

MRO operators landing at Senai airport

Seletar Aerospace Park facing competition as Senai Airport woos Singapore-based companies

By Ven Sreenivasan

Up and coming: EJA's facility (above) will have FBO, MRO and an office complex covering some 70,000 sq ft. 'Our customers are looking at lower costs and convenience which we can offer at Senai with our new facility,' says joint owner Prithpal Singh. - PHOTO: SENAI

[SINGAPORE] Seletar Aerospace Park could face some headwinds in the business jet and single aisle aircraft maintenance and fixed-based operations (FBO) sector.

Just weeks after it emerged that Indonesian-based investors are eyeing an MRO (maintenance, repair, overhaul) start-up in Batam, BT has learnt that such developments are already well underway at Senai Airport, with the airport starting to attract several Singapore-based players to set up ground operations.

Executive Jets Asia (EJA), which is owned by Singaporean businessmen Prithpal Singh, David Ho and Mohd Yunos (also chairman of airfreight company Airmark Group), has started construction of the first of its two FAA Class 2 hangars on a 2.5 acre site at Senai Airport. It has also secured a two acre site for its second hangar.

Both sites have direct runway access.

According to Mr Singh, the facility under construction will have FBO, MRO and an office complex covering some 70,000 sq ft, and meets NFPA 409 standards (the minimum requirements for the proper construction of aircraft hangars for protection from fire).

"This is a RM40 million (S\$16.2 million) investment for our company. We will have the equipment and manpower to provide maintenance and repair for such aircraft and all executive jets of all sizes," he said.

When completed in June this year, this facility will be able to handle two Airbus 320 or Boeing 737 planes at any one time, or several smaller executive jets - the type of aircraft which Seletar is targeting.

EJA will be the first and last operator to build-own- and-operate its own facilities.

A senior official of Senai Airport Terminal Services Sdn Bhd (Sats) - which owns and operates Senai Airport - told BT that the airport has set aside another 10 acres of land for the construction of more aircraft hangars.

He revealed that Senai Airport has also allocated 300 acres for an aerospace park that will house avionics and other component manufacturing industries, logistics players and other aviation-related businesses.

"For a start, we will be building about four hangars and leasing them out to operators," he said.

Sats, which is owned by Kuala Lumpur-listed MMC Bhd, is the first independent airport operator in Malaysia. It took over the operations of Senai Airport from Malaysia Airports Holdings Berhad (MAHB) in 2003.

Sats had been working closely with various Malaysian government agencies, including the country's Department of Civil Aviation, to establish Senai as the country's southern airport hub. The official added that Sats was already entertaining inquiries from aerospace players in Malaysia, Singapore and elsewhere.

Besides EJA, Senai has been entertaining an increasing number of other aerospace players from Singapore. BT understands that these include ST Aerospace, which is reportedly seeking hangar space and facilities for a fuel farm, and about half a dozen other companies, including Jet Aviation, which are operating out of Seletar Aerospace Park.

These are major developments for an airport which has, until now, been something of a sleepy aerodrome serving the south Johor region. But not anymore, it seems.

So will a resurgent Senai airport pose competition, or complement, Singapore?

Some Johor authorities see synergies in working closely with Singapore.

Iskandar Regional Development Authority chief executive Ismail Ibrahim recently said that a Singapore-Senai twin-airport concept would boost the aviation industry in the Republic and south Johor, and complement the two major land transportation projects (High Speed Rail link and Rapid Transit System) already being envisaged by the two countries.

"We should capitalise on each other's strengths and capabilities to make the twin-airport project a reality for mutual benefit," he told StarBiz, the business section of Malaysia's The Star newspaper.

But Mr Singh believes that Senai's lower cost base could pose competition for Singapore. "Our customers are looking at lower costs and convenience which we can offer at Senai with our new facility.

"As this is somewhat of a greenfield project, it makes its easier for us to be flexible and meet clients' needs."

All this comes just weeks after Indonesian airline catering and maintenance provider PT Cardig Aero Services (CAS) said it was contemplating setting up a jetliner-heavy maintenance business in Batam. CAS's chief executive officer and president Diono Nurjadin recently said the company had identified a potential site at the island's Hang Nadim Airport with a 4km runway and a hangar that can take two single-aisle jet aircraft.