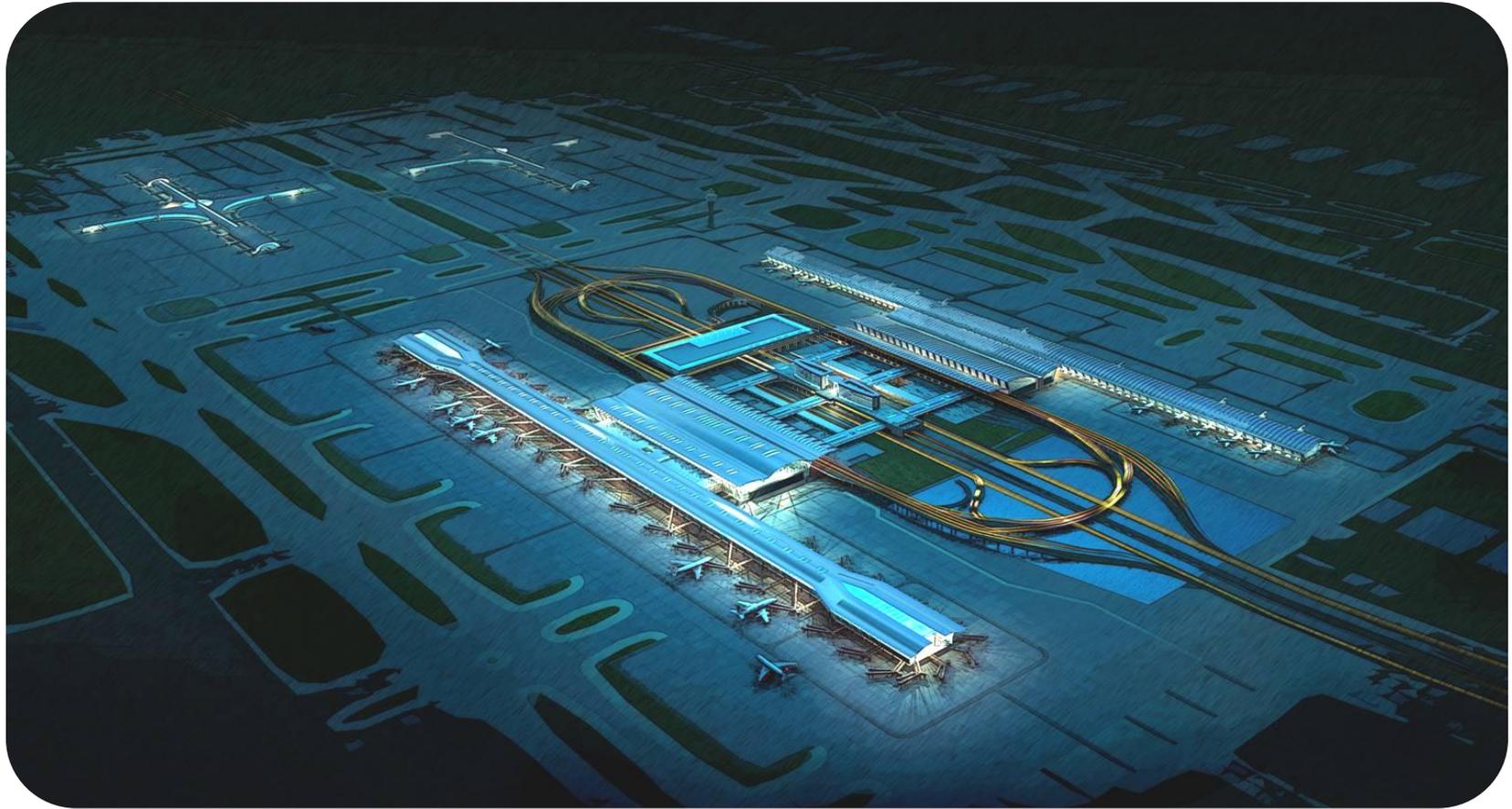




Support LCC to facilitate shanghai aviation market

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Shanghai Airport Authority
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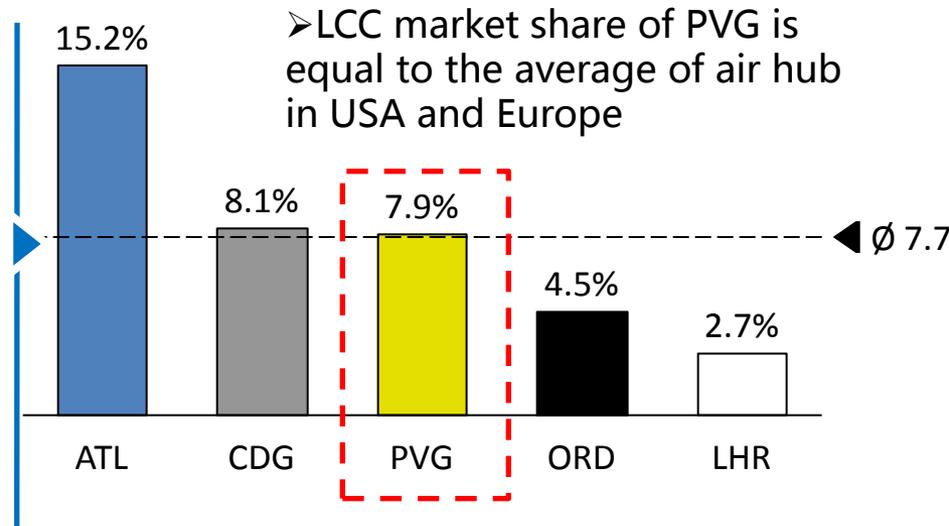
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Present and future of LCC in shanghai

◆ LCC is an important part of Shanghai aviation market

	Spring Airlines 9C	Cebu Pacific air 5J	Zest airways Z2	Airasia airlines AK
PVG				
passenger	3,425,000	93,000	23,000	
%	7.6	0.2	0.05	
SHA				
passenger	3,941,000			
%	11.6			

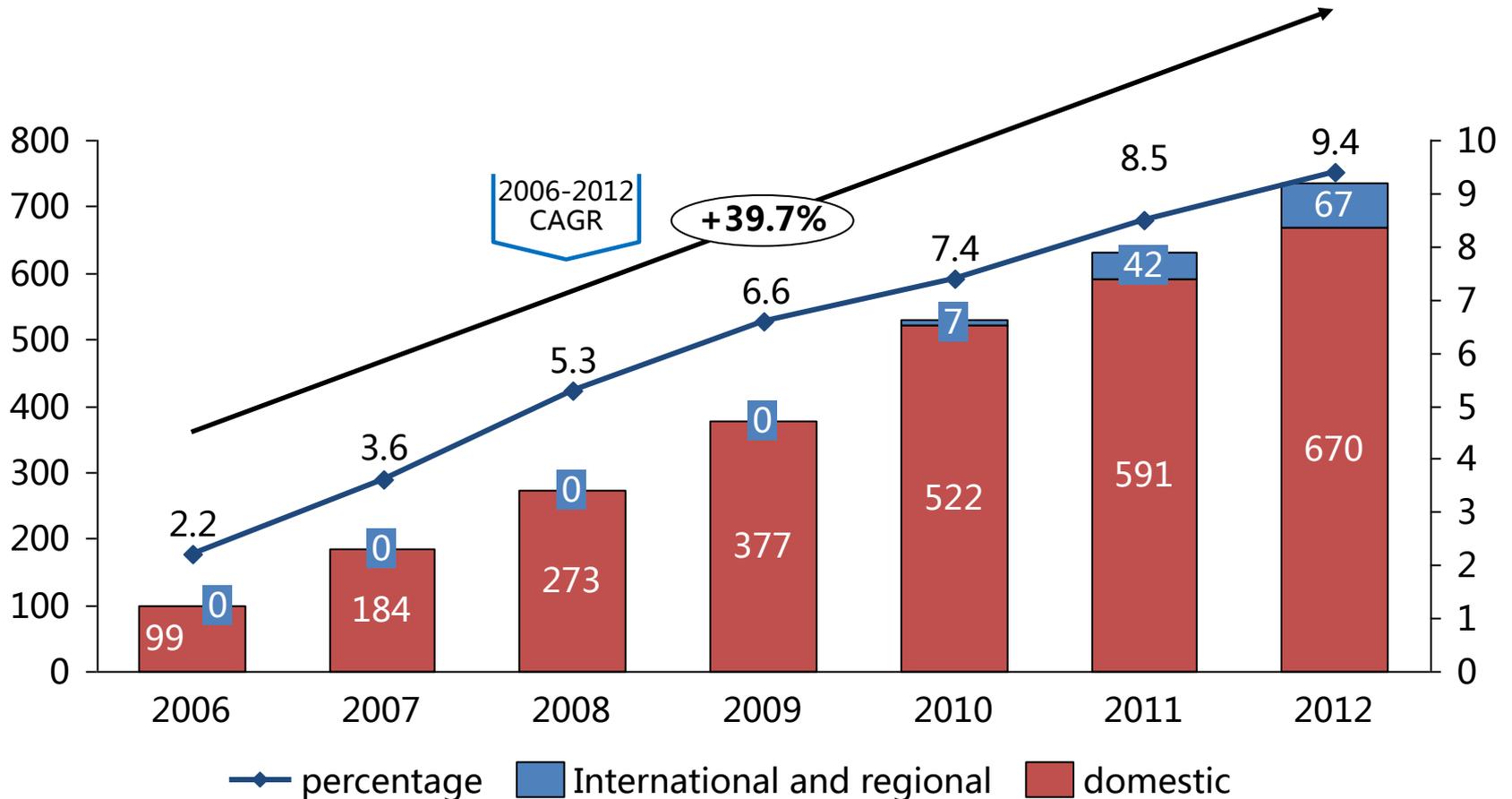


◆ Use of terminal by the spring airlines in Shanghai

- Hongqiao Terminal 1A: exclusive use by the Spring Airlines from 2010
- The Spring Airlines move from T1 to T2 in Pudong airport

◆ The growth of LCC in Shanghai

➤ Over the past 7 years, the spring airlines has grown at a magnificent average of **39.7%** a year, much higher than other airlines

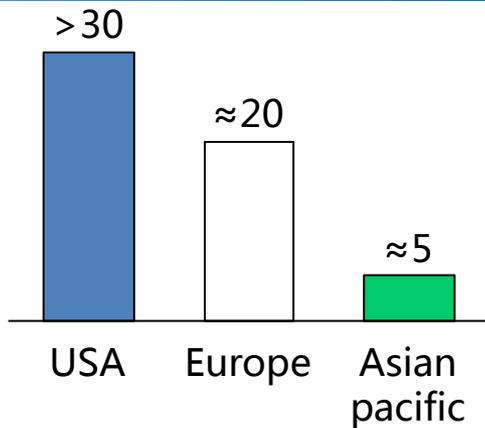


The capacity of spring airlines in Shanghai

◆ The potential of LCC is huge in China

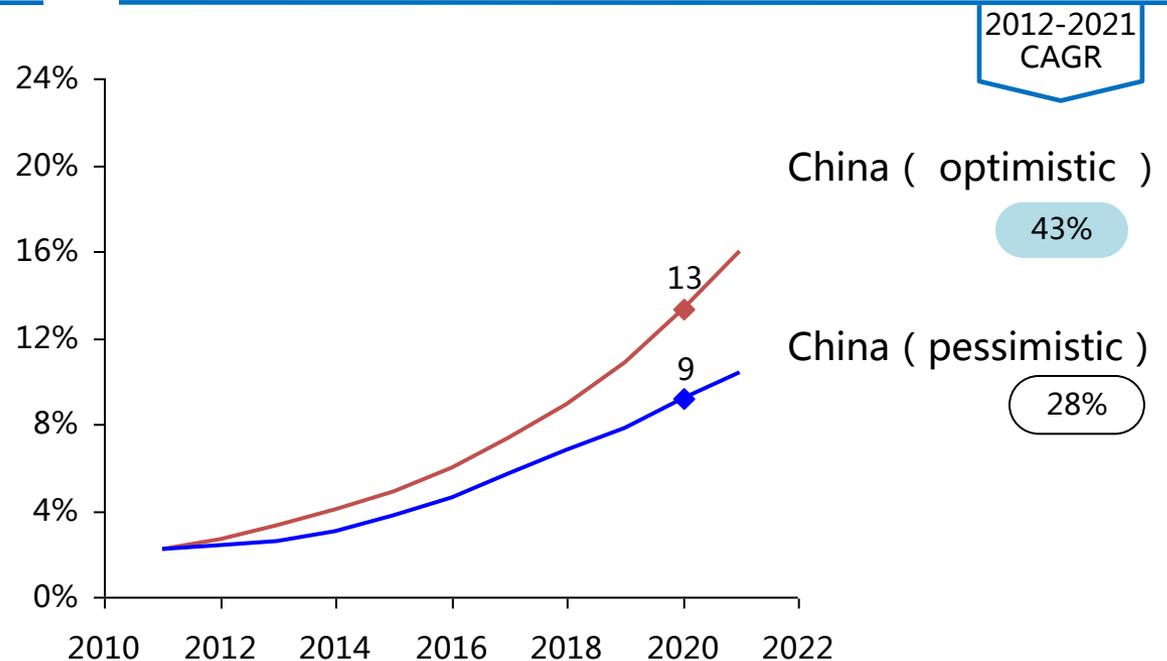
- An optimistic estimate is that the market share of LCC will reach 13% in 2020
- The conservative figure is 9%

Current LCC market share[%]



Mature market	Developing market	Early stage
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The forecast of china and Asian Pacific[%]



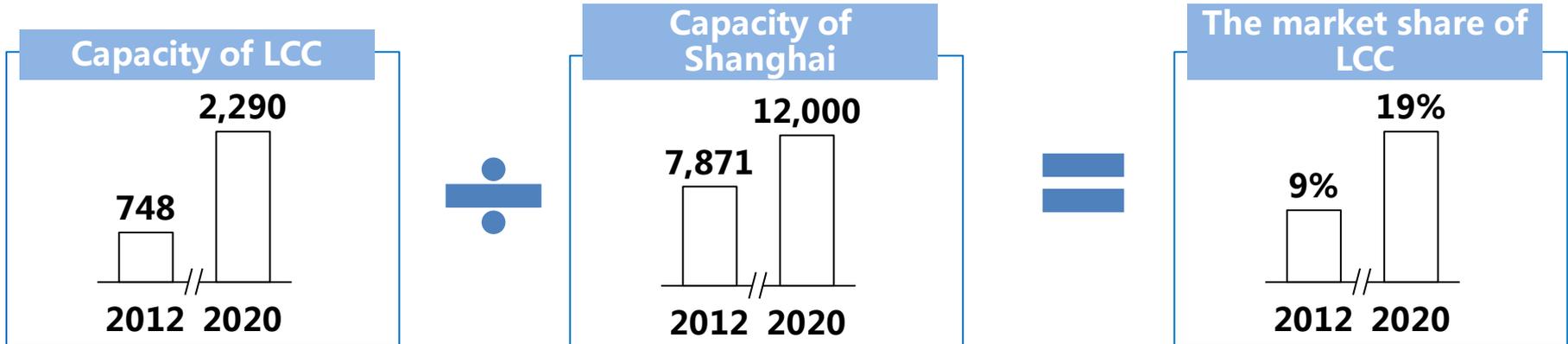
Development prospect of Shanghai air hub

➤ The passenger throughput will be more than 100 millions in Shanghai by 2020

• Disney land will bring 3-5 million passengers per year

• The pilot FTZ will enlarge the passenger traffic demand

➤ The market share of LCC will improve





Action and suggestion to develop LCC

2

◆ SAA will continue to support LCC

➤ the necessity

•LCC met the various level of travel demand

✓LCC opened up a new market

•LCC can resist the risk and improve the facility efficiency

✓When business is depressed, LCC is a very good supplement

•LCC is a powerful tool to compete with express railway

✓According to Japanese experience, LCC can beat express railway to win the market

➤ To innovate targeted service and product to LCC

LCC terminal

- Some airports have or plan to have LCC terminal
 - such as NRT , KIX , SIN , ICN
-
- Hongqiao Airport T1 will rebuild to meet the demand of the spring airline

trouble

Lack of standards and specification

Due to limitations of airport resources



advice

Strengthen a government guidance and help

➤ **Government supported LCC in obtaining traffic right and flight schedule**

- Treated LCC just the same as traditional airlines, even much more care

➤ **Lowered LCC facility use fees**

- Adopted a flexible policy and created a relaxed environment on the fees and standards

➤ **Met the airport common service standards for passenger**

- Kept LCC characteristic without reducing the experience of passenger





Thank You!
Спасибо!