立法會 Legislative Council

LC Paper No. CB(1)1892/13-14 (These minutes have been seen by the Administration)

Ref: CB1/PL/EDEV/1

Panel on Economic Development

Minutes of meeting held on Monday, 24 February 2014, at 10:45 am in Conference Room 1 of the Legislative Council Complex

Members present: Hon James TIEN Pei-chun, GBS, JP (Chairman)

Hon Jeffrey LAM Kin-fung, GBS, JP (Deputy Chairman)

Hon CHAN Kam-lam, SBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP Hon Ronny TONG Ka-wah, SC Dr Hon LAM Tai-fai, SBS, JP

Dr Hon LEUNG Ka-lau Hon Paul TSE Wai-chun, JP Hon Albert CHAN Wai-yip Hon Steven HO Chun-yin Hon Frankie YICK Chi-ming

Hon YIU Si-wing

Hon Charles Peter MOK Hon Kenneth LEUNG Hon Dennis KWOK

Hon Christopher CHEUNG Wah-fung, JP Dr Hon Fernando CHEUNG Chiu-hung

Hon SIN Chung-kai, SBS, JP Dr Hon Elizabeth QUAT, JP

Hon TANG Ka-piu

Hon CHUNG Kwok-pan

Member absent : Hon CHAN Han-pan

Members attending: Hon Abraham SHEK Lai-him, GBS, JP

Hon WONG Kwok-hing, BBS, MH

Hon Gary FAN Kwok-wai

Public officers attending

: Agenda Item IV

Mr Philip YUNG, JP

Commissioner for Tourism

Miss Rosanna LAW, JP

Deputy Commissioner for Tourism

Agenda Item V

Mr Andrew WONG, JP

Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Mr Philip YUNG, JP

Commissioner for Tourism

Miss Rosanna LAW, JP

Deputy Commissioner for Tourism

Attendance by invitation

Agenda item IV

Hong Kong Tourism Board

Dr Peter LAM Chairman

Mr Anthony LAU
Executive Director

Ms Cynthia LEUNG

General Manager, Corporate Affairs

Mr Paul LEUNG

Director, Strategic Planning and Research

Agenda item V

Hong Kong Disneyland

Mr Andrew KAM Managing Director

Ms Linda CHOY

Vice President, Public Affairs

Clerk in attendance: Mr Derek LO

Chief Council Secretary (1)5

Staff in attendance: Mr Daniel SIN

Senior Council Secretary (1)7

Ms Michelle NIEN

Legislative Assistant (1)5

Action

I Confirmation of minutes of meeting

(LC Paper No. CB(1)888/13-14 —Minutes of meeting held on 10 December 2013)

The minutes of the meeting held on 10 December 2013 were confirmed.

II Information paper issued since last meeting

(LC Paper No. CB(1)839/13-14(01) —Administration's paper on tables and graphs showing the import and retail prices of major oil products from January 2012 to December 2013)

2. <u>Members</u> noted the above paper issued since the last regular meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)899/13-14(01) —List of outstanding items for discussion

LC Paper No. CB(1) 899/13-14(02) —List of follow-up actions)

- 3. <u>Members</u> agreed that the following items should be discussed at the meeting scheduled for 24 March 2014:
 - (a) Extension of a supernumerary Administrative Officer Staff Grade C (D2) post holding the post of Assistant Commissioner for Tourism (4) in the Tourism Commission created up to 31 December 2014 for three years from 1 January 2015 to 31 December 2017; and
 - (b) Implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012.
- 4. The Chairman sought members' views whether more time should be allocated to discuss Hong Kong Tourism Board's work plan for 2014-2015 at the meeting as many Panel members indicated intention to speak on the subject, and that item VI on the vessel collision incident near Lamma Island ("the vessel collision incident") on the agenda should be deferred to the next meeting of the Panel on 24 March 2014.
- 5. <u>Mr CHAN Kam-lam</u> and <u>Mr Frankie YICK</u> agreed with the Chairman's suggestion. <u>Mr Ronny TONG</u>, who had requested to discuss the vessel collision incident at the Panel, raised no objection to the Chairman's suggestion although he commented that the incumbent Director of Marine, who was due to proceed on pre-retirement leave, should personally attend the next meeting of the Panel for the item. <u>The Chairman</u> agreed that Mr TONG's request should be forwarded to the Administration for consideration.

IV Hong Kong Tourism Board Work Plan for 2014-2015

(LC Paper No. CB(1)899/13-14(03) —Administration's paper on Hong Kong Tourism Board Work Plan for 2014-2015

LC Paper No. CB(1)899/13-14(04) —Paper on the work plan of Hong Kong Tourism Board prepared by the Legislative Council Secretariat (background brief) LC Paper No. CB(1)975/13-14(01) —Powerpoint presentation (tabled at the meeting and material provided by Hong subsequently issued via email on Kong Tourism Board) 25 February 2014)

6. <u>Commissioner for Tourism</u> ("C for T"), <u>Chairman, Hong Kong Tourism</u> Board and <u>Executive Director, Hong Kong Tourism Board</u> ("ED/HKTB") briefed members on the Hong Kong Tourism Board work plan for 2014-2015.

Conflict between Mainland visitors and local residents

- 7. Mr Andrew LEUNG asked what plans and measures the Administration would introduce to resolve the intensifying conflict between Mainland visitors and the local population as reflected in the recent mass rally in Canton Road against Mainland tourists. C for T said that the Administration would try to strike a balance between developing tourism and reducing the impact of increasing visitor arrivals on the community. The Administration would continue to implement measures to enhance Hong Kong's capacity to receive tourists, including increasing the supply of hotel rooms, developing new tourist attractions and strengthening promotion of tourism offerings like local specialties and living culture of various districts to alleviate congestion at traditionally popular tourist areas. ED/HKTB said that the Hong Kong Tourism Board ("HKTB") would put more promotion and publicity resources in areas outside Guangdong Province with the objective of attracting more inbound tourists to stay overnight in Hong Kong. HKTB would also strengthen its promotion of the characteristics of different districts through the Internet, so as to encourage visitors to experience the local culture of Hong Kong.
- 8. Mr CHAN Kam-lam said that the recent demonstrations against Mainland visitors would defeat the Government and HKTB's tourism promotion efforts. Mr CHAN asked what public education measures would be implemented to foster a culture of hospitality in the community. Mr YIU Si-wing expressed a similar comment. Mr WONG Ting-kwong said that many Mainland visitors were now coming to Hong Kong and shopped for daily necessities rather than luxury products, and in doing so, created conflicts with local residents. He said that the Administration should diffuse the growing tension between Mainland visitors and local residents.
- 9. <u>C for T</u> said that efforts would be made to enhance professional standard of tourism practitioners and step up publicity in promoting the culture of hospitality. <u>ED/HKTB</u> explained that a series of television advertisement had been launched to promote a spirit of hospitality towards tourists. HKTB had also maintained close contact with more than 8 000 outlets who had participated

in the Quality Tourism Services Scheme, and encouraged them to improve quality of service.

- 10. <u>Mr Christopher CHEUNG</u> asked whether HKTB had assessed how the recent activities that were directed against Mainland tourists had tarnished Hong Kong's image as a tourist destination, and what remedial measures would be carried out. He also asked if the proposed measure to tighten the multiple entry permit arrangement was effective.
- 11. <u>Chairman, HKTB</u> said that the recent incidents against Mainland tourists had affected Hong Kong's retail sector more than they affected tourists. He added that in the light of the public concern about the growing number of Mainland visitors, the Central Government had agreed to freeze the scope of multiple entry permit arrangement on a temporary basis.
- 12. <u>Mr Gary FAN</u> commented that the large number of Mainland visitors to Hong Kong under the Individual Visit Scheme ("IVS") was affecting the normal daily routine of Hong Kong people, and had deepened the conflict between the people of Hong Kong and the Mainland. He said that Hong Kong's land resources were not sufficient to meet the housing needs of the local population and simultaneously provide hotels to satisfy the demand of Mainland tourists. As Hong Kong's capacity for receiving tourists had already saturated, <u>Mr Gary FAN</u> queried the need for continuous resources to promote inbound tourism in the Mainland. <u>Mr FAN</u> said that the policy on tourism should be changed.
- 13. <u>Mr Frankie YICK</u> said that the IVS policy had indeed served an important effect of boosting the weak economy in 2003. While recognizing some of the recent problems with Mainland visitors in Hong Kong, <u>Mr YICK</u> said that the Administration should work out practical solution rather than scrap the policy altogether.
- 14. <u>C for T</u> said that the Administration was aware of the issues and the public concern. He said that the increasing tension between Hong Kong people and Mainland visitors must be tackled from a pragmatic perspective so as to minimize the impact of growing tourism industry on peoples' livelihood. He said the Administration had completed the Assessment Report on Hong Kong's Capacity to Receive Tourists and understood the concerns of individual districts in this respect. He added that, along with the development of the tourism industry, the Administration would do its utmost to minimize the inconvenience caused by the increasing visitor arrivals to local residents as far as possible, with a view to striking a balance between the impact of the tourism industry on Hong Kong's economy and the livelihood of the community. He added that the Chief Executive had reflected different views of the community on IVS to the Central

Government, and announced that the number of Mainland cities eligible for IVS and the scope of multiple-entry Individual Visit Endorsements would not be expanded for the time being. These arrangements aimed at slowing down the growth of visitor arrivals. <u>Chairman, HKTB</u> said that the importance of tourism to Hong Kong's economy and local employment should be duly recognized.

- 15. <u>Dr Fernando CHEUNG</u> said that the number of tourists visiting Hong Kong was increasing at an alarming rate and had grown to an extent that was beyond Hong Kong's capacity to handle without degrading the standard of living of the people in Hong Kong. However, only the large conglomerates and large property owners could benefit from the growth of tourism. <u>Dr CHEUNG</u> commented that there must be a limit to the expansion of tourism industry.
- 16. <u>C for T</u> acknowledged that our capacity for receiving tourists was not simply a "hardware" issue. In addition to encouraging the tourism sector to promote new tourist attractions and new tourism itineraries which would help divert visitors away from congested areas, the Administration would also focus on promotion activities that targeted at attracting high-spending visitors to Hong Kong. <u>C for T</u> reminded members that while the number of visitors to Hong Kong was expected to increase in the coming years, the tourism market was volatile, as demonstrated by the number of tourists in 2008 to 2009 dropped significantly amid the global economic downturn.

Supply of hotel rooms

- 17. Mr YIU Si-wing commented that HKTB's projected increase of 2 200 hotel rooms in 2014 was much lower than the average annual growth of hotel room occupation rate, and, if this trend persisted, the target supply of 84 000 hotel rooms by 2017 might not be met. Mr YIU asked how the Administration would speed up hotel supply. Mr CHUNG Kwok-pan made a similar comment. C for T said that the number of hotel rooms in Hong Kong had increased by some 16 000 units from around 54 000 units in 2008 to around 70 000 units in 2013. Many new hotel development projects were underway and some had already received planning permission. It was expected that the target of building 84 000 hotel units by 2017 could be achieved.
- Mr Frankie YICK said that the Administration should focus on attracting more high-spending tourists from new markets such as Russia and the Gulf Co-operation Council countries and should shift the promotion efforts to the north of the Guangdong Province. He said that Hong Kong lacked hotels and many visitors had to resort to staying in hostels where the facilities were less attractive. He suggested that the Administration should prescribed higher standards for hostels. C for T agreed to reflect members' views to the Home Affairs Bureau

for consideration, as the bureau was responsible for the licensing and regulation of hostels.

Streamlining visa arrangement and immigration formalities

- 19. Mr YIU Si-wing noted that the Administration and HKTB were trying to promote tourism in new markets and had been promoting multi-destination itineraries featuring Hong Kong, with nearby places such as the Guangdong Province and Macao. However, visitors of multi-destination itineraries experienced inconvenience in applying for visas and going through time-consuming immigration formalities as they visited each of the destinations. Mr YIU asked if the Administration would work with the neighbouring authorities to streamline the arrangements, at least for visitors from new market countries.
- 20. <u>Chairman, HKTB</u> said that joint overseas promotion efforts were being made with Macao and the Guangdong Province to attract foreign visitors to visit these places through Hong Kong on multi-destination itineraries using the "144-hour facilitation visa" measure. At present, international visitor groups that were already in Hong Kong or Macao could enter ten cities in Guangdong for not more than 144 hours (six days). However, this arrangement was not yet available to overseas visitors in Guangdong who wished to visit Hong Kong. The Administration would continue to explore how such measure could be implemented.

Development of the cruise tourism

21. Mr CHUNG Kwok-pan said that some cruise operators had expressed concern about a recent incident where some dissatisfied cruise passengers refused to disembark at the Ocean Terminal until their demands were met. Mr CHUNG was aware that the incident had led some cruise operators to reconsider whether they should use Hong Kong as the home-port for their cruise ships. On the other hand, Mr Frankie YICK asked if any cruise operators had expressed interest to use Hong Kong as the home-port. C for T said that the case Mr CHUNG cited was an isolated incident and the Administration had maintained close liaison with cruise operators who understood Hong Kong's strength and quality services in supporting cruise tourism. C for T expected that the number of international cruise liners calling at Hong Kong (both as a home-port, for disembarkation or in transit) would increase by 50% in 2014 compared to 2013. operators were interested in using the Kai Tak Cruise Terminal. The Administration would maintain efforts in promotion.

Development of Lantau Island for tourism

22. <u>Mr CHUNG Kwok-pan</u> asked how the Administration would leverage on the development of the high-speed rail project and the commissioning of the Hong Kong-Zuhai-Macao Bridge in 2016 in promoting tourism. <u>C for T</u> said that the two infrastructure projects would provide new opportunities and would complement the Chief Executive's plan to develop tourism on Lantau Island.

Promotion of meeting, incentive travels, convention and exhibition tourism

23. Mr Charles MOK commented that Hong Kong lacked large scale conference facilities that could accommodate two to three thousand participants at a time. C for T said that the Administration had commissioned a consultancy study on the long-term demand for conference facilities in Hong Kong, which would provide important indicators for facility planning and development. Meanwhile, new hotels which were on stream would provide additional conference venues to meet the demand. C for T further said that the Administration had plans to expand and integrate existing facilities on Lantau Island to support meetings, incentive travels, conventions and exhibitions development in Hong Kong.

Expanding Hong Kong's tourist reception capacity and attracting high-spending tourists to Hong Kong

- 24. Mr TANG Ka-piu asked the Administration to provide statistical breakdown of the 23 million same-day visitors from the Mainland to Hong Kong in 2013, including the number of visitors in transit, short-haul visitors from the Pearl River Delta who did not stay overnight, and parallel traders. ED/HKTB said that the 23 million visitors as quoted by Mr TANG did not include transit visitors. HKTB did not have information about parallel traders; among the visitors who did not stay overnight in Hong Kong, 85% were from the Mainland, and among them 75% were from the Guangdong Province. ED/HKTB further supplemented that about 12 million Shenzhen visitors came to Hong Kong in 2013.
- 25. Mr TANG Ka-piu asked if the Tourism Commission had the authority to implement the recommendations as presented in the Assessment Report on Hong Kong's Capacity to Receive Tourists. He said that measures that aimed at diverting tourists to various districts involved complementary transport or sanitary facilities support that were beyond the purview of the Tourism Commission. C for T said that a major role of the Tourism Commission was to enhance co-ordination in developing tourism, including co-ordination with the travel trade as well as that among different bureaux and departments within the Government.

He said that the Tourism Commission would maintain close liaison and co-operation with the relevant bureaux and departments in implementing the recommendations of the Assessment Report.

- 26. Mr Albert CHAN commented that hotel and other facilities would certainly not meet the demand if the number of incoming tourists were allowed to grow indefinitely without restraint. He asked if the Administration had assessed the limit of visitors Hong Kong could reasonably handle. C for T said that the major premise of the Administration was to minimize, as far as possible, the inconvenience caused by tourism development to local residents. The Administration projected in the Assessment Report that there would be about 70 million visitors in Hong Kong in 2017. The Administration would implement measures as recommended in the Assessment Report to enhance Hong Kong's capacity to receive more inbound tourists.
- 27. <u>Dr Elizabeth QUAT</u> commented that the Administration had no concrete proposals on diverting visitors from congested hot spots nor had it any plans to review the multiple entry permit arrangements. <u>Dr QUAT</u> asked how the Administration would attract high-spending visitors to come to Hong Kong.
- 28. <u>C for T</u> said that new cross-boundary facilities were coming on stream in the coming years, and the Administration would further increase the handling capacity and efficiency of control points through various means, such as making good use of information technology. Meanwhile, the Administration had stepped up enforcement activities against parallel traders in black spots such as the North District. As regards enhancing tourism offerings, <u>C for T</u> added that the Administration had been working with relevant organizations in promoting cultural tourism, among other things.
- 29. <u>Mr WONG Ting-kwong</u> and <u>Dr Elizabeth QUAT</u> said that the Democratic Alliance for the Betterment and Progress of Hong Kong had submitted a proposal of developing a shopping centre in Lok Ma Chau. However, the Administration's response had been rather sluggish.
- 30. <u>C for T</u> reiterated that the Administration would continue to explore measures to enhance Hong Kong's capacity to receive visitors. He said that the Administration considered the option of developing a shopping centre at the Lok Ma Chau border area worth considering. Given that the majority of the proposed area was private land, the Administration considered that it would be more efficient for the land owners to co-ordinate with other market stakeholders in pursing the shopping centre proposal. <u>C for T</u> added that the Administration would be willing to co-ordinate efforts amongst departments concerned to provide necessary information and assistance to the project proponent.

- 31. <u>Mr Jeffrey LAM</u> asked if the Administration had reviewed the reason for the stagnation in the growth of visitors from the US, Australia and European markets. He also asked how the Administration intended to attract tourists to visit Hong Kong, and to attract visitors from new markets for coming to Hong Kong for business or for organizing conferences. <u>Mr LAM</u> also asked what new tourist attractions would be developed.
- 32. <u>C for T</u> said that the number of non-Mainland tourists to Hong Kong remained stable at about 14 million each year. <u>ED/HKTB</u> said that there had been rather significant growth in the number of visitors from new markets such as Russia or India. On the other hand, due to economic factors, the number of visitors from traditional markets such as the US, Europe and Japan had decreased. However, <u>ED/HKTB</u> said that the number would likely increase as the global economy continued to recover. As regards new tourist attractions, <u>C for T</u> said that new facilities would be developed in Kai Tak and on Lantau Island.

Other comments

- 33. Mr Abraham SHEK declared that he was a director of MTRC Limited. He supported the work plan of HKTB. He said that tourism was important to Hong Kong's economy and should continue to be developed. He said that Mainland visitors should not be discouraged from coming to Hong Kong, and that promotion efforts in new markets such as Russia and India should be sustained.
- 34. <u>Mr Paul TSE</u> said that there was a strong voice in the community that Hong Kong was overwhelmed by tourists. The Government had to admit this sentiment and address the problems in a candid manner. <u>Mr TSE</u> commented that Hong Kong should be positioned as a "shopping paradise" of China rather than just a tourism city. This vision required the conscious effort of the whole Government rather than just the Tourism Commission.
- 35. Mr Kenneth LEUNG commented that tourism was not a high-value-added industry in Hong Kong. He said that the Administration should explore means to increase the sector's productivity so that the number of practitioners in the industry as well as the number of visitors to Hong Kong could be reduced simultaneously without reducing the industry's contribution to Hong Kong's economy.
- 36. <u>Dr LAM Tai-fai</u> asked whether HKTB had assessed the impact on Hong Kong's tourism sector if extensive social actions or mass demonstrations such as the Occupy Central movement happened. <u>Dr LAM</u> noted that many of the mega events to enhance visitor experience were held in the Hong Kong Island or Kowloon side. He asked if some of these events might be held in the New

Territories in future. <u>Dr LAM</u> also invited HKTB to indicate what recommendations it had tendered or would tender to the Government to improve tourism infrastructure and facilities.

37. <u>ED/HKTB</u> said that the impact of social events or unanticipated incidents such as outbreak of epidemics or mass demonstration, was not reflected in HKTB's forecast of tourist arrivals. At the request of the Chairman, the Administration undertook to provide supplementary information in response to Dr LAM's queries.

[*Post-meeting note*: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1308/13-14(01) on 24 April 2014.]

- 38. Mr SIN Chung-kai declared that he was a member of HKTB.
- 39. <u>The Chairman</u> concluded the discussion on the agenda item. He said that members might consider moving a Member's motion at a Legislative Council meeting to carry on more in-depth debate on tourism development in Hong Kong as there were many broad policy issues that needed more high-level involvement and attention in the Administration.

V Update on Hong Kong Disneyland

(LC Paper No. CB(1)899/13-14(05) —Administration's paper on update on Hong Kong Disneyland LC Paper No. CB(1)899/13-14(06) —Paper on Hong Kong Disneyland prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)975/13-14(02) —Powerpoint presentation (tabled at the meeting and material provided by Hong subsequently issued via email on Kong Disneyland) 25 February 2014)

40. <u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u> ("PSCIT") and the <u>Managing Director, Hong Kong Disneyland Management Limited</u> ("MD, HKDML") presented an update on Hong Kong Disneyland ("HKDL") and requested the Panel's support for a proposal for a new hotel in HKDL and the related financial arrangements.

41. <u>The Chairman</u> said that Members belonging to the Liberal Party supported the proposal.

Benefits of Hong Kong Disneyland development

42. Mr TANG Ka-piu said that Members belonging to the Federation of Trade Unions did not object to the proposal. He commented that though the Government was the majority shareholder of the joint venture that owned HKDL, the local economy did not benefit much from its operation. Mr TANG asked how much of the HKDL development would be open for public enjoyment. Mr TANG also asked what environmental pledges HKDL would commit to make. PSCIT said that the land cost of HKDL was reflected in the Government's equity share of HKDL. He added that the Inspiration Lake Recreation Centre in the vicinity of HKDL was open to the public.

Development of phase two of HKDL

- 43. <u>Mr SIN Chung-kai</u> said that Members belonging to the Democratic Party supported the proposal. He asked whether and when the Administration would proceed with the phase two development of HKDL. <u>Mr SIN</u> asked if the Administration would invite other parties to develop the site through open tender, if HKDL would not do so. <u>Mr SIN</u> noted that the Government had agreed that HKDL would have priority over the development of the site and he asked whether the agreement term had any expiry date.
- 44. <u>PSCIT</u> said that the current proposal of a new hotel development in HKDL was within the phase one site of HKDL. He added that the Administration had had initial discussion with The Walt Disney Company ("TWDC") on HKDL's phase two development.
- 45. <u>Deputy Commissioner for Tourism ("DC for T")</u> said that the current focus was on the full utilization of the phase one site. The development of phase two would depend on the operation of HKDL at the phase one site. Given the patronage of HKDL in the past couple of years, <u>DC for T</u> said that it was likely that the development of HKDL at the phase two site might proceed ahead of schedule.
- 46. <u>Dr Elizabeth QUAT</u> said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong welcomed the new HKDL hotel proposal. <u>Dr QUAT</u> noted that HKDL's current plan anticipated that expansion projects on the phase one site would be carried out in phases over the next decade. Given the shortage of hotels and tourist attractions in the territory, and the fact that HKDL was operating at a profit, <u>Dr QUAT</u> asked if

HKDL would speed up the expansion plan.

47. <u>PSCIT</u> agreed with Dr QUAT that HKDL should proceed with the developments on the remaining land parcels as appropriate. <u>MD, HKDML</u> said that the current proposal, if approved, would allow HKDL's development to speed up. Further expansion of and the pace of development of HKDL would depend on market demands and might be adjusted.

Financial aspects of the proposed hotel development

- 48. Mr YIU Si-wing enquired about the expected return of the proposed new hotel after depreciation, and whether HKDL would need to pay any franchise and royalties to TWDC. MD, HKDML said that the expected return on investment depended on the future price of hotel rooms. In terms of market positioning, the proposed new hotel would be between the Disney's Hollywood Hotel and the Hong Kong Disneyland Hotel, with room rate ranging between \$2,000 and \$3,000 per room night. MD, HKDML said that the level of return would be comparable to other hotel developments of the similar tier in Hong Kong. As regards management fees payable to TWDC, MD, HKDML said that the level of fees was payable according to the existing rates agreed between the Government and TWDC.
- 49. Mr YIU Si-wing asked if HKDL would introduce any incentive measures to encourage overseas patronage. MD, HKDML said that although overseas patrons of HKDL's increased by about 2% in 2013, they were still 20% of the total guests of HKDL's hotels. Besides, hotel patronage fluctuated with political situation, variations in exchange rates, etc.
- 50. <u>Dr LEUNG Ka-lau</u> queried whether the proposed new hotel development was cost-effective. He asked HKDL to provide information on the cost of building the existing two hotels in HKDL and the profits that were being derived from their operations. <u>Dr LEUNG</u> also sought the cost-and-profit analysis of the proposed new hotel of HKDL.

Employment conditions of disabled and part-time staff in HKDL

51. Mr TANG Ka-piu asked whether HKDL would implement quality employment conditions such as maintaining a certain percentage of job positions for people with disabilities or giving guarantees on the number of leave days. Dr Fernando CHEUNG noted that HKDL claimed that 3.5% of its staff were people with disabilities. He commented that the denominator of the ratio was the number of posts in HKDL that were suitable for people with disabilities. He asked HKDL to provide information on the percentage of disabled staff using the

total number of staff at the HKDL as the base.

- 52. <u>Dr Fernando CHEUNG</u> also sought information about the number and percentage of part-time HKDL employees who were not employed under a continuous contract as defined under the Employment Ordinance, Cap. 57C (i.e. those who work less than 18 hours in a week over a period of four weeks). He also requested HKDL to indicate the number of HKDL employees recruited under the following categories: (i) full-time; (ii) part-time employees; and (iii) employees who were not employed under a continuous contract under Cap. 57.
- 53. <u>The Chairman</u> requested the Administration to provide the information requested by Dr Fernando CHEUNG and Dr LEUNG Ka-lau, in co-ordination with HKDL.

[*Post-meeting note:* The Administration had provided the requested information which was circulated to members vide LC Paper No. CB(1)1298/13-14(01) on 23 April 2014.]

- Dr LAM Tai-fai said that three theme parks (including two in Guangdong and another Disneyland in Shanghai) were being constructed. These facilities would compete with HKDL and the Ocean Park for Mainland visitors. Dr LAM queried whether it was cost-effective to continue to invest heavily on HKDL's expansion when the resources could be applied to other tourism-related developments. Dr LAM contrasted the Administration's reluctance in allocating funds on the \$6 billion project of a new RTHK building with its eagerness to seek the Panel's support for the \$4.3 billion new hotel development of HKDL. He queried whether the Administration considered the new hotel more important to Hong Kong than the new broadcasting facilities.
- 55. <u>The Chairman</u> concluded that the Panel in general supported the Administration's proposal, and recommended that funding approval should be given by the Finance Committee.

VI Any other business

56. There being no other business, the meeting was adjourned at 1:00 pm.

Council Business Division 1 <u>Legislative Council Secretariat</u> 1 August 2014