

Carrier Liaison Group
Submission to The Legislative Council Panel on Economic Development
On the Third Runway Project in the Hong Kong International Airport

Carrier Liaison Group (CLG) is an industry body that represents 49 airlines, cargo terminals and ground handling agents with air cargo operations at Hong Kong International Airport. CLG works with the industry in developing facilities, standards and procedures for safe and efficient transportation of cargo and mail by air.

CLG expresses its full support on the Airport Authority Hong Kong's plan to build a third runway at Hong Kong International Airport (HKIA). HKIA has been ranked the busiest airport for international air cargo since 1996. It is one of the most important air cargo hubs in the region to provide efficient and reliable air cargo services. HKIA has distinct competitive advantages over other airports in the areas of excellent connectivity, sufficient cargo capacity and efficient cargo operations.

The "Hong Kong Monthly Digest of Statistics" issued in April 2014 highlighted that "Trading & Logistics Industry" is the largest amongst the Four Key Industries in Hong Kong in terms of both value added and employment. This sector generated 25% of GDP and engaged 21% of total employment in the year 2012. One of the major contributing factors is the efficient cargo hub at HKIA which is a critical infrastructure to facilitate and support trading and logistics services in Hong Kong.

Capacity Saturation

HKIA is now operating close to its capacity. As we approach runway saturation in 2017, airlines will no longer be able to grow and to expand our connectivity. HKIA will experience serious problems under full-capacity operation. Our air cargo shippers and trading partners will suffer from less flexibility in route and schedule planning, higher risk of shipment delays, higher total cost, and ultimately will switch to other airports. Our economy, in particular our Trading & Logistics sector, will be affected.

In considering the long lead time to build the third runway, we must act as quickly as we can in order to maintain our competitiveness and our status as a leading cargo hub. Any delay will lengthen the full-capacity operation period and the subsequent disadvantages to our air cargo shippers, which will adversely affect our economy.

Environmental Considerations

CLG welcomes the completion of the Environmental Impact Assessment study. While the study shows some environmental impacts associated with airport expansion, it also suggests a series of measures to avoid some potential impacts or to mitigate such impacts to acceptable levels. The airlines as well as the service providers at HKIA are also actively engaged in various initiatives for a greener airport.

Apart from the measures mentioned in the study, the International Air Transport Association (IATA) representing the airline industry had put forward its commitment in December 2009 to reduce aviation emission: to improve fuel efficiency by an average of 1.5% per year to

2020; to stabilize carbon emissions from 2020 with carbon-neutral growth; and to achieve a net reduction in carbon emissions of 50% by 2050 in comparison to 2005.

Home carriers of Hong Kong and many other airlines operating at HKIA have been making substantial investments in modern and environmentally friendly aircraft. Modern aircraft are 75% more fuel efficient and 20dB quieter than comparable aircraft four or five decades ago. All new aircraft are in compliance with Chapter 4 standards. The noise footprint of a modern jet aircraft is 15% less than the aircraft it replaces.

CLG acknowledges the importance of achieving a balance between the environmental considerations and economic benefits of developing a new runway. We will continue to work with the authorities on mitigation measures.

Summary

The building of a third runway at HKIA is in the best interest of Hong Kong to ensure our long term competitiveness and sustainable development. It will strengthen our “Trading & Logistics Industry” which is the prime driver for both GDP and employment of Hong Kong. There is a pressing need to start the work as further delays will offer ample opportunities for competing airports to take over HKIA’s role as the leading cargo hub. That will evidently affect not only our aviation industry but Hong Kong economy as a whole.

Carrier Liaison Group
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