

**Letterhead of The Hongkong Cotton Spinners Association**

30th March 2001

The Legco Panel on Economic Services.

Dear Members,

**Terminal Handling Charge (THC)**

Hong Kong's THC is the highest in Asia. if not the world. THC is set by cartel by Shipping Liners. Without an anti-cartel law in Hong Kong, it would be impossible to force this charge downwards.

The fundamental problem of high THC is the high berthing charge Terminal operators impose on Liners, and the high cost of operation in Hong Kong. Ports are the throats of the import and export business of a city or a region. Once that throat is held by commercial entities, whose aim justifiably are to maximize profit, the whole city or region can be held at the mercy of these operators.

The Hong Kong Government had always auctioned off port land without any conditions that port operators' charges need to be regulated. This kind of treating ports as normal commercial activity policy need review before Container Terminals 10, 11, 12 are open to tender. Otherwise, Hong Kong will always be non-competitive, as far as port charges are concerned.

Yours Faithfully,

Alex Woo  
Chairman,  
Hong Kong Cotton Spinners Association.