



An airport takes shape

- The Hong Kong government has estimated at more than HK\$40 billion the quantifiable economic loss which the territory would suffer between the years 1997 and 2010 if projected growth in air traffic demand could not be met.

▲ The site of Hong Kong's replacement international airport at Chek Lap Kok today. Despite increasingly political talks between China and Hong Kong involving the airport, the project continues to move ahead.

Richard Allen, head of the high-profile Provisional Airport Authority, will be giving regular updates to Canadian Chamber members who want to learn about the proposed new airport and stay abreast of the latest developments. In the first session held in November 1992, he emphasized the short and long-term benefits that a new airport would hold for Hong Kong.

Hong Kong's replacement airport will bring new economic opportunities, according to Richard Allen, chief executive officer of the Provisional Airport Authority. Allen was introducing the airport at a Canadian Chamber lunch meeting on November 17, 1992.

The airport will benefit not just the territory and Southern China, but people and companies around the world with the knowledge and expertise to ensure Hong Kong has an airport which will meet the demands of the 21st century, he said.

"The task of the Authority is to build an airport and an airport business which will ensure Hong Kong remains one of the economic capitals of the world," he added.

It will be an efficient and commercially viable airport which has been totally pre-planned with a purpose-built dedicated road and rail transport system.

Kai Tak airport, the fourth busiest in the world in terms of international passengers, is rapidly reaching capacity. In 1992, about 20 million passengers passed through Kai Tak. More than five million tourists fly into Hong Kong each year, including in 1991 about 130,000 Canadians who spent almost HK\$1 billion in the territory.

The airport is also the fourth busiest in the world in terms of cargo throughput, with about 20 per cent of Hong Kong's trade in value items airfreighted.

The Hong Kong government has estimated at over HK\$40 billion the quantifiable economic loss which the territory would suffer between the years 1997 and 2010 if projected growth in air traffic demand could not be met.

If non-quantifiable losses from the resultant decline in Hong Kong's standing as an efficient international centre for trade, finance, tourism and manufacturing were

included, this loss could be more than doubled, said Allen.

The development of the replacement airport, to be located on a 1,248 hectare island off northern Lantau, will be phased to meet air traffic demand.

"The business success of any airport depends on air traffic growth. Our phased development and, in turn, our revenue projections, assume a conservative air traffic growth of 3.5 per cent from 1997 to 2010.

"Between 1980 and 1990, Hong Kong experienced a 9.6 per cent growth in air traffic. Let me add that the airlines themselves are predicting a seven per cent growth in air traffic in the region over the next 10 years," said Allen.

The airport is scheduled to open in 1997 with the capacity to handle 35 million passengers and 1/4 million tonnes of air cargo annually. By the end of its design period in 2040, its annual capacity will have grown to 87 million passengers and nine million tonnes of air cargo.

The airport, which will cost HK\$65 billion in money of the day figures will inherit and build upon Kai Tak's sound revenue streams.

"Kai Tak is, after all, one of the most profitable airports in the world. Yet our commercial approach to the new airport will generate more revenue per passenger than that currently generated at Kai Tak.

"In our first year of operations, we are forecasting a revenue of approximately HK\$7 billion. That will increase to about HK\$21 billion by the year 2010," said Allen.

The Authority will be responsible for the overall management and for setting the commercial direction of the self-financing airport.



A landside view of the terminal complex. The building will have a unifying modular roof structure made primarily of steel.



A view of the terminal building and apron at sunset.

Update: On February 18, it was announced that Dr Hank Townsend is replacing Mr Richard Allen as chief executive of the Provisional Airport Authority.