

Budget Speech by the Financial Secretary (8)

Air Cargo Sector

113. The Hong Kong International Airport (HKIA) is a “double gateway” connecting the world and the GBA. With further growth in external trade in the GBA, particularly the booming of e-commerce and the personalisation of consumer demand, orders received by manufacturers are becoming small in amount with a narrow delivery window. It can be envisaged that there will be an increasingly keen regional demand for air cargo services. Last year, HKIA handled 4.5 million tonnes cargoes and air mail, down by only 7 per cent from the pre-epidemic level.

114. The Airport Authority (AA) has active plans for developing intermodal cargo handling facilities, so that there will be seamless transportation of Mainland exports to the rest of the world through the HKIA, and vice versa. With the expansion of the existing express air cargo terminal, and the commissioning of a new premium logistics centre as well as the Three Runway System, HKIA’s annual cargo handling capacity is expected to increase from 7.4 million tonnes to some nine million tonnes in 2024. When the airside intermodal cargo handling facility becomes operational as well, Hong Kong’s position as the air cargo centre of the GBA will be further reinforced.

115. HKIA’s capability in handling high-value temperature-controlled air cargo is internationally recognised. In addition, the Government will work with the AA to actively explore measures to facilitate trans-shipment through Hong Kong, with a view to maintaining our competitive edge as an international air cargo hub. We are confident that the HKIA will become the busiest cargo airport in the world again when the pandemic is over.

116. We will submit a funding application to the LegCo within this year to redevelop the Air Mail Centre at the HKIA, with a view to bringing the centre into operation by end 2027 the earliest. We will continue to work with the AA and other postal authorities on maximising the use of the centre’s transit handling capacity, in order to support the long-term development of the postal industry in the GBA.

Cultural and Creative Industries

117. I will inject an additional \$1 billion into the CreateSmart Initiative in 2021-22 to continuously drive the development of the creative industries.

118. The Government has continued to allocate more resources to the development of arts and culture in recent years. In 2021-22, the total expenditure will exceed \$5.7 billion. The West Kowloon Cultural District (WKCD) is a new landmark and attraction in Hong Kong. With the opening of M+ and the Hong Kong Palace Museum in WKCD in this and next year respectively, and the expected completion of the Lyric Theatre Complex in 2024, diversified

development opportunities will be brought to the local arts and cultural sector.

119. We plan to seek funding approval in the current legislative session for taking forward the renovation of Tsuen Wan Public Library, the facility upgrading of Tai Po Civic Centre as well as the renovation and improvement of Sai Wan Ho Civic Centre. The above works cost a total of about \$900 million, creating a total of some 210 employment opportunities.

120. The Government provided multiple rounds of assistance amounting to over \$200 million to the arts and culture sector under the AEF, benefitting over 930 arts groups and over 6 800 arts practitioners. As many arts and culture activities were not able to be staged, the industry has made use of technology to perform through various means, promoting the integration of arts and I&T as a new trend of development. The Home Affairs Bureau has established an inter-bureau task force with \$100 million reserved to promote the integration of arts and technology, and support arts groups and I&T savvy.

Infrastructure Investment and Construction Industry

121. The Government will continue to invest in infrastructure. The annual capital works expenditure will exceed \$100 billion in coming years. The annual total construction output will increase to around \$300 billion, creating over 300 000 employment opportunities.

Train Talent

122. The Government and the Construction Industry Council have been providing professional and comprehensive training programmes for construction workers. The Hong Kong Institute of Construction also has a well-established training system offering a clear career progression path for its trainees. Measures to enhance training for skilled workers, subsidise the operation of small-and-medium-sized contractors and registered subcontractors, and offer allowances to registered construction workers who are underemployed or temporarily unemployed for attending training courses have been implemented since January this year.

123. The Development Bureau (DEVB) established the Centre of Excellence for Major Project Leaders, which is the first institution in Asia specialising in nurturing leaders for works projects. To enhance the professional skills of mid-tier managers in the Government and uplift the project delivery capability, I have earmarked \$6 million for provision of systematic training to them in the next three years, with a view to ensuring more effective use of public resources.

Manage Cost

124. Cost management is an important part of the sustainable development of the construction industry. The Project Strategy and Governance Office of the DEVB, apart from implementing strategic measures to raise cost-effectiveness within the Government, will also promote cost management culture to the

industry.

Enhance Effectiveness

125. The Government actively promotes the Modular Integrated Construction (MiC) method. Intake for the first batch of pilot projects, including the InnoCell of the Hong Kong Science Park and the Disciplined Services Quarters for the Fire Services Department at Pak Shing Kok, is expected to commence early this year. Up to now, the Construction Innovation and Technology Fund has granted over \$75 million to the industry for supporting their adoption of this method and the Buildings Department has approved 31 pre-accepted MiC systems to facilitate their adoption by the private building developers.

Digitalisation of Public Works

126. With \$100 million allocated for the development of the integrated digital platform in the last Budget, the platform will be implemented in phases from this year onwards for driving digitalisation of public works through data integration and analysis to monitor project performance continuously and enhance the management of capital works projects.

(To be continued.)