

**UNIVERSITI TEKNOLOGI MARA**

**ACHIEVING DEFENCE SELF-  
RELIANCE PRINCIPLE:  
CHALLENGES AND STRATEGIES  
FOR DEFENCE INDUSTRY IN  
MALAYSIA**

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## ABSTRACT

The development of self-reliance in Malaysia's defence industry is crucial for national security and economic growth. This study aims to examine the technological, security, and economic factors influencing self-reliance, identify the main challenges faced by local defence industry players, and propose strategies to achieve self-reliance. Using qualitative interviews with key informants from various sectors, the study reveals that technological advancements, such as AI and cybersecurity, and economic strategies, including local content in procurement and strategic partnerships, are vital for fostering self-reliance. Key challenges identified include policy and diplomacy, data-driven strategies, and technological innovations. The study recommends increasing stakeholder engagement, enhancing academic research, and ensuring secure data management to address these challenges. By adopting these strategies, Malaysia can strengthen its defence capabilities and reduce dependency on foreign suppliers, ultimately achieving greater self-reliance.

**Keywords:** *Self-reliance, Malaysian defence industry, national security*

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This thesis represents more than an academic milestone. It shows that theory and practice can coexist, that working professionals can still manage to split their time with academics, and that perseverance (fuelled by an unhealthy overdose of matcha) eventually pays off.

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To future working postgrads reading this: it's possible, just brutally exhausting. Embrace the chaos, trust the process (and your supervisors' spam messages), and remember why you started. As Kodaline reminds us, everything works out in the end.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Preamble

This chapter emphasises the background of the study, providing an overview of the Malaysian defence industry and policy. It will further focus on the research background, problem statement, research questions, research objectives, scope of the study, significance of the study, and the definitions of terminology and concepts.

### 1.2 Research Background

The defence industry is a vital sector for any nation that seeks to maintain its sovereignty, security, and influence in the international arena. However, developing a competitive and self-reliant defence industry is not an easy task, as it requires substantial investments, technological innovations, and strategic partnerships. Malaysia, as a developing country in Southeast Asia, faces various challenges and opportunities in enhancing its defence industry capabilities and performance. This study aims to examine the current state and prospects of the Malaysian defence industry, as well as the factors that affect its development.

In international security, countries with strong defence industries are typically able to exert more influence on the global stage, as they have the ability to produce advanced weapons systems and technologies that can be used to defend their own interests or project power abroad. According to defence scholars, there are three levels of defence classification.

The first-tier countries are the most advanced and capable in terms of defence production and innovation. These countries possess the capacity and capability to produce their own domestic weapons systems, including fighter jets, submarines, missiles, and nuclear weapons, amongst others, such as the US, the UK, France, and Germany (Balakrishnan & Matthews, 2009). These countries also have the highest defence spending in the world, accounting for more than half of the global total in 2019. They are also major exporters of arms to other countries, especially to their allies and partners. However, they also import some weapons and technologies from other