

Govt backs AirAsia, too

KUALA LUMPUR: Budget airline AirAsia could not be what it is today without government support, Transport Minister Datuk Seri Chan Kong Choy said.

"We give a lot of support to AirAsia. We support both AirAsia and MAS (Malaysia Airlines), as both are Malaysian. Both have played important roles in our economic development.

"We will continue supporting both airlines. This is the Government's stand," said Chan after attending the China Jilin Trade & Investment Promotion Briefing at the Putra World Trade Centre here yesterday.

Chan, who is also MCA deputy president, said the Government had offered many incentives to AirAsia but refused to go into details.

"The landing rights belong to the Government. It is the Government that passes the

rights to the designated airline. Without landing rights, the airlines cannot fly."

Chan said the Government appreciated AirAsia for having played a key role in domestic and regional aviation.

"I must say they have been working very hard. It is a very well managed airline. I must give recognition to them. They have grown very fast. Having said that, it does not mean that when we make a decision, we are sidelining this airline."

Earlier this month, the Cabinet decided to lift the floor price for Malaysia Airlines. Chan said he did not think lifting the floor price would affect the rationalisation of domestic routes between the airlines.

"Other differences can be thrashed out. I do not want to get involved in open debate. This is not our way of solving problems," he added.

On another issue, Chan said

the ministry hoped to increase flights between China and Malaysia from the current 80-odd flights to 100 every week.

"One of China's airlines has shown interest to fly between Xian in China and Kuala Lumpur from October. Xian is an important aviation hub in north-western China."

In March, MAS had discontinued its flights between Xian and Kuala Lumpur.

He said he would attend a meeting in Beijing next month to look at more liberal aviation arrangements between China and Malaysia.

Chan, who is the chairman of the working committee of the Singapore-Kunming Rail Link, said a meeting would also be held in Kunming in October.

"We hope a lot of problems can be resolved in the meeting so that the rail link can be realised soon."