

# LCQ12: Enhancing competitiveness of Hong Kong International Airport

Following is a question by the Hon Yiu Pak-leung and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (December 13):

Question:

The Chief Executive has indicated in the 2023 Policy Address that the Government will continue to enhance the competitiveness of the Hong Kong International Airport (HKIA). However, some members of the aviation industry and passengers have relayed that the high cost of using HKIA has hindered the resumption of destinations and flights and affected the competitiveness of HKIA. In this connection, will the Government inform this Council:

- (1) whether it knows how the charges currently made to airlines by HKIA (including landing, parking, airbridge and terminal building charges) compare with those of major international airports around the world;
- (2) whether it knows how the current number of destinations worldwide with flights to and from Hong Kong, the number of airlines offering flights to and from Hong Kong, and the frequency of air services compare with the figures for 2019;
- (3) whether it will further provide incentives to encourage airlines to resume routes to and from Hong Kong; if so, of the details; if not, the reasons for that;
- (4) whether it knows, in respect of the Airport Construction Fee, the Air Passenger Departure Tax and the Passenger Security Charge levied on air passengers, how the levels of charges at HKIA compare with those at neighbouring airports (e.g. Tokyo International Airport, Singapore Changi Airport and Guangzhou Baiyun International Airport); and
- (5) whether the Government will consider reviewing the level of Air Passenger Departure Tax and requesting the Airport Authority Hong Kong to review the levels of charges levied on passengers by HKIA, in order to reduce the cost to passengers of using HKIA; if so, of the details; if not, the reasons for that?

Reply:

President,

With regard to the five parts of the question, the consolidated reply is as follows –

Hong Kong International Airport (HKIA) is an international aviation hub, a positioning that has been confirmed in the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. Although the pandemic seriously impacted Hong Kong's air traffic, since the cancellation of all inbound travel restrictions in early 2023, the number of flights and passenger throughput at HKIA have been steadily recovering. As of November 2023, about 120 airlines operated flights between HKIA and about 180 destinations around the world. The number of flight destinations has recovered to about 80 per cent of pre-pandemic level, while passenger throughput has recovered to about 65 per cent of pre-pandemic level, with full recovery expected by the end of 2024, in pace with other airports in Asia.

The Government and the Airport Authority Hong Kong (AA) have all along been introducing various measures together to expedite the recovery of air traffic in Hong Kong and enhance HKIA's competitiveness. Among others, to further encourage airlines to resume flights to Hong Kong, as well as to rebuild and consolidate HKIA's international aviation network, the AA has since December 2022 rolled out the "Early Bird Guaranteed Landing Charge Discount" scheme to provide financial incentives to airlines for flight resumption.

In addition, the AA has been actively participating in various large scale international forums and conferences, such as Routes Asia 2023 held in Chiang Mai in February 2023, Passenger Terminal EXPO 2023 in the Netherlands in March 2023 and Routes World 2023 in Istanbul in October 2023, in order to promote HKIA's services to airlines.

At the same time, the AA will discuss with individual airlines to help them resume flight services at HKIA. The AA also provides market promotion funding to eligible airlines, and encourage industry players to develop new destinations or promote intermodal connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enhance HKIA's connectedness. Specifically, the AA encourages airlines to provide upstream check-in services at various ports in the GBA in order to enlarge the service catchment of HKIA's intermodal network and provide better customer services.

As for airport charges, the AA has all along been setting the levels of airport charges according to commercial principles. At present, an independent international consultancy conducts a review on the charges of major international airports annually. In the 2022 report on such review in which 56 major international airports were covered, HKIA's overall airport charges ranked in the mid-tier and were generally lower than many hub airports in Asia and beyond, including London Heathrow Airport, Tokyo Narita International Airport and Singapore Changi Airport. The AA will continue to closely monitor market development and regularly review airport charge levels. In addition, the level of Air Passenger Departure Tax (APDT) has since 2004 been maintained at \$120 per person for passengers aged 12 or above, which accounts for a very small portion of the travel expenses of

passengers. As with other taxes, the Government will keep the level of APDT under review.