

For information

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

Purpose

This paper updates the Panel on the latest progress of the new cruise terminal project at Kai Tak.

Construction Works

2. We are pushing ahead with the new cruise terminal project full steam. Site formation works for the terminal started in November 2009. Piling works for the first berthing structure has already commenced and is making satisfactory progress. Construction of the access road to the cruise terminal is also on schedule. The first berth is targeted to commence operation in mid-2013, which will be capable of berthing the world's largest cruise vessel¹. The second berth will commence operation in 2014. After relocation of submarine gas mains by the Hong Kong and China Gas Company, dredging works will be carried out to enable the second berth to accommodate mega cruise vessels² in 2015.

3. With the Finance Committee's funding approval for the cruise terminal building and ancillary facilities works in April 2010, the design-and-build contract for the cruise terminal building was awarded to Dragages Hong Kong Limited and the construction works commenced in May 2010. The new cruise terminal will be an iconic building at the centre of the Victoria Harbour, with highly functional and efficient facilities to provide world-class services to cruise passengers. The design of the terminal building allows great flexibility so that it can cater for the operational needs of different cruise vessels and cruise companies. It will also ensure utmost efficiency and smooth passenger and baggage

¹ Currently, the largest cruise vessel in the world has a displacement tonnage of 110,000 tonnes.

² Mega cruise vessels with a displacement tonnage of 110,000 tonnes can be accommodated.

flow. A column-free space with a span of 42 m inside the passenger check-in and waiting areas also facilitates the alternative use of the areas for other purposes, such as exhibitions and conventions, during the non-peak season.

4. The completion time of the terminal building will be advanced from 2014/15 to within 2013, with the target to synchronize the opening of the terminal building with that of the first berth around mid-2013. An inter-departmental Project Steering Committee has been set up to closely monitor the progress of the construction works to ensure timely completion.

Leasing Arrangements

5. As reported to the Panel on 29 March 2010, for day-to-day operation upon completion, we will lease the new cruise terminal to an experienced operator. This arrangement aims at bringing in market expertise and flexibility in operation. The Government will monitor the performance of the operator closely to ensure quality services to the cruise industry.

6. We plan to conduct a pre-qualification exercise for the tenancy in the fourth quarter of 2010, and invite tenders in 2011. The tender will be awarded within 2011 to allow at least 18 months for the selected operator to accept advance bookings, before the first berth commences operation in mid-2013. Having regard to international experience and the cruise industry's feedback, we are drawing up the tenancy document in consultation with relevant departments. We will brief the Panel on the proposed leasing arrangements when the new session of the Legislative Council commences.

Promotion of Hong Kong as a Cruise Hub

7. Alongside the construction of the new cruise terminal, the Government is working closely with the Advisory Committee on Cruise Industry (ACCI) and the Hong Kong Tourism Board (HKTB) on the

strategies in developing Hong Kong into a cruise hub in the region.

8. In the run-up to mid-2013, HKTB is stepping up its marketing and promotion efforts. To raise the profile of Hong Kong as a cruise hub, HKTB has increased its participation in international and regional cruise conferences and exhibitions. In early June this year, HKTB participated in the annual cruise conference “Cruise3Sixty” in Vancouver which is the leading travel agency conference in the cruise industry providing training and networking opportunities for cruise professionals. HKTB exhibited the major attractions of Hong Kong and showcased the new cruise terminal through destination briefing sessions and presentation at its Gala dinner. Over 1 000 key industry practitioners and travel agents attended.

9. Separately, the Tourism Commission (TC) and HKTB took part in the Seatrade All Asia Cruise Convention held in Suzhou in late June, which is an established international convention well-supported by the stakeholders in the cruise trade. During the convention, we showcased the design of the new cruise terminal to over 400 cruise trade representatives from all over the world, as well as the Mainland and overseas media. We also had bilateral meetings with the officials from the Mainland and neighboring places to explore opportunities for co-operation in promoting cruise tourism in the region.

10. Furthermore, HKTB is upgrading its website on cruise to provide a one-stop search engine for Hong Kong’s cruise schedules and relevant information. This will facilitate visitors in finding cruise products and related information on cruise tourism in Hong Kong. The revamped website is expected to be launched within July 2010.

Co-operation with the Mainland

11. The Mainland is one of our key source markets for cruise vessels homeporting in Hong Kong. In April 2009, the Central People’s Government announced the new measure allowing the Mainland tour groups travelling to Taiwan to take cruise vessels homeporting in Hong Kong. We are collaborating with a number of cruise companies and the

travel trade to launch promotion in some major provinces and cities in the Mainland, including the Guangdong Province, Shanghai, Hangzhou, Nanjing and Beijing, so as to boost the awareness for the Hong Kong/Taiwan itineraries among Mainland visitors. Also, at the Guangzhou International Travel Fair 2010 held in March this year, HKTB set up a dedicated corner to promote “Cruising from Hong Kong” in partnership with the major cruise companies.

12. TC fully supported the “Cruising to New Horizons” seminar co-organized by HKTB and the China National Tourism Administration in June 2010 to familiarize Mainland officials and the travel trade with the development of the global cruise industry and port infrastructure, as well as cruise tourism in the region. The seminar also provided a forum for exchanges on Hong Kong’s advantages as a cruise hub and the facilities that our new terminal will offer.

Manpower Training

13. On the manpower front, the Government’s “Skills Upgrading Scheme” and the Travel Industry Council of Hong Kong will continue to provide training courses related to cruise tourism. Over 700 training places will be available in 2010. The ACCI is also collaborating with the Curriculum Development Institute of the Education Bureau in organising activities related to cruise tourism and the travel trade, such as seminars and cruise ship tours, for secondary school students taking “Tourism and Hospitality Studies”, with a view to enhancing their understanding of cruise tourism development in Hong Kong.

14. Members are invited to note the progress in the new cruise terminal project.

Tourism Commission
Commerce and Economic Development Bureau
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