

Air Asia to start Cambodian joint venture

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12/12/2022

Air Asia Group parent Capital A plans to invest at least \$25 million in newly formed joint venture carrier Air Asia Cambodia.

Air Asia Aviation Group will hold 51% of the shares in Air Asia Cambodia, while local investor Sivilai Asia will hold the remainder.

Under current plans Air Asia Cambodia is slated to become the country's largest airline, surpassing the fleets of local carriers Cambodia Airways, Cambodia Angkor Air and Lanmei Airlines, which each operate a handful of Airbus and ATR aircraft.

"AirAsia Cambodia aspires to be the largest airline in Cambodia," said Capital A.

It added: "AirAsia Cambodia plans to operate mostly to AAAGL's existing stations within the 4 hour radius from Cambodia to leverage scale and brand presence while minimising setup costs. AirAsia Cambodia will increase Cambodia's network offerings by launching new services to Asian destinations lacking connectivity from Cambodia today, which will help diversify Cambodia's network connectivity and create more links within the region and beyond."

Capital A noted strong capacity growth forecast for Cambodia in line with economic growth.

Air Asia Cambodia is set to have its inaugural flight in the second half of 2023.

Separately, Air Asia Group last week clarified media reports regarding a proposed restructuring of long-haul Air Asia X and Capital A.

"The company wishes to state the proposed plan is not a merger of AirAsia Berhad and AirAsia X, but a potential disposal of Capital A's aviation assets to AirAsia X, to form a separate publicly quoted aviation group of six airlines: four short-haul ASEAN airlines and two medium-haul airlines. They are AirAsia Berhad, Thai AirAsia, AirAsia Indonesia, AirAsia Philippines, AirAsia X and Thai AirAsia X," the regulatory filing to the Bursa Malaysia stock exchange said.

Air Asia Cambodia has now been added to that list, becoming the fifth ASEAN short-haul joint venture carrier.

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