THE HONG KONG E&M CONTRACTORS' ASSOCIATION

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Mr LAM Sai Hung, JP
Permanent Secretary for Development (Works)
Development Bureau, Works Branch
18/F, West Wing, Central Government Offices
2 Tim Mei Avenue, Tamar, Hong Kong

(By post and email: psw@devb.gov.hk)

Dear Permanent Secretary,

Disruption of Construction Works due to a Combination of Various Preventative Measures to Stop the Spread of New Coronavirus Pneumonia (NCP/COVID-19)

In the first instance a big thank you to the Development Bureau for supporting the Construction Industry by allowing the award of EOT's as a consequence of the COVID-19. However, it appears that no costs will be recoverable for EOT periods granted and none for the considerable disruption being suffered. This places the entire industry in an extremely vulnerable financial position.

Further, with the rapid global spread of the virus, recently declared by the WHO as a Pandemic, new risks are continually developing that will have a catastrophic impact on all tiers of E&M contractors.

Now, alarmingly, with the epicenter of the virus moving to Europe, parts of which are being completely "locked down" and industrial production ceasing, further extreme risk will be experienced by supply chains. In Asia, whilst COVID-19 is showing signs of stabilizing in China the supply chain is far from normalized and is not expected to be so for the foreseeable future.

Locally, again as a consequence of the virus, we are experiencing local issues outside of the supply chain. For example statutory inspections e.g. BD, Highways etc. of construction projects have become unpredictable and unreliable causing delay and disruption to project completions placing further financial risk to our members.

With this continually deteriorating situation all tiers and sectors of E&M contractors are now suffering a significant reduction in revenue that is essential to sustain company overheads and project teams.

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We would like to understand what the Government plans to manage the consequences of the pandemic as the current measures are inadequate to address the aggressive global onslaught of the disease that we are seeing unfold. Contingency plans must be developed with Government if we as an industry are to survive.

Yours faithfully

Gilbert TSANG
President

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