

LCQ14: Three-Runway System at Hong Kong International Airport

Following is a question by the Hon Lee Chun-keung and a written reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (May 29):

Question:

The construction of the Three-Runway System (3RS) at the Hong Kong International Airport is currently underway. According to the paper submitted by the Airport Authority Hong Kong (AAHK) to the Panel on Economic Development of this Council this month, 3RS will be officially commissioned by the end of this year. In this connection, will the Government inform this Council:

- (1) given that the AAHK's total executed external financing for the 3RS project is about \$124 billion according to the aforesaid paper, whether it knows the AAHK's loan repayment schedule for the external financing after the commissioning of 3RS;
- (2) whether it has estimated (i) the number of additional manpower required and (ii) the manpower shortfall in the aviation industry after the commissioning of 3RS, with a breakdown by job type; as it has been reported that the aviation industry currently faces manpower shortage, whether it knows the plans of the AAHK to fill the manpower gap;
- (3) in the light of the enhanced passenger and cargo handling capacities after the commissioning of 3RS, of the Government's plans to collaborate with other airports in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to develop "a world-class airport cluster in GBA"; and
- (4) given that the Financial Secretary has indicated in the latest Budget that the Government will, leveraging the opportunities brought by 3RS, focus on current major routes and routes along the Belt and Road with potential, strengthen aviation services between Hong Kong and related countries and expand our aviation network, how the Government will encourage airlines to develop new flight routes, including routes between Hong Kong and Belt and Road countries as well as routes with countries or regions which do not run direct flight services to Hong Kong at present?

Reply:

President,

â€‹Hong Kong is an international aviation hub. This positioning is recognised in the National 14th Five-Year Plan and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. To cater for the long-term air traffic demand and to enhance the passenger and cargo capacity,

the Airport Authority Hong Kong (AAHK) is developing the Three-Runway System (3RS) at Hong Kong International Airport (HKIA). The third runway was commissioned in 2022 as scheduled and the target is to commission the 3RS by the end of this year. The AAHK will open relevant passenger facilities by phases in light of the passenger traffic demand. The expanded HKIA will be able to handle 120 million passengers and 10 million tonnes of cargo per year from 2035 onwards.

In this connection, the Government and the AAHK have launched a series of measures to implement national strategies and to enhance the long-term competitiveness of Hong Kong's aviation industry. My reply to the four parts of the question is as follows:

(1) The AAHK funds the 3RS project mainly by external financing. During the COVID-19 pandemic, the AAHK executed a series of financing activities in the market to ensure the AAHK has sufficient working capital and funding for the 3RS project and other capital expenditures. As of March 2024, the AAHK's total external financing was about \$124 billion. The financing for the 3RS project has been substantially completed, and the external financing level is expected to be stabilised. The AAHK is currently exploring ways to enhance its financial position through reviewing its assets, external borrowings and asset-liability mix. Taking into consideration a basket of relevant factors, including the passenger traffic recovery situation of HKIA, the overall financial performance and the free cash flow, the AAHK will pro-actively review its debt repayment schedule and other future financing needs to support the overall operations and future development needs of the AAHK.

(2) In terms of manpower, the Government established the Maritime and Aviation Training Fund in 2014 and supported the AAHK to set up the Hong Kong International Aviation Academy in 2016 to promote the professional development of the aviation industry and attract more young people to join the industry. At the same time, in collaboration with the airport community, the AAHK has been actively enhancing the working environment and welfare of practitioners, as well as applying technology and smart techniques in airport services to reduce the pressure on manpower. To support the continual recovery of air traffic after the pandemic, in addition to active local recruitment by the industry, the Government launched a labour importation scheme specific to the aviation industry in July last year to allow aviation-related companies with direct contractual relationship with the AAHK to suitably import workers on the prerequisite of safeguarding the employment priority for local workers.

After the commissioning of the 3RS, the flight movements of HKIA as well as the manpower demand are expected to gradually increase. The AAHK will conduct a fresh round of airport manpower survey this year to review the manpower situation of the airport community.

(3) We have been actively developing the intermodal transport networks through various means, including co-operation with airports in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), so as to enhance the convenience for the transport of passengers and goods in the GBA to and from all parts of the world via Hong Kong. Among these, the AAHK and the Zhuhai Municipal

Government signed a memorandum of understanding in November 2022 to deepen the co-operation between HKIA and Zhuhai Airport, including commissioning "Fly-Via-Zhuhai-HK" direct passenger service, exploring the development of international air cargo business of Hong Kong and Zhuhai, developing a high-end aviation industrial cluster in Zhuhai and proactively discussing the acquisition of the equity of Zhuhai Airport by the AAHK. In this regard, the "Fly-Via-Zhuhai-HK" direct passenger service was launched in December last year. We look forward to the early implementation of the other relevant co-operation in order to achieve greater synergy between the two airports.

(4) Leveraging the opportunities brought by the 3RS and our country's support of the "Air Silk Road", the Government will focus on the current major routes and routes along the Belt and Road with potential, including destinations in Europe, Africa, South America and Asia, negotiate and enhance air services agreements and strengthen aviation services between Hong Kong and these regions. While local airlines are actively resuming their services, they are also launching new routes. The Transport and Logistics Bureau encourages them to enhance their services in response to market demand and in line with our country's development strategies. The AAHK will continue to support and encourage airlines to launch and increase flights to and from Hong Kong through various measures, as well as work with relevant parties to step up publicity efforts so as to boost the demand for travel to Hong Kong for leisure and business purposes.