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Panel on Economic Development Special meeting on 10 June 2011

Background brief on the development of a third runway at the Hong Kong International Airport

Purpose

This paper provides background information on the development of the third runway at the Hong Kong International Airport (HKIA) under the HKIA Master Plan 2030 Study (the 2030 Study) commissioned by the Airport Authority (AA), and summarizes concerns and views expressed by Legislative Council Members on the subject.

Background

- 2. Opening in July 1998, HKIA with two runways was projected to be able to cope with the air traffic demand through the years up to 2010 and beyond. In view of the annual growth in passenger traffic and freight cargo, AA has in recent years put forth its near-term projects including Terminal 2 commissioned in June 2007, and the new SkyPier cross-boundary ferry terminal and the North Satellite Concourse which entered service in January 2010.
- 3. In 2010¹, 50.9 million passengers used HKIA and some 4.1 million tonnes of air cargo passed through Hong Kong. HKIA is connected to about 160 destinations, including around 45 in the Mainland, through about 900 daily flights by over 95 airlines.

Source: The Airport Authority Hong Kong. http://www.hongkongairport.com/eng/business/about-the-airport/welcome.html

The need to build a third runway

- 4. HKIA2025, released in December 2006, estimated that HKIA would serve close to 80 million passengers, handle 8 million tonnes of cargo and 490 000 aircraft movements per year by 2025. On 22 January 2007, AA briefed the Panel on Economic Services² (the ES Panel) on the SkyCity development project covered in HKIA2025 which indicated that AA would work with the Civil Aviation Department (CAD) to assess the feasibility of a third runway and conduct relevant feasibility studies.
- 5. In response to increasing calls for enhancing HKIA's runway capacity to cope with the rapid growth in air traffic volume, CAD and AA commissioned a consultancy study on Hong Kong airspace and runway capacity in July 2007³. The study, which was completed in December 2007, recommended a total of 46 measures for enhancing the capacity of the existing two runways. With the successful implementation of the measures, the maximum runway capacity of the existing two runways could gradually reach 68 aircraft movements per hour by 2015. To achieve this, CAD would reform its existing air traffic control (ATC) philosophy, improve the flight procedures and operations, and review its ATC-related manpower resources. CAD would also continue to liaise with civil aviation authorities of the Mainland and Macao via the tripartite working group with a view to improving the use of airspace and the co-ordination of air traffic management in the Pearl River Delta (PRD) region.
- 6. To cope with air traffic demand up to 2020, AA is taking forward a midfield expansion project to provide a Midfield Concourse (MFC), additional aircraft stands and apron facilities, which will maximize the use of the two existing runways and increase the handling capacity of the airport to 70 million passengers and 6 million tonnes of cargo. Phase I works are expected to begin in the third quarter of 2011 for completion in mid 2015.
- 7. To enhance runway capacity in the longer term, AA commissioned the 2030 Study in July 2008 to look at the infrastructural development needs of the airport up to 2030. AA also commissioned a study on the engineering and environmental feasibility of the third runway proposal.

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² The Panel on Economic Services was renamed as the Panel on Economic Development with effect from the 2007-2008 session.

³ CAD

³ CAD and AA commissioned the National Air Traffic Services (NATS) of the United Kingdom to study the Hong Kong airspace and runway capacity in July 2007.

Views of Members on the third runway

Motions moved at Council meetings

- 8. Hon CHAN Kam-lam moved a motion at the Council meeting on 6 December 2006 on "Strengthening Hong Kong's capability in immediate transhipment", urging the Government to, inter alia, augment the throughput of immediate transshipment, such as expeditiously constructing the third runway at HKIA. The motion as amended by Hon SIN Chung-kai was passed.
- 9. Hon Mrs Sophie LEUNG LAU Yau-fun moved a motion at the Council meeting on 24 June 2009 on "Seizing the chance to turn the risks from the 'Three Direct Links' across the Taiwan Strait into opportunities", urging the Government to, inter alia, study the construction of the third runway for HKIA. The motion as amended by Hon Tommy CHEUNG Yu-yan, Hon IP Wai-ming, Hon WONG Ting-kwong and Dr Hon Priscilla LEUNG Mei-fun was passed.
- 10. Hon IP Kwok-him moved a motion at the Council meeting on 30 March 2011 on "Implementing the Twelfth Five-Year Plan", urging the Government to, inter alia, expeditiously study and implement the construction of a third runway to consolidate and enhance Hong Kong's status as an aviation centre. The motion as amended by Hon Miriam LAU Kin-yee was passed.

Question raised at Council meeting

11. Hon Albert CHAN Wai-yip raised a written question on HKIA Master Plan 2030 at the Council meeting on 12 January 2011. According to the Administration's reply, the HKIA Master Plan 2030 on airport developments in the next twenty years would explore different development strategies and options, including the feasibility of building a third runway. These studies were substantially completed, and AA was drafting a study report. As for nuisance caused by aircraft noise upon the construction of the third runway, the Administration advised that the studies related to the HKIA Master Plan 2030 included preliminary environmental impact assessment, which included reviewing and updating the Noise Exposure Forecast 25 contours on the basis of the latest airport design capacity.

Discussions at Panel

12. When the Administration briefed the Panel on Economic Development (the Panel) on the consultancy study on Hong Kong airspace and runway capacity at the meeting on 17 March 2008, members considered

that construction of a third runway at HKIA would be essential to its future development and competitiveness, and the Administration should critically examine such need and work out forward-looking plans for the development of HKIA.

- 13. When the Administration briefed the Panel on the policy initiatives under the 2009-2010 Policy Address on 16 October 2009, members requested the Administration to speed up the feasibility study on building a third runway so that it could be commissioned in a timely manner to cope with the air traffic demand. They considered that the implementation of the third runway would create more job opportunities and benefit the aviation and logistics industries.
- 14. When the Panel discussed the Framework Agreement on Hong Kong/Guangdong Co-operation in respect of logistics development on 28 June 2010, members again urged the Government to proactively take forward the third runway, and allow adequate time for conducting public consultation and resolving objections, if any, so as to avoid delay in the overall implementation.
- 15. When the Administration briefed the Panel on the policy initiatives under the 2010-2011 Policy Address on 15 October 2010, it indicated that upon the completion of the 2030 Study, there would be a public consultation process which was expected to take place in the first half of 2011. The consultation would be very thorough as it involved various aspects such as economic development, environmental protection and conservation, biodiversity, and concerns of the residents in the area.
- 16. At the Panel meeting on 28 March 2011, members requested the Administration to include information on the economic and environmental impact, financing arrangement as well as various views expressed on the development of a third runway.

Latest position

17. On 2 June 2011, AA releases the HKIA Master Plan 2030 for public consultation until 2 September 2011. According to the Plan, it requires a construction lead time of about 11 years for the three-runway system to start operation. The Administration will brief the Panel on the HKIA Master Plan 2030 at the special meeting on 10 June 2011.

References

18. A list of relevant papers is in the **Appendix.**

Council Business Division 1
<u>Legislative Council Secretariat</u>
2 June 2011

The development of a third runway at the Hong Kong International Airport

List of relevant papers

Motion on "Strengthening Hong Kong's capability in immediate transhipment" moved by Hon CHAN Kam-lam at the LegCo meeting on 6 December 2006 (page 218)

 $\underline{http://www.legco.gov.hk/yr06-07/english/counmtg/hansard/cm1206-translate} -e.pdf$

HKIA2025 Brochure issued by the Airport Authority Hong Kong (December 2006)

http://www.hongkongairport.com/eng/pdf/business/airport-authority/HKIA20 25.pdf

Minutes of Panel meeting on 22 January 2007 http://www.legco.gov.hk/yr06-07/english/panels/es/minutes/es070122.pdf

Information paper provided by the Airport Authority Hong Kong on SkyCity Development at the Hong Kong International Airport (LC Paper No. CB(1)730/06-07(04))

 $\underline{http://www.legco.gov.hk/yr06-07/english/panels/es/papers/es0122cb1-730-4-\underline{e.pdf}$

Minutes of Panel meeting on 28 May 2007 http://www.legco.gov.hk/yr06-07/english/panels/es/minutes/es070528.pdf

Information paper provided by the Airport Authority Hong Kong and Civil Aviation Department on Development of key aviation support services at the Hong Kong International Airport (LC Paper No. CB(1)1675/06-07(04)) http://www.legco.gov.hk/yr06-07/english/panels/es/papers/es0528cb1-1675-4-e.pdf

Press release on "Hong Kong International Airport Celebrates the Grand Opening of Terminal 2 and the $10^{\rm th}$ Anniversary of the HKSAR" issued by the Airport Authority Hong Kong on 1 June 2007

http://www.hongkongairport.com/eng/media/press-releases/pr_889.html

Minutes of Panel meeting on 18 July 2007 http://www.legco.gov.hk/yr06-07/english/panels/es/minutes/es070718.pdf Minutes of Panel meeting on 17 March 2008 http://www.legco.gov.hk/yr07-08/english/panels/es/minutes/ev080317.pdf

Administration's paper on consultancy study on Hong Kong airspace and runway capacity (LC Paper No. CB(1)1030/07-08(05)) http://www.legco.gov.hk/yr07-08/english/panels/es/papers/edev0317cb1-103 0-5-e.pdf

Motion on "Seizing the chance to turn the risks from the 'Three Direct Links' across the Taiwan Strait into opportunities" moved by Hon Mrs Sophie LEUNG LAU Yau-fun at the LegCo meeting on 24 June 2009 (page 278) http://www.legco.gov.hk/yr08-09/english/counmtg/hansard/cm0624-translate-e.pdf

Minutes of Panel special meeting on 16 October 2009 (paragraphs 40-44) http://www.legco.gov.hk/yr09-10/english/panels/edev/minutes/edev20091016 .pdf

Administration's paper on policy initiatives of the Transport Branch of the Transport and Housing Bureau (CE's Policy Address 2009-2010) (LC Paper No. CB(1)18/09-10(02))

 $\frac{http://www.legco.gov.hk/yr09-10/english/panels/edev/papers/edev1016cb1-1}{8-2-e.pdf}$

Press release on "Airport's New SkyPier and North Satellite Concourse Officially Opened" issued by the Airport Authority Hong Kong on 15 January 2010

http://www.hongkongairport.com/eng/media/press-releases/pr_983.html

Minutes of Panel meeting on 28 June 2010

http://www.legco.gov.hk/yr09-10/english/panels/edev/minutes/edev20100628_pdf

Administration's paper on midfield expansion project of Airport Authority Hong Kong (LC Paper No. CB(1)2086/09-10(01))

 $\underline{http://www.legco.gov.hk/yr09-10/english/panels/edev/papers/edevcb1-2086-1-e.pdf}$

Administration's paper on policy initiatives of the Transport Branch of the Transport and Housing Bureau (CE's Policy Address 2010-2011) (LC Paper No. CB(1)20/10-11(02))

 $\frac{http://www.legco.gov.hk/yr10-11/english/panels/edev/papers/edev1015cb1-2}{0-2-e.pdf}$

LegCo question on "Hong Kong International Airport Master Plan 2030" by Hon Albert CHAN Wai-yip at the Legislative Council meeting on 12 January 2011

http://www.info.gov.hk/gia/general/201101/12/P201101120136.htm

Minutes of Panel meeting on 28 March 2011 http://www.legco.gov.hk/yr10-11/english/panels/edev/minutes/edev20110328 .pdf

Motion on "Implementing the Twelfth Five-Year Plan" moved by Hon IP Kwok-him at the LegCo meeting on 31 March 2011 (page 5) http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0331-translate-e.pdf

"Welcome to Hong Kong International Airport" on the website of the Airport Authority Hong Kong
http://www.hongkongairport.com/eng/business/about-the-airport/welcome.html

Council Business Division 1
<u>Legislative Council Secretariat</u>
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