

AsiaConstruct18

Country Report - Hong Kong

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About the Research Centre for Construction and Real Estate Economics (RCCREE):

The RCCREE is the Hong Kong Polytechnic University Centre for solution oriented research and consultancy in construction and real estate economics. It undertakes internationally relevant multi-disciplinary research that supports the advancement of the construction and real estate industries in the following areas: Economic Policy and Institutional Analysis, Real Estate Economics, Construction Economics, Housing, Human Behaviour in Economic Decision making, and Value Management and Facilities Performance. For further information, please contact Professor Francis K.W. Wong, Director of RCCREE (bskwwong@polyu.edu.hk) or Professor Eddie C.M. Hui, Deputy Director (bscmhui@polyu.edu.hk).

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1. EXECUTIVE SUMMARY

In the second quarter of 2012, Hong Kong economy expanded rather slowly by only 1.1% over a year earlier, after the 0.7% growth in the first quarter. The GDP by construction activity however picked up during the quarter, as public sector infrastructure works grew further. As such, overall building and construction expenditure expanded notably further by 12.4% in real terms in the second quarter. Works on the ten major infrastructure projects announced in 2007 are gathering momentum, and getting into full swing as scheduled, thus boosting Hong Kong's construction market.

Consequently, there is a general shortage of manpower from site workers up to technologists and professionals levels. The seasonally adjusted unemployment rate was 3.2% in the second quarter. There was an increase of 21,700 in total employment from the first to the second quarter of 2012. There was thus a notable growth in wages and earnings arising from a tight labour market and the implementation of statutory minimum wage (SMW) since May 2011 (*Half Yearly Economic Report 2012*).

2. MACROECONOMIC REVIEW & OUTLOOK

2.1 Overview of the National Economy

The economy growth of Hong Kong is slowing down since the beginning of 2012. Among the major services sectors, the slowdown is the most notable in communications, food services, information, accommodation and import/export trade. The output of the manufacturing sector further contracted by 1.6%. In the meantime, there was a moderate rebound of real estate activities after four successive quarters of year-on-year declines. The output of the construction sector also grew by 11.6% on year-to-year basis in the first quarter of 2012, resulting from the revival in private sector and from the intensive public sector infrastructure works (*Half Yearly Economic Report 2012*).

In the first quarter of 2012, the conditions of labour market continued to stay buoyant. The total employment figure reached record high as job opportunities creation continued across many sectors. The seasonally adjusted unemployment rate stayed relatively low at 3.4%. Labour salaries and wages were notably higher than in previous years.

2.2 Main economic indicator

Table 1: Main economic indicator

ECONOMIC INDICATOR					
	2008	2009	2010	2011	2012 Q2
GDP & Components					
GDP in chained (2009) dollars (HK\$ million)	1,666,629	1,622,516	1,736,773	1,823,129	885,302
GDP at Current Market Price (HK\$ million)	1,678,500	1,622,516	1,741,564	1,896,695	934,219
GDP Growth (%)	3.8	-3.2	7.3	8.7	NA
GDP Growth (%) for agriculture, forestry & fishery sector	-17.0	-4.6	3.9	-7.6	NA
GDP Growth (%) for Manufacturing Sector	-6.6	-8.3	3.5	0.7	NA
GDP Growth (%) for Services Sector	2.5	-1.6	7.0	4.8	NA
GDP Growth (%) for Mining Sector	NA	NA	NA	NA	NA
GDP Growth (%) for Construction Sector	8.8	-7.6	15.4	7.5	NA
Demographic Indicators					
Population Number	7,008,900	7,026,400	7,097,600	7,103,700	7,136,300
Population Growth Rate (%)	0.8	0.5	0.9	0.7	0.5
Labor Force(number)	3,668,000	3,669,900	3,650,400	3,734,900	3,796,900
Labor Force Growth rate (%)	1	0.05	-0.5	2.3	1.7
Unemployment Rate	3.5	3.9	3.9	3.3	3.2
Inflation Rate	2.1	1.3	2.9	5.7	1.6
Financial Indicator					
Interbank interest rate per annum at year end	1.93	0.43	0.80	0.75	0.85
Short term interest rate* (%)	1.13	0.03	0.62	0.06	0.08
Long term interest rate** (%)	3.47	2.64	2.29	2.27	0.96
Average Change against USD\$	7.78	7.75	7.77	7.78	7.76

NA : data not available

* yield of 91-day Exchange Fund Bills (mid-year)

**yield of 10-year Exchange Fund Notes (mid-year)

Sources:

GDP, Demographic and Financial Indicators:

Government of the HKSAR web-page at http://www.censtatd.gov.hk/hong_kong_statistics

Short and long term interest rates: *Monthly Statistical Bulletin*, Hong Kong Monetary Authority, various issues.

3. OVERVIEW OF CONSTRUCTION INDUSTRY

3.1 Cost Value of Construction Contract/ Expenditure

Table 2: Cost Value of Construction Contract/ Expenditure

Type of Contract / Expenditure (HK\$ million)	2008	2009	2010	2011	2012 Q1
Buildings	37,900	39,742	40,839	47,447	14,136
Residential	20,613	22,804	22,588	26,231	8,599
Commercial	9,954	7,368	7,979	7,656	1,634
Industrial and Storage	797	359	993	1,514	305
Services	6,537	9,211	9,279	12,046	3,598
Structures & facilities	10,934	12,516	20,683	30,254	9,535
Transport	5,178	3,595	10,852	19,551	6,110
Other utilities & plant	2,088	2,606	2,658	2,511	953
Environment	2,502	4,461	5,758	7,198	2,310
Sports & recreation	1,167	1,794	1,415	994	162
Overall total	48,834	52,258	61,522	77,211	23,670

Source: *Report on the Quarterly Survey of Construction Output*, The Census and Statistics Department, Hong Kong Special Administrative Region, various issues

As shown in the table above, construction works can generally be divided into two categories, buildings and structures & facilities. The overall contract value of construction activities carried out by main contractors in Hong Kong has been rising since 2008. In particular, driven by a strong growth of the public construction sector, the overall construction sector produced HK\$77 billion value of work in 2011, with a significant increase of about 25% over the previous year.

3.2 Construction Demand forecast for 2012-2013

Table 3: Forecast of Construction Works

Respective Departments	Title of Contract	Scheduled Project Start	Scheduled Project Completion	Estimate of Cost (HKD)
Architectural Services Department (ASD)	Expansion of Tseung Kwan O Hospital	2008-09	2013-14	>=\$500M
	Cruise Terminal Building and ancillary facilities for the Kai Tak Cruise Terminal Development	2010-11	2013-14	\$4899M
	Construction of a secondary boundary fence and new sections of primary boundary fence and boundary patrol road - phase 2	2011-12	2015-16	\$128.3M
	Re-provisioning of Wo Hop Shek Crematorium	2009-10	2012-13	\$530M
	Conversion of aqua privies into flushing toilets - phase 7	2010-11	2013-14	\$300M - \$400M
	Construction of a secondary boundary fence and new sections of primary boundary fence and boundary patrol road - phase 1	2009-10	2012-13	\$179M
	Reprovisioning of Cape Collinson Crematorium	2010-11	2014-15	\$659M
	Provision of Columbarium and Garden of Remembrance at Kiu Tau Road, Wo Hop Shek	2009-10	2012-13	\$428M
	West Kowloon Law Courts Building	2012-13	2015-16	\$2168M
	Public Library and Indoor Recreation Centre in Area 3, Yuen Long	2010-11	2013-14	\$95M
	District Open Space, Sports Centre and Library in Area 74, Tseung Kwan O	2011-12	2014-15	\$591M
	Redevelopment of Kwun Tong Swimming Pool Complex and Kwun Tong Recreation Ground	2009-10	2014-15	\$988M
	Town Park, Indoor Velodrome-cum-Sports Centre in Area 45, Tseung Kwan O	2009-10	2013-14	\$1003M
	Re-provisioning of Pak Tin Public Library	2008-09	2012-13	<\$50M
	Construction of an Annex Building for Ko Shan Theatre	2010-11	2013-14	\$547M
	Redevelopment of departmental quarters for Customs and Excise Department at Tsing Chau Street and Lee Kung Street, Hung Hom	2009-10	2012-13	\$236M
	North Lantau Hospital, Phase 1	2009-10	2012-13	\$1700M
	Redevelopment of Tai Lam Centre for Women	2012-13	2016-17	\$823M
	Special School in Area 16, Tuen Mun for the Physically Disabled Children	2010-11	2012-13	\$221M
	Construction of Trade and Industry Tower in Kai Tak Development Area	2011-12	2014-15	\$2039M
Development of Aberdeen Fire Station-cum-ambulance Depot	2010-11	2013-14	\$145M	

Respective Departments	Title of Contract	Scheduled Project Start	Scheduled Project Completion	Estimate of Cost (HKD)
	Construction of Fire Station-cum-Ambulance Facility at Cheung Yip Street, Kowloon Bay	2011-12	2013-14	\$158M
	Redevelopment of Fire Services Training School	2012-13	2015-16	\$2818M
	Joint-user Complex at Bailey Street, To Kwa Wan Reclamation	2010-11	2012-13	\$394M
	Fitting-out works for Government facilities at new air cargo terminal	2011-12	2012-13	\$100M - \$200M
	Construction of a station for the New Terminal Doppler Weather Radar	2012-13	2014-15	\$113M
	Joint-user Complex in Area 44, Fanling	2011-12	2013-14	\$146M
	Community Hall at the housing site in Area 18, Tuen Mun	2010-11	2013-14	\$50M - \$100M
	Redevelopment of Victoria Park Swimming Pool Complex	2009-10	2014-15	\$929M
	Primary school at the junction of Victoria Road and Pokfulam Road, Pok Fu Lam	2009-10	2012-13	\$185M
	Transformation of the Former Police Married Quarters on Hollywood Road into a Creative Industries Landmark	2011-12	2013-14	\$354M
	Local open space at Chung Yee Street, Kowloon City	2012-13	2013-14	2013-14
	Tuen Mun River Beautification - Tin Hau Temple Plaza	2011-12	2011-12	\$80M
	Construction of an ambulance depot at Choi Shun Street, Sheung Shui	2012-13	2014-15	\$100M - \$200M
	Sports centre, community hall and public library in Area 14B, Sha Tin	2012-13	2012-13	>=\$500M
	Redevelopment of disciplined services quarters in Fu Tei, Tuen Mun	2012-13	2014-15	\$400M - \$500M
	Printing Workshop, Government Logistics Department	2013-14	2015-16	\$200M - \$300M
	New Broadcasting House Radio Television Hong Kong	2013-14	2017-18	>=\$500M
Civil Engineering and Development Department (CEDD)	Formation, roads and drains in Area 54, Tuen Mun – phase 2 stage 1 works	16 September 2011	Early 2015	\$291 M
	Disposal of Contaminated Sediment- dredging , management and capping of sediment disposal facility at Sha Chau.	8 July 2009	29 June 2013	\$231.0 M

Respective Departments	Title of Contract	Scheduled Project Start	Scheduled Project Completion	Estimate of Cost (HKD)
	Planning and engineering study on development of Lok Ma Chau Loop : consultants' fees and site investigation	1 June 2009	2012/13	\$33.7M
	Review studies on North East New Territories new development areas : consultants' fees and site investigation	June 2008	2013	\$54.2M
	Cycle Tracks Connecting North West New Territories with North East New Territories – Sheung Shui to Ma On Shan section	25 May 2010	early 2013	\$230M
	Cycle tracks and associated facilities along seafront at Town Centre South, Tseung Kwan O	11 July 2011	Mid 2013	\$92.30M
	Wan Chai development phase II, engineering works	28 January 2010	Q3 2016	HK\$3,359 M
Drainage Services Department (DSD)	Yuen Long and Kam Tin Sewerage Stage 3	6 September 2012	2016	about \$213 M
	Condition Survey for Underground Sewers and Drains – Investigation	25 July 2012	end 2017	about \$14 M
	North District sewerage, stage 2 part 2A - Pak Hok Lam trunk sewer and Sha Tau Kok village sewerage	28 June 2012	Mid 2016	Approx. \$272M
	Village sewerage in Kau Lung Hang San Wai, Kau Lung Hang Lo Wai and Tai Hang, and southern trunk sewer between Wai Tau Tsuen and Nam Wa Po	26 June 2012	Mid-2016	about \$317M
	Sewerage in Ping Kong, Fu Tei Pai and Tai Wo	21 November 2011	end 2014	about \$226 M
	Lam Tsuen Valley sewerage, stage 1	31 October 2011	end 2015	about \$270M
	Reconstruction and Rehabilitation of Kai Tak Nullah from Po Kong Village Road to Tung Kwong Road - Remaining Works	31 October 2011	mid 2017	about \$1,600 M
	Trunk Sewerage at Lau Fau Shan	14 October 2011	end 2015	about \$196 M
	Drainage Improvement Works in Pok Fu Lam Road, Mount Butler and Happy Valley	Oct 2011	Early 2013	NA
	Drainage improvement works in Shuen Wan, Tai Po	26 February 2010	2014	about \$252M
Tai Po Sewage Treatment Works, Stage 5 Phase 2B	29 January 2010	September 2013	about \$660M	

Respective Departments	Title of Contract	Scheduled Project Start	Scheduled Project Completion	Estimate of Cost (HKD)
	Sewerage in western Tuen Mun	15 December 2009	end 2015	about \$1,300 M
	Yuen Long South sewerage and expansion of Ha Tsuen sewage pumping station	24 September 2009	early 2013	about \$550 M
	Village Sewerage at Wang Chau of Yuen Long	31 July 2009	mid 2013	about \$219M

Sources: web-sites of Development Bureau available at <http://www.devb.gov.hk/en/home/index.html>

3.3 Construction Companies

Table 4: Number of contractors and the breakdown by size

	No. of registered contractors (2012)			
Buildings Department (Registered General Building Contractors)	647			
Development Bureau (List of Approved Contractors for Public Works)	Group A	Group B	Group C	Total
	46	45	56	147
Housing Authority (Counterparty Lists)	NW1	NW2	Total	
	21	22	43	

Notes

'A' denotes Group A for contracts of value up to \$30 million

'B' denotes Group B for contracts of value up to \$75 million

'C' denotes Group C for contracts of any values exceeding \$75 million

Group NW1 - Contractors are eligible to tender for new works contracts with a value of up to \$270M.

Group NW2 - Contractors are eligible to tender for new works contracts of unlimited value.

Sources:

List of Registered General Building Contractors of Buildings Department available at

http://www.bd.gov.hk/english/inform/e_gbc_1.html

List of Approved Contractors for Public Works available at

<http://www.devb.gov.hk/Contractor.aspx?section=80&lang=1>

Housing Authority Counterparty List available at

http://comis.housingauthority.gov.hk/ha/eng/ctp_list.jsp?LIST_CD=BLG

3.4 Construction Manpower

Table 5: Number of workers employed in principal jobs of construction, building and civil engineering and related disciplines

Job Levels	May 2010
Professional/Technologist	20361
Technician	32990
Skilled & Semi-Skilled worker	49559
General Worker	22754
Total	125664

Source: *Manpower Survey Reports on the Building and Civil Engineering Industry*, Building and Civil Engineering Industry Training Board, Vocational Training Council, bi-annual issue of 2007.

Table 6: Number of persons directly engaged in the building and civil engineering establishments

Main industry group	2008	2009	2010
Construction of buildings	10663	13309	18529
Civil engineering	21354	24117	24420
Demolition and site preparation	5804	5259	6233
Building services installation and maintenance activities	56107	47839	52664
Building finishing and other specialized construction activities	42062	44731	45112
All construction activities	135990	135254	146958

Source: *Report on Annual Survey of Building, Construction and Real Estate Sectors*, The Census and Statistics Department, Hong Kong Special Administrative Region, various issues.

3.5 Productivity

Table 7: Value added per employee

Year	Value added per employee (HK\$million)
2007	0.148
2008	0.180
2009	0.187
2010	0.207

Source:

Value added by Construction activity:

2011 Gross Domestic Product, The Census and Statistics Department, Hong Kong Special Administrative Region
Employed Persons by Industry (Construction).

Hong Kong Annual Digest of Statistics 2011, The Census and Statistics Department, Hong Kong Special Administrative Region.

Table 8: Physical Measurement of Construction Production

End use of building (Unit: 000sq.m.*)	2007	2008	2009	2010
Private residential premises+	5860 (-3.4%)	5265 (-10.2%)	3894 (-26.0%)	3665 (-5.9%)
Office buildings	1030 (9%)	77.4 (-24.9%)	262 (-66.1%)	389 (48.5%)
Hotels and boarding houses	274 (-53.3%)	292 (6.6%)	301 (3.1%)	162 (-46.2%)
Multi-purpose commercial premises	1156 (29.9%)	16.33 (41.3%)	1442 (-11.7%)	987 (-31.6%)
Flatted factory blocks and warehouses	210 (56.7%)	246 (17.1%)	131 (-46.7%)	125 (-4.6%)
Total	8529 (-1.1%)	8210 (-3.7%)	6030 (-26.6%)	5328 (-11.6%)

* Area (sq. m) refers to gross floor area of buildings when completed.

+ Includes buildings purely for residential purpose and combined residential and non-residential buildings.

Source: *Report on Annual Survey of Building, Construction and Real Estate Sectors*, The Census and Statistics Department, Hong Kong Special Administrative Region, various issues.

3.6 Construction Cost

Table 9: Building Works Tender Price Index (BWTPI)

Year	Building Works Tender Price Index (BWTPI)			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
2012	1414	NA	NA	NA
2011	1273	1320	1369	1408
2010	1134	1161	1249	1266
2009	1074	983	1111	1107
2008	1118	1305	1401	1262

Source: Building Works Tender Price Index (BWTPI) compiled by the Architectural Services Department available at http://archsd.gov.hk/archsd_home01.asp?Path_Lev1=5&Status=bwtpi

Table 10: Major construction material average price

		2008	2009	2010	2011	2012 May
Aggregates (HK\$ per tonne)		45	47	50	63	61
Bitumen (HK\$ per tonne)		6940	7240	7570	8483	9330
Concrete blocks, 100mm thick (\$ per square metre)		60	59	62	68	70
Diesel fuel	For industrial use (light) (\$ per 200-litre drum)	2389	2082	2440	1971	2047
	For road use (HK\$ per 100 litre)	1171	916	1029	988	1018
Glass - Clear sheet glass, 5mm thick (HK\$ per square metre)		93	115	136	144	147
Glazed ceramic wall tiles	White tiles, 108mm*108mm (\$ per 100 pieces)	110	110	155	202	205
	Colour tiles, 200mm*200mm (\$ per 100 pieces)	260	270	270	334	374
Hardwood	Sawn hardwood, 50*75 mm column (\$ per cubic metre)	3628	3731	3992	5470	5499
Homogeneous floor tiles	Non-slip tile, 200mm*200mm (\$ per square metre)	148	145	146	150	154
Galvanised mild steel	Steel plates (HK\$ per tonne)	11387	7580	8303	9180	9261
	Steel angles (HK\$ per tonne)	15755	11118	12099	12234	12024

	Steel flats (HK\$ per tonne)	11500	8947	9714	10023	10214
Metal formwork	Steel plate, 4mm thick (HK\$ per tonne)	8258	5280	5857	6542	6356
Mosaic tiles	Unglazed tiles, 18mm*18mm (\$ per square metre)	59	53	70	81	91
	Glass tiles, 25mm*25mm (\$ per square metre)	31	31	31	35	42
	Glazed tiles, 45mm*45mm (\$ per square metre)	79	85	89	109	114
Paint	Emulsion paint (HK\$ per litre)	39	37	39	45	47
	Acrylic paint (HK\$ per litre)	38	38	41	48	49
Portland cement (ordinary) (HK\$ per tonne)		538	592	621	677	685
Sand (HK\$ per tonne)		83	75	72	101	115
Steel reinforcement	Mild steel round bars, 6mm to 20mm (\$ per tonne)	9602	5687	6408	6747	6557
	High tensile steel bars, 10mm to 40mm (\$ per tonne)	9742	4581	6003	6288	6174
Timber formwork	Plywood, formwork, 19mm thick (\$ per square metre)	67	63	66	71	73
	Sawn hardwood, 25mm thick plank (\$ per cubic metre)	2960	3068	3072	3355	3572
uPVC lined GMS pipes	20mm diameter pipes, 5.5 long (\$ per number)	NA	NA	NA	NA	NA
uPVC pipes	32mm diameter pipes, 4m long (HK\$ per number)	42	45	47	51	56

Note : Prices are based on June data from 2008 to 2011 and in Hong Kong dollars.

Source: *Average Wholesale Prices of Selected Building Materials*, Census and Statistics Department, Hong Kong Special Administrative Region, various issues.

Table 11: Construction Industry Salaries and Wages – Technicians and Unskilled Workers

	Unskilled Workers Daily Wage (HK\$)
2007 Dec	566
2008 Dec	582
2009 Dec	576
2010 Dec	599
2011 Dec	616

Sources: *Average Daily Wages of Workers Engaged in Public Sector Construction Projects*, Census and Statistics Department, Hong Kong Special Administrative Region, various issues.

Table 12: Construction Industry Salaries and Wages – Construction Professionals

Professionals in Building and construction and related trades (Unit: Median monthly salary in HK\$)	2007 June	2008 June	2009 June	2010 June	2011 June
Accountant	30200	31900	32800	34400	32900
Administrative Officer / Executive Officer	NA	19300	16900	18400	NA
Architect	49400	47700	52700	50900	55800
Administration Manager/ Company Secretary/ Office Manager	NA	42500	NA	NA	NA
Building Services Engineer	30000	31800	31700	29400	31200
Civil Engineer	32900	34700	NA	NA	NA
Electrical Engineer	37600	28000	NA	NA	NA
Financial Manager/ Accounting Manager	47000	54600	NA	NA	NA
I.T./ Computer Manager	37200	38100	NA	NA	NA
Mechanical Engineer	37900	30100	28700	31500	28100
Personnel Manager/ Human Resources Manager/ Staff Relations Manager	46100	27700	35200	32000	37800
Project Manager	48300	54600	41800	55100	55200
Quantity Surveyor	28900	23500	NA	NA	NA
Safety Officer	29200	29900	29300	30700	33200
Structural Engineer	25000	29900	27700	33400	34100

NA : data not available

Source: *Report of Salaries and Employee Benefits Statistics, Managerial and Professional Employees (Excluding Top Management)*, Wages and Labour Costs Statistics Section, Census and Statistics Department, Hong Kong Special Administrative Region.

Professionals in some disciplines had a substance increase in their wages, such as architects, human resources managers and safety officers. On the other hand, the wages of some other professionals, for example, accountants and mechanical engineers, decreased by 5-10%.

Table 13: Construction Industry Salaries and Wages –Skilled Workers (in HK\$)

	2007 Dec	2008 Dec	2009 Dec	2010 Dec	2011 Dec
Concretor	915	957	952	926	1073
Bricklayer	853	805	896	861	853
Drainlayer	786	858	874	876	970
Mason	838	736	811	818	853
Bar bender and fixer	1071	1081	1124	1167	1249
Metal worker	786	793	803	829	835
General welder	766	787	807	843	894
Structural steel erector	891	881	922	1017	1181
Structural steel welder	920	915	747	952	1005
Rigger/metal formwork erector	820	798	813	831	949
Carpenter (formwork)	951	994	1014	997	1091
Joiner	879	858	851	916	899
Plumber	782	826	846	886	894
Construction plant mechanic	706	747	761	797	899
Plant & equipment operator (load shifting)	753	752	739	746	802
Truck driver	587	586	595	611	654
Rock-breaking driller	790	780	780	784	840
Asphalter (road construction)	713	677	683	705	747
Bamboo scaffolder	1036	998	1060	1072	1129
Diver	1663	1665	1721	1766	1761
Plasterer	817	847	860	891	940
Glazier	799	756	849	908	897
Painter and decorator	742	752	785	813	781
Leveller	697	719	715	762	839
Marble worker	975	627	932	779	898
Electrical fitter (incl. electrician)	680	680	711	697	723
Mechanical fitter	686	691	636	623	622
Refrigeration/AC/ventilation mechanic	581	534	621	660	610
Fire services mechanic	690	686	714	755	667
Lift and escalator mechanic	623	812	682	696	645
Building services maintenance mechanic	511	744	685	628	655
Power cable jointer	600	479	404	751	853

Source: *Average Daily Wages of Workers Engaged in Public Sector Construction Projects*, Census and Statistics Department, Hong Kong Special Administrative Region, various issues.

The table above summarizes the wages of 32 categories of skilled workers. The average daily salaries and wages of skilled workers increased in 2011. It would be expected that the demand for workers and their wages will further increase following the commencements of more construction projects.

3.7 Import & Export of Construction Work and Consultancy Services

Table 14: Import and Export of Construction and Consultancy Services (in HK\$million)

Year	2007	2008	2009	2010	2011
Imports					
Value of Construction services by foreign contractor	2303	1,283	923	413	NA
Value of consultancy services by foreign consultant	474	800	400	417	NA
Exports					
Value of construction services by local contractor in foreign country	2699	1,580	1079	1,123	NA
Value of consultancy services by local consultants in foreign country	1933	3,193	2,134	2,233	NA

Sources: *Report on Hong Kong Trade in Services Statistics* The Census and Statistics Department, Hong Kong Special Administrative Region.

Notes:

"Construction services" include:

General construction work (including new work, additions and alterations, repair and maintenance) and installation work at sites, buildings and structures that usually lasts for less than one year.

"Consultancy services - Architectural, engineering and other technical services" include:

Advisory architectural services; architectural design services; contract administration services; advisory and consultative engineering services; engineering design services for construction projects or industrial processes; and urban planning and landscape architectural services.

The table above indicates that there is a decreasing trend of export of construction services. The value decreased from HK\$2,699 million in 2007 to HK\$1,123 million in 2010. However, the export of architectural, engineering and other technical services increased from 2007. There is more overseas demand of local professional than construction services. Major demands have come from China Mainland, Dubai, India and other South East Asian countries.

Table 15: Annual Import/Export of Construction and Consultancy Services

Major service group/Region	Year	Export of services	Import of services	Net export of services
		HK\$million	HK\$million	HK\$million
<i>Construction services</i>	2007	2699	2303	396
	2008	1580	1283	297
	2009	1079	923	156
	2010	1123	413	710
Asia	2007	2651	**	**
	2008	1496	1212	284
	2009	1040	751	289
	2010	**	357	**
Australasia and Oceania	2007	<0.5	<0.5	<0.5
	2008	<0.5	**	**
	2009	**	**	**
	2010	<0.5	**	**
Central and South America	2007	<0.5	<0.5	<0.5
	2008	<0.5	<0.5	<0.5
	2009	<0.5	<0.5	<0.5
	2010	<0.5	<0.5	<0.5
North America	2007	**	**	**
	2008	**	<0.5	**
	2009	<0.5	<0.5	<0.5
	2010	<0.5	<0.5	<0.5
Western Europe	2007	**	<0.5	**
	2008	**	**	**
	2009	<0.5	**	**
	2010	<0.5	**	**
<i>Architectural, engineering and other technical services</i>	2007	1933	474	1459
	2008	3193	800	2393
	2009	2134	440	1694
	2010	2233	517	1716
Asia	2007	1466	310	1136
	2008	2364	548	1816
	2009	1619	302	1317
	2010	1772	425	1347
Australasia and Oceania	2007	16	**	**
	2008	45	28	17
	2009	21	13	8
	2010	38	20	18
Central and South America	2007	<0.5	<0.5	<0.5
	2008	**	<0.5	**
	2009	<0.5	<0.5	<0.5
	2010	**	**	**
North America	2007	166	99	67
	2008	205	15	190
	2009	198	69	129
	2010	166	16	150
Western Europe	2007	26	50	-24
	2008	297	189	108
	2009	181	44	137
	2010	187	**	**

** Data suppressed for confidentiality reason

Sources: *Report on Hong Kong Trade in Services Statistics for 2010 and 2007*, The Census and Statistics Department, Hong Kong Special Administrative Region.

The majority of the export and import of both construction and consultancy services are carried out within the Asian region. The Chinese Mainland market has taken the highest proportion. The export of major consultancy services includes engineering consulting, contracting and project management. In 2010, consultants have also generated HK\$391million from countries outside Asia, including Australasia and Oceania, North America and Western Europe. On the contrary, the export of construction services to regions outside Asia has been negligible in the last few years.