

AIRLINK

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Airports Reset for Future Growth

It has been said that the reset for aviation will not be fast and easy considering that the industry and the tourism-related sector have been most adversely impacted by the unprecedented Covid-19 pandemic.

As airports globally rebuild their operations in response to the challenges posed by this crisis, environmental and cost pressures will inevitably be greater than ever before for them. A number of airports have restructured their operations to focus on growth, finding ways to remain financially viable and strong by improving their revenue stream through other avenues besides aeronautical.

Measures undertaken also include downsizing of their operations staff besides cutting down cost. For some, the cost-cutting measures are over in the case of Hamburg Airport in Germany and the small Tallinn Airport in Estonia while for others, they are still unfinished.

As for Malaysia Airports, the company have remained resilient with strong liquidity and manageable borrowing level while containing costs, with some targets have been achieved to keep the airport operator sustainable as it moves forward to brace the headwinds ahead.

Total cost incurred by Malaysia Airports fell 36.3% to RM2 billion for the financial year (FY) ended 31 December 2020 from RM3.2 billion in 2019 while its borrowings were reduced by 5.8% to RM4.6 billion in 2020 from RM4.9 billion previously.

As a socially responsible corporation, Malaysia Airports managed to have zero retrenchments and salary cuts during the pandemic. Its cash and money investment stood at RM1.7 billion in 2020 compared to RM3.2 billion for the FY 2019, with cost containment, cash preservation and cash recovery measures adopted by the group.

In Asia, many airports have also taken the necessary steps to restructure and enable them to function more efficiently as they adjust to meet the new air travel demands as the Covid-19 crisis continues.

Reorganisations at other airports

The same is true for airports in Europe. In a recent discussion on how various airport leaderships have navigated their operations during the Covid-19 crisis, Hamburg Airport CEO Michael Eggenschwiler says fortunately they had embarked on its reorganisation to improve operational efficiency and revenue in 2019.

One of the first things they did during the pandemic was freezing all big investments and undertaking severe cost cutting. "We kept the airport open although there was no traffic. Liquidity was never an issue," Eggenschwiler adds.

"Last March, our staff went into a furlough with their salary reduced by 10% and their working time cut," adding early staff retirement and reduction measures were also undertaken.

Cautiously optimistic of its prospects in the coming months, he is looking forward to air traffic picking up although the movements at his airport remain volatile.

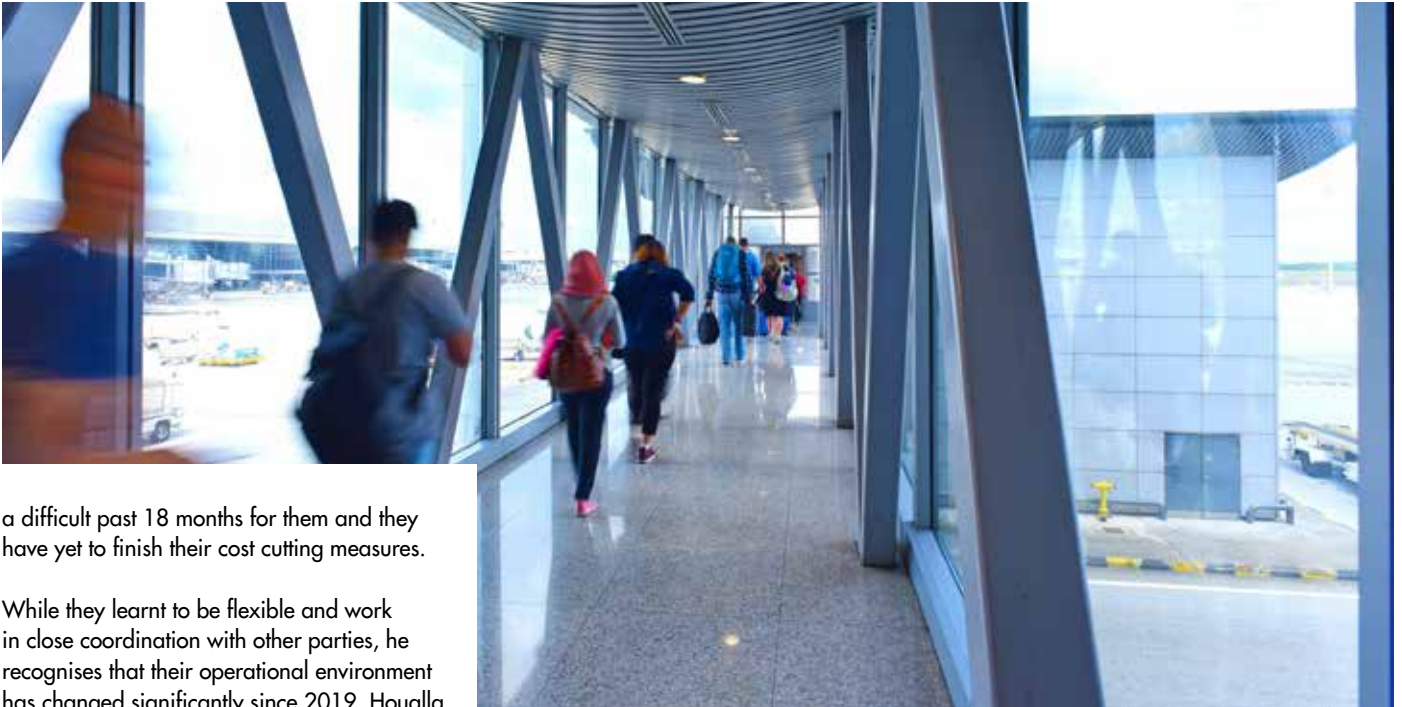
"We have introduced a new department focusing on the passenger journey in anticipation of high traffic volume and are digitalising as much as we can by introducing big data."

Eggenschwiler also expects changes in the traffic mix and air travel to become more expensive in view of new changes, carbon reduction initiatives and new energy usage. He hopes to see more stability and a steady development in the aviation industry instead of having to plan from week to week.

Higher traffic, stability and happy passengers are also what Marc Houalla, Managing Director of the Charles de Gaulle Airport in Paris wishes for as he sets his eyes on the aviation industry returning to 2019 pre-pandemic levels by 2025.

Anticipating changes in traffic mix and that air travel will become more expensive in future, Houalla, who is also Groupe ADP's Deputy Executive Director, says it has been





a difficult past 18 months for them and they have yet to finish their cost cutting measures.

While they learnt to be flexible and work in close coordination with other parties, he recognises that their operational environment has changed significantly since 2019. Houalla observes that when they reached 60% of their 2019 traffic, their infrastructure starts to saturate and long queues occur during check-ins and boarding.

He feels it is crucial for both airlines and airports to carry out control measures during passenger arrivals and departures. "Airlines are asking for more resources and space for their flights. We work closely with them to define some of the processes such as health checks before the arrival of the passengers.

"That would be the game changer. Otherwise, we will not be able to cope with the higher passenger flow in 2022." He says a smarter digitalisation plan is being worked out to improve their passengers' journey with contactless technology.

The turnover of its assets will also be enhanced, thereby increasing its infrastructure's capacity. Having started to use big data on several cases, Houalla says they look very promising and have helped to reduce operational cost.

Elaborating on how they managed during the pandemic, Houalla remarks, "We stopped almost all our investment and completed what we have to finish." In order to conserve their cash, its investment level is now one-fifth or one-sixth of what it had before the pandemic.

Meanwhile, Tallinn Airport CEO Riivo Tuvike shares, "We did not have liquidity issues," explaining that in safeguarding their liquidity position, they monitored the behaviour of their partners.

"We are a flat organisation with only one flight a week," adding that they had a 10% salary cut for almost everyone besides cutting its operational costs during the pandemic.

Having embarked on a digitalisation programme in line with the aviation industry's Airport 4.0 initiative, Tuvike says the majority

of its investment will be coming in next year mainly to improve efficiency and enable its passenger journey to become more seamless. "We will continue to invest into our new apron and non-related aviation business."

Indeed, getting the pandemic under control with operational efficiency, cost containment measures while at the same time thinking out of the box to come up with new revenue streams and digitalisation plans to alleviate the industry have been the primary focus of many airport operators to steer themselves to be more financially sound and stable.





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Airports Nationwide Ready to Welcome Travellers

Malaysia Airports is glad to welcome travellers back to its network of 39 airports on October 14, 2021 with the lifting of local and international travel restrictions. Despite low passenger volume, airports nationwide remained in operations throughout the pandemic and had used the lull period to ensure a safe airport experience in anticipation of travel resumption. Apart from the implementation of safety measures to restore air travel confidence, facilities have also been upgraded to further enhance the travelling experience.

Passengers can look forward to better airports as Malaysia Airports have managed to achieve several noteworthy successes during the pandemic. Among others, KL International Airport (KUL) and Langkawi International Airport (LGK) are currently ranked the world's best airport in their respective categories in the global Airport Service Quality (ASQ) survey for Q2 2021 by Airports Council International (ACI).

Malaysia Airports in a statement highlighted that for the past year, airport readiness has been a key factor in ensuring that services stay relevant, and standards remain high. Staff at all airports are very well prepared to operate at optimum levels of efficiency as they welcome back passengers. Full compliance to Covid-19 hygiene measures have been ensured with five international airports which are KUL, LGK, Penang, Kota Kinabalu and Kuching certified with the global ACI Airport Health Accreditation (AHA).

Malaysia Airports have also achieved a 98% vaccination rate for all staff nationwide in their bid to return to normalcy. The company are expecting a surge in passenger movements in the coming months; therefore, all SOPs will be heightened for a continuous and sustainable recovery for the aviation industry.

All 39 airports across the country continue to practise Covid-19 safety measures such as enhanced sanitisation and disinfection exercises, mandatory thermal screening and usage of face masks, sneeze guard screens, sanitiser stations, and physical distancing reminders among others.

Malaysia Airports also remain guided by the government and relevant authorities i.e., Ministry of Transport, Ministry of Health, National Disaster Management Agency, on the latest SOPs to protect both passengers and the airport community while curbing the pandemic.



Tourism Malaysia Received Global Award at ITCTA 2021

Tourism Malaysia has been awarded for "International Film Location & Golf Tourism Destination" at the 7th International Tourism Conclave & Travel Awards (ITCTA), which was held on August 20, 2021 at Le Meridien, New Delhi.

One of the largest travel trade and business-to-business (B2B) platforms for India's tourism industry, this year's ITCTA was attended by more than 150 industry players. A one-day conclave and B2B expo was held for attendees to discuss the revitalisation of the heavily impacted tourism industry amid the ongoing pandemic, as well as promotional activities focusing on tourism niche products such as MICE, weddings, golf tourism, and filming locations.

“It is vital to have a continuous discourse among the industry players, tourism boards, and state governments on how to tackle the obstacles faced by the tourism industry worldwide. The new normal is here to stay for a longer time than we have expected, hence it is time for a new approach: to live with the virus rather than to combat it.”

SULAIMAN SUIP

*Director of
Tourism Malaysia New Delhi*

For more information, please visit
www.tourism.gov.my



Korean Air Wins ATW Airline of the Year Award



Korean Air received the Air Transport World's (ATW) 2021 Airline of the Year Award during ATW's Airline Industry Achievement Awards held on the evening of October 5 at the Revere Hotel in Boston, United States of America.

The event was attended by Walter Cho, Chairman of Korean Air; Keehong Woo, President of Korean Air; and the airline's flight crew who participated in the repatriation flight that brought Korean nationals safely to Korea from Wuhan at the onset of the pandemic.

"It is an honor to win the ATW Airline of the Year Award at this most difficult time

faced by the airline industry," said Walter Cho. "Covid-19 has halted air travel and grounded our aircraft, but I am proud that our employees' dedication and efforts have been recognised by the global aviation industry."

Korean Air, established in 1969, is one of the world's top 20 airlines and carried more than 27 million passengers in 2019 (pre-Covid). The airline serves 120 cities in 43 countries on five continents; it has a modern fleet of 156 aircraft and employs over 20,000 professional employees. Its global hub is at Incheon International Airport (ICN) and its core businesses are passenger, cargo, aerospace, and aviation maintenance and repair.

For more information, please visit
www.koreanair.com

AirAsia Gears Up to Welcome Everyone Onboard

AirAsia, the world's best low cost airline for 12 consecutive years is all geared up to welcome everyone onboard, following the government's announcement of the resumption of interstate travel and the reopening of tourism activities.

The airline assures that the highest safety standards are in place as part of its Covid-19 mitigation plan including by accepting only fully-vaccinated guests onboard, making it mandatory to check-in via the airasia Super App that integrates with vaccination records on MySejahtera, and soon rolling out FACES facial recognition boarding system, making the entire journey fully digital and paperless thus further minimising possible human contact between its guests and employees.

To kickstart the resumption of interstate travel on October 11, AirAsia operated a daily flight schedule of 61 flights across its 16 domestic destinations. To start it off, AirAsia Malaysia (flight code AK) will fly from Kuala Lumpur to Langkawi (63x weekly), Alor Setar (10x weekly), Kota Kinabalu (35x weekly), Bintulu (2x weekly), Kuching (10x weekly), Labuan (14x weekly), Miri (4x weekly), Penang (21x weekly), Sibul (2x weekly), Sandakan (21x weekly), Johor Bahru (10x weekly), Kuala Terengganu (28x weekly), Tawau (28x weekly) and Kota Bharu (35x weekly).



“The government deserves the greatest credit for the successful rollout of the national vaccination programme which has now culminated in the safe resumption of domestic travel. AirAsia will continue to work closely with all relevant regulators, the federal and state governments, civil aviation and health authorities to ensure the highest standards of compliance and conformance are in place for every single flight we operate.”

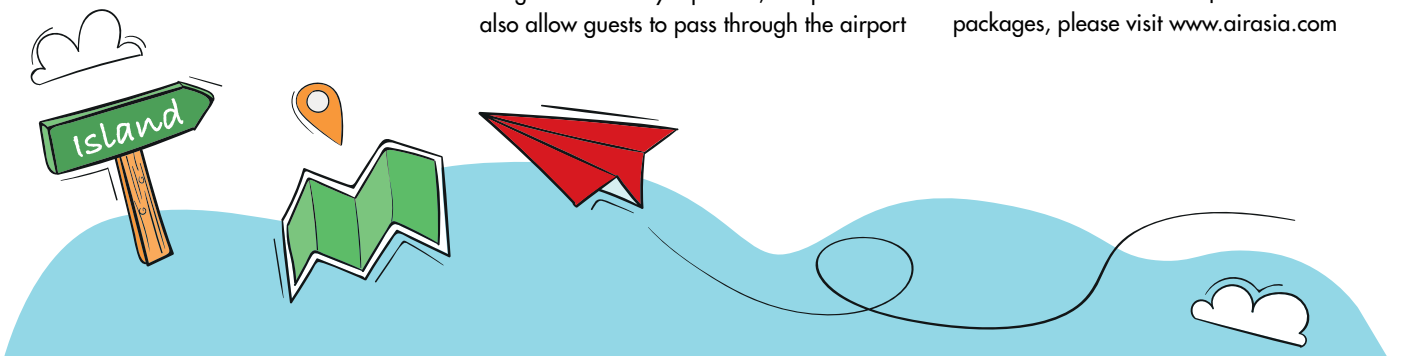
RIAD ASMAT
CEO of AirAsia Malaysia

“AirAsia is taking the lead by making check-in via the airasia Super App mandatory for all guests. Apart from allowing for instant health document verification through its integration with MySejahtera, this process will also allow guests to pass through the airport

clearance and boarding process with an e-Boarding Pass that will significantly reduce physical interaction and paper contact, a key preventive measure in curtailing the spread of Covid-19 and other viruses.

“Having the airasia Super App is the best choice as not only you’d need it for your check-in, it is in fact the only all-in-one app that guests may need for their journey - from flight to hotel bookings, checking in, health document verification, through to boarding with the e-Boarding Pass and inflight services onboard. This is where you can get the best travel deals and enjoy a multitude of other lifestyle services like food delivery, e-hailing, online shopping, fintech services and many more”, the CEO added.

For further information on promotions and packages, please visit www.airasia.com



Bangkok Airways Wins Two Prestigious 2021 World Airline Awards

The Skytrax Institute announced the winners of the 2021 World Airlines Awards 2021 on September 29, 2021 when Bangkok Airways was named “World’s Best Regional Airline 2021” and “Best Regional Airline in Asia 2021”. In addition to that, the airline is also ranked at 19th place among the Top 100 World’s Best Airlines category.

“

On behalf of the management and staff at Bangkok Airways, I feel deeply honored to learn that Bangkok Airways has once again achieved global success despite the spread of Covid-19 that heavily impacts the aviation industry as a whole in the last couple of years. I am more than delighted that our customers around the world still have trust and confidence in our products and services by casting their votes for us. Therefore, this year Bangkok Airways was once again named “World’s Best Regional Airline” and “Best Regional Airline in Asia” for the fifth consecutive year.

”

PUTTIPONG PRASARTTONG-OSOTHH
President of Bangkok Airways



“The Skytrax World Airline Awards are well recognised and respected across the aviation industry worldwide. It is considered a global benchmark of airline excellence, as the results are determined by the vote of global passengers. We would like to thank all the voters for the continued support and confidence that you have for us. These awards offer a great deal of encouragement for everyone at Bangkok Airways to continue to deliver the best to our passengers. We continue our commitment to provide high quality service, hygiene and safety to make sure every journey is an exceptional one.” Puttipong added.

The World Airline Awards survey operated for 23 months (September 2019 to July 2021), and the 2021 Awards represent a mix of more normal travel times combined with some travel during the global pandemic.

Bangkok Airways has previously been named “World’s Best Regional Airline” for 6 years (2014, 2016, 2017, 2018, 2019 and this year 2021), “Best Regional Airline in Asia” for 10 years (2004, 2005, 2008, 2009, 2014, 2016, 2017, 2018, 2019 and latest in 2021) as well as “Southeast Asia’s Best Regional Airline” in 2006 and 2007 from Skytrax.

For more information, please visit www.bangkokair.com

Raya Airways Set to be First Cargo Drone Operator in ASEAN

Raya Airways Sdn. Bhd. ("Raya Airways" or "Raya") embarked on a Proof of Commercialisation (POC) in partnership with Pen Aviation Sdn. Bhd. to demonstrate the commercial viability of utilising drones to transport goods, announced on September 28, 2021. This marks a significant milestone for Raya Airways, setting it on track to be the first Malaysian freight service provider in ASEAN to operate cargo drones.

Leveraging on Raya Airways' track record as Malaysia's leading and most trusted air cargo experts, coupled with Pen Aviation's expertise in safe, mission-critical flight operations for both airplanes and drones, the POC is aimed at unlocking prospects for Raya Airways within its freight services.

Expected to commence in the fourth quarter of 2021, the POC will undertake port logistics missions jointly conducted by Raya Airways and Pen Aviation. This exercise will be performed in accordance with the Civil Aviation Directive CAD 6011, a regulation by the Civil Aviation Authority of Malaysia which allows for the development of unmanned aircraft technologies. The drones will be operated by certified pilots to pick-up and drop off packages weighing up to 12kg, with a distance of up to 50km from containers on cargo ships to the port and vice versa.

Additionally, the POC will demonstrate Pen Aviation's ecosystem superiority to successfully deliver high-volume automated logistics operations with a 24/7 UAV-based freight service.



Redefining logistics in line with the global push towards carbon neutrality, the deployment of Pen Aviation's drones reflects Raya Airways' commitment to reduce logistics-related emissions. Apart from adapting to the changing logistics landscape, this will also allow Raya Airways to improve cost optimisation and enhance environmental sustainability, as drones optimises energy consumption, thus reducing carbon emissions.



Complementing our expertise with Pen Aviation's technical capabilities, we are confident that we will be able to contribute to the sustainable growth of the industry, particularly in Malaysia. With increasing demand for efficient and cost-effective freight forwarding services, the POC is timely as it paves the way for Raya Airways to strengthen our position as a mid-mile provider and build future capabilities to serve Asia and the Asia Pacific region, with a cargo drone fleet capable of flying up to 1,000kg of goods.



MOHAMAD NAJIB ISHAK

*Group Managing Director
of Raya Airways*



"We are excited to work with Raya Airways," said Jean-Bernard Boura, Managing Director of Pen Aviation Sdn. Bhd. "Teaming up with Raya Airways is not about drone operation only. Above and beyond drone design and manufacturing with our French Partner Cavok-UAS, Pen Aviation is an ecosystem provider that enables new businesses by leveraging on DigiMIND™, Pen Aviation's unique digital platform automating complex business and operational processes."

"Our collaboration provides the best solution for the logistics industry by enhancing service level while reducing cost, lead-time, and ensuring full compliance. This partnership reflects our desire to collaborate with companies that share our vision and values. Together with Raya Airways, we look forward to unlocking new business opportunities while efficiently adding value to Raya Airways services", Boura added.

For more information, please visit www.rayaairways.com

More Choices, Flexibility and Value with Cathay Pacific

Cathay Pacific is redesigning its Economy fares to give customers greater choice and flexibility when booking flights.

The airline understands no two journeys are the same and has developed new and simple-to-understand Light, Essential and Flex fares that are tailored to customers' travel needs. The consistent and clearly defined attributes associated with each fare type provide greater visibility for customers on what they are purchasing, helping them choose the fare that suits them best.

The redesigned Economy fares will be introduced progressively across Cathay Pacific's network in phases. Initially, it will be available for flight tickets originating from Malaysia, South Korea or the Taiwan region from September 28, 2021. It will then be extended across the rest of the network over the next six months, and to Hong Kong during the first quarter of 2022.

Each fare offers increasingly more control and greater benefits, from enhanced baggage allowances to flexible rebooking and upgrade options.

Light fares enable customers to enjoy great value when they have confirmed travel plans and are travelling light. One piece of checked-in luggage is included and customers can always pay for additional luggage and other benefits like seat preselection after their booking is made.

Essential fares offer the perfect balance of everything customers need, such as an extra piece of luggage, seat preselection and the option to upgrade using Asia Miles. This fare type is ideal for those travelling with family, heading for a longer trip or simply seeking more comfort and convenience.

Flex fares on the other hand give customers maximum flexibility for their next business trip or holiday, with full control over their travel plans as and when changes are needed. Greater convenience and peace of mind is assured.



In addition to redesigning its Economy fares, Cathay Pacific is also shifting its baggage policy from a weight-allowance to a piece-allowance system that provides a more generous baggage allowance in the majority of fare types and cabin classes. These changes will apply to all cabin classes and will be gradually rolled out worldwide as the new Economy fares are introduced.

For more information, visit www.cathaypacific.com



Japan Airlines Features The World's Best Economy Class



Japan Airlines (JAL), a certified 5-star airline and member of the oneworld® alliance, announced on October 1, 2021 that the airline has been awarded by customers with the World's Best Economy Class, the World's Best Economy Class Seat, and the Covid-19 Excellence Awards at the Skytrax World Airline Awards 2021.

JAL also moved up from 11th to 5th in the Airline of the Year category. The awards were announced by London-based airline industry rating and consulting company Skytrax. Over 100 customer nationalities participated in the survey with 13.42 million eligible entries counted in the results.

“

Japan Airlines has continued its success by winning this award as the World's Best Economy Class airline, and we congratulate them especially due to the very competitive nature of this market. We look ahead with optimism for 2022 that air travel may be restored to more normal times.

”

EDWARD PLAISTED
CEO of Skytrax

In March 2021, 'JAL FlySafe' Hygiene Measures was certified by Skytrax with a 5-Star Covid-19 Airline Safety Rating. The airline has continued to enhance its measures and remains committed to set their customers' safety and security as the number one priority, whilst providing the best services.

JAL's economy class seats, which have been selected the best in the world, are designed to ensure that customers on all classes are able to experience premium services. For international routes, the 'JAL Sky Wider' is fitted on the airline's Boeing 777-300ER, Boeing 787 and Boeing 767 aircraft, and has been highly praised by customers since its introduction. For domestic routes, the airline introduced the Airbus A350 in September 2019 and the Boeing 787 in October 2019, and each seat is equipped with a personal screen and a power supply.

JAL is committed to providing customers with the highest levels of flight safety and quality in every aspect of its service as one of the most preferred airlines in the world. The airline will continue to embrace new challenges to deliver greater customer convenience, enhance its international network, and continue to deliver delightful experiences through their products and services.

For more information, please visit www.jal.com



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ERL Launches KLIA Ekspres App and EkspreSmiles Loyalty Program

Express Rail Link Sdn Bhd (ERL) forges ahead to be at the forefront of cashless solutions on public transport by introducing its new KLIA Ekspres application and EkspreSmiles loyalty program at a virtual launch event officiated by the Minister of Transport Malaysia on October 12, 2021.

During the launch event on KLIA Ekspres Facebook Live platform, YB Datuk Seri Dr. Ir. Wee Ka Siong said, "The pandemic has been a blessing in disguise in that there is now a greater emphasis on going digital and going cashless in our daily transactions, including on public transport. ERL has been at the forefront of cashless solutions for a while now. ERL was the first rail service in Asia Pacific to accept Visa contactless payment at their gates in 2010, launched their mobile app in 2013 and now accepts almost all digital/e-wallets at the counter and online. Their goals and actions are certainly in line with our country's aspiration for a digital economy that will benefit commuters and travellers alike."

“
With the advancement of technology over the years, we need to improve our customers' purchase and travel experience by providing them better features and value as well as rewarding them through our new EkspreSmiles loyalty program. With the easing of travel restrictions from this week, more people can now travel for business, work and leisure purposes so we hope the launch is timely to get the public to travel by public transport again and benefit from this app.

NOORMAH MOHD NOOR
Chief Executive Officer of ERL

The newly-upgraded KLIA Ekspres app allows customers to buy their train tickets more easily and explore better deals with features such as "Lowest Fare First" and "Great Value Recommendations". With the new EkspreSmiles loyalty program, customers can sign up as a member and have a rewarding travel experience as they earn EkspreSmiles Points for every successful booking and redeem them to enjoy better discounts on future purchases.

During the launch campaign period from October 12 to December 15, 2021, customers enjoyed double points when they signed up as an EkspreSmiles member as well as enjoying double points for their ticket purchases. The bonus points were also earned when purchasing packages and certain discounted fares such as the popular Family Package and Group Saver.

Noormah said, "Our goal was to achieve 60% cashless transactions last year but the pandemic slowed down our progress. Nevertheless, we now hope to achieve this target by early next year with the new app, and as we work towards our business recovery and approach our 20th year in service." ERL's cashless usage is currently at 55%, a jump of 16 percentage points in the last four years.

In his remarks, YB Datuk Seri Dr. Ir. Wee encouraged the travelling public to take public transport with confidence and continue practising the new norms as the nation progresses to the next phase of the National Recovery Plan.

For more information, please visit www.KLIAekspres.com





Aviation Interview with Julian Neo Poh Choon

Managing Director of DHL Express Malaysia and Brunei



Having spent 21 years with the Deutsche Post DHL Group, Julian Neo considers it as a family with his work-life fully integrated with the people and professionals he works with. Understandably, the group's culture and values of "connecting people, improving lives" have influenced how he lives his own life. Viewing his career journey within the group as amazing, equipping him with the opportunity to take up positions in three different markets and getting involved in projects in three others, the diverse exposure has served him well in his current role which he assumed since February 2019. Besides being blessed with great mentors within his company, the 49-year-old Neo has also previously worked with Fuji Xerox, Hong Leong Industries, Standard Chartered Bank and BMW Group.

Please share how DHL Express has continued to play a leading role as a global logistics company during the Covid-19 pandemic, especially in this part of the world.

As a company with a global presence, pandemic scenarios are an integral part of our continuous risk planning. Within Deutsche Post DHL Group, we follow a holistic management process that enables our divisions to ensure the best possible operations for the communities we serve through rigorous business continuity planning. The safety of both employees and customers occupies top priority. We have a dedicated task force that monitors the situation daily, coordinates with the relevant authorities, and provides the necessary information across all levels.

In managing our operational capacity and maintaining our speed of service, the volatility of trade is part and parcel of our day-to-day analysis and contingency planning. This ensures our preparedness for peaks and troughs in the different seasons of the changing market, including during this public health crisis.

In the early days of the Movement Control Order (MCO) last year, we took a hit in terms of transit time, but were able to recover to optimal levels within a matter of days. We do not take a one-size-fits-all approach towards our customers. Instead, we address their specific individual circumstances, needs and other considerations. We have developed a diverse offering of tailored-made solutions ranging from frozen perishables and modest fashion to next-day delivery of durians between Malaysia and Hong Kong.

What is your flight network like in order to cope with the exponential growth in shipment volumes since the pandemic?

We have made a number of extensive investments in our global network. Owing to growing demand for logistics expertise resulting from the expanding item volumes in the e-commerce market, DHL Express invested more than RM4.8 billion last year in its global hub and gateway network as well as in new aircraft.

We were the first to order 12 fully-electric Alice eCargo planes in our drive towards zero-emissions logistics. Our investments in alternative and sustainable engine technologies, for example, electric and hydrogen fuel cell, have empowered us, our customers, and our partners to significantly improve our ecological footprint.

What is the market response after your company's recent announcement of its annual price adjustment averaging a 4.9% increase effective 1 January 2022?

DHL Express adjusts its rates yearly, taking into account local and international inflation rates as well as currency dynamics which affect all businesses besides administrative costs related to regulatory and security measures. Depending on local conditions, price adjustments will vary from country to country and will apply to all customers where contracts allow. The adjustment also allows us to further invest in the infrastructure network and strengthen our resilience against crises and provide the needed capacity growth due to rising customer demands.

Please share the expansion of your hubs and gateways, including the use of state-of-the art aircraft, vehicles and other advanced technological devices.

Our parent company Deutsche Post DHL Group invested more than RM4.8 billion globally to enhance our infrastructure and network last year. In Malaysia, we invested RM11.3 million on new additions to our vehicle fleet. A cumulative RM7.4 million went towards the overhaul of equipment encompassing x-rays, courier and warehouse scanners as well as weighing appliances in addition to the refurbishment of our 11 facilities nationwide.

Maintenance was not the sole item on our agenda as our Seberang Prai (RM13 million) and Kuala Lumpur Gateway (RM197.8 million) locations also moved to bigger premises to cater to the growing communities' needs. Through these upgrades, we ensure sustained operational excellence so that we can continue fulfilling our commitment of connecting people and improving lives.

How do you view the prospects for your industry in the next few years?

While several countries are making efforts towards economic recovery, trade lane closures, reduced cargo availability, and increased border processing times continue

to be prevalent issues across the logistics industry. Businesses will definitely start to think more carefully about their supply chain and how they can make it more resilient. For example, by spreading production across several regions instead of having just one factory in one country to improve lead time for their inventory.

Generally, a multi-pronged manufacturing site strategy is a practical and rational supply chain approach as it spreads risks and side steps the potential pitfalls of supply chain failures and uncertainties if all our eggs are in one basket. Trade will play an important role in the recovery once this is all over and as its backbone, the logistics sector would be crucial in ensuring the world keeps moving.

Can you elaborate on the new changes that will be taking place?

I foresee automation will claim a larger part of our traditionally labour-intensive roles. Non-customer facing tasks such as sorting and warehousing are increasingly reallocated to be controlled by programmable robotic systems as well as artificial intelligence (AI). Technologies deployed at DHL are never meant as a replacement but rather to complement our employees and increase our operational efficiency. The aim is to ease our staff's workload in order to free them up for less monotonous and manual tasks, granted that knowledge, experience and instinct cannot be replaced at the helm of our major decisions.

The prolonged period of restricted living conditions has further skewed consumer behaviour towards e-commerce compared to brick-and-mortar businesses. The greater demand for orders and speed may soon eclipse the capability of online retailers, thus presenting an opportunity for logistics providers to include fulfilment in our portfolio.

We could also see higher concentration of logistics activity catering to pharmaceuticals, fast-moving consumer goods, non-perishable foodstuffs and other sectors that have remained relatively profitable throughout the Covid-19 crisis.

What are the key elements that will drive your company's growth in the fast-transforming digital era?

Digitalisation has always been one of the top priorities of our business with Deutsche Post DHL Group committing €2 billion until 2025 to step up transformational initiatives designed to enhance customer and employee experience as well as improve operational performance across all divisions.

Efforts are underway to comprehensively modernise our information technology systems, integrate new capabilities and offer staff targeted training. Global Centres of Excellence are being established to centrally develop key technologies like data analytics, internet of things and autonomous vehicles for logistics use.

In Malaysia, the Covid-19 outbreak and subsequent MCOs have accelerated our digitalisation journey. Where previously a signature would be needed, we have implemented contactless pickup and delivery to mitigate infection risk. We also successfully rolled out our WhatsApp service, DHLontheGo, which allows shipment booking, tracking and enquiry all through the messaging app. Warmly welcomed among our clientele, we expect them to be in demand well beyond the crisis.

We have also deployed a new system called the Advanced Quality Control Centre (AQCC), which utilises the latest technologies in AI, big data referencing and routing as well as automated systems. AQCC provides the capability to monitor in real-time 100% of our shipments and movements efficiently. Robotic process automation has also helped us to streamline vital processes, automate time-consuming repetitive tasks, and enabled our teams to become more productive.

Work apart, how do you unwind and what are the things that you find joy in?

Two things that help me unwind are a good holiday and time spent with loved ones.



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