



NEW S\$10 MILLION SINGAPORE FLY-CRUISE DEVELOPMENT FUND (FCDF) TO BOOST CRUISE INDUSTRY

Costa Cruises is first FCDF strategic partner in joint market development initiative and will deploy Costa Marina to be home ported in Singapore for five Asian sailings from December 2006.

Singapore, 23 May 2006 – The S\$10 million Singapore Fly-Cruise Development Fund (FCDF) was launched today by Dr Vivian Balakrishnan, Minister for Community Development, Youth and Sports and Second Minister for Trade and Industry. A boost to the local cruise industry, the fund is designed to encourage major international cruise companies to partner Singapore in product development and marketing initiatives and can be used to promote products to in-market travel agents or to fund promotions and publicity. The fund was set up jointly by the Singapore Tourism Board (STB), the Civil Aviation Authority of Singapore (CAAS) and the Singapore Cruise Centre (SCC) and will be administered by the STB.

The announcement was witnessed by Mr Gianni Onorato, President of Costa Crociere S.p.A. and members of the cruise and travel trade at cruise ship Costa Allegra's first call celebrations. Initiatives supported by the FCDF must support fly-cruise products that encourage passengers either to begin or end their cruise journeys in Singapore. Leveraging on Singapore's strong air connectivity, the FCDF will provide passengers with more varied travel options.

Ultimately, the FCDF aims to encourage major international cruise companies to develop their Asian presence and more importantly, anchor strategic deployments here in Singapore.

Costa Cruises, one of the brand names under the world's largest cruise company Carnival Corporation and the top cruise company in Europe and South America, is the first major international cruise company to partner Singapore in this fund. Together with the STB, Costa will conduct a series of marketing seminars for travel agencies and other selected marketing channels. Through local Costa Cruises preferred sales agent (PSA) representatives and eight STB regional offices in Asia, these seminars will promote fly-cruise options through Singapore and increase the awareness of cruise as an attractive holiday option.

The cruise industry is one of the fastest-growing segments of the leisure travel industry and plays an important part in the STB's strategy to realise the Tourism 2015 vision to double visitor arrivals to 17 million and triple tourism receipts to S\$30 billion. "The creation of the Fly Cruise Development Fund is a strong signal to the cruise community of Singapore's commitment to growing the cruise business in the region. The fund will enable Singapore to partner more cruise operators and encourage them to deploy their ships to our part of the world. Even though Asia's cruise industry is still relatively small compared to the US and Europe, there is strong growth potential given the growing middle-class in Asia and the high propensity to travel," said Mr Lim Neo Chian, Deputy Chairman and Chief Executive, STB. "We warmly welcome Costa Cruises to our shores and look forward to its long-term commitment to Singapore and the region."

In 2005, Singapore's top three cruise source markets were led by India with a throughput of more than 63,000 visitors, registering a growth of 6% over the previous year. Following that were Australia and Indonesia with about 26,000 visitors each. The number of passengers choosing fly-cruise options has also increased significantly by almost 53% from 106,000 in 1996 to more than 161,000 in 2005.

Mr Wong Woon Liong, Director-General of Civil Aviation, said, "CAAS' contribution to the S\$10 million FCDF reflects our commitment to develop Singapore as a fly-cruise destination. We believe this fund will encourage cruise operators to homeport their ships in Singapore, and to partner with airlines at Changi Airport and travel agents to offer more fly-cruise packages out of Singapore." He continued, "Cruise operators can leverage on Singapore's strong air connectivity to fly their guests

here to embark on their holiday. Changi Airport is well-connected to over 180 cities in 57 countries, served by more than 80 scheduled airlines, and offers a variety of facilities and services that fly-cruise passengers can enjoy.”

The SCC, which recently won the coveted international Dream World Cruise Destination Award for Best Turnaround Port Operations, will be celebrating its 15th Anniversary later this year. “Singapore Cruise Centre is delighted to be part of the FCDF initiative. It signifies our long term commitment to work together with STB, CAAS and other cruise stakeholders to develop Singapore and the region into an exciting and exotic cruise playground, comparable to the Caribbean or Mediterranean. We hope this fund will be the catalyst for further cooperation amongst regional countries, attracting more cruise ships to this part of the world,” said Mr Cheong Teow Cheng, President of the SCC, which recently celebrated the arrival of Singapore’s 10-millionth cruise passenger. “I look forward to the participation of cruise lines in the FCDF and with the many new cruise products that will potentially be introduced. I believe cruise vacationers will stand to benefit most.”

Come December this year, Costa Marina, one of the 10 ships in the Costa fleet, will be offering Far Eastern cruises out of Singapore for the first time and will introduce five new cruise itineraries that will broaden the cruise product offerings in Singapore. These cruises range between 11 to 15 days and will call at some of the most beautiful places in India, Hong Kong, Vietnam, Malaysia, Thailand, Brunei and Indonesia.

Costa Crociere S.p.A. is the top cruise company in Europe and in South America. It is also the first and largest international cruise company in the world to be granted a license by the Government of the People’s Republic of China to operate the Costa Allegra locally.

Mr Massimo Brancaleoni, Vice President, Pacific Asia Operations, Costa Cruises said, "Costa is investing and promoting the cruise business in the Pacific Asia region as part of its business development strategy and plan to expand the operational areas for its fleet. Growth for the Pacific Asia region is expected to increase to 1.5 million by 2010 from the one million cruise passengers in 2005. We are delighted that STB shares our vision regarding the huge potential of cruise industry development in the region."

Costa Crociere’s development in the Far East is driven by its new Asia-Pacific division, with offices in Hong Kong and Shanghai. The division’s two-fold objectives are to develop cruises for the Costa Allegra in China and rest of South-East Asia and to offer Costa Crociere’s entire fleet, Europe’s most modern, along with its itineraries, to customers from more than 10 countries in the Pacific-Asian area. Itineraries will range from Singapore (Costa Marina) to Dubai (Costa Classica) and from the Mediterranean Sea to Northern Europe.

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