

Long-term capacity planning drives SATS to record \$6.35b revenue

Ground handler was able to absorb surge in cargo rerouted due to Mid-East war

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Although the conflict in the Middle East scuppered global supply chains and disrupted operations, aviation ground handler SATS was well-equipped to handle shipments being diverted.

With airspace closures and aircraft avoiding conflict zones, cargo was rerouted to other key hubs connecting to different parts of the world.

SATS' presence in 225 locations across 27 countries allows it to seize opportunities offered by its international network, said its president and chief executive Kerry Mok on May 26 during an earnings briefing.

Singapore had similarly benefited because "cargo flows to the path of least resistance", he said.

While workers on the ground had to adapt quickly to cope with increased volumes of cargo brought on by the conflict, SATS had been anticipating such a situation much earlier.

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SATS president and chief executive Kerry Mok described the company as one that takes a long-term strategic approach, saying: "Resilience is created during peacetime. When we plan our capacity, it's always about looking ahead." ST PHOTO: SHINTARO TAY

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Citing the Bulk Unitisation Programme Handling Centre, which opened at Changi Airport in August 2025 and can process outgoing air cargo shipments faster, he said such investments reflect SATS' long-term considerations.

"When something like this hap-

pens, you need to have the capacity. If you don't have it, then you'll be in trouble," he added.

Additionally, reconstruction efforts in the Middle East have meant that industrial equipment and supplies are being flown to the region from the US, with these logistics being handled by Worldwide Flight Services, a SATS sub-

siary.

This global network has been a key driver in SATS' growth – it reported a record revenue of \$6.35 billion in the 2026 financial year, which ran from April 1, 2025, to March 31.

This is a 9 per cent increase from FY2025, and is driven largely by its gateway services.

Gateway services, which include the handling of air cargo and baggage, accounted for \$4.95 billion, or about 78 per cent, of its total revenue. This marked a 10.8 per cent increase from the previous financial year.

The remainder of its revenue, which grew by 2.9 per cent from FY2025, came from food services.

Speaking separately to The Straits Times after the briefing, Mr Muhammad Khair Fadli Ridzwan, who works in SATS' cargo business unit, recounted how quickly his team pivoted in the aftermath of Feb 28, when Israel and the US struck Iran, prompting retaliatory attacks across the region.

The 31-year-old, who is in charge of the department that handles Singapore Airlines' cargo, said the period between December and February is typically a lull due to the Christmas and Chinese New Year holidays, before cargo volume picks up gradually from March.

During such lulls, Airfreight Terminal 5 – which can hold up to 2,000 unit load devices, or aircraft containers – is usually about 60 per cent occupied. On some occasions, it could go up to 80 per cent.

But 2026 was different. A "sudden surge" in volume of cargo that had been rerouted since Feb 28 resulted in 90 per cent of its storage capacity being used.

To prevent cargo movements from coming to a standstill, Mr Fadli and his team immediately thought of solutions, looking at data to inform their decision-making.

Noticing that night operations were more hectic, the team allocated more manpower to the night shift, which runs from midnight to about 9am.

Although Mr Fadli typically works office hours, he went on the night shift with cargo workers on the ground to give them moral support and ensure instructions were communicated clearly.

This happened at a time when he was celebrating Hari Raya Puasa, which fell on March 21, with his family, he said, adding that operations began stabilising after a week.

"The solutions that we came up with have definitely allowed us to adapt to this new normal," he said.

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