

“Hong Kong needs the construction industry to improve the living environment”

(Respond to SCMP Article on 15 June 2017)

We write in respond to the article JAKE'S VIEW By Jake van der Kamp titled “Legco right to stall construction works of dubious intent” published on 15 Jun. 2017

The \$100 billion “public sector construction expenditure” is current year expenditure drawn from project funding approved in earlier years. The fund will be exhausted upon respective projects completion. The government has many new projects in hand ready to commence but needed funding approval to meet the Administration’s priority. Filibustering delayed projects commencement, affect employment continuity and disturbed the effort in training to replenish the aging workforce. The industry needs \$70 billion worth of new public work projects approved each year to maintain a level of service or else we walk the same boom (1995-1998, 2009-2016) and burst (1999-2008) cycle.

The last construction cycle peaked in 1998-9 followed by 10 years of dwindling investment before picking up again in 2008 to serve the 10 mega projects. During that period, many experienced workers and professionals were forced to leave Hong Kong and/or re-commit themselves to another career. Many did not return to construction. Construction was only 2.2% of GDP at the trough. In 2015, the construction industry is 4.7% of the local GDP. Despite it is doubled from earlier years, it is still lower than other developed economy like Australia(8.7%), Japan(5.4%) and Singapore (5.2%).

Under the Construction Workers Registration Ordinance (CWRO), all construction workers must be registered before they can work on site. ([http://www.cic.hk/cic_data/files/DWDS%20Booklet%20\(Eng\)-Final_V1.pdf](http://www.cic.hk/cic_data/files/DWDS%20Booklet%20(Eng)-Final_V1.pdf)) and the Labour Advisory Board only allowed very few foreign construction workers into Hong Kong through the Supplementary Labour Scheme in the past few years.

Hong Kong needs the construction industry to serve the society and improve the living environment. Construction industry also provided employment to mass and filtering spending to feed the retail and food & beverages sectors. It is a localized industry employing nearly 8% of the working population. Many developed economies invest in construction to stimulate local economic activities especially at a time of uncertainty.

The industry sees a lot of planned work ready from the government and had been gearing up to serve that need. We just had a high demand for construction work that physically attracted many youngsters, architects & engineers alike, to commit to develop their careers in construction. The 4 years of continual filibustering is impairing the future and livelihoods of the construction professionals and workers, depriving career opportunities of university graduates, and disturbed committed investment in training new workers since 2010 to replenish the 190,000 aging construction workers attaining the age of 50. If we cannot maintain the momentum now, the retiring workers would substantially reduce the industry's overall capacity. When the demands finally come, the industry would not be able to cope. The result could well be: jobs not filled, productivity suffered, delivery time extended and cost increased.

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