

LCQ11: Airport cargo export

Following is a question by the Hon Hui Cheung-ching and a written reply by the Secretary for Economic Services, Ms Sandra Lee, in the Legislative Council today (May 15): (Translation)

Question :

It has been reported that the Hong Kong Airport Authority (AA) is concerned about the increasing amount of cargo for export switching to the airports in the Pearl River Delta (PRD) and, to avoid vicious competition and to broaden the cargo base, AA is planning to cooperate with these airports. In this connection, will the Government inform this Council whether:

- (a) it knows the amount of domestic cargo or Mainland cargo scheduled for export from Hong Kong which has switched to the airports in PRD since the commissioning of the Hong Kong International Airport (HKIA); and whether it has projected the growth of this amount in the next three years;
- (b) it has assessed the economic loss suffered or to be suffered by AA each year since the commissioning of HKIA and over the next three years as a result of the export of domestic and Mainland cargoes switching to the airports in PRD; and
- (c) it has considered implementing specific measures to strengthen the cooperation between HKIA and the airports in PRD in order to broaden the cargo base and achieve a win-win situation?

Reply :

Our reply to the three parts of Hon HUI Cheung-ching's question is as follows:

- (a) Statistics on the volume of Hong Kong cargo or mainland cargo re-exported through the Hong Kong International Airport which has been diverted to the other airports in the Pearl River Delta (PRD) are not available. To compile such statistics, it is necessary to integrate the relevant statistics of the mainland with the relevant statistics of Hong Kong, but the two sets of statistics may not match with each other. Without the relevant statistics, it would be difficult to estimate the growth of such diversion of cargo in the next three years.
- (b) The economic impact on the Airport Authority (AA) arising from diversion of domestic and mainland cargo to other PRD airports for export would mainly be revenue reduction in relation to the provision of air cargo handling facilities at the airport. According to information from the cargo handling industry concerned, the AA estimates that the quantity of such diversion of cargo should be minimal and the associated economic impact on the AA should be insignificant. In fact, in 2001 the volume of international cargo handled by the Hong Kong International Airport (HKIA)

was 2.1 million tonnes whereas the airports in Shenzhen, Guangzhou and Macau handled about 19 500 tonnes, 51 500 tonnes and 76 000 tonnes respectively, representing only 0.9 per cent, 2.5 per cent, 3.7 per cent or a total of about 7 per cent of the cargo throughput of the HKIA, (Zhuhai Airport does not have any international flight and does not handle any international cargo).

(c) The AA notes that the development of other PRD airports will bring more competition to the HKIA's role as a cargo hub. To respond to the competition, the AA has formulated measures to enhance the standards and capabilities of the cargo handling services at the HKIA. These measures include:

(i) enhancing the air cargo handling facilities. Eight new cargo stands were built in December 2001 bringing the total to 21;

(ii) extending the HKIA's connectivity with the PRD to enlarge its cargo catchment area. The marine cargo terminal on the airport island was opened in March 2001 to link the HKIA with 20 ports in PRD; and

(iii) developing logistics services on the airport island.

Concurrently, the AA is exploring cooperation opportunities with the four other PRD airports. These five major PRD airports organised two seminars in July 2001 and March 2002, and agreed to explore further cooperation in the following areas:

(i) Joint promotion of services;

(ii) Airport emergency coordination and support;

(iii) Joint studies in individual topics such as simplification of cargo handling procedures, safety and security, manpower training, etc.

Separately, the AA is also exploring with individual airport on opportunities for cooperation in their operations (e.g. cargo handling). To enable the AA to explore possible cooperation opportunities with other airports, we need to amend the relevant legislative provisions to extend the geographical limit of the AA's activities so that it may undertake certain airport-related activities outside the airport island.

End/Wednesday, May 15, 2002

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