AOT SHOOTS DOWN AIRPORT FEE-CUT SUGGESTION

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Set-listed Airports of Thailand Plc (AoT) has largely rejected a call for a reduction in airport charges for low-cost carriers (LCCs).

A cut in landing and parking fees and other charges related to airline support services is impossible at busy airports such as Suvarnabhumi, Don Mueang, Phuket and Chiang Mai, president Nitinai Sirismatthakarn said.

But he said a reduction could be on the cards at Hat Yai and Chiang Rai airports, the two other AoT-run facilities, which have relatively low traffic.

"How could I justify to the shareholders such a reduction at the main airports, whose full capacity has been reached and which don't really need to attract more traffic?' Mr Nitinai said.

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He said Chiang Rai and Hat Yai airports were different, as they were much underused and needed more traffic, thus justifying discounts in fees to attract airlines.

Mr Nitinai was responding specifically to AirAsia chief executive Tony Fernandes, who last week renewed his call for AoT to lower passenger service charges, also known as airport tax, along with airport fees for landing and parking to enable LCCs to reduce fares and boost passenger volumes.

Even a small cut would go a long way to making LCC fares more attractive, thus encouraging people to fly more, the Malaysian tycoon told a press conference in Bangkok last week.

Earlier he suggested Don Mueang airport's charges be benchmarked to those at Kuala Lumpur International Airport 2 (KLIA2), which opened early last year as an LCC terminal.

Don Mueang's airport tax is double that of KLIA 2, and parking and landing fees are also higher, he said.

AoT shares closed yesterday on the SET at 279 baht, up three baht, in trade worth 460 million baht.

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