

## EXECUTIVE DIRECTOR'S REPORT



### Steering the Construction Industry through Unprecedented Challenges

The construction industry in Hong Kong continued to face unprecedented challenges in 2020 as the COVID-19 pandemic disrupted supply chains which in turn slowed down building works and severely affected workers' livelihoods. This compounded the impact of a tumultuous 2019 which was plagued by social unrest. In response to this, the Construction Industry Council (CIC) quickly swung into action again to offer much-needed support for the industry and workers, especially during the most challenging time at the onset of the pandemic.

At the same time, we did not lose focus on our vital tasks. The CIC tapped into the growing momentum for digitalisation under the new normal of the pandemic by seizing every opportunity arising from such challenges. We have developed more powerful and efficient communication platforms conducive to our missions of strengthening the sustainability of Hong Kong's construction industry, striving for continuous improvement in standards and skill development and increasing workers' awareness on health and safety. We continued to set sustainability standards for green construction to pave way for green finance. We were relentless in promoting innovation in the industry, enhancing safety awareness at work sites as well as upgrading and upholding workers' qualifications through training and testing.

## Spearheading Anti-Epidemic Relief Measures for Industry Stakeholders

Construction companies and workers were severely affected on various fronts in the early stages of the pandemic. The supply chain of construction materials was disrupted following lockdowns in mainland China in early 2020, leading to a forced slow-down or suspension of construction works in Hong Kong. As a result, employers faced challenges in generating revenue and maintaining cash flow, less work were available for workers paid by the day, and to make matters worse, construction workers were not spared from the territory-wide supply crunch for personal protection items such as face masks.

The CIC spearheaded immediate relief measures for the industry. To keep construction projects going and maintain job opportunities for workers, we have collaborated with the Development Bureau from January 2020 to build a pipeline of small and medium-sized projects that are designed to mainly utilise locally-sourced construction materials and thereby continue the income flow for workers.

Upon the roll-out of the government's Anti-Epidemic Fund (AEF), the CIC coordinated the distribution of two rounds of financial subsidies to construction workers and construction related enterprises. We also implemented the Employment Support Scheme for the Construction Sector (Casual Employees) (ESSC), which provided subsidies for employers to keep jobs and was arranged to fully subsidise their "qualified employees" in the form of wage payment during the subsidy period.

We processed applications from eligible organisations and workers in a very tight timeframe of within one week and disbursed the subsidies to approved applicants within two to three weeks. We were able to achieve this by speedily creating a mobile app as an efficient and reliable platform to facilitate applications. Our quick action meant that workers, contractors, sub-contractors and consultants received the much-needed subsidies on time. In total, the CIC helped disburse over HK\$6,375 million of subsidies to 500,000 workers, 21,000 companies and over 1,770 employers under AEF 1.0, AEF 1.5, AEF 2.0 and ESSC. Additionally, the CIC allocated HK\$50 million from the CIC's levy reserve to supplement AEF with financial support to registered construction workers.

When personal protection materials were in short supply globally in early 2020, the CIC and the industry jointly launched the Construction Industry Caring Campaign and with the support from the government, a total of 6,550,000 surgical masks and 130,000 bottles of hand sanitiser were distributed to frontline workers, prioritising the needs of frontline construction workers and protecting their health. We also introduced an industry-wide "Construction Industry COVID-19 Testing Service Scheme" with the Hong Kong Construction Association (HKCA), working with a professional testing institution to set up mobile specimen collection stations at construction sites to facilitate nucleic acid COVID-19 testing for workers. Through donations from industry stakeholders and three trendsetting online fundraising concerts at the CIC-Zero Carbon Park, we raised additional funding to offer financial assistance to workers who had to undergo compulsory quarantine or had tested positive for COVID-19, providing timely support in this difficult time and injecting positive energy into the society.

We are pleased that our combined anti-epidemic support initiatives helped to keep the industry in relatively good shape, enabled us to pursue, in parallel, other important industry initiatives to enhance sustainability, work quality, workers' safety and skill levels.

## Setting Sustainability Standards to Benefit the Industry and the Community

The construction industry has been serving as an engine of economic growth in Hong Kong. There is no doubt that the development of the city and the construction industry are inextricably linked, which puts the CIC in a pivotal position in driving the transition towards sustainable construction. With sustainability as an integral part of our advocacy, the CIC plays a leading role in strengthening the industry capacity, unleashing the potential for innovations, and preparing the industry for the challenges ahead.

Building in a sustainable way not only benefits the environment of our city, but also contributes to our stakeholders' ultimate goal, especially when industry leaders look beyond the short-term increase in costs to the long-term appeal of getting green finance from ESG-conscious financiers.

At the forefront of promoting sustainable construction, the CIC adopted sustainability as our theme for 2020. During the year, we developed the CIC Sustainable Construction Certification Scheme for Green Finance (SCCS) and implemented the CIC Carbon Assessment Tool (CAT) to set measurable standards for sustainable construction. SCCS formulates green standards which allows the financial sector to benchmark, drives the construction sector to embrace the green finance opportunities, as well as promotes the development of green finance in Hong Kong. CAT evaluates the carbon performance of a construction project based on the embodied carbon of over 300 construction materials and carbon emissions generated by on-site construction processes. Since January 2021, CAT has been integrated into the requirement of "BEAM Plus New Buildings". We believe this will further motivate the industry to reduce carbon emission in construction projects. Standardised carbon performance evaluation tools give financial institutions the yardstick to assess green finance for eligible environmental-friendly construction projects. In turn, this will support the government to move towards the goal of achieving carbon neutrality before 2050. We are delighted to see major developers in Hong Kong embracing the mindset of sustainable construction and adopting certified green materials and low carbon processes in their projects.

## Building a Solid Foundation for Innovative Construction

Having played an instrumental role in promoting the adoption of innovation and technology for construction, the CIC is pleased to see Building Information Modelling (BIM) and Modular Integrated Construction (MiC) becoming industry norms.

Since BIM technology has been mandated by the Development Bureau for capital works projects estimated to cost more than HK\$30 million, effective 2018, the CIC has been designated to formulate BIM technical standards to guide the industry and to encourage the use of BIM in private projects. We have since then introduced certification and accreditation programmes including the "Professional Certificate for the Building Information Modelling (BIM) Manager", the "Certificate in Modular Integrated Construction (MiC) for Foremen" and Certification of BIM Coordinators. Together with the CIC-accredited BIM Manager courses offered by other training services providers, about 700 BIM Managers can be trained a year. They not only account for the majority of talents mostly needed for BIM technology, but are also crucial in reshaping the industry in the future.

To motivate young people to get hands-on experience with BIM, we have introduced the CIC BIM Competition encouraging post-secondary students to use BIM principles and tools to create winning project designs. The 2020 competition challenged students to design a student hostel in accordance with specified design requirements. For the 2021 contest, a series of training, mentoring support and online resources have been arranged for young participants, as we continue to fine-tune the programme to strengthen the BIM knowledge of tech-savvy young talent for the construction industry.

As the industry's strongest advocate for the innovative construction model MiC, the CIC is gratified to see MiC gaining momentum, with the SAR government taking the lead to make MiC the norm for building new government projects unless otherwise specified. The first MiC projects in Hong Kong – namely the Hong Kong Science and Technology Parks Corporation's InnoCell completed in 2020 and the Fire Services Department's Married Quarters at Pak Shing Kok to be completed in 2021 – serve as convincing showcases of MiC's advantages. Over 50 MiC projects are in the pipeline, including an elderly home in Kwu Tung North and a hostel at the University of Hong Kong. We are confident that MiC will become the "go-to" preferred construction method, given its attributes, such as overcoming manpower shortages, attracting younger generations into the trade by offering a safer and more comfortable working environments in prefabrication factories, ensuring standardised quality, enhancing workers' safety, causing less disruption for the surrounding neighbourhoods of projects as most of the production work can be manufactured in factory. As such, different modules are being constructed in the factory and the site in parallel, ramping up the construction of a building. The CIC will continue to promote innovative enhancements of the construction industry and support both the supply chain and manpower training for the industry. We will continue to tackle adoption obstacles, such as the challenging logistics involved in transporting large prefabricated units, by training specialist managers for coordinating logistics.

## Prioritising Workers' Safety and Skill Upgrades

As the city's major champion for the well-being of construction workers, the CIC takes the lead to promote safety for workers and upgrade their skills through training and testing schemes.

Frontline construction work is tough and all stakeholders should develop empathy for those working in harsh hot weather or at height, especially having to wear face masks to prevent the spread of COVID-19 and in compliance with anti-pandemic rules. During the year, we launched the "Life First" campaign, rallying top management of clients, construction companies, consultants and regulatory body officials to conduct site walks at their associated sites. The campaign was implemented across over 400 construction sites in Hong Kong to provide insights to management about implementing improved measures to minimise work-site incidents. Meanwhile, workers were reminded to be cautious about their own safety and exercise their right to "say no" to dangerous work if there were potential hazards. The campaign was a great success, and we will continue to encourage industry management to conduct regular site visits to enhance awareness of work site safety.

Developing skilled workers for the industry is a core mission for the CIC, as there is a high demand for fresh blood to replenish the ageing workforce in order to cope with large volume of construction work in Hong Kong, to the tune of over HK\$200 billion every year. We gear up workers for the industry annually, including secondary school leavers from one-year training that comes with a monthly subsidy for trainees, and adult tradesmen through short-term courses of three to six months.

In the second half of 2020, we introduced courses for electrical and mechanical (E&M) disciplines and surveying. To meet the industry's manpower needs and provide a clearer path for career progression for workers, we have extended the scope of the E&M curriculum and certificate courses in Refrigeration, Air-conditioning and Ventilation Installations, Fire Service Electrical Fitting, Fire Service Mechanical Fitting and the Certificate of Electrician/Electrical Fitter (Grade A) Upgrading Course are now in the pipeline to support the new "Trade Test for Grade A Electrical Work" launched this year. With increasing adoption of technology in construction processes, our training will also expand in depth and breadth, equipping trainees to work with technological components such as using drones for surveying and sensors in buildings.

Reinforcing our role as a custodian of professional standards, we have introduced an e-platform for the Technically Competent Persons Registration Scheme (TCPRS), in conjunction with the Buildings Department. Under the scheme, each certified TCP would be assigned a registration number their relevant qualification will be stored in our database and thereby, it would be a breeze for employers in the industry to identify and hire a qualified experienced supervisor with the help of our TCPRS. The CIC aims to motivate TCPs to advance their careers by taking training and development courses to enhance their skills, knowledge and work quality.

## The Way Forward

The prolonged COVID-19 pandemic has irreversibly changed the way we live and work. For the industry to continue to thrive, we must make the most out of the opportunities arising from the pandemic. For that to happen, workers must be kept safe, at work sites and in every other aspect of their daily routines. We encourage industry decision-makers to continue to team up with frontline workers by conducting regular site visits. We hope the Life First campaign will make "safety-first" the fundamental mindset for all construction workers well beyond the duration of the campaign. We are hopeful, and confident, that construction industry personnel will embrace the territory-wide free vaccination programme and protect themselves from the risks of infection.

Social distancing measures and the new norm of working-from-home have accelerated the digitalisation of our programmes and workflow. Riding on this momentum, we will set up a task force to speed up the roadmap on digitalisation. I am confident that our industry is ready, willing and able to leverage innovative tools to minimise disruption in the supply chain, such as using remote visual communication tools for the quality review of construction supplies from mainland China. We will encourage the industry to adopt digital tools for maintenance and work records, in place of paper trails, to enhance the reliability of work process documentation.

Webinars have proven to be a highly effective means for engaging the industry during the pandemic. The CIC Lunch Talk, for example, drew a much higher turnout in its digital format, with an average of 500 registrations in each talk. We will continue to organise online talk series every Friday afternoon, with industry professionals sharing insights on specific topics.

At the same time, I will lead the CIC team to build on our achievements established in the following areas in the year ahead:

- Promoting Innovation and Technology (I&T)
- Fostering relationships between industry stakeholders
- Strengthening the CIC's brand image and promoting industry developments to society
- Further advancing industry sustainability and social responsibility
- Ensuring industry excellence and advancement

I am tremendously proud of the effort and swift response from each and every CIC team-member during the year. Despite the challenges of transitioning work processes online, our staff have always ensured that multiple events, initiatives and activities were rolled out successfully and well attended.

I would like to take this opportunity to once again thank my CIC colleagues, government officials and industry stakeholders for helping the construction industry thrive during such difficult time. Let's make the most out of the experience we all gained over the past year and keep our industry safe, sustainable and innovative.

**Ir Albert CHENG**

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