

# LCQ1: Promoting development of aviation industry

Following is a question by the Hon Holden Chow and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (February 26):

Question:

It has been reported that Hong Kong's aviation industry has started to recover in terms of, among others, passenger volume and cargo handling capacity, after being hard hit by the epidemic, and Hong Kong-based airlines have been actively expanding their aviation business. There are views that with the recovery of the tourism industry and the commissioning of the Three-Runway System at Hong Kong International Airport (Airport), the passenger and cargo throughput of the Airport will increase substantially. Regarding the promotion of the development of the aviation industry, will the Government inform this Council:

(1) whether it has compiled statistics on the number of direct flights between Hong Kong and overseas places in each of the past two years, with a tabulated breakdown by companies operating such flights;

(2) whether it knows if there is a situation in which air routes between Hong Kong and the rest of the world (excluding the Mainland) have been granted air traffic rights but not yet commenced service; if there is, of the number of destinations for which local airlines (i) have been granted air traffic rights and their flight quotas and, among them, the number of those for which (ii) air traffic rights and flight quotas have not yet been utilised, with a tabulated breakdown by airlines;

(3) of the measures the authorities have put in place to encourage the local airlines mentioned in (2) to fully utilise their air traffic rights or flight quotas, so as to operate more flights between Hong Kong and overseas places;

(4) of the authorities' specific expectations and requirements regarding the social responsibilities to be shouldered by Hong Kong-based aviation enterprises; the measures the authorities have adopted or will adopt to effectively enable such enterprises to better fulfil their social responsibilities and play the role of helping Hong Kong consolidate its status as an international aviation hub; and

(5) whether the authorities have examined if there is a situation in which the supply of flight quotas for air routes between Hong Kong and overseas places which have been granted air traffic rights falls short of demand and hence a quota increase is required; if there is, of the relevant measures the authorities will adopt to solve the relevant problem?

Reply:

President,

Hong Kong International Airport (HKIA) continued to demonstrate strong recovery momentum in 2024, with significant growth recorded in air traffic data. In the recent month of January 2025, HKIA reached another post-pandemic high in both flight movements and passenger throughput, representing a full recovery of passenger traffic peak to the pre-pandemic level. Compared to the same month last year, all passenger segments, including Hong Kong residents, visitors and transfer/transit passengers, experienced double-digit increase. Traffic to and from Southeast Asia, Mainland China and Japan recorded the most significant increase during the month. Meanwhile, cargo throughput continued to gain momentum, with positive growth recorded across all cargo sectors. Cargo traffic to and from the Middle East, Europe and Australasia grew the most among key trading regions during the month. In consultation with the Civil Aviation Department, the reply to the question raised by the Hon Chow is as follows:

(1) In 2024, the number of direct scheduled flights (including both passenger and cargo flights) between HKIA and overseas destinations (excluding Mainland and Taiwan) increased significantly by approximately 30 per cent compared to 2023. Additionally, the number of airlines operating these flights in 2024 also recorded a notable increase, rising by approximately 20 per cent compared to 2023. Details are provided in the Annex.

(2) and (5) With a view to further expanding the passenger and cargo air transport capacity and connectivity of HKIA so to meet the market demand for air services, the Government has been making good use of Hong Kong's unique civil aviation status under "one country, two systems" to conduct air services negotiations with our aviation partners under the authorisation of the Central People's Government. As of the end of January 2025, we have signed 80 bilateral air services documents. Over the past two years, Hong Kong has expanded bilateral air services arrangements with multiple aviation partners, increasing the capacity limits for relevant passenger and cargo services by at least 60 per cent. This allows airlines to readily increase passenger and cargo services in response to market demand.

The overriding principle for traffic rights allocation is that public resources can be fully utilised to consolidate or enhance the competitiveness of Hong Kong's aviation industry and meet future needs. The Transport and Logistics Bureau (TLB) will take into account a range of factors, including encouraging healthy competition, maintaining Hong Kong's status as an international aviation hub, and promoting the overall development of Hong Kong's aviation industry, in considering the allocation of traffic rights to local airlines, with a view to promoting the overall interests of Hong Kong.

As for the specific details of traffic rights allocation, since the traffic rights negotiated between the Government and other countries or regions are recorded in the form of bilateral Confidential Memoranda of Understanding, which contain sensitive information such as details of bilateral negotiations, we are not in a position to disclose more of the relevant information to third parties. The TLB will continue to closely monitor the utilisation of traffic rights by local airlines to ensure that

these precious traffic rights are put to good use, and will adopt a more forward-looking perspective in expanding traffic rights with our aviation partners.

(3) When launching new routes or increasing flight frequencies, airlines will consider factors such as market demand and the allocation of company resources. In addition, the Government has all along encouraged local airlines to launch and increase flights to support Hong Kong's overall development. Local airlines have responded positively. Following the launch of direct passenger services to Vientiane (Laos), Riyadh (Saudi Arabia), Sendai and Yonago (Japan), as well as Cairns and Gold Coast (Australia) last year and earlier this year, they will gradually commence direct flights to Dallas (the United States of America), Hyderabad (India), Munich (Germany), Brussels (Belgium), and Rome (Italy) later this year. They will also increase the frequency of flights between Hong Kong and North America.

At the same time, the Airport Authority Hong Kong has implemented several related measures, such as the Airport Network Development Programme launched in June 2024, which provides financial incentives to encourage airlines to open new routes and increase flight frequencies on existing routes. To date, the Programme has attracted 24 airlines, covering 53 destinations.

(4) The Government maintains a regular communication mechanism with local airlines to monitor their operations and ensure the healthy development of the aviation industry.

With the commissioning of the Three-Runway System, the passenger and cargo handling capacity of HKIA will increase significantly. The Government will continue to maintain close communication with local airlines to ensure that they enhance their service quality continuously, providing stable and reliable services that deliver an excellent experience to passengers. At the same time, the Government has requested that local airlines' network planning should support the Government's strategy to enhance Hong Kong's position as an international aviation hub and to meet Hong Kong's strategic development needs.