

## 10 pc hike in passenger traffic

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THE domestic passenger traffic market, which ranks the third largest in Asean, grew 10.4 per cent year on year for the first seven months of this year, with 56.9 million passengers.

However, capital expenditure needs to be increased significantly as seven airports are operating beyond terminal design capacities.

This was cited in the Malaysian Aviation Commission (Mavcom) 2017 outlook report for the industry launched yesterday. "On the back of this growth, Mavcom expects total passenger traffic for the year to grow by 7.8 per cent to 8.8 per cent, translating into 98.3 million to 99.2 million passengers," the report, prepared bi-annually, stated.

Malaysia's airports made the country the third most connected in Asean as they offered passengers direct and indirect flights to 116 international destinations. "This is the third highest in Asean after Singapore (153) and Thailand (151)," the report said.

It also cited that the industry contributed an average of RM5.1 billion annually to the Malaysian economy. "In 2014, the industry employed nearly 44,000 full-time workers across various services.

"Based on the latest data from the Statistics Department in 2010, the industry generated twice the (returns) for the economy for every RM1 (it generated)," stated the report, adding that this was the 28th highest multiplier of the 122 industries in Malaysia.

The fleet size of Malaysian airlines increased from 213 to 278 aircraft in the six years leading to last year, it stated. "The capacity increase coincided with a period of decreasing average fares, whereby those for domestic and international routes decreased by 5.9 per cent and 8 per cent per annum respectively."

Based on the latest audited reports, the 20 non-scheduled service providers collectively reported RM1.6 billion in revenue and RM156.8 million in operating profits in 2015.

In an immediate reaction to the New Straits Times, Deputy Transport Minister Datuk Abdul Aziz Kaprawi said the ministry was aware that some of its airports were operating beyond capacity.

Aziz said the ministry was planning to upgrade the Penang International Airport and the Sultan Ismail Petra Airport in Kota Baru, soon.

He said there were plans to upgrade the Langkawi International Airport, which was earlier announced at a budget of RM14 million.

"We are also studying the need to expand the Sultan Abdul Aziz Shah Airport in Subang, but there are no plans to upgrade the Miri and Kota Kinabalu airports," he added, while referring to the report.