

LCQ8: Business promotion of Kai Tak Cruise Terminal

Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Yiu Si-wing in the Legislative Council today (June 26):

Question:

It is learnt that there have been a number of negative press reports in recent days about the Cruise Terminal (the Terminal) located in the Kai Tak Development Area, which was built at a cost of over \$8 billion. Such reports include serious water seepage at the terminal building prior to its opening, chaotic transport arrangements on the day of its official opening, as well as rodent infestation at the terminal building occurred in recent days. On the other hand, some members of the community worry that the Terminal may turn into a "white elephant" project due to insufficient patronage and that Hong Kong's international image will be tarnished if the aforesaid problems are not rectified expeditiously. In this connection, will the Government inform this Council:

(a) of the improvement measures taken by the authorities to tackle the aforesaid problems of the facilities, such as rodent infestation and water seepage, so as to bring the software and hardware of the Terminal in line with international standards;

(b) as it has been reported that the Terminal, after receiving the first cruise liner on the 12th of this month, will not receive the second cruise liner until October, and there will only be a total of 20-odd cruise liners berthing at the Terminal in the coming year, i.e. the usage time for the whole year will be merely one month or so, of the measures taken by the authorities to boost the usage rate of the Terminal; and

(c) as the Central Government announced in June last year the measure that mainland tour groups taking cruises from Hong Kong to Taiwan would be permitted to continue to take the same cruise to Japan or South Korea before returning to the Mainland, of the progress of the authorities' discussion with the mainland authorities in respect of the implementation of the relevant measures (including the visa arrangements and timetable)?

Reply:

President,

The inaugural berthing of "Mariner of the Seas" at the Kai Tak Cruise Terminal (the Terminal) took place on June 12, 2013. The arrangements during this ship call were generally smooth. Both the facilities and the exterior design of the Terminal won high acclaim from the cruise company and passengers. As is the case with other newly completed major infrastructures, the terminal operator and relevant parties need time to familiarise themselves with the environment and operations of the Terminal at the initial stage upon commissioning. The terminal operator and the relevant parties will draw on their experience with the berthing of "Mariner of the Seas" (e.g. in respect of traffic arrangements) to make improvements and provide better service in future.

My reply to the three parts of the question is as follows:

(a) The contractors of the terminal building have been taking pest control measures. The Tourism Commission (TC) has also worked closely with the Architectural Services Department (ArchSD) and the Food and Environmental Hygiene Department (FEHD) to follow up the case. The ArchSD has urged the contractors to step up inspections and control measures to improve the environmental hygiene of the works areas. The FEHD has advised the relevant parties on rodent control measures and taken follow-up actions. As for the leakage in some parts of the terminal building after a heavy rainstorm of black signal level earlier on, such seepage was unavoidable when there was continuous heavy rainstorm as there were on-going minor works at the terminal building (e.g. connection works for stormwater drainage). Most of the affected fittings have been replaced. The berthing of "Mariner of the Seas" has not been affected.

(b) Given the huge scale of the Kai Tak Development, it takes time for the facilities in the development area to be completed in phases. As the first completed facility in the development area, the Terminal needs time to develop its business. In particular, it will face various constraints during its first few years of operation. As a matter of fact, most cruise companies already finalised the itineraries and made berth bookings for their cruise fleets for 2013 and 2014 one or two years ago. We hope that, with the concerted efforts of the Government, the trade and the terminal operator, the cruise business and the leasing of the ancillary commercial area at the Terminal will grow steadily.

In designing the Terminal, we have taken into account the seasonal nature of cruise operations, and hence the possible low utilisation of the Terminal during certain times of the year (e.g. the typhoon season). To maximise the flexibility in the utilisation of the Terminal, the terminal building has adopted a wide span layout with fewer structural

columns. The design enables the waiting halls in the Terminal to be used for conferences, exhibitions and banquets during the non-peak seasons of cruise operations. The terminal operator has already expressed interest in hosting functions in the terminal building to optimise the use of terminal and generate additional revenue. The TC is also working with the trade to organise a Cruise Holiday Expo at the terminal building in September this year to promote cruise tourism and demonstrate the versatility of the Terminal.

(c) To support the development of the cruise industry in Hong Kong, the Central People's Government (CPG) announced in June 2012 that Mainland tour groups taking cruises from Hong Kong to Taiwan could visit Japan or Korea in the same journey before returning to the Mainland. The new policy will facilitate cruise companies to organise more diversified itineraries for Mainland tourists and attract them to join cruise journeys from Hong Kong. This is also conducive to encouraging cruise companies to deploy more ships to the Asia-Pacific region, thereby promoting the development of the cruise industry in the Mainland and Hong Kong. We will continue to work with the China National Tourism Administration and cruise companies to work out the detailed arrangements of this new policy.

To complement the new CPG policy, the Government has already provided additional resources to the Hong Kong Tourism Board (HKTB) for promoting cruise tourism. Apart from attracting more cruise liners to visit Hong Kong through the co-op marketing fund, the HKTB also steps up its promotion activities in the Mainland, especially in the Southern part of the Mainland, through advertising, public relations initiatives and digital marketing, to stimulate the interest of its residents in cruise travel. It also plans to set up designated teams in major Mainland cities, including Guangzhou and Shanghai, to step up cruise tourism promotion and encourage more Mainland visitors to join cruise journeys from Hong Kong.

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