



MEDIA RELEASE

AEROSPACE INDUSTRY SET TO SOAR HIGHER 21 MARCH 2017

1. The Malaysian aerospace industry is set to soar higher in the years to come. The Ministry of International Trade and Industry (MITI), through the National Aerospace Industry Coordinating Office (NAICO) is leading the aerospace industry development. The Malaysian Aerospace Industry Blueprint 2030 launched during the Langkawi International Maritime and Aerospace Exhibition 2015 (LIMA'15) has set a specific target for Malaysia to become the regional aerospace hub and as an integral part of the global market by the year 2030. Throughout 2016, 12 key initiatives have been implemented involving international collaboration, supply chain development, industry-led Research & Technology (R&T), incentive and human capital development.

2. NAICO a unit under MITI was established in August 2015 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. Among the notable results coordinated by NAICO are:

- a. Development of Aerospace Industry Collaboration Program (ICP) Strategy;
- b. Development of Critical Occupational List for Aerospace Industry;
- c. Establishment of Malaysia Aerospace Industry Association (MAIA);
- d. International Aerospace Collaboration Mission to Mexico and Morocco;
- e. Establishment of Human Capital Council Sub-Industry Working Group for Aerospace Industry;
- f. Reinstatement of Incentive for Aerospace Industry;
- g. Promotional of Malaysian Aerospace Industry at Singapore Airshow 2016 and Farnborough International Airshow 2016;
- h. Developing Malaysian SMEs in the global aerospace manufacturing industry;
- i. Launching of KLIA Aeropolis; and
- j. Industry-led Research & Technology (R&T) Initiatives.

3. Malaysia's aerospace industry has grown significantly and has provided more than 21,000 jobs opportunities, mostly in aerospace manufacturing and Maintenance, Repair & Overhaul (MRO) sectors with the active participation of small and medium-sized enterprises. Total number of companies in operation has reached more than 200. The aerospace industry managed to maintain its positive growth although the world is facing uncertain economic climate. The total revenue recorded in 2016 is RM12.7 billion. Apart from the continuous growth of the aerospace manufacturing sector; the MRO is also showing a progressive growth.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

4. In 2016, nine aerospace projects were approved with investments of RM1.6 billion. Domestic investments amounted to RM673.9 million (43.1%). The majority of these investments (RM889.4 million or 56.9%) were from foreign investors. The approved projects are expected to generate a total of 1,766 employment opportunities.

5. Malaysia's export recorded the highest export value worth RM5.53 billion in 2016, an increase of 32.6% compare to 2015. Malaysia's aerospace exports are mainly aerospace parts and components. The importation of aircraft, raw materials and spares were recorded at RM11.94 billion. This is mainly contributed by the fleet expansion and replacement of the aviation sector that will be directly benefitting Malaysia through the increase of aviation and tourism activities.

According to YB Minister Dato' Sri Mustapa Mohamed *"The Government views the aerospace industry as a critical sector which offers abundant opportunities for the transfer of advanced technologies in engineering, electronics, composite materials, system integration, MRO and industry-led Research & Technology. This was translated under the Eleventh Malaysia Plan (11MP) where aerospace industry was identified as one of Malaysia's key strategic focus."*

6. Moving forward in 2017, the industry is expected to grow at 7% with aero manufacturing sector contributing 55% of the overall aerospace industry revenue. Meanwhile, the MRO (Maintenance, Repair & Overhaul) will continue to expand especially in the engine and engine components segment with MRO revenue target of RM6 billion. The industry growth will create 1,500 new high skilled jobs.

7. The Government will continue to promote quality investments to Malaysia to accelerate local supply chain development as well as to bring in cutting-edge technology to the country. This is in line with the Malaysia Industry 4.0 initiative to enhance Malaysia's competitiveness at the global arena. The export promotion of aerospace services will remain an important activity to promote Malaysia as the regional aerospace hub in South East Asia.

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Ministry of International Trade and Industry

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About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

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