

Legislative Council Meeting of 8 January 2014
Motion on “Promoting the economic development of
Lok Ma Chau and Lantau Island”

Progress Report

Purpose

At the Council meeting of 8 January 2014, the motion “Promoting the economic development of Lok Ma Chau and Lantau Island” moved by the Hon Wong Ting-kwong and amended by Ir Dr the Hon Lo Wai-kwok, Dr the Hon Kwok Ka-ki, the Hon Alice Mak and the Hon Charles Peter Mok, was carried. The carried motion is reproduced at Annex. This paper aims to report the stance and follow-up actions taken by the Government in response to the motion concerned.

Development of Lantau

Establishment of the Lantau Development Advisory Committee

2. The Government has been attaching great importance to the development of Lantau. The Chief Executive has announced in his 2014 Policy Address the establishment of the Lantau Development Advisory Committee to map out the economic and social development strategy for Lantau. The Committee is comprised of official and non-official members who are responsible for advising the Government, through the Secretary for Development, on (1) the social and economic development opportunities on Lantau to capitalize on its advantages as the confluence of major transport infrastructure linking Hong Kong, Macao and the western Pearl River Delta (PRD), so as to meet the long-term development needs of Hong Kong; and (2) suggestions on the policies, measures and specific proposals conducive to the sustainable development and conservation of Lantau.

Promotion of green and heritage tourism on Lantau

3. At present, the Government promotes the Lantau tourist attractions to visitors through various channels including the Hong Kong Tourism Board (HKTB)’s “Great Outdoors Hong Kong” promotion platform, internet website, publications and smart phone applications. In addition to the promotion of the major attractions such as the Big Buddha, Po Lin Monastery, Wisdom Path and Ngong Ping 360, the HKTB also promotes green and heritage attractions and

activities. These include sunrise-watching on Lantau Peak and Sunset Peak, visits to various beaches on Lantau, participation in dolphin-watching tours as well as accommodation in the Tai O Heritage Hotel, etc. The HKTB will continue with the promotion work in this respect.

4. To assess the suggestion of setting up heritage trails on Lantau, the Government considers that, apart from the sufficient number of heritage sites on the island, consideration on whether the heritage sites are within walking distance of each other has to be taken into account. Moreover, the setting up of heritage trails and related facilities requires the support of the District Council, members of public and relevant government departments. As the Government's preliminary assessment indicates that the heritage sites on Lantau are scattering around the island, the Government will further examine the suggestion should there be a concrete proposal widely supported by the locals.

Improvement to external transport of Lantau

5. The Transport Department (TD) has been closely monitoring the demand for public transport services on Lantau including Tung Chung West. Apart from the MTR Tung Chung Line, Lantau residents may also use various public transport services, such as the franchised bus, non-franchised bus, taxi and ferry services, to commute to other districts. According to TD's surveys and observations, the existing public transport arrangement in Lantau can broadly meet the local demand. TD will continue to closely monitor the situation as well as keep in view the development of Tung Chung and its population change. It will conduct timely review and consider enhancing the public transport services concerned as necessary.

6. As for the proposal of expediting the construction of Tung Chung West Station, the Government has earlier commissioned a consultancy study on the review and update of the "Railway Development Strategy 2000" with a view to updating the long-term railway development blueprint for Hong Kong to cater for the latest development needs of the society. During the consultancy period, two stages of public engagement exercise have been conducted to explore the conceptual proposals of ten railway projects including the Tung Chung West Extension. The consultant has taken into account the comments collected during the two rounds of public engagement exercise and concluded the study. After considering the consultant's overall recommendations, the Government will take into account the three major factors including the transport demand, cost-effectiveness and development needs of New Development Areas in formulating the blueprint for the railway development beyond 2020 and announce the way forward for the new railway projects as soon as possible.

Request for the MTR Corporation Limited (MTRCL) to reduce fare of Tung Chung Line and introduce reasonably-priced Tung Chung Line Monthly Pass

7. As for the suggestions relating to the MTR fare and its fare arrangements, the Government completed the five-yearly review of the Fare Adjustment Mechanism (“FAM”) with the MTRCL in accordance with the Operating Agreement. Following the review outcome, the new FAM took effect from June 2013. In addition to the original “Tung Chung – Hong Kong Monthly Pass Extra”, frequent travellers riding to and from Tung Chung can also choose the newly introduced “Tung Chung – Nam Cheong Monthly Pass Extra” depending on their travel patterns. Apart from the unlimited rides between stations within the designated areas in the valid month, Monthly Pass Extra holders can enjoy an additional 25% discount off the fares for domestic trips (except East Rail Line First Class Premium) outside the designated areas covered by the monthly passes. Subject to their individual travel patterns, Monthly Pass Extra holders normally enjoy higher fare discounts for longer journeys and more rides.

Abolition of the tolls for Lantau Link

8. The tolls of government tolled roads are determined based on the “user-pay” principle, with the objective to recovering in full the cost of providing, operating and maintaining the roads. As for the Lantau Link tolls, the Government will take into account a host of factors including operating costs (such as depreciation cost and recurrent expenditure), impact on the traffic flow and the economy as well as public affordability and acceptability when determining or adjusting the Lantau Link toll levels. If toll adjustment is considered necessary, the Government will consult the Panel on Transport of the Legislative Council and amend the relevant legislation. We will continue to review the Lantau Link tolls in accordance with the existing mechanism.

Opening up the SkyPier

9. The SkyPier provides convenient and speedy ferry services for air-to-sea/sea-to-air transit passengers travelling between Hong Kong and the PRD/Macao. Since it is located at the Restricted Area of the Hong Kong International Airport, the Airport Authority Hong Kong must operate the SkyPier in accordance with the Deed of Security signed with the Government in order to meet the security requirements for transit passengers and baggage.

10. At present, the land transport link between Hong Kong and the PRD region, particularly cities in the eastern part of the region, has been well

developed. Regarding sea transport, the two cross-boundary ferry terminals (CBFTs) currently managed by the Government (i.e. Hong Kong-Macao Ferry Terminal and China Ferry Terminal) provide cross-boundary ferry services to and from Macao and 11 PRD ports. As the two existing CBFTs still have sufficient capacity to meet the projected demand for cross-boundary ferry services, the Government has no plan to establish the third government-managed CBFT. On the other hand, the commencement of the Hong Kong-Zhuhai-Macao Bridge in 2016 will provide an additional cross-boundary option for commuters travelling between Hong Kong and Macao as well as Hong Kong and cities at Pearl River West. In view of the above factors, the Government does not have any plan to consider opening up the SkyPier for general immigration purposes.

Establishing new public wet market and open-air bazaar

11. We note the proposal of providing a new public wet market and cooked food centre managed by the Food and Environmental Hygiene Department (FEHD) in Tung Chung. The Audit Commission pointed out in its previous report that the Government should, when planning the provision of new public wet market facilities, consider carefully the question of viability and cost-effectiveness in order to ensure that public resources are put to appropriate and effective use. Having duly considered the various factors, the FEHD currently does not have any plan of setting up a new public wet market or cooked food centre in Tung Chung.

12. Regarding the proposal to establish a night market or open-air bazaar in Tung Chung, the Government considers that the proposed market would better suit the district's needs and have a higher degree of flexibility in operation should it be planned and managed by district organizations. The relevant Government departments stand ready to provide appropriate assistance to the proponent should the latter be able to identify suitable site, receive support from the local community and meet the food safety and environmental hygiene requirements.

Development of Lok Ma Chau

13. In respect of the development of Lok Ma Chau (LMC), the Planning and Engineering Study on Development of LMC Loop commissioned by the Government in June 2009 has been largely completed. The Recommended Outline Development Plan (RODP), being one of the major co-operation projects between Hong Kong and Shenzhen, has also been announced in Hong Kong and Shenzhen in July 2013. The Planning Department is now preparing the statutory outline zoning plan for the land uses

of the Loop area.

14. According to the RODP, higher education will be the leading land use in the LMC Loop development, complemented with some high-tech research and development facilities as well as cultural and creative industries. The maximum gross floor area for the Loop's development is 1.2 million square metres, which can accommodate about 24 000 students and provide about 29 000 job opportunities. The Governments of Hong Kong and Shenzhen are discussing the overall development mode of the Loop area. Meanwhile, the Hong Kong-Shenzhen Joint Task Force on Boundary District Development has set up a Working Group on Higher Education Development in the LMC Loop. Comprising officials from education authorities in both Hong Kong and Shenzhen, the Working Group concerned provides a forum for discussing issues related to higher education development in the LMC Loop.

15. On the other hand, according to the recommendations of the Study on Land Use Planning for the Closed Area, it was considered appropriate to develop land along major cross-boundary transport routes near LMC Road into a LMC Development Corridor, with a view to realizing the long-term objective of promoting the economy of both Hong Kong and Shenzhen as well as balancing between conservation and development. To take forward the idea of LMC Development Corridor for complementing the development of the LMC Loop, the Government considers that a further study covering a wider area is necessary for examining the feasibility of enhancing development opportunities of the area and its surroundings. In this connection, the Government commenced the Preliminary Feasibility Study on Developing the New Territories North (the NT North) in January 2014 to identify development opportunities in the NT North and the required infrastructures, as one of the measures to meet the long-term demand for housing and other developments. The study area has covered the proposed LMC Development Corridor.

16. As for the suggestion of developing sites around the LMC border for commercial use, we consider this idea might help re-direct visitors to the area in the short term and provide job opportunities to residents of the existing and planned new towns in the New Territories in the long run. Since the majority of the area involved in the proposal is private land, we believe that it will be more efficient if the land owners could coordinate with other market stakeholders in pursuing the future development of the area concerned having regard to the commercial potential of the area. From the tourism development perspective, the Tourism Commission will be glad to coordinate with the government departments concerned to provide necessary information and assistance to the project proponent.

Promoting cycling tours

17. Although cycling is not among the most popular activities for visitors in Hong Kong, the Government, in collaboration with the HKTB, has been actively promoting green tourism and outdoor activities like hiking and cycling to diversify our tourism offerings with a view to enhancing Hong Kong's appeal as a preferred tourist destination. In 2013, the HKTB introduced guided cycling tours for visitors through its "Great Outdoors Hong Kong" platform for the first time, covering the cycling route from Shing Mun River in Shatin to Tai Po Waterfront Park. In addition, the HKTB also promotes the "Hong Kong Biking Tour" organized by the travel trade featuring cycling, bird-watching, walled village visit and a dim sum lunch in the North West New Territories.

18. Upon the full completion of the works by the Civil Engineering and Development Department in connecting the cycle tracks in the North West and North East New Territories, the HKTB believes that the overall cycling experience enjoyed by members of the public and visitors will be enhanced, and thereby facilitate the promotion of cycling tourism. The Government will continue to foster a "bicycle-friendly" environment in new towns and new development areas ("NDA"), such as by providing cycle tracks and ancillary facilities at appropriate locations in new towns and NDAs. However, the Government has no plan to develop a cycle track along the coast of North Lantau at the moment. We will closely monitor the community's requests and suitably consider the proposals if necessary and wherever practicable.

19. As for the suggestion of providing ferry services so as to facilitate cycling to and from Sunny Bay, Park Island and Tsuen Wan, we do not have any plan to provide a licensed ferry service serving Sunny Bay, Park Island and Tsuen Wan, having due regard to passenger demand and financial viability of ferry service operations.

Promoting local agricultural and fisheries products

20. The Agriculture, Fisheries and Conservation Department (AFCD) has been proactively providing assistance to the local agricultural and fisheries industries to promote their products. AFCE has also been joining hands with the Fish Marketing Organisation (FMO) and the Vegetable Marketing Organisation (VMO) to promote local agricultural and fisheries products and build up quality brands by assisting the industries in organizing weekend farmers' markets and large-scale carnivals, as well as arranging media promotion, road shows and participation in food expos in Hong Kong and Mainland. AFCD will, in collaboration with FMO and VMO, continue to

provide appropriate support to farmers who are interested in organizing weekend farmers' markets in LMC and Lantau to promote the local fresh agricultural and fisheries products.

Earmarking suitable sites for data centre use

21. The Government will continue to identify suitable sites for data centre use, so as to facilitate the development of data centres and promote Hong Kong as the data centre hub in the Asia Pacific region. Since 2010, over 15 hectares of land in Tseung Kwan O has been allocated for data centre development. Moreover, two hectares of land has been earmarked for the development of high-tier data centres. The first one-hectare site earmarked for the development of data centre was sold through public tender in October 2013. With the Government's support, the Tseung Kwan O Industrial Estate is now the largest data centre cluster in the Asia Pacific region, which houses 12 high-tier data centres established by various multinational enterprises.

Commerce and Economic Development Bureau
Development Bureau
Transport and Housing Bureau
Food and Health Bureau
Education Bureau

March 2014

(Translation)

**Motion on
“Promoting the economic development of
Lok Ma Chau and Lantau Island”
moved by Hon WONG Ting-kwong
at the Council meeting of 8 January 2014**

**Motion as amended by Ir Dr Hon LO Wai-kwok, Dr Hon KWOK Ka-ki,
Hon Alice MAK and Hon Charles Peter MOK**

That, with the gradual materialization of the Guangdong-Hong Kong-Macao ‘one-hour living circle’, cross-boundary flows of people and goods are bound to increase further; in this connection, this Council urges the Government to expeditiously study the setting up of a business and shopping centre in Lok Ma Chau and, in the light of the impending completion of the Hong Kong-Zhuhai-Macao Bridge, set up an inter-departmental development committee to promptly formulate an overall development plan and perfect the infrastructure support for Lantau Island, so as to promote the development of diversified industries such as tourism, convention and exhibition, logistics and environmental protection, etc., including building more hotels and shopping malls on Lantau Island, so as to stimulate the economic development of the areas concerned, thereby creating diversified employment and business start-up opportunities; this Council also urges the Government to develop eco-tourism, open up monuments and heritage trails, build water sports centres, build more relevant commercial support facilities on Lantau Island, and set up flea markets, holiday bazaars and markets and cooked food centres managed by the Food and Environmental Hygiene Department, etc. in Tung Chung; the Government should also improve the external transport of Lantau Island, especially the bus services in Tung Chung West, and request the MTR Corporation Limited to reduce the fares of the Tung Chung Line and expeditiously build Tung Chung West Station; this Council also urges the Government to, with a ‘people-oriented’ mindset and on the premise of balancing conservation and development, expeditiously plan for the development of Lok Ma Chau and Lantau Island to stimulate the economy; the relevant proposals include:

- (1) to develop ‘on-street economy’, including conducting studies on the setting up of night markets in Tung Chung and the establishment of markets with characteristics and traditional culture in suitable places of Lantau Island and Lok Ma Chau, so as to implement a dual economy, thereby providing small business operators with development opportunities and offering residents and tourists more diversified shopping choices;

- (2) to develop new industries such as research and development of new technology-intensive industries, cultural and creative industries and the environmental industry, etc., in Lantau Island and the Lok Ma Chau Loop, so as to create more positions at the middle and low levels for providing residents with various employment opportunities;
- (3) to conduct studies on the development of cycling tourism in Lantau Island and Lok Ma Chau, including expeditiously implementing the construction of coastal cycle tracks in North Lantau, extending the cycle track works connecting the Northwest and Northeast New Territories to Lok Ma Chau and providing bicycle ferry services from Lantau Island to Sunny Bay, Park Island and Tsuen Wan, etc., so as to enable both areas to develop green and low-carbon transport and green economies;
- (4) making reference to the model of 'holiday markets' in overseas countries, to promote bazaar culture and organic produce markets in both areas, so as to promote local fresh fisheries and agricultural products and facilitate the development of relevant industries;
- (5) to construct training colleges which match the mode of local economic development on the sites for developing higher education in the Lok Ma Chau Loop, so as to train more local talents to dovetail with Hong Kong's future economic development;
- (6) to expeditiously develop Tung Chung West, and expeditiously implementing the alignment and station points of the Northern Link mentioned in the 'Railway Development Strategy 2000', so as to provide transportation support for the development of both areas;
- (7) to open up the SkyPier for use by inner harbour ferries, so as to increase Tung Chung's connection with other areas; and
- (8) to abolish the toll for Lantau Link and launch reasonably-priced monthly tickets on a zonal basis for the Tung Chung Line, so as to reduce the travelling expenses of Lantau Island residents and tourists;

this Council also urges the Government to, by making use of their cross-boundary advantages, reserve sites in Lok Ma Chau and Lantau Island for developing scientific research and data storage, and for building the relevant ancillary facilities, thereby enhancing Hong Kong's competitiveness.