



GLOBAL AVIATION SAFETY FOR A GLOBAL INDUSTRY: LESSONS FROM ASEAN AND AIRASIA

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EASA-FAA International Aviation Safety Conference, Brussels

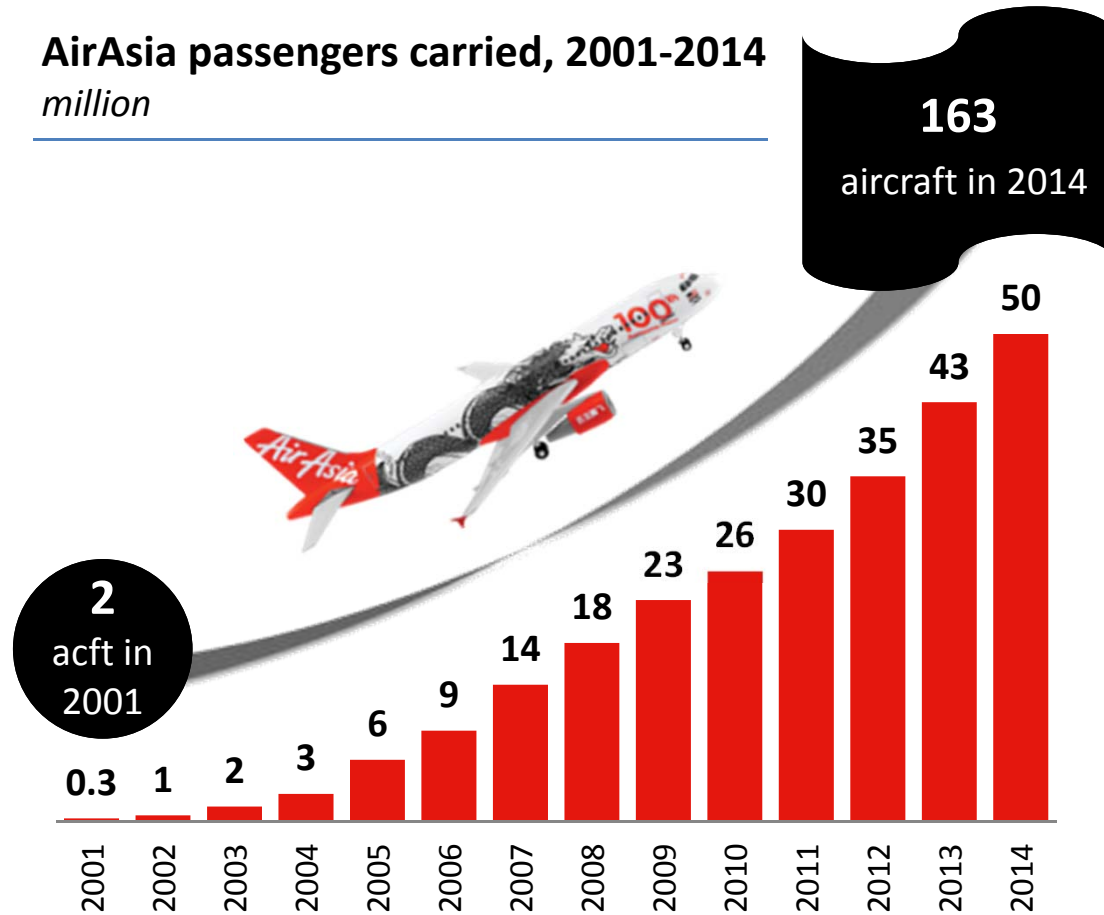
10 June 2015

AirAsia Group overview

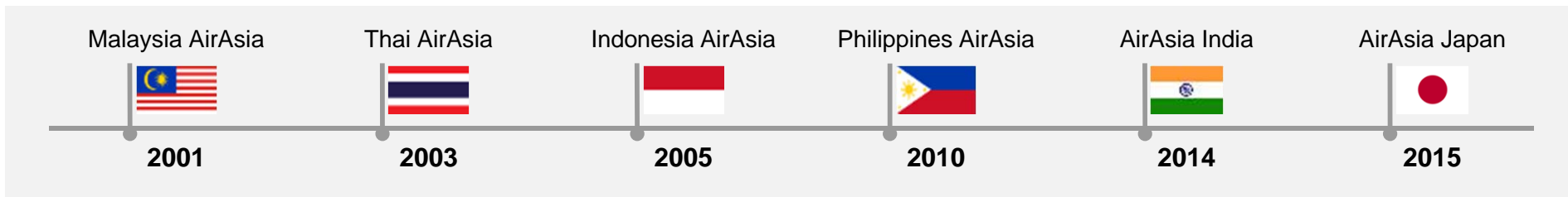
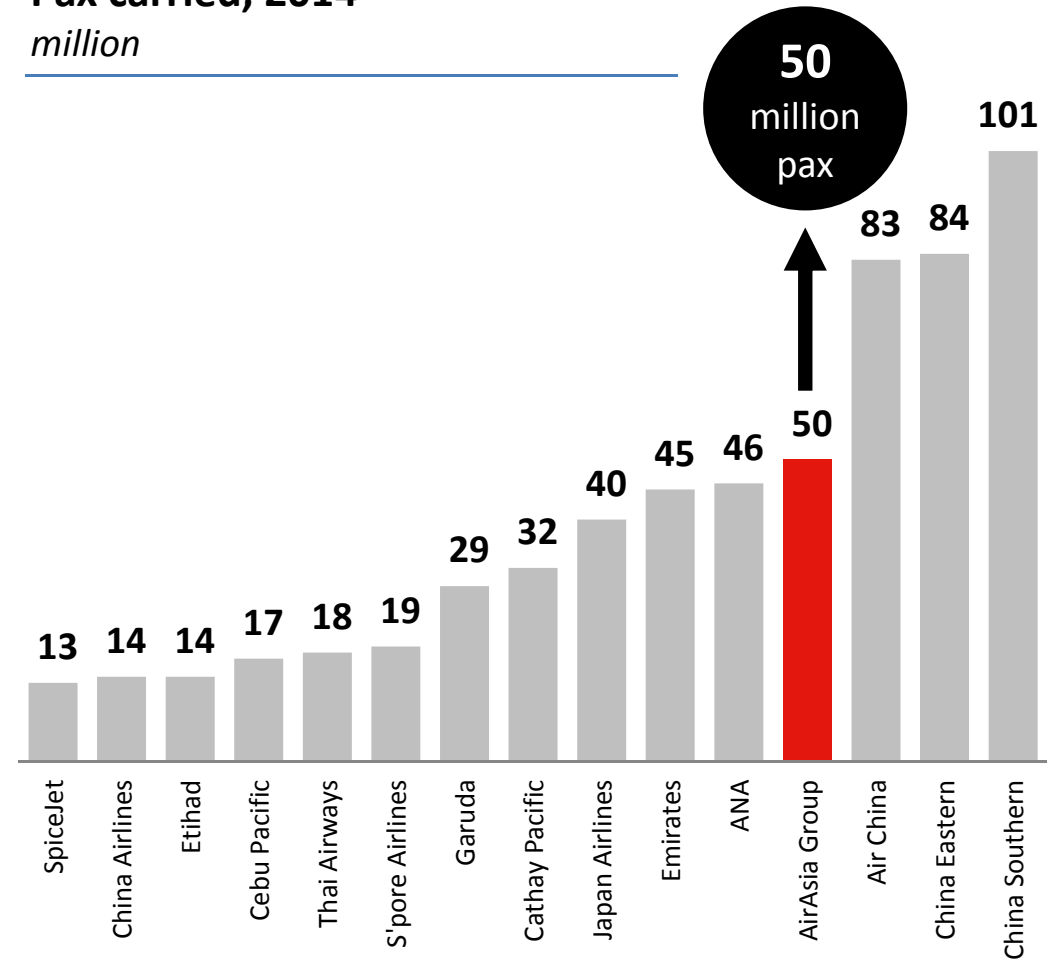
– Largest LCC and 4th largest airline in Asia



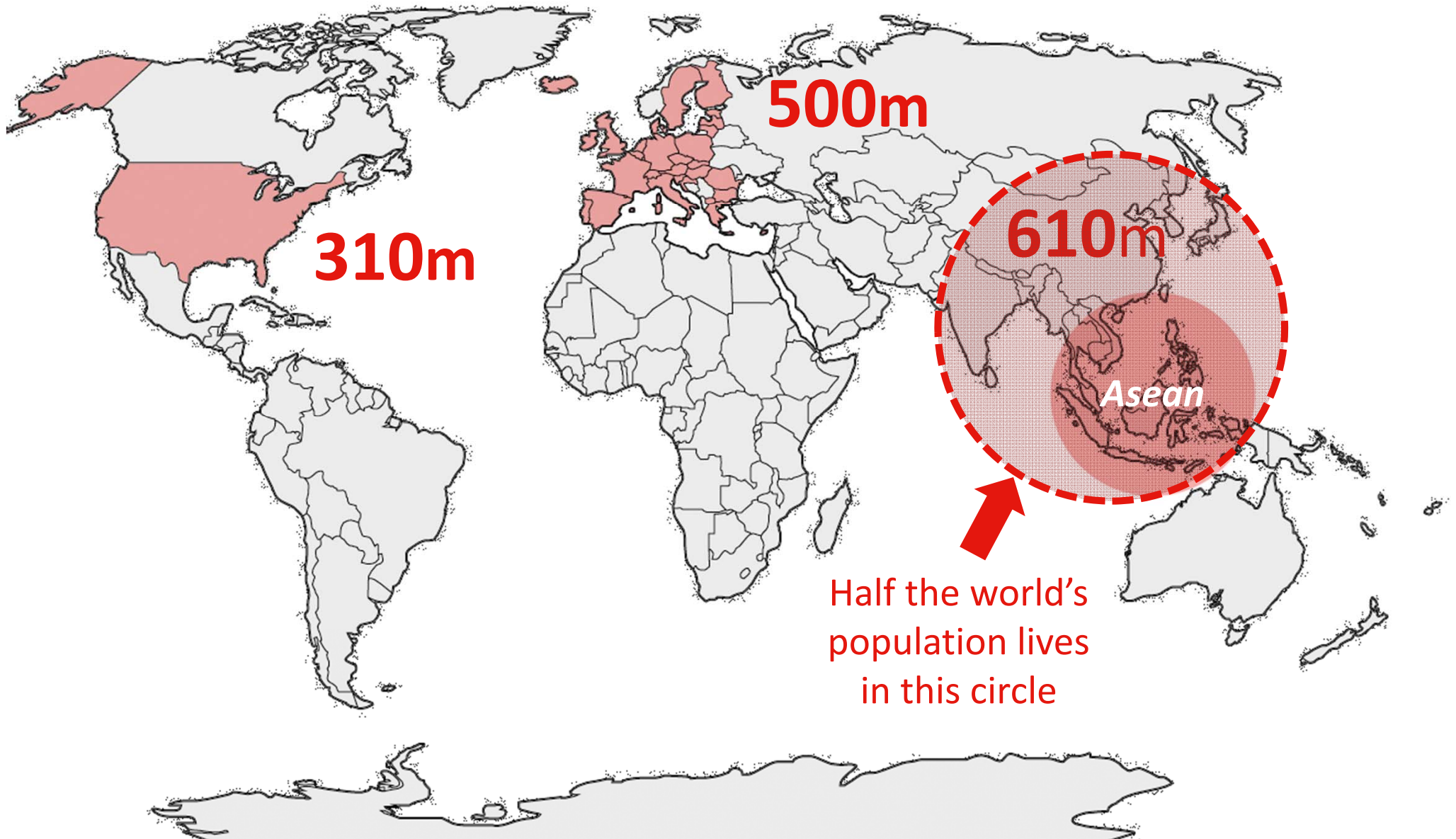
AirAsia passengers carried, 2001-2014
million



Pax carried, 2014
million



Asean – a demographic powerhouse

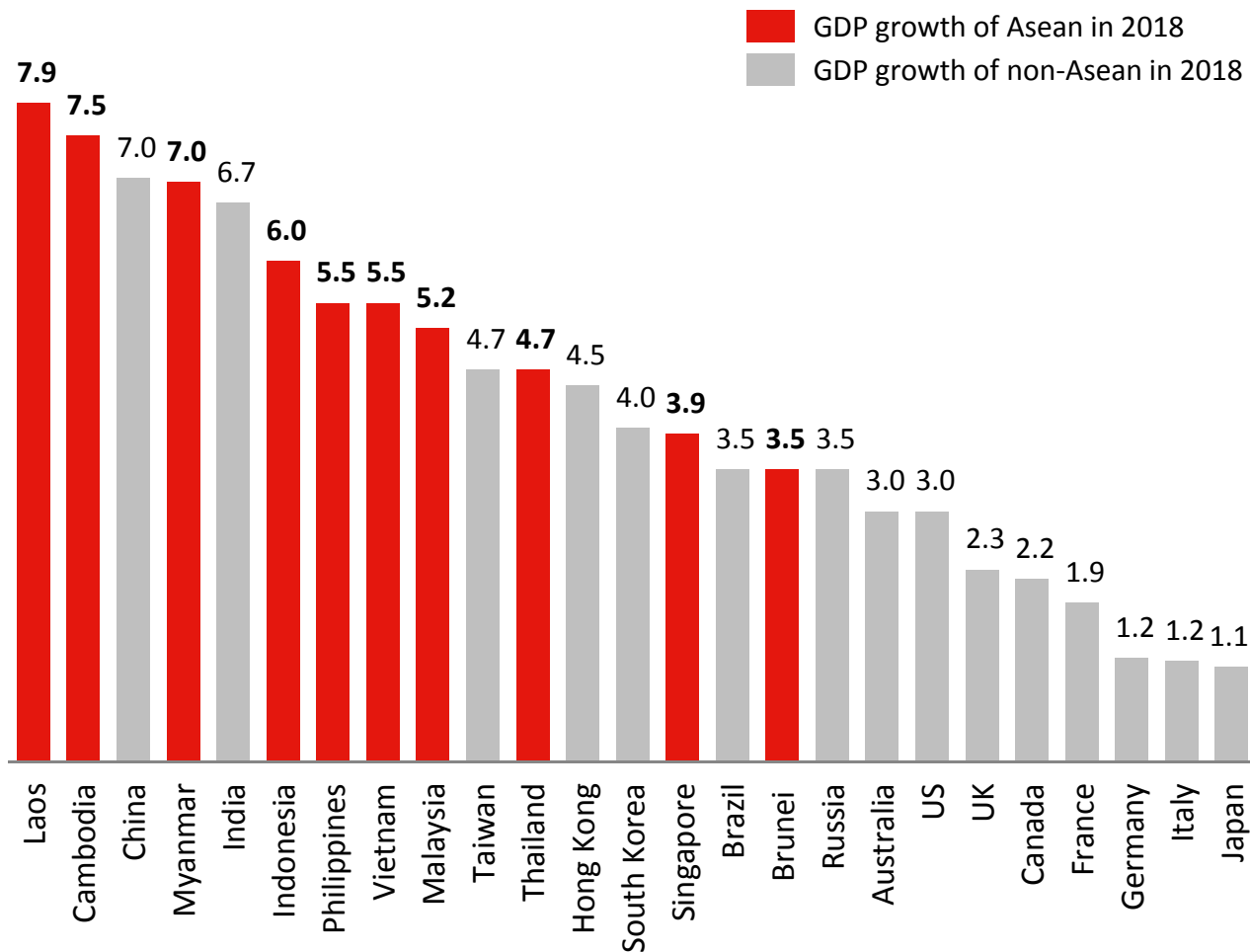


Home to the world's fastest-growing economies



GDP growth (constant prices), 2018

USD million



GDP per capita

Highlights

GNI per capita growing at double digits in Asean

Indonesia has fastest growing per capita income – 15% per annum

Rising middle class in Indonesia, Philippines and Thailand – huge potential

Expanding beyond Asean with AirAsia X



- Asia's **first long-haul, low-cost carrier**
- **Via 3 existing hubs** – Kuala Lumpur, Bangkok, Bali (Denpasar)
- **Connecting the short-haul network** to destinations 4-8 hours away
 - North Asia, China, India, Australia, Middle East
- Future **expansion to US (Hawaii) and Europe**

A faint, light-colored outline map of the Asian continent is visible in the background of the central text area.

What's our secret?

A People

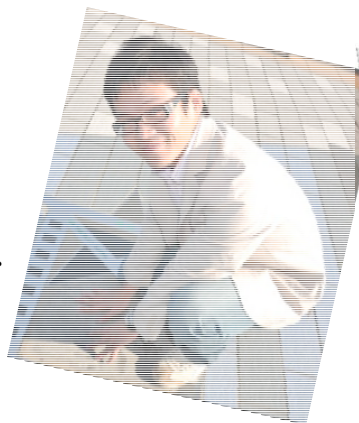
Shake up old hierarchies

– Help everyone realise their potential



Kaew

Ramp Boy
↓
IT Supervisor



Hari Krishna

Call Centre
Operator >
Finance > Pilot



Azhar

Ramp Boy
↓
Cabin Crew

B Branding

Put your brand out there



A faint, light-colored outline map of the world is visible in the background of the central red banner.

Aviation Safety

Partner with leading industry players

- Knowledge and best practice sharing



- Sole supplier of **aircraft**
- **Sharklet wingtip fences** to reduce drag, improve fuel efficiency
- Develop **aircraft improvements**, e.g. thinner seats
- More efficient **New Engine Option (NEO)** aircraft



- Main supplier of **engines**
- Provides engine **maintenance**
- Partner for **fuel saving initiatives**, e.g. Performance-Based Navigation

Consistent product



- Young fleet
- All aircraft refurbished with the standard AirAsia fittings and configuration

Safe and reliable service



- Compliance to On-Time Performance standards – OTP >85%
- Minimise flight cancellation / AOG through preventive maintenance

Set new industry standards

– Develop better syllabus for better training



- Partner for **Asian Aviation Centre of Excellence** (AACE) academy
- Provides **training to crew, engineers and mechanics** of AirAsia
- **Pioneered Multi-Crew Pilot Licence (MPL)** simulator training



Complete IOSA registration

– More than 65% of Asean airlines are not IOSA-certified



- **AirAsia X successfully completed IOSA** (IATA Operational Safety Audit) registration in Apr 2015
 - One of more than 150 non-IATA member airlines on the safety registry
- Covering the following areas:
 - Organisation and management system
 - Flight operations
 - Operational control and flight dispatch
 - Aircraft engineering and maintenance
 - Cabin operations
 - Ground handling operations
 - Cargo operations
- **Rest of AirAsia Group in the process** of preparing to go through audit process

First airline to integrate Interpol's I-Checkit

– Better safety through passport screening



- Enhances passenger safety by **preventing criminals and terrorists from boarding** commercial flights
 - Compares passports of prospective passengers against the **Stolen and Lost Travel Documents (SLTD) database**
 - Database contains 40 million records from 167 countries
- **16.7 million passports screened** since I-Checkit rolled out in May 2014
 - 204 passports flagged by I-Checkit as stolen/lost



Providing Family Assistance Support

– Meeting requirements of Foreign Air Carrier Family Support Act



- We strive to meet US standards for family assistance even though we don't have to – **this is the right thing to do**
 - Established **Family Assistance/Emergency Response Committee under the GRACE project**
- We put this into **practice during the recent incident in Dec 2014**. This included
 - Publication of emergency toll-free contact number
 - Process for timely notification of next of kin
 - Arrangements for travel and accommodation of family members
 - Dedicated family liaison staff for each family
 - Consultation on funeral and other arrangements

Govt. Regulatory and Certification Envoys (GRACE)

– Better sharing of safety information as a foundation of SMS

Objectives

- Enables AirAsia Group to more effectively mitigate risk and **reduce the likelihood of catastrophe**
- **Integrate safety, flight ops and engineering teams** across affiliates as Group resource
- **Act as envoys and liaison with regulators** in home countries and countries to which we fly but do not operate an AOC
- **Group safety audit team** to enforce and self-police safety operations



Examples of initiatives

- **Flight Data Analysis** to monitor and correct trends of concern
- Review **training curriculum** based on investigation findings to uphold **personnel competency**
- **Reinforcement of Emergency Response** protocol and procedures
- **Implementation of Fatigue Risk Mgmt System** to ensure adequately rested employees
- **Harmonisation of policies & procedures** on operational activities

Safety culture becomes integral part of the way Group does business

Need investment in infrastructure and human capital to keep up with aviation boom



-
- Real **concerns over congestion** – terminal/ runway capacity to airspace management
 - Will worsen as airlines expand – Asean LCCs have >1,000 aircraft on order
 - Asia-Pacific region alone requires **185,000 more pilots** and **243,500 maintenance personnel** in next 20 years
 - Airlines (incl. partners from outside region) must comply with **multiple standards, certifications and inspections**
 - Uneven enforcement of customs, border control, etc.
 - **Regulatory integration** badly needed
 - Greater investments in infrastructure and human capital needed to support growth of safe air travel in Asean

Our vision for aviation in Asean

– Political will and strong public-private partnership critical to Open Skies



- 1 Form a **Joint Aviation Authorities** body
- 2 Adopt a **legally-enforceable agreement** to mutually recognise each country's certifications, licences, permits, approvals etc.
- 3 Establish a regional **aviation capacity improvement programme**
- 4 Extend **market access liberalisation**
- 5 **Lifting ownership and operational restrictions** on "community carriers"



A faint, light-colored world map is visible in the background of the red banner, showing the outlines of continents and countries.

Safety is key...

... to having a good time!

