

PML 72/70/93

Tel : 2537 2841

Fax : 2523 0030

21 October 2003

Mr Andy Lau
Clerk to Panel
LegCo Panel on Economic Services
Legislative Council Secretariat
3rd floor, Citibank Tower
3 Garden Road,
Hong Kong

Dear Mr Lau,

**LegCo Panel on Economic Services Meeting
on 29 July 2002**

Cargo Handling of Ocean-going Vessels at the River Trade Terminal (RTT)

I refer to the above meeting at which the Secretary for Economic Development and Labour undertook to provide further information on the question raised by Mr Albert Chan regarding the legality or otherwise of certain cargo handling activities at RTT (Paragraphs 28 and 29 of the minutes of the meeting).

The Government considers that the RTT has breached the lease conditions and has applied to the Court for the proper interpretation of the relevant clauses in the lease. The High Court concluded the hearing in May 2003, and the Judge ruled in favour of the RTT. In the written judgment, the Judge concluded that "the Government has failed to prove that those 23 Intra-Asia vessels berthing at the RTT during 2002 were not for the purpose of river trade and therefore constituted breaches of SC16 of the Condition of Sale of the

said Agreement". After taking legal advice on the judgment, the Government has lodged an appeal which is scheduled to be heard in June 2004.

We will report to the Panel on the latest development of the issue after the appeal.

Yours sincerely,

(S M Chung)
for Secretary for Economic Development and Labour