

8th April, 2002

BY FAX & POST #2521 9682

Your ref.: () in WB(CR) 58/01(00)Pt.2

Secretary for Works Works Bureau Murray Building Garden Road Hong Kong

Attn: Mr. Helius K M Ng

Dear Mr. Ng

Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) Consultation with the Construction Industry

I refer to your letter of 6 February 2002 on the captioned consultation and return our comments and views to your questionnaire as follows:

- 1. Real estate services, valuation services, property management services, project management, building maintenance, building control.
- 2. (a) Same as above.
 - (b) (i) Licensing overseas qualification of valuation and property management services are not recognized in the Mainland, different system & hierarchy of control.
 - (ii) Lack of recognition and understanding by government departments and general public.
- 3. To be addressed in the CEPA: either (a) full recognision of HKIS qualification e.g. valuation and property management services; or (b) reciprocity agreement between HKIS and the counterpart in the Mainland.
- 4. (i) Surveyors in Hong Kong possess a lot of experience in areas such as building control, maintenance which are not yet really properly taken care of in the Mainland.
 - (ii) Importing technology as well as professional standard of HKIS which are recongnised internationally could help to up-grade the local standard.
 - (iii) With the accession to WTO, multi-national companies are demanding professional services of international standard which may not be available locally.

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5. There is no objection provided that existing standard for entry in Hong Kong can be maintained.

It also depends on the degree of recognition (nation-wide) of such local qualifications and whether the entry requirements of the local qualification is no less than that of the HK qualification.

One of the problems concerning land surveying is that the Mainland does not like to open up its land surveying market as it regards land survey and mapping are matters of national security. Hong Kong has allowed professional and technical land surveying disciplines from the Mainland to work in Hong Kong if they are employed for large infrastructure projects. The employment market has already been opened up. Nevertheless, anyone who wishes to become a corporate member of HKIS has to obtain local experience and take the assessment scheme of HKIS.

- 6. HKIS would be happy to obtain as much information about qualifications and accreditation as possible. Recognition of professional qualification and accreditation should be closely examined with a positive attitude.
- 7. Reciprocal recognition as of right is not appropriate. The Institute has to maintain existing entry standard bearing in mind the followings:
 - (i) Be fair to our own candidates who have to satisfy our entry requirements and standard before they can be admitted.
 - (ii) There are existing reciprocal recognition arrangement with other professional institutes around the world. Entry to HKIS really carries a ticket for entry to those institutes as well. It is necessary to upkeep our standard in order to gain respect and recognition by other professional institutes.

If reciprocal recognition is a condition to open up the market, then the reciprocal arrangement would not be made on a fair basis because Hong Kong has already liberalized its market. A fair treatment must be applied to both places at the same time on the same terms.

- 8. Both the relevant parties would have to agree upon the application procedure, entrance requirement, syllabus of examination, training/courses of study, administration and discipline. There is no objection in principle to this. However, qualifying may not be best done through an examination. It can be better done by a course of study with examination and other assessment.
- 9. It is estimated that there are about 50 to 100 Building Surveyors and over 500 General Practice Surveyors who are engaged in business in the Mainland. Their business natures are property management, sales and leasings valuation, project management. Their annual turnover is unknown.

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10. Works Bureau should assist the professionals to contact related parties in the Mainland (including academic institutes, professional institutes/association, government departments, potential clients, etc). Currently, professionals rely on their own personnel contacts, the Central Government of PRC in HKSAR etc to make contact and the result is not good enough.

The real estate services providers in Hong Kong should be allowed to set up a wholly owned practice in the Mainland enjoying the same tax rates/treatment as the local companies.

We apologise for the belayed return. Should you require further information, please contact our Gordon Ng.

Yours faithfully

Chan Hak President