" AN IMPROVEMENT OF PASSENGER SERVICE CHARGE COLLECTION SYSTEM FOR MALAYSIA AIRPORTS BERHAD "

BY:

SITI ANIZA HASAN ADVANCED DIPLOMA IN BUSINESS ADMINISTRATION (TRANSPORT)

MARA INSTITUTE OF TECHNOLOGY
SHAH ALAM

MAY 1995

ABSTRACT

Passenger Service Charge or the airport tax that is levied on departing passenger, is one of the MAB's greatest income. However, this income can be increased by making a profit through these collections.

As for the present collecting system, the profit is earned more by airline companies, who is responsible for collecting PSC on behalf of the airport authority.

The options to replace the practised system will be indentified based on the criteria that give advantages to MAB and passengers. These systems will be selected by carrying out the alternative procedures in evaluation of alternatives.

The selected alternative is based on the collection of PSC directly from passengers by the airport authority. Therefore, no through ticket or coupon will be practised anymore.

ACKNOWLEDGEMENT

I thank God, whose grace has helped me to complete this thesis.

I wish to express my most appreciation to my advisor, **Puan Zaharah Ibrahim** for giving me advice, guidance and encouragement to me. Without her assistance, this would not be possible.

And also to administrators at Malaysia Airports Berhad, especially Encik Saffian Ghazaley as my supervisor, Encik Nik Azmi and Encik Mansor Shah for allowing me to conduct the research.

Finally, I dedicated this Thesis to my beloved mother and siblings for their support and most of all for being my patient listeners. Not to forget my friends and Internal Auditors of Malaysia Airports Berhad; En. Abdul Rahman, En. Abu Bakar Sidek, Cik Sarinah, En. Anuar, Puan Melati, En. Zainal and En. Muhammad Anis, for their ideas and suggestions. This dedication is just a tiny measure of the gratitude I feel for all they have done.

SITI ANIZA HASAN

MAY 1995

CONTENTS

	PAGE
ABSTRACT	i
ACKNOWLEDGEMENT	ii
TABLE OF CONTENTS	iii
LIST OF FIGURES	vii
ABBREVIATIONS	viii
y	
CHAPTER 1 : INTRODUCTIO)N
1.1 Background	1
1.2 Problem Statement	4
1.3 Objective	5
1.4 Methodology	6
e	
CHAPTER 2 : LITERATURE	REVIEW
2.1 Airport Charging System	9
2.2 Airport Revenues	11
2.3 Aeronautical Charges	13
2.4 Passenger service Charge	14
2.4.1 History	14
2.4.2 Charges	15
2.4.3 Exemption	16

	2.4.4 Documentation Involve	17
2.5	Management of PSC Collection	19
2.6	Calculation Of PSC	22
2.7	PSC In Other Countries	23
	2.7.1 Kansai Airport	23
	2.7.2 San Maurice International Airport	24
2.8	Conclusion	25
CHAPTER 3 : DATA ANALYSIS		
3.1	MAB's Collection	27
3.2	Contribution Of PSC	28
	3.2.1 PSC Contribution In Total Revenue	
	For The Period Of April 1993 To	
	March 1994	28
	3.2.2 PSC Contribution In Total Revenue	
	For The Period Of April 1994 To	
	March 1995	35
	3.2.3 Calculation Of Profit For The Period	
	Of April 1993 To March 1994	35
3.3	Data Analysis	36
3.4	Weaknesses Of Current System	41
3.5	Conclusion	42