

**For discussion  
on 21 May 2008**

**PWSC(2008-09)12**

## **ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 703 – BUILDINGS**

#### **Support – Commerce and Industry**

#### **6GA – HKSAR's Participation in the World Exposition 2010 Shanghai China – Hong Kong Pavilion**

Members are invited to recommend to Finance Committee the upgrading of **6GA** to Category A at an estimated cost of \$145.4 million (in money-of-the-day prices) for the design and construction of a stand-alone Hong Kong Pavilion in the World Exposition 2010 Shanghai China.

### **PROBLEM**

The World Exposition 2010 Shanghai China (Shanghai Expo) will provide an excellent opportunity for us to publicise Hong Kong's quality city life and position as a creative capital. We intend to make full use of the opportunity by constructing a stand-alone Hong Kong Pavilion (HK Pavilion).

**/PROPOSAL .....**

**PROPOSAL**

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Constitutional and Mainland Affairs (SCMA), proposes to upgrade **6GA** to Category A at an estimated cost of \$145.4 million in money-of-the-day prices (MOD) for the design and construction of a stand-alone HK Pavilion within the China Pavilion Area of the Shanghai Expo.

**PROJECT SCOPE AND NATURE**

3. The scope of **6GA** comprises –

- (a) the design and construction of a stand-alone HK Pavilion at a site of about 600 square metres (m<sup>2</sup>) within the China Pavilion Area, with a construction floor area (CFA) of about 1 100 m<sup>2</sup> and a net exhibition area of about 800 m<sup>2</sup>;
- (b) the interior fitting-out of the HK Pavilion including the design and provision of exhibits; and
- (c) the demolition of the HK Pavilion after the Shanghai Expo and the restoration of the site for return to the organiser of Shanghai Expo (the Organiser).

4. A site plan of the proposed HK Pavilion is at Enclosure 1. We plan to start the construction works in December 2008 for completion in April 2010. We plan to commence the demolition works in November 2010 for completion in January 2011 and return the site to the Organiser.

**/JUSTIFICATION .....**

**JUSTIFICATION**

5           The Shanghai Expo will be held in Shanghai from 1 May to 31 October 2010. This is the first registered World Expo to be held in a developing country, and another major international event to be hosted by China after the 2008 Beijing Olympics. Under the theme of “Better City, Better Life”, the Shanghai Expo will provide an international platform for participating countries and organisations to exchange their experiences of urban development, disseminate advanced notions on cities, and explore new approaches to eco-friendly lifestyles and working conditions, and sustainable development. As at 11 April 2008, 202 countries/international organisations have enrolled. The Organiser estimates that the Shanghai Expo will attract more than 70 million visitors, of which more than 90% are expected to be Mainland visitors.

6.           In August 2007, we received a proposal from the Organiser inviting the participation of the Hong Kong Special Administrative Region (HKSAR) in the event in our capacity as a Special Administrative Region of the host country, and suggesting that HKSAR may construct a stand-alone HK Pavilion within the China Pavilion Area. The Organiser has reserved a site of about 600 m<sup>2</sup> for the HK Pavilion. All other Mainland provinces / regions / municipalities directly under the Central Government will join the event. The Macao Special Administrative Region has also confirmed its participation.

7.           The proposal will help enhance the HKSAR’s image, showcase our various strengths and attractions, promote our broader commercial interests to both the Mainland and international audiences, and further strengthen our economic relations with the Mainland. In particular, the Shanghai Expo will provide an excellent opportunity for the HKSAR to publicise Hong Kong’s quality city life and position as a creative capital. According to a preliminary assessment by the Government Economist, the quantifiable economic benefit to Hong Kong is likely to be felt mainly in the inbound tourism industry, roughly generating \$288 million (main scenario) to \$432 million (high scenario) additional income to the economy. We have indicated to the Organiser our support in principle for the event, and that we would endeavour to complement the preparation and publicity work of the Organiser. But details of the HKSAR’s participation in the event will be subject to confirmation.

8. Whereas the exhibitions of Mainland provinces / municipalities will be housed under the same pavilion, the HKSAR's and Macao SAR's exhibitions will be in separate stand-alone pavilions. The design of the HK Pavilion will thus give visitors an important first impression of Hong Kong's exhibition. Both the external and internal design of the HK Pavilion should preferably have a strong Hong Kong flavour and be of a high standard commensurate with other developed economies and regions. Given the significance of the project and the expected keen public interest, we launched in February 2008 a concept design competition for the HK Pavilion. The competition, organised in collaboration with the Hong Kong Institute of Architects, was open to Hong Kong local design and building related professionals. The open competition has enabled us to tap the best creative ideas of local professionals, while at the same time giving due regard to practical issues such as constructability, functional requirements and budgetary considerations in coming up with the concept design for the HK Pavilion.

9. We received 80 entries during the stipulated period from 1 February to 13 March 2008. After assessment by a seven-member jury, the winning design entitled "Pavilion of Infinity" was selected for its distinctive and attractive design, powerful visual identity and striking walk-through experience embracing the theme of the HK Pavilion. The winning design concept is at Enclosure 2. The HK Pavilion is expected to adopt innovative and advance technologies including multi-media and interactive methods in highlighting the HKSAR's various strengths and achievements. Due regard would be given to integrating the sustainable design principles in the design and materials used for the HK Pavilion. The winning design is intended to be developed and constructed by a design and build contractor. This approach will help ensure smooth and timely delivery of the project.

## **FINANCIAL IMPLICATIONS**

10. We estimate the capital cost of the project to be \$145.4 million in MOD prices, made up as follows –

/(a) .....

		<b>\$ million</b>	
(a)	Site works	0.4	
(b)	Foundation	1.1	
(c)	Building	20.0	
(d)	Building services	9.5	
(e)	Drainage	1.3	
(f)	External works	5.5	
(g)	Demolition of HK Pavilion and site restoration	1.5	
(h)	Consultant's fees for quantity surveying (QS) services	0.9	
(i)	Visits for works inspection in Mainland	1.8	
(j)	Fitting out and associated works for exhibits	21.0	
(k)	Exhibits	43.5	
(l)	Contingencies	10.0	
	Sub-total	116.5	(in September 2007 prices)
(m)	Provision for inflation, Renminbi fluctuation	28.9	
	Total	145.4	(in MOD prices)

11. We propose to engage a consultant to undertake QS services for the project. A detailed breakdown of the estimate for the consultant's fees by man-months is at Enclosure 3. The CFA of **6GA** is about 1 100 m<sup>2</sup>. The estimated construction unit cost, represented by the building and building services costs, is \$26,818 per m<sup>2</sup> of CFA in September 2007 prices. We consider the estimated cost reasonable as compared with other projects undertaken by the government, taking into account that this project will be constructed in Shanghai.

12. Subject to approval, we will phase the expenditure as follows -

Year	\$ million (MOD)
2008 – 09	2.2
2009 – 10	58.3
2010 – 11	49.1
2011 – 12	20.4
2012 – 13	15.4
	145.4

13. We have made a provision to cater for inflation in construction and material price level in Shanghai due to keen market demand in the period leading up to 2010 and fluctuation of Renminbi exchange rate. We consider that the \$28.9 million provision should be sufficient for the purpose. We will tender the project as a design-and-build contract. We intend to award the contract on a lump-sum basis without provision for price fluctuation because we can clearly define the scope of the works in advance and the construction works will be carried out in Shanghai.

/PUBLIC .....

## **PUBLIC CONSULTATION**

14. We consulted the Legislative Council Panel on Commerce and Industry on 18 December 2007 and 15 April 2008. Members of the Panel generally supported the proposed project.

15. Aside from Legislative Council consultation, we have also conducted focus group discussions with representatives of the relevant stakeholders, including the commerce and industry sector, creative industry and tourism sector in Hong Kong on how best to promote Hong Kong during the Shanghai Expo. Further focus group discussions will be conducted as preparation work progresses. We will also continue to work closely with the creative industry and other stakeholders in formulating further details of the exhibition.

## **ENVIRONMENTAL IMPLICATIONS**

16. The project site is located in Shanghai, i.e. outside HKSAR. The project will not cause any long term environmental impact.

17. Given that the HK Pavilion will likely be a temporary structure for the period of the Shanghai Expo, due regard will be given to incorporating environmentally-friendly features in the design of and materials used for the pavilion. Subject to further examination on its feasibility, we will explore the possibility of retaining some of the key features of the exhibitions after the conclusion of the Shanghai Expo and re-assembling them in Hong Kong for further exhibition to the local public.

18. We will ensure the proper control of noise, dust and site run-off nuisances during construction in accordance with established standards and guidelines through the implementation of mitigation measures in the contract. In addition, we will require the adoption of approved mitigation measures to avoid, reduce, reuse and recycle construction and demolition materials.

## HERITAGE IMPLICATIONS

19. The project site is located in Shanghai. It will not affect any heritage site, i.e. all declared monuments, graded historic sites/buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office within the HKSAR.

## LAND ACQUISITION

20. The project site is located in Shanghai and does not require any land acquisition or clearance by the Government of the HKSAR.

## BACKGROUND INFORMATION

21. In January 2008, we submitted the theme statement of the HK Pavilion to the Organiser for its approval. The proposed theme “Hong Kong – A City with Unlimited Potential” intends to showcase Hong Kong’s unique strength on connectivity with the Mainland and the world, in terms of both hardware and software. Apart from the proposed HK Pavilion, we also intend to participate in a full range of related activities, including the Urban Best Practices Area Exhibition, World Expo seminars, Internet World Expo, Hong Kong Week, parades and cultural performances. At the Finance Committee meeting on 9 May 2008, Members accepted in principle the financial implications, estimated to be in the region of \$380 million, to support HKSAR’s participation in the Shanghai Expo. The estimated financial implications include the \$145.4 million earmarked for the design and construction of the Hong Kong Pavilion, and related works.

22. We upgraded **6GA** to Category B in November 2007. We have engaged a consultant to carry out pre-contract QS services at a cost of about \$0.6 million. We will charge this amount to block allocation **Subhead 3100GX** “Project feasibility studies, minor investigations and consultants’ fees for items in Category D of the Public Works Programme”. We are concluding the project requirements with in-house staff resources and the QS consultant is also finalising the tender documents of the project.

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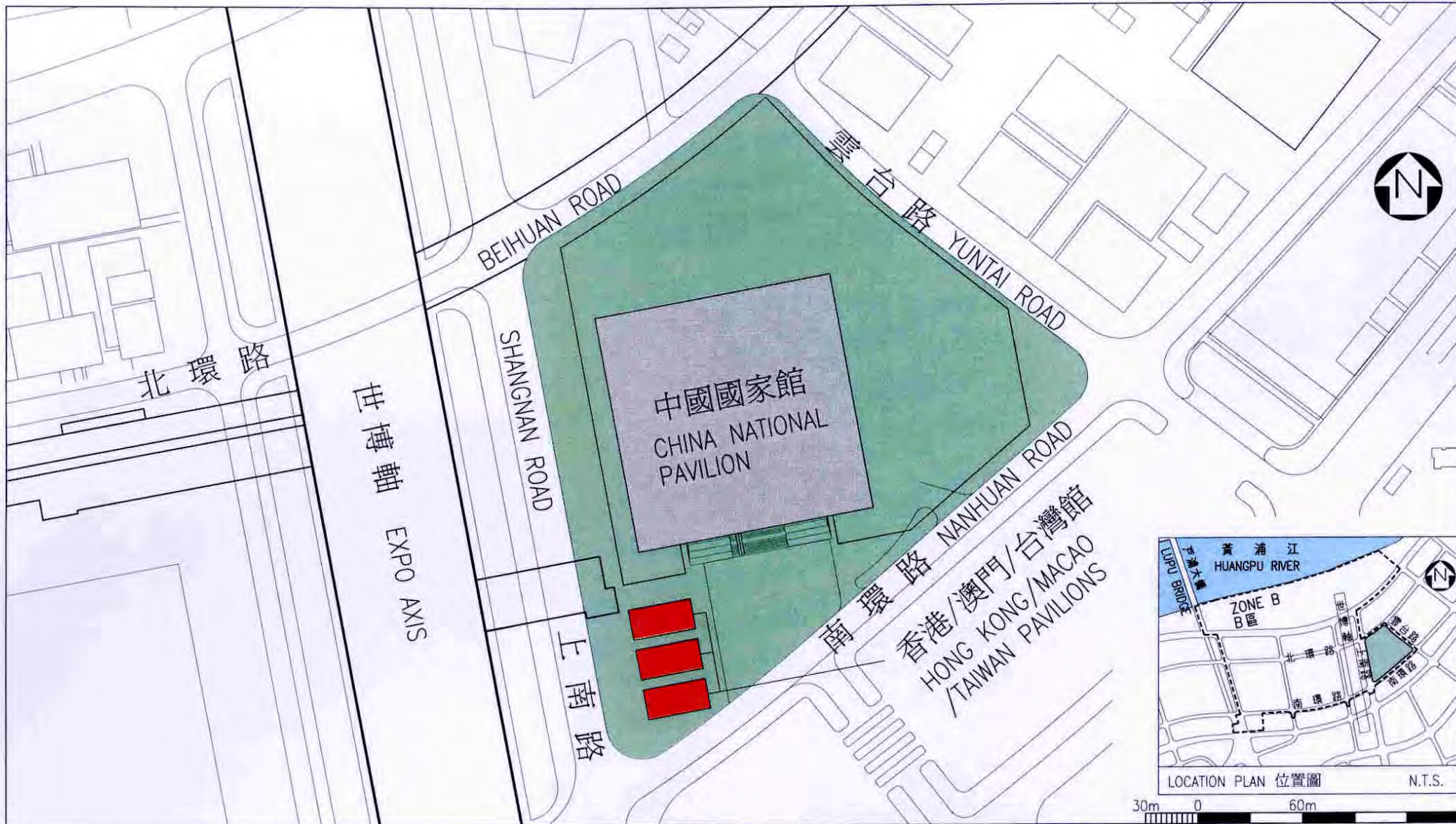


23. The proposed works will not involve any tree removal or planting proposals within HKSAR.

24. With the works being carried out in Shanghai, we estimate that the project will create a total of 13 jobs for Hong Kong consultants, comprising six professional and seven technical staff, totalling 320 man-months.

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Constitutional and Mainland Affairs Bureau  
May 2008



title 6GA  
 HKSAR's Participation in the World Exposition 2010  
 Shanghai China - Hong Kong Pavilion  
 香港特別行政區參與中國2010年上海世界博覽會 - 香港館

drawn by	K. F. CHIU	date	04/08
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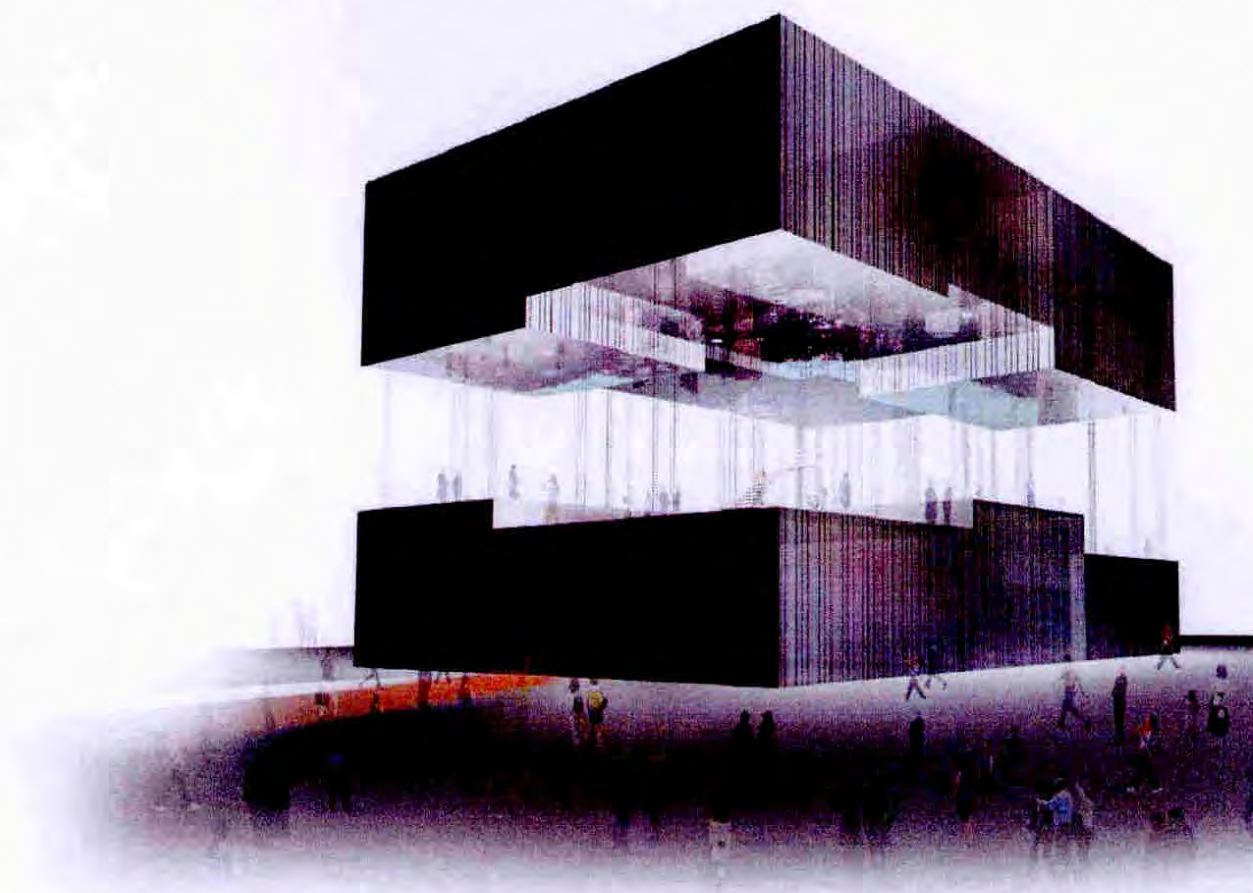
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LOCATION PLAN 位置圖 N.T.S.

# Winning Design Concept

## 獲獎設計構想圖



title 6GA

HKSAR's Participation in the World Exposition 2010  
Shanghai China – Hong Kong Pavilion

香港特別行政區參與中國2010年上海世界博覽會 — 香港館

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**6GA – HKSAR’s Participation in the World Exposition 2010 Shanghai  
China – Hong Kong Pavilion**

**Breakdown of the estimate for consultant’s fees**

Consultant’s staff costs		Estimated man- months	Average MPS* salary point	Multiplier	Estimated fee (\$ million)
Quantity surveying services (Note 1)	Professional	-	-	-	0.7
	Technical	-	-	-	0.2
				Total :	<u>0.9</u>

**Note**

1. The consultant’s staff cost for quantity surveying services is calculated in accordance with the existing consultancy agreement for **6GA**. The assignment will only be executed subject to Finance Committee’s approval to upgrade **6GA** to Category A.