



Anticipated Merger Application by Gateway Development Alliance Sdn Bhd, Pantai Panorama Sdn Bhd, Kwasa Aktif Sdn Bhd, and GIP Aurea Pte Ltd

Reference Number	MAVCOM/ED/CC/DIV4/2024(2)
Application	Voluntary Notification and Application for an Anticipated Merger under section 55 of Act 771
Applicants	Gateway Development Alliance Sdn Bhd, Pantai Panorama Sdn Bhd, Kwasa Aktif Sdn Bhd, and GIP Aurea Pte Ltd
Receipt of Application	6 August 2024
Summary of Application	<p>Gateway Development Alliance Sdn Bhd ("GDA"), Pantai Panorama Sdn Bhd ("PPSB"), Kwasa Aktif Sdn Bhd ("KASB"), and GIP Aurea Pte Ltd ("GIP Aurea") (collectively, the "Applicants") submitted a voluntary notification and application for an anticipated merger to seek approval pursuant to section 55 of Act 771 in relation to the proposed privatisation of Malaysia Airports Holdings Berhad ("MAHB"), which will be carried out by GDA ("Anticipated Merger").</p> <p>GDA is collectively owned by PPSB, KASB, and GIP Aurea. PPSB is wholly-owned by UEM Group Berhad ("UEMG"), which in turn is wholly-owned by Khazanah Nasional Berhad ("Khazanah"). KASB is wholly-owned by Employees Provident Fund Board. GIP Aurea, subject to the completion of the Anticipated Merger, is expected to be owned by funds managed by Global Infrastructure Management, LLC and Platinum Globe A 2013 RSC Limited, a wholly-owned subsidiary of Abu Dhabi Investment Authority. MAHB is a major airport operating company that operates 39 out of 42 airports within Malaysia.</p> <p>The Applicants submitted that the Anticipated Merger constitutes a vertical merger. The Applicants submitted that they do not have any horizontal overlaps with MAHB in relation to the operation of airports within Malaysia. However, the Applicants submitted that Khazanah controls/indirectly controls airlines and ground handling service providers owned by Malaysia Aviation Group Berhad ("MAGB"). MAGB is an investment holding company and through its subsidiaries and affiliates, provides scheduled commercial and chartered air</p>



	<p>transport services, cargo services, and ground handling services in Malaysia.</p> <p>The Applicants submitted that the Anticipated Merger would not lead to any substantial lessening of competition ("SLC"). The Applicants claim that the Anticipated Merger:</p> <ul style="list-style-type: none"> (a) does not give rise to unilateral effects in any relevant aviation service market in Malaysia; (b) does not give rise to coordinated effects in any relevant aviation service market in Malaysia; (c) would not cause any barriers to entry into any relevant aviation service market in Malaysia; and (d) would not impact the existing countervailing buyer power held by airlines and ground handling service providers operating at MAHB's airports. <p>Furthermore, the Applicants submitted that economic efficiencies and social benefits may arise from the Anticipated Merger. The Applicants had identified the following priority initiatives:</p> <ul style="list-style-type: none"> (a) The Applicants aim to deliver high priority capital and maintenance projects to completion. The Applicants will focus on evaluating key capital expenditure projects and resolving delays, including the aerotrain and the baggage handling system at Kuala Lumpur International Airport ("KUL"). (b) The Applicants aim to enhance the passenger experience by: <ul style="list-style-type: none"> (i) alleviating congestion; (ii) improving passenger flows and terminal ambience at MAHB's airports; and (iii) expanding the retail, food, and beverage offerings. (c) The Applicants aim to upgrade and harmonise service levels by implementing standardised operational best practices across MAHB's network of airports.
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	<p>(d) The Applicants plan to work with existing airlines and attract new airlines. The Applicants will be expanding the long-haul network at KUL, as well as improving overall connectivity at MAHB's airports.</p> <p>(e) The Applicants plan to grow airport capacity by investing in MAHB's network of airports in Malaysia and Türkiye, employing long-term decision making, and utilising the Applicants' expertise in expanding and optimising airport capacity.</p> <p>(f) The Applicants will prioritise the highest level of safety and well-being for MAHB's staff and passengers and employees.</p> <p>(g) The Applicants plan to drive economic stimulus by partnering with state bodies and local businesses to expand activity around MAHB's airports, leveraging growth in passenger and freight flows (e.g. aeropolis).</p> <p>On 8 November 2024, MAVCOM issued its decision which concluded that the Anticipated Merger, if carried into effect, would not infringe the prohibition in section 54 of Act 771.</p>	
Application Timeline	Date	Progress Update
	6 August 2024	Application made to MAVCOM and deemed as complete
	9 August 2024	Publication of the summary of application for public consultation
	23 August 2024	Public consultation for the application was closed
	30 October 2024	Publication of the Proposed Decision for public consultation
	6 November 2024	Public consultation on the Proposed Decision was closed
	8 November 2024	Issuance of the Final Decision