

**Panel on Economic Services****List of follow-up actions**

(position as at 18 March 2004)

<b>Subject</b>	<b>Date of meeting</b>	<b>Follow-up action required</b>	<b>Administration's response</b>
1. Port Development Strategy Review	26.11.2001	The Administration to provide a report on the interim findings of the Port Cargo Forecast and Port Development Strategy Review which would be conducted every two years.	- Response awaited
2. Port and maritime development	29.7.2002	<p>The Administration to update the Panel on :</p> <p>(a) its action regarding the River Trade Terminal (RTT) Company Limited's alleged breach of conditions; and</p> <p>(b) the reprovisioning arrangements for the Kwun Tong Public Cargo Working Areas and the typhoon shelter affected by the development of South East Kowloon.</p>	<p>- According to the Administration's interim reply (vide LC Paper No. CB(1)130/03-04(01), the High Court concluded the hearing in May 2003, and the Judge ruled in favour of the RTT. After taking legal advice on the judgement, the Government has lodged an appeal which is scheduled to be heard in June 2004. The Administration undertakes to report to the Panel on the latest development of the issue after the appeal.</p> <p>- Response awaited.</p>

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3. Merchant Shipping (Local Vessels) (Compulsory Third Party Risks Insurance) Regulation	27.1.2003 & 24.2.2003	The Administration to provide further information on the implementation of the compulsory third party risks insurance requirements for river trade vessels coming to Hong Kong.	- The Administration will provide the information to the Panel when amendments to the Shipping and Port Control Regulations are ready.
4. Marine-related subsidiary legislation	15.1.2004	The Administration to provide information on enforcement actions taken in the existing restricted zones, including the number of patrols held, and prosecutions made in 2003; and	- The information provided by the Administration has been circulated to members on 1 March 2004 vide LC Paper No. CB(1)1157/03-04(01).
5. Policy briefing on policy initiatives featuring in the Chief Executive's 2004 Policy Address	15.1.2004	The Administration to provide further information about the cost components of the freight industry, including the terminal handling charges.	- Response awaited.
6. Follow-up to the Consumer Council's Report on competition in the foodstuffs and household necessities retailing sector	23.2.2004	The Administration to consider commissioning the tertiary institutions for an independent survey among suppliers on alleged anti-competitive conduct in the supermarket sector.	- The Administration to consider.

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7. Replacement of Doppler Very High Frequency Omni-Directional Range and Distance Measuring Equipment	23.2.2004	The Administration to include in its funding proposal to the Finance Committee further information on the justifications for the proposed replacement, including the benefits of the new system in enhancing aircraft safety, the rationale for using \$14.6 million for building, modification and building services works, and the functions of various DVOR/DME systems in the territory.	- Response awaited.
8. Privatization of the Airport Authority	2.3.2004	The Administration to provide further information on :  (a) whether the Government could take back the land on the airport island not already earmarked for airport operational and support facilities before privatizing AA;  (b) apart from the Telecommunications Ordinance and Broadcasting Ordinance, other legislation which the Administration would make reference to in drawing up the competition-related provisions in the privatization bill of the Airport Authority which was a natural monopoly;  (c) whether the Administration would conduct a study on the level of wages at the airport	- Response awaited.

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		<p>before and after the relocation of the airport;</p> <p>(d) privatization experience elsewhere, including the contributing factors for growth in EBITDA (earnings before interest, tax, depreciation and amortization), land use arrangements, dividend rate, P/E ratio, operating profit after tax, and target investors at the time of IPO in respect of the relevant airports;</p> <p>(e) on detailed analysis on the pros and cons of various privatization options and capital restructuring proposals; and .</p> <p>(f) whether it was possible to remove the compensation clause in the Government's power to give directions to AA in the public interest.</p>	

Note: The Administration was reminded on 9 March 2004 to provide the information requested by members.