

Media Release

Revision of Aeronautical Fees at Changi Airport

Singapore, 3 November 2010 – Changi Airport Group (CAG) today announced changes to its aeronautical fees at Singapore Changi Airport.

The details of the new fee structure, which takes effect on 1 April 2011, are as follows:

- A Passenger Service Charge (PSC) and a Passenger Security Service Charge (PSSC) of S\$9.00 and S\$3.00 respectively will be introduced for transfer and transit¹ passengers. There will be no change to the PSC and PSSC for departing passengers using Changi's Terminals 1, 2 and 3.
- The PSC for passengers using the Budget Terminal (BT) will be revised to S\$7.80, with the PSSC remaining unchanged. This means that the total passenger fees paid by BT passengers, including the PSC, PSSC and Aviation Levy², will increase from S\$15.00 presently to S\$18.00.
- Aircraft landing fees at Changi will be raised, resulting in a 15% average increase in the airlines' landing, parking and aerobridge (LPA) bill, with a larger increase for narrow-body aircraft. CAG will extend its landing fee rebate of up to 10% for all airlines until 31 March 2012.

The fee revisions comply with the economic regulation framework governing the operations of Changi Airport, and are necessary to allow CAG to recover part of

¹ **Transfer passengers:** Passengers who depart from Changi, within 24 hours of arrival, to a destination other than origin of departure, on a different aircraft or the same aircraft with a different flight number.

Transit passengers: Passengers who depart from Changi, within 24 hours of arrival, to a destination other than origin of departure, on the same aircraft with the same flight number.

² Aviation Levy of the CAAS (Aviation Levy) Order 2009, effective 1 Oct 2009. Aviation Levy is collected by CAG on behalf of the Civil Aviation Authority of Singapore.

its aeronautical costs, which remain heavily subsidised. A substantial portion of CAG's profit from its non-aeronautical businesses goes towards subsidising the company's aeronautical expenses.

PSC and PSSC

The changes to fees paid by passengers at Changi Airport are summarised in Annex A. The new fees will apply to all air tickets purchased from 1 February 2011 for travel on or after 1 April 2011.

Transfer/transit passengers

The introduction of the PSC and PSSC for transfer and transit passengers reflects CAG's desire to adopt a 'user pays' principle as far as possible. Transfer/transit passengers have access to facilities and services in the transit areas of Changi, including holding rooms, transfer counters, flight information display, People Mover System, free internet access, general amenities etc. It is appropriate that these passengers contribute a share of the costs of providing these facilities and services. Passenger fees for transfer/transit passengers are already levied in major airports in Europe and Asia.

Budget Terminal passengers

The revision of the PSC for BT passengers seeks to recover part of the cost of operating the terminal. Following a S\$20 million upgrading in 2009, BT passengers have enjoyed an improved terminal experience. Since the opening of the BT in 2006, the total fee paid by passengers has remained unchanged at S\$15.00. The fee revision will result in BT passengers paying S\$3.00 more per trip.

Aircraft Landing Fees

Aircraft landing fees at Changi will be raised, resulting in a 15% average increase in the airlines' LPA bill, with a higher adjustment for narrow-body aircraft. Parking and aerobridge fees will remain unchanged. Presently, the landing fees for narrow-body aircraft are disproportionately lower compared to larger aircraft types

at Changi. As such, the fee adjustment for the former is larger so as to reduce the under-pricing for narrow-body aircraft.

CAG will extend its current landing fee rebate to all airlines from 1 January 2011 until 31 March 2012. Airlines will enjoy an automatic rebate of 5% and a maximum of another 5% if they maintain their flight frequency at Changi Airport.

The landing fee partially recovers the costs associated with the airfield system including runways, taxiways, roadways in the airside, airfield lighting, apron maintenance and costs of providing standby emergency services for the airlines. In addition, the costs of services provided by the Civil Aviation Authority of Singapore, such as air navigation services, are also recovered from landing fees.

Since Changi Airport's opening in 1981, landing fees have been adjusted only twice, in 1993 and the last in 1995, 15 years ago. Over the years, Changi's overall aeronautical expenses have increased significantly with major enhancements carried out on airside infrastructure including the addition of Terminal 3, the Budget Terminal and also wider and improved taxiways to accommodate a higher level of aircraft movements and newer aircraft types such as the A380. In addition, the overall airport operating costs have also increased over the last 15 years. This has resulted in Changi consistently under-recovering its LPA-related costs.

Even with the landing fee revision, Changi Airport remains competitive compared to its regional peers. CAG remains committed to developing Changi as a premier international air hub and will continue to support airlines in growing their operations at Changi. This commitment has been demonstrated in the last 10 years through significant landing fee rebates to support airlines, especially during difficult periods such as post-911, the SARS epidemic and the recent global economic downturn, and more recently, with the introduction of the Changi Airport Growth Initiative which provides airlines with incentives to grow their traffic to and from Changi.

About Changi Airport Group

Changi Airport Group (CAG) (www.changiairportgroup.com) was formed on 1 July 2009 as a result of the corporatisation of Singapore Changi Airport. As the company managing Changi Airport, the world's most awarded airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. Through its subsidiary Changi Airports International, the Group invests in and manages foreign airports to spread the success of Changi Airport internationally.

Changi Airport (www.changiairport.com) handled 37.2 million passenger movements in 2009 and registered a monthly record of 3.83 million in December 2009. Presently, Changi serves 98 airlines flying to some 200 cities in about 60 countries and territories worldwide. A flight takes off or lands at Changi every two minutes.

Fees paid by passengers at Changi Airport

	Presently		From 1 April 2011	
Departing Passengers at Terminals 1, 2 and 3	PSC ³	S\$13.90	No change	
	PSSC ⁴	S\$8.00		
	AL ⁵	S\$6.10		
	Total	S\$28.00		
Departing Passengers at the Budget Terminal	PSC	S\$4.80 ⁶	PSC	S\$7.80
	PSSC	\$8.00	PSSC	\$8.00
	AL	\$2.20	AL	S\$2.20
	Total	S\$15.00	Total	S\$18.00
Transfer/Transit Passengers	PSC	-	PSC	S\$9.00
	PSSC	-	PSSC	S\$3.00
	Total	-	Total	S\$12.00

³ Passenger Service Charge (Inclusive of GST)

⁴ Passenger Security Service Charge (Inclusive of GST)

⁵ Aviation Levy of the CAAS (Aviation Levy) Order 2009. Aviation Levy is collected by CAG on behalf of the Civil Aviation Authority of Singapore

⁶ The Budget Terminal PSC was reduced from S\$7.00 to S\$4.80 on 1 October 2009 with the introduction of the Budget Terminal Aviation Levy of S\$2.20.