

1 April 2015

Time is of the essence for third runway

By Ivan Chu, Chief Executive of Cathay Pacific Airways

We are facing a stark reality as the current two-runway system at Hong Kong International Airport (HKIA) gets perilously close to reaching full capacity. As carriers operating into and out of Hong Kong begin to lose the ability to mount new flights and bring new destinations into their networks, our city is in serious danger of losing out to rival hubs in the Pearl River Delta and rapidly expanding airports in other major Asian cities.

That is why Cathay Pacific and the Hong Kong airline industry as a whole have been so strident in their support for the construction of a third runway at HKIA. The Hong Kong government has done a superb job in building a hub the city can be proud of. The fact that HKIA was the world's third-busiest airport in terms of passenger numbers in 2014, and the world's number one for international airfreight, is a remarkable achievement. Yet without the third runway, the growth of the Hong Kong hub will be stifled and the impact on the city's longstanding position as an international centre for finance, trading, logistics, tourism and professional services will be widely felt. Our home city's competitiveness will be hindered through a critical shortage of infrastructure.

On 17 March, the Executive Council of the Hong Kong SAR government gave approval for the third runway project to move ahead – a decision which was warmly welcomed by the airline community. However, with a projected 10-year window before the project is completed, and the ability to enhance the airport's current capacity already severely limited, time really is of the essence.

It is natural that many questions need to be asked regarding such an expensive and complex project. But while it might seem desirable to appease all parties and resolve every little issue before work begins, this is simply not feasible for a project of this magnitude. Given that there is broad agreement on the economic importance of the third runway, the only way to drive the project forward at maximum speed is to resolve any issues in tandem with construction going ahead.

The biggest question at the moment revolves around air-space issues and whether the Hong Kong government and relevant Mainland authorities will be able to agree

on a way to ease the current constraints in anticipation of having a three-runway system in place. This is certainly an important, and incredibly complex, issue, but it is one that can – and will – be resolved in the 10 years it will take to complete the runway.

Does Cathay Pacific believe this issue can be resolved? We think our investment in new aircraft over the next decade, with list prices of some HK\$200 billion (much higher, incidentally, than the projected cost of the runway project) is in itself a clear statement of our confidence in a solution being reached. Like any major business, we have made a decision for the future based on our best judgement of what we believe will happen relating to Hong Kong airport and the surrounding airspace. We have put our money where our mouth is based on our assessment of the future; the same approach needs to be taken in building a third runway at HKIA.

We are certain that issues related to the funding of this mammoth project will have to be addressed as the project moves forward, and the various parties will need to work together to ensure that the impact on users – airlines and passengers – can be moderated. We certainly stand ready to lend whatever support we can to get this project moving because we believe wholeheartedly in the economic necessity of building a third runway. We look forward to working with Airport Authority Hong Kong and the government to help turn it into reality.

One of the strengths of Hong Kong International Airport is that it is truly a global hub, providing connections for people and goods to and from all points on the globe. Many of the services from Hong Kong to popular leisure destinations – Sapporo, Bali and Phuket being just three examples – are only viable because of the passengers fed into the hub from other major cities in the world throughout the year. As slots become more constrained the growth of the hub will be stifled and those rival hubs mentioned earlier will be waiting in the wings to lure that traffic away. The economic consequences for Hong Kong will be dire.

We fully appreciate that the Airport Authority has been working to increase capacity at the airport through immediate and mid-term initiatives, but these are merely stop-gap measures. The only measure for ensuring the airport gets the capacity it needs in the long term is to build a third runway. For the sake of Hong Kong's long-term prosperity, the work on this project should begin sooner than later.

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