

SCED on tender exercise for development of new cruise terminal

The following is the transcript of the remarks (English portion) made by the Secretary for Commerce and Economic Development, Mr Frederick Ma, today (July 9) on the results of the tender exercise for the development of a new cruise terminal at Kai Tak:

Secretary for Commerce and Economic Development: As you may be aware, we issued an open tender for the new cruise terminal project in November last year, which was closed in March this year. Two tender submissions were received, neither of which fully conformed with the requirements laid down in the tender document. One of the tender submissions requested hotel rooms to be individually sold off, while the other requested to develop more commercial area.

Unlike conventional commercial developments, the cruise terminal project requires extensive site formation works and the provision of Government facilities such as customs, immigration, health quarantine and Police facilities for the cruise terminal, as well as the landscaped deck in the cruise terminal. Through the last tender, the market was tested and the response demonstrated that the project with the current terms and conditions was not attractive to the market, and the market was not willing to take up the project.

To ensure an open and fair competition, and after careful consideration, the Government decided to re-tender the project. We will also seek approval of the Legislative Council to fund the site formation works, and the construction costs for Government facilities in the cruise terminal project.

In taking forward comprehensive development area projects, the Government may require the successful tenderer to design and construct specified facilities to make more efficient use of resources, and ensure an integral design. For the cruise terminal, we consider such funding support would help enhance the attractiveness of the project to the market, and to encourage the market to take up the project. We intend to re-tender the site by end of this year, with the first berth of the new cruise terminal to begin operation by the second quarter of 2013.

Reporter: Haven't you been able to foresee a year ago when you issued the tender in the first place, that there could be economic circumstances change...?

Secretary for Commerce and Economic Development: Let me repeat my answer in English. Actually we had done extensive public consultation before we went to the market for the tender exercise last November. And before we issued the tender document, the market clearly indicated interest. Of course, between last November and the closing of the tender, the global macro-economic environment had undergone some changes, causing the tenderers to ask for additional conditions in their tenders. For the sake of fairness and openness, we decided to re-tender the project. I think this is probably the best way to go.

(Please also refer to the Chinese portion of the transcript.)

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