

LCQ17: Plans to revitalise the Kai Tak Cruise Terminal

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Following is a question by the Hon Starry Lee and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (January 17):

Question:

Report No. 68 of the Director of Audit published in April last year pointed out that the performance of the Kai Tak Cruise Terminal (KTCT) in 2016 (in terms of the number of cruise calls, cruise passenger throughput, per capita spending of passengers, etc.) was below expectation. Some members of the tourism industry consider that notwithstanding KTCT's prime location at the Victoria Harbour and its great potential for tourism development, the visitor flow at KTCT is persistently low, and it is like a ghost town. They criticise that KTCT, which costs more than HK\$6.6 billion to build, has failed to achieve economic benefits, and the Government's objective of developing Hong Kong into an Asia cruise hub through KTCT has even become too remote to reach. Regarding plans to revitalise KTCT, will the Government inform this Council:

(1) whether it has drawn up new plans with the aim to increase the attractiveness of KTCT and develop it into a tourist attraction; if so, of the details; if not, the reasons for that;

(2) whether it has drawn up new plans with the aim to enhance the external transport of KTCT to facilitate tourists and members of the public to visit KTCT; if so, of the details; if not, the reasons for that;

(3) whether it has drawn up new plans with the aim to make use of the idle commercial space at KTCT to attract tourists to go there and spend, thereby alleviating the pressure on shopping hotspots; if so, of the details; if not, the reasons for that; and

(4) whether it will study how the facilities of KTCT and those in nearby areas may complement each other so as to increase the utilisation rate of KTCT, e.g. locating the embarkation and disembarkation points for Victoria Harbour cruises within KTCT; if

so, of the details; if not, the reasons for that?

Reply:

President,

Since the commissioning of the Kai Tak Cruise Terminal (KTCT) in mid-2013, its utilisation has been rising steadily. The number of ship calls of the KTCT in 2017 was around 190, representing an increase of almost six times since 2014 (i.e. its first full year after commissioning). The passenger throughput of the KTCT has also gone up by close to 5 times during the same period to over 780 000. In 2017, the number of days with cruise ships at berth at the KTCT was 161, of which 48 days were with more than one cruise ship at berth. Moreover, 10 different events involving a total of 33 days (including setting up, dismantling and reinstatement) were held at the KTCT in 2017.

The KTCT has, since its commissioning, also spurred the growth of cruise tourism business of Hong Kong as a whole. In 2017, we received 245 ship calls in Hong Kong as a whole (increased by 175 per cent from 89 calls in 2013) and the cruise passenger throughput was over 900 000 (increased by around 370 per cent from 191 000 in 2013). In fact, back in the earlier years when the Government was considering the construction of the KTCT, the Government projected that the number of ship calls and cruise passenger throughput in Hong Kong as a whole would range from 181 to 258 and from 564 102 to 1 041 031 respectively by 2023. In other words, the number of ship calls and cruise passenger throughput in Hong Kong as a whole in 2017 have both achieved, ahead of plan, the then projected performance by 2023.

My reply to the four parts of the Member's question is as follows:

(1) The KTCT is a purpose-built construction and an important infrastructure for the development of cruise tourism in Hong Kong. Its core functions are for receiving cruise ships and handling large number of passengers at a time. Therefore, cruise business and operation take priority in the building design and operation arrangements. That notwithstanding, in addition to developing the cruise business of the KTCT, we have all along been dedicated to making good use of the space in the KTCT and, wherever possible, for purposes other than berthing of cruise ships to enable more members of the public and visitors to enjoy the facilities of the terminal building.

The ancillary facilities of the KTCT (including its ancillary commercial areas and the rooftop garden) are open every day, and members of the public, visitors as well as tour groups are welcome to visit these ancillary facilities. Apart from that, some parts of the KTCT could be used as event venues when they are not in use for cruise operation. Many private and public events (including exhibitions, sports events, corporate functions, etc.) were held at the KTCT in the past, thus making better use of the facilities thereat. We will continue to drive more events to be held at the KTCT and attract members of the public and visitors to participate.

(2) The Government has all along been committed to improving the transport connectivity of the KTCT. At present, there are daily franchised bus services, green minibus services and ferry services connecting the KTCT with other districts. Apart from strengthening the transport arrangements when there are cruise ships at berth (e.g. providing shuttle bus services as well as enhancing the frequencies and supplies of public transport services, including taxis), the Government has also improved the transport services and infrastructures of the KTCT through different measures.

In terms of transport services, daily ferry service connecting Kwun Tong and North Point has been provided since 2016 after the completion of the refurbishment works of the ferry pier (now known as the Kai Tak Runway Park Pier) adjacent to the KTCT in March that year. The weekend and public holiday services of franchised bus Route 5R, which run between the KTCT and Ngau Tau Kok, have been strengthened to daily services since August 2016. Furthermore, the minibus Route 86 that provides daily services to Kowloon Bay has also been strengthened to operate with higher frequency and longer operating hours. Looking ahead, the Transport Department is preparing for the commissioning of a new bus route connecting the KTCT with Kowloon Tong MTR Station within the first half of this year.

As regards transport infrastructures, the Civil Engineering and Development Department (CEDD) is carrying out construction works for the realignment and widening of Shing Fung Road, which is in the vicinity of the KTCT, to increase its capacity. The works are expected to be completed by 2019. For the longer term, CEDD is pressing ahead with the works of the remaining section of Shing Fung Road (i.e. Road D3 Metro Park section), which links Shing Fung Road with the future Shing Kai Road. This would further enhance the road network of the Kai Tak Development Area and strengthen the connectivity between the future MTR Kai Tak Station and the KTCT. The commissioning of Tai Wai to Hung Hom section of the

MTR Shatin to Central Link (including the Kai Tak Station) in 2019 will further improve the transport connectivity of the Kai Tak Development Area.

(3) At present, there is no vacant shop at the KTCT. All the seven shops of the ancillary commercial areas in the terminal building have been leased. Six of them are in operation while the remaining one has ceased operation due to its internal issues. The terminal operator is recovering the vacant possession of that shop from the sub-tenant through legal proceedings. We have urged the terminal operator to lease out the shop as soon as possible upon completion of the relevant proceedings and recovering possession of the shop. We note the proposal of relocating some of the shops in Kowloon City district that mainly serve tour groups to the KTCT. We are also aware of the diverse views of the Kowloon City District Council on such proposal. In any event, commercial organisations that are interested in operating at the KTCT are welcome to approach the terminal operator directly to discuss the corresponding commercial arrangements.

(4) Apart from promoting more events to be held at the KTCT, we also make use of the facilities at the KTCT to support events held in its vicinity. Specific examples include the provision of coach parking spaces as well as pick-up and drop-off points for transport services, etc. for events like AXA Hong Kong Streetathon@kowloon 2017 and HNA • Orbis Run For Vision Charity Run held in January and April 2017 respectively.

In the second half of this month, the major shore events of the world-renowned Volvo Ocean Race will be held at the Kai Tak Runway Park (the Runway Park) adjacent to the KTCT. On the other hand, the Government Flying Service is preparing to transfer the airframe of a retired fixed-wing aircraft (Jetstream-41) to the Runway Park for display to complement the Park's aviation design theme. In addition, the Development Bureau will make an open invitation to non-profit-making organisations for proposals to operate a weekend flea market at the Tourism Node site pending land disposal. We believe that the abovementioned initiatives will help integrate the potentials of the KTCT and its surrounding areas, hence drawing more visitors and making better use of the KTCT.

On the other hand, the refurbished Runway Park Pier can be used by small vessels running Victoria Harbour cruises for berthing and for embarkation/disembarkation of passengers. Service providers of Victoria Harbour cruises are welcome to use the pier. The apron of the KTCT, when connected to a

landing pontoon, can also be used by larger vessels of Victoria Harbour cruises for berthing and for embarkation/disembarkation of passengers. The berths and facilities at the KTCT are operated by the terminal operator on commercial basis. Any service providers of Victoria Harbour cruises who are interested in using the facilities of the KTCT for embarkation/disembarkation of passengers may approach the terminal operator for discussion.

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