

**Hong Kong Airport Services Ltd
Submission to the Legislative Council Panel on Economic Development
on the Third Runway Project at the Hong Kong International Airport**

HAS Fully Supports Building a Third Runway at the Hong Kong International Airport

Hong Kong Airport Services Ltd (HAS), a key ground handling service operator at Hong Kong International Airport (HKIA), gives its full support to the proposal to build a third runway at Hong Kong International Airport (HKIA). We believe this additional infrastructure is vital for the sustainable future of the aviation industry in Hong Kong.

HAS has been operating at HKIA since 1998 and currently accounts for a 44% and 20% market share respectively in the ramp handling and passenger handling businesses at HKIA. We provide services to a total of 23 airlines at HKIA, including the three major local carriers, Cathay Pacific Airways, Hong Kong Dragon Airlines and Air Hong Kong. We handled more than 126,000 flights in 2013. Out of the 3,600-strong HAS workforce, 672 are manual workers and 2,662 are skilled operatives.

Since the opening of the airport on Chek Lap Kok Island, we have seen rapid, and continuous, growth in air movements. Our business grew by more than 7% in the two-year period from 2011 to 2013 and our customers have continued to add flights in response to the growing demand for both passenger travel and cargo movements. We look forward to a strong and sustained growth in flight movements at HKIA in the long run.

This increase in air traffic has inevitably added extra pressure in the already-busy apron and passenger terminal areas at the airport. The availability of check-in counters, boarding gates, aircraft parking bays and airport staff facilities is becoming increasingly limited and we are frequently experiencing congestion. If such issues are not addressed in a timely manner, there could be a significant impact on ramp safety, airlines' on-time-performance, efficiency and service levels. We need a long-term, sustainable and cost-efficient approach to increasing capacity at HKIA, with minimum disruption to operations.

The current HKIA expansion plan, including the Midfield Development Project, will add more parking bays and bring some relief to the congestion problems. However, HAS believes that the introduction of a three-runway system is the only long-term solution for meeting growing air traffic demand, maintaining the competitiveness of HKIA and Hong Kong as a whole, further developing HKIA as a leading aviation and logistics hub, and providing efficient and consistently high-quality services to passengers and other airport customers. The 3RS project will also create significant job opportunities for both manual labour and service-industry professionals, at the same time enabling existing employees at HKIA to advance their careers over the longer term.

As one of the key airport operators at HKIA, we also support Airport Authority Hong Kong's environmental initiatives. We welcome any commercially and operationally viable measures to improve the airport environment, including the replacement of the airside saloon vehicle fleet with electric vehicles by the end of 2017 and the introduction of more electric vehicles and electric ground support equipment at HKIA.

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