

MAVCOM'S REVISIONS TO THE PASSENGER SERVICE CHARGES (PSC)

The Malaysian Aviation Commission (MAVCOM) announced revisions to the Passenger Service Charges (PSC) for the **first Regulatory Period (RP1)**, spanning from **1 June 2024 to 31 December 2026**.

For the revival of the aviation industry post-COVID-19 pandemic



WHAT IS PSC?

The Passenger Service Charges (PSC) is a **charge for the use of airport facilities paid by all departing or transferring passengers at all national airports**. The PSC is collected at the point of purchase by airlines and paid to the airport operator after the passengers have flown.



WHY IS MAVCOM MAKING THE REVISION NOW?

Under section 46 of the Malaysian Aviation Commission Act 2015 [Act 771], **MAVCOM is responsible for setting Aviation Services Charges (ASC)** such as the PSC, aircraft landing and parking charges, among others.

The revision is **needed to support the aviation industry's recovery and adaptation to the post-COVID-19 environment**. The revision **aligns with global best practices** and changing market conditions to safeguard consumer welfare, facilitate a sustainable and resilient recovery, and ensure the sector's financial stability.



HOW WAS THIS DECISION REACHED?

Comprehensive consultation sessions were conducted with ministries, agencies, industry players, analysts, aviation bodies, and consumer associations, **complemented by the issuance of 2 consultation papers**. This is to ensure a holistic understanding and consideration of various perspectives before finalising this decision.

Table 1: Current and revised PSC rates for departures from airports in Malaysia

TRAVEL	TYPE OF PSC	CURRENT PSC	REVISED PSC (RP1: 2024-2026)
Domestic travel from/ through* all airports	Departure PSC	RM 11	RM 11
	Transfer PSC	-	RM 7
International travel from/ through* KUL Terminal 1	Departure PSC	ASEAN: RM 35 Beyond ASEAN: RM 73	RM 73
	Transfer PSC	-	RM 42
International travel from/ through* KUL Terminal 2 and other airports	Departure PSC	ASEAN: RM 35 Beyond ASEAN: RM 73	RM 50
	Transfer PSC	-	RM 29

Notes:

- For context, the term ***through** refers to passengers who are transferring to another flight and will be charged a transfer PSC.
- The rates above are **not applicable to Senai International Airport (JHB)**.
- The above revision will be effective **1 June 2024**. Tickets issued before 1 June 2024 will not be subjected to the new rates, even if the date of travel occurs on or after 1 June 2024.

MAVCOM has allowed operators of other airports that are not operated by Malaysia Airports Holdings Berhad (MAHB) subsidiaries [Malaysia Airports (Sepang) Sdn. Bhd. and Malaysia Airports Sdn. Bhd.], namely **Senai International Airport (JHB), Kerteh Airport (KTE), and Tanjung Manis Airport (TGC), to propose its own tariff structures for RP1 to the Commission.** This is because these airports either do not possess market power or have the capability to exercise it. Both KTE and TGC have opted to adopt the rates recommended by the Commission (refer to Table 1). Meanwhile, **JHB has opted to implement a separate rate structure,** with the approved rates outlined in Table 2:

Table 2: Current and revised PSC rates for departure from Senai International Airport (JHB)

TRAVEL	TYPE OF PSC	CURRENT PSC	REVISED PSC (RP1: 2024-2026)
Domestic travel from/ through* JHB	Departure PSC	RM 11	RM 16
	Transfer PSC	-	RM 10
International travel from/ through* JHB	Departure PSC	ASEAN: RM 35 Beyond ASEAN: RM 73	RM 50
	Transfer PSC	-	RM 29

Note: For context, the term ***through** refers to passengers who are transferring to another flight and will be charged a transfer PSC.

Source: MAVCOM

Main highlights of the revised PSC rates

Passenger benefit

Ensuring affordability and spurring local travel



DOMESTIC PSC RETAINED

Domestic PSC is retained at RM11 at all airports except JHB.



LOWER INTERNATIONAL PSC AT ALL AIRPORTS OTHER THAN KUL TERMINAL 1

For KUL Terminal 2 and other airports, which predominantly cater to short-haul flights, MAVCOM has set the **international PSC at RM50 to benefit consumers.** This is lower than the rate of RM73 at KUL Terminal 1.

Industry competitiveness and growth

Aligned with global best practices and shifting market conditions, this revision aims to support the aviation industry's recovery post-COVID-19



SINGLE UNIFIED INTERNATIONAL PSC

ASEAN and beyond ASEAN PSC have been unified into a **single international PSC of RM73 for KUL Terminal 1 and RM50 for KUL Terminal 2, as well as other airports.** The decision acknowledges the similar facilities and services utilised by departing passengers to any region, thereby imposing comparable costs on airport operators.



THE INTRODUCTION OF TRANSFER PSC

Transfer passengers are required to **pay PSC for the airport infrastructure they utilise.** The implementation of transfer PSC in Malaysia is consistent with practices in other airports in Asia and Europe.



OTHER NON-PSC AVIATION SERVICES CHARGES (ASC) ADJUSTED FOR INFLATION

Over the RP1 period, **tariffs for aircraft parking, landing, and all other ASCs,** including airport pass charges, airside vehicle permits, as well as airside driving permits, amongst others, will be **adjusted to account for inflation.**