



# SUBANG AIRPORT REGENERATION

**KLIABC18: Spurring the growth of aerospace industry in Malaysia to become regional hub**

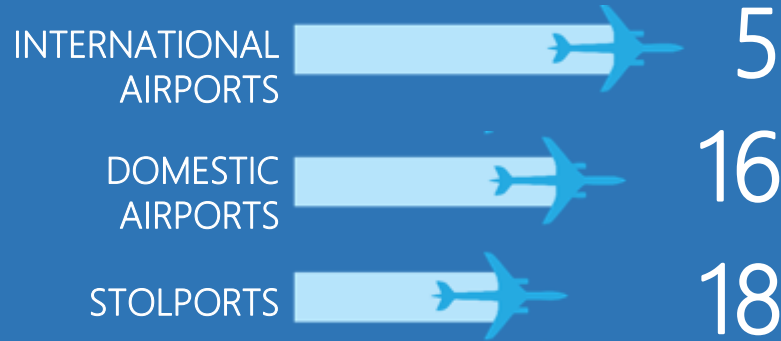
Presenter : Randhill Singh  
General Manager, Land Development  
Date : 2<sup>nd</sup> October 2018



# OVERVIEW OF MALAYSIA AIRPORTS



OPERATOR OF 39 AIRPORTS  
IN MALAYSIA



**SERVING**  
**>120 CARRIERS**



**128MIL PASSENGERS**

in 2017\* \*Passengers + Malaysia + ISG in 2017;  
Airlines = scheduled flights operating out of KUL + ISG  
as of Dec 2017



**1.0MIL TONNES CARGO**

\*FYE2017: Malaysia Airports + ISG

OVERSEAS AIRPORT  
INVESTMENTS  
IN



ISTANBUL  
SABIHA GOKCEN  
INTERNATIONAL  
AIRPORT  
(100%)



HAMAD  
INTERNATIONAL  
AIRPORT  
DOHA  
(Operational  
Contracts)

**1st** AIRPORT  
OPERATOR

IN ASIA LISTED IN STOCK EXCHANGE  
**>USD3.6 BILLION**  
MARKET CAPITALISATION\*

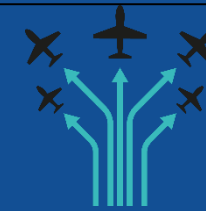
As at 22.03.2018



ONE OF THE LARGEST  
AIRPORT OPERATOR GROUP

Combined with SGIA, Malaysia Airports  
group handles ~130 mppa

WORLD'S  
**12th** BUSIEST  
INTERNATIONAL  
PASSENGER AIRPORT\*\*\*



**#TOP12**  
AIRPORT SERVICE  
QUALITY 2017

in the World (>40mppa category)\*\*



\* Significant Shareholders: Khazanah Nasional Berhad (33.2%), Local Shareholders (22.2%), Foreign Shareholders (44.6%) as of 31/03/2018

\*\*Source: Airports Council International (ACI)

\*\*\*Airport Council International Rank 2017 (Preliminary Results) [Note: KLIA ranking improved from 14<sup>th</sup> in 2016.]

# RUNWAY TO SUCCESS 2020 BUSINESS PLAN

EXECUTING A PROFITABLE AND SCALABLE AIRPORT CITY MODEL



To be the global leader in creating airport cities

RtS2020

## Strengthen the core



### KUL Hub

*Realize KUL's potential with focus on critical markets and connectivity*



### Total Airport Experience

*Embed customer-centric culture to improve experience for passengers, airlines and retailers*

## Expand and diversify



### Aeropolis

*Stimulate economic activity of adjacent landside through logistics, aerospace and MICE / leisure segments*



### International Expansion

*Increase international footprint and export core airport capabilities*

# KLIA AEROPOLIS – 3 CORE CLUSTERS

ALIGNED WITH NATIONAL DEVELOPMENT BLUEPRINTS



**AIR CARGO  
& LOGISTICS**

Connecting global trade lanes  
via air cargo to boost  
economic growth

**LOGISTICS & TRADE  
FACILITATION  
MASTERPLAN (2015-2020)**  
Led by Ministry of Transport



**AEROSPACE  
& AVIATION**

Value added economy  
stimulating innovation-led  
growth

**2<sup>ND</sup> NATIONAL AEROSPACE  
INDUSTRY BLUEPRINT 2030**

Led by Ministry of International  
Trade and Industry, Malaysia



**MICE  
& LEISURE**

Destination for tourism  
expanding value to locals,  
passengers and tourists

**TOURISM NKEA AND KL  
TOURISM MASTER PLAN  
(2015 – 2025)**  
Led by Ministry of Tourism



## “THE ASEAN REGIONAL AEROSPACE HUB”

Centered at:

- **MIAC @ Subang (~425 acres)**
- **KLIA Aeropolis (~1,000 acres)**

~**20%** of current **Malaysia Aerospace Ecosystem** is located on **Malaysia Airports' land** in Subang & KLIA Aeropolis

Since formation, MIAC at Subang has facilitated:

- Investment of **RM400 mil** till date
- Creation of **~3,200 jobs**



# MALAYSIA AIRPORTS - AEROSPACE & AVIATION VISION

## SUBANG AIRPORT REGENERATION

**Immediate**

City Airport



**Immediate**

Business Aviation Hub



*Courtesy of Subang Skypark*

**Immediate**

Aerospace Ecosystem



*Courtesy of KLN*

Immediate - within 5 – 10 years

Long term - > 10 years



## KLIA AEROPOLIS

Maintenance, Repair & Overhaul (MRO)  
Engine, Airframe & Components

**Immediate**



Last available plot for MRO

Aeronautical Support Zone 1 (ASZ1)

**Long term**



Tapping into new opportunities

Aeronautical Support Zone 2 (ASZ2)

Manufacturing Hub  
Aerostructures & Engineering Services

**Long term**



Poised for Subang Aerotech Park Spillover

Aerospace Park

# SUBANG AIRPORT HAS GROWN FROM STRENGTH TO STRENGTH THE PAST 10 YEARS...

## First 5 Years



2007

### SPIRIT AEROSYSTEMS



**Major Tier 1 and one of main suppliers for Airbus & Boeing.**

- Main subassembly site for leading & trailing edge of the wings of Airbus aircraft
- Potential growth of 3X in production capacity onsite (45ac) over 5-7 years



2009

### SKYPARK TERMINAL



#### **Fixed Based Operations (FBO) & Regional Aviation Centre**

- Enhance Subang airport with commercial focus
- T3 redevelopment plan



2011

### HELICOPTER CENTRE



#### **Consolidated rotary wing operations. 8 players with anchors such as:**

- **Airbus Helicopters Malaysia**  
APAC regional MRO hub with dedicated hangars & simulator centre
- **Leonardo**  
Far East Asia and Australia regional training academy, with regional logistics centre

## Last 5 Years



2013

### PHASE 1: MRO CENTRE



#### **Landside aircraft component MRO centre**

Regional centres for international players such as:

- **RUAG (Swiss)**  
MRO for Starter Generator & Fuel Pump
- **Skyways Technics (Danish)**  
Component MRO specialising in ATR aircraft



2017

### PHASE 2 GREENFIELD DEVELOPMENT OF Subang Aerotech Park (~60 ACRES)



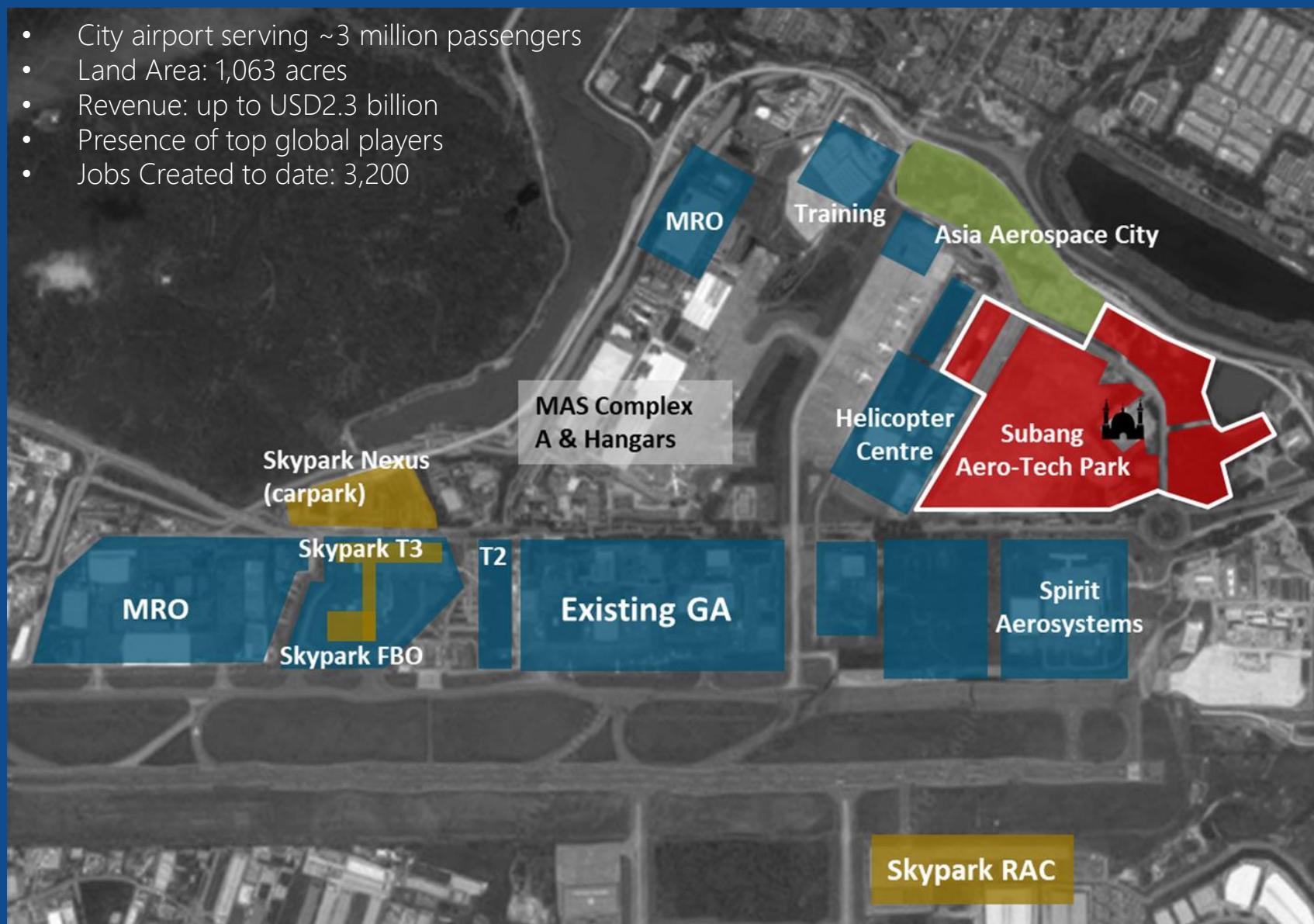
#### **Landside Aerospace & High Tech Park**

- Major Tier 2 supplier for Spirit Aerosystems
- State-of-art facility : investment value of ~RM151mil in the 7 ac plot



# SUBANG AIRPORT: A MATURE AEROSPACE ECOSYSTEM

- City airport serving ~3 million passengers
- Land Area: 1,063 acres
- Revenue: up to USD2.3 billion
- Presence of top global players
- Jobs Created to date: 3,200



## Existing Anchors:

### MANUFACTURING (AEROSTRUCTURES)

- Spirit Aerosystems
- Senior Aerospace

### MRO

- GE Aviation (GEESM)
- GTA – Safran Heli Engines
- RUAG
- AIROD
- Skyways Technic (for ATR)

### BUSINESS AVIATION

- Execujet
- Hawker Pacific
- Skypark (FBO)
- Sapura Aero

### TRAINING & HUMAN CAPITAL DEVELOPMENT

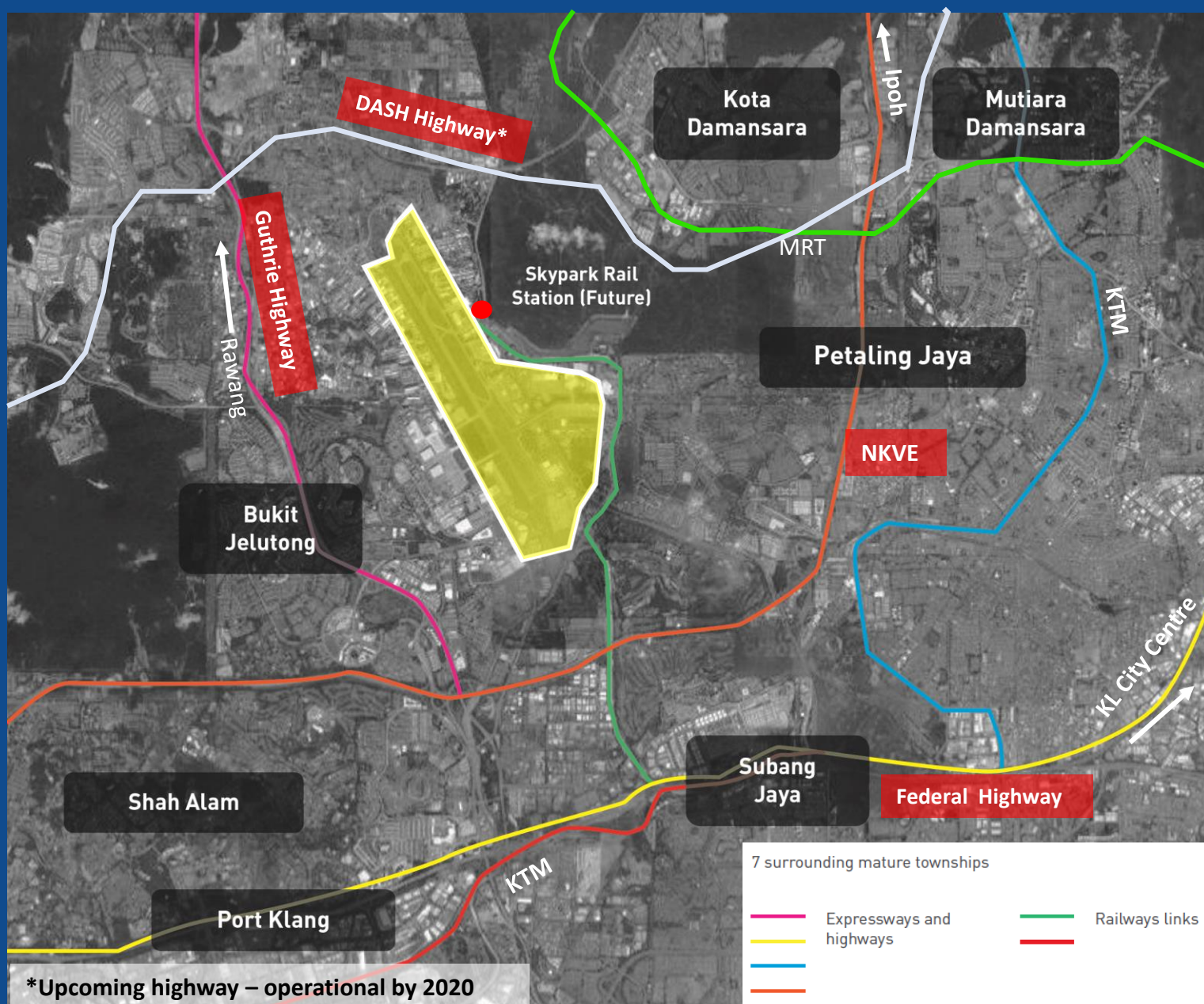
- UniKL MIAT-MARA

### HELICOPTER CENTRE

- Airbus Helicopter Malaysia
- Leonardo (Agusta Westland)



# CONNECTING PEOPLE, BUSINESS AND PLACES



**Multitude of Residential Township**



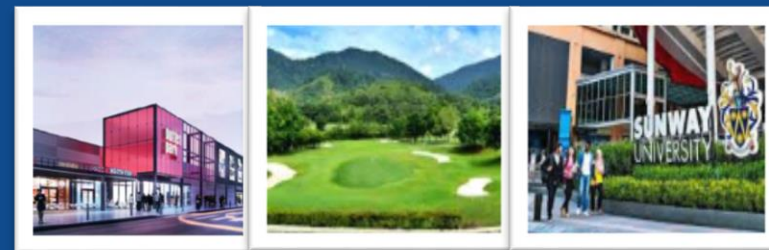
**Seamless Connectivity**  
(Major highways, railways links, public transports)



**Urban Population of ~1.5 million**  
(Ready manpower)



**Central Location**  
(30km from KL City Center)



**Extensive choices of schools, F&B, malls and amenities**  
(e.g. 160 institutions of higher learning institutions)



# SUBANG AIRPORT REGENERATION 2025

## Airport and Airside

### CITY AIRPORT

Consists of:

- Domestic and regional destinations
- Hub of turboprop and helicopter operations



### BUSINESS AVIATION HUB

Serving the growing needs for business jet MRO, FBO & aircraft management **>1,500**

Drivers:

- APAC - highest growth market globally
- Congestion & high cost in mature hubs (HKG, SIN)
- Lack of ready infrastructure in other growing markets (PHL, IDN)



## Landside (Subang Aero-Tech Park)

### AEROSPACE ECOSYSTEM

This ecosystem consists of:

- Aero-manufacturing
- Helicopter services
- MRO
- Training and Human Capital development

#### Economic Generation



**RM1.0 -  
4.0bil**

**MRO**



**1,198**  
jobs created



**RM3.3 -  
5.2bil**

**MANUFACTURING**

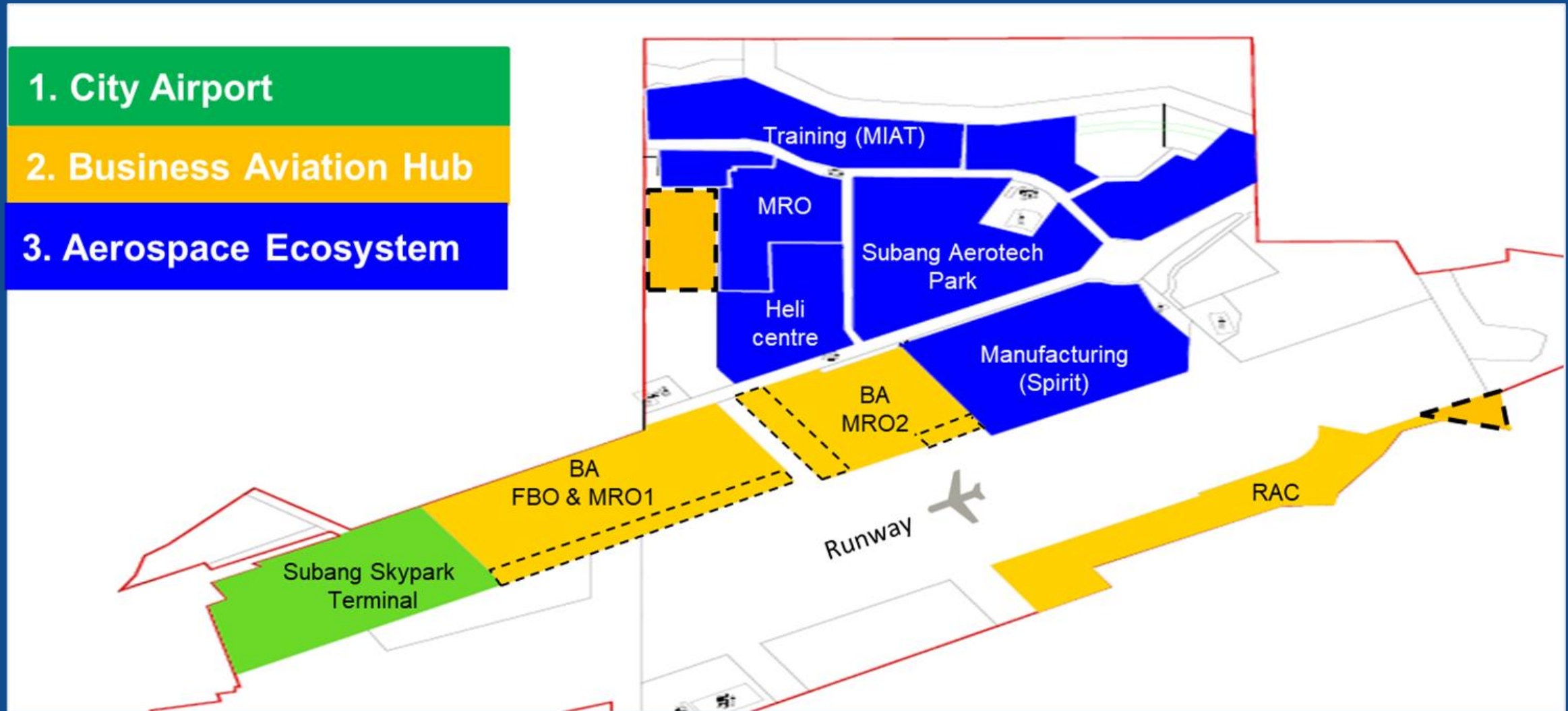


**1,865**  
jobs created



# SUBANG AIRPORT REGENERATION

Subang Airport Regeneration provides optimal planning with clear spatial and operational demarcation of City Airport, Business Aviation (BA), and Aerospace clusters





# CITY AIRPORT





# SUBANG AIRPORT AS A STATE-OF-THE-ART MODERN CITY AIRPORT



## Close Distance & Connectivity to City Centre

- 22KM to KL Sentral
- 31KM to KLCC
- 24KM to City Centre
- 18KM to Shah Alam
- 8km to Petaling Jaya



## Development Concept

- Consolidated terminal and apron in one area
- Fast processing



## Operational Efficiency

- Short passenger walking distance
- Airline efficiency at airside



## Smart Facility

- Smart airport
- Utilization of technology
- Security enhancement
- Fast processing



# BUSINESS AVIATION HUB



# WHY BUSINESS AVIATION AT SUBANG AIRPORT?

SUBANG AIRPORT HAS VARIOUS FACTORS WHICH MAKES IT A SUITABLE AIRPORT FOR A BUSINESS AVIATION HUB

## EXISTING ECOSYSTEM

Subang has multiple FBOs, MROs and Charter operators, including global players like Execujet and Hawker Pacific. The current ecosystem is second only to Seletar in ASEAN.

## OPERATIONAL EASE

Since Subang is open for commercial turboprop operations only, congestion is lesser than KLIA/KLIA 2. Also, the runway is open for 24 hrs.

## CONNECTIVITY

Subang is the closest airport to KL city, Malaysia's most prominent business hub

## CRITICAL DECISION FACTORS

## REPUTATION

Subang has the reputation of being the most BA friendly airport in Malaysia and further development will only enhance this image

## SPACE AVAILABILITY

In Subang, there is ample space available to further develop the BA cluster





# AEROSPACE ECOSYSTEM



# CATALYSE MALAYSIA FOREFRONT VIA CUTTING EDGE INDUSTRIAL-AVIATION PARK

*At par with South East Asia's best in class. Subang Aerotech Park aims to be the "GOLD Standard" for Malaysia in industrial park development and management.*

## Key Features

### 1. Championing Industry 4.0

- *State-of-the art smart facilities*

### 2. Secured park to host global aerospace players

- *Gated & guarded with park & facilities management*

### 3. Catering to industry needs

- *Built-to-Suit facility development including options for high spec/high end environmentally friendly buildings*

## Economic Impact

- **Supporting over 5,000 jobs and attracting > RM1B of investments by 2025**





# BUILD HIGH-VALUE CAPABILITIES AND CREATE HIGH-SKILLED JOBS

## Today

## 2025

### Manufacturing- Aero structures & components.

- Tier 1 e.g. Spirit
- Support OEM with sub-assembly line
- 450 skilled workers



- **Additional Tier 1 / OEM**
- Supply Chain to support OEM/Tier 1
- **~2,000 skilled workers**



### MRO - component and engine

- Largest SEA MRO Hub
- 32 MRO & servicing
- 2,150 skilled workers



- **Global MRO provider**
- +3 to 5 MRO servicing
- **3,000 skilled workers**



### High Tech / Precision Engineering

- Minimal presence
- Small operations



- **Industries 4.0**
- Aerospace specific capabilities
- Encourage SMEs partnership



### Human Capital/ Training

- UniKL MIAT MARA supporting human capital requirement



- Asia Aerospace City estimated to create **~3,400 high skilled jobs**





# SUBANG AEROTECH PARK

## Opportunity for Built to Suit facility

### Aerospace & High Tech

- Manufacturing- aero structures, components, tools & jigs
- MRO - component and Engine
- High Tech/ Precision Engineering

### Built to Suit facility 12 - 15 months, from Signed Deal Transaction

\*subject to specifications including building



1

### MRO Centre

- Component and engine MRO for helicopters, rotary wings, ATR
- Existing:



3

### Centralised Logistics Center

- Logistics solution provider for aerospace players
- Requirement: Bonded Warehouse

4

### Commercial Offering

- Food & Beverages

# BUSINESS SUPPORT & FACILITATION

MALAYSIA AIRPORTS CONNECTING THE DOTS VIA BUSINESS FACILITATION



Linkage to Government and government-linked agencies to catalyse the KLIA Aeropolis development plans



## Current Collaborations...

### Government-Linked Agencies



**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY**



**INVEST SELANGOR**

### Investment Coordination & Ease of Doing Business

To facilitate requirements of global MNCs and potential investor with regards to operating facilities within KLIA Aeropolis and Subang Airport via investments implementation and/or business facilitation.



**MAJLIS AMANAH RAKYAT (MARA) (PEOPLE'S TRUST COUNCIL)**

### Human Capital Development

Manpower requirements via access to >300 MARA network of institutions in the country with tailor-suited education and training programs up to date with the latest Industry 4.0 requirements.



**THANK YOU**





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