

\$150m needed for airport plan

The plan for Hongkong's replacement airport at Chek Lap Kok, Lantau, will take a step nearer reality with Government moves to engage consultants for the detailed designs of the new airport expected before the year ends.

A civil aviation source disclosed yesterday that funds for the necessary study and designs are yet to be obtained from the Government.

But he was optimistic that approval would be granted.

The costs for this exercise alone are enormous — estimated to be about \$150 million.

Of the total, about \$25 million would go for the air-

port design and the aviation aspect, \$100 million would go for the study of the seabed at Chek Lap Kok for reclamation purposes, and the remaining \$25 million for other related issues.

The Government is expected to make a decision whether to go ahead with the Lantau airport project in 1982.

A decision on the proposed Lantau bridge is expected at the same time.

The source pointed out that the airport project cannot be viewed in isolation, as it needs road access and other supports.

The bridge project, and the general development of north Lantau have to be taken into account.

It would be a difficult

decision for the Government to make, in view of the staggering costs.

Based on last year's prices, the cost for the first phase of the airport with one runway would be \$5.5 billion.

For the second phase involving the construction of a second runway, the cost would be another \$2 billion.

The Lantau bridge would cost \$1.4 billion, and a similar sum would be needed for the general development of north Lantau.

It is not necessary for the three major projects to go ahead together.

The airport project, the source said, may be dropped or postponed depending on how air traffic develops between now and 1982.

The source explained that

the behaviour of the OPEC countries is uncertain on oil prices, and oil price rises could push air fares up to a level which would cut the demand for air travel.

In the face of a downturn in air traffic, the present capacity of Kai Tak airport might be sufficient for years.

The availability of the airport designs would provide the Government with flexibility in case a new airport was needed.

The prime factor for the decision of the Lantau airport would be the traffic demand, followed by the financial aspect.

The planners seem to be relaxed on the question of the New Territories lease, due to expire in 1997.

The source said everyone

made a judgment of his own on this political issue when it came to investment.

The airport, if on, would be financed with loans. And if people are prepared to lend money for the project, their judgment is that it would be a "good risk."

It has been the Government general policy not to subsidise airlines and the travel industry if it can help it.

The cost of construction of the new airport would eventually be recouped from airlines and passengers through airport charges and taxes.

Once the go-ahead was given for the airport, work would be started straight away with maximum speed because of the enormous loans and interest involved.

In the next two years before a decision is made, the financial aspects of the project will be carefully looked into.

When the feasibility of the airport was studied in 1973-74, it was then envisaged that the break-even point would be achieved by 1997, assuming the airport would be operational in 1986.

Now things have changed. The earliest possible date is 1990 for the Lantau airport to become operational to take over Kai Tak's role.

The Lantau bridge would take four years to complete, against seven years for the first phase of the airport.

The proposed airport site has an area of some 800 hectares.

About 350 hectares comes from flattening Chek Lap Kok and its tiny adjacent island. The remainder will be formed by reclaimed land.

With the single runway, the new airport will be able to handle 15 million passengers a year, with "unlimited" amount of cargo traffic since the latter can be handled at night.

The new airport is intended to open 24 hours a day.

The second phase, calling for a second runway, may follow closely on the first stage depending on the traffic demand.

With the second runway, the airport's capacity would be at least 25 million passengers a year.

The Lantau airport will have provision for a third runway which would boost the airport capacity to 30 or 40 million passengers a year.

Turning to the proposed Macau airport, the source felt that its effect on Hongkong's own would be negligible.