

SUMMARY OF

ANNUAL REPORT 2018



**Malaysian
Aviation Commission**
Suruhanjaya Penerbangan Malaysia

MAVCOM'S FUNCTIONS



Establish a competitive framework which promotes a healthy, stable and sustainable commercial environment



Drive awareness of consumer rights and provide a platform for complaints resolution



To promote domestic and international connectivity to drive economic growth and nation building

Malaysian Aviation Commission

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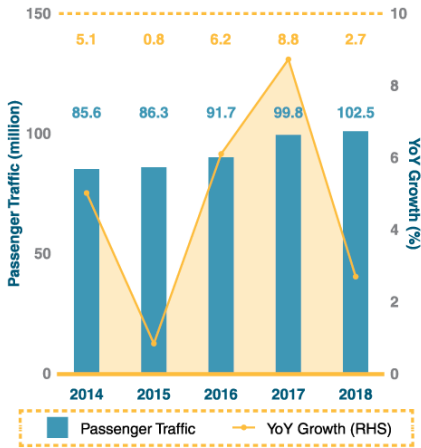
INDUSTRY OUTLOOK & PERFORMANCE

The below outlines the performance of the Malaysian civil aviation industry in 2018 and outlook for 2019.

Summary:

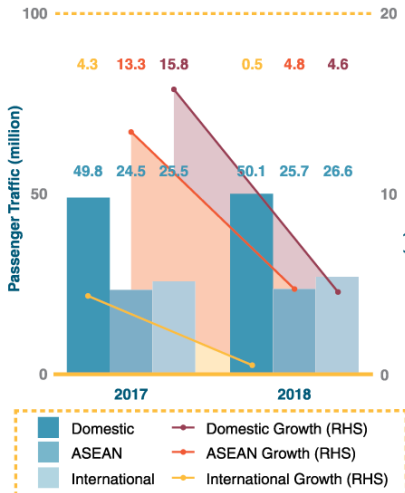
- Malaysia surpassed the 100 million passenger traffic mark for the first time in 2018. Total passenger traffic for the year saw a growth of 2.7 per cent year-on-year (YoY) to 102.5 million.
- The growth was mainly attributed to international traffic growth, which was equally driven by both Association of Southeast Asian Nations (ASEAN) & non-ASEAN travel, registering 4.8 per cent growth and 4.6 per cent growth respectively.
- Overall average fares in 2018 (RM311) was lower compared to RM371 in 2017.
- Malaysian carriers generated a lower revenue of RM24.3 billion, a 6.2 per cent dip from the previous year's revenue of RM25.9 billion.
- Available seat kilometres (ASKs) for Malaysian carriers grew by 4.1 per cent YoY, meanwhile average load factors decreased to 79.7 per cent as demand for air travel was not significantly stimulated by the overall lower average fares.
- MAVCOM estimates a 2.9 per cent to 4.1 per cent YoY growth in passenger traffic in 2019, driven by domestic consumption and continued demand for Malaysian exports globally.

MALAYSIA'S PASSENGER TRAFFIC, 2014-2018



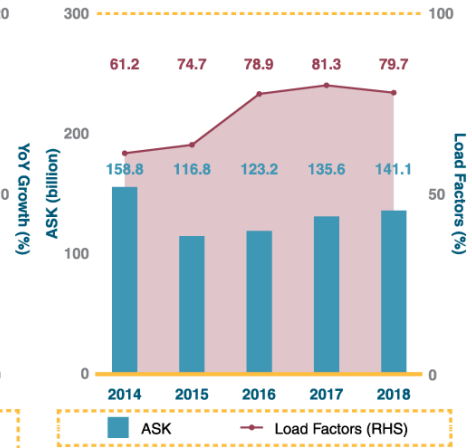
Source: MAVCOM, Malaysia Airports Holdings Berhad (MAHB), Senai Airports Terminal Services Sdn. Bhd. (SATSSB)

MALAYSIA'S PASSENGER TRAFFIC BREAKDOWN BY REGIONS, 2017-2018



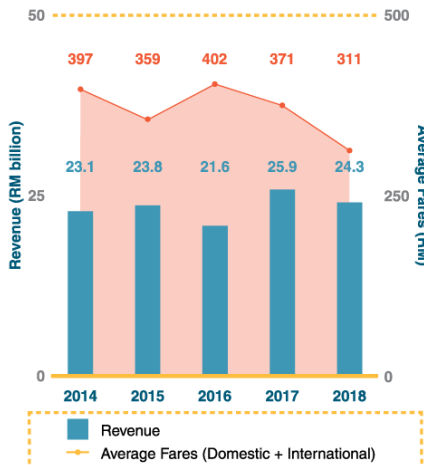
Source: MAVCOM, Aerodrome Operator Licence (AOL) Holders

MALAYSIA'S CARRIERS' CAPACITY AND LOAD FACTORS, 2014-2018



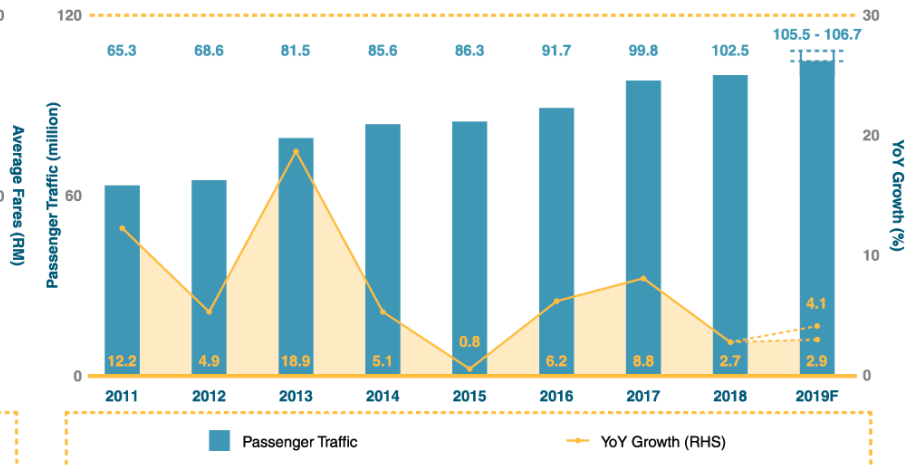
Source: MAVCOM, Air Service Licence (ASL) Holders

REVENUE & AVERAGE FARES OF MALAYSIA'S CARRIERS, 2014-2018



Source: MAVCOM, ASL Holders, AirportIS

PASSENGER TRAFFIC, 2011-2019F



Source: MAVCOM, AOL Holders

RHS stands for Right Hand Side

MAVCOM's bi-annual industry report *Waypoint* features a macro overview and outlook of the civil aviation sector, analysis on industry structure and performance, as well as reviews of the various segments within the civil aviation industry in Malaysia. The reports are available on MAVCOM's website at www.mavcom.my.

PART 2

LICENSING & AIR TRAFFIC RIGHTS

AEROFILE

The one-stop centre for landing permit application

REGULATORY SERVICES CHARGE

The MAVCOM Regulatory Services Charge is a RM1 fee charged to each passenger departing from any commercial airport in Malaysia for the Commission to operate independently

AIRPORTS QUALITY OF SERVICE FRAMEWORK

Framework to improve service levels at Malaysia's airports for all airport users

AERONAUTICAL CHARGES

- Passenger Service Charge
- Landing Charges
- Parking Charges

AOL

Aerodrome Operator Licence

MEDIVAC/ MEDEVAC

Medical Evacuation by Air

ASL

Air Service Licence

ATR

Air Traffic Rights

PASSENGER PROTECTION

Malaysian Aviation Consumer Protection Code 2016 (MACPC)

SCHEDULED OPERATOR

Fixed schedule timetable such as commercial flights (passengers & cargo)

CARGO

ASP

Air Service Permit

NON-SCHEDULED OPERATOR

On-demand operators such as chartered flights (Business jet, hot air balloon, drone etc.)

Baggage Handler

GHL

Ground Handling Licence

Refueler



LICENCES AND PERMITS ISSUED BY MAVCOM

FROM 1 JANUARY 2018 - 31 DECEMBER 2018

My Jet Xpress Airlines Sdn. Bhd.	Jet Premier One (M) Sdn. Bhd.	Aerohandlers Sdn. Bhd.	Cloudera Aviation Services Sdn. Bhd.
Flyfirefly Sdn. Bhd.	Aerial Power Lines Sdn. Bhd.	Dviation Technics Sdn. Bhd.	Helitech Aviation Services Sdn. Bhd.
Malindo Airways Sdn. Bhd.	Cempaka Helicopter Corporation Sdn. Bhd.	KLM Line Maintenance Sdn. Bhd.	Malindo Airways Sdn. Bhd.
MASwings Sdn. Bhd.	Helistar Resources Sdn. Bhd.	Mas Awana Services Sdn. Bhd.	Nusantara Aviation Services Sdn. Bhd.
Hijrah Biru Sdn. Bhd.	Hevilift (M) Sdn. Bhd.	Petron Malaysia Refining & Marketing Berhad	Petronas Dagangan Berhad
	Plus Helicopter Services Sdn. Bhd.	Senai Airport Terminal Services Sdn. Bhd.	Shell Malaysia Trading Sdn. Bhd.
	Pos Asia Cargo Express Sdn. Bhd.	Shell Timur Sdn. Bhd.	Total Megalink Sdn. Bhd.
	Sabah Air Aviation Sdn. Bhd.	BCS Contract & Supply Services Sdn. Bhd.	Conor Engineering & Services Sdn. Bhd.
	Sazma Aviation Sdn. Bhd.	Elite Jets Sdn. Bhd.	Hasrat Asia (M) Sdn. Bhd.
	APFT Services Sdn. Bhd.	Raya Airways Sdn. Bhd.	Safeair Technical Sdn. Bhd.
	Asia Jet Partners Malaysia Sdn. Bhd.	MAB Kargo Sdn. Bhd.	Select Fine Foods Sdn. Bhd.
	Executive Jets Asia Sdn. Bhd.		

Legend:

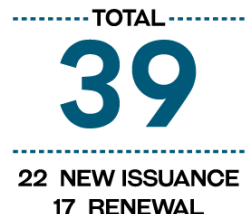
Licence type

- ASL
- ASP
- GHL

Conditional Approval

Status

- New Issuance
- Renewal



Source: MAVCOM

An updated list of licences or permits issued by the Commission since inception can be found on MAVCOM's website at www.mavcom.my.

AIR TRAFFIC RIGHTS (ATR)

AWARDED BY MAVCOM IN 2018

AMERICAS 1	ASEAN 48	Rest of ASIA 18	AUSTRALASIA 5	CHINA 60
AirAsia X: 1	AirAsia: 30 AirAsia X: 1 Firefly: 1 MABKargo: 2 Malaysia Airlines: 3 Malindo Air: 9 Raya Airways: 2	AirAsia: 3 AirAsia X: 7 MABKargo: 4 Malaysia Airlines: 3 Malindo Air: 1	AirAsia X: 1 Malaysia Airlines: 1 Malindo Air: 3	AirAsia: 15 AirAsia X: 9 MABKargo: 3 Malaysia Airlines: 3 Malindo Air: 30
DOMESTIC 63	INDIA 9	TOTAL 205	Domestic ATR Awarded	International ATR Awarded
AirAsia: 49 Firefly: 1 MABKargo: 1 Malindo Air: 7 MASwings: 3 Raya Airways: 2	AirAsia: 1 AirAsia X: 1 MABKargo: 2 Malaysia Airlines: 1 Malindo Air: 4	142 INTERNATIONAL	AirAsia 49	AirAsia 49
MIDDLE EAST 1			AirAsia X -	AirAsia X 20
Malaysia Airlines: 1			Firefly 1	Firefly 1
			MABKargo 1	MABKargo 11
			Malaysia Airlines -	Malaysia Airlines 12
			Malindo Air 7	Malindo Air 47
			MASwings 3	MASwings -
			Raya Airways 2	Raya Airways 2

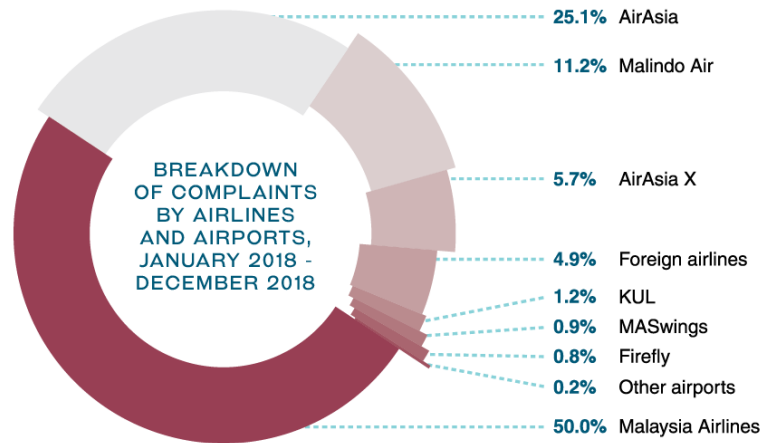
An updated list of Air Traffic Rights issued by the Commission since inception can be found on MAVCOM's website at www.mavcom.my.

PART 3

CHAMPIONING CONSUMER RIGHTS

To protect the rights and interests of air passengers, the Malaysian Aviation Consumer Protection Code 2016 (MACPC) was gazetted in 2016. The MACPC provides transparency and guidelines on consumer rights and procedures to seek recourse. To facilitate the implementation of the MACPC, MAVCOM had set up a Complaints Management System (CMS) to assist consumers whom are dissatisfied with a complaint resolution offered by airlines or airports.

MAVCOM publishes bi-annual consumer reports which tabled complaints received at half-year periods and the status of its resolution by data derived from the CMS. More information can be found on www.mavcom.my.



KUL stands for KL International Airport 1 and KL International Airport 2
Source: MAVCOM

CONSUMER COMPLAINTS BY AIRLINE AND CATEGORY, JANUARY 2018 – DECEMBER 2018

Category	AirAsia		AirAsia X		Firefly		Malaysia Airlines		MASwings		Malindo Air		Foreign airlines		Total	
Communication of change in flight status	1	-	1	-	-	-	6	-	-	-	2	-	-	-	10	-
Complaints handling	1	6	-	-	-	-	6	10	-	-	-	1	-	-	7	17
Customer service	15	14	4	2	1	1	45	28	1	-	6	11	3	2	75	58
Denied boarding	34	17	6	9	3	1	66	70	-	1	8	5	13	10	130	113
Facilities or in flight services	9	3	4	-	-	1	26	13	-	1	7	12	-	-	46	30
Flight cancellation	29	8	8	7	2	3	108	51	4	2	14	31	5	2	170	104
Flight delays	43	51	5	11	2	2	151	101	6	3	35	60	5	9	247	237
Flight rescheduling	4	-	-	-	-	-	12	-	-	-	3	-	1	-	20	-
Food and beverage	1	2	-	-	-	-	11	1	-	-	1	1	-	-	13	4
Frequent flyer program	11	1	-	1	1	-	13	13	-	-	1	1	-	-	26	16
Mishandled baggage	81	55	19	15	2	-	197	173	1	1	47	46	40	22	387	312
Online booking	80	42	10	11	1	4	71	46	-	-	16	16	5	2	183	121
Price of tickets	4	-	1	-	-	-	2	-	-	-	2	-	1	-	10	-
Refunds	90	80	33	20	2	2	105	82	2	3	37	87	7	16	276	290
Safety and security	2	2	-	-	-	-	1	3	-	-	1	-	-	-	4	5
Special assistance (Person with Disability)	3	-	-	-	-	-	2	-	-	-	1	-	-	-	6	-
Upgrading or downgrading	-	1	-	-	-	-	1	4	-	-	-	-	-	1	1	6
Others	14	8	4	-	-	-	16	13	1	-	7	3	3	1	45	25
Grand Total	422	290	95	76	14	14	839	608	15	11	188	274	83	65	1,656	1,338

■ 2018 □ 2017

Others include: Complaints on change of operating airport, processing fee charged by airlines, sports equipment charges and any other complaints

Source: MAVCOM

CONSUMER SURVEY

MAVCOM conducted its annual consumer survey in 2018 with the intention of measuring consumers' awareness of their travel rights as well as appraising passenger satisfaction levels for the aviation industry.



TOP 3 RIGHTS CONSUMER ARE AWARE OF



Claims for mishandled baggage



Airlines duty of care during flight delays

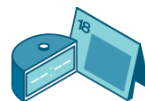


Assistance to persons with disability

TOP FACTORS FOR FLIGHT TICKET PURCHASE



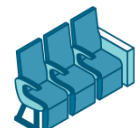
Price of flight ticket



Time suitability



Direct flight

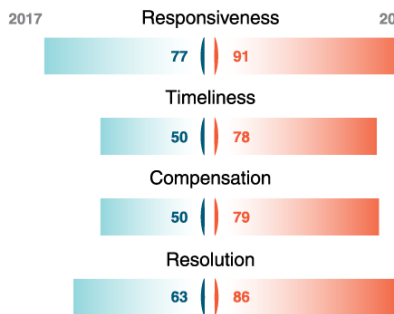


Comfortable seating is also gaining higher importance

OVERALL SATISFACTION ON AIRPORT'S CUSTOMER SERVICE



OVERALL SATISFACTION ON AIRLINE'S CUSTOMER SERVICE



FACTOR AFFECTING FLIGHT TICKET PURCHASE

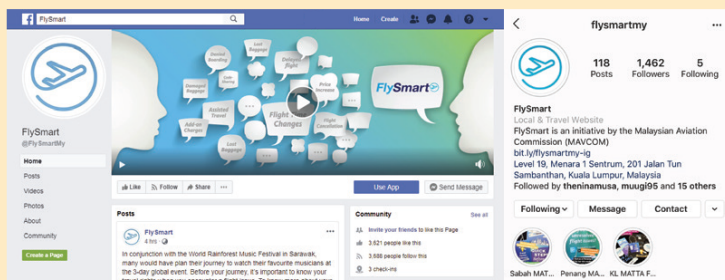


Note: There is no change compared to MAVCOM's consumer survey in 2017 with regards to the top three factors affecting flight purchase

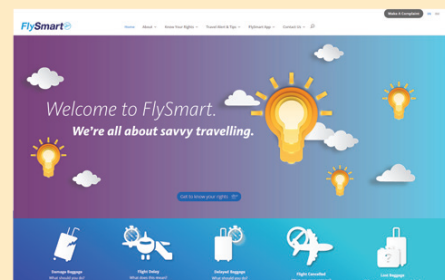
Source: MAVCOM's Consumer Survey 2018

FLYSMART

FlySmart is a sub-brand established by MAVCOM as a consumer-centric initiative to champion air travel rights in the aviation industry. The Commission developed FlySmart with the purpose of educating passengers on their air travel rights, empower them to make the best of their air travel journeys while serving as a platform for consumers to lodge complaints involving airlines or airports.



FlySmart Facebook and Instagram page
Source: www.flysmart.my and @flysmart_my



FlySmart website (www.flysmart.my)
Source: MAVCOM

MAVCOM has published seven guidelines regarding the aviation industry in 2018. These guidelines provide guidance to industry players on how the provisions in Part VII of The Malaysian Aviation Commission Act 2015 [Act 771] are enforced in practice.

Guidelines Published by MAVCOM:

Guidelines on Aviation Service Market Definition	Guidelines on Anti-Competitive Agreements
Guidelines on Abuse of Dominant Position	Guidelines on Substantive Assessment of Mergers
Guidelines on Notification and Application Procedure for an Anticipated Merger or a Merger	
Guidelines on the Determination of Financial Penalties	Guidelines on Leniency Regime

MAVCOM had also granted individual exemptions which are outlined below:

Receipt of Application	Applicants	Status
19 October 2018	<ul style="list-style-type: none"> Singapore Airlines Limited Deutsche Lufthansa AG 	MAVCOM expects to issue its decision on the individual exemption application in 2019
22 June 2016	<ul style="list-style-type: none"> All Nippon Airways Co., Ltd. United Airlines Ltd. 	Granted an individual exemption for a period of five years from 11 May 2017

Source: MAVCOM

MAVCOM'S REGULATORY DEVELOPMENT IN 2018

- The Malaysian Aviation Commission Act 2018 [Act A1559]
- Malaysian Aviation Commission (Code of Conduct) Regulations 2018 [P.U.(A) 115/2018]
- Malaysian Aviation Commission (Aviation Services Charges) (Amendment) Regulations 2017 [P.U.(A) 427/2017]
- Malaysian Aviation Commission (Regulatory Services Charges) Regulations 2018 [P.U.(A) 81/2018]

STUDY ON AIRFARES DURING FESTIVAL PERIODS

MAVCOM undertook a study to analyse the pricing patterns of airfares for domestic flights in Malaysia during selected peak seasons using a price multiplier methodology. The study found that the highest price multipliers occurred during the Chinese New Year period with six out of the ten routes (with the highest price multipliers) were those connecting Peninsular Malaysia to Sabah and to Sarawak.

On average, airfares for routes between Peninsular and Sabah and Sarawak, have been on a downward trend since 2011. The average airfares on these routes declined from RM342 in January 2011 to RM305 in December 2018.

The Commission is not in favour of the implementation of price regulations as a way to control price of airfares during peak seasons. The study showed that enforcing strict price regulations such as implementing a floor price, a ceiling price or a surcharge rate may result in negative consequences such as higher airfares during non-peak seasons and may discourage competition between airlines. Instead, the Commission has facilitated airlines to increase their flight capacity as a means to reduce airfares during peak seasons.

HIGHEST PRICE MULTIPLIER FOR EACH ROUTE CATEGORY

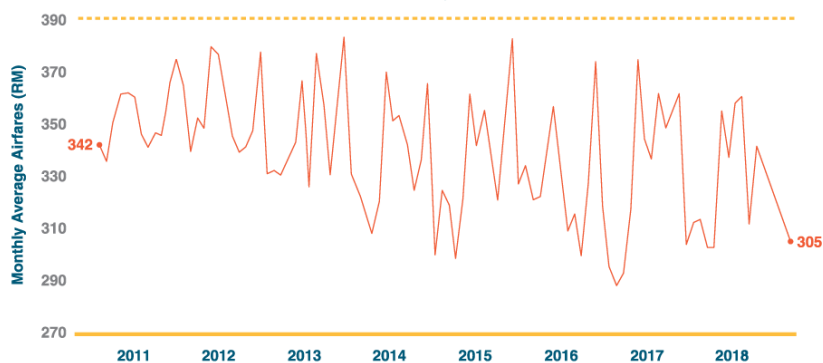
No.	Highest Price Multiplier	Route	Peak Season	Airline	Max. Airfare (RM)*	Base Airfare (RM)**
1	5.7x	IPH - JHB	Chinese New Year	Malindo Air	1,074	187
2	4.2x	JHB - SBW	Chinese New Year	AirAsia	988	236
3	4.2x	JHB - KCH	Chinese New Year	AirAsia	788	188
4	3.6x	PEN - MKZ	Chinese New Year	Malindo Air	657	185
5	3.4x	KUL - SBW	Chinese New Year	AirAsia	844	248
6	3.1x	KUL - KCH	Hari Raya Aidilfitri	Malaysia Airlines	1,142	364
7	3.1x	KUL - BKI	Hari Raya Aidilfitri	Malaysia Airlines	1,337	438
8	3.0x	JHB - BKI	Chinese New Year	AirAsia	911	309
9	2.9x	JHB - PEN	Chinese New Year	AirAsia	500	170
10	2.9x	KUL - PEN	Chinese New Year	Malindo Air	558	191

* Maximum airfare: The highest of the lowest recorded airfares during the peak seasons (inclusive of airline base fares, Passenger Service Charge, and other related charges)

** Base airfare: The yearly average airfares for 2016 and 2017 (inclusive of airline base fares, Passenger Service Charge, and other related charges)

Source: MAVCOM, Airlines' websites, AirportIS

AVERAGE AIRFARES FOR ROUTES CONNECTING PENINSULAR AND SABAH AND SARAWAK, FROM 2011 TO 2018



Source: MAVCOM, AirportIS, Thomson Reuters

PART 5 SNAPSHOT ON AIRPORTS



International Airport

1. Langkawi International Airport (LGK)
2. Penang International Airport (PEN)
3. Kuala Lumpur International Airport (KUL - Terminal 1 & 2)
4. Senai International Airport (JHB)
5. Kuching International Airport (KCH)
6. Kota Kinabalu International Airport (BKI)

Domestic Airport

1. Sultan Abdul Halim Airport (AOR)
2. Sultan Ismail Petra Airport (KBR)
3. Sultan Azlan Shah Airport (IPH)
4. Sultan Abdul Aziz Shah Airport (SZB)
5. Malacca Airport (MKZ)
6. Sultan Mahmud Airport (TGG)
7. Kerteh Airport (KTE)
8. Sultan Ahmad Shah Airport (KUA)
9. Tanjung Manis Airport (TGC)
10. Sibul Airport (SBW)
11. Bintulu Airport (BTU)
12. Miri Airport (MYV)
13. Mulu Airport (MZV)
14. Limbang Airport (LMN)
15. Labuan Airport (LBU)
16. Sandakan Airport (SDK)
17. Lahad Datu Airport (LDU)
18. Tawau Airport (TWU)

STOLport

1. Pangkor STOLport (PKG)
2. Redang STOLport (RDN)
3. Tioman STOLport (TOD)
4. Mukah STOLport (MKM)
5. Kapit STOLport (KPI)
6. Belaga STOLport (BLG)
7. Long Akah STOLport (LKH)
8. Long Lellang STOLport (LGL)
9. Marudi STOLport (MUR)
10. Long Seridan STOLport (ODN)
11. Long Pasia STOLport (GSA)
12. Lawas STOLport (LWY)
13. Semporna STOLport (SMM)
14. Kudat STOLport (KUD)
15. Long Semado STOLport (LSM)
16. Ba'kelalan STOLport (BKM)
17. Bario STOLport (BBN)
18. Long Banga STOLport (LBP)

TERMINAL DESIGN CAPACITY AND TERMINAL CAPACITY UTILISATION RATE OF AIRPORTS IN MALAYSIA, 2018

No.	Airports	Terminal Design Capacity (mppa)	2018 Passengers Handled (mppa)	2018 Terminal Utilisation Rate (%)
1	Sultan Abdul Aziz Shah Airport (SZB)	1.50	1.96	130.9
2	Lahad Datu Airport (LDU)	0.10	0.12	124.8
3	Penang International Airport (PEN)*	6.50	7.79	119.8
4	Miri Airport (MYV)	2.00	2.35	117.5
5	Mulu Airport (MZV)	0.05	0.06	115.1
6	KL International Airport - Terminal 1 (KUL-T1)*	25.00	28.29	113.2
7	Sultan Ismail Petra Airport (KBR)	1.50	1.69	112.5
8	Kuching International Airport (KCH)*	5.00	5.56	111.3
9	Tawau Airport (TWU)	1.50	1.64	109.4
10	Senai International Airport (JHB)*	3.50	3.52	100.7
11	Kota Kinabalu International Airport (BKI)*	9.00	8.62	95.8
12	Bintulu Airport (BTU)	1.00	0.92	92.3
13	Sibu Airport (SBW)	1.80	1.58	87.7
14	KL International Airport - Terminal 1 and 2 (KUL)*	70.00	59.99	85.7
15	Kerteh Airport (KTE)	0.10	0.08	83.9
16	KL International Airport - Terminal 2 (KUL-T2)*	45.00	31.92	70.9
17	Langkawi International Airport (LGK)*	4.00	2.74	68.4
18	Sandakan Airport (SDK)	1.40	0.95	67.9
19	Sultan Mahmud Airport (TGG)	1.50	0.89	59.6
20	Limbang Airport (LMN)	0.08	0.05	56.8
21	Sultan Abdul Halim Airport (AOR)	1.50	0.82	54.5
22	Sultan Azlan Shah Airport (IPH)	0.60	0.32	52.6
23	Sultan Ahmad Shah Airport (KUA)	0.50	0.26	51.8
24	Labuan Airport (LBU)	2.20	0.57	26.1
25	Malacca Airport (MKZ)	0.50	0.05	10.5

Note: * refers to International airports within Malaysia
SZB, MYV, IPH and MKZ also conducts operations to international destinations

Source: MAVCOM, Aerodrome Operator Licence Holders

STOLport stands for short take-off and landing port

Source: MAVCOM

MAVCOM'S DEVELOPMENT OF THE AERONAUTICAL CHARGES FRAMEWORK

MAVCOM's move towards a cost-based mechanism for the framework in Malaysia is in line with the principles outlined by International Civil Aviation Association (ICAO) as well as international best practices used by major airports worldwide.

- The framework is premised on a Regulated Asset Base (RAB) methodology, a funding model in which the base is the value of the assets that an airport operator is expected to make a fair rate of return.
- In 2018, MAVCOM consulted and updated industry players in the development of the framework through two Consultation Papers so that the views of all parties involved are taken into consideration.
- The final framework is targeted to be announced in October 2019 before taking effect on 1 January 2020.





























AIRPORTS QOS FRAMEWORK


The Airports Quality of Service Framework (Airports QoS Framework) was introduced by MAVCOM in 2018 to improve passenger comfort at airports by improving service levels, and to facilitate better airport user experience for airlines, ground handlers and other users of airports in Malaysia.

The framework sets service standards and key performance indicators. In the event where minimum service levels are not maintained or achieved, the airport operator could be imposed with a financial penalty of a certain percentage of the airport's aeronautical revenues.

MAVCOM has been working closely with industry stakeholders in implementing the framework across airports in Malaysia. Of the total 28 service quality criteria, eight service quality elements have been implemented in KUL Terminals (KL International Airport and KL International Airport 2) beginning 1 September 2018 and 1 October 2018, respectively. All 28 service quality elements are targeted for implementation by the first quarter of 2020, along with implementation at other airports such as Subang, Langkawi and Kota Kinabalu in that same year. The framework will then progressively be extended at other airports within Malaysia.

AIRPORTS QOS FRAMEWORK IN KUL TERMINALS (KLIA AND klia2)

Passenger comfort & facilities									
	Washroom cleanliness	Overall satisfaction with washrooms	Overall satisfaction with airport	Wayfinding (signages at the airport)	Flight information displays	Cleanliness of terminal	Kerbside congestion	Wi-Fi availability	Terminal ambience
									
	Check-in	Security screening	Kerbside queuing	Transfer queuing	Inbound customs	Outbound customs	Inbound immigration	Outbound immigration	
									
	Aerotrain availability	Baggage retrieval - time to first bag	Baggage retrieval - time to last bag	Baggage handling system availability	Outbound baggage (baggage which was not loaded onto the aircraft for the intended flight)	Lifts, escalator & walkalator availability			
									
	Aerobridge operator availability	Aerobridge equipment availability	Ramp Wi-Fi availability	Visual Docking Guidance System availability	Staff washrooms				

 Indicates the operationalised service quality elements in 2018

Note: The Airports QoS Framework is only applicable at airports within Malaysia and does not include STOLports

Source: MAVCOM

PART 6

AVIATION SERVICES IN SABAH & SARAWAK

Compared to Peninsular Malaysia, the states of Sabah and Sarawak are less populated, but with a larger land mass. Air transportation plays an important role in this region given its geography and sparse population density.

There are limited land transport options and travelling within the states' borders could prove to be difficult – while land connectivity along the coastal areas are being improved with the construction of the Pan Borneo Highway. In 2018, a total of 3.3 million passengers departed from Kota Kinabalu International Airport (BKI), while in Sarawak, 2.9 million passengers flew out of Kuching International Airport (KCH).

BKI has emerged as Malaysia's third largest international airport after KUL and Penang International Airport (PEN) due to its proximity to North Asia and Sabah's own attractiveness as a destination. Its non-ASEAN (Association of Southeast Asian Nations) traffic is larger than PEN with more direct flights to Korea and China.

AIR TRAFFIC RIGHTS AWARDED TO LOCAL CARRIERS FOR OPERATIONS IN SABAH AND SARAWAK FROM MARCH 2016 TO DECEMBER 2018

Airline	Sabah		Sarawak	
	Domestic	International	Domestic	International
AirAsia	23	10	26	6
AirAsia X	-	1	-	-
Malaysia Airlines	4	9	2	1
Malindo Air	8	29	7	1
MASwings	-	-	3	-
Raya Airways	2	1	-	-
Total	37	50	38	8
Grand Total	87		46	

LIST OF LICENCE AND PERMIT HOLDERS OPERATING IN SABAH AND SARAWAK IN 2018

Licence Type	Holders Operating in Sabah	Holders Operating in Sarawak
ASP	1	3
GHL	2	2
AOL	-	1
Total	3	6

Source: MAVCOM

AIR TRAVEL STATISTICS BETWEEN EAST AND PENINSULAR MALAYSIA IN 2018

Route	Number of passengers				Load Factors (%)		
	AirAsia	Malaysia Airlines	Malindo Air	Total	AirAsia	Malaysia Airlines	Malindo Air
BKI - KUL	1,686,969	692,263	392,614	2,771,846	84.21	68.43	77.88
BKI - JHB	261,787	-	-	261,787	85.05	-	-
BKI - KBR	47,887	-	-	47,887	85.27	-	-
BKI - PEN	199,587	-	-	199,587	85.03	-	-
BTU - KUL	276,155	125,142	-	401,297	83.65	58.98	-
KCH - JHB	409,618	-	-	409,618	85.17	-	-
KCH - KBR	47,887	-	-	47,887	85.27	-	-
KCH - KUL	1,452,771	569,449	260,502	2,282,662	81.84	67.58	77.36
KCH - PEN	181,004	-	-	181,004	85.07	-	-
LBU - KUL	179,101	145,989	38,213	363,303	84.32	62.15	77.59
MYY - KUL	631,404	230,069	-	861,473	83.88	61.77	-
TWU - KUL	550,977	154,777	-	705,754	84.51	66.62	-
SBW - KUL	653,285	112,306	-	765,591	82.52	51.68	-
SDK - KUL	319,618	78,996	-	398,614	84.64	66.71	-

Source: MAVCOM, AirportIS

Out of 1,679 complaints MAVCOM received in 2018, 52 were from Sabah while 81 came from Sarawak. The Commission is currently developing a consumer protection code which will provide compensation and care that are specifically tailored for passengers passing through STOLports.

TOP COMPLAINTS BY CATEGORY FOR SABAH IN 2018

Refunds	23.1%	21.2%	Mishandled baggage
Online booking	19.2%	11.5%	Flight cancellation
Flight delays	9.6%	5.9%	Denied boarding
Customer service	1.9%	1.9%	Others
Safety & security	1.9%	1.9%	Complaints handling
Offloaded	1.9%		

TOP COMPLAINTS BY AIRLINE OR AIRPORT FOR SABAH IN 2018

32 AirAsia	3 MASwings
11 Malaysia Airlines	1 Foreign airlines
4 Malindo Air	1 airports

Source: MAVCOM

TOP COMPLAINTS BY CATEGORY FOR SARAWAK IN 2018

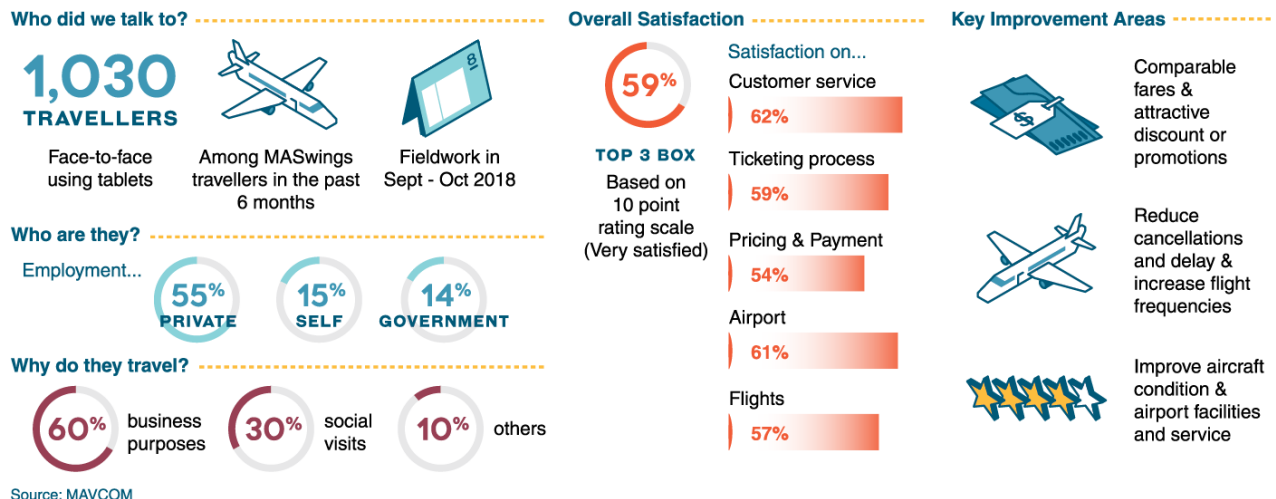
Mishandled baggage	28.4%	21.0%	Refunds
Flight delays	12.3%	11.1%	Flight cancellation
Online booking	9.9%	4.9%	Others
Denied boarding	3.7%	2.7%	Customer service
Food & beverage	1.2%	1.2%	Flight rescheduling
Frequent Flyer Programs	1.2%	1.2%	Offloaded
Complaints handling	1.2%		

TOP COMPLAINTS BY AIRLINE OR AIRPORT FOR SARAWAK IN 2018

38 Malaysia Airlines	3 AirAsia X
27 AirAsia	3 Malindo Air
8 MASwings	2 Foreign airlines

To better understand the needs and air travel requirements of those living in Sabah and Sarawak, proper research and fieldwork is required. In light of this, MAVCOM conducted a Rural Air Services (RAS) survey from September to October 2018, comprising of 1,030 respondents who flew with MASwings in the past six months from the date of the survey. A summary of the findings can be viewed in the following diagram:

SUMMARY OF THE RAS SURVEY CONDUCTED BY MAVCOM IN 2018



RURAL AIR SERVICES (RAS)

Since MAVCOM's establishment, the role of administering Public Service Obligation (PSO) routes such as the RAS, has been managed by the Commission. In Malaysia, the principal example of PSO is the RAS which connect remote, sparsely populated, or otherwise inaccessible parts of Malaysia with the rest of the country. Although the Ministry of Transport remains as the principal decision maker for RAS, the Commission is empowered to govern PSO schemes within the Malaysian civil aviation industry.

In 2007, RAS operations were formally returned to Malaysia Airlines System (MAS). MAS then formed MASwings, an entity established to serve RAS routes. The costs for the operation of RAS by MASwings is fully funded by the Malaysian Government in the form of subsidies and aircraft rental payments.

As of December 2018, MASwings operated 49 RAS routes with 19 routes which were serviced by ten Aerospatiale ATR 72-500 aircraft and 30 routes serviced by six Twin Otter Viking DHC6-400 aircraft. The routes for both the ATRs and Twin Otters are stated below:

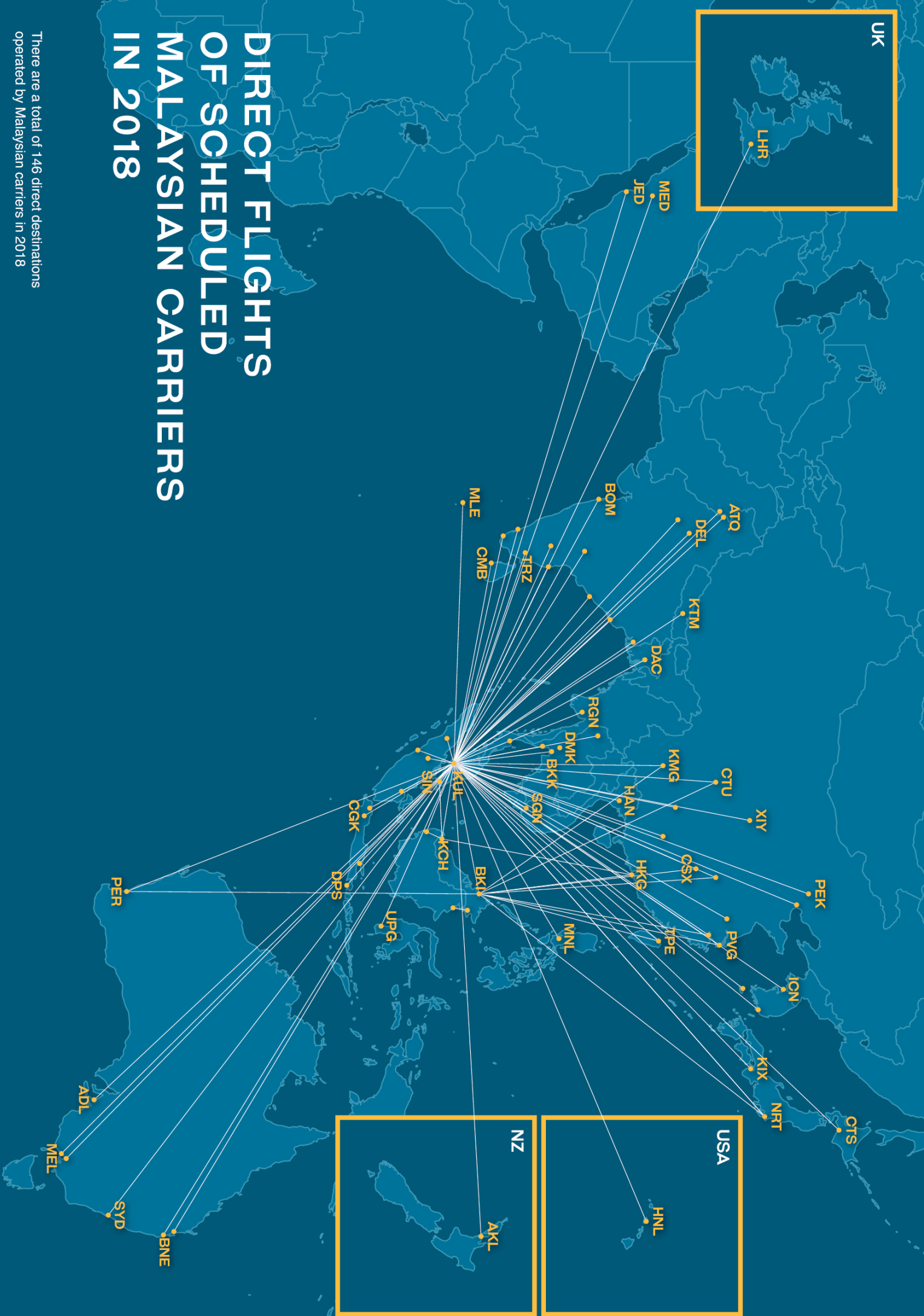


LIST OF RAS ROUTES OPERATED BY MASWINGS AS OF DECEMBER 2018

SABAH (Internal)		SARAWAK (Internal)			
KK - Lahad Datu	KK - Labuan	Miri - Mulu	Miri - Limbang	Miri - Long Akah	Marudi - Long Seridan
KK - Sandakan	KK - Kudat	Miri - Limbang	Miri - Lawas	Marudi - Long Lellang	Miri - Mulu
Sandakan - Tawau	KK - Sandakan	Miri - Bintulu	Limbang - Lawas	Marudi - Long Akah	Miri - Long Banga
KK - Tawau	Kudat - Sandakan	Miri - Sibü	Miri - Ba'kelalan	Bario - Bakalalan	Marudi - Long Banga
SABAH/SARAWAK (Interstate)		Bintulu - Sibü	Lawas - Ba'kelalan	Sibü - Mukah	Bintulu - Belaga
KK - Limbang	KK - Bintulu	Kuching - Bintulu	Miri - Bario	Mukah - Miri	Kuching - Tanjung Manis
KK - Lawas	KK - Sibü	Kuching - Sibü	Marudi - Bario	Mukah - Bintulu	Mukah - Tanjung Manis
Miri - Labuan	KK - Mulu	Kuching - Miri	Miri - Marudi	Mukah - Kuching	
KK - Miri		Kuching - Mulu	Miri - Long Lellang	Miri - Long Seridan	

KK - Kota Kinabalu
Source: MAVCOM

DIRECT FLIGHTS OF SCHEDULED MALAYSIAN CARRIERS IN 2018



There are a total of 146 direct destinations
operated by Malaysian carriers in 2018