

Press Release

The Hong Kong Institution of Engineers welcomes the preliminary proposals regarding Artificial Islands in the Central Waters

(Hong Kong, 21 December 2022) The Hong Kong Institution of Engineers (hereafter “the HKIE”) welcomes the Administration’s preliminary proposals to the Legislative Council on Artificial Islands in the Central Waters. With their strategic locations, the Kau Yi Chau Artificial Islands will become Hong Kong’s third central business district, providing large quantities of residential and commercial lands. By thus facilitating the building-up of land reserve, the project will satisfy the city’s future needs. The Islands serve not only as key impetus to future development, but also as one of the major development projects that improve citizens’ living environment and raise their standard of living.

The Administration’s proposals include the preliminary scope of reclamation, land use, strategic transport infrastructure network and financing options. The HKIE noted that the Administration has raised the project’s rough estimated cost to HK\$580 billion with reference to recent land premiums and construction costs. It wishes to point out that it is the customary practice, before the commencement of any project, to adjust the project cost in accordance with the economic situation, design changes, and construction cost (among other things) in order to help pre-empt budget overrun. Given the lengthy construction period and the considerable distance in time from the present to the official commencement of the entire project, the Islands’ design details have yet to be finalised and there may consequently be room for adjustments to the estimated cost. The HKIE trusts that the Administration will make relevant announcements in due course, and will manage the cost appropriately (i.e., according to the trend shown by recent mega-infrastructure projects) so as to yield a high-quality project. Furthermore, it opines that the project is worth being implemented as soon as possible, since the adjusted projected revenue from selling the land is still greater than the construction cost and the societal, economic, welfare and logistical utilities brought about by the project are of greater value than the investment.

Since in the coming decade the Government will be launching numerous mega-infrastructure projects, the HKIE expects the Government to propose practical timetables and push forward the projects at a reasonable pace, so that no substantial escalation in cost will be incurred on account of the need to vie for raw materials, machinery, and manpower. The part in the project that involves reclamation should commence at the earliest opportunity.

Moreover, the HKIE noted some organisations’ concern over the techniques that will be employed in the reclamation projects and the quality of the projects themselves. The HKIE believes that, with all their experience (in development, planning, and

construction) acquired through various large-scale projects over many years, our city's engineers will not find it difficult to cope with the problems at issue after detailed prospecting and designing.

The HKIE noted that the Administration will be inviting the pertinent professional bodies to form a platform and give recommendations about the chief planning conceptions and some of the important issues as they relate to the planning. The HKIE is much obliged to offer its professional opinions; it will also delight in seeing people from various sectors discuss the proposals thoroughly and sufficiently on a factual basis, joining hands to devise robust strategies for Hong Kong's future development.

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