



27/05/2005 17:22

To: <airportcomments@edlb.gov.hk>
cc:
Subject: airport privatization
 Urgent Return Receipt

Dear Sir,

I write to object the partial privatization proposed for the HK Airport. The reasons are well know and simple.

1. We are no longer in the red. With the opening of the Disney, and rebound in all sectors especially in tourism, retail, logistics and real estate, there is no need for this extra cash.
2. The airport is a long term investment and a huge piece of infrastructure. One cannot possibly value it fairly and sell it at today's price, when we know that when it achieves its full potential in a few years, it can worth many times more. Don't sell our Public asset cheap!!
3. The airport is one of the few pieces of infrastructure in HK which gains us competitive advantage. If we entrust it to a private concern, we risk losing control, and result in reduction in inter-city and competitiveness. The reason is simple. Private companies (even if the government has majority share holding) go for profit, whereas public companies go for public inte! rests. As a tax payer, I don't mind going to the extent to pay more tax money for HK's competitiveness.

Let me quote a few examples. The government is the biggest share holder of the MTR. Yet it cannot find a good balance between profit goals and reasonable fares. MTR is now asking for 10 cents per passenger to maintain curtain doors. Had there not been a profit objective this would be an easier problem to solve.

What about the dispute on the increase in terminal charges at the mid-stream piers a few years ago? They are privately owned monopolies. The raising of charges increased cost of shipping via HK. The strategy of these facilities seems to be minimizing investment, increasing price, and gaining as much profit as possible. The sad thing is that some of the companies in the owner consortium started terminal facilities in our neighbourhood to compete with HK.

The Eastern Cross Harbour toll hike speaks clearly that control mechanism ! can go wildly wrong. The control mechanism with the power companies re sulted in huge difference in electricity prices between HK and Kowloon.

Passing on control of the airport to a private company is dangerous!

I hope my views will be considered.

Clement Lam