



31/05/2005 17:24

To: airportcomments@edlb.gov.hk  
cc: Andrew\_Leung  
Subject: Re: Partial Privatisation of the Airport Authority (AA)  
 Urgent  Return Receipt

I would like to express concerns about if the Airport Authority were to really become partially privatised.

I feel that currently, the operations of the Hong Kong International Airport (HKIA) already exceeds public expectations and there is no need for such action. Since its opening, the commercial revenues of HKIA is already relatively high amongst comparable airports and accounts for a solid proportion of AA's annual revenue. The government should not seek to obtain commercial return from the airport shortly after its opening.

I feel that it is necessary to have certain levels of regulatory intervention and controls, due to the strategic importance of the HKIA to the Hong Kong economy. Should privatisation go ahead, the non-aeronautical revenue should reach even higher levels and there will be concerns of self-interest and gains, at the expense of the public. In addition, if privatised, the higher revenue earning power and the more profit oriented nature of HKIA may lead to issues of exploiting related companies and workers. Furthermore, as the economy of Hong Kong has already picked up, we do not see the government's urgent need to have the capital fund return from AA. Rather it should look to continue to earn the dividends from AA's expanding operation.

Andrew Leung  
Managing Director  
Swire Travel Ltd