

For information
18 July 2007

Legislative Council Panel on Economic Services

Progress Update on Redevelopment Plans for the Ocean Park

Purpose

This paper updates Members on the progress of the redevelopment plans for the Ocean Park (the Plans). Representatives of the Ocean Park Corporation (OPC) will give a presentation on the details at the Panel meeting scheduled for 18 July.

Background

2. In March 2005, OPC provided briefing materials on the Plans to Members of the Legislative Council for information. On 27 June 2005, we briefed the Legislative Council Panel on Economic Services (the Panel) on the Plans. Members were supportive of the Plans. We then briefed the Panel on the proposed funding arrangement for the Plans on 28 November 2005 before seeking the approval of the Finance Committee (FC).

3. The cost of the Plans is estimated at HK\$5.55 billion. On 16 December 2005, FC approved the provision by the Government to OPC for half of the project cost in the form of a subordinated loan of \$1,387.5 million under the Loan Fund, and a guarantee of a \$1,387.5 million commercial loan and interest arising therefrom. The other half of the project cost is covered by OPC's commercial loan.

The Plans

4. Under the plans, the 30-year old Ocean Park will be redeveloped into a world-class marine themed attraction, featuring more than 70 attractions to be delivered in eight marketable phases from 2007 to 2012-13. It is expected that visitors to Ocean Park will increase to about 5.8 million by 2012-13 and over 7 million by 2021-22. OPC has already commenced redevelopment works in end 2006 with facilitation by the Administration. Internal procedures (such as procurement arrangements, contracts etc.) were established with suggestions from various government departments and agencies including the Independent Commission Against Corruption, Civil Engineering and Development

Department and the Tourism Commission.

5. The phased redevelopment allows the Park to remain open throughout the period. New products will be introduced in each phase. The first attraction, *SkyFair* (which comprises helium and cold air balloons together with retail, food, games and entertainment), was opened in February 2007. In addition, special efforts were made to refurbish the giant panda facility for accommodating the two new baby pandas arrived in April 2007.

6. Looking forward to the next 12 to 18 months, the Plans will move forward with several initiatives including the award of contract for major ride systems; tendering and award of contracts for the Summit projects; tendering, award and start of construction of the new Main Entry, Aquarium and Aqua City; start of construction of Astounding Asia; as well as ongoing construction of the Veterinary Hospital and site formation works.

Marketing and Promotion

7. This year marks the 30th anniversary of Ocean Park. The Park has been staging a series of celebrations to commemorate this special occasion. In addition to the five special events (Summer Splash, Halloween Bash, Christmas Sensation, Chinese New Year and Easter Animal Encounter), which have become annual attractions at Ocean Park, there will be a few highlights in 2007-08, including the new pair of baby pandas, a new “Cha Chan Tang” restaurant (i.e. Hong Kong style café), and a new Ocean Theatre show with a fresh story line.

8. OPC continues to maintain close working relationship with all the major tour operators and travel agents in Hong Kong. This working relationship has also been extended to partners in the Mainland, as well as other markets such as Korea, Taiwan and Southeast Asia so as to increase awareness of Ocean Park in these markets and drive visits during this redevelopment period. All the travel trade partners are kept fully abreast of the latest development and events in Ocean Park so that they can package Ocean Park in their itineraries creatively and help promote Ocean Park’s events, such as Halloween Bash, Animal Close Encounter Event and Chinese New Year.

Community Involvement

9. OPC’s compassionate pricing policy and community involvement strategy have been in place for the past 30 years. Apart from free admission for senior citizens, significant discounts are extended to children, guests with

disabilities and their helpers and welfare recipients. OPC also works with a number of major charitable organisations to help them raise funds. It also operates an education van, which provides information on conservation and animals to schools throughout the territory free of charge.

10. Taking the opportunity of celebrating the 10th Anniversary of the Establishment of HKSAR, OPC is working with Home Affairs Bureau to welcome 10,000 underprivileged families and 10,000 single seniors living in aged homes to visit Ocean Park this summer, in particular for the pandas. OPC is also offering free admission to all Hong Kong citizens on their birthdays until early 2008 and providing a special 15% discount off admission price in 2007-08 for Hong Kong citizens whose ID card number has its last digit corresponding to the designated lucky number of the month.

Views Sought

11. Members are invited to note the contents of this paper.

Tourism Commission
Commerce and Economic Development Bureau
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