

OPENING REMARKS
YBHG. DATO' LOKMAN HAKIM ALI
SECRETARY GENERAL, MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY
SEMINAR ON AEROSPACE INDUSTRY (LIMA 2019)
27 MARCH 2019 (WEDNESDAY), 8.45AM
INDUSTRY ZONE, HALL A, MIEC, LANGKAWI

SALUTATIONS

YBhg. Dato' Azman Mahmud
Chief Executive Officer of MIDA

Our distinguished speakers from

- MTC Aerosystems;
- Strand Aerospace Malaysia;
- Rolls-Royce Singapore;
- Composites Technology Research Malaysia (CTRM);
- Universiti Kuala Lumpur Malaysia Institute of Aviation Technology (UniKL-MIAT); and
- Aerospace Composites Malaysia

Distinguished Guests

Members of the Media

Ladies and Gentlemen,

Introduction – Background of event

1. Salam sejahtera and a very good morning. It is my pleasure to join all of you today at this Seminar on the Aerospace Industry. I am happy to see so many industry partners here, and would like to especially welcome our overseas friends that are in Malaysia for the very first time. Thank you for your participation and interest. I would also like to thank MIDA and all our guest speakers for their support in making this event a successful one. I was told that this is the fifth time MIDA is organising such an event in conjunction with the Langkawi International Maritime and Aerospace Exhibition (LIMA).
2. LIMA is a great place to talk about the growth prospects of Malaysia's aerospace industry. There is clearly a lot of potential in this industry as it is a timeless one. We are keen to position

Malaysia at the forefront of aerospace technology in terms of innovation and productivity. We also want to look at addressing the barriers to growth and increase the competitiveness of our industry.

3. For today's seminar, which is part of MITI and MIDA's on-going engagements to promote this industry, I would like to highlight three main points:
 - a. Malaysia as an aerospace hub
 - b. Strategic collaborations to attract quality investments
 - c. Availability of good talent to ensure sustainability

Ladies and Gentlemen,

Malaysia as an aerospace hub

4. On my first point, Malaysia has the right ingredients to be an outsourcing centre for aerospace products and services. Since the launch of MEASAT-1 and first Malaysia Aerospace Industry Blueprint, the industry has maintained positive growth. The country is now recognised for its design and manufacturing capabilities of composites, aircraft components and avionics systems.
5. We have developed a strong supply chain, consisting of both global and local industry players. We are an important supplier to global companies such as Airbus, Boeing and Rolls Royce. Based on the industrial ecosystem that has been established over the years, the industry has a lot of potentials.
6. Investment promotional efforts made by MIDA and other relevant agencies have resulted in the increased participation of both foreign investors and local companies. From 2013 to 2017, there have been 39 projects in the aerospace industry with cumulative investments of RM8.2 billion. In 2018 alone, the industry attracted 11 projects worth RM816.3 million in approved investments, of which 41% came from foreign sources.
7. Prominent foreign companies in Malaysia include GKN Aerospace, GE Engine, Spirit AeroSystems and Safran Landing Systems. These companies have contributed towards building up the local supply chain for the Malaysian small and medium enterprises. Among local companies that are already part of the global supply chain are UMW Aerospace, SME Aerospace, CTRM Aero Composite, Sepang Aircraft Engineering and Airod. More recently,

Boss Aerosystem joined the list with the opening of its new facility in Penang.

Ladies and Gentlemen,

Strategic collaborations to attract quality investments

8. Given the growing demand for commercial aircrafts in the Asia Pacific region, we are confident that the aerospace industry in Malaysia will remain as a vibrant and thriving industry in many years to come.
9. This brings us to my second point. To attract more quality investments in this industry, we highly encourage strategic collaborations between local vendors and MNCs to explore mutually profitable business opportunities.
10. Technology transfer is necessary as the next step for industry excellence. We want our local players to emulate best practices and stay relevant in the global business landscape. It is also essential for Malaysia to secure more 'design and build' work packages and become a 'risk sharing partner' with Original Equipment Manufacturers from the early stages of the aircraft's life cycle.
11. Towards this goal, MIDA, for example, has undertaken the Industrial Linkages programme on aerospace for companies to explore business and investment opportunities through strategic partnerships and joint ventures. Last year, the programme was held in Turkey. It was participated by 9 Malaysian companies. MIDA plans to organise three more programmes for this year.
12. In addition, MIDA also organised supply chain initiatives with Tier 1 and Tier 2 companies to facilitate local vendor development and enhance the capabilities of Malaysian companies in supporting MNCs' operations. Last year, MIDA worked with Rolls Royce to enable local companies to better understand the expectations and requirements in becoming Rolls Royce's supply chain partner. Due to the positive feedback following these events, MIDA will organise another such engagement this year.

Ladies and Gentlemen,

Initiatives in ensuring a sustainable talent pipeline

13. I am sure you will agree with me that more talent programmes are needed to ensure a continuous supply of competent workforce. This brings me to my third and final point; that is on initiatives currently undertaken to ensure that the country has a sustainable pool of talent for the industry.
14. We are bridging the gap between the curriculum of academic institutions and the needs of the aerospace industry. For example, training institutions and public universities such as the Advanced Composite Training Centre (ACTC) at UniKL-Malaysia Institute of Aviation Technology, and University Technology Malaysia offer aerospace-related training activities and courses. With the establishment of such institutions in the country, it will fill up the ranks with desired trained and skilled workers. In fact, we will be hearing more on this from the speaker later.
15. We hope that with these institutions in place, we will be able to provide sufficient skilled and professional personnel needed for the industry.

Ladies and Gentlemen,

Conclusion

16. Progressive technology development is important for Malaysia's aerospace industry to grow. There must be a strong will and commitment on the part of local companies to continuously expand their capacity and increase their capability. We look forward to working with local companies in particular, towards growing their presence in the global aerospace supply chain.
17. On that note, I wish everyone a productive session at this seminar. Thank you.