

# **Urgent greenlight for third runway** critical to Hong Kong's future

*December 2010*



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# HKIA's strategic importance /1



## Vital to HK's economy

- *supports financial services, trading & logistics, tourism, exhibitions, regional headquarters, etc.*
- *over 30% of external trade in value terms by air*

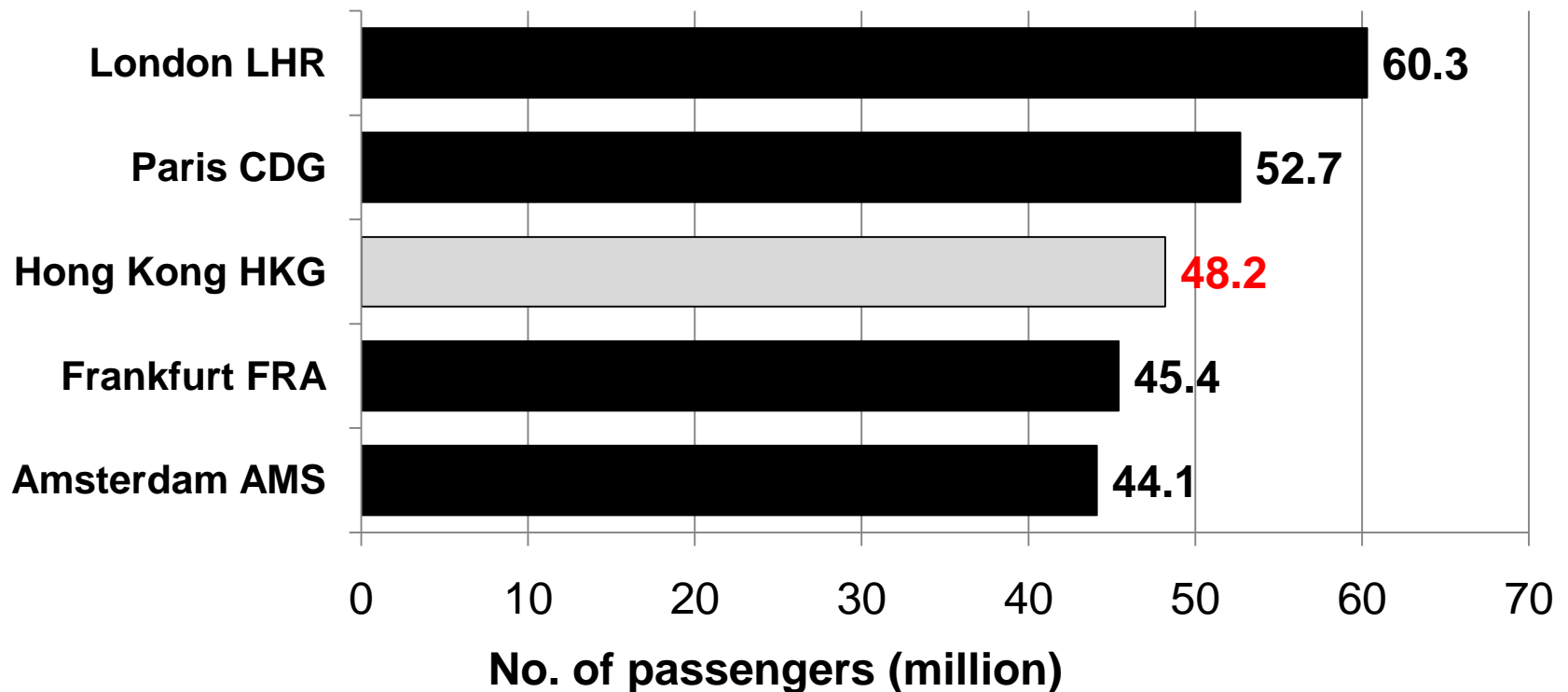
## Supports 220,000 jobs

- *8% working population (2007)*
- *60,000 workers within HKIA's perimeter fence*
- *160,000 jobs in transport services, tourism, retail sectors related to air transport*

# HKIA's strategic importance /2



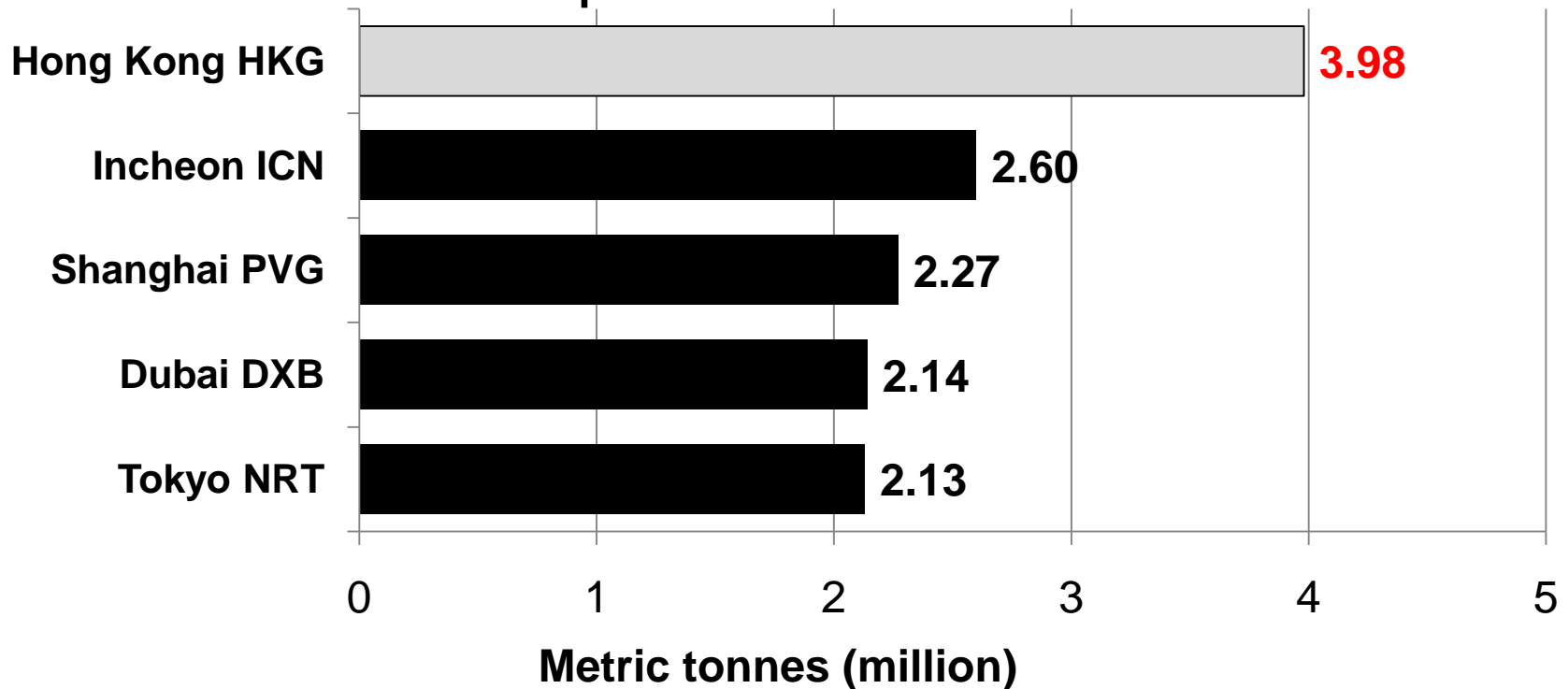
HKIA ranked 3<sup>rd</sup> in international passenger traffic for past 12 months



# HKIA's strategic importance /3



HKIA ranked 1<sup>st</sup> in cargo throughput for past 12 months



# HKIA faces enormous challenges



## Existing capacity approaching limits

- *now at about 90% of permitted runway capacity*
- *will reach full capacity by 2017 (even with enhancement measures)*

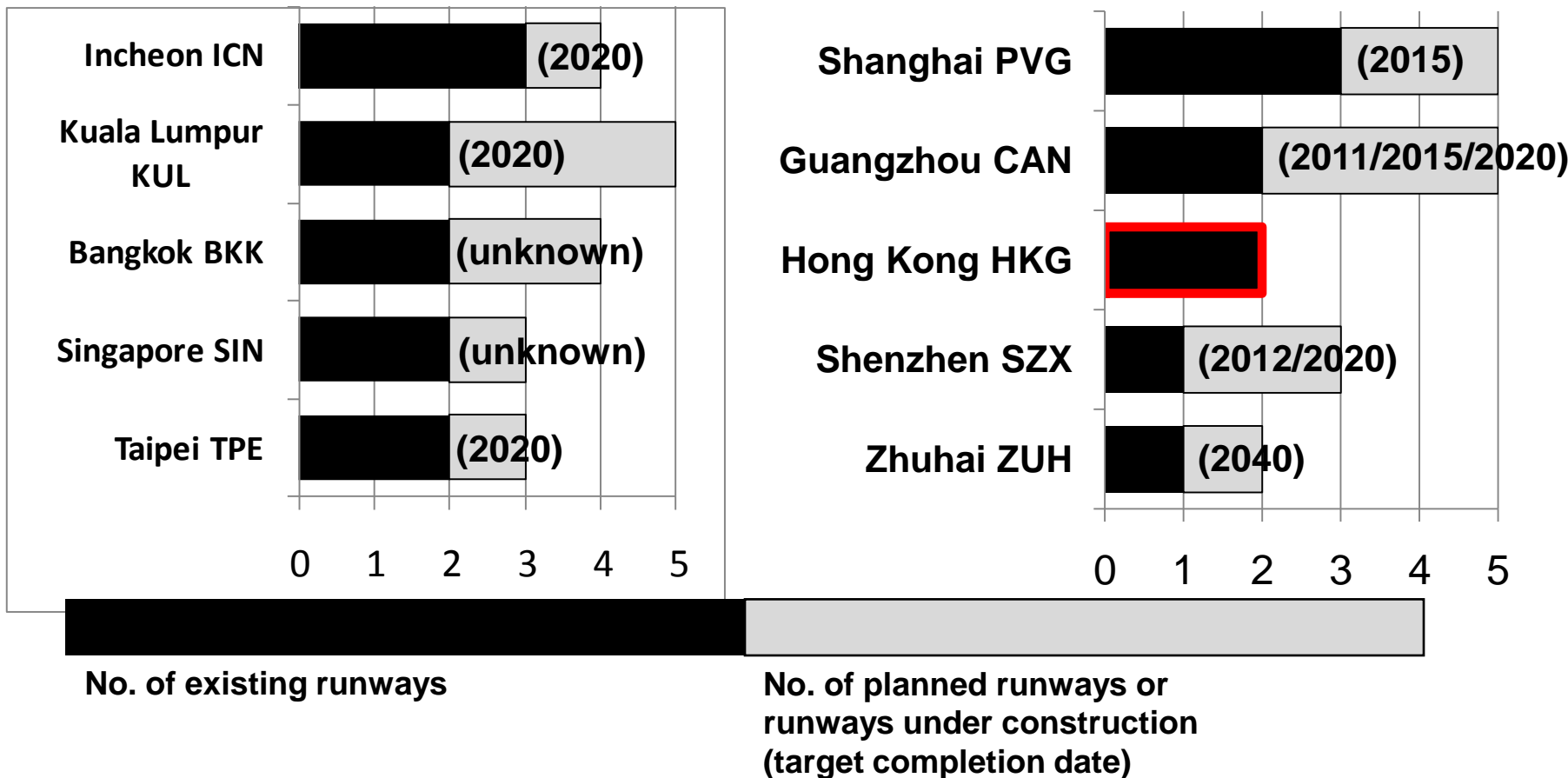
## Building a new runway normally takes 10 years

- *even if there is a decision in 2011 to build*
- *third runway won't be completed until 2021 – 4 years after saturation in 2017!!!*

# HKIA faces fierce competition from neighbours /1



## Expansion plans of competing airports



# HKIA faces fierce competition from neighbours /2



- *international cities covered by Guangzhou & Shenzhen increased by 34% & 100% respectively, well above 19% of HK*
- *total cities covered by Guangzhou & Shenzhen catching up with HK's*

	2005			2010		
	International cities	Mainland cities	Total	International cities	Mainland cities	Total
Guangzhou CAN	35	79	114	47 <b>(+34%)</b>	107 <b>(+35%)</b>	154 <b>(+35%)</b>
Shenzhen SZX	16	57	73	32 <b>(+100%)</b>	68 <b>(+19%)</b>	100 <b>(+37%)</b>
Hong Kong HKG	100	41	141	119 <b>(+19%)</b>	41 <b>(0%)</b>	160 <b>(+13%)</b>



# HKIA faces fierce competition from neighbours /3



## FedEx Asia-Pacific Hub in Guangzhou

- *opened in 2009*
- *expected to bring US\$63 billion direct economic benefits to China by 2020*

## UPS Asia-Pacific Hub in Shenzhen

- *opened in 2010*
- *1.4 times larger than the old facility in the Philippines*

# HK's inability to meet air transport growth /1



## Forecast annual growth over next decade

- *Asia-Pacific: 7% both in passenger & cargo traffic*
- *Mainland: 11-14% in air traffic*

## Civil Aviation Administration of China's (CAAC) *National Plan for Civil Airports (2008)*

- *build 52 airports between 2011-2020*

## Private aircrafts in the Mainland

- *forecast annual growth: 25%*
- *China will surpass US as the world's largest owner of private jets in 2020*

# HK's inability to meet air transport growth /2



## CAAC's National Plan for Civil Airports (2008)

全国民用机场布局规划分布图 (2020年)

(未含港澳台地区)



- Build 52 airports between 2011-2020
- A total of 244 airports by 2020

# Implications?



HK will miss phenomenal growth in regional & international air traffic

- *additional flights will have to be turned away*

Loss of dominant position of aviation hub & business centre

- *risk of losing existing business to competitors*

The lesson of Tokyo Narita

- *serious & irrecoverable loss if we don't decide & act sooner!*

# The way forward /1



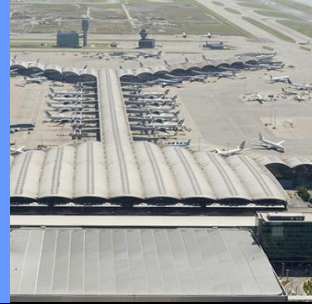
HK's success as an aviation hub due to timely & visionary decision in 1989 to build CLK airport

HKIC warmly welcomes AAHK's latest feasibility study on HKIA's development & public consultation exercise

Planning & construction need fast-tracking

- *if entire HKIA could be built (from decision to completion) in 8 years, HK should strive to build the third runway faster*

## The way forward /2



Issues such as noise, air quality & marine ecology will need to be addressed & can be addressed

2011 will mark a century of aviation in HK. What better way to ensure our future than by giving the greenlight to the third runway?

Thank you



*Let's think & build for Hong Kong's future!*

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