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<b>HSI</b>	24,123.17	+363.92
<b>NIKKEI</b>	13,757.91	+122.51

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<b>Dow</b>	12,348.21	-28.77
<b>Nasdaq</b>	2,321.80	-10.74
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Published February 18, 2008

**Asian vitality a shield against US recession: MM****He sees Fed actions and govt stimulus helping US economy recover in H2**By **VEN SREENIVASAN**

(SINGAPORE) Even if the US falls into recession during the first half of this year, the economic vitality of Asia - particularly its two giants, China and India - should keep the region from becoming flu-stricken when the US catches a cold.

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**Big potential: Singapore still had a long runway for aviation sector's growth, according to Mr Lee. While aviation accounts for 8 per cent of global GDP, it accounts for only about 5 per cent in Singapore, he pointed out.**

80 per cent is still intact.'

He added that, in any case, the US fiscal stimulus and the Federal Reserve's actions should see the world's biggest economy recovering by the second half.

Turning to aviation, he said the industry is poised to grow strongly in Asia.

'I see tremendous growth in Asia,' he said. 'For example, the Chinese will have 200 airports by 2020, and 500 by 2050. They have discovered that despite roads, railways and waterways, air transport provides more connectivity, particularly to the interior regions of the country.'

He sees similar aviation growth in India.

In his view, their only limitations to growth will be bottlenecks in training pilots, air crew, technicians and safety personnel.

Responding to a question on whether Singapore's aviation sector is reaching saturation point, Mr Lee said the Republic still had a long runway

Minister Mentor Lee Kuan Yew gave this assessment yesterday at a dialogue with aviation leaders.

'I don't see China and India's economies falling below 10 per cent (growth),' he said at a meeting before several hundred aviation leaders organised in conjunction with the Singapore Airshow. 'Meanwhile, 40 per cent of intra-Asean trade's final destination is the US. Even if this falls by half, the remaining

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for the sector's growth.

'According to ICAO (International Civil Aviation Organisation) data, aviation accounts for 8 per cent of global GDP. In Singapore, aviation accounts for only about 5 per cent.'

He said that Singapore in general, and Singapore Airlines in particular, had become successful in aviation because of sheer determination and hard work.

'When SIA started out in 1972, it had just two trunk routes, London-Singapore-Sydney and Singapore-Tokyo. So to get people to fly SIA, we had to be as good and as safe as the rest. I told them (SIA's management) that I am not going to fly the (Singapore) flag for them and pay for it. If you can fly the flag and make a profit, I will be proud of you.'

Another key success factor for Singapore and SIA was the stark realisation that this little island had to fend for itself with no natural resources, he said.

'If we had oil and gas when we became independent in 1965, then you will not find this Singapore today. In our case, we were confronted with a life or death choice.'

To a question of air liberalisation, or the slow pace of it in Asia, Mr Lee said Asia preferred to learn from the rest of the world.

But he said that liberalisation would come as more and more countries realise that aviation is the lifeblood of economies. 'It is (to overcome) the tyranny of distance,' he said.

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