

2.1 Procurement Practice

With regard to procurement, Malaysia Airlines sometimes deals directly with manufacturers in the event that there are no local agents representing the manufacturers in question. In most cases, though, the foreign manufacturer normally appoints an agent to represent him in Malaysia.

All procurement by the airline for items worth more than M\$1,000 is done on a tender system using the airline's list of duly registered suppliers/manufacturers. On rare occasions, the procurement may be conducted on an open tender system - in which case, Malaysia Airlines will advertise its requirement in the local newspapers.

2.2 Future Plans

One of the priority areas which Malaysia Airlines has earmarked for development is the upgrading of its maintenance capabilities so that all maintenance work can be done in house. This involves the construction of a new engine workshop to overhaul and repair aircraft engines. Currently, the airlines sends its engines overseas for overhaul and repair services. With the construction of a new engine workshop, new equipment and tools, as well as technical expertise would be required and this is one possible area for Canadian participation. The new workshop is expected to be completed by 1992.

Malaysia Airlines' involvement with Canadian aviation products so far includes Twin Otter aircraft (the airline currently has five Otters which are used for its Rural Air Service), Pratt & Whitney 125B engines used on the Fokker 27s and the Pratt & Whitney auxillary power unit used on the Boeing 747-400s.

2.3 Maintenance

Malaysia Airlines' primary objective is to conduct all levels of maintenance on its own fleet of aircraft in house. However, since it is not practical for the airline to perform all overhaul work by itself, some of the maintenance work such as aircraft component overhaul is sent out house either to the manufacturer, another airline or a vendor capable of performing the job. Presently, Malaysia Airlines conducts all of its aircraft frame maintenance work on the F27, Boeing 737, Airbus 300 and DC10 aircraft in house. The airline's scheduled maintenance checks can be performed on five aircraft at any one time. The company has six maintenance docks; one each for F27, B747 and A300/DC10 combination, two 737 and one line maintenance hangar to cater to a B747.