

19 October 2012

Mr Paul CHAN Mo-po, MH, JP
Secretary for Development
18/F, West Wing
Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Paul,

**North East New Territories New Development Areas Planning and
Engineering Study: Stage 3 Public Engagement**

The Hong Kong General Chamber of Commerce is pleased to submit its views on the future development of the North East New Territories of Hong Kong. We support any proposals which involve comprehensive planning of land use and provision of sufficient land to enhance economic growth, in particular addressing housing and employment needs arising from population growth.

As stated in our earlier submission to the Chief Executive, the Chamber urges the Government to formulate a long-term urban land use master plan for Hong Kong. In particular, land supply should come onto the market in the least disruptive way, and land plots should specifically be designated for identified purposes. Therefore, the proposed North East New Territories development, comprising three New Development Areas totalling some 800 hectares with a mix of residential (21.2%) commercial and R&D (7.8%), as well as land for agriculture and ecological conservation (26.6%) and other land uses (44.4%), under the long-term vision of the overall development of Hong Kong and backed by a series of studies and consultation since 2008, is very much welcome by this Chamber.

We are especially happy to notice that the current proposal has incorporated some of our suggestions in its guiding principles, such as reserving land for special industries, and adopting green and energy-efficient initiatives. In particular, the planned development of a cluster of commercial, research and development projects in Kwu Tung North New Development Area should encourage those Mainland manufacturing businesses owned by Hong Kong companies to relocate the R&D functions there.

It is observed that the persistently high accommodation cost in both the Hong Kong residential and commercial markets has raised the danger of not only driving up cost of doing business and impeding our employment growth, but also undermining Hong Kong's long-term economic development and ultimately reducing our competitiveness. The proposed development of some 800 hectares should add to the much-needed supply to meet the swelling demand in the property market in the near future, and help bring the market closer to equilibrium.

While the Government points out that it has considered the public views gathered in the first two stages of public engagement and incorporated some of them into the preparation of the Recommended Outline Development Plans for the three planned new development areas, some of our members query the sudden change of the implementation plan from the "Public Private Partnership Approach" as proposed in the previous two stages of Public Engagement to the "Conventional New Town Approach" where the Government will take the role in resuming and clearing private land for development. In their views, the change may lead to a delay in housing production. There are also calls in the community for clarifications on and adjustments to the proposals. In view of the recent heated debate between supporting and opposition parties, we urge the Government to give due consideration to views expressed by different stakeholders.

The Chamber supports government policies which aim at facilitating the long-term economic growth and prosperity of Hong Kong. Let us work together to build and develop a better Hong Kong for our next generation.

Yours sincerely,

C K Chow
Chairman

cc: Planning Department and Civil Engineering and Development Department