

EXECUTIVE DIRECTOR'S REPORT



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Ir Albert CHENG

Executive Director, Construction Industry Council

Celebrating CIC's Accomplishments in 2023

2023 was an exciting and demanding year. As we reflect upon the year gone by, it fills me with immense pride to unveil the remarkable accomplishments and significant strides that the Construction Industry Council (CIC) has made, leaving a positive impact on the industry. Our steadfast commitment lies in steering the construction industry towards a future characterised by innovation, technology, sustainability, and fruitful collaborations with the Greater Bay Area (GBA).

CIC has prioritised increasing adaptability through the integration of innovation and technology. Embracing the rapid advancements in these domains, we have paved the way for a high-tech and safe construction industry. Our focus on sustainable development has been a driving force, ensuring that our practices align with environmental and societal needs, promoting a greener and more responsible future.

Bridging the gap in manpower demand and supply has been our key goal. On one hand, we nurture and cultivate new talents, providing learning opportunities and equipping them with the necessary knowledge and skills, shaping a workforce that is well-prepared for challenges ahead, on the other hand, we work with the government to enhance and implement the labour importation measures for the construction sector to supplement the manpower supply in the short run to alleviate the pressure on the industry on manpower shortage.

Establishing robust connections with the GBA, we have fostered valuable partnerships that have unlocked new opportunities for growth. By leveraging this platform, we empower industry professionals to tap into the immense potential that the GBA offers, further enhancing their prospects and driving mutual growth.

It is with great pleasure that I present to you the 2023 CIC Annual Report. Within its pages, you will find a comprehensive account of our unwavering commitment to steering the construction industry towards a high-tech and safe future. As we move forward, guided by our vision and driven by our dedication, we are confident in our ability to shape the construction landscape for decades to come.

Conquering Challenges in Manpower

The shortfall in skilled and semi-skilled workers in construction industry is anticipated to rise to over 40,000 in 2027. With the challenges of ageing workforce and increasing construction volume in Hong Kong, closing the disparity between manpower demand and supply is one of CIC's top priorities in 2023. We have engaged our stakeholders to formulate multi-pronged strategies to overcome these hurdles. Our primary focus was to boost training capacity. In 2023, we implemented various measures such as adding new training venues, adjusting course schedules, expanding our pool of training tutors, optimising class sizes to ramp up the training volume. Additionally, we explored collaborative training schemes with partners to further enhance our output.

We are pleased to report that not only did we successfully achieve our target, we overshot the target of Hong Kong Institute of Construction (HKIC) by over 50%, training approximately 15,700 individuals for the industry. This accomplishment demonstrates CIC's commitment to meeting the training needs of our workforce.



To cope with the manpower demand to support the infrastructural developments, in June 2023, the Chief Executive-in-Council endorsed the introduction of the Labour Importation Scheme for the Construction Sector. This scheme allows for the importation of labour on an appropriate scale, with a quota ceiling of 12,000 workers to safeguard the employment priority for local workers. The CIC was entrusted by the Development Bureau to convert the community isolation facilities in Tam Mi, Yuen Long into the centralised quarters for the imported workers and its subsequent operations. We pulled out all the stops from refurbishing existing quarters, setting up subsidiary company for the operations, to planning the required transportation to minimise impacts on the nearby neighbourhood. In three months' time, the quarters were up and running with 1,800 units, providing accommodations for up to 7,000 workers, accomplished the impossible.

To attract more young talents to join our sector, we launched the STEAM Lab at the CIC-Zero Carbon Park, reaching out to primary and secondary schools in Hong Kong. In July 2023, the CIC's Youth Affairs Committee organised the 8-Day Construction Industry Youth Exchange Programme in the GBA. Led by youth leaders, 60 students from 39 schools in Hong Kong embarked on an 8-day tour, visiting construction sites, technology companies, and cultural and educational institutions. Our aim was to showcase the application of advanced technology in construction projects to refresh our industry image, in turn to attract students to join our sector.

On top of overcoming manpower challenges in quantity, CIC made another significant accomplishment in improving the quality of our workforce, more stringent management over the Registered Specialist Trade Contractors Scheme and register of subcontractors were implemented. Starting from 1 October 2023, the CIC has upgraded "Building Maintenance" and "Interior Fitting-out" as the 13th and 14th designated trades under the Scheme to promote the professional development of the industry. The competencies of the registered companies will be strengthened, thus improving the quality and safety of work.

The CIC also organised the 2nd Hong Kong Construction Skills Competition, a biennial industry-wide competition, in April 2023, which brought over 300 industry elites to compete in 18 trades, the results reaffirm the positive impact of our training efforts.

Cultivating a Future-ready Workforce to Steer the Construction Industry

Promoting technological advancements within the industry remains a crucial focus for us. In 2023, we launched several digital technologies related initiatives, including the establishment of Digital Twin Hub and the Smart Facilities Management Control Centre. Additionally, we conducted master training classes, webinars on safety and promoted the adoption of design-for-safety principles. Our efforts extended to addressing various safety aspects such as lifting construction materials and working in confined space through the dissemination of guidelines.

Speaking of our training, each master class is carefully developed based on identified knowledge gaps and industry pain points. They are tailored to different target audience and covered a range of subjects such as artificial intelligence (AI), Modular Integrated Construction (MiC), temporary works, Design for Safety and Safety Leadership Culture. To deliver these master classes, we establish a steering group that thoroughly understands the target audience and their training needs. Leveraging our extensive network, we source experts in the respective fields to serve as lecturers, ensuring each class offer inspirational yet practical training.

To foster greater understanding and appreciation of high productivity construction method like MiC, over the year we organised a number of industry tours to the GBA. These tours provided industry professionals with the opportunity to witness MiC projects first-hand, facilitating knowledge exchange and establishing

Last but not least, sustainable development is a guiding beacon in shaping our future. In line with our "Theme of the Year for 2023 - Sustainability", we hosted the CIC Global Construction Sustainability Forum and Exhibition 2023 (GCSFE 2023) in November. The first of its kind in Hong Kong, attracting close to 10,000 diverse audiences from the government, the academics to the industry who had the chance to explore the exhibition and participate in the forum.

Casting the Construction Innovation and Technology Fund in the Construction Industry

The Construction Innovation and Technology Fund (CITF) has played a pivotal role in driving innovation. Since April 2023, the total funding ceiling for Building Information Modeling (BIM) and Advanced Construction Technologies of each applicant of the CITF has been raised to HK\$7.5 million, of which HK\$1.5 million is for exclusive use in the procurement or rental of products for Smart Site Safety System (4S). This helps to enhance safety standard in construction site via technology application.

To date, the CITF has approved the cumulative funding totalling HK\$1,108,776,682, benefiting numerous enterprises. It has become a go-to resource for Hong Kong construction companies seeking to adopt technology. Up to 2023, the CITF has approved 3,580 cumulative funding applications, with cumulative 1,139 beneficiaries (in which 683 were Small-and-Medium Enterprises that have fewer than 50 persons employed).

The CITF's comprehensive approach and financial assistance have empowered the industry to embrace technological advancements, enhance productivity, and foster continuous learning and development.



Enhancing Safety with Technology

The increase in construction volume and the demanding nature of the work, combined with labour shortages, have posed challenges. Noticing the shortfalls in construction safety culture, we have commenced a number of initiatives to enhance the safety standard. In November, we formed a task force and had an overhaul of the lifting operational standards and procedures, one of the primary causes of fatal accidents, organised a focused training and published new technical reference materials to enhance the knowledge and mindset of workers and industry professionals. Additionally, we conduct monthly safety webinars to proactively educate the industry on various safety topics. We are fully committed to enhancing our safety training efforts by going above and beyond to elevate our training content and courses.

AI will undoubtedly become increasingly valuable across various aspects of the construction industry, including quality control, progress tracking, measurements, and safety. We have already begun encouraging and collaborating with companies to explore AI applications. Last year, we awarded a Hong Kong construction company for their partnership with a university in developing AI software that detects unsafe worker behaviours on construction sites. Another example is the use of robotics and AI for on-site inspections. By capturing images of the construction site and comparing them with the design, we can monitor progress and ensure adherence to standards.

With reference to our counterparts in other parts of the world, we are excited to implement new practices that will revolutionise safety in the industry. Daily morning assembly with persistent practice of using safety harness and conducting dynamic risk assessments prior to the commencement of work will gradually build up the muscle memory for workers in wearing their safety gear, and we will foster a strong sense of camaraderie among teams. These initiatives launched at the end of 2023, alongside the safety pilot scheme rolling out in 2024 and 2025 where CIC provides support for consultancy to enhance the design for safety for 20 projects. With the participation of clients and main contractors, we anticipate significant progress in promoting safety throughout the industry.

Our commitment to safety extends beyond education and awareness. We are actively working towards implementing a comprehensive frontline personnel safety performance recording scheme on construction sites to encourage improvements in safety performance. By recognising and encouraging positive safety practices, we aim to instil a culture of safety among all workers, including frontline supervisors.

Strengthening the Connection and Exchange with the GBA

The establishment of the CIC (HK) Guangdong representative office in 2023 also provided us with a prominent presence in the GBA, enabling us to foster valuable connections and engage in fruitful business opportunities. We encourage industry professionals to leverage this platform to connect with their counterparts in the region. By facilitating networking and collaboration, we aim to empower our stakeholders to tap into the vast potential of the GBA, further enhancing their business prospects.

In terms of collaboration with the mainland, we have established a Memorandum of Understanding (MOU) with The Ministry of Housing and Urban-Rural Development of the People's Republic of China in Beijing which deepened the exchange of innovative construction technologies between the two regions. At the core of our collaborative efforts, the CIC serves as a platform. We organise technical visits and forums to facilitate knowledge exchange. In August 2023, we hosted the inaugural "China Con-Tech Development and the Future of Hong Kong Construction Industry" Forum, where 23 leading figures from the construction industry in Mainland China and Hong Kong converged at the Forum to share valuable experiences and insights which attracted 1,600 guests in person and online to learn from the experts.

These conferences, exchanges, and visits have been instrumental in fostering collaboration and exploring high-tech manufacturing sites and factories, allowing us to better understand their production processes and how their products can cater to the Hong Kong construction market.

Cultivating talents is another area that we can collaborate with the GBA. Through understanding our Hong Kong employers' pain points and specific talent needs, we can pinpoint the areas where they require additional support. Subsequently, we conducted research and delved into assessing the strengths and capabilities of universities in Mainland China. This knowledge enables us to facilitate effective matching between the talent pool and the requirements of our local employers. In the long run, our goal is to consolidate manpower resources in the GBA with qualifications being recognised across Hong Kong, Macao, and Mainland China. By facilitating this seamless connection, we strive to attract the most suitable talents from outside Hong Kong to contribute to the growth and success of the construction industry in Hong Kong.

Nurturing Love and Care in the Industry

CIC is committed to retaining a high-quality workforce and attending to their well-being. In 2023, we took a significant step forward by extending the Medical Examination Scheme for Registered Construction Workers to include all skilled and semi-skilled workers, as well as those working on construction sites, going beyond skilled and semi-skilled workers aged 50 or above. Eligible workers can now undergo health check-ups at a special rate of HK\$10 and we are pleased to see 4,848 workers have benefited from the Scheme.

The CIC also published the Reference Materials on Construction Site Facilities for Workers which provide standards and suggestions for enhancing facilities from the moment workers enter the construction site until the completion of their work. Measures such as adding storage, shower and changing facilities, as well as laundry and recreational amenities to address workers' daily needs and promote a better work-life balance.

Our work in nurturing industry practitioners who not only excel in technical skills but also demonstrate a deep sense of care for the welfare of communities. We aim to ripple our impact through the Construction Industry Sports & Volunteering Programme (CISVP), our dedicated charity arm by engaging industry members in year-round volunteer work such as Lo Pan Rice Campaign and installing handrails for the homes of the elderly. We take great pride to report a 50% increase in recorded volunteering service hours in 2023 compared to the previous year, indicating a growing trend of practitioners actively participating in philanthropic activities.



Building a Resilient Team

Acquiring, retaining, and developing talent in CIC remains our key focus. We develop future leaders through succession planning, which is a crucial component of the CIC's sustainable development. To achieve this goal, we review and identify staff members with the potential to take on critical roles in the future through the Individual Development Programmes. We also nurture fresh graduates as future leaders through our Graduate Trainee Programme. In 2023, we continued to sustain a learning culture by investing significant effort and resources in developing our staff through various Talent Development Programmes. Apart from organising regular seminars and training workshops and the provision of a free 24/7 on-line learning platform for staff via LinkedIn Learning, we also organised a series of the CIC Talents Development Excellence Talks in 2023, invited successful leaders to share their insights and experience with our staff.

Safeguarding information security and personal data is paramount in the CIC. We strive to strengthen our cybersecurity posture further along our digital transformation journey. Key initiatives include a cross-departmental drill, cybersecurity awareness training, enhanced firewall protection, and regular education activities such as mock tests to achieve a low phishing offensive click rate that exceeds industry standards.

As part of the CIC's digitalisation journey, we have mandated the use of Levy E-Service 2.0 for the hand in of Levy Forms since mid-2023. Efficiency in levy form submission and communication with industry practitioners has tremendously improved. This not only optimised the operations, but also provide better controls on levy processing and enhanced environmental friendliness.

In 2023, the Legal and Compliance Department was set up to support the CIC in legal, regulatory compliance and personal data privacy initiatives, including the development of the Privacy Policy Statement and the revamp of the CIC's Personal Data Privacy Compliance Framework.

With the strengthened Corporate Services Unit, the CIC is well-equipped to thrive in an ever-evolving landscape of challenges and opportunities.

Way Forward

CIC has declared year 2024 the "Year of Construction Safety" in order to prioritise and address the issue head-on.

In summary, we approach the coming year with optimism and determination. We firmly believe that through our collective efforts, the construction industry in Hong Kong will witness significant advancements in safety, productivity, and collaboration with our partners in the GBA.

The CIC remains committed to steering the construction industry towards a future of growth and innovation. We will continue to address the vital concerns of upskilling our workforce and attracting qualified individuals to the industry. By increasing training volumes and collaborating with other institutions, we aim to provide essential skills development opportunities for workers and enhance productivity.

In conclusion, the year 2023 has been a year of significant achievements for CIC. We are proud of the strides we have made and the positive impact we have had on the construction industry. Moving forward, we remain steadfast in our commitment to nurturing talents, driving innovation, and fostering sustainable practices. Together with our stakeholders, we will continue to shape the future of the construction industry in Hong Kong and beyond.

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Executive Director, Construction Industry Council

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