

# AirAsia launches urban drone delivery sandbox with NTIS

By Digital News Asia March 8, 2021

- **Hopes 6-month sandbox engagement will pave way for deployment**
- **Mosti aims for govt to facilitate a more vibrant drone tech ecosystem**



Szuleira Abu Bakar, MaGIC CEO with Pete Chareonwongsak, Teleport CEO at the MOU ceremony. Khairy Jamaluddin, Minister of Science, Technology and Innovation is behind them while Tony Fernandes, CEO of AirAsia Group is to his left.

Malaysian consumers can look forward to a new shopping experience as Teleport, the logistics venture of AirAsia Digital announced on Saturday it has partnered with Malaysian Global Innovation and Creativity Centre (MaGIC), the lead secretariat of the National Technology and Innovation Sandbox (NTIS), to launch the Urban Drone Delivery Sandbox and develop the long-term viability of urban drone delivery service.

The pilot project for the delivery of goods from AirAsia's e-commerce platforms including AirAsia shop using automated drones is set to be carried out through a 6-month phased approach at the third NTIS test site in Cyberjaya.

The service is currently at testing stage with two local drone operators, VStream Revolution Sdn Bhd and Meraque Services Sdn Bhd.

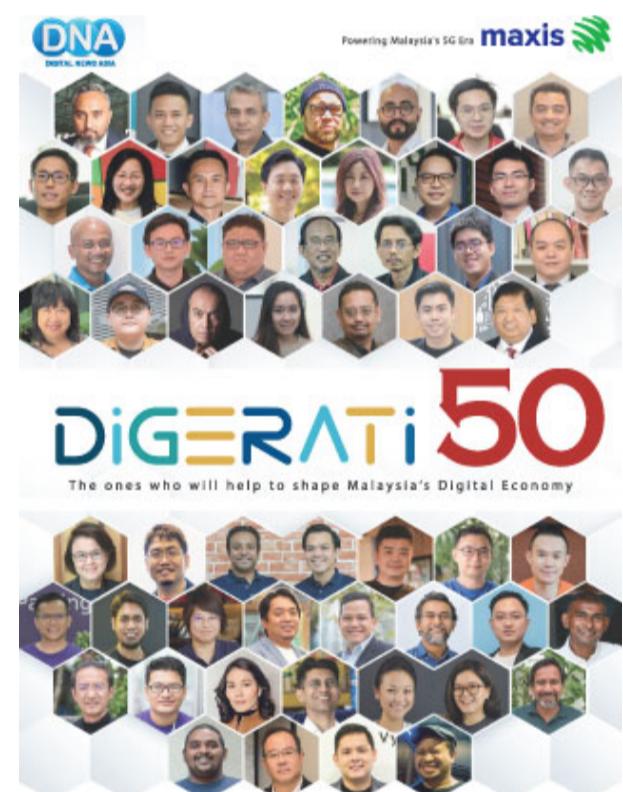
The first phase of the project in Cyberjaya seeks to assess the capability, experience, approval process, deployment readiness and service expansion of the drone operators. The service will be deployed upon a successful trial phase and might be expanded beyond the sandbox environment.

As a solution coordination and facilitation centre, NTIS provides a critical step by eliminating all or selected processes and/or regulatory requirements to accelerate the development of innovative solutions from the R&D stage to being commercially ready.

In realising this project, NTIS has been working closely with Malaysia's technical regulator, Civil Aviation Authority of Malaysia (CAAM) to ensure the safety and security of Unmanned Air Services in urban settings meets the requirements and regulations set by CAAM. This is to ensure that public safety remains the highest priority whilst facilitating technology advancement.

Khairy Jamaluddin, Minister of Science, Technology and Innovation (Mosti) said: "We are poised to be the frontrunner in the DroneTech industry, which is expected to generate US\$127 billion (RM517.5 billion) by 2025. The global market size specific to drone package delivery was US\$642.4 million in 2019, and is projected to reach US\$7.39 billion

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#### [RM1 = US\$0.245]

Beyond package delivery, drone delivery of goods can be expanded and scaled beyond e-commerce, such as delivery of essential or medical supplies to areas that are rural, remote, or affected by natural disasters.

Khairy adds that the NTIS is happy to invite other drone tech startups to scale up by connecting them with regulators, telcos and other ecosystem players. "Our role is to develop a more vibrant drone tech ecosystem, and this can be expedited with government intervention. The pandemic has presented us the opportunity to accelerate structural changes to the economy, in terms of digitisation, digitalisation, automation and robotics, and we must embrace that change to vault Malaysia towards becoming an innovation driven economy."

Khairy believes this strategic partnership between AirAsia and MaGIC will help speed things and signal the beginning of the nation's urban drone delivery revolution.

Meanwhile, Tony Fernandes, CEO of AirAsia Group noted that AirAsia has been at the forefront of innovation since it was established 20 years ago. "Today, we have disrupted the e-commerce industry with the AirAsia super app, offering food, groceries, duty-free products delivery by our logistics venture, Teleport and more. As we are in it for the long-run, we are excited to be partnering with MaGIC to explore urban drone delivery - an innovative logistic solution that will ultimately improve efficiency and operational excellence as well as accelerate the pace of delivery in urban areas."

Tony believes this innovation will allow AirAsia to create new and high-tech job opportunities for Malaysians.

"The ability to pivot is part of our culture and while some are losing their jobs in aviation, we offer a second chance for them to build a new career with us through e-commerce. As a disruptive leader, we are ready to take on new innovative challenges and embrace the wave of Industry Revolution 4.0 to our advantage. The only way is up and we cannot wait to deliver your orders with AirAsia drones in the near future."

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[Tony Fernandes](#) [Khairy Jamaluddin](#) [NTIS](#) [Sandbox](#) [Regulations](#) [Drone Delivery](#)  
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