

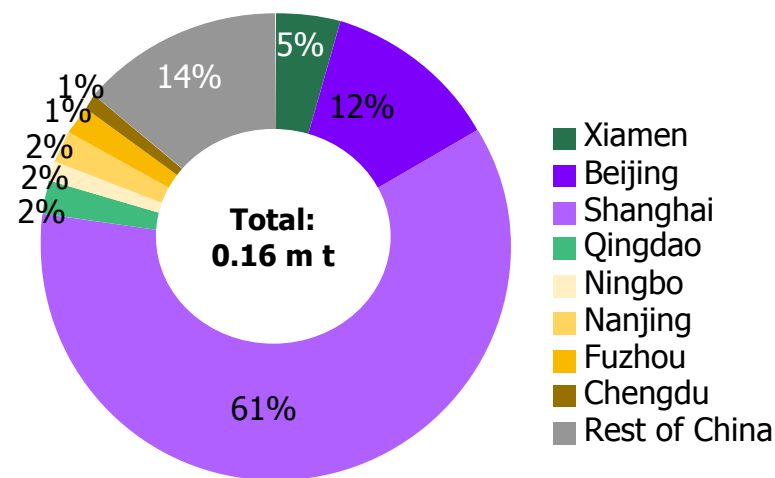
Hong Kong believes it will keep its position as top cargo airport



Hong Kong key players believe in continuous growth in air cargo

- Cathay Pacific ordered two 777-300 aircraft from Boeing for delivery in 2005 and 2006
- Dragon Air is also investing in cargo planes
- DHL moved to its own US\$100 million air cargo facility in mid-2004
- Asia Airfreight Terminal, plans to expand to 1.5 million tonnes capacity by 2006
- HKIA considering investing in Zhuhai airport as a satellite cargo airport (for spillover)
- The Zhuhai bridge, connecting Hong Kong, Macau and Zhuhai is expected to be finished by 2008, facilitating trade between manufacturing in the PRD and air cargo facilities in Hong Kong)
- 75% of air cargo trade with China is with Xiamen, Beijing and Shanghai; development of airports in PRD is unlikely to have a great effect
- However direct links between these cities and the US, Europe and Southeast Asia will mean a reduction in PRD trade through Hong Kong as Baiyun and Shenzhen become stop-overs

Hong Kong's main partner airports in China 2003



Source: Fusion Consulting estimates based on HACTL figures for 2003