

DEVELOPMENT. Malaysia is a very dynamic market in the heart of Southeast Asia, with a booming economy that offers significant development opportunities for all Safran Group companies.

MALAYSIA, AN UNKNOWN MARKET

With a population of 27.5 million, Malaysia is a major economic and political partner in Southeast Asia. This region offers a qualified labor force and logged growth of about 5.5% in 2008, with a trade surplus of \$36.7 billion in 2006. According to Fabrice Godeau, Snecma's (Safran Group) marketing manager for Southeast Asia, Malaysia is also "a country that stands out because of its stability." Safran already sells aircraft engines and security systems in this market, and should considerably expand its presence in the coming years, due to excellent prospects in both civil and military markets.

From aircraft engines to submarine periscopes

Snecma has already delivered about one hundred CFM56 engines to the country's two major airlines, Malaysia Airlines and Air Asia. "Malaysia Airlines is also an Airbus A380 customer, and recently ordered 35 Boeing 737-800 twinjets powered by the CFM56," adds Godeau. "In fact, Malaysia Airlines is already the largest Boeing 737-400 customer in Southeast Asia, with a fleet of fifty. Air Asia has ordered 175 Airbus A320s, all powered by the CFM56-5B. Furthermore, the country's armed forces are keeping a close eye on the upcoming launch of the European military cargo plane, the A400M."

Fellow Group company Sagem Sécurité (Safran Group) is also well established in Malaysia, through its biometric systems. "We have two big customer, the royal police and the government," notes Laurent Castelain, regional



The Petronas Twin Towers in Kuala Lumpur, symbol of Malaysia's prosperity and modernity.

manager for operations and programs. Sagem Sécurité has already installed one of its automated fingerprint identification systems (AFIS), used to create a centralized biometric database of the country's inhabitants. This system paves the way for both biometric passports and multi-application biometric identity cards (driver licenses, social security cards, etc.). Furthermore,

this type of ID card would support the electronic management of government forms.

In the defense sector, Sagem (Safran Group) already provides fire control systems, inertial navigation systems for the Su-30MKM fighters, and battle management systems (BMS) for the PT-91 battle tanks acquired from Poland. It also supplies the periscopes



Sagem provides the periscope/sensor systems (attack, tracking, radar) on Malaysia's two Scorpène class submarines.

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Regional jet requirement

Malaysia should be a very fertile field of development for Safran over the next few years. For example, the country has indicated its interest in the AASM, a precision guided weapon that is already deployed by French Rafale fighters, and could be carried by Malaysia's Sukhoi Su-30MKM fighters as well. In September 2006, Sagem presented its Felin integrated equipment suite to the country's military authorities, and this should help them define their specific requirement for a soldier modernization program.

The Southeast Asia regional aircraft market is also growing, with an estimated sales potential of 200 aircraft over the next 20 years. This could well open doors for the new Sukhoi Superjet 100, a program in which Safran is a major partner. ■

INTERVIEW



MARC BARETY,
FRENCH AMBASSADOR TO MALAYSIA

A balanced partnership with France

How would you describe French-Malaysian relations?

France and Malaysia have enjoyed a close relationship since the Federation of Malaya became an independent country in 1957. It is France's second leading trade partner in Southeast Asia, reaching more than 3 billion euros annually, with trade between the two countries relatively balanced. Some 180 French companies operate in Malaysia, which is a member of the Association of South-East Asian Nations (ASEAN). France welcomed 500 Malaysian

students in 2007, twice as many as in 2002.

What are the other ties between these two countries?

Relations are not only economic, but also industrial and political, and characterized by strong mutual trust. Malaysia is an industrial partner, with whom we develop products and capitalize on markets, especially in electronics, transport and defense. For the latter, we enjoy a very fruitful dialogue, with weapons contracts including partnership and joint development agreements. In other

words, Malaysia is a major French partner in the region and on the international stage.

What does the future hold in store?

The future relationship between our two countries should be just as positive, since it is based on very solid foundations. Various factors lead me to think that our relations will continue to develop. For example, aviation is already a growth sector, since Malaysia Airlines and Air Asia are major Airbus customers, and are enjoying fast-paced growth.