

## Departure Levy Different from Airport Tax

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SEPANG : The departure levy proposed in Budget 2019 is completely separate from existing passenger service charge (PSC) ,said Transport Minister Anthony Loke. Loke was responding to a question on the need to impose the levy which was set a RM20 to Asean countries and RM40 for non – Asean countries. The PSC is not something collected by the government , that's collected by Malaysia Airports Holdings Bhd (MAHB) to run the operations of the airport, he said.

“The departure levy introduced by the Government , is a form of tax for anyone travelling out of the country.That is completely by the government, not by the airlines, not by the airports, “ he said during the launch of AirAsia Bhd’s first fully- digitalized ground handling services control centre at Klia2.Loke launched the centre together with AirAsia Group CEO Tan Sri Tony Fernandes and AirAsia Group Executive chairman Datuk Kamarudin Meranun. The departure levy is needed to raise revenue and the government could collect a few hundred million ringgit annually, he said.

Loke pointed out other countries such as Thailand and Indonesia had similar taxes for outbound travelers.The mechanism, he said would be announced later as implementation only starts on June 1. He added the ministry has not decided on the mechanism to offer the 30 % stake in the proposed Airport REIT (real estate investment trust), which forms part of the Budget 2019 proposal.Fernandes hopes the proposed REIT would not increase costs.”Obviously, we would like to see full privatization, so new airport operators can come in, we may see different ways of running airports, and not just giving 30% to Malaysian Airports as different form of funding,” Fernandes said.

What the low-cost carrier needed, he added, was an airport operator and airport which understood AirAsia’s model in reducing costs, Which he said would in turn reduce the costs of flying for passengers, allowing the carrier to build Malaysia into a strong aviation hub.Meanwhile the ground handling services control centre will allow AirAsia’s Ground Team Red (GTR) to track aircraft handling, with realtime information on passenger boarding , baggage reconciliation and ramp – loading compiled on a digital dashboard at the control centre.Loke was given an overall briefing of the way the centre functioned to compile the different data and identify any soft spots in the aircraft’s turnaround process.

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