



MAIA

Malaysia Aerospace Industry Association

SERVING MALAYSIA'S AEROSPACE INDUSTRY



MALAYSIA'S AEROSPACE NEWSLETTER

2nd Edition 2020



FROM THE DESK OF THE EXECUTIVE OFFICE



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When Vision 2020 was announced 30 years ago, it would have been near impossible to have foreseen the challenges this past year would bring. For the global aerospace industry undoubtedly this year has witnessed its sharpest decline. The International Air Transport Association projects that global airline revenue will drop by around half in 2020 cancelling out 20 years of growth. Overall the airline industry will post losses of more than US\$84bn this year and IATA also predicts that domestic revenue passenger kilometres will not return to 2019 levels until 2022 and for international not before 2024.

Even though the first COVID-19 cases were being reported a year ago, little was known at the time of the potential impact the pandemic would have on business and travel globally and regionally. Corporate business plans and budgets had to be quickly rewritten and then rewritten with many investment plans put on hold. With the imposition of the MCO on March 18 and subsequently, the Malaysian government had to grapple balancing the needs of both business and economic sustainability with people's health.

The concept of working from home and remotely was new for many with video calls and webinars quickly becoming the norm. During this early period, it was critically important to ensure that our industry continued operations. In this respect, MAIA was successful in securing agreement with the Government for an early restart of across all sectors for the complete supply base, essential for us to remain a key partner in the global supply chain. This was truly a significant achievement and clearly demonstrated that the Malaysian Government recognised the value of our industry and maintain a safe working environment under strict SOP rules.

Our industry met this challenge and through this were able to continue to meet the needs of customers both domestically and worldwide.

Many companies required to be refinanced to strengthen balance sheets and provide a foundation to assure their future where MAIA worked with both the financial community and Government institutions. However, sadly as part of the company restructuring some staff were let go and our thoughts are clearly with those who have been impacted. IATA estimate that 25 million jobs supported by air travel worldwide are at risk as a result of this crisis. Nonetheless, with Government support many have been able to reskill and upskill to remain relevant in preparation for the future recovery of our industry. MAIA has received many requests for internships. Human capital is one of the key drivers for MAIA going forward, so even under these challenging times we would ask that you review your support for these young people particularly given the TVET and other allowances available.

Many of our manufacturing companies suffered a 30% work reduction, in line with global cutbacks. Our MRO members faced challenges in keeping afloat with the significant tail-off in aviation operations. Nonetheless, even with such challenges, many of our members proved successful and were able to ship their first components or expanded their portfolio either product wise or into new market segments and in a few cases even saw a revenue increase. Others were also recognised for meeting high levels of quality and delivery during this disruptive time. It was also pleasing to note that the Malaysia aerospace industry was ranked 12th globally by PwC and 4th globally by KPMG in its global manufacturing review. The World Bank also placed Malaysia 12th during the year for ease of doing business. As mentioned above, many companies required to be refinanced to ensure a foundation for the future. MAIA lobbied hard and worked tirelessly with the financial community and Government institutions to ensure that our members' needs were understood and secure a stimulus package to revive our manufacturing industry. These efforts were rewarded by being

reflected in the recently announced Budget 2021. Furthermore, we are confident that when RMK12 is published, the aerospace industry will be recognised as of strategic importance. This is a significant milestone for our industry and has come through great effort working with members of our association. The Government has therefore demonstrated its commitment to ensuring that the industry not only recovers from the crisis but thrives.

MAIA in its liaison between industry and Government has more recently been playing a much more hands-on role. We needed to be in order to obtain the necessary MITI approvals for continued operations as well as working closely with multiple Ministries and Government agencies on the stimulus package. In addition, MAIA has also been encouraging the Government to consider a green lane for specialist staff to enter Malaysia so that audits, first article inspections and equipment could be commissioned and calibrated. We await further announcements in this regard shortly.

We remain optimistic that 2021 will be a better year for everyone. The next 6 to 12 months are a critical period in which to prepare for the recovery. However, to assure our future the Malaysian aerospace industry will need to focus on the following areas:

- It is of critical importance that we maintain our manufacturing and MRO base despite the economic downturn. This is to retain highly-skilled talent and maintain and sustain our place, and show that we are a reliable partner, in the global supply chain. MAIA will continue to work with the Government in this regard and in support will lobby for borders to re-open to ensure a rapid recovery in both business and tourism.
- We need to enhance our digitalisation and managerial capabilities. The fact that in a recent study the Malaysian manufacturing industry was placed 46th out of 60 countries in productivity supports the need for such investment both in automation and improvement in management style. We also need to make our organisations more agile and responsive in dealing with likely dramatic changes in order volumes to manage future

- disruptions. Such investment will enable decision makers to capture important data and help drive efficiencies.

- In the longer term, major suppliers need to build a more resilient supply chain to support production when it ramps up again. MAIA is working with the Government to promote Malaysia for new original equipment business and renewal of contracts with key customers.
- Finally, we need to be prepared for the next-generation single-aisle aircraft as various governments pressure the industry to design and bring these to market.

For MAIA we have as part of our role in supporting members we will be focused on:

- Strengthening our technical sub-committees
- Offering greater access and a broader range of both virtual and physical events
- Offering a broader range of services to members including a forum to communicate on issues and have access to a repository of information
- Keeping you updated on the latest regional and global market issues impacting our industry
- Promoting our industry and engaging with the local and international community
- Secure engagement with all stakeholders including government agencies such as CAAM, MiGHT, NAICO, S'DAICO
- And of course continuing to act as a strong advocate for our industry

The year 2020 was certainly challenging for us all. However it was a year to appreciate what we have and reflect on what we have achieved. It reminded us of the good in people witnessing the selflessness of so many and in particular the front line workers and the importance of working collaboratively. It reminded us that we work in a remarkable industry that supports our customers, our communities and our people. With the challenges faced it means we can only gain in strength and that this pandemic could be a catalyst for change.

On behalf of MAIA may I wish you, your staff and families every success, health and happiness for the new year.

CONTENTS

01	MALAYSIA AEROSPACE INDUSTRY HIGHLIGHT
	<ul style="list-style-type: none">• UMW Aerospace rolls off maiden fan case [here]• SME Aerospace passes Boeing first article inspection on 737F floor beams [here]• GKN Aerospace Johor ships first engine components [here]• Minister of Finance dialogue session with MAIA [here]• CTRM wins Airbus supplier award [here]• KLIA placed in top 10 airports globally [here]• Budget 2021 – How does it impact the aerospace industry [here]
02	GLOBAL AEROSPACE INDUSTRY HIGHLIGHTS
	<ul style="list-style-type: none">• Airbus looks to the future with hydrogen planes [here]• Airbus tells suppliers: Plan now for post-crisis output hike [here]• Reopening borders without quarantine [here]• Business aviation sets course for clear skies [here]• Aerospace technology highlights of 2020 [here]• FAA gives Boeing 737 max the green light [here]
03	WELCOMING MAIA NEW MEMBERS
	<ul style="list-style-type: none">• Oryx Advanced Materials Sdn Bhd [here]• GKN Engine Systems Component Repair Sdn Bhd [here]• Singularity Aerotech Asia Sdn Bhd [here]• Aumada Energy & Technologies (M) Sdn Bhd [here]
04	RECENT EVENTS HELD [here]
05	UPCOMING EVENTS 2021 [here]
	<ul style="list-style-type: none">• CEO Business Meeting Event for Innovative Technology Registration [here]• Italian Aerospace webinar - Details to be announced shortly [here]• Aerospace Fair Mexico 2021 (FAMEX 2021) [here]• Selangor Aviation Show 2021 - Details to be announced shortly [here]• Dubai Airshow [here]
06	KEY MAIA STRATEGIES FOR 2021 [here]

[\[Go back to Contents Page\]](#)



UMW AEROSPACE ROLLS-OFF MAIDEN FAN CASE FOR ROLLS-ROYCE'S TRENT 7000 ENGINES

The fan case will be delivered to the Rolls-Royce engine assembly and test facility at the Seletar Aerospace Park in Singapore. The Trent 7000 engines power the Airbus A330neo. [Read more](#)

737 FREIGHTER CONVERSION PROGRAM SUPPLIER: SMEA MALAYSIA; PRODUCT: FLOOR BEAM ASSY

All 33 parts of the floor beam assembly were found during the Boeing first article inspection to meet drawing and PO requirements. An FAA 8130-3 Authorized Release Certificate was provided to SME Aerospace to authorize direct shipment to Boeing Freighter Conversion Centre in China. [Read more](#)



GKN AEROSPACE STARTS SHIPPING ENGINE COMPONENTS FROM NEW FACILITY IN JOHOR, MALAYSIA

The Johor site today employs approximately 70 people and will be the GKN Aerospace Repair Centre for customers in the APAC region, servicing engine low pressure compressor (LPC) components for CFM56-5B, CFM56-7 and V2500. [Read more](#)





MINISTER OF FINANCE DATO' SRI TENGKU ZAFRUL BIN TENGKU ABDUL AZIZ DIALOGUE SESSION WITH AEROSPACE INDUSTRY AND WORKING VISIT

During the two hour dialogue session with the Minister, the President of MAIA, Mr Naguib Mohd Nor provided an overview of the Malaysian aerospace industry to the Ministry of Finance (MoF) and other delegates demonstrating that Malaysia was now a key supplier to various leading OEMs. [Read more](#)

CTRM BAGS HIGHEST AIRBUS SUPPLIER AWARD

Composites Technology Research Malaysia Sdn Bhd (CTRM) has received the 'Accredited Member' award in the aero-structure category from the world's biggest aircraft manufacturer, Airbus SE. The Accredited Member award is Airbus' highest rank of achievement given out annually for suppliers. [Read more](#)



GLOBAL POLL SHOWS KLIA AMONG TOP 10 AIRPORTS IN THE WORLD

"Despite challenges arising from new normal requirements in airport operations, the whole airport community displayed a strong spirit of collaboration and came together as one to elevate KLIA's service performance in the eyes of the world," said MAHB group CEO Mohd Shukrie Mohd Salleh. [Read more](#)

SUMMARY OF BUDGET 2021 RELATED TO AEROSPACE

An summary by MAIA on budget 2021 – Aerospace related presented by Minister of Finance, YB Dato' Sri Tengku Zafrul bin Tengku Abdul Aziz on 6th November 2020.

[Read more](#)



[\[Go back to Contents Page\]](#)

AIRBUS LOOKS TO THE FUTURE WITH HYDROGEN PLANES



“The transition to hydrogen, as the primary power source for these concept planes, will require decisive action from the entire aviation ecosystem,” – Airbus CEO

[Read more](#)

AIRBUS TELLS SUPPLIERS: PLAN NOW FOR POST- CRISIS OUTPUT HIKE

“For the A320 family, we plan to maintain ‘rate 40’ until summer next year and we have asked the supply chain to protect ‘rate 47’ to be prepared for when the market recovers,” – Airbus [Read more](#)



REOPENING BORDERS WITHOUT QUARANTINE



ICAO, working with health authorities and industry, has produced a high-level framework. Health authorities are beginning to explore how testing could supersede quarantine to stop the cross-border spread of the virus. Encouraging results from testing pilot programs should now give states the confidence to move forward quickly,” – IATA’s Director General and CEO. [Read more](#)

BUSINESS AVIATION SETS COURSE FOR CLEAR SKIES



The COVID-19 crisis put business aviation in the spotlight, albeit only somewhat. The demand was largely for evacuation/repatriation flights, medical personnel transportation, equipment and supplies, and essential cargo deliveries.

[Read more](#)

AEROSPACE TECHNOLOGY HIGHLIGHTS OF 2020

From autonomous regional cargo delivery to high-speed VIP transport, and from dogfighting artificial intelligence to delivering COVID-19 test kits, 2020 witnessed advances across a wide range of technologies. [Read more](#)



FAA GIVES BOEING 737 MAX THE GREEN LIGHT



The requirements that must be met, including installing software enhancements, completing wire separation modifications, conducting pilot training and accomplishing thorough de-preservation activities that will ensure the airplanes are ready for service. [Read more](#)

WELCOMING MAIA NEW MEMBERS

[\[Go back to Contents Page\]](#)

ORYX ADVANCED MATERIALS SDN BHD



Oryx is a certified AS9100 company providing heat treatment services (Hot isostatic pressing) to the aerospace industry. Oryx are now expanding their product line to include metal powders for Additive Manufacturing.

[Click here for more info](#)

GKN ENGINE SYSTEMS COMPONENT REPAIR SDN BHD

Focused on the MRO sector, servicing engine low pressure compressor (LPC) components for CFM56-5B, CFM56-7 and V2500. Their services include metal spray, shot peening, welding, heat treatment, paint and repair/overhaul/restoration of engine components.

[Click here for more info](#)



SINGULARITY AEROTECH ASIA SDN BHD



SAT Asia delivers end-to-end engineering solutions with specialty in engineering design and stress analysis of aircraft structures. Also delivers tailor made IoT and Big Data solutions for various industry sectors at affordable cost.

[Click here for more info](#)

AUMADA ENERGY & TECHNOLOGIES (M) SDN BHD

AUMADA is a sustainable solution provider revolving around but not limited to smart hot water system, renewable energy, cooling & heating solutions for industrial and the farming industry, and indoor air quality. Also provide biosafety solution utilising the power of water, UV Light and Heat for disinfection. [Click here for more info](#)



RECENT EVENTS HELD

[\[Go back to Contents Page\]](#)

27th – 28th
OCT
2020

Event	Platform	Event Summary
4th Global Aerospace Cluster Summit - Europe	Virtual	Aerospace clusters shared their perspectives on the current status of the industry and future outlooks.

Event	Platform	Event Summary
Digital KLABC 2020	Virtual	A digital platform for Malaysia's aerospace companies to network with OEMs as well as Tier 1 & Tier 2 suppliers.

17th – 20th
NOV
2020

18th – 19th
NOV
2020

Event	Platform	Event Summary
AsBAA Safety Summit	Virtual	An annual event promoting knowledge and best practices in aviation safety aimed at the Asian business aviation industry.

Event	Platform	Event Summary
Aeromart Toulouse	Virtual	MAIA had engaged with various manufacturers and service providers from both civil and defence aviation that interest to explore Malaysia's aerospace industry.

1st - 3rd
DEC
2020

8th – 11th
DEC
2020

Event	Platform	Event Summary
Global Symposium on The Implementation of Innovation in Aviation - ICCAIA	Virtual	Discussion on innovations that can help solve problems faced by aviation regulators as well as the implementation

UPCOMING EVENTS 2021

[\[Go back to Contents Page\]](#)

18th – 26th
FEB
2021

Event	Platform	Admission Fee
CEO Business Meeting Event for Innovative Technology Registration [here]	Virtual	Free

Event	Platform	Admission Fee
Italian Aerospace Webinar	Virtual	Free

Early
MAR
2021

21st – 24th
APR
2021

Event	Platform	Admission Fee
Aerospace Fair Mexico 2021 (FAMEX 2021) [here]	Physical	Based on rental space

Event	Platform	Admission Fee
Selangor Aviation Show 2021	Physical	Based on rental space

02nd – 04th
APR
2021

14th – 18th
NOV
2021

Event	Platform	Admission Fee
Dubai Airshow 2021 [here]	Physical	Based on rental

[\[Go back to Contents Page\]](#)

PROMOTIONAL ACTIVITIES

- Significantly increase MAIA following through social media channels
- Increase presence in local press
- Increase the number of opportunities for speaking opportunities at various international forums
- Develop a more user friendly and functional website with more up to date information

MEMBERSHIP SERVICES

- Create across sector TSCs including a TSC covering SMEs and digitalisation issues
- Broaden reach into aerospace activities outside Klang Valley
- Develop a repository of useful statistics
- Develop broader range of services to include engagement with other chambers and associations
- Encourage participation in “Anugerah Kecemerlangan Industri” award
- Generating membership market opportunities through advertising, events, collaborations

EVENTS

- MAIA Annual Dinner 2021
- Monthly networking event for members including regional events
- Regular webinar events on specialist subjects