

**For information****Legislative Council Panel on Economic Development****Updates on the Kai Tak Cruise Terminal project****Purpose**

This paper updates the Panel on the operation arrangements and the latest progress of installing on-shore power supply facilities at the Kai Tak Cruise Terminal (“the Terminal”).

**Operation Arrangements of the Terminal**

2. The Terminal received a total of seven cruise vessels between mid-October and early November this year. Five of them were larger in size, and each carried around 3 000 passengers. Prior to the berthing, the terminal operator and relevant parties had drawn on the experience from the inaugural berthing in June and made thorough preparations. Immigration facilities of the Terminal commenced full operation, and the arrangements for these ship calls were generally smooth. As observed, terminal facilities were able to cope with the high passenger flow. The immigration and baggage operations also ran smoothly. On 29 October, there was for a short period of time a relatively long queue of passengers during the embarkation process. It was because some Mainland tour groups, which came to Hong Kong by batches, reached the Terminal later than the agreed schedule. As a result, the cruise company had to process a large number of passengers within a short period of time. The cruise company had subsequently stepped up liaison with travel agents to encourage cruise passengers to embark the ship by batches according to the scheduled timetable. The embarkation arrangements have since improved significantly.

3. Regarding transport arrangements, cruise passengers generally took coaches arranged by local shore excursion operators to visit various tourist attractions in different districts. The terminal operator also

arranged shuttle bus services between the Terminal and nearby MTR stations (including Kowloon Bay, Kwun Tong, Diamond Hill, Hung Hom and Kowloon Stations). In addition, the terminal operator had notified the taxi trade in advance of the cruise berthing schedules to encourage taxi drivers to come and pick up passengers at the Terminal. The modes and level of transport services largely met the needs of the passengers, who were generally satisfied with the waiting time and the arrangements. The terminal operator will review the experience and consider further improvements to the transport arrangements for passengers, in particular, the ways to encourage more taxi drivers going to the Terminal to pick up passengers in the morning period.

### **Works-related Issues**

4. The fittings affected by water leakage in some parts of the Terminal building after a heavy rainstorm at black signal level in early June have already been replaced. Remedial works for the leakage problem and water tightness tests were substantially completed with satisfactory results.

5. In light of the experience gained in these berthings, the Architectural Services Department will carry out some minor improvement works at the Terminal building, including pavement widening works at ground level and improvement works for the escalators connecting the roof garden and the ancillary commercial areas on the second floor, to ensure smooth operation of the Terminal in future. These minor works will not affect the operation of the Terminal or obstruct visitors' access.

### **Business Development of the Terminal**

6. The terminal operator has so far received 59 applications from cruise vessels to berth for about 101 days between October this year and the end of 2015. Since the commissioning of the Terminal, many cruise companies have expressed interest in berthing at the Terminal as they draw up the cruise schedules for the coming years. Indeed, there has been a steady increase in the number of days of berthing reservations. We expect this rising trend will continue.

7. To maximise flexibility in the utilisation of the Terminal, the terminal building has adopted a wide span layout with fewer structural columns. The design enables some areas in the Terminal to be used for other functions during the periods when no vessels are berthing at the Terminal. Two car shows were held at the Terminal in August and September respectively which received positive feedback. The Travel Industry Council of Hong Kong organised the Cruise Holiday Expo at the Terminal from 20 to 22 September to promote cruise tourism and enhance consumers' knowledge about various cruise products, as well as demonstrate the flexible use of the Terminal. The Expo was well received by the public and recorded an attendance of about 30 000 participants. Various organisations are discussing with the terminal operator the feasibility of holding various kinds of events at the Terminal.

8. The terminal operator also manages an ancillary commercial area of about 5 600 square metres at the Terminal and has made good progress in discussing the leasing arrangement with potential tenants. Retail stores and restaurants at the Terminal are expected to be open for business by phases from early next year onwards.

### **Opening of the Kai Tak Cruise Terminal Park**

9. The Kai Tak Cruise Terminal Park ("the Park") was opened on 18 October 2013. The opening hours are from 7 am to 11 pm daily. The Park is managed by the Leisure and Cultural Services Department. Occupying an area of 23 000 square metres, the Park is equipped with various passive amenity facilities including a central lawn, a viewing platform, water garden and fountain plaza, etc.

10. Regarding the public transportation arrangements, a green minibus route operates daily between the Terminal and Kowloon Bay MTR station (Telford Gardens). Also, there is a special recreational KMB route which plies between the Terminal and Kwun Tong / Ngau Tau Kok MTR station during Sundays and public holidays. Taxi stands and fee-charging car park for private cars are also available at the Terminal to facilitate the public visiting the Park. The relevant departments will closely monitor the actual demand for public transport services to and from the Terminal and consider strengthening the services as appropriate.

When large scale events are held at the Terminal, the organisers will arrange special feeder services to cope with the additional transport demand.

### **Promotion of Hong Kong as a Cruise Hub**

11. Capitalizing on the opportunities brought by the Terminal, the Hong Kong Tourism Board (HKTB) has stepped up promotion on Hong Kong's advantages in cruise tourism. Over the years, the HKTB has organised and participated in large scale or international trade events to widely publicise Hong Kong's attractiveness in cruise tourism to cruise companies, trade members, consumers and international media, with a view to strengthening Hong Kong's image as Asia's cruise hub. In June 2013, the HKTB organized the first-ever "Hong Kong Cruise Pavilion" at the International Travel Expo in Hong Kong, with the joint efforts of 11 international cruise brands. In September this year, it also promoted the facilities of the Terminal and the attractions of Hong Kong as a cruise destination to the cruise trade at the Cruise Shipping Asia-Pacific in Singapore.

12. The HKTB also actively promotes regional co-operation on cruise tourism. It cooperates with other port authorities in the region to encourage international cruise companies to develop more cruise itineraries with Hong Kong as one of the ports. The HKTB announced in June this year that it had joined the Taiwan tourism authorities in reaching an agreement with a cruise company to arrange its vessel to homeport at Hong Kong for two additional cruise journeys between Hong Kong and Taiwan on 29 October and 2 November. Feedback from the trade showed that the itineraries were popular and the market response was keen.

13. To celebrate the commissioning of the Terminal and to enrich the experience of cruise passengers in Hong Kong, the HKTB held welcoming ceremonies at the Terminal to mark the inaugural berthing of Mariner of the Seas in Hong Kong on 12 June and its first homeport call at the Terminal on 29 October this year.

14. The Central People's Government 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 China National Tourism Administration announced in August this year the implementation details of the new measure. Cruise companies and travel agents are actively following up on the matter, with a view to introducing more diversified itineraries thereby attracting more visitors to join cruise journeys from Hong Kong.

### **On-shore Power Supply Facilities and “Fuel switch at Berth” Scheme**

15. Currently, space has been reserved for the installation of on-shore power supply (OPS) system at the Terminal. Since OPS is a newly developed technology for controlling marine vessel emissions, the Government has to wait for the release of the harmonised international standard by the International Electrotechnical Commission (IEC) before commencing preparatory work (such as a technical feasibility study) for identifying the relevant technical and financial requirements. Thereafter, the Government will draw up the implementation plan.

16. The Environmental Protection Department (EPD) has been closely monitoring the development of the OPS international standard. In July 2012, the IEC released the first part of the standard (i.e. the High Voltage Shore Connection System – General Requirement). IEC is now working on the second part of the standard (i.e. the communication protocol for communication link between ship and shore) and is expected to publish the first draft by end this year. To ensure early installation of OPS system at the Kai Tak Cruise Terminal, the EPD has commissioned the Electrical and Mechanical Services Department (EMSD) to conduct the technical study. The EMSD has conducted preliminary information collection and commissioned in November 2013 a consultant to undertake a technical feasibility study for identifying the requirements and work details for OPS installation. Upon completing the study in mid 2014, the Government will formulate the implementation plan subject to the technical analysis, assessment of the requirements for installing OPS, emission reduction and cruise terminal operation. The Government will then report the findings of the study to the relevant Legislative Council panel(s) and seek approval for funding provision from the Finance

Committee.

17. In addition, to encourage ocean going vessels (including cruises) to switch to cleaner fuel while berthing, the EPD launched in September 2012 a 3-year Port Facilities and Light Dues Incentive Scheme (Incentive Scheme). As at 10 November 2013, four cruise vessels have joined the Incentive Scheme. The EPD is drafting a regulation to mandate ocean going vessels (including cruises) to switch fuel while berthing in Hong Kong waters, and aims at making the regulation effective in January 2015.

18. Members are invited to note the information set out in this paper.

**Tourism Commission**  
**Commerce and Economic Development Bureau**  
**November 2013**