



Project Jewel represents efforts by Changi Airport to retain its position as the region's preferred airport amid stiff competition. PHOTO: CHANGI AIRPORT GROUP

Making sure Changi remains a Jewel



**NEWS
ANALYSIS**

By **KARAMJIT KAUR**
 AVIATION CORRESPONDENT

IT IS a new jewel in the crown of Changi Airport's efforts to stay ahead of regional rivals – the multi-storey complex, code-named Jewel, that was unveiled at the weekend.

The structure, being designed by the man who dreamed up the iconic Marina Bay Sands, architect Moshe Safdie, is "something special", said Prime Minister Lee Hsien Loong on Sunday.

Jewel and all its glittering shopping and dining delights is Changi Airport's latest development to boost its appeal to global travellers, and aims to keep Singapore on the throne as South-east Asia's key airport and air hub.

News of the project, part of a Terminal 1 upgrade, comes amid exciting expansion times at Changi. Plans for what is dubbed Changi II are to be revealed soon by the Transport Ministry, and include a mega Terminal 5, cargo complexes and a third runway.

The expansion, however, takes place amid not so much an exciting time as a turbulent one.

Where once it would have been unheard of for world-renowned

Changi Airport to be anything but a soar-away success, regional airports are now taking off too.

Make no mistake. Competition is tough, say industry players.

Geographically, Kuala Lumpur and Bangkok are better placed to serve as a hub linking travellers from Europe to Asia, they note, and both plan to ramp up passenger capacity to 100 million a year.

Dubai Airports has also announced a US\$7.8 billion (S\$9.9 billion) expansion strategy to boost its capacity from 60 million to 90 million passengers by 2018.

In comparison, Changi currently has room for 66 million passengers a year. By 2018, when Terminal 4 is up and running and Jewel opens, this will rise to 85 million.

And the challenges keep coming: Kuala Lumpur International Airport is planning its own shopping "gem" – a 35,000 sq m, 11-storey complex with three retail floors – while South Korea, Hong Kong, India and Dubai are pouring billions into expanding terminals and runways.

Seoul's Incheon Airport is giving not just Changi Airport, but Singapore's integrated resorts and Formula One thrills a run for their money, with a multi-billion dollar plan to build an airport city, complete with a casino, an F1 racing track and a concert hall that can seat 50,000.

Airports have to work hard to retain and grow business, said Assistant Professor Terence Fan, an

aviation expert at Singapore Management University's Lee Kong Chian School of Business.

He noted: "Just look at Qantas and how it pulled its hub out of Singapore and moved to Dubai."

After decades of operating its Australia-Europe flights via Singapore, the Australian carrier left for Dubai in March after signing a partnership deal with Emirates.

Hence the importance of projects like Jewel, which could help sustain the interest of travellers, visitors and airlines who have multiple destinations and airports to choose from.

Reassuringly, Ms Angela Gittens, director-general of Airports Council International, a global trade body that represents major airports, said Singapore is on the right track with plans to add capacity even as others like Indonesia and Vietnam fall behind.

But Changi Airport must also be nimble and quick to react to industry developments and work hand in glove with airlines and other partners, analysts said.

Some in the industry have said that the third runway needs to open soon, citing examples of airlines not getting the landing and take-off slots they want.

Still, Changi's success so far, and how it is rolling out new ways to woo customers, reflect wise strategic planning in the past.

Policymakers must have sensed turbulent skies ahead when they split the Civil Aviation

Authority of Singapore (CAAS) in 2009 to create Changi Airport Group as a separate corporate entity to run the airport.

A smaller CAAS remains a statutory board of the Transport Ministry to regulate the industry, giving the unlisted airport group flexibility to get on with the job.

Had it not been done, it is unlikely that Jewel would have been cleared for take-off.

The backdrop for attractions like Jewel is the fact that demand for air travel in Asia is set to soar and, naturally, Changi is going all out for the lion's share.

So far, it is flying high. In the year to end-May, the Singapore airport welcomed 50.9 million travellers, based on data collated by Airports Council International. The only other Asian airport that did better was Hong Kong, with 56.7 million global passengers.

Changi's 7.1 per cent growth for the period, however, outpaced Hong Kong's 4.1 per cent.

With Terminal 4 coming up in 2017 and Jewel a year later, there is much to keep Changi busy in the next few years.

Forty years after Singapore made the bold decision to shut Paya Lebar and build Changi Airport against the advice of external consultants, similar foresight and boldness is needed now more than ever to prevent others from stealing that Jewel-encrusted Changi crown.

✉ karam@sph.com.sg