立法會 Legislative Council

LC Paper No. CB(1)1875/11-12(06)

Ref: CB1/PL/DEV

Panel on Development

Meeting on 22 May 2012

Updated background brief on Lok Ma Chau Loop

Purpose

This paper provides background information on the development of the Lok Ma Chau Loop ("the Loop") and a summary of views and concerns expressed by members of the Panel on Development ("DEV Panel") and the Public Works Subcommittee ("PWSC") on the subject from the 2008-2009 to 2010-2011 sessions.

Background

The Loop

2. The Loop with a land area of about 87 hectares is located inside the Frontier Closed Area ("FCA") with restricted access. It is not covered by any statutory plan and has no basic infrastructure. Upon completion of Stage I of the Shenzhen River Regulation Project including the Loop section in May 1997, the administrative boundary between Hong Kong and Shenzhen in the area has followed the centre line of the new river channel. The Loop, which lies to the south of the centre line of the new river channel, has been delineated as part of the Hong Kong Special Administrative Region administrative area. It has been used as a dumping ground for contaminated and uncontaminated mud dredged from the Shenzhen River. Reinstatement and landscaping of the Loop area were completed by the Drainage Services Department in 2000.

Study on the possible development of the Loop in the "Hong Kong 2030: Planning Vision and Strategy"

- 3. The development of the Loop was examined in the Hong Kong 2030: Planning Vision and Strategy ("HK2030 Study")¹. In the Stage 3 Public Consultation Booklet published in November 2003, there was a suggestion that given its proximity to the Lok Ma Chau control point, the Spur Line and Shenzhen's central business district, the Loop had the potential of being developed into a "trade expo" or a special economic node. Other economic development potentials for the Loop included high value-added, high technology production and logistics activities. The relevant extract on the planning vision and strategy for the Loop from the Stage 3 Public Consultation Booklet is given in **Appendix I**.
- 4. According to the Stage 3 Public Consultation Report of the HK2030 Study issued on 9 December 2004, the future of FCA including possible development of the Loop, development density and development patterns were most widely commented during the consultation period. There were different views regarding the development of the Loop. Those who raised objection to the "trade expo" proposal were mostly concerned with its cost-effectiveness and the potential impacts on the environment. Those in support of the development included some representatives of the Chambers of Commerce, and there were various suggestions on the future uses of the Loop area. Extracts from the overview of key comments of the Stage 3 Public Consultation Report is given in **Appendix II**.

Partnership with Shenzhen on the development of the Loop

5. In the 2007-08 Policy Address, the Chief Executive announced the partnership with Shenzhen to jointly establish a high level co-ordinating mechanism to explore the feasibility of developing the Loop to the mutual benefits of both sides, and steer further research and planning work on other cross-boundary issues. The Hong Kong-Shenzhen Joint Task Force on Boundary District Development ("Joint Task Force") was set up in 2007 to co-ordinate, liaise and steer work on the studies in relation to the planning and development of land in the boundary district.

October 2007.

¹ The HK2030 Study is a comprehensive review of Hong Kong's territorial development, aiming to formulate a broad planning framework to guide the future development of Hong Kong up to year 2030. The Administration had consulted three rounds of public consultation for the Study in early 2001, early 2002 and end 2003/early 2004 respectively. The Final Report of the Study was published in

- 6. A public engagement exercise was undertaken in Hong Kong and Shenzhen in June and July 2008 respectively to collect public views on the possible future land uses for the Loop. The possible land uses that were supported by respondents in both Hong Kong and Shenzhen were tertiary education, high technology research and development ("R&D") and creative industries.
- 7. The Joint Task Force considered that higher education could be the leading land use in the Loop, complemented by R&D infrastructure for new high technology facilities, and cultural and creative industries. The Loop should be developed along the principle of sustainable development with a view to building up an area for fostering cross-boundary talent and exchange of knowledge and technology. The relevant consultant would formulate the draft development plan for the Loop based on the above principle.

Planning and Engineering Study on the Development of the Loop

- 8. At the DEV Panel meeting on 24 February 2009, Administration briefed members on the proposal to upgrade the Planning and Engineering Study on Development of Lok Ma Chau Loop ("the Study") to Category A. The objective of the Study is to formulate a comprehensive plan for the development of the Loop, confirm the feasibility of developing the Loop for the identified land use, and recommend the necessary transport and engineering infrastructure. Study was jointly commissioned by Hong Kong and Shenzhen, and covered the Loop (i.e. Area A) with the cost to be shared equally between Hong Kong and Shenzhen, and the adjoining area outside the Loop in Hong Kong (i.e. Area B) with the cost to be paid by Hong Kong alone. separate planning study was also commissioned by the Shenzhen authorities for the adjoining area in Shenzhen (i.e. Area C). The PWSC endorsed the proposal on 8 April 2009, which was approved by the Finance Committee on 24 April 2009. A map showing Areas A and B covered under the Study, and Area C is set out in Appendix III.
- 9. The Study which included two stages of public engagement ("PE") was commenced in June 2009. The Stage One PE exercise was launched in November 2010 and ended in January 2011 with the intention to seek public views in both Hong Kong and Shenzhen on the Preliminary Outline Development Plan for the Loop, and the development proposals in the adjacent areas of the Loop. The Administration briefed the DEV Panel on

the details of Stage One PE exercise at the meeting on 16 December 2010. The Study is expected to complete in 2013.

Views and concerns expressed by members

10. Members have discussed matters relating to the development of the Loop at DEV Panel meetings on 24 February 2009 and 16 December 2010, and PWSC meeting on 8 April 2009. Major views and concerns expressed by members are summarized in the ensuing paragraphs.

Higher education in the Loop

- 11. Members queried the proposal to develop higher education in the Loop and expressed reservation about selecting higher education as the leading land use in the Loop. As local universities and research institutions might not be able to compete with their international counterparts for development opportunities in the Loop, some members enquired whether the Administration had conducted consultation with the local education sector on the proposal and about the nature of the universities and research institutions to be established in the Loop. They also expressed concern about the criteria that the Administration would use in choosing partner institutions.
- The Administration advised that a working group comprising 12. representatives from the Shenzhen authorities and the Education Bureau would be formed to map out the details of the higher education activities to be provided in the Loop on the basis of the principle of "collaborative development for mutual benefits". The screening of academic institutions for running higher education in the Loop would be carried out in a fair, Two local higher education institutions had impartial and open manner. already submitted detailed proposals in 2008 and the Administration would discuss further with other higher education institutions. Collaboration between local and non-local higher education institutions might also be adopted in developing the Loop. The exact development approach to be adopted would be subject to further study and the Administration would gauge and relay the views of local higher education institutions for consideration of the Joint Task Force.

Scope of the Study

13. On some members' suggestion to expand the scope of the Study to cover vicinity areas, the Administration explained that separate studies

were being conducted for the FCA and the North East New Territories New Development Areas; and due to the close proximity of the areas concerned, there would be co-ordination among the various studies. The Administration also pointed out that the existing infrastructure and transport facilities in the Loop were insufficient in meeting future development needs. It was therefore necessary for the Study to review and recommend the provision of necessary infrastructure in the adjoining areas to support the development of the Loop by enhancing its external linkage.

14. As regards connectivity between the Loop and the North East New Territories New Development Areas, the Administration advised that there would be good connectivity between the areas. On the impact of the proposed development of the Loop, Kwu Tung North New Development Area and Fanling North New Development Area on the traffic flow of San Tin Highway and Fanling Highway, the Administration responded that the Study would cover a detailed Traffic Impact Assessment to project traffic growth and recommend provision of necessary transport infrastructure to cope with the growing traffic demand. The alignment of the proposed Fanling Bypass, and the widening of the San Tin Highway and Fanling Highway would be examined in the context of the development of the New Development Areas. In the meantime, the Administration would explore the feasibility of providing another access road to link up the Loop with the Kwu Tung North New Development Area, which would in turn be linked to the Fanling North New Development Area.

Treatment of the contaminated mud

15. Since the Loop had been used as a dumping ground for mud extracted from the river training works, some members expressed concern about the future treatment of the contaminated mud in the Loop. The Administration advised that detailed site investigation and assessment work would be conducted as required under the Environmental Impact Assessment ("EIA") Ordinance (Cap. 499) and in accordance with the guidelines of the Environmental Protection Department. The EIA Study would cover the issue of contaminated mud in the Loop, including ascertaining the quantity of contaminated mud involved and recommend methods of treatment.

Nature conservation and a green living community

16. In promoting "low emission" in the Loop, some members suggested that the Administration should consider constructing cycle tracks

throughout the Loop to encourage clean transport, and banning the use of vehicles other than those driven by electricity or liquefied petroleum gas. To promote a green living environment, the Administration should encourage the planting of greeneries on rooftops and outer walls of buildings. With a view to maintaining the natural environment of the Loop and adjoining areas, the Administration should exercise due care in pursuing development to ensure nature conservation for the areas.

- 17. The Administration advised that one of the guiding principles in developing the Loop was "to adopt a low carbon economy". It would consider introducing environmentally friendly transport facilities, providing easily-accessible pedestrian networks to minimize the traffic volume, and promoting green buildings in the Loop. The Administration also planned to reserve one-seventh of the Loop (i.e. 12.7 hectares) for use as an ecological zone.
- 18. Given that most of the land in the adjoining areas of the Loop was under private ownership, some members were concerned whether the Administration would be able to protect the natural environment of these areas and suggested setting up a fund for resumption of private land for the purpose of nature conservation. The Administration explained that land owners were required to comply with the lease conditions in respect of the use of their land. On the basis of the Recommended Development Plan, the neighbouring areas of the Loop were subject to statutory planning control. Where justified, land administration measures as in the case of economic incentives for heritage conservation involving private land ownership could be adopted.
- 19. In response to some members' suggestion of turning the Shenzhen River around the Loop into a tourist attraction, the Administration advised that the pollution problem of the River and its odour had rendered it unsuitable for tourism and recreational uses. In addition, the old course of the Shenzhen River, together with the planned ecological zone of the Loop, would be for conservation where human activities should be minimized.

Boundary crossing point at the Loop

20. As regards the suggestion to provide a boundary control point at the Loop, the Administration explained that the existing Lok Ma Chau Control Point, which situated to the west of the Loop, would have sufficient capacity to serve the increased cross boundary traffic arising from the development of the Loop. The Administration would continue to examine provision of improved linkage facilities to the Loop but there was no

development plan for providing an additional boundary crossing point at this stage.

Residential developments in the Loop

21. In view of growing demand for land for housing development in the territory, some members suggested setting aside land in the Loop for residential developments. The Administration advised that apart from dormitory facilities of academic institutes for students, staff and visiting scholars, there would be no provision for residential development in the Loop.

Planning and development of the Loop

22. Noting the key role played by the Loop in facilitating the economic re-structuring of Hong Kong, there were views that the Administration should exercise due care in planning the Loop and accord flexibility to the Preliminary Outline Development Plan to cater for changes in economic development in Hong Kong. The Administration assured that greatest flexibility had been incorporated into the Preliminary Outline Development Plan for the Loop and zoning adjustment of the Loop could be made in line with changing circumstances in future.

Recent developments

- 23. According to a press release issued by the Administration on 7 May 2012 regarding the 8th meeting of the Joint Task Force held on the same day, Hong Kong and Shenzhen authorities have reached a consensus on the land use planning, spatial arrangement, infrastructure and supporting facilities of the Loop. A recommended development plan has been formulated and the Stage Two PE of the Study will commence soon. It is expected that some facilities in the Loop will come into operation in 2020. With regard to the co-development of the Loop, both sides will continue to conduct in-depth discussions on the future mode of development with a view to reaching a consensus to facilitate the development of the Loop.
- 24. The Administration will brief the DEV Panel on the Recommended Outline Development Plan for the Loop as part of the Stage Two PE of the Study at the meeting on 22 May 2012.

Relevant papers

25. A list of the relevant papers with hyperlinks is in **Appendix IV**.

Council Business Division 1
Legislative Council Secretariat
18 May 2012

Extract from the Study on Hong Kong 2030: Planning Vision and Strategy – Stage 3 Public Consultation Booklet

* * * * * * *

Use of the Frontier Closed Area

With rapid development in Shenzhen adjacent to the boundary, there are public concerns regarding the contrasting development forms between Hong Kong's Frontier Closed Area ("FCA") and Shenzhen and the need to provide better integration.

Despite its size of about 2,800 hectares, there are a number of constraints which considerably limit the development potential of the FCA, including hilly terrain, and the presence of sites of ecological and conservation value, traditional villages and burial grounds. Improvements to accessibility as well as provision of adequate sewerage and sewage treatment facilities will be required before development in some parts of the FCA can take place. Within the FCA, we have identified three locations, i.e. the Lok Ma Chau Loop, Heung Yuen Wai and Kong Nga Po, as having potential for special uses that warrant a boundary location. Other more passive uses, such as eco-tourism and cultural tourism, could also be considered for other parts of the FCA, such as Sha Tau Kok.

Given its proximity to the Lok Ma Chau control point, the Spur Line and Shenzhen's central business district, the Lok Ma Chau Loop ("the Loop") has the potential of being developed to a "trade expo" or a special economic node. Subject to the proper provision of cross-boundary facilities and mutual arrangements between Hong Kong and Mainland authorities, the Loop could allow free entry of Hong Kong residents, overseas visitors and Mainlanders. It could reinforce Hong Kong's continued role as "Mainland's springboard to the world" and provide a venue for Mainland provinces/cities (especially those inner provinces/cities in the Western Region) to set up exhibition facilities and offices to attract foreign investments and promote their own products. At the same time, international firms could establish their bases at the "trade expo" for doing business with the Mainland, such as sourcing activities. The "trade expo" could also serve as a one-stop business centre for legal, accounting and other professional services. As the Loop is located within the boundary of

the HKSAR, developing a business centre there could be particularly attractive because the execution of business agreements there could follow and be protected under Hong Kong's legal system.

The Loop may also have the potential to be developed for other economic activities, such as high value-added, high-tech production and logistics activities.

As for Heung Yuen Wai and Kong Nga Po, while there is no immediate development needs, consideration could be given to the development of cargo transit/logistics facilities or entertainment uses in the long term to make use of their strategic locations. Further studies and discussion with relevant stakeholders will be required to ascertain the feasibility of opening up the three FCA locations for development.

* * * * * * *

Extract from HK 2030 : Stage 3 Public Consultation Report – Section II – Overview of Key Comments

* * * * * *

Frontier Closed Area and Lok Ma Chau Loop

- 26. Most query the need for the FCA and considered that it should be opened up for development. In view of environmental and ecological considerations, majority of the commentators cast doubts on the cost effectiveness of developing the FCA and are of the view that the land in the FCA should more or less be maintained in the present state or developed for recreational/eco-tourism use for enjoyment of the public at large. However, villagers in the N.T., particularly those in the FCA, requested that development inside the FCA should be permitted. Priority should be given to the land under their ownership and not the 'Loop' as proposed in the HK2030 Consultation Booklet.
- 27. With respect to the proposed development of the LMC Loop for a 'trade expo', views are rather diverse. Many raise objection to the proposal in view of the environmental considerations, cost-effectiveness, lack of infrastructure and priority of development.
- 28. There are reservations to the suggestion of developing the LMC Loop as a 'trade expo'. Various Chambers of Commerce have put forward other suggestions on the future use of the area including an industrial zone (subject to there being free import of Mainland labour and land being offered free or at a very low rate), research and development base (subject to importation of Mainland experts and labour being allowed), retail outlets and entertainment centres and institutions for education and science research. Separately, the Legislative Council has passed a motion requesting the early development of the LMC Loop for a border industrial zone with supportive measures and incentives.
- 29. On the other hand, most of the participants at the Focus Meeting, mainly the N.T. villagers who own land inside the FCA but outside the LMC Loop, representatives of the professional institutes, green groups and academics, raise objection to the development of the LMC Loop in view of the environmental considerations, cost-effectiveness, lack of infrastructure and priority of development.

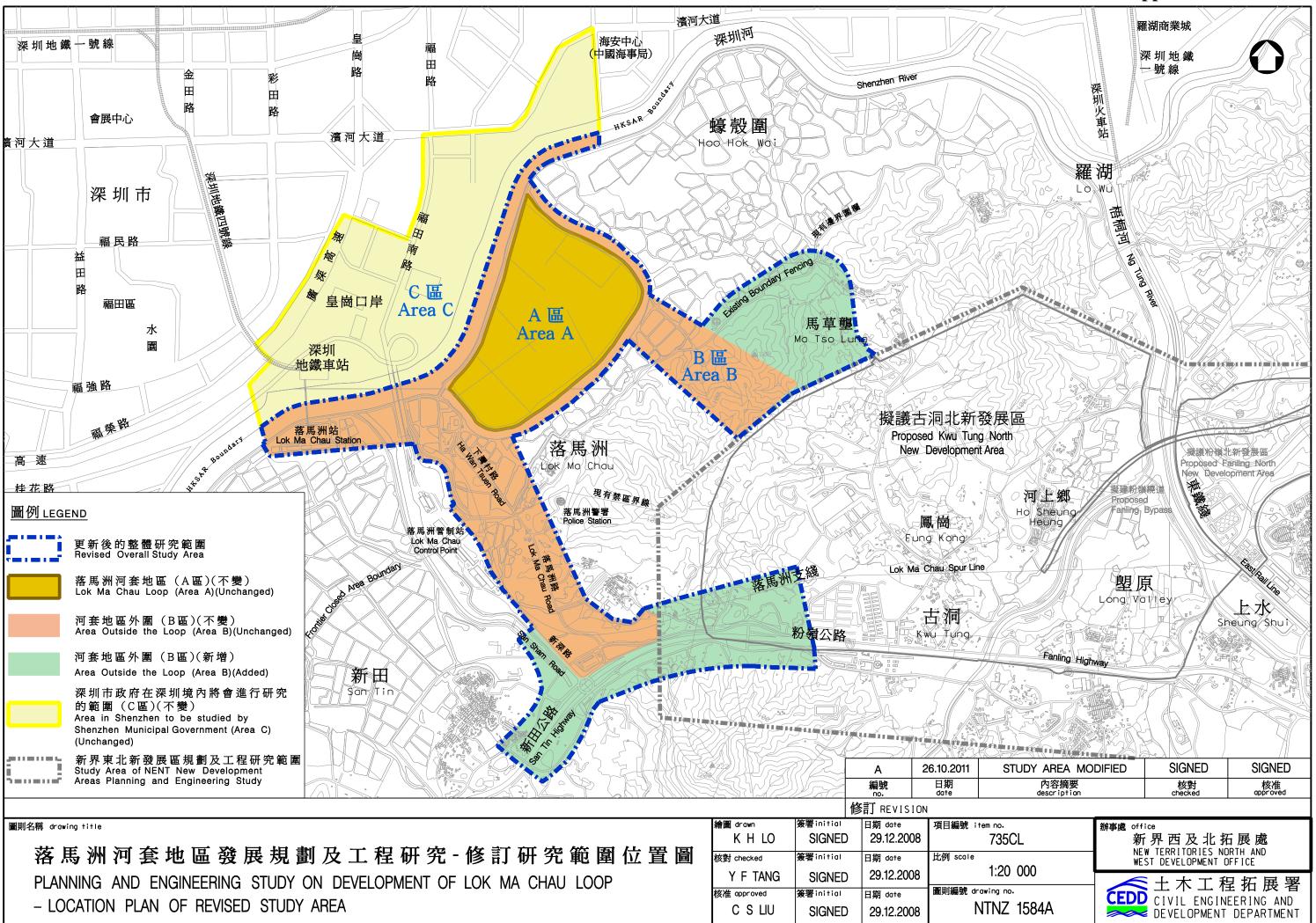
There are few comments on the need for additional cross-boundary transport infrastructure, i.e. over the long-term in terms of whether we should enhance the existing cross-boundary facility at Sha Tau Kok or develop an 'Eastern Corridor' for better access to eastern Guangdong.

The Government's Response

- 30. The Government is reviewing the coverage of the FCA and will consult the public on the findings as soon as the review and the related work are completed.
- 31. Based on the previous comments received in the Stage 2 Public Consultation, i.e. FCA should be used for strategic uses requiring a frontier location, a preliminary planning study on the development potential of FCA was undertaken as part of HK2030 Study. It is found that there are a number of constraints which considerably limit the development potential of the FCA, e.g. hilly terrain, general lack of infrastructure, sites of ecological and conservation values, traditional villages and burial ground. Therefore, only three areas have been identified as having long-term development potential including LMC Loop, Heung Yuen Wai and Kong Nga Po. Nevertheless, we will bear in mind the comments that have been raised in further considering the development and future uses of the FCA. Views will also be taken into account in the future assessment of the FCA.
- 32. With respect to the LMC Loop, it is close to the Shenzhen Futian commercial area, which will be the administrative, cultural and commercial within the Central Urban Cluster under the Comprehensive Plan (1996 - 2010). Besides, the LMC Loop is near the existing Huanggang crossing and the proposed LMC Station of the LMC Spur Line. According to the study on FCA, LMC Loop has the potential of being considered for use as a 'trade expo' as an initial concept in view of its strategic location. At the meeting with the Shenzhen officials led by Mayor Li Hongzhong on 17 June 2004, the Chief Secretary for Administration and Mayor Li exchanged preliminary views on the development of the LMC Loop. As the development of the LMC Loop will involve a number of issues, including land-use rights, treatment of contaminated mud, environmental concerns, provision of supporting infrastructure and transport network as well as development costs, both sides agreed that further discussion and study need to be conducted. We will reconsider the future use(s) of the LMC Loop in the light of the comments received and the results of the joint study with the Mainland authorities.

* * * * * * *

附錄III Appendix III



Lok Ma Chau Loop

List of relevant papers

Council/Committee	Date of meeting	Paper
Panel on Development	27 May 2008	Administration's paper on "The Work of Hong Kong-Shenzhen Joint Task Force on Boundary District Development" (LC Paper No. CB(1)1273/07-08(06)) http://www.legco.gov.hk/yr07-08/english/panels/plw/papers/dev0422cb1-1273-6-e.pdf Minutes of meeting (LC Paper No. CB(1)2309/07-08) http://www.legco.gov.hk/yr07-08/english/panels/plw/minutes/de080527.pdf
Panel on Development	24 February 2009	Administration's paper on "The Planning and Engineering Study on Development of Lok Ma Chau Loop: Consultants' Fees and Site Investigation" (LC Paper No. CB(1)816/08-09(05) http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0224cb1-816-5-e.pdf Paper on Lok Ma Chau Loop prepared by the Legislative Council Secretariat (Background brief) (LC Paper No. CB(1)816/08-09(06)) http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0224cb1-816-6-e.pdf Minutes of meeting (LC Paper No. CB(1)1633/08-09) http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090224.pdf

- 2 -			
Council/Committee	Date of meeting	Paper	
Public Works Subcommittee	8 April 2009	Administration's paper on "The Planning and Engineering Study on Development of Lok Ma Chau Loop: Consultants' Fees and Site Investigation" (PWSC(2009-10)2) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/papers/p09-02e.pdf Minutes of meeting (LC Paper No. PWSC75/08-09) http://www.legco.gov.hk/yr08-09/english/fc/pwsc/minutes/pwsc20090408.pdf	
Finance Committee	24 April 2009	Minutes of meeting (LC Paper No. FC146/08-09) http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090424.pdf	
	23 November 2009	Administration's press release on "Hong Kong-Shenzhen Joint Task Force on Boundary District Development holds fourth meeting" http://www.devb.gov.hk/en/secretary/press/press20091123.htm	
	22 November 2010	Press Releases on Hong Kong-Shenzhen Joint Task Force on Boundary District Development holds fifth meeting http://www.devb.gov.hk/en/publications_and_press_releases/press/index_id_6281.html	
Panel on Development	16 December 2010	Administration's paper on Planning and Engineering Study on Development of Lok Ma Chau Loop – Investigation – Stage One Public Engagement (LC Paper No. CB(1)540/10-11(01)) http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/devcb1-540-1-e.pdf Administration's supplementary note on Planning and Engineering Study on Development of Lok Ma Chau Loop – Investigation – Stage One Public Engagement (LC Paper No. CB(1)735/10-11(04)) http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1216cb1-735-4-e.pdf	
		Paper on Lok Ma Chau Loop prepared by the Legislative Council Secretariat	

Council/Committee	Date of meeting	Paper
		(Updated background brief) (LC Paper No. CB(1)735/10-11(05)) http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1216cb1-735-5-e.pdf
		Minutes of meeting (LC Paper No. CB(1)1310/10-11) http://www.legco.gov.hk/yr10-11/english/panels/dev/minutes/dev20101216.pdf
Civil Engineering and Development Department	October 2011	Development of Lok Ma Chau Loop – Revised Project Profile http://www.epd.gov.hk/eia/register/profile/latest/esb238/esb238.pdf
Information Services Department	7 May 2012	Press Release http://www.info.gov.hk/gia/general/201205/07/P201205070455.htm