

Hong Kong International Airport (HKIA) Master Plan 2030

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Overview

Hong Kong must continue to build on the outstanding success of Hong Kong International Airport (HKIA). HKIA enjoys industry leadership as a major global aviation hub, whilst being a key enabler for our Tourism and Trade & Logistics sectors – two of our key pillar industries which combined account for 29.3% of our GDP and 29.5% of our employment. HKIA's convenience and connectivity are also vital to the success of our business sector and our personal travel needs. The GPRD is developing its various airports, each with its own role, to meet robust demand. Within this, HKIA will continue to have a separate role which cannot be met through cooperation with other airports. Demand at HKIA is already approaching saturation point, particularly for traffic slots for Intra Asia flights at peak periods.

Hong Kong needs to decide the way ahead as soon as possible. Subject to satisfactory resolution of the points noted below, CILTHK supports the construction of a third runway or, if so determined, implementing a comprehensive reclamation plan to allow construction of a fourth runway when needed.

(a) Government engagement

At this stage the project proponent has been charged with carrying out the public consultation. There are clear conflicts of interest in this approach. There are also a number of areas noted below where only Government can act, eg developing a comprehensive plan to protect our dolphins, implementing Clean Air Zones at the Airport and in its environs. Government also needs to take a view on long term planning for the reclamation – should we plan now for a fourth runway? **We suggest** that Government should now take control – it should be proactive in the next steps, developing its own projections of demand, its own assessment of the economic benefits and projected rate of return on the project, its own views on the various issues of concern and its own plans for improving the environment.

(b) Public engagement

The HKIA Master Plan 2030 is a highly complex issue, with many parties expressing strong views on all sides. We note that many documents were made available to the public at a late stage during the consultation, and that there have been concerns for example on the information used concerning environmental issues. We are concerned at the lack of transparency in the current consultation exercise. It will take some time to reach a final decision on the way ahead. **We suggest** that the Government use this time to build trust in the process by promoting substantive public engagement on all the issues of concern. Such engagement should include detailed discussions with concern groups, detailed responses to concerns expressed, made available to all interested through various means including the net.



(c) Risks

We note the traffic projections and the adjustment factors relevant to HKIA. More attention should nevertheless be paid to possible and likely risks. Recent global financial and economic turmoil may not be easily resolved. The traditional growth model may be challenged as the demands of developed and emerging economies become constrained by financial issues and the availability of resources. At the very least we face likely higher fuel prices – the IATA, Boeing and Airbus projections all see more than a doubling of global traffic in the next 20 years with consequent demand for more fuel and upward pressure on fuel prices. Since fuel constitutes some 35% and more of operating costs the impact of higher fuel prices on fares and therefore demand may be dramatic. There may also be policy risks, eg the tightening of control on polluting industry in the GPRD. **We suggest** that these risks should be further reviewed and assessed.

(d) Long term planning

We understand that, if the current projections are correct, the airport will reach saturation again quite quickly and a fourth runway may then be needed. In these circumstances, it would make sense, subject to such being economically feasible, to reclaim land as reserve sufficient for a future fourth runway in order to maximize efficiency of works and minimize occurrences of environmental disruptions, in particular to Hong Kong's dolphins. In short, **we suggest** a longer planning horizon and a broader vision for this important project, and that if reclamation is to go ahead consideration should be given to maximizing it to permit construction of a fourth runway when needed.

(e) Environmental

We understand that full environmental impact assessments have not been made at this stage. The implications of the judicial review of the EIA for the landing of the HK-Zhuhai-Macau bridge are not clear (indeed Government is appealing the ruling), but it is clear that all possible measures will need to be explored to minimize and mitigate any adverse environmental impacts of development of the airport. This is particularly necessary given the generally poor air quality in the Tung Chung area.

i. Noise and air emissions – aviation

We note that significant ongoing improvements are in the pipeline on noise and air emissions for new aircraft. **We suggest** that Hong Kong should impose minimum noise and emission standards on aircraft using HKIA, in order to deny access to older aircraft which do not meet higher standards. If such aircraft have to land here, they should be subjected to punitive charges.

We suggest that other measures be taken to require and enforce the use of land-generated electricity/air conditioning on aircraft that are parked.

ii. Air emissions – local transport

We suggest designating the Airport as a Clean Air Zone, requiring a fully electrified fleet of support vehicles on the airside, and that vehicles serving the airport meet eg Euro V standards. This may be implemented as soon as possible, including for example when the franchised bus fleet is renewed in the next few years, and by requiring coach services to comply by a specified date.



We suggest upgrading shuttle bus services (within the Airport and connecting to the railway) to electric trolley or battery services.

iii. **Air emissions – a broader consideration**

In addition to the airport, other development proposals in the area include the HK-Zhuhai-Macau Bridge and the associated Cross Boundary Facility. **We suggest** Government consider how to reduce the cumulative adverse emissions impact of these developments including through implementing a comprehensive Clean Air Zone to cover the whole area. It should be possible to restrict access to these areas to eg Euro V compliant commercial and public transport vehicles, including an electric shuttle trolley bus service on the bridge.

iv. **The Chinese White Dolphins**

We are distressed by reports of continuing harm inflicted on Hong Kong's precious dolphins. Some of this harm is caused by marine activities. We suggest that Government devise a comprehensive programme to protect the dolphins from harm, be it caused by further reclamation (if that is the preferred option) or by other activities in their habitat.

(f) Logistics

The logistics industry needs certain common facilities at the airport which should be provided to meet the development of the HKIA at the earliest possible date. These are

i. **A Centralised Scanning facility**

After the 9/11 terrorism attack, the US Government approved the 9/11 Commission Act on August 3, 2007. The Act established a system to screen 100% of cargo transported on a passenger aircraft to be implemented by December 31, 2011. In addition, the US Congress further introduced the "Air Cargo Security Act" in November 2010 to extend 100% screening to cargo freighters to and from the US. The measure would be introduced in two stages, with 50% screening within 18 months 100% screening within three years. The measure will have severe impacts on air cargo operations in Hong Kong with earlier cut-off times for cargo and higher security costs. The SMEs will be particularly hard hit due to constraints such as availability of space and monetary resources. **We suggest** the Government should consider providing a centralized screening facility at the HKIA to facilitate the operation of the SME freight forwarding and logistics service providers.

ii. **An Air Freight Consolidation Centre, with High Value-added Services**

The National 12th Five Year Plan supports Hong Kong's development of shipping, logistics and other high value-added services, in line with the HKSAR's policies. However the logistics industry is concerned that there are no plans to make land available for air freight consolidation and high value-added services warehousing facilities within the airport island. **We suggest** that such provision be considered for inclusion in the Master Plan.



iii. **Housing for the Workforce**

Most of the companies such as HACTL, CX, AAT, freight forwarding companies and logistics services providers find it hard to recruit frontline employees to work at the Airport Island. The turnover rate at the airport island is substantially higher than elsewhere in Hong Kong in particular for positions which require rotation shift work. The cost of transportation for most of the employees is high – frontline staff may spend about 15-20% of their salary to commute, with long hours of travelling time. There is a lack of public housing at Tung Chung, which would address some of these problems. **We suggest** that there should be increased public housing estates in the area of Tung Chung to accommodate families of prospective frontline staff in the airport expansion plan.

(g) Transport

i. **Traffic impact assessment**

We understand that a full traffic impact assessment will be made at a later stage in the normal way. It will need to cover necessary local supporting road infrastructure as well as road- and rail-based transport services.

ii. **Connectivity with other airports**

Shenzhen Airport has good air service connections within the Mainland and Macau Airport has good budget air services. **We suggest** that the potential for rail or road connections to SZ and Macau Airports be examined.

(h) Financial and other cost implications

- i. The HKIA Master Plan only assesses the likely financial implications of the two options on the Airport itself. There will clearly be other financial implications for improving arrangements for logistics and for the necessary supporting transport infrastructure. **We suggest** that the total financial implications be drawn together so that a complete picture of the plans is given.
- ii. **We suggest** that the Master Plan also needs to identify and cost environmental and social implications, including for example carbon emissions and the adverse effects of other air emissions and of noise.

1st September 2011

