

CONTROLLING OFFICER'S REPLY

TLB020

(Question Serial No. 0909)

Head: (60) Highways Department

Subhead (No. & title): (-) Not Specified

Programme: (1) Capital Projects

Controlling Officer: Director of Highways (YAU Kwok-ting)

Director of Bureau: Secretary for Transport and Logistics

Question:

In recent years, the construction industry in Hong Kong has faced a contraction in workload. The construction sector's unemployment rate hits a record high. The Government announced that the latest unemployment rate of the construction industry has reached a high of 6.9%, the highest among all industries in Hong Kong. Although the Budget indicated an increase of the estimated expenditure on capital works in 2026-27 to approximately \$128 billion, this is far from enough to offset the overall decline in project quantity.

While the number of works projects is dropping constantly, the expenditure on project consultancy also decreases significantly.

1. Among the capital projects under design and construction, the number of those undertaken by consultants has decreased from 279 in 2024 to an estimated number of 212 in 2026. The project expenditure has decreased by nearly \$48 billion (\$211.813 billion minus \$164.036 billion). Please explain the reasons for the significant decrease and explain in detail what projects were removed.
2. The “expenditure in the year on capital projects under design and construction” is also decreasing year by year from \$11.3076 billion in 2024 to \$5.3746 billion this year, representing less than half of the amount in 2024. What are the relevant reasons?

Asked by: Hon BOK Kwok-ming, Aaron (LegCo internal reference no.: 32)

Reply:

1. Among the capital works projects at the design and construction stages, the numbers of projects undertaken by consultants has dropped. This is mainly due to the completion of the relevant 48 items under the “Universal Accessibility” Programme in 2025 and 2026. However, the Highways Department's (HyD) estimated expenditure for this programme in 2026-27 still increases compared to 2024-25. In addition to completing the remaining items of the current stage, the HyD would also conduct feasibility studies for items in the next stage of the programme.

As for the major reasons for the decrease in the total project estimates, it is due to the completion of the project “Tuen Mun-Chek Lap Kok Link – construction works” and its account finalisation in 2025-26. Therefore, the approved project estimate of approximately \$44.8 billion is no longer included in the total approved project estimates for 2026.

2. Regarding the expenditure on capital works projects at the design and construction stages for this year, the estimated expenditures for projects undertaken by consultants in 2026 decrease compared to the actual expenditures in 2024 and 2025. This is mainly due to the substantial decrease in expenditures as several projects (including the “Central Kowloon Route – Main Works” and the “Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities – Reclamation and Superstructures”) have been completed and account finalisations are being progressively completed. Expenditures for other major transport infrastructure projects (such as the Northern Metropolis Highway) under planning remain relatively low before they enter the construction phase.

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