

Cargo airline Jett8 ready for expansion

Carrier to bump up services to five and beef up fleet with two new aircraft

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A year after it took to the skies, Jett8 Airlines Cargo – Singapore's first privately-owned cargo carrier – is gearing up for an expansion.

The growth comes as sky-high jet fuel prices – which have doubled in a year to average almost US\$170 a barrel – force other carriers to cut capacity and, in some cases, even cease operations.

Jett8 now operates two services – one between Singapore and Hong Kong; and the other connecting Singapore to Dubai in the Middle EAST, Manchester in Britain and Luxembourg in Europe.

These will be bumped up to five services in the first week of next month, Chairman and Chief Executive Officer Louis Tan told The Straits Times.

The airline will continue to fly to Hong Kong, but will cease operations in Dubai, Manchester and Luxembourg at the end of the month. It seeks to move valuable resources to better-performing markets, including Pudong in China, and Chennai, Mumbai and Bangalore in India. It will also start flying to Amsterdam in the Netherlands and Malmoe in Sweden.

To cope with soaring oil prices, the airline, which now operates two Boeing 747-200 freighters, will soon add a third aircraft, a B747-700, Mr Tan said.

“The 747-400 burns 15 per cent less fuel and has 15 per cent more capacity than the 747-200, so it is more economical, especially for long-haul flying,” he explained.

Another aircraft is coming in October.

Despite escalating fuel prices, a global credit crunch and a slowing economy in the United States, Asia Pacific carriers are in a better position to weather the downturn because of continued good growth in the region, experts say.

The region now accounts for about 46 per cent of international global cargo traffic, compared with 26 per cent for Europe and about 17 per cent for the US.

Still, higher fuel prices are affecting the bottom line of carriers. In turn, they are passing on some of the costs to the consumer through fuel surcharge.

Mr Michael Yew, the Managing Director of Air Tiger Logistics, said: “In the last year, surcharges have gone up by more than 50 per cent for many markets. For freight to Europe for example, the cost per kg is about \$4 and the fuel surcharge, \$2.50. This time last year, the surcharge was less than \$1.50.”

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