

LCQ17: Prices of admission tickets and concessions of Hong Kong Disneyland

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Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Chan Han-pan in the Legislative Council today (December 17):

Question:

It has been reported that some members of the public are dissatisfied that recently the Hong Kong Disneyland (HKD) not only increased its admission ticket prices but also reduced the offers under various concession schemes. For instance, starting from the New Year's Day of 2015, the dining and merchandise concessions offered under the Magic Access Platinum and Gold Membership Cards will be reduced to a level similar to those under the Silver Membership Cards. On the other hand, the Ocean Park has rolled out various exclusive offers for Hong Kong people to express gratitude for their support, which include a 20 per cent discount offered to Hong Kong people who produced their Hong Kong Identity Cards when they purchased admission tickets during the period from the 24th of last month to the 12th of this month, as well as concession offers totalling as high as \$4,700 for the Ocean Park's annual pass members. In connection with HKD's setting of prices for admission tickets and concessions, will the Government inform this Council:

(1) whether it has proposed to HKD the offering of concessions on admission tickets exclusively to Hong Kong people as a reward for their support; if it has, of the details;

(2) whether it has assessed if the reduction in concessions by HKD will result in a drop in attendances of Hong Kong people; if the assessment outcome is in the affirmative, of the relevant figures, and whether it knows if HKD intends to receive more visitors from places outside Hong Kong to make up for the drop;

(3) whether the Government, being the majority shareholder of HKD, has established any mechanism to monitor HKD's setting of prices for admission tickets and concessions; if it has, of the details; if not, the reasons for that; and

(4) given that the reduction in concessions by HKD has aroused discontent among some members of the public, whether the authorities have assessed the resultant impact on the future development of HKD; if they have, of the outcome; if not, the reasons for that?

Reply:

President,

Our reply to the four parts of the question is as follows:

(1) As an integral part of Hong Kong's tourism infrastructure, the Hong Kong Disneyland (HKDL), apart from its active promotion in overseas and Mainland markets, is also working hard to build a solid local visitor base. Currently, a significant portion of local visitors to the HKDL are "Magic Access" (i.e. Annual Pass) members (MA members). In view of this, in the recent ticket price adjustment, the HKDL has introduced a one-year concessionary period (up to November 10, 2015) for MA members, during which they could renew their membership at pre-adjustment prices. Besides, Hong Kong residents enjoy a concessionary period of two months, during which they could purchase one-day and two-day tickets as well as "Magic Access" cards at pre-adjustment prices. In other words, Hong Kong residents could purchase tickets at pre-adjustment prices during typical peak seasons of Christmas and New Year, while existing MA members enjoy a one-year concessionary period for renewal of membership.

In addition, the HKDL has continued to collaborate with the Agency for Volunteer Service and various social service organisations over the past year. It has received tens of thousands of volunteers and the underprivileged through the resort's "Community Involvement Program". Besides, the HKDL has a volunteer team which contributes to the society by providing volunteer services.

(2) The HKDL has conducted a detailed study for its ticket price adjustment to ensure that the adjustment level is reasonable, and strives to strike a balance between different considerations, such as the financial position of the resort and local visitors' acceptability. To attract local visitors, the HKDL offers special privileges to MA members. MA members enjoy various benefits on merchandise, previews, hotel accommodation, food and beverage, parking, etc. For example, the HKDL organised an exclusive 40 per cent-off Christmas shopping week for MA members in November. It was well received and has successfully attracted park attendance. In the coming year, the HKDL will enhance its exclusive offers and provision of previews as well as special festive souvenirs to MA members, including doing away with the terms that MA members are required to stay in a Disney hotel to be eligible for the food and beverage offers on their birthdays. This will allow greater flexibility for MA members

to enjoy their benefits. Furthermore, the HKDL will continue to enhance visitor experience and the overall attractiveness of the resort through improvement of services and introduction of new attractions in order to maintain attendance growth.

(3) The Government has regular liaison with the Hong Kong Disneyland Management Limited (Management Company). The Government also monitors and gives advice on the operation of the HKDL, which includes advising the Management Company to consider carefully local visitors' acceptability and affordability before adjusting ticket prices, and to improve service quality at the same time so that visitors can enjoy value for money services.

In the review of ticket price, the Management Company has taken into account the Government's advice and introduced ticket price concessions which benefit local visitors.

(4) In light of the intense competition from other theme parks in the region, the HKDL has to further develop so as to maintain competitiveness. Indeed, the HKDL has planned a series of self-financed development and expansion projects, including the night time parade "Disney Paint the Night" recently launched in October, a series of 10th anniversary programmes in 2015, and a new themed area based on Marvel's Iron Man franchise to be opened by late 2016. In this connection, the HKDL needs to closely monitor its financial position, which includes reviewing the ticket prices from time to time, with a view to maintaining stable and solid business performance as well as cashflow to ensure that sufficient resources are available for its upcoming development projects.

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