

Cathay Pacific Catering Services (HK) Limited
Submission to The Legislative Council Panel on Economic Development
On the Third Runway Project in the Hong Kong International Airport

Cathay Pacific Catering Services (CPCS) is expressing full support for the Airport Authority Hong Kong's plan to build a third runway at Hong Kong International Airport (HKIA). HKIA is a major infrastructure of Hong Kong SAR and has been creating significant economic value to all Hong Kong people. They are in the form of providing local employment and business opportunities, and supporting the Hong Kong gateway for business and leisure travelers. Moreover, the economic growth of Hong Kong is heavily dependent on the growth of the four pillar industries: financial services, tourism, logistics and professional services. The connectivity of Hong Kong to any part of the world and the efficient operation of the air transportation HUB is fundamental infrastructure in supporting all four industries. Hong Kong and the Hong Kong people cannot afford to lose this core competence.

Being one of the key aircraft services operators at HKIA, CPCS has committed to invest over HK\$1Billion in the long term growth of Hong Kong and HKIA. We have seen HKIA is now running at close to full capacity and any unforeseen disruption can cause significant negative impact to passengers and operations. This is affecting the reputation of Hong Kong as a whole. We fully appreciate the importance of achieving the balance between the environment impact and economic benefits of building the third runway. Hence, it is also part of the expansion plan of CPCS to reduce carbon emission by 25% in 2015. This is through deployment of environmental friendly vehicles such as electric vehicles and EURO V hi-loaders, and the use of advanced energy saving equipments and refrigerating systems. These investments require long payback period and our business growth will be dependent on the capacity of HKIA.

CPCS does not support the diversion of traffic to nearby PRD airports as this is causing Hong Kong in a disadvantage position and this would mean diverting our business at HKIA to other airports. We also believe that healthy competition among airports in the PRD is beneficial to passengers and stakeholders.

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Last but not the least; the Midfield Development Project is only an interim measure which is incapable of meeting the long term demand growth of air transportation through Hong Kong. The competitiveness of Hong Kong is already at threat when we look at the fast development of runway capacities in other Asian and PRD cities. Hong Kong needs a third runway and any further delay is going to be detrimental to the economy and people of Hong Kong.

Cathay Pacific Catering Services

June 2014



Cathay Pacific Catering Services (H.K.) Ltd
11 Catering Road East
Hong Kong International Airport Lantau Hong Kong

Telephone: (852) 2116 2288 Fax: (852) 2765 7355 (852) 2116 0513 (Operations) Site: HKGHMCX

