

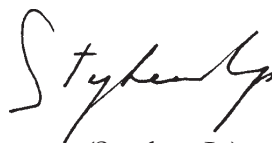
## Message

Air transport is crucial not only to tourism and the travelling public but also to Hong Kong's success as a premier business and services hub. Our extensive air links, complemented by our excellent geographical location at the heart of Asia and the doorstep of the Mainland of China, have helped Hong Kong become a major centre of international and regional aviation. We will continue to work to enhance Hong Kong's position through providing adequate airport capacity to meet users' demand, maintaining an efficient and safe air traffic control and management system, and further expanding our network of air links.

The economic importance of our port extends far beyond Hong Kong's own boundary. Since the opening up of the Mainland economy, we have been serving as the main port for Southern China. Our priority in the coming year and the years to come is to ensure there are sufficient port facilities to meet forecast demand not only for Hong Kong but for the Mainland cargoes which will continue to ship through Hong Kong. Along with the port, we have a very successful shipping industry. Our objective is to build on our strength and, through working closely with the industry, develop Hong Kong into an international shipping centre.

We are committed to delivering reliable, efficient and universal postal services to meet the needs of Hong Kong. We will continue to improve the services in the coming year and to better equip Hongkong Post in the provision of world-class postal services to its customers.

Accurate and comprehensive weather information services are essential for all sectors of the community. We will continue to maintain the highest professional standards in providing these services.



(Stephen Ip)

Secretary for Economic Services

# **Air and Sea Transport Infrastructure, Postal and Weather Information Services**

Our Policy Objective is to ensure Hong Kong has an effective air and sea transport infrastructure and postal and weather information services to support its economic development.

Our targets in pursuing this Policy Objective are –

- to ensure that Hong Kong's airport capacity and air services meet demand
- to achieve continual growth in port activities
- to complete all postal service initiatives on time and within budget
- to meet community expectations for a high standard of weather information services

## Key Result Areas (KRAs)

To ensure that this Policy Objective can be achieved, we must deliver results in a number of key areas, that is, we must –

<b>I</b>	<b>Identify demand for facilities and services</b>	<b>Page 3</b>
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The following sections of this booklet explain the importance of these KRAs, describe the broad thrust of our efforts, and outline the indicators which we are using to assess progress. Each section lists the new key initiatives being taken to achieve our objectives and pinpoints the agency accountable for each initiative and the specific targets which we intend to meet.

# I

## Identify demand for facilities and services

It is essential that we have a clear picture of current and future needs in order to ensure the effectiveness of Hong Kong's air and sea transport network, facilities and services. To this end, we would closely liaise with the Airport Authority on regular review of air traffic forecasts to identify demand. We would also undertake a Port Cargo Forecast exercise on a regular basis in close consultation with the industry to have an accurate and reliable estimate of the demand for future port facilities.

We carry out studies and consumer consultation to assess the demand for postal facilities and services. In this regard, Hongkong Post engages professional consultants to carry out market research and customer surveys in regular reviews of individual postal services and products. It has established a Customer Liaison Group to solicit customers' opinions and suggestions.

In addition we aim to provide the public with meteorological services and information in the interests of public safety and economic development and to meet the expectations of the public. Advance warnings of rainstorms and tropical cyclones enable the public to take precautions and transport and utility operators to make contingency plans and adjust services as necessary before hazardous conditions develop.

In all these areas we work in partnership not only with other policy bureaux and government departments, but also with public and private sector organisations to assess current and future demand.

## Indicators

The indicators we will use to measure progress in this area are –

- the conduct of studies according to plan
- our effectiveness in monitoring weather conditions and issuing timely warnings
- our effectiveness in supplying specialised meteorological services to meet the operational needs of the commercial and industrial sectors

## Initiatives

## Targets

To conduct an air traffic forecast study

*(Airport Authority)\**

To start the study in 1999

To conduct a study of Port Back-up Facilities and Land Requirements

*(Port and Maritime Board)*

To complete the study in early 1999

To review the programme for typhoon shelter provision

*(Marine Department)*

To complete the review by end 1998

\* the brackets denote the agency with lead responsibility for the initiative

Initiatives	Targets
<p>To formulate a five-year Information Technology (IT) Strategy in the Hongkong Post to assess IT opportunities in the areas of productivity management, marketing and sales, counter automation, human resources management etc.</p> <p><i>(Hongkong Post (HKP))</i></p>	<p>To produce an outline of the strategy by March 1999</p>
<p>To study the further enhancement of the Mechanised Letter Sorting System (including upgrading of the Optical Character Reader function and restructuring of the address database)</p> <p><i>(HKP)</i></p>	<p>To complete the studies by May 1999</p>
<p>To enhance the range of weather forecasts and warnings of hazardous weather</p> <p><i>(Hong Kong Observatory)</i></p>	<p>In 1999,</p> <ul style="list-style-type: none"> <li>- to issue weather forecasts up to four days ahead</li> <li>- forecasts to maintain an accuracy of at least 75% as measured by public surveys</li> <li>- to issue an hour of advance alert before Amber rainstorm signals</li> <li>- to issue two hours of advance alert before hoisting of tropical cyclone signal number 8</li> </ul>

## II

### Establish and maintain policy and regulatory framework

A policy and regulatory framework for air and sea transport that is up-to-date and suits Hong Kong's circumstances is vital to our success as a transport hub of Asia.

To maintain Hong Kong as a centre of international and regional aviation, we have enacted legislation and introduced administrative arrangements which reflect international standards in civil aviation, including applicable requirements and recommended practices of the International Civil Aviation Organisation. We also keep track of international developments in air services.

To maintain Hong Kong as a safe port and an international shipping centre, we must have rules which ensure high standards of safety and best practice in the international shipping industry. Shipping conventions drawn up by the International Maritime Organisation and applied to Hong Kong as a major shipping centre are duly enacted in local legislation.

The local introduction of the International Safety Management Code for Shipping is in line with the requirements of the International Maritime Organisation.

#### Indicators

The indicators we will use to measure progress in this area are –

- the extent to which our policy and regulatory framework is able to meet changing needs and international standards and requirements
- the introduction of legislation against plan
- the establishment of effective support to regulatory functions against plan

Initiatives	Targets
<p>To negotiate more air services agreements subject to authorisation by the Central People's Government</p> <p><i>(Economic Services Bureau (ESB))</i></p>	<p>To conduct negotiations on at least five new agreements in 1999 in response to market demand</p>
<p>To complete drafting of the Merchant Shipping (Local Vessels) Bill which aims to enhance standards in safety of navigation, vessel construction as well as crew qualifications</p> <p><i>(ESB / Marine Department (MD))</i></p>	<p>To introduce the Merchant Shipping (Local Vessel) Bill in the 1998-1999 legislative year</p>
<p>To enhance the Port State Control implementation in accordance with the Tokyo Memorandum of Understanding by stopping sub-standard ships using the port of Hong Kong</p> <p><i>(MD)</i></p>	<p>To increase the number of ship inspections by 15% to 915 in 1999</p>
<p>To develop a computer system to speed up the port formality process for river trade cargo vessels</p> <p><i>(MD)</i></p>	<p>To start the computerised port formality procedure in end 1998</p>





## Ensure provision of the necessary infrastructure

Timely provision of the necessary infrastructure in line with users' demand is important for maintaining Hong Kong's position as an aviation and shipping centre to support continued economic development. The new airport provides additional capacity to meet increase in demand in future. With the completion of the second runway, the new airport will also provide greater operational flexibility.

Regarding sea transport infrastructure, the planning and development of port facilities needs to be supported by sufficient roads, dredged channels and typhoon shelters. The Port Development Strategy Review sets out the programme for port facilities and supporting infrastructure based on the Port Cargo Forecasts. The Third Port Development Strategy Review is scheduled for completion in 1998.

### Indicators

The indicators we will use to measure progress in this area are –

- the adequacy of the capacity and the facilities of the Hong Kong International Airport
- the completion of projects against plan to meet marine service shortfall

Initiatives	Targets
<p>To review the need for additional aircraft parking facilities at the new Hong Kong International Airport <i>(Airport Authority)</i></p>	<p>To complete a review of the need for additional aircraft parking stands in 1999</p>
<p>To improve facilities in the Public Cargo Working Areas so as to enhance the productivity, create and maintain a business friendly environment for the industry <i>(Marine Department (MD))</i></p>	<p>To complete a review of the land side reform in 1998</p>
<p>To build a typhoon shelter at Peng Chau <i>(MD)</i></p>	<p>To seek funds for Environmental Impact Assessment (EIA) study by mid-1999</p>
<p>To build a typhoon shelter at Siu Lam, Tuen Mun <i>(MD)</i></p>	<p>To seek funds for EIA study in 1999</p>

# IV

## Promote Hong Kong as a centre for aviation and shipping

Hong Kong's status as a centre for aviation and shipping is a key element of our success as an international trade, finance, business and tourist centre. To maintain our position, it is important that we have a safe and efficient airport and port.

Hong Kong is a centre of international and regional aviation. We have direct air links with over 120 destinations in more than 40 countries served by about 65 international airlines.

We will continue to maintain our high standard of civil aviation management to ensure air safety. We will also continue to explore expansion of air services links to meet market demand.

Hong Kong is a major international port and shipping centre with over 6 000 companies employing some 55 000 people. In 1997, 44 475 ocean-going vessels and 190 000 river trade vessels visited Hong Kong. In the same year, Hong Kong handled 14.5 million TEUs of containers. Promotion of Hong Kong is a key component to retaining our attraction to new shipping businesses.

We have re-organised the Port Development Board into a new Port and Maritime Board to provide a focal point to develop and implement initiatives to promote Hong Kong as an international shipping centre.

## Indicators

The indicators we will use to measure progress in this area are –

- the safety and efficiency of the Hong Kong International Airport against international standards and recommended practices
- the number of air services links
- the volume of traffic handled by our airport and port
- the size of Hong Kong registered ships, the percentage of world tonnage of ships controlled by companies based in Hong Kong, the number of shipping companies established in Hong Kong and the contribution of the shipping and related sectors to Hong Kong's GDP

Initiatives	Targets
<p>To negotiate air services arrangements with new aviation partners and review arrangements with existing aviation partners to meet changing market demand</p> <p><i>(Economic Services Bureau)</i></p>	<p>To negotiate air services arrangements with at least five new aviation partners in 1999. In addition, to review with airlines and/or existing aviation partners at least ten arrangements with the latter</p>
<p>To enhance the position of Hong Kong as a major international shipping centre</p> <p><i>(Marine Department)</i></p>	<ul style="list-style-type: none"> <li>● To make direct marketing calls to local and overseas shipping companies to promote the services of the Hong Kong Shipping Register</li> <li>● To strengthen the status of Hong Kong in the world maritime scene by promoting a hull insurance market in Hong Kong by about 2000</li> <li>● To strengthen shipping links with the Mainland by harmonising the shipping standards and formalities, consultation and contact with Mainland Authorities by 2000</li> </ul>

# V

## Promote safety and efficiency in air and sea transport

The importance of aviation safety cannot be overstated. We have put in place an effective system of monitoring aircraft, aircraft operators and maintenance organisations to ensure compliance with relevant international standards. In addition, we have efficient air traffic control services.

We will provide Hong Kong with safe and efficient management of shipping services thereby reducing accidents and protecting the environment. This can only be achieved through the provision of an efficient vessel traffic control system, dissemination of safe practices to seafarers on how to use the system and regulatory control.

We will also provide civil aviation and shipping with meteorological services in compliance with international safety requirements.

### Indicators

The indicators we will use to measure progress in this area are –

- the extent to which aviation safety in Hong Kong complies with international standards
- the percentage improvement in safety compliance against level of shipping activities
- the annual increase in vessel calls
- the accuracy and comprehensiveness of meteorological information provided

Initiatives	Targets
<p>To convert the current ground-based air traffic control and communications system to satellite-based communications, navigation and surveillance/air traffic management (CNS/ATM) systems to enhance flight safety and efficiency</p> <p><i>(Civil Aviation Department (CAD))</i></p>	<p>To start studies in 1999 with a view to phased implementation of the new systems from 2003</p>
<p>To provide additional training to air traffic control staff, including that in respect of new air traffic control equipment, to cater for anticipated increase in traffic at the new Hong Kong International Airport</p> <p><i>(CAD)</i></p>	<p>To provide 17 additional training courses to 180 staff each year starting from 1999-2000</p>
<p>To establish a marine traffic control station on Green Island</p> <p><i>(Marine Department (MD))</i></p>	<ul style="list-style-type: none"> <li>● To secure funding for setting up the station by early 1999</li> <li>● To build the station and install the associated equipment by late 2000</li> </ul>

Initiatives	Targets
<p>To replace the ageing equipment in the existing vessel traffic services system and upgrade the system with advance equipment and technology (MD)</p>	<ul style="list-style-type: none"> <li>● To identify replacement and upgrading requirements by early 1999</li> <li>● To secure funding for the replacement and upgrading by late 1999</li> <li>● To complete upgrading by late 2001</li> </ul>
<p>To establish a local marine traffic control station near Container Terminal No. 8 (MD)</p>	<ul style="list-style-type: none"> <li>● To build the station and install the necessary equipment by mid-1999</li> <li>● To commission a patrol launch for the station by end 1999</li> </ul>
<p>To improve inspection procedures for new ferry vessels, miscellaneous craft, dangerous goods carrying vessels and excursion vessels (MD)</p>	<p>To be able to inspect 100% of new vessels for the issue of certificates of inspection or survey without delay during 1999</p>
<p>To improve safety of cargo handling and ship repair through monitoring of marine construction projects (MD)</p>	<p>To increase the number of total inspections by 2% to 7 650 in 1999</p>



Initiatives	Targets
<p>To conduct a consultancy study on mid-stream cargo handling operations to ensure that they are carried out safely</p> <p><i>(MD)</i></p>	<p>To complete the study in September 1999</p>
<p>To provide permanent facilities to Government Dockyard on Stonecutters Island and to complete remaining improvement works</p> <p><i>(MD)</i></p>	<ul style="list-style-type: none"> <li>● To complete all project works by end 1999</li> <li>● To achieve final acceptance and completion of all outstanding issues and warranty defects by end 2000</li> </ul>
<p>To prepare and issue improved weather forecasts and warnings of hazardous weather to shipping and aviation</p> <p><i>(Hong Kong Observatory (HKO))</i></p>	<ul style="list-style-type: none"> <li>● Forecasts to maintain an accuracy of at least 90% as measured by both marine and aviation communities</li> <li>● All departing flights to receive flight documentation in compliance with the International Civil Aviation Organisation specifications two to three hours before flight time</li> <li>● Minute by minute warnings of windshear and turbulence for aircraft landing and take-off to be provided</li> </ul>

<b>Initiatives</b>	<b>Targets</b>
To extend facilities at the Airport Meteorological Office to cover the second runway and to serve the backup air traffic control centre <i>(HKO)</i>	To establish the extension of facilities in end 1999

# VI

## Progressively improve the quality of postal and weather information services

Reliable, efficient and cost effective postal services are an important factor in Hong Kong's development as a leading business centre. We will improve the quality of postal services to meet the needs of Hong Kong and our international postal obligations.

We will upgrade the quality of our weather information services in line with advances in technology and in response to public requirements.

### Indicators

The indicators we will use to measure progress in this area are –

- the number of quality improvement initiatives for postal services implemented on time and within budget
- the extent to which we keep weather information services up to international standards

Initiatives	Targets
<p>To start a five-year programme of renovating more than 100 post offices</p> <p><i>(Hongkong Post (HKP))</i></p>	<p>To start the renovation programme in 1998-1999</p>
<p>To provide late evening collection of mail in street posting boxes in major commercial and industrial areas</p> <p><i>(HKP)</i></p>	<p>To provide such service in 12 major commercial and industrial areas by October 1998</p>
<p>To extend the acceptance hours for privately franked mail at selected major post offices</p> <p><i>(HKP)</i></p>	<p>To extend the acceptance hours from 6pm to 8pm at two post offices by October 1998</p>
<p>To extend the facilities of mail rooms at major commercial buildings to accept franked meter items and Speedpost items</p> <p><i>(HKP)</i></p>	<p>To extend the facilities to 26 commercial buildings by December 1998</p>
<p>To extend the opening hours of selected major post offices</p> <p><i>(HKP)</i></p>	<p>To extend the opening hours of two post offices from 2pm to 6pm on Saturdays by October 1998</p>

Initiatives	Targets
<p>To provide posting boxes at more Mass Transit Railway (MTR) stations</p> <p><i>(HKP)</i></p>	<p>To provide 29 boxes at 29 additional stations by March 1999</p>
<p>To launch the “Hongkong Post - Care from the Heart” programme</p> <p><i>(HKP)</i></p>	<p>To complete classroom training and field coaching programme for about 3 500 staff by January 1999</p>
<p>To extend the computerised mail tracking and tracing system to the processing of registered mail, parcels and mail bags</p> <p><i>(HKP)</i></p>	<p>To complete the project by December 1999</p>
<p>To install a next-generation geostationary meteorological satellite system</p> <p><i>(Hong Kong Observatory)</i></p>	<p>To install the system in 2000</p>