

# Media Release

## Changi Airport Group increases support for air cargo sector

**SINGAPORE, 19 December 2012** – Changi Airport Group (CAG) announced today that it is increasing its support for the air cargo sector in the face of continuing headwinds for the airfreight business.

For the first six months of 2013, rebates for landing fees at Changi Airport will be raised to 50% for all scheduled freighter flights. This additional initiative, amounting to S\$4.5 million, brings CAG's total support for the air cargo sector to close to S\$20 million since the start of FY2012/13<sup>1</sup>.

In March 2012, CAG announced a S\$15-million cargo support package for FY2012/13 consisting of a 20% landing fee rebate for 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<sup>2</sup>.

While passenger traffic at Changi has been growing steadily over the past year, the air cargo sector has been facing downward pressure due to falling yields of airfreight carriers, as well as persistently high jet fuel prices. The International Air Transport Association has reported that the global cargo tonnage is likely to contract 2.0% in 2012<sup>3</sup>. In Singapore, the manufacturing sector has declined for four consecutive months, and the country's growth forecast for 2012 has been cut to around 1.5% on the back of a sharp contraction in electronics manufacturing for Q3 2012<sup>4</sup>.

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<sup>1</sup> Year ending 31 March 2013

<sup>2</sup> All passenger airlines at Changi Airport also enjoy a 5% landing fee rebate in FY2012/13.

<sup>3</sup> <http://www.iata.org/whatwedo/Documents/economics/Industry-Outlook-Dec2012.pdf>

<sup>4</sup> [http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-Third-Quarter-2012/PR\\_3Q12.pdf](http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-Third-Quarter-2012/PR_3Q12.pdf)

Correspondingly, total cargo throughput at Changi Airport has declined 2.7% year-on-year to 1.65 million tonnes for the first 11 months of 2012. For the month of November 2012, Changi Airport handled 152,000 tonnes of cargo, a decrease of 5.1% compared to November 2011.

However, despite the overall decline in cargo volumes at Changi Airport, some segments such as pharmaceuticals, live animals and perishables have shown moderate improvements, registering increases of more than 5% year-to-date.

Said Mr Lee Seow Hiang, CAG's Chief Executive Officer, "Our cargo industry partners have expressed continued concern about the outlook for the sector given the ongoing uncertainty about the health of the world's major economies. Hence, CAG has decided to provide this additional support to moderate operating costs for cargo airlines at Changi Airport. This is our commitment to building strong partnerships, in good times as well as bad."

Ms Noor Azizah Aziz, Cargolux Airlines International's Country Manager, Singapore, said, "This additional rebate is definitely a welcomed move in these challenging times. It also shows that CAG is keeping in close touch with the realities of the industry."

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## ***About Changi Airport Group***

Changi Airport Group (Singapore) Pte Ltd (CAG) ([www.changiairportgroup.com](http://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](http://www.changiairport.com)) is the world's most awarded airport having garnered more than 400 accolades since it opened in 1981. To serve passengers and visitors from the world over, there are over 330 retail stores and 120 F&B outlets across the airport's three terminals. Changi handled more than 46 million passenger movements in 2011, an annual record. Today, it serves some 100 airlines flying to over 230 cities in about 60 countries and territories worldwide. A flight takes off or lands at Changi roughly once every 100 seconds.