Malaysian Aerospace Industry Outlook
“Cruising to A Greater High.... 2030”

National Aerospace Industry Coordinating Office (NAICO)

Seminar on Opportunities in Malaysia’s Aerospace Industry

12 July 2016

‘Driving Transformation, Powering Growth’
## The Major Milestones in Malaysia

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
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<tbody>
<tr>
<td>1990</td>
<td>Establishment of Composite Technology Research Malaysia (CTRM)</td>
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<td>1997</td>
<td>Malaysian Aerospace Blueprint 1997</td>
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<td>2009</td>
<td>2009 - Spirit AeroSystems</td>
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<td></td>
<td>2014 Airbus Customer Services</td>
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<td></td>
<td>2014 - Messier-Bugatti Dowty (Carbon brake facility in Malaysia)</td>
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<td>2010</td>
<td>Malaysian Aerospace Blueprint 2030</td>
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<td></td>
<td>11th Malaysia Plan – Aerospace as focus sector</td>
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<td></td>
<td>Established NAICO</td>
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<td>Rolls Royce – UMW Collaboration</td>
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<td>2015</td>
<td>Honeywell Principal Hub</td>
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<td>2016</td>
<td>KLIA Aeropolis</td>
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Blueprint 2030 – Initiative 2.5: “Establish a special entity, National Aerospace Coordinating Agency, to coordinate the blueprint implementation until 2030.”

"To underline our commitment to this vision, the Cabinet recently approved the establishment of a special body, the National Aerospace Coordinating Agency, under the purview of the Ministry of International Trade and Industry. This agency is tasked with implementing the blueprint and be the new secretariat for the Malaysian aerospace council”.

YAB Dato’ Sri Mohd Najib bin Tun Haji Abdul Razak
Prime Minister
Opening Ceremony of LIMA 2015
Governance Framework

Malaysian Aerospace Council

NAICO MALAYSIA
National Aerospace Industry Coordinating Office

MAIA
Malaysian Aerospace Industry Association

Technical Working Groups

<table>
<thead>
<tr>
<th>Eng &amp; Design Services</th>
<th>Aerospace Manufacturing</th>
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<tbody>
<tr>
<td>Systems Integration</td>
<td>MRO</td>
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<tr>
<td>Training &amp; Education</td>
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</tbody>
</table>

HEAD

Industry Development

Industry & Market Intelligence

Market Development

*Technical Working Groups led by industry players*
Malaysian Aerospace Industry Profile

Major Global Players

Major Local Players

Source: NAICO Analysis
The Local Aerospace Eco-System

Source: NAICO Analysis
By 2030, Malaysia to be the No. 1 aerospace nation in South East Asia & an integral part of the global market

1. MRO
   Capture at least 5% of global market share

2. Aero Manufacturing
   No. 1 in SEA for aerospace parts & component sourcing by targeting to be large sub-assembly, Tier 1 and RSP (Risk Sharing Partner)

3. Systems Integration
   Self reliant (70% Local Content) in integration & upgrades of strategic assets

4. Engineering & Design Services
   Capture at least 3.5% of global market share

5. Education & Training
   No. 1 in Asia in supplying competent workforce
   - Blue Collar
   - White Collar
   - General Education
   - CPD

Revenue: USD 13.8 billion
Jobs: 32,000
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
<th>Initiatives</th>
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<tbody>
<tr>
<td>1</td>
<td>Apply policies that will impact the future landscape of the industry</td>
<td>7</td>
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<tr>
<td>2</td>
<td>Enhance the effectiveness of institutions</td>
<td>4</td>
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<td>3</td>
<td>Improve airworthiness and space regulations and promote green practices</td>
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<tr>
<td>4</td>
<td>Invest in R&amp;T to develop new capabilities and enhance industry competitiveness</td>
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<tr>
<td>5</td>
<td>Promote aerospace investments through incentives and matching funding</td>
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<td>6</td>
<td>Attract and prepare the workforce of tomorrow for Malaysia and the region</td>
<td>8</td>
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<tr>
<td>7</td>
<td>Capture new markets and strengthen local supply chain</td>
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Aerospace Strategic Programmes

11th Malaysia Plan
- Re-engineering Economic Growth
- Energising Manufacturing
  - Move towards complex and diverse products
  - Enhance productivity through automation and innovation
  - Stimulating innovation-led growth
  - Strengthening growth enablers
  - Ramping up internationalisation

Aerospace Industry Blueprint 2030
- 5 Strategic Areas
- 41 Programmes/Initiatives
  - Policy levers formulation
  - Enhance effectiveness of institutions
  - Airworthiness and regulations
  - R&T, New capabilities and Enhance industry competitiveness
  - New Strategic Investment
  - Human Capital Development
  - Capture new market and strengthen supply chain

Economic Transformation Plan
- 12 NKEAs
- NKEA Business Services
  - EPP 1 – Growing Aviation MRO Services
  - EPP 5 – Growing Pure Play Engineering Services
  - EPP 7 – Making Malaysia The Hub for Aerospace OEMs in SEA
  - EPP 8 – Aerospace SME Development Programme
In achieving the Blueprint target, Entry Points Projects are developed to attract OEMs/Tier 1 investment as well as to develop global supply chain in Malaysia.
World Class Infrastructure

Source: NAICO Analysis
World Class Infrastructure

KLIA Aeropolis

Senai Airport City

Flight Connectivity
MRO activities
Aviation Training
Air Cargo Facilities
Commercial & Retail Activities
Upcoming Malaysia’s Aerospace Events

December 7-9, 2016
MATRADE Exhibition & Convention Center (MECC), Kuala Lumpur, Malaysia
www.bciaerospace.com/malaysia/

March 21-25, 2017
Langkawi, Malaysia
http://www.limaexhibition.com
Thank you

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