

#### LCQ4: Promoting attractions of Lei Yue Mun

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Following is a question by the Hon Paul Tse and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (November 13):

Question:

It has been reported that with Hong Kong experiencing months of social turmoil, many industries have become languished, and the numbers of Mainland and overseas visitors have plunged (e.g. the number of visitor arrivals from the Mainland during the "National Day Golden Week" has dropped drastically by 56 per cent to a record low in nine years). The number of visitors to Lei Yue Mun, a famous tourist area in Kowloon East, has dropped significantly as well. As a result, a large number of tourism-related shops have closed down one after another. Earlier on, the Financial Secretary has introduced a \$19.1 billion package of measures to "support enterprises, safeguard jobs and relieve people's burden" (relief measures), which include a 50 per cent rental reduction for a period of six months for most short-term tenancies of government land for business use under the Lands Department (LandsD) and for public market stalls. However, some shop operators in Lei Yue Mun and the District Council members of the district have relayed to me that the aforesaid shop operators have successively received notices from LandsD that their rentals will be raised by 7 per cent shortly. They are afraid that such rental increase will give rise to a wave of closure of these shops, thereby leading to the fading out of a world-renowned tourist attraction in Hong Kong. In this connection, will the Government inform this Council:

(1) as some members of the public have criticised that the Government's policies are self-contradictory in that on the one hand it has implemented the relief measures and injected several million dollars to promote local gourmet food, but on the other hand it raises the rentals of shop operators in Lei Yue Mun who are facing operating difficulties, whether LandsD has, prior to making the rental increase decision, discussed with the policy bureau and government departments in charge of tourism affairs as well as the affected shop operators, so as to gain an understanding of the rate of decrease in the number of visitors to Lei Yue Mun since the eruption of the disturbances arising from opposition to proposed legislative amendments, as well as the pressure of rental increase to be borne by the shop operators in Lei Yue Mun; if so, of the reasons for LandsD's insistence on effecting the rental increase; if not, the reasons for that;

(2) whether it has assessed if the persistent decrease in visitors to Hong Kong and LandsD vigorously effecting the rental increase will compel more restaurants and shops in that district to close down one after another before and after the Lunar New Year holiday; and

(3) as some members of the public have criticised that with the two theme parks, namely the Ocean Park Hong Kong and the Hong Kong Disneyland, being "on saline drip" and operating with a loss, and local tourist attractions having, for a long time, "lived on established advantages" only, whether the authorities will step up publicity for Lei Yue Mun as a tourist attraction which has scenery of a traditional fishing village and offers gourmet seafood, and supplement such initiative with effective policies, e.g. reducing rentals directly, with a view to helping Lei Yue Mun maintain its appeal to visitors?

Reply:

President,

Thank you for the question raised by the Hon Paul Tse. The persisting protests and social unrest in recent months have resulted in disruption to law and order, thereby causing a dramatic drop in the tourist arrivals. Local consumption has also been hit hard. Coupled with the austere external economic environment, the tourism and related sectors have in particular suffered a heavy blow.

To relieve the business operation pressure faced by the enterprises, the Government has announced three rounds of measures to support enterprises and safeguard jobs since mid-August with a view to assisting different sectors in reducing operating costs, financing, developing markets, etc. One of the measures is rental reduction by 50 per cent for six months with effect from October 1 this year for tenancies under various Government departments, including the Lands Department (LandsD), the Food and Environmental Hygiene Department, the Government Property Agency, the Marine Department, the Agriculture, Fisheries and Conservation Department and the Leisure and Cultural Services Department. The tenancies involved include catering establishments, retail stores, public market stalls, fee-paying public car parks.

Having consulted the Development Bureau and LandsD, my reply to the question raised by the Hon Tse is as follows:

(1) and (2) There are currently 19 Short Term Tenancies (STTs) sites in Lei Yue Mun (LYM) being used for Chinese restaurants and seafood/grocery stalls or other purposes. These tenants are already benefiting from the aforementioned measure. In other words, the tenants will enjoy a rental reduction by 50 per cent for six months from October 1, which is applicable to rent payable during those six months.

Under the existing mechanism, LandsD generally conducts rent review for each STT every three years according to the tenancy conditions to reflect the latest level of market rent. In accordance with this mechanism, LandsD has earlier conducted rent review for those 19 STTs in LYM to determine the rent for the three years commencing from January 2020. The rent review showed that the rent payable can be increased by about 6.6 per cent over the level three years ago if it is to reflect the latest level of market rent. LandsD informed the tenants of the rent review result in September this year. Nonetheless, having considered the current economic and social situation, LandsD has informed the tenants concerned that there is no need to pay regard to the rent review result for the time being for LandsD's further review on the arrangement. In other words, the 19 tenants are currently not subject to the rent increase of 6.6 per cent as originally proposed. I have also informed the Hon Tse of the above situation for his relaying the message to the tenants.

At the moment, the Government is looking into the handling of the rent review arrangement for tenancies under LandsD. Depending on the outcome of the review, the Government will further consider whether additional measures should be introduced to assist businesses to cope with the challenging economic environment at present.

(3) Characterised as a traditional fishing village, LYM is one of the popular tourist spots in Hong Kong. The Hong Kong Tourism Board (HKTB) has been promoting the diverse tourism appeal and unique experiences of LYM, including the nearby attractions such as the seafood village and the Jockey Club Lei Yue Mun Plus through different channels, including website, visitor centres, visitor hotline, etc. Besides, the HKTB has also been promoting LYM travel products operated by the travel trade, including the gourmet tours at the seafood village.

Besides, with a view to enhancing the attractiveness of LYM as a seafood-dining destination with its pleasant seaside ambience, the Tourism Commission has been actively pursuing the implementation of the Lei Yue Mun Waterfront Enhancement Project (LYM Project) to improve facilities along LYM waterfront. The scope of LYM

Project includes the construction of a public landing facility, a breakwater and a waterfront promenade; the provision of several lookout points and streetscape improvement works along the footpath linking up the lookout points; as well as the construction of a new viewing platform, etc. Recently, the Government has obtained the support of the local community, including shop operators, the respective District Council and the Harbourfront Commission for LYM Project. We target to seek funding support from the Legislative Council for the LYM Project in 2020. Subject to funding approval, the construction works are expected to commence in late 2020 for completion by phases from 2022 to 2024. We believe that upon the completion of the Project, the attractiveness of LYM to tourists would be enhanced and would thus help further promote the local economy. The HKTB will continue to promote the diverse tourism appeal of LYM to tourists alongside with LYM Project.

Thank you, President.

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