

\$400m China wharf project in Hongkong

By JULIE AUYEUNG

China Merchants Steam Navigation Co Ltd, the local agent for the China Ocean Shipping Co (COSCO), will spend at least \$400 million to build a wharf specially for loading and unloading Chinese cargo on board vessels of

10,000 to 20,000 tons.

Tai Lam-wei, near Tuen Mun, has been identified as the best site despite the limited land available. At least 100 metres of land have to be reclaimed.

China Merchants' planned investment in the project was disclosed yesterday by the company's deputy manager, Mr H.C. Lee.

The company has been

urging the Hongkong Government to grant it land either for rent or for sale as early as possible to cope with the increasing sea-transportation of Chinese products to Hongkong.

The trend is for more cargoes to be shipped to Hongkong by big vessels.

For example, about three million tons of cargo are carried by big vessels and about two million tons by small vessels.

Although the Hongkong Government will extend the coastal cargo-handling basins

at several sites as previously outlined by the Marine Department's director, Mr P.E.J. Davy, Mr Lee considered this insufficient to meet the growing demand for sea-borne cargoes.

He hit at the Government for not making a long-term plan for developing a deep-water wharf and said that this is not even included in Hongkong's urban planning.

Most of the discussions on improving Hongkong's shipping facilities, he said, are on container terminals and related infra-structure.

"If the Government will offer us land at reasonable terms, we are ready for the investment which can be regarded as our biggest project next year," he said.

He added that investing in a wharf is generally considered as non-profit making as return on investment might take at least 20 to 30 years.

Investors are, on one hand, worried by the limited land here, while on the other hand, they are attracted to investing in real estate.

This has led to the pulling down of such wharfs as the Kowloon Wharf and Taikoo, making it even more difficult to find one deep enough for big ships.

Mr Lee also said Chinese cargoes shipped into Hongkong have to face the problems of insufficient barges and stevedores.

He said China Merchants has to build 22 barges this year, each at about \$6 million, to make up for the demand.

And the company has also hired stevedores from China because of the shortage in the Hongkong market.

Sea transportation of cargoes between China and Hongkong will grow by about 10 per cent this year over last year, amounting to 7.5 million tons.

Cargoes transhipped from Hongkong to China have also grown tremendously this year mainly because of China's open-trading attitude.

"Some of the materials for various kinds of ventures in China account for part of the growth.

"Moreover, quite a considerable tonnage is transhipped from Taiwan through Hongkong to China," he said.

The shipping business of CosCo's big vessels coming to Hongkong is handled by China Merchants Steam Navigation Co Ltd, while smaller vessels from Guangdong, Fujian and Guangxi are handled by the Far East Enterprises Co.