

**For discussion  
on 25 May 2009**

**Legislative Council Panel on Economic Development  
Development of a New Cruise Terminal at Kai Tak**

**Purpose**

This paper updates Members on the progress of the new cruise terminal project at Kai Tak, and seeks Members' views on our proposed implementation plan.

**Background**

2. At the meeting of the Panel on 24 October 2008, we briefed Members on Government's decision to fund, design and build a new cruise terminal at Kai Tak which will be leased to a cruise terminal operator.

**Development Timetable**

3. The Government is committed to developing Hong Kong into a leading cruise hub in the Asia-Pacific region through the development of a cruise terminal which is modern and able to meet market needs. We plan to commence operation of the first berth of the new cruise terminal in mid-2013, and complete the full-fledged cruise terminal building in 2014/15.

**Latest Development**

4. Since the announcement in September 2008 that the Government would fund, design and build the new cruise terminal, we have pushed ahead with the preparatory work. We are proceeding in parallel on different fronts. We have already started mapping out the detailed user requirements, commenced the detailed design of the site formation works for the cruise terminal, invited prequalification of tenderers for the cruise terminal building, and started working out the leasing arrangements for

the future cruise terminal operation.

## **Hardware**

### User Requirements

5. To ensure that the new cruise terminal is able to meet market needs, the Tourism Commission (TC) has engaged a cruise consultant with international experience to draw up a draft layout plan and user requirements and ancillary facilities for the new cruise terminal, and is consulting the cruise and tourism industries. We will refine the user requirements and ancillary facilities based on industry's feedback.

### Site Formation Works

6. The Civil Engineering and Development Department (CEDD) is responsible for the site formation works of the new cruise terminal. CEDD engaged an engineering consultant in March 2009 to conduct site investigation and detailed design of the works. We are now comparing a number of arrangements which will provide the most effective interface between the site formation and cruise terminal building works. The current plan is to complete the design work and tender documents for tender invitation in August 2009 with the aim to commence construction works by end 2009.

7. Details of the proposed site formation works are at **Enclosure 1**. In order to ensure an early start of the construction works and in view of the volatility of the construction prices, we planned to adopt parallel tendering ahead of funding approval. We will apply for funding for the works after the Legislative Council (LegCo)'s summer recess.

### Cruise Terminal Building

8. In order to expedite implementation of the project, the Architectural Services Department (ArchSD) has, in parallel, invited prequalification for the "design and build" tenderers for the cruise terminal building in March 2009. We received a total of nine applications at the closing date on 14 April 2009. ArchSD is conducting

a detailed assessment of the prequalification submissions. The current plan is to complete the assessment by the end of June this year when four suitable candidates will be selected to participate in the subsequent tendering exercise.

9. ArchSD is now preparing the tender documents and once the user requirements and ancillary facilities of the new cruise terminal are finalised, ArchSD will invite “design and build” tenders for the cruise terminal building. This is now scheduled for the third quarter of 2009. We will seek funding approval for the works from LegCo early next year. We hope the above arrangement will enable us to commence the cruise terminal building works in 2010 with a view to bringing forward its completion.

#### Leasing Arrangements

10. We will lease the new cruise terminal to a cruise terminal operator who will be responsible for operating the berths, the embarking and disembarking of cruise passengers, and managing the cruise terminal including the ground transportation area and ancillary commercial area. TC will draw reference from international experience and would co-ordinate inputs from relevant departments in formulating the terms and conditions of the future tenancy agreement, including the operation and management requirements, rental arrangements and interface with the relevant Government user departments.

11. We intend to conduct a prequalification exercise for the tenancy agreement in 2010, and invite tender in 2011. The tender will be awarded in 2011/12 so that the lessee can start accepting advance bookings for berthing slots after the commencement of the operation of the first berth in mid-2013.

#### **Software**

#### Advisory Committee on Cruise Industry (ACCI)

12. Apart from hardware development, we have not lost sight of developing the software to meet the needs of the cruise market in Hong

Kong. TC is working with the ACCI to formulate measures to facilitate cruise itinerary development; strengthen co-operation with neighbouring coastal provinces in the Mainland; promote cruise tourism in Hong Kong and the region; facilitate interim berthing arrangements; and encourage supply of talents for the cruise market and related industries.

13. Key deliverables include the launch of a “Cruise South China” website by the Hong Kong Tourism Board (HKTB) in January this year, which provides the cruise market players with information on port facilities and tourism resources of Hong Kong and four neighbouring coastal provinces in the Mainland (namely Guangdong, Guangxi, Fujian and Hainan) to facilitate the development of new itineraries in the region. On the basis of a manpower survey conducted by the ACCI, a number of newly developed courses on cruise tourism has been/will be launched this year to meet the needs and developments of the cruise market.

#### Alternative berthing arrangements

14. For cruise vessels which exceed the berthing capability of the Ocean Terminal or have conflicts in schedules and require alternative berthing locations, TC will facilitate the vessel calls and assist in the liaison between the local shipping agencies of the cruise operators and relevant departments such as the Lands Department, Marine Department, Transport Department and Police as necessary. Since November 2006 we have introduced a set of “Streamlined Procedures for Applying for a Temporary Multiple-Visits Waiver for Berthing Cruise Vessels at the Container Terminal” to facilitate container terminal operators to apply for the berthing of cruise vessels at their facilities. In September 2008, the Government promulgated to the industry a set of guidelines on “Streamlined Procedures for Arranging Temporary Anchorage and Tendering for Cruise Vessels” to enable cruise operators to arrange mid-stream operations more expeditiously.

15. TC works closely with the Government departments, cruise operators, shipping agencies and travel agents on the berthing arrangements to devise the most appropriate arrangement for each vessel call in order to facilitate the embarkation and disembarkation of passengers. HKTB also arranges cultural performances, and sets up

temporary visitor enquiry and service counters, etc. on cruise passengers' arrival in Hong Kong so that they can experience the hospitality of Hong Kong.

#### Mainland tour groups to take cruise vessels from Hong Kong to Taiwan

16. The Central People's Government announced on 18 April 2009 that Mainland tour groups could travel to Taiwan from Hong Kong by taking cruise vessels homeporting at Hong Kong. The initiative is widely welcomed by the industry, and will foster the development of "multi-destination" cruise itineraries to Hong Kong and Taiwan, thus enriching the travel experience of Mainland visitors. The measure will also help attract more Mainland visitors to Hong Kong and boost our tourism, retail, catering, hotel and related industries, and add impetus to Hong Kong's development as a leading regional cruise hub.

#### **Advice Sought**

17. Members are invited to note the latest progress and give views on the implementation plan of the new cruise terminal.

**Tourism Commission  
Commerce and Economic Development Bureau  
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