

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

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(English translation of the letter issued on 3 January 2019)

3 January 2019

Clerk to Public Works Subcommittee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Doris LO)

By Fax: 2869 6794

Dear Ms LO,

Special Meeting of Public Works Subcommittee on 4 Dec 2018
Supplementary Information

At the special meeting of the Public Works Subcommittee of the Legislative Council on 4 December 2018, Members requested the Government to provide supplementary information on the Public Works Project “Hong Kong–Zhuhai–Macao Bridge—funding support for Main Bridge” (Project Code 8003QR). The information requested is set out below:

In March 2010, the Ministry of Transport approved the project estimate for Hong Kong–Zhuhai–Macao Bridge (HZMB) Main Bridge (i.e. Approved Project Estimate) at about RMB ¥38.118 billion. Since the commencement of the HZMB Main Bridge project, there has been escalation in the construction costs arising from the complicated conditions for construction in the open sea, the difficulty in construction, the increase in labour and material costs as well as the refinement of the design and construction schemes. As a result, the contractors of the HZMB Main Bridge submitted applications to the HZMB Authority for adjustment to the project estimate. The HZMB Authority also pointed out

the recent phenomenon that approved project estimates of mega-scale transport infrastructure projects in the Mainland were on occasions exceeded.

The HZMB Authority has reviewed the applications submitted by the contractors and prepared a report on the adjustment of the project estimate. Subsequent to the endorsement by the relevant Mainland Authorities, the relevant Mainland Authorities have submitted the report on the adjustment of the project estimate to the State Council. According to the approval of the Ministry of Transport, the latest approved project estimate of the HZMB Main Bridge is about RMB48.068 billion, i.e. the cost overrun of the Main Bridge is about RMB9.95 billion.

At the time when the HZMB Main Bridge was approved for implementation, the three sides agreed that the construction cost would be financed by funding support from the three sides and by borrowing from the banks by the HZMB Authority. In accordance with this latest project estimate approved by the Ministry of Transport, the three sides would have to contribute a capital cost of about RMB4.6 billion, with the balance of RMB5.35 billion to be financed by bank loan. As for the contribution from Hong Kong, it is about RMB2.0 billion.

The HZMB has been commissioned for public use. As one of the parties of the agreement of the three governments, the Hong Kong Special Administrative Region Government shall fulfill the responsibility to contribute our share of the additional capital cost due to the cost overrun. The Mainland and Macao sides have already contributed their shares. The HZMB Authority is now finalising its accounts for the Main Bridge project and will settle the outstanding payments for the construction of the Main Bridge with contractors and service providers in stages. Making reference to the timetable of the accounts finalisation of the HZMB Authority, we will seek the approval from the Legislative Council for the required additional funding.

Yours sincerely



(Mr. Horace HONG)

for Secretary for Transport and Housing

c.c.

Secretary for Financial Services and the Treasury

(Fax: 2147 5240)

(Attn: Ms Terri KWONG)

Director of Highways (Attn: Mr. KONG Tai-wing)

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