

**PM Announces Setting Up Of New Low Cost Airline
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KUALA LUMPUR, Sept 11 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak today announced the setting up a new low cost airline known as Malindo Airways.

Najib said the airline, borne out of a collaboration between National Aerospace and Defence Industries Sdn Bhd (Nadi) and Indonesia's PT Lion Group, would begin operations on May 1 next year and be based in KLIA 2.

The collaboration, said Najib, not only marked another milestone in the nation's aviation industry, but also represented yet another facet of the close relationship between Malaysia and Indonesia.

"To my mind the acronym Malindo- the melodic combination of the names of Malaysia and Indonesia has very significant historical connotations, reflecting the long intertwined history of the peoples of our two countries,"

"In terms of this to be established airline, I believe the name reflects the bridging of the two countries by way of a wide network of flights that will connect various cities and towns region-wide, opening new destinations for travellers from within the Nusantara and beyond," he said after witnessing the signing ceremony for the establishment of the airline between the two companies, here.

Najib said, with huge challenges faced by the airline industry today, including escalating operational costs and soaring fuel prices, the smart partnership such as the one formalised today would provide the new airline various savings and efficiencies in terms of fleet maintenance as well as the opportunity to tap a robust market that was ripe for the entry of a new low cost carrier (LCC).

"Airlines would need to be innovative and creative in order to continue to be profitable, and sustainable as a business, without compromising on service levels, reliability and affordability," he said.

Sharing a broad projection for global aviation, Najib indicated that the world air traffic was expected to grow at an annual rate of 5.1 per cent over the next 20 years, whereas air travel within the Asia-Pacific region was expected to grow by 6.7 per cent.

"The Asia-Pacific region accounts for 34 per cent of global passenger traffic and this is expected to almost triple from 779.6 million in 2010 to over 2.2 billion in 2030 with Malaysia expected to account for 200 million passengers.

"This is a staggering number. But one that represents an enormous opportunity for the region's airlines, and aviation players in general.

"We must be ready to tap into this lucrative market and readiness means adapting and making changes today for the market conditions we anticipate tomorrow," he added.

Najib said the entry of the new airline was a timely move to meet the burgeoning market demand, both for low cost flights and maximum connectivity across the region especially between different cities in Malaysia and various parts of Indonesia.

He said, with significant experience in Airline Operations, MRO (Maintenance, Repair and Overhaul) services, Supply Chain Management and Human Capital development, NADI and PT Lion Group would not only be able to provide quality services to their consumers in the region, but also to the global aviation industry. "This will fortify the Aviation Business ecosystem both in Malaysia and Indonesia. Furthermore, the partnership will provide the regional low-cost air travel market with healthy competition, ultimately benefiting low-cost travellers in both countries," said Najib.

According to the prime minister, the Malaysian Aerospace Industry which has grown tremendously over the last 20 years, will be well poised to meet the challenges and to seize the opportunities of the future if it be continuously built and nurtured.

In 2011, Najib said, the industry generated RM26 billion in turnover, employing approximately 54,000 workers, 15,000 of whom were skilled in various vocations. "This is something that we, as Malaysians, can take pride in, particularly because it is a testament of the success of the National Aerospace Blueprint (NAB) that was introduced in 1997," he said.

The Blueprint laid out 45 recommendations covering aerospace manufacturing, commercial aviation, general aviation, systems and space, to provide Malaysia with the essential framework to develop itself as technologically and competitively competent global aerospace player by 2015.

The introduction of the Government's Economic Transformation Program (ETP) further bolstered Malaysia's Aerospace industry, identifying two Entry Point Projects, namely "EPP1-Growing MRO Services" and "EPP2-Growing Large Pure Play Engineering Services", which were expected to contribute RM16.9 billion to Malaysia's Gross National Income (GNI) and create over 32,000 jobs by 2020, added Najib.

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