

MEDIA RELEASE

ADVANCING THE AEROSPACE MANUFACTURING SECTOR IN MALAYSIA – 15 NOVEMBER 2016

1. Malaysia's aerospace manufacturing sector has grown tremendously with a total turnover of RM6.8 billion in 2015, compared to RM600 million in 2009. The strategies to bring quality investments into Malaysia have significantly contributed to the growth of this sector.
2. The aerospace manufacturing sector is currently employing 8800 workers and is expected to contribute RM21.2 billion in terms of industry turnover by 2030. This target was set under the Malaysian Aerospace Industry Blueprint 2030 launched last year during the Langkawi International Maritime and Aerospace Exhibition (LIMA).
3. Malaysia is currently the single source (single supplier) of specific composites parts to Airbus and Boeing. More than 50% of the composite wing parts for Airbus A320 and Boeing B737 are being supplied from Malaysia.

Airbus (CTRM):

- Spoiler & Leading Edge Panel
- Trailing Edge and Aileron Panels
- Overwing, Underwing & Falsework Panels
- Fairing & Top Cover
- Sharklet

Boeing (ACM):

- Aileron Skins
- Spoiler Components
- Fixed Leading Edge Panels

4. Global aero manufacturing companies investing in Malaysia include (i) Spirit AeroSystems (RM226 million), a Tier 1 Company that assembles wing components sourced from local suppliers; (ii) Safran Landing Systems (RM483 million) producing carbon brakes for commercial airplanes, especially A320 and B737 single-aisle jets; and (iii) Honeywell Aerospace Avionics (RM280 million), manufacturer and distributor of avionic systems, equipment and parts.
5. These quality investments have accelerated the development of the local supply chain led by local champions namely CTRM AeroComposites and SME Aerospace. Foreign companies such as Aerospace Composites Malaysia (a Boeing-Hexcel Joint Venture) and Senior Aerospace Upeca also provide

opportunities for Malaysian companies to participate in their supply chain development.

6. The investment project announced by UMW in collaboration with Rolls-Royce in 2015 to manufacture fan cases for the Trent 1000 and Trent 7000 engines will position a Malaysian company as a producer of aero engine parts. UMW Aerospace has completed its pre-production and technology development centre in Serendah, which is now used as a training centre for its employees. The centre will also be used to work on future manufacturing technologies to drive competitiveness and increased manufacturing capability, such as automation and machining technology. The main manufacturing facility is now under construction and is expected to start producing fan cases for Rolls-Royce's Trent 7000 and Trent 1000 aero engines by mid-2017.
7. SAM Precision (M) Sdn Bhd, an arm of SAM Engineering & Equipment (SAM Malaysia) based in Penang, will be investing more than RM100 million for its expansion program over the next two years. This includes a new project to manufacture aircraft thrust reverser machined parts. As at today, total investment for SAM Malaysia amounted to RM883 million.
8. Another project initiated in 2016 is Asahi Aero Malaysia Sdn Bhd, a Joint Venture between Asahi Kinzoku Kogyo Inc with Toyota Tsusho Corp specialised in cadmium and Zn-Ni plating, as well as boric surifuric and phosphoric acid anodise processing. The company opened its first aircraft parts surface treatment facility in South-East Asia in October 2016. The world class RM18 million facility certified by BOEING is located in Telok Panglima Garang, Selangor. The new facility will assume a role in supporting parts manufacturing for Boeing's commercial airplane programmes.
9. In preparing the Malaysian suppliers to enter the global aerospace market, a structured SMEs development program has been launched under the Economic Transformation Programme's Business Services Entry Point Project 8: Developing SMEs in the Global Aerospace Manufacturing Industry. Under EPP8, 10 SMEs have been selected by SME Corp Malaysia to be further nurtured to assist them to penetrate new markets and link up with major aerospace industry players.
10. The Government has embedded the development strategy for the aerospace industry in the Economic Transformation Programme (ETP) and the Malaysian Aerospace Industry Blueprint 2030, which aims to make Malaysia the leading aerospace nation in South East Asia by 2030. In this regard, the National Aerospace Industry Coordinating Office (NAICO) of MITI is coordinating the implementation of the Blueprint as well as facilitating the overall aerospace industry development programme.

National Aerospace Industry Coordinating Office (NAICO)
Ministry of International Trade and Industry
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About NAICO:

National Aerospace Industry Coordinating Office (NAICO) is a special unit established under MITI to coordinate the overall aerospace industry development activities in Malaysia. NAICO is to ensure the development of the Malaysia Aerospace Industry to become the number 1 aerospace nation in South East Asia by year 2030.

Mission

Develop and enhance the competitiveness of the Malaysia aerospace industry in line with the measures and targets specified in the Malaysian Aerospace Industry Blueprint 2030.

Main Role

- Coordinate the implementation, prioritise, review, manage and monitor the Malaysian Aerospace Industry Blueprint 2030 and industry development programmes in the country;
- Centre of Excellence for foreign and domestic investors;
- Promote and facilitate the involvement and growth of Small, Medium Enterprises in the global supply chain in the aerospace industry; and
- Secretariat to the Malaysian Aerospace Council (MAC)

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