



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

檳城消費人協會 பினாங்கு பயனீட்டாளர் சங்கம்

Websites:
(in English, BM, Chinese,
& Tamil)
www.consumer.org.my

10 Jalan Masjid Negeri, 11600 Pulau Pinang, Malaysia
Tel: 604-8299511 Fax: 604-8298109
email: consumerofpenang@gmail.com

Letter to the Editor

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Concerns Over Dissolution of MAVCOM

On 26th June 2024, the Malaysian Parliament passed the Malaysian Aviation Commission (Dissolution) Bill 2024, which will lead to the dissolution of MAVCOM. Consequently, all properties, funds, rights, and functions of MAVCOM will be transferred to the Civil Aviation Authority Malaysia (CAAM) under the Ministry of Transport (MOT).

The Consumers' Association of Penang (CAP) expresses grave disappointment at this development. As we had stated in December 2019, when the plan for this dissolution and merger was officially announced, CAP is strongly against this merger.

During the parliamentary session, several Opposition MPs objected to the dissolution, questioning the haste with which the Transport Minister sought to pass the bill. These objections were rooted in national security concerns, as Global Infrastructure Partners (GIP), a foreign company acquired by BlackRock, is set to own 30% of Malaysia Airports Holdings Berhad (MAHB).

Additionally, Opposition MPs stressed that merging MAVCOM and CAAM, with CAAM answering to the Transport Minister, removes the check-and-balance system previously in place when MAVCOM reported directly to Parliament.

These are all valid points but CAP is particularly concerned with the protection and rights of airline consumers moving forward.

We would like to highlight that all along MAVCOM has been looking out for the welfare of airline consumers. For instance, the Malaysian Aviation Consumer Protection Code 2016 (MACPC) was enforced on 1 July 2016 to address major complaints from airline consumers, including baggage issues, automatic add-ons, flight delays and cancellations, and post-purchase ticket price increases. The MACPC (Amendment) 2019, enforced on 1 June 2019, further dealt with hidden charges and misleading advertisements.

In the past year, we have seen an increase in incidents where airlines supposedly cancel flights, only to put the original seats up for sale again after passengers have reluctantly chosen alternative, less ideal flight times suggested by the airline company. Furthermore, there have been numerous instances of airlines denying cash refunds for flights that they cancel, forcing passengers to accept airline credits that have an expiry date. This practice unfairly impacts passengers who may not be able to use these credits before they expire, effectively burning their hard-earned money.

Another pressing issue is the rights of airline consumers when a flight booked through a tour agency is cancelled. These concerns, among others, were being actively studied by MAVCOM.

MAVCOM has continued this work of improving airline consumer protection. In recent months, they have consulted with CAP and other stakeholders about a proposed further amendment to the MACPC. With MAVCOM's dissolution now guaranteed, we question whether the new amendment to the MACPC, which could significantly enhance airline consumer protection, will ever be realized.

The Transport Minister had highlighted that the dissolution of MAVCOM and merger with CAAM was necessary to reduce red tape and improve the aviation service delivery, especially in licensing, and to empower CAAM financially, etc. However, nothing much was said about airline consumer protection. Only that CAAM will be taking over the functions of MAVCOM which include handling consumer complaints. CAP remains deeply concerned about the implications of MAVCOM's dissolution for the future of airline consumers.

Mohideen Abdul Kader
President
Consumers Association of Penang (CAP)