

FLYING HIGH

How the aerospace industry is soaring in Malaysia

Across the globe, rising wealth and the advent of discount airlines have made air travel more of a mass proposition than ever before. At the same time, the boom in electronic and mobile commerce has increased air-freight volumes as consumers order goods across borders, demanding speedy delivery.

This has proven a boon for the aerospace industry. Globally, in the next two decades, more than 41,000 aircraft are expected to be produced, with a value of over \$6.1 trillion. This bounty will flow not only to plane manufacturers but also to a range of supporting parts and service suppliers.

By implementing its Aerospace Industry Blueprint 2030, Malaysia is committed to growing the local industry, which recorded total revenue of \$2.9 billion in 2016 as exports increased by 3.2% to \$1.3 billion. Due to Malaysia's conducive business environment, the more than 80 aerospace companies operating there include international players such as GE Engine Services Malaysia, Airbus and Spirit AeroSystems, along with local firms like SME Aerospace, CTRM Aero Composite and UMW Aerospace.

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Kansas-based Spirit AeroSystems is one of the world's largest manufacturers of aerostructures. Since setting up in Malaysia, it has developed a talent pipeline to help meet increasing demand for highly skilled aerospace workers. It expects staff numbers to grow to 1,000 within the next three years, and has

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created 2,700 more jobs at local suppliers of fabrication, tooling and jigs, machining, logistics and consumables.

The strength of this supply chain is a huge draw for foreign aerospace companies. “Malaysia established a strong foundation to promote the aerospace industry's growth with incentives and schemes,” says Scott McLarty, vice-president of Spirit AeroSystems Malaysia. “The government worked hand in hand with the industry and provided a platform by making available resources in engineering, skilled technicians and programmes to establish new suppliers.”

One of the many local companies to benefit from the presence of large global firms is UMW Aerospace. Being the first Asian business to manufacture fan cases for Rolls Royce is helping it develop capability in precision hard metal machining. “Aerospace helps transition UMW Group into high-value manufacturing,” says Megat Shahrul Azmir, president of UMW's manufacturing and engineering division. “We [now] have a very niche capability which allows us to diversify into other industries.”

The world's new and emerging leaders in the aerospace industry are already making Malaysia their hub from which to embrace the abundant business opportunities in Asia today. To find out more about how you can join them, contact MIDA, the Malaysian Investment Development Authority: www.mida.gov.my

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