

**For information**

**Legislative Council Panel on Economic Development**

**Planning of the Tourism Infrastructure Developments of Hong Kong and Relevant Measures**

**Purpose**

This paper sets out the consolidated response of the Government to the request for supplementary information on the planning of the tourism infrastructure developments of Hong Kong and relevant measures raised by Members at the meetings of the Legislative Council Panel on Economic Development held on 2 February 2015 and earlier.

**Present Position of the tourism infrastructure developments**

2. Tourism industry is an important pillar of Hong Kong's economy. It accounts for 5% of our Gross Domestic Product and provides around 260 000 employment opportunities for people at different levels. The Government supports and attaches great importance to the development of tourism industry, and has devoted substantial resources in enhancing the tourism appeal of Hong Kong.

3. With the support of the Government, our two flagship theme parks (i.e. the Ocean Park and the Hong Kong Disneyland) have launched a number of new attractions and recreation facilities under their respective redevelopment and expansion plans over the past few years. On the other hand, the Kai Tak Cruise Terminal (KTCT) was commissioned in mid-2013 and its second berth also came into operation in 2014. The KTCT has attracted international cruise companies to deploy large cruise ships to Hong Kong. It enriches our travel product offerings, enhances the overall competitiveness of our cruise tourism industry and helps attract more high-spending cruise passengers to Hong Kong.

4. In addition to the above-mentioned tourist facilities, the Government has been promoting our specialized attractions to different types of visitors through the Hong Kong Tourism Board (HKTB). The Hong Kong Global Geopark of China (the Geopark), which was accepted as a member of the Global Geoparks Network in 2011, is a case in point. The HKTB has been promoting the Geopark to overseas travel trade and nature lovers. In addition, the Tourism Commission, in collaboration with the relevant departments, launched a scheme in June 2012 allowing coaches to transport inbound visitors to the East

Dam of the High Island Reservoir on a limited scale to facilitate the travel trade to offer tourism products related to Geopark visits.

5. To further promote the economic development of Hong Kong, the Government set up the Economic Development Commission (EDC) in 2013. Under the leadership of the Chief Executive, the EDC explores the overall strategy and policy for broadening our economic base and enhancing our long-term development. The four working groups established under the EDC focus on reviewing the policies and measures for the related industries. In particular, the Working Group on Convention and Exhibition Industries and Tourism (WGCET) focuses on discussing the future development strategy and direction for the tourism industry of Hong Kong. The WGCET considers that we should make good use of our resources to enhance our tourist receiving capacity and accord priority to attracting high-spending visitors to Hong Kong.

### **Further development**

6. Following this direction, the Government will continue to take forward tourism infrastructure development to further enhance Hong Kong's tourism appeal and overall tourist receiving capacity. The two flagship theme parks of Hong Kong will continue to undertake new development projects in the coming years. The Ocean Park is pursuing its indoor cum outdoor all-weather waterpark at Tai Shue Wan, and the construction work of its first hotel has also commenced. The two projects are expected to be gradually completed from 2017 onwards. On the other hand, the Hong Kong Disneyland is also set to introduce its tenth Anniversary Celebration this year, a new themed area based on Marvel's Iron Man franchise by end 2016, and a new hotel with a theme dedicated to the spirit of exploration in early 2017. The Government has also commenced discussion with The Walt Disney Company on the Phase 2 development of the Hong Kong Disneyland Resort.

7. As regards the hotel room supply, the Government introduced a number of initiatives in recent years to promote the hotel development, such as waiving the Hotel Accommodation Tax; launching the "hotel only" scheme; implementing measures for revitalizing the industrial buildings and heritage buildings into hotels; and including commercial sites for hotel development in the Land Sale Programme. The new hotel projects in Hong Kong Disneyland, Ocean Park and the airport's North Commercial District will come on stream, providing a total of over 2 200 hotel rooms. Ocean Park has also invited expressions of interest for the development of its Fisherman's Wharf Hotel. Meanwhile, the Government has already included in the 2015-16 Land Sale Programme a hotel site within the "hotel belt" of the former Kai Tak Runway which is adjacent to the KTCT. This site is expected to provide some 500 hotel rooms. All in all, a number of new hotels will come on-stream within the next

few years which will bring the total supply of hotel rooms in Hong Kong to around 84 000 in 2017. We will continue to closely monitor the supply and demand of hotel room market and identify sites suitable for hotel development so as to ensure the healthy development of tourism industry.

8. With a view to attracting more business/MICE visitors with high spending power to Hong Kong, the Government has invited the Hong Kong Trade Development Council to proceed with the planning, and will consider constructing a new convention centre above the Exhibition Station of the Sha Tin to Central Link upon the Station's completion in around 2020. Moreover, the development of West Kowloon Cultural District is also expected to bring in new facilities in phases from 2016 onwards. These facilities will not only foster the development of local arts and culture but also diversify our tourism offerings as well as enrich the visitors' experience in Hong Kong.

9. As to the medium- to long-term development, the major development project adjacent to the KTCT – “Kai Tak Fantasy” has the potential to be developed into a world-class tourism and entertainment hub with unique features. The Energizing Kowloon East Office of the Development Bureau announced the results of its International Ideas Competition on Urban Planning and Design for the Kai Tak Fantasy in November 2014. The Government will make reference to the outstanding designs and concepts of the winning and other shortlisted entries, and plan for a concrete development direction.

10. In addition, Lantau also has potential to be developed into a cluster with specialized tourism offerings. The Lantau Development Advisory Committee (LanDAC) chaired by the Secretary for Development are exploring the future development directions for Lantau and will put forward specific recommendations to the Government. To give due consideration to the different proposals put forward by members of the LanDAC and the general public, the Development Bureau and relevant organization will undertake a series of feasibility studies, all featuring various tourism elements, for, inter alia, the topside commercial development at the Hong Kong Boundary Crossing Facilities island of the Hong Kong-Zhuhai-Macao Bridge, the North Commercial District development at the Airport Island, the cable car extension from Ngong Ping to Tai O, development of spa and resort facilities in South Lantau, and reclamation at Sunny Bay and Siu Ho Wan.

### **Shopping Facilities at the Borders**

11. There are opinions that the development of shopping facilities in boarder areas can attract shopping-oriented visitors and help alleviate the impact of the increasing number of visitors on the daily lives of residents. Among all, the proposal of developing a boundary shopping centre near the Lok Ma Chau

control point is relatively more mature. Application for developing the aforementioned project must follow the established procedures as required under the planning, land administration and other relevant legislations and prescribed by the Government. In this connection, the Government has established an interdepartmental working group. The Tourism Commission (TC) of the Commerce and Economic Development Bureau has been coordinating relevant bureaux/departments in providing advice to the project proponent on the information required for its applications and the relevant statutory procedures in respect of land administration, planning and works. The Government will closely monitor the progress of the project and continue to maintain liaison with and provide advice to the project proponent as appropriate.

### **Measures to alleviate the impact of increasing visitor arrivals on Hong Kong and to combat parallel trading activities**

12. Visitor arrivals have maintained growth in recent years. In 2014, we received over 60.8 million visitors, of which Mainland arrivals accounted for 47.2 million and nearly 60% of them were same-day visitors. In view of an increasing number of Mainland residents visiting Hong Kong in recent years, Hong Kong has encountered problems with parallel trading activities. The Government is deeply concerned about this matter and suggested the Central Government in June last year to replace the “multiple-entry” Individual Visit Endorsements policy with the “one trip per week” Individual Visit Endorsements to tackle. Upon the HKSAR Government’s request, the Central Government announced on 13 April 2015 the new measure to adjust the “multiple-entry” Individual Visit Endorsements for permanent residents of Shenzhen by replacing it with the “one trip per week” Individual Visit Endorsements with immediate effect.

13. The HKSAR Government believes the new measure can fight against the activities of parallel traders who come to Hong Kong multiple times within one week or one day. The measure will also enhance the effectiveness of the HKSAR Government in the crackdown of parallel trading activities especially those involving professional parallel traders, as well as lessen the impact of the substantial increase in visitor arrivals on various districts of Hong Kong. In combating parallel trading activities, the Chief Secretary for Administration will lead various government departments to continue their efforts to fight against unlawful actions related to parallel trading activities, and co-operate with the Mainland law enforcement agencies to improve the order so as to reduce the nuisance caused by parallel trading activities to the livelihood of local residents. On the other hand, the Transport Department and TC have been exploring with relevant government departments on matters relating to increasing the number of coach parking spaces in districts with higher demand for coach parking. The Government will endeavour to assist in increasing the number of coach parking

spaces and to enhance the ancillary transport facilities in the tourism districts concerned.

**Tourism Commission  
Commerce, Industry and Tourism Branch  
Commerce and Economic Development Bureau  
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