

THROUGH THE TIME TUNNEL

The Singapore Airport Terminal Services (SATS) story is one of brisk growth and bold innovation. Behind the company's success has been its unwavering commitment to customer service and willingness to invest in infrastructure to ensure that capacity is constantly ahead of demand.

The history of SATS can be traced back to the very beginning of commercial aviation in Singapore.

In the early years, ground handling services were performed by a department of Malayan Airways, which became Malaysia-Singapore Airlines (MSA) in 1967. Five years later, MSA ceased operations and gave birth to two new entities - Singapore Airlines (SIA) and Malaysian Airline System (MAS).

As SIA concentrated on its core business of running an airline, the establishment of SATS as a separate, yet wholly-owned, subsidiary company evolved naturally.

On 15 December 1972, SATS was formally corporatised with 1,673 staff. By the end of the first year, staff numbers had grown to 2000, while gross revenue increased by 25 per cent.

Steady expansion was to be a continuing theme. In 1977, SATS opened an airfreight

terminal at Paya Lebar Airport capable of handling 160,000 tonnes of cargo a year.

Four years later, SATS made the move to Singapore's new Changi Airport after investing S\$147 million in a new headquarters building, a new inflight catering centre, which at the time was the largest single-building inflight kitchen in the world, and two new airfreight terminals.

By the mid-1980s, SATS was able to handle about 20,000 passengers a day at Changi, a 60 per cent increase over the 12,700 passengers handled daily at Paya Lebar Airport in 1980. Cargo also registered double-digit growth rates.

In 1985, SATS was restructured into four companies so it could better manage demand for its services. Singapore Airport Terminal Services became the parent company and subsidiaries were formed out of the

four operating divisions: Apron Services, Cargo Services, Passenger Services and Catering.

Four years later, SATS added two new airfreight terminals and invested in new passenger handling equipment for Changi Airport's Terminal 2. This increased Changi's passenger handling capacity to more than 20 million passengers a year.



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1 A Malayan Airways (MAL) Dakota at Kallang Airport in the early 1950s.

In 1992, three companies within SATS - Apron, Cargo and Passenger Services - were merged to form a new company, SATS Airport Services (SAS). This consolidation was designed to improve co-ordination and communication and strengthen the SATS Group's competitiveness.

Over the next four years, an express courier centre, capable of handling 40,000 tonnes of cargo a year, was opened along with the S\$215 million Airfreight Terminal 5, the S\$172 million Inflight Catering Centre 2 and a S\$40 million SATS Maintenance Centre.

Since the move to Changi in 1981, SATS has invested more than S\$1 billion in state-of-the-art facilities. A second Express Courier Centre, for partner DHL Worldwide Express, costing S\$30 million, is being built.

At the end of the 1999-2000 financial year, SATS owns and operates five airfreight terminals with a combined handling capacity of 1.3 million tonnes of cargo a year and two catering centres capable of producing 27 million meals a year.

A new inflight catering centre with a capacity of 45,000 meals a day is being constructed and will be operational in July 2000. This new facility will replace the existing Inflight Catering Centre 1 which is



2 Loading activity of air cargo in the mid-1960s.

making way for a new Passenger Terminal 3. A sixth airfreight terminal, costing S\$270 million and with a handling capacity of 800,000 tonnes of cargo a year, will commence operations in the first quarter of 2001.

As at 31 March 2000, SATS employed 8,923 staff and in the previous 12 months had serviced 72,221 flights, served more than 21.7 million passengers, prepared 20.9 million meals and handled 1.4 million tonnes of cargo.

Today, SATS has 11 joint venture operations at nine other international airports within the Asia Pacific region.

After a more than 50-year journey, SATS has emerged as the region's premier ground handling and inflight catering company.