

MAHB expects to finalise new operating agreement by year-end

LANGKAWI : Malaysia Airports Holdings Bhd (MAHB) expects to finalise a new operating agreement with the government by year-end, said group acting chief executive officer Raja Azmi Raja Nazuddin. Under the current agreement, the government is responsible for airport development throughout the country while MAHB manages the airports and pays a user fee of about 11.8 per cent (RM 300 million to RM400 million) to the government annually. “ We are in active discussions with MAHB to reduce user fee. However, nothing is finalised at this moment.We need to be fair in revising the rate,” said Transport Minister Anthony Loke after officiating at the Airport Council International Asia –Pacific Small and Emerging Airports Seminar 2018, here ,yesterday.

He said Malaysia would not adopt Singapore’s airport development levy to fiance airport expansion.The new levy model, which also applies tax to travelling passengers from Changi Airport and connecting flights, is aimed at funding airport developments and related infrastructure. Instead, Loke said Malaysia intended to review the regulated Asset Base (RAB) model, where charges would be based on investments by investors. Raja Azmi said the review of the RAB model should be finalized by the middle of next year, resulting in a financing model that would support future airport expansion.With the RAB model, MAHB can indicate capital expenditure requirement for private investors to embark on airport expansion for several airports, such as Kuala Lumpur International Airport and Penang International Airport.

Loke said the government would offer returns to private sector if they invested in domestic airport expansion projects.”We are flexible in terms of discussion and negotiation.We hope to can create a win-win situation,” he added.

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