



**SENIOR MINISTER
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY**

MEDIA RELEASE

**NATIONAL AEROSPACE INDUSTRY CORPORATION MALAYSIA (NAICO)
ESTABLISHED TO SPUR THE AEROSPACE INDUSTRY
ECOSYSTEM DEVELOPMENT**

The aerospace industry has been identified as one of the strategic and impactful industries to drive the economic growth of the nation. This is in line with the aspirations outlined under the Malaysian Aerospace Industry Blueprint (MAIB) 2030 and the Aerospace Industry Framework of the Twelfth Malaysia Plan (12th MP) led by the Ministry of International Trade and Industry (MITI) which focus on aerospace digital technology, Industry 4.0, ecosystem and human capital development.

MAIB 2030 which is implemented over three Malaysia Plans, aspires to position Malaysia as a regional aerospace hub and integral part of the global aerospace supply chain. RM600 million has been allocated under the 12th MP for transformation of the industry to be more competitive globally while accelerating the recovery of the local supply chain, post COVID-19 pandemic.

In line with the growth of the aerospace industry that recorded a high of RM16.2 billion turnover in 2019 and high-skill jobs for more than 10,000 local workers, the Government has approved the incorporation of the industry-backed National Aerospace Industry Corporation Malaysia (NAICO Malaysia) as an agency under MITI, mandated as the national aerospace development agency to spur the development of the industry's ecosystem and to ensure cohesion and coordination of initiatives implemented under the MAIB 2030 and 12th MP.

The Malaysia Aerospace Industry Association has lauded the decision, a commitment by the Government towards the industry, as forward-looking and key to its continued growth and sustainability.

Apart from being the National Aerospace Center of Excellence (COE) to support ecosystem development in line with industry needs as well as develop local expertise, NAICO Malaysia will enhance technology and engineering development as well as developing the industry's capacity in research and innovation. The advanced technologies and precision-engineering capabilities of the aerospace industry will serve as strategic enablers while complementing relevant industries such as the electrical and electronic as well as automotive sectors within the country. A comprehensive Malaysian aerospace industry database will underpin NAICO Malaysia's industry development strategies.



NAICO Malaysia will leverage on supply chain knowledge, technical know-how and industry experience of prominent members who will serve on the Board of Trustees. Collaboration and partnerships with relevant agencies such as MIDA and MATRADE will be elevated to increase strategic and quality aerospace investments to help regional and global integration of the local supply chain through which opportunities for the small and medium enterprises (SMEs), particularly Bumiputera SMEs abound. Aerospace is one of the three Bumiputera Economic Transformation focus areas under the Bumiputera Development Action 2030 to enhance Bumiputera participation in the economy.

Malaysia is home to notable foreign aerospace investors that include Airbus, Spirit Aerosystems, GE Engines Services, Honeywell Aerospace Avionics, GKN Aerospace, Safran Landing Systems and Aerospace Composites Malaysia. They are served by an equally impressive local aerospace supply chain such as CTRM AeroComposites, SME Aerospace and UMW Aerospace.

MITI will continue to advocate forward looking, inclusive and business friendly policies to ensure Malaysia remains as the preferred investment destination for high impact, advanced technology and precision-engineering industries. Accordingly, a Memorandum of Cooperation in Aircraft Industry will be signed between Malaysia and Japan to enhance bilateral cooperation between the aerospace industries of both countries in aircraft manufacturing, maintenance, repair and overhaul (MRO), technology research and human capital development.

With the concerted and coordinated implementation of industrial development strategies, the Malaysian aerospace industry will be poised to contribute an annual revenue of RM30 billion and create 30,000 highly skilled jobs by 2025.

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