



**SPEECH BY MRS LIM HWEE HUA
MINISTER OF STATE FOR FINANCE AND TRANSPORT
AT THE INAUGURAL CEREMONY
FOR JETT8 AIRLINES CARGO PTE LTD
AT JETQUAY (CIP TERMINAL), CHANGI AIRPORT
TUESDAY, 18 SEPTEMBER 2007, 4PM**

Mr Louis Tan

Chairman and Chief Executive Officer, Jett8 Airlines Cargo

Mr Tan Lye Teck

Acting Director – General and Chief Executive Officer, Civil Aviation Authority of Singapore

Distinguished Guests

Ladies and Gentlemen

Good afternoon. I am very pleased to join you here to celebrate the successful launch of Jett8 Airlines Cargo's operations.

2. The establishment of Jett8, Singapore's first privately-owned pure cargo carrier, marks yet another milestone in Singapore's air cargo sector. It also reflects the conducive operating environment at Changi that supports the entry and growth of new players in the airline industry.

Singapore Changi Airport Consolidates Leading Position

3. In 2006, Changi was ranked 6th in the world for international cargo tonnage, making it one of Asia's top four players. Changi Airport continued its strong performance into 2007, with over 1 million tonnes of freight passing through Changi to-date. I am

confident that Changi will continue to feature as one of the top performers on a global scale in the years ahead.

Air Cargo Sector a Key Contributor to Our Position as World-Class Logistics Hub

4. Today, Singapore Changi Airport handles nearly 4,200 flights per week, linking us to more than 180 cities. Singapore's extensive network of air and sea links is the bedrock of our success as a key node for global logistics flows, providing much-needed connectivity to the region for major industry players.

5. Indeed, Singapore's liberal aviation policies and strong air cargo sector have contributed significantly to our position as a world-class logistics hub. The logistics sector has always been a key pillar of Singapore's economy, both as an industry and as an enabler. As an industry, Singapore's logistics sector accounts for more than 8% of our GDP and employs over 100,000 workers. More than two-thirds of the world's top 25 third-party logistics companies also have a substantial presence in Singapore.

6. Through the development of innovative solutions, Singapore is able to provide value to shippers, enhancing our logistics sector's role as an enabler to industry. For example, the strategic location of the Airport Logistics Park of Singapore, or ALPS, within the airport free trade zone, has enabled quick turnaround times for value-added logistics and regional distribution activities.

7. Aside from efficiency improvements, Singapore is also able to offer customised logistics solutions catering specifically to industries with specialised needs. One such facility is the life-sciences distribution hub in Singapore that provides temperature-controlled facilities and end-to-end cold chain management.

Strong Market Opportunities in Asia-Pacific

8. Moving ahead, we are upbeat on the logistics sector as the outlook for the industry in Asia remains strong. One key driver will be the growing logistics outsourcing market, which is expected to see double digit growth over the next few years, reaching US\$80 billion by 2012.

9. This will translate into growth opportunities for air cargo as well. According to forecasts by the International Air Transport Association (IATA), air freight volumes within Asia-Pacific are expected to grow 8.5% per annum on average till 2009, as compared to a global average of 6.3%. Air cargo flows from Europe to Asia-Pacific are expected to grow by nearly 6% per year on average for the same period.

10. With its network, Jett8 is well-poised to take advantage of these growth opportunities in Asia and Europe. Its services to Hong Kong will allow it to tap into the market opportunities created by China's phenomenal growth. There is also synergy between Jett8 and its strategic partner, Nippon Cargo Airlines, as Jett8 provides onward connections to Europe and the Middle East via Singapore. The close co-operation between Nippon Cargo Airlines and Jett8 is testimony of Singapore's role as a logistics hub providing valuable connectivity to points throughout the world. It also reflects the symbiotic relationship that Singapore enjoys with the airlines operating at Changi.

Conclusion

11. In closing, let me offer my heartiest congratulations to Jett8, and once again welcome this newest home-grown airline to Changi Airport. I wish Jett8 every success in the future.

Thank you.