

Hactl Submission at the Subcommittee Meeting to follow up issues relating to the Three-runway System at the HKIA – 3rd May 2016 from 4.30 p.m. to 7.30 p.m.

As operators of the world's largest air cargo terminal, Hong Kong Air Cargo Terminals Limited (HACTL) believe the arguments in favour of the third Runway are compelling. HKIA has been the world's busiest air cargo airport for over 15 years, and currently handles over 4.4 million tonnes of international air cargo. The Logistics Industry is an integral part of Hong Kong's economy, contributing to it both directly and indirectly. The IATA studies show that aviation and aviation-related tourism in Hong Kong support 8.2% of GDP and 7.3% of Hong Kong jobs. That's about HK\$133 billion of GDP and 253,000 jobs. HKIA currently provide employment for 65,000 people. The third runway development will provide direct employment of 141,000 new airport jobs by 2030.

Importantly, Hong Kong airport has been ranked the world's number one by air cargo traffic in the past five consecutive years since 2010. However, Hong Kong is facing increasingly intense competition from airports in Southern China, including Shenzhen, Guangzhou, and elsewhere in the region, such as Shanghai, and airlines and freight forwarders are, thus, looking for the most cost effective means of moving cargo. No city—Hong Kong included—can afford to turn away business. And that is what not building a third runway would effectively do. Thus, proactive measures must be taken to sustain our number one status. The disastrous repercussions due to an inability to adapt is demonstrated by London, Heathrow's failed bid for a third runway. It has since lost considerable business and growth to alternative European competitors, and this has deprived London and the UK of additional capacity, cargo and associated economic gain.

Hactl appreciates the effort of Airport Authority to go above and beyond what the statutory requirements of doing the Environmental Impact Assessment (EIA). We support the recommendations of EIA on how to build the runway so that it is a sustainable part of the Hong Kong economy.

Finally, however, it must be recognised that the benefits of the three-runway system will extend way beyond the logistics and aviation sectors, and positively affect the economy and daily life of every Hong Kong citizen. Let's keep focused on the sustainable growth of air transport to support a prosperous Hong Kong.

Mark Whitehead
22nd April 2016