



04 July 2011

Hon Jeffrey LAM Kin-fung, SBS, JP  
Chairman  
Panel on Economic Development  
Legislative Council

(By Email: [mjylee@legco.gov.hk](mailto:mjylee@legco.gov.hk))

Dear Mr. Lam,

**HAFFA Views on Hong Kong International Airport (HKIA) Master Plan 2030**

Reference is made to your letter regarding the Panel on Economic Development Meeting on 19 July 2011. Having duly deliberated the matter at our Executive Committee, on behalf of HAFFA, I am writing to submit our considered views on the HKIA Master Plan 2030 for your consideration.

1. The consultation exercise should be conducted by the HKSAR Government rather than the Airport Authority Hong Kong (AAHK) for two reasons as set out below:
  - (a.) The AAHK is the operator of HKIA, a situation which results in an obvious conflict of interest;
  - (b.) The development of HKIA involves not only infrastructure projects on the airport island, but also encompasses issues relating to urban planning, mitigation of environmental issues, noise and air pollution, and air space negotiation with Mainland China, all of which necessarily involve different bureaus of the HKSAR Government. Currently, the AAHK does not hold statutory authorization to coordinate such an extensive and wide-ranging project.
2. The Master Plan 2030 does not appear to contain any indication of assistance to the logistics industry in the development of air freight, or a high value added logistics centre at the airport to meet existing and future requirements, in particular for SMEs. Based on the 12<sup>th</sup> Five Year Plan from the China Central Government, Hong Kong is positioning itself as a high value added logistics hub. However, Hong Kong currently lacks air freight and logistics facilities, particularly at the airport. In fact, most high value added merchandise requires air freight services rather than ocean freight, and therefore the possibility exists to combine the needs of air freight and a high value added logistics centre to accommodate the better flow of merchandise and faster response times for customers.
3. In view of the introduction of tighter air cargo security measures, the logistics industry forecasts that 100% scanning of both passenger flights and cargo freighters will occur in a few years time. In the event of an incident similar to that which occurred in Yemen, such implementation could be introduced at any time. In order to be prepared for such an eventuality, a centralized scanning facility at the airport should be put in place. Ideally, this scanning facility should be located in the same area as the air freight and high value added logistics centre.
4. To maintain Hong Kong's position as an international aviation hub, the HKSAR Government should look seriously at refining the current Import & Export Ordinance to better facilitate transshipment through Hong Kong. The current Import & Export Ordinance was established in 1966, and is no longer able to accommodate the needs of modern supply chain management and ever-changing environment.



5. If the third runway is completed by 2023 or 2024, the maximum capacity of all three runways is likely to have reached saturation by 2030 – 2032. As a result, the new runway may only be able to accommodate predicted growth for less than 10 years after its completion. Therefore, a feasibility study for a fourth runway should be considered, otherwise another consultation on the matter may be required in less than 10 years, and the entire exercise repeated. The public may react negatively should they not be made aware of this consideration, and the possibility of a larger reclamation area being developed now to accommodate future needs in order to avoid damage to the environment twice.

In conclusion, the Hongkong Association of Freight Forwarding & Logistics (HAFFA) fully supports the construction of the third runway as this will accommodate future growth of passenger and cargo demand. However, we would urge the HKSAR Government to also consider the recommendations listed above.

Should you require further information / clarifications, please feel free to contact the undersigned or Ms. Alice Lui at 2796 3121.

Thank you for your attention.

Yours sincerely,

A handwritten signature in black ink that reads "Paul Tsui". The signature is written in a cursive, flowing style.

Ir. Dr. Paul Tsui  
Chairman  
HAFFA

Cc: HAFFA Policy Sub-committee and Executive Committee