

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1620/08-09  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/EDEV/1

**Panel on Economic Development**

**Minutes of meeting**  
**held on Monday, 27 April 2009, at 10:45 am**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)  
Hon Starry LEE Wai-king (Deputy Chairman)  
Hon Albert HO Chun-yan  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon Fred LI Wah-ming, JP  
Hon CHAN Kam-lam, SBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Albert CHAN Wai-yip  
Hon Vincent FANG Kang, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon WONG Ting-kwong, BBS  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon Paul CHAN Mo-po, MH, JP  
Hon Tanya CHAN  
Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-yeet, GBS, JP  
Hon Paul TSE Wai-chun

**Members attending** : Hon Audrey EU Yuet-mee, SC, JP  
Hon KAM Nai-wai, MH

**Member absent** : Dr Hon Samson TAM Wai-ho, JP

**Public officers  
attending**

**: Agenda Item IV**

Miss Janice TSE, JP  
Deputy Secretary for Transport and Housing  
(Transport)

Miss Emmy WONG  
Principal Assistant Secretary for Transport and Housing  
(Transport)

Mr Francis LIU  
Deputy Director of Marine

Mr Jimmy LEUNG  
Chief, Technical Policy/Multi-lateral Policy  
Marine Department

**Agenda Item V**

Miss Janice TSE, JP  
Deputy Secretary for Transport and Housing  
(Transport)

Miss Emmy WONG  
Principal Assistant Secretary for Transport and Housing  
(Transport)

Mr Francis LIU  
Deputy Director of Marine

Mr Raymond CHUNG  
Acting Assistant Director/Port Control  
Marine Department

**Agenda Item VI**

Miss Yvonne CHOI, JP  
Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)

Miss Margaret FONG, JP  
Commissioner for Tourism

Mr Vincent FUNG  
Assistant Commissioner for Tourism 2

Mr TANG Kam-fai  
Chief Engineer / Special Duties (Works)  
Civil Engineering and Development Department

**Attendance by invitation** : Agenda Item VI  
Consultant - Evans & Peck (HK) Ltd.  
  
Mr Steven ROOT  
Senior Associate

**Clerk in attendance** : Ms Debbie YAU  
Chief Council Secretary (1)6

**Staff in attendance** : Mr Timothy TSO  
Assistant Legal Adviser 2  
  
Ms Angel SHEK  
Senior Council Secretary (1)1  
  
Ms Jenny YIU  
Senior Council Secretary (1)8  
  
Ms Debbie SIU  
Legislative Assistant (1)9

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Action

- I Confirmation of minutes and matters arising**  
(LC Paper No. CB(1)1222/08-09 - Minutes of meeting held on 23 February 2009  
  
LC Paper No. CB(1)1345/08-09 - Minutes of meeting held on 30 March 2009)

The minutes of the meetings held on 23 February and 30 March 2009 were confirmed.

- II Information papers issued since last meeting**  
(LC Paper No. CB(1)1198/08-09(01) - Administration's paper on Information and Consultation Agreement with The Hong Kong and China Gas Company Ltd

LC Paper No. CB(1)1199/08-09(01) - Tables and graphs showing the import and retail prices of major oil products from March 2007 to February 2009 furnished by the Census and Statistics Department)

2. Members noted the two papers issued since last meeting.

### **III Items for discussion at the next meeting**

(LC Paper No. CB(1)1344/08-09(01) - List of outstanding items for discussion

LC Paper No. CB(1)1344/08-09(02) - List of follow-up actions)

3. Members agreed to discuss the following items proposed by the Administration at the next regular meeting to be held on 25 May 2009:

(a) Update on the development of a new cruise terminal at Kai Tak; and

(b) Proposed amendments to legislation relating to the carriage of dangerous goods by air.

4. The Chairman reminded members about the visit to Hong Kong Trade Development Council (HKTDC) to be held on Tuesday, 28 April 2009 from 12:00 noon to 2:00 pm. He said that he would attend the opening ceremony of the Gifts and Premium Fair organized by HKTDC and leave the meeting at about 11:15 am when the Deputy Chairman would continue to chair the meeting.

### **IV Bunker Oil Pollution (Liability and Compensation) Bill**

(LC Paper No. CB(1)1344/08-09(03) - Administration's paper on Bunker Oil Pollution (Liability and Compensation) Bill)

#### Briefing by the Administration

5. At the invitation of the Chairman, the Deputy Secretary for Transport and Housing (Transport) (DS/TH) briefed members on the proposed Bunker Oil Pollution (Liability and Compensation) Bill (the Bill) to implement the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (the Bunker Oil Convention) adopted by the International Maritime Organization (IMO). She highlighted the major proposals, including liability of shipowners, limitation of liability and compulsory insurance requirement, as set out in the Administration's paper. She said that through the implementation of the Bunker

Oil Convention, Hong Kong would have an effective compensation regime for pollution damage caused by spills of bunker oil from non-tankers on par with that of most jurisdictions. This would further reinforce Hong Kong's status as an international maritime centre. She advised that owners of vessels engaged in international voyages and the Local Vessel Advisory Committee had been consulted on the proposals and they had raised no objection. The Administration planned to introduce the Bill into the Legislative Council in June 2009.

Limitation of liability

6. Mr Albert HO enquired about the reasons for enabling the Shipowners (i.e. the owner, the bare boat charterer, the manager and the operator of a non-tanker ship) to limit the liability for damage resulting from discharge or escape of bunker oil from the ship or from a grave and imminent threat of such damage. He stressed that Shipowners should be held fully responsible for the damage, irrespective of their financial conditions to make the compensation. He also noted with concern that ships with increasing tonnage along the scale in excess of 500 tons would be subject to a descending additional limit of liability for claims (i.e. 167 000 Special Drawing Rights (SDRs) plus (A) 167 SDRs for each ton from 501 to 30 000 tons, (B) 125 SDRs for each ton from 30 001 tons to 70 000 tons and (C) 83 SDRs for each ton in excess of 70 000 tons), in spite of the possibly larger impact of oil pollution caused by ships of greater tonnage.

7. DS/TH explained that the limitation of liability was proposed in accordance with the same requirement under the Bunker Oil Convention. As Hong Kong, China was an Associate Member of IMO and an international maritime centre, the Government of Hong Kong Special Administrative Region was obliged to provide for a similar regime by way of local legislation. The Bunker Oil Convention had also stipulated the Special Drawing Rights for ships with different tonnages. The limitation of liability was intended to delineate clearly the scope of claims and the associated risks to Shipowners.

8. Mr Albert CHAN was worried that if there was a limit of liability for claims, priority would be given to settle claims from the Government, if any, and other claimants such as fishermen might not receive adequate compensation. He also enquired about the limitation of liability for damage caused by oil spillage during the conduct of ship repair and maintenance.

9. DS/TH said that the current proposals, which aimed to implement the Bunker Oil Convention, did not stipulate any priority for claims made by the Government or other parties, and each case of claims for compensation would be considered by the court on individual merits. The Bunker Oil Convention did not cover the circumstance of damage incurred during repair and maintenance, the pursuit of application and settlement for such claims would be outside the Bill. Nevertheless, the Administration would review the proposals in the light of Mr CHAN's concerns.

10. Mr Ronny TONG opined that the Administration had not provided sufficient information for members to scrutinize the proposals, such as details of the Bunker Oil Convention and whether a compensation fund would be set up under the Convention. He pointed out that, as with other international agreements pertaining to marine or aviation incidents, limitation of liability would not be applicable to damages due to wilful misconduct or neglect on the part of the owners of the ships or aircrafts. He sought clarification whether the limitation of liability only applied to aggrieved parties other than the Government, while the Government could assert their claims through civil proceedings. Mr Paul TSE also agreed that members should be provided with a copy of the Bunker Oil Convention.

11. The Chief, Technical Policy/Multi-lateral Policy, Marine Department said that while the Bunker Oil Convention had stipulated limitation of liability at this stage, the IMO might consider setting up compensation fund(s) in future, in the light of the number of oil pollution incidents occurred after the implementation of the Convention. The Principal Assistant Secretary for Transport and Housing (Transport) added that the Convention conferred any party who suffered pollution damage the right to bring an action against the relevant insurer/Shipowners. Legal action could be brought against the Government if its ships causing the damage were used for non-government service at the relevant time. In response to members' request, the Administration agreed to provide a full version of the Bunker Oil Convention for members' reference.

Admin

*Compulsory insurance*

12. Members noted that the proposals would, in accordance with the Bunker Oil Convention, require ships with a gross tonnage of more than 1,000 to carry a certificate attesting that there was in force in respect of the ship a contract of insurance or other security satisfying the insurance requirements including the amount insured.

13. The Chairman expressed concern about the exemption given to local vessels (i.e. vessel operating exclusively within the river trade limits) from the compulsory insurance requirement. Mr Albert HO took the view that all vessels should be subject to the same insurance requirement irrespective of their place of registration, in particular local vessels as they were more prone to causing oil pollution to Hong Kong waters.

14. DS/TH explained that considering the minimal record of bunker oil pollution incident relating to local vessels (i.e. a maximum of two incidents per year during 2003 to 2008) and the relatively minor extent of damage involved, it was proposed to exempt local vessels from the compulsory insurance requirement so as to reduce their compliance burden. She stressed that local vessels were still liable for pollution damage they caused and subject to the requirements of the Bunker Oil Convention.

15. Mr CHAN Kam-lam pointed out that although the number of past pollution incidents associated with local vessels was minimal, the potential threat of pollution caused by them still existed. He opined that the extra cost of compliance with compulsory insurance requirement was limited as local vessels would have to acquire insurance anyway. Hence, he did not find the exemption justified.

16. DS/TH reiterated that the exemption to local vessels only referred to the compulsory insurance requirement but not the liability for pollution damage, and was provided to alleviate their compliance burden in view of their relatively modest financial viability. She advised that the Local Vessel Advisory Committee had raised no objection to the proposal, and some State Members participating in the Bunker Oil Convention including the Mainland also provided similar exemption for vessels operating within their respective river trade limits. Nevertheless, owners of local vessels could, on their own discretion, acquire insurance covering oil pollution damage caused by their vessels.

17. Mr CHAN Kam-lam was unconvinced and urged that the Administration should look into the additional cost incurred by local vessels should compulsory insurance be required. Judging from the proposed limits of liability for claims, he opined that the cost of insurance would not be heavy. He understood that the Bunker Oil Convention could be implemented without providing such exemption to local vessels.

18. Mr Paul TSE disagreed with the exemption proposal in view of the potential threat of damage to the environment and the fishing industry caused by local vessels which might not be able to meet the claimed amount without acquiring insurance. He therefore considered that exemption was not justified unless there was a critical impact of compulsory insurance requirement on the viability of local vessels.

19. DS/TH responded that the compliance costs incurred by the compulsory insurance requirement would vary with the circumstances of individual operators and assessment by insurance companies. She reiterated that the exemption was common among the 38 IMO's Member States signing the Bunker Oil Convention. The current proposal had struck a balance of interests between risk assessment and maintenance of Hong Kong's competitiveness as an international maritime centre. She stressed that the current exemption to local vessels only pertained to insurance requirement for damage due to oil spillage, and insurance requirement for other aspects was in place for local vessels. She undertook to provide information on the justification for providing exemption to local vessels from the compulsory insurance requirement, including assessment of the compliance cost.

Admin

#### Way forward

20. At this juncture, the Chairman left the meeting and the Deputy Chairman took over the chair.

21. Mr Ronny TONG requested the Administration to conduct further consultation with members when more sufficient information were made available for their consideration. Mr CHAN Kam-lam looked forward to the introduction of the Bill according to schedule as the Convention had come into force since November 2008. He also requested the Administration to provide more information to members to facilitate discussion in future.

Admin

22. In conclusion, the Deputy Chairman requested the Administration to take heed of members' views and suggestions raised at the meeting, and provide the information requested by members.

**V Proposed revision of fees and charges under the purview of the Marine Department**

(LC Paper No. CB(1)1344/08-09(04) - Administration's paper on proposed revision of fees and charges under the purview of the Marine Department)

23. At the invitation of the Deputy Chairman, DS/TH briefed members on the Government's proposal to reduce the fees and charges of 27 marine-related services provided by the Marine Department (MD) under two fee groups, namely "Port and Light Dues and Related Activities for Ocean-going Vessels and River-trade Vessels" and "Hong Kong Shipping Register and Related Services". They include –

- (a) reduce the port and arrival clearance fees charged on ocean-going vessels and vessels plying within the river-trade limits by 40%;
- (b) reduce the cap of the annual tonnage charges for ships registered in the Hong Kong Shipping Register (HKSR) by 23%;
- (c) reduce the fee for the issue of licences to officers manning Hong Kong ships by 44%; and
- (d) waive two types of registration fees and 20 types of Mercantile Marine Office miscellaneous charges under the ship registration and seafarers ordinances.

She explained that the proposal was made in accordance with the "user pays" and cost-recovery principles. The Administration had consulted the port and maritime industry through the established mechanism (including the Port Operations Committee, the Local Vessels Advisory Committee, the Shipping Consultative Committee and the Customer Relations Group) and they were in support of the proposal.

24. Mrs Regina IP enquired for the reasons for enabling the proposed reduction



of fees and charges and whether there was room for further reduction. DS/TH explained that the Administration reviewed the level of marine-related fees and charges regularly in accordance with the cost-recovery principle. The number of ships registered in the Hong Kong Shipping Register (HKSR) had increased significantly in recent years, with the gross tonnage of ships registered in Hong Kong exceeding 40 million tons in early 2009, and hence the total registration fees receivable by MD also increased considerably. Coupled with the reduction in the cost of MD's services through implementing efficiency initiatives and streamlining procedures, the initiatives had enabled MD to reduce the fees and charges of marine-related services. In fact, the Administration reviewed the related fees and charges regularly and the last reduction was implemented in 2006. It was the Administration's intention to conduct costing reviews more frequently with a view to effecting reduction whenever practicable to enhance the competitiveness of Hong Kong Port and the marine industry.

25. Mr IP Wai-ming said that due to financial tsunami, many officers manning Hong Kong ships were under-employed. He urged the Administration to consider further reduction in the fee for the issue of licences to these officers. DS/TH remarked that, so long as the registration of ships in Hong Kong continued to rise and allowed scope for further reduction, the Administration would seek to reduce or waive marine-related fees and charges, such as fees for the issue of a licence as Deck Officers or Marine Engineer Officers, Class 1, Class 2 or Class 3 without examination.

26. While welcoming the proposal, Mr CHAN Kam-lam enquired whether consideration would be given to delete those miscellaneous fee or charge items which did not involve MD's approval, such as fees for attesting a new clause in a crew agreement, fees for the issue of a Navigational Watch Rating Certificate, or fees for the emergency employment of seafarers.

27. DS/TH said that while MD would seek to streamline the relevant procedures, it was also serving the function of a marine authority to provide certification services and issue licences for the inspection of other places. Under the current proposal, these services would be free of charge.

28. In reply to Mrs Regina IP, DS/TH advised that there was a host of factors leading to the rapid rise in the number of ships registered in Hong Kong. The marine industry had experienced robust growth in recent years, and mega vessels were being constructed and used by various economies, including the Mainland. Hong Kong, being situated at a strategic location with its Shipping Register reputed in many ways, had attracted ships from the Mainland and other parts of the world to register in Hong Kong. Nevertheless, as a result of the financial turmoil, DS/TH envisaged that the growth of the marine industry would slow down in the next few years. In reply to the Deputy Chairman, DS/TH said that despite the likely reduction in the number of ships registered in or calling Hong Kong, MD would continue to implement efficiency initiatives with a view to containing the cost and obviating the need to bring the fees and charges back to the present level.

29. Summing up, the Deputy Chairman said that members were in general supportive of the Administration's proposal to reduce the fees and charges of marine-related services to enhance the competitiveness of the marine industry. She urged for early implementation and requested the Administration to take note of members' views for consideration and follow-up.

**VI Aberdeen Tourism Project**

(LC Paper No. CB(1)1344/08-09(05) - Administration's paper on Aberdeen Tourism Project

LC Paper No. CB(1)1344/08-09(06) - Paper on the Aberdeen Tourism Project prepared by the Legislative Council Secretariat (Background brief)

30. At the invitation of the Chairman, the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PS/CED(CIT)) briefed members on the latest progress of the Aberdeen Tourism Project (the Project). PS/CED(CIT) reiterated the Administration's unchanged decision to implement the Project to showcase the unique characteristics of Aberdeen as a fishing village and to preserve its traditional culture. PS/CED(CIT) stated that as visitors to Aberdeen were mostly from long-haul markets and were primarily interested in the oriental fishing village as well as the heritage and culture of the district, it was considered that a project with dominant commercial elements and facilities might not be compatible with the theme of a traditional fishing village and reduce the attractiveness to tourists as a result. PS/CED(CIT) said that the financial consultant (the Consultant) commissioned in early 2008 to assess the commercial and financial viability of the conceptual plan had concluded that even with the relatively favourable economic conditions before the current financial crisis, the conceptual plan was not commercially viable and unlikely to attract private sector participation. As such, it would be even more difficult to finance the Project with the tightening of credit due to the financial crisis.

31. PS/CED(CIT) said that to expedite the implementation of the Project, the Administration proposed to undertake first the beautification of the promenade on both sides of the Aberdeen Harbour and Ap Lei Chau Main Street to showcase the characteristics of a fishing village. Members of the Southern District Council (SDC) were briefed on the progress of the Project on 23 April 2009 and they agreed to the proposed beautification works but urged the Administration to consider further feasible options for the long term tourism development of Aberdeen. PS/CED(CIT) stressed that in addition to the proposed beautification works, the Administration would continue to liaise with relevant government departments and the local community to explore ways to enhance the attractiveness of the Project in the long run. Areas which could be further looked into included developing seafood restaurants at part of the waterfront of northeastern Ap Lei Chau by

converting the open space under Ap Lei Chau Bridge currently reserved for the construction of the South Island Line (East) (SIL(E)) and the Harbour Area Treatment Scheme (HATS) into a dining zone featuring seafood dishes upon completion of the related works in 2015; providing dining and tourism facilities at the Wholesale Fish Market; and improving the linkage of Lei Tung Station of SIL(E) and Ap Lei Chau Main Street/waterfront area, etc. The Administration would work closely with relevant stakeholders and the local community in developing tourist destinations in Aberdeen and promoting tourism in the Southern District as a whole.

#### Development of the "Fisherman's Wharf"

32. Mr Vincent FANG expressed disappointment with the Administration's revised proposal for the Project. He was dissatisfied that the Administration had taken more than eight years' time in undertaking studies on the Project and suddenly decided to scrap the development of the "Fisherman's Wharf" simply because of the economic downturn which in his view was an unjustified excuse. Mr Fred LI expressed grave concern that the Administration had since some ten years' ago presented a large-scale plan of tourism development in Aberdeen and then decided to abandon the "Fisherman's Wharf" all of a sudden.

33. PS/CED(CIT) advised that the Aberdeen Tourism Project was only a conceptual plan, hence there was a need for the Administration to undertake a consultancy study to assess its business potential and financial viability before making a decision on the items to be implemented or otherwise.

34. Mr IP Wai-ming enquired about the reason for conducting separate consultancy studies on the conceptual design and assessment of financial viability at different time periods instead of conducting them by the same consultant simultaneously. PS/CED(CIT) said that a consultant was engaged in 2007 to develop a conceptual design for the Project. Having reviewed the conceptual development framework, the Administration noted that significant involvement of the private sector would be required to implement the conceptual design. Therefore a separate study on financial viability was necessary to formulate an implementation plan.

35. Mr IP Wai-ming also expressed his concern about the Administration's decision to abandon the proposed development of the "Fisherman's Wharf" in view of the economic downturn and that the Project was not financially viable. Mr IP considered that by the same token, the development of the new Cruise Terminal at Kai Tak might also be abandoned after some years if it was considered not financially viable. Mr Abraham SHEK sought clarification whether the "Fisherman's Wharf" proposal had been abandoned.

36. PS/CED(CIT) stressed that the Administration had never abandoned the Project. It only sought to carry out the beautification works of the promenade as an initial step of the Project in the light of the practical difficulties in implementing

other plans at this stage. Other development works in the Project would be further studied and taken forward separately. PS/CED(CIT) stated that unlike the Project, there was already a concrete implementation plan for the Cruise Terminal project and funding support would be acquired in the next few months.

*Enhancement of tourism development*

37. While agreeing to the immediate beautification of the promenade on both sides of the Aberdeen Harbour and Ap Lei Chau Main Street, Mr Vincent FANG opined that in view of the scarce tourist attractions in Hong Kong, the provision of a "Fisherman's Wharf" in Aberdeen as another scenic spot was necessary for enhancing the development of Hong Kong's tourism which was one of the powerful engines for economic growth.

38. Mr Fred LI also considered that, without the "Fisherman's Wharf", Hong Kong would hardly be attractive for tourists nor competitive in tourism development. Considering the significantly reduced development scale unacceptable and unfair to the local residents and Hong Kong as a whole, Mr LI urged the Administration to re-consider implementing the Project in the original scope.

39. Mr Paul TSE doubted that the findings put forward by the Consultant only meant to justify the Administration's decision to abandon the "Fisherman's Wharf" proposal. Contrary to the observations of the Consultant, Mr TSE considered that the location of Aberdeen which was adjacent to the Ocean Park was advantageous, and that the decline in the number of tourists from long-haul markets was due to a lack of adequate tourist attractions in Hong Kong. As such, the Administration should actively draw up and implement development proposals for enhancing the attractions of Hong Kong and hence the long term development of tourism industry, instead of merely relying on the Mainland residents who came to Hong Kong under the individual visit scheme.

40. Mr KAM Nai-wai was also disappointed with the Administration's current decision. Echoing the views expressed by local communities, Mr KAM considered that the development of a "Fisherman's Wharf" in Aberdeen was a desirable initiative to promote the development of tourism as well as leisure facilities of the Southern District, which would be a perfect match with the local culture. Mr KAM said that without the "Fisherman's Wharf" as originally proposed in Aberdeen, there would not be a sustainable development of tourism industry in Hong Kong nor any improvement in the leisure activities and environment for the local residents.

41. PS/CED(CIT) responded that the Administration had made sustained effort in implementing various initiatives to promote Hong Kong as a preferred travel destination, such as the development of a new cruise terminal at Kai Tak with the commissioning of its first berth by mid-2013. The Administration had also taken steps to promote tourism development in the Southern District as a whole,

including enhancement works at Repulse Bay, Stanley and Ocean Park.

*Financial viability*

42. Mr Vincent FANG advised that in developing a tourism project, the Administration should not just focus on its commercial viability but consider its positive impact on the promotion of tourism and the overall economic benefits it brought. In deciding whether to develop the "Fisherman's Wharf", the Administration should take into account the likely revival of the economy in a year or two and the benefits of providing a scenic and leisure spot for the tourists and the local residents.

43. Mr Paul TSE had reservation on the Administration's beautification proposal as an interim initiative which might hinder further development of Aberdeen, and he urged for a comprehensive development plan of the district. Mr TSE also cast doubt on the Consultant's conclusion that the Project was not an attractive investment for private developers as some local consortium had expressed their interests in the Project but were not offered the opportunity to gain further understanding of Project for consideration.

44. Mr CHAN Kam-lam also expressed his disappointment with the revised proposal. Mr CHAN considered that the Administration had given the public a false expectation by putting forward a "grand" proposal only to find that it was not financially viable after conducting the financial assessment. Mr CHAN said that the feasibility of developing tourist attractions and facilities should not be determined solely by financial considerations nor by the commercial sectors.

45. Mr Ronny TONG also raised his disagreement on the methodology adopted by the Consultant in assessing the financial viability of the Project. The Consultant had assumed that the Project would involve large scale commercial activities with participation of major food and beverage operators requiring adequate car and coach parking facilities. Mr TONG said that as could be seen in many other overseas attractions, tourists were attracted by the unique characteristics of a scenic spot which could be created by small and medium commercial operators forming strategic clusters rather than by large commercial operators. Mr TONG enquired whether the Administration was prepared to offer concession to the small and medium enterprises to encourage their participation in the commercial activities so as to enhance the attractiveness of the "Fisherman's Wharf". Mr Abraham SHEK considered the Administration's revised proposal unfair to the small and medium enterprises in the district as the latter had been discussing about and expecting implementation of the Project for some ten years.

46. PS/CED(CIT) said that in 2007 and 2008, TC had consulted representatives of the catering sector, real estate development sector as well as other relevant stakeholders on the Project. The majority of them expressed reservation over the commercial viability of the Project. PS/CED(CIT) stressed that the "Fisherman's Wharf" was only a part of the Project and it would be subject to further review

having regard to the economic conditions and other prevailing constraints. It was hoped that the Project could be realized as early as possible with the implementation of the beautification works.

47. Ms Audery EU queried the methodology adopted by the Consultant in conducting the study whereby a single ownership or a simplified management structure was assumed to ensure a more coherent style and theme of the development. Questionnaires were only distributed to key developers and industry bodies and when the latter did not express interest in the Project, the Consultant concluded that the Project was financially not viable.

48. As regards the adoption of single ownership in the study, PS/CED(CIT) stated that it merely represented the thinking of the Consultants. She reiterated that representatives of the catering sector, real estate development sector as well as other relevant stakeholders had expressed reservation over the commercial viability of the Project.

49. Mr Albert CHAN expressed disappointment with the Administration's decision to abandon the plan after more than eight years' study merely because of the economic downturn. He considered that the Government should consider funding the Project wholly or partially, similar to the funding arrangements for other tourism projects such as the Hong Kong Disneyland, the Ngong Ping 360, the Cruise Terminal, or the Hong Kong-Zhuhai-Macao Bridge as they might not be financially viable as well.

50. Mr CHAN Kam-lam also advised that it would be more practical for the Administration to invest one the Project in the face of the current economic downturn with a view to attracting more tourists upon revival of the economy. Mr KAM Nai-wai criticized that the Administration had on the one hand pledged to actively promote tourism development in Hong Kong but on the other hand refused to finance tourism projects.

*Over-dominant of commercial facilities*

51. Mr Fred LI considered that the factors put forward by the Consultant which might affect the chance of success and the business viability of the Project were not convincing. He noted that all the overseas examples of major tourist attractions having been assessed by the Consultant, namely Clarke Quay (Singapore), Boat Quay (Singapore) and Darling Harbour (Sydney, Australia), had consisted of commercial elements and facilities. The Consultant's view that a project with dominant commercial elements and facilities might reduce the attraction for tourists was indeed contradictory to these examples.

52. PS/CED(CIT) reiterated that as shown by the surveys, tourists to Aberdeen were primarily attracted by the fishing harbour and were the commercial elements and facilities to become over-dominant, the place might lose its ambience as a fishing harbour and hence appeal to tourists. Mr WONG Ting-kwong was

unconvinced. He considered that commercial activities and traditional culture could co-exist and complement each other to enhance the attraction of the tourist spot, and that with an appropriate design and balance, the development of the "Fisherman's Wharf" could help bring out the theme of a traditional fishing village. PS/CED(CIT) stressed that apart from the economic condition, other environmental constraints such as the deployment of land as works areas for the construction of the SIL(E) and the HATS had also posed constraints to the development of the Project.

*Land issues and alternative location*

53. Mr WONG Ting-kwong was disappointed with the reduced scale in the development of Aberdeen as compared with the original scope whereby the entire tourism development of Southern District would be enhanced upon completion of the re-development of the Ocean Park and the Wong Chuk Hang hotel projects as well as the development of the "Fisherman's Wharf". Mr WONG did not agree with the Consultant's assessment that the lands currently taken up by the SIL(E) and the HATS projects had affected the Project and undermined its financial viability, as the latter would complete in 2015 and the land required could be released. Mr WONG enquired whether the Administration would re-consider developing the "Fisherman's Wharf" at that juncture.

54. PS/CED(CIT) advised that the Administration would continue to liaise with the local communities and relevant stakeholders to explore the future use of the lands to be released upon completion of the SIL(E) and the HATS projects, and would strike a balance between the commercial elements and the preservation of the traditional fishing village culture in developing the Project.

55. Mrs Regina IP expressed reservation on the feasibility of developing a world-class "Fisherman's Wharf" in Aberdeen in view of the limited space. Mrs IP opined that the Administration had put forward a proposal which could probably be realized only if the location was Lamma Island. She advised that it would be more feasible and practical to explore for the development of dining and tourism facilities at the Wholesale Fish Market as well as its neighbouring areas in Aberdeen. Miss Tanya CHAN expressed similar views and pointed out that compared with Sai Kung and Cheung Chau which had gradually developed into an attractive fishing harbour, there was insufficient room for development in Aberdeen.

56. Mr KAM Nai-wai considered that the land constraint was not an acceptable reason for the revised proposal as the Administration could consider developing the "Fisherman's Wharf" on the lands adjacent to the Wholesale Fish Market currently occupied by the Tin Wan Concrete Batching Plant which had already closed down.

57. PS/CED(CIT) said that apart from carrying out the beautification works of the promenade, the Administration would continue to explore the feasibility of providing dining and tourism facilities at the Wholesale Fish Market without

affecting its daily operation and traffic. She also noted that the site of the concrete plant was located some distance away from the Aberdeen Harbour and cut off by a major road and blocks of industrial buildings from the main harbour front.

58. Ms Audery EU doubted the Consultant's observation that the development of the Project would be undermined by insufficient lands, and she suggested that consideration might be given for the "Fisherman's Wharf" to extend along Tin Wan, Wah Fu Estate, Deep Bay etc., thus increasing the financial viability with a larger scale of development. In reply to Ms EU's enquiry about the current usage of the industrial areas in Wong Chuk Hang, PS/CED(CIT) said that some factories there were still in operation and some had been converted to factory outlets.

59. Mr Albert CHAN urged the Administration to continue to explore the feasibility of developing the "Fishermen's Wharf" in Aberdeen or in other more suitable places instead of abandoning the proposal altogether. Mr IP Wai-ming opined that the Administration should try to consider other possible alternative locations for developing the "Fisherman's Wharf" instead of just abandoning the proposal.

#### Overall development of the Southern District

60. Miss Tanya CHAN called for a better planning for the overall development of the Southern District so that the development of tourist attractions, residential and commercial areas could complement one another for achieving sustainable development of the District. As for the overall planning and development of the Southern District, PS/CED(CIT) responded that the Administration had in fact implemented numerous development proposals and would continue to make reference to the views expressed by Members during implementation.

61. Ms Audrey EU considered that the development of the "Fisherman's Wharf" was feasible and suitable for the overall development of the Southern District. She opined that there should be a better planning for the overall development of the Southern District and it was unacceptable to propose piecemeal development one at a time. Ms EU enquired about the views of the SDC regarding the revised proposal.

62. Mr Abraham SHEK advised that the Administration should make a decision on the overall development plan of the Southern District and to bring out the unique characteristics of the district, and there should be a clear policy direction rather than being driven by the Consultants or the market. Mr SHEK queried about the proposed beautification works which should have been done a long time ago for upgrading the environment.

63. PS/CED(CIT) replied that at the meeting on 23 April 2009, members of the SDC unanimously supported the proposal for implementing the beautification works and hoped that the Administration would study other feasible items of the Project in the long-term, which were set out in the Administration's paper.



PS/CED(CIT) undertook that the matter would be appropriately followed up by TC.

Other issues

64. Mr IP Wai-ming also enquired about the number of jobs estimated to be created under the originally proposed scope and the revised one, and opined that job creation should be the Administration's primary concern in implementing development projects. The Commissioner for Tourism (C for Tourism) said that during the construction stage of the beautification works, approximately 200 jobs would be created, and it was hoped that the enhanced business environment upon completion of the works might bring about more job opportunities. Estimation on job creation had not been made for the conceptual plan.

Way forward

65. Having regard that the development of a "Fisherman's Wharf" might not be the best way forward for tourism development in Aberdeen, Mr CHAN Kam-lam urged the Administration to set up a working group as soon as possible to actively review the development of Aberdeen with a view to coming up with proposals which could best preserve and bring out the unique characteristics of Aberdeen as a fishing harbour, and to obtaining more constructive inputs from Consultants, local communities, relevant stakeholders and business operators in the district. PS/CED(CIT) undertook that the Administration would proceed to set up a working group to explore long term tourism development in Aberdeen.

66. Mr KAM Nai-wai was dissatisfied with TC's ineffective effort in developing tourism projects and urged the Administration to develop a concrete implementation plan for the development of the Project without further delay. As regards the work of TC, PS/CED(CIT) explained that it had made strenuous efforts in promoting Hong Kong's tourism industry. C for Tourism supplemented that a working group would be set up as quickly as possible to collate views from relevant parties for the long term development of the Project, and Members' concern and views on the overall development of Aberdeen and the Southern District would be carefully considered.

67. Summing up, the Deputy Chairman remarked that given the high expectation of the local residents and members of the public for the implementation of the Project, according to the original scope, and the Administration's sudden decision for a revised proposal without convincing justifications, the Administration should seriously consider Members' views expressed at the meeting and re-consider and explore for feasible development proposals in Aberdeen. Members would further discuss the beautification works when the Administration submit the relevant funding proposal for the Panel's consideration.

Motion

68. Mr Paul TSE proposed to move the following motion which was seconded by Mr Albert CHAN:

"鑒於政府提出取消"香港仔旅遊發展"項目的理據非常牽強，嚴重漠視振興旅遊業的需要，更沒有足夠考慮就業及附帶經濟利益，因此，本委員會促請政府重新考慮有關決定，並盡快落實有關項目。"

Translation

"That, in proposing to abandon the "Aberdeen Tourism Project" with highly unconvincing justifications, the Government has seriously ignored the need to revitalize the tourism industry, nor has it given adequate consideration to the issue of employment and the accompanying financial benefits; in view of the above, this Panel urges the Government to re-consider its decision and implement the project as soon as possible."

69. The Deputy Chairman put the motion to vote. A majority of the members voting voted for the motion and the Deputy Chairman declared that Mr TSE's motion was passed.

**VII Any other business**

70. There being no other business, the meeting ended at 1:00 pm.