

TARIKH : 5.8.2019 (ISNIN)
MEDIA : THE SUN
MUKA SURAT : 5

Local aerospace industry's sustainability questioned

➤ Economist fears nation could fall into long-term deficit

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PETALING JAYA: The government's focus on elevating the aerospace industry has raised questions, with an economist doubting its sustainability in the long run.

Professor Kuperan Viswanathan of Universiti Utara Malaysia said the country could fall into a long-term deficit, noting how the importing of aerospace products over the past years had far exceeded the total exports.

Between 2011 and 2016 despite an increase in export of aerospace products the industry has only earned RM19.85 billion compared

with imports of RM67.76 billion.

He said however, it is worth noting that the country's exports of aerospace products recorded a high of RM8.48 billion in 2018.

"This industry may lead to problems of payment in the sense that you will be importing more than exporting. Why are we importing more than exporting?"

"The industry needs to be further analysed to understand whether it can be sustainable."

He said it is not about the net revenue of how much we are making but the cost of creating the revenue.

"An immediate concern is the investment, the foreign investment is so much higher than domestic

investment and this could be the reason why we have to import more than we export."

He said it was also unclear in the blueprint that was launched in 2015 whether high income jobs will be for Malaysians or foreigners, too.

"If the job opportunities go to foreigners too, we will be importing more than exporting as well."

Economic Affairs Minister Datuk Seri Mohamed Azmin Ali recently tweeted that the ministry was confident that goals set under the Malaysia Aerospace Industry Blueprint 2030 to generate an annual aerospace revenue of RM55.2 billion, creating over 32,000 high income jobs by 2030, is achievable.

Economic Professor Barjoyai Bardai said the niche jobs could be filled by local experts if they were

integrated and coordinated.

"The government should initiate the process of assembling the expertise and form an institution to become the backbone of the aerospace industry."

"Malaysia currently has at least 5,000 local experts who can become the catalyst to fill in more than 32,000 high income jobs."

He said the country had a group of skilled workers because Malaysia used to have many aircraft engineers who worked in the maintenance, repair and overhaul (MRO) business.

"Malaysia used to be very prominent in the MRO business under Malaysia Airlines before retrenchments in 2014. It has lost its prominence and now the experts are scattered working in MRO businesses that are privately owned."