Government and Hong Kong Disneyland Resort announce expansion and development plan
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The Government announced today (November 22) that it has reached an in-principle agreement with the Walt Disney Company (TWDC) on the expansion and development plan at the Phase 1 site of Hong Kong Disneyland Resort (HKDL) to further expand the resort to provide more popular facilities for local and overseas visitors. The expansion and development plan will enhance the competitiveness of HKDL and the attractiveness of Hong Kong as a premier tourist destination.

Speaking at the joint press conference, the Secretary for Commerce and Economic Development, Mr Gregory So, said, "The Government's policy objective on tourism is to foster its development in a healthy, sustainable and high value-adding manner.

"HKDL is a tourism project with international edge, potential and competitiveness. In line with the Government's policy objective on tourism development, and to enhance Hong Kong's competitiveness amid the intensifying competition in the Asia-Pacific region, we consider that it is the right opportunity to take forward a large-scale and progressive expansion and development plan at HKDL. This would attract more high-spending and overnight visitors from more diversified market sources, hence benefitting the tourism-related industries in Hong Kong," he said.

Mr So pointed out that the expansion and development plan can help HKDL further cultivate the local, southeast Asia and Mainland markets. The plan would make use of the land at the Phase 1 site of HKDL, where land formation works have been completed to enable timely commencement of the expansion works for bringing economic benefits to Hong Kong and creating jobs opportunities as early as possible. Both sides also agree to continue to keep and explore the Phase 2 development of HKDL as its long-term development plan. Disney estimates that the construction works of the expansion plan could create about 3 500 jobs, and another 600 full-time equivalent jobs could be provided in the park after completion of the expansion. The plan is expected to bring a total of about 5 000 jobs to Hong Kong’s economy, which would progressively increase to about 8 000 jobs. Over a 40-year operation period, it is anticipated that the expansion and development plan could bring an additional net economic value of $38.1 billion to $41.6 billion to Hong Kong.

The expansion and development plan will run from 2018 until 2023, during which new attractions for visitors will be launched progressively almost every year. TWDC will make use of its most popular and attractive movie characters together with the latest technology and amusement rides system to elevate the whole HKDL and to offer visitors the best and most unforgettable experience.

Upon the completion of the expansion and development plan, the total number of themed areas in HKDL will increase from 7 to 9, and the total number of attractions will increase from about 110 to over 130. It will be the first Disney theme park globally to feature immersive themed areas using both the properties of "Frozen" and "Marvel Super Heroes". The plan will also transform the castle currently in HKDL.

Regarding the financial arrangements, the two shareholders, namely the Government and TWDC, will in total inject $10.9 billion as new capital necessary for the expansion and development plan into Hongkong International Theme Parks Limited based on the current shareholding ratios. In other words, the Government will inject $5.8 billion (53 per cent), while TWDC will inject $5.1 billion (43 per cent) for the expansion plan. The shareholding ratio will remain unchanged after the capital injection.

Mr So said, "According to our agreement with the TWDC, the capital injection by the Government for the expansion and development plan will be capped at 5.8 billion. TWDC is confident that the works will be completed within budget."

HKDL received over 58 million visitors during the first 10 years since its opening in 2005, bringing substantial economic benefits to Hong Kong. During this period, its guests have made additional spending of up to $136 billion in Hong Kong. Such additional spending brought an additional $74.9 billion to the gross domestic product (GDP) in Hong Kong, equivalent to 0.38 per cent of Hong Kong's GDP, demonstrating the huge economic benefits that HKDL has brought to Hong Kong. A total of 195 700 jobs were also created over the same period, providing considerable job opportunities for frontline workers and the tourism industry in Hong Kong.

The Government will brief the Panel on Economic Development of the Legislative Council (LegCo) on the details of the expansion and development plan next Monday (November 28). It will also make a submission to the LegCo Finance

Committee later on for funding approval.

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