

立法會
Legislative Council

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Panel on Economic Development

Minutes of special meeting
held on Friday, 15 October 2010, at 10:30 am
in the Chamber of the Legislative Council Building

Members present : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)
Hon Ronny TONG Ka-wah, SC (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon CHAN Kam-lam, SBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Starry LEE Wai-king, JP
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Members attending : Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Cyd HO Sau-lan

Members absent : Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Hon CHIM Pui-chung

Dr Hon LEUNG Ka-lau
Hon Paul TSE Wai-chun

**Public officers
attending** : Agenda Item I

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

Mr Gregory SO, JP
Under Secretary for Commerce and Economic
Development

Miss Yvonne CHOI, JP
Permanent Secretary for Commerce and Economic
Development (Commerce, Industry and Tourism)

Mr Philip YUNG, JP
Commissioner for Tourism

Ms Linda LAI, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)¹

Mr Christopher WONG, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)²

Ms Linda SO, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)³

Agenda Item II

Mr Edward YAU Tang-wah, JP
Secretary for the Environment

Dr Kitty POON Kit, JP
Under Secretary for the Environment

Ms Anissa WONG Sean-ye, JP
Permanent Secretary for the Environment

Ms Vivian LAU Lee-kwan, JP
Deputy Secretary for the Environment

Agenda Item III

Ms Eva CHENG, JP
Secretary for Transport and Housing

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Francis HO, JP
Permanent Secretary for Transport and Housing
(Transport)

Mr Roger TUPPER, JP
Director of Marine

Mr Norman LO, AE, JP
Director-General of Civil Aviation

Ms Doris CHEUNG, JP
Deputy Secretary for Transport and Housing
(Transport)5

Mr Esmond LEE, JP
Deputy Secretary for Transport and Housing
(Transport)4

Clerk in attendance : Ms Debbie YAU
Chief Council Secretary (1)6

Staff in attendance : Ms Diana WONG
Senior Council Secretary (1)8

Ms Michelle NIEN
Legislative Assistant (1)9

I Briefing by the Secretary for Commerce and Economic Development on relevant policy initiatives in the Chief Executive's 2010-2011 Policy Address

(LC Paper No. CB(1)20/10-11(01) — Administration's paper on policy initiatives of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau

LC Paper No. CB(1)79/10-11(01) — Speaking note of the Secretary (*tabled at the meeting and subsequently issued on 18 October 2010*) for Commerce and Economic Development (Chinese version only))

Briefing by the Secretary for Commerce and Economic Development

At the invitation of the Chairman, the Secretary for Commerce and Economic Development (SCED) highlighted the major initiatives of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (CEDB) in the Chief Executive's 2010-2011 Policy Address, in particular in respect of the Competition Bill, tourism, regulation of Mainland inbound tour groups, consumer protection, and prohibition of pyramid selling activities. Details of the initiatives were set out in the Administration's paper (LC Paper No. CB(1)20/10-11(01)) issued on 15 October 2010 and the speaking note of SCED tabled at the meeting.

Discussion

Tourism

2. Highlighting that tourism was an important pillar in Hong Kong's economy, Mr WONG Kwok-hing enquired whether the Administration would consider setting up a licensing system for tour escorts and tourist guides so that the Administration, instead of the Travel Industry Council of Hong Kong (TIC), could effectively monitor the receipt arrangements of inbound tour groups to Hong Kong. Mr WONG suggested that under the system, the tour escorts and tourist guides should be given a basic salary in order to eliminate "zero/negative fare" tours. Sharing similar views with Mr WONG, Ms Emily LAU opined that the Administration should regulate the travel agents instead of tour escorts and tourist guides. She urged the Administration to set up a statutory body with power to regulate the tourism industry, and implored the Administration to complete the review of the regulatory framework of the tourism industry as soon as possible.

Mr CHAN Kam-lam further enquired whether the Administration could provide a timetable on the review of the operation of TIC and whether the trade would be consulted during the review.

3. SCED pointed out that in the report submitted by the Task Force of TIC on 11 October 2010, it detailed 10 recommendations on tackling "zero/negative fare" tours and improving the management of tourist guides for the Government's consideration. The Administration supported the recommendations of the Task Force and looked forward to the Task Force determining the implementation details and timetable after further discussions with the trade. SCED undertook that the Administration would review the existing operation and regulatory framework of the entire tourism sector and consult with the trade. The need of devising a licensing system for tourist guides or otherwise would be examined during the review.

4. Mr CHAN Kam-lam remarked that the number of new hotel rooms did not catch up with the increasing number of tourists visiting Hong Kong, and urged the Administration to shorten the approval time for building hotels. SCED replied that the Administration had been making available land for building hotels, and new hotels had been developed to cater for a wide range of visitors. The Administration would continue to monitor the supply of hotel rooms.

5. Ms Miriam LAU expressed concern about unfair trade practices on the tourists and suggested the Administration to tighten its regulation not only on travel agents or tourist guides but also on shops. As regards tourist spots, Ms LAU welcomed new additions but expressed concern about the lack of supporting traveling logistics, especially inadequate parking spaces for tour buses.

6. SCED shared Ms LAU's view that unfair trade practices should be regulated vigilantly, and added that the enactment of legislation to enhance protection for consumers against unfair trade practices should protect the legitimate rights of consumers in Hong Kong. As regards planning new tourist facilities, SCED advised that the Commissioner for Tourism would continue to work together with various departments including the Transport Department to ensure such facilities including parking for tour buses would be carefully planned.

7. Mr Andrew LEUNG enquired about the way forward for the restoration of the former residence of the late Mr Bruce LEE in Kowloon Tong, SCED replied that the Administration had been pursuing this project in earnest. Despite vigorous efforts to engage the owner of the former residence, no consensus on the way forward for the project could yet be

reached. The property owner would like to proceed with the restoration on a much larger scale than the winning design of the Ideas Competition for Bruce LEE's Residence. However, Kowloon Tong had been designated a low density development area with restriction placed on building height. Any large-scale restoration of the former residence would require Town Planning Board's approval which would be a protracted process. The winning design she mentioned should be able to house the facilities such as library and film centre the property owner would like to put in place. She was happy to continue to discuss with the property owner on the basis of the winning design.

8. SCED further informed Panel members that a lot of preparatory work had been done including collecting memorabilia of Bruce LEE and the making of a film on the life of Bruce LEE. In view of the strong public aspirations for paying proper respect to the late Mr LEE, the Tourism Commission would proceed as follows :-

- (a) planning with the Leisure and Cultural Services Department to host a special themed exhibition on the life of Bruce LEE at the Hong Kong Heritage Museum in Shatin;
- (b) setting up a new tourist attraction detailing the footprints of Bruce LEE in various districts in Hong Kong, showcasing where Mr LEE had lived, studied and filmed; and
- (c) in the light that 27 November this year would be Mr LEE's 70th birthday, hosting a range of activities to commemorate his life.

9. Miss Tanya CHAN enquired about the progress of converting Haw Par Mansion (HPM) into a wine cellar. SCED replied that the revitalization of HPM was under the purview of the Development Bureau (DEVB), and CEDB would closely liaise with DEVB on the project. According to her understanding, DEVB had not yet carried out an open tender on the revitalization of HPM.

Consumer protection

10. Mr LEE Wing-tat expressed concern about the extent of protection for consumers who made pre-payment for services such as yoga training. Mr LEE said that when service providers closed down, consumers would almost certainly lose the money paid. SCED replied that the legislative proposals to tackle unfair trade practices would help tackle the practice of accepting pre-payment without the intention or ability to provide the contracted goods or services. In reply to Mr LEE's further query, SCED

responded that the Hong Kong Monetary Authority had issued new guidelines to banks requiring them to ensure that the risks that might arise from the use of credit cards to finance pre-paid goods or services should be clearly disclosed to prospective consumers. Even when the supplier closed down, subject to the terms of the credit agreement, the consumer as a debtor to the credit card issuer might still be responsible for any remaining instalments.

11. Ms Starry LEE queried whether the Administration would add cooling-off arrangements for consumer transactions commonly associated with complaints, such as beauty care, fitness and slimming services, and for transactions reaching a prescribed minimum amount of pre-payment and/or duration of service agreement. SCED assured members that the Administration would study the views received during the consultation period and brief Panel members on the Administration's considered view. SCED added that there might be technical difficulties in designating specific industries to be regulated. She undertook to study the issue thoroughly and would report to the Panel in due course.

Competition Bill

12. Mr Ronny TONG understood that the Administration would submit a list of statutory bodies exempted from the conduct rules to the Bills Committee on Competition Bill. Nevertheless, for some statutory bodies, only part of their conducts should be exempted. As such, Mr TONG enquired the Administration how to handle such cases and requested the Administration to provide the rationale for its exemption proposals.

13. SCED noted the concern of Mr TONG and said the Administration would provide the required information accordingly in due course. SCED added that she would continue to listen to the views of the members of the community while working closely with the Legislative Council members in their scrutiny of the Bill.

Other issues

14. Mr Albert CHAN expressed concern about the Administration's dispute arising from the employment of overseas employees. In one particular case, under the Canadian notices on international convention, the Administration sought leave from the court to dismiss the labour claim raised by an overseas employee. SCED replied that the Administration aimed to maintain a harmonious working relationship between employer and employee and would not suppress its employees. As the case was under legal proceedings, it would not be appropriate to comment on the case.

15. Ms Emily LAU requested the Legislative Council Secretariat to arrange a longer meeting session for policy briefing in the future so that members would have ample time to raise questions. The Clerk advised that the schedule of policy briefing was arranged by the Director of Administration, with one and a half hour allocated to the Panel on Economic Development. As the Panel received briefings from three policy bureaux, the duration allocation for CEDB, the Environment Bureau and the Transport and Housing Bureau (i.e. 40 minutes, 20 minutes and 30 minutes respectively) were based on their respective number of subject matters under the Panel's purview. Noting that members might raise a number of questions with regard to the policy initiatives, the Chairman had advised before the meeting that if necessary, the meeting could be extended. Nevertheless, the Secretariat would discuss the meeting arrangement with the Director of Administration.

II Briefing by the Secretary for the Environment on relevant policy initiatives in the Chief Executive's 2010-2011 Policy Address

(LC Paper No. CB(1)41/10-11(01) — Administration's paper on policy initiatives of the Environment Bureau

LC Paper No. CB(1)79/10-11(02) — Speaking note of the Secretary (*tabled at the meeting and subsequently issued on 18 October 2010*) for the Environment (Chinese version only)

Briefing by the Secretary for the Environment

16. At the invitation of the Chairman, the Secretary for the Environment (SEN) highlighted the major initiatives under the portfolio of the Environment Bureau in the Chief Executive's 2010-2011 Policy Address, in particular in respect of enhancement of energy efficiency, revamping the fuel mix for power generation, "Regional Co-operation Plan on Quality Living Area for the Pearl River Delta Region" and the "Cleaner Production Partnership Programme". Details of the initiatives were set out in the Administration's paper (LC Paper No. CB(1)41/10-11(01)) and SEN's speaking note tabled at the meeting.

Nuclear energy

17. Noting that the Administration would revamp the fuel mix for power generation by 2020 such that about 50% of the fuel mix would be met by imported nuclear power, Mr Andrew LEUNG enquired how the Administration would implement such forward-looking initiative within a

10-year timeframe, and expressed concern on the related safety measures of deploying nuclear energy. Mr LEE Wing-tat understood that nuclear energy was considered state policy and queried whether the Central People's Government (CPG) would allow non-Mainland companies to have majority stake in a Mainland nuclear facility. He remarked that CPG had sole discretion in deciding whether to allow outsiders to participate in the committee of monitoring nuclear safety. As the transparency of Mainland nuclear facilities was low, Mr LEE urged the Administration to resolve all related issues including the handling of nuclear waste first before presenting the idea to the public

18. SEN advised that since the early 1990s, nuclear electricity had been part of Hong Kong's overall fuel mix. In 2009, nuclear electricity imported from the Mainland accounted for 23% of the fuel mix for electricity generation in Hong Kong. In the Consultation Paper entitled "Hong Kong's Climate Change Strategy and Action Agenda" issued in September 2010, the Administration proposed to substantially increase the share of non-fossil low carbon fuels, such as renewable energy and nuclear power. Under the Framework Agreement on Hong Kong/Guangdong Cooperation, Hong Kong and Guangdong would work together to ensure reliability of energy supply through various means, including nuclear energy. SEN further advised that since its commissioning in 1994, the Daya Bay Nuclear Power Station had been providing stable and reliable electricity supply to Hong Kong at a relatively low price. Hong Kong therefore could take advantage of the development of more nuclear power generation projects in the Mainland for improving the fuel mix. As regards the mode of supplying nuclear power to Hong Kong, SEN envisaged that the Daya Bay model might be considered, with power companies in Hong Kong investing and taking part in the management of the nuclear facilities. SEN further added that the Energy Advisory Committee, when advising the Government on energy policy, would also advise on the usage of nuclear energy in the territory.

19. With regard to safety concern, SEN shared the view that safety would be the foremost criteria. He pointed out that in the Mainland, the Ministry of Environmental Protection was in charge of overseeing the environmental monitoring of the nuclear power stations and nuclear waste disposal. Furthermore, the national regulatory requirements for granting construction and operation license, and disposal of nuclear waste were in line with international standard.

20. Ms Emily LAU requested the Administration to provide Panel members information on overseas experiences in operating nuclear plant, in particular details on aspects such as safety requirement and handling of nuclear waste.

21. Recalling that over a million Hong Kong people had expressed strong objection to the deployment of nuclear energy when it was first introduced in 1990s and given nuclear energy only constituted 30% of fuel mix in the Mainland, Ms Cyd HO queried how the proposal of meeting 50% of fuel mix for power generation by imported nuclear energy as advocated in the 2010-2011 Policy Address had been formulated since the period of the aforesaid consultation had not yet ended. Ms HO considered that there were various means to reduce reliance on nuclear energy, for instance, by deploying more natural gas from the proposed 40% to generate electricity, and promoting energy conservation of up to 20%. Ms HO requested SEN to assure members that the proposed fuel mix had not been finalized yet and that public had the right to veto the proposal.

22. SEN responded that the proposed fuel mix in the 2010-2011 Policy Address was a target proposed by the Administration and the policy on climate change strategy was still under consultation. He expressed concerns on the environmental impact of the current fuel mix in the coming ten years. In 2009, coal dominated the fuel mix for electricity generation in Hong Kong (about 54%). Amongst the various fuel components, coal assumed the highest carbon emission factor. The majority of local coal-fired power plants would start to retire in phases in the run-up to 2020. With regard to natural gas, under the Memorandum of Understanding on Energy Cooperation signed between the Government and the National Energy Administration of CPG in August 2008, the Mainland undertook to provide adequate supply of natural gas for Hong Kong, thereby increasing the proportion of natural gas to account for about 40% of Hong Kong's overall fuel mix by 2020. The remaining fuel components would be renewable energy and nuclear energy.

23. Based on the new fuel mix proposed by the Administration, the Chairman queried whether there would be any increase in tariff and how it would affect the capital investment of power companies. He questioned the feasibility of Guangdong Province to provide further nuclear power to Hong Kong given that the Province did not have enough power for its own use, and if so, the details of notification system of nuclear incidents.

24. SEN replied that at present, a notification system had been in place under the purview of the Security Bureau. The Administration would continue to monitor whether there was any need to enhance the current mechanism, and co-operate with the Mainland on energy supply. Meanwhile, the overall tariff implications of the proposed fuel mix could only be better assessed when the key factors (e.g. construction of infrastructure and relevant details) were finalized subject to further studies

and discussion. SEN further advised that the current unit price of nuclear electricity imported from the Mainland was about 50 cents/kilowatt-hour (kWh). The power companies' current unit generation costs of coal-fired electricity were in the range of about 40-60 cents/kWh, and gas-fired electricity in the range of about 70-90 cents/kWh.

Admin

25. Noting that cross-boundary capital investment might have to be made by the power companies, Ms Cyd HO requested the Administration to provide the Panel with information on how such investment, if any, would be treated under the Scheme of Control Agreements (such as whether the investment would be counted towards permitted return).

Energy conservation

26. Apart from increasing the share of nuclear power in the fuel mix, Ms Emily LAU enquired whether the Administration had devised any other measures to promote energy conservation. SEN shared Ms LAU's view that Hong Kong should be more proactive in conserving energy, in particular improving buildings energy efficiency as electricity generation accounted for about 67% of total emissions and 90% of power generated were consumed by buildings. The Legislative Council was in process of scrutinizing the Buildings Energy Efficiency Bill and SEN urged Bills Committee members to support the Bill.

27. SEN further remarked that the Administration planned to implement various measures to improve buildings energy efficiency. For instance, the Administration had been promoting the buildings energy efficiency funding schemes, with \$450 million allocated by the Environment and Conservation Fund to subsidize building owners to carry out energy-cum-carbon audits and energy efficiency projects. The Administration had also been implementing a comprehensive target-based green performance framework for new and existing government buildings to continue promoting environmental protection and energy conservation in government buildings.

28. Mr LEE Wing-tat expressed concern that mandatory compliance of building energy codes would only be imposed for new buildings and old buildings would be exempted unless they were undergoing major retrofitting works. He urged the Administration to require all buildings to conduct energy audits. SEN remarked that as proposed under the Buildings Energy Efficiency Bill, any retrofitting works in existing buildings that fell into the definition of major retrofitting works would be covered under the new legislation. In addition, owners of both new and existing commercial buildings were required to conduct energy audits for the common area of their buildings once every ten years. SEN welcomed members' suggestion

and invited them to submit their view to the Bills Committee on the Buildings Energy Efficiency Bill.

29. Ms Starry LEE suggested the Administration to take the lead in promoting energy conservation such as hosting related events in public venues to promote public awareness and encouraging building owners and bus companies to minimize the use of air-conditioning during the winter months. SEN responded that the Administration had been working with various trades and major organizations to promote energy conservation and dress-down culture. Furthermore, the Administration issued an internal circular in 2009 on energy conservation and set aside funding to enhance energy efficiency of government buildings.

30. Ms Starry LEE queried whether Kai Tak Development would be the only district in Hong Kong which adopted the district cooling system (DCS) and whether all buildings in Kai Tak Development would be required to adopt DCS. In response, SEN advised that at present, only Kai Tak Development would adopt DCS, and the Administration would seek to mandate subscription to the service through land lease conditions. The Administration would consider adopting DCS in other development areas, such as the West Kowloon Cultural District.

31. In view that the Mainland required Hong Kong-owner factories in the Pearl River Delta (PRD) Region to adopt cleaner production technologies and practices, Mr WONG Ting-kwong enquired whether the Administration would provide technical and funding support to the factory owners concerned. SEN advised that the Cleaner Production Partnership Programme was launched in April 2008 with Government funding support of \$93.06 million. The Programme aimed to encourage and facilitate Hong Kong-owned factories in the PRD Region to adopt cleaner production technologies and practices. Up to end September 2010, over 860 funding applications were approved. Factories participated in demonstration projects under the programme were required to share their experiences with the trade.

III Briefing by the Secretary for Transport and Housing on relevant policy initiatives in the Chief Executive's 2010-2011 Policy Address

(LC Paper No. CB(1)20/10-11(02) — Administration's paper on policy initiatives of the Transport Branch of the Transport and Housing Bureau

LC Paper No. CB(1)79/10-11(03) — Speaking note of the Secretary for Transport and Housing (Chinese version only)
(tabled at the meeting and subsequently issued on 18 October 2009)

Briefing by the Secretary for Transport and Housing

32. At the invitation of the Chairman, the Secretary for Transport and Housing (STH) briefed members on the on-going policy initiatives relating to the air and maritime transport portfolio in the 2010-2011 Policy Agenda of the Transport and Housing Bureau (THB). Details were set out in the Administration's paper (CB(1)20/10-11(02)) and STH's speaking note tabled at the meeting.

Discussion

Development of the Airport Island and surrounding area

33. Ms Emily LAU enquired about economic development, such as the development of a shopping outlet, near the Airport Island. She considered that policy responsibilities relating to economic development should not be tasked separately to CEDB and THB as this might affect the overall development of Hong Kong. While expressing similar views about the unclear policy delineation in the introduction of the outlet, Mrs Regina IP also considered that civil aviation and shipping services were export trade services which should not be assigned under the purview of THB which in her view mainly focused on local transportation. She requested the Government to look into the present arrangement and make necessary improvement.

34. STH remarked that during re-organization of the Government Secretariat in 2007, consideration had been given to grouping air, land and maritime transport services under one policy bureau, having regard to the growing trend of multi-modal transportation mode. In fact, many governments were also restructuring in that direction. She further added that as mentioned in the Chief Executive's 2010-2011 Policy Address, the Administration would continue to consolidate Hong Kong's position as an international maritime centre through strengthening the training of human resources and promoting maritime services both locally and to overseas markets such as Vietnam, Malaysia and South Korea.

35. STH advised that the Hong Kong International Airport (HKIA) Master Plan 2030 Study (2030 Study), which was being conducted by the Airport Authority Hong Kong (AA), sought to make long term planning such

as land use at the Airport Island, with a view to maintaining the status and competitive edge of Hong Kong as an international and regional aviation centre. Referring to the development of the third air cargo terminal, STH said that consideration would also be given to developing logistics and aviation facilities in the vicinity of the airport to provide support. STH said that whilst there might be merit in the idea of building a shopping outlet in the area, it did not have to be on the Airport Island, particularly having regard to the need to safeguard the position of Hong Kong as an aviation hub. There might be other more suitable areas to develop the shopping outlet. The Administration would continue to co-ordinate with the Islands District Council in pursuing proposals relating to the idea of the "bridgehead economy" and would brief Panel members in due course.

36. Miss Tanya CHAN urged the Administration to properly conduct the consultation on economic development associated with the commissioning of Hong Kong-Zhuhai-Macao Bridge (HZMB) with all relevant stakeholders, and AA was just one of them. In response, STH said that AA took the initiative to study the feasibility of developing an Airport City as AA was an important stakeholder in the area. STH assured members that THB would work with the Planning Department and other relevant government departments on this matter.

37. Noting that the 2030 Study would examine the feasibility of building a third runway, Miss Tanya CHAN enquired the timing of building the third runway. The Chairman also commented that it was utmost important for Hong Kong to build a third runway to help enhance the airport's competitiveness in light that airports in Guangzhou and Shenzhen had been in discussion of building a third runway. The Chairman urged the Administration to speed up the review and implementation of the third runway since the traffic of air cargo and passenger at HKIA had been increasing. In view of the proposal of Hong Kong-Shenzhen Western Express Line (WEL), the Chairman expressed that the third runway would be critical if, in the future, tourists would arrive in Hong Kong first before travelling to the Mainland or overseas.

38. STH responded that AA was implementing a midfield expansion project to provide additional aircraft stands and apron facilities and a new passenger concourse. The project could maximize the use of the two existing runways and increase the handling capacity of the airport to 70 million passengers and 6 million tonnes of cargo, which was expected to cope with air traffic demand up to 2020. In light of the above, STH said that upon the completion of the 2030 Study, there would be a public consultation process which was expected to take place in the first half of 2011. The consultation would be very thorough as it involved various aspects such as

economic development, environmental protection and conservation, biodiversity, and concerns of the residents in the area. Given that vast amount of money would be invested in the development, STH undertook to give a full account of all the views received in the consultation process.

39. While agreeing to the building of the third runway to enhance the airport's competitiveness, Ms Cyd HO expressed concern on the reclamation of land for the construction of the third runway as this would give rise to environmental issues which needed to be addressed. She urged the Administration to consult the public and to provide detailed information on the mitigation measures to be adopted for protecting the environment and biodiversity.

Hong Kong-Shenzhen Western Express Line

40. Recalling that during Members' deliberation of the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), Ms Cyd HO noted that scholars and individuals had suggested building an extension off XRL to the airport. However, she expressed concern about the development of WEL, which was described in the Policy Agenda as a multi-purpose cross-boundary railway which complemented the planning and development of Qianhai, Shenzhen and northwestern part of the new Territories. Ms HO enquired the cost for constructing WEL and whether the Administration had performed any environment assessment and consulted the residents whom would be affected by WEL. Ms HO urged the Administration to consider extending a new branch from XRL so that not only the local railway network could draw strength from XRL, but the adverse effect on the residents and environment would be kept minimal.

41. STH replied that the preliminary feasibility study on WEL had been completed. WEL and XRL served two different purposes. WEL would be linking HKIA and Shenzhen Airport to exploit the synergy from the complementary strengths of the two airports. The development of WEL would complement the development of Qianhai, the planning of which might be related to the National 12th Five-Year Plan. STH added that the planning of Qianhai would be first developed before the planning of WEL would be further pursued. STH said that the Administration was studying the feasibility of having an extension to Hung Shui Kiu, a new development area in the Northwest New Territories. Like XRL which had undergone detailed consultation for about 10 years, STH assured members that the Administration would provide detailed information to Members and consult the public thoroughly in due course.

Port and logistics

42. In response to Mrs Regina IP's grave concern about the slow development of Container Terminal 10 (CT10), STH said that given the long lead time for new container terminal development, the Administration was studying the feasibility of Southwest Tsing Yi for the project development. Although there was competition between Hong Kong Port (HKP) and ports in the Pearl River Delta region, the Study on Hong Kong Port Cargo Forecasts 2005-2006 completed in 2008 estimated that the average annual growth of port traffic in 2006-2020 would be 2.4%. In view of the adverse impact of the global financial tsunami on container throughput in 2009, the Administration planned to update the above-mentioned study when throughput level reverted to a more stable trend. For the medium term, the Administration was taking forward a project to deepen the Kwai Tsing container basin and its approach channels to 17 metres to strengthen Hong Kong's position as a regional hub port. Upon the completion of the project by 2014, Hong Kong would be able to meet the draught requirements of the new generation of ultra-large container vessels at all tides.

43. Mr CHAN kam-lam enquired whether the Victoria Harbour basin at the entrance of Lei Yue Mun would be dredged as well. The Director of Marine (DM) supplemented that due to the limitation imposed by the cross-harbour tunnels, the effective depth of the Victoria Harbour was 11 metres. Ships or cruise vessels that sailed the harbour tended to be smaller, and needed a draught requirement of about 9 metres. Nevertheless, for the development of the new cruise terminal at Kai Tak, dredging would be needed. With regard to the requirement of dredging at Kwai Tsing, the present trend indicated that dredging to 17 metres was needed. The Administration undertook to conduct regular reviews of the trend of the size of container ships.

44. Mr CHAN Kam-lam remarked that upon the completion of HZMB, the demand for container capacity would no doubt increase. Noting that the Administration would assess the potential sites for the development of CT10, Mr CHAN enquired whether the Administration would also assess the overall development of ports of Hong Kong and its vicinity, such as Shekou and Yantian.

45. STH shared Mr CHAN's view that the assessment of the development of HKP should include those in the surrounding area, and added that the Hong Kong Port Development Council had been advising the Government on the port development strategy and port facilities planning to meet future demands. Furthermore, the Hong Kong Maritime Industry Council would be reviewing how Hong Kong could remain a key maritime centre in view of prevailing challenges. Separately, to promote development of the logistics

industry in the higher-end market segment, STH said that the Administration had identified possible sites for long-term logistics use in the Kwai Tsing area and aimed to appeal to professional third party logistics service providers. The first of such sites in Tsing Yi had been put up for public tender in September 2010.

46. Referring to the successful relocation of the cargo port in Amsterdam to a different part of the city, Mr Albert CHAN queried whether the Administration would consider relocating the entire cargo port to a different part of Hong Kong. He urged the Administration to study the matter and review the usage of land for a better economic development in the whole territory. Noting that Gin Drinkers Bay would be developed for park purpose, Mr CHAN suggested that the area should be earmarked for logistics usage.

47. STH responded that the relocation of cargo port would involve extensive town planning over a much longer term. At present, Hong Kong had a vigorous cargo port with positive annual growth rate supporting various economic activities in Hong Kong. In-depth review would be warranted to study the feasibility of relocation. With regard to the land usage of Gin Drinkers Bay, STH agreed with Mr CHAN's suggestion to explore the area for logistics use and the Administration would further review the matter.

48. Mr Albert CHAN requested the Administration to explore the development of seaplane service between Hong Kong and other cities in the region having regard to the demand for the facilities and in light of overseas experiences. The Chairman considered that the Administration should first secure the right of landing and flying of seaplane across the boundary before taking any further action. STH did not oppose the development of seaplane service, but the Administration considered that issues such as the safety issue of seaplane landing and taking-off would need to be first resolved given that Victoria Harbour was a busy harbour.

49. Mr Albert CHAN pointed out that the Peng Chau Typhoon Shelter did not provide adequate shelter for vessels in the event of a typhoon or inclement weather conditions. Referring to the previous discussion with DM who responded that there were adequate typhoon shelters in the territory as a whole, Mr CHAN commented that fishermen from Peng Chau would need to sail a long distance to seek sheltering. STH replied that she would further discuss with DM on the matter.

IV Any other business

50. There being no other business, the meeting ended at 12:40 pm.

Council Business Division 1
Legislative Council Secretariat
19 November 2010