



# AIR CARGO & LOGISTICS







# INTRODUCING ASIA'S LARGEST AIRPORT OPERATOR GROUP

Malaysia Airports Group caters to 120 airlines, serves 133 million passengers per annum, and transports 1 million tonnes of cargo per annum.

## ABOUT MALAYSIA AIRPORTS



### > MALAYSIA AIRPORTS FAST FACTS

- **5 international airports**
- **16 domestic airports**
- **18 STOLports**
- Overseas airport investments in **Turkey**



### > BUSINESS VALUE

- **First airport operator in Asia** to be listed on **stock exchange**
- **Largest airport operator group in Asia** [combined with **Istanbul Sabiha Gökçen International Airport (SGIA)**, Malaysia Airports serves around **133 million passengers** per annum]
- Total equity of **RM9.2 billion**
- **RM13.9 billion** market capitalisation



### > STAKEHOLDERS

- Local institutional investors [ **Khazanah Nasional Berhad, Permodalan Nasional Berhad, Employees Provident Fund (EPF)**]: **~44%**
- Local investors: **~16%**
- Foreign investors: **~40%**

Statistics as of December 2018



## FROM INFRASTRUCTURE PROVIDER TO ECOSYSTEM DEVELOPER

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### > KLIA AEROPOLIS - 3 CORE CLUSTERS



Aerospace & Aviation



Air Cargo & Logistics



MICE & Leisure

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### > KLIA CARGO, YOUR CONNECTION TO THE WORLD

- Malaysia Airports' vision for KLIA Aeropolis is to develop an **integrated air cargo network** consisting of **air, sea and land connectivity**
- The target is for Malaysia to be the preferred **regional air cargo and logistics hub** in the ASEAN region
- An emerging **e-Commerce Fulfilment hub**

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### > OUR 3 STRATEGIC PILLARS FOR AIR CARGO & LOGISTICS

- Excellent Operational Performance
- Network Connectivity
- Attractive Business Location





### > GATEWAY TO THE WORLD'S LARGEST ECONOMIES

- China, largest market in the world with 6% annual GDP growth
- India, 3rd largest market in the world with 7.3% annual GDP growth
- Indonesia, 5th largest market in the world with 5.5% annual GDP growth

### > MULTIMODAL TRANSPORTATION CONNECTIVITY

Integrated air, road, and rail networks serve as a direct connection to major regional economies. Located within close proximity to core business districts and surrounded by fast-growing airport city development.



#### By Road

- Connected via 5 major expressways\*
- Bonded trucking services available
  - KLIA to Thailand : 390 mins (580km)
  - KLIA to Singapore : 210 mins (350km)
  - KLIA to Port Klang : 60 mins (67km)



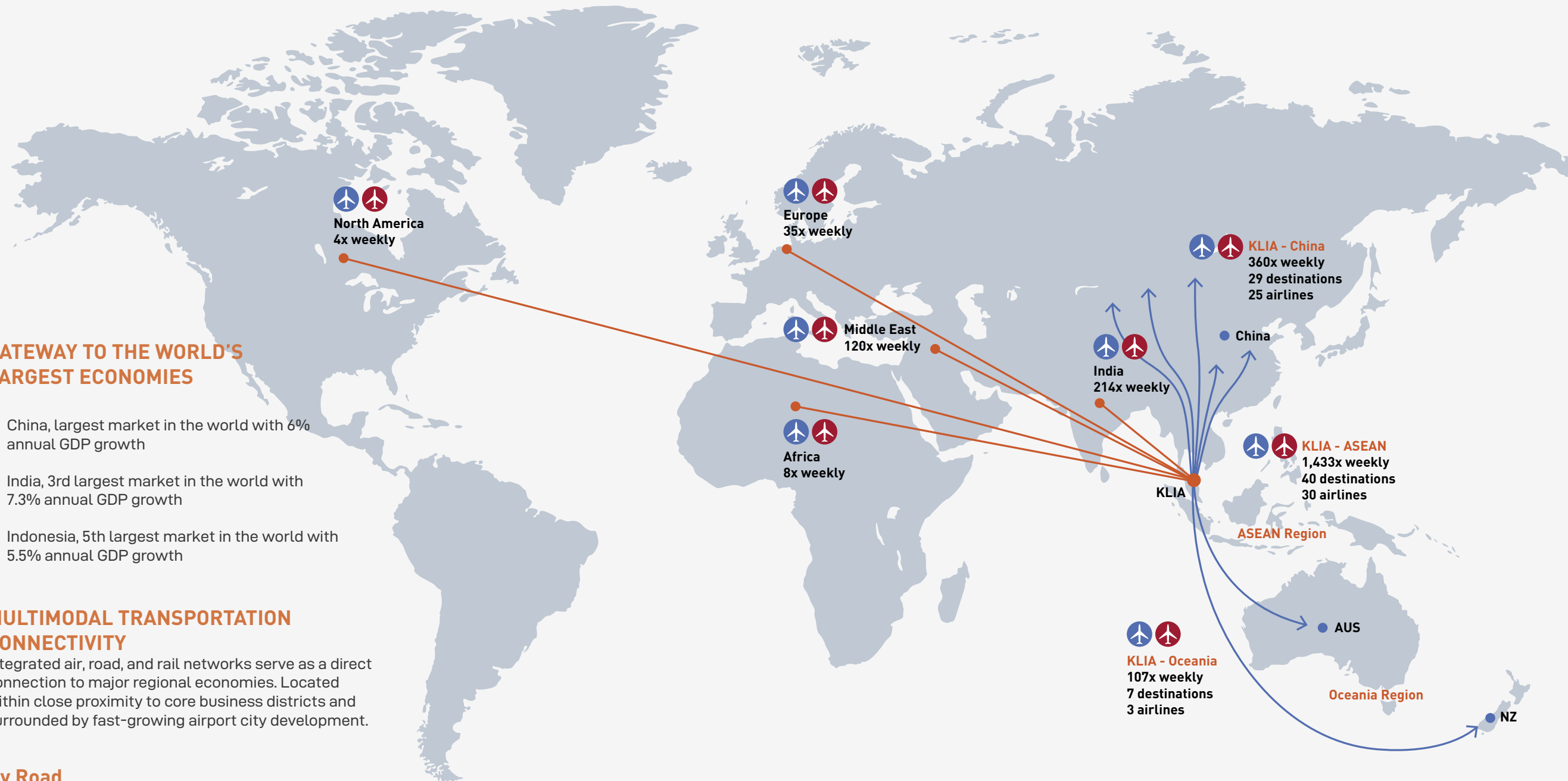
#### By Rail

- Connected to over 300km\* of integrated rail network

### Near to core economic hubs and high-growth surrounding townships

- Kuala Lumpur.....50km
- Putrajaya.....15km
- Cyberjaya.....15km

\*At maturity



## CONNECT YOUR BUSINESS TO THE ASEAN REGION

Malaysia offers a central location in ASEAN for potential new markets and high traffic growth areas. With the aim of developing an integrated cargo network, it works hand in hand, and keeps close ties with the world's fastest growing economies.

Thanks to a diverse array of air, sea and land routes throughout the region, KLIA is poised to become the main distributor gateway within ASEAN.

#### Legend

- Outbound flights
- Inbound flights
- 2020: Regional Gateway

# MOVING FORWARD WITH BOOMING TRADE IN ASIA

With economic growth throughout Asia showing no signs of slowing down, air cargo logistics has become an integral part of Malaysia's national agenda.

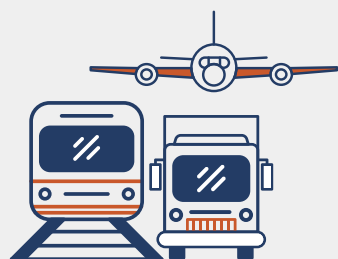
## > OBJECTIVES OF THE NATIONAL LOGISTICS AND TRADE FACILITATION (NLTF) MASTERPLAN



Led by **Ministry of Transport** to facilitate growth of the logistics industry



8% per annum cargo growth to achieve **880K tonnes of cargo by 2020**



Aims to create **multimodal transport** and integrated logistics services



Estimated to generate **146,000 high-skilled jobs** by 2020

## > ASEAN ECONOMIC TRENDS

Malaysian GDP expected to reach

**4.9%**  
per annum



Intra-Asia Trade Lane growth is now **fastest growing at 6.5% per annum**



e-Commerce in Southeast Asia to increase 16 times by 2025, to **USD88 billion**

## Most Traded:



Perishables & Halal products



Pharmaceuticals



High-value goods

# MERGING PHYSICAL AND VIRTUAL ZONES FOR e-COMMERCE

The **electronic World Trade Platform (eWTP)** is the first initiative in the world to provide a whole suite of online and digital services dedicated to international e-Commerce and Internet-based innovation.

## > DRIVING INNOVATION WITH eWTP



A joint venture with Cainiao Network of Cainiao HK (the logistics arm of Alibaba Group), allowing speedy end-to-end border clearance for e-Commerce goods within **as fast as three hours**



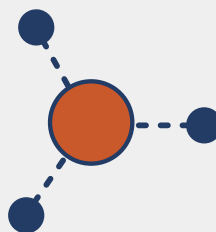
Expected to increase exports from Malaysian SMEs by 18–30%



Malaysia is set to become **key sourcing hub** for global marketplace and monobrand



eWTP Hub set to increase cargo volume **by 5–15% per annum**

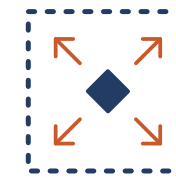


Will also serve as **ASEAN's regional fulfilment hub**

## > KLIA AEROPOLIS: THE SITE FOR CAINIAO AEROPOLIS EWTP HUB, MALAYSIA



Free Commercial Zone (FCZ) authority to maintain and operate eWTP Hub



Pre-existing free commercial zone in KLIA Aeropolis with **90 acres** available for development



Ease of business and seamless customs clearance on-site with KLIA

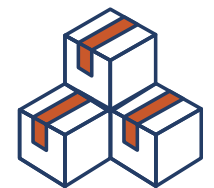
## > READY LOGISTICS ECOSYSTEM



20 of the top 25 global freight forwarders



World-class operators: MASkargo and Pos Aviation



Top four worldwide integrators

# A COMPLETE AND SUSTAINABLE MASTERPLAN FOR LOGISTICS IN MALAYSIA

KLIA Aeropolis is a fully equipped aviation commerce hub in a vast space with excellent infrastructure and dedicated landbanks for further growth. The ecosystem will be developed over several decades with a masterplan that puts our tenants and partners first.

## > EXISTING AND DEVELOPED LANDBANKS

- Total KLIA land area at **22,270 acres**
- KLIA Aeropolis occupies **8,548 acres** (40% of entire KLIA land area)
- Airport and aeronautical land area spans **13,722 acres**

## > DEDICATED LANDBANKS FOR AIR CARGO & LOGISTICS

### Aeronautical Support Zone 1 (ASZ1)

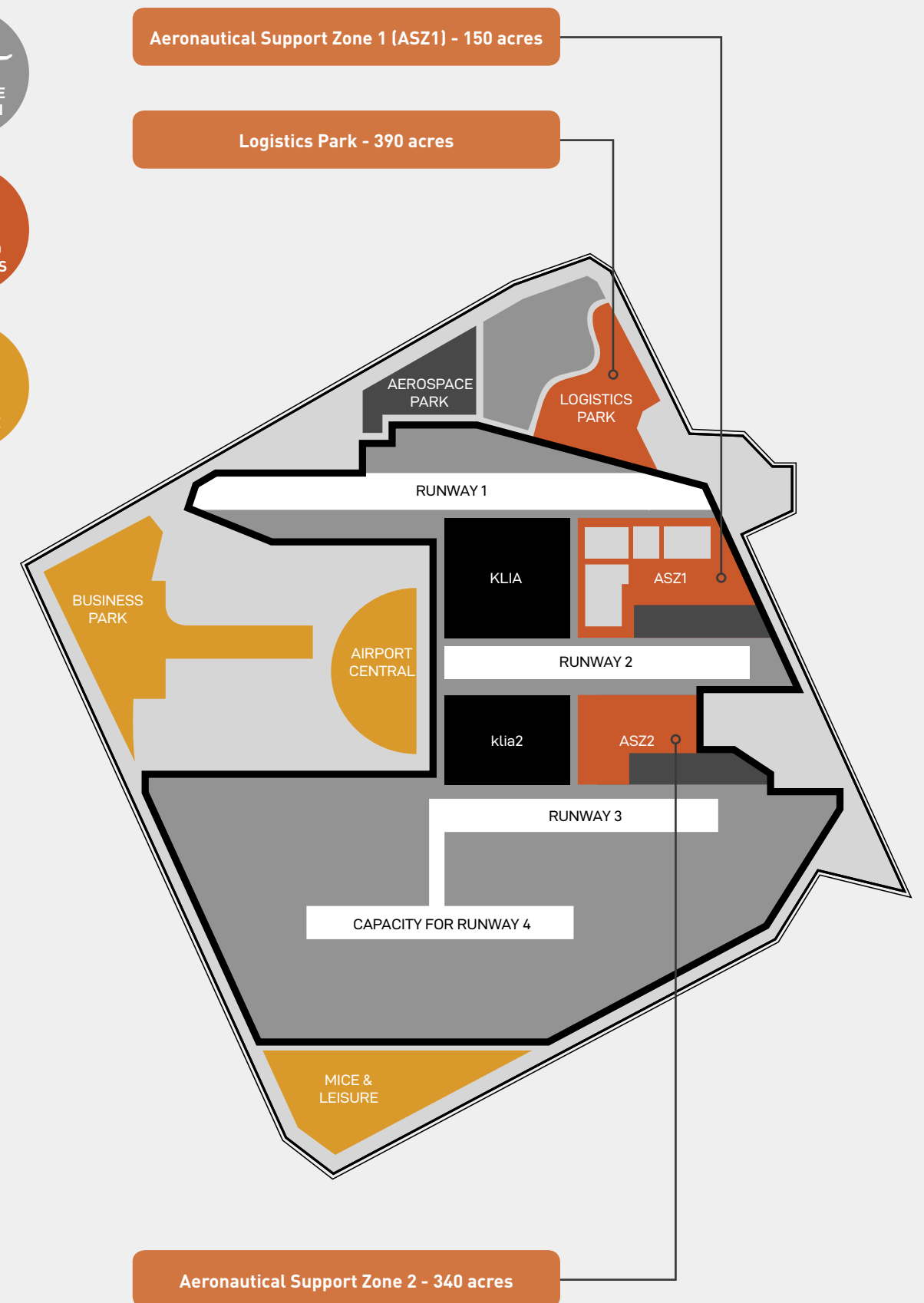
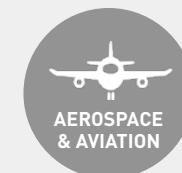
- Cargo/Logistics and other ancillary airport services
- Tier 1 (Cargo Terminal Operators)
- Tier 2 (Freight Forwarding and other cargo related operations)

### Logistics Park

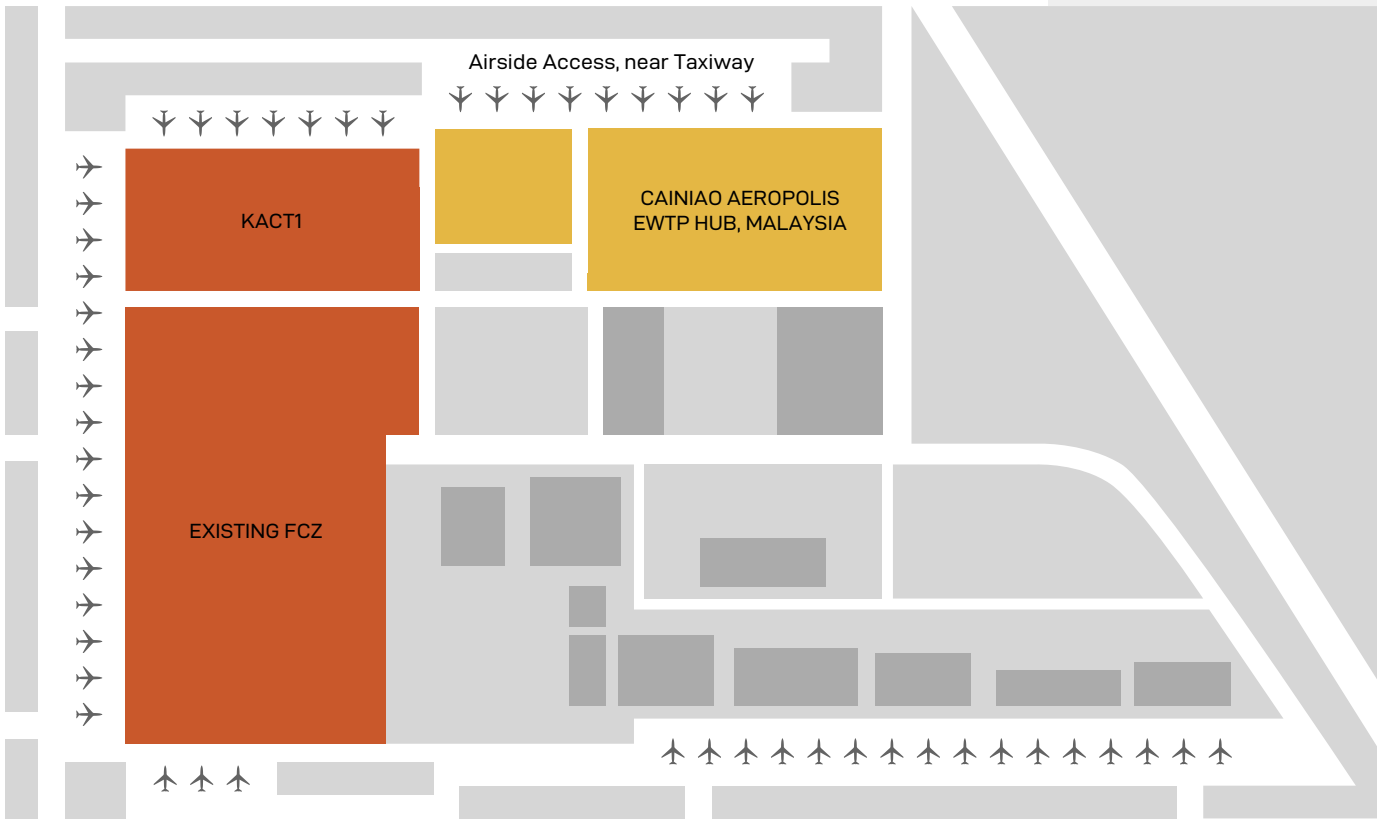
- e-Commerce Hub
- Regional Distribution Centres
- Tier 3 Logistics & Warehousing
- Halal & Perishables Centre

### Aeronautical Support Zone 2 (ASZ2)

- Integrator Hub, Express Operators, Airline Forward Base, Maintenance, Repair and Overhaul (MRO)



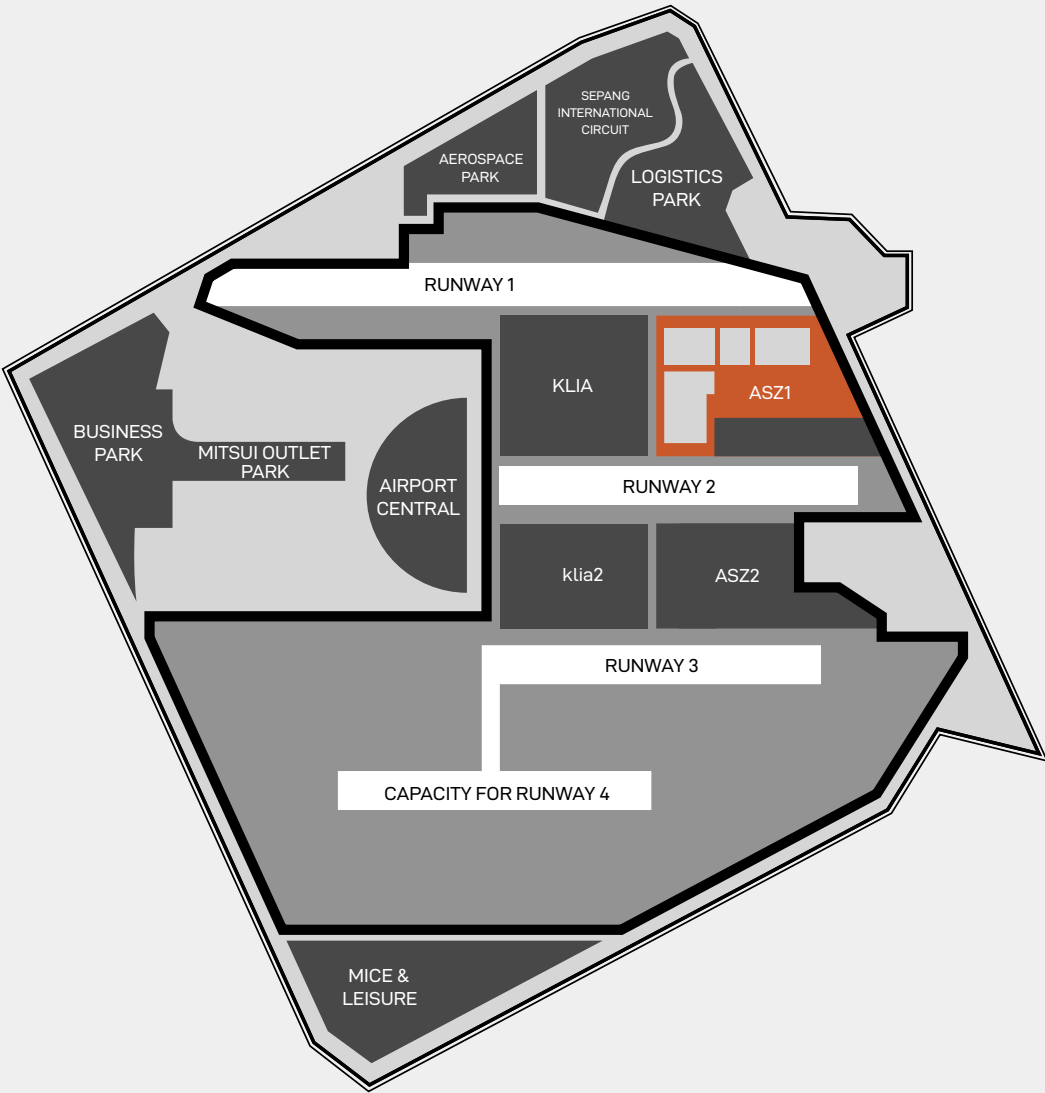
# AERONAUTICAL SUPPORT ZONE 1 (ASZ1)



## FCZ Phasing

- Existing FCZ
- Future FCZ Expansion

Developable Area  
~ 150 acres



# KLIA Air Cargo Terminal 1 (KACT1)

Built to enhance the cargo ecosystem, focusing on three business areas:

- e-Commerce
- Express handling
- Specialised handling
  - Coolport (perishables)
  - Pharmaceuticals
  - Halal goods



LOGISTICS PARK

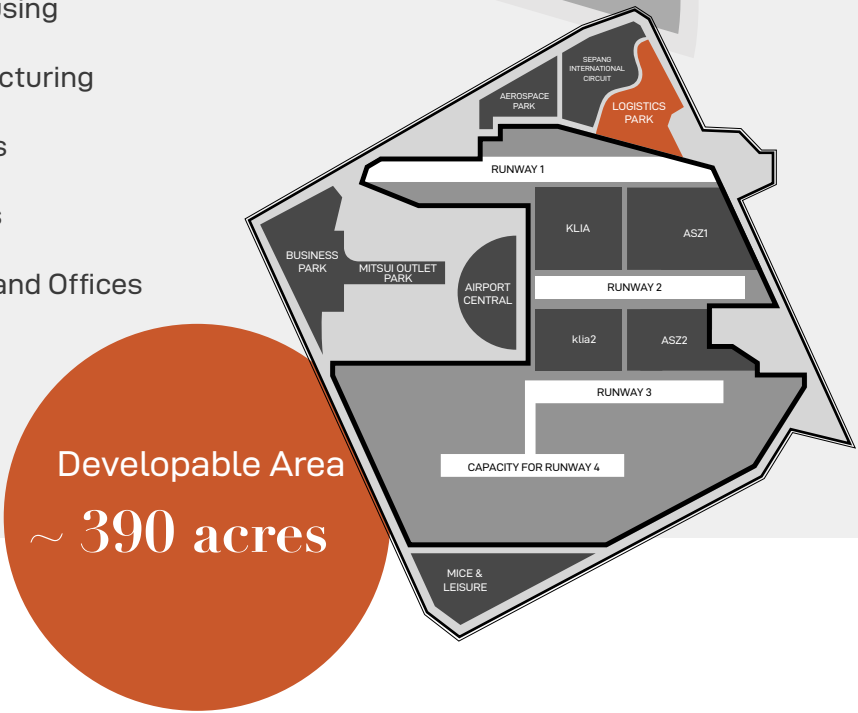
> LOGISTICS PARK

- Developable area spans 390 acres
- Phase 1 development will cover 150 acres over 5 years

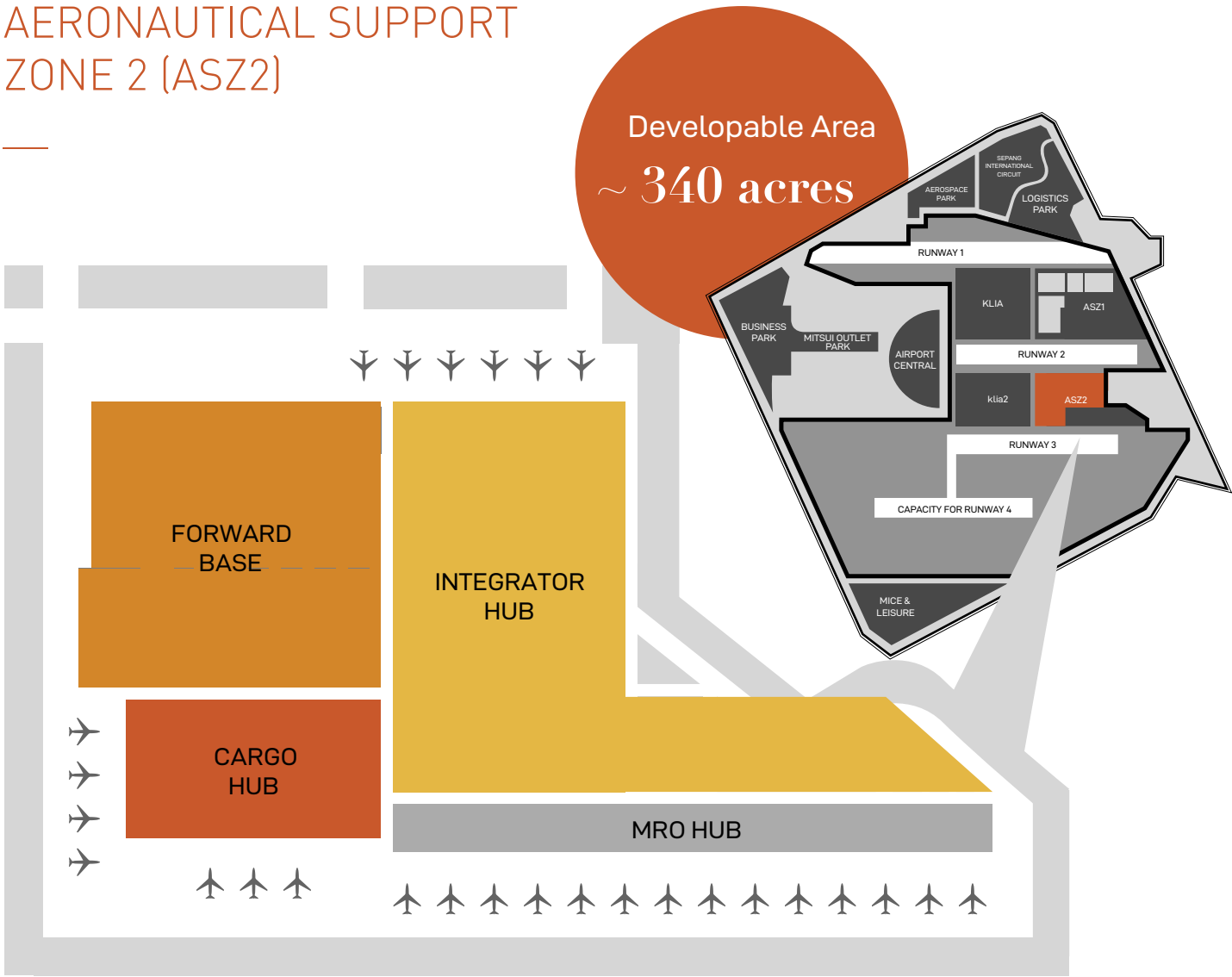


> IDEAL LOCATION FOR

- Global Monobrand/SME Housing
- Light/Time-Sensitive Manufacturing
- e-Commerce Fulfilment Hubs
- Regional Distribution Centres
- Training Centres, Exhibitions and Offices

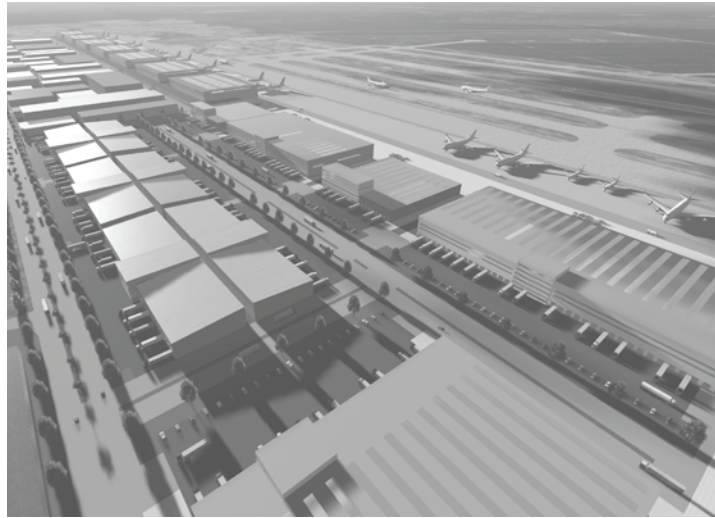


AERONAUTICAL SUPPORT ZONE 2 (ASZ2)

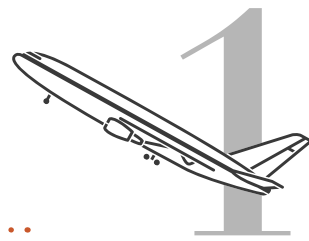


> IDEAL FOR:

- Integrator Hub
- Express Operators
- Airline Forward Base
- Maintenance, Repair and Overhaul (MRO)



# Six reasons why KLIA Aeropolis is the city of the future



## 1. SCALABILITY TO ACCOMMODATE GROWTH

- Scalability for growth on 100 sq km
- Holistic and synergistic airport city master plan comprising: High-tech industrial parks with seamless end-to-end logistics, business campus, and commercial offerings

2.

## INFRASTRUCTURE & CONNECTIVITY

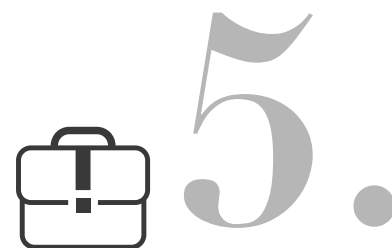
- 5 major expressways
- Over 300km integrated rail network at maturity
- 60 minutes to Port Klang
- Bonded trucking services to Thailand and Singapore



3.

## STRATEGIC LOCATION AND EXPOSURE TO MALAYSIA'S ATTRACTIVE AVIATION LANDSCAPE

- Centre of ASEAN region, a high population catchment area and with more than 1,400 flights weekly to ASEAN countries
- Linked to key economic nodes: 28 minutes by rail to Kuala Lumpur; 15km to Putrajaya (administrative capital) and Cyberjaya (ICT capital of Malaysia)



5.

## EASE OF DOING BUSINESS

- Smart partnership with Malaysia Airports – lease model arrangements, joint ventures
- Business facilitation services: Government liaison, trade facilitation, attractive fiscal and non-fiscal incentives



4.

## ECOSYSTEM READINESS AND MARKET ACCESS

- Ready presence of players for Air Cargo & Logistics and Aerospace & Aviation clusters
- Within KLIA Aeropolis: Top 20 freight forwarders and integrators with home-based cargo operators
- Within Subang Airport: Global Aerospace players e.g. Airbus Helicopter, GE Aviation, Spirit Aerosystems



## 6. ACCESS TO SKILLED WORKFORCE

- English proficiency and cultural affinity to the region
- Talent sourcing and development via national programmes





KLIA

klia2

Convention Centre

Indoor Arena

gateway@klia2

Grand Central Station

Service Apartments

Office Tower

DISCOVER YOUR NEXT  
OPPORTUNITY HERE.  
KLIA AEROPOLIS.  
CREATING TOMORROW, HERE.



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