

**For discussion
on 22 April 2013**

Legislative Council Panel on Economic Development

Development of a New Cruise Terminal at Kai Tak

Purpose

This paper updates the Panel on the latest progress of the Kai Tak Cruise Terminal project and the commissioning arrangements, as well as the initiatives to promote cruise tourism.

Construction Works

2. Construction works of the Kai Tak Cruise Terminal are reaching the final stage. For the site formation works of the berths, the first berth is already completed and ready for the berthing of cruise ships. Apron construction for the second berth is in progress. Assembling of the passenger gangways has been completed and the installation will be carried out in early May. For the terminal building, erection of the façade has been substantially completed, and the contractor aims to finish installing the decorative panels of the feature roofs on both ends of the building by June, subject to weather condition. Internal finishing and installation of systems and equipment for terminal operation are underway. An aerial photo showing the latest position at the site is at the Annex.

Commissioning Arrangements of the Terminal

3. It remains our target to handover the terminal building and the first berth to the terminal operator, Worldwide Cruise Terminals Consortium (WCT), on 1 June 2013 as planned. While there may still be some minor outstanding works by the time of handover, the terminal building will be ready to receive the first cruise liner, Mariner of the Seas,

on 12 June 2013, and the terminal will be fully operational at a later stage. Details are set out in the ensuing paragraphs.

Traffic and Transport Arrangements

4. The access road connecting the terminal with Cheung Yip Street at Kowloon Bay will be open in May 2013. During the initial stage of operation, a green minibus route will run between the terminal and Kowloon Bay MTR Station (Telford Gardens). The Transport Department will announce the details of the service separately upon completion of the tender assessment exercise. Taxi service will also be available. Cruise passengers will normally take coaches arranged by the shipping agent or shore excursion operator to travel between the terminal and attractions in different parts of Hong Kong, instead of relying on public transport services. We have already briefed the non-franchised bus and taxi trades on the traffic arrangements and will organise familiarisation visits for these two trades before the commissioning of the terminal.

5. Additional public transport services will be arranged to cater for demand in case of major events to be organised at the terminal. We will closely monitor the traffic conditions in the vicinity of the terminal and will take appropriate traffic improvement measures if necessary. We will also consider the need to increase public transport services at an appropriate juncture having regard to actual demand.

Landscaped Deck and Ancillary Commercial Area

6. Besides facilities for cruise passengers, the terminal building also features a landscaped deck of about 23,000 m², which will be one of the largest public roof gardens in Hong Kong, as well as an ancillary commercial area of 5,600 m². They will be open to members of the public.

7. The landscaped deck, which will be named as Kai Tak Cruise Terminal Park (the Park), will be a good spot for cruise passengers as

well as local residents to meet and enjoy the spectacular panoramic view of the Victoria Harbour. It will be managed by the Leisure and Cultural Services Department. The planting works at the Park commenced in March 2013. Depending on the progress of the planting works, we expect that the Park will be open in the third quarter of 2013.

8. The ancillary commercial area (both on the second floor and the landscaped deck) will be managed by the terminal operator (WCT). WCT is currently discussing the leasing arrangement with a number of potential tenants (including restaurants, retail shops, etc). Since it will take some time for the confirmed tenants to complete the fitting and finishing works and apply for relevant licences, we expect that the ancillary commercial area will open in phases starting from the fourth quarter of 2013. During the interim period, WCT will consider providing temporary refreshment kiosks to satisfy the needs of the general public visiting the terminal when the Park opens.

Berthing of Celebrity Millennium in March 2013

9. To enable the terminal operator, shipping agents and shore excursion operators to gain more experience for the operation at the new terminal, we arranged Celebrity Millennium to berth at the Kai Tak Cruise Terminal on 16 – 18 March and to use its apron for passenger embarkation/disembarkation and luggage handling. The overall operation was smooth. The cruise company and its guests were satisfied with the arrangement. The terminal operator and relevant parties will take into account the experience gained from this exercise in preparation for the berthing in June.

Promotion of Hong Kong as a Cruise Hub

10. To support the commissioning of the terminal, we have provided additional resources for the Hong Kong Tourism Board (HKTB) to step up the promotion of cruise tourism in Hong Kong. The HKTB organised the first Seatrade Hong Kong Cruise Forum focusing on itinerary development and regional cooperation on 21-24 January 2013. The forum was well attended by over 200 delegates, including executives from cruise lines, neighbouring ports and the travel trade, from 14

countries / regions around the world. The forum had enhanced the knowledge of the delegates on the huge potential of the cruise market in Hong Kong and the region, which will facilitate the cruise lines' consideration on itinerary planning in the coming years. The HKTB will continue to strengthen Hong Kong's image as one of Asia's cruise hubs through international events and media visits. It will encourage cruise lines to include Hong Kong in their itineraries and stimulate consumer demand for cruise travel through the co-op marketing fund with cruise lines and consumer promotion activities. It will also encourage the travel trade to develop new and innovative shore excursion programmes to enhance passenger experience through its New Tour Product Development Scheme.

Advice Sought

11. Members are invited to note and provide comments on the latest development of the terminal and the cruise promotion initiatives.

Tourism Commission

Commerce and Economic Development Bureau

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