

SPEECH BY: Dato' Seri Dr. Mahathir bin Mohamad
(Prime Minister)

EVENT: The Launching of The Blueprint For The Development of The Malaysian Aerospace Industry

VENUE: Langkawi, Kedah

DATE: 05 Dec 1997

TIME:

1. Firstly, let me extend a warm welcome to everyone gathered here to witness the launching of the Blueprint for the Development of the Aerospace Industry in Malaysia.

2. It was here in Langkawi during the LIMA '95 that I entrusted the task of formulating an aerospace policy for the country to MIGHT. Since, then, MIGHT has formed a consultative platform i.e. MIGHT Interest Group (MIG) in Aerospace which comprise individuals from the aerospace industry, government agencies, academia, consultants and foreign investors as the reference point for ideas and information. The Blueprint was completed last year and subsequently received the Cabinet endorsement in September 1997.

3. The Government believes that the aerospace industry is very important to the overall development of the country. There is a critical need for the restructuring of the aerospace industry and its players. The industry itself encompasses so many sub-sectors from aviation to space, from overhaul and maintenance activities to the manufacturing of a whole aircraft. Malaysia is a small country with a small domestic market and limited resources. On the other hand, the aerospace industry is very regulated and integrated and support those companies which are already established and possess a strong reputation.

4. Our limited resources will have to be shared with the other fast expanding sectors, such as automotive, oil & gas, multimedia, etc. Therefore the aerospace industry cannot afford to be too divergent and fragmented. It is therefore imperative that the industry adopts the national vision as its main thrust, and approaches the aerospace development task on a consolidated basis. This will provide a nationally consistent framework for identifying and evaluating key initiatives to be developed.

5. The blueprint recommends the establishment of a national level steering committee to oversee the development of the aerospace industry. This committee,

in the form of a national aerospace council, will make key decisions in the areas of directions, priorities and strategies for the industry. The council will adopt the Smart Partnership principles with the participation of leaders from both the public and private sectors and the study team has requested that the Prime Minister and Deputy Prime Minister to be the Chairman and Deputy Chairman of the Council respectively. This will be considered by the Government.

6. In addition to the council, the government also supports the idea of a national aerospace coordinating body to act as a reference point for the various aerospace activities and investments. The new body will consolidate the current national initiatives in the aerospace sector and to further spearhead Malaysia's involvement in the industry. It will become the reference point for the managing of offset programmes and act as an intermediary for local and foreign interests in the industry.

7. Taking into account the industry expansion into new and unexplored territory of aerospace activities, the existing Department of Civil Aviation will have to be upgraded. The proposed Civil Aviation Authority will provide the industry with a monitoring as well as regulatory function in the areas of airworthiness, air traffic control and aerospace product/services.

8. A National Human Resource Development Programme will also be put in place to ensure that the quantity, skills and costs of personnel is adequate and competitive. It will take into account the various categories of labour required in the aerospace industry such as toolmakers, aircraft engineers, test pilot, system analysts and so on. In addition to that, Malaysia hope to establish a premier educational centre for aerospace which will serve the domestic as well as the regional need for education and training.

9. The aerospace industry houses the most complex core technologies which are applicable to other industries and provide critical technologies for the future. It provides a gateway to technological acquisition and therefore it is essential that these technologies acquired through procurement and offsets would help the nation to gain access to a foreign market and fully realise our national competitive advantage.

10. Malaysia's entry into the space sector will be further strengthened by the establishment of the Malaysian Agency for Space Administration or MASA. MASA will ensure the efficient management of our space venture which include the development of a national satellite programme where it could help to develop our

industrial and technology capability in this area.

11. For the successful implementation of these key programmes, the industry must be equally supported by policies which are both rationale and enhancing. A national procurement policy which emphasises on local products/services and technology will ensure a sustainable economic development and reduces import and financial outflow. This policy is important in the procurement of military equipment, privatisation projects, offset programmes and so on.

12. The focus of the recommendations in the blueprint is on the government because it sets the legislative framework and policy. However, the success of the industry will be a responsibility that goes much farther than the government. Action and participation is required by all the stakeholders.

13. If we can achieve all that is set out in this blueprint, Malaysia will have an aerospace industry that will be globally-competitive and widely acknowledged as what has been achieved by our electronics and automotive industry.

14. It is only appropriate that LIMA becomes the location for launching this blueprint. The completion of this very important task given to MIGHT with great responsibility and professionalism is commendable.

15. It now gives me great pleasure to officially launch the Blueprint for the Development of the Aerospace Industry in Malaysia.

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