

31 Oct 2006

Singapore's Budget Terminal Sees Encouraging Growth

Minister for Transport presented a positive report card on the terminal at an event to mark its official opening

In the first six months since it opened for scheduled flight operations in March 2006, Singapore's Budget Terminal (BT) has seen an impressive 97 per cent increase in flights, 46 per cent increase in passenger numbers, 33 per cent more city links and added a second airline. The positive outlook of the BT was revealed today by Mr Raymond Lim, Singapore's Minister for Transport and Second Minister for Foreign Affairs, at an event to mark the terminal's official opening. The positive growth of the BT is testimony that the terminal's business model of keeping operational costs low for airlines is bearing fruit.

When the BT commenced operations on 26 March 2006, it had one airline - Tiger Airways - operating 124 weekly flights to 12 cities. Tiger Airways has since launched a substantial number of new flights and expanded its network. Five months later in August, the BT welcomed its second airline, Cebu Pacific, a Philippines-based low cost carrier. Today, the total number of flights at the BT has almost doubled to 244 weekly scheduled flights, of which 222 flights are operated by Tiger Airways and the remaining 22 flights by Cebu Pacific. The BT's city links have increased by 33 per cent to 16 cities namely Bangkok, Chiang Mai, Hat Yai, Krabi, Phuket, Hanoi, Ho Chi Minh City, Cebu, Manila, Clark, Macau, Guangzhou, Haikou, Shenzhen, Darwin and Padang.

The number of passengers at the BT has also seen healthy growth. Initially, about 72,800 passengers passed through the BT during its first month of operations. This figure has since swelled to over 106,000 for the month of September, representing an increase of 46 per cent. In all, the BT has handled about 657,000 passengers as at 26 October 2006.

"The distinct value of the Budget Terminal to the users is in its design. The Budget Terminal offers airlines a low cost operating option - a terminal which fits their business model better. The Budget Terminal enhances Changi's attractiveness as a hub by offering airlines the choice to operate from Terminal 1, Terminal 2 or the Budget Terminal, as best suits their needs. This, in turn, benefits travellers who are able to take advantage of the increased choices in destinations and fares offered by the different airlines at the various terminals," said Minister Lim. He added, "The strong performance of the Budget Terminal also supports the healthy growth at Changi Airport. LCC flights in Singapore have grown from 9.6 per cent of total flights in April 2006 to about 11.3 per cent today."

Airlines, retail operators and airport tenants at the BT are able to reduce their operating costs as airport charges such as rental of check-in counters, shops and office space are up to 50 per cent lower than the charges at Changi Airport's Terminals 1 and 2. Besides the savings on rental charges, airlines operating out of the terminal also save on aerobridge fees as there are no aerobridges at the BT. In addition, travellers enjoy greater cost savings as the total passenger service charge at the BT is just S\$7. This is more than 50 per cent lower than the S\$15 charged at the main terminals and is also the lowest passenger charge for international flights in the region. The lower charges at the BT are possible as the general operating and maintenance costs of the simple and efficient terminal are lower.

The 25,000 square metres BT is located less than two kilometres away, or a 5-minute drive, from Changi Airport's Terminals 1 and Terminal 2. Free shuttle bus services plying between the BT and Terminal 2 facilitate travellers at Changi Airport who may need to catch a connecting flight to / from the BT. There are 17 shops and service concessions as well as five food & beverage outlets at the BT. Free services such as internet access and local telephone call facilities are also available for passengers. The BT has an initial handling capacity of 2.7 million passengers per annum and there is scope for further expansion to cater for future growth.