

# ANNEX H

## Economic Assessment Report

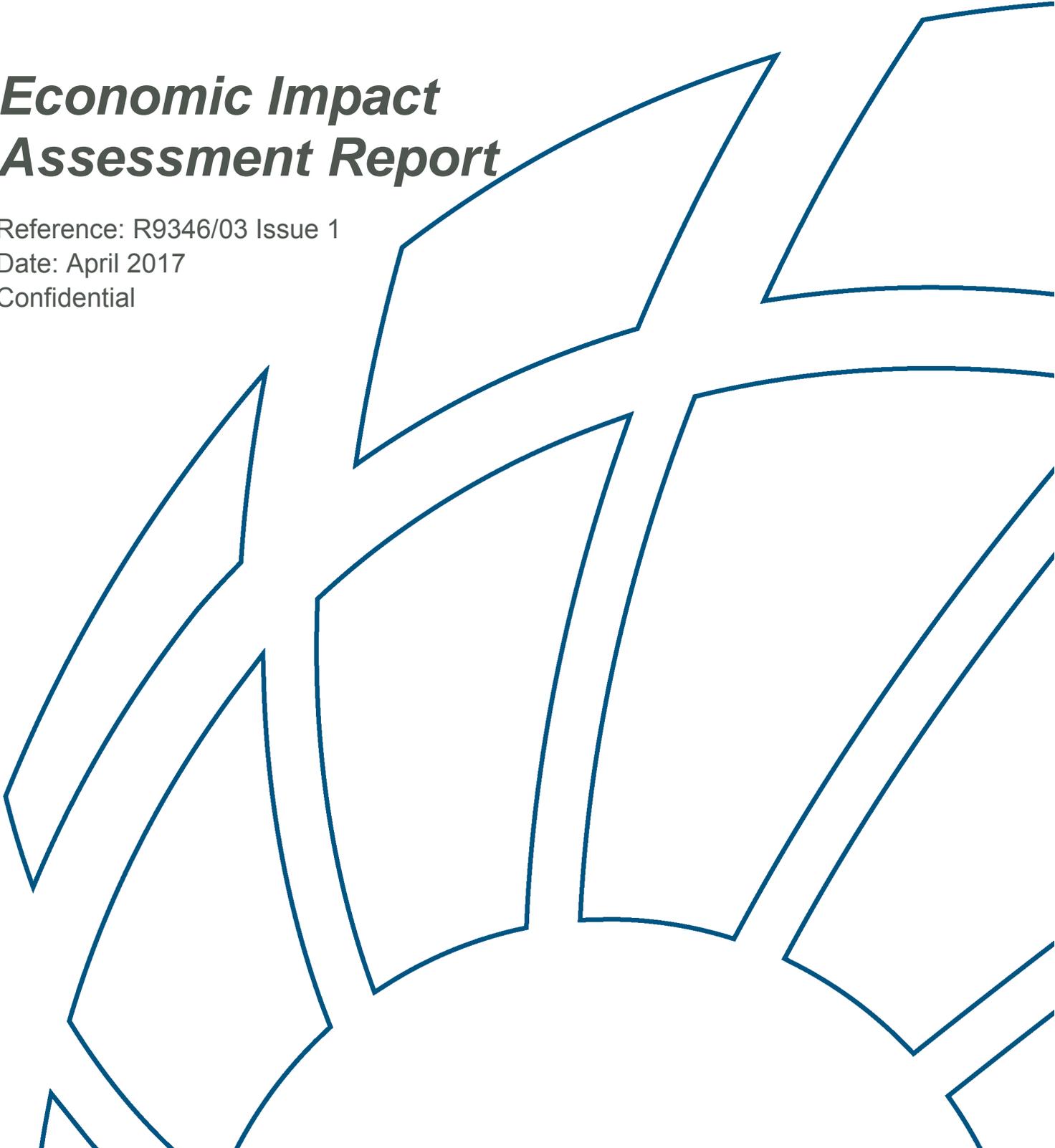
# **Economic Impact Assessment for the Proposed Boardwalk underneath Island Eastern Corridor**

## ***Economic Impact Assessment Report***

Reference: R9346/03 Issue 1

Date: April 2017

Confidential



# **Economic Impact Assessment for the Proposed Boardwalk underneath Island Eastern Corridor**

## **Economic Impact Assessment Report**

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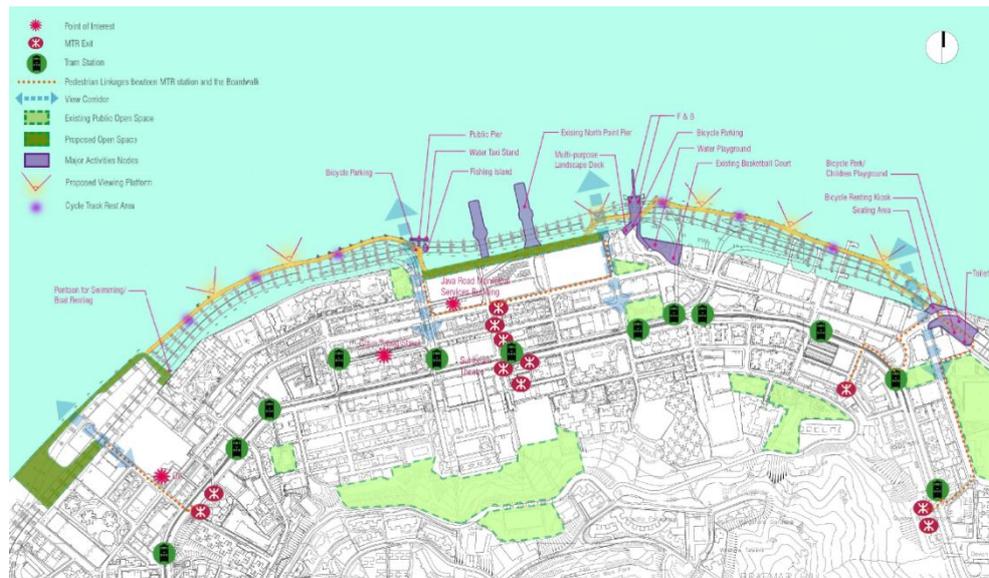
# 1 Introduction

## 1.1 Background

1.1.1.1 BMT is appointed by the Civil Engineering and Development Department (CEDD) to conduct the Economic Impact Assessment for the proposed boardwalk and its associated facilities underneath the Island Eastern Corridor (IEC).

1.1.1.2 In 2009, the Planning Department initiated the Hong Kong Island Easter Harbourfront Study (HKIEHS) to formulate a comprehensive plan for enhancing the Hong Kong Island East harbourfront with a focus on improving connectivity and pedestrian accessibility. Following a three-stage public engagement exercise, a pedestrian boardwalk of about 2km long was proposed to be constructed underneath the IEC from Oil Street to Hoi Yu Street to enhance connectivity along the North Point waterfront.

**Figure 1-1 Proposed Boardwalk underneath the IEC**



Source: CEDD

## 1.1.2 Protection of the Harbour Ordinance (PHO)

1.1.2.1 According to the design information provided by CEDD, the proposed boardwalk is currently proposed with a general width of 10m. The boardwalk will be of lightweight but durable construction. It will run above the existing dolphin structures of IEC viaducts.

1.1.2.2 Additional piled structures would be needed. These additional piled structures would be regarded as new reclamation under the Protection of the Harbour Ordinance

(PHO). Hence, the implications of the PHO on the proposed boardwalk would need to be addressed.

1.1.2.3 The PHO establishes a statutory principle recognising the harbour as a special public asset and a natural heritage of Hong Kong that is to be protected and preserved. According to the judgement of the Court of Final Appeal (CFA) on 9 January 2004 in respect of the judicial review of the Draft Wan Chai North OZP (No. S/H25/1), presumption against reclamation in the PHO can only be rebutted by establishing an overriding public need for reclamation based on “Cogent and Convincing Materials” (CCM). Reclamation would only be justified where there is a much stronger public need to override the statutory principle of protection and preservation. A need should only be considered overriding if it is compelling and present and if there is no reasonable alternative to reclamation.

1.1.2.4 Public needs are community needs and include the economic, environmental and social needs of the community. This study focuses on the assessment of economic impact of the proposed boardwalk.

## 1.2 Study Objective

1.2.1.1 As described in the Consultancy Brief, the objective of this study are:

- To conduct economic impact assessment for the proposed boardwalk and its associated facilities and facilitate the preparation of associated CCM for the reclamation with reference to ETWB Technical Circular No. 1/04 and the requirement for “overriding public need test” as laid down in the CFA Judgment; and
- To produce details to such an extent to enable the Government to examine whether the boardwalk comply with PHO on the economic aspect.

## 1.3 General Methodology

1.3.1.1 The general methodology in conducting the Study includes desktop research, on site visits and stakeholder meetings / interviews.

1.3.1.2 Desktop research will be undertaken to solicit background and basic information. This includes review of existing and planned boardwalk facilities, collection of statistics on economic activities and study on similar leisure facilities locally and internationally. The leisure sector is information rich but analysis poor, i.e. the raw information is available but a systematic and structured analysis is needed to extract information of value for decision making.

1.3.1.3 While data and information in relation to Hong Kong economic activities can be accessed and processed in desktop research, qualitative information and information of potential operating methods may need to be verified through structured interviews with industry associations and relevant stakeholders.

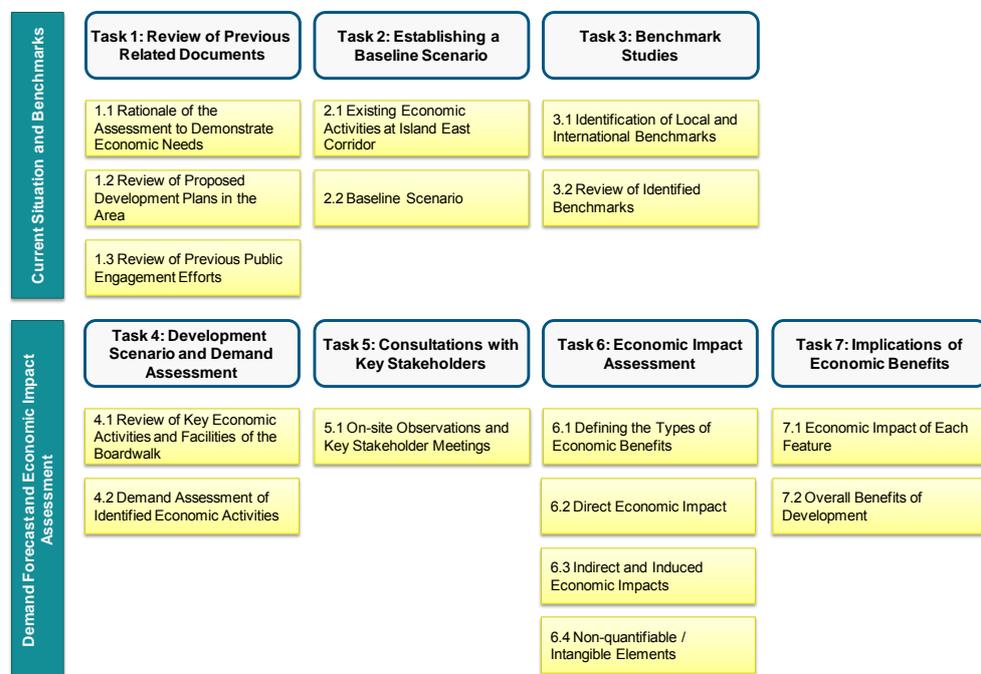
1.3.1.4 In addition to the literature research, on site visits to the proposed boardwalk will be conducted to observe existing facilities. Meetings / interviews with the key stakeholders will be conducted to help understand and analyse the scale of economic impacts potentially generated by boardwalk facilities.

1.3.1.5 The consensus of responses, together with desktop research and site visits, will aid the formulation of economic impact assessment.

## 1.4 Task Flow

1.4.1.1 The following chart outlines the key tasks proposed by the Study Team.

**Figure 1-2 Proposed Task Flow**



Source: BMT

## 1.5 This Report

1.5.1.1 Task 1 to Task 3 were detailed in the report “Current Situation and Benchmarks”. This “Economic Impact Assessment” report covers findings on mainly Task 4 to Task 7. Task 4 involves the assessment of demand for each of the economic activities at the proposed boardwalk. Where appropriate, findings from stakeholder consultations conducted for Task 5 will be incorporated. Task 6 assesses the economic impacts of the proposed boardwalk and economic activities. Task 7 consolidates inputs from previous tasks and serves as inputs for the Government’s preparation of the Cogent and Convincing Materials (CCM).

1.5.1.2 This report covers the following chapters:

- Chapter 2 Development Scenario and Demand Assessment
- Chapter 3 Economic Impact Assessment
- Chapter 4 Summary of Economic Impacts

## 1.6 Data Availability

1.6.1.1 When assessing demand and the economic impact of the proposed boardwalk and facilities, the Study Team has referred to various reports and data sources, including data published by Census and Statistics Department (C&SD), Hong Kong Tourism Board (HKTB), Leisure and Cultural Services Department (LCSD), etc<sup>1</sup>.

1.6.1.2 Therefore, when analysing the demand and individual economic activities, the following data sources are deployed:

- **Previous studies**, e.g., Assessment on Pedestrian and Cyclist Demand for Proposed Boardwalk; Stage 1 Community Engagement Report;
- **LCSD data**, which includes specific data of similar economic activities at existing promenades and Eastern District, and general data from annual reports available in LCSD website. LCSD data is the most robust data source which includes economic data of existing similar economic activities;
- **C&SD data**, which mainly provides key statistics on business performance and operating characteristics for existing individual industry. It is noticed that the economic data regarding specific activities (such as bicycle rental and light refreshment kiosks) are not readily available. Instead, these data are usually captured in a wider industry group (i.e. “rental and leasing activities” and “other food services” respectively);
- **Local benchmarks** of existing promenades; and
- **Consultations** with stakeholders, which provide general industry knowledge.

1.6.1.3 Where appropriate, the most robust source of data will be used as the basis for assessment. Any information gaps will be addressed using the best alternative data source that can be identified (such as data of wider industry group) or information collected from benchmark cases and consultation.

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<sup>1</sup> There is a general observation that while inbound tourist data are well documented, but information and data on local visitors is very limited. According to C&SD, “while it may be relevant to large countries/territories where residents travel long distance from one province/city to another for leisure, domestic tourism is not really applicable to Hong Kong which is a city economy of relatively small geographical size” and that “no statistics on domestic tourism have been compiled”.

## 2 Development Scenario and Demand Assessment

### 2.1 Introduction

2.1.1.1 This task aims to establish the development scenario for the proposed boardwalk. The market for each identified activity and facility will be illustrated and assessed.

### 2.2 Key Economic Activities and Facilities of the Proposed Boardwalk

2.2.1.1 The following key Economic Activities through using the proposed facilities at the boardwalk have been identified.

- **Pedestrians** visit the proposed boardwalk mainly for leisure purposes. They are also the potential users or customers of other facilities along the boardwalk;
- **Cycling activities** as supported by bicycle rental and parking services alongside the boardwalk;
- **Angling** for leisure purposes;
- **Food and beverage services** at kiosks along the boardwalk;
- Leisure / water sports activities such as **swimming**; and
- **Events** that may be organised at the boardwalk.

2.2.1.2 It is noted that water taxi services to serve for both local transportation and tourism purposes may also be proposed. However, as analysed in the “Current Situation and Benchmark” report, the market potential for water taxi service is uncertain. There is no concrete study to address the key concerns for operating water taxi and that there is no consensus on the operating model. Considering the above which create substantial uncertainties for the proposed water taxi services, the Demand Assessment and Economic Impact Assessment shall not take the proposed water taxi services into account.

2.2.1.3 For each identified economic activity, the market position and potential operating models were explored through consultations with key stakeholders.

### 2.3 Demand Assessment

2.3.1.1 Comments received during Stage 1 Community Engagement Exercise and the consultations conducted by the Study Team indicate that the proposed boardwalk

is primarily a community focused development which is expected to serve predominantly residents living in the neighbourhood. They will visit the proposed boardwalk as pedestrians and cyclists. Nonetheless, the proposed boardwalk may also attract overseas visitors to the area. It is noted that factors such as ownership, operating model and design details of the proposed boardwalk and facilities have yet been determined during this planning stage and hence may create uncertainties in establishing the demand scenario.

### 2.3.2

#### Pedestrians / Visitors

#### 2.3.2.1

The proposed boardwalk together with the existing section of waterfront will form a linked walkway of 2km. As mentioned earlier, the boardwalk is positioned to be community oriented based on stakeholders' consultations.

#### 2.3.2.2

A closer look at the pedestrian number and its captive community was conducted, taking references of selected local benchmarks. The captive community is defined as the population of the area in the vicinity of the boardwalk (within 1km or 15min walking, as indicated by stakeholders and on-site investigations). The set of Tertiary Planning Units (TPUs) data is collected to calculate the population in the captive community. The follow table shows the relations between monthly pedestrian volume and population in their captive community of selected local benchmarking boardwalks.

**Table 2-1 Number of Visitors and Community of Selected Local Benchmarks**

	Monthly Pedestrian	Population in the Captive Community	Monthly Visitors / Captive Population
West Kowloon Promenade	62,000	137,000	0.5
Pak Shek Kok Promenade	32,000	61,000*	0.5
Kwun Tong Promenade	98,000	356,000	0.3

*Note: \*The Pak Shek Kok community population is modified to better reflect the full-time students and faculties in the Chinese University of Hong Kong and employees in the Science Park. Those are not counted as residents in the TPU data.*

*Source: LCSD (for Kwun Tong Promenade); On-site observations (for West Kowloon Promenade and Pak Shek Kok Promenade); 2011 Population Census, Projections of Population Distribution by Tertiary Planning Unit 2015-2024.*

#### 2.3.2.3

The population in the captive community for the proposed boardwalk is estimated to be around 192,000. Applying the share of monthly visitors of captive population, it is crudely projected that the proposed boardwalk will attract 53,000 to 101,000 visits per month, indicating **0.6 to 1.2 million visits per year**.

2.3.2.1 Of all pedestrians paying visits to the proposed boardwalk, overseas tourists may account for a small proportion of 2% to 5%, taking references from other local boardwalk and stakeholders feedback. This ratio is largely subject to the overall attractiveness and uniqueness of the boardwalk.

### 2.3.3 Cycling Activity and Cyclists

2.3.3.1 The demand for cycling related activities can be assessed in terms of the **number of cyclists** visiting the proposed boardwalk and the **number of bicycle rentals**.

#### **Number of Cyclists**

2.3.3.2 Regarding number of cyclists, on-site observation and stakeholders' meetings were conducted for local benchmarks.

- West Kowloon Promenade, about 15% of visitors are engaged in cycling activities at weekends;
- Pak Shek Kok Promenade, about 50% of visitors are engaged in cycling activities at weekends. This is particularly high because of it is a section of a well-connected waterfront cycle track from Tai Wai to Tai Mei Tuk.

2.3.3.3 Reference to "Assessment on Pedestrian and Cyclist Demand for Proposed Boardwalk" report, the ratio of boardwalk underneath Island Eastern Corridor is around 12% on weekends and 2.5% on weekdays. The physical condition of the proposed boardwalk in terms of length supported by cycle track, as planned, is similar to the cycling activities in West Kowloon Promenade. Taking the stakeholders' expectation into considerations, an estimated range of 12%~15% of visitors is adopted for the forecast of cyclists. The cyclists at proposed boardwalk is therefore anticipated to be 3,000 to 7,000 per month, indicating an estimated amount of cyclists to be **0.4 to 0.8 million per year**.

2.3.3.4 As commented in the public engagement and stakeholder meetings, the popularity of cycling activities and hence number of cyclists attracted largely depends on the connectivity, easy access and the length of boardwalk supported by the cycle track. A linked boardwalk with extensive coverage supported by cycle track is crucial to encouraging cycling activities. With the establishment of cycle track further towards west of the proposed boardwalk, the number of cyclists may further increase.

#### **Number of Bicycle Rentals**

2.3.3.5 Bicycle rental kiosk is proposed near to the entrance of the boardwalk at Hoi Yu Street. However, the planning details of facility size, number of bicycles provided, operational modes have yet to be confirmed. The local benchmarks with potentially similar conditions were researched and referenced to estimate the demand.

2.3.3.6 The following table summarises the existing situation of selected bicycle kiosks managed by LCSD.

**Table 2-2 Bicycle Kiosks Managed by LCSD**

	Number of Bicycle Rental per Month	Length of Cycle Track Supported by Bicycle Kiosks	Size (sqm)
Kung Lok Road Playground	900	560	42
Kowloon Bay Park	1,200	505	54
Carpenter Road Park	1,783	668	84
	Averaged Monthly Rental by Length		2.2
	Averaged Monthly Rental per Kiosk		1,294

Source: LCSD

2.3.3.7 The proposed boardwalk is planned with about 2 km cycle track with two rental kiosks to support the services. Applying the data of bicycle kiosks managed by LCSD, it is expected the monthly rental of bicycles to be about 2,600 to 4,400.

2.3.3.8 Though yet to be confirmed, running the proposed two bicycle kiosks by the private sector (e.g., similar to the SmartBike service in West Kowloon) is one possibility and have been considered. Currently, the SmartBike handles around 3,400 bicycle rentals on monthly basis<sup>2</sup>. Should this operational mode be adopted, the proposed boardwalk may reach a similar utilisation level for bicycle rentals. Considering the visitors expected, the bicycle rentals may go up to about 5,400 per month.

2.3.3.9 Taking all these into consideration, it is estimated that the bicycle rentals of the two proposed kiosks may handle **2,600 to 5,400 rentals monthly**.

### 2.3.4 Angling and Anglers

2.3.4.1 Northpoint District is an angling hotspot in Hong Kong. From onsite observation in December 15<sup>th</sup> 2016, **around 10 - 20 anglers** can be expected at any given time fishing for leisure. Fishing activity is concentrated at the spots with waterfront access, i.e. Tong Shui Road Public Pier, North Point Ferry Pier Waterfront Promenade and Hoi Yu Street Waterfront.

2.3.4.2 The Hong Kong Sport Fishing Federation estimates that over 500,000 people in Hong Kong participate in fishing activities. Enthusiasts will often go fishing at least once per week. Taking feedbacks from the stakeholders and reference on the newly opened angling zone in Central, it is uncertain that the establishment of the fishing

<sup>2</sup> The monthly rental of bicycles is estimated based on the on-site observation on the utilisation level, i.e., about 30% on weekdays and 100% on weekends.

platform at the proposed boardwalk would significantly increase the number of anglers. The number of anglers fishing at the boardwalk is therefore conservatively estimated at **7,300 visitors annually** (i.e., around 20 per day).

### 2.3.5 Events and Attendees

2.3.5.1 The demand for the events to be held is normally illustrated in the forms of **number of events held per year** and **annual attendance**. The proposed event space at the North Point Vehicular Ferry Pier has an area size of 1,580 sqm with a capacity of around 300 people<sup>3</sup>, which is considered small to medium in scale.

2.3.5.2 By this planning stage, the features of the events to be held at the proposed event space are yet to be determined. Taking considerations of the positioning of the boardwalk, the events at the boardwalk is likely to be community focused and less commercially driven. According to Stage 1 Community Engagement Exercise, stakeholders suggested that activities such as weekend markets, dance/music performance can be organised at the event space. Consultations with stakeholders conducted during this Study further echoed with the possibility.

2.3.5.3 The nature / feature of the events held is often related to the operating model of the event venue.

#### Events at Venue Managed by the Government or Non-governmental Organisations

2.3.5.4 Events held at venues managed by LCSD, the key event venue manager of the Government, are predominantly leisure in nature. These events are normally non-profit making and do not involve any transaction. Examples of events held at LCSD venues include festive events and carnivals, as well as district free entertainment programmes organised by public bodies / District Councils.

2.3.5.5 With reference to local benchmarks, the number of events held at selected promenade venues ranges from 27 from 57 per event space (i.e. events are typically organised weekly or bi-weekly)<sup>4</sup>. Among which, for LCSD venues each of the events typically attracted about 500 to 700 attendees<sup>5</sup>.

2.3.5.6 Non-governmental Organisations (NGOs) are non-profit organisation which also organise community focused events.

#### Events at Venue Managed by Private Sector

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<sup>3</sup> During Stage 2 Stakeholder Engagement Exercise, stakeholders suggested that the proposed playground at Hoi Yu Street could potentially serve as another event space (2,000 sqm). However, it has not been confirmed during this Study.

<sup>4</sup> 27 events were organised at Kwun Tong Promenade; 57 events were organised at Fly the Flyover01 (event venue adjacent to Kwun Tong Promenade) in 2016. 52 events were organised at Pak Shek Kok Promenade in 2016. 28 events were organised at Sai Kung Waterfront in 2016.

<sup>5</sup> On average, each of the events at Kwun Tong Promenade attracted about 700 attendees in 2016. Each of the events at Pak Shek Kok Promenade attracted about 500 attendees in 2016.

2.3.5.7 Events held by private sector tend to be more commercially driven. Consultations with stakeholders revealed that in general for private venues events are also organised on weekly or bi-weekly basis.

2.3.5.8 In addition, interviews with event organiser suggested that a typical weekend market/music performance organised should attract at least 4,000 to 5,000 visitors. The event organiser reckoned that the number of attendees of events organised by private organisers could be higher than that of the event organised by public organisers as private organisers would conduct more comprehensive venue marketing campaigns.

#### **Number of Events and Attendees**

2.3.5.9 Taking the above into consideration, the number of events organised at the proposed boardwalk is expected to be on weekly or bi-weekly basis. The annual attendance for the events at event space managed by the Government is estimated to be in the range of **13,000 to 36,400**. If the event space is managed by private sector, the annual attendance would be much higher at around **104,000 to 260,000**.

### **2.3.6 Food and Beverage Services and Users**

2.3.6.1 Two food and beverage kiosks, each of the size of 10 sqm, are proposed at the North Point Ferry Vehicular Pier and Hoi Yu Street respectively. The facilities are mainly planned to serve visitors to the proposed boardwalk.

2.3.6.2 With reference to available statistics on food kiosks at local benchmarks and also parks of the Eastern District, each of the food kiosk has a facility size of 14 sqm to 30 sqm. Each of these food kiosks serve about 1,200 to 2,000 customers per month. Considering the above, it is crudely estimated that food kiosks at the proposed boardwalk will serve about **1,800 customers** per month.

### **2.3.7 Swimming and Users**

2.3.7.1 There are four public swimming pools in the Eastern District, with a maximum pool capacity ranging from 190 to 1,900 persons. Each of the public swimming pools has an attendance of about 170,000 to 580,000 persons in 2015.

2.3.7.2 A swimming pontoon in Victoria Harbour is certain to attract much attention from locals and tourists alike. Not many cities can boast of having open-sea swimming in its harbours and the facility will definitely improve vibrancy at the boardwalk.

2.3.7.3 The Island Brygge Harbour Bath in Denmark is referenced when considering the expected demand for a swimming pontoon at the boardwalk. The Island Brygge Harbour Bath have a capacity for 600 visitors at a time and manages to attract about 100,000 visitors each summer. It is a highly attractive feature that benefits from being in the middle of the urban environment.

2.3.7.4 An estimation of potential demand for a swimming pontoon at the proposed boardwalk cannot be made when the following information is still uncertain and yet to be planned.

- Unknown capacity of swimming pontoon
- Unknown operating hours / seasons of swimming pontoon
- Water quality impact on operating environment
- Entrance fee amount (if any)
- Marketing effort

### 2.3.8

#### Overseas Tourists

##### 2.3.8.1

The amount of overseas tourists visiting the proposed boardwalk and facilities will depend on various factors constituting to the tourism attractiveness of the development. According to feedbacks from Hong Kong Tourism Board, tourism merit of an attraction is assessed based on its uniqueness, scale, cultural / heritage / architectural / entertainment value, accessibility etc. Other stakeholders interviewed further supplemented that the ownership and operating mode of the proposed facilities will also influence the tourism attractiveness.

##### 2.3.8.2

With some of the key factors undetermined, the amount of tourists visiting the proposed boardwalk is uncertain. Nonetheless, stakeholders in general expect that the amount of overseas tourists is likely to account for a very small percentage (in the range of 2%-5%) of the total number of visitors.

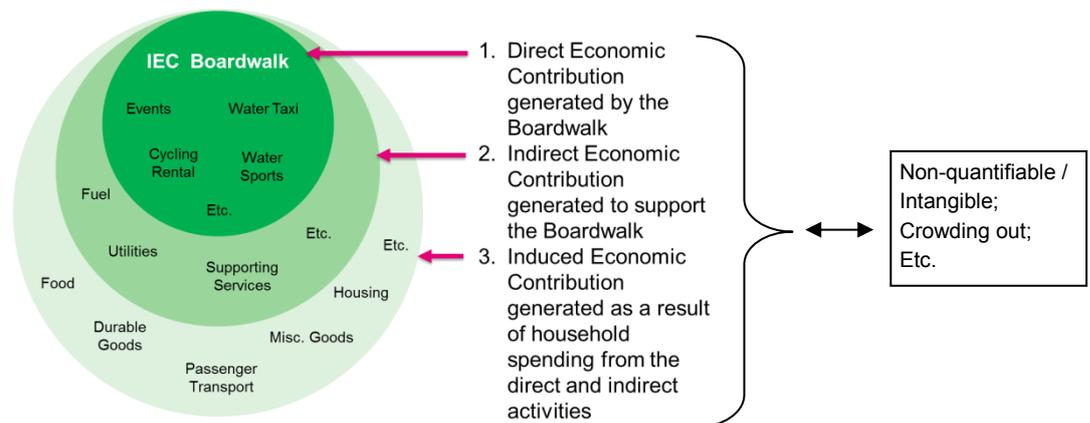
### 3 Economic Impact Assessment

#### 3.1 Approach

3.1.1.1 To measure the quantitative impact of the boardwalk development, indicators of **Value Added** and **Employment** will be adopted to present the significance of the project on the local community and the Hong Kong economy as a whole.

3.1.1.2 The total economic impacts generated by such a development project normally can be classified as direct, indirect and induced impacts, as well as likely non-quantifiable impacts.

**Figure 3-1 Tiers of Economic Impacts**



Source: BMT

#### 3.1.2 Direct Economic Impact

3.1.2.1 Direct economic impact represents the initial and immediate economic activities generated by the development. Performing this analysis will arrive at a unit impact of each economic activity of the boardwalk. Combining this unit impacts with the demand estimated in Chapter 2, the direct economic impacts can be calculated. The direct economic impact may be generated in two phases, i.e. construction phase of the proposed boardwalk and operational phase of facilities.

- **Construction phase**, mainly refers to the value added and number of jobs created from the construction of proposed boardwalk and economic activities;
- **Operational phase**, mainly refers to the value added and number of jobs created during the operation of the proposed boardwalk and economic activities.

#### 3.1.3 Indirect and induced impact

3.1.3.1 Indirect economic impact measures the impacts generated from the related

industries. Potential leakages to other vicinities are expected as no sector of the economy is self-contained.

3.1.3.2 Induced impact, on the other hand, is brought about by the household spending income generated from the direct and indirect economic activities.

### 3.1.4 Other Intangible impact

3.1.4.1 There are certain non-quantifiable or intangible elements which should be included in the overall assessment of the boardwalk's economic impact.

## 3.2 Direct Economic Impact

### 3.2.1 Impact during the Construction Phase

3.2.1.1 According to C&SD statistics, there were 916 establishments engaged in the civil engineering industry in 2015, creating a value-added of HKD 18.9 billion. Details of the civil engineering industry is shown in the following table.

**Table 3-1 Key Statistics of Civil Engineering Industry, 2015**

Industry group	Number of establishments	Number of persons engaged	Gross value of construction works performed (HKD million)	Value added (HKD million)
Civil engineering	916	25,887	66,998.7	18,888.6

*Source: Key Statistics on Business Performance and Operating Characteristics of the Building, Construction and Real Estate Sectors in 2015*

3.2.1.2 According to CEDD, the construction of the proposed boardwalk and facilities are estimated to cost around HKD 851.9 million at 2016 price level. There is no detailed breakdown of cost per year available. However, it is expected that the construction will take about three years to complete.

3.2.1.3 With reference to C&SD statistics, it is estimated that the value added generated by the construction of proposed boardwalk and facilities would be around HKD 240.2 million for the economy. As to employment impact, it is estimated that about 330 jobs will be created during the construction period. It is therefore crudely estimated that the annual economic impact during the construction period would be about **HKD 80.1 million in terms of value added and 110 jobs in terms of employment.**

### 3.2.2 Impact during the Operation Phase

3.2.2.1 Economic impact in terms of Value Added and Employment during the operation stage is assessed by each of the economic activities, namely:

- Boardwalk, mainly through management and day-to-day operation of the boardwalk

- Cycling activities, predominantly through services provided by the two bicycle rental kiosks
- Angling activities, through management and day-to-day operation of the fishing platform
- Events, predominantly through organisation and management of the events at the proposed event space
- Food and beverage services, as provided by the two proposed food and beverage kiosks
- Leisure / water sports activities such as swimming

### 3.2.3

#### Boardwalk

#### 3.2.3.1

During the operation phase, management staff would be employed to oversee the management and facilitate the operation of the proposed boardwalk and the economic activities. Their economic impacts could be crudely represented by their payroll.

#### 3.2.3.2

The day-to-day operation of the boardwalk also requires the support of various ancillary services such as cleaning services, security service and horticulture. These services are usually contracted out to external service providers or contractors, during which value added and employment opportunities would also be created.

#### 3.2.3.3

According to C&SD, these ancillary services belong to the wider industry grouping of “other administrative and support service activities”. In 2015, there were 6,829 establishments engaged in this industry, which created a value-added of HKD 57.5 billion.

**Table 3-2 Key Statistics of Other Administrative and Support Service Activities, 2015**

Industry group	Number of establishments	Number of persons engaged	Business receipts and other income (HKD million)	Value added (HKD million)
Other administrative and support service activities	6,829	174,331	57,531.2	33,807.0

*Source: Key Statistics on Business Performance and Operating Characteristics of the Information and Communications, Financing and Insurance, Professional and Business Services Sectors in 2015*

#### 3.2.3.4

With reference to local benchmarks<sup>6</sup>, the expenditure for the management of the boardwalk is estimated to be about HKD 3.3 million each year. Taking into account

<sup>6</sup> *Tsim Sha Tsui Promenade and Kwun Tong Promenade are used as references due to their similarities of length and area size with the proposed boardwalk.*

the payroll of the core management staff and C&SD data on value added of the ancillary services, the value added for management of boardwalk is estimated to be about **HKD 1.6 million**. It is expected that about **20 persons** will be employed to manage the boardwalk and support the day-to-day operation.

**Table 3-3 Direct Economic Impact of the Management of Boardwalk**

Economic activities	Demand	Value added (LCSD data; HKD mn)	Employment
Management of Boardwalk	N.A.	1.6	20

Source: Estimated based on data from LCSD and stakeholder consultation.

### 3.2.4

#### Cycling Activities

#### 3.2.4.1

Cycling activities create economic impacts particularly when cyclists use the bicycle rental services provided at the proposed boardwalk. According to C&SD, bicycle rental kiosks belong to the wider industry grouping of “rental and leasing services”. In 2015, there were 616 establishments engaging in “rental and leasing services” which created a value-added of HKD 1.3 billion. Details of the industry grouping of “rental and leasing services” is shown in the following table.

**Table 3-4 Key Statistics of Rental and Leasing Services, 2015**

Industry group	Number of establishments	Number of persons engaged	Business receipts and other income (HKD million)	Value added (HKD million)
Rental and leasing	616	2,700	2,632.3	1,262.3

Source: Key Statistics on Business Performance and Operating Characteristics of the Information and Communications, Financing and Insurance, Professional and Business Services Sectors in 2015

#### 3.2.4.2

With reference to available statistics on existing bicycle kiosks, it is crudely estimated that the two bicycle kiosks at the proposed boardwalk has a demand of 2,600 to 5,800 rentals per month. Applied with the similar price level at the local references (e.g., about HKD 30 per rental), the revenue generated is expected to be HKD 0.9 million to HKD 2.1 million.

#### 3.2.4.3

Using C&SD data on “rental and leasing services”, available statistics on existing bicycle kiosks, it is estimated that under the two bicycle kiosks at the proposed boardwalk will generate a value added of **HKD 0.4 million to HKD 0.9 million** per year, and **at least 2 persons engaged** in the services.

#### 3.2.4.4

To better reflect the bicycle rental services, meetings with stakeholders were

conducted to understand the key operational statistics<sup>7</sup>. Applied with the statistics indicated by stakeholders, it is crudely estimated that the bicycle rental services at the proposed boardwalk would generate a value added of **HKD 0.5 million to HKD 1.1 million** per year. Consultations with stakeholders further suggests that the two bicycle kiosks will employ **2 to 10 persons**. The following table summarises the forecast results of quantified economic impact brought by bicycle rental services.

**Table 3-5 Direct Economic Impact of Cycling Activities**

Economic activities	Demand	Value added (HSIC data; HKD mn)	Value added (stakeholder consultation ; HKD mn)	Employment
<b>Cycling</b>				
- bicycle rental (high)	5,800 rentals/month	0.9	1.1	2 - 10
- bicycle rental (low)	2,600 rentals/month	0.4	0.5	
Overall		0.4 - 1.1		2 - 10

Source: Estimated based on data from LCSD, stakeholder consultation and on-site observations

3.2.4.5

It is noted that bicycle parking area of a size of about 70 m<sup>2</sup> is also proposed at the boardwalk. It is expected that less than 50 public bicycle parking spaces will be provided free of charge, similar to the arrangement of other existing public bicycle parking spaces, and hence creating minimal economic impact.

### 3.2.5

#### Angling Activity

3.2.5.1

Similar to the management of boardwalk, the management and operation of the proposed fishing platform is expected to generate value added and employment. The recently launched Central Promenade Angling Zone provides some statistics for references. Should the fishing platform be operated in the form similar to the one in the Central Promenade, the management and operation of the fishing platform is expected to cost about HKD 0.4 million per year.

3.2.5.2

However, the economic impact in terms of value added and employment generated from the management and operation is unknown by this stage. The management and operational mode of the fishing platform at the proposed boardwalk is uncertain. Taking these factors into consideration, the quantified results of economic impact are unavailable before the confirmation of planning details.

### 3.2.6

#### Events

<sup>7</sup> A crude estimation based on stakeholders' consultations indicates that the bicycle rental services, though subject to operational ability and market conditions, could make 0% to 15% profits in general. Of the total costs, labour costs account for 50% or higher.

3.2.6.1 The revenue / value added / employment generated from events involves two main sources, i.e., event organisers and exhibitors.

- Event organisers organise and run events. This includes developing the event concept, sales and promotion to potential marketers and attendees, operational planning and event execution.
- Exhibitors exhibits products / services at events to conduct sales. Exhibitors and businesses participating at exhibitions spend considerable amounts developing stands and accommodating staff.

The profits generated by the event organisers / exhibitors vary subject to their business nature.

#### **Events at Venue Managed by the Government or Non-governmental Organisations**

3.2.6.2 Events at venue managed by the Government are usually organised by different government departments and other public bodies, with an aim to serve the community. Thus, these events usually offer free admission and do not generate any revenue. However, direct impacts may be created through employment of core staff to organise the events. Apart from the per se employment opportunities, their payroll could represent their value added contribution. Take events organised by the Entertainment Office of LCSD<sup>8</sup> as an example, payroll accounted for about **HKD 0.2 to HKD 0.5 million** of all expenditure spent on organising events. NGOs are mainly operating for financially breakeven, with relatively low profit margins. Similarly, payroll represents the value added of the NGOs.

#### **Events at Venue Managed by Private Sector**

3.2.6.3 If the event venue is managed by a private operator, it is likely that the events will be more commercial. The revenue generated is expected to be much higher.

3.2.6.4 As mentioned in the Demand Assessment, the demand for events largely relies on the capacity of the event space and the nature / positioning of the events expected to be held. Based on consultations, the area of the event space (1,500m<sup>2</sup>) at the proposed boardwalk is small to medium in scale, it is more likely to target the nearby community than outside visitors.

3.2.6.5 Take handicraft market as an example, as mentioned in the Demand Assessment, the number of events held could be on a weekly or bi-weekly basis. Each event usually lasts for one to two days. With reference to findings from stakeholder consultations, the annual revenue generated is estimated to be HKD 1.2 million to HKD 3.9 million, with a value added of **HKD 0.8 million to HKD 2.6 million**. It is

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<sup>8</sup> The Entertainment Office of the Leisure and Cultural Services Department is responsible for organizing two main categories of entertainment programmes, including territory-wide festive events and carnivals, as well as district free entertainment programmes held in the 18 districts of Hong Kong.

expected that **10 to 20 employment opportunities** will be created.

**Table 3-6 Direct Economic Impact of Events**

Economic activities	Demand	Value added (LCSD data; HKD mn)	Value added (stakeholder consultation; HKD mn)	Employment
Events	26 - 52 events/year	0.2 - 0.5	0.8 - 2.6	10 - 20

Source: Estimated based on data from LCSD and stakeholder consultation.

3.2.6.6 Economic impact created by exhibitors can be complex. The additional business and thus hiring as a result of exhibiting at a new event venue is difficult to estimate according to the stakeholders. The value added created per event by the exhibitors is largely dependent on the event features, and varies significantly across different exhibitors. Therefore, the quantified results of value added and employment generated by exhibitors is considered unavailable before further progress on confirmation of event positioning, operational modes and planning details.

### 3.2.7 Food and Beverage Services

3.2.7.1 Economic impact will be created when pedestrians and cyclists spend on food and beverage services at the boardwalk.

3.2.7.2 According to C&SD, food and beverage kiosks belong to the wider industry grouping of “other food services”. In 2015, there were 7,882 establishments of “other food services” which created a value-added of HKD 17.3 billion. Details of the industry grouping of “other food services” is shown in the following table.

**Table 3-7 Key Statistics of Other Food Services, 2015**

Industry group	Number of establishments	Number of persons engaged	Sales and other receipts (HKD million)	Value added (HKD million)
Other food services	7,882	94,984	49,704.8	17,288.3
Other food services with less than 10 persons engaged	5,277	22,612	11,470.3	3,428.9

Source: Key Statistics on Business Performance and Operating Characteristics of the Import/Export, Wholesale and Retail Trades, and Accommodation and Food Services Sectors in 2015

3.2.7.3

As revealed by data of existing food kiosks, usually each of the customers may spend about HKD20 dollars on food and beverages. Considering the demand for food and beverage services as discussed in the Demand Assessment, C&SD data of the “other food services” industry, it is estimated that the food kiosks at the proposed boardwalk will generate an annual revenue of HKD 0.4 million, with a value added of HKD 0.1 million. On site visits and interviews with food kiosks operators were conducted to better understand the operational status of food kiosks. Applied with the figures provided by the operators, it is crudely estimated that the Value Added created may amount to HKD 0.3 million. The food kiosks are expected to employ 2-6 persons to support the operation.

**Table 3-8 Direct Economic Impact of Food and Beverage Service**

Economic activities	Demand	Value added (HSIC data; HKD mn)	Value added (stakeholder consultation; HKD mn)	Employment
Food and beverage	1,800 customers /month	0.1	0.3	2-6

Source: Estimated based on data from LCSD and stakeholder consultation.

**3.2.8**

**Swimming**

3.2.8.1

The direct economic impact generated by a swimming pontoon at the boardwalk will depend on the operating mode of the facilities. Currently, swimming at beaches and sea does not require any admission fee in Hong Kong. Swimming at public swimming pools requires an admission fee of HKD17- HKD19 (normal rate). In both cases, the economic impact generated is expected to be mild and likely just (if not unable) to cover the expenses to operate the facility.

3.2.8.2

The pontoon’s value added may therefore be mainly the salaries earned by those directly employed. Employment opportunities will be created for lifeguards and maintenance personnel. The efforts required to clean up the waters in Victoria Harbour may also create jobs.

**3.2.9**

**Summary of Direct Economic Impact**

3.2.9.1

Overall, the proposed boardwalk is expected to generate a value added of HKD 80.1 million per year during the construction phase, with about 110 persons employed each year for the construction works.

3.2.9.2

During the operation phase, it is estimated that about HKD 2.3 million to HKD 4.7 million of value added will be generated each year. About 30 to 60 persons will be engaged to support the daily operation of the proposed boardwalk and economic activities.

**Table 3-9 Direct Economic Impact of the Proposed Boardwalk and Economic Activities During Construction and Operation Phases**

Activities	Value Added (HKD million)	Employment
<b>Impact during construction phase</b>		
Construction	80.1	110
<b>Impact during operation phase</b>		
Boardwalk	1.6	20
Cycling	0.4 - 1.1	2 - 10
Angling	N.A.	N.A.
Events	0.2 - 2.6	10 - 20
Food and beverage	0.1 - 0.3	2 - 6
Swimming	N.A.	N.A.
<b>Total (Per Year)</b>	<b>Construction phase: 80.1 Operation phase: 2.3 - 5.6</b>	<b>Construction phase: 110 Operation phase: 34 - 56</b>

### 3.3

#### Indirect and Induced Economic Impact

##### 3.3.1.1

Indirect contribution measures the value added and employment generated when the supportive sectors provide goods / services to, and receive a payment from, the firms operating the proposed boardwalk and facilities. For example, the bicycle rental activity triggers spending on procurement of tools and components and various intermediary services.

##### 3.3.1.2

To assess the indirect impacts, an input-output table is usually adopted. The input-output table describes the sale and purchase relationships between producers and consumers within an economy, and hence depicts the linkages of different economic activities. As an input-output table is not available in Hong Kong, the indirect impacts of the generated by the proposed boardwalk and facilities cannot be quantified.

##### 3.3.1.3

Induced economic contribution measures the value added and employments generated by the spending of incomes by the employees arising from the direct and indirect impact of the proposed boardwalk and facilities. Depending on the specific purchased goods and services, the induced economic contributions span across various industries. According to “2014/15 Household Expenditure Survey” published by C&SD, housing and food are the two main expenditure items, accounted for 36% and 27% of the household expenditure respectively.

### 3.4 Other Intangible Economic Impact

3.4.1.1 Apart from the tangible economic impact generated, other intangible economic impact in various aspects is expected when introducing a unique waterfront boardwalk in the Island East to further enhance Hong Kong's image. The proposed boardwalk will provide the missing link between Causeway Bay and Quarry Bay, integrating Hong Kong's waterfront spaces to form a comprehensive network. It will promote better utilisation of the waterfront, which is a unique and special public asset, and enhance utilisation and efficiency of other infrastructures in the neighbourhood. The boardwalk will also bring vibrant cultural and art activities to the local community and provide a pedestrian and bicycle-friendly environment.

3.4.1.2 The beautiful and pleasant environment at the boardwalk development may positively harmonise the relationships among the local community and tourists. Some intangible elements veer into the social and environmental benefits of development, such as improvements of quality of life through encouraging exercise and a more balanced lifestyle. Others elements include the ability to sustain Hong Kong's branding as Asia's World City, improving the competitiveness especially in tourism development, amongst regional tourism cities such as Singapore.

3.4.1.3 The proposed boardwalk is expected to create the following intangible economic impacts.

#### 3.4.2 Enhancing connectivity and enabling better utilisation of the waterfront

3.4.2.1 The North Point waterfront is currently unconnected, with access distributed in a discrete manner at various locations. The proposed boardwalk thereby enhances connectivity along the waterfront through re-connecting the distributed and discrete access points. It brings visitors (including both pedestrians and cyclists) to the waterfront, and thus allows better utilisation of the waterfront through visitors' participation in various activities along the boardwalk.

3.4.2.2 The proposed boardwalk, through connecting with the following projects, will integrate Hong Kong's waterfront spaces to form a comprehensive network. With easy access from the hinterland, connectivity will improve for the entire Hong Kong Island.

#### Promenade Projects and Existing Promenades

- The Urban Design Study for the New Central Harbourfront completed by the Planning Department (PlanD) in 2011 recommended a 2km long boardwalk and a harbourfront promenade and 11 ha of green public open space at the new Central harbourfront.
- The Urban Design Study for the Wan Chai North and North Point Harbourfront Areas recommended a 3.2 km long waterfront promenade from Wan Chai to North Point with about 10 ha of new harbourside parkland cum promenade and 22 ha of water related typhoon shelter space.
- The existing Hoi Yu Street Temporary Waterfront Promenade

- The existing Quarry Bay Park which contains a waterfront promenade of over 1km. Together with the park and ancillary facilities, Quarry Bay Park offers about 12.5 ha of open space.

#### **Cycle Track Projects**

- The Urban Design Study for the New Central Harbourfront recommended the Government to consider providing a cycle track in the permanent waterfront promenade subject to detailed assessment.
- In the Stage 2 Public Engagement conducted between June and August 2016 on the Urban Design Study for the Wan Chai North and North Point Harbourfront Areas, PlanD recommended in the proposed Master Layout Plan to reserve space for constructing a cycle track for leisure purpose including ancillary facilities for a bicycle rental system.

### **3.4.3**

#### **Improving the visual attractiveness of Victoria Harbour and providing a unique view from Island East**

##### **3.4.3.1**

Hong Kong is one the few cities in the world can claim a stunning harbour. The Town Planning Board sets out goals for the Victoria Harbour to be world-class, which include:

- To enhance the scenic views of the Harbour and maintain **visual access** to the harbour-front.
- To enhance the Harbour as a unique attraction for locals and tourists.

##### **3.4.3.2**

While current inland area cannot have a full view of Victoria Harbour, a whole new perspective of Victoria Harbour can be provided by constructing a boardwalk along the waterfront. The boardwalk will offer appealing views of the harbour and Kowloon East skyline, which is expected to strengthen the tourism attractiveness of Hong Kong.

##### **3.4.3.3**

Moreover, the provision of boardwalk and facilities, linking up attractions into interesting clusters, will enhance tourist experience and support the overall image of Hong Kong as a premier tourism destination.

### **3.4.4**

#### **Promoting better utilisation of infrastructure in the neighbourhood**

##### **3.4.4.1**

The proposed boardwalk also serves as a link which connects other existing infrastructures and facilities in the neighbourhood, including Tong Shui Road Pier, North Point Pier and waterfront, North Point Vehicle Ferry Pier Playground, Provident Garden Promenade and Quarry Bay Park, as well as other future development projects in the area. By linking up these resources, the proposed boardwalk creates synergy and better utilisation of resources in the neighbourhood and ultimately increase the efficiency of the public and private resources spent on these infrastructures.

##### **3.4.4.2**

Referring to the base scenario analysed in the report “Current Situation and Benchmarks”, the inland neighbourhood area features different residential and

commercial developments including hotels, art gallery, theatres, wet markets, etc., serving the needs of local community and visitors. By integrating into the inland area, the proposed boardwalk offers an opportunity for the development of a living community. It will also act as a catalyst enhancing the business of the neighbourhood, including bringing in business and employment opportunities as well as increasing the number of visitors visiting the inland area.

### **3.4.5 Providing a pedestrian and bicycle-friendly environment and relieving road congestion**

3.4.5.1 In the 2017 Policy Address, the Government stated that it will consolidate past efforts to “foster a pedestrian and bicycle-friendly environment” for short distance commuting. Measures will include enhancing pedestrian networks and providing comprehensive cycle track networks in new development areas.

3.4.5.2 The proposed boardwalk will foster a pedestrian-friendly environment while the provision of cycling track, rental and parking facilities will help create a “bicycle-friendly” environment, commensurate with the Policy Address. The proposed cycling track and ancillary services will satisfy the public’s aspiration for wider coverage of the cycle track network. The improved walking and cycling environment will ultimately minimise the need for mechanised transport over short distances and help relieve road congestion.

### **3.4.6 Fostering vibrant cultural and art activities**

3.4.6.1 Similar to other existing promenades, the proposed boardwalk may include public artworks in different formats such as sculptures, art walls, floor patterns and light projection. Outdoor multi-purpose activity space is also proposed as venue for performances, exhibitions and events.

3.4.6.2 The boardwalk and activity space will serve as a platform for promoting cultural appreciation and art education in the community. Through hosting various cultural events, performances, workshops and educational programmes, the boardwalk can help popularise and foster public interest in culture and arts.

3.4.6.3 Furthermore, organising major events will enhance the attractiveness of the boardwalk, making it a landmark on the waterfront that is always teeming with activity. It will enhance the profile of Hong Kong in becoming a culture and arts hub in the region.

### **3.4.7 Creating a healthy and lively community and raising the quality of life**

3.4.7.1 The proposed boardwalk will contribute to raising the quality of life and hence labour productivity and economic efficiencies. The boardwalk provides space for various sports activities, recreation activities and community events. Outdoor activities, e.g. fishing and cycling, will be promoted and thus a healthy and lively community will be created. With the waterfront acting as a place of gathering and community events, the boardwalk enables community participation, increases interaction within the neighbourhood and creates social bonding. The community can then foster a sense of harmony and cohesion. The healthy lifestyle together with a sense of

harmony and cohesion will contribute to raising the quality of life. All these may help improve employee engagement and productivity, ultimately lead to increase in economic efficiencies.

### **3.4.8 Nurturing local talents**

3.4.8.1 The boardwalk offers a venue for a wide range of regular performances, exhibitions and events, which will help nurture a pool of talents with keen interest in engaging in the performance and event industry.

### **3.4.9 Encouraging small scale business operation and entrepreneurship**

3.4.9.1 The proposed boardwalk would create opportunities for small scale operators or individuals to set up businesses, such as food and beverage kiosk and bicycle rental services, and thus help promote entrepreneurship. Additional events and traffic in the region will also help sustain the existing small businesses nearby and encourage new and more diverse industries to locate in the area. Entrepreneurship not only can create companies and jobs, but also propel economic growth and wealth accumulation. It is thus the backbone of the Hong Kong economy.

### **3.4.10 Sustaining Hong Kong's branding as the Asia's World City**

3.4.10.1 Hong Kong has positioned itself as Asia's World City. Hong Kong is a free and dynamic society where creativity and entrepreneurship converge.

3.4.10.2 The intangible economic impacts brought by the proposed boardwalk, including those mentioned above, will help showcase and reinforce the following core values embedded in Hong Kong's image as Asia's World City.

- Quality living: "Hong Kong people strive for quality of life that encompasses a green living environment, work-life balance and a lifestyle that appreciates arts and culture, and treasures Hong Kong's nature and heritage".
- Enterprising: "Hong Kong people are renowned for their can-do spirit, entrepreneurial skills and an ability to create opportunities".

## 4 Summary

### 4.1 Introduction

4.1.1.1 This Chapter summarises the economic impacts generated from the proposed boardwalk and economic activities. The results will be useful inputs to the "cogent and convincing materials" which is a vital aspect for gaining the public support for the boardwalk development. The magnitude as well as the nature, scale and significance of potential impacts including quantitative, intangible elements as mentioned earlier will all be highlighted and articulated as the major outputs of the Study.

### 4.2 Demand of the Proposed Boardwalk

4.2.1.1 Comments received during Stage 1 Community Engagement Exercise and the consultations conducted by the Study Team indicate that the proposed boardwalk is primarily a community focused development which is expected to serve predominantly residents living in the neighbourhood. They will visit the proposed boardwalk as pedestrians and cyclists. Nonetheless, the proposed boardwalk may also attract overseas visitors to the area.

4.2.1.2 It is crudely projected that the proposed boardwalk will attract 53,000 to 101,000 visits per month, indicating **0.6 to 1.2 million visits per year**. It is estimated that the amount of cyclists will be **0.4 to 0.8 million per year**.

4.2.1.3 Of all pedestrians paying visits to the proposed boardwalk, overseas tourists may account for a small proportion (2% to 5%), taking references to other local boardwalk and stakeholders feedback. This ratio is largely subject to the overall attractiveness and uniqueness of the boardwalk.

4.2.1.4 In particular, it is expected that events will be organised on weekly or bi-weekly basis at the proposed boardwalk (i.e. 26 to 52 events per year).

### 4.3 Direct Economic Impact

4.3.1.1 The economic impacts generated by each economic activity at the boardwalk development have been assessed in Chapter 3 (Economic Impact Assessment). During the construction phase, the proposed boardwalk is expected to generate a value added of HKD 80.1 million per year, with about 110 persons employed each year for the construction works. During the operation phase, it is estimated that about HKD 2.3 million to HKD 4.7 million of value added will be generated each year. About 30 to 60 persons will be engaged to support the daily operation of the proposed boardwalk and economic activities.

4.3.1.2 Among all economic activities, the major contributors to economic impacts during

the operation phase are expected to be the management of boardwalk, events and cycling activities. The table below summarise the direct economic impacts during the construction and operation phases.

**Table 4-1 Direct Economic Impact of the Proposed Boardwalk and Economic Activities During Construction and Operation Phases**

Activities	Value Added (HKD million)	Employment
<b>Impact during construction phase</b>		
Construction	80.1	110
<b>Impact during operation phase</b>		
Boardwalk	1.6	20
Cycling	0.4 - 1.1	2 - 10
Angling	N.A.	N.A.
Events	0.2 - 2.6	10 - 20
Food and beverage	0.1 - 0.3	2 - 6
Swimming	N.A.	N.A.
<b>Total (Per Year)</b>	<b>Construction phase: 80.1 Operation phase: 2.3 - 5.6</b>	<b>Construction phase: 110 Operation phase: 34 - 56</b>

## 4.4

### Indirect and Induced Economic Impacts

#### 4.4.1.1

The proposed boardwalk further contributes to local economy through indirect and induced impacts. Indirect economic impact is generated when the supportive sectors provide goods/services to, and receive a payment from, the firms operating the proposed boardwalk and facilities. For example, the bicycle rental activity triggers spending on procurement of tools and components and various intermediary services and thus value added and employment will be created for the tools and components manufacturers.

#### 4.4.1.2

Induced economic impact is also generated when there is spending of incomes by the employees arising from the direct and indirect impact of the proposed boardwalk and facilities. For example, employees will spend income on housing and food and subsequent value added and employment will be created in the real estate and catering industries.

## 4.5

### Other Intangible Impact

#### 4.5.1.1

A large part of the economic impact falls into intangible economic impact. It is expected that introducing a unique waterfront boardwalk in the Island East would further enhance Hong Kong's image. The proposed boardwalk will provide the missing link between Causeway Bay and Quarry Bay, integrating Hong Kong's waterfront spaces to form a comprehensive network. It will promote better utilisation of the waterfront, which is the unique and special public asset, and enhance utilisation and efficiency of other infrastructures in the neighbourhood. The boardwalk will also bring vibrant cultural and art activities to the local community, and provide a pedestrian and bicycle-friendly environment which will ultimately minimise the need for mechanised transport over short distances and help relieve road congestion.

#### 4.5.1.2

The beautiful and pleasant environment at the boardwalk development may positively harmonise the relationships among the local community and tourists. The proposed boardwalk will contribute to raising the quality of life and hence labour productivity and economic efficiencies. Others elements include the ability to sustain Hong Kong's branding as Asia's World City and improve the competitiveness especially in tourism development, through enhancing tourist experience to support the overall image of Hong Kong as a premier tourism destination.