

Panel on Economic Services

List of outstanding items for discussion
(position as at 6 October 2003)

**Proposed timing
for discussion**

1. Development of heliport facilities

Late 2003

At the meeting on 23 June 2003, the Administration undertook to brief the Panel on its development plan, including the mode of development and site options, for heliport facilities

2. Transport facilities and services -

To be confirmed

(a) Hong Kong's port development

(b) Work of the Hong Kong Logistics Development Council

In connection with the Panel's discussions on terminal handling charges and mid-stream fee, members had expressed concerns about the Government's policies and measures in promoting the competitiveness of the Hong Kong port. They would like to follow up the matters with the Administration and to review the programme for port facilities and supporting infrastructure, including the provision of public cargo working areas and typhoon shelters, the role of freight rail development in supporting the future development of the port, and the freight transport strategy of the Kowloon-Canton Railway Corporation.

Members would also like to review with the Administration on measures to strengthen Hong Kong's role as an international and regional transportation and logistics hub.

At the meetings on 29 October 2001 and 26 November 2001, members discussed the Hong Kong International Airport Master Plan 2020, and the Port Development Strategy Review and Logistics Hong Kong respectively. Members also discussed the mid-stream fees at the meeting on 18 December 2001.

The Council passed a motion on 16 October 2002, urging the Government to expeditiously study the specific impact of the persistently high terminal handling charges on the local economy, and to strive to have those charges reduced to a reasonable level.

**Proposed timing
for discussion**

3. Hong Kong Disneyland

October 2003 as
proposed by the
Administration

The Administration undertook to provide regular progress reports to the Panel. The last report was made on 31 March 2003.

The Panel discussed the financial implication of the decommissioning of Cheoy Lee Shipyard (CLS) at Penny's Bay at the meeting on 20 March 2002. Given that the extent of contamination at CLS site was much higher than expected, doubt had been cast on whether CLS had been operating under approved conditions. Concern had also been raised on whether CLS should be held responsible for the decontamination cost under the polluter-pays principle. The Panel agreed to follow up on the related issues.

4. Other tourism projects

To be confirmed

(a) Tsim Sha Tsui Promenade Beautification Project

(b) Development of golf courses and spa facilities

(c) Modern cruise terminal

(d) Art and Culture Belt in West Kowloon

The Administration has been requested to brief the Panel on the progress of the projects in due course.

5. Towngas tariff

To be confirmed

The Council passed a motion "Reducing electricity and gas tariffs" on 13 November 2002, urging the Government to expeditiously discuss with the two power companies and Town Gas and encourage them to take account of their respective operating conditions and reduce their tariffs or offer concessions to users, thereby alleviating the burden on the public and the commercial and industrial sectors. A progress report has been circulated to Members on 20 January 2003 vide LC Paper No. CB(3)308/02-03. The Administration has advised that the gas company has no plan to increase tariffs for 2003.

**Proposed timing
for discussion**

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| 6. (a) Interim review of the Scheme of Control Agreements in 2003 | To be confirmed |
| (b) Post 2008 regulatory regime for the electricity supply sector | |
| (c) Increasing interconnection between the two power companies | |

The Panel was briefed on the related issues on 10 December 2002.

At the meeting on 28 July 2003, the Panel reviewed with the Administration the findings of the technical feasibility study on increasing interconnection between the two power companies commissioned by the Electrical and Mechanical Services Department. Members were generally concerned about the long lead time in taking forward the initiative to increase interconnection between the two power companies. Members urged the Administration to initiate discussion with the two power companies as soon as possible with a view to making early preparation for future third party access to the transmission network and addressing the transitional arrangements between the present and the future market structure.

The Administration undertook to revert back to the Panel to update members on the progress of the issues in due course.

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| 7. Access to the Mainland aviation market | To be confirmed |
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The item is a follow-up to an oral question raised at the Council meeting on 19 March 2003. In view of the growing importance and rapid expansion of the Mainland aviation market, members would like to be briefed on the actions the Government intends to take to assist all Hong Kong airlines to have access to the Mainland aviation market.