# HKIA's Mission & Competitiveness

- Our mission is to enhance HKIA as a Centre of International and Regional Aviation.

- HKIA creates economic value for Hong Kong through 243 employers and 50,000 jobs on the Airport Island in addition to other economic spin-off.

- For the past few years, we have been working hard to enhance our competitiveness, which is a total package of Time + Money + Reliability.

- It is up to our customers, i.e., the passengers to decide whether or not we are competitive.

- Ultimately, the passengers bear all the costs on the ticket. Airport charges constitute only a small fraction of the airfare.

From Hong Kong	Sydney	Shanghai	Beijing	Tokyo	London
Average Airfare (HK$/pax)	9,530	3,430	4,840	5,900	9,120
Airport Charges/pax	109	85	85	108	119
Airport Charges (%)	**1.1%**	**2.5%**	**1.8%**	**1.8%**	**1.3%**

Source: PWC Study, January 2004

HKIA ranks the 46th among 50 airports worldwide
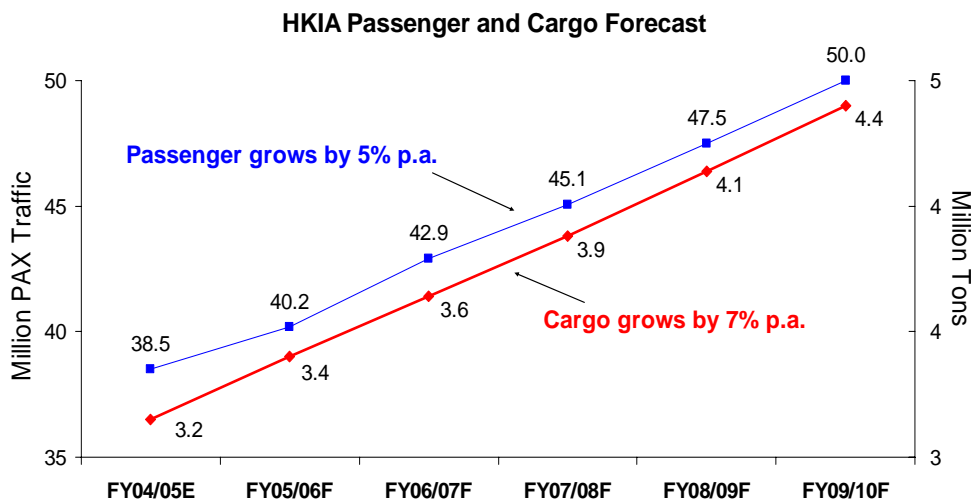### (Airport charges cover landing, parking and terminal building charges)
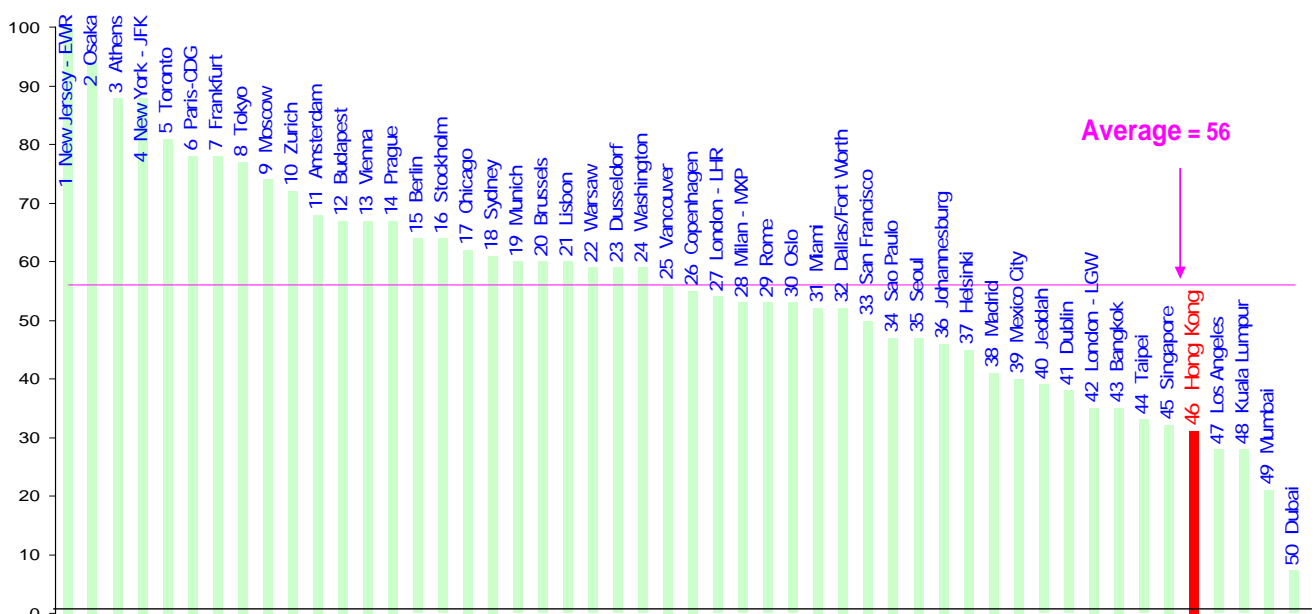
Source: Review of Airport Charges 2004 by Transport Research Laboratory ("TRL") based on IATA Charging Manual

Why privatize?

- Privatization gives market the ownership which results in market supervision and market funding for expansion.

- Today 195 airports already privatized include London, Frankfurt, Sydney, Beijing and Shanghai ….. and this is a world trend.

Who determines HKIA's value ?

- Valuation is determined by the market, and market makes decision based on <u>track record</u> and <u>growth prospects</u>.

HKIA Passenger and Cargo Forecast

Passenger grows by 5% p.a.

Cargo grows by 7% p.a.

Passenger (Million PAX Traffic): 38.5, 40.2, 42.9, 45.1, 47.5, 50.0

Cargo (Million Tons): 3.2, 3.4, 3.6, 3.9, 4.1, 4.4

FY04/05E, FY05/06F, FY06/07F, FY07/08F, FY08/09F, FY09/10F

Market will provide funding for new capacity and create new jobs

- A total worth of HK$860 billion of investment projects are planned for Asia-Pacific airports*. Private sector funding provides a more efficient alternative to public sector financing for investments of such magnitude.

  * Source: Airports Council International (ACI) Airport Economics Survey 2004

- About 20,000 jobs will be created in the next 5 years at HKIA.

56,300 — 2005/06
58,000 — 2006/07
62,000 — 2007/08
68,000 — 2008/09
71,500 — 2009/10
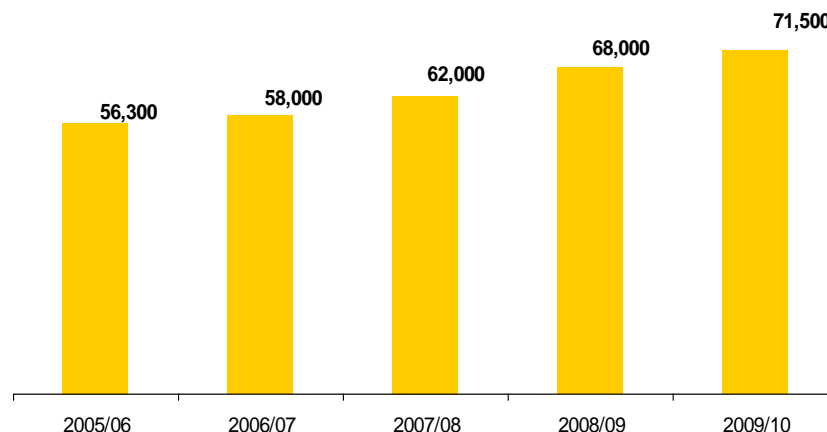
Total no. of jobs at HKIA based on planned projects for the next 5 years