

**Dah Chong Hong- Dragonair Airport GSE Service Ltd. strongly support construction of a third runway at HKIA**

Dah Chong Hong- Dragonair Airport GSE Service Ltd. (“DAS”) strongly support the expansion into a three-runway system considering, apart from maintaining Hong Kong’s competitiveness as an international business hub and a world-class city, but the growing demand of the capacity at the Hong Kong International Airport (“HKIA”) and the possible contributions towards our community.

**Growth in Aviation**

HKIA currently has 60 movements per hour in the runway operations, resulting 50.94 million passengers and 4.13 million tonnes of cargo in 2010. Hong Kong Civil Aviation Department proposed to raise the limit of the runway movements to 68 per hour when HKIA recorded a 10% year-on-year increase in passenger throughput to 4.3 million in January 2011. IATA estimates this would raise the annual passenger capacity to 55 million and will not meet the demand in 2014 of 62.2 million.<sup>1</sup> IATA further estimates that by 2030 passenger throughput will reach 97 million, and cargo volume will reach 8.9 million tonnes.<sup>2</sup> With this estimation, expansion in HKIA is evitable and urgent to cope with the predictable demand.

HKIA is planned to cater 360,000 of its runway design capacity where in 2010 it used up to 85% of its capacity. Estimated in 2030, the flight movement will be 602,000, only option 2<sup>3</sup> meets the estimation using up to 97% of the capacity while option 1<sup>4</sup>’s capacity is under the estimated capacity by 30%.<sup>2</sup> To satisfy the demand, construction of the 3<sup>rd</sup> runway is evitable.

**Benefits of an Aviation Hub to the Local Economy**

HKIA enhances Hong Kong’s competitiveness and supports the local economic pillars. The aviation industry supports 8% of Hong Kong’s GDP.<sup>5</sup> The construction of the 3<sup>rd</sup> runway will create \$167 billion and employ 340,000 people in 2030 where option 1 only contributes \$120 billion and employs 244,000 people respectively.<sup>2</sup>

Our Company, DAS, as one of the productivity units in the airport community, contributes in engineering services of airport ground support equipment, aircraft unit load device and special equipment. With the building of the 3<sup>rd</sup> runway, associated and related infrastructures, high-end facilities and equipment will be accomplished, and which will demand the increased support from engineering firms at the airport. As such, this brings in positive growths to the businesses of our company, which we only have hundreds of employees, and I believe also to other firms in the community which have over 60,000 employees in total. More people we need to employ and more job opportunities are therefore created and offered to the Hong Kong citizens. The economic benefits driven by option 2 will be much more significant for our consideration.

Therefore, we hereby urge for constructing the 3<sup>rd</sup> runway for HKIA, not only to keep with the market trend and secure Hong Kong's position as the leading hub, but also to benefit the whole society including the airport community.

---

<sup>1</sup> Jane's Airport (Date, April 2011)

<sup>2</sup> Hong Kong International Airport Master Plan 2030, AAHK (Date, 2011)

<sup>3</sup> Option 2(expanding into a three-runway system) includes automated people mover ("APM") extension; baggage handling system ("BHS") enhancement; road network and landside transportation facilities expansion; land formation; constructing third runway, related taxiway systems, airfield facilities, third runway aprons and passenger concourses; midfield concourse and freighter apron expansion and reconfiguration of passenger terminal 2.

<sup>4</sup> Option 1(maintaining the existing two-runway system) includes passenger terminal expansion; apron and passenger concourse expansion; APM extension; BHS enhancement and road network and landside transportation facilities expansion.

<sup>5</sup> Asian Airlines & Airports (Date, March 2011)