LIMA re-emphasises the contribution of the defence industry to socio-economic development of the country. As a spin off to other sectors of the economy, a strong and credible defence industry further reinforces the two main pillars of national security – economic well-being and political stability. We will continue to encourage local defence firms to collaborate strategically and manufacture hardware locally.

26. This principle will continue to be the focal point of our deliberations in this edition of LIMA. Events like LIMA should also remind everyone that the defence industry too answers to a higher calling – the national agenda.

27. Let me once again thank everyone for joining us in Langkawi for this edition of LIMA. Some are familiar faces as they are repeat and regular participants of earlier editions of LIMA and thank you for being loyal. But for those who are here for the first time, please avail yourselves of the hospitality of our Island. I am sure you will find your stay memorable and like the others before you, I am sure this visit will be the first of many.

28. On that note, it gives me great pleasure to announce the 15th Langkawi International Maritime and Aerospace Exhibition officially open.
Thank You

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