

立法會
Legislative Council

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Legislative Council
Panel on Economic Services

Minutes of special meeting held on
Tuesday, 13 February 2001, at 4:45 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon James TIEN Pei-chun, JP (Chairman)
Hon Kenneth TING Woo-shou, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, JP
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon HUI Cheung-ching
Hon CHAN Kam-lam
Hon SIN Chung-kai
Hon Howard YOUNG, JP
Hon LAU Chin-shek, JP
Hon Mrs Miriam LAU Kin-ye, JP
Hon CHOY So-yuk
Hon Abraham SHEK Lai-him, JP
Hon Henry WU King-cheong, BBS
Hon Audrey EU Yuet-mee, SC, JP
- Non-Panel members attending** : Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, JP
Hon Frederick FUNG Kin-kee

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Members absent : Dr Hon LUI Ming-wah, JP (Deputy Chairman)
Hon CHEUNG Man-kwong
Dr Hon Philip WONG Yu-hong

Public officers attending: Ms Sandra LEE, JP
Secretary for Economic Services

Mr Alex FONG
Deputy Secretary for Economic Services

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Anita SIT
Senior Assistant Secretary (1)8

I Container handling charges and other related matters

The Chairman informed members that the Secretary for Economic Services (SES) was having a meeting with the concerned parties with a view to resolving the dispute between the mid-stream operators and the trucking industry over the collection of the \$40 mid-stream service fee. She would therefore be late for the meeting.

(SES attended the meeting at 4:47 pm. Representatives of the Hong Kong Mid-stream Operators Association (HKMOA), Hong Kong Liner Shipping Association (HKLSA), Hong Kong Shippers' Council (HKSC) and the China-Hong Kong Transportation Joint Meeting Group cancelled their attendance on account of the development of the incident.)

2. SES apologized to members for being late for the meeting. She informed members that the HKMOA, HKLSA and HKSC had reached a preliminary agreement on a new mechanism for collecting the mid-stream service fee. Under the new mechanism, there would be no need to collect any service fee from truck drivers. In the interim period before implementation of the new mechanism, HKMOA had also agreed that mid-stream operators would cease collecting the \$40 service fee from truck drivers at mid-stream sites. The HKMOA, HKLSA and HKSC would work out the operational details of the new mechanism by 20 February 2001. SES further reported that she had conveyed the aforesaid preliminary agreement and undertakings to the representatives of the trucking industry. The representatives had agreed that they

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would call off their blockade at mid-stream sites after the Administration had reported the development of the incident to Members at this meeting.

3. SES further said that over the past few days, some Legislative Council Members, the Economic Services Bureau, the Home Affairs Department and the Hong Kong Police Force had been working strenuously to settle the incident. She was sorry that the incident had caused disruptions to the public. She hoped that all sectors of the container freight industry would continue to adopt a co-operative and accommodating approach in resolving disputes, thus obviating the recurrence of similar incidents in future.

4. Members expressed appreciation to SES for having successfully settled the incident. They enquired about the details of the preliminary agreement reached among HKMOA, HKLSA and HKSC.

5. In response, SES stressed that the most important aspect of the preliminary agreement was that mid-stream operators would not seek to collect the \$40 service fee from truck drivers. However, details of the new mechanism would need to be worked out among HKMOA, HKLSA and HKSC with a view to finalizing the arrangement by 20 February 2001.

6. Mr Kenneth TING remarked that terminal handling charges (THCs) in Hong Kong were among the highest in the world. He considered that further increases in THCs would inevitably weaken the competitiveness of Hong Kong. He also opined that to avoid disputes over THCs and other related charges among different sectors of the container freight industry, the Administration should seek to improve the transparency of the pricing mechanism for the industry. Taking note of Mr TING's comments, SES affirmed that maintaining and enhancing Hong Kong's competitiveness had always been a major policy objective of the Government.

7. Mr TAM Yiu-chung expressed regret that the dispute over the mid-stream service fee and the blockade staged by truck drivers had caused significant economic losses and damages to the reputation of the parties concerned. Mr CHAN Kam-lam opined that it was not appropriate for mid-stream operators to seek to collect the service fee from the cargo collection party, which was the truck drivers in the present case. Members urged the parties concerned to collaborate with each other and work out a clear pricing and collection mechanism for mid-stream activities.

8. Mr Fred LI opined that the simultaneous fee increase by mid-stream operators was indeed a price-fixing arrangement. He asked the Administration to examine whether the existing pricing mechanism of mid-stream operation was anti-competitive. If so, it should take appropriate action to address the issue with a view to avoiding the recurrence of similar incidents in future.

9. Ms Audrey EU echoed Mr Fred LI's concern. She pointed out that the Government already had a competition policy with the establishment of the

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Competition Policy Advisory Group (COMPAG) to review competition issues that had substantial policy or systematic implications. She queried whether the simultaneous fee increase by mid-stream operators was compatible with the Government's competition policy.

10. SES responded that the issue of competition was very broad and complicated. She confirmed that COMPAG, which was chaired by the Financial Secretary, would examine business practices that might impair economic efficiency and free trade. However, in this case, given the lack of information and detailed examination of the circumstances, the Administration could not determine at this stage whether the existing pricing mechanism of mid-stream operation or the imposition of a \$40 service fee by the operators on this occasion involved anti-competitive practices.

11. The Deputy Chairman commented that while he agreed that Government should not interfere with business activities in a fully competitive market, there might be cases whereby Government regulation or intervention was justified, particularly when imperfect competition was observed in the market. He therefore asked if the Government would consider regulating the mid-stream sector if their operation and pricing mechanism were proved to be anti-competitive. In response, SES said that apart from franchised or other services subject to control mechanism, the Government would not seek to regulate the prices or charges of any business sector. As far as the mid-stream sector was concerned, the Administration considered that the sector's operation was subject to market force and thus there were no strong grounds for Government regulation over the sector's prices or charges.

Admin. 12. In view of members' concern, the Chairman suggested and the Administration agreed to examine whether the simultaneous fee increase by mid-stream operators on this occasion was compatible with the Government's competition policy and revert to the Panel in due course.

13. Mr CHAN Kam-lam enquired whether the parties concerned had arrived at any agreement on issues relating to litigation or prosecution against truck drivers for their blockade action in this incident, and whether HKMOA had agreed to return the service fees collected over the past few days to truck drivers. Messrs LAU Chin-shek, LEUNG Yiu-chung, Federick FUNG and Albert HO echoed the concern and opined that litigation or prosecution should not be made against truck drivers for their blockade action in the incident. They urged the Administration to continue their effort to settle this issue.

14. In response, SES said that over the past few days, the Administration had focused on settling the dispute over the \$40 mid-stream service fee so as to enable the container freight industry to return to normal operation as soon as possible. Now that the most critical issue had been resolved; HKMOA had agreed not to collect the service fee from truck drivers. Whilst the Administration would appeal to all parties concerned to adopt a co-operative and accommodating attitude to resolve any related issues, the parties concerned should also respect the rule of law.

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15. Mr LAU Chin-shek said that having regard to the views expressed by members at this meeting, he considered that there was a consensus among members that no litigation or prosecution should be taken against truck drivers for their blockade action in this incident. He suggested that the Panel should take a position on this issue. The Chairman said that as individual members had already expressed their views during the discussion, he did not consider it necessary for the Panel to take a position on the issue.

16. Mr LEUNG Yiu-chung and Mr SIN Chung-kai remarked that on a number of occasions in the past, container terminal, mid-stream and river trade operators had sought to collect various items of charges from truck drivers. They therefore asked whether the Administration would also seek to obtain an undertaking from container terminal and river-trade operators that they would not impose any additional service fees on truck drivers in future. Mr SIN also highlighted that although the Kwai Tsing district had been seriously affected by the blockade action of truck drivers, 11 members of the Kwai Tsing District Council had openly expressed their support for truck drivers in the incident.

17. In response, SES reiterated that in principle, the Government would refrain from interfering with commercial activities, and would not seek to regulate the prices or charges of any business sector except for franchised or other services subject to control mechanism. She further stated that the Government was not in a position to give any undertaking in respect of the operational arrangements of any business sector. At Mr SIN Chung-kai's request, SES agreed to provide information on the land grant conditions in respect of mid-stream sites, provided that such information was open information.

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18. Mr Eric LI said that there should be clear provisions in the land grants, governing the specific use of mid-stream sites and setting out the leaseholders' rights and obligations in the use of the sites. He suggested that the Administration should consider imposing appropriate restrictions, through the respective land grants, on mid-stream operators with regard to the persons/entities from whom/which the operators might collect charges. The Administration took note of the suggestion.

II Any other business

19. There being no other business, the meeting ended at 5:30 pm.