

Klia2 launch date a 'pie in the sky'
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By Chan Quan Min

The RM4 billion klia2 terminal may not be ready for its launch date of May 2 on concerns over a rushed schedule for operations and systems testing, said Maybank Investmen Bank's research unit in a report today.

"We don't think klia2 will be ready for a May 2 launch," Maybank analyst Mohshin Aziz said, "based on our observation and historic accounts of the ORAT (operational readiness and airport transfer) process by other airports."

ORAT is an umbrella term for the operations and systems preparation work required prior to the opening of a new airport. According to Mohshin, "klia2 is technically a greenfield airport as it has its own runway and its own control tower."

"MAHB (Malaysia Airports Holdings Bhd) has fast tracked its ORAT process to two months, down from the original schedule of three months. We are concerned whether this condensed schedule is sufficient.

"ORAT is an exhaustive and meticulous process, and comparable projects of this scale have typically consumed three to six months, never less than three months," Maybank's Mohshin said.

"Based on past experiences, six months ORAT appears to be the required process time. If KLIA2 does indeed take six months as opposed to (two months), then the airport will only be ready in the fourth quarter of 2014 (4Q14)," he added.

Mohshin also expressed concern over delays in obtaining klia2's CCC (certificate of completion and compliance). After missing the deadline of Jan 31 for not meeting fire and safety standards, "no CCC has been issued to our knowledge and there has been no announcement to the stock exchange since Feb 4," he noted. "This is a major red flag in our view."

The opening date for MAHB's klia2 terminal has been pushed back five times and is now a total of two-and-a-half years late. In the meantime the price tag for the low-cost carrier terminal replacement has more than doubled to RM4 billion.

Results of an independent study by Ikram Premier Consulting due on Apr 14 could determine if the launch date is further pushed back.

An earlier study by Ikram found construction flaws in the form of depressions on the taxiways and apron that would require periodic repairs but do not pose any safety rise to airport operations.

MAHB has claimed the airport is safe while AirAsia, the largest future tenant by far, has claimed the terminal presents a danger to its passengers and staff. Consequently AirAsia has refused calls to move to the new terminal by May 9.

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