

AIR CARGO SECTOR GETS MORE SUPPORT



CAG extended the S\$15 million cargo support package to cargo airlines at Changi Airport to help them cope with the ongoing uncertainty about the health of the world's major economies. *Photo courtesy of Changi Airport Group.*

While passenger traffic at Changi Airport grew steadily throughout 2012, the air cargo sector faced challenging market conditions due to falling yields and persistently high jet fuel prices. According to the International Air Transport Association, global cargo tonnage for the year 2012 contracted by as much as 2% year-on-year.

To aid the stricken air cargo sector, Changi Airport Group (CAG) increased its support to the industry by announcing a 50% rebate on landing fees, to be applied to all scheduled freighter flights for the first six months of 2013.

The initiative, amounting to S\$4.5 million, brings CAG's total support for the air cargo sector to close to S\$20 million for the financial year 2012/13.

In March 2012, CAG announced a S\$15 million cargo support package, which consisted of a 20% landing fee rebate for freighter flights, partnership funding support for new cargo development initiatives, and up to 20% rental rebates for cargo tenants leasing CAG cargo facilities at the Changi Airfreight Centre.

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

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

Mr Lee Seow Hiang, CAG's Chief Executive Officer, shared, "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."