

LETTERHEAD OF THE HONG KONG SHIPPERS' COUNCIL

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Circular No. HKSC - 3249

Date 7 June 2001

Memorandum To : Members of the Hong Kong Shippers' Council
Subject : Alert to Shippers using Mid-stream Carriers

Some mid-stream terminal operators started enforcing the collection of Mid-stream Fee (HK\$40.00 per container) at their terminals from this morning (June 7, 2001). Truckers failing to pay the Fee are requested to wait.

The unilateral action of those mid-stream terminal operators might once again lead to disruptions in the delivering/collecting of containers. Shippers using mid-stream carriers are advised to keep alert of the situation and seek assurance of services from the carriers. Shippers, for their own benefits, are suggested to avoid the risk of operation disruptions by selecting carriers whose terminal contractors are not involved in this unilateral action

The Council considers that the best approach to resolve the dispute is through the establishment of a new Mid-stream Terminal Handling Charge. The Mid-stream THC is to be charged by carriers employing mid-stream services in Hong Kong. The Mid-stream THC would fully reflect the operation cost of this unique mode of mid-stream operation. Mid-stream operators could be suitably remunerated through this Mid-stream THCs.

Therefore, the Council appeals to the Mid-stream operators that are enforcing the collection of the Mid-stream Fee to seriously consider the Council's proposal and to avoid any unilateral action. The current Hong Kong trade situation is delicate and it is important to avoid action that would cause further damage.

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Executive Director