

**LegCo Panel on Transport
Subcommittee on matters relating to railways**

**Supplementary information on
latest cost estimate of West Rail project and outstanding claims from
contractors**

Background

At the Legislative Council Panel on Transport Subcommittee on matters relating to railways meeting held on 18 July 2003, Members discussed the paper on “Project Update of West Rail” (LC Paper No. CB(1)2203/02-03(01)) and asked the Kowloon-Canton Railway Corporation (KCRC) to provide information on the latest cost estimate of West Rail and amount of outstanding claims from contractors and related information. This note provides supplementary information for Members’ reference.

Latest cost estimate of West Rail

2. The latest cost estimate of West Rail is \$46.4 billion including financing and land acquisition costs.

Outstanding claims from contractors

3. As at end September 2003, there were about a total of 1,960 outstanding claim notifications under review. The total value of the claims changes as claims are being assessed, settled or rejected and contractors are also reconsidering and adjusting their claims. During this period, the total value of the claims is commercially sensitive and release of the information could prejudice the Corporation’s commercial position. Nevertheless, the Corporation expects that the settlement of these claims will be contained within the project budget for West Rail of \$46.4 billion.