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Business

Hui culture shock

Plans for the West Kowloon cultural district - including the controversial mandate for a canopy - have been scrapped and will again be redrawn because the three short-listed developers were unhappy about changes to the initial proposal.

Andrea Chiu

Wednesday, February 22, 2006

Plans for the West Kowloon cultural district - including the controversial mandate for a canopy - have been scrapped and will again be redrawn because the three short-listed developers were unhappy about changes to the initial proposal.

The unexpected announcement Tuesday stating that the project is going back to the drawing board was made by Chief Secretary Rafael Hui, who is overseeing the project and allowed that "there is a significant gap between public demands and market reality."

Addressing a Legislative Council subcommittee meeting on the project, Hui insisted the cultural hub will eventually go forward at full speed, once a soon-to-be-appointed high-level advisory body chaired by him studies what facilities are needed at the West Kowloon site.

This comes in response to complaints by Legco and a cross-section of critics that the government drew up plans for the district without ever fully ascertaining the city's cultural needs.

Scheduled to release its findings by September, the body - whose members will be appointed by Chief Executive Donald Tsang within the month - will determine among other things the size of the performing venue, the themes for the four proposed museums, and the financial arrangements for the district's various facilities.

An optimistic Hui said despite the second change of plans, the process may now actually be faster, because it will allow the government to firmly lay out its demands for the three proponents.

Hui's announcement

It poured cold water on weeks of rising tension between him and Legco, inflamed by his rejection of invitations to attend previous subcommittee meetings.

Article 45's Alan Leong, chairman of Legco's subcommittee on West Kowloon Cultural District, "welcomed" the announcement, saying it "addresses many of the concerns" of lawmakers set out in two reports. Still, he said, there is room for improvement.

"The most obvious thing that has not been adopted is our recommendation that there should be an immediate consultation of the cultural and arts sector," Leong said. "Secondly, we still recommend that there should be a West Kowloon Cultural District Authority set up. That hasn't found itself into the announcement."

But the chief secretary said setting up an authority at this point would be premature because the government must first decide what facilities are needed in the HK\$40 billion project.

"We just can't hand a piece of land to an authority," Hui said.

"The public would take us to task for that."



BUSINESS
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Ronnie Chan says Hang Lung may launch new projects for sale



Wednesday, February 22, 2006

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Hang Seng Index

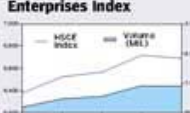
CLOSE: 15,827.53 ▲ 176.81
TURNOVER: HK\$42,558M ▲ 1.17%



Hang Seng Sectors

Sectors	Close	Change	%Chg	%Diff
Hang Seng Ind. Cos.	2,232.94	▲ 35.39	▲ 1.61	3.07%
Hang Seng COS	5,892.24	▼ 25.81	▼ 0.43	5.42%
Finance	27,265.55	▲ 2,143.81	▲ 8.21	3.39%
Property	19,343.97	▲ 439.46	▲ 2.32	3.78%
Utilities	32,245.05	▲ 146.09	▲ 0.45	2.99%
Consumer & Retail	7,283.64	▼ 75.32	▼ 1.03	2.64%
SAHMHK LABOURCAP	1,091.53	▲ 129.40	▲ 13.79	2.97%
SAHMHK GRM	1,219.65	▲ 34.71	▲ 2.92	48.74%

Hang Seng China Enterprises Index



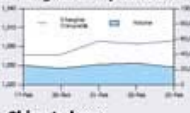
Top HSI Winners

Company	Close (HK\$)	Change (HK\$)	%Chg
HSBC	25.19	▲ 0.19	▲ 0.75
Sino Land	11.89	▲ 0.45	▲ 3.84
Wendelstein Land	42.00	▲ 1.00	▲ 2.38
New World Res.	11.30	▲ 0.40	▲ 3.54
China Resources	15.70	▲ 0.30	▲ 1.98
MTR Corporation	17.20	▲ 0.10	▲ 0.58
Bank of East Asia	26.00	▲ 0.70	▲ 2.70
Hang Lung Ppt	14.00	▲ 0.25	▲ 1.81

Top HSI Losers

Company	Close (HK\$)	Change (HK\$)	%Chg
Quart Holdings	10.10	▼ 0.10	▼ 0.99
Swirey Motors	3.30	▼ 0.05	▼ 1.51

Shanghai Composite Index



China Indexes

The project has always been buffeted by a storm of controversy, and has already gone under one major revision. In October, Hui announced that instead of granting the development to a single entity to build, as well as to manage the cultural facilities for 30 years, the winning bidder would need to put HK\$30 billion in an independently run trust to fund public facilities as well as sell at least half the commercial and residential development rights on the site.

The decision to change the plans was approved by the Executive Council Tuesday morning, before Hui went to address the Legco subcommittee.

Exco member and CITIC Pacific managing director Henry Fan said the government's decision showed the requirement for the HK\$30 billion fund was not financially viable.

"From the consortia's withdrawals, it signifies that the proposal was departing from business reality and was commercially inviable," Fan said.

Ada Wong, a core member of the People's Panel on West Kowloon, praised the decision, saying it will give the government extra time to review the district's development mode.

"But actually, if they had made such a decision half a year earlier, we would then have more time to work on related studies," she said.

In terse but similar statements, all three of the short-listed proponents - Henderson Land's World City Culture Park; Sunny Development, a consortium of Sino Land, Wharf Holdings and Chinese Estates Holdings; and Dynamic Star International, a joint bid by Cheung Kong and Sun Hung Kai Properties - said they respect the government's decision.

Although he said he is generally happy with the announcements, Leong said it is not a victory for legislators despite months of tension.

He said, "if it is a victory at all, it is a victory for the people of Hong Kong."

Market	Close	High/Low	%Chg
HongKong A	1,011.78	A 4.74	0.5
HongKong B	81.874	A 0.294	0.4
Shanghai A	24.445	A 0.075	0.3
Shanghai B	206.08	A 0.713	0.3

Regional Roundup			
Market	Close	High/Low	%Chg
Australia	4,811.700	A 26.700	0.6
France	12,744.050	A 19.720	0.2
Indonesia	2,274.144	A 7.080	0.3
Japan	14,996.100	A 314.320	1.9
Korea	2,261.720	A 20.800	0.9
Singapore	877.010	A 2.110	0.3
HK-Beijing	3,081.320	A 32.440	1.1
Singapore	2,425.000	A 7.000	0.3
Taiwan	6,674.000	A 34.010	0.5
Thailand	727.000	A 4.000	0.6

Source: Reuters, Bloomberg





Letters to the Editor

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