

## **AEROSPACE INDUSTRY**

- The Government of Malaysia has identified the aerospace industry as a strategic industry which has a wide potential in the country's industrialisation and technological development programmes. The aerospace industry generates an annual revenue of RM 12.7 billion and employs more than 21,000 skilled workers.
- Malaysia's aerospace industry has taken off with the launching of the National Aerospace Blueprint in 1997 which has charted the development plan to transform Malaysia's aerospace industry into a dynamic regional and international aerospace player by 2015.
- The second Blueprint, i.e: Malaysia Aerospace Industry Blueprint 2030 was launched in 17 March 2015 by the Prime Minister of Malaysia during the Langkawi International Maritime & Aerospace Exhibition 2015 (LIMA '15).

### **A. MALAYSIA AEROSPACE INDUSTRY BLUEPRINT 2030**

- The Malaysian Aerospace Industry Blueprint 2030 The Blueprint has set a vision for Malaysia to be the no. 1 aerospace nation in South East Asia (SEA) and as an integral part of the global market by the year 2030 with an annual revenue of RM55.2 billion and create more than 32,000 high income jobs.
- To further support of the aerospace industry, National Aerospace Industry Coordinating Office (NAICO) was established in August 2015 as a Unit under the Ministry of International Trade & Industry (MITI). The primary objective of NAICO is to oversee the implementation of the strategies and initiatives in the Blueprint. NAICO will serve as the focal point in linking the aerospace industry players, relevant Government ministries and agencies, and academia to collectively work together in strengthening the capability and capacity of Malaysia's aerospace industry.
- To ensure the successful of the Blueprint, 7 strategies and 41 key initiatives have been developed in order to achieve the target set in the Blueprint. The 7 strategies are as follows;
  - (i) Apply policies that will impact the future landscape of the industry;
  - (ii) Enhance the effectiveness of institutions that have direct influence on the growth of the industry;
  - (iii) Harmonize civil and military regulations and promote green practices;
  - (iv) Invest in R&T to develop new capabilities and enhance industry competitiveness;
  - (v) Promote aerospace investments through incentives and matching funding;
  - (vi) Attract and prepare the workforce of tomorrow for Malaysia and the region;  
and
  - (vii) Capture new market and strengthen local supply chain.

## B. BREAKDOWN BY SUB-SECTORS

- The aerospace industry in Malaysia can be classified into four sub-sectors namely, MRO, Aero-Manufacturing, Systems Integration and Engineering & Design.

<b>Sub-Sectors</b>	<b>Products / Services</b>
MRO	Aircraft, Ground Systems, Simulators, Ground Set Equipment
Aero-Manufacturing	Aero Structures, Avionics Equipment, Engines, Airframe Equipment
Systems Integration	Ground Systems, Simulators, Spacecraft, UAV, Aircraft Avionics, Missiles and Rockets
Engineering & Design	Detailed Design, Analysis & Certification, Manufacturing Design & In-Service, Concept

- **Major Foreign Companies**

1. Airbus Group Malaysia
2. Spirit Aerosystems Malaysia
3. GE Engine Services Malaysia
4. Safran Landing Gear
5. Honeywell Aerospace Avionics Malaysia
6. RUAG Aviation Malaysia
7. Celestica Malaysia
8. Singapore Aerospace Manufacturing
9. Agusta Westland Malaysia
10. Hamilton Sundstrand Customer Support Centre
11. SR Technics Malaysia

- **Major Local Companies**

1. CTRM Aero Composites
2. SME Aerospace
3. Strand Aerospace Malaysia
4. UMW Aerospace
5. Contraves
6. Airod
7. Global Turbine Asia
8. Mycopter Aviation Services
9. BHIC AeroServices
10. Sapura Aero

## C. PERFORMANCE OF THE INDUSTRY

### i. INVESTMENTS

Year	No. of Projects Approved	Domestic Investment (RM million)	Foreign Investment (RM million)	Total Investment (RM million)
2011	7	64.6	282.6	347.2
2012	11	1,429.0	920.3	2,349.3
2013	6	190.6	196.7	387.3
2014	7	495.0	187.0	682.0
2015	4	4,964.0	30.6	4,994.6
2016	9	673.9	889.4	1563.3

Source: Malaysia Investment Development Authority (MIDA)

### ii. TRADE

- Total trade for aerospace products in 2016 stood at RM17.47 billion. The exports of Malaysia's aerospace products, primarily the aerospace parts and components, recorded a significant increase of 47.9% from RM2.9 billion in 2014 to RM5.53 billion last year.

Year	Exports (RM million)	Imports (RM million)
2011	2,642.7	9,598.0
2012	2,236.1	13,146.1
2013	2,391.3	16,982.7
2014	2,879.4	15,067.7
2015	4,167.0	10,019.9
2016	5,530.0	11,940.0

#### Export

Country	2011 (RM mil)	2012 (RM mil)	2013 (RM mil)	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
USA	599.3	633.9	566.9	506.3	842.6	1,363.9
UK	435.2	453.7	479.7	549.9	798.3	919.4
Singapore	875.7	378.6	576.2	511.0	565.9	913.7
Japan	14.9	23.0	124.5	220.8	220.7	255.1
Thailand	25.6	29.6	53.7	202.8	205.9	277.7

Source: Malaysia External Trade Development Corporation (MATRADE)

#### Import

Country	2011 (RM mil)	2012 (RM mil)	2013 (RM mil)	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
USA	3,177.5	3,094.5	6,534.0	4,938.5	3,716.1	4,175.3
France	4,088.5	8,085.6	8,363.5	7,588.6	3,478.4	4,197.6
Singapore	197.9	380.4	426.3	517.6	519.3	528.2
Netherlands	26.0	136.4	177.1	298.4	384.2	602.7
China	16.3	37.2	75.8	157.6	213.7	443.4

Source: Malaysia External Trade Development Corporation (MATRADE)