



LSG Lufthansa Service Asia Ltd.

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Panel on Economic Development
Legislative Council Secretariat
3/F Citibank Tower
3 Garden Road
Central, Hong Kong

Dear Honourable Members of the Panel on Economic Development,

Re: Hong Kong International Airport Expansion

LSG Sky Chefs fully supports the proposed expansion of the Hong Kong International Airport (HKIA) and addition of a third runway.

Hong Kong plays a key role in the region as a gateway to the entire Asia/Pacific region. The success of this position is very much dependent on the success of our airport. It has been well-documented that the HKIA is set to reach capacity earlier than originally anticipated because of the rapid growth in the region. In order to continue Hong Kong's position as a key hub in connecting Asia with the rest of the world, it is necessary to expand the airport's existing facilities.

Hong Kong has built a strong reputation as a centre for finance, trade and logistics, tourism, and professional services. The strength of these pillars of our economy rests on the success of our airport to get people and cargo into and out of the territory.

LSG Sky Chefs wants to see Hong Kong not only continue its key role in the region, but also to grow its competitive advantage. Already there is significant competition from around the region. Beijing, Shanghai and Seoul currently operate three-runway airports, with plans to expand to five runways or in Beijing's case, to build an entire additional international airport. Bangkok, Shenzhen and Guangzhou all have airport expansion plans which would have them equipped with at least three runways in the future. Therefore, Hong Kong needs to expand its existing two-runway airport to maintain its competitive edge in the region.

Additional facilities at HKIA would also help grow the aviation industry, which has always been very strong in Hong Kong; it accounted for 4.6% of Hong Kong's GDP in 2008. The opportunity for increased employment in this industry resulting from an expanded HKIA would be significant, and would be a great buoy for Hong Kong's economy.

To this end, we fully support the expansion of HKIA and the proposed Option Two in the Master Plan 2030, which suggests adding a third runway. Doing so will enable the airport to increase capacity to meet the growing demand into 2030 and even beyond.

We believe it is to Hong Kong's economic benefit to have a third runway, and we are happy to support this proposal.

Sincerely,
For and on behalf of
LSG Lufthansa Service Asia Ltd.



HK Cheung
Chief Operating Officer
Asia / Pacific Region

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