

**SPEECH BY MR LUI TUCK YEW, MINISTER FOR TRANSPORT AND  
SECOND MINISTER FOR FOREIGN AFFAIRS AT THE AVIATION  
COMMUNITY RECEPTION 2012 AT RED DOT DESIGN MUSEUM,  
28 MAY 2012**

Distinguished Guests,

Ladies and Gentlemen,

Good evening,

1 It gives me great pleasure to join all of you at this year's Aviation Community Reception to celebrate our accomplishments in the past year and reflect on the potential that lies ahead.

**Singapore Aviation: 2011 in Review**

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2 Aviation is a strategic pillar of Singapore's economic success. As a small country, strong air connectivity helps connect Singapore to the world, and strengthens our position as a global city, international business centre, and trading hub. In this regard, it is heartening that 2011, our aviation centennial year, has been a record-breaking one for Singapore aviation.

Last year, passenger movements at Changi grew by about 11%, to reach a new high of 46.5 million. Air cargo continued its recovery in the midst of global uncertainties, with a positive growth of 2.8% to 1.87 million tonnes. The aerospace sector achieved an output of S\$7.9 billion, the sector's highest so far. Our marquee biennial aviation event, the Singapore Airshow, also saw a record US\$31 billion in deals closed. Many companies announced plans for new or expanded facilities in Seletar Aerospace Park including Bombardier, Pratt & Whitney and ST Aerospace.

3 All of these achievements would not have been possible without the hard work of the aviation community. I would like to take this opportunity to thank all of you for your contributions and efforts in achieving a stellar aviation centennial year for Singapore.

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### **Prospects for Singapore Aviation Remain Good**

4 The aviation sector will face numerous challenges in 2012; high fuel prices, the ongoing financial crisis in Europe and a weak global economy. However, the overall outlook for the Asia Pacific region remains promising.

With its growing middle class and steps towards greater economic integration and air services liberalisation, our region will be a centre of growth for global aviation. The large aircraft order book of aircraft of Asia-Pacific carriers also bodes well for the continued growth of our aerospace companies.

### **Building Our Capacity**

5 Singapore must therefore be ready to tap this strong growth potential. This is not without its own set of challenges. We are facing intensifying competition from countries with keen ambitions to be aviation powerhouses. Compared to some of these resource-rich competitors, we need to strive harder to build capacity for the future, while optimising the value of our limited resources and assets in order to remain competitive.

6 One of our primary assets is Changi Airport. As a key node for many of the aviation sector's activities, it remains critical that there is adequate capacity at Changi to accommodate the increasing traffic demand and the longer-term development needs of the aviation sector. To this end, the

Changi 2036 Steering Committee chaired by Minister of State Josephine Teo will develop a Changi concept plan within the coming year, providing a strategic direction for the future capacity development of Changi Airport. In particular, the Committee will address the timeline and implementation plans for enhancing Changi's airfield and terminal capacity. This will entail going beyond the whole-of-government approach to take on the feedback and inputs of industry stakeholders as well. The Committee's recommendations will enable us to better-position our aviation hub for its next phase of growth.

7 Another key resource, and arguably the most important, is our people. To this end, the Civil Aviation Authority of Singapore, or CAAS, will be spearheading various programmes aimed at developing our manpower pool. CAAS will be sharing the details in a presentation later.

### **Changing How We Work**

8 Beyond resource optimisation and capacity building, it is important for the aviation community to continue to innovate and be adaptable to

change. In 2011, CAAS introduced the Process Innovation Challenge (PIC) where grants were awarded to various companies to implement work redesign or process improvement projects that would reap significant gains in productivity. These companies' efforts, which are showcased today at the gallery outside, deserve our commendation.

9 Going forward, concerted efforts to support the productivity drive in the aviation sector will also help maintain the momentum for innovation and change. To this end, CAAS will be expanding the scope of the Aviation Innovation Programme (AIP). Originally aimed at supporting the development of new and enhanced capabilities within the local aviation industry, the AIP can now also be tapped on for projects that will bring about a significant productivity gain. Through this, we hope to spur more companies to embark on innovative ways to boost productivity, optimise resources and improve overall competitiveness. CAAS will also be working with industry partners to deepen and widen efforts to raise productivity in the aviation sector.

## **Staying at the Forefront**

10 As Singapore aviation continues to compete on the international stage, there is a need for stronger collaboration between the industry and government to overcome barriers to entry overseas and expand market access. As such, CAAS will establish a new S\$5 million Aviation Promotion Programme under the Aviation Development Fund (ADF) to promote Singapore as an aviation hub of choice. The programme will help local companies expand market access globally through funding support for participation at international trade shows and business campaigns. Overall, the programme will further strengthen the partnership between the industry and CAAS to maintain Singapore's position at the forefront of aviation.

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## **Conclusion**

11 In conclusion, the Singapore Government remains committed to reinforcing Singapore's status as the aviation hub for the region. In order for us to remain ahead of growing competition, the continued partnership between the industry and government must be built on trust and cooperation. This will position the aviation community to tap new

opportunities and areas of growth, as well as to overcome common challenges. With this strong foundation of cooperation and collaboration, I believe that the aviation industry will continue to chart new grounds in the years to come.

12 I would like to again thank all of you for making 2011 a record-breaking year for Singapore aviation. As we celebrate the successes we have had, let us also join hands together to achieve even greater heights for Singapore aviation in the years to come.

13 I wish everyone a pleasant evening and successful year ahead.

Thank you.

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