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## Singapore will Open Terminal for LCCs on 26 March 2006

### *Terminal's airport user charges 50% lower than Changi's Terminals 1*

Singapore's dedicated terminal for low cost carriers (LCCs) will open its doors for flight operations on 26 March 2006. Travellers can look forward to enjoying greater cost savings as the Civil Aviation Authority of Singapore (CAAS) is introducing a total passenger charge of S\$13 for travellers departing from the new terminal. This is much lower than the S\$21 total charge at Changi Airport's Terminals 1 and 2 and is also the lowest passenger charge for international flights in the region.

The new terminal, comprising two adjacent single-storey buildings for departure and arrival, will be completed by January 2006. Airport agencies and operators will be renovating their offices and airport systems tests will be held prior to the operational date.

The total passenger charge at the new terminal covers two components, namely :

- S\$7 passenger service charge (PSC). This is more than 50% lower than the S\$15 PSC at Terminals 1 and 2; and
- S\$6 passenger security service charge (PSSC) as levied at both Terminals 1 and 2. The PSSC is consistent as the same level of airport security will be provided at the new terminal.

The lower PSC is possible as the general operating and maintenance costs are lower. CAAS had earlier announced that the operating costs at the new terminal would be kept low to meet the needs and operating models of low cost carriers. In line with this objective, the compact layout of the single-storey terminal has no need for travellers, escalators and aerobridges. While a key consideration is to keep operating costs low, this does not mean the terminal will not offer any services. For example, there will be a free shuttle bus service to link passengers to Changi Airport's existing terminals, and vice versa. Services and facilities such as money changers, Internet facilities, duty-free shopping, and food and beverage outlets will also be available at the terminal.

Airlines, retail operators and airport tenants at the new terminal will be able to reduce their operating costs as airport charges such as rental of shops and office space are up to 50% lower than the existing charges at Terminals 1 and 2. Besides the savings on rental charges, airlines operating out of the terminal will also save on aerobridge fees as there will not be any aerobridges. Airlines at the new terminal will however pay the same landing and parking fees as those at Terminals 1 and 2 since they will be using the same airside facilities such as runways and taxiways.

Mr Wong Woon Liong, Director-General of Civil Aviation, said "With budget travel becoming more prevalent in this region, we are doing what we can to promote the growth of this segment of air travel in Singapore . The construction of the dedicated terminal for LCCs is on schedule and will open for operations as planned. The simple design and layout of the new terminal would enable us to lower airport charges significantly. These cost savings will help to stretch the dollar for airlines and travellers."

CAAS proceeded with the construction of the dedicated terminal for LCCs after it received firm commitment from Tiger Airways to use the terminal. The 25,000 sqm terminal is about the size of three football fields, or about a tenth of the size of Terminal 1, and will initially be able to handle about 2.7 million passengers a year. There is scope for further expansion should more carriers decide to use the terminal.