



Speech

YB Dato' Seri Hishammuddin Tun Hussein
Minister of Defence Malaysia

OFFICIAL LAUNCH OF LIMA'17

Kuala Lumpur, 23 June 2016

[SALUTATIONS]

Introduction

1. Let me start by thanking the organizers for having me this morning. It is a pleasure and honour to commemorate the official launch of the 2017 Langkawi International Maritime and Aerospace Exhibition, or LIMA '17.

2. We can be proud at how far LIMA has come. From its humble beginnings in 1991, LIMA has evolved into a premier event for today's maritime and aerospace defence industry. This could never have been achieved without the support of the various stakeholders over the years. It is hence necessary and appropriate that we begin the work for its next edition early.

Managing Evolving Security Threats

Ladies and Gentlemen,

3. As another LIMA dawns, it is important that we take stock of where we are now and where we are headed. One matter is constantly on the minds of security practitioners like myself: why do we commit vast amounts of resources to defence, when we are in a period of relative peace and stability? These questions are especially potent in times of economic downturn.

4. The answer to this is clear: the first is that this era of peace is also, ironically, one where uncertainties are the new norm. Multi-fold shifts in technology and societal behaviours have created an increasingly unpredictable security threat environment globally. Security threats – whether traditional or non-traditional—now evolve rapidly, more often than not outpacing our abilities to find suitable solutions.

5. Second, we are in the business of protecting lives and serving the people. It is a very heavy responsibility to shoulder. As such, we need to be prepared at all times for whatever eventuality. "Gearing up" should not be left to the last moment; to when threats loom. That is the hallmark of a nation with sound defence capabilities.



6. This principle has been and will continue to be the focal point of our deliberations in this edition of LIMA. On the policy front, asset preparedness forms one of the five strategic thrusts of the HalatujuMindef2016—a series of policy initiatives which I outlined earlier this year, involving all stakeholders, including the private sector, to make Malaysia safer and stronger.

Malaysian Defence Budget

Ladies and Gentlemen,

7. Malaysia's own defence budget for 2016 is MYR17.304 billion (USD 4 billion) – about 2.25% less year-on-year, amid challenging economic conditions. However, defence spending still represents 6.5% of total government expenditure and 1.5% of Malaysia's GDP, the same as it has been in the past.

8. This development has not in any way hampered the Malaysian Armed Forces' (ATM's) ability to acquire critical equipment. We remain committed to ensuring that our security forces are suitably equipped to handle the manifold threats that we face. Indeed, by 2020, Malaysia's military expenditure, which was valued at USD5.4 billion in 2015, is expected to increase to USD7.2 billion. Our expenditure will be driven by the modernisation of defence systems, international peacekeeping operations and maintaining our territorial integrity.

9. However, we need to stretch our ringgit moving forward. We need more bang for our buck. We must reassess our priorities, keeping the abovementioned goals firmly in mind. The process may be painful, but we must never lose sight of the fact that the defence of our realm comes first.

10. We are continuing to build up our domestic defence industry, seeking to develop local expertise while continuing to source for "big ticket" imports from global giants. We are increasingly encouraging local defence firms to collaborate strategically and manufacture hardware locally.

11. Let us also not forget that the defence markets of the maritime and aerospace industries have been on an upward trajectory both regionally and globally these last few years. The Asia-Pacific itself makes up one-third of the world's defence budgets. Its growing economies are expected to generate a 60% increase in global defence acquisition as well as industry research and development. The defence industry is obviously a potential growth area for our national economy, including in terms of job creation, technology transfers and increased human capital; that Malaysia cannot afford to pass up.

12. Events like LIMA should also remind everyone that the defence industry is more than just about the bottom line. Dollars and cents aside, the work we do also impacts on the welfare of the countless workers and communities who are dependent on the industry.

LIMA 2017

Ladies and Gentlemen,



13. The expectations for LIMA 2017 are hence high, especially in light of the successful hosting of the previous edition in 2015—which was credited to be the best LIMA ever. The 13th edition of LIMA in 2015 was an unqualified, record-breaking success with 512 exhibitors from 36 countries, featuring 78 aircrafts and 54 warships. LIMA 2015 also saw participation for 39,684 trade visitors and 377 delegates from 41 countries over the 3-day trade show. From this, we witnessed an impressive MYR9.29 billion worth of contracts signed.

14. The next, five-day event will be once again hosted at the Mahsuri International Exhibition Centre and Resort World Langkawi and will take place from 21 – 25 March, 2017. On that note, I would also like to announce that the new official organizer for LIMA`17 is EN Projects (M) Sdn Bhd. They are being represented by today by their Chairman, YB. Senator Laksamana (B) Tan Sri Dato' Sri Mohd Anwar Bin Hj. Mohd Nor.

15. Will all this in mind, we must make sure that LIMA '17 follows, even exceeds past successes. We are now expecting 550 exhibitors from 38 countries. We hope to display at least 80 aircraft as well as 68 warships and boats. In tandem with this, we also expect an increase in trade visitors and delegates to 40,000 and 380 respectively. Furthermore, in response to industry developments, we have extended the range of programmes to increase the participation of the commercial sector and help businesses and delegates to get the most out of their attendance.

16. As part of our efforts to make LIMA relevant and responsive to feedback from previous editions, we will seek to put up world-class exhibitions featuring Government Pavilions, an SME Pavilion and a R&D Section. We will also bring back the high-impact conferences and meetings such as the Chief of Navy and Roundtable Talks and Air Chiefs Conference. Moreover, we shall include displays and demonstrations featuring established activities such as static displays, air-shows and marine demonstrations.

17. As a national event, LIMA is not only for the trade industry. The public will also have more to look forward to this time around. Opportunities will be provided for them to learn more about the maritime and aerospace industries and the opportunities available to them. Activities for all visitors, including the LIMA Fest, LIMA Career Fair and LIMA Concert will be carefully crafted to encourage higher levels of participation from Malaysian youths.

Conclusion

Ladies and Gentlemen,

18. LIMA '17 will undoubtedly be an exciting affair. But it will also mean a lot of hard work and so I hope everyone will put their best foot forward to make it a success. It is my hope that the organizers, working closely with the Ministry of Defence, will take this prestigious event to greater heights. I wish them all the best in this noble endeavour. I, for one, am very excited to see where we can take LIMA 2017 from here. It is my great pleasure therefore to officiate the launch of LIMA 2017.

Thank you.