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SPEECH BY BG (RES) LEE HSIEN LOONG, MINISTER OF STATE
(TRADE AND INDUSTRY) AND (DEFENCE), AT THE OFFICIAL OPENING
OF THE THIRD ASIAN AEROSPACE EXHIBITION
ON WEDNESDAY, 15 JANUARY 1986 AT 10.30 AM

Once again, Singapore is hosting the Asian Aerospace Exhibition. The organisers inform me that this exhibition has grown to become the world's third most important aerospace exhibition, after the Paris and Farnborough Airshows. Since the first exhibition was held in Singapore four years ago, in September 1981, the exhibition has expanded nearly three fold, to nearly 500 participants. And the exhibition area is eight times larger. This is a reflection of the rapid progress in the development of the aerospace and aircraft-related industries in Asia.

Several factors contributed to the progress of the aerospace industry in Asia. The Asia-Pacific is the most dynamic region in the world in terms of air transport development. The regional market, for both civil and military air transport, has tremendous potential. The requirements of countries such as China, Japan, India, Australia and Indonesia, are estimated by many aviation experts to be worth over a billion US dollars. In its latest annual report, the International Civil Aviation Organisation (ICAO), indicated that the world aviation industry has not only started to recover from a difficult period, but has begun to show operating profits.

In terms of air-traffic distribution, there has been a gradual long term shift in the pattern of regional market share. Over the last decade, the combined shares of international traffic of North American and European airlines

fell from 66 per cent to 57 per cent, while the shares of Asia Pacific airlines increased from 19 per cent to 26 per cent. On present trends, ICAO forecasts that by this year or next, the Asia Pacific region should overtake Europe, excluding the Soviet Union.

Major aircraft manufacturers such as Boeing, Airbus and McDonnell Douglas have forecast passenger traffic growth worldwide to be about 5-7 per cent per annum over the next 15 to 20 years. According to Boeing, the Asia Pacific region will show the fastest traffic growth, with an average annual rate of nearly 10 per cent for the rest of this decade. These companies feel that better traffic growth and trends towards lower operating costs will result in greater profitability for airlines. This means that the airlines will be better able to expand their fleets, and to replace older and less fuel-efficient aircraft with newer, more economical and safer ones.

Such forecasts augur well for the aerospace industry. They mean that the industry will be able to continue to upgrade their transport aircraft. Upgrading includes increasing engine efficiency, introducing new advance turbo-propeller engines, increasing use of composite materials, integrating more aircraft systems and improving maintainability. This will provide the basis for further growth of the aircraft-related industries in the Asia Pacific region.

As for Singapore, we will continue to promote the aerospace industry. Our priorities are to develop further our repair and overhaul capabilities for aircraft equipment and components, and to promote the manufacture of aircraft and engine component parts for export worldwide. Singapore cannot manufacture complete aircraft, but it can supply aircraft components and technical services. The aerospace industry will be one of our growth areas.

With regard to this exhibition, the Singapore Govern-
ment will continue to give it maximum support to ensure its
continued success. As the show will be staged every two
years, a permanent building will be considered for future
exhibitions.

I now have pleasure in declaring the Third Asian
Aerospace Exhibition open.

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