

立法會

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Report of the Panel on Economic Services for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Economic Services during the 1999-2000 Legislative Council session. It will be tabled at the meeting of the Council on 14 June 2000 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by resolution of the Council on 8 July 1998 for the purpose of monitoring and examining Government policies and issues of public concern relating to economic matters. The terms of reference of the Panel are at **Appendix I**.
3. The Panel comprises 20 members, with Hon James TIEN and Hon Fred LI elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is at **Appendix II**.

Major Work

Disney Theme Park

4. The construction of a new Disney Theme Park in Hong Kong was one of the major subjects followed up by the Panel in this session. Following the reaching of agreement between the Hong Kong Government and the Walt Disney Company (WDC) on the development of the theme park, the Panel conducted a series of meetings to consider on a wide range of issues before the funding proposals were put to the Finance Committee for approval. In the course of examination, members analysed both the financial viability of the project and the environmental impact on Penny's Bay at which the theme park would be situated.

5. On financial viability, members examined the underlying assumptions and the resulting economic assessment and financial benefits of the project for Hong Kong, in particular the increase of job opportunities for the Hong Kong workforce. Members also studied the various methods of financing and the resulting impact on the Government Budget, as well as the terms of the Master Project Agreement signed between the Government and WDC on the liability of the Government before and after the commissioning of the theme park. On the environmental side, members urged the Administration to undertake a comprehensive environmental impact assessment study for the project and the associated facilities before taking a final decision on the matter. As a means to facilitate the development of the theme park, members also requested the Administration to formulate policy to promote Mainland tourists to Hong Kong and to provide the necessary infrastructure support and labour force so as to tie in with the development of the theme park.

6. Subsequent to the Finance Committee's approval of the funding proposal for the Hong Kong Disneyland and the related facilities, the Panel continued to seek regular progress reports from the Administration. Members were briefed on the proposals to establish an Air Intrusion Limitation Zone over Hong Kong Disneyland and a Prohibited Anchorage Area seaward of the Penny's Bay Reclamation. In examining the proposals, members called on the Administration to review the actual need of the prohibition and make necessary refinement before formal introduction to the Council. Members also examined in detail with the Administration on the related Environmental Impact Assessment studies upon their completion. They urged the Administration to put in place adequate preventive and mitigation measures with a view to preserving the ecology and environment in the surrounding areas.

Electricity demand

7. During the session, monitoring of developments in the electricity supply sector was high on the agenda of the Panel. On Demand Side Management (DSM) Programme, members generally agreed to the principle that people in Hong Kong should be encouraged to contribute to energy efficiency and environmental protection through making more efficient use of electricity. Members, however, expressed concern about the high administrative costs associated with the rebate scheme for the purchase of certain energy efficient household appliances under the DSM programme. They called on the Administration to review the need to extend the DSM programme to the residential sector after initiating the DSM programme in the commercial and industrial sectors for one year. The Administration was asked to explore measures, as an alternative, to encourage the general public on the use of energy-labelled products through publicity and educational programme.

8. Regarding the proposed deferral of two generating units of CLP Power

Hong Kong Limited (CLP) at Black Point Power Station until 2005 and 2006, members reiterated that the cost of these two units should not be counted as asset value of CLP in 2005-2006 for the purpose of calculating the permitted return under the Scheme of Control Agreements unless there was data showing that the units were actually required for generating electricity to meet the demand in that year. The Panel also explored the feasibility of requiring Hongkong Electric Company Ltd (HEC) to purchase these two units from CLP, thereby saved the need for HEC to build another power plant on Lamma Island.

9. The Panel was also consulted on the findings and recommendations of the Study of Interconnection and Competition in the Electricity Supply Sector in Hong Kong. Members reviewed with the Administration on the potential costs, benefits and other implications of increasing interconnection capacity between CLP and HEC's systems and the potential for altering the existing market structure with a view to enhancing competition in the electricity supply sector. They urged the Administration to take into account the issue on competition in reviewing the Scheme of Control Agreements with the power companies.

Other fuels

10. The high retail prices of petrol, industrial oil and domestic liquefied petroleum gas were also discussed in detail by the Panel during the session. Having considered views of the textiles bleaching and dyeing industry, the oil companies and the Consumer Council, the Panel urged the Administration to consider establishing a statutory Energy Commission to undertake the various competitive safeguard tasks with a view to safeguarding consumer interest. They also made various suggestions to the Administration on how to encourage entry by new retail operators and how to enhance price competition.

Sea and air transport

11. On the development of logistic management centres in Hong Kong, the Panel was of the view that the development should gear towards the provision of a "total logistics solution" to the users, which required a fully integrated transport system so that the functions of each segment could be brought into full play. Members urged the Administration to promote intermodal transport and co-ordination between various sectors. The high terminal handling charges imposed by shipping lines was considered not conducive to the development and competitiveness of Hong Kong's container port. Members therefore called on the Administration to continue discussion with relevant parties with a view to resolving the issue through negotiation. As a result of the efforts, the liner conferences agreed to continue to freeze the handling charges until May 2001.

12. On the improvement of services and facilities at the Hong Kong

International Airport (HKIA) with a view to boosting its competitiveness, the Panel called on the Administration to refer to the experience of Singapore and Amsterdam in formulating its policy on the establishment of logistics centres at the HKIA. It also requested the Administration to explore measures to lower the air cargo terminal handling charges at HKIA. Members also welcomed the Government's commitment to progressively liberalize Hong Kong's air services under bilateral air services arrangements with a view to developing Hong Kong into an international and regional aviation centre. In reviewing the recent developments and important initiatives underway at HKIA, members requested the Airport Authority to undertake a number of important improvement work to make the airport more user-friendly.

13. The Panel had reviewed the causes leading to the various air traffic incidents since the opening of the new airport. Members urged the Administration to enhance staff training and to put in place an effective control mechanism to ensure a safe, orderly and expeditious air traffic service.

14. The Panel continued to monitor very closely matters relating to the Year 2000 (Y2K) compliance position in Government and non-government organizations (NGOs) under the purview of the Economic Services Bureau. Apart from reviewing the progress of Y2K rectification work and the formulation and testing of contingency plans with the Administration, the Panel also met with representatives of NGOs from the energy supply sector, port and airport management sectors, airlines and airfreight operators with a view to ascertaining that the Y2K issue would not have impact on their ability to provide a reliable service to the general public. With thorough preparations, Hong Kong had not encountered any major Y2K-related incidents since the rollover to the new millennium.

15. During the session, the Panel was briefed on a number of legislative proposals prior to their introduction into the Council. These included the insurance requirements for civil aircraft and other flying machines or equipment operating in Hong Kong, and the "certificate of safety compliance" provisions of the Electricity Ordinance (Cap. 406) and the Electrical Products (Safety) Regulations (Cap. 406, sub. leg.). The Panel also reviewed with the Administration on the implementation of the Gas Safety (Installation and Use and Miscellaneous) (Amendment) Regulation 1999 which prohibited the use of a flueless gas water heater to serve a bathroom or shower on 1 July 2000. In the course of discussion, members urged the Administration to introduce measures to increase public awareness of the prohibition with a view to enhancing public safety.

16. During the period from October 1999 to May 2000, the Panel held a total of 11 meetings.

Legislative Council Secretariat
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