

AirAsia says no to ministry's 'crazy decisions'

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AirAsia is adamant in not moving to Terminal 1 of the Kota Kinabalu International Airport (KKIA1) despite being ordered to do so by the Transport Ministry, its group chief executive officer Tony Fernandes said.

This was because the budget airline refuses to repeat the mistake it made by moving to the Kuala Lumpur International Airport 2 (KLIA2), Fernandes said.

"KLIA2 is a clearly a decision that should not happened. we are not going to make another mistake. We know what we are doing," he said.

Citing the problematic KLIA 2 as an example, he said, "MAHB's credibility must be lower than AirAsia in knowing how to run (the business)."

He was responding to both MAHB and Deputy Transport Minister Abdul Aziz Kaprawi who told AirAsia to move immediately to Terminal 1 in the main building as it has a bigger passenger capacity.

The budget airlines pointed out that this contradicted Transport Minister Liow Tiong Lai who said AirAsia need not to move.

AirAsia will stand by its decision to remain at the KKIA Terminal 2, he said, adding that jobs would be lost if their operations moved to the main terminal.

Not objective decisions

"Sabah tourism is fragile now and we will create heavy congestion if we move to Terminal 1. Even Malaysia Airlines agrees on this," said Fernandes (photo).

International passengers will be charged RM65 for passenger service charges (PSC) if AirAsia moves to Terminal 1 compared to RM32 at present and the increase will kill Sabah tourism, he said.

"There is tremendous competition in the region for people to go. If you move to Terminal 1 and increase the airport tax by RM35, you will kill tourism," lamented the airline tycoon.

The government had ordered AirAsia to move its operations to the main Terminal 1 at latest by Aug 1.

The relocation was set initially for Jan 1 this year but was delayed pending the outcome of several applications made by the budget carrier.

Fernandes questioned the ministry's decision and alluded that it wasn't objective.

"We question why the ministry's secretary-general and deputy secretary-general sit on the board of MAHB.

"How can a regulator sit on the board? Khazanah's code of conduct is very clear. A regulator cannot sit on the board," Fernandes said.

"How can a ministry of transport be objective when a regulator sits on the board? That's why mistakes have been made."

He said the ministry wasn't getting an accurate picture in arriving at its decision, which was done without hearing the views from the airlines.

'We can't be bullied'

The ministry should make a decision that is best for the airline, the people and the nation.

"It's time to stop making crazy decisions in Malaysia," Fernandes said at an event to announce David Foster, the 16-time Grammy award winner, as AirAsia's new global brand ambassador.

Fernandes, however, said he doesn't foresee that the airline will be forced to shift as 'common sense will prevail'.

"There's a monopoly position here. We haven't had our airport upgraded and maintained, the air condition cannot work. We are almost kind of being forced out.

"This kind of bullying has to end. We can't be bullied all the time. Surely there's a new Malaysia somewhere along the line which believes in people," he said.

Malaysia's airport authority and operators should emulate neighbouring countries which opted to listen to AirAsia for the betterment of their airports industry, he said.

"Every country in Asean is listening to AirAsia and working with us. Why are Malaysian airports not engaging us? We don't want to fight or confrontations," he said.

It will make more sense for the stakeholders to sit down and discuss what is best for the industry and work as true partners, he noted, adding the airlines was sometimes frustrated by the attitude of MAHB.