

Written Submission
For Panel on Economic Development Meeting on 19 July 2011

“CASL Supports Building the Third Runway for HKIA”

China Aircraft Services Limited (“CASL”) supports the option of expanding Hong Kong International Airport (“HKIA”) into a Three Runway System Airport as outlined in the <<HKIA MASTER PLAN 2030>>. Our three main points are as below.

1. Third Runway is Indispensable to Hong Kong

Without the third runway, Hong Kong’s air connectivity will be severely constrained and HKIA will lose its key competitiveness as an international aviation hub in future. In turn, this will contain the growth of the four economic pillars of Hong Kong and in its positioning as an international centre for financial services, trade and shipping.

2. More Job Opportunities

The expanding air traffic capacity offered by the third runway will create tremendous number of jobs directly at the airport which includes aircraft maintenance, aircraft cleaning, passenger services, cargo handling, fuelling, catering, etc. and indirectly benefiting other industries in Hong Kong.

As an example, our Company commenced operation with about 300 staff in July 1998, such job opportunities were created by the opening of the new airport. Due to the growth of flights at HKIA, our total number of staff has increased to almost 1,000 by today. Out of the total workforce, more than 97% is locally employed and around 50% of the employees are less skilled workers. We provide gainful employment opportunities to less-skilled people living in nearby districts of the airport (Tung Chung, Tuen Mun, Yuen Long, Tin Shui Wai), and helped them saving transportation time and money for works at city area. This is of considerable value in filling the shortages of manual or less-skilled job opportunities in Hong Kong. In fact, we expect our workforce to be doubled when the third runway is in operation.

3. Third Runway is a Prime Asset to Hong Kong

The third runway is a prime asset which can bring long-term benefits to our society and the



中國飛機服務有限公司

China Aircraft Services Limited

A joint venture among CNAC(G), Hutchison China, UAL & CAL

future generation. Given the strong economic growth in the Mainland and Asia Pacific Region, we are optimistic that actual air traffic growth will be higher than the projection shown in HKIA's Master Plan. From the economic perspective, we believe it is rational to invest in the third runway instead of keeping such money as financial reserve and witnessing the purchasing power of HK\$ being eroded by inflation and currency devaluation.

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About CASL

CASL was founded in 1995, a multi-national joint venture of China National Aviation Corporation (Group) Limited ("CNACG"), Hutchison Whampoa (China) Limited, United Airlines and China Airlines.

CASL commenced its operation in July 1998 at HKIA. Since then, CASL has grown rapidly to become a preferred aircraft maintenance service provider at HKIA providing comprehensive aircraft maintenance, cabin cleaning, ground services equipment and inventory management and logistic services. Since the opening of CASL's aircraft hangar in May 2009, CASL has expanded and upgraded its scope of services to include aircraft base maintenance. Today, CASL employs about 1,000 staff with aircraft line and base maintenance services provided to around 50 airlines. Since its commencement, CASL has continuously employed mostly local people and re-trained them with aircraft knowledge and job skills to grow with the company and the airport.

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For further information, please contact:

Ms. Candice Wong

Tel: 22612830