

立法會
Legislative Council

LC Paper No. CB(1)1937/08-09
(These minutes have been seen
by the Administration)

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Panel on Economic Development

Minutes of meeting
held on Monday, 25 May 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
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 Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Hon Tanya CHAN
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP
- Member attending** : Hon Miriam LAU Kin-ye, GBS, JP
- Members absent** : Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Albert CHAN Wai-yip
Hon CHIM Pui-chung

**Public officers
attending**

: Agenda Items IV & V

Mrs Rita LAU NG Wai-lan, JP
Secretary for Commerce and Economic Development

Mr MAK Chai-kwong, JP
Permanent Secretary for Development (Works)

Miss Margaret FONG, JP
Commissioner for Tourism

Miss Patricia SO
Assistant Commissioner for Tourism 4

Agenda Item VI

Mr Francis CHENG
Principal Assistant Secretary for Transport and Housing
(Transport)

Mr Anthony TAM, JP
Assistant Director-General of Civil Aviation (Airport
Standards)

Miss Yamani CHAN
Senior Safety Officer (Safety Regulation)
Civil Aviation Department

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 Debbie SIU
Legislative Assistant (1)9

I Confirmation of minutes and matters arising
(LC Paper No. CB(1)1620/08-09 - Minutes of meeting held on 27 April 2009)

The minutes of the meeting held on 27 April 2009 were confirmed.

II Information papers issued since last meeting
(LC Paper No. CB(1)1475/08-09(01) - Tables and graphs showing the import and retail prices of major oil products from April 2007 to March 2009 furnished by the Census and Statistics Department)

2. Members noted the information paper issued since last meeting.

III Items for discussion at the next meeting
(LC Paper No. CB(1)1624/08-09(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1624/08-09(02) -- List of follow-up actions)

Meeting on 22 June 2009

3. Members agreed to discuss the item relating to the Travel Industry Compensation Fund proposed by the Administration at the next meeting to be held on 22 June 2009.

4. Mr Fred LI suggested that further to the publication of the review findings entitled "Fairness in the Marketplace for Consumers and Business" by the Consumer Council in February 2008, the Panel should follow up with the Administration on the way forward to prohibit retailers from using unfair trade practices. Members agreed.

Other issues

5. Ms Emily LAU referred members to the study of the Economic Development and Environmental Protection in Pearl River Delta (PRD) Region by the delegation of the Legislative Council in May 2009 and suggested that the Administration should be requested to provide written information on the relevant areas of study and respective development in Hong Kong, as well as the Government's plans to enhance cooperation and integration with the PRD Region. Mr CHAN Kam-lam supported Ms LAU's proposal and considered that Hong Kong and Shenzhen should strengthen their cooperation. Ms Miriam LAU supported and requested that the Administration should provide input on its effort to complement preparation of the National 12th Five-Year Plan. Members agreed

that the Panel should discuss with the Administration the relevant issues at a future meeting.

6. In reply to Mr CHAN Kam-lam on the proposed development of a government helipad near the Hong Kong Convention and Exhibition Centre, the Clerk advised that the subject matter would be considered by the Panel on Development in the context of "Central-Wan Chai Bypass, Wan Chai Development Phase 2 and related works" scheduled for discussion at the meeting on 26 May 2009.

7. Mr Paul TSE highlighted the present difficulties faced by the tourism industry which had suffered a great deal since the human swine influenza broke out. While the Secretary for Food and Health (SFH) had encouraged local people to continue travelling as usual, Mr TSE considered it necessary for the Administration to devise concrete measures to help the travel industry to tide over this difficult period. The Chairman suggested that subject to the consent and availability of the Secretary for Commerce and Economic Development (SCED) who was attending the next item, the Panel might briefly exchange views with the Administration on the subject matter at the meeting. SCED agreed.

IV Update on the development of a new cruise terminal at Kai Tak

(LC Paper No. CB(1)1624/08-09(03) - Administration's paper on the development of a new cruise terminal at Kai Tak

LC Paper No. CB(1)1624/08-09(04) - Paper on the development of new cruise terminal facilities at Kai Tak prepared by the Legislative Council Secretariat (Updated background brief)

8. At the invitation of the Chairman, SCED said that further to the announcement in September 2008 that the Government would fund, design and build the new cruise terminal, the Administration had pushed ahead with the relevant preparatory work in parallel, viz, mapping out the detailed user requirements, commencing the detailed design of the site formation works for the cruise terminal, inviting pre-qualification of tenderers for the cruise terminal building, and working out the leasing arrangements for the future cruise terminal operation. The Administration planned to adopt parallel tendering ahead of funding approval to ensure the commissioning of the first berth of the new cruise terminal in mid-2013. The Architectural Services Department (ArchSD) would invite "design and build" tenders for the cruise terminal building scheduled for third quarter of 2009 and seek funding approval for the works early next year, with a view to commencing the cruise terminal building works in 2010 and bringing forward its completion.

Discussion

9. Mr Fred LI expressed concern about the time gap between the commissioning of the first berth in mid-2013 and the completion of the full-fledged cruise terminal building in 2014/15 as the unpleasant environment of the construction site(s) might bring inconvenience to the cruise passengers. Mr CHAN Kam-lam shared similar concern, and urged for the early implementation of the ancillary facilities and the second berth.

10. SCED remarked that it was the consensus of the cruise and tourism industries that the first berth should be commissioned as early as possible to meet the market demand. As soon as the site formation and the quay deck were ready, the first berth would be able to receive cruise vessels with temporary facilities, including an access road for ground transportation, baggage handling facilities and customs, immigration and health quarantine (CIQ) facilities. In order to expedite implementation of the cruise terminal building works, ArchSD had, in parallel, invited prequalification for the "design and build" tenderers for the cruise terminal building in March 2009. It was hoped that the above arrangement would enable the commencement of the cruise terminal building works in 2010 and bring forward the completion. Measures would also be taken to strengthen the development of software to enrich the cruise passengers' experience. In reply to Mr Fred LI, SCED said that the development of the third berth or otherwise would hinge on market development. Nevertheless, the total length of the two alongside berths was 800m long and they could accommodate either two mega cruise vessels or three vessels of medium/small size.

11. Expressing support for the proposal, Mr Abraham SHEK highlighted the need to develop the new cruise terminal in town centre and urged for expeditious implementation of the Kai Tak Development. SCED outlined the advance infrastructure works to serve the early developments at the Kai Tak Development. These developments were targeted for completion by 2013 under the first development package of the Kai Tak Development.

12. Mr WONG Ting-kwong was concerned whether the proposed formation of a 600-metre opening at the runway of the former airport to tackle the odour problem of the Kai Tak approach channel (KTAC) would affect the construction of the new cruise terminal and the berths. The Permanent Secretary for Development (Works) (PS(W), DEVB) advised that the location of the said opening was a few hundred metres away from the berth position. Funding approval had been given to undertake detailed design and site investigation for KTAC and Kwun Tong typhoon shelter improvement works. He said that the formation of the opening would be after implementing other measures for treatment of the contaminated sediments in the KTAC and improvement of the water quality thereat.

13. Mr Fred LI considered that the Administration should invite tender for the tenancy agreement for the operation of the cruise terminal before 2011 as scheduled to allow the lessee to start operation earlier and arrange advance bookings for berthing slots. SCED advised that the Administration intended to invite the relevant tender in 2011 with a view to awarding it in 2011 or 2012 before the commissioning of the first berth.

14. Miss Tanya CHAN enquired about the role of the cruise terminal operator and the financial arrangement under the tenancy agreement. SCED advised that the cruise terminal operator would be responsible for operating the berths, the embarking and disembarking of cruise passengers, and managing the cruise terminal including the ground transportation area and ancillary commercial area. The Tourism Commission (TC) would draw reference from international experience and would co-ordinate inputs from relevant departments in formulating the terms and conditions of the future tenancy agreement, including the operation and management requirements, rental arrangements and interface with the relevant Government user departments. SCED stressed that TC would draw up the tenancy agreement with great care to safeguard public interest.

15. Mr Abraham SHEK opined that priority should be given to selecting an operator who was experienced in operating cruise terminal as well as managing commercial facilities. Given that a local company had been operating cruise terminal in Hong Kong, Ms Emily LAU and Mr Ronny TONG enquired whether the Administration would take into account the need to promote competition and prevent monopoly when selecting cruise terminal operator. The Chairman considered that the operator should allocate the berthing slots impartially for all cruise vessels calling at Hong Kong. SCED advised that the Administration would conduct open tender for the operation of the new cruise terminal in a transparent, fair and impartial manner. The successful tenderer would be required to meet requirements on operation and management aspects, including arrangements for berthing slots allocation.

16. Ms Miriam LAU expressed support for the proposal. She said that with the many ancillary facilities put in place to support the shipping industry, Hong Kong should endeavour to attract more cruise vessels to homeport here and serve cruise passengers arriving Hong Kong by air. In this connection, she was concerned about the ground transportation between Hong Kong International Airport and Kai Tak Development. SCED highlighted possible external linkage of the Kai Tak Development including mass transportation services such as the Central-Shatin Link, ferry services and road transportation. PS(W), DEVB added that the Central Kowloon Route linking West Kowloon and Kai Tak Development through a tunnel was under study. It would take passengers just minutes to travel between these two areas.

17. Mr Paul TSE asked about the Administration's policy measures in developing Hong Kong into a leading cruise hub in the Asia-Pacific region. SCED highlighted the economic benefits of homeport over the port-of-call, and the

edge of Hong Kong to become a successful homeport in view of its strategic location, deep harbour, advance infrastructure, simple tax regime and good management capability. Many overseas cruise companies regarded Hong Kong as a "must-visit" port and included it in their Asian itineraries.

18. Noting that a number of newly developed courses on cruise tourism had been/would be launched in 2009 to meet the needs and development of the cruise market, Mr WONG Ting-kwong enquired about course providers, teachers' qualification, and enrolment situation. Expressing his support, Mr Paul CHAN highlighted the importance of supplying talents for the cruise market and related industries to meet the various interests of cruise passengers. The Commissioner for Tourism (C for Tourism) advised that a working group comprising representatives from The Chinese University of Hong Kong (CUHK), the Polytechnic University (Poly U), and training institutions under the Vocational Training Council had been formed under the Advisory Committee on Cruise Industry (ACCI) to oversee manpower training for the industry. In addition to the ongoing courses organized by CUHK and Poly U, the Travel Industry Council of Hong Kong had recently offered a course on selling of cruise holidays which was fully enrolled. Besides, the Skills Upgrading Scheme and the Employees Retraining Board would also provide courses in relation to reception arrangements, catering and customer service for cruise passengers, etc. These courses were delivered by qualified teachers at low costs or free of charge. At Mr Ronny TONG's request, the Administration undertook to provide information on the membership list of ACCI.

19. Mr Paul TSE was worried that the training support provided by some organizations for the industry would eventually become mandatory training requirement pertaining to licensing. C for Tourism assured members that all related courses had been considered by the said working group. As most frontline staff working in travel agents had limited knowledge about cruise travel, these courses were useful to enhance their understanding on the needs of the high-spending cruise passengers.

20. Mrs Regina IP noted that the Hong Kong Tourism Board (HKTB) had launched a "Cruise South China" website in January 2009, which provided the cruise market players with information on port facilities and tourism resources of Hong Kong and four neighboring coastal provinces in the Mainland (namely Guangdong, Guangxi, Fujian and Hainan) to facilitate the development of new itineraries in the region. She enquired whether Mainland cities outside the four provinces such as Shanghai would be included in the development of new cruise itineraries.

21. SCED and C for Tourism advised that to develop into a leading cruise hub in the region, Hong Kong could devise attractive one-week cruise itineraries covering ports in the South such as Singapore and Vietnam etc. For cruise holidays extending over two weeks, the cruise trips might go northward to Shanghai, Tianjin, Taipei and cities in Japan. C for Tourism noted that pursuant to

the launching of the "Cruise South China" website, some cruise companies had developed itineraries to include Guangzhou in Guangdong Province, in addition to Sanya in Hainan Province.

22. In reply to Mrs Regina IP, SCED advised that Shenzhen, Guangzhou and Singapore were also developing new cruise terminals, and it was opportune for Hong Kong to partner with these ports to develop itself into a leading cruise hub in the Asia-Pacific region. Ms Miriam LAU, Mr Paul CHAN and Ms Emily LAU agreed that Hong Kong should partner with neighbouring ports in the region, while maintaining Hong Kong's competitiveness.

23. In reply to Miss Tanya CHAN and the Chairman about the interim berthing arrangements before the commissioning of the first berth in mid-2013, C for Tourism advised that for cruise vessels which exceeded the berthing capability of the Ocean Terminal or had conflicts in schedules and required alternative berthing locations, the Tourism Commission (TC) would facilitate the vessel calls and assist in the liaison between the local shipping agencies of the cruise operators and relevant departments such as the Lands Department, Marine Department, Transport Department and Police as necessary. Since November 2006, TC had introduced a set of "Streamlined Procedures for Applying for a Temporary Multiple-Visits Waiver for Berthing Cruise Vessels at the Container Terminal" to facilitate container terminal operators to apply for the berthing of cruise vessels at their facilities. In September 2008, the Government promulgated to the industry a set of guidelines on "Streamlined Procedures for Arranging Temporary Anchorage and Tendering for Cruise Vessels" to enable cruise operators to arrange mid-stream operations more expeditiously. While arrangements would be made for cruise passengers to complete CIQ procedures on board, it might not be feasible to set aside land in the container terminals for providing temporary CIQ facilities due to security and operational reasons.

24. Miss Tanya CHAN asked about the Administration's preparation in response to the Central People's Government announcement on 18 April 2009 that Mainland tour groups could travel to Taiwan from Hong Kong by taking cruise vessels homeporting at Hong Kong. SCED advised that the initiative was widely welcomed by the industry, and would foster the development of "multi-destination" cruise itineraries covering Hong Kong and Taiwan, thus enriching the travel experience of Mainland visitors. The measure would also help attract more Mainland visitors to Hong Kong and boost the local tourism, retail, catering, hotel and related industries, and add impetus to Hong Kong's development as a leading regional cruise hub. The Administration expected that "multi-destination" cruise itineraries might be introduced by the market around summer.

V Measures to assist the tourism industry to withstand the impact of the human swine influenza

25. The Chairman explained that members agreed to discuss the item at the meeting upon SCED's earlier confirmation on her availability.

26. Mr Paul TSE remarked that while there was only a small number of confirmed cases of human swine influenza (Influenza A H1N1) in Hong Kong, probably because people had learnt from the experience of the outbreak of the severe acute respiratory syndrome (SARS), the Administration had reacted vigorously and paid strenuous efforts in stepping up local surveillance systems to prevent the spread of the virus. However, the control measures, in particular the travel advice, had dealt a severe blow to the travel industry. Mr TSE urged the Administration to provide financial assistance to the travel industry to help them tide over this difficult period.

27. As the tourism sectors had been seriously affected by the epidemic and might have experienced temporary cash flow problem, Ms Miriam LAU urged the Administration to provide special loans for the affected industry players. Ms Emily LAU agreed that the Administration should strive to assist the tourism sectors, in particular the small and medium establishments, during this difficult period.

28. Mrs Regina IP noted that shops near the Metropark Hotel in Wanchai were hard hit by the isolation order of the hotel. She urged the Administration to devise measures to help the shop operators concerned.

29. Pointing out that the financial situation of the travel industry was aggravated further since the financial tsunami, the Chairman urged the Administration to call upon the banks to offer special assistance to the industry.

30. SCED noted the difficulties faced by the travel industry. Given that the economy had experienced contraction with the Gross Domestic Product registering a sharp decline of 7.8% in the first quarter of 2009 over a year earlier, the Financial Secretary was devising additional relief measures to strengthen the support to business sectors directly hit by the financial crisis and the human swine influenza.

31. Mr CHAN Kam-lam was worried about the catering and hotel sectors as the occupation rates of some hotels had dropped to 30%. He called on the Administration to assure overseas tourists by promulgating in the source markets the latest situation on the control of human swine influenza in Hong Kong. Mr CHAN cautioned the Administration to be exceptionally prudent in raising the alert level as the increasingly stringent control at the border check points would deter tourists from coming to Hong Kong.

32. Ms Miriam LAU considered that it might not be possible to eradicate the human swine flu virus. As long as appropriate effective control measures were

put in place, the Government should not issue isolation order unless absolutely necessary in order not to cause panic among the public. She agreed that the blow to the tourism sectors was harder than that at the time of SARS. To address the problem, she suggested that the Administration should step up publicity in overseas places and the Mainland, in particular in Guangdong Province, to boost tourist confidence in Hong Kong.

33. Mr Ronny TONG said that the human swine flu epidemic was a worldwide problem. To boost tourist confidence, the Government should step up publicity about the effectiveness of the local medical system in controlling the spread of the human swine influenza.

34. SCED remarked that the Government would continue to play a gate-keeping role in the control of human swine influenza. Having regard to new developments in the understanding of human swine influenza and the latest advice from the World Health Organization (WHO), the Government had refined the general guidance for management of persons identified to have close contacts with patients infected with the flu. The Administration would maintain regular communication with WHO and assure it that no travel restriction was necessary for Hong Kong. After meeting with the tourism sectors, SFH advised that Hong Kong people could continue travelling as usual but should remain vigilant against the development of the human swine flu virus. The Administration would step up publicity through the worldwide offices of the Hong Kong Tourism Board that Hong Kong was a safe place to travel. In reply to the Chairman, SCED confirmed that the Mainland had not adjusted its travel policy pursuant to the outbreak of the flu.

35. Mr CHAN Kam-lam considered that the Government should urge the United States of America (USA) to step up surveillance and control measures, and call on parents to advise their children studying overseas not to travel until recovery if they had influenza symptoms or fever. Mrs Regina IP shared similar concern. She suggested the Administration to promulgate the message among Hong Kong students studying in USA through the Economic and Trade Offices in the relevant cities. The Chairman also enquired whether the Administration could request the local airlines not to allow passengers who had displayed flu symptoms to go on board.

36. Ms Emily LAU said that she would raise the issue at the forthcoming meeting with a delegation led by Hon Nancy Pelosi, Speaker of the House of Representatives, USA on 29 May 2009, and request the US government to step up surveillance among air passengers and advise those having flu symptoms not to go on board. While appreciating Ms LAU's plan to exchange views with Hon Nancy Pelosi on the subject, SCED said that SFH had also written to the US government and requested it to step up surveillance measures and improve the notification procedures about the flu.

37. Noting that some organizers of large-scale activities to be held locally had been advised to call off the events, Ms Emily LAU considered that the Administration should in fact encourage these activities to stimulate internal consumption to compensate for the loss in tourism spending. SCED understood that some travel agents had focused on promoting local tourism, and that SFH would be very cautious in suspending classes and calling off events in order not to cause panic in the community.

38. Mrs Regina IP added that some seafood restaurant operators in Lei Yue Mun, which was one of the famous attractions in Hong Kong, had experienced difficulties pursuant to the implementation of the water quality management scheme. SCED took note of the concern.

VI Proposed amendments to legislation relating to the carriage of dangerous goods by air

(LC Paper No. CB(1)1624/08-09(05) - Administration's paper on proposed legislative amendments relating to the carriage of dangerous goods by air

LC Paper No. CB(1)1624/08-09(06) - Paper on the carriage of dangerous goods by air prepared by the Legislative Council Secretariat (Background brief)

LC Paper No. CB(1)1724/08-09
(*tabled at the meeting and subsequently issued via e-mail on 25 May 2009*) - Administration's paper on proposed legislative amendments relating to the carriage of dangerous goods by air (power-point presentation materials))

Briefing by the Administration

39. With the aid of power-point presentation, the Senior Safety Officer (Safety Regulation), Civil Aviation Department (SSO/CAD) briefed members on the Administration's proposal to amend two sets of subsidiary legislation to give effect to the latest standards promulgated by the International Civil Aviation Organization (ICAO) for the safe transport of dangerous goods (DG) by air. She outlined the nine classes of DG, the safety requirements, the international aviation safety standards and the proposed legislative amendments. The Administration intended to submit the relevant legislative amendments to the Council in the fourth quarter of 2009.

Discussion

40. Mr WONG Ting-kwong expressed support for the proposal. He urged the Administration to step up publicity of the requirements to facilitate the industry's compliance. The Principal Assistant Secretary for Transport and Housing (Transport) said that CAD had maintained close communication with the aviation industry to ensure the smooth implementation of the new requirements. In response to Mr WONG's suggestion, the Assistant Director-General of Civil Aviation (Airport Standards) (ADG/CA(AS)) agreed to explore the feasibility of re-distributing certain confiscated DG, such as lighters, to air passengers arriving Hong Kong.

41. Mr Andrew LEUNG expressed concern that certain airlines had claimed that batteries were DG and thus had to be removed from watches and clocks before the latter could be accepted for carriage as air cargo. ADG/CA(AS) explained that the issue had been resolved upon clarification with ICAO that there was no such a requirement. Watches and clocks could now be shipped as air cargo with batteries installed.

42. Ms Miriam LAU expressed support for the proposal. She relayed the concern of the logistics trades that all staff working in the industry had to receive DG training irrespective of whether they were responsible for handling DG. While understanding that these staff should possess knowledge of DG, the requirement had brought about financial burden on the industry, in particular the small establishments. She enquired about the progress of training and asked whether the Government would subsidize the courses.

43. ADG/CA(AS) advised that the DG training requirement for all staff who handled air cargo was promulgated by ICAO some four years ago and the local legislation was amended to implement the requirement from 1 July 2009. As at the end of April 2009, over 90% of the staff concerned had already received DG training, and it was envisaged that the industry could attain full compliance by 1 July 2009. While understanding that the training requirement had caused financial outlay to the industry, ADG/CA(AS) stressed that it was important for staff handling general air cargo to have sufficient knowledge to enable them to identify hidden DG. Improper handling would put flight safety at risk. He said that the fees for DG training course had come down from the original range of \$500 - \$1,000 for traditional classroom training to the present level of \$100 - \$350 for self-learning courses which should be affordable by the industry.

44. Mr IP Wai-ming declared that the Hong Kong Federation of Trade Unions to which he belonged had also organized DG training courses for industry members. He remarked that due to the present financial situation, many staff in the industry were under-employed and could not afford the training fees. He requested the Government to provide subsidy for the staff to attend the training courses.

45. SSO/CAD said that taking note of the situation, the Government had offered assistance under the Skills Upgrading Scheme to subsidize 70% of the course fee such that the fee per course was only \$160 to \$180. She noted that the fees of the DG training courses, including those for new staff, were mostly met by the employers.

46. Mr IP Wai-ming however noted that some small freight forwarding companies had requested their staff to pay for the training courses. ADG/CA(AS) said that while the legislative provision had not specified who should pay for the DG training courses, it was observed that the cost was generally met by the employers. Ms Emily LAU expressed concern on the issue, and urged CAD to specify the party responsible for paying the course fees when submitting the relevant legislative amendments to the Council for approval.

47. Summing up, the Chairman said that the Panel in general supported the legislative proposals, and members requested the Administration to step up publicity of the requirements.

VII Any other business

48. There being no other business, the meeting ended at 12:45 pm.