

A tall, white, cylindrical tower with a green observation deck and a radar dome on top, surrounded by lush greenery and a body of water.

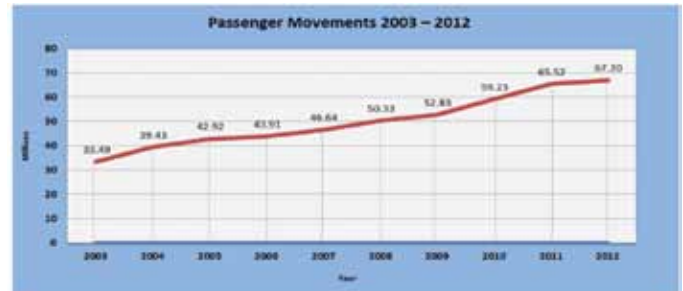
Malaysia

A Vital Hub in the Asia Pacific Region

MALAYSIA: A LEADING AVIATION NATION IN THE ASIA PACIFIC REGION

Strategically situated in the world's region of growth, Malaysia's aviation landscape continues with significant growth and rapid development. In the early stages, aviation in Malaysia focused on domestic services including bridging the divide between East and West Malaysia. Today civil aviation is an integral part of Malaysia's globalised economy. Aviation contributes much to the national economy connecting the nation to global markets. It has facilitated trade, expanded export markets, generated tourism and is a key enabler of business and commerce.

Civil aviation in Malaysia has progressed along with global advances in aviation. Malaysia has emerged as a vital hub in the Asia Pacific Region due to a clear aviation policy and the advantage of strong economic fundamentals. Working with all aviation stakeholders, Malaysian aviation authorities are committed to safety, security and environmental protection as well as the sustainable development of air transport. With a comprehensive policy covering all key aspects of aviation, focusing on growth areas, strategic development objectives, long-term strategies and transformational approaches, Malaysia aspires to be a leading aviation nation in the Asia Pacific Region.



PROGRESSIVE LIBERAL AVIATION REGIME

Liberalization is fundamental for air transport growth and long-term sustainability of global aviation. Along with liberalization, there was structural transformation in the industry as it adjusted to new realities. A liberal aviation policy increases accessibility and promotes air travel. Over the years, Malaysia has promoted a progressive liberal aviation policy as part of efforts to develop the air transport system, generate economic growth, increase competitiveness and promote global integration.

Open-skies agreements, greater competition, business-friendly measures, enhanced connectivity, increased air transport availability and efficiency as well as continuous transformation are characteristics of Malaysia's progressive liberal aviation regime. Existing policies will be continuously fine-tuned and new strategies formulated as part of efforts to promote further liberalization and sustainable air transport. These include the identification of impediments and formulation of strategies to overcome them. Restrictions primarily beyond third and fourth freedoms will be given attention to facilitate market access expansion.

Malaysia's signing and ratification of ASEAN open-skies agreements enable designated carriers to operate third, fourth and fifth freedom traffic rights between any cities of ASEAN with unlimited frequencies and aircraft type.

Malaysia's national carrier, Malaysia Airlines, currently flies to 46 destinations across six continents due largely to Malaysia's liberal aviation regime. Its entry into the One World alliance will further expand Malaysia's route network, enhance connectivity as well as enable diversification beyond traditional markets.

A significant recent development in Malaysia's aviation landscape and progressive liberal aviation regime is Malindo Airways, Malaysia's newest scheduled carrier. The carrier will commence operations in March 2013. With a product close to full service carriers with low-cost fares, consumers will be the



KLIA's drop-off area



ultimate beneficiary as competitors consolidate operations to meet the enhanced liberalized environment in the air travel industry. This new development will serve as a catalyst for greater competition, increased accessibility, enhanced connectivity as well as air transport efficiency and availability.

Open-skies agreements, increased competition, air transport availability and efficiency are characteristics of Malaysia's liberal aviation regime.



Malaysia's Air Asia has been voted the World's Best Low-Cost Airline

LOW-COST CARRIERS AND THE CHANGING LANDSCAPE ACROSS THE REGION

Liberalisation and deregulation have transformed global aviation. The industry has undergone major transformation as it adjusts to new realities. This transformation has created a more competitive environment and led to the emergence of low-cost carriers. Low-cost carriers have challenged the full service network model and changed the dynamics of air travel. The low-cost carrier model continues to adjust in a dynamic and more competitive marketplace.

Much of the recent growth of the airline industry has been attributed to the emergence of low-cost carriers. In an increasingly competitive environment, low-cost carriers have created new demand, opened new hubs and accessed secondary markets and their operations have made the world a smaller place. They now have access to lucrative routes and have plans to tap the rich Asia Pacific travel market. Low-cost carrier operations have made air travel more affordable and accessible with competitive fares.

Malaysia has contributed significantly to the low-cost carrier segment in the Asia Pacific Region. Malaysia's AirAsia is Asia's first and largest low-cost carrier and is testimony that the low-cost airline model works in Asia. AirAsia has been voted the World's Best Low-Cost Airline for 2009, 2010, 2011 and 2012. To tap the growing low-cost carrier market, AirAsia has joint ventures in Thailand, Indonesia, the Philippines and Japan. With its tagline "Now Everyone Can Fly", AirAsia services an extensive network of over 172 routes covering over 89 destinations with 118 aircraft. In the wake of Air Asia's success, low-cost carriers have emerged all over the Asia Pacific Region.

AirAsia X, the low-cost long haul affiliate of AirAsia, currently flies to destinations in China, Australia, Taiwan, Iran, Korea, Japan and Nepal and complements AirAsia's current extensive route network, enabling greater connectivity into and out of the ASEAN Region.

AIRPORT NETWORK

Malaysia has an active investment policy for airports with a well-developed and extensive airport network. Airport infrastructure is important as air transport plays a major role in Malaysia's economic activities and national competitiveness. Airport infrastructure in Malaysia is supply driven, with capacity provided ahead of demand.

Airport development in Malaysia is generally based on traffic forecasts. A set of design parameters are prepared for each airport focusing mainly on aircraft movements, parking stand requirements and passenger peak hours. Airports are developed in accordance with supply ahead of demand as well as to 'just-in-time' principles where infrastructure, facilities and services at airports are made ready to accommodate the forecast and expectation of demands from airlines and their passengers.

Over the past decade, airports in Malaysia have undergone various magnitudes of development. The development of airports in Malaysia, apart from enhancement of capacity to cater to forecast demands, is geared towards improving safety and efficiency levels at airports.

Malaysia's six international airports and 16 domestic airports contribute much to economic development as well as rapid and significant growth in passenger volume and cargo handled at airports. Malaysia's main gateway, the Kuala Lumpur International Airport or KLIA, is testimony to the active investment policy and supply driven airport infrastructure capacity. The airport has sufficient capacity planned to handle up to 100 million passengers per annum. It is an eco-friendly airport and handles A380 operations.

Active investment policy for airports

Well-developed airport network contributing to significant growth in passengers and cargo

NOW, SEAMLESS JOURNEYS TO OVER 800 DESTINATIONS ACROSS MORE THAN 150 COUNTRIES.



MALAYSIA AIRLINES IS NOW PART OF **ONEWORLD**.

Journeys with **oneworld** now seamlessly connect you to more destinations. You will also enjoy more Enrich rewards and be pampered wherever you fly. From 15 February to 15 April 2013, earn double Enrich Miles when you fly via the **oneworld** network.

From 1 April 2013, members of Malaysia Airlines' Enrich and LAN's LANPASS programmes enjoy reciprocal frequent flyer rewards and benefits when flying on each other's airlines.

JOURNEYS ARE MADE BY
THE PEOPLE YOU TRAVEL WITH.

malaysia airlines





Artist impression of the entrance to the new klia2



The aerial view of klia2, the world's largest purpose built terminal dedicated to low-cost carriers.

In recognizing the potential of the business model pioneered by low-cost aviation, Malaysia built Asia Pacific's first low-cost terminal at KLIA in March 2006 to cater to low-cost operations in the region. Supporting Infrastructure and facilities have also been provided at other international airports.

klia2 is testimony to Malaysia's strategic development objectives, supply driven airport infrastructure and renewed focus on growth areas. klia2 is a new terminal at the Kuala Lumpur International Airport designed to meet the continued demands of low-cost carriers. It is the world's largest purpose built terminal for low-cost carriers.

klia2 is the world's largest purpose built terminal for low-cost carriers

Built at a cost of USD 1.3 billion, the new 45 million passenger terminal boosts superior facilities and provides for enhanced passenger convenience. It will be operational in July 2013. An increase in the number of airlines operating to Malaysia in the low-cost carrier segment is expected when klia2 is fully operational.

SKILLED AVIATION PERSONNEL – HUMAN RESOURCE DEVELOPMENT AND SHARING EXPERIENCES/KNOWLEDGE

Human resource planning is fundamental in addressing the issue of anticipated skilled personnel shortages. With increased air travel, there will always be a need for more aviation personnel to manage and maintain a global air transport system. The industry will require more maintenance personnel, pilots, air traffic controllers and security personnel.

An important contribution of Malaysia to international civil aviation is in human resource development. Building on Malaysia's development experience and wishing to contribute to the continued availability of skilled aviation personnel, Malaysia has extended assistance to other nations via the Malaysian Technical Cooperation Programme to meet the training needs of global aviation.

16 **Indonesia**
Experiences

15 **Malaysia**
Destinations

13 **Thailand**
Hotspots

12 **China**
Discoveries

8 **Indochina**
Gems

..and many more dream getaways.



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AirAsia

Commitment to continuous safety and security enhancement in line with ICAO strategic objectives

Under the unique Malaysian Technical Cooperation Programme, a total of 364 aviation personnel from 62 countries have so far been trained under fully sponsored courses. In addition, 929 participants from 54 countries have received aviation security training at the ICAO accredited Malaysia Airports Training Centre.

Malaysia is keen to expand its training programmes in aviation with the aim of promoting a cooperative and collaborative environment with regional organisations and ICAO in addressing the challenge of continued availability of skilled aviation personnel.

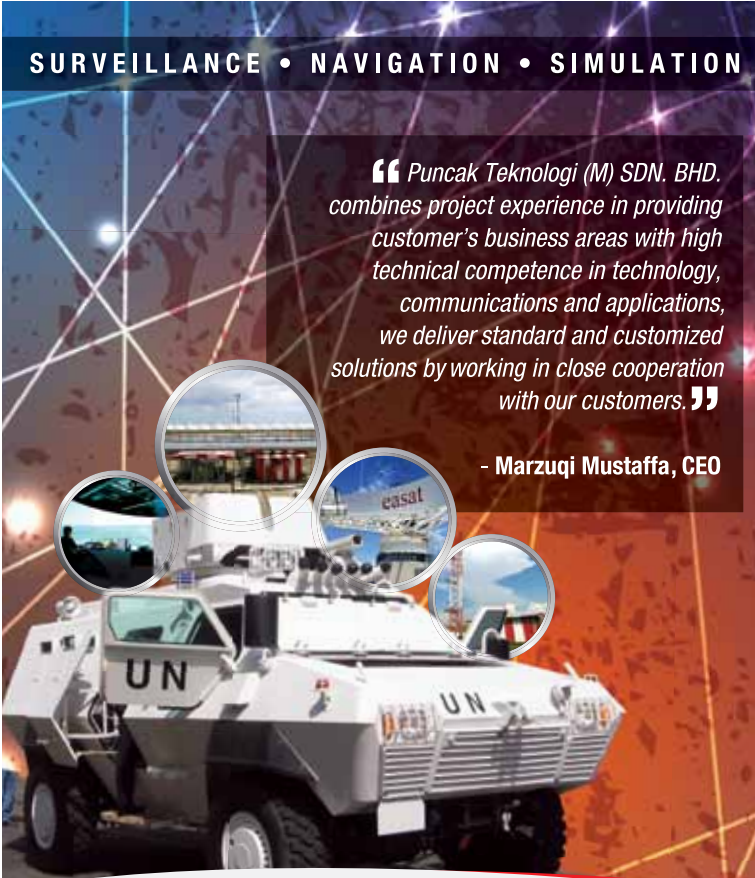
Contribution to Skilled Aviation Personnel

MTCP- **364** fully sponsored participants from **62** Countries **929** participants from **54** countries received training at the ICAO accredited Malaysia Airports Training Centre.

COMMITMENT TO SAFETY AND SECURITY

Malaysia is committed to continuous safety and security enhancements in line with ICAO's Strategic Objectives for 2011 – 2013. Malaysian aviation authorities are committed to an oversight system with the highest standards of safety and security and work closely with all stakeholders on compliance with ICAO standards and Recommended Practices. The country has in place a proven safety and security oversight structure. The oversight structure is continuously monitored and assessed.

Malaysia's accomplishments in safety and security audits under the Universal Safety Oversight Audit Programme in 2005 and the Universal Security Audit Programme in 2011 demonstrated the effectiveness of Malaysia's national aviation safety and security oversight system and programme. A comprehensive legal framework, modern equipment, trained personnel and new programmes are elements that contribute to Malaysia's track record on safety and security.



SURVEILLANCE • NAVIGATION • SIMULATION

“ Puncak Teknologi (M) SDN. BHD. combines project experience in providing customer's business areas with high technical competence in technology, communications and applications, we deliver standard and customized solutions by working in close cooperation with our customers. ”

- Marzuqi Mustaffa, CEO

Outcome of Kuala Lumpur Security Conference presented during the High-Level Conference on Aviation Security in Montréal

Malaysia hosted the Regional Aviation Security Conference in Kuala Lumpur from 11-13 January 2012. The Conference was a commitment to strengthen aviation security and protect civil aviation in the Asia Pacific Region. The Conference adopted a Joint Statement and a comprehensive strategy to systematically improve passenger and air cargo security. The outcome of the Kuala Lumpur Conference and progress in implementing the Joint Statement were presented by Malaysia during the High-level Conference on Aviation Security in Montréal on 12 September 2012.

GEARING FOR THE FUTURE

Aviation is a key facilitator for Malaysia's globalised export oriented and tourism dependent economy. Malaysia has reaped the benefits from aviation with long-term strategies, a clear aviation policy, new services, strategic development objectives, compliance to ICAO's standards and Recommended Practices, international collaboration and renewed focus on growth areas. With a vibrant aviation sector and sustainable growth, the nation is committed to the continued strengthening of the aviation sector with aspirations to be a leading aviation nation in the Asia Pacific Region. Malaysia's aviation sector is expected to record strong and sustainable growth over the next decade supported by continued liberalisation and structural transformation.



"Malaysia will contribute to sustaining the Global Aviation System in collaboration with the International Community"



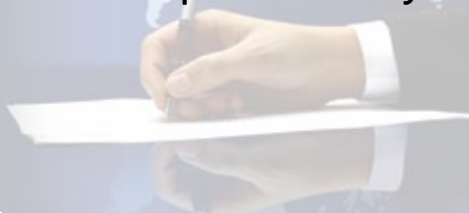
Total passengers
in 2012 -
67.2 million
and freight
volume -
886,955
metric tonnes



Ranked 16th in the
world in terms of
freight tonnes &
21st in passenger
kilometres performed



Air Service Agreements
with 96 countries,
18 open-skies, 67 foreign
airlines operate to Malaysia



Membership
in the Council
of ICAO



About Malaysia's Aviation

An eco-friendly airport,
capable of handling
A380 operations with
capacity up to 100 million
passengers annually
klia2 - world's largest
low-cost carrier terminal



Air Asia is Asia's first and
largest low-cost carrier



Advanced airport
system comprising
six international
& 16 domestic
airports



FAA's recognition
through the
Bilateral Aviation
Safety Agreement
(BASA). The
Malaysia/US
BASA was the first
in Asia and the
fifth worldwide.

Malaysia Airlines flies to
46 international destinations
across six continents



The Rise of a New Titan



We invite you to step into our world with the arrival of the New Terminal at KL International Airport - klia2.

Destined to be a global benchmark, klia2 embodies the concept of the 'Next Generation Hub' that will ease connectivity between full service carriers and low cost carriers. It will be the only dedicated mega terminal in the world that caters for the fast growing low cost carrier industry in this region.

klia2 is designed with flexibility in mind to allow expandability for future growth trends and operational models of airlines. Its robustness in nature will no doubt, be able to accommodate the ever-evolving and dynamic global aviation industry.

