

\$15b request draws flak from legislators, China

By CHRIS YEUNG

THE Government is seeking a total of \$15 billion to keep the Chek Lap Kok airport plan moving, even though the Sino-British Airport Committee does not meet until later this month to continue negotiations on overall financing arrangements.

The funding request – the largest so far – has drawn fierce criticism from the United Democrats and “opposition in principle” from Chinese officials. The Liberal Party said the new funding was reasonable.

According to the proposal circulated to legislators ahead of a formal submission, \$8.9 billion will cover construction of the airport terminal building and concourse.

Another \$4.93 billion is being sought for work on the first runway and other essential civil engineering works, and \$1.08 billion for the manufacture and installation of baggage handling and automated people-mover systems.

The Government has also asked for \$277 million to allow the Provisional Airport Authority's (PAA) head office “to expand to cope with the greatly increased level of activity”.

Members were told that their approval of funding before the PAA calls for tender would minimise the risk of the authority “being caught by rising construction prices which some analysts have predicted in the coming months”.

An official source said the Chinese side was informed last week and so far there was no opposition to it.

A senior mainland official said the position was always that the Government should not seek funding while talks were under way.

“There’s already been some progress on the talks. The two sides should strive for a deal as soon as possible,” he said.

The government spokesman said the authority needed funding for the construction works so that urgent tendering could begin next month.

The funding was in line with the updated airport

core programme cost estimates published in January this year, he said.

The \$15.18 billion that is being sought will bring the authority’s advances from the capital investment fund to a total of \$31.45 billion.

This was within the \$36.6 billion Government equity provided for the PAA in its latest – or fourth – financial package proposed to the Chinese side, the spokesman said.

Legislator Albert Chan Wai-yip, the United Democrats’ spokesman on the airport project, rejected the funding request.

He called for the disclosure of more information including the contingency plan to finance the project in

case China refused to endorse the proposals.

Mr Chan also accused the Government of being irresponsible in asking for \$15 billion which would bring the amount of injection well above the \$16.6 billion proposed in the first financing package.

The Liberal Party’s Steven Poon Kwok-lim said the party generally accepted the latest funding request.

Construction should not be further delayed by the lack of an agreement on the overall issue, Mr Poon said.

Delay would not only incur extra cost on the airport projects, but would give rise to problems in the handover of uncompleted projects during the change of sovereignty, he said.