



SOCIO-ECONOMIC FACTORS IN CIVIL AVIATION AND MALAYSIA'S CONTRIBUTION

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INTRODUCTION

- ❖ Civil aviation accommodates the travel needs of individuals and businesses
- ❖ Demand correlates with economic development
- ❖ Civil aviation acts as economic catalyst
 - \$100 output triggers additional demand of \$325

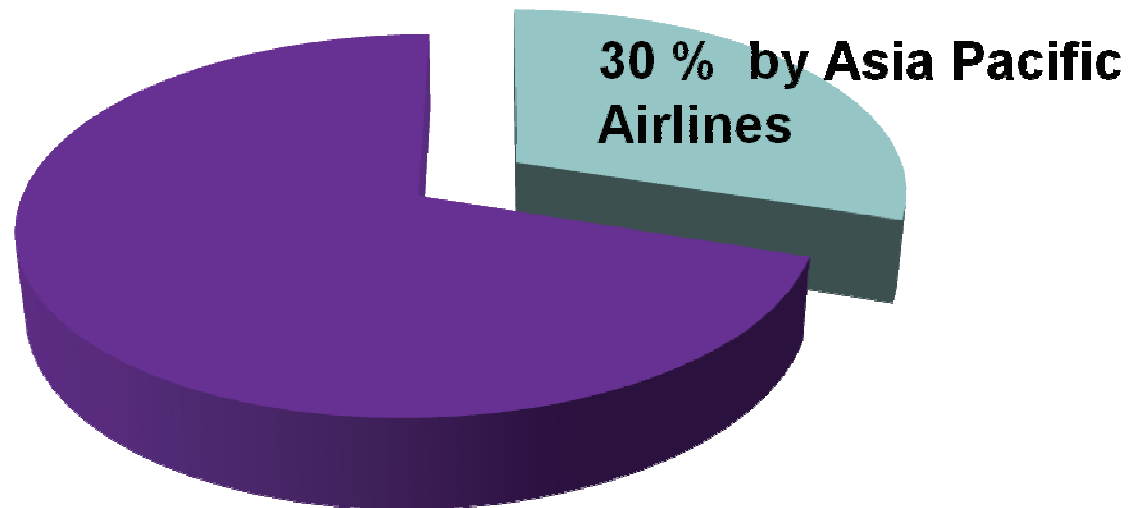




AVIATION IN ASIA PACIFIC

- ❖ Asia Pacific one of the most important markets in aviation

**Total Traffic Volume Comprising
Passengers, Freight & Mail 2007**

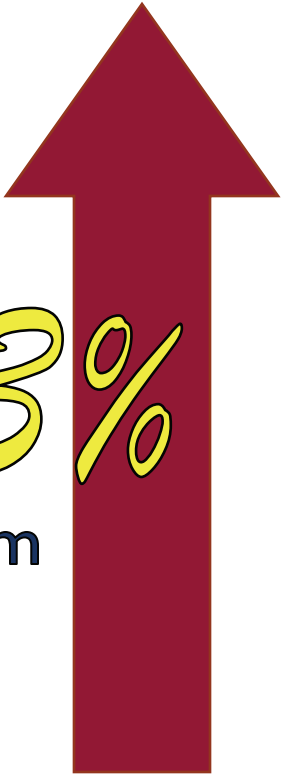




AVIATION IN ASIA PACIFIC

Forecast

International Passenger Traffic



5.3%

per annum

Asia Pacific Passenger Traffic



5.8%

per annum

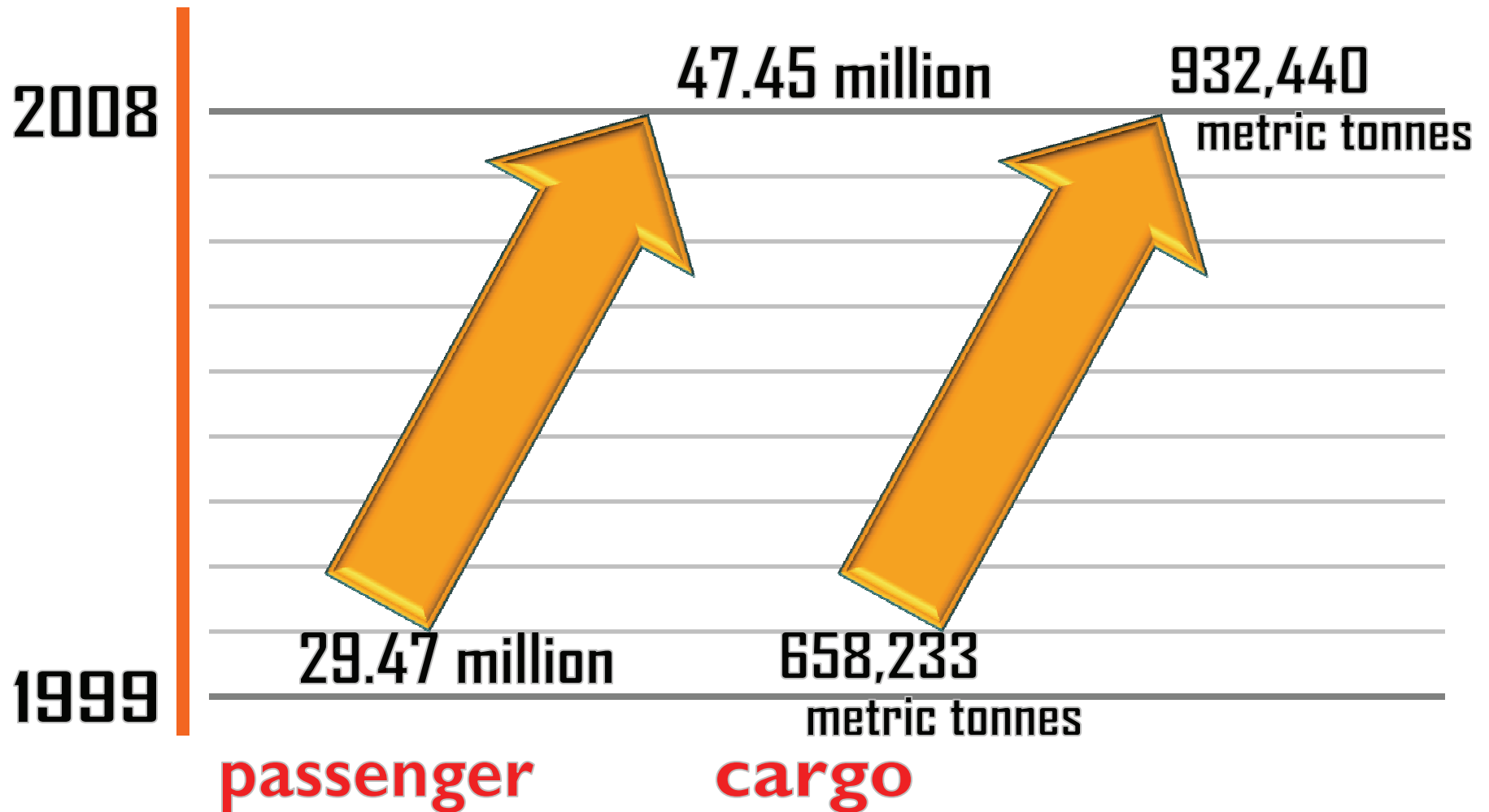
AVIATION IN MALAYSIA

- ❖ Bridging Malaysia to the global market
- ❖ Increasingly industrialized and tourism dependent economy
- ❖ National integration and socio-economic agenda
- ❖ Link between West and East Malaysia



AVIATION IN MALAYSIA

Passenger and Cargo Movements in Airports



INDUSTRY OUTLOOK



- ❖ Airlines suffered losses \$10.4 billion in 2008 and on track to lose \$9 billion in 2009
- ❖ Loss estimate for 2009 lower because of reduced fuel prices
- ❖ Asian-Pacific airlines are expected to account for 30% of losses in 2009
- ❖ Passenger kilometers performed forecast for 2009 for Asia-Pacific is minus 4.5% compared to 2008



Malaysia - Passengers & Cargo Movements (January - May 2009)



**compared with corresponding period in 2008*



CIVIL AVIATION PERFORMS A VITAL SOCIO ECONOMIC NEED

Visiting Friends and Relatives

- ❖ Industry always prone to ups and down but stayed aloft
 - positive growth despite periodic slumps
 - recovered within a year or two after September 11
- ❖ Growth as civil aviation industry has been performing a vital socio-economic need
 - visiting friends and relatives -VFR market

RECENT GROWTH & EMERGENCE OF LOW COST CARRIERS

- ❖ Low cost carriers have captured about a third of the market
- ❖ Asia Pacific - natural market
 - skeptics argument – travelers insist on being pampered and willing to pay
- ❖ Malaysia's AirAsia proved skeptics wrong
- ❖ Low cost carriers are emerging all over Asia Pacific Region
 - will contribute to making the region the world's biggest air travel market



AirAsia

RECENT GROWTH... cont'd

Air Asia



15
domestic

38
international

Air Asia X
7
international



RECENT GROWTH... cont'd

Low Cost Carriers

- ❖ Malaysia built Asia Pacific's first low cost carrier terminal at KLIA in 2006
- ❖ Continuously reviewing plans to support low cost carrier operations
- ❖ New low cost terminal at KLIA with a capacity of 30 million passengers per annum will be operational in 2011

CIVIL AVIATION AND THE INTERNET



- ❖ The Internet had a significant social and technological impact on aviation
- ❖ Trend to use Internet to purchase tickets will continue
- ❖ Up-to-date information available electronically
 - Flights, a perishable commodity matched with best deals

CIVIL AVIATION AND THE INTERNET...

cont'd



- ❖ Benefits for both airlines and travelers
 - Provide consumers with information
 - Offers airlines savings on marketing and distribution
- ❖ Travel agents have to reshape business model



MALAYSIA AIRLINES (MAS)

- ❖ Socio-economic role since 1973
- ❖ Contribution to national integration
- ❖ Subsidiaries
 - Firefly – domestic and regional communities closer
 - MASwings – vital and reliable link within East Malaysia



MALAYSIA AIRLINES (MAS)

❖ Achievements & Awards

- Accredited “5-star Airline” status by Skytrax, 2006-2009
- World’s Best Cabin Crew Award, six (6) times since 2001



58
international
destinations

6
continents

ENVIRONMENT AND CIVIL AVIATION

- ❖ One of main challenges is climate change and emission of greenhouse gases
- ❖ Aviation responsible for 2-3% of total carbon dioxide emissions
- ❖ IATA announced vision to achieve carbon-neutral growth
- ❖ Efforts made
 - Improve fuel efficiency
 - Improve engine efficiency
 - Introduce bio fuels



ENVIRONMENT AND CIVIL AVIATION... cont'd

- ❖ ICAO's leadership in environmental protection
- ❖ ICAO has its Program of Action on International Aviation and Climate Change
 - Improving airport capacity can reduce emissions.
 - Malaysia has an extensive and well developed airport network





ENVIRONMENT AND CIVIL AVIATION... cont'd

Initiatives, Measures and Programmes by Malaysia

- ❖ Air Traffic Management Measures
- ❖ Fuel Efficiency Programme
- ❖ Newer Fuel Efficient and Environmentally Friendly Aircraft
- ❖ Reducing Waste and Encourage Recycling
- ❖ Staff Awareness Programme
- ❖ Strategic Partnership - Code Share



Malaysia's Contribution to Civil Aviation



Continuous Descent Approach (CDA)

Malaysia Aviation Academy (MAVA)

IATA Secure Freight Programme (SFP)





Continuous Descent Approach (CDA)



Parties
involved





Continuous Descent Approach (CDA)...

cont'd

Annual emissions
reduced by 54k
tonnes

280 arrivals per day

**Preliminary
data from
trials in KLIA**

\$10 million saving

165 kg fuel saving per
flight

Continuous Descent Approach (CDA)... cont'd

- ❖ Conducting CDA trials at the KLIA
 - three-phased implementation plan
 - first phase implemented January 2009, second phase expected to be implemented November 2009





Malaysia Aviation Academy (MAVA)

- ❖ Designated institution under MTCP
- ❖ Basic and advanced training in the field of Air Traffic Management
- ❖ Contributes to ICAO's goal of upgrading human capital





Malaysia Aviation Academy (MAVA)... cont'd

Aviation Personnel Sponsored

since

1984

trained

340

from

56

countries

International Participants

Malaysia Aviation Academy (MAVA)... cont'd

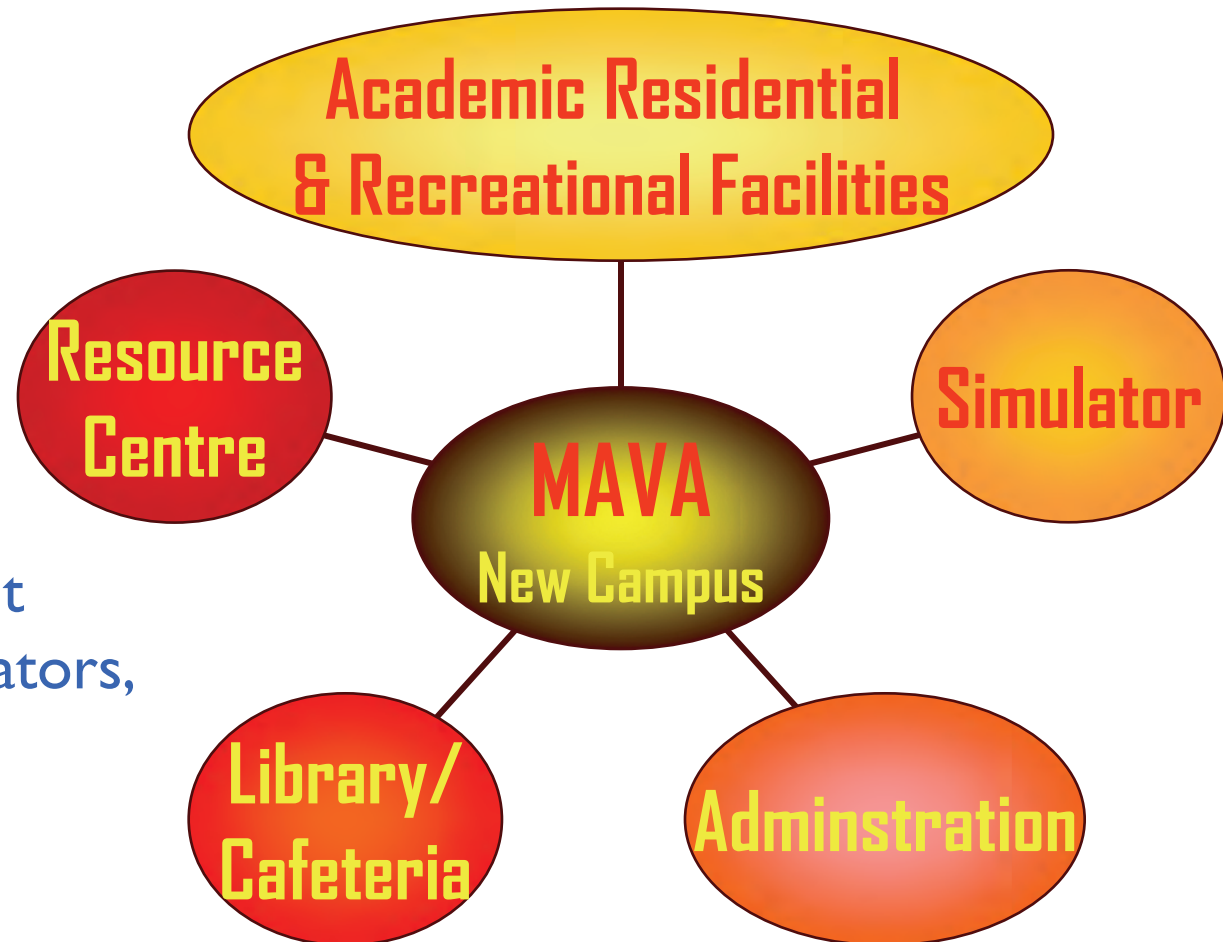


- ❖ Commenced construction of a new campus in 2007
- ❖ Located 10km from KLIA
- ❖ Being developed in two phases
- ❖ Phase I



- RM40 million
- Scheduled to be completed August 2009

Malaysia Aviation Academy (MAVA)... cont'd



Separate procurement programme for simulators, solution and aids



Malaysia Aviation Academy (MAVA)... cont'd

Long Term
AIMS

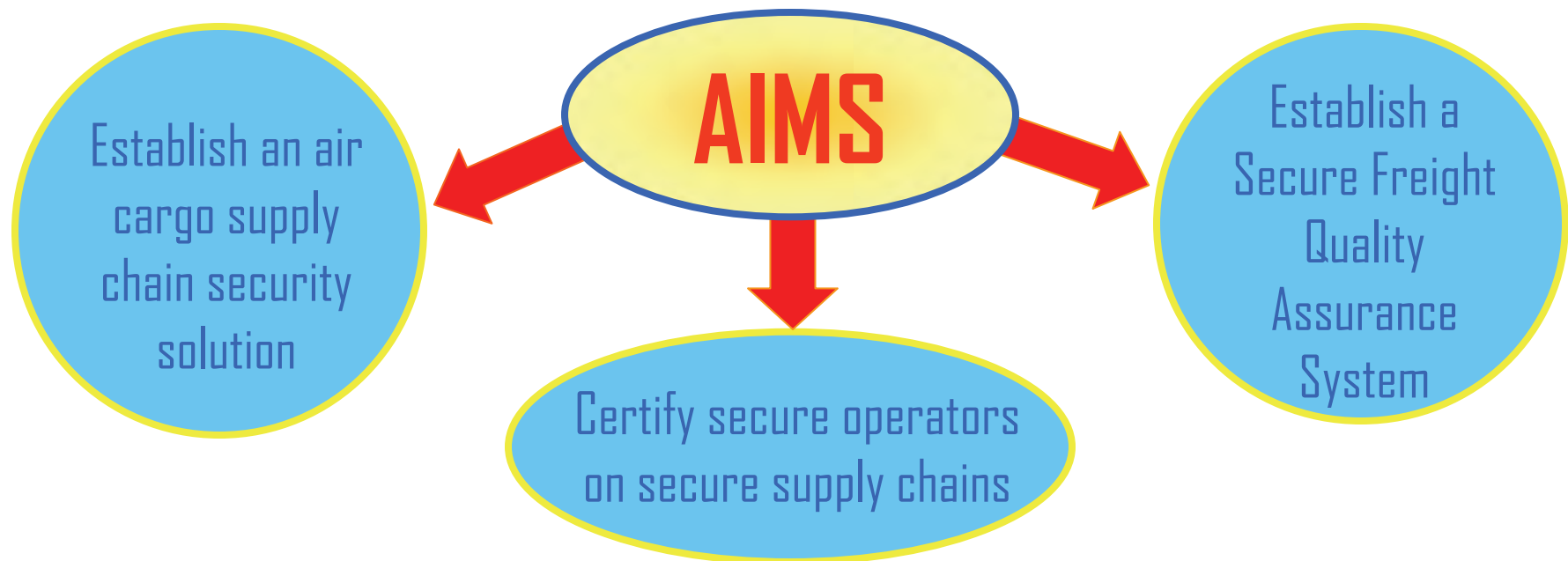
To cater for local and
international aviation
industry

Centre of Excellence
in Aviation Training



Secure Freight Programme (SFP)

- ❖ Working closely with IATA to be pioneer state for SFP for air cargo security





CONCLUSION

- ❖ Ultimate socio-economic dynamics in civil aviation is to improve the air travel experience of the passenger
- ❖ Despite periodic slumps, trend in passenger traffic has been upwards

The industry will recover and growth will return



THANK YOU

