

PSW's speech in Manila (English only)

Following is a speech delivered this evening (June 14) by the Permanent Secretary for the Environment, Transport and Works (Works), Mr Lo Yiu-ching, at a dinner reception in Manila:

Good evening!

It gives me great pleasure to welcome you all to this networking dinner, which is jointly hosted by the Hong Kong Special Administrative Region Government's Environment, Transport and Works Bureau and the Hong Kong Economic and Trade Office based in Singapore. We are deeply honoured to have so many local elites joining us this evening. We are also very excited to have the opportunity to meet with our construction industry counterparts in Manila.

Let me first say a few words about the Works Portfolio of my Bureau and the Hong Kong construction industry delegation. The Works Portfolio of the Environment, Transport and Works Bureau is responsible for formulating public works policies as well as controlling and monitoring the implementation of public infrastructure projects in Hong Kong. We oversee the work of six departments -- the Architectural Services Department, Civil Engineering and Development Department, Drainage Services Department, Electrical and Mechanical Services Department, Highways Department and Water Supplies Department. In addition, we facilitate and promote Hong Kong's construction and related professional services with a view to enhancing the exchange of technology and experience, strengthening connections, nurturing partnerships as well as exploring collaboration opportunities with the construction industries of other places.

Our delegation comprises 28 senior executives and professionals from 24 reputable enterprises and organisations from the Hong Kong and Mainland China construction industry, covering a wide range of businesses including real estate development, construction and professional services.

Hong Kong has all along maintained a close relationship with the

Philippines in trade and investment. In 2004, the Philippines was the 11th biggest trading partner of Hong Kong. From a national perspective, the Philippines also maintains close ties with Mainland China, especially through the ASEAN-China Free Trade Area. Both countries have pledged to further trade and investment links.

The Philippines is world-famous for its rich natural resources. We are glad to learn that the Philippine economy has been experiencing strong growth in the past few years and is continuously on an upswing. The GDP grew by 5.1% and the GNP rose by 5.7% in 2005 compared with that in 2004; and in 2005 the Philippine peso was the East Asia's best performing currency.

With the rapid growth of the economy, there is a strong demand for infrastructural development in the Philippines. Key projects such as the Subic-Clark-Tarlac Toll Road, the South Luzon Extension, the Subic Port and the Northrail are all in the pipeline. Total investment in infrastructure for the period 2006 to 2010 is estimated to be around 1.5 trillion Philippine pesos. It is obvious that the high demand for infrastructural and related facilities will unleash tremendous opportunities for developers, contractors and consultants. I consider the infrastructure sector to be one of the areas in which we can strengthen collaboration among the Philippines, Mainland China and Hong Kong.

Hong Kong possesses world-class construction professionals who are conversant with international standards, practices and trends. They are strong in management skills especially in large-scale infrastructural projects. They are also familiar with the most advanced construction technology and can provide boundless innovative solutions to tackle the most challenging engineering problems. Just to quote a few examples, we built the new Hong Kong International Airport within a very tight time frame; yet it has been selected as the world's best airport for the past five years. We built the famous Tsing Ma Bridge, which is the world's longest suspension bridge carrying both rail and road traffic. On the front of intelligent buildings, the 420-metre-high International Finance Centre has a simple but strong and memorable design that when lit at night, resembles a shimmering beacon by Victoria Harbour.

Apart from the above, Hong Kong has a stable political structure and comprehensive legal framework and is one of the most vibrant international financial centres in the world. Our firms and companies possess good track records of self-financing the construction of mega infrastructure projects under the Build-Operate-Transfer (BOT) model. Typical examples are the various tolled tunnels built to serve hundreds of thousands of vehicles every day. As Mainland China becomes the economic powerhouse in the region, Hong Kong is best positioned to perform as the launchpad for Mainland enterprises in developing a global presence in view of our competitive edge in financial services.

On the other hand, further liberalisation measures in the Mainland China market following China's accession to the WTO will provide golden opportunities for ASEAN countries. Hong Kong, because of our location and long business history with Mainland China, could serve as a gateway. For the construction sector, Hong Kong and Mainland China have in recent years established arrangements to facilitate the setting up of companies and the mutual recognition of professional qualifications in the two places. Nationwide, Hong Kong is a member of the "9+2" Pan-Pearl River Delta Region, which comprises nine southern Mainland China provinces, Hong Kong and Macau. Economically, this region is one of the fastest growing areas in the world. Hong Kong has been working closely with other members of the region and various economic arrangements have been made to promote cooperation. These arrangements have not only provided business opportunities and promoted exchange of expertise, but also speeded up the integration of the construction industries of the two places.

With growing globalisation, we need to strengthen partnership in order to stay ahead of the competition. Hong Kong's gateway position and the "9+2" Pan-Pearl River Delta Region framework could thus provide us with an unprecedented opportunity to pursue collaboration at a regional level with the ASEAN countries.

It is against the above background that we have formulated our construction industry delegation to the Philippines, to establish business networks with a view to seeking any opportunities for

collaboration and work in partnership. By complementing our strengths, we could no doubt be able to achieve synergy and create a win-win outcome. Today's visit to Manila, the first of its kind, is a significant milestone forging ahead our long-term relationship in the cooperation of the construction industries among the Philippines, Mainland China and Hong Kong. I am confident that with the support of the Philippines Government and the local construction sectors, enterprises and professionals from Mainland China and Hong Kong can make their contributions to the long-term development and common prosperity of the three places.

Before closing, I would like to thank the Philippines Government once again for their hospitality and high-level reception as well as the valuable contributions and support from the Chinese Embassy and other organisations.

I thank you for your attention and wish you all an enjoyable evening.

Ends/Wednesday, June 14, 2006