



AWARD MARKS CHANGI AS ASIA'S LEADING CARGO AIRPORT

The Global Institute of Logistics



CHANGI AIRPORT
ASIAN AIR CARGO AIRPORT

2004

Singapore-Changi Airport has been named top air cargo airport. The Global Institute of Logistics has announced Changi Airport as its choice for "Asian Air Cargo Airport 2004".

Following a detailed correlated research and selection process into the global air cargo market, the Awards Committee at the Global Institute of Logistics (GIL) has designated Changi Airport as the recipient of its **"Asian Air Cargo Airport 2004"** accreditation. The comprehensive study conducted by the research department of the Institute over the last year draws for a significant part on a quality-ranking system based on responses provided by concerned parties within the global logistics sector. The research department of the Institute has been conducting a comprehensive study on the air cargo industry over the last year and this has led to the Institute's recognition of Changi Airport. The Institute, in its research of air cargo, specifically looked at the standards applied by international airports in the movement and shipping of freight and accordingly recognises the experience and professionalism brought to the sector by Changi Airport.

The outcome of the study saw Changi emerge as the unequivocal choice of the Awards Committee for conferring as its leader in Asian cargo moving airports. While the air cargo industry has experienced difficult times in recent years, air cargo operators expect new peaks in 2004. Boeing has projected that world air cargo traffic will expand at an average of 6.4 percent during the next two decades. Globalisation is driving air cargo volume to record heights world trade is growing twice as fast as the world economy, and air cargo is expected to grow twice as fast again as international trade. The most valuable shipments, the type required in today's information age, are increasingly shipped by air. As companies continue to ship smaller lot sizes more frequently to speed product cycles and avoid extra inventory expense, air cargo and expedited services step to the forefront.

Lead analyst at the Institute Siobhan Kelly explaining the Institute's decision said:

'The Global 3RD party logistics industry is Asia bound, our analysis shows that greatest growth in demand for logistics services will come from that region. The use of air-cargo services will grow in tandem with demand and will see key logistics hubs emerging across Asia

What we wanted to specifically examine in our investigations into the quality of air cargo service providers in Asia, was which operators were most in tune with the needs of the rapidly evolving 3RD party logistics sector. Undoubtedly the winners over the next 5 years will be those Airport Authorities who invest most heavily in understanding Global trends in our market place and those who are willing to act on this intelligence and make the investments needed in infrastructure and handling services to meet this demand.

We studied the research department's appraisal of the four leading air cargo airports in Asia; at the end of our deliberations we felt that Changi at Singapore was the industry leader. It was evident that the authorities in Singapore understand the critical contribution that logistics and its associated services make to the economy, with most recent figures pointing to a 9% contribution to Singapore's G.D.P. Not just content to wait and see how globalisation will effect Asia, as others have done in the region, CHANGI is pressing on with further capital expenditure on new facilities and is actively seeking a third ground handling company to operate at the airport in both anticipation of demand and for the cause of competitiveness.

CHANGI has a 'can-do' attitude, 3RD party logistics operators at the airport contacted by our researchers indicated a real sense of being important to the Airport, citing the ease with which they are able to contribute to its future developments and more importantly negotiate at the highest levels on pricing and service level agreements."

ABOUT CHANGI

Changi Airport in the city of Singapore is one of the largest aviation facilities in Asia. Changi Airport has experienced phenomenal growth in air cargo throughput since the airport first opened for operations in 1981. On average, air cargo throughput has grown at an average of 12% annually. The Changi Airfreight Centre (CAC), which occupies 47 hectares at the northern end of the airport has eight airfreight terminals, two express courier centres and four Cargo Agents building. The Airport Logistics Park of Singapore developed next to CAC for the Asia Pacific bases of 3PL providers, houses amongst others, Exel, a leading global logistics provider. Two ground handling agents, Singapore Airport Terminal Services and Changi International Airport Services, operate the centre with an annual capacity of 2.5 million tonnes of cargo. The Centre offers airlines, cargo agents, shippers and consignees the benefit of a round-the-clock service centre. CAC is operated as a Free Trade Zone where companies can easily move, consolidate, store or repack cargo without the need for documentation or customs duties. Ten freighter aircraft parking bays front the airfreight terminals, giving added convenience to both ground handling companies in cargo handling. The five cargo agents' buildings are managed by the Civil Aviation Authority of Singapore and provide warehouse and office space to

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more than 200 international and local freight forwarders. There is also two dedicated Express & Courier Centres within the area. Almost every aspect of the cargo handling process in the CAC involves the use of technology to increase the efficiency of cargo handling. State-of-the-art infrastructure has done much to speed up the handling process within the airfreight terminals. Changi Airport has shown that it is committed to providing air cargo handling capacity ahead of demand to cater for the growing needs of the Singapore airfreight industry. They continually monitor market conditions and review and revise the Airport Master Plan to meet any changes to these conditions.

This accreditation is in recognition of Changi's outstanding contribution to the development of the international air cargo market and to the ease with which third party logistics providers can access and avail of their first class facilities which enables quick turnaround in value-added logistics and regional distribution activities. Increasingly security and safety underpin everything in the worldwide air cargo industry. New initiatives undertaken by Changi have proven effective and workable creating a minimum of disruption to the flow of air cargo. The airport authority is to be congratulated on the manner in which it dealt with the challenges faced by the international air cargo industry including its contribution to SARS prevention.

Commenting on the Announcement, Kieran Ring C.E.O. at the Global Institute said on behalf of the Awards Committee:

"We felt as a committee that despite a lot of talk about future developments at the regions other major air cargo hubs CHANGI will deliver on its promises. Right since its inception the airport and its management have a record of delivering on what they say. They have demonstrated great tenacity in dealing with any challenges seen and foreseen that have come their way. I am of course referring in particular to the way in which the authority dealt with last years SARS outbreak, always calm and collected and in typical Singapore fashion with the utmost respect for citizen individual and corporate alike.

Many of the world's most pioneering global 3PL's have chosen CHANGI as their base in Asia, firstly because of its excellent facilities and secondly and most importantly because they believe that Singapore will remain competitive and continue to innovate.

Innovation is the key, particularly in ground handling and in CHANGI's case they have proven themselves experts in finding ways to shave fractional time savings in the turn around time for incoming and outgoing flights which of course adds up to more competitive supply chains for all.

In coming to our decision we wanted to underpin client confidence in CHANGI and put paid to any speculation that Singapore could loose its status as the regions primary hub. The research makes it quite obvious that CHANGI has a history of leading the way in the region, a history we feel it will vehemently and successfully defend long into the future."

About the Global Institute of Logistics

The Global Institute of Logistics is the global forum for the 3rd Party Logistics (3PL) industry. The forum serves its members by providing the platform for

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discussion and debate on the issues affecting the third party logistics industry, both regionally and globally.

Membership is drawn from the world's 3rd party logistics community and is by invitation. Participants are organisations who have met the necessary standards for membership.

The Institute acts as an intelligence-gathering agency and disseminates this information in the form of daily news reports and briefings via this website and our journal "RELAY".

The Institute promotes third party logistics to end-users through its circulation of regional and global reports. Our reports examine the changing face of the logistics industry and include profiles on leading regional 3PL's. These profiles are supported by case studies demonstrating logistics in action and illustrating the cost-cutting, sales-building achievements of the world's best 3PLs.

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