

**SPEECH BY LEE SEOW HIANG, CEO OF CHANGI AIRPORT GROUP, AT THE  
OPENING OF NATAS TRAVEL 2010, 26 FEBRUARY 2010 (9.00 AM) AT  
SINGAPORE EXPO**

Mr William Tan, President of NATAS

Your Excellencies

Distinguished Guests

Ladies and Gentlemen

A very good morning. On behalf of CAG, I wish all of you a Happy and Prosperous Year of the Tiger.

This morning, it is my pleasure to join you for the opening of NATAS Travel 2010. This weekend's event comes at an opportune time, taking place as the travel industry as a whole recovers from the weaker market conditions that we saw last year.

**Outlook for 2010**

Like William, I firmly believe the prospects for the travel trade look very promising. From our vantage point, we have started 2010 on a strong note. Based on figures we are releasing today, January 2010 saw more than 3.38 million passenger movements through Changi Airport. This is a 10 per cent increase over January last year and still a nearly 9% increase compared to the pre-crisis level of January 2008. This is also the highest traffic ever registered in the history of Changi for the month of January. This is indeed quite remarkable given the unprecedented global slowdown we have witnessed, and remembering that we did not have the benefit of this year's Chinese New Year holiday, which fell in February.

Looking at the trends last year, regional travel, especially within ASEAN, has continued to grow strongly. Traffic between Singapore and Malaysia, Indonesia and

the Philippines increased substantially. More importantly, despite the downturn, we also saw additional flights to new destinations such as Ipoh and Kuantan in Malaysia, Shantou in China, and, Semarang and Bandung in Indonesia. Passenger traffic for one of Singapore's key markets, China, has turned around and we are confident that the growth trend will continue. There are also positive signs that traffic for long haul markets in both Europe and the US is recovering. North America registered 4.7% growth in January 2010 and Western Europe registered only a slight decline of 0.1%. In a nutshell, there is every reason to be optimistic about 2010 for all of us in the aviation and travel sector.

### **Working with the industry**

In Singapore, there is a strong nexus between in- and outbound travel and the destiny of our airport. A majority of vacations today take place via air travel. The interests of the travel industry and Changi Airport are therefore fully aligned and therein lie enormous opportunities for us to work together in partnership to grow the market further. Allow me to highlight some of these possible areas of collaborations.

First and foremost, Changi Airport Group's main contribution to the travel industry is to develop Singapore as a vibrant air hub. One of our core missions is to connect Singapore to the world and the world to us. To achieve this, we work closely with our airline partners to enhance Changi's connectivity. For example, you may have heard about the recent agreement, which we struck with Jetstar last month, under which the airline will make Singapore its largest hub in Asia. For the travel industry, such agreements mean new destinations and more flights from Changi. Over time, travel agents will be able to innovate and broaden your offerings of holiday products to your customers.

Looking ahead, this is the only sustainable way to ensure the continued resilience and growth of the travel industry. We need to move beyond competition on price alone to continued innovation, service offerings and service quality and standards. I am heartened to hear of the direction and emphasis that NATAS is taking in 2010 with its focus on further enhancing service standards and professional certification amongst its members. CAG supports this emphasis and we are committed to play our part.

Indeed, in our efforts to increase air travel options from Changi Airport, we warmly welcome your ideas and suggestions on how we can work with you, including raising awareness of and the marketing of new cities as interesting holiday spots. For example, there are several secondary cities in China, India, Indonesia and South Korea which have strong potential as tourist destinations. As demand for air travel to these cities grows, direct flights become possible. This is a mutually beneficial outcome for travel agents and Changi. Given your deep understanding of passenger preferences, travel agents are in a good position to assess and identify potential new markets.

Let me share a recent example of how the concerted efforts of airports, airlines, tourism organisations and travel agents can bring about new business opportunities for travel partners. Last year, Changi Airport Group worked with the Singapore Tourism Board, Korea Tourism Organisation, Busan Airport, Asiana Airlines and major travel agents in both South Korea and Singapore, to introduce 14 flights between Singapore and Busan at the beginning of this year. These direct flights enabled travel agents in both countries to offer differentiated tour packages to their customers. I am told that the response was quite overwhelming, with most flights operating at full capacity. With the transformation of our tourism offerings in Singapore, such as the opening of the two IRs, the potential for such collaboration between industry partners can only increase.

### **Destination Changi**

On a different note, we at Changi are also glad that many Singaporeans continue to regard Changi Airport with pride and view it as the first destination of their holidays. Our airport has become an increasingly popular dining and shopping venue for locals. Over the past year, there has been a two-fold increase in the number of visitors to the airport, indicating that many people visit Changi even when they are not catching a flight.

To tap on this large audience, I warmly invite travel agents, airlines and foreign tourism boards and organisations to consider hosting niche travel events at Changi Airport. Perhaps NATAS can even consider holding a thematic travel fair at Changi.

After all, Changi should be a natural place where visitors are able to find some of the best travel ideas that are available in Singapore today.

Our dream is that Singaporeans do not narrowly regard us only as an airport. We are not merely a transit point for passers-by but increasingly a destination in itself, offering exciting activities for both the young and the old. I firmly believe that the more Singaporeans feel engaged with Changi and have a deep sense of ownership over the place, the more we can secure its success for the long term.

On our part, CAG will continue to enhance the Changi Experience for our visitors. For example, we are launching the *Changi Rewards* programme to make shopping and dining at Changi even more worthwhile. Pardon me for a little soft-sell, but I warmly invite all of you to sign up for the *Changi Rewards* card that is freely available at the Changi booth established at today's fair.

### **Conclusion**

The success of Changi Airport is very much intertwined with that of the travel industry. We have a symbiotic relationship and, with the recovery ahead of us, there will be opportunities for collaboration and partnership to drive growth and achieve success.

It leaves me to wish NATAS and all the participants a profitable and fruitful NATAS Travel 2010.

Thank you.

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