



Board of Airline Representatives Hong Kong
Submission to Legislative Council
Subcommittee to Follow Up Issues Relating to the Three-runway System at the
Hong Kong International Airport

Board of Airline Representatives of Hong Kong (BAR) is an industry body that represents 76 airlines with operations in Hong Kong and around the world. The Board supports the building of the Three-runway System of Hong Kong International Airport (HKIA).

HKIA is one of the fastest growing airports in the world. In 2015, it was the world's leading airport for international freight, third largest for international passenger traffic after Dubai and London in the world.

Figures of Airport Authority of Hong Kong showed that passenger volume, aircraft movements and cargo throughput at HKIA set new records in 2015. During the year, HKIA welcomed 68.5 million passengers and handled 406,020 flight movements, representing annual growth of 8.1% and 3.8% respectively. Cargo throughput also saw 0.1% year-on-year growth, reaching a record of 4.38 million tonnes.

However, HKIA is a victim of its own success. The two-runway airport is now operating close to capacity. BAR fully supports the plan to build a third runway to maintain Hong Kong's status and competitive strength as a premier aviation hub.

We believe that Hong Kong's connectivity with the rest of the world is crucial in ensuring the city's longstanding position as an international centre of finance, trading, logistics, tourism and professional services.

Environmental Considerations

BAR welcomes the decision of the Director of Environmental Protection to approve the Environmental Impact Assessment (EIA) report and issue an Environmental Permit (EP). Airlines are mindful of the impact the aviation industry has on the environment and have been doing a great deal in terms of mitigation.

IATA has set a number of challenging targets for the industry, including an average improvement in fuel efficiency of 1.5% annually from 2009 to 2020, a 50% reduction in CO₂ emissions by 2050 (relative to 2005 levels) and a cap on aviation CO₂ emissions to achieve carbon neutral growth from 2020.

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.

BAR 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.

Capacity saturation

The capacity constraint at HKIA is a matter of grave concern for our member airlines. BAR welcomes the authorities' initiative to increase the number of the landing/take-off slots during some peak hours, and to provide more parking bays through the midfield concourse that opened recently. However, these are just interim relief measures.

Insufficient capacity would hinder the growth of our member airlines operating to and from HKIA, and limit effective service recovery after major flight disruptions such as typhoons. At a time when neighbouring airports are actively expanding their airport infrastructure, the risk of airline traffic shifting away from Hong Kong to these airports is very real. There is an urgent need to build a third runway to maintain hub status and competitiveness. The lead development time for a new runway would be at least 10 years, which means the airport will reach its capacity well before a third runway could be built.

Competition with PRD airports

Competition arising from the fast development of airports in the Pearl River Delta and the wider region is becoming increasingly fierce. Guangzhou will build two new runways and a new terminal by 2025, as well as planning a new airport. Shenzhen is also building a third runway.

In addition to the competition posed by airports in the PRD, we are also facing growing competition from other rapidly developing hubs in the wider region. For example, Singapore will have its third runway by 2020, while the airport in Seoul is planning to add a fifth runway.

The strong competition from other hubs makes investment in a third runway an urgent requirement if HKIA is to retain its pre-eminent hub status.

Summary

The building of a third runway at HKIA is in the best interest of Hong Kong. Aviation is a significant contributor to the Hong Kong economy and provides ample employment opportunities. Any delay will have a negative impact on the Hong Kong economy and abet the growth of rival hubs which will be detrimental to the long term development of the aviation industry in Hong Kong.