

Changi Airport handles record 54.1m passengers in 2014

Traffic to South Asia, North-east Asia up 6% and 4%; Dubai airport pips Heathrow to become world's busiest airport with over 70m passengers

By Nisha Ramchandani
nishar@sph.com.sg
@Nisha_BT

Singapore

IN a year when the aviation industry faced strong headwinds, Changi Airport saw a milestone 54.1 million passengers for 2014, although growth was a modest 0.7 per cent year on year, while flight movements dipped 0.7 per cent to 341,390 take-offs and landings.

Meanwhile, cargo crept up marginally by 0.3 per cent to 1.84 million tonnes, as higher imports and exports managed to offset lower transshipment volumes, airport operator Changi Airport Group (CAG) said on Thursday.

CAG's chief executive Lee Seow Hiang highlighted: "2014 was a challenging year for the aviation industry, especially in South-east Asia. Several unforeseen events depressed travel demand, creating a difficult operating environment for many airlines in the region."

Demand for travel out of China – one of Singapore's biggest source markets for visitors – slumped last year in the wake of the twin Malaysia Airlines tragedies, MH370 and MH17. Meanwhile, political tensions in Thailand, which culminated in the military seizing control in May last year, also dampened travel to the Land of Smiles.

At the same time, overcapacity in South-east Asia depressed yields and prompted some airlines – including budget carriers, which have fuelled much of Changi's growth in recent years – to curb capacity.

Last year, a S\$100 million Growth and Assistance Incentive (Gain) package was announced to help airlines cope with costs amid a tight labour market, as well as to boost productivity and transit traffic at Changi.

In a release yesterday, CAG said that traffic to the South Asia and North-east Asia regions increased 6 per cent and 4 per cent respectively, although European and South-east Asian routes experienced weaker performances.

But travel to and from Thailand and China continued to show signs of picking up, with year-on-year increases of 6.6 per cent and one per cent respectively in December – the third consecutive month of growth.

For Thailand, seat capacities and flight frequencies to Bangkok have climbed back to the levels seen at end-2013, before travel demand was hit by political tensions.

Mr Lee added: "We are hopeful that 2015 will be a better year for aviation in the region. Travel demand is recovering steadily for markets like Thailand and China. Lower fuel costs will also help to alleviate cost pressures for airlines."

Indonesia remained Changi's top market with over 7.5 million passengers last year, followed by Malaysia, Australia, Thailand and China. Jakarta remained Changi's top city but Hong Kong climbed up the ranks from fourth place in 2013 to second in 2014 as Bangkok slid down from second place to fourth.

Denpasar, at seventh spot, was the fastest growing among the top 10 routes, with a strong 15.7 per cent growth year on year in 2014.

For the month of December, Changi handled 5.09 million passengers, down marginally, while landings and take-offs slid 3.9 per cent to 29,710. Cargo handled inched up 1.4 per cent to 158,600 tonnes.

Competition for passengers is intensifying both in the region and beyond, with airports worldwide making enhancements to strengthen their respective positions as leading hubs.

With over 6 per cent growth, Dubai International Airport pipped London's Heathrow to become the world's busiest airport for international traffic with some 70.4 million passengers in 2014. Heathrow, on the other hand, handled 68.1 million international passengers.

Home to Gulf carrier Emirates, Dubai International this year expects to see a total of 79 million passengers as facility upgrades and a new hall boost handling capacity to 90 million, according to media reports.

To increase Singapore's lure as a stop-over point, work has already started on the mixed-use development Jewel, which is designed to turn the airport into a world-class attraction that will draw both travellers and Singaporeans. Jewel is set to open by end-2018.

Located in the 3.5 ha carpark fronting Terminal 1, the 134,000-square-metre complex will house lush greenery, an indoor waterfall, retail and food & beverage options, a hotel as well as early check-in services and lounges for fly-cruise and fly-coach passengers.

And aside from expanding the existing Terminal 1 and launching the upcoming Terminal 4, plans are already being drawn up for Terminal 5 by the mid-2020s, which will boost Changi's overall handling capacity to 135 million per year by then.

Over the course of 2014, six new carriers started operating out of Changi, namely MIAT Mongolian Airlines, Uzbekistan Airways, Jetstar Pacific, Malaysia-based Malindo Air, Tigerair Taiwan and VietJet. New links were also added, including Uzbekistan, Xi'an in China, Okinawa, Seattle, and Phu Quoc, Vietnam.

Changi garnered 24 best airport awards during the year, including Business Traveller's Best Airport in the World award for the 27th straight year.

