

立法會
Legislative Council

LC Paper No. CB(1)2095/06-07
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ES/1

Panel on Economic Services

Minutes of meeting
held on Monday, 28 May 2007, at 10:45 am
in the Chamber of the Legislative Council Building

- Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon SIN Chung-kai, JP
Hon Howard YOUNG, SBS, JP
Hon LAU Chin-shek, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Vincent FANG Kang, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon KWONG Chi-kin
Hon TAM Heung-man
- Member attending** : Hon WONG Kwok-hing, MH
- Members absent** : Dr Hon David LI Kwok-po, GBS, JP
Hon CHIM Pui-chung

**Public officers
attending**

: Agenda Item IV

Ms Eva CHENG

Permanent Secretary for Economic Development and
Labour (Economic Development)

Miss AU King-chi

Commissioner for Tourism

Miss Patricia SO

Assistant Commissioner for Tourism

Mr John BINKS

Chief Engineer (Islands Division)

HK Island and Islands Development Office

Civil Engineering and Development Department

Mr HO Fuk-on

Senior Engineer (Islands Division)

HK Island and Islands Development Office

Civil Engineering and Development Department

Agenda Item V

Ms Eva CHENG

Permanent Secretary for Economic Development and
Labour (Economic Development)

Mr Michael WONG

Deputy Secretary for Economic Development and
Labour (Economic Development)

Mr Norman LO

Director-General of Civil Aviation

Mr Manuel SUM

Acting Assistant Director-General of Civil Aviation
(Air Traffic Management)

- Attendance by invitation** : Agenda Item V
The Airport Authority Hong Kong
Mr Stanley H C HUI
Chief Executive Officer
Mr WONG Yiu-fai
General Manager, Terminal
Mr NG Chi-kee
General Manager, Airfield Business
Mr Anthony WONG
Assistant General Manager, Aviation Logistics
- Clerk in attendance** : Ms Connie SZETO
Chief Council Secretary (1)6
- Staff in attendance** : Ms Debbie YAU
Senior Council Secretary (1)1
Ms Michelle NIEN
Legislative Assistant (1)9
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Action

- I Confirmation of minutes and matters arising**
(LC Paper No. CB(1)1678/06-07 - Minutes of meeting held on 26 March 2007)
- The minutes of the meeting held on 26 March 2007 were confirmed.
- II Information papers issued since last meeting**
(LC Paper No. CB(1)1618/06-07(01) - Note prepared by Hong Kong Tourism Board (HKTB) on computation of tourism receipts by HKTB

LC Paper No. CB(1)1539/06-07(01) - Tables and graphs showing the import and retail prices of major oil products from April 2005 to March 2007 furnished by the Census and Statistics Department)

2. Members noted that two information papers had been issued since last meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1675/06-07(01) - List of outstanding items for discussion

LC Paper No. CB(1)1675/06-07(02) - List of follow-up actions)

3. Members noted that the Administration had proposed to discuss the following two items at the next meeting to be held on 25 June 2007:

- (a) Proposed legislative amendments relating to the carriage of dangerous goods by air; and
- (b) An energy item

(Post-meeting note: Upon the request of the Administration, item (b) was subsequently revised to "Review of consumer protection laws". Members were duly notified of the changes on 18 June 2007 vide LC Paper No. CB(1)1924/06-07.)

IV Development of a landscaped piazza at Ngong Ping, Lantau

(LC Paper No. CB(1)1675/06-07(03) - Information paper provided by the Administration

LC Paper No. CB(1)1760/06-07 - Presentation materials provided
(*issued via email on 29 May 2007*) by the Administration)

Briefing by the Administration

4. At the invitation of the Chairman, the Commissioner for Tourism (C for Tourism) briefed members on the Administration's proposal to develop a landscaped piazza and upgrade related facilities at Ngong Ping (NP) to enhance visitors' experience and facilitate pedestrian flow among tourist attractions in the vicinity. She elaborated that the opening of NP 360 had substantially increased the number of visitors to NP. Coupled with other existing attractions at NP, including the Po Lin Monastery (PLM), the Giant Buddha and the Wisdom Path,

NP area had further developed into an important cluster of tourist attractions on Lantau Island. The Government intended to develop a landscaped piazza to improve pedestrian flow, enhance the environment of NP area and attract visitors to stay longer.

5. With the aid of power-point presentation, the Chief Engineer (Islands Division) Civil Engineering and Development Department (CE(ID)/CEDD) introduced the existing attractions and enhancement works that had been completed at NP. He then highlighted the details of the proposal as follows:

- (a) The scope of the proposal comprised mainly the construction of a landscaped public piazza linking various attractions at NP, the associated storm water drainage system, a roundabout at the end of NP Road and a public toilet at the Ngong Ping public transport interchange (PTI); and
- (b) The major features of the proposed landscaped piazza included a spacious piazza with landscaped Chinese-style gardens and a pavilion, a Lotus pond and ramp for the existing Di Tan, a central pedestrian Bohdi Path with stone statues and light pillars on each side to form the piazza entrance with a Pai Lau at the front, a covered twin pipes replacing the existing open channel to provide a grand entrance and an emergency vehicular access (EVA)/footpath.

6. Members noted that the Director of CED, with the support of the Secretary for Economic Development and Labour, had proposed to upgrade Public Works Project Item 389RO to Category A at an estimated cost of \$69.4 million in money-of-the-day prices for the proposal. Members also noted the Administration's plan to seek the endorsement of the Public Works Subcommittee (PWSC) in October 2007 and funding approval by the Finance Committee (FC) in November 2007. Subject to FC's approval, the construction works of the project was expected to commence in end 2007/early 2008 for completion in 2009.

Discussion

Layout design of the proposed landscaped piazza

7. While welcoming the proposal, Mr WONG Kwok-hing was concerned whether the Administration had consulted PLM on the design and details of the landscaped piazza, in particular the design of the pavilion, the stone statues and floor tiles to be used. He considered it important for the proposed landscaped piazza to maintain consistency in style and stay in harmony with the buildings and structures in the area.

8. C for Tourism said that the Administration was mindful of the need to engage the relevant parties including PLM, NP 360 and the residents living in the vicinity in developing the design of the piazza and implementing the construction project. In this regard, the Administration had put much effort in liaising with the

relevant parties and reached agreement on the design of the piazza and details such as types of plants and building materials to be used. She added that apart from maintaining and reinforcing the religious atmosphere of the area, care had been taken to ensure the overall design of the piazza would be in line with that of the Giant Buddha and the Di Tan.

9. CE(ID)/CEDD highlighted that the development of a central pedestrian Bohdi Path and the Lotus pond was proposed by PLM during consultation. He further advised that while the final design of the statues was yet to be drawn up, the setting of the pavilion would complement the architecture of the Giant Buddha and PLM buildings. C for Tourism added that skid-proof patterned floor tiles would be used for the landscaped piazza.

Admin

10. Mr WONG Kwok-hing requested further information on the detailed design of the landscaped piazza, including the pavilion and the Pai Lau, which should have been endorsed by PLM in writing. The Permanent Secretary for Economic Development and Labour (Economic Development) (PS/ED) undertook to provide the Panel with the design of the major features of the proposed piazza after its finalization. C for Tourism added that the layout plan of the proposed piazza was supported by the Islands District Council of which Rev SIK Chi-wai, Director of PLM, was a member.

11. Mr Howard YOUNG welcomed the proposal as it would enhance the tourist attractions at NP and attract visitors to stay longer. He enquired whether the project would include putting up more signage to facilitate visitors such as directing them from NP 360 to PLM. He also suggested that consideration might be given to fix the signage at the external wall of the attractions or on the floor tiles.

12. Taking note of the member's suggestion for consideration and follow-up, C for Tourism also referred to the Visitor Signage Improvement Scheme, which was implemented in phases throughout the 18 districts with a view to providing a co-ordinated and easily identified system of signage for visitors to Hong Kong.

13. Mr WONG Ting-kwong expressed support for the proposed landscaped piazza which could help connect NP Village to PLM and link up various attractions at NP. Given the large area of the public piazza, he enquired whether consideration would be given to providing shuttle bus/golf car service for visitors, in particular to cater for elderly people and persons with disabilities.

Admin

14. C for Tourism acknowledged the need to facilitate persons with disabilities, in particular those on wheel chairs, in visiting various attractions at NP. Taking note of the member's suggestion, the Administration would assess the market need and viability of providing shuttle transport service between attractions at NP.

Construction of the proposed landscaped piazza

15. Noting the Administration's intention to entrust the Mass Transit Railway Corporation Limited (MTRCL) with the construction of the piazza, Mr Fred LI expressed concerns about not awarding the construction project through an open tender, and the suitability of MTRCL to take up the project given its unsatisfactory performance in implementing the NP 360 project.

16. CE(ID)/CEDD advised that MTRCL had been entrusted to implement the upgrading works at NP in recent years including the construction of the PTI, the associated drainage works, and road modifications. The Administration had given careful consideration before entrusting the design and construction of the proposed piazza to MTRCL. Having considered that the piazza area would need to remain open to the public throughout the construction period, being franchisee of NP 360 and the proposed trustee of the project, MTRCL was well placed to ensure the delivery of the project with minimum inconvenience to the public. Moreover, MTRCL had already built up rapport with PLM and local residents when implementing the NP 360 project and other upgrading works for the area. Nevertheless, CE(ID)/CEDD assured members that the Administration would oversee the construction process to ensure smooth implementation, as well as monitor the project cost to ensure it was reasonable and appropriate. There would be an entrustment agreement with MTRCL setting out the conditions MTRCL needed to comply with.

17. Pointing out that ensuring smooth pedestrian flow during the construction period was just a technical matter requiring coordination, Mr Fred LI was unconvinced that there was sound justification to by-pass the established procedures of awarding Government project through an open tender.

18. While conveying the support of Members of the Liberal Party to the proposal for enhancing the tourism development at NP, Mr James TIEN expressed reservation about entrusting the construction works to MTRCL as the corporation was specialized in undertaking railway projects rather than tourism facilities and that the proposal was not a part of the NP 360. Noting that MTRCL would be paid an on-cost of about \$8.4 million for undertaking the project and that CEDD would also oversee the project, Mr TIEN considered it a duplication of manpower and a waste of public resources as the project could be taken up by the Government. Moreover, awarding the construction project through an open tender might better ensure the cost-effectiveness of the project.

19. Mr SIN Chung-kai expressed similar concern about the appropriateness to entrust the project to MTRCL, which was a listed company, instead of awarding it through an open tender. In his view, the arrangement would be tantamount to private transfer of benefits. In this connection, Mr Fred LI pointed out that in taking up the project, MTRCL might get double benefits as it could profit from both the on-cost and the increased patronage to NP 360 as a result of the enhancement works.

20. CE(ID)/CEDD stressed that CEDD had followed the established procedures in entrusting the project to MTRCL. The entrustment would better ensure a holistic design for the various attractions at NP. As regards the concern about the on-cost payable to MTRCL, the estimate of \$8.4 million was calculated at 16.5% of the construction cost of the project. He stressed that the on-cost was not MTRCL's profit and would cover costs for employing consultants for working out the detailed design, preparing works documents and procuring insurance etc. If the Administration were to arrange an open tender for the construction project, it also needed to commit resources for commissioning consultants for undertaking the layout design of the proposed piazza, assessing the tenders and supervising the progress of works etc.

21. C for Tourism assured members that in working out the design of the proposed piazza, the Leisure and Cultural Services Department (LCSD) and PLM had been consulted and provided valuable input. She also highlighted the role of CEDD in monitoring the progress of the construction project. C for Tourism further said that in delivering NP 360 and other upgrading works in the vicinity, MTRCL had established a mutual-trust relationship with PLM and local residents which would facilitate it in undertaking other construction works in the area. PSED indicated that the construction project would be carried out in phases as the piazza area, NP 360 and PLM would continue to open to the public throughout the construction period. Close liaison with the relevant parties would be important to ensure smooth implementation of the entire project. As such, MTRCL was well placed to take up the coordination role. Nevertheless, the Administration noted members' concerns about entrusting the project to MTRCL and would address them before submitting the financial proposal to PWSC.

Admin

22. Ir Dr Raymond HO was unconvinced. As MTRCL would usually contract out works projects to large companies which it had established relationship with, he was concerned that small and medium-sized works companies could have little chance undertaking works items in the project. Ir Dr HO therefore had reservation entrusting the construction works to MTRCL.

23. CE(ID)/CEDD reiterated the need to commission consultants if individual construction works were to be awarded by the Government through an open tender. The Administration believed that it would be more efficient to entrust both the design and construction of the entire project to MTRCL. Ir Dr Raymond HO remained unconvinced and urged the Administration to look into the matter.

24. Mr Abraham SHEK expressed support to develop the proposed landscaped piazza as it would not only enhance the attraction of NP to tourists but also improve the living environment of local residents. He considered appropriate to entrust the construction works to MTRCL as this could obviate the need of going through lengthy government procedures and enable earlier delivery of the project. He was confident that MTRCL, being the cable car franchisee and with the experience gained in previous enhancement works at NP, was well placed to undertake the construction works of the proposed piazza. He further suggested that shelters should be provided in the piazza to cater for visitors and agreed that MTRCL

should be requested to provide supplementary information on the project. Nonetheless, he considered the 16.5% on-cost payable to MTRCL a bit on the high side, and suggested consideration be given to lower it. The Administration took note of the view.

25. In reply to the Chairman's concern about possible noise nuisance generated from the construction works, CE(ID)/CEDD remarked that MTRCL was well aware about the sensitivity and religious significance of the site and would endeavour to keep the noise level to the minimum during the construction period.

Management of the proposed landscaped piazza

26. Mr Fred LI enquired about the ownership and future management of the proposed landscaped piazza. In reply, C for Tourism advised that the management of the Di Tan area within the piazza would be similar to the arrangement for Tian Tan, which was granted to PLM through private land grant. The remaining area of the piazza, including the Bohdi Path and the Pai Lau, was open space to be managed by LCSD. She added that issues relating to the management of the landscaped piazza had been discussed at length among LCSD, PLM and district representatives. Concerned parties had reached consensus on the operational details such as arrangements during religious ceremonies, routine cleaning schedules, emergency vehicular access arrangements etc. C for Tourism assured that LCSD and PLM would maintain ongoing communication to ensure consistency in the management of the entire area.

27. Noting that the existing Di Tan and Pai Lau had all along been maintained by PLM, Mr Fred LI expressed concern about developing the landscaped piazza and maintaining these facilities therein by public funds. In response, C for Tourism said that the Tian Tan and Di Tan were facilities open to the public and well received by tourists and local residents. The proposed mode of operation of the future piazza was just modeled on the existing arrangement.

28. Noting that PLM had not undertaken to continue opening its facilities free to visitors and given that PLM had been consulted on the layout design of the piazza and some of the proposed works also involved its existing structures, Mr James TIEN opined that consideration should be given to require PLM to finance part of the project costs.

29. In this connection, Mr WONG Ting-kwong concurred that the Administration should ensure the proper use of public funds. He expressed concern about using public funds to develop the proposed landscaped piazza while the beneficiaries were NP 360 and PLM, in particular if the latter would impose charges on visitors. Mr WONG further urged the Administration to sort out the details with relevant parties regarding the ownership and management of the landscaped piazza as early as practicable.

30. PS/ED stressed that whether or not to charge visitors admission fees to PLM was a matter to be decided by the Monastery. She reiterated that the purpose for developing the landscaped piazza was to enhance visitors' experience and improve pedestrian flow among various tourist attractions in coping with tourism development at NP. The piazza would be open to the public free of charge.

Operation of NP 360

31. Miss TAM Heung-man expressed grave concern about the repeated suspension of service of NP 360 and called upon MTRCL and the cable car operator to make improvement. She also enquired about measures to be taken for enhancing the road network between Tung Chung and NP to facilitate the provision of adequate bus services for visitors during the suspension of cable car service.

32. C for Tourism advised that since its commissioning in September 2006, NP 360 had been making progressive improvement in many aspects in the light of operational experience. These included improvement of the public notification mechanism and close co-ordination with the New Lantao Bus Co Ltd in implementing contingency bus services when necessary etc. The Administration would continue to liaise closely with MTRCL with a view to ensuring the smooth operation of the cable car system. C for Tourism supplemented that 37 car and coach parking lots were provided at the PTI near NP Village. Coupled with bus services, the facilities would be sufficient to ease the crowd during emergency situations. In addition, an emergency vehicular access would be made available at the landscaped piazza.

Summing up

33. The Chairman concluded that while members had expressed support for the proposal to develop the landscaped pizza in principle, they had reservation entrusting the project to MTRCL. He requested the Administration to address members' concerns about entrusting the project to MTRCL and the level of on-cost, future management of the facilities, and the detailed layout design; and provide a written response together with supplementary information to the Panel in due course.

Admin 34. PS/ED noted members' support for the project in principle and took note of their concerns. The Administration would follow up on the concerns and revert to the Panel before submitting the financial proposal to PWSC.

V Development of key aviation support services at the Hong Kong International Airport

(LC Paper No. CB(1)1675/06-07(04) - Information paper provided by the Airport Authority Hong Kong and Civil Aviation Department

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| LC Paper No. CB(1)1761/06-07
(<i>issued via email on 29 May 2007</i>) | - Presentation materials provided by the Administration |
| LC Paper No. CB(1)1762/06-07
(<i>issued via email on 29 May 2007</i>) | - Presentation materials provided by the Administration) |

Briefing by the Airport Authority Hong Kong and the Administration

35. At the invitation of the Chairman, Mr Stanley H C HUI, Chief Executive Officer of the Airport Authority Hong Kong (AA) briefed members on recent developments in key aviation support services at the Hong Kong International Airport (HKIA) with the aid of power-point presentation. He remarked that since commencing operation in July 1998, HKIA had consistently been ranked as the world's fifth busiest airport in terms of international travellers and the world's busiest international cargo airport. It had also seen sustained and substantial growth in terms of aircraft movements, destinations served and choices of airlines. Mr HUI further highlighted that in 2006, HKIA handled a record 44.45 million passengers, 3.58 million tones of cargo and 280 000 aircraft movements. There were now 86 airlines operating at HKIA, linking Hong Kong to 150 destinations worldwide, including some 40 Mainland cities. He then introduced AA's plans for improving air cargo services and infrastructural facilities to enhance Hong Kong's position as a regional logistics hub and cargo gateway for the Mainland as follows:

- (a) Air cargo and logistics service
 - (i) With an investment of \$305 million, AA was constructing ten additional freighter bays, making a total of 34 bays by end 2007 to meet anticipated growth;
 - (ii) The \$1.75 billion state-of-the-art Terminal 2 of Asia Airfreight Terminal (AAT) had commenced operation in December 2006. Coupled with the revamp of Terminal 1, the facilities had increased the handling capacity of AAT by two times to 1.5 million tones per annum. To support further growth of the air cargo industry and to enhance Hong Kong air logistics competitiveness, AA had initiated the tendering process for an additional cargo terminal, to be commissioned in 2011;
 - (iii) DHL had invested \$880 million in expanding its Central Asia SuperHub. Upon completion in 2007, the expanded facility would be able to handle 35 000 parcels per hour;
 - (iv) The Marine Cargo Terminal was now an integral part of the inter-modal logistics capability at HKIA, providing an effective and alternative link for air cargo transiting between HKIA and 17 ports in the Pearl River Delta (PRD); and

(v) A Precious Metal Depository was being developed at HKIA to tap into the opportunities provided by the growing demand for gold in the region. The tender exercise was in progress and the facility would be ready by the end of 2007.

(b) Aircraft base maintenance service

(i) The Hong Kong Aircraft Engineering Company Limited (HAECO)'s \$430 million second hangar at HKIA had commenced operation in December 2006 representing a 50% increase of aircraft base maintenance capacity at HKIA. HAECO would develop its third hangar, to be completed in two phases by 2009 and 2015 respectively. Each phase would provide handling capacity for two wide-body aircrafts;

(ii) The China Aircraft Services Limited was building a \$300 million hangar which could serve one wide-body and one narrow-body aircraft at the same time. The new facility was scheduled to be opened by mid 2008; and

(iii) To facilitate the operation of the new base maintenance facilities, AA had invested \$190 million to build a new taxi-lane, and an apron area.

(c) Business aviation

(i) A new business aviation hangar was being constructed at HKIA for completion by the third quarter of 2007. This \$100 million new hangar would double HKIA's handling capacity for business aviation; and

(ii) AA was also investing \$80 million to expand the business aviation apron, to be completed in two phases in 2007 and 2008 respectively.

36. With the aid of power-point presentation, the Acting Assistant Director-General of Civil Aviation (Air Traffic Management) (Atg ADGCA) briefed members on the objectives of air traffic management services, the forecast of aircraft movements by 2012, and improvement measures implemented by the Civil Aviation Department (CAD). He added that before the commissioning of the new air traffic control (ATC) system, CAD would continue to enhance its ATC capacity and efficiency through the following measures:

(a) in collaboration with AA, commissioning an overseas expert to study and propose options to improve the existing infrastructure of HKIA, ATC and flight operations;

- (b) recruiting around 20 controllers every year in the coming five years to support the enhancement of ATC capacity and upgrading the Radar Data Processing and Display System to accommodate more control positions by end 2008;
- (c) encouraging aircraft to leave the runway swiftly after landing to facilitate the reduction of the nominal inter-arrival spacing with a view to enhancing the runway capacity;
- (d) considering the use of both runways for landing during peak arrival periods; and
- (e) in conjunction with AA, implementing airfield improvements by constructing new rapid exit taxiways and an additional runway holding point for the South Runway.

37. Atg ADGCA further advised that the General Administration of Civil Aviation of China, CAD and the Macao Civil Aviation Authority had established a tripartite working group in February 2004 to improve the use of airspace and the co-ordination of air traffic management in the PRD region, including optimization of regional airspace design; standardization of interface and protocols of ATC systems as well as flight procedure design. So far, the tripartite working group had held ten meetings. To conclude, Atg ADGCA said that CAD had obtained funding approval for replacing the ATC system to meet the anticipated growth of air traffic. It also planned to seek funding approval for the development of CAD's new headquarters on the Airport Island. With the above enhancement measures in place, the runway capacity of HKIA would be able to increase gradually from the existing 54 to 58 movements per hour in 2009, which would amount to a potential increase of about 21 000 movements every year. Meanwhile, CAD would continue to liaise with civil aviation authorities of the Mainland and Macao with a view to improving the use of airspace and the co-ordination of air traffic management in the PRD region. CAD would partner with industry players to promote the development of civil aviation with a view to maintaining Hong Kong's status as an international and regional aviation hub.

Discussion

Air traffic management service

38. Mr Fred LI expressed concern on HKIA's runway capacity. In his view, if the runway was not put to optimum use, HKIA's competitiveness and hence Hong Kong's position as the international aviation hub might be adversely affected. In this connection, he enquired about the number of occasions in which airlines' requests for movement slots had been turned down due to limitation of the runway capacity. Mr SIN Chung-kai echoed the concern and asked whether such occasions had happened to any regular flights in the past six months.

39. In response, the Director-General of Civil Aviation (DGCA) said that there were no flights being refused landing slots. He elaborated that according to CAD's record, 11% of some 5 670 movement slots available from 9:00 am to midnight were not utilized. In the event that two or more airlines requested using the same movement slot, generally alternative movement slot(s) had been assigned within a period of 15 to 30 minutes of the requested slot. He further advised that about 17 airlines had not made full use of the movement slots allocated to them and CAD was considering withdrawing those slots for re-allocation to other airlines.

40. In reply to Mr SIN Chung-kai's enquiry about when the non-utilized 11% of the movement slots would be expected to be taken up, DGCA said that while it was difficult to estimate the demand for movement slots, there was a trend for airlines to use bigger aircraft to meet the increased passenger demand rather than just scheduling more flight movements.

41. Noting that the runway capacity of HKIA would be able to increase gradually from the existing 54 to 58 movements per hour in 2009 whilst airports having two runways such as those in Beijing, Bangkok and Singapore could already handle 60 to 66 movements per hour, Mr Fred LI sought explanation for the lower handling capacity of HKIA. In this connection, Mr SIN Chung-kai remarked that the Administration had once indicated that the maximum runway capacity of HKIA was 68 movements per hour. He enquired whether there was further room for enhancing the runway capacity.

42. DGCA reiterated that the increase from 54 to 58 movements per hour would amount to a potential increase of about 21 000 movements every year, which was achievable by enhanced ATC service in terms of manpower and equipment support. He added that with further advancement in technology and enhanced cooperation with the airlines and ATC authorities of neighbouring places, in the long run, HKIA's runway would be able to handle over 60 movements per hour. DGCA further explained that the runway capacity was greatly affected by the geographical environment of the airports concerned. As Hong Kong was surrounded by mountains northward and southward, and there were a number of airports in the vicinity, its airspace was indeed very limited, which had in turn constrained the runway capacity of HKIA. In fact, the existing handling capacity of the two-runway airports in Guangzhou and Shanghai were 45 movements per hour only.

43. Mr CHAN Kam-lam considered it more appropriate to compare Hong Kong's aviation service with that of advanced economies and saw the need for HKIA to further enhance its runway capacity. DGCA highlighted the advancement of Guangzhou in terms of aviation development. He further pointed out that the ATC systems used by the airports in Shanghai and Guangzhou were more advanced than the Hong Kong ATC system which had been in operation for about 10 years.

44. In response to Mr CHAN Kam-lam's further enquiry about the difficulties encountered in enhancing ATC capacity and measures for addressing them, DGCA highlighted the following points:

- (a) The mountains surrounding HKIA had constrained the use of surrounding airspace and posed difficulties in designing flight procedures. Therefore, AA and CAD had to commission overseas expert to study and propose options to further improve the existing infrastructure of HKIA, ATC and flight procedures;
- (b) CAD planned to recruit about 20 air traffic controllers (ATCOs) every year in the coming five years;
- (c) The time taken by an aircraft to leave the runway after landing was subject to aircraft performance requirement, pilot's decision and the availability of runway exit taxiways. CAD had issued reminder to airlines whose aircraft tended to stay on the runway longer than normally required after landing. Furthermore, AA was implementing airfield improvements by constructing two rapid exit taxiways and an additional runway holding point for the South Runway. The new facilities could help enhance the runway capacity by reducing the runway occupancy time of landing aircraft; and
- (d) The suggestion of using both runways for landing during peak arrival periods required very careful planning. Since the usable airspace was very limited, safety consideration would be a major concern. Nonetheless, CAD would look into the suggestion.

45. Mr Howard YOUNG said that it might be appropriate to compare HKIA with the airport in San Francisco which was also surrounded by mountains. Referring to the Central Government's reassurance to the Chief Executive during the latter's visit to Beijing in December 2006 that the Central Government attached great importance to the issue of congested airspace, he pointed out that the aviation industry was looking forward to the implementation of improvement measures to resolve the problem. He enquired whether improvement in airspace management could be made earlier before commissioning of the new ATC system by 2012.

46. DGCA advised that in February 2007, the tripartite working group endorsed a Proposal on the Planning and Implementation of Air Traffic Management in the PRD region. The details for implementation of the proposal was expected to be finalized in about a year. He added that during the past ten meetings, the tripartite working group had worked out short-term, medium-term and long-term measures for addressing the issue of airspace congestion. To bring about improvements to the safe and efficient use of airspace, CAD had enhanced its resources planning and staff training, upgraded relevant ATC facilities, as well as worked closely with AA and airlines to improve flight procedures design. DGCA reiterated that with the enhancement measures in place, the runway capacity could be increased gradually from the existing 54 to 58 movements per hour in 2009.

47. Noting from a media report that the five major airports in the PRD region had suspended their meetings for three years, Mr Fred LI expressed concern about the progress in improving the use of airspace and co-ordination of air traffic management in the PRD.

48. Mr Stanley HUI pointed out that the media report did not reflect the latest situation. All along, AA had been maintaining close liaison and co-ordination with its counterparts in the PRD region with a view to complementing their respective strengths and avoiding vicious competition among themselves. Another round of meetings among the five major airports in the PRD would probably be arranged in the near future to enhance communication and co-operation.

Recruitment of and training for ATCOs

49. Ir Dr Raymond HO sought information on the difficulties in retaining ATCOs in meeting manpower need in enhancing ATC capacity.

50. DGCA pointed out that the wastage of ATCO was not serious. He advised that currently there were approximately 160 ATCOs providing active ATC services in CAD, of whom about 40 were non-local staff. The main reasons for students and ATCOs leaving the grade were failure to obtain the ATCO licences, normal and early retirement, due to health problem and family reasons etc.

51. Mr Vincent FANG enquired about the time required to train up an ATCO. Noting that CAD planned to recruit altogether 100 controllers in the coming five years partly to replace the retiring staff members, he considered that to ensure smooth succession, CAD should recruit more ATCOs.

52. DGCA said that in general, it took about six years for a student ATCO to complete the training to become an all-round radar controller, including three years for obtaining the first ATC rating and another three years for acquiring the radar control qualifications. To cope with increasing manpower needs, CAD had strived to streamline the training procedures in the past two years. On the succession of ATCOs, DGCA said that in addition to the 100 student ATCOs to be recruited, there were also 40 student ATCOs under training. They were expected to become qualified controllers in the coming years. As such, it was envisaged that the supply of controllers could meet the development need of the aviation industry. Nevertheless, DGCA took note of member's advice and undertook to discuss with the bureau on the need to recruit additional manpower.

53. Mr Vincent FANG expressed concern about the working conditions of ATCOs as it had a direct bearing on air traffic safety. In response, DGCA highlighted that safe air traffic management was essential for the effective operation of HKIA. To ensure safety, it was a current practice for ATCOs to take a half-hour break after every two-hour continuous ATC service. In anticipation of the rising air traffic hence higher workload, CAD would review and consider providing

longer breaks for controllers.

Development of infrastructural facilities at HKIA

54. Noting that "HKIA 2025" had estimated that HKIA would serve close to 80 million passengers annually by 2025, Ir Dr Raymond HO was concerned about the progress in constructing the third runway to meet the growth in passenger number.

55. The Chairman also highlighted the strategic role played by the logistics industry in the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong". He urged that AA and the Administration should make the best preparation in terms of manpower and technical support to cater for the anticipated growth in aircraft movements, in particular following the commissioning of an additional cargo terminal in 2011 and the new ATC centre in 2012.

56. Mr Stanley HUI remarked that "HKIA 2025" had also estimated that HKIA would handle 8 million tones of cargo and 490 000 aircraft movements per year by 2025. To cater for the anticipated growth, AA would continue to work closely with CAD to maximize the existing runway capacity while conducting the feasibility study of constructing the third runway in parallel.

57. On air cargo operations, DGCA advised that such operations were usually carried out in off-peak hours between midnight and early next morning when more slots were available. To tie in with the delivery of the new ATC system by end 2012, ATC training on the new system would commence after system testing and evaluation in early 2012.

58. Appreciating the Administration's efforts in introducing competition to aircraft base maintenance service sector, Mr Howard YOUNG enquired about the availability of land to accommodate a third company for providing the service. In reply, Mr Stanley HUI confirmed the availability of land for a new company to provide aircraft base maintenance service. However, no such request had been received so far.

Conclusion

59. Summing up the discussion, the Chairman remarked that in general, members were concerned about the future development of HKIA, in particular whether the number of aircraft movements could meet the industry demand. They also urged the Administration to work with the civil aviation authorities of the Mainland and Macao in resolving the problem of airspace congestion.

VI Any other business

60. There being no other business, the meeting ended at 12:45 pm.

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