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## Reductions and rebates of aeronautical fees at Changi Airport

*Measures to provide temporary cost support for airlines and ground handlers, and enhance the competitiveness of the air hub*

**SINGAPORE, 24 April 2015** – Changi Airport Group (CAG) announced today several reductions and rebates to aeronautical fees at Singapore Changi Airport, which will benefit airlines, ground handling agents and passengers. These include reductions to passenger service fees for transfer/transit passengers, landing fees for larger aircraft types, and franchise fees for flight catering and ground handling services. Existing rebates on landing fees for

long-haul flights, aircraft parking and aerobridge charges will also be extended.

In addition, there will be strategic support measures designed to encourage airlines and ground handlers to attain high service and efficiency standards at Changi Airport, and to support them in the implementation of productivity enhancement initiatives at the airport. Together, the various measures will provide support to airlines and ground handlers amid challenging business conditions, while strengthening the competitiveness of the Changi air hub.

### **Boosting transfer and long-haul traffic**

CAG remains committed to ensure Changi Airport's position as a major global air hub, and seeks to grow transfer and long-haul traffic as part of this goal. Towards this end, the Passenger Service Charge for transfer and transit passengers will be reduced by two-thirds from S\$9 to S\$3 for travel from 1 July 2015 onwards\*.

In addition, a 50% landing fee rebate for long haul flights , which is currently in place and due to expire on 31 March 2016, will be extended for another year to 31 March 2017. These measures will strengthen the attractiveness of Changi Airport as a long-haul transfer hub for both airlines and passengers.

With effect from 1 May 2015, there will also be a decrease in landing fees of up to 5% for large aircraft weighing over 360 tonnes, including the A380 and certain B747 aircraft types. This will make it more attractive for airlines to operate larger aircraft at Changi Airport, which allows for more efficient utilisation of runway capacity so as to serve more traffic.

### **Temporary cost relief for airlines**

To continue its support of airlines at Changi Airport, CAG will extend a number of existing rebates enjoyed by airlines, providing them with additional cost relief. The ongoing 50% parking fee rebate and 15% aerobridge fee rebate – which were originally scheduled to end on 30 June 2015 – will be extended to 31 March 2017.

In addition, to support the cargo sector, the existing 50% landing fee rebate for scheduled freighter operations - which was due to expire on 31 March

2015 – has been extended to 30 September 2015. Following which, the rebate will be adjusted to 30% and apply until 31 March 2016. Separately, incentives for cargo agents leasing CAG’s cargo facilities at the Changi Airfreight Centre have also been extended to 31 March 2016.

### **Pursuing service and efficiency excellence for air hub competitiveness**

Against a difficult operating backdrop of rising business costs and tight labour supply, CAG will help airport partners alleviate these challenges and support them to achieve high standards in service and efficiency levels.

With effect from 1 May 2015, there will be a 20% rebate on both flight catering and ground handling franchise fees. This will provide cost assistance to ground handling agencies, giving them more room to enhance service on the ground, such as by increasing staffing levels during peak periods.

In addition, CAG will fund strategic support measures designed to incentivise and help airlines and ground handlers to improve their service standards and offerings. It will roll out incentives for airlines and ground handlers to drive higher levels of efficiency and productivity, as it accelerates the implementation of new processes and technologies – including Fast and Seamless Travel (FAST) and early check-in services – to boost Changi Airport’s competitiveness.

Mr Lee Seow Hiang, CAG’s Chief Executive Officer, said, “Changi Airport’s success is very much dependant on the contributions of our airport partners, including airlines and ground handlers. Notwithstanding lower fuel prices, the operating environment in the near-term remains challenging for the region’s airline industry. Likewise, there are also tough conditions for our ground handlers. They face severe manpower constraints which may affect their ability to maintain the high level of service and efficiency expected by airlines and their passengers.

“The range of measures we announce today is a demonstration of CAG’s continued commitment and support to our partners, as we work with them to achieve success and growth of their operations at Changi Airport. At the same time, we hope to spur the continual pursuit of high service standards at the airport.”

CAG periodically reviews its aeronautical fees and cost support measures for airlines and airport partners. Based on prevailing market conditions and the airport's infrastructure requirements, fees and rebates may be adjusted as necessary.

Please refer to the attached Annex for a list of the measures.

*\*Applicable for tickets purchased from 1 May 2015.*

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### ***About Changi Airport Group***

Changi Airport Group (Singapore) Pte Ltd (CAG) ([www.changiairportgroup.com](http://www.changiairportgroup.com)) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport (IATA: SIN, ICAO: WSSS) followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. CAG also manages Seletar Airport (IATA: XSP, ICAO: WSSL) and through its subsidiary Changi Airports International, invests in and manages foreign airports.

Changi Airport is the world's sixth busiest airport for international traffic. It served a record 54.1 million passengers from around the globe in 2014. More than 350 retail stores and 160 F&B outlets are situated across three terminals to cater to passengers and visitors. With over 100 airlines providing connectivity to 300 cities worldwide, Changi Airport handles about 6,500 flights every week, or about one every 90 seconds.