



COVID-19: ASSOCIATION UPDATE

SUMMARY OF GOVERNMENT RELIEF MEASURES ACROSS ASIA PACIFIC

May 2020

Booklet 2

GLOBAL & REGIONAL BEST PRACTICE

The following summarises relief measures provided by some governments across APAC

Key Points

- Tax policies supporting consumption, employment and investments form key pillars of stimulus packages, with some countries exploring or announcing a second wave of stimulus measures
- The most common form of relief measure across all countries is through enhanced business cash flow as well as a need to mitigate the economic impact of the outbreak on the community
- Measures to enhance cash transfers and enhance household cash-flow were prioritised

Regional Measures – Country Specific

Data as of 2 May

Southeast Asia

Singapore

- Singapore earlier announced an S\$112 million Aviation Sector Assistance Package - co-funded by the Government, the Civil Aviation Authority of Singapore (CAAS) and Changi Airport Group (CAG). A further S\$750 million was, with an additional \$350 million going into the Aviation Sector Assistance Package, while S\$400 million will be used to offset the wages for employees in the aviation sector (capped at 75% of the first \$4600).
- Retail, food & beverage (F&B) and service outlets at Changi Airport will also receive a 50 percent rental rebate, while Changi Airport itself will get a 15 per cent property tax rebate.
- Airlines will get a 10 per cent landing charge rebate for all scheduled passenger flights landing in Singapore and 50 per cent rebate on rent paid for airlines' lounges and offices in Changi Airport's terminal buildings. Additional rebates on landing charges and rent will also be made available to the cargo sector.
- All Singapore carriers operating scheduled flights will also get to save an estimated \$6 million on regulatory fees, as a result of the CAAS providing a 50 per cent rebate on fees for new and renewed Certificates of Airworthiness.
- The Civil Aviation Authority of Singapore (CAAS) will also allow Singapore carriers and the airport operator to partially or fully defer payment of certain fees to CAAS between April this year and March next year.
- These various assistances will be extended till the end of October 2020.
- A property tax rebate of 30 per cent will be granted for the year 2020 for the accommodation and function room components of licensed hotels and serviced apartments, as well as prescribed MICE (meetings, incentive travel, conventions and exhibitions) venues

Vietnam

- Across various Vietnamese carriers, the government said the coronavirus has already cost Vietnamese airlines about 10 trillion dong (US\$429.5 million) in lost revenue.
- The Airports Council of Vietnam (ACV) will also reduce the airline service fees for six months from March to August this year for both domestic and international airlines.

- Additionally, ACV will also reduce fees for a range of airline services at airports. This includes a reduction of 50% in service fees for aircraft navigation and a reduction of 10% of ground services fees.
- Office rental fees for airlines that have stopped flying will also be waived, while those who are still flying will have it reduced by 30%.

Thailand

- The Cabinet has approved several relief packages including a 50 percent reduction in landing and parking fees for all Thai and foreign airliners from April 1 to Dec. 31.
- Airports of Thailand (AoT) in February announced 50% reduction in landing and parking charges for airlines, which was extended to concessionaires in April. Both measures will be in effect for nine months, starting from April 2020.
- Those who operate at airports which AOT has close, or who inform the company of their intention to temporarily suspend operations, will be exempt from collection of rents and service charges until either 31 December or until they resume operations.
- The issuance of loans of up to 3 million baht for SMEs at a 3% interest rate in the first two years for loans of up to five years. Businesses may file for this loan until 30 December 2020. This measure is for businesses affected by the outbreak of COVID-19, particularly those in the tourism sector.

Indonesia

- As part of its first stimulus package, airlines and travel agents will be given 443.4 billion rupiah to provide 30% discounts on air fares as part of the country effort to boost domestic tourism. An additional 98.5 billion rupiah (US\$6 million) worth of incentives was also provided to airlines and travel agencies.

Malaysia

- The Malaysia government is dedicating 20 billion ringgit (\$4.8 billion) to support businesses affected by the virus, particularly in the tourism industry.
- Travel agencies, hotels, airlines, as well as businesses in the tourism industry, will be given a deferment of their monthly tax instalments for six months starting April 1, 2020. Hotels will also be exempt from service tax from March till August 2020.
- Airlines, listed among other players in the tourism ecosystem, will get a 15 per cent discount on monthly electricity bills for six months beginning April.
- In addition, travel discount vouchers of up to RM10, while a special income tax relief worth 1,000 ringgit (US\$226) is available to individuals for expenses on domestic tourism from March to August 2020).

Philippines

- Philippines' Department of Tourism will be spending some 6 billion pesos (S\$165 million) on its tourism resilience programme which will focus on promoting domestic destinations.
- 1.6 billion pesos will be used to improve secondary airports in the country.
- The Civil Aviation Authority of the Philippines has also announced that payment of charges for take-off, landing, and parking will be deferred for local airlines, for one year.

- Separately, the Air Carriers Association of the Philippines (ACAP) made up of Philippine Airlines, Cebu Pacific and AirAsia Philippines, is seeking government guarantees on debt, six-month emergency credit lines apart from long-term loans with low interest rates and a waiver on navigational and airport charges, which are currently being deferred.

Oceania

Australia

- The aviation industry will receive a \$715m relief package. The government will waive fees such as aviation fuel excise, air services charges on domestic airline operations and domestic and regional aviation security charges. The measures will be backdated to 1 February, resulting in an estimated reimbursement of \$159 million for applicable charges already paid by domestic airlines.
- The Government has set aside \$1 billion to support those regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including those heavily reliant on industries such as tourism, agriculture and education.

New Zealand

- A \$600 million aviation sector relief package was announced as part of the nation-wide \$12.1 billion COVID-19 economic response. Within it, the package will provide financial support to airlines to pay passenger-based government charges for the next 6 months (\$163 million) and to cover airways related fees for the next six months (\$37 million). \$70 million is set aside to provide financial support for airlines facing declining revenue. Any fee rises or pricing reviews has been put on hold for 12 months.
- An \$11m package - \$10m to promote international tourism and \$1m to promote domestic tourism was announced by the government to revive and stimulate the tourism sector.

South Asia

India

- At the end of March, the Indian government outlined a Rs 1.7-lakh crore (\$22.6-billion) economic stimulus plan, comprising direct cash transfers and food security measures in a bid to provide relief for millions of its poorer citizens which are most impacted by the ongoing 21-day nationwide lockdown.
- It is reported that government officials are discussing a second stimulus package for sectors impacted by the lockdown. The finance ministry was reported to have made a detailed presentation to PM Modi on the state of economy as well as possible measures to ensure economic recovery. The PM has already held meetings with different ministries including civil aviation, labour and power on 2 May to discuss these steps.

North Asia

Hong Kong

- Hong Kong International Airport (HKIA) is preparing to consolidate all flights into the main terminal building and close a newer concourse that sits between the two runways.

- HKIA has announced a HK\$1.6bn (US\$210m) package of rent concession and reduced fees to help mitigate the impact of the Coronavirus situation on businesses at the airport. The Airport Authority would also purchase some 500,000 air tickets, as part of the move to directly inject cash into the local carriers.
- The relief measures to be offered to various airlines by Hong Kong International Airport include an interest-free deferral of 50 per cent of aircraft-operation charges for up to six months, including those for landing, parking, and using the air bridge and terminal building.
- HKIA also offered 20 per cent rental reduction for airline lounges, office and storage space, and a 20 per cent discount for airside vehicle permits.
- A one-time relief package of HK\$236 million will be provided to the city-based airlines by the city aviation regulators. Air carriers will be provided with up to HK\$1 million per aircraft.
- A HK\$400-million plan has been earmarked to support and promote the city's tourism industry, with an additional HK\$700 million will be allocated for the Hong Kong Tourism Board to step up promotion and revive the tourism industry when the epidemic is over

Mainland China

- The Civil Aviation Administration of China (CAAC) will provide funds to Chinese and foreign airlines operating scheduled international passenger flights between points in China (excluding Hong Kong SAR, Macao SAR and Taiwan Province) and points beyond China.
- For scheduled international passenger flights: Financial incentives will be given to operators whose international flights during the epidemic are not suspended or have been restored after suspension.
- All qualifying international scheduled passenger services will receive CNY0.0176 per available seat kilometre for routes that are operated by multiple airlines and CNY0.0528 per available seat kilometre for routes that are operated by one airline.
- The subsidies are effective for flights between January 23 and June 30.

Taiwan

- The government will help airlines obtain loans of up to NT\$50 billion (US\$1.6 billion) instead of the previous NT\$30 billion cap, while also subsidizing interest payments on such loans.
- The government would also be issuing \$500 vouchers to people who have cancelled their overseas travel plans to take domestic trips instead. In addition, a \$10 billion aid package will be made avail to the industry, which will include subsidies for travel and hotel operators.
- Direct financial subsidies for employees in the travel sector of NT\$10,000 per person per month, for a period of three months, capped at 140,000 people.

Japan

- Measures estimated to be worth a total 8.5 trillion yen will be set aside for campaigns to boost tourism, transport and the restaurant and entertainment sectors after the outbreak is contained. Coupons and discounts will be offered to help those sectors hardest hit by the slump in consumption. Sports and cultural events, as well as marketing campaigns to encourage tourists to return to Japan, are being planned.
- The government rolled out its first financial support package worth 500 billion yen, which provides low-interest loans for SMEs, particularly in the tourism industry.
- No specific support packages or policies were announced for the aviation sector.

Korea

- On Feb 17, the government established an emergency loan program for low-cost carriers within the ceiling of 300 billion won.
- For airline operators that have suspended or reduced flights, the government will offer a maximum grace period of three months on the payment of airport charges, with effect from March 2020
- Large and medium-sized duty free retailers at Incheon airport will receive a 20% rental cut while smaller retailers will have their rents reduced by 50% (up from the previously stated 25%). These measures will be valid for a period of 6 months (March to August 2020).
- Korea Airports Corp which operates the country's 14 other airports, also said it is in talks with the government over rental fee reductions for businesses in their terminals.