

INITIAL THOUGHTS

# REIMAGINING DEFENCE INDUSTRY



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## Greetings and Salutations,

In October last year - prior to Movement Control Order 2.0 – MIGHT, in collaboration with the Malaysian Ministry of Defence, organised a series of scenarios workshop to reimagine the future of Malaysia's defence industry. Interesting conversations and thoughts were exchanged during the sessions. It was apparent that there is a serious intent to re-examine the defence industry, strengthen its capacity, as well as leverage on its current capabilities.

For the last 10 years, Malaysia has spent an average of approximately USD4 billion annually on defence. Sounds like a lot, does it, but it is dwarfed by the amount some of our Southeast Asian neighbours (think: Singapore and its USD10.77 billion defence budget in 2020). Yet, one of the major consensus amongst the participants was - how can we leverage and build upon this spending?

Traditionally, stakeholders in the defence industry are the companies that specialise in the supply, research, development, and production of military related weaponry

and technologies. However, the defence industry has become broader since the beginning of the 21st century. Threats to national security and sovereignty have changed and expanded beyond military capabilities. New threats, be they biological, chemical, or virtual, - meant that new defence and security systems must be developed continually to prevent widespread attacks and casualties. Therefore, there is an urgent need to apply and develop new technologies and products to protect our people and public infrastructure.

As some of these products for defence are developed, there will be those which can be developed for commercial usage. The Internet originally started life back as the Advanced Research Projects Agency Network (ARPANET). This network, along with other technologies such as TCP/IP became the technical foundation of the Internet as we know it today. GPS, duct tapes, and drones, all possess origins for military applications. The advancement of technology can and should also provide solutions for the use of defence and security. For example, identity verification technologies such

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as fingerprint and retina scans have also been developed to prevent unauthorised people from accessing military operations, making cross industry integrations highly feasible.

However, the defence industry is relatively isolated from the broader national industrial base. The previous National Industrial Master Plan never sought to include defence as part of its industrialisation strategies. This segregation is not based on specialised technology requirements of the military, but rather on government sectoral delineation and procurement systems.

Therefore, in reimagining the future of the defence industry there is a need to recognise the value of including it into the broader industrial base where we could take advantage of existing commercial systems and emerging technologies to be adapted for defence as well as security purposes and vice versa. During the scenarios session, we had speculated about the future and how the industry might look if current industry trends continue to prevail. This complements the need for a #NewIndustrialStrategy highlighted in the previous editions of this publication - where we need to create more sustainable and resilient industries to enable the industry to weather even the toughest, most unexpected scenarios. I believe the growth and strengthening of the defence industry will require the following:

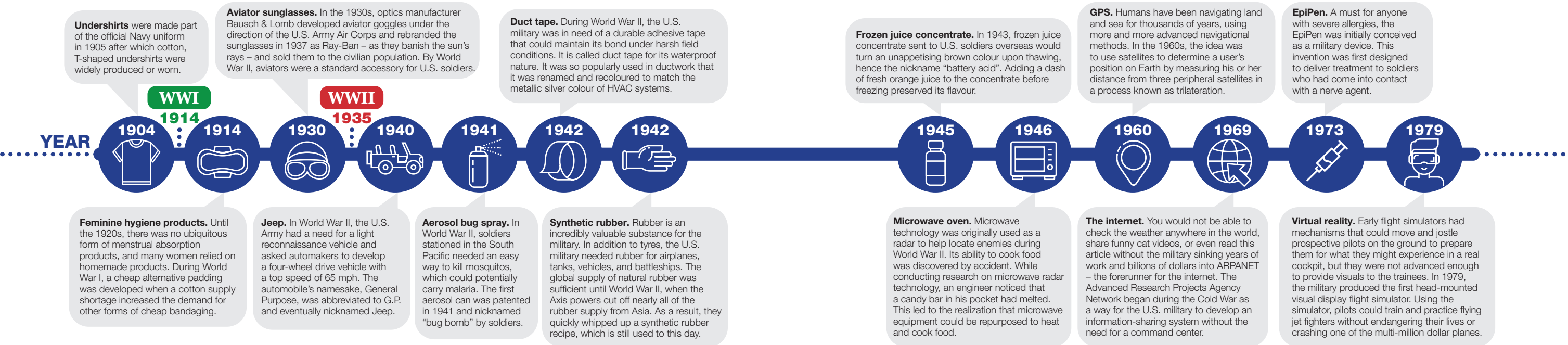
1. Leverage on the value of government procurement and domestic market;
2. Invest in the right strategic technology and capabilities;
3. Collaborate with the right partners;
4. Integrate industrial participation and commercial technology within the value chain; and
5. Build economies of scale.

The Defence White Paper presented in Parliament earlier last year has outlined and recognised some of these strategies. Moving forward, there is a need to crystallise some of these thoughts and strategies into effective policies and action plans. I look forward to the completion of the Defence Industry Blueprint.

In conclusion, I do believe that this edition of myForesight® can create better clarity as far as your thoughts and future journeys are concerned.

Lastly, I hope you continue to practice #physicaldistancing and adhere to the necessary standard operating procedures (SOP) outlined by our health authorities. I do believe that this edition of myForesight® could complement your thoughts in what change that you are trying to embark on. Stay safe, everyone.

## Products invented by the military and later commercialised



Adopted from original article at <https://www.usatoday.com>