

# **Hong Kong International Airport as a Regional Logistics Services Hub**

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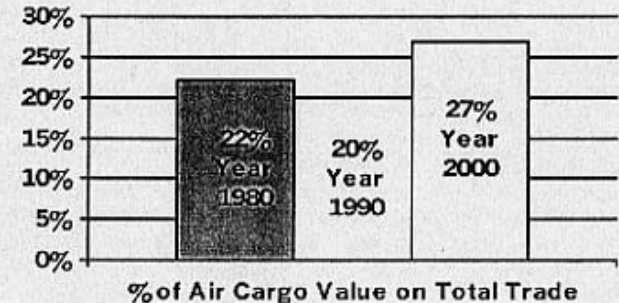
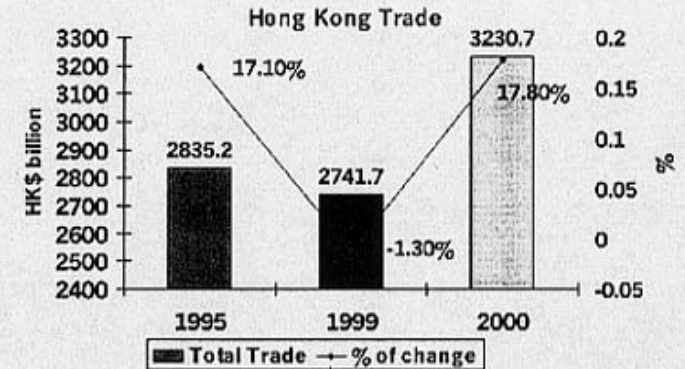
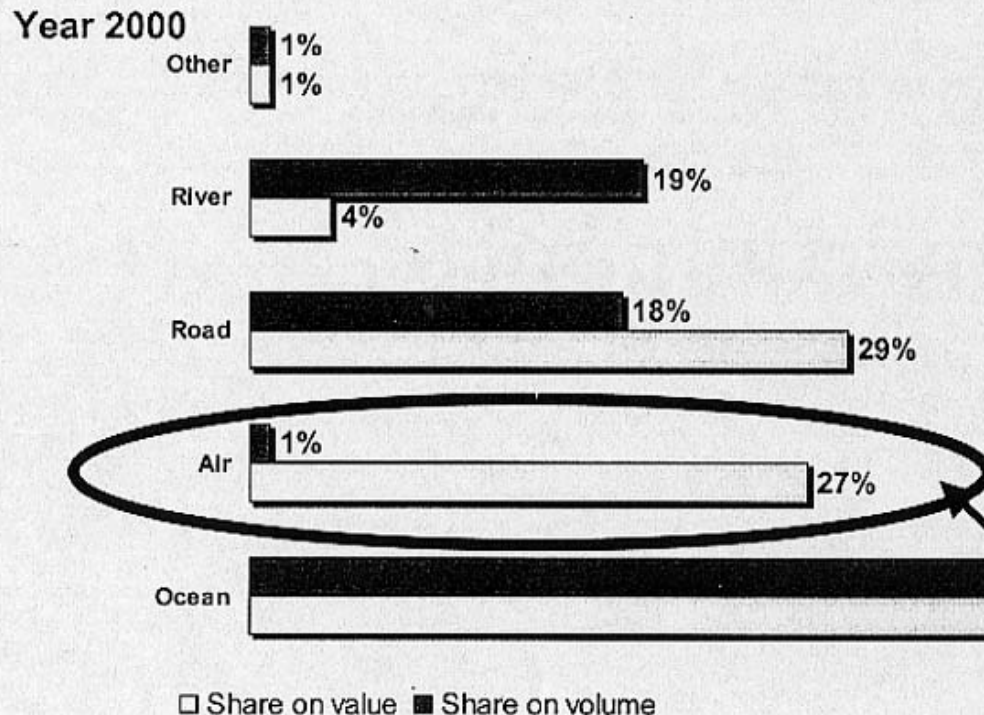
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# **Hong Kong Air Logistics Environment**

# Air Mode Shares on Hong Kong Trade

Characteristics:

- High value but low volume
- Fast growing high value product sectors



**Air Mode Shares:  
27% in value terms  
1% in volume terms**

# HKIA - the largest airport in PRD

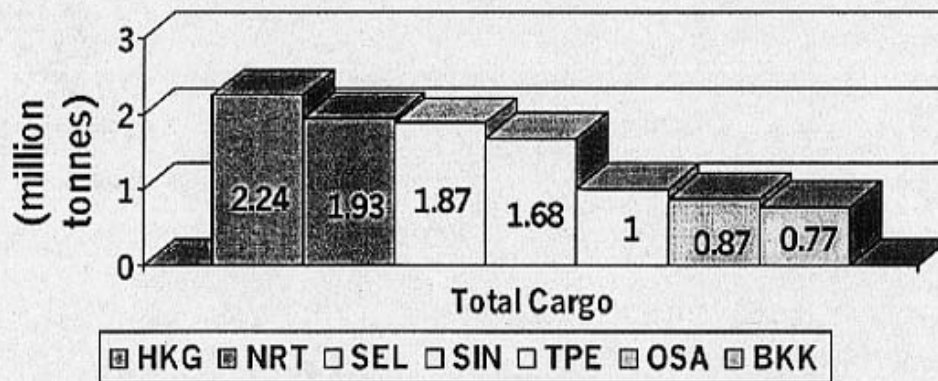
in terms of both capacity and traffic

	HKIA	Shenzhen	Guangzhou	Zhuhai	Macau
No. of airlines	65	18	18	9	12
Destinations					
domestic	42	58	78	29	15
international	130	61	92	29	24
Throughput					
passengers (million)					
1999	29.06	5.25	11.9	0.58	2.64
2000	33.4	6.4	N/A	N/A	N/A
freight (million tonnes)					
1999	1.97	0.15	0.45	0.01	0.05
2000	2.24	0.2	N/A	N/A	N/A
Aircraft Movements (number)					
1999	167,000	64,000	127,000	12,000	24,000
2000	181,900	N/A	N/A	N/A	N/A

## HKIA – a natural regional hub for Asia

- Most parts of East Asia, covering 2 billion population, can be reached within 5 hours flight time
- A gateway to Mainland China, 42 flights directly reach main cities in Mainland China
- Ranked no. 1 in handling international cargo & no. 2 in total cargo throughput in year 2000


Year 2000 Air Cargo Throughput of Asia Major Airports



Source: Airport Council International, March 2001

### 香港佔盡地利


**香港國際機場**




2000年旅客: 3275萬  
2000年貨物處理量: 226.7萬噸

全球半數人口居住在香港澳近地區，  
來往香港的飛行旅程在5小時內

**南韓仁川機場**




專用日期: 2001年3月  
初期旅客運載量: 2700萬  
初期貨物處理量: 170萬噸



5小時飛行時間  
8小時飛行時間

**新加坡樟宜機場**



2000年旅客量: 2862萬  
2000年貨物處理量: 170.5萬噸

數據資料來源: Airports Council International

## Challenges of Neighbouring Airports (1)

- Other PRD airports such as Guangzhou, Shenzhen, and Macau are seeking to attract more international airlines to move their operations from Hong Kong to their airports by :
  - ◆ offering lower air platform formation charges
  - ◆ providing facilities required by carriers and freight hub operators
    - > Macau: airport authority has submitted a proposal to the local government on developing a logistics centre at the Macau airport to serve markets such as Zhuhai, Zhongshang, Jiangmen, etc
    - > Guangzhou: several multinational logistics companies have shown their interest in developing logistics business at the new Guangzhou Airport.
    - > Shenzhen: Planning to build a large logistics park at the Shenzhen airport to attract more airlines and logistics operators to move their bases to Shenzhen.
- The new Guangzhou airport, proposed to commence operation by October 2003, will also have two runways like HKIA, targeting to be the logistics hub for Southern China.

## Challenges of Neighbouring Airports (2)

- Incheon International Airport, opened in March 2001, have two runways, three cargo terminals and a transportation center facilities is focusing on being Regional transportation hubs for North East Asia. By 2020, the completed airport will have four runways. Its goal is to establish Incheon as an Asian transportation hub and regional distribution centre to compete with other giant regional airports such as Kansai in Osaka Bay, Shanghai and Hong Kong's Chek Lap Kok.
- Singapore has taken proactive approach in creating a multi-modal logistics platform providing value-added services. The 47-hectare Changi Airfreight Centre, located at the Singapore Changi airport, comprising 1 express and courier centre plus 8 freight terminals, operates round the clock as a Free Trade Zone (FTZ) at the airport. The centre provides one-stop air-cargo services with essential facilities, sophisticated handling systems and integrated services. Changi airport is recognized as a leading logistics centre in Asia and many companies have set up their logistics centre within the airport village such as UPS, Emery, Fritz, etc.



## What can HKIA do??

- Each of the major international/regional hubs and gateways in the world has a strategy to maintain or improve its competitive position. The primary focus is on creating a comprehensive environment in terms of hard and soft infrastructure for them to effectively participate in the trend of Global Supply Chain. However, certain overall trends can be determined which incorporate:
  - ◆ creating a multi-modal transportation platform
  - ◆ addressing the connectivity issues
  - ◆ focusing on value added activities
  - ◆ maximising the use of IT system solutions
  - ◆ increasing private/public sector co-operation
  - ◆ capitalising on the evolution of e-commerce and Virtual Marketplace
  - ◆ .....
  - ◆ maintaining a Gateway or transportation hub stations

*(The McClier Team, Profile of Global logistics Sector, 28 Feb., 2001)*

- Thus, in order to maintain the current status as an aviation and trading hub in Asia Pacific region, Hong Kong has to transform its traditional entrepot trading status to high value-added and integrated logistics hub for Asia region.

## **The Way for HKIA to Maintain Competitive**

**Transforming from an air cargo Hub**

**to**

**High Value-added Air Logistics Hub**