

SPEECH BY MR LIM KIM SAN, MINISTER FOR NATIONAL DEVELOPMENT AND COMMUNICATIONS, AT THE 32ND ANNUAL GENERAL MEETING OF THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) AT THE CRYSTAL BALLROOM, HYATT HOTEL, ON MONDAY, 8 NOVEMBER 1976 AT 9.45 AM

Mr President, Ladies & Gentlemen

On behalf of the Republic of Singapore may I extend a very warm welcome to all delegates of member countries of the International Air Transport Association and all other participants who are gathered here in Singapore for the IATA 32nd Annual General Meeting. Singapore is honoured to be selected as the venue for your important annual meeting of more than 100 airline members from 75 countries. I would like to think that you are here for the same reasons that 1.2 million visitors have visited Singapore this past year. Singapore is a major financial, trading, communications and industrial centre, with excellent hotel accommodation, shopping facilities, restaurants, green areas and all the other little touches which make life pleasant to both visitors and residents.

The world-wide economic, financial and political environment in the past two years has not been conducive to the development of the air transportation industry. The growth rate in the total passenger traffic of the world scheduled airlines dropped dramatically from 10% in 1973 to 5% in 1974 and 2% in 1975. The low growth rate of the last 2 years is a reflection of the continued recession in the world's economy triggered off by the oil crisis. Fortunately there are encouraging indications that the world's economy is recovering and it is envisaged that the aviation industry will recover rapidly in the next few years.

Singapore has not fared too badly in the last few years. Notwithstanding the world-wide recession, we have recorded passenger traffic growth rate of about 10% for 1974 and 1975. Whilst this rate is low compared to the average of 25% for the pre-oil crisis years of 1971 - 1973, it is significantly higher than the overall world traffic growth. The momentum is picking up. Over 2.9 million passengers passed through Singapore Airport during the first eight months of 1976, an increase of

14% over the corresponding period last year. The freight and mail throughputs during the same period have also been encouraging. With the improving world economic situation, the air passenger traffic in Singapore is projected to grow from between 11% and 16% per year and is expected to reach about 14.4m passengers by 1985.

This being the trend, it is imperative for Singapore to expand her airport facilities to cope with the growth of air traffic up to 1985. Following an exhaustive and comprehensive study, the original plan to construct a second runway together with the supporting passenger and freight terminals at Paya Lebar was dropped. Instead, it was decided to develop Changi as the major civil airport for Singapore.

However, some sceptical observations have been made overseas about the viability of Changi Airport. It is not our practice in Singapore to waste money on unnecessary developments and we are confident that Changi Airport will not be a white elephant. It is our intention to continue with a liberal air transport policy so that carriers will find it attractive to call at Singapore thus helping us to realise our forecast on air traffic growth. The Airport Consultative Committee has reviewed our plan for Changi Airport and in general, accepted our detailed planning for a new international airport. I take this opportunity to express my thanks for the assistance which your Association had rendered to our planners.

Unfortunately, this spirit of co-operation is not forthcoming from the West when the fledgeling carriers of this part of the world begin to develop. It is not unusual for great nations and large national carriers to complain of unfair competition from the airline pygmies of Asia. I am informed that "unfair competition" in airline circles often refer to the quality of in flight services provided such as free drinks, earphones and the provision of facilities to make the passengers as comfortable as possible. It puzzles

me that the heat generated seems to be out of proportion to the importance of the issues.

For decades, the western airlines have enjoyed free and unfettered rights to operate in Asia with no thought of reciprocity. These rights are still enjoyed substantially by Western carriers. I do not think it is too much to ask that instead of unnecessary restriction on expansion of Asian airlines, there should be greater willingness to give us a fairer share of the action particularly in those areas where the under-developed world can compete with the developed. As for Singapore, our liberal aviation policy has promoted the economic interests of the nation as well as the commercial interests of our national airline. We will continue with this liberal policy and hope that the developed world will reciprocate.

With continuing effort and the adoption of more realistic approaches, mutual respect and greater understanding among international airlines, I am confident that further achievements and advancement would be made in the aviation industry.

On this note, may I wish all of you a most successful meeting and an enjoyable stay in Singapore.