

## **LegCo Panel on Economic Services**

### **Follow-up to the special meeting on 11 November 1999**

At the special meeting held on 11 November 1999, members requested the Administration to provide the following additional information:

#### **(A) Government's role in private sector investment**

Given the Government's operations in the securities market, the granting of development right for the Cyberport to Pacific Century Group without going through a proper tendering process and its recent agreement with The Walt Disney Company on the development of the Hong Kong Disneyland (HKD), the Government should draw up or make known policy guidelines on the circumstances under which Government would take part in private sector investment.

#### **(B) Government's assessment of the economic benefits of the HKD project**

Prof KWONG Kai-sun queries some of the assumptions adopted in Government's assessment of the economic benefits of the HKD project. Doubts have been expressed in respect of the following assumptions:

- (i) estimated growth in number of attendees;
- (ii) forecast market penetration rates;
- (iii) estimated number of induced tourists;
- (iv) projected growth in base tourist;
- (v) spending projections;
- (vi) secondary value added contribution; and
- (vii) visits per guest ratio.

A copy of Professor KWONG's submission setting out his queries in detail is circulated vide LC Paper No. CB(1)354/99-00(03).

Some members also query whether the estimate of 5.2 million attendees for HKD in its first year of operation is too optimistic, given that attendees of Tokyo Disneyland reach 10 million only in 1995 (which is more than 10 years after operation in 1983).

**(C) Training of labour force to cope with the HKD project**

A member expresses concern about whether adequate and sufficient training is available to prepare our labour force to benefit from the HKD project.

**(D) Measures to promote Mainland tourists visiting Hong Kong**

Some representatives of local travel agents express concern that currently in-bound tours from the Mainland are organized only by a few Mainland travel agents designated by the Mainland authorities. They hope that the market could be liberalised to further expand the potential of attracting more Mainland tourists to Hong Kong.

**(E) Environmental Impact Assessment/Sustainability Impact Assessment**

Some environmental groups have pointed out that the HKD project is not in line with the principle of sustainable development and suggest that a “Sustainability Impact Assessment” on the project be conducted before taking a decision. They also suggest that a compensation and donation plan should be drawn up to compensate the ecological, environmental and social loss arising from the HKD project. Details are set out in the submission from the Conservancy Association circulated vide LC Paper No. CB(1)342/99-00(03).

Some environmental groups express the view that the Government has not comprehensively evaluated the hidden costs of the HKD project due to its impact on the environment. They suggest that the Government should conduct a full EIA study on the HKD project before taking a decision. The points to be addressed in the EIA study have been listed in the written submission of the Friends of the Earth circulated vide LC Paper No. CB(1)354/99-00(04).

In the absence of a comprehensive Environmental Impact Assessment on the HKD project, a member also queries whether it is premature for the Administration to put forward the related funding proposals to the Finance Committee and its subcommittees for consideration.

**(F) Agreement reached between the Government and The Walt Disney Company**

Will the Administration provide a copy of the Project Agreement reached

between the Government and The Walt Disney Company for the development of the HKD. What are the related penalty provisions in case of default?

**(G) Employment creation**

Apart from the employment figures as set out in Annexes 8 - 10 of the full assessment paper on building a Walt Disney Them Park in Hong Kong, will the Administration give a detailed breakdown of the additional jobs referred to by job nature, job location, academic qualifications and technical skills required?

Legislative Council Secretariat

12 November 1999