



## MEDIA RELEASE

### **MITI ANNOUNCES THE AEROSPACE AND SHIPBUILDING & SHIP REPAIR INDUSTRIES PERFORMANCE 2018 AT THE 15<sup>TH</sup> EDITION OF THE LANGKAWI INTERNATIONAL MARITIME AND AEROSPACE EXHIBITION 2019**

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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 and the implementation of the Malaysian Aerospace Industry Blueprint 2030.

2. The Blueprint 2030 launched in 2015 covers strategies and initiatives to develop the competitiveness of the Malaysian aerospace industry. Malaysia aim to become the leading aerospace nation by 2030 whereby the industry is targeted to generate an annual revenue of USD4.3 billion (RM55.2 billion) and create 32,000 jobs.

3. The Government views the aerospace industry as a critical sector that offers abundant opportunities for the transfer of advanced technologies in engineering, electronics, composite materials, system integration, MRO and industry-led Research & Technology. This is also reflected in the Eleventh Malaysia Plan (11MP) where the aerospace industry has been identified as one of Malaysia's key strategic focus sector.

4. In 2018, the Malaysian aerospace industry recorded total revenue of RM14.4 billion. The industry managed to maintain its positive growth since the implementation of the Blueprint 2030 led by the National Aerospace Industry Coordinating Office (NAICO), MITI. About 24,500 highly skilled workers are currently serving the industry.



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5. The aerospace manufacturing sub-sector remained the main contributor to the industry with 48% revenue and it has recorded the highest value of RM6.97 billion, an increase by 8.3% compared with 2017. The MRO sector recorded RM6.68 billion representing 46% of the total revenue.
6. Aerospace exports also recorded the highest value of RM8.48 billion compared to previous years with an increase of 20.7% from 2017. Among the locally manufactured aerospace products for export include Fan Cowl, Fan Casing, Thrust Reverser, Forward Leading Edge, Aircraft Door, Avionics Equipment and Carbon Brakes.
7. In terms of investments, eleven (11) aerospace projects with total investments of RM816.3 million were approved in 2018 of which 41% were foreign investments. The approved projects are expected to generate a total of 2,442 employment opportunities.
8. The quality investments and strong market demand have also accelerated the local supply chain. Currently, Malaysia is one of the critical suppliers for aircraft structure components mainly for Airbus and Boeing. Malaysia has become an important source for composite and metallic components for the OEMs, led by local champions namely Composites Technology Research Malaysia (CTRM) Sdn. Bhd., SME Aerospace Sdn. Bhd. and UMW Aerospace Sdn. Bhd.
9. In accelerating the development of the Malaysian aerospace industry, the Government has developed a number of initiatives at both federal and state level. MIDA has undertaken Industrial Linkages Programme on aerospace for companies to explore business and investment opportunities through strategic partnerships and joint ventures. MATRADE will be executing a number of businesses matching for Malaysian companies with potential foreign buyers to push Malaysia export and to expand Malaysia's foot print globally in the aerospace industry.



10. SIRIM, an agency under MITI is developing its capability to become the region's first AS9100 Certification Body to enable more local companies to enter the global aerospace market. SIRIM is also exploring opportunities to develop a dedicated centre for aerospace testing, inspection and calibration.

11. In terms of human capital development, NAICO, MITI is collaborating with the Malaysia Board of Technologists (MBOT) to promote the development of Professional Technologists and Certified Technician for aerospace industry. NAICO is also working with MBOT in drafting the Technical Program Accreditation regulated by MBOT.

12. At the state level, several states namely Selangor, Kedah and Negeri Sembilan have highlighted their initiatives to support the Blueprint 2030. Selangor has recently announced its own action plan known as Selangor Aerospace Action Plan covering 7 areas with 30 action items. Kedah has launched its plan to develop Kulim International Airport that will become the catalyst to position Kedah as one of the leading aerospace states in Malaysia. Negeri Sembilan has developed a comprehensive development plan focusing on aerospace industry under its Malaysia Vision Valley (MVV) project.

13. The Shipbuilding and Ship Repair (SBSR) industry in Malaysia is a subset of the marine industry. The industry employs around 13,000 people not including subcontractors and other SBSR related services.

14. Revenue of the SBSR industry in Malaysia can be divided into five (5) contributing groups namely shipyard, classification, manufacturer, design and manufacture, repair and overhaul (MRO). Total revenue of the SBSR industry in 2018 was RM7 billion. Shipyard recorded the highest revenue of RM4.93 billion from 77 companies in 2018.

15. SBSR exports have also been on an increasing trend since 2016. In 2018, exports increased to RM1.29 billion compared with RM1.08 billion in 2017 which is a significant growth of 20 per cent. Exports were in light vessels, dredger,



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floating dock and cargo ship mainly to Australia, Indonesia, Thailand and the USA.

16. In 2018, two expansion projects were approved in the SBSR industry, with total investments amounting to RM33 million. These wholly Malaysian-owned projects are expected to create 51 new jobs.

17. Apart from shipbuilding and repair activities, Malaysia is also known for training and education services. Expanding the SBSR business, Malaysia shall look at other opportunities in the SBSR industry particularly in ship design; parts and components manufacturing; system integration; and other marine equipment production.

18. “The long term prospect of both industries remains bright whereby Malaysia’s competitiveness can be sustained through various measures including developing new competencies through Research & Technology, forming strategic partnership with international and regional players for greater impact and through adopting Industry 4.0 and digital technology”, said Datuk Darell Leiking, the Minister of International Trade & Industry.

19. “We are confident the aerospace industry will continue to be a vibrant and thriving industry in the years to come, given that the Asia Pacific Region is expected to have the highest growth in new aircraft delivery for the next decade. The SBSR industry too has potential to grow as businesses can look at new areas of maritime and marine equipment products”, he added.

**Ministry of International Trade & Industry**

26 March 2019

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## MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

### **About MITI:**

The Ministry of Commerce and Industry was established in April 1956 then was renamed as The Ministry of Trade and Industry in February 1972. On 27 October 1990, the Ministry was separated into two Ministries which are; Ministry of International Trade and Industry (MITI) and Ministry of Domestic Trade and Consumer Affairs (KPDN).

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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