

Government awards tenancy of new cruise terminal at Kai Tak

The Tourism Commission of the Commerce and Economic Development Bureau announced today (March 8) that the tenancy for operating and managing the new cruise terminal at Kai Tak has been awarded to Worldwide Cruise Terminals Consortium (WCT).

"The new cruise terminal is an important tourism infrastructure project in Hong Kong. It is key to developing Hong Kong into a regional cruise hub in Asia and enhancing our position in tourism," a spokesman for the Tourism Commission said.

In March last year, the Tourism Commission launched an open tender to invite tenderers with relevant experience and expertise to bid for the tenancy. Before the invitation to tender, the Government consulted the industry and the Legislative Council Panel on Economic Development on the key terms of the proposed leasing arrangements. Two submissions had been received when the tender closed in June last year. The Tender Assessment Panel, after thorough assessment, considered that WCT's tender had complied with the tender requirements and recommended its acceptance. Having considered the tender report, the Central Tender Board approved the acceptance of the tender.

"WCT possesses rich experience in various aspects, and is suitable for operating the new cruise terminal. We believe WCT will fully apply its expertise to meet the operational needs of the new cruise terminal, including berthing of cruise vessels, receiving passengers and managing the ancillary commercial area, etc. The Government looks forward to working with WCT to provide high-quality services to passengers and the cruise industry," the spokesman said.

The successful bidder is a joint venture of three companies, namely Worldwide Flight Services, Royal Caribbean Cruises Ltd and Neo Crown Ltd. Worldwide Flight Services is one of the world's leading providers of airport ground handling, air cargo handling and airport technical services. It is present at over 120 major airports in the world, including the Hong Kong International Airport. Royal Caribbean Cruises Ltd is one of the major cruise companies in the world and also has the experience in operating cruise terminals. The holding company of Neo Crown Ltd is Shun Tak Holdings Ltd, which has core businesses in property development, leasing and management, transportation, etc.

According to the terms of tenancy, apart from arranging the berthing of cruise vessels as well as embarkation and disembarkation of passengers, WCT will also be responsible for the operation and management of the cruise terminal, such as traffic arrangements within the transportation area, security arrangements, tenancy of the ancillary commercial area, promotion of the cruise terminal, etc.

WCT is required to pay to the Government a fixed rent and a variable rent. The fixed rent for the 10-year operation is approximately \$13 million. The Government will receive a percentage of the gross receipts of the operator as the variable rent, and the percentage of the gross receipts to be shared with the Government will increase as the gross receipts go up. The percentages of gross receipts that WCT will share with the Government range from 7.3 per cent to 34 per cent.

Construction works for the new cruise terminal are progressing smoothly. For site formation works, driving and concrete filling of piles are ongoing and concreting of the quay deck has started. For the terminal building works, construction of columns from the ground floor to the first floor has been completed, and formwork erection and steel fixing for columns from the first floor to the second floor are under way. The Government expects that the terminal building and the first berth will come into operation in mid-2013 as scheduled.

The Hong Kong Tourism Board (HKTB) will step up promotion of cruise tourism in order to reinforce Hong Kong's position as a cruise hub in Asia, as well as pave the way for the commissioning of the new cruise terminal. The major initiatives to be undertaken by the HKTB include driving market demand and encouraging cruise liners to berth in Hong Kong through joint promotion with cruise companies and organising consumer activities; inviting cruise itinerary planners as well as representatives from nearby ports to attend forums to discuss the planning of regional itineraries; developing new shore excursion programmes in partnership with cruise companies and shore excursion operators; and upgrading hospitality programmes for cruise visitors to enrich their experience in Hong Kong, etc.

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