12 January 2009

Ms Joanne MAK
Clerk to Transport Panel
Legislative Council Building
8 Jackson Road
Central
Hong Kong
(Fax No.: 2869 6794)

Dear Ms MAK,

Hong Kong – Zhuhai – Macao Bridge

During the discussion of the captioned at the Transport Panel on 19 December 2008, Members requested the Administration to provide supplementary information on the connectivity of the Hong Kong-Zhuhai-Macao Bridge (HZMB) with the road network of the Western Pearl River Delta and the potential developments thereat.

2. I set out the information required at the paper attached. Grateful if you would circulate this letter to Members of the Panel and the Public Works Subcommittee for their information.

Yours sincerely,

( Tony Lam )

for Secretary for Transport and Housing

c.c. HyD (Attn.: Mr. WAI Chi-sing)
FSTB (Attn.: Ms. Sandra LAM)
Hong Kong – Zhuhai – Macao Bridge (“HZMB”)
Connectivity of the HZMB with the Road Network at the Western Pearl River Delta and the Potential Development There-at

PURPOSE

This paper provides supplementary information on the connectivity of the HZMB with the road network at the Western Pearl River Delta (PRD) and the potential development there-at.

INTRODUCTION

2. The HZMB will connect with major cities in the Western PRD through its link in Zhuhai with three major expressways, namely the Jing-Zhu Expressway (京珠高速公路), Guang-Zhu West Expressway (广珠西线) and Jiang-Zhu Expressway (江珠高速), and then to the Mainland’s fast expanding road network. Therefore, major cities like Guangzhou, Zhongshan, Jiangmen, etc can be reached easily. A plan showing the road connectivity of the HZMB with the Western PRD region is at the Enclosure.

3. With the extensive connectivity with the Mainland’s road network, the HZMB Main Bridge is anticipated to attract traffic thus resulting in substantial return in economic benefits and making it viable to construct. Upon completion, the HZMB will shorten the distance of Hong Kong with most areas of the Western PRD to within a reachable 3-hour commuting radius, bringing Hong Kong to the doorstep of the major industrial and commercial cities in the Mainland. Moreover, the HZMB would enhance the attractiveness of the Western PRD to foreign investment and Hong Kong’s position as a trade and logistics hub.

CONNECTIVITY OF THE HZMB WITH THE WESTERN PRD

4. The current situation of the three major connecting expressways are as follows:

   (i) The Jing-Zhu Expressway running between Beijing and Zhuhai is basically in operation stage, except the section within Zhuhai being
under construction. The Zhuhai section will be completed by 2013.

(ii) The Guang-Zhu West Expressway running between Zhuhai to Guangzhou is expected to be completed in 2012.

(iii) Jiang-Zhu Expressway is the major route from Zhuhai to Jiangmen and has already been completed and opened to traffic.

Therefore, these three major expressways will be all opened to traffic upon the completion of HZMB.

5. Through these three major expressways, drivers using the HZMB can gain access to the Mainland’s road network and reach many cities in the Western PRD. Some examples are given as follows:-

<table>
<thead>
<tr>
<th>Destination</th>
<th>Suggested Route from Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities in Western PRD, e.g. Jiangmen, Xinhui</td>
<td>The HZMB → Jiang-Zhu Expressway</td>
</tr>
<tr>
<td>Cities in Western Guangdong Province, e.g.</td>
<td>The HZMB → Guang-Zhu West Expressway → Western Coastal</td>
</tr>
<tr>
<td>Cities in Guangxi, e.g. Hezhou, Wuzhou</td>
<td>The HZMB → Jiang-Zhu Expressway → the outer-ring</td>
</tr>
</tbody>
</table>

POTENTIAL DEVELOPMENT OF WESTERN PRD

6. The HZMB Main Bridge will return substantial direct economic benefits to the three areas through saving in journey times and costs, and additional economic values of induced goods traffic between the areas. Detailed assessment on the economic benefits can be found in LC Paper No. CB(1)1520/07-08(1).

7. It is also expected that there will be much indirect economic benefits to the three areas due to trades and investments. Because of the ample and cheaper labour resources and relatively more abundant land yet to be fully exploited in the
Western PRD, there is significant development potential in this region. Implementation of the HZMB will provide the much needed infrastructure to connect Hong Kong to this region; and investing in this region upon commissioning of the HZMB would therefore benefit Hong Kong investors as a result of the more favourable investment environment from the cheaper labour and land costs. The average monthly wage of staff and workers in 2006 is reportedly at around US$325-367 in the eastern PRD, considerably higher than that of US$174-261 on the western side. Apart from the ample and cheaper labour resources, the western region also has relatively more abundant land yet to be fully exploited, hence significant development potentials. The total land area of the eastern PRD is around 4,418 km\(^2\), whereas the western part is almost three times bigger. The HZMB will provide the much needed infrastructure to connect Hong Kong to this land of great development potential.

8. Hong Kong will also gain from an increase in tourism, due to the improved convenience of travelling between Hong Kong and Western PRD, and the increasing spending power of its residents over the coming years as the economy in Western PRD takes off. These would be similar to how the rapid economic development of the Eastern PRD due to the efficient transport links with Hong Kong in the past years has brought about substantial economic benefits to Hong Kong. There is also positive spill-over on other industries such as restaurants, hotels and transports in Hong Kong as found in the Eastern PRD case. We can expect similarly close economic ties with the western PRD after the HZMB has been built. This closer business relationship with the Western PRD will be also beneficial to our external trade and logistics industries, not to mention the ancillary/supporting industries like finance, transport and warehouse, insurance etc.

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Port-Zhuhai-Macao Bridge Connectivity with the Road Network of the Western Pearl River Delta

Note:
Refer to Guangdong Expressway Network Plan 2004-2030 & the latest information provided by Ministry of Transport, Guangdong