

MAS Works Hard To Restore Confidence, Sees Demand Building Up

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Oleh Farhana Poniman and Soraya Jamal

KUALA LUMPUR, March 7 (Bernama) -- Malaysia Airlines (MAS), which took a beating from the twin tragedies of MH370 and MH17, concurs that restoring people's confidence will not be an overnight job.

The airline, however, is now seeing a steady improvement in the Chinese market.

Managing director and group chief executive officer for the current MAS entity, which comes under 'Oldco' or old company, Ahmad Jauhari Yahya, said the positive momentum indicated that the public's confidence was moving up.

"The demand from that market (China) is building up again. We understand that it will take time to regain people's confidence," he told Bernama in an interview.

The lower fuel price has also provided the airline sector some breathing space, he said.

Early last year, things were looking good for MAS when Ahmad Jauhari announced prudent spending and cost-cutting measures as part of its turnaround plan on Feb 19, 2014, only to deal with a cruel blow a month later.

On March 8 last year, flight MH370, which was carrying 227 passengers and 12 crew, vanished from the radar screens when flying over the South China Sea less than an hour after departing from the KL International Airport at 12.41am.

The Boeing 777-200ER jetliner was scheduled to arrive in Beijing at 6.30am on the same day.

Commenting on the initial turnaround plan, he said, the combined effect of MH370 and the downing of MH17 in eastern Ukraine had completely changed the circumstances and those plans were no longer relevant.

"We have to re-look into those plans because they will not work anymore as the conditions are a bit more severe, which is why Khazanah Nasional Bhd came out with the new recovery plan," he said.

MAS changed its ownership structure, financing, operation and management to return the airline to profitability.

The new plan involves the delisting of MAS shares from Bursa Malaysia, which was completed on Dec 31 last year and the creation of a new entity known as the 'NewCo', to be operational by July 1 and head by turnaround specialist Christoph Mueller.

Ahmad Jauhari, who would retire with the Oldco in September, would assist Mueller throughout this transition.

The biggest lesson MAS had learnt from MH370, Ahmad Jauhari said, was the need to know the location of each and every one of its aircraft better.

"And I think we have done that," he said, adding that MAS was working hard to make it a safer airline with measures to improve flight safety and tracking.

In this regard, MAS had improved its Aircraft Communication and Reporting System (ACARS) to five minutes quicker than the new international standard requirement, enabling them for better detection of their aircraft's position.

ACARS is an aircraft communication system that transmitted the flight data including its speed, velocity, direction, position and location to the airline's control system via satellite.

"After we found that we lost MH370, we immediately look at how do we do things better. We are actually right now tracking the aircraft even better than the International Civil Aviation Organisation recommendations.

"The standard airborne collision avoidance system (ACAS) position download for the 777 was done every 30 minutes before, now we shortened that to 15 minutes," Ahmad Jauhari said.

At the same time, all MAS fleets other than the 777 downloads for the ACAS position were every 10 minutes now, he said.

Ahmad Jauhari said everybody recognised MAS brand.

It has taken some knocks because of the double incidents but under the new restructuring plans, this brand has to be rebuilt.

He said he was proud of the commitment shown by MAS employees.

"The fact that the airline is still running and operating, you have to give credit to the many thousands of staff who are performing their duty as required," he said.

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