

Hong Kong Construction Industry Development and Austrian Contech

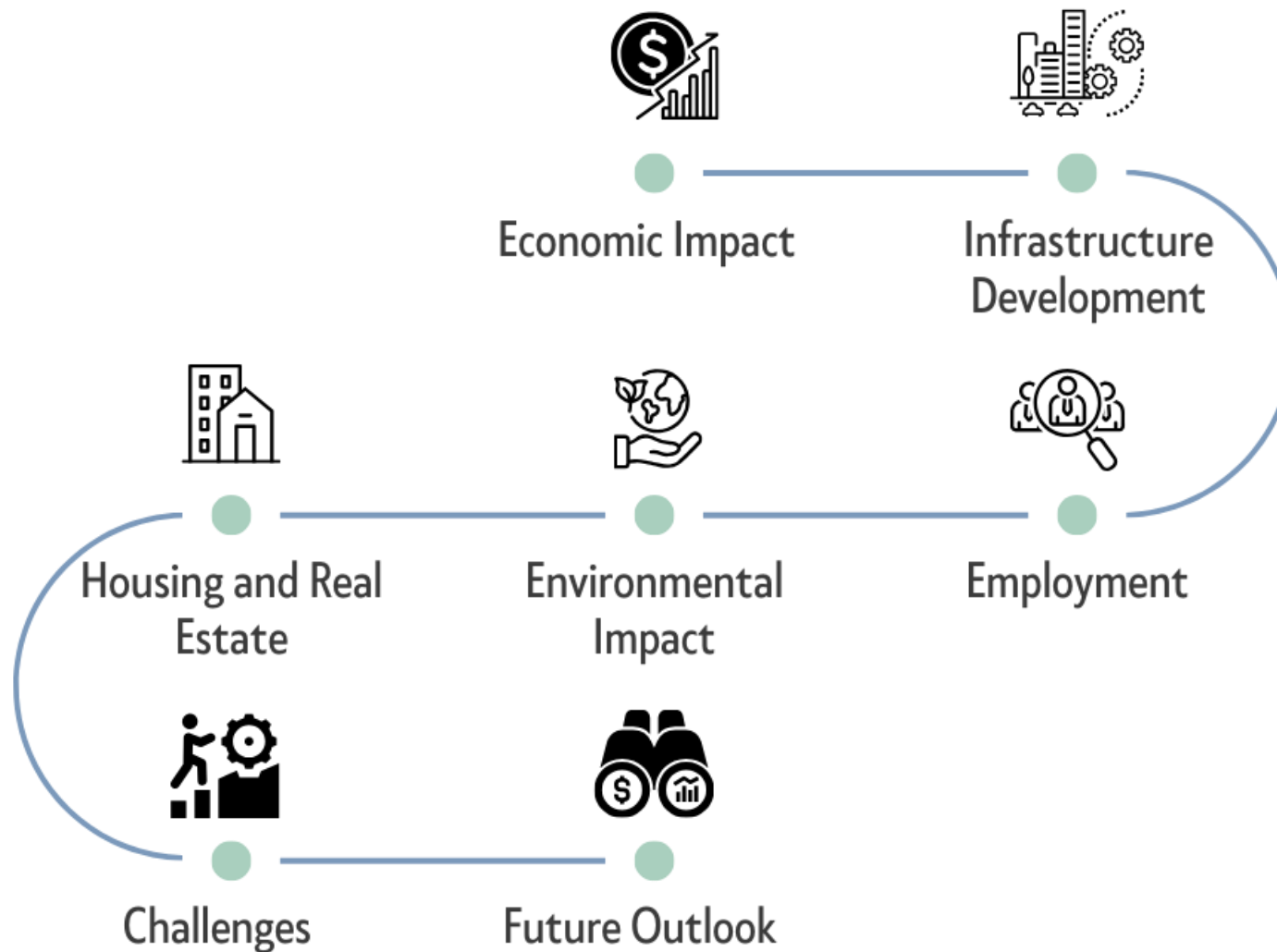
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Construction Significantly Impacts to Economy and Cityscape of Hong Kong





Hong Kong GDP from Construction Sector

	HK\$ million				GDP at current prices (1)				Year-on-year % change			
					% contribution to GDP							
Year	2019	2020	2021	2022 r	2019	2020	2021	2022 r	2019	2020	2021	2022 r
Economic Activity												
Agriculture, fishing, mining and quarrying	2,057	2,648	2,168	1,486	0.1	0.1	0.1	0.1	+16.7	+28.7	-18.1	-31.5
Manufacturing	29,366	25,525	26,175	26,608	1.1	1.0	1.0	1.0	+6.5	-13.1	+2.5	+1.7
Electricity, gas and water supply, and waste management	34,083	35,325	36,348	32,910	1.2	1.4	1.3	1.2	-4.4	+3.6	+2.9	-9.5
Construction	114,499	104,262	109,254	116,829	4.2	4.1	4.0	4.3	-5.0	-8.9	+4.8	+6.9
Services	2,560,716	2,392,895	2,571,900	2,557,582	93.4	93.4	93.7	93.5	+1.8	-6.6	+7.5	-0.6
Import/export, wholesale and retail trades	533,352	471,246	532,715	494,675	19.5	18.4	19.4	18.1	-7.3	-11.6	+13.0	-7.1
Import and export trade	440,363	408,372	462,630	430,350	16.1	15.9	16.8	15.7	-5.3	-7.3	+13.3	-7.0
Wholesale and retail trades	92,989	62,874	70,085	64,325	3.4	2.5	2.6	2.4	-15.4	-32.4	+11.5	-8.2
Accommodation and food services	75,918	36,934	45,394	45,351	2.8	1.4	1.7	1.7	-17.1	-51.4	+22.9	-0.1
Transportation, storage, postal and courier services	151,574	113,951	200,986	204,348	5.5	4.5	7.3	7.5	-4.3	-24.8	+76.4	+1.7
Transportation and storage	142,775	103,458	189,175	194,025	5.2	4.0	6.9	7.1	-4.6	-27.5	+82.9	+2.6
Postal and courier services	8,799	10,493	11,811	10,323	0.3	0.4	0.4	0.4	+0.8	+19.3	+12.6	-12.6
Information and communications	95,557	93,759	99,514	100,082	3.5	3.7	3.6	3.7	+4.5	-1.9	+6.1	+0.6
Financing and insurance	581,499	599,797	583,613	613,438	21.2	23.4	21.3	22.4	+8.7	+3.1	-2.7	+5.1
Real estate, professional and business services	276,497	244,337	250,306	233,080	10.1	9.5	9.1	8.5	-1.5	-11.6	+2.4	-6.9
Real estate	122,177	107,896	105,862	86,845	4.5	4.2	3.9	3.2	-2.3	-11.7	-1.9	-18.0
Professional and business services	154,320	136,440	144,444	146,235	5.6	5.3	5.3	5.3	-0.9	-11.6	+5.9	+1.2
Public administration, social and personal services	537,238	529,457	561,557	582,473	19.6	20.7	20.5	21.3	+7.6	-1.4	+6.1	+3.7
Ownership of premises	309,081	303,414	297,816	284,135	11.3	11.8	10.8	10.4	+9.2	-1.8	-1.8	-4.6
Total	2,740,721	2,560,655	2,745,846	2,735,415	100.0	100.0	100.0	100.0	+1.5	-6.6	+7.2	-0.4

Hong Kong GDP from Construction Sectors in 2022: **4.3%**

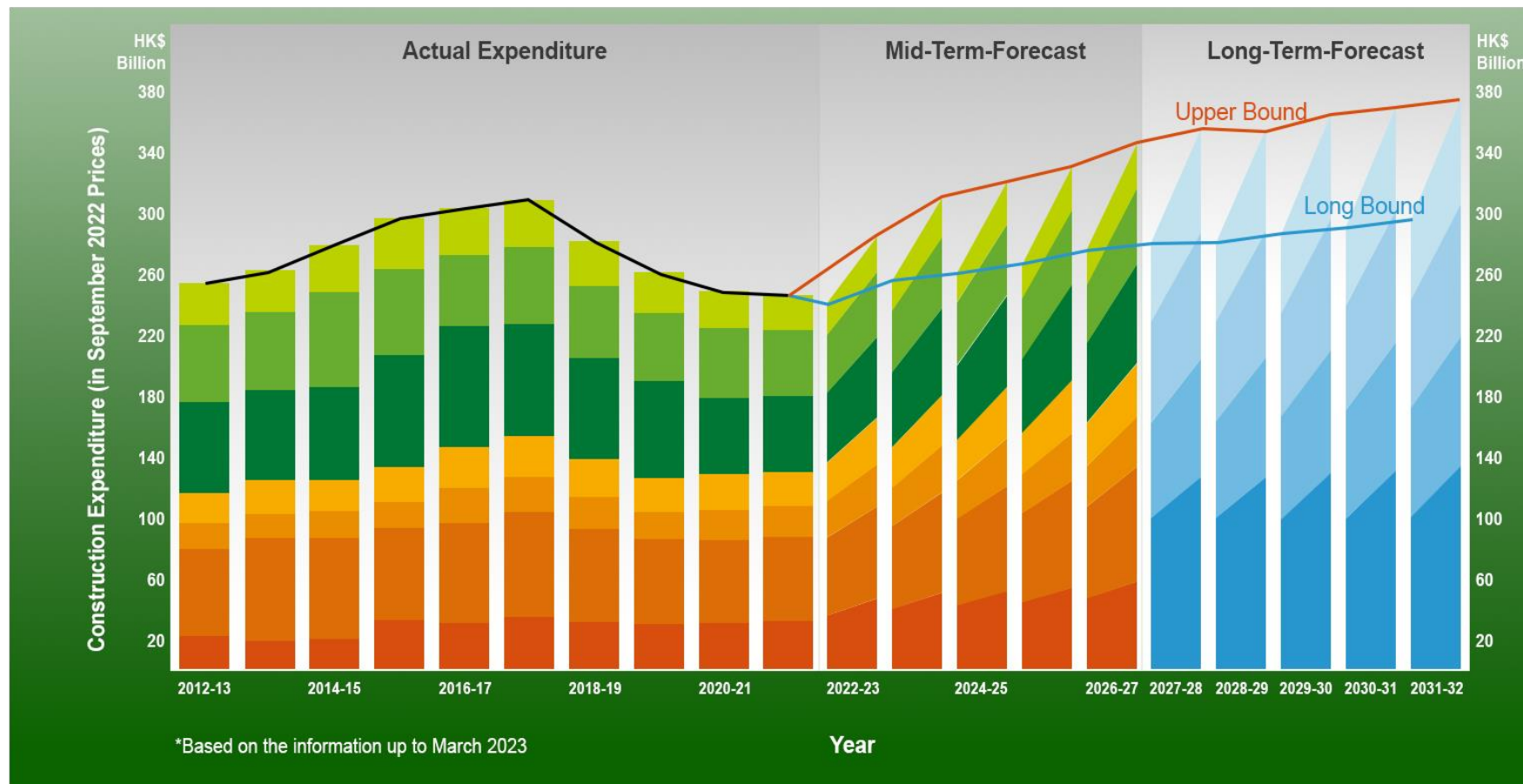
Source:



Census and Statistics Department
The Government of the Hong Kong Special Administrative Region



Construction Expenditure Forecast





Construction Expenditure Forecast

(in September 2022 prices)	Mid-Term Forecast (2022/23 - 2026/27) - in HK\$ Billion									
	2022-23		2023-24		2024-25		2025-26		2026-27	
	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
Public Sector :										
Civil Works	51.0	61.0	54.0	66.0	56.0	69.0	58.0	71.0	60.0	76.0
Building Works	35.0	46.0	40.0	50.0	42.0	51.0	44.0	53.0	46.0	57.0
RMAA Works	24.0	27.0	25.0	31.0	25.0	31.0	25.0	31.0	26.0	32.0
E&M Works	25.0	31.0	26.0	33.0	27.0	34.0	28.0	35.0	28.0	35.0
Sub-Total	135.0	165.0	145.0	180.0	150.0	185.0	155.0	190.0	160.0	200.0
Private Sector :										
Building Works	46.0	53.0	49.0	57.0	48.0	60.0	48.0	63.0	52.0	65.0
RMAA Works	38.0	43.0	39.0	46.0	40.0	47.0	40.0	49.0	40.0	51.0
E&M Works	21.0	24.0	22.0	27.0	22.0	28.0	22.0	28.0	23.0	29.0
Sub-Total	105.0	120.0	110.0	130.0	110.0	135.0	110.0	140.0	115.0	145.0
Total	240.0	285.0	255.0	310.0	260.0	320.0	265.0	330.0	275.0	345.0
Last Publication in May 2022 (In September 2022 prices)⁽¹⁾	245.1	302.4	250.3	307.8	260.7	318.1	260.7	323.3	265.9	328.5

Notes

1. The difference of Past 10 Years Data between this publication and last publication (In September 2022 prices) is due to the updated price deflator of past 10 years for this publication.

(in September 2022 prices)	Long-Term Forecast (2027/28 - 2031/32) - in HK\$ Billion									
	2027-28		2028-29		2029-30		2030-31		2031-32	
	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
Public Sector + Private Sector										
Civil Works	63.0	79.0	63.0	79.0	67.0	81.0	71.0	85.0	71.0	85.0
Building Works	99.0	126.0	99.0	126.0	98.0	129.0	98.0	130.0	100.0	133.0
RMAA Works	66.0	84.0	66.0	84.0	67.0	87.0	68.0	87.0	70.0	88.0
E&M Works	52.0	66.0	52.0	66.0	53.0	68.0	53.0	68.0	54.0	69.0
Total	280.0	355.0	280.0	355.0	285.0	365.0	290.0	370.0	295.0	375.0
Last Publication in May 2022 (In September 2022 prices)⁽¹⁾	271.2	344.2	271.2	349.5	271.2	359.9	271.2	359.9	-	-

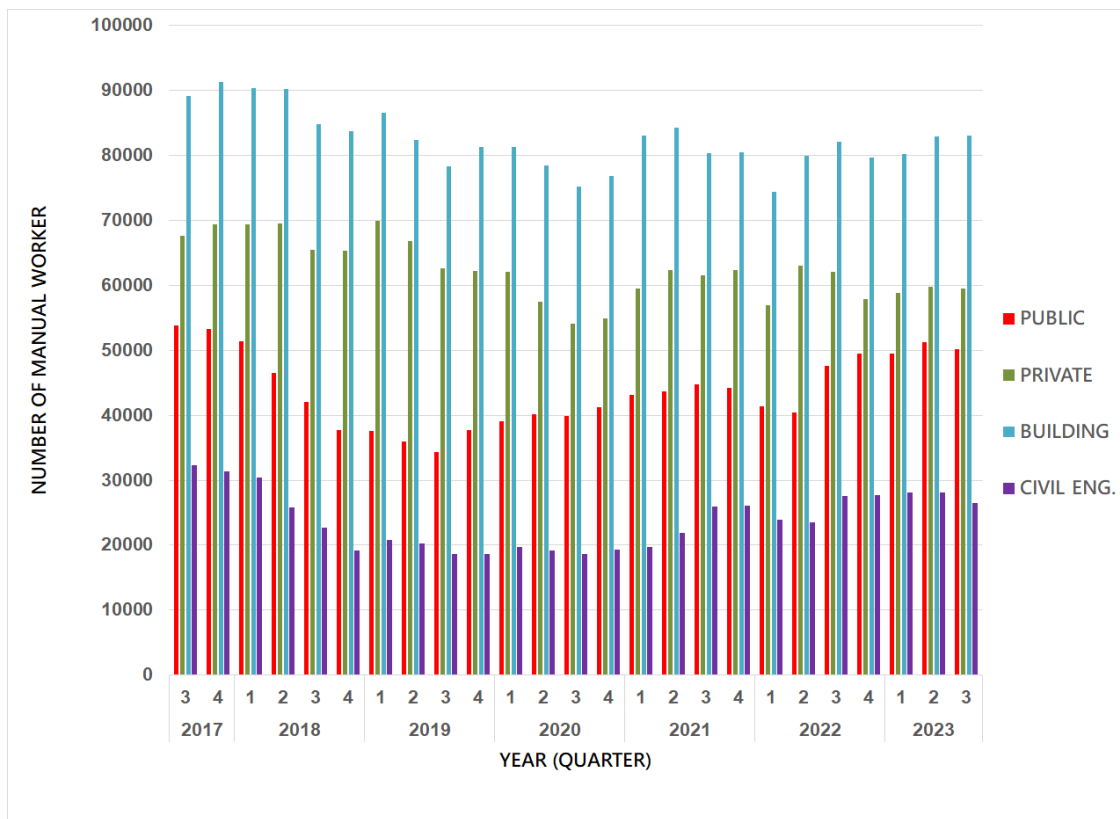
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Construction Worker Statistics

Construction Worker Figure



Worker Demand Shortage

	2023	2024	2025	2026	2027
Skilled/Semi-Skilled Workers	10,000 – 15,000	15,000 – 20,000	15,000 – 20,000	20,000 – 25,000	35,000 – 40,000
Technicians	2,500 – 3,000	4,000 – 4,500	4,000 – 4,500	5,000 – 5,500	5,500 – 6,000
Site Supervisory Personnel	1,000 – 1,500	1,500 – 2,000	1,500 – 2,000	1,500 – 2,000	2,000 – 2,500
Professionals	4,000 – 4,500	5,500 – 6,000	5,500 – 6,000	5,500 – 6,000	6,000 – 6,500

Stable trend, no shortage expected

Mild shortage (5% and less)

Moderate shortage (6% to 15%)

Considerable shortage (16% to 25%)

Serious shortage (25% and more)



New Methods of Construction and Design

Smart Site Safety System (SSSS)

- 1 Centralised Management Platform
- 2 Digitised tracking system for site plants, powered tools and ladders
- 3 Digitalised permit-to-work system for high risk activities
- 4 Hazardous areas access control by electronic lock and key system
- 5 Unsafe acts / dangerous situation alert for mobile plant operation danger zone
- 6 Unsafe acts / dangerous situation alert for tower crane lifting zone
- 7 Smart monitoring devices for workers and frontline site personnel
- 8 Safety Monitoring System using Artificial Intelligence
- 9 Confined Space Monitoring System
- 10 Safety Training with Virtual Reality Technology

Modular Integrated Construction (MiC)





Construction Innovation and Technology Fund (CITF)

Introduce CIC's efforts in promoting innovation and sustainable construction in the industry

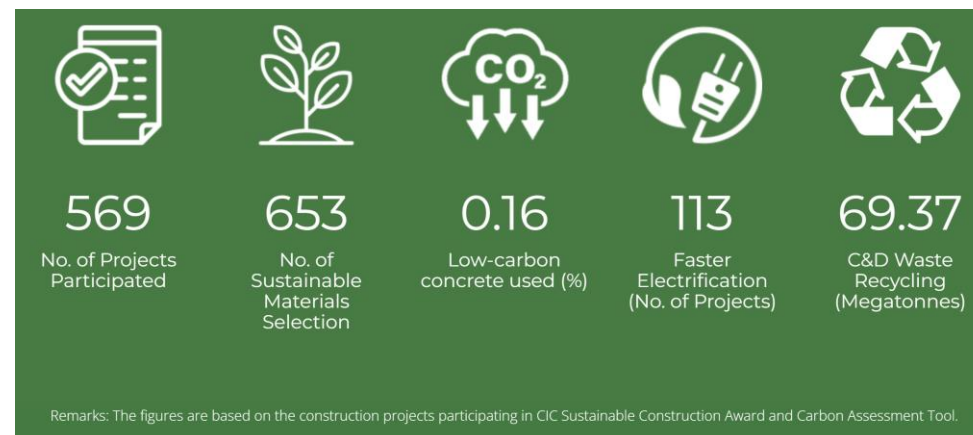
1. The Construction Innovation and Technology Fund (CITF)



2. The CIC Works on Sustainable Construction

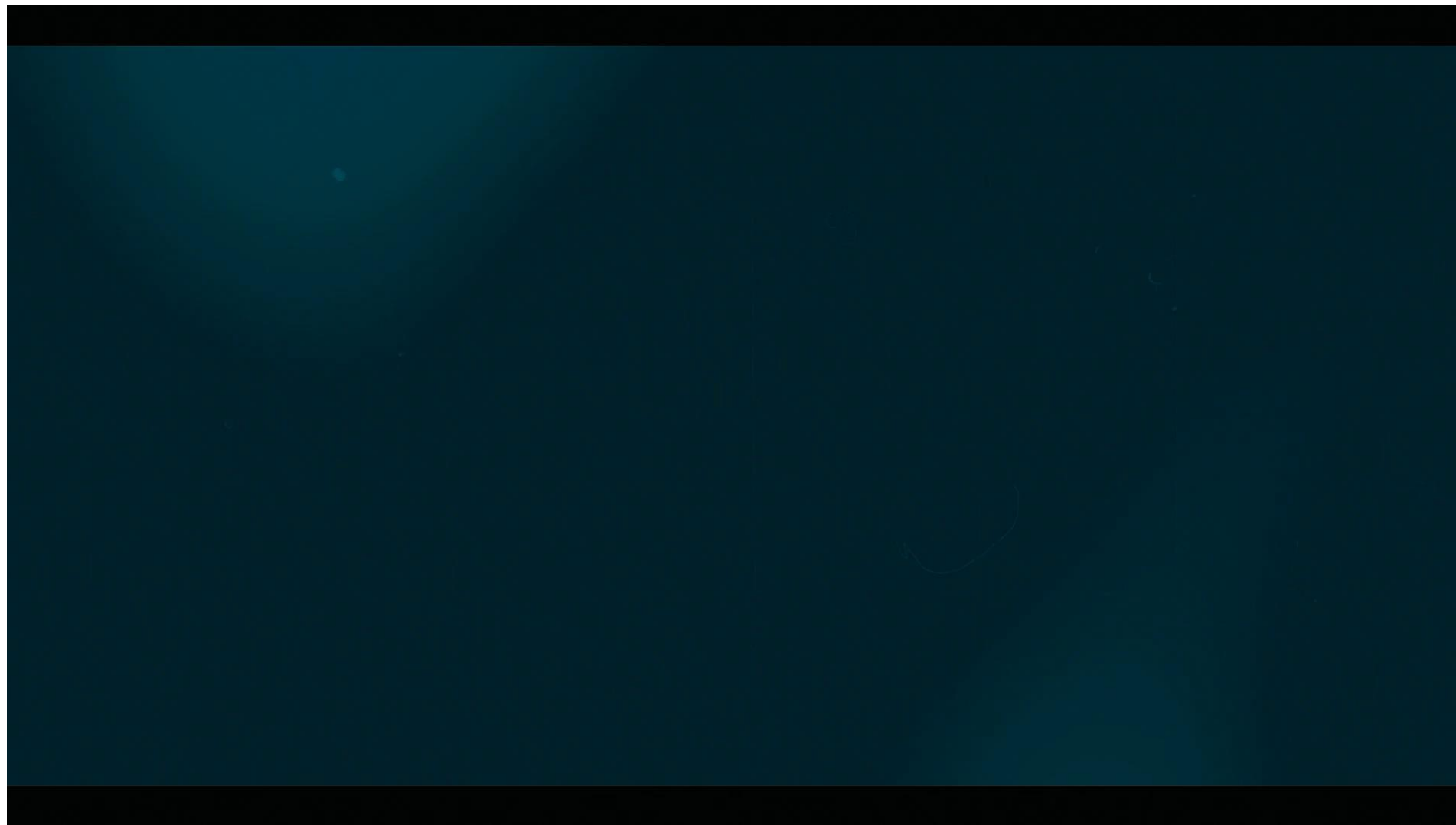
Our Works

- CIC Carbon Assessment Tool
- CIC Green Product Certification
- CIC Sustainable Construction Award
- CIC Sustainable Finance Certification Scheme
- CIC-Zero Carbon Park





Technology for Environmental and Sustainability





Future Development Prospects and Cooperation Opportunities



Contribution of Austrian Contech to the construction industry in Hong Kong

- Sustainable Building Practices
- Innovative Construction Materials
- Technological Integration
- Prefabrication and Modular Construction
- Construction Machinery
- Engineering Expertise

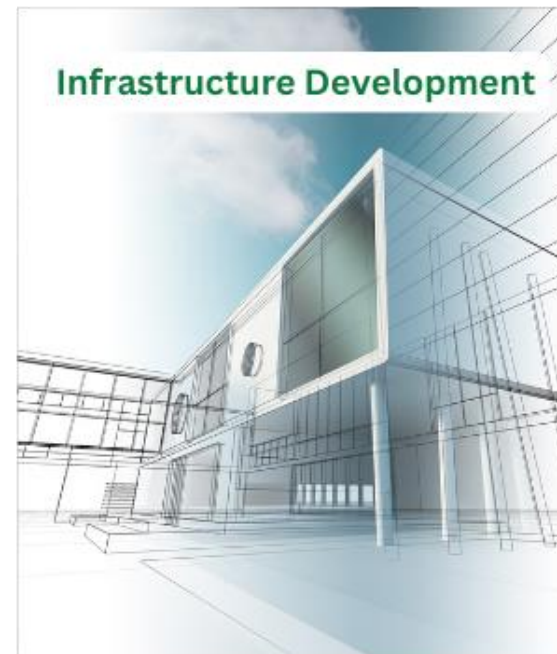


Expansion and prospect of bilateral cooperation areas

- The Hong Kong construction industry and Austrian companies can cooperate more in smart buildings and green construction.
- Cooperation between the two sides can be further deepened, including technological innovation, personnel exchanges and market expansion.



Business Opportunities for Austrian Companies





Austrian Contech Benefit for Hong Kong Construction Industry



Sustainability Practices



Innovation in Materials



Efficiency via Technology



Adoption of Prefabrication



Quality Engineering

THANK YOU

