

AIRLINK

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MORE THAN AN AWE-INSPIRING AIRPORT, A GATEWAY TO THE WORLD.

KL INTERNATIONAL AIRPORT, THE GATEWAY TO GETAWAYS

It all begins at KL International Airport (KUL), one of Asia's major aviation hubs that connects all routes, airlines, and terminals worldwide seamlessly. Plan your route with a memorable experience, right before you experience the globe.

A corporate leader with diverse experience, he is harnessing the latest technological advances to spur Malaysia Airports to greater heights as a smart aviation regional hub.

This month, Dato' Mohd Shukrie Mohd Salleh welcomed the easing of travel restrictions in more countries, including Malaysia and efforts by both the public and private sector to boost passengers' confidence in flying. With increasing domestic flights taking off amidst the country's Movement Control Order's (MCO) recovery phase from 10 June to 31 August, passenger traffic in Malaysia is expected to gather momentum.

Airport GCEO Speaks



With the opening of interstate travel within Malaysia and the strong support from our three main carriers, Malaysia Airlines, AirAsia and Malindo Air, mounting their domestic routes to cater to the market's needs, we are hopeful to seeing our airports getting busy again. AirAsia, for instance, filed an average of 22 domestic flight movements daily between 10 and 30 June from klia2 to various local destinations which include Alor Setar, Johor Bahru, Kota Bharu, Kuala Terengganu, Langkawi, Penang, Bintulu, Kuching, Miri, Sibul, Kota Kinabalu, Labuan, Sandakan and Tawau.

Such efforts are in tandem with the Ministry of Tourism, Arts and Culture's move to revive domestic tourism following the recent launch of its Cuti-Cuti Malaysia recovery plan. We look forward to the reopening of international borders soon, recognising the pent-up demand to travel after more than three months of being homebound.

Although in-flight social distancing is no longer imposed onboard flights and at the boarding gates, we would like to reiterate that social distancing is still being enforced in the

queues at check-in and immigration counters alongside other measures such as temperature checks, sanitisation and disinfection of all premises and facilities at our airports. Moving forward, we will continuously be enhancing our efforts in anticipation of the increase in passenger numbers at our airports. Since 19 June, we have relaxed the ruling to allow meeters and greeters to enter the terminal buildings of our airports, having received the green light from the Ministry of Transport.

I would like to reiterate that we have been diligent in taking all necessary safety measures and hygienic processes in order to maintain a safe travelling experience for everyone. This means stringent adherence to the standard operating procedures (SOPs) not only from the Malaysia National Security Council but also to the guidelines issued by globally recognised bodies such as the International Civil Aviation Organisation, International Air Transport Association (IATA) and Airport Council International.

I would also like to applaud IATA for coming up with a free online interactive map offering travellers global information on the latest Coronavirus (Covid-19) entry regulations by

country. Such real-time alerts will be useful with the gradual easing of travel restrictions globally.

At our Istanbul Sabiha Gokcen International Airport in Turkey, which reopened in June, airlines such as Pegasus Airlines and AnadoluJet have successfully resumed their domestic and international flights.

We have also been supportive of the Selangor state government's application SELangkah to facilitate contact tracing of potential Covid-19 cases at KUL (KL International Airport Main Terminal and klia2). Our airport retailers have been encouraged to adopt the use of this app, which complies with the SOPs issued by our federal government.

We are also urging them to go for the full adoption of electronic payments via mobile payment apps such as Boost, Touch 'n Go, Grab Pay, mPAY and Samsung Pay to ensure our guests can safely shop with peace of mind at our airports' retail outlets. As a caring host, we wish everyone safe travels and happy shopping.



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Air Cargo, A "Bright Spot" for the Aviation Industry



While the International Air Transport Association's (IATA) financial outlook for the global air transport industry paints a picture of airlines losing US\$84.3 billion this year with revenues expected to fall 50% to US\$419 billion, it has identified cargo as a "bright spot" amidst the current Covid-19 pandemic as the industry moves further into 2020 and 2021.

The association, which represents some 290 airlines, forecasts cargo revenues to reach a near-record level of US\$110.8 billion in 2020, up from 2019's US\$102.4 billion while predicting cargo's contribution to increase by about 26% from 12% in 2019.

"However, a severe shortage in cargo capacity due to the unavailability of belly cargo on (grounded) passenger aircraft is expected to push rates up by some 30% for the year," IATA adds in its statement released on 9 June.

Its latest April data shows that belly capacity for international air cargo shrank by 75% compared to the previous year. However, this was partially offset by a 15% increase in capacity through the expanded use of freighter aircrafts.

The cargo load factor, which rose 11.5 percentage points in April, reflects the largest increase since IATA began the tracking to suggest that there is significant demand for air cargo which cannot be met owing to the cessation of most passenger flights, which also carry cargo.

IATA Director General and Chief Executive Officer (CEO) Alexandre de Juniac says this has led airlines to deploy as much capacity as possible for special charter operations and the temporary use of passenger cabins for cargo.

He also calls on governments to continue ensuring that vital supply lines remain open and efficient to meet the demands of the

pandemic and global economy. As such, IATA urges governments to accelerate approvals for cargo operations, expedite customs clearance for urgently needed medical supplies and ensure there is adequate staff on the ground and land-based infrastructure to move cargo efficiently.

While the Asia Pacific airlines saw demand for international air cargo falling by 28.1% in April compared to the same period a year ago, de Juniac notes that the large Asia-North America market recorded less of a decline (7.3%) due to the rise in movement of personal protective equipment.

During Malaysia's Movement Control Order, its airports nationwide continue to operate to provide critical and essential services, particularly the transportation of cargo, medical supplies and humanitarian aid as well as facilitating Malaysians returning from abroad.

Air Cargo in Malaysia

Malaysia Airports' recently released annual report for the financial year ended 31 December 2019 shows the group handling a total of 1,003,104 metric tonnes of cargo, down 3.3% year on year (yoy).

Malaysian cargo movements fell 2.9% yoy to 943,782 metric tonnes in line with sluggish

global air cargo performance, Malaysia Airports Group CEO Dato' Mohd Shukrie Mohd Salleh says in the management discussion and analysis section. Of this, international cargo movements accounted for 745,096 metric tonnes while domestic and transit cargo amounted to 182,837 and 15,849 metric tonnes respectively.

He adds that Malaysia Airports had engaged with airport planning consultants to develop airport master plans for KL International Airport's (KLIA) two terminals, its other international airports in Penang, Kota Kinabalu and Kuching as well as its airports in Sibul and Tawau. The plans, encompassing a 30-year outlook and phased expansion developments, look into meeting the market demand of passengers, aircraft and cargo movements.

On KLIA Air Cargo Terminal 1, the Group's CEO says the capabilities of air cargo logistics at its two terminals were enhanced with the operations launch of Ground Team Red, a joint venture between AirAsia Bhd and SATS Ltd in December 2019. Spanning 93,000 sq ft, the facility will handle 300,000 tonnes of air freight annually, thus strengthening KLIA as a regional logistics hub.

Meanwhile, KLIA Aeropolis Duty Free Trade Zone (DFTZ) Park, anchored by e-commerce

titan, Alibaba Group, is on track to begin operations this year with 88% of construction work completed at the end of 2019. Upon its completion, the DFTZ Park will house the world's first electronic World Trade Platform outside of China and largest air cargo facility within its 215-acre Free Commercial Zone, he adds.

Global Air Cargo outlook for 2021

Although compared to 2019, overall global freight tonnes carried are expected to drop by 10.3 million tonnes to 51 million tonnes this year, IATA asserts that cargo's enlarged footprint in the air transport industry will remain in 2021, citing that cargo revenues will reach a record US\$138 billion, up 25% from 2020.

"That is about 23% of total industry revenues, roughly double its historical share. Air cargo demand is expected to be strong as businesses restock at the start of the economic upturn while a slow return of the passenger fleet will limit the growth of cargo capacity and keep cargo yields steady at 2020 levels," it adds.

de Juniac opines that strong cargo operations and comparatively low fuel prices will also give the aviation industry the necessary boost and some relief. "In 2019, jet fuel averaged US\$77 per barrel whereas the forecast average for 2020 is US\$36.8. Fuel is expected to account for 15% of the overall costs compared to 23.7% in 2019."

"Jet fuel prices are expected to rise to an average of US\$51.8 per barrel for the year as global economic activity and oil demand rises. While that will add some cost pressure on airlines, the price per barrel is similar to 2016's US\$52.1 and will still be the lowest since 2004 at US\$49.7."

With air cargo operations in the spotlight as the pandemic rages on, it is timely that the key players from various segments of its supply chain begin investigating how technologies such as artificial intelligence, blockchain, robotics and Bluetooth can improve their operations' efficiency.



Malaysia Airlines Increases Domestic and International Network



Malaysia Airlines has increased its domestic and international connectivity in June and July respectively, to facilitate essential travels locally and as other countries begin to lift border restrictions.

The airline will adjust its network capacity from time to time to ensure passenger demands are met, prior to normalising the schedule in October for both domestic and international destinations.

Malaysia Airlines' Group Chief Executive Officer, Captain Izham Ismail said, "We are pleased to announce the resumption of our services by increasing capacity to domestic and international routes and we look forward to welcoming our passengers back onboard. We shall continue to ensure their safety, health, as well as their comfort by introducing new initiatives aligned with international safety and health protocols, as part of our commitment to offer passengers peace of mind throughout their journey with us."

"I would like to take this opportunity to thank our customers for their continued support and confidence in Malaysia Airlines throughout these challenging times. Following the

Malaysian Government's recent announcement on interstate travel, we have also released a special video titled 'Ready to fly and rediscover Malaysia' which is available on Malaysia Airlines' social media platforms. We hope that by showcasing unique and beautiful domestic attractions located across Malaysia, we can inspire local travellers to explore the beauty of our homeland and boost local tourism efforts."

At the onset of the Covid-19 outbreak, Malaysia Airlines has implemented various enhanced safety measures and protocols in coordination with health and airport authorities to ensure passengers' health and wellbeing are taken care of. These measures include temperature checks, sanitisation and disinfection of all properties and facilities, enforcement of social distancing, mandatory usage of face masks and installation of protective screen barriers at check-in counters and transfer desks at KL International Airport (KLIA). All Malaysia Airlines frontliners on ground and onboard are required to wear personal protective equipment and their

health screened daily. Even upon arrival, passenger luggage will be sanitised.

The airline also ensures all its aircraft are cleaned and disinfected before and after every flight, while lavatories will be kept clean during flight by cabin crew at regular intervals. Other inflight services such as reading material, inflight duty-free and retail will continue to be suspended for the time being.

Passengers may book their tickets on Malaysia Airlines' official website at malaysiaairlines.com or via Malaysia Airlines' app with some departure dates available for booking. The flight schedules are available on Malaysia Airlines' website. Passengers are urged to perform online or mobile check-in to reduce interaction and avoid the queues at the airport, especially those travelling on domestic and regional routes.

Qatar Airways Rebuilds Their Network



Qatar Airways' gradual rebuilding of its network continued with Bangkok, Barcelona, Islamabad, Karachi, Lahore, Peshawar, Singapore and Vienna as flights were resumed in June, growing the airline's global network to over 170 weekly flights to more than 40 destinations. The airline also announced the upcoming resumption of flights to Berlin, Dar es Salaam, New York, Tunis and Venice while also increasing services to Dublin, Milan and Rome to daily flights

The airline restarted operations on 5 June to Tunis (TUN), the capital and largest city of Tunisia. Flights will be twice weekly on Monday and Friday. Dar es Salaam (DAR) in Tanzania returned on 16 June with three-weekly flights and a three-weekly service to New York (JFK) began on 19 June. In addition, four-times-weekly flights to Berlin (TXL) will start on 1 July, and Qatar Airways resumed a thrice-weekly route to Venice (VCE) on 15 July. The oneworld alliance member also increased frequencies

on flights from Doha (DOH) to Dublin (DUB), Milan (MXP) and Rome (FCO) to daily.

By maintaining a global network that never fell below 30 destinations, Qatar Airways has led the industry during these challenging times by becoming the largest international carrier in the last two months both in terms of available seat capacity and passenger kilometres transported. This has enabled the carrier to accumulate unrivalled experience in carrying passengers safely and reliably during these uncertain times, especially in comparison to those airlines that have fully grounded their operations.

Qatar Airways wide network of flights to over 40 destinations across six continents has ensured it has stayed up to date with the latest in international airport procedures and implemented the most advanced safety & hygiene measures on board its aircraft and in Hamad International Airport, recently voted

the Best Airport in the Middle East for the sixth year in a row.

To ensure travellers can plan their travel with peace of mind, the airline has also extended its booking policies to offer even more choice to its passengers. The airline will allow unlimited date changes, and passengers can change their destination as often as they need if it is within 5,000 miles of the original destination. The airline will not charge any fare differences for travel completed before 31 December 2020, after which fare rules will apply. All tickets booked for travel up to 31 December 2020 will be valid for two years from the date of issuance.

For more information, please call 03 - 2118 6100 or visit www.qatarairways.com



Malindo Air Takes Flight Again Amidst Lifting of Travel Restrictions

Malindo Air resumed flights to almost all its domestic destinations in Malaysia from 12 June as the government gradually relaxed rules on travel and social restrictions.

The reinstated scheduled services include daily flights from Sultan Abdul Aziz Shah Airport, Subang to Kota Bharu; Penang; Alor Setar; Johor Bahru; Kuala Terengganu; and Langkawi. Ipoh – Johor Bahru services resumed on 12 June with three flights a week.

Simultaneously, flights from KL International Airport (KLIA) to Kota Kinabalu; Kuching; and Langkawi have fully resumed as well. From a booking period of 11 to 21 June, the airline offered RM199 one-way fare for travel within Peninsula Malaysia from Subang Airport; from RM289 one-way fare for travel between KLIA and Kuching; and from RM389 one-way fare from KLIA to Kota Kinabalu, for the travel period from 11 June to 27 September 2020.

CEO of Malindo Air, Capt Mushafiz Bin Mustafa Bakri said, “Malindo Air is committed to deploying our flights and serving the needs of Malaysians traveling across the country. The gradual opening up of air travel is likely to be progressive, starting with domestic markets. We will certainly reinstate our international services around the networks in stages once the global health situation improves and regulatory restrictions are fully lifted. We hope travelers will be eager to recommence travel soon, which would benefit the industry again.”

Mushafiz also said that travellers flying with Malindo Air are required to understand and strictly adhere to and comply with health and immigration requirements, and the travel restrictions set up by the government.

“Malindo Air is fully supporting the government’s effort in gradually relaxing its restrictions during the Recovery Movement Control Order (RMCO). This re-start to our domestic travel by lifting the travel restrictions is an important part of the economic recovery because about 10% of the world’s GDP is from tourism and much of that depends on air travel. Getting people flying safely again will be a powerful economic boost,” added Mushafiz.

Malindo Air would like to reiterate that customers whose flights were cancelled due to the Covid-19 pandemic crisis will retain the full value of the unused portion of their tickets in the form of travel vouchers. The redemption period of the travel vouchers is being extended to 12 months and the travel period will be up to 11 months ahead of the redemption date.

Malindo Air is also permitting passengers to transfer the value of the travel vouchers to family and friends or use it as gift vouchers.

For more information, please call 03 – 7841 5388 or visit www.malindoair.com



ZIPAIR’s Launches Maiden Flight to Bangkok

Low-cost carrier ZIPAIR Tokyo’s first flight took off with only cargo on board instead of people due to the dearth in demand caused by the coronavirus pandemic.

For the time being, the carrier, set up by Japan Airlines, will run four round-trip flights per week between Narita Airport and Bangkok.

The airline initially planned to debut its passenger service on 14 May. In a rare move, however, JAL decided to let it transport only cargo after passenger demand evaporated in the wake of international travel restrictions imposed for the pandemic. ZIPAIR’s debut on 3 June left Narita Airport carrying machine components and chemical products.

International air travel has virtually ground to a halt because of the virus. But demand for cargo flights is climbing due to the collapse of passenger flights, which also carry cargo, put a dent in transport volume as well.

ZIPAIR believes it can cover flight costs to some extent by sticking exclusively to cargo. It may consider operating extra flights if demand is high.

Regarding commercial flights, ZIPAIR’s President Shingo Nishida said, “Since the announcement of our business in May 2018, our employees have united to prepare for the launch of medium and long distance LCC services. Unfortunately, in light of the current situation, we are not able to launch passenger flights to Bangkok. As people around the world find new ways to promote their businesses, we decided to take a step forward by temporarily launching cargo-only flights between Japan and Thailand.”

The President added, “As a new airline that looks to serve a diverse customer base, our employees will continue to prepare for the much-anticipated launch of passenger flights to destinations throughout the world.”

For more information, please visit www.zipairtokyo.com

ZIPAIR
Tokyo



Lufthansa Group Expands Flight Schedule until September

Airlines under the Lufthansa Group have significantly expanded their services from June 2020 onwards which applies to both short-haul and long-haul flights.

In September for example, 90 percent of all originally planned short- and medium-haul destinations and 70 percent of long-haul destinations will be served again. Customers planning their autumn and winter holidays now have access to a comprehensive global network of connections via all hubs of the Group.

The core brand **Lufthansa** alone will be flying more than 100 times a week to destinations in North America via its hubs in Frankfurt and Munich in autumn. Around 90 flights a week are planned to Asia, 20 to the Middle East and 25 to Africa respectively. The flights include destinations such as Windhoek, Nairobi, Beirut, Riyadh, Houston, Boston, Vancouver, Hong Kong and Singapore.

Many of the resumed destinations are already, from June onwards, being implemented in the booking systems and can therefore be booked. All destinations are updated daily on lufthansa.com and on the websites of the respective Group carriers.

Lufthansa has recently expanded its service concept starting 1 June. Customers receive a disinfecting wipe before every flight and on short- and medium-haul flights in Business Class, the beverage service

and the normal meal service will resume. On long-haul flights, guests in all classes will again be offered the usual range of beverages. In First and Business Class, customers will once again be able to choose from a range of dishes. Same goes to the Economy Class where customers will also continue to receive a meal. Strict hygiene regulations continue to be adhered to during the service adjustments.

From July onwards, **Austrian Airlines** aircraft will take off on regular long-haul flights for the first time since mid-March. Bangkok, Chicago, New York (Newark) and Washington will then be available with up to three weekly flights. The European network will also be expanded to include various routes from July onwards - including flights to Greece.

SWISS plans to return to about 85% of the destinations it served before the Covid-19 crisis in autumn, with about one-third of its capacity on these routes. As Switzerland's airline, SWISS is committed to offering the widest possible range of services in the build-up phase. The initial focus here will be on European services from Zurich and Geneva. Further intercontinental destinations will also be reintroduced into its network.

From 8 June onwards, guests on all Lufthansa and Eurowings flights are obliged to wear a mouth and nose cover on board throughout the entire journey. This serves the safety of all passengers on board. The General Conditions of Carriage (GTC) will be amended accordingly. Lufthansa also recommends that passengers wear a mouth-nose cover during the entire journey, i.e. also before or after the flight at the airport, whenever the required minimum distance cannot be guaranteed without restriction.

For more information, please visit www.lufthansagroup.com



AirAsia Launches End-to-End Contactless Kiosks



AirAsia has announced that it is rolling out several contactless procedures for essential travel including contactless payments at the airport, contactless kiosks, Passenger Reconciliation System (PRS) as well as enhanced features on its mobile app to help ensure a smooth and safe travel experience.

The airline has set up contactless payment options including Wave payments for AliPay and WeChat Pay at KL International Airport (klia2 terminal), which will include other airports gradually. Other options such as BigPay and Touch 'n Go will also be available soon.

The contactless kiosks are now available at all operating airports across Malaysia, Thailand, Philippines, Indonesia and Japan, where passengers can print their boarding pass and baggage tag after checking-in online on airasia.com or through the mobile app, ensuring a full contactless check-in process.

Another contactless travel procedure will be the Passenger Reconciliation System (PRS) which will be available at klia2, followed soon by other airports in Malaysia where the airline operates. The PRS entails no boarding pass exchange between



guests and AVSEC (aviation security) as guests only need to scan them instead. Furthermore, AirAsia has also digitised the boarding process by scanning all boarding passes at the boarding gate instead of collecting stubs of physical ones.

AirAsia's mobile app will also be enhanced, where guests can scan their passports via the app itself, facilitating a more streamlined user experience and a seamless and contactless self check-in process. The airline has also revealed plans to progressively add other features such as travel visa scanning capabilities in the near future.

AirAsia Group Chief Operations Officer Javed Malik, said: "In addition to the existing strict safety measures on-ground, such as social distancing markers and Allstars wearing personal protective equipment, we are pleased to introduce our updated contactless procedures to deliver a more secure, safe, efficient, and contactless experience for our guests across the region. The safety of our guests and Allstars is our utmost priority and these additional enhancements demonstrate our continued commitment to keeping flying safe in the new normal environment for air travel."

For more information, please visit www.airasia.com





Vietnam Airlines (VN) announced on 29 May that the airline has resumed all domestic flights, and further expanded its domestic network in June. Since the social distancing order was eased on 23 April, the airline has provided service to more than 500,000 passengers throughout Vietnam.

The carrier announced that it had completely restored its domestic flights after months under lockdown. The total number of cargo and passenger flights on 29 May was almost equivalent to the figure on the same day in 2019, at over 350 flights.

This came after the launch of five new routes in May that included Ho Chi Minh City to Tuy Hoa, Hai Phong to Nha Trang, Vinh to Da Lat, Vinh to Buon Ma Thuot, and Thanh Hoa to Buon Ma Thuot.

VN also announced the opening of six new routes in June. This includes two routes from Hai Phong to Da Lat and Phu

Quoc. Both flights will operate four days a week— Mondays, Wednesdays, Fridays, and Sundays— from the middle of June. On the other hand, the other routes include Hai Phong to Can Tho and Buon Ma Thuot. Both routes will be served three times per week on Tuesdays, Thursdays, and Saturdays.

From Can Tho, VN will add a thrice-weekly flight to Vinh on Tuesdays, Thursdays, and Saturdays. Meanwhile, the sixth new route will launch on 22 June between Can Tho and Buon Ma Thuot on Mondays, Tuesdays, Thursdays, and Saturdays.

All of these routes are intended to stimulate tourism and develop a diversified domestic flight network. Hai Phong is a port city in Vietnam with plenty to see nearby, including Cat Ba National Park and Elephant Mountain. Can Tho is the largest city in the Mekong Delta and the fourth largest in the country.

International flights remain unavailable at the time of print. However, VN has been

operating a repatriation schedule that saw the carrier fly its first-ever flights to and from the United States. Vietnam is weighing on reducing restrictions to resume trade on selected routes and to bring in tourism.

VN strictly follows disease preventative regulations and instructions in all its flights as recommended by the Civil Aviation Administration of Vietnam.

All cabin crew, boarding agents and ground staff in direct contact with passengers will now wear personal protective equipment (PPE) which includes a safety visor, masks and gloves, in addition to alcoholic wipes. Customers have to wear their masks throughout their journey from check-in until they disembark. All VN aircraft will go through enhanced cleaning and disinfection processes, after each journey.

For more information, please call 03 – 2031 1555

Plaza Premium Group Launches 'Wellbeing Ambassador' Campaign



In line with extensive initiatives taken by all team members, Plaza Premium Group (The group) launched a set of new training videos in June, to highlight the new standard of hygiene implemented across the international network of Plaza Premium Lounge, Plaza Premium First and Aerotel.

In addition to increasing frequency in cleaning and disinfection, and having all members wear PPE (personal protective equipment) at all times, the staff have taken on the new role as 'Wellbeing Ambassadors' to ensure that customers will be well protected during their lounge stay.

Enhancements and precautionary measurements are deployed in accordance to local authority's advisories for different locations. Firstly, the group encourages everyone to practice social distancing while queuing at entrances, unwinding in relaxation areas or enjoying meals in the dining zone. Hand sanitisers are offered in different areas, prior to the meal times or while enjoying a drink. Thirdly, Wellbeing Ambassadors are to assist customers at the self-service food stations. And lastly, body temperature will be measured in selected locations.

Kimberly Wong, Regional General Manager of Plaza Premium Group Malaysia said, "It is our utmost priority to ensure that our guests feel safe when they lounge with us. We are excited to welcome fellow passengers to our lounge and Aerotel Kuala Lumpur and be sure that our team will comply to the standard operation procedure. It will be tough to regain the public's confidence. However, I am sure fellow passengers will eventually find assurance with our careful steps on precaution measures."

The group's global culinary team has also modified food services for better hygiene at all their lounges. Whereby, a self-ordering mobile app will be introduced in selected locations for passengers to choose made-to-order dishes for freshness as well as to reduce queuing when social distancing is important. Whereas in some locations, the food orders will be taken by staff members.

Furthermore, a tailored and minimalistic approach on food items is in place to better manage initial inventory in response to the expected low volume of passengers while air travel gradually returns. Self-service food stations will remain but are enhanced with



individually-portioned and packaged items for heightened level of hygiene.

As part of the "Wellbeing Ambassadors" team effort, all team members of Plaza Premium Group will practice personal hygiene at all times – wearing a mask in public areas, seeking medical attention immediately if they happen to feel unwell, as well as practicing hygienic behaviour.

For more information, please visit www.plazapremiumgroup.com

AVIATION INTERVIEW WITH ALVIN CHUA

President of FMFF (Federation of Malaysian Freight Forwarders)

From humble beginnings, Alvin Chua started as a clerk at the bottom of the industry's hierarchy. With perseverance, quick wits, and a keen eye for exceptional management, he rose through the ranks to eventually run his own logistics business and was elected President of FMFF in 2009. He shares with AIRLINK insider news about the state of Malaysia's logistics industry and how he plans to steer FMFF and the industry into uncharted waters.



Please describe the history of FMFF and how it has grown over the years.

We were registered in November 1987 as the national association. FMFF was established from the initial four founding and accredited members. Our state association membership comprises state logistics associations from Selangor, Penang, Johor, Sarawak, Sabah, Labuan as well as PPLB

(Persatuan Pengusaha Logistik Bumiputera) and the Sabah & Sarawak Ship Owners Association.

Over the years, we have recorded an increase of 200% from 4 to 8 association members. This is not to mention the exponential increase of members in each of our association members over the years.

In general, how does FMFF benefit its members and the logistics industry in Malaysia?

Our vision is to transform the association, represent all the interests of the members and to articulate their problems to the relevant authorities, which includes the shipping lines, port operators and port authorities. For example, if our port operators have a problem with a shipping line, we will seek to consult, mediate and provide solutions between our members, the Port Klang Authority (PKA) and the Minister of Transport (MOT). I would like to point out that we are very respected by the government agencies, because our method is to find a solution by finding a common middle ground between the disputing parties.

Additionally, we are quick with sending notices and implementation of new directives and policies. This also helps our members keep abreast of changes.

We also assist our members to upskill their staff into higher levels of professionalism. For example, we collaborate with HRDF in conducting diploma programmes in Freight Forwarding, accredited by Federation of International Transport and Logistics Association (FIATA). Thus, our courses are internationally accredited. We also have a liability insurance scheme to protect our member's assets and limit liability exposure. We are always looking for ways to add value for our members. Currently, we are looking for ways to revamp the domestic logistics industry through implementing e-logistics.

How has the recent Covid-19 pandemic impacted the industry? Are there initiatives taken by FMFF in helping its members to maintain normal service levels during this pandemic?

Unfortunately, when the MCO was declared in March, logistics were not deemed as essential services. A lot of cargo was stuck at the port at that time, thus causing an inventory storage crisis. What happened was that the FMFF, PKA, Selangor Freight Forwarders And Logistics Association (SSFLA), Association of Malaysian Hauliers (AMH), Central Region Shipping Association (CRSA) and Shipping

Association of Malaysia (SAM) formed the Port Klang Industry Forum (PKIF) to discuss the relevant issues and how to tackle them. As there were no clear lines of instruction given to us, even by PKA, the PKIF found it imperative to issue press releases to confirm whether logistics and shipping services were deemed as essential services. If it was not for our quick actions, clearance of cargo from the Ports would be affected with adverse effects on the country's external trade and the economy would have come to a standstill. Eventually, the government gave us a letter of approval to operate after the dialogue with Minister YB Datuk Seri Dr. Wee Ka Siong.

Subsequently, we came up with a standard line of operating procedure (SOP). The whole logistics industry was able to restart with the collaboration with Ministry of International Trade and Industry (MITI) and MOT, and the approvals were done in 24 hours. Since then, we were able to free up 20-30% of the port storage capacity every week.

Many of our creditors and our members have been enjoying the benefits of being part of the FMFF. We now have a surge of small and medium-sized logistics companies waiting to join.

What has been the recent growth of Malaysia's logistics industry in the first quarter of 2020? Could you provide us with some statistics?

The Covid-19 pandemic has not spared the industry, the impact has not merely been felt locally but also among our trade partners, especially China, as they are Malaysia's largest trading partner. Logistics depend on import and export and transport is a function of trade. While we don't have the exact numbers, the general feedback from our members is that business has dropped by an approximate 40%, while revenue has dropped roughly 30%. The main operating costs for logistics companies are salaries, thus if the top line has come down by 30%, it means that most of the logistic companies are making a loss.

What is your outlook for the industry in the coming few years?

It would be bleak, and much of it depends on the pandemic. The Department of

Statistics Malaysia recorded the industry's first decline in 23 years, a reduction of 38%. This is mainly due to the drastic reduction of aircraft movement of the local airlines. However, I would like to commend the efforts taken by Malaysia Airlines and AirAsia for their momentous efforts in converting their planes in order to aid the logistics industry in transporting cargo.

KLIA Aeropolis will be developed to be an integrated air cargo network that consists of air, land, and sea connectivity. What is your take on this initiative by Malaysia Airports and what are the benefits of engaging in a partnership with them?

This initiative is welcomed and a plus point for us as I believe they are heading towards the right direction. However, because of the recent events, there may be a need to re-evaluate their portfolio of services, for example, looking into providing a hub for trans-shipment, where we can develop a distribution centre for ASEAN.

In addition, I firmly believe that Malaysia Airports (MAHB) should engage in more dialogue with the SMEs. For example, they could build smaller warehouses to do transshipment, warehousing and so on for the benefit of the other SME players. Essentially, we believe more engagement with industry stakeholders should take place. The smaller players have many ideas to share and if heeded, can bring mutual benefit to both parties.

What are the opportunities you are seeking to further develop FMFF in the next few years?

The experience of this pandemic has warranted a review of our traditional way of doing business. Our way of doing business using the silo system was most felt during the MCO, posing great difficulties for our members, especially when staff had to work from home.

For a start, we are proposing the digitalising of our business to our members. We had a webinar meeting with our members (in June) and we are in the midst of discussing with MDEC and a software application company

to develop a single integrated platform e.g. logistics software providing system to be interfaced into one single entry on the 'cloud'.

We are proposing a start-up fund for each member to promote digitalisation; we have also proposed for the government to approve MIDF's logistics & business financing plan in order to provide soft loans for OPEX and CAPEX for the logistics industry in Budget 2021. Such assistance can drive the logistics business through transformation and digitalisation of our business with a low-cost entry. The initiative will bring great efficiency, savings in terms of cost and time, and improved capability of our business. Furthermore, there will be a reduction in staff cost and the opportunity to upskill our workers to be more IT-savvy.

Lastly, what were the past experiences, achievements or lessons that shaped your journey in this industry?

Some of my past achievements may be summarised as such: firstly, I have brought the association to be seen as more relevant by the government as well as the members. The achievement of our accreditation is a good point of reference; the federation meets their expectation to resolve issues pertaining to the industry. Membership has been steadily growing, with an extraordinary surge during Covid-19 pandemic.

Secondly, hosting the FIATA World Congress 2017 was a remarkable achievement by FMFF and brought accolades to our association. The support by the government for this event was unprecedented. With the great visibility from that event, the federation is now recognised by international and domestic players alike. I would like to also thank MAHB for being our platinum sponsor for this event.

And lastly, we learned a good lesson during this pandemic. By dealing quickly and effectively with the government, the logistic businesses were quick to get off the ground. Many businesses thank the FMFF for taking up the issue effectively. By empowering our members, they have wholeheartedly expressed their gratitude for FMFF's work, and that is more than ample reward for me in itself.



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