

LCQ5: Ngong Ping 360 ticket price adjustment

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Following is an oral reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, to a question by the Dr Hon Lam Tai-fai in the Legislative Council today (December 10):

Question:

With effect from the first of this month, the Ngong Ping 360 Limited ("the Company") has increased the ticket prices for cable cars, admission to attractions and packages, by almost 10% for the highest rate of increase. There have been comments that given the frequent occurrence of cable car incidents, its poor image and reputation, the Company's raising the prices substantially might affect the tourism industry of Hong Kong. In this connection, will the Government inform this Council:

(a) of the dates, causes and duration of service suspension incidents since the commissioning of the cable car system on September 18, 2006;

(b) whether it has assessed the impact of the price increases on the tourism industry, the price-increasing trend of public services, public sentiments and the business tenants operating at Ngong Ping Village amid the financial tsunami; if it has, of the assessment results; if not, the reasons for that; and

(c) given that the Company is a subsidiary of MTR Corporation Limited ("MTRCL"), of the stance of Government representatives on the issue of ticket price adjustments at the relevant board meetings of MTRCL and their justifications for taking such a stance?

Reply:

President,

According to Ngong Ping 360 Limited ("Ngong Ping 360"), the price adjustment is necessary due to the increase in operating costs arising from the price increase of spare parts imported from Europe over the years, and the necessary expenditure for employing additional staff for operation, maintenance and customer services. The price adjustment is in line with inflation.

My reply to Dr Hon Lam's question is as follows:

(a) In accordance with the current notification mechanism, Ngong Ping 360 will inform the public through the electronic media if the cable car service is expected to be delayed or suspended for 30 minutes or more. Since commencement of the Ngong Ping cable car system in September 2006 (up to December 9, 2008), there were 15 incidents which required activation of the notification mechanism. Details are at Annex.

(b) We have expressed our concern about the ticket price adjustment of Ngong Ping 360. However, we appreciate that this is the commercial consideration and decision of the operator. We will monitor closely the effect of the price adjustment on Hong Kong's tourism services.

The existing price agreement signed between Ngong Ping 360 and the travel agents will remain valid until the end of December 2008. The various special offers provided in the agreement will not be affected by the price adjustment. The Government has expressed to Ngong Ping 360 that it should maintain close communication with the travel trades, take into account the market situation when formulating the new price agreement to be effective next year, and join hands with the industry to rise up to the challenges posed by the global financial crisis.

The Government has also asked Ngong Ping 360 to continue to drum up its marketing promotions to draw visitors, as well as to encourage student groups and community organisations to organise eco-tours to the area by clustering with nearby attractions such as Tai O, the Wisdom Path, the Ngong Ping Fun Walk of the Agriculture, Fisheries and Conservation Department, etc. Ngong Ping 360 has already planned various activities for the coming Christmas and New Year holidays and will continue to launch promotional activities in Hong Kong and overseas with a view to attracting more visitors.

(c) Under the Tung Chung Cable Car Ordinance, Ngong Ping 360 Limited may determine and collect fares during the franchise period. The level of ticket price is the commercial decision of the Board of Ngong Ping 360 Limited, not the Board of MTR Corporation Limited. There is no Government representative on the Board of Ngong Ping 360 Limited.

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