

SARS Impact

The SARS contagion erupted in Spring 2003 and spread quickly throughout Asia and many other places around the world, affecting airports everywhere as well as Narita. Although only 10% of scheduled international passenger services at Narita Airport were cancelled in April when the outbreak began, this figure increased to 22% in May and 23% in June. With SARS starting to go into remission in July and the airlines gradually resuming those cancelled services, this figure improved to 13%. Aircraft movements overall demonstrated a similar trend with 18% fewer international passenger flights in both May (9,433) and June (9,174) than the same months in 2002. Reductions in services on China and Southeast Asia routes in those two months were particularly dramatic while reductions were noted on all other routes as well.

Daily outbound international passenger traffic averages at the middle of April were down 26% on April 2002 and 36% in the latter half of April but plummeted to 43% of those posted in May 2002. As the contagion began to recede, the figures recovered to 34% in June and 24% in July, signaling an escape from a worst-case scenario. Numbers in the peak holiday travel

Outbound International Passengers (Daily Averages) (Source: Preliminary airline reports)

	2003 (A)	2002 (B)	A/B
April 1 – 16	22,642	30,599	74%
April 17 – 30	21,546	33,499	64%
May 1 – 31	17,824	31,186	57%
June 1 – 30	22,732	34,127	67%
July 1 – 31	30,579	37,699	81%

Since 2003 figures are from Thursday to Wednesday, 2002 figures are quoted from April 18 (Thursday) to May 1 (Wednesday).

season from 18 July to 31 August recovered to 81% of the same period in 2002 with 1.461 million passengers.

NAA's first quarter (April-June) revenue figures reflected the dire situation with a drop of around 7.5 billion yen on the expected total. 2.8 billion yen of this was from landing fees for international services, 2.3 billion was from passenger service facility charges, 1.1 billion from fuel facility usage charges and 0.84 billion from concession fees. In the three-month period from June to August, NAA also discounted building lease and concession fees by 20% to help airport businesses, excluding those in the cargo complex, to ride out the effects of SARS. This step was applied to 450 airlines and other companies in the passenger terminal

areas for the second time since September 2001 when the terrorist attacks in the US occurred.

NAA has already embarked on a 9 billion yen cost-cutting program to make up for this shortfall. This includes reduced spending on facility development and maintenance and reductions in management costs. NAA is also looking at more radical cost-cutting alternatives in the event that the effects of SARS become more pronounced.



Revenue Losses

(Million yen)

	April				May				June				Quarterly Totals			
	Forecast(A)	Actual	Loss(B)	B/A	Forecast(A)	Actual	Loss(B)	B/A	Forecast(A)	Actual	Loss(B)	B/A	Forecast(A)	Actual	Loss(B)	B/A
① Intrnl. landing fees	4,989	4,401	-588	-12%	5,136	4,070	-1,066	-21%	5,028	3,932	-1,096	-22%	15,153	12,403	-2,750	-18%
② PSFC	2,027	1,321	-706	-35%	1,949	1,102	-847	-43%	2,080	1,358	-722	-35%	6,056	3,781	-2,275	-38%
③ Dep. BHS charges	370	294	-76	-21%	419	269	-150	-36%	404	260	-144	-36%	1,193	823	-370	-31%
④ Fuel facility charges	1,828	1,528	-300	-16%	1,873	1,460	-413	-22%	1,828	1,475	-353	-19%	5,529	4,463	-1,066	-19%
⑤ Concession fees	1,013	800	-213	-21%	990	718	-272	-27%	1,003	648	-355	-35%	3,006	2,166	-840	-28%
⑥ Car park fees	125	99	-26	-21%	140	87	-53	-38%	129	97	-32	-25%	394	283	-111	-28%
⑦ VIP lounge charges	24	10	-14	-58%	31	12	-19	-61%	35	15	-20	-57%	90	37	-53	-59%
Total (A)	10,376	8,453	-1,923	-19%	10,538	7,718	-2,820	-27%	10,507	7,785	-2,722	-26%	31,421	23,956	-7,465	-24%
Gross Revenue (B)	13,399		-1,923	-14%	13,575		-2,820	-21%	13,601		-2,722	-20%	40,575		-7,465	-18%
Rent Discount											-299	-2%			-299	-1%

Forecast figures taken from budget totals.

Total (A) is the sum of the above seven items directly affected by the SARS outbreak.

Gross Revenue (B) is the sum of all revenue generated by NAA business activities including revenue from sources other than those listed above.

Rent Discount (20% of building lease and tenancy charges) applied from June through August.

PSFC:Passenger Service Facilities Charge

