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The Prime Minister Of Malaysia

EVENT: At The Opening Of The Langkawi International Maritime And Aerospace Exhibition 1997

VENUE: At Langkawi

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Asia-Pacific Region As The New Growth Centre: Challenges and Opportunities For The Aerospace and Maritime Industries'

I feel honoured and privileged to be here this morning among the distinguished guests and exhibitors to the Fourth Langkawi International Maritime and Aerospace Exhibition 1997 or LIMA '97. The presence of so many distinguished personalities and the participation of a record number of companies from the maritime and aerospace industries of many countries bears testimony to the fact that LIMA exhibition has gained international recognition as an important biennial event in the aerospace industries in the Asia-Pacific region. Malaysia is proud of this recognition and with your continued support, LIMA exhibition would continue to serve as a significant platform to highlight Malaysia's role as a gateway to the vast markets of the growing economies of countries in this part of the world.

2. Since we started this exhibition in 1991, much progress has been made in its quality and size, its organisation and the provision of related infrastructural facilities. This year the exhibition hall is three times bigger than 1995 and has become the biggest exhibition hall in Malaysia. The Langkawi airport runway has been extended to take the biggest aircraft. In addition the maritime section has a new deep-water anchorage and jetty as well as the biggest exhibition covered space. There is a bigger participation in terms of naval as well as leisure crafts, while some 230 companies are participating and exhibiting their products. With two conferences on maritime and aerospace matters, LIMA's role in promoting the aerospace and maritime industries and the marketing of products in this booming region has been greatly enhanced. Exhibitors know that their business have benefitted greatly from their participation in LIMA in the past.

3. Most exhibitors and trade visitors know that Malaysia is strategically located and our infrastructural facilities are well developed. We can certainly become the gateway to the region. For a maritime and aerospace exhibition Langkawi is ideal as it is not too busy, is not in a built-up area and endowed with many natural attributes including deep anchorage and a salubrious climate. There is time and space for almost unlimited aerial displays.

4. In the last few months a number of South-East Asian countries have been facing two major problems, the first being the environmental problem due to the haze and the second, the depreciation of their currencies. The haze has now cleared, and does not constitute a hazard to flying anymore. The devaluation of the currencies of the countries of the region has

resulted in a reduction in purchasing power. But everyone is convinced that the region's resilience will make the present problem temporary.

5. Malaysia is perhaps more fortunate as it has very strong fundamentals. We have put in place the necessary reforms and strategies to facilitate recovery. Our trading partners have a vested interest in Malaysia's and the region's recovery. We buy a huge amount of capital goods and products, including of course aircrafts and ships, in order to meet the needs of our industries, freight and passenger transports and more and more those of the growing leisure industry. The devaluation of the currencies of the region will make us even more competitive and we expect our earnings to increase and our balance of payment to go into surplus. One way or another the spending capacity will return and will grow. We were poor countries before but we have been able to develop ourselves. We should be able to do it again now.

6. In the last decade, the Asia Pacific region has emerged as the fastest growing area measured in terms of economic performance and world trade. This growth will return strongly. With almost two billion diligent and skilful people in North East and South East Asia, their needs even at the time of recovery will be huge. With the expected recovery it will be bigger than ever.

7. We have no ambition to make the 21st century the Asian Century. Malaysia has never subscribed to this fanciful dream. But we do believe the 21st Century will be the global century, the century when all the countries of the world will coalesce, when borders will divide countries less and less, when people and goods, technologies and information will move freely between nations and throughout the world.

8. Travelling long distances will be as common as our going to market today. We have made much progress towards this of course. Today huge aircrafts move huge numbers of people and freight from and to every corner of the earth. MAS, our national airline which started as a domestic carrier 50 years ago using 6 passenger Air-speed Consuls, now flies to every continent except the Arctic and the Antarctic, using Airbuses, 747 and 777. Other airlines in the region are among the biggest users of long-haul large aircrafts. Today these South East Asian airlines specify the aircraft they intend to use for their non-stop flights to Europe and America. It should not be too long before we can fly non-stop from Kuala Lumpur or even Langkawi to Los Angeles, and New York, in aircrafts with fully-reclining sleeperettes at very high altitudes.

9. In South East Asia now we are seeing a booming cruising industry with the biggest fleet belonging to a Malaysian company. The size and luxury of their ships are comparable to the best in the world. Leisure crafts are also in demand and interest in sailing and racing sail-boats and speed-boats has increased.

10. The Malaysian Challenge will be a world event which should attract some of the best sailors. A round the world solo sailing by a Malaysian is also in the offing as is a round the world speed attempt by a catamaran.

11. Clearly exciting things are happening which a currency crisis is not going to dampen too much. And all these things will generate a lot of

business for those in the aerospace and maritime industries.

12. Manufacturing of aircrafts and components has advanced a lot since LIMA 91, the first LIMA. Many of the countries of South East Asia are now producing small aircrafts and components for the big commercial aircrafts. Offset programmes have contributed much towards this development. Since the fall in currency values the region is going to be more attractive for the production of high quality components at lower cost, particularly labour intensive composite items. Some countries in the Asia-Pacific region are actively negotiating joint ventures to produce regional jets and other commercial aircrafts. Without doubt the aerospace industry in this part of the world will be growing at the same accelerated rates as was the economy prior to July 1997.

13. The anticipated demand for aircrafts by Asia Pacific countries is estimated at one quarter of the 15,000 aircraft requirement of the world or US\$400 billion in value by 2014. Needless to say this creates tremendous opportunities for the major aircraft manufacturers. It is therefore not surprising that of late aircraft manufacturers have been concentrating their marketing efforts in this part of the world.

14. Although this is not a defence exhibition, aerospace and maritime industries cannot be separated from air and naval defence. At this exhibition there will be military aircrafts as well as naval ships. There is no arms race in this region but the fact remains that old equipments need to be replaced with more modern ones and capacity enhanced as areas of defence responsibility widens. There will therefore be a great deal of interest on the part of Governments in the region for replacements for their outdated fleets and aerial defence equipment. I believe quite a number of defence ministers and military personnel from the countries in this region are present for this show.

15. They will not be interested only in buying. They will want to acquire some manufacturing capability. I am sure all exhibitors know this but those with the most innovative ideas and willingness to transfer technology will find a lot of advantage. Obviously some will win while many will lose. But that is the way it is. There is no way for everyone to win. I am sure you will not lose heart. There will always be another day and another opportunity. Exhibiting is costly but the defence business is a costly business for the Governments. They will want to get the best bargains. They cannot be travelling all over the world to inspect, even if these trips are expense-paid. LIMA provide a good overall view of the equipments they will be interested in.

16. An aerospace and maritime exhibition is essentially a trade show. Exhibitors are not here to entertain people. But an airshow is always interesting to the ordinary public. You never know if a curious young visitor may not turn out to be a top executive in a company or government. He may be choosing the aircraft or the ship or the cruise boat for the government or the company. He may even be an exhibitor at this airshow in the future. So we have provided for his entertainment too. The aerial displays would be particularly interesting to him. Apart from the usual displays of the agility of fighter aircrafts and the handling qualities of non-military planes there will be again this year aerobatic shows by the British Red Arrows. I would like to thank the RAF and British Aerospace for

their generosity in bringing this remarkable team to the Langkawi Aerospace and Maritime Shows. As is well-known several air forces in the region operate the Hawks aircraft used by the British Red Arrow team. We hope other manufacturers and air forces would bring their acrobatic teams in the future. We have the airspace and the time for their aerial displays as few other airshows have.

17. In Malaysia we are encouraging flying among the youths. They have taken to it like ducks to water. They use ultralights largely. The Russian exhibitors donated one of the two they exhibited in 1993. Although we have a separate small aircraft and ultralights exhibition here in Langkawi earlier in the year, nevertheless there will be many among the young visitors who will be looking at the exhibits with quite a professional interest. So the non-trade visitors can be potential customers also.

18. Apart from the aerospace and maritime exhibition there will be two conferences during the LIMA show. That on aerospace will focus on 'Asia and the World Century: Prospects for Peace, progress and prosperity' while the theme for the maritime conference is entitled 'The Making of Malaysia As a Maritime Nation'. I will be opening both conferences and you are welcome to participate.

19. Apart from Langkawi's suitability as a site for aerospace and marine shows, it is also Malaysia's premier resort island. It is a tax free haven for manufactured goods from all over the world. Some of the most attractive resort hotels are found here, quite a number completed between the last show in 1995 and this show. Just in case there are not enough rooms the Star Cruises have made available one of their ships for accommodating visitors whether business or pleasure. Indeed the maritime conference will be held in the spacious conference room on this ship. I hope that your stay in Langkawi will be as enjoyable as it will probably be profitable.

20. Malaysians are naturally hospitable. We have striven to make this show and your stay here both profitable and enjoyable. If you have any complaints please don't hesitate to contact the relevant people. We would not like to have your participation and stay here anything but worthwhile and enjoyable.

21. I would like to wish you all the very best and every success in your show. Billions of dollars of sale has resulted from the last three LIMA shows. I hope you will make good sales here.

22. Have an enjoyable time in Langkawi and come back to spend your holidays here and to participate in LIMA '99.

23. I now have great pleasure in declaring open LIMA '97.