

**For discussion
on 13 May 2025**

**Subcommittee to Study the Effectiveness, Costs and
Management of Public Works Projects**

**Measures to enhance and uplift the performance of
public works projects**

Purpose

This paper briefs Members on the measures to enhance and uplift the performance of public works projects, including (i) introduction to the current methods of estimating costs for public works projects and various indices related to construction costs, (ii) measures to enhance monitoring of project estimates and expenditures of public works projects, and (iii) ways to secure steady and reliable supply of construction materials, so as to meet the needs of the construction industry.

Performance of public works projects

2. Hong Kong has always been in a world-leading position in terms of infrastructure. The overall cost management performance of the Capital Works Programme (CWP) has all along been well performed and additional funding is required only for a handful of projects. Although some projects needed to seek supplementary provisions as a result of certain circumstances, overall speaking, we could complete the projects under the CWP within their original approved project estimates (APEs) in the past ten legislative sessions¹. Prof Bent FLYVBJERG of the University of Oxford has compared the performance of Hong Kong's public works projects with that of the works projects in other places such

¹ There were 575 Category A projects approved by the Finance Committee (FC) in the past ten legislative sessions, the APEs totalled about \$1,109 billion. Among these, 15 projects needed to seek an increase in APE due to unforeseen circumstances from the FC involving an additional of about \$49 billion. Meaning that about 3% of the projects needed an increase in APE, with a total amount about 4% of the total APEs approved. There were 510 Category A projects with their final accounts settled in the past ten legislative sessions, and while the original APEs totalled about \$193 billion, the total final expenditure was about \$173 billion. Despite the fact that some projects needed to seek an increase in APE from the FC, the surpluses from other projects were enough to offset the cost overruns, with a balance of about \$20 billion. In other words, the total expenditure for all these projects, including supplementary provisions, only accounted for about 90 per cent of the total original APEs.

as Canada, Denmark, the Netherlands, Sweden and the United Kingdom. The findings indicate that Hong Kong's mechanism for delivering public works projects and cost-control measures are better than those of other places, and thus the probability of Hong Kong's public works projects experiencing cost overruns is far lower than that of other places.

3. Regarding the monitoring of works progress, for works projects completed in the past five years, the average delay was about two quarters mainly due to unforeseeable circumstances, such as COVID-19 epidemic and inclement weather. Compared with the situation five years ago, the average delay has been reduced by about a quarter, reflecting an improvement in the delay situation

4. Nevertheless, to further enhance the efficiency of works projects and strengthen the competitiveness of Hong Kong's construction industry, the Development Bureau (DEVB), after completing a strategic study on construction costs (the Strategic Study), has identified the major reasons for the relatively high construction costs and relatively long project construction time in Hong Kong. Based on the reasons identified, the DEVB has formulated four major directions² and short-, medium- and long-term strategies. We will implement the related measures by piloting and launching them once they are ready, so as to enhance and uplift the performance of public works projects. For details, please refer to LC Papers No. CB(1)1536/2024(01), CB(1) 265/2025(01) and CB(1) 265/2025(02).

(i) Current Methods of Estimating Costs for Public Works Projects

5. The Government is always committed to providing accurate cost estimates for public works projects in order to manage project expenditures and reduce instances of cost overruns, and thereby enhance the performance of public works. The project estimates for a public works project includes the construction cost, ground investigation cost, consultancy fee³, site supervision cost of Resident Site Staff (RSS)⁴, project contingency and provision for price adjustment, etc. In short, the project team conducts cost estimates at the project inception stage and the tendering stage.

² The four major directions for reducing the costs of public works projects include: (1) optimising the project procurement model to reduce risk premium; (2) reviewing the design standards and requirements to increase cost-effectiveness; (3) applying advanced technologies and construction methods to uplift productivity; and (4) streamlining the approval process to boost work efficiency.

³ Consultancy fees cover the costs of feasibility studies, design, tendering, and supervision of site investigation works.

⁴ The cost of site supervision by RSS includes the expenditures for hiring professional, technical, and other related personnel.

6. At the project inception stage (i.e. before project design begins), the project team makes reference to unit cost for specific project categories as a baseline with adjustment according to relevant construction cost indices, to produce a preliminary cost estimates. Typically, the project team refers to the costs of numerous similar past projects, converting them into an overall unit cost price for estimation⁵. For example, to estimate the cost of a pedestrian footbridge (about 40 meters long, 5 meters wide, spanning a dual 2-lane carriageway, and equipped with lift), the overall unit cost is about \$600,000 to \$1 million per meter. The project team selects an appropriate unit cost within this range (e.g. \$700,000 per meter) based on factors such as the location and length of the footbridge. In addition, the team adjusts the estimates with relevant construction cost indices (see paragraph 10 for details), and comes up with a preliminary estimates of about \$30 million for the footbridge. However, since the project team has limited information on geological conditions, material requirements, construction constraints, whether a canopy is needed, or renewable energy requirements, the cost estimates at the inception stage is only preliminary.

7. Before tendering, the project team obtains more detailed design information, and a complete set of bill of quantities completed, thus enabling a more precise cost estimation. The project team breaks down the entire project into various work items based on the bill of quantities. Considering the project's uniqueness and complexity, the team refers to recently awarded contracts of similar nature, comparing the unit prices of relevant work items in their bills of quantities, with adjustment based on changes in the construction cost indices to derive the project estimates. However, since project costs can fluctuate due to market conditions, including economic cycles and contractors' tendering strategies, the project team also applies the Works Tender Price Index trends (see paragraphs 11-12 for details) to estimate the contractor's tender prices in order to draw up a reasonable cost estimates.

⁵ The project team makes reference to projects with comparable scale, construction methodologies, and geological conditions to formulate reasonable estimates for both costs and programme.

8. When applying funds from the Legislative Council (LegCo), the estimates are presented in money-of-the-day (MOD) prices for LegCo Members' reference. MOD prices are calculated by converting the total project expenditure and annual expenditure by financial year into the actual payment amounts at future dates, using price adjustment factors formulated by the Office of the Government Economist. These factors are based on a basket of indicators, including annual and quarterly data on the price of public sector building and construction output, overall labor market conditions, recent changes in construction wages and material prices, and trends in global and local economic performance influenced by geopolitical factors. This mechanism allows pre-adjustments to price fluctuations during the project period, enabling more accurate estimates of annual expenditures and the final project cost.

Construction-related Indices

9. In order to keep abreast of the latest market developments and enhance the accuracy of project cost estimation, the Government has been committed to compiling and releasing to the public various indices related to the construction industry. Construction-related indices can generally be divided into two main categories, namely (i) construction cost index and (ii) tender price index. The construction cost index mainly reflects changes in construction costs, while tender price index⁶ is used to reflect the tendering trends of contractors.

(a) Construction Cost Index

10. The Government compiles and releases two construction cost indices, namely the Highways Department Construction Cost Index (HyD CCI) and Civil Engineering Works Index (CEWI) standardised at a base of 100⁷ on a regular basis for tracking various construction cost trends. Given that the construction materials and workers's requirements vary by project category, the HyD CCI and CEWI differ in the proportions of construction materials⁸ and workers component in their calculations. These indices are adjusted based on monthly labour and material cost indices and their changes⁹, as compiled by the Census and Statistics Department (C&SD). In the past ten years (from 2015 to 2024), the indices have been on an overall upward trend with increases of about 42% and 36%. (refer to Annex I for related Construction Cost Index Trends)

⁶ Including Civil Engineering Works Tender Price Index and Building Works Tender Price Index.

⁷ The HyD CCI and CEWI use 1975 and 1980 as the baseline year respectively at a base of 100.

⁸ The relevant construction materials include cement, asphalt, galvanised mild steel, diesel fuel, aggregates, concrete brick, timber formwork, and steel reinforcement.

⁹ C&SD keeps track of changes on the costs of relevant construction materials and labour, and publishes the corresponding Index Numbers of the Costs of Labour and Materials Used in Public Sector Construction Projects on a monthly basis.

(b) Works Tender Price Index

11. Tender price indices are used to reflect contractor's tendering trends. Changes in tender price indices are influenced by not only changes in construction workers' wages and material costs but also by other factors such as overall construction volume, global economic conditions, market prospects, tendering strategies, operational costs, profits, and risks. Since these factors fluctuate with the market environment and are highly uncertain, the trends in tender price indices may not directly reflect changes in construction cost indices.

12. Given the differences in cost items and risks between civil engineering and building project, the DEVB compiles and releases two Works Tender Price Indices, namely the Civil Engineering Works Tender Price Index and Building Works Tender Price Index¹⁰ on a regular basis. These indices are calculated based on tracking the percentage change in the price of a basket of items¹¹ of specific projects over time. Apart from reflecting the tendering trend of contractors, it also helps the DEVB understand the market situation so as to formulate relevant strategies. In the past ten years, the Civil Engineering Works Tender Price Index and Building Works Tender Price Index reached their peaks in 2015 and 2016 respectively. The indices dropped since then and picked up the rising trend again from 2021 onwards. In 2024, the trend of both Civil Engineering Works Tender Price Index and Building Works Tender Price Index remained generally stable. (refer to Annex II for related Works Tender Price Index trends)

Contract Price Fluctuation System for public works projects

13. In order to uphold the principle of equitable risk sharing between the Government and the contractors, and reducing the risks borne by the contractors arising from the labour and material costs fluctuations, Contract Price Fluctuation (CPF) provisions are generally included in all government capital works contracts

¹⁰ Civil Engineering Works Tender Price Index is a quarterly index for reference of cost estimation exercises by various government works departments. It is compiled from tender pricing data of major types of civil engineering works undertaken by various government works departments. Building Works Tender Price Index is a quarterly index compiled by the Architectural Services Department as an aid to adjust construction cost data for estimating purposes.

¹¹ The basket of prices covers the prices of more than 200 projects with items including concrete, steel reinforcement, bitumen etc.

regardless of their contract duration¹² from which payments to the contractors are adjusted accordingly. The CPF system has been put in place for many years and is proved to be effective in reducing the risk premium subsumed in the tenders submitted by the contractors for counteracting the fluctuations of labour wages and material costs.

14. During the tendering stage, tenderers provide the proportions¹³ of composite labour wages and construction material costs in the predetermined schedule of proportion for contract price fluctuation by taking into account the project nature and the proposed construction method. During the construction stage, with a view to estimating and paying the required price fluctuation costs to the Contractor, the project team calculates the contract price fluctuation factor on a monthly basis based on the proportions specified by the contractor in the contract and the corresponding changes¹⁴ of monthly labour and material cost index numbers¹⁵ published by C&SD.

15. Regarding the calculation methods of the labour and material cost indices, the concerned trades of workers and construction materials as well as the proportions used in the above-mentioned calculations, the Development Bureau continuously liaises with various construction industry stakeholders and effects refinements when needed. This is in tandem with C&SD's works to continue keeping track of changes in relevant labour and material costs and publish the indices on a monthly basis to duly reflect the corresponding changes in the industry. After consulting with stakeholders in the construction industry, we plan to include "ready-mixed concrete" as a newly added construction material under the material cost indices by this year and are exploring the feasibility of including "copper conductor" as a new construction material for building services works.

¹² Unless there are genuine practical problems for including CPF provisions, such provisions are not excluded from the contracts. For instance, CPF provisions would not be included in contracts involving predominate use of proprietary products or systems for which C&SD does not keep track of the corresponding price fluctuations, such as the supplies of electrical and mechanical equipment and ancillary items.

¹³ That is, the proportion of individual construction material costs or the composite labour cost relative to the sum of the sub-totals of the composite labour cost and all selected construction material costs under the same public works contract.

¹⁴ There are 2 indices in the Index Numbers of the Costs of Labour and Materials Used in Public Sector Construction Projects, namely composite labour wages for civil engineering contracts and composite labour wages for building contracts. These indices are calculated as weighted averages based on the average daily wages and corresponding weightings in a basket of relevant trades of workers. Similarly, each construction material cost index is calculated as a weighted average based on the average prices and corresponding weightings in a basket of relevant construction materials

¹⁵ C&SD keeps track of changes on the costs of relevant construction materials and labour, and publishes the corresponding Index Numbers of the Costs of Labour and Materials Used in Public Sector Construction Projects on a monthly basis. The Working Group on Labour and Material Indices established by the Development Bureau determines the compositions and weightings of the indices. Members of this inter-departmental and industry working group include representatives from various government departments and industry groups such as the Hong Kong Construction Association.

Current mechanism and measures to monitor project estimates and expenditure

16. There is a set of stringent and effective cost management measures for the implementation of public works projects. The budget of public works projects is under the joint control of the Financial Services and the Treasury Bureau (FSTB) and the DEVB. The FSTB is mainly responsible for monitoring the fiscal sustainability of the CWP, formulating the Capital Works Reserve Fund estimates and vetting the capital works resource allocation, with a view to setting priorities for projects. The FSTB is also responsible for handling matters related to seeking LegCo's funding approval for public works projects. The DEVB is responsible for vetting project estimates independently, chairing the dedicated committees comprising heads of works departments and monitoring the works progress and expenditure position.

17. On monitoring project estimates of public works, there is a set of stringent vetting mechanisms in place. The Project Strategy and Governance Office (PSGO)¹⁶ under the DEVB will act as an independent third party participating in project cost vetting starting from project inception stage, and will assist works departments to optimise the project design. After preparing the project estimates, project teams will first submit them to dedicated committees¹⁷ established by various works departments and then the PSGO for examining whether the cost estimates of public works projects are reasonable. PSGO leverages its extensive experience and data accumulated over the years in reviewing project estimates, engaging in consultations with policy bureaux and departments to continuously optimize designs. This includes exploring alternative design options, construction methodologies and procurement models, such as optimizing foundation works and building layouts, and enhancing the adoption of innovative technologies to develop and implement cost-effective solutions.

Adoption of parallel tendering

18. Since September 2020, before submitting a funding application for works projects to the LegCo, the Government has been adopting parallel tendering as far as practicable for procurement of works contracts and works-related consultancies. The objective is to reflect the returned tender price in the APE, so that the project can be better managed financially to reduce the risk of cost overrun. It can also avoid unnecessary lockup of internal resources, as that may affect the

¹⁶ In order to effectively uplifting cost effectiveness, the then Project Cost Management Office (PCMO) was established under DEVB in 2016 and was upgraded to the PSGO in April 2019. PSGO reviews projects with estimates exceeding \$30 million to assess the reasonableness of the project estimates.

¹⁷ Dedicated committee, established by various works departments chaired by directorate grade officer, reviews procurement option, project risks, and cost estimates.

implementation of other projects. In addition, this arrangement can facilitate early project commencement after obtaining funding approval from the FC of LegCo.

Funding approval from LegCo

19. Funding applications submitted to the LegCo for works projects will list clearly the project proposal, project scope and nature, justification, financial implications, etc. In addition to the total project cost, the applications will also present a breakdown of the project estimates, the cash flow and the estimated additional recurrent expenditure¹⁸. For complex and mega-projects, it provide comprehensive information on project cost estimates, the Government will list out the unit costs of major works items of the proposed works projects and the unit cost range of works items of other past projects of similar scale and nature for comparison.

Review of variation orders during construction period

20. On monitoring the expenditures of public works projects, unforeseen circumstances (e.g., worse-than-expected geotechnical conditions or additional works to address local concerns) may arise during project delivery, potentially impacting costs and schedules. To strengthen the monitoring, the PSGO will play an independent third party role to examine major variations of public works contracts involving \$1.4 million or above. The project teams have to explain the reasons and the need for issuing variation orders and analyse their implications on the works contracts, including construction costs, construction period and operating expenses. The PSGO will review the variations based on their cost-effectiveness and provide independent advice to the Controlling Officers after such review. For example, the PSGO will facilitate inter-departments coordination or recommend cost-effective construction method to project teams for the proposed variations. Controlling Officers will then decide whether to issue the variation orders, taking into account PSGO's views and the funding availability of works projects.

¹⁸ The project team, by referring to experience and data over the years, formulates reasonable estimates for the recurrent cost of the project, including maintenance costs, staff required, electricity bill, etc.

(ii) Measures to strengthen monitoring of project estimates and expenditures of public works

Application of artificial intelligence to enhance monitoring of project expenditures

21. On overall public works management, the DEVB co-ordinates and collects the project performance data from various works departments, which will be consolidated in the self-developed Integrated Capital Works Platform to enable project management personnel to grasp the real-time performance of various projects. We will further apply artificial intelligence (AI) to conduct big data analysis to review project performance in terms of cost and progress. For example, in collaboration with Oxford Global Projects, we analyse the cash flow at the initial stage of new construction projects using AI, based on the data of over 800 completed works projects in the past 20 years, to predict whether there will be time or cost overruns under the projects, with a view to providing early warning and intervention, thereby effectively enhancing the overall performance and management efficiency of the entire Public Works Programme.

Early Consideration of Cost-Effectiveness of Different Options

22. To further enhance cost-effectiveness, the DEVB explores early consideration of the cost-effectiveness of different implementation options, reviewing project requirements from policy bureaux and assisting relevant bureaux and departments in formulating feasible solutions, thereby controlling overall project costs from the inception stage.

Optimising project contingency and provision for price adjustment mechanisms

23. The Government is reviewing the current mechanism of resource utilisation in works projects, including areas for improvement in the project contingency and provision for price adjustment mechanisms. The Government plans to strengthen the existing monitoring mechanisms, such as reviewing the approval framework of resources, and is studying the formulation of more detailed internal guidelines for relevant departments and Controlling Officers on securing the proper use of resources. The Government also plans to regularly report to the LegCo on the use of provision for price adjustment in works projects to enhance transparency in resource usage and allocation.

(iii) Ensuring a steady and reliable supply of construction materials

24. Construction materials and equipment account for about 25% to 35% of the overall construction cost and fluctuation in their prices will directly affect the overall construction costs. Therefore, a steady and reliable supply is important for construction cost management. Construction materials used in Hong Kong mainly include concrete, steel reinforcement and steel materials, etc. Based on the information we have gathered and with reference to industry opinions, the current supply of concrete, steel reinforcement and steel materials in Hong Kong is sufficient. Considering that Hong Kong has adopted a competitive global procurement model for construction materials and equipment, their basic prices are generally comparable to those of other developed cities.

25. The demand and supply of major construction materials are elaborated below:

(i) Ready-mix concrete

The volume of concrete production mainly depends on the market demand and is limited by the number of concrete batching plants (CBPs) and their production capacity. At present, there are a total of 12 concrete suppliers and over 20 CBPs in various districts in Hong Kong, and the total volume of concrete production was about 8.5 million cubic metres in 2024 which fully met the market demand.

(ii) Cement

Local cement product manufacturers can produce about 2.5 million tonnes of cement per annum and about 1 million ton of cement was produced in 2024 which mainly for production of ready-mix concrete. Apart from local production, cement is also imported from China and other countries. According to the information provided by the C&SD, Hong Kong imported a total of about 3.1 million tonnes of cement in 2024. Cement is the raw material used for producing ready-mix concrete and we anticipate that the demand for cement will generally increase following the rising demand for concrete. However, according to past information, the diversified sources of raw materials such as cement and aggregates can stabilise their supply.¹⁹

¹⁹ Raw materials can be imported from different countries and regions. For example, the cement imported into Hong Kong in 2024 mainly comes from countries such as China, Japan, Vietnam etc., while imported aggregates for producing concrete and asphalt mainly come from the quarries in Guangdong Province of China, including Zhaoqing, Huizhou, Heshan and Xinhui.

(iii) Aggregates

The local annual consumption of aggregates was about 12 million tonnes on average between 2020 and 2024. With the rock excavation at Lam Tei Quarry substantially completed in 2022, the current aggregate supply in Hong Kong mainly comes from the quarries in Guangdong Province supplemented with a small amount produced by recycling suitable rock products generated from local construction projects. According to the statistics from the Census and Statistics Department, about 11 million tonnes of aggregates were imported and about 1.6 million tonnes of aggregates were generated from recycling rock products in 2024.

(iv) Steel reinforcement

According to the C&SD, the supply of steel reinforcement in Hong Kong in recent years has primarily come from China, Malaysia, Qatar, Vietnam and Saudi Arabia. From 2014 to 2024, the average annual consumption of steel reinforcement in Hong Kong reached 1.5 million tonnes, with public works projects accounting for approximately half of the consumption. It is anticipated that with the increase in the volume of public works projects, our construction industry's steel reinforcement consumption could rise to 2 million tonnes in the future. Currently, there are about 65 approved steel reinforcement suppliers in Hong Kong. Adopting a global procurement model for steel reinforcement, these suppliers can ensure an adequate supply of steel reinforcement for local projects and can meet the growing demand arising from the increase in construction activities.

Measures to strengthen supply chains

26. We have anticipated that the total estimated expenditure of capital works for 2024-25 financial year is about \$90 billion. In the coming years, projects related to the Northern Metropolis will be rolled out progressively. Together with other important infrastructure works projects aimed at improving people's livelihood, the capital works expenditure of the Government will start reaching its peak. In the Medium Range Forecast, capital works expenditure is expected to increase from the previously estimated \$90 billion per annum on average to about \$120 billion per annum on average in future. Therefore, we have been maintaining close communication with the construction industry to keep abreast of the latest situation of various construction material supply chains, and implement relevant measures to strengthen the supply chains to ensure steady and reliable supply. The measures include:

(i) Providing government sites suitable for building CBPs

The Civil Engineering and Development Department (CEDD) is conducting a study to review the demand and supply of concrete in the territory. The preliminary findings reflect that the overall demand for concrete in the coming ten years will broadly be maintained at around 8 to 9.5 million cubic metres per annum, while the total concrete production capacity will be maintained at around 11 to 12 million cubic metres per annum.²⁰ The supply of concrete for Hong Kong as a whole is generally sufficient.²¹

To tie in with the development of East Kowloon and New Territories East, the temporary CBP at Tseung Kwan O (TKO) Area 137 has commenced operation in October 2024. In addition, the Government has also proposed creation of land by reclamation at the waters off TKO Area 132 for reprovision of CBP.

Moreover, the Government is conducting preliminary studies for Underground Quarrying at Tsing Yi North and Sham Shui Kok, North Lantau. The quarries will provide suitable sites for building CBPs.

(ii) Promoting the use of Ground Granulated Blast-furnace Slag (GGBS)

Cement concrete is a construction material with a high carbon footprint. We are promoting the use of Ground Granulated Blast-furnace Slag (GGBS) in public works projects to partially replace cement and reduce the carbon footprint generated by construction activities.²² We anticipate that the promotion of the use of GGBS will lead to a reduction in the use of cement.

According to our discussion with relevant stakeholders, the supply of GGBS is sufficient. In addition to local production, several sources from China have been introduced.

²⁰ Additional concrete production capacity could provide buffer for meeting the seasonal demand and cope with the situation of temporarily shut down of concrete batching plant in whole or partly for maintenance.

²¹ The CEDD will review in detail the demand and supply of concrete in individual districts of Hong Kong in the above study. If the findings show that there is a need to enhance the supply chain of concrete in individual districts, the Government will proactively identify sites suitable for building CBPs to facilitate suitable concrete suppliers to make applications according to the mechanism, with a view to ensuring that the supply of concrete can meet the needs of future development

²² In 2024, the Government has set target to increase the usage of GGBS concrete to 50%. Although the current price of GGBS concrete is slightly higher than cement concrete by about 10%, we expect that with further wider adoption of GGBS concrete and the related production technologies becoming more mature, the price of GGBS concrete will gradually drop.

(iii) Development of Underground Quarries

It is expected that the demand for aggregate would generally increase with the construction volume. In the short to medium term, the West New Territories Landfill Extension Project, which commenced in September 2023, involves excavation works and is expected to gradually produce aggregates from 2026 onwards for reuse. It is estimated that in the first two years, at least 6 million tonnes of aggregates each year will be available in the market for use in the construction industry.

As mentioned above, the Lam Tei Quarry has substantially completed rock excavation in 2022. To ensure a stable local aggregate supply, the Government conducted preliminary study on the development of underground quarries and confirmed that the existing Lam Tei Quarry and its connected hills are suitable for the implementation of a pilot underground quarrying contract. The contract is targeted to commence within 2025, with quarrying activities expected to start after 2027. In addition to rock excavation, the quarry would also allow suitable locations for ancillary operations including rock processing and concrete production. In general, the supply of aggregates is generally sufficient..

(iv) Procuring steel reinforcement by central procurement model

We are actively exploring the adoption of a central procurement model to procure steel reinforcement. Apart from enhancing cost-effectiveness, this procurement model can enable the Government to manage the supply chain more efficiently and more directly. As such, manufacturers/suppliers can make planning according to the timing of demand for construction materials and equipment to ensure their timely supply. We are formulating the details of proposal (such as the contractual period, quantity of steel reinforcement to be purchased centrally and contract form) and maintaining close exchange with the industry. It is expected that a specific proposal will be formulated for steel reinforcement within this year.

27. We are preparing for taking forward the construction of the first advanced construction industry building at a site of about three hectares in Tsing Yi. The multi-storey building can provide space for operators to set up steel reinforcement bar prefabrication yards, processing sites for Multi-trade Integrated Mechanical, Electrical and Plumbing, and other advanced manufacturing yards to meet the increasing needs of the construction industry market. The DEVB has completed the study on the operational mode of the building, marketing sounding exercise, preliminary planning of the building and relevant impact assessments. We expect to invite investors or stakeholders in the construction industry to submit expressions of interest on the development of the project this year, and strive to commence construction of the building as soon as possible.

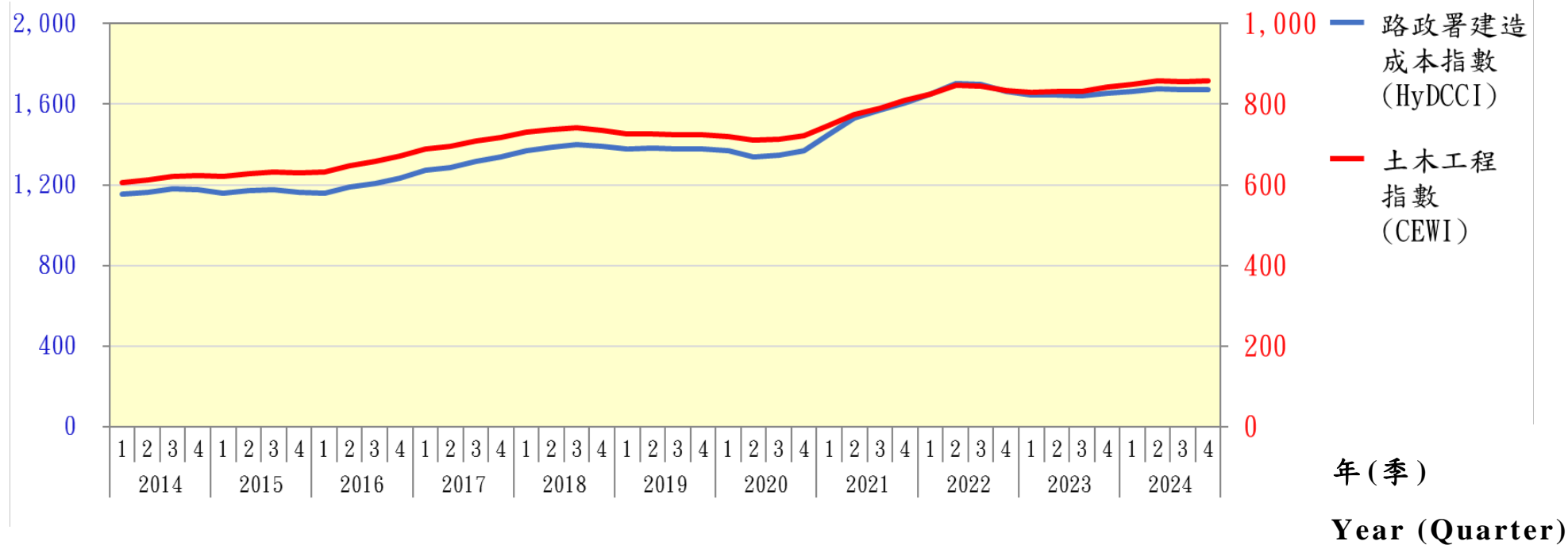
28. We will continue to review various indices related to construction costs on a regular basis, and implement relevant measures to strengthen the supply chain and measures to enhance monitoring of project estimates and expenditures of public works projects.

29. Members are invited to note the content of this paper as a reference for detailed discussion in the coming meetings of the sub-committee.

Development Bureau
May 2025

建築成本指數 Construction Cost Index

指數
Index



投標價格指數 Tender Price Index

