

SINGAPORE AVIATION PROFILE

Understanding how Singaporean tourists travel to Australia

This briefing has been prepared by the Tourism Australia Aviation & Economics Team, but was significantly assisted by the research of the Centre for Asia Pacific Aviation and data from Air Transport Intelligence, Bureau of Infrastructure, Transport and Regional Economics and Department of Immigration and Citizenship.

At a Glance

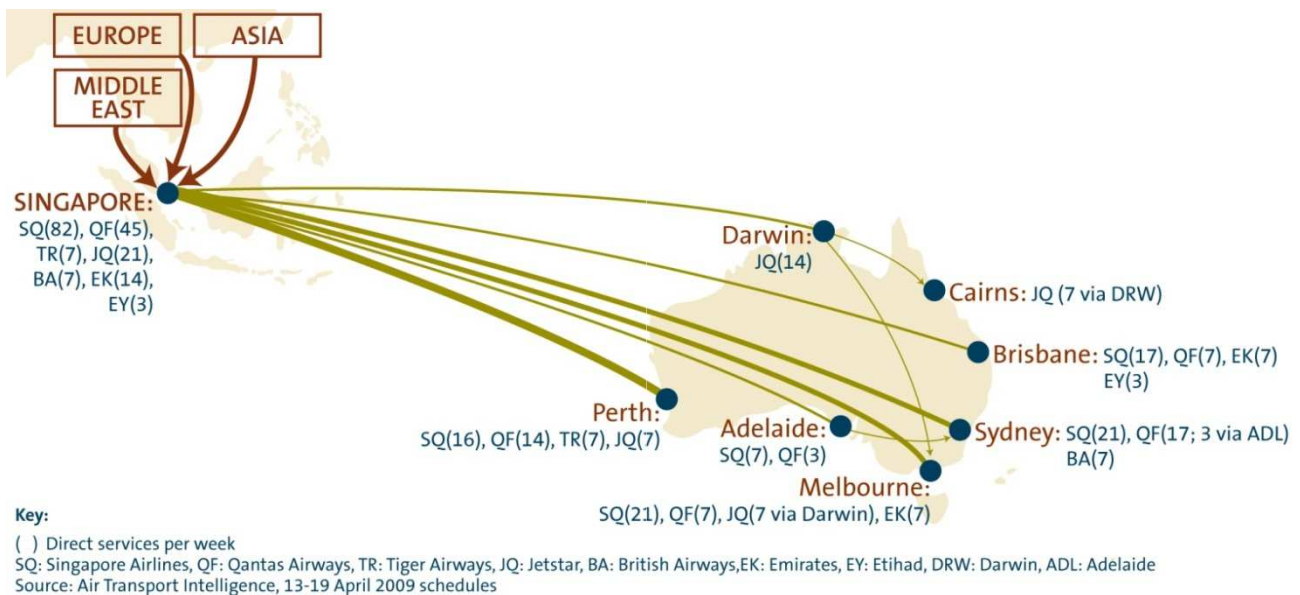
Arrivals Growth		Direct Seats		Load Factors		Major Carriers		Seasonal Peaks	Aus. Ports Serviced	Origin Traffic
2008	+3%	2008	2.3mil	2007	85%	SQ	64%	November/December, June	7 / 8	15%
2009(F)	-6%	% ch	+12%	2008	82%	Qantas	24%			Singapore is a major hub for through traffic
2010(F)	+8%	Rank	2 nd	Nat. Av.	77%					

(F) Forecast. Source: Tourism Forecasting Committee, 2008 Issue 2

Singapore is Australia's most critical aviation hub with numerous flights from Singapore to nearly all of Australia's international ports. Direct capacity and load factors on flights to Australia have increased in recent years, with strong growth reported in 2008, but the market is expected to contract in 2009. Singapore Airlines, the dominant carrier on the route, led capacity growth in 2008 and will also lead cuts in 2009. Airfares on the route have also started to decline as a result of excess capacity, additional services by low cost carriers (like Jetstar) and reductions in fuel surcharges, restoring Australia's price competitiveness. The key aviation related challenge for the inbound tourism industry is to advantage of the greater availability of seats and reduced fuel surcharges.

Coming into Australia

Singapore-Sydney is the busiest route with just over a quarter of all direct flights from Singapore to Australia operated on this route. Singapore-Perth is an increasingly busy route and Singapore is the only Asian hub with direct access to Darwin.



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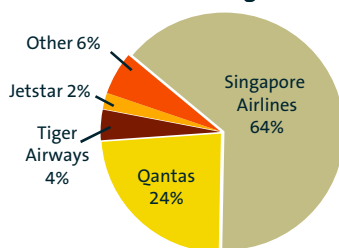
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Airlines on the Route

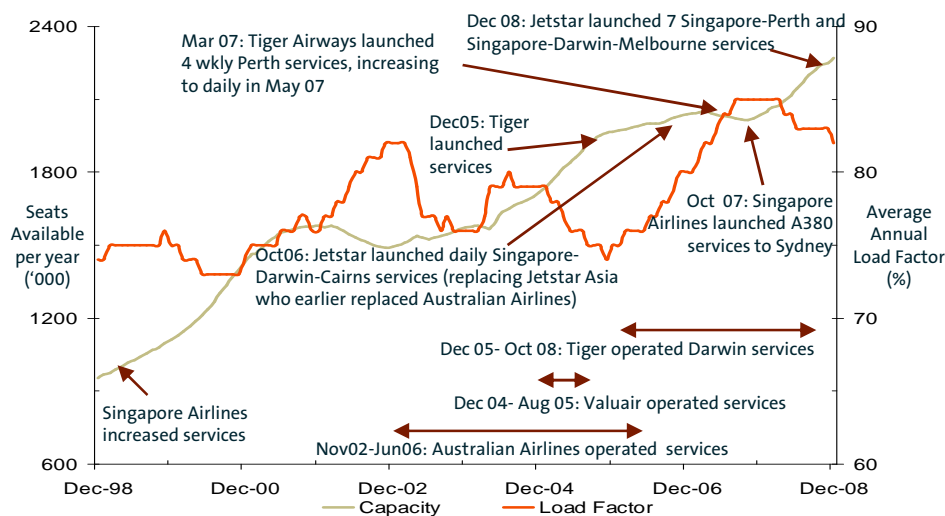
Singapore Airlines is the dominant airline on the route with 64% of all Singapore tourists entering Australia on this airline in 2008. In 2008, the airline regained the market share it had lost in 2007 as Tiger and Jetstar expanded services.

Share of Passengers - 2008



Airline	2004	2005	2006	2007	2008
Singapore Airlines	47%	53%	61%	56%	64%
Qantas	31%	29%	27%	31%	24%
Tiger Airways	0%	0%	1%	4%	4%
Jetstar	0%	0%	0%	1%	2%
Other	22%	18%	11%	8%	6%
Total	100%	100%	100%	100%	100%

Direct Capacity: Singapore to Australia



In 2008, direct capacity on the Singapore-Australia route grew by 12% year-on-year but load factors only declined 3 percentage points suggesting strong demand for the services. Capacity growth was chiefly due to strong capacity increases by Singapore Airlines as well as low cost carriers (Jetstar and Tiger Airways) operating on the route.

This route is somewhat seasonal, with peak periods in November/December and June and with trough periods in April and August/September.

Bilateral Capacity Restrictions: There are currently no capacity constraints between Singapore and Australia. In October 2003 bilateral talks, the agreement was expanded to allow carriers to operate unlimited services between the two countries reflecting Singapore's hub status. There are however, restrictions on fifth freedom rights to/via the US and Asia. There are no bilateral talks scheduled for the remainder of 2009.

Looking Ahead

- Tourism Australia expects direct capacity from Singapore to Australia will decrease slightly (around 3%) in 2009. Most of this reduction in capacity comes from Singapore Airlines, who has announced plans to cut 11 per cent of their global capacity. The 3 per cent reduction on services to Australia in 2009 is equivalent to approximately 190,000 seats per annum and more than offsets the increases in capacity introduced by Jetstar on Singapore-Peth (daily in December 2008) and Singapore-Darwin-Melbourne (daily in April 2008 as Tiger cut this service) routes, as well as capacity increases related to the introduction of A380 on Sydney services by Singapore Airlines. The capacity cut by Singapore Airlines will most noticeably impact Brisbane (3 less weekly services from 27 April 2009), Sydney (7 less from 29 March 2009) and Perth (5 less between 29 March and 25 June and 2 less from 3 August 2009).
- Jetstar announced that the expansion of its short-haul international operations is a priority for 2008 as a result of the delays in delivery of long-range aircraft such as 787s and the tight market for A330s. Given this focus, there are increasing opportunities for direct capacity between the Australian airports located north or west (e.g. Broome, Darwin or Perth) and South East Asia including Singapore. In August 2008 Jetstar announced Darwin as its new hub for its Asian strategy and in May 2009 Jetstar (and Qantas) announced their interline agreement with Jetstar Asia, increasing the likelihood of additional services between Singapore and Australia.
- It is common that low cost carrier flights from Singapore are now cheaper to many destinations in the region than the fuel surcharge payable on flights to Australia. Recent declines in fuel prices and associated fuel surcharges, along with a decline in underlying airfares (due to weakened demand associated with the global economic crisis and growth in low cost services) will help restore Australia's price competitiveness.