

**AIDE-MÉMOIRE**  
**MALAYSIA FOR ICAO COUNCIL**  
**2022 - 2025**

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## **INTRODUCTION**

1. Malaysia has emerged as one of the most globalised economies in the world. In this connection, aviation plays a significant role in bridging Malaysia to the global market through aviation-facilitated trade, expanded export markets and increased tourism.
2. The role of Malaysia as an important player and vital hub in aviation in the Asia Pacific Region is primarily due to a dynamic and pragmatic long-term aviation policy covering institutionalisation framework, compliance to ICAO's Standard and Recommended Practices (SARPs), strategic development objectives and continuous support for aviation sector growth.
3. Malaysia has adopted liberal air transport policies to promote air travel and increase connectivity. For this reason, Malaysia has concluded air services arrangement with 110 countries of which 23 are open skies in nature. Currently, 78 foreign airlines fly to Malaysian airports as compared to only 56 in 2009.

## **OVERVIEW - AVIATION INDUSTRY**

4. Malaysia 2022's air passenger traffic is forecasted to increase between 316 per cent and 525 per cent year-on-year (YoY), representing between 32.6 million and 49.0 million air travel passengers, marking a 30 to 45 per cent recovery from the pre-pandemic air passenger traffic levels in 2019.
5. The development of travel bubbles has shown a positive impact to the tourism and aviation industries which had caused a significant increase of 2,411.0% month-on-month in September 2021 and 261.4% month-on-month in October 2021 specific to domestic air passenger.
6. The demand for air cargo remains resilient. Malaysia's air cargo volume in terms of total Freight Tonne Kilometre (FTK) recorded a strong growth of 19.7% YoY in 3Q21 (3Q20: - 22.7% YoY). For 2022, air cargo traffic is forecasted to grow between 3.9 per cent and 6.7 per cent YoY, which translates into 20.8 billion to 21.6 billion FTK, underpinned by the progress of vaccination programme, strong growth of e-commerce, electrical and electronics (E&E), as well as demand from Malaysia's main trading partners.

## **COMMITMENT (TECHNICAL & ECONOMIC)**

### **1. Strengthening the role of Civil Aviation Authority Malaysia, CAAM**

The incorporation of CAAM is in line with the requirement of the International Civil Aviation Organization (ICAO) which has called upon contracting states to the Chicago Convention to establish an autonomous civil aviation authority to ensure efficient management of the safety and security of the civil aviation.

The regulatory responsibility of civil aviation technical matters is vested in CAAM. CAAM pledged to contribute to the development of Malaysia's civil aviation technical sector and mandated to comply with ICAO's standards so as to keep aviation safe, secure and efficient.

To further strengthen the role of CAAM, the Government of Malaysia is undertaking transformation programme to turn CAAM into a sustainable and performance-based organisation. This transformation will allow more flexibility in training and hiring of qualified technical personnel.

Beyond the regulatory and oversight functions, CAAM also encourages, promotes, facilitates and assists in the development and improvement of civil aviation capabilities, skills and services in Malaysia by providing technical and consultancy services relating to civil aviation, as well as providing education and training in this industry and promoting research and development of civil aviation sector.

### **2. Rationalisation of Malaysia Aviation Regulatory Body**

The rationalization of Malaysia Aviation Regulatory Body is a crucial decision by the Government to provide a single regulatory agency governing aviation industry in Malaysia. The rationalization of a civil aviation regulatory body under one entity, would not only optimise existing human and financial resources, but will enhance the efficiency of governance and quality of service delivery.

### **3. Empowering Air Passengers Through the Malaysian Aviation Consumer Protection Code**

The Malaysian Aviation Consumer Protection Code 2016 (MACPC) which came into operation on 1 July 2016 ensures the protection of the rights and interests of air passengers. The MACPC was designed in line with the Montreal Convention 1999 as well

as the ICAO Core Principles on Consumer Protection. New amendment which further empowers consumers to exercise their air travel rights, expected to be enforced in 2022, reflects Malaysia's commitment to better safeguard consumers' welfare while promoting the overall service level and efficiency in the aviation industry.

#### **4. Promoting Fair Competition**

Malaysia has placed immense emphasis on promoting fair competition in the civil aviation industry especially since the inception of the Malaysian Aviation Commission (MAVCOM), the commercial and economic regulator for the industry. Malaysia is able to better oversee and improve competition in the industry and comply with the competition provisions of its Air Service Agreements and other multilateral agreements that match international standards and best practices for competition law and enforcement. This task will be further pursued by CAAM after rationalization initiative to place our civil aviation regulatory body under one entity.

#### **5. New Digitalised Solutions for the Industry Through Aerolicence & Protection of Consumers' Rights via FlySmart**

##### ***AeroLicence***

Malaysia via MAVCOM has launched AeroLicence - electronic licensing systems to enhance efficiency and provide greater convenience for aviation service providers via digitalised approach which has greatly benefitted during the COVID-19 pandemic.

##### ***FlySmart***

Malaysia, through MAVCOM had introduced FlySmart as a platform to champion consumer rights in the aviation sector focusing on driving awareness, educating and empowering travellers of their rights. Travel Advisory Guide, an enhancement to the existing FlySmart mobile application is a step for airlines and airports to enhance the efficiency of handling consumer-related issues.

## **6. Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**

Malaysia recognises the importance of environmental sustainability and pledges to fulfill the Sustainable Development Goals 13 (SDG 2030) in line with the Paris Agreement towards reducing carbon emission by 45% by 2030.

Malaysia has volunteered to participate in CORSIA starting from the Pilot Phase (2021-2023), will continue with the First Phase (2024-2026) and finally the mandatory offsetting to all countries in CORSIA Second Phase (2027-2035). Malaysia has since been monitoring, reporting and verifying the CO<sub>2</sub> emissions by eligible airline operators as required annually.

## **7. ICAO Council Aviation Recovery Task Force (CART)**

The Malaysian Government reaffirms its commitment to support ICAO initiative with a particular focus on safety and facilitation objectives, taking into account the economic impact of COVID-19 on the aviation sector.

Malaysia is supportive and appreciates the work done by ICAO especially the Civil Aviation Recovery Task Force (CART), comprising Member States, international and regional organizations and industry in addressing the challenges of the crisis and to provide guidance for a safe, secure and sustainable restart and recovery of the aviation sector. In this connection, CAAM has published “Covid-19 Guidelines for Aviation Industry” according with the latest guidance by the ICAO.

## **8. Aviation Safety and Security Commitment**

Malaysia has taken progressive action to establish a comprehensive program to enhance safety and security oversight by revamping relevant documentation. 19 Annexes have been promulgated into Civil Aviation Directives (CAD) and all subsidiary guidance materials (CAGM) associated with CADs was published as part of Safety, Security and Quality Assurance System whilst continuously working on Corrective Action Plan (CAP).

Malaysia has also given serious attention to the competency of Inspectors and has developed a comprehensive CAAM's Civil Aviation Training Manual in compliance with ICAO provisions, plans, programmes and required performance specified in ICAO Standards and Recommended Practices (SARPs).

## **9. Federal Aviation Administration (FAA) International Aviation Safety Assessment (IASA)**

Malaysia has addressed all issues and findings during the previous FAA IASA in April 2019. With strong commitment and assistance towards the standards of aviation safety and security, FAA has agreed to conduct full assessment on Malaysia's civil aviation authority. FAA auditors conducted five days' assessment physically at CAAM Headquarters in Putrajaya in December 2021.

The prognosis indicated a very convincing performance by CAAM in addressing systematic issues from years past. The audit covered three areas of interest, Personnel Licensing (PEL), Air Operations (OPS) and Airworthiness (AIR) consisting of Critical Element 1 – 8 of ICAO Protocol Questions. In addition to those three areas, Legislation (LEG) and Organization (ORG) were also being assessed during the FAA IASA.

## **10. Malaysia First Sustainable Aviation Fuel Flight**

Malaysia Airlines (MAB), in partnership with PETRONAS Dagangan Berhad (PDB) and Neste, the global producer of renewable diesel and SAF has successfully performed the inaugural flight using Sustainable Aviation Fuel (SAF) blend on 17 December 2021. It is part of the airline's long term strategy to increase the use of SAF throughout its flights in the next 5 to 10 years.

MAB through its membership in the oneworld Alliance, is committed to a collective alliance target of 10% SAF use by 2030. This action is in line with MAB's Net Zero Emissions by 2050, which also coincides with IATA Net Zero Carbon Emissions by 2050 target. Malaysia is committed from our stakeholders such as government/air navigation service providers, manufacturers and fuel producing companies.

## **11. Malaysia Vaccination Program**

Ministry of Transport (MOT), in collaboration with the Ministry of Science, Technology and Innovation (MOSTI) and the Ministry of Health (KKM), has launched the Transportation Sector Vaccination Programme that covers maritime, aviation and land transport services in June 2021. About 22,243 airport workers, airlines staff and cargo workers were involved and received vaccination through this programme. This is undertaken as Malaysia affirms that the virtue in revival of aviation sector is dependent on the safety of the staff and passengers.

Malaysia is amongst the top ASEAN countries and on track to achieve 100% of the adult population vaccinated by mid of 2022. With the tourism industry contributing over 15% of GDP in Malaysia alone, vaccines are key for protection and will play a strong role in supporting tourism and the economy thus helping to reinvigorate the domestic and international travel.

## **12. Vaccinated Travel Lane Malaysia-Singapore**

Malaysia has successfully implemented & cooperated with Singapore to boost the air travel between both nations through Vaccinated Travel Lane (VTL), a two-way travel by individuals who have received a full regimen of a COVID-19 vaccine to enter the other country without quarantine. It is an important milestone to restart the recovery of civil aviation while addressing public health concerns to ensure its future resilience. Malaysia is also committed to further expand VTL with other countries.

## **13. Malaysia Airlines Joins IATA's 25by2025 to Boost Gender Balance in Aviation Industry**

Malaysia Airlines has joined hands with the International Air Transport Association (IATA) to champion gender balance and create further career opportunities for women in the aviation industry through the 25by2025 initiative. 25by2025 is a voluntary initiative for all aviation stakeholders to strengthen and improve female representation in the industry by 25%, or up to a minimum of 25% by 2025.

As part of Malaysia Airlines' long-term vision of the future, the airline will use the 25by2025 initiative as an impetus to further create a positive, encouraging and rewarding working experience for all staff. It is committed to increase representation of women in the workforce in underrepresented roles, such as engineers and pilots. Additionally, female staff and new candidates will be given more opportunities when applying for senior management roles across the airline.

## **14. Malaysia Airlines signatory to the Buckingham Palace Declaration**

Malaysia Airlines (MAB) is a signatory to the Buckingham Palace Declaration; namely the transport industry's pledge to partner with government authorities and conservation organizations in the fight against trafficking protected species.

The illegal wildlife trade is estimated to be valued up to 150 billion USD per year, and is among the five most lucrative global crimes. The 11 commitments outlined within the Declaration focus on information sharing, staff training, technological improvements, and resource sharing across companies and organisations worldwide. Now signed by over 100 transport sector companies from across the globe, the Taskforce is taking steps every day to help stop the trafficking of wildlife products.

### **15. Malaysia Aviation Group (MAG) supports the fight against Human Trafficking**

Malaysia through MAG is working closely with International Organisation of Migration (IOM), a leading intergovernmental organization in the field of migration. The partnership with IOM assisting in identifying possible human trafficking victims, information on high risk routes of possible human trafficking and smuggling syndicate. Malaysia has declared a zero-tolerance policy for human trafficking and is committed to combat human trafficking and smuggling activities within its business operations.

## **INFRASTRUCTURE & DIGITALIZATION**

### **1. Enhancing Air Traffic Management System Capability - KLATCC**

The newly launched Kuala Lumpur Air Traffic Control Centre (KLATCC) in Sepang is significant in improving the navigation, surveillance and air traffic management system in operating three runways simultaneously thus capable of increasing the flight movements to more than 100 aircrafts per hour. The existence of the integrated control centre at KLATCC will heighten the capability and preparedness of the country to face the challenging world aviation scenario and greatly support the future generation. With the new and efficient system and air traffic control equipment, it can elevate the country's air traffic services competency level to be on par with developed countries.

### **2. National Airport Strategic Plan (NASP)**

Malaysia is currently reviewing for further improvement of our National Airport Strategic Plan (NASP) which is envisaged to be a long-term development framework for national airports system, as well as air navigation services (ANS). With the pandemic affecting the aviation sector globally, the NASP will include economic development roadmap, regulatory and institutional framework, security, safety, environment, quality of service standards, and human capital development strategy. Moving forward, the execution of

the revised NASP is capable to open opportunities to increase foreign investment flow. This new development will serve as a catalyst for greater competition, increased accessibility, enhanced connectivity as well as enhanced air transport efficiency and availability.

### **3. KLIA Aeropolis**

KLIA Aeropolis being the flagship development of the airport city is imperative to elevate and transform KLIA into an integrated, synergistic aviation ecosystem across 3 development clusters, namely Air Cargo & Logistics, Aerospace & Aviation and MICE & Leisure. It is designed and developed to catalyse the aviation ecosystem and attract global operators in eCommerce logistics and MRO sectors which are complementary to the airports' core business in driving passenger growth and cargo volumes. The 99-year land lease for the KLIA Aeropolis' lands is the game changer to position Malaysia firmly as an engine of sustainable economic growth and shared prosperity upon the completion of its phased development by 2060.

### **4. Sultan Abdul Aziz Shah Airport, Subang (LTSAAS) As A Leading Aerospace and Aviation Hub**

LTSAAS as a Leading Aerospace and Aviation Hub is an inclusive and comprehensive concept plan to regenerate Subang Airport, to achieve Government's aspiration towards creating high technology driven IR4.0 industries and high skilled capabilities, across 3 focus areas namely Aerospace Ecosystem, Business Aviation and Urban Community Airport. The development of futuristic and digital infrastructure at both airside and landside zones, customised real estate solutions and balanced commercial development would attract and enhance global aerospace supply chain and is well positioned to be the preferred hub for aerospace and business aviation in Asia Pacific.

### **5. Cainiao Aeropolis Electronic World Trade Platform (eWTP) Hub [eHub]**

Malaysia has developed Digital Free Trade Zone (DFTZ) to facilitate seamless cross-border trade and enable local businesses to export their goods. Following the DFTZ initiative forged between the Government and Alibaba in 2017, the eHub, a joint venture development between MAHB and Alibaba was launched in November 2020. This is Alibaba's first eWTP hub outside of China and 1 of the 6 global hubs operated by Alibaba's logistics unit, Cainiao Smart Logistics Network. This development is set to elevate KLIA's air cargo status as one of the leading distribution gateways within ASEAN region targeting a 72-hour delivery in the global eCommerce marketplace and expected to double KLIA's current cargo volume to 1.4 million metric tonnes per year by 2029.



## **6. Malaysia Airports Holdings Berhad Digitalisation**

Malaysia Airports Holdings Berhad (MAHB), has completed a total revamp of KLIA's Network infrastructure, which is part of the Digitalisation journey with its Airport 4.0 initiatives for passenger experience, airport operation as well back office activities. The key initiatives in the pipeline are Single Token Biometric passenger processing, Airport Collaborative Decision making (A-CDM) and Self Service Baggage Drop which also use biometric profile for processing. To ensure that the security and safety is always paramount for the airports, we commit to enhance and modernize the Airport Security System with an AI based Security Solution.

## **CONTRIBUTION**

### **1. Human Resources Development**

Through the Malaysia Technical Cooperation Program (MTCP), Malaysia has trained more than 400 aviation personnel worldwide to receive training at the ICAO accredited Malaysia Aviation Academy (MAVA). Malaysia being a full member of the ICAO TRAINAIR PLUS Programme 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 supply and availability of skilled personnel.

### **2. Financial Contribution**

In support of the ICAO's 'No Country Left Behind' initiative, Malaysia is highly committed to continuously assist countries in need to improve aviation safety and capacity building and technical assistance through our contribution to the ICAO Safety Fund, ICAO Environment Fund and Aviation Security and Facilitation Fund of ICAO. Malaysia is also committed to support the recently developed Implementation Packages (iPacks) by the Technical Cooperation Bureau (TCB) of ICAO especially to support countries to restart and strengthen aviation sector during the COVID-19.

### **3. Participation in the ICAO Forum**

Malaysia has been actively involved in the ICAO Forums and has been contributing in supporting ICAO strategic objectives as invited deputy chairman, speakers and panelists in the following:-

- i) Regional Aviation Safety Group, Asia Pacific (RASG-APAC)
- ii) ICAO Global Symposium on the Implementation of Innovation in Aviation- High Level Talk on 11 December 2020
- iii) ICAO Global Symposium on the Implementation of Innovation in Aviation- Regional Panel on Digitalisation, 9 December 2020
- iv) 2021 United Nations High-Level Political Forum on Sustainable Development (HLPF) – The Importance of Sustainable and Resilient Restart and Recovery of Global Economy and the Expansion of Trade and Tourism on 8 July 2021

## **ACHIEVEMENT**

### **1. Malaysia Airlines**

#### **2019 - 2021**

- 4-Star Rating Airline by Skytrax 2019
- The Cellar in The Sky Awards
- CXP Best Customer Experience Awards
- Malaysia Technology Excellence Awards 2021
- COVID-19 7-Star Rating by airlineratings.com 2020
- Putra Brand Award 2020

### **2. AirAsia**

#### **2019 - 2021**

- 2019 World's Best Low-Cost Airline Premium Cabin award
- the World's Best Low-Cost Airline award for 12 consecutive years, by Skytrax 2021 World Airline Awards
- 2021 Asia's Leading Low-Cost Airline (For 9th year running) by 28th World Travel Awards 2021.
- 2021 Asia's Leading Low-Cost Airline Cabin Crew 2021
- 2021 Business Innovation Award at the World Airline Awards

### **3. Airports (MALAYSIA AIRPORTS)**

#### **2019 - 2021**

- ACI 2021 – Airport Health Accreditation by Airports Council International for KL International Airport, Kuching International Airport, Langkawi International Airport and Kota Kinabalu International Airport

- Gold Winner – 2020 International ARC Awards
- Asean Corporate Governance Awards 2020 by The Minority Shareholders Watch Group (MSWG)
- International Customer Experience Award by ICXA 2020
- ISO 45001:2018 Occupational Health and Safety Management System
- HR Asia (Best Companies To Work For In Asia 2019)
- Asean Energy Awards 2019
- Asia Corporate Excellence & Sustainability Awards 2019
- APQO International ACE Award 2019

#### **4. Senai Airport Terminal Services Sdn Bhd (SATSSB)**

- CAPA Asia Pacific Aviation Awards for Excellence – Asia Pacific Small Airport of the Year under category 10 million annual passengers

## **CONCLUSION**

Malaysia looks forward to continuing its vital role in promoting ICAO's aspiration for safe, secure, sustainable and efficient international civil aviation. In the last five consecutive terms as ICAO Council Member, Malaysia has demonstrated high commitment and provided full support towards achieving ICAO's core objectives. Malaysia therefore pledges our continuous commitment to uphold global aviation security, innovation and sustainability priorities via strategic infrastructure development together with institutional capacity building to cater for next generation of aviation professionals. For all the commitment, contribution and achievement highlighted above, Malaysia is pleased to submit its candidature for ICAO Council under Part III during the 41<sup>st</sup> ICAO General Assembly.