

Construction Industry Council

Committee on Construction Business Development

Meeting No. 001/23 of the Committee on Construction Business Development (the “Com-CBD”) for 2023 was held on Thursday, 9 March 2023 at 2:30pm at the Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

Present	: Rocky POON	(LKP)	Chairperson
	Tony HO	(HYK)	Prin AS (Works) 4 of Development Bureau
	Rayson WONG*	(RaW)	Ch Structural Engr (Development and Construction) of Housing Department
	CHAN Kim-kwong	(KKCN)	
	Calvin CHAN	(CaC)	
	Marvin CHEN*	(MCh)	
	CHEUNG Man-tim	(MTC)	
	Conrad FUNG	(KKF)	
	Thomas HO	(KnH)	
	Eddy TSANG	(TPC)	
Simon WONG*	(SWHW)		
Andrew YOUNG*	(AYMC)		
In Attendance :	Albert CHENG	(CTN)	Executive Director
	Jim MO	(HTY)	AS (Works Policies 4) 4 of Development Bureau
	Raymond AU	(RA)	Representative of J Scott MACKENZIE
	Robert CHAN*	(RCCM)	Director – Industry Development
	Yan ZHOU*	(YZ)	Assistant Director – Industry Development
	Timothy LEUNG	(TLG)	Senior Manager – Construction Business Development
	Eric JIANG	(EJ)	Manager – Mainland Liaison Services
	Hilda WONG	(HiW)	Manager – Construction Business Development
	Helena LAU	(HLU)	Assistant Manager –

	Joyce LEUNG	(KYLg)	Construction Business Development Senior Officer II – Construction Business Development
	Liza LI*	(LaL)	Senior Officer – Mainland Liaison Services
Apologies	: Ivan FU	(FI)	
	Louis LEE	(LMHL)	
	Ricky LEUNG	(RyL)	
	J Scott MACKENZIE	(JSM)	
	WONG Ka-lung	(KLWg)	

* attended the meeting online via Microsoft Teams

MINUTES

Action

Prior to the commencement of the Meeting, LKP reminded Members to declare any potential or actual conflict of interest with item(s) to be discussed at the meeting. No declaration was received during the meeting.

1.1 Confirmation of the Minutes of Meeting No. 004/22

Members took note of the paper CIC/CBD/M/004/22 and confirmed the minutes of Meeting No. 004/22.

1.2 Matters Arising from the Last Meeting

There was no matter arising from the last meeting.

1.3 Work Plan of Follow-up Actions for Recommendations of the Report of Study on Strategic Review for Uplifting Construction Capacity

TLG briefed Members Paper CIC/CBD/003/23 regarding work plan of follow-up actions for recommendations of the Report of Study on Strategic Review for Uplifting Construction Capacity.

CTN was aware that the 2023-24 Budget had mentioned about the establishment of a Building Testing and Research Institute, which seemed sharing the same purpose of setting up a Hong Kong Construction Industrial Park as proposed in the Report. HYK advised that Development Bureau (DEVB) had already initiated a study on MiC and/or MiMEP eco-system to respond to the relevant

MINUTES

Action

initiative and suggested CIC not to duplicate effort on conducting similar study. DEVB would engage CIC when the study result was available.

As to the initiative on providing support to breed up new starts-up and upsize of small-medium enterprises (SMEs), KnH suggested more bandings to be introduced to the list of consultants currently maintained under the Architectural & Associated Consultants Selection Board (AACSB) and Engineering & Associated Consultants Selection Board (EACSB), in order to allow more SMEs to enter the pool. KnH also added that simplifying the application procedures for inclusion in the list would attract more SMEs to be on the list. HYK replied that DEVB had been making efforts on assisting SMEs in various aspects. Apart from packaging the contracts or projects into smaller scale, bonus marks would be given to tenderers who submit tender in the entity of joint venture with a SME. In addition, the minimum entrance criteria for consultants to be included in the list was under review with a view to including more SMEs in the pool.

Members approved the work plan of follow-up actions based on the recommendations of the Report of Study on Strategic Review for Uplifting Construction Capacity. The follow-up actions were to be disseminated to relevant departments to follow up.

**CIC
Secretariat**

1.4 Progress Update on 2023 Major KPIs

TLG briefed Members the progress of 2023 Major KPIs.

With regard to promoting NEC adoption through partnering workshops, KnH expressed that the industry stakeholders had concerns about adopting NEC for building work contracts where usually came with some additional provisions. One of the examples was the extended time frame in handling compensation events, which would in turn affect the cash flow of both the consultants and contractors who were paid based on progress. HYK responded that the said issues were possibly some individual cases and would feedback the same to the relevant government departments to follow up.

KKF advised that HKCA had conducted a survey on NEC adoption and a report consolidating the results was being compiled. The results could be shared with Members once the report was completed.

MINUTES

Action

HYK advised that with the full resumption of normal travel between Hong Kong and Mainland, the Mainland and Hong Kong Construction Forum would be co-organised with Ministry of Housing and Urban-Rural Development in December 2023, while the last one was held in Guiyang in 2018. This year forum would focus on the future GBA development and “The Belt and Road” initiatives and tentatively be held in one of the GBA cities. DEVB would appreciate CIC support for the event by joining as a member of the organising committee.

1.5 Progress Update on Task Force on Review and Enhancement of Construction Contract Terms

KKF briefed Members on the progress of the Task Force on Review and Enhancement of Construction Contract Terms.

KKF reported that the Task Force had representatives from client side, professional institutes as well as contractor associations, etc. The Task Force would commission a consultancy study on review and enhancement of construction contract terms. The first meeting was convened on 6 March 2023 where the approach of the consultancy study was discussed among the Task Force members. The CIC Secretariat was updating the assignment brief incorporating the suggestions and comments received. A tender for engaging a consultant would be issued in late March 2023 tentatively.

LKP supplemented that the study would cover construction contracts but not services contracts.

CTN asked if the members composition of the Task Force included representatives from major client bodies and whether all types of contracts would be reviewed. KKF responded that there were representatives from DEVB, REDA, MTR, HKHS, AA, etc. which should have widely covered the client bodies of the public sector, private sector and quasi-governmental organisations. Nevertheless, since the overall consultancy period was expected to be 12 months, the study would focus on some key issues within this time frame and might review and discuss on the needs to further the study after this consultancy was completed.

CTN shared the negative experience on developing the standard conditions of contract under this Committee back in 2017 and reminded the importance of the acceptance and support from the industry stakeholders to adopt the reference materials.

MINUTES

Action

1.6 Progress Update on Task Force on Greater Bay Area

EJ briefed Members on the progress on GBA including the visits to GBA, registration of the Mainland Liaison Office (the “Office”) and the signature courses on national affairs.

The CIC had made a courtesy visit to Guangzhou Municipal Construction Group Co. Ltd. on 6 March 2023. The senior management of the two parties exchanged their views on training, construction digitalisation, innovative construction method, safety as well as MiC adoption, etc.

In addition, the CIC had visited over 50 organisations and attended 4 various events held in Shenzhen and Guangzhou since February 2023. Views were exchanged with the Mainland counterparts on some key industry issues such as MiC supply chain and potential opportunities of cooperation between the talents in Hong Kong and Mainland. The latest development of the construction industry in Hong Kong was also briefed to the counterparts.

With the support of DEVB, the Office was preliminarily endorsed by the Ministry of Housing and Urban-Rural Development and Department of Housing and Urban Rural Development of Guangdong Province would be the supervisory unit of the Office. The Office registration was anticipated to be completed in April 2023 and opening of bank account, tax registration, etc. would be arranged accordingly.

Subsequent to the first signature course on national affairs organised in last September, the CIC was coordinating with the Liaison Office of the Central People’s Government to organise the second class in May 2023. Given the lifting of the restriction on travelling to Mainland, the next class was proposed to be held at the National Academy of Governance in Beijing. Industry senior management would be invited for the class.

LKP enquired when the class would be opened for application. EJ replied that the application would commence in early April tentatively.

LKP further inquired about the fee of the class and whether there would be subsidies for it. Because CITF was not supposed to

MINUTES

Action

support the CIC event, EJ advised that the CIC was exploring to secure funding from the Innovation and Technology Fund organized by Innovation and Technology Commission at the moment. HYK suggested the CIC could also try to check if Professional Services Advancement Scheme (PASS) organised by the HKSAR Government would be applicable for the case.

1.7 Any Other Business

There was no other matter raised by Members.

1.8 Next Meeting

The next meeting was scheduled for 1 June 2023 (Thursday) at 2:30pm at Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay. **All to Note**

There being no other business, the meeting was adjourned at 3:45pm.

**CIC Secretariat
March 2023**