

# \$10 billion airport contract frozen

## Successful bidders to get a letter of intent

THE LONG-awaited \$10 billion contract to build a huge platform for the Chek Lap Kok airport will not be awarded on schedule tomorrow because of the continuing row over the Government's financial strategy.

The winning consortium, instead of signing up for one of the most prestigious projects in the Airport Core Programme (ACP), will be given a written assurance by the Provisional Airport Authority that it will be awarded the contract provided the whole project goes ahead, sources say.

The contract to construct the 1,250-hectare site, which includes reclaiming more than three-quarters from the sea, is the first victim of the failure of the Hongkong and Chinese Governments to agree on financing the airport and airport railway.

One of the largest single contracts in the ACP, the Site Preparation Contract, fell victim despite the intervention of British Foreign Secretary Douglas Hurd this week and a further meeting of the Airport Committee of the Joint Liaison Group yesterday.

CONTRACTORS say the delay in awarding the contract will further put back the start of work on the project, which is already six months behind schedule.

"Even if the contract was awarded on Saturday we would not be ready to begin work until November," says one consortium member. "But now it will be put back even further which is worrying because work was originally supposed to begin in May this year and be completed in the Spring of 1995."

"This timing was designed to allow a comfortable two years to build the first runway, the terminal and all the above-ground facilities. So we are already six months behind and this will put everything back even further even though the contract period has since been extended.

"It's just the latest in a series of

delays ever since the PAA's call in March last year for consortia to pre-qualify to bid for the contract."

HOWEVER, the source says it was not being seen as a major setback at this stage because the industry was confident the problems over financing would be resolved fairly quickly.

"The latest phasing plan will have the eastern end of the airport ready for other contractors to move in and begin piling and other preparatory work for the airport 12 months after the start of the reclamation contract," says the consortium member.

"This means there is a period of overlap when works on the main two elements of the airport can be done side by side. In any event, our responsibility is simply to get the job done in 40 months from the start of the contract.

"However, we would begin to become concerned if work does not begin in the foreseeable future because the whole ACP depends on the airport being operational in 1997."

The PAA has this week narrowed the short list from four consortia to two which are believed to have tendered bids of between \$8 billion to \$9 billion for the contract, inside the PAA's \$10 billion budget.

The PAA admits it is unable to move forward with the deal at present and is awaiting the approval of funds for the project from the Government's Finance Committee.

"We want to award the contract as soon as possible because a delay now is a delay in completion," says PAA Public Affairs Manager Phillip Bruce.

— By PAUL GODFREY

□ MTR calls off finance drive: P. 4-5

## Shenzhen bid for HK air traffic

A HONGKONG-BASED ferry company has made special arrangements with the Chinese authorities so it can bring foreign airline passengers from Shenzhen Airport to Hongkong without their having to go through Chinese Customs and Immigration checks.

Eddie Chow, General Manager of the ferry company, Universal Boss Ltd, says: "The Shenzhen Government has agreed to make the three-kilometre route from the airport to the Shenzhen ferry terminal a 'sterile' route."

This means that overseas passengers flying into Shenzhen will be able to travel by ferry to Hongkong and go through Customs and Immigration checks on arrival in the territory. Also, passengers taking international flights from Shenzhen will travel a similar 'sterile' route from Hongkong to the Chinese airport, again avoiding

Chinese border checks.

But if these passengers from Hongkong intend to fly out of Shenzhen to visit other parts of China, they will of course have to undergo the usual Customs and passport checks.

The launch of the ferry service will be tied in with the opening of Shenzhen Airport for international flights in Spring next year.

Chow expects the ferry service to be operational about next February, using three Norwegian-designed, Singapore-built twin-hull catamarans. The trip to Hongkong is expected to take about an hour and cost \$120 for a single economy ticket and about three times that amount for first class. The ferries will seat 250 passengers.

Southern Airlines is planning to fly out of Shenzhen to Jakarta, Surabaya, Kuala Lumpur and Vientiane, among other places.