



CHANGI
airport group

Media Release

Changi Airport Group commits S\$15 million to support air cargo sector

SINGAPORE, 28 March 2012 – Changi Airport Group (CAG) announced today that it has put in place a S\$15-million cargo support package under the Changi Airport Growth Initiative (CAGi) to support the air cargo sector for the new financial year starting 1 April 2012. The package includes a 20% landing fee rebate at Singapore Changi Airport for all freighter flights, partnership funding support for new cargo development initiatives, as well as up to 20% rental rebates for cargo tenants leasing CAG cargo facilities at the Changi Airfreight Centre.

While passenger traffic at Changi has been growing strongly over the past two years, the air cargo sector has been facing strong headwinds due to the ongoing economic slowdown in the US and Europe, coupled with persistently high jet fuel prices. The International Air Transport Association has reported that the global air cargo market contracted 0.7% in 2011. Asia Pacific, the largest international air cargo market with 40% market share, declined the most by 4.8%. Although airfreight movements at Changi Airport rose by 2.8% to 1.87 million tonnes last year, it has only recovered to 2008 levels¹.

Under the CAGi scheme, CAG will also extend a 5% across-the-board rebate on landing fees for all passenger airlines at Changi Airport² in the new financial year. Other CAGi incentives remain in place to support existing airlines' traffic growth at Changi Airport and the launch of services to new destinations, as well as to attract

¹ Changi Airport recorded its highest air freight movements in 2006 when 1.91 million tonnes of air cargo passed through the airport.

² This 5% rebate is included in the 20% rebate on landing fees for freighter flights.



new airlines. These rebates and incentives moderate operating costs for airlines at Changi Airport which together operate more than 6,100 flights each week.

CAG will also continue to work with airlines to drive traffic demand to their key markets through joint marketing activities targeting both trade partners as well as passengers. For example, CAG twice partnered airlines, travel agents and the Japan National Tourism Organisation to promote travel to Japan following the earthquake which hit the country last March. On-going at the moment is a CAG-sponsored campaign with airlines and travel agents to boost travel demand for the new flights between Singapore and Chinese secondary cities such as Changsha and Zhengzhou.

Said Mr Lee Seow Hiang, CAG's Chief Executive Officer, "Changi Airport could not have achieved its leading position as a key international air hub without the support of our valued airline and cargo partners through the years. We are hence fully committed to strengthening our relationship with them through win-win partnerships and support programmes that will enable our partners and us to overcome the challenges ahead together and sustain our mutual growth for the long-term."

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About Changi Airport Group

Changi Airport Group (Singapore) Pte Ltd (CAG) (www.changiairportgroup.com) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. Through its subsidiary Changi Airports International, the Group invests in and manages foreign airports to spread the success of Changi Airport internationally.

Changi Airport (www.changiairport.com) is the world's most awarded airport having

garnered more than 390 accolades since it opened in 1981. To serve passengers and visitors from the world over, there are 320 retail stores and 130 F&B outlets across the airport's four terminals. Changi handled more than 46 million passenger movements in 2011, an annual record. Today, it serves some 100 airlines flying to over 220 cities in about 60 countries and territories worldwide. A flight takes off or lands at Changi roughly once every 100 seconds.