

For Information

LegCo Panel on Economic Services

Marine Cargo Terminal at Hong Kong International Airport

Introduction

At the Panel meeting on 27 March 2000, Members requested information on the plan of the Airport Authority (AA) to establish a Marine Cargo Terminal (MCT) at the Hong Kong International Airport (HKIA). This paper sets out the relevant information.

Background

2. In 1999, about 2 million tonnes of air cargo were handled by HKIA. While this represented only 1% of Hong Kong's total cargo tonnage, it accounted for some 24% (or HK\$664 billion) of our trade value. About 83% of the air cargo handled is HKIA origin/destination type cargo, of which 70% is estimated to be Mainland-related.

3. The geography and strategic location of HKIA at the estuary of the Pearl River Delta (PRD) provide a natural environment for the development of intermodal (sea-land-air) transport between the PRD and HKIA. HKIA has a pier and 6 quays as shown in Annex 1. The quays were established during the Site Preparation Contract for the delivery of contractors' equipment, goods and materials to, and for the removal of debris from, the project site.

Objectives, Benefits and Cost Effectiveness

4. At present, surface transport of all HKIA origin and destination air cargo is by truck to/from the airport. By introducing sea transport, shippers will have an additional means to transport their cargo. The AA has been informed by the industry that marine transport is not only expected to be more cost-effective than trucking, but will reduce the need for road transport and save time. This will also enhance the competitiveness of HKIA and attract more cargo through Hong Kong. Moreover, the availability of marine transport links will make HKIA a more attractive location for the development of logistics centres and related facilities. Given these considerations, the AA plans to award an Operation and Management Licence for an MCT to facilitate transport of air cargo to/from HKIA by sea.

Location of MCT

5. The MCT is to be operated at the North East Quay situated along the waterfront of the North Commercial District at HKIA. The waterfront of the MCT is approximately 450m in length with an area of about 1.4 hectares. Water depth at the quayside is about 5 metres. Good road access is available to the MCT via the East Coast Road along the eastern coastline of the airport island. This provides an excellent road link to and from the air cargo area at HKIA.

The Licence

6. The AA considers that:

(a) The licensee of the MCT shall be required to:

- develop, operate, manage and maintain the facilities at the MCT to facilitate air cargo ferry services between the PRD and HKIA;
- provide trucking services between the MCT and on-airport air cargo facilities;
- comply with all statutes and other requirements and regulations of the AA and of the relevant Government departments and authorities; and
- obtain all necessary approvals, consents and licences that may be required.

(b) The MCT shall be an open access terminal for customers who have established a service agreement with the licensee.

Progress

7. Expression of Interest (EOI) submissions were invited for the development, operation, management and maintenance of the MCT by the AA at the end of September 1999. Based on the EOI submissions, it is estimated that the maximum capacity of individual vessels using the MCT will be approximately 300 tonnes and the daily cargo throughput will be around 500-600 tonnes building up to 900 tonnes.

8. The AA issued tender documents in early February 2000 to all respondents who submitted an EOI. Submission of business plans from tenderers is scheduled for mid-May 2000. Following evaluation, approvals and tender award, the AA plans to issue the licence in the third quarter of 2000.

Way Forward

9. The AA will continue to work closely with all interested parties to implement this new initiative and make it a success in order to further enhance HKIA as an international and regional air cargo hub.

Airport Authority
May 2000