

**For discussion
on 6 May 2003**

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**LegCo Panel on Security
and LegCo Panel on Transport**

**3009GB - Construction of boundary-crossing facilities at
Shenzhen Western Corridor under the “co-location” arrangement**

INTRODUCTION

This paper informs members of our plan to construct a new boundary control point at Shekou, Shenzhen for the Shenzhen Western Corridor (SWC), where the Hong Kong Special Administrative Region (HKSAR) will implement the co-location of immigration and customs facilities of both the HKSAR and the Mainland (hereinafter referred to as “co-location”).

BACKGROUND AND JUSTIFICATION

2. The capacities of the three existing vehicular boundary crossings at Lok Ma Chau, Man Kam To and Sha Tau Kok between the HKSAR and Shenzhen are near saturation. The average total daily vehicular traffic using the three crossings in 2002 was about 33 900, representing a 31% growth over the past five years and an average annual growth of 5%. To cater for the increasing cross-boundary traffic demand, the SWC (i.e. the fourth vehicular boundary crossing between the HKSAR and Shenzhen) will be constructed under “**759TH – Shenzhen Western Corridor**”, and is scheduled for completion in the latter half of 2005. The SWC would facilitate the flow of people and cargo between the HKSAR and the southern part of the Mainland. It will enhance the status of the HKSAR as a business/trade/logistics hub in the Pearl River Delta, and will also bring substantial benefits to the HKSAR.

3. To tie in with the commissioning of the SWC in the latter half of 2005, we will need to put in place boundary crossing facilities for the provision of immigration and customs clearance services. The boundary crossing facilities will be able to cater for a peak hourly traffic of about 150 coaches, 1 640 private cars and 2 600 goods vehicles per direction around

2016 so as to meet the anticipated demand of boundary-crossing traffic flow. We have also earmarked an area of about 6 000 square metres (m²) as a public transport drop-off and pick-up area.

4. Upon commissioning of the new control point for the Shenzhen Western Corridor, there will be co-location arrangement for both passenger and cargo clearance. A major consideration supporting co-location is the lack of usable land on the Hong Kong side for accommodating new boundary crossing facilities. Besides, co-location will streamline procedures and save passengers' time. Specifically, with co-location, passengers using coaches will only have to get on and off once instead of twice in going through the clearance procedures of the two sides.

5. With the authorization by the Central People's Government, a Hong Kong Management Area within the co-located site at Shekou will be clearly earmarked, and will be managed by the HKSAR according to laws of the HKSAR. Each side will conduct its own immigration and customs examinations according to its own laws and regulations with a buffer area in between, i.e. the existing modus operandi will be basically followed. The respective management area of the two sides will not overlap so as to avoid any confusion or vacuum in jurisdiction. We will need to introduce legislative amendments to clearly define the Hong Kong Management Area to be managed by the HKSAR, and to extend the laws of the HKSAR to the Hong Kong Management Area.

6. Subject to funding approval, we intend to entrust the project design and construction works to Mainland authorities. This is because construction works for the proposed boundary crossing facilities will be carried out at Shekou before inception of the Hong Kong Management Area, and the relevant design and construction works will need to comply with the procedures of the Mainland side. Besides, it will also help better the coordination and avoid interface problems that would arise by two governments implementing their respective portions of the works on the same site. But at the same time, relevant departments of the Government of the HKSAR will render advice to the Mainland authorities at all stages to ensure that the design and construction of the facilities will meet the operational, management and maintenance requirements of the HKSAR. All the design and construction works will have to be endorsed by the Government of the HKSAR. In addition, we intend to work out an arrangement with the Mainland side to allow qualified contractors from both the Mainland and the HKSAR to tender for the proposed works.

PROJECT SCOPE AND NATURE

7. The scope of the project comprises the design and construction of a new control point with low-rise buildings and other ancillary structures as follows –

- (a) cargo processing facilities including –
 - (i) kiosks for clearance of goods vehicles;
 - (ii) customs inspection platforms; and
 - (iii) X-ray systems;

- (b) passenger clearance facilities including –
 - (i) kiosks for private cars and coaches; and
 - (ii) passenger clearance halls;

- (c) accommodation for seven government departments, namely Immigration Department, Customs and Excise Department, Hong Kong Police Force, Fire Services Department, Department of Health, Agriculture, Fisheries and Conservation Department, and Transport Department. The accommodation includes offices, fire station-cum-ambulance depot, police reporting centre, staff canteen, changing and amenity facilities, electrical and mechanical services workshops and carparking spaces. The functions and services provided by these departments are listed in Enclosure 1;

- (d) a public transport drop-off and pick-up area; and

- (e) supporting peripheral structures including roadways, parking areas (e.g. vehicle holding/drop-off/pick-up areas) water mains, drainage system, power supply, sewage system, landscaping works, traffic control, signalling, communications and surveillance systems, and information systems supporting the operation of the control point.

A preliminary site plan of the proposed boundary crossing facilities is at Enclosure 2.

FINANCIAL IMPLICATIONS

8. We estimate the capital cost of the project excluding land development fees, and fees and charges for entrustment of project management, design and supervision to be \$2,081 million in money of the day (MOD) prices (see paragraph 13 below), made up as follows –

| | \$ million | |
|---|-------------------|-------------------------------|
| (a) Site works | 13.00 | |
| (b) Piling | 180.00 | |
| (c) Building | 356.00 | |
| (d) Building services works | 276.00 | |
| (e) External works (other than roadways, parking and drainage works) | 483.00 | |
| (f) Furniture and equipment | 630.00 | |
| (g) Contingencies | 299.00 | |
| | <hr/> | |
| Sub-total | 2,237.00 | (in September 2002 prices) |
| (h) Provision for price adjustment | (156.50) | |
| | <hr/> | |
| Total | 2,080.50 | (in MOD prices) |

9. The above breakdown has not yet included further costs arising from enlarged passenger and vehicle clearance areas nor fees and charges for entrustment of project management, design and supervision as these are under advanced negotiations with the Mainland side. Our ballpark estimate of the costs for these works is in the region of about \$850 million.

10. Furthermore, we have not included the cost of land development¹ at this stage because negotiations with the Mainland side over this item are still on-going. The principle that the two sides have preliminarily agreed is that each side will bear the actual costs incurred in developing the land to be used by that side.

11. It is possible that we would be able to ascertain the estimated costs for the works mentioned in paragraph 9 in the near future and if so we would include them in the coming submission to be made to the Public Works Sub-committee (PWSC) and the Finance Committee (FC). We will seek funding support for the cost of land development as and when the relevant cost figures are ready in slower time.

12. The construction floor area (CFA) of the project is about 46 843 m². The estimated construction unit cost, represented by the building and building services costs, is about \$13,500 per m² of CFA in September 2002 prices. The construction unit cost is comparable to that of the Expansion of Kiosks and other Facilities at Lok Ma Chau Boundary Crossing by the Government of the HKSAR. The proposed entrustment of the project design and construction works to the relevant Mainland authorities will probably result in a lower unit construction cost.

13. We have derived the MOD estimates on the basis of the Government's latest forecast of trend labour and construction prices for the period 2003 to 2006 in the HKSAR.

14. We are still ascertaining the additional annual recurrent expenditure arising from the project at the moment.

ENVIRONMENTAL IMPLICATIONS

15. The project site is located outside the boundary of the HKSAR, and does not require an environmental permit under the Environmental Impact Assessment (EIA) Ordinance to commence construction. Meanwhile, the Mainland side have undertaken its own EIA to meet the prevailing environmental standards and requirements of the Mainland.

¹ The whole site where the boundary crossing facilities of the two sides will be co-located is being reclaimed at Shekou by the Mainland side.

LAND ACQUISITION

16. The project site is located outside the boundary of the HKSAR, and does not require any land acquisition or clearance by the Government of the HKSAR.

IMPLEMENTATION PLAN

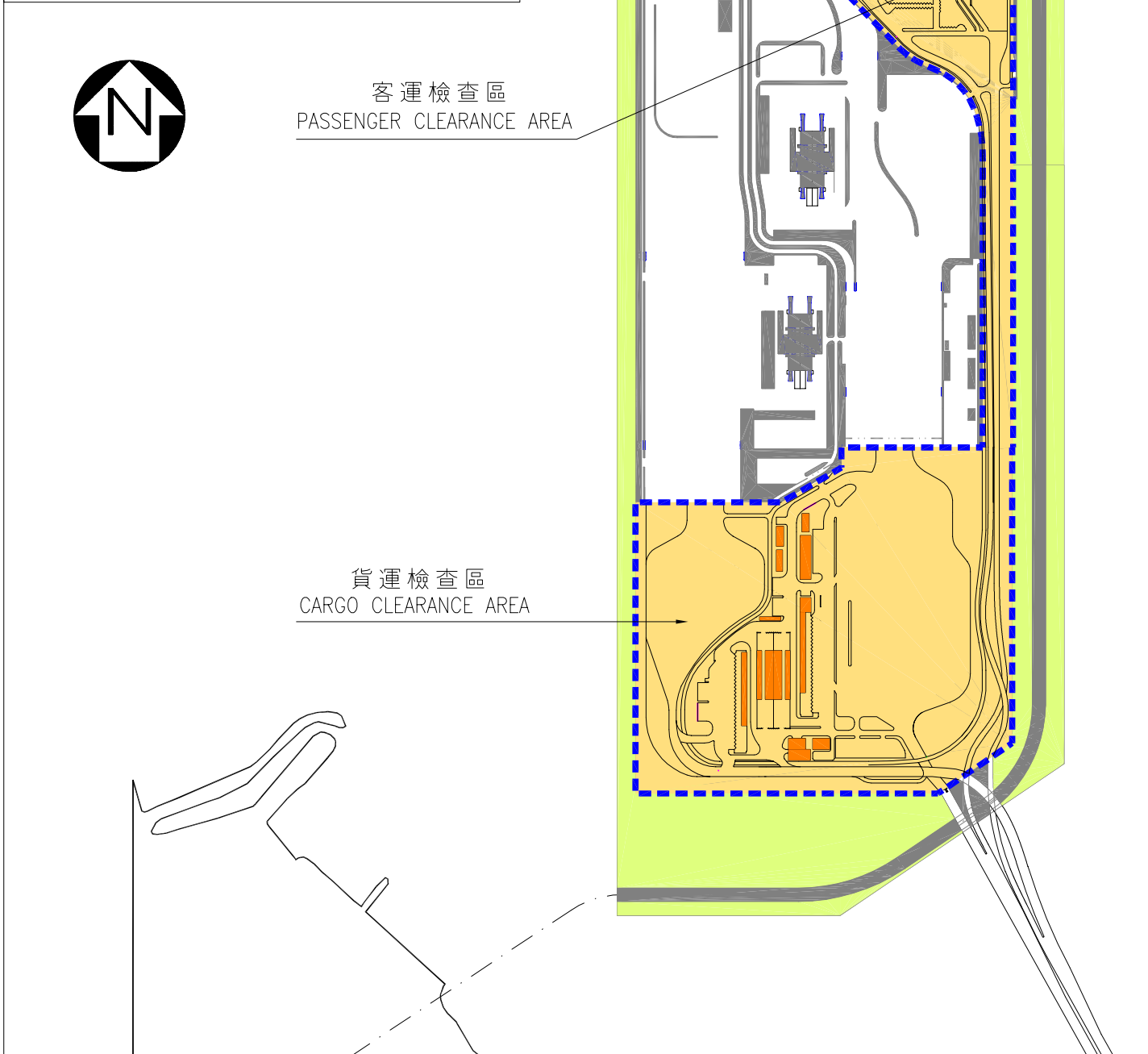
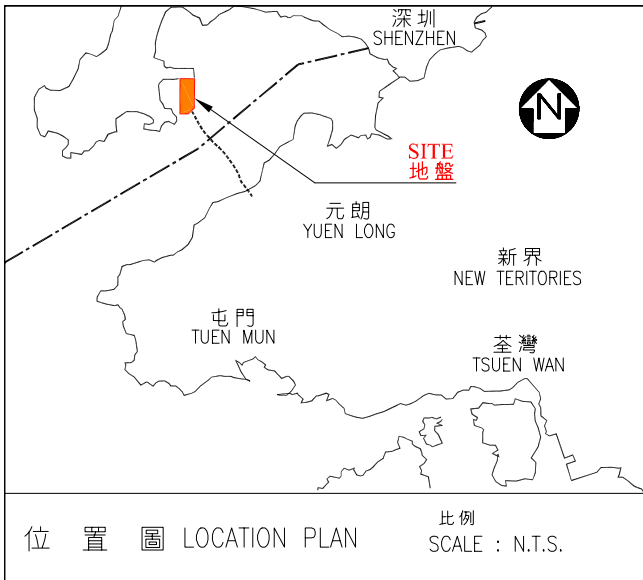
17. We plan to seek funding support from the PWSC and approval from the FC for the works covered in paragraph 8 and, if possible, paragraph 9 above in June and July 2003 respectively. Subject to funding approval and agreement with the Mainland side, we plan to start the design and construction works in the latter half of this year for completion by the latter half of 2005 to tie-in with the commissioning of SWC.


Security Bureau
April 2003

Brief functions of user departments at Shenzhen Western Corridor

| Department | Functions |
|-------------------------------|---|
| Customs and Excise Department | <ul style="list-style-type: none"> - To conduct customs clearance on passengers, cargo and vehicles utilizing the boundary control facilities. - To protect revenue relating to dutiable commodities. - To conduct investigation into Customs related offences with a view to effect seizure and forfeiture of illegal items and prosecution of offenders. |
| Hong Kong Police Force | <ul style="list-style-type: none"> - To maintain Law and Order - To manage vehicular and passenger traffic flow - To enforce Hong Kong Legislation - To maintain integrity of the boundary of the area under Hong Kong's jurisdiction - To protect life and property - To investigate traffic accidents |
| Fire Services Department | <ul style="list-style-type: none"> - To extinguish fires - To protect life and property in case of fire or other calamity - To assist any person who appears to need prompt or immediate medical attention by – <ul style="list-style-type: none"> (i) securing his safety (ii) resuscitating or sustaining his life (iii) reducing his suffering or distress - To convey any person requiring immediate medical attention to a hospital or other place where medical attention is available to him |
| Department of Health | <ul style="list-style-type: none"> - To man the Port Health Office and to prevent the introduction of quarantinable diseases into Hong Kong by enforcing the Quarantine and Prevention of Disease Ordinance, Cap. 141. should an outbreak of quarantinable disease occur across the boundary. To take measures including medical inspection of persons, disinsection of their luggage, disinsection of vehicles, decontamination of contaminated areas, dispensation of medication / vaccination where appropriate, etc. |
| Immigration Department | <ul style="list-style-type: none"> - To exercise effective immigration control at the co-location Boundary Crossing Facilities (BCF) at Shekou, Shenzhen Western Corridor (SWC); - To facilitate the smooth crossing of passengers and vehicles by providing efficient immigration clearance - To ensure no passenger will evade from immigration examination. |
| Agricultures, | <ul style="list-style-type: none"> - To be responsible for the control of importation of live animals, birds, plants |

| Department | Functions |
|--|---|
| Fisheries and Conservation Department (AFCD) | and endangered species into Hong Kong via the co-location control point. - To inspect certificates certifying that the food animals imported do not contain any prohibited chemical and other chemicals exceeding the prescribed levels. |
| Transport Department | - To facilitate manifest collection , tax enforcement, customer service and tax refund under the proposed Boundary Facilities Improvement Tax arrangement. |



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|--|-----------------------------|--------------|---|---------------|
| 9GB 深港西部通道新口岸 BOUNDARY CROSSING FACILITIES AT SHENZHEN WESTERN CORRIDOR, SHEKOU | drawn by K.H. CHAN | date 05-2003 | drawing no. AB/6596/XA101 | scale 1:10000 |
| | approved K.C. TAM | date 05-2003 |  ARCHITECTURAL SERVICES DEPARTMENT | |
| | office ARCHITECTURAL BRANCH | | | |