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(PRIME MINISTER)

EVENT: THE OPENING OF THE LANGKAWI INTERNATIONAL MARITIME
AND AEROSPACE EXHIBITION 1993

VENUE: LANGKAWI, KEDAH

DATE: 07 DEC 1993

TIME:

On behalf of all Malaysians, I wish everyone a warm 'Selamat Datang' to the Islands of Langkawi, the isles of many legends, and, in particular, to the Langkawi International Maritime and Aerospace Exhibition (LIMA), 1993. I hope you managed to get a glimpse of our rich cultural heritage in the welcoming ceremony you just witnessed. For those who were here for the inaugural exhibition of LIMA '91, I am sure you will have noticed the many infrastructural changes which have been made. This is to ensure that your stay here will be more comfortable.

2. Langkawi is centrally located within the growth triangle recently formed by the northern states and provinces of Malaysia and Indonesia, with the southern provinces of Thailand. With this growth triangle concept, it is anticipated that the region will gain importance, not only as an attractive tourist destination, but also as a vital investment location. An international level exhibition such as LIMA is both apt and timely. The Government hopes that more international events will be staged here in Langkawi, especially at this new International Exhibition and Convention Centre.

3. Although most of the world saw recessionary trends in the last few years, the economies of East Asian nations -- particularly those in Southeast Asia -- continue to show dynamic growth. Malaysia is at the heart of this growing region and has developed a strong manufacturing base during the last five years. The Malaysian economy has moved away from its traditional reliance on the export of raw materials to the export of manufactured goods. Malaysia is also moving away from labour - intensive to capital and technology-intensive industries.

4. With this solid 'hi-tech' and engineering background, Malaysia is proud to step into the aerospace industry. When LIMA '91 was held it stimulated a lot of interest and awareness among Malaysians and foreign industrialists of the potential that exists in the aerospace industry, especially in the Asia Pacific region. This industry is associated with high technology which we are anxious to acquire in

order to bring the nation to a higher level of technological advancement and international competitiveness.

5. This time, two years after LIMA '91, a Malaysian company, Composite Technology Research Malaysia (CTRM), announced its participation in the production of the Eagle X-TS, a light all-composite aircraft, in partnership with an Australian company. As of May 28 this year, Malaysia took over the whole company. The first production model of the Eagle rolled out of the Australian facility in Perth last October. Today, it is being displayed for the first time in Malaysia. Plans are now in hand to manufacture the aircraft entirely in Malaysia. The Eagle project is one of the bold steps that we are taking into the world of composite technology. Eagle Aircraft (Malaysia) Sdn Berhad has also secured firm orders for six aircraft from its first customer, the Conservation and Land Management Authority of Western Australia. The Eagle is suited for leisure flying and for surveillance work.

6. This year, Malaysia became involved in two other aircraft manufacturing projects. I am pleased to announce that the German-designed Dornier Seastar CD2, a twin-engined fourteen-seater, amphibious aircraft is scheduled for manufacture in Penang next year. Aerospace Industries Malaysia (AIM) is leading a consortium of companies to produce the Seastar entirely in Malaysia. This aircraft has enormous scope for sales in the Asia-Pacific region, being useful both for maritime patrols, search and rescue missions, as well as for lake and island resorts.

7. A third project is the production of the Swiss-designed Datwyler MD3-160 two-seater aerobatic trainer aircraft. SME Aerospace will be producing these low-cost trainers, and we expect to see the first Malaysian-produced MD3s flying before the end of next year. There is a demand for this category of aircraft world-wide and SME Aerospace hopes to secure a market niche.

8. In manufacturing these three aircraft, we have embarked on new areas of technology with very stringent quality requirements. The demands of the aerospace industry also require that the Malaysian workforce be extremely conscious of quality in the whole production process. We believe we have the necessary work ethics and skills for this kind of industry.

9. These are undoubtedly small beginnings. But then the U.S. entered the aerospace industry with the Kitty Hawk, an aircraft that is even more primitive than the three aircraft I have mentioned. In a century's time we may have our Boeing and McDonnell Douglas counterpart, God willing. But a beginning has to be made. And three small aircraft make a good beginning, modest though they may be.

10. In conjunction with its efforts to promote composite

product manufacturing in Malaysia, the Government has approved a Composite Manufacturing Zone (CMZ) in Malacca. The CMZ, among other things, will house:

- an aerospace industries centre, with Eagle Aircraft Malaysia taking the lead;
- a non-aerospace products manufacturing centre, with Talon Malaysia as a key tenant manufacturing hockey sticks from composite materials; and
- an advanced composites laboratory to provide research backup for companies located in the CMZ.

11. We look forward to having more companies, both local and foreign, joining us at the CMZ. Composites, as you are well aware, could be used in the manufacture of many sporting items, marine vessels, fittings for trains and vehicles and all containers where payload and strength are major considerations. Of course more and more composite materials are being used in both commercial and military aircraft. Up till now a great deal of manual work is required. And Malaysia's low-cost highly- skilled workers are a great asset in manufacturing with composites.

12. Malaysia is also developing its own maritime industries. We have already built freighters and ferry boats. The naval dockyard at Lumut, which was corporatised two years ago, will be a new entrant into the shipbuilding industry. It will be involved in the construction of patrol vessels for the Royal Malaysian Navy in collaboration with foreign shipbuilding companies. Local industries involved in the manufacture and supply of shipboard equipment and systems will be able to participate and benefit from the transfer of its technology. The Ministry of International Trade and Industry will spearhead a vendor development programme for small and medium scale industries to support the patrol vessel project, just as it did for the national car project.

13. There is also a great deal of potential in the construction of pleasure craft. During LIMA '91, almost all the pleasure boats exhibited were sold by the end of the exhibition. The growing affluence of Malaysia and its neighbours will undoubtedly create a demand for such craft. I would like to urge local and foreign entrepreneurs to look into the possibility of developing Malaysia as the regional centre for the production of such craft. With more such craft in local waters there will be increasing needs for marinas and boat maintenance facilities. Quite a number are being built now, but I believe more will be needed soon.

14. In order to meet the demands of industrialisation and new technologies, changes will be made to the education policy and new courses will be offered by the institutions of higher learning, government and private sectors.

15. The government spares no effort to provide all the necessary support facilities to the private sector keen to

invest in high technology ventures. The hi-tech park being developed in Kulim, Kedah and the CMZ in Malacca are just two examples of this effort. The Malaysian Government as you can see responds quickly to the needs of investors.

16. I would like to point out once again that the Langkawi International Maritime and Aerospace Exhibition is not just another aerospace or maritime show. It is true that almost every country in Asia now holds such exhibitions. But LIMA is still relevant and special because it is held in a region with the fastest growing economy. People in this region are now more affluent and are not only travelling more but are actually beginning to regard ownership of private jets and luxury boats as essential for business and for pleasure.

17. At LIMA, exhibitors will have the maximum time to display and demonstrate the capabilities of their products to the people who matter. The site of this exhibition permits full aerobatics as we are not hampered by the operational needs of a busy commercial airport, by densely-populated population centres or by crowded harbours.

18. LIMA '93 is more than twice as big as LIMA '91, the first aerospace and maritime exhibition in Langkawi. This in itself is evidence of its recognition and relevance. But in addition, the seminars on aviation held in conjunction, is topical and relevant to the expanding air travel industry in the region and the world.

19. Besides, Langkawi is a wonderful place for both work and play. Less than 10 years ago there were only about 30,000 visitors to these islands. Last year more than a million visitors came, some 30 percent of whom were from outside Malaysia. So your business visit in 1993 should be followed by vacations on these islands in the future. You will find that LIMA has introduced you to more than just an aerospace or maritime show.

20. The series of LIMA exhibitions that we plan to stage is also aimed at challenging Malaysians to respond and be pro-active to the demands of a technology-driven world. Malaysia cannot afford to be left behind. In a competitive world there can be no complacency. Alertness and a willingness to venture into new fields are the prerequisites of merely staying abreast.

21. I would like to thank all exhibitors and guests who have come from far and near to support LIMA '93. I am confident that the business contacts they will make in the course of their participation in LIMA '93 will be most worthwhile.

22. It now gives me great pleasure to declare LIMA '93 open.

