



20 February 2009

Ir Dr Hon Raymond Ho Chung-tai
SBS, S.B.St.J., JP
Chairman of Public Works Subcommittee
Legislative Council Building
8 Jackson Road, Central

Dear Dr Ho,

**Public Works Subcommittee
Expenditure on Capital Works Projects**

Thank you for your letter of 6 February 2009 to the Financial Secretary, relaying Members' concern on expenditure on capital works projects (CWP). The Financial Secretary has asked me to reply on his behalf.

We would like to reaffirm that the Government is committed to promoting economic development through infrastructure projects, thereby increasing employment opportunities for the construction sector.

From the relatively low level in 2006-07 (\$21.7 billion) and 2007-08 (\$20.5 billion), you will be pleased to note that CWP expenditure will recover to \$23 billion in 2008-09, and is expected to exceed \$29 billion in 2009-10. Such rapid rise in the CWP expenditure is not solely due to the implementation of the Ten Major Infrastructure Projects announced by the Chief Executive in his 2007-08 Policy Address, but is the result of Government pressing ahead with the implementation of other equally important works

projects (such as the Tamar Development Project, Tuen Mun Road Improvement, and replacement and rehabilitation of watermains) and undertaking more minor works projects (which can be implemented more speedily and are more effective in job creation in the short term). Moreover, the Administration has expedited the feasibility studies, design and other preparatory works as well as implementation of the works projects. Save for the procedures required by the relevant legislation, we have streamlined our administrative procedures as far as possible, while continuing to undertake comprehensive public engagement at an early stage with a view to seeking a well balanced way forward to fulfil the aspirations of the community.

Similar to last year, the Public Works Subcommittee (PWSC) will have a busy schedule in the current LegCo session. As of 11 February 2009, the PWSC has approved a total of 71 items with cost amounting to \$31 billion. It is anticipated that the workload will increase further in the remainder of this LegCo session as another \$70 billion of funding items will be submitted to the PWSC. We are hopeful that with PWSC's continued support, more funding applications could be recommended to Finance Committee for approval. We look forward to continuing our partnership with the LegCo in pressing ahead with Hong Kong's infrastructure development which will bring wide range of benefits to the community.

Yours sincerely,



(Freely K Cheng)

Administrative Assistant to
Financial Secretary

c.c. Secretary for Financial Services and the Treasury
Secretary for Development