

**AirAsia denies funding issues in moving HQ to klia2**  
**Malaysian Insider**  
**June 2, 2014**

Low-cost carrier AirAsia has refuted a report that it is hindering Malaysia Airports Holdings Bhd's (MAHB) plans to turn the Low-Cost Carrier Terminal (LCCT) into a global cargo and logistic hub due to funding issues.

The airline said the airport authority is aware of its intention to temporarily remain at the LCCT while its new headquarters at klia2 was being built and is only scheduled to be completed by the end of next year.

The carrier's chief executive officer Aireen Omar (pic) said they are in the midst of obtaining approvals from local authorities for its new office building and do not face any funding issues, as claimed by the report in the Business Times, the business section of the English-language daily New Straits Times.

"AirAsia was requested to reduce the height of its new building when the control tower at klia2 was relocated to a new site upon instruction by the authorities. As a result of the reduced height, the original site and plan for the new office building became structurally uneconomical.

"A new site had to be identified, and plans had to be redrawn and re-submitted for approval which has adjusted the timeline of the new office building significantly for AirAsia.

"Construction of the new building is expected to commence in July 2014 and is set for completion late next year," she said in a statement.

Other budget airlines, such as Malindo Air, Cebu Pacific Air, Tiger Airways, Mandala Airlines and Lion Air had moved their operations to the new klia2 on May 2, while AirAsia did so a week later.

Aireen also denied the low-cost carrier had made a request to the prime minister for its corporate office to remain in LCCT.

"The airline, however, has been in communication with MAHB with regards to its corporate office remaining and occupying part of the first floor of LCCT.

As far as AirAsia is concerned, MAHB has informed AirAsia that having our office there temporarily poses no disruption to their plans," she added.

In the Business Times article, it was reported that AirAsia wanted its headquarters to remain at the LCCT for at least another year.

"AirAsia's new headquarters at klia2 was supposed to be ready when the airport opened.

However, it is having funding issues... AirAsia can't seem to make up its mind and comply with the terms and conditions," the daily quoted an unnamed source as saying.

The report further stated this had caused a setback to MAHB's plans to be part of the lucrative logistics sector.

The daily also quoted the source as saying that AirAsia is appealing to the prime minister to allow them to remain in LCCT.

"AirAsia requested the government to allow the group to maintain its office at LCCT up to early next year while it decides on how and when to develop its new facilities at klia2," she said. – June 2, 2014.

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Source: <http://www.themalaysianinsider.com/malaysia/article/airasia-denies-funding-issues-in-moving-hq-to-klia2>