

Press Release

LCQ6: WKCD site not suitable for cruise terminal

* * * * *

Following is a question by the Hon Mr Alan Leong and a reply by the Secretary for Economic Development and Labour, Mr Stephen Ip, in the Legislative Council today (April 6):

Question :

At the Harbour-front Enhancement Committee meeting held in November last year, the Government advised that it was preparing to launch an open invitation for proposals from interested parties for the timely development of a new cruise terminal facility to meet the medium-term needs of Hong Kong, with a view to signing a provisional agreement with the selected proponent in 2005/2006. However, planning details such as the location, development and operation of the cruise terminal have not been drawn up by the Government but are left to be proposed by the interested parties; and the land adjoining the cruise terminal will also be granted to the selected proponent for development. On the other hand, there are recent suggestions to build a cruise terminal at the West Kowloon Cultural District ("WKCD"). In this regard, will the Government inform this Council:

(a) of the reasons for not adopting the established planning policy and procedure by firstly deciding on the location, site area, content of planning and development, as well as the operation mode of the terminal before conducting open tenders and relevant land auctions; and whether the authorities have plans to adopt the development mode of "Public Private Partnership" of the Cyberport and WKCD Projects for developing the terminal, whereby the Government invests the land costs in the development project and grants the land concerned, the development project and operation contracts by way of private treaty;

(b) whether it will consider consulting the public on the preliminary planning and location of the terminal facility before or concurrently with the launching of an open invitation for proposals from interested parties; if it will, of the format, timetable and contents of such consultation; if not, the reasons for that, and

(c) whether it will consider the proposal to build a cruise terminal at WKCD, and whether it has assessed the feasibility of the proposal in terms of fairways, transport, attractiveness to tourists and technology etc.; if the assessment results are positive, of the grounds for that?

Reply :

Madam President,

(a) According to the "Cruise Market Study for Hong Kong" commissioned by the Hong Kong Tourism Board in 2002 and the latest consultancy study on the market demand for cruise terminal facilities commissioned by the Tourism Commission, the cruise industry in the Asia Pacific region has considerable development potential. Taking into account the development and demand forecast of the cruise industry, together with the feedback and development plans of major cruise operators, the Consultants advised that Hong Kong would require an additional berth to meet the market needs in the medium term (2009 ; V 2015), and to further develop one to two additional berths to meet the market needs in the long term (beyond 2015). The Government intended to develop cruise terminal facilities in South East Kowloon (i.e. the Kai Tak area), and therefore incorporated the development of a cruise terminal in the Approved Kai Tak (South) Outline Zoning Plan. In view of the Court of Final Appeal's judgment on reclamation within the Harbour, the Planning Department is now reviewing the development plans for the Kai Tak area. It is expected that the entire planning review process and the statutory procedures will be completed in 2008. To meet the market needs for cruise terminal facilities in the medium term as soon as possible, we considered last year inviting proposals from interested parties on the development of cruise terminal. The objective was to allow flexibility for the private sector to put forward proposals on the location, construction method and operation of the cruise terminal. The Government would then examine the feasibility of the proposals and consult the public. We hoped that such an approach could speed up the development of new cruise terminal facilities in order to meet our needs in the medium term.

We have consulted the industry, the Economic and Employment Council, the Legislative Council Panel on Economic Services and the Harbour-front Enhancement Committee on the above approach. Whilst there was general support for the Government to accelerate the development of a new cruise terminal, there were diverse views on the approach of open invitation for proposals, e.g., there were concerns that

Government should take into account the established planning procedures, draw up a specific development framework and ensure the transparency and fairness of the process.

In view of the public concerns, we are, on the one hand, continuing our efforts to secure a site in the Kai Tak Planning Review for cruise terminal facilities and accelerate the timetable of this option. On the other hand, in order to satisfy Hong Kong's medium term needs for cruise terminal facilities as soon as possible, we shall invite initial proposals from interested parties on the location, construction method and timetable for developing a cruise terminal. An interdepartmental committee will be set up by the Government to assess such proposals. We shall set out parameters for the project such as the suitable location and development framework for public consultation and conduct an open tender. We shall ensure that the project will meet the various requirements such as planning and environmental protection.

(b) As I have just mentioned, we intend to conduct public consultation after receiving the initial proposals and defining the location and development framework. Such an approach will enable the public to obtain more information and comment on the proposals. In the long run, we consider that the Kai Tak area, which is within the Victoria Harbour and has expansion capability, the ideal location for the development of cruise terminal facilities. We intend to reserve a site at Kai Tak for the development of cruise terminal facilities in order to cater for the long term needs of Hong Kong. We have proposed the development of cruise terminal in the Kai Tak Planning Review. The Planning Department is consulting the public on this Review.

(c) The Government intends to develop the West Kowloon Cultural District (WKCD) into a world class arts, cultural, commercial and entertainment district. A cruise terminal is not envisaged in the Invitation for Proposals for the Development of the WKCD. In fact, none of the three screened-in proponents has proposed to build a cruise terminal in their proposals.

As to the feasibility of the proposal, our preliminary assessment indicates that the site has the following technical constraints ; V

(i) without substantial dredging, water depth in the Yau Ma Tei Fairway and the berthing area is insufficient for the manoeuvring and/or berthing of mega cruise ships;

(ii) building a cruise terminal in the WKCD would affect vessels operating to and from a number of nearby marine facilities, including the China Ferry Terminal, Yau Ma Tei Anchorage and mooring buoys. At the same time, these vessels would affect cruise ships sailing to and from the cruise terminal; and

(iii) the existing vehicular transport system and ancillary facilities in the West Kowloon would not be able to support the development of a cruise terminal in addition to the WKCD development envisaged for the site.

In light of the above, the Government considers that the WKCD site is not suitable for building a cruise terminal.

Ends/Wednesday, April 6, 2005