

AIRLINK

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Airport MD Speaks

Dato' Iskandar Mizal Mahmood returns to Malaysia Airports after almost 20 years with his wealth of experience gleaned from many multinationals and government linked companies to elevate and transform Malaysia Airports in the fast-changing aviation landscape with new travel norms and innovative technological advances.

This month as he roars into the Year of the Water Tiger, he looks forward to the replacement of the automated people mover (APM) or aerotrain system by Pestech Technology Sdn Bhd at the KL International Airport (KLIA), which will offer flexible and seamless connections upon its completion in the near future. The commencement of more new routes by existing carriers and newcomer, SKS Airways, also herald an optimistic start for domestic air travel within Malaysia in this new year.

Dato' Iskandar Mizal Mahmood
Managing Director
Malaysia Airports Holdings Berhad

envisage the upgrading of the new aerotrains together with our track system infrastructure to serve KLIA with improved operational efficiency in terms of safety, comfort, appearance, energy consumption and diagnostics upon its completion in three years' time. Pestech Technology, which has been awarded the contract through a tender exercise, will be starting work on the APM project in March.

It will be working with original equipment manufacturer, Bombardier Transportation, which was recently acquired by Alstom, a French multinational rolling stock maker with global operations in rail transport and actively involved in passenger transportation, among other things. Pestech Technology will also be responsible for maintaining these new aerotrains for 10 years from

2025 until 2034. We will be working closely with Pestech Technology to ensure minimal disruption and inconvenience to our passengers.

I would also like to take this opportunity to congratulate SKS Airways, which was awarded a full air service license by the Malaysian Aviation Commission this year, for providing new scheduled flights to our popular islands of Pangkor and Redang in Perak and Terengganu respectively from Sultan Abdul Aziz Shah Airport, popularly referred to as Subang Airport in Selangor.

This will be a boost to domestic air travel within Malaysia. Coupled with the reopening of the Kuching-Langkawi route by AirAsia on January 5 which is another fillip for this legendary island and crown jewel of Kedah,

we can expect to see the Langkawi travel bubble project gaining traction besides meeting the pent-up demand to travel.

AirAsia is also providing more connectivity between Peninsular Malaysia and the two East Malaysian states of Sabah and Sarawak. Its new routes - Johor Bahru-Bintulu, Penang-Sibu and Kuala Terengganu-Kota Kinabalu – are timely, serving the demand for the festive travel during the Chinese New Year period.

While wishing a safe travel to all passengers, I would like to reiterate that Malaysia Airports will always maintain the required standard operating procedures such as the wearing of masks, social distancing and regular sanitisation at all our airports.

Happy Chinese New Year!



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Bouncing Back Stronger in 2022

Despite the on-going Covid-19 pandemic, Malaysia continues to see encouraging signs of recovery in its domestic tourism and the aviation sector. This is evident from the recent increase in flight frequencies announced by various airlines working in close collaborations with key stakeholders that includes national tourist organisations, state governments and their respective agencies.

A case in point is newly signed year-long partnership between Malaysia Aviation Group (MAG) and Sarawak Tourism Board (STB) to promote Sarawak as a tourist destination in 2022 via the launch of its Sia Sitok Sarawak Plus interstate travel campaign with Malaysia Airlines as the official carrier as well as Firefly, MASwings and MHHolidays as its strategic partners.

Moving in tandem, the Sarawak State Disaster Management Committee had approved more domestic flights into various parts of the state such as Kuching, Miri, Bintulu, Limbang/Lawas and Mulu from 307 to 562 weekly effective January 14.

The airlines involved are Malaysia Airlines, MASwings, AirAsia and Malindo Air.

Besides looking forward to more direct flights from West Malaysia into Sarawak in the near future, Minister of Tourism, Creative Industry and Performing Arts Dato Sri Abdul Karim Rahman Hamzah also sees big potential from Singapore, where the state government has established a Sarawak Trade and Tourism Office Singapore in 2019.

According to STB Chief Executive Officer Sharzede Datu Salleh Askor, the beautiful Land of the Hornbills is expecting more direct flights from Penang, Johor and Kuala Lumpur via its collaboration with MAG.

MAVCOM's role

Another indicator showing that the domestic aviation sector is posting strong recovery is from the 98.8% high approval rate given by the Malaysian Aviation Commission (MAVCOM) for the total of 82 air traffic right (ATR) applications received in 2021.

For the fourth quarter of 2021 (4Q21) alone, MAVCOM's latest report says the economic regulator for the civil aviation industry had approved 27 out of the 28 ATR applications submitted by airlines to assist them in their gradual preparations to resume full services.

This represents a 33.3% increase in applications and 28.6% increase in approvals compared to the third quarter of 2021 (3Q21), according to MAVCOM's newly released 4Q21 report.

Of the 28 ATR applications, the Commission says 17 were for domestic routes, which more than doubled compared to the seven applications submitted in 3Q21. This was primarily due to the reopening of interstate borders last October and a rise in demand for domestic holiday-related travel with extra flights mainly to Langkawi, and followed by Johor Bahru, Penang and Kota Bharu.

MAVCOM executive chairman Datuk Seri Saripuddin Kasim believes “this promising development illustrates the sector’s resilience and its ability to bounce back post-pandemic”.

Additionally, the Commission has received 13 ATR applications from air cargo, signalling the segment’s continued and sustained growth, resulting in new cargo air service licence (ASL) holders, namely World Cargo Airline Sdn Bhd and M Jets International Sdn Bhd.

In terms of breakdown of the ATR allocations for Q4 2021, it says Malaysia Airlines Berhad and World Cargo Airline Sdn Bhd received the highest number of approvals with six ATRs each.

This was followed by AirAsia Berhad (five), M Jets International Sdn Bhd (three) while AirAsia X Berhad, FlyFirefly Sdn Bhd and Malindo Airways Sdn Bhd received two ATR allocations each. Lastly, MyJet Express Airlines Sdn Bhd was awarded one ATR allocation.

MAVCOM expects the air cargo segment to grow by between 3.9% and 6.7% year-on-year in 2022, which will translate to between 20.8 billion and 21.6 billion in freight tonne kilometres.

To help stimulate the aviation sector’s recovery, the Commission has briefly announced via its website several issuances of conditional approval for air service licence (ASL), air service permit and ground handling licence to various parties on December 22, 2021.

Latest two ASL entrants

Among them is an ASL to Z9 Elite Sdn Bhd, which the Commission says will be doing

business as MYAirline for a period of 12 months effective from January 1 to December 31, 2022. This is in addition to another MAVCOM’s announcement, also dated December 21, 2021, that it has approved the issuance of an ASL to SKS Airways Sdn Bhd for a longer period of 36 months effective from January 1, 2022 to December 31, 2024.

With the ASL enabling these two holders to conduct scheduled passenger and cargo services, Captain Izham Ismail, the group chief executive officer of the Malaysian Aviation Group, admits that while he does not know the size of their business, he has some concerns on the entry of these two new airlines regarding overcapacity and sustainability for the industry as a whole.

For instance, he questions whether it would be sustainable for the local aviation industry serving a population of 32 million people to have two more new entrants while existing airlines are suffering losses and struggling to survive during the pandemic.

The Johor-based SKS Airways, via its website, has described itself as a commercial airline serving domestic short-range leisure, commuter and charter flights to unserved and underserved routes.

With its operations mainly focused on popular island-based and coastal resorts in

Peninsular Malaysia, it has started marketing its maiden flights to Pangkor and Redang islands from Sultan Abdul Aziz Shah Airport in Subang, Selangor on January 26 and 31 respectively.

On the latest ASL entrant, according to the Companies Commission of Malaysia, the RM2 million paid-up MyAirline Sdn Bhd was incorporated on January 11, 2021. It changed its name to Z9 Elite on October 28, 2021.

Its shareholders are Zillion Wealth Bhd (88%), Trillion Cove Holdings Bhd (10%) and Rayner Teo Kheng Hock (2%), former AirAsia Group Head of Sales.

Teo is also Z9 Elite director alongside Malaysia Airports former Chief Operating Officer Abd Hamid Mohd Ali, Civil Aviation Authority Malaysia former chairman Azharuddin Abdul Rahman, Trillion Cove chief executive and director Dato Goh Hwan Hua and Trillion Cove director Jothi Prakash Murugan.

CGS-CIMB Research reckons the two new airlines will most likely boost traffic volumes for Malaysia Airports in 2022 with their new routes. With the newly established Z9 Elite planning to operate two leased Airbus A320 aircraft and expected to launch its ultra-low-cost service soon, the research house expects a price war to be triggered, which will transform the current outlook for the aviation industry in Malaysia.





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MAHB Embarks on The Replacement Exercise for KLIA Aerotrains



Malaysia Airports has embarked on the replacement exercise of its Automated People Mover (APM), also known as the Aerotrain system.

The current Aerotrains have been in service shuttling more than 300 million passengers between the satellite and main terminal buildings since the airport opened 23 years ago. Over the past few years, the ageing Aerotrain system frequently faced service disruption, contributing to operational inefficiency. Three years from now, international passengers travelling through KL International Airport (KLIA) will get to ride in brand spanking new Aerotrains.

Malaysia Airports Managing Director, Dato' Iskandar Mizal Mahmood said the current Aerotrains are approaching their end-of-life stage and need to be upgraded so that passengers can be better served, "It is no longer feasible to maintain the current Aerotrains. Old assets are more prone to break down and this will inconvenience passengers. They are also running on old technology, making it difficult to get parts. The new Aerotrains will be upgraded together with the track system infrastructure, and this will also provide the airport with better operational efficiency."

"No doubt there will be some inconvenience to passengers in the next three years during the upgrade period. While we will endeavour to minimise the disruption of service, passengers will continue to be shuttled using the airside bus service which has been running well as an alternative service since 2017," he added.

The new Aerotrains will be improved in terms of safety, comfort, appearance, energy consumption and diagnostics, among others. It will also offer flexibility for seamless connections for new terminals in the future.

The new APM project that has been awarded to Pestech Technology Sdn Bhd (Pestech), a wholly-owned subsidiary of public listed Pestech International Berhad, will start work in March 2022 and take three years to complete. The project encompasses the replacement of the Aerotrain system as well as its maintenance for ten years until 2034. Pestech will be working with a reputable OEM - Bombardier Transportation - recently acquired by Alstom, a French multinational rolling stock manufacturer operating worldwide in rail transport markets and active in the fields of passenger transportation, signaling and locomotives.

Meanwhile, in 2020, Malaysia Airports had also appointed the US-based consultancy firm Jacobs Engineering Group (Jacobs), to provide project management consultancy services from the development of detailed design stages to the project completion, using the Design-Build-Finance-Operate-Maintain (DBFOM) approach. Jacobs is an international professional services firm that provides technical, professional and construction services.

In Malaysia, Jacobs has been involved in almost all major rail and transit projects including the Ampang Line, Kelana Jaya Line, Putrajaya Line and most recently the JB-Singapore RTS Link.

Korean Air Initiates Full-Scale Electronic Document

Korean Air has launched a full-scale digitalisation of travel documents by introducing an e-Document system (e-DOC), becoming the first airline in the world to implement such an electronic document system.

Customers will be able to fill out 23 types of documents, including pet transportation declaration, unaccompanied minor and health condition declaration forms, on their digital devices. In addition, information gathered upon reservation, such as email address, contact information and frequent flyer number, will automatically be reflected on the documents, further facilitating the document fill-out process.

Data shared by customers will be safely managed in a secure server. Information stored in the server will be accessible in

real time through dedicated terminals at domestic and overseas branches. Rapid information processing will significantly reduce customer wait time, and security of personal information will be strengthened as documents are automatically stored and deleted in a managed server.

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The introduction of the e-DOC system is the result of Korean Air's efforts to enhance customer-centered services as a leading global airline. We plan to actively engage in ESG management and further improve customer convenience by providing innovative solutions.

”

SEUNGBUM LEE

*Chief Customer Service Officer &
Executive Vice President
Korean Air*

Meanwhile, Korean Air also continues its efforts to enhance customer service. The airline was not only named Air Transport World's 2021 Airline of the Year, but also received a Skytrax 5-star Covid-19 safety rating and a 5-star global airline rating by the Airline Passenger Experience Association (APEX). In December 2020, the carrier also became the first airline in Korea to receive consumer-centered management (CCM) certification by the Korean Fair Trade Commission.

For more information, please visit www.koreanair.com

