

The Next Chapter for NEC in Hong Kong



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The next chapter for NEC in Hong Kong is centred on deepening a proven collaborative culture, widening its user base and reach, both domestically and internationally, and leveraging innovation, training, and recognition to sustain the momentum built over the last two decades.

A Cultural Transformation

NEC was adopted by the Government of the Hong Kong Special Administrative Region of the People's Republic of China through its Development Bureau (DEVB) to move away from adversarial contracting practices and to foster collaboration, mutual trust, and proactive risk management in public works projects. DEVB's aim is to use NEC as a catalyst for effective project management and evaluated project performance through encouraging early identification and resolution of risks, aligning incentives across parties regarding time and cost, and enhancing transparency in decision-making.

A more conducive environment is created for managing construction risks, driving wider use of target-cost arrangements, and enabling ongoing refinements to NEC options and procedures that benefit all project stakeholders. Since 2009, NEC has facilitated the delivery of various types of capital works and consultancies, with proven enhanced organisation and efficiency, measurable time and cost savings, and significantly fewer disputes — evidenced by completed contracts that recorded no cases escalating to arbitration or litigation in

capital works projects.

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Vigilance Amidst Progress

When NEC was first piloted in 2009, the challenges were considerable — for example, unfamiliar contract terminology, new mechanisms (such as early warnings, risk reduction meetings, and compensation event procedures), and concerns regarding roles, responsibilities, and risk allocation.

Understandably, there were worries about administrative workloads, diminished control, potential conflicts with existing procedures, and misconceptions linking collaboration with collusion. DEVB gradually addressed these challenges through policy drive, the provision of clear practice notes, and the development in partnership with TTL of the NEC Hong Kong Editions, starting with a localised version of the NEC4 Engineering and Construction Contract, to align international best practices with local statutory and procurement requirements.

Systematic training and guidance on mechanisms like early warnings, risk registers, and target-cost options have enabled project officers and contractors to internalize NEC processes and apply them confidently in daily project management.

Confidence Through Teamwork and Achievements

Experience confirms that NEC can bring out the best in our project teams when collaboration is genuinely embraced and supported. Across over 800 works contracts and 300 consultancies adopting NEC over the last 16 years, the Government has observed more integrated planning, earlier involvement of key stakeholders, a wider application of innovative methods and technologies, and stronger focus on safety, resilience, and sustainability.

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Perhaps the most significant outcome is intangible: project teams now experience stronger mutual trust, open dialogue, and greater confidence in tackling unforeseen challenges together. This shared experience has prepared us to scale up NEC usage, tackle complex portfolios, and establish collaboration as a defining feature of Hong Kong's construction ecosystem in DEVB's new chapter.

Launching the Next Chapter

DEVB has launched a series of initiatives to consolidate experience and drive the next phase of NEC development in Hong Kong:

1. Outstanding NEC Team Performance Awards

This awards scheme recognises exceptional NEC project teams, emphasising team spirit and joint accountability for outcomes. A unique feature is that all core parties — client, project manager, and contractor — must jointly and unanimously agree to submit an application, highlighting genuine collaboration. In its inaugural year, the scheme received strong participation from various sectors, showcasing how NEC collaboration is deeply embedded across the industry.

Winners deserving of praise for their outstanding achievement are as follows:

- **Excellence in Partnering:** 'Development of the Loop Site Formation and Infrastructure Works', delivered by CEDD, AECOM, and CRCC–Kwan Lee JV, exemplifying shared problem-solving and aligned incentives for navigating complex ground and program risks.
- **Excellence in Innovation and Technology Adoption:** 'The S960 Steel Footbridge in the Northern Metropolis' and 'Drainage Maintenance Contracts in the Mainland North Districts', both showcasing advanced materials, robotics, and data-driven management practices.



Outstanding NEC Team Performance Awards 2025 Presentation Ceremony. © DEVB

2. G2G Engagement and Regional Collaboration

Hong Kong proactively shares NEC experiences with overseas and Chinese Mainland counterparts through various forums and exchanges. A significant aspect of this initiative involves DEVB's collaborative relationship with Singapore.

During our visit to Singapore in August last year, we reinforced our commitment to exchanging knowledge on NEC principles. Prior to embarking on their very successful journey with NEC, Singapore seconded their procurement experts and project staff to Hong Kong to share firsthand experience in NEC implementation. This collaboration has facilitated the transfer of valuable insights and best practices.

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DEVB's sharing on NEC to various parties. © DEVB

3. Industry and Frontline Training

Recognising that frontline staff are critical to the effective implementation of NEC, capacity building remains a key strategy for DEVB. Beyond managerial officers, we attach great importance to training project staff and site supervisory personnel who are at the frontline of applying NEC principles in daily practice. Accordingly, a new series of workshops has been tailored, using real-life cases, to strengthen their understanding of NEC contract procedures and to foster a collaborative mindset.

Collaborations with universities to embed NEC modules within curricula ensure a steady influx of NEC-ready professionals into the workforce (e.g. the University of Hong Kong's MSc in Infrastructure Engineering and Management has a unit on 'NEC Contract Management').



Driving Excellence: NEC Capability Workshop Series. © DEVB

4. Innovation and Technology as Standard Practice

Through the NEC Hong Kong Editions and Secondary Option X30 on Innovation and Technology, DEVB has established a contractual framework for introducing and sharing innovations that enhance site safety, efficiency, and decarbonisation.

Looking Ahead

The Government will continue to expand the NEC user base across public works while encouraging suitable adoption in the private sector, particularly for complex, innovation-driven, and sustainability-focused projects.

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DEVB's next chapter will focus on:

- **Harnessing advanced technologies:** The incorporation of technologies like AI, robotics and drones will be essential for boosting productivity and quality assurance. The digital backbone facilitates the use of advanced methodologies, such as Building Information Modelling (BIM) and Modular Integrated Construction (MiC). NEC continues to contribute a culture of innovation that encourages these advancements and enhances overall project delivery.
- **Broadening the application of the NEC Hong Kong Editions:** Enhancing target-cost and framework options while embedding innovation clauses like X30 in more contracts. This will enable project teams to propose alternative designs that improve efficiency and safety, aligning closely with DEVB's goals of sustainability and resilience. Meanwhile, X22 — the Early Contractor Involvement clause — continues to drive collaborative risk management and construction efficiency through early integration of contractor expertise.
- **Deepening capability through ongoing training:** We continue to invest in developing the competencies of project leaders and all project stakeholders, particularly frontline staff. Tailored workshops will ensure that site supervisory personnel confidently apply NEC principles and embrace collaborative mindsets. Collaborations with universities will embed NEC modules in curricula, ensuring a steady supply of NEC-ready professionals into the workforce.
- **Strengthening regional and international influence:** Hong Kong will continue to share our NEC experiences with overseas and Mainland counterparts, establishing local practices as regional references. Through proactive planning, policy directive and practical guidance, we will foster a collaborative ecosystem that bridges engineering, IT, finance, and green energy sectors.

Looking ahead, with DEVB's solid track record, strong policy backing, and a growing community of experienced practitioners, Hong Kong is well-positioned to lead a new phase of NEC-driven collaboration, innovation, and resilience in the construction industry, both locally and across the region.

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