



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH BY

YB SENATOR

**TENGGU DATUK SERI UTAMA ZAFRUL TENGGU ABDUL AZIZ,
MINISTER OF INVESTMENT, TRADE AND INDUSTRY, MALAYSIA**

**AT THE OPENING CEREMONY OF
BOEING-NAICO AEROSPACE SUPPLY CHAIN FORUM**

10 October 2023 (Tuesday)

9.15 a.m. – 9.25 a.m

Grand Hyatt, Kuala Lumpur

Mr. Alexander Feldman

President of Boeing Southeast Asia

Datuk Hanafi Sakri

Deputy Secretary General (Industry), MITI

Professor Shamsul Kamar Abu Samah

CEO, National Aerospace Industry Corporation Malaysia (NAICO Malaysia)

Head of MITI Agencies,

MITI and Boeing Senior Management,

Captains of Industries,

Distinguished Guests,

Members of the Media,

Ladies and Gentlemen,

A very good morning and Salam Malaysia Madani to everyone.

1. It is an honour for me to be here on this momentous occasion that marks a significant milestone of the partnership between the BOEING Company and National Aerospace Industry Corporation Malaysia (NAICO).
2. The **BOEING-NAICO Aerospace Supply Chain Forum** is a great collaboration to us, one that brings together the expertise of BOEING, a

name synonymous with cutting-edge aerospace technology, with the forward-looking aspirations of Malaysia's aerospace industry. To all our foreign guests, welcome to Malaysia. I am sure your presence will enrich the content, and context of today's forum.

3. I am proud to share that, **for the first time, BOEING has chosen Kuala Lumpur as the venue for its Supply Chain Forum in Malaysia.** This underscores the **strategic significance and increasing importance of Malaysia's fast-developing aerospace landscape.** It also clearly demonstrates **the growing confidence in our investment landscape and industry capabilities,** as well as the BOEING-NAICO partnership to grow and elevate the Malaysian aerospace industry.

ALIGNMENT OF MALAYSIA AEROSPACE INDUSTRY BLUEPRINT 2030 WITH THE NEW INDUSTRIAL MASTER PLAN 2030

Ladies and Gentlemen,

4. Before I get into the nuts and bolts of today's conference, let me firstly share the policy direction for Malaysia's aerospace industry.
5. The **Malaysian Aerospace Industry Blueprint 2030** aims to position Malaysia as the aerospace hub in Southeast Asia, as well as an integral part of the global aerospace supply chain by 2030. The Blueprint outlines 41 key initiatives that are expected to generate an annual revenue of RM55.2 billion and create 32,000 high income jobs by 2030. The Blueprint encompasses five key subsectors namely MRO, aero manufacturing, system integration, engineering & design services, as well as education & training.

6. **The aerospace industry also plays an important role in advancing the missions outlined in the New Industrial Master Plan 2030 (NIMP 2030):** particularly on advancing economic complexity, embracing tech quickly to foster a digitally vibrant nation, and pushing for net zero. In short, **NIMP 2030 complements the Malaysian Aerospace Blueprint 2030** on transforming Malaysia into a global hub for sustainable aerospace manufacturing and services.
7. Today's forum is a clear step in that direction, so thank you, BOEING! Encompassing BOEING's Supply Chain Footprint in Malaysia, Strategy Overview, Incentives for Supplier Investment, Supply Chain Technology, and R&D, this forum provides a valuable bridge between Malaysia's aerospace policy objectives, and their realisation.
8. It is clear how this forum will benefit the various stakeholders in our aerospace industry towards a more prosperous future:
 - a. **Firstly, the Malaysian suppliers and SMEs in this industry:** through BOEING's fostering of a collaborative spirit through this forum, industry stakeholders can share and exchange ideas, insights, and technical experiences that will collectively propel the Malaysian aerospace industry forward and potentially elevate it in the global value chain. On that score, I am pleased to learn that this forum involves not only local organisations, but also a numbers of BOEING's Tier-1 companies around Asia that will participate in the business matching session and technical visits to selected companies. I am confident that forums such as these will consistently push the limits of what Malaysian companies can offer, whether through pioneering materials or groundbreaking

manufacturing technologies.

- b. **Secondly, the Malaysian Government itself, as policy makers:** through BOEING's transfer and sharing of knowledge with domestic players, we as **policy-makers are also better able to understand the industry's exact needs, as well as challenges to be overcome, so we can make the appropriate policy adjustments** to keep growing this industry. On this note, we also **welcome the support of this forum by Japan's Ministry of Economy, Trade and Industry (METI)**, under the purview of the Memorandum of Cooperation between Malaysia and Japan. One key lesson from the pandemic is that in this vast, interconnected world, governments that collaborate will strongly support their region's resilience and survivability in facing challenges.
- c. **Thirdly, our people: BOEING's well-established global credentials** truly support the Malaysian investment story. This **helps us to not only attract, but also retain talent in this industry, and in Malaysia.** More importantly, it also supports the NIMP2030's target to enable **workers** in our manufacturing sector to **earn higher wages, commensurate with their enhanced skillset and productivity** from the expected increased economic complexity and broad-based embracing of technology.

GLOBAL PARTNERSHIPS FOR A SHARED, SUSTAINABLE FUTURE

Ladies and Gentlemen,

- 9. Allow me to now briefly touch on two key points that any and every industry must consider these days: **supply chain resilience, as well as**

ESG and sustainability.

10. **On supply chain resilience**, the pandemic years truly tested the limits of our industries and economies, with the aerospace sector being one of the hardest hit. Post-pandemic, the boom in passenger travel is a double-edged sword not just for carriers like BOEING but also their suppliers tasked with supplying aircraft parts.
11. This is where solid partnerships must form the very foundation of every carrier's supply chain resilience. This forum stands as a launchpad to deliberate on strategies that will fortify our aerospace supply chain, so that it has the resilience and agility to weather future challenges and uncertainties.
12. **Furthermore, through the NIMP2030's mission on economic security and inclusivity, our aim is to make the suppliers within every manufacturing ecosystem more resilient, so that they and, in this case, BOEING can symbiotically support the development of each other's supply chain resiliency.** As a policy maker, MITI's role is to also involve other partners, such as the academia, in ensuring a robust talent pipeline which, in turn, also supports the industry's human resource resiliency.
13. Next, **on ESG**, and in this case, **sustainable aviation**. Just last month, at a sustainability summit organised by a Malaysian-based regional banking group, I actually quoted BOEING's initiative on its 1,000 3D-printed brackets for the galleys of the 787 Dreamliners. I know that this was first reported in 2017, roughly six years ago. Many still do not know about this, and that BOEING's resource-efficient process decreased the water, material, time and energy consumed, while reducing excess industrial

waste and lubricants used in standard machining processes. I believe BOEING managed to cut the carbon emissions, resources and waste to landfills by between 30 - 39%, or roughly US\$3 million in construction costs on each jet built. In short, sustainable manufacturing technology is also synonymous with massive cost-savings!

14. I also understand that today, the B737 MAX is the most technically advanced B737 type with more fuel-efficient engines, and designed with sustainability at its core. As we are proactively developing our aerospace industry, **I hope BOEING is willing to share such technologies with its Malaysian suppliers, because globally, our chance to quickly reduce greenhouse gases is fast running out.**
15. **We need both speed and scale to accelerate the institutionalising of our sustainable manufacturing practices.** To that end, we do need partners like BOEING to also share its technology to help make sustainable manufacturing a reality in Malaysia.

CONCLUSION

Ladies and gentlemen,

16. I would like to mention that **just yesterday, I announced the formation of a special committee to follow up on investment and trade commitments.** Through such initiative, **our overarching aim is to enhance investors' ease of doing business in Malaysia.** Being responsible for the Ministry in charge of investments, trade and industry, I am here to assure you that **MITI and its agencies will pull out all stops to reduce the bureaucracy of investing in our country.**

17. In closing, my sincere appreciation to BOEING and all involved in making this forum a success. Thank you for your dedication, expertise, and commitment to the Malaysian aerospace industry.
18. The discussions that take place in this forum will undoubtedly drive innovation, shaping not just this industry's growth trajectory, but also its transformation as envisaged by NIMP2030. Together, let us develop and empower the Malaysian aerospace industry to soar to new heights.
19. To our foreign participants, I hope you do get a chance to enjoy some of Malaysia's culture, and culinary wonders!
20. I wish all of you a productive and inspiring BOEING-NAICO Aerospace Supply Chain Forum.

Thank you.