

**EMBARGOED UNTIL AFTER DELIVERY**  
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**SPEECH BY MR LUI TUCK YEW, MINISTER FOR TRANSPORT  
AND SECOND MINISTER FOR FOREIGN AFFAIRS,  
AT THE CHANGI AIRLINE AWARDS 2012  
THURSDAY, 10 MAY 2012, 7.30PM  
SHANGRI-LA HOTEL SINGAPORE**

Mr. Liew Mun Leong, Chairman of the Changi Airport Group,

Mr. Lee Seow Hiang, Chief Executive Officer of the Changi Airport Group,

Distinguished Guests,

Ladies and Gentlemen,

A very good evening.

It gives me great pleasure to be here with you at one of the highlights of Singapore's aviation calendar.

**2011 and Q1 2012 in Review**

2. The past year has been a good one for Changi. Our air hub achieved yet another record-breaking year with more than 46 million passenger movements, representing a strong 11% year-on-year growth. This growth trend has accelerated in the first quarter of 2012, with 12.3 million passenger movements, an

increase of 12.9% over the equivalent period last year. Meanwhile, in the air cargo sphere, amidst a challenging global economy, Changi stood alone among the world's ten largest cargo airports in achieving positive traffic growth of 3% in 2011.<sup>1</sup>

3. Changi Airport has also continued to grow its global connectivity and network, with 105 airlines providing links to 211 cities in 6 continents in 2011. In the course of the year, Changi Airport welcomed 6 new airlines and added 10 new city links to its network. Notable firsts include Singapore Airlines' services to Sao Paulo, Brazil, connecting Singapore to South America for the first time. Closer to home, the entry of Lao Airlines, with services to Vientiane, has completed Singapore's connection to all nine other ASEAN states. Changi's connectivity will be further enhanced soon when new low cost carrier Scoot launches services to the Gold Coast, and later this year when, Druk Air introduces flights from Bhutan to Singapore.

4. Changi's bustle and global reach bring prosperity and connectivity not only to the airport, but to Singapore. Our airlines and airport sustain a flourishing and diverse wider aviation sector. Air transport also underwrites the competitiveness of Singapore's

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<sup>1</sup> Source: CAPA Centre for Aviation

key globally oriented industries such as tourism, financial services, logistics and high-end manufacturing. In short, aviation is a crucial enabler of Singapore's success. It is therefore appropriate that we honour tonight Changi's – and Singapore's – valued airline partners who are key to this success.

## **Asia Pacific Rising amidst Global Turbulence**

5. Changi has done well amidst rising turbulence in the global aviation market. The near term outlook for aviation continues to be challenging. Weakness in Europe and America and the spiking oil price are but two challenges the industry faces. IATA projects that airline profits globally could further weaken or even turn into losses this year, retreating from the modest profits of the year before.

## **National Archives of Singapore**

6. Amidst this adverse climate, the Asia Pacific region has shown resilience. Asia is aviation's rising star and future powerhouse. Based on an Air Transport Action Group study commissioned by IATA, the Asia Pacific aviation sector carries 780 million passengers yearly, supports close to 25 million jobs, and generates close to half a trillion US dollars in economic

activity. Boeing further estimates that the region will make up half of global air traffic growth over the next two decades. By the close of this phase, the region is projected to comprise a third of global air traffic, eclipsing Europe and America and surpassing the rising Middle East to become the world's largest aviation market<sup>2</sup>.

## **Partnership – The Key to Singapore Aviation's Success**

7. Singapore is well-positioned to prosper from this rising tide. But the competition is stiff and increasing. In looking for the right base to fly from, airlines have a range of gateway airports to choose from. Changi Airport must thus continue to make itself the global airline community's crossroads, destination and base of choice – for the region and the world.

8. In this regard, I am pleased that the Changi Airport Group, CAG, has been proactive and resolute in partnering with airlines to grow our air hub. Amidst a challenging economic climate, CAG's recently announced \$15 million cargo support package under the Changi Airport Growth Initiative (CAGi) is especially apt. The CAGi is a clear affirmation of CAG's commitment to support airlines' growth at Changi. This will in turn boost Changi's growth

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<sup>2</sup> Based on Airbus's projection.

and enhance Changi's connectivity. In addition, CAG has also been working closely with fellow stakeholders to enhance the award-winning Changi experience for travellers – the essential start and finish to every in-flight journey.

9. In parallel with CAG's good work, the Civil Aviation Authority of Singapore, CAAS, has also been championing Changi's success. As aviation rule-maker, CAAS' strong safety regulatory framework undergirds safe air operations. As a leading regional air navigation service provider, CAAS is enhancing Singapore's air navigation services and capabilities, to better facilitate air operations through Changi's global gateway, even as the air traffic figures continue to climb. Together, CAAS and CAG's continued endeavours are key to Changi's sustained success.

10. On our part, the Government also recognizes the paramount importance of Changi's airlines to the Singapore air hub, and is acting to address their needs. One key front in this effort is the work of the recently-launched Changi 2036 Steering Committee, or C2036 SC, chaired by Minister of State Josephine Teo. The Committee, whose members represent all the key stakeholders including CAG and CAAS, is charting a roadmap and blueprint for the growth of Changi Airport in the decades to come. Through this

and other efforts, the Government will continue to partner with our valued aviation stakeholders, to boost Singapore as an airline-friendly hub of choice, and create the conditions for Singapore aviation's onward success.

11. As we move forward in a global environment filled with challenges but also rich with potential, the stakes are high, and the opportunities are tremendous. Singapore would not have weathered adversity and grown into the air hub that it is currently, without the strong, win-win partnership amongst the airlines, Changi Airport, and the aviation authorities. On the cusp of a new chapter of growth for aviation here, let us renew our commitment to this formula of success.

## **Conclusion**

12. On this note, I would like to congratulate this year's recipients of the Changi Airline Awards, and thank all Changi airlines for finding a home in Singapore. I wish all of you a pleasant and enjoyable evening.

Thank you.