Transforming Malaysia’s Aerospace Industry

Ahmad Fuzli Fuad
Aerospace industry is Malaysia’s strategic industry in the Economic Transformation Program (ETP) with 3 initiatives (EPP)

Greater Industry collaboration and synergy is expected through setting up of Industry association

Malaysian Government agencies to provide Human Capital development to support the Aerospace growth needs

Malaysian Ministry of International Trade and Industry is to be the "one stop" center for facilitating the industry investment

Malaysian Aerospace Council (MAC) is the apex of the Malaysian Aerospace policy and development.
“Total investment for aerospace industry in Malaysia amounted to RM3.1 billion”
Datuk Seri Mustapa Mohamed
Minister International Trade and Industry

AEROSPACE INDUSTRY:
MALAYSIA’S STRATEGIC GROWTH INDUSTRY
Malaysia’s Indigenous aircraft project as a foundation for the Aerospace manufacturing Industry
Aerospace industry is Malaysia’s strategic industry in the Economic Transformation Program (ETP) with 3 initiatives (EPP)

- **EPP 1:** Growing aviation maintenance, repair and overhaul services, led by MAS Aerospace (commercial) & Airod (Military)
- **EPP 5:** Grow a large ‘Pure Play’ Engineering Services.
- **New EPP:** Fortifying & growing the aerospace manufacturing sector.

**What Is Different About The ETP?**

The ETP builds on the directions outlined in the Eleventh Malaysia Plan to develop a uniquely different approach to delivering Government’s objectives. There are few specific aspects of the ETP that are new and distinctive, which will ensure that the ETP delivers the improved outcomes that Malaysia needs.

**Focus on Key Growth Engines - 12 NKEAs**

Malaysia will exploit its competitive advantages by providing public investment and policy support behind a limited number of key growth engines. The ETP focuses on the 12 NKEAs announced in the Eleventh Malaysia Plan. These NKEAs are expected to make substantial contributions to Malaysia’s economic performance.

**Private Sector-led, Government Facilitated**

The private sector will take the lead role in terms of making investment and employment decisions. The projects and opportunities that are identified in the ETP have been or created by the public and private sectors. Importantly, most of the projects are mainly funded from private sources. The Government’s role will be that of an active facilitator of private sector-led development through resources and policy support.

131 **Concrete Entry Point Projects to Kick Start the Programme**

The ETP is focused on actions and not concepts. The ETP contains well-developed and specific ideas and actions to grow each of the NKEAs, rather than broad statements of intent. These proposed ideas have been developed through collaboration between the public and private sectors, and in many cases these projects are already being launched. The ETP also identifies a series of specific policy and regulatory reforms that are needed to drive growth in the NKEAs and Malaysia’s broader economy.

**Anchoring on GNI to Get Value for Money**

Projects and initiatives have been selected on the basis of rigorous financial and economic analysis to ensure that they maximize the return on public sector investment, i.e. GNI per unit of public investment. In a challenging fiscal environment, government spending and investment will be directed only to those areas where it can be used in a highly productive manner.

**PEMANDU to Ensure Strong, Transparent Delivery**

The Government has established an ETP Unit in PEMANDU to deliver and monitor this programme. Clear and demanding key performance indicators will be specified for each of the individual NKEAs and for the ETP as well as for the inclusiveness and sustainability measures. Performance on all measures will be reported publicly every year.
Greater Industry collaboration and synergy is expected through setting up of Industry association

- Part of the Aerospace Manufacturing EPP initiative is to establish the Malaysian Aerospace Industries Association (MAIA).
- The purpose of MAIA is advocating on aerospace policy issues that have a direct impact on aerospace companies and aerospace jobs in Malaysia.
- The Key Objectives of MAIA is to understand, build consensus and provide leadership on aerospace policy issues of interest to the industry, increase Malaysia’s profile on the world stage by communicating our air and space accomplishments and by promoting Malaysian aerospace companies in International markets.
- This organization should be legal entity for public benefit sanctioned by the Malaysian Government, and with a plan of joining International Coordinating Council of Aerospace Industries Associations (ICCAIA).
Malaysian Government agencies to provide Human Capital development to support the Aerospace growth needs

**Aerospace Training:**
Increasing investment in aerospace manufacturing and fleets expansion of local airlines leads to high demand for human resources

**Supplying aerospace k-workforce**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Technician &amp; Mechanic</th>
<th>Graduate Engineer</th>
<th>Air Traffic Controller</th>
<th>Pilot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance Aeronautics Training Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AeroPrecision Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysian Aviation Training Academy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nilai University College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Politeknik Shah Alam</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-IKL MIA™</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTM, UTM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UPM, UTM, USM, UIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DCA College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMA™</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia Pacific Flight Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia Flying Academy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated Training &amp; Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HM Aerospace</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Flying Clubs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Images of logos for various institutions]
Malaysian Ministry of International Trade and Industry is to be the "one stop" center for facilitating the industry investment

- The Purpose of MITI is to Promote and safeguard *Malaysian* interest in the international trade arena and spurring the development of industrial activities.
- The Aerospace manufacturing EPP initiative will also see a setting up of the Aerospace Development unit (ADU) as a “one stop” center in MITI to plan, implement international trade and industrial policies, encourage foreign and domestic investment, promote Malaysia’s exports of Aerospace products and services by strengthening bilateral, multilateral trade relations and enhancing national productivity and competitiveness in the sector.
Malaysian Aerospace Council (MAC) is the apex of the Malaysian Aerospace policy and development.

Malaysian Aerospace Council (MAC) is the commitment of the Government to develop the industry

MAC
National level steering body for Aerospace industry
- Chairman – Prime Minister
- Members – 6 x Cabinet Ministers;
  Heads of Government Agencies;
  Captains of Industry

Objective
Provide vision, direction and overall development plan
Establish policies/guidelines and identify priority areas
Think-tank for procurement of technology
Malaysia as a Hub for ASEAN Aerospace Manufacturing Industry
THANK YOU