

香港特別行政區政府 民航處 Civil Aviation Department

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The Government of the Hong Kong Special Administrative Region

香港金鐘道 66 號金鐘道政府合署 46 樓

46/F Queensway Government Offices, 66 Queensway, Hong Kong

檔案編號 OUR REF.

來函編號 YOUR REF.

電話 TEL.

圖文傳真 FAX.

FIN/51/1/9C

(852) 2867 4211

(852) 2877 8542

18 March 2009

LegCo Secretariat
Legislative Council
Panel on Economic Development

Attn: Ms Debbie Yau (Fax: 25090775)

Dear Ms Yau,

Panel on Economic Development Follow-up to the meeting on 23 February 2009 "Collection of air passenger departure tax and fuel surcharge by travel agents"

I refer to your letter dated 24 February 2009 to the Secretary for Commerce and Economic Development on the above subject. Since the Civil Aviation Department (CAD) is responsible for considering and approving airlines' tariff applications, the letter has been referred to us to handle the issues relating to the passenger fuel surcharges. Our responses to Members' requests are as follows –

- (a) the levels of the passenger fuel surcharges and the levels of aviation fuel prices since March 2003 are set out in the table at the **Annex**. CAD approves applications for levying the surcharges after taking into account factors such as changes in the prices of aviation fuel, justifications provided by the airline operators, and other relevant factors such as the charges levied by the other airlines, and has been reviewing and adjusting the passenger fuel surcharges every two months; and
- (b) the purpose of the passenger fuel surcharges is to allow airlines to partially recover the increase in operating cost due to fluctuations in aviation fuel prices. It is a general international practice for airlines to levy such surcharges separate from the air fares, which are influenced by other factors such as market demand and competition from other airlines. The surcharges, though not incorporated into the air fares, are collected from

passengers together with the air fares when the air tickets are issued. CAD has asked airlines to remind the travelling public in promotion materials and tariff publications that they may have to pay the surcharges in addition to the air fares. Under the circumstances, CAD considers it appropriate to allow airlines to follow the international practice by showing the surcharges as a separate tariff if they apply to do so. CAD will monitor the developments in the international practice and review the practice in Hong Kong if necessary.

Yours sincerely,

*//- (Stephen Kwok)

for Director-General of Civil Aviation

c.c. Comr for Tourism (Attn: Ms Joey Lam) Fax :2801 5792

Secy for Transport & Housing (Attn: Mr Esmond Lee) Fax: 2537 3231

Passenger Fuel Surcharges and Singapore Jet Fuel Price

Month/Year	Singapore Jet Fuel Price	Passenger Fuel Surcharge -		
		Maximum Appro	oved Levels (HKD)	
	(US cents/Gallon)	Short Haul	Long Haul	
Mar-03	84.92	60	101	
Apr-03	66.55	60	101	
May-03	67.01	60	101	
Jun-03	68.10	60	101	
Jul-03	70.61	40	N	Note
Aug-03	79.70			
Sep-03	74.75			
Oct-03	80.32			
Nov-03	85.25	43. 4. deleven 1. d	Ženio i su secultario de la compa	
Dec-03	88.97			
Jan-04	94.65			
Feb-04	88.84			
Mar-04	89.85			
Apr-04	97.42			
May-04	109.23		78 N	Vote
Jun-04	102.89	39	109	
Jul-04	114.42	. 39	109	
Aug-04	124.51	39	109	
Sep-04	131.73	55	148	
Oct-04	145.94	55	148	
Nov-04	137.45	55	148	
Dec-04	118.71	72	211	
Jan-05	120.96	72	211	
Feb-05	129.90	42	118	
Mar-05	157.51	42	118	
Apr-05	169.90	42	118	
May-05	151.08	42	118	
Jun-05	164.32	86	250	
Jul-05	166.94	86	250	
Aug-05	180.54	86	332	
Sep-05	188.60	86	332	
Oct-05	180.61	91	353	

Nov-05	154.01	91	353
Dec-05	. 166.94	93	383
Jan-06	182.54	93	383
Feb-06	177.80	93	383
Mar-06	179.86	93	383
Apr-06	201.11	90	370
May-06	203.96	90	370
Jun-06	205.31	109	450
Jul-06	208.45	109	450
Aug-06	212.60	117	481
Sep-06	192.02	117	481
Oct-06	. 176.15	117	481
Nov-06	175.58	117	481
Dec-06	184.23	113	466
Jan-07	165.99	113	466
Feb-07	170.85	106	438
Mar-07	178.79	106	438
Apr-07	192.51	102	420
May-07	195.35	102	420
Jun-07	199.13	100	412
Jul-07	207.90	100	412
Aug-07	200.62	103	424
Sep-07	216.00	103	424
Oct-07	230.25	104	428
Nov-07	268.12	104	428
Dec-07	258.07	113	466
Jan-08	253.07	113	466
Feb-08	264.32	123	508
Mar-08	299.02	123	508
Apr-08	330.43	125	518
May-08	377.84	125	518
Jun-08	392.49	171	710
Jul-08	396.39	171	710
Aug-08	327.37	231	924
Sep-08	286.89	231	924
Oct-08	213.71	196	832
Nov-08	179.60	196	832
Dec-08	139.53	108	499

Jan-09	141.71	108	499
Feb-09	Not yet available	61	280
Mar-09	Not yet available	61	280

Note 1: Approval was given to Dragonair to levy HKD 40 from 16 Apr 03 - 15 Jul 03.

Note 2: Approvals were given to South African Airways to levy USD 10 (equivalent to HKD78) from 25 May 04 - 31 Aug 04, and Air Canada to levy CAD6 from 28 May 04 - 31 Aug 04