

CONTROLLING OFFICER'S REPLY

THB(T)040

(Question Serial No. 2423)

Head: (60) Highways Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Railway Development
Controlling Officer: Director of Highways (Jimmy P M CHAN)
Director of Bureau: Secretary for Transport and Housing

Question:

Regarding the follow-up work for the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) project, the Government has stated that in view of serious cost overrun of the project, "the Government will continue reserving its right to take the MTR Corporation Limited (MTRCL) to arbitration on the Corporation's liability for the current cost overrun". Please advise this Committee of the following -

- (1) As at March 2019, has the Government made any claims against MTRCL for the cost overrun? If so, what are the amount of claims involved and the details?
- (2) In the coming 24 months, what follow-up actions will be taken in relation to the above-mentioned issue?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 45)

Reply:

According to the Definitive Agreement entered into between the Government and the MTRCL in November 2015, the Government reserves the right to refer the question of the MTRCL's liability for the cost overrun of the Hong Kong Section of XRL project to arbitration. The Government is reviewing MTRCL's liability. In this respect, we are requesting MTRCL to provide relevant documents on the XRL project and will take necessary steps to prepare for the possible arbitration process.

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