

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2413/11-12  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/12/09

**Bills Committee on Competition Bill**

**Minutes of the 32<sup>nd</sup> meeting held on  
Tuesday, 28 February 2012, at 2:30 pm  
in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)  
Hon Ronny TONG Ka-wah, SC (Deputy Chairman)  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, SBS, JP  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Emily LAU Wai-hing, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, BBS, JP  
Hon CHAN Hak-kan  
Hon Paul CHAN Mo-po, MH, JP  
Hon CHAN Kin-por, JP  
Hon WONG Kwok-kin, BBS  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Tanya CHAN  
Hon WONG Yuk-man

**Members absent** : Hon Albert HO Chun-yan  
Dr Hon Margaret NG  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon CHIM Pui-chung  
Prof Hon Patrick LAU Sau-shing, SBS, JP  
Dr Hon LEUNG Ka-lau

**Public Officers attending** : Agenda item I  
  
Ms Linda LAI Wai-ming, JP  
Deputy Secretary for Commerce and Economic  
Development (Commerce and Industry)  
  
Mr Raymond WU Wai-man  
Principal Assistant Secretary for Commerce and  
Economic Development (Commerce & Industry)

**Attendance by invitation** : Agenda item I  
  
*Session I*  
  
The Hong Kong Metals Manufacturers Association  
Ltd.  
  
Mr Michael YU Lee-ming  
Permanent Honorable Chairman  
  
Hong Kong Jewelry Manufacturers' Association  
  
Mr Ricky LAM Chi-keung  
Chairman  
  
Hong Kong Business Community Joint Conference  
  
Mr Aaron SHUM  
Secretary - General  
  
Kowloon Chamber of Commerce  
  
Mr CHENG Kwan-suen  
Chairman

Federation of Hong Kong Industries

Mr Willy LIN  
Deputy Chairman

The Chinese Manufacturers' Association of Hong Kong

Mr Jimmy NG Wing-ka  
Vice President

Consumer Council

Ms Connie LAU, JP  
Chief Executive

Individual

Mr Douglas HSIA

The Federation of Hong Kong Footwear

Mr TAM Shing  
Executive Vice President

Hong Kong Small and Medium Enterprises General Association

Mr LAU Ping-kwan  
Vice Chairman

Hong Kong Promotion Association for Small and Medium Enterprises

Mr CHUNG Tai  
Chairman

Hong Kong SME Development Federation Ltd.

Dr Edward LAM  
President

Federation of International SME Ltd.

Mr CHAN Pui-kong  
Vice President

Hong Kong SME Development Association

Dr KAM Shui-yung  
Chairman

Hong Kong Industry, Trade and Investment  
Association

Mr Joseph LEUNG Lai-fung  
Chairman

Hong Kong Metal Finishing Society

Mr CHONG Lung-sam  
Chairman

Graphic Arts Association of Hong Kong

Mr CHAN Pui-kay  
Chairman

Hong Kong Electro-Plating Merchants Association

Mr NG Kwok-on  
Chairman

Hong Kong Federation of Innovative Technologies  
and Manufacturing Industries Limited

Mr KONG Hon-po  
Industry Chairman

The Hong Kong Electronic Industries Association

Mr CHAN Kei-biu  
Honorary Chairman

The Hong Kong Energy Conservation Association

Mr WONG Siu-fai  
President

Hong Kong Software Industry Association

Mr IP Ngai-sang  
Chief Executive Officer

Hong Kong Comics & Animation Federation  
Limited

Mr WAN Siu-lun  
Director

Movie Producers and Distributors Association of  
Hong Kong Limited

Mr Tony SHU Tat-ming  
Executive Secretary

International Federation of the Phonographic  
Industry (Hong Kong Group) Limited

Mr FUNG Tim-chee  
Chief Executive Officer

The International Association of CFOs and  
Corporate Treasurers (China) Limited

Mr Allen LEUNG  
President

Licensing & Franchising Association of Hong Kong

Mr LEE Wai-sang  
Chairman

The Alternative Investment Management  
Association

Mr Christophe LEE  
Chairman

Hong Kong Venture Capital and Private Equity  
Association

Mr Conrad TSANG  
Chairman, PRC Committee

Arcotect Limited

Ms Judy LEUNG Wai-chu  
Chief Operating Officer

Hong Kong Motion Picture Industry Association  
Ltd.

Mr Brian CHUNG  
Chief Executive

Asian Licensing Association

Mr CHAN Lap-man  
Founding Chairman

Mandarin Optical Manufactory Co. Ltd.

Mr Tony CHOW Ching-lam  
Director

Nu Design Limited

Mr Vincent WONG Chiu-chuen  
Director

Technical (HK) Manufacturing Limited

Mr Brian SUN  
CEO

Brilliant Trading Co. (1974) Limited

Mr Victor YIU Wai-yin  
Director

Artis Jewellery Co. Ltd.

Mr WONG Chun-wai  
Director

Sunny Creations Ltd.

Mr Sunny CHAN Cho-shing  
Managing Director

Buildview Jewellery Limited

Mr CHAN Wan-hung  
Director

The Federation of Hong Kong Watch Trades &  
Industries Ltd.

Mr AU Yu-fan  
Chairman

IDEE Creations

Ms LEUNG Chui-ting  
Executive Creative Director

Blue Box Holdings Limited

Mr YEUNG Chi-kong  
Vice Chairman

Yeung's Manufacturing Ltd.

Mr YEUNG Chee-tat  
Vice President

GLAMM Holdings Ltd.

Ms Elise TSUI San-man  
Managing Director

Arts Optical International Holdings Ltd.

Mr Michael NG Hoi-ying  
Chairman

Momentum 107

Mr HO Man-kit  
Convener

Hong Kong Small and Medium Enterprises  
Association

Mr Wilson SHEA  
President

Hong Kong Electrical Appliances Manufacturers  
Association

Mr FUNG King-yiu  
Director

*Session II*

The Hong Kong General Chamber of Small &  
Medium Business

Mr David TING  
President

Hong Kong Precision Electronics Co. Ltd.

Mr LAI Hin-kiu  
Managing Director

Global Sources

Mr Spenser AU  
CEO

Hong Kong Medical and Healthcare Device  
Industries Association

Ir Dr Andros CHAN  
Vice Chairman

Concern Group for a Competitive Exhibition  
Industry in Hong Kong

Mr HUI Man-cheong  
Spokesman

Hong Kong Metal Merchants Association

Mr LAI Hin-fai  
Chairman

Individual



Mr CHEUNG Wai-man  
Professor  
The Chinese University of Hong Kong

The Hong Kong Exporters' Association

Mr Ivan TING Tien-li  
Vice Chairman

Hongkong Association of Freight Forwarding and  
Logistics Ltd.

Ms Alice LUI  
Director

Power Hub Ltd.

Mr Stephen CHAN King-che  
Managing Director

Hong Kong (SME) Economic and Trade  
Promotional Association Ltd.

Mr CHEUNG Tsin-wong  
President

The Hong Kong Association of International  
Co-operation of Small & Medium Enterprises

Mr NG Man-kwong  
Chairman

Hong Kong Jewellery & Jade Manufacturers  
Association

Mr Billy LAU  
Chairman

Diamond Federation of Hong Kong, China Limited

Mr Lawrence MA Yung-yi  
President

Savantas Policy Institute

Miss Germaine LAU  
Senior Policy Analyst

打破政府壟斷大聯盟

Mr Ken NG  
發言人

Individual

Mr Martin OEI  
Political Commentator

Hong Kong Retail Management Association

Mr Louis TING  
Representative

Designing Hong Kong Limited

Mr Paul ZIMMERMAN  
CEO

The British Chamber of Commerce in Hong Kong

Mr Tim PEIRSON-SMITH  
Chairman of Business Policy Unit

Kowloon Watch Company

Dr WONG Kam-shing  
Managing Director

Hang Hing Prestige Company Limited

Mr Steve LAU  
Director

Bright Sun Coffee Co Ltd

Mr Eric WONG  
Director & General Manager

Regent Silverware Manufacturing Ltd.

Mr Wilson LEE Kwong-ching  
Managing Director

Top Quality (H.K.) Co. Ltd.

Ms LAI Yim-king  
Director

Universe Watch Trading Co. Ltd.

Mr Kenneth Stephen WONG  
Director

Crown Wine Cellars Ltd.

Mr. Gregory L DE'EB  
General Manager

Kampery Group

Mr Simon WONG Ka-wo  
Group Chairman & Managing Director

Hong Kong Brands Protection Alliance

Dr Lewis LUK Tei  
Founding President

Hong Kong Small and Medium Enterprises  
Association

Dr Stephen KWOK Chun-pong  
President

Economic Synergy

Mr Elves LEUNG  
Member

The American Chamber of Commerce in Hong  
Kong

Ms Clara INGEN-HOUSZ  
Chair of Law Committee

The Lion Rock Institute

Mr Dan RYAN  
Director

Jan Cheong Sing Hardware

Mr CHING Yue-kwok  
Manager

Wiseville International Ltd.

Mr HO Yuk-chi  
Director & General Manager

Zigen Pharmaceutical Ltd.

Mr Albert B WONG  
Managing Director

Wings Trading (HK) Co., Ltd.

Mr PAU Kit-kwan  
CEO

Individual

Professor Hans MAHNCKE  
Senior Coordinator  
Office of the Provost  
City University of Hong Kong

Individual

Mr Mark WILLIAMS  
Professor  
The Hong Kong Polytechnic University

The Real Estate Developers Association of Hong Kong

Mr LOONG Hon-biu  
Secretary General

The Chinese General Chamber of Commerce

Mr David FONG  
Vice Chairman

The Hong Kong Chinese Importers' & Exporters'  
Association

Mr CHEN Jian-wen  
Standing Committee Member

Individual

Mr Peter WONG  
Columnist

*Session III*

The Professional Commons

Mr Kelvin SIT  
Research Officer

Hong Kong Gold & Silver Ornament Workers &  
Merchants General Union

Mr Danny CHAU  
Vice President

ROMUS Ltd.

Mr James LIM Chun-chung  
Director

COG Ltd.

Ms Maggie YIP Suk-lin  
General Manager

Hong Kong Mould and Product Technology  
Association

Mr Robert YAN Zhao-jia  
Executive Committee Member

The Toys Manufacturers' Association of Hong Kong

Mr CHEUNG Tak-ching  
President

MRC Technology International Ltd.

Miss Eva WONG Yee-fan  
General Manager

Community Development Initiative

Mr Michael MO Kwan-tai  
Chief Development Officer

Hong Kong Environmental Industry Association

Mr NG Kin-wah  
Vice President

Individual

Dr Robert HANSON  
Scholar

Individual

Mr Andrew SHUEN  
Columnist

Hong Kong Young Industrialists Council

Mr LIU Kam-hing  
Executive Committee Member

Hong Kong Logistics Association

Mr Stephen CHENG  
President

Hong Kong Auto Parts Industry Association

Mr TAN Che-keung  
Vice President

Tomson Holdings Limited

Dr Tommy TAM Hok-lam  
Managing Director

**Clerk in attendance :** Mr Derek LO  
Chief Council Secretary (1)6

**Staff in attendance :** Mr Timothy TSO  
Assistant Legal Adviser 2

Ms Sarah YUEN  
Senior Council Secretary (1)6

Ms Michelle NIEN  
Legislative Assistant (1)6

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Action

**I Meeting with deputations and the Administration**

- (LC Paper No. CB(1)1124/11-12(01) —List of follow-up actions arising from the discussion at the meeting on 14 February 2012
- LC Paper No. CB(1)1031/11-12(02) —Administration's paper on exemption arrangements for statutory bodies under the Competition Bill
- LC Paper No. CB(1)320/10-11(02) —Administration's information paper on overview of major components of the Competition Bill (paragraphs 25 to 30 on exemption)
- LC Paper No. CB(1)1523/10-11(02) —Administration's response to follow-up questions arising from the meeting on 22 February 2011 (paragraphs 12 to 14 on exemption)
- LC Paper No. CB(1)1124/11-12(02) —Submission from The Hong Kong Metals Manufacturers Association Ltd.
- LC Paper No. CB(1)1124/11-12(03) —Submission from Hong Kong Jewelry Manufacturers' Association

- LC Paper No. CB(1)805/11-12(01) —Submission from Hong Kong Business Community Joint Conference
- LC Paper No. CB(1)1181/11-12(01) —Submission from Federation of Hong Kong Industries Economic Synergy
- LC Paper No. CB(1)1063/11-12(01) —Submission from The Chinese Manufacturers' Association of Hong Kong
- LC Paper No. CB(1)1181/11-12(02) —Submission from Consumer Council
- LC Paper No. CB(1)1166/11-12(01) —Submission from Mr Douglas HSIA
- LC Paper No. CB(1)1202/11-12(01) —Further submission from Mr Douglas HSIA
- LC Paper No. CB(1)915/11-12(05) —Submission from The Federation of Hong Kong Footwear
- LC Paper No. CB(1)717/11-12(07) —Submission from Hong Kong Small & Medium Enterprises General Association
- LC Paper No. CB(1)995/11-12(05) —Submission from Hong Kong SME Development Federation Ltd.
- LC Paper No. CB(1)915/11-12(03) —Submission from Hong Kong Association for Promotion & Development of SMEs
- LC Paper No. CB(1)1063/11-12(02) —Submission from Hong Kong Industry, Trade and Investment Association
- LC Paper No. CB(1)740/11-12(03) —Submission from Hong Kong Metal Finishing Society
- LC Paper No. CB(1)1094/11-12(04) —Submission from Hong Kong Electro-Plating Merchants Association
- LC Paper No. CB(1)769/11-12(01) —Submission from Hong Kong Federation of Innovative Technologies and Manufacturing Industries Limited
- LC Paper No. CB(1)915/11-12(07) —Submission from The Hong Kong Electronic Industries Association
- LC Paper No. CB(1)815/11-12(02) —Submission from The Hong Kong Energy Conservation Association



- LC Paper No. CB(1)740/11-12(10) —Submission from Hong Kong Software Industry Association
- LC Paper No. CB(1)724/11-12(03) —Submission from Hong Kong Comics & Animation Federation Limited
- LC Paper No. CB(1)960/11-12(04) —Submission from Movie Producers and Distributors Association of Hong Kong Limited
- LC Paper No. CB(1)1181/11-12(03) —Submission from International Federation of the Phonographic Industry (Hong Kong Group) Limited
- LC Paper No. CB(1)740/11-12(06) —Submission from The International Association of CFOs and Corporate Treasurers (China) Limited
- LC Paper No. CB(1)1034/11-12(02) —Submission from Licensing & Franchising Association of Hong Kong
- LC Paper No. CB(1)717/11-12(02) —Submission from The Alternative Investment Management Association
- LC Paper No. CB(1)2056/10-11(01) —Submission from Hong Kong Venture Capital and Private Equity Association
- LC Paper No. CB(1)724/11-12(08) —Submission from Arcotect Limited
- LC Paper No. CB(1)995/11-12(04) —Submission from Hong Kong Motion Picture Industry Association Ltd.
- LC Paper No. CB(1)717/11-12(04) —Submission from Asian Licensing Association
- LC Paper No. CB(1)1124/11-12(05) —Submission from Brilliant Trading Co. (1974) Limited
- LC Paper No. CB(1)762/11-12(05) —Submission from Artis Jewellery Co. Ltd.
- LC Paper No. CB(1)815/11-12(03) —Submission from Sunny Creations Ltd.
- LC Paper No. CB(1)641/11-12(06) —Submission from Buildview Jewellery Ltd.
- LC Paper No. CB(1)686/11-12(01) —Submission from Red Lemon Incorporation
- LC Paper No. CB(1)1050/11-12(06) —Submission from The Federation

- of Hong Kong Watch Trades & Industries Ltd.
- LC Paper No. CB(1)696/11-12(01) —Submission from IDEE Creations
- LC Paper No. CB(1)960/11-12(02) —Submission from Blue Box Holdings Ltd.
- LC Paper No. CB(1)1124/11-12(06) —Submission from Yeung's Manufacturing Ltd.
- LC Paper No. CB(1)664/11-12(03) —Submission from Glamm Holdings Ltd.
- LC Paper No. CB(1)1202/11-12(02) —Submission from Hong Kong Small and Medium Enterprises Association
- LC Paper No. CB(1)1124/11-12(07) —Submission from The Hong Kong General Chamber of Small & Medium Business
- LC Paper No. CB(1)1166/11-12(02) —Submission from Global Sources
- LC Paper No. CB(1)762/11-12(03) —Submission from Hong Kong Medical & Healthcare Device Industries Association
- LC Paper No. CB(1)1166/11-12(03) —Submission from Concern Group for a Competitive Exhibition Industry in Hong Kong
- LC Paper No. CB(1)1202/11-12(03) —Further submission from Concern Group for a Competitive Exhibition Industry in Hong Kong
- LC Paper No. CB(1)696/11-12(03) —Submission from Hong Kong Economic & Trade Association
- LC Paper No. CB(1)960/11-12(05) —Submission from The Hong Kong Exporters' Association
- LC Paper No. CB(1)834/11-12(02) —Submission from Hong Kong Association of Freight Forwarding and Logistics Limited
- LC Paper No. CB(1)641/11-12(13) —Submission from Power Hub Limited
- LC Paper No. CB(1)781/11-12(03) —Submission from Hong Kong (SME) Economic and Trade Promotional Association Ltd.
- LC Paper No. CB(1)724/11-12(09) —Submission from Hong Kong Jewellery & Jade Manufacturers Association
- LC Paper No. CB(1)1166/11-12(04) —Submission from 打破政府壟斷

大聯盟

- LC Paper No. CB(1)1166/11-12(05) —Submission from Hong Kong Retail Management Association
- LC Paper No. CB(1)1166/11-12(06) —Submission from The British Chamber of Commerce
- LC Paper No. CB(1)696/11-12(02) —Submission from Hang Hing Prestige Company Ltd.
- LC Paper No. CB(1)664/11-12(01) —Submission from Bright Sun Coffee Co. Ltd.
- LC Paper No. CB(1)585/11-12(01) —Submission from Universe Watch Trading Co. Ltd.
- LC Paper No. CB(1)686/11-12(04) —Submission from Crown Wine Cellars Ltd.
- LC Paper No. CB(1)740/11-12(07) —Submission from Hong Kong Brands Protection Alliance
- LC Paper No. CB(1)1202/11-12(04) —Submission from Hong Kong Small and Medium Enterprises Association
- LC Paper No. CB(1)1133/11-12(01) —Submission from Economic Synergy
- LC Paper No. CB(1)1181/11-12(04) —Submission from Mr Simon LEE
- LC Paper No. CB(1)1049/11-12(01) —Submission from The American Chamber of Commerce in Hong Kong
- LC Paper No. CB(1)1166/11-12(07) —Submission from Zigen Pharmaceutical Ltd.
- LC Paper No. CB(1)641/11-12(08) —Submission from Wings Trading (HK) Co. Ltd.
- LC Paper No. CB(1)1133/11-12(02) —Submission from Professor Hans MAHNCKE, Senior Coordinator, Office of the Provost, City University of Hong Kong
- LC Paper No. CB(1)1166/11-12(08) —Submission from Professor Mark WILLIAMS, School of Accounting and Financing, Hong Kong Polytechnic University
- LC Paper No. CB(1)1202/11-12(05) —Submission from The Real Estate Developers Association of Hong Kong
- LC Paper No. CB(1)1143/11-12(01) —Submission from Mr David LAI, Wanchai District Councillor
- LC Paper No. CB(1)1133/11-12(03) —Submission from The Chinese General Chamber of Commerce
- LC Paper No. CB(1)899/11-12(02) Submission from The Hong

- Kong Chinese Importers' & Exporters' Association
- LC Paper No. CB(1)883/11-12(04) —Submission from Hong Kong Apparel Society Ltd.
- LC Paper No. CB(1)641/11-12(10) —Submission from Able Lapidary & Jewelry Ltd.
- LC Paper No. CB(1)865/11-12(02) —Submission from Hong Kong Footwear Association
- LC Paper No. CB(1)1166/11-12(09) —Submission from The Professional Commons
- LC Paper No. CB(1)847/11-12(02) —Submission from Hong Kong Gold & Silver Ornament Workers and Merchants General Union
- LC Paper No. CB(1)1166/11-12(10) —Submission from COG Limited
- LC Paper No. CB(1)769/11-12(04) —Submission from Hong Kong Mould and Product Technology Association
- LC Paper No. CB(1)960/11-12(03) —Submission from The Toys Manufacturers' Association of Hong Kong
- LC Paper No. CB(1)724/11-12(04) —Submission from MRC Technology International Ltd.
- LC Paper No. CB(1)1202/11-12(06) —Submission from Ms Christine FONG Kwok-shan, Sai Kung District Councillor
- LC Paper No. CB(1)905/11-12(01) —Submission from Hong Kong Young Industrialists Council
- LC Paper No. CB(1)641/11-12(12) —Submission from Tomson Holdings Limited
- LC Paper No. CB(1)847/11-12(01) —Submission from Hong Kong Investment Funds Association
- LC Paper No. CB(1)1124/11-12(08) —Submission from Hong Kong Electronics Industry Council
- LC Paper No. CB(1)1124/11-12(09) —Submission from AsiaWorld-Expo Management Limited
- LC Paper No. CB(1)1124/11-12(10) —Submission from Prorsum Group Holdings Limited
- LC Paper No. CB(1)1124/11-12(11) —Submission from CK Cheung (CPA) Co., Limited
- LC Paper No. CB(1)1124/11-12(12) —Submission from Cathay Pacific Airways Limited
- LC Paper No. CB(1)1124/11-12(13) —Submission from Hongkong United Dockyards Ltd., Salvage & Towage Division

- LC Paper No. CB(1)1133/11-12(04) —Submission from Crowe Horwath (HK) CPA Limited
- LC Paper No. CB(1)1133/11-12(05) —Submission from Institution of Dining Art
- LC Paper No. CB(1)1133/11-12(06) —Submission from SME Forum
- LC Paper No. CB(1)834/11-12(03) —Submission from Perception Digital Holdings Ltd.
- LC Paper No. CB(1)1124/11-12(04) —Submission from Hong Kong Green Manufacturing Alliance
- LC Paper No. CB(1)1143/11-12(02) —Submission from UBM Asia Limited
- LC Paper No. CB(1)1143/11-12(03) —Submission from Reed Exhibitions Limited
- LC Paper No. CB(1)740/11-12(02) —Submission from Sonca Products Ltd.
- LC Paper No. CB(1)1166/11-12(11) —Submission from The Hong Kong Association of Banks
- LC Paper No. CB(1)1202/11-12(07) —Submission from Hong Kong Toys Council)

The Bills Committee received views from the 106 deputations attending the meeting (index of proceedings attached at **Appendix**).

Views in support of exempting statutory bodies

2. The majority of deputations attending the meeting indicated support for the exemption of most statutory bodies, in particular the Hong Kong Trade Development Council (TDC), from the Bill, for the following reasons –

- (a) some overseas competition laws granted exemption to statutory bodies. Statutory bodies in Hong Kong were subject to public scrutiny and would abide by the competition rules even though they were not subject to the regulation of the enacted Bill. If any exempted statutory bodies were found to have breached the competition rules, the Administration could request the statutory bodies concerned to rectify their anti-competitive behaviour. If these statutory bodies refused to act as requested, the Administration might, pursuant to the criteria as set out in clause 5(2), consider invoking the power of clause 5(1)(a) of the Bill so that the competition rules and the enforcement provisions would apply to these statutory bodies;
- (b) TDC was not just an exhibition organizer but a non-profit making statutory body tasked to promote trade for Hong Kong to the extent that it would readily organize trade fairs and exhibitions at a loss, and

would provide other essential non-profit making trade services to the small and medium enterprises (SMEs), particularly those engaged in new and emerging businesses. Over the years, TDC had made significant contribution to the development of trade and hence the economy of Hong Kong. If TDC was to be made subject to the Bill, its performance of the above important role, and in turn Hong Kong's economy and the supply of job opportunities, might be adversely affected;

- (c) if TDC was made subject to the Bill, its competitors would be able to expand their market shares and eventually squeeze out TDC by falsely claiming that TDC's services and assistance to SMEs were anti-competitive. In the end, SMEs would suffer and had to pay higher fees for participation in trade fairs and exhibitions run by private organizers which might not be as successful as TDC's world-acclaimed trade fairs and exhibitions. Hong Kong might thus lose its leading role in the exhibition industry in the Asia Pacific region;
- (d) TDC organized only about 30% to 45% of the trade fairs and exhibitions in Hong Kong, in some of which serving just as a joint organizer. It did not enjoy priority in the use of the Hong Kong Convention and Exhibition Centre (HKCEC), nor did it enjoy monopoly in the exhibition industry as TDC's competitors claimed. Its apparent monopoly was due to the inadequacy of venues for exhibitions in Hong Kong and hence the small number of exhibitions held;
- (e) TDC's market share in the exhibition industry should be viewed from an international perspective, and its organization of exhibitions should not be viewed as an economic activity but a public function to help Hong Kong SMEs compete with their overseas counterparts, thereby maintaining Hong Kong's position as a leading centre for international conventions and exhibitions; and
- (f) if TDC was not exempted under the enacted Competition Ordinance and was forced to share its database on Hong Kong enterprises with private exhibition organizers, enterprises might have concerns about data privacy and abuse.

3. The Kowloon Chamber of Commerce and the Consumer Council, however, proposed that the list of exempted statutory bodies should be reviewed after implementation of the enacted Competition Ordinance, preferably once every few years. Zigen Pharmaceutical Ltd. added that TDC's exemption from the Bill

might be removed several years after it had recovered costs incurred from assisting new and emerging trades, so that it would have resources to assist future upcoming trades. The Toys Manufacturers' Association of Hong Kong preferred partial exemption of TDC whereby only its public functions would be exempted. The Professional Commons opined that statutory bodies which had no or insignificant economic activities should be exempted. Statutory bodies which engaged in economic activities would need to satisfy all four of the criteria stated in the Professional Commons' submission (LC Paper No. CB(1)1166/11-12(09)) before they could be made subject to the provisions of the Bill.

4. Some deputations, including the Federation of Hong Kong Industries (FHKI), The Hong Kong Electronic Industries Association Limited, Hong Kong Metals Manufacturers Association Ltd., Hong Kong Business Community Joint Conference, Blue Box Holdings Ltd., Hong Kong Metal Merchants Association, Hong Kong (SME) Economic and Trade Promotional Association Ltd. and Hong Kong Young Industrialists Council opined that FHKI should also be exempted. Hong Kong (SME) Economic and Trade Promotional Association Ltd. also called for the exemption of the Hong Kong Productivity Council, the Hong Kong Science Park and all non-profit making business associations. The Chinese General Chamber of Commerce added that all statutory bodies should be exempted.

#### Views against exemption

5. The following deputations and individuals expressed opposition to the proposed broad exemption of statutory bodies, including TDC, from the Bill –

- (a) Momentum 107;
- (b) Hong Kong Small and Medium Enterprises Association;
- (c) Global Sources;
- (d) Concern Group for a Competitive Exhibition Industry in Hong Kong;
- (e) Professor CHEUNG Wai-man, The Chinese University of Hong Kong;
- (f) Savantas Policy Institute;
- (g) 打破政府壟斷大聯盟;
- (h) Mr Martin OEI;
- (i) Hong Kong Retail Management Association;

- (j) The British Chamber of Commerce;
- (k) Designing Hong Kong Limited;
- (l) The American Chamber of Commerce in Hong Kong;
- (m) The Lion Rock Institute;
- (n) Jan Cheong Sing Hardware;
- (o) Professor Hans MAHNCKE, Senior Coordinator, Office of the Provost, City University of Hong Kong;
- (p) Professor Mark WILLIAMS, School of Accounting and Financing, Hong Kong Polytechnic University;
- (q) The Real Estate Developers Association of Hong Kong;
- (r) Mr Peter WONG;
- (s) Community Development Initiative;
- (t) Dr Robert HANSON; and
- (u) Mr Andrew SHUEN.

6. The reasons the above deputations and individuals gave included the following –

- (a) broad exemption of statutory bodies was not compatible with international practice or the rule of law. Instead of exempting statutory bodies in their entirety, only their public functions should be exempted. Exempting their economic activities would create an uneven playing field between the Government and the private sector;
- (b) TDC was performing its public function by organizing non-profit making activities with Government funding. Like TDC, private exhibition organizers had also strived to maintain the number of exhibitions during bad times, and had made various efforts to help SMEs in their development;
- (c) competition served to enhance service quality in the exhibition industry, reducing rather than pushing up exhibition fees for SMEs as some deputations had claimed. The enacted Ordinance would not



restrict TDC from continuing its assistance to SMEs because, according to clause 31 and section 3 of Schedule 1 to the Bill, exemption from conduct rules could be granted on public policy grounds or for services of general economic interest;

- (d) taking up about 45% of the market share and being the owner of HKCEC, TDC had already been competing unfairly with private exhibition organizers. Since the Competition Policy Advisory Group could not effectively tackle such anti-competitive acts of TDC, and TDC was outside the purview of the Audit Commission and the Office of the Ombudsman, it was undesirable to further exempt TDC from the Bill; and
- (e) many parties in the community were opposed to exempting TDC from the Bill. Submissions to the Bills Committee in support of exempting TDC were similar in format and contents and their validity was hence questionable.

Follow-up actions required of the Administration

Admin.

7. The Bills Committee requested the Administration to take the following actions –

- (a) provide a consolidated written response to the views, whether in written or verbal form, expressed by deputations and members at the meeting;
- (b) ensure that TDC would provide to the Bills Committee a written response to the accusation made in paragraph 3 of the submission from Hong Kong Small and Medium Enterprises Association (tabled at the meeting and subsequently issued vide LC Paper No. CB(1)1202/11-12(02));
- (c) provide a response to Mr WONG Ting-kwong's request for the Administration to play a co-ordinating role between TDC and other exhibition organizers such as Global Sources, so as to promote co-operation instead of unhealthy competition among them; and
- (d) respond to Mrs Regina IP's concern that the currently proposed general and broad exemption of statutory bodies would, as pointed out in the submission from the Law Society of Hong Kong (LC Paper No. CB(1)1219/10-11(02)), create an uneven playing field between the government and the private sector.

8. Members agreed that the next meeting of the Bills Committee would be held on 19 March 2012 at 2:30 pm.

**II Any other business**

9. There being no other business, the meeting ended at 9:15 pm.

Council Business Division 1  
Legislative Council Secretariat  
26 July 2012

**Proceedings of the 32<sup>nd</sup> meeting of  
the Bills Committee on Competition Bill  
on Tuesday, 28 February 2012, at 2:30 pm  
in Conference Room 1 of the Legislative Council Complex**

| Time marker  | Speaker   | Subject(s)   | Action required |
|--|---|--|-----------------|
| <b>Agenda Item I – Meeting with deputations and the Administration</b> |   |  |                 |
| <i>Session I</i>   |   |  |                 |
| 000932 –<br>001256   | Chairman  | Opening remarks<br><br>The Chairman declared that he was a member of the Legislative Council (LegCo) Commission, Director of the Hong Kong Mortgage Corporation, Non-Executive Director of the Mandatory Provident Fund Schemes Authority, Former Chairman of the Vocational Training Council and Member of certain committees under it, Council Member of the Hong Kong Trade Development Council (TDC), and Honorary President and Member of the General Committee of the Federation of Hong Kong Industries (FHKI). |                 |
| 001257 –<br>001645   | The Hong Kong Electronic Industries Association     | The Association briefed members on its submission (LC Paper No. CB(1)915/11-12(07)) in support of TDC's exemption from the Bill, and expressed regrets that FHKI was not included in the list of statutory bodies proposed to be exempted from the Bill.   |                 |
| 001646 –<br>001959   | The Hong Kong Metals Manufacturers Association Ltd. | The representative of the Association briefed members on the Association's submission (LC Paper No. CB(1)1124/11-12(02)) in support of TDC's exemption from the Bill, and queried why FHKI was not similarly exempted.   |                 |
| 002000 –<br>002309   | Hong Kong Jewelry Manufacturers' Association        | Presentation of views in support of TDC's exemption from the Bill and commenting on the proposed de minimis arrangements and composition of the Competition Commission (LC Paper No. CB(1)1124/11-12(03))  |                 |
| 002310 –<br>002624   | Hong Kong Business Community Joint Conference       | The Hong Kong Business Community Joint Conference briefed members on its submission (LC Paper No. CB(1)805/11-12(01)), expressed support for TDC's exemption from the Bill and questioned why FHKI was not similarly exempted. It further expressed the following views –<br><br>(a) the Bill had adverse impacts on Hong Kong's free business environment, especially on small and medium enterprises (SMEs); and<br><br>(b) TDC, business associations and SMEs should all be exempted from the Bill.                |                 |
| 002625 –   | Kowloon Chamber                                     | The Kowloon Chamber of Commerce stated support for   |                 |

| Time marker     | Speaker  | Subject(s)   | Action required |
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| 002932          | of Commerce  | TDC's exemption from the Bill in recognition of its contribution to trade development and hence the economy of Hong Kong and of the Mainland. It proposed that the list of exempted statutory bodies be reviewed once every few years.   |                 |
| 002935 – 003247 | Federation of Hong Kong Industries                       | Presentation of views in support of TDC's exemption from the Bill and questioning FHKI's exclusion from the list of exempted statutory bodies<br>(LC Paper No. CB(1)1181/11-12(01))  |                 |
| 003248 – 003511 | The Chinese Manufacturers' Association of Hong Kong      | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)1063/11-12(01))  |                 |
| 003512 – 003752 | Consumer Council (CC)                                    | CC expressed support for the proposed exemption arrangements, including the exemption of TDC. It urged the Government to review the exemption arrangement of statutory bodies in the light of the actual implementation experience of the enacted Ordinance, taking into account the performance of statutory duties by the statutory bodies concerned and the effect of their business practices on competition.<br><br>(LC Paper No. CB(1)1181/11-12(02) the Chinese version of which was tabled at the meeting) |                 |
| 003753 – 003950 | Mr Douglas HSIA  | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)1166/11-12(01), and LC Paper No. CB(1)1202/11-12(01) tabled at the meeting)  |                 |
| 003951 – 004302 | The Federation of Hong Kong Footwear                     | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)915/11-12(05))   |                 |
| 004303 – 004619 | Hong Kong Small & Medium Enterprises General Association | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)717/11-12(07))   |                 |
| 004620 – 004832 | Hong Kong SME Development Federation Ltd.                | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)995/11-12(05))   |                 |
| 004833 – 004934 | Federation of International SME Ltd.                     | The Federation of International SME Ltd. indicated support for TDC's exemption from the Bill in recognition of the great assistance it provided to SMEs, and expressed concern that if TDC was subject to regulation of the Bill, it might be restricted from organizing activities at a loss to help SMEs.  |                 |

| <b>Time marker</b> | <b>Speaker</b>   | <b>Subject(s)</b>  | <b>Action required</b> |
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| 004935 – 005253    | Hong Kong SME Development Association  | The Hong Kong SME Development Association indicated support for exempting TDC from the Bill, highlighting the objective of establishing TDC, the benefits TDC could bring to SMEs, and TDC's non-profit making nature, which had enabled it to provide cheap and even free services to SMEs. |                        |
| 005254 – 005607    | Hong Kong Industry, Trade and Investment Association                                 | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)1063/11-12(02))  |                        |
| 005608 – 005916    | Hong Kong Metal Finishing Society  | Presentation of views in support of TDC's exemption from the Bill and expressing concerns about the Bill<br>(LC Paper No. CB(1)740/11-12(03))  |                        |
| 005917 – 010110    | Graphic Arts Association of Hong Kong  | Indication of support for exempting TDC from the Bill in recognition of the great assistance it provided to SMEs   |                        |
| 010111 – 010329    | Hong Kong Electro-Plating Merchants Association                                      | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)1094/11-12(04))  |                        |
| 010330 – 010633    | Hong Kong Federation of Innovative Technologies and Manufacturing Industries Limited | Presentation of views calling for the introduction of an anti-monopoly bill instead of a competition bill, and indicating support for TDC's exemption from the Bill<br>(LC Paper No. CB(1)769/11-12(01))   |                        |
| 010634 – 010827    | The Hong Kong Energy Conservation Association  | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)815/11-12(02))   |                        |
| 010828 – 011037    | Hong Kong Software Industry Association  | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)740/11-12(01))   |                        |
| 011038 – 011351    | Hong Kong Comics & Animation Federation Limited                                      | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)724/11-12(03))   |                        |
| 011352 – 011629    | Movie Producers and Distributors Association of Hong Kong Limited                    | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)960/11-12(04))   |                        |
| 011630 – 011916    | International Federation of the  | IFPI indicated opposition to the Bill in its present form because of the reasons given in IFPI's submission (LC  |                        |

| Time marker     | Speaker  | Subject(s)   | Action required |
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|                 | Phonographic Industry (Hong Kong Group) Limited (IFPI)                         | Paper No. CB(1)1181/11-12(03)); and expressed support for exempting TDC and other statutory bodies from the Bill if they mainly played a promoting role.   |                 |
| 011917 – 012051 | The International Association of CFOs and Corporate Treasurers (China) Limited | Presentation of views in support of exempting TDC from the Bill (LC Paper No. CB(1)740/11-12(06))  |                 |
| 012052 – 012357 | Licensing & Franchising Association of Hong Kong                               | Presentation of views in support of TDC's exemption from the Bill by quoting its own experience (LC Paper No. CB(1)1034/11-12(02))   |                 |
| 012358 – 012641 | The Alternative Investment Management Association                              | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)717/11-12(02))  |                 |
| 012642 – 012943 | Hong Kong Venture Capital and Private Equity Association                       | The Hong Kong Venture Capital and Private Equity Association briefed members on its submission (LC Paper No. CB(1)2056/10-11(01)) in support of the exemption of statutory bodies, in particular TDC, from the Bill, and added that some overseas competition laws also exempted statutory bodies. |                 |
| 012944 – 013100 | Hong Kong Promotion Association for Small and Medium Enterprises               | The Hong Kong Promotion Association for Small and Medium Enterprises indicated support for exempting TDC from the Bill because of TDC's great contribution in promoting trade opportunities for Hong Kong as shown in a few examples.  |                 |
| 013101 – 013314 | Arcotect Limited   | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)724/11-12(08))  |                 |
| 013315 – 013531 | Hong Kong Motion Picture Industry Association Ltd.                             | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)995/11-12(04))  |                 |
| 013532 – 013941 | Asian Licensing Association  | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)717/11-12(04))  |                 |
| 013942 – 014102 | Mandarin Optical Manufactory Co. Ltd.  | The Mandarin Optical Manufactory Co. Ltd .expressed support for exempting TDC from the Bill, highlighting the contribution which TDC had made to promote the development of the local optical industry, which presently enjoyed a leading position in the world.                                   |                 |

| <b>Time marker</b> | <b>Speaker</b>   | <b>Subject(s)</b>  | <b>Action required</b> |
|--------------------|--|--|------------------------|
| 014103 – 014248    | Nu Design Limited  | The representative of Nu Design Limited expressed support for exempting TDC from the Bill by elaborating the assistance and support he had received from TDC.  |                        |
| 014249 – 014551    | Technical (HK) Manufacturing Limited                       | Technical (HK) Manufacturing Limited expressed support for exempting TDC from the Bill, pointing out that many places were competing with Hong Kong for a leading exhibition role and that because TDC was not intent on making profits, the exhibitions it organized were of a much higher quality than those organized by private exhibition organizers. |                        |
| 014552 – 014813    | Brilliant Trading Co. (1974) Limited                       | Presentation of views in support of TDC's exemption from the Bill by highlighting the services provided by TDC to help SMEs develop<br>(LC Paper No. CB(1)1124/11-12(05))  |                        |
| 014814 – 015043    | Artis Jewellery Co. Ltd.                                   | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)762/11-12(05))   |                        |
| 015044 – 015443    | Sunny Creations Ltd.                                       | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)815/11-12(03))   |                        |
| 015444 – 015559    | Buildview Jewellery Ltd.                                   | Presentation of views in support of TDC's exemption from the Bill by highlighting the differences between the exhibitions organized by TDC and those by other exhibition organizers<br>(LC Paper No. CB(1)641/11-12(06))   |                        |
| 015600 – 015749    | The Federation of Hong Kong Watch Trades & Industries Ltd. | Presentation of views in support of TDC's exemption from the Bill, highlighting the assistance which TDC had provided to promote the development of local watch trades and industries<br>(LC Paper No. CB(1)1050/11-12(06))  |                        |
| 015750 – 020114    | IDEE Creations   | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)696/11-12(01))   |                        |
| 020115 – 020435    | Blue Box Holdings Ltd.                                     | Presentation of views in support of TDC's exemption from the Bill and urging that FHKI be similarly exempted<br>(LC Paper No. CB(1)960/11-12(02))  |                        |
| 020436 – 020635    | Yeung's Manufacturing Ltd.                                 | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)1124/11-12(06))  |                        |
| 020636 – 020811    | Glamm Holdings Ltd.  | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)664/11-12(03))   |                        |
| 020812 –           | Arts Optical   | The Arts Optical International Holdings Ltd. indicated   |                        |

| Time marker     | Speaker   | Subject(s)   | Action required |
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| 021001          | International Holdings Ltd.                                 | support for TDC's exemption from the Bill, highlighting the great efforts TDC had made to promote trade opportunities for SMEs, and to help SMEs compete with large enterprises on a level playing field.  |                 |
| 021002 – 021353 | Momentum 107  | Momentum 107 questioned whether TDC or the Administration had mobilized deputations to attend this meeting to express support for exempting TDC, which in his view had engaged in certain anti-competitive acts and abused its market power. It opined that instead of exempting statutory bodies in their entirety, only their public functions but not their economic activities should be exempted, lest an uneven playing field between the government and the private sector would be created.  |                 |
| 021354 – 021724 | Hong Kong Small and Medium Enterprises Association (HKSMEA) | <p>HKSMEA briefed members on its submission tabled at the meeting (LC Paper No. CB(1)1202/11-12(02)) and expressed strong objection to exempting TDC from the Bill for the following reasons –</p> <ul style="list-style-type: none"> <li>(a) TDC had not helped Hong Kong SMEs but had unfairly monopolized Hong Kong's exhibition business;</li> <li>(b) TDC's contribution to trade development as highlighted by deputations above was not a justification for exempting it because it had been specifically set up to perform the above functions with government funding. Moreover, although it was using public money, it was paying its senior management excessive remuneration; and</li> <li>(c) TDC charged SMEs low exhibition fees not because it was not profit-oriented but because it owned the Hong Kong Convention and Exhibition Centre (HKCEC) and hence could organize exhibitions at low costs.</li> </ul> |                 |
| 021725 – 021959 | Hong Kong Electrical Appliances Manufacturers Association   | The Hong Kong Electrical Appliances Manufacturers Association expressed support for exempting TDC from the Bill by elaborating the assistance it and the trade had received from TDC in promoting trade opportunities.   |                 |
| 022000 – 022244 | Chairman Administration                                     | <p>The Administration made the following response –</p> <ul style="list-style-type: none"> <li>(a) all views expressed by deputations in both written and verbal form would be seriously considered;</li> <li>(b) the statutory bodies to be exempted from the Bill did not engage in any, or had insignificant amount of economic activities. For statutory bodies engaging in economic activities, they were either assisting the Government in implementing public policies and/or</li> </ul>   |                 |



| Time marker     | Speaker                            | Subject(s)   | Action required |
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|                 |                                    | <p>providing essential public services. The proposed exemption arrangements were to ensure that the effective implementation of Government policies or Government's ability to speedily respond to the needs of the community would not be affected by the implementation of the competition law in Hong Kong;</p> <p>(c) although TDC engaged in some economic activities, such activities were carried out to implement the Government's policy on trade promotion. Its exemption from the Bill could help eliminate any uncertainties as to whether certain activities, which formed part of TDC's core statutory functions, might be alleged as anti-competitive, and thus ensure its uninterrupted support to local industries and SMEs; and</p> <p>(d) statutory bodies had to adhere to the competition rules even though they were not subject to the enacted Ordinance. The Administration would, through the Competition Policy Advisory Group (COMPAG), handle complaints on statutory bodies and would request the exempted bodies to rectify any anti-competitive behaviour.</p>  |                 |
| 022245 – 022750 | Chairman<br>Ms Emily LAU<br>HKSMEA | <p>Ms Emily LAU declared that she was a member of the LegCo Commission. She asked the Administration to respond to Global Sources' earlier claim that TDC admitted to organizing exhibitions and trade fairs in competition with other organizers according to commercial principles. She further asked HKSMEA to explain why its stance regarding TDC's exemption from the Bill was so different from the other SMEs.</p> <p>HKSMEA gave the reasons for its stance as follows –</p> <p>(a) TDC had not done enough to help SMEs, and as a result, Hong Kong's toy and watch industries had lost their leading positions;</p> <p>(b) the trade fairs and exhibitions organized in the Mainland and Hong Kong's neighbouring countries were better than those in Hong Kong. There was therefore a need to enable overseas exhibition organizers to compete with TDC on a level playing field to bring about improvements; and</p> <p>(c) at present most participants in TDC's exhibitions were businesses from the Mainland which TDC had deliberately made efforts to enlist. This trend would affect Hong Kong SMEs' business as shown in the case quoted in paragraph 3 of its submission (tabled at the meeting and subsequently issued vide LC Paper</p> |                 |

| Time marker     | Speaker  | Subject(s)   | Action required   |
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|                 |  | <p>No. CB(1)1202/11-12(02)).</p> <p>Ms LAU opined that the Administration should ensure that TDC would provide to the Bills Committee a written response to the accusation made in paragraph 3 of HKSMEA's submission.</p>   | <p>The Administration to take action as requested in paragraph 7(b)</p> |
| 022751 – 023138 | <p>Chairman<br/>Mr WONG<br/>Ting-kwong</p>           | <p>Mr WONG Ting-kwong opined that –</p> <ul style="list-style-type: none"> <li>(a) exhibition organizers such as Global Sources should seek to co-operate with TDC, such as by using TDC's service, to maximize use of both HKCEC as well as the Asia-World Expo (AWE) to promote Hong Kong's economy;</li> <li>(b) in contrast to TDC which was a non-profit making statutory body serving Hong Kong, international exhibition organizers such as Global Sources only aimed to make profits in Hong Kong; and</li> <li>(c) the Administration should play a co-ordinating role between TDC and other exhibition organizers such as Global Sources, so as to promote co-operation instead of unhealthy competition among them.</li> </ul> <p>The Chairman urged the Administration to provide a written response to Mr WONG's request in (c) above.</p>  | <p>The Administration to take action as requested in paragraph 7(c)</p> |
| 023139 – 023513 | <p>Chairman<br/>Mrs Regina IP<br/>Administration</p> | <p>Mrs Regina IP expressed the following views –</p> <ul style="list-style-type: none"> <li>(a) the focus of the discussion at this meeting was not TDC's contribution but the appropriateness of exempting its economic activities from regulation of the Bill; and</li> <li>(b) if the concern about excessive litigation and compliance costs was the justification behind TDC's exemption from the Bill, private undertakings should similarly be exempted unless double standards were adopted.</li> </ul> <p>The Administration gave the following explanation –</p> <ul style="list-style-type: none"> <li>(a) whether a statutory body should remain exempted from the Bill would be assessed according to the relevant criteria set out in the Bill;</li> <li>(b) private undertakings could also seek exemption if they met the criteria set out in Schedule 1 to the Bill; and</li> </ul> |   |

| Time marker                        | Speaker  | Subject(s)   | Action required   |
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|                                    |  | <p>(c) various measures including the provision on the de minimis arrangements and the warning notice proposed in October 2011 had already addressed the concerns expressed by the SMEs.</p> <p>The Chairman requested the Administration to respond to Mrs IP's concern that the currently proposed general and broad exemption of statutory bodies would, as pointed out in the submission from the Law Society of Hong Kong (LC Paper No. CB(1)1219/10-11(02)), create an uneven playing field between the government and the private sector.</p> | <p>The Administration to take action as requested in paragraph 7(d)</p> |
| 023514 – 023535                    | <p>Chairman<br/>Mr Philip WONG<br/>Mr WONG<br/>Ting-kwong</p>    | <p>Dr Philip WONG declared that he was a member of the LegCo Commission and Council Member of TDC.</p> <p>Mr WONG Ting-kwong declared that he was a member of the LegCo Commission.</p>  |   |
| 023536 – 023602                    | Chairman   | <p>The Chairman thanked the deputations for attending the meeting, and invited them to submit further views to the Bills Committee in writing.</p>   |   |
| <b>Break from 023603 to 024553</b> |  |  |   |
| <b>Session II</b>                  |  |  |   |
| 024554 – 024654                    | Chairman   | Opening remarks  |   |
| 024655 – 025051                    | The Hong Kong General Chamber of Small & Medium Business         | <p>Presentation of views in support of TDC's exemption from the Bill<br/>(LC Paper No. CB(1)1124/11-12(07))</p>  |   |
| 025052 – 025420                    | Hong Kong Precision Electronics Co. Ltd.                         | <p>Hong Kong Precision Electronics Co. Ltd. indicated support for exempting TDC from the Bill by describing the assistance and services it received from TDC, which unlike private exhibition organizers was tasked to help SMEs develop and was hence accountable to them. The Company expressed concern that if TDC was regulated, it might be restricted from charging lower exhibition participation fees.</p>   |   |
| 025421 – 025807                    | Global Sources   | <p>Presentation of views against exempting TDC from the Bill<br/>(LC Paper No. CB(1)1166/11-12(02))</p>  |   |
| 025808 – 030101                    | Hong Kong Medical & Healthcare Device Industries Association     | <p>Presentation of views in support of TDC's exemption from the Bill and denying that it was monopolizing the exhibition market<br/>(LC Paper No. CB(1)762/11-12(03))</p>  |   |
| 030102 – 030427                    | Concern Group for a Competitive Exhibition Industry in Hong Kong | <p>Presentation of views against exempting TDC from the Bill<br/>(LC Paper No. CB(1)1166/11-12(03) and LC Paper No. CB(1)1202/11-12(03) tabled at the meeting)</p>   |   |

| Time marker     | Speaker   | Subject(s)  | Action required |
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| 030428 – 030748 | Hong Kong Metal Merchants Association   | The Hong Kong Metal Merchants Association expressed support for exempting TDC from the Bill by highlighting TDC's contribution to promoting trade opportunities for SMEs, and expressed concern that if TDC was not exempted from the Bill, it would be forced to organize exhibitions according to commercial principles and hence charge higher exhibition participation fees to the detriment of SMEs and in turn consumers. The Association indicated support for exempting FHKI from the Bill by also highlighting the efforts and contribution it had made to promote the development and enhance the competitiveness of Hong Kong industries, and by pointing out that FHKI was also not a profit-making body. |                 |
| 030749 – 031041 | Professor CHEUNG Wai-man, The Chinese University of Hong Kong                           | Professor CHEUNG highlighted the findings of a survey on the exhibition trade which he conducted a few years before, and indicated opposition to exempting TDC from the Bill for the following reasons –<br><br>(a) the organization of exhibitions was an economic activity and not a public service as some deputations claimed; and<br><br>(b) competition would only cause fees to go down to benefit SMEs.   |                 |
| 031042 – 031413 | The Hong Kong Exporters' Association  | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)960/11-12(05))  |                 |
| 031414 – 031530 | Hong Kong Association of Freight Forwarding and Logistics Limited                       | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)834/11-12(02))  |                 |
| 031531 – 031657 | Power Hub Limited   | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)641/11-12(13))  |                 |
| 031658 – 031912 | Hong Kong (SME) Economic and Trade Promotional Association Ltd.                         | Presentation of views in support of the exemption of TDC, FHKI, the Hong Kong Productivity Council (HKPC), the Hong Kong Science Park and all non-profit making business associations from the Bill<br>(LC Paper No. CB(1)781/11-12(03))  |                 |
| 031913 – 032145 | The Hong Kong Association of International Co-operation of Small and Medium Enterprises | The Hong Kong Association of International Co-operation of Small and Medium Enterprises indicated support for exempting TDC from the Bill by highlighting the assistance and support it received from TDC, and TDC's contribution to the development of trade and in turn Hong Kong, both of which might be affected if TDC was subject to regulation of the Bill.  |                 |

| Time marker     | Speaker  | Subject(s)  | Action required |
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| 032146 – 032526 | Hong Kong Jewellery & Jade Manufacturers Association   | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)724/11-12(09))  |                 |
| 032527 – 032928 | Diamond Federation of Hong Kong, China Limited<br>Hong Kong Jewellery & Jade Manufacturers Association | <p>The representative of the Diamond Federation of Hong Kong, China Limited indicated support for exempting TDC from the Bill on grounds that the development of the diamond trade relied heavily on quality trade fairs organized by TDC at reasonable fees. Moreover, TDC did not have monopoly as it was the organizer of only one of the four relevant exhibitions organized every year. He further expressed the following views –</p> <p>(a) the accusation made in HKSMEA's submission was questionable because the booths of TDC's exhibitions were allotted through the drawing of lots conducted according to a set of objective criteria in a very transparent manner; and</p> <p>(b) exhibitors had no bargaining power where exhibition participation fees were concerned. In this regard, TDC had struck a balance between making profits and performing its corporate social responsibility through charging exhibitors reasonable fees.</p>   |                 |
| 032929 – 033241 | Savantas Policy Institute  | <p>Savantas Policy Institute stated support for the promotion of competition and consumer protection, and hence had reservation about the proposed exemption arrangements for the following reasons –</p> <p>(a) some of the exempted statutory bodies were engaging in economic activities and hence competing with the commercial sector for profits;</p> <p>(b) only a few Asian countries exempted statutory bodies from their competition laws in entirety. In fact, the proposed exemption arrangements under the Bill were different from those in the European Union (EU), on whose competition laws the Bill had modeled;</p> <p>(c) EU competition laws only exempted economic activities conducted by statutory bodies as public services. Hong Kong should follow suit and subject all statutory bodies to regulation of the Bill except for the above type of activities; and</p> <p>(d) according to a United Nations report, a conscious decision-making process should take place before exempting an activity of a statutory body from the competition law. For example, by assessing whether the activity concerned would really benefit the economy and by consulting stakeholders including</p> |                 |

| Time marker     | Speaker                                 | Subject(s)   | Action required |
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|                 |   | competitors and consumers.   |                 |
| 033242 – 033553 | 打破政府壟斷大聯盟                               | <p>打破政府壟斷大聯盟 briefed members on its submission (LC Paper No. CB(1)1166/11-12(04)), and supplemented the following views –</p> <ul style="list-style-type: none"> <li>(a) exemption of TDC from the Bill was unfair to the private sector;</li> <li>(b) judging from the significant pay rise offered to TDC's directorate staff during the financial tsunami, it was questionable whether TDC was really providing services to help SMEs; and</li> <li>(c) the establishment of statutory bodies would affect SMEs' operation and lead to the creation of monopoly in many areas. By exempting them from the Bill, their monopoly would only grow further. As such, the Administration should delete the existing exemption clauses from the Bill, and consult the public on the exemption arrangements that should be made.</li> </ul>  |                 |
| 033554 – 033858 | Mr Martin OEI                           | <p>Mr Martin OEI stated opposition to exempting TDC from the Bill on the following grounds –</p> <ul style="list-style-type: none"> <li>(a) TDC was in fact only performing its public functions for which it received Government funding when it organized non-profit making activities. All statutory bodies engaging in economic activities should be regulated by the Bill;</li> <li>(b) both TDC and HKPC were not solely performing their statutory roles but were competing with their respective trades to the detriment of the SMEs concerned and in contravention of the principle of free competition. Whether TDC should continue to exist or subject to greater regulation should be seriously examined; and</li> <li>(c) the exhibition fees charged by TDC were in fact not very cheap if the extremely high fees it charged for related services were taken into account. TDC should not be allowed to establish monopoly in the exhibition market.</li> </ul> |                 |
| 033859 – 034206 | Hong Kong Retail Management Association | <p>Hong Kong Retail Management Association expressed the following views –</p> <ul style="list-style-type: none"> <li>(a) TDC should not be exempted from the Bill in its entirety; and</li> <li>(b) the Government should deal with the exemption of vertical agreements at this stage instead of leaving it</li> </ul>   |                 |

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|                 |                                      | to the future Competition Commission.<br><br>(LC Paper No. CB(1)1166/11-12(05))   |                 |
| 034207 – 034446 | The British Chamber of Commerce      | Presentation of views against exempting statutory bodies with a commercial function from the Bill, and on other aspects of the Bill<br>(LC Paper No. CB(1)1166/11-12(06))   |                 |
| 034447 – 034804 | Kowloon Watch Company                | Kowloon Watch Company emphasized that TDC had been assisting Hong Kong to promote trade opportunities instead of competing with other exhibition organizers unfairly and that there was no need to exempt it from the Bill. The Company stated opposition to introduction of the Bill for fear of excessive Government intervention.  |                 |
| 034805 – 035013 | Hang Hing Prestige Company Ltd.      | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)696/11-12(02))  |                 |
| 035014 – 035232 | Bright Sun Coffee Co. Ltd.           | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)664/11-12(01))  |                 |
| 035233 – 035544 | Regent Silverware Manufacturing Ltd. | Indication of support for exempting Hong Kong Export Credit Insurance Corporation and TDC from the Bill in recognition of their assistance and services to SMEs and the public functions they performed   |                 |
| 035545 – 035727 | Top Quality (H.K.) Co. Ltd.          | Indication of support for TDC's exemption from the Bill in recognition of its assistance to SMEs in exploring new markets   |                 |
| 035728 – 040054 | Universe Watch Trading Co. Ltd.      | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)585/11-12(01))  |                 |
| 040055 – 040319 | Crown Wine Cellars Ltd.              | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)686/11-12(04))  |                 |
| 040320 – 040547 | Designing Hong Kong Limited          | Designing Hong Kong Limited expressed support for the Bill but indicated opposition to the exemption of statutory bodies as of right considering that they also engaged in economic activities. For example, trade promotion was the only function of TDC's four major functions that was not an economic activity conducted in competition with other operators. As such, TDC should not be exempted or, if it was to be exempted, it should be allowed to perform its non-competitive function of trade promotion only. |                 |
| 040548 – 040941 | Kampery Group                        | Kampery Group expressed disagreement with Designing Hong Kong Limited's views above and indicated support   |                 |

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|                 |  | for TDC's exemption from the Bill in recognition of its assistance and services to SMEs at reasonable fees. It further expressed reservation about the introduction of the Bill instead of an anti-monopoly bill.  |                 |
| 040942 – 041100 | Mr Martin OEI<br>Chairman<br>Mr CHAN Kin-por       | Mr Martin OEI questioned Kampery Group's views and debated with the Chairman on whether it was appropriate for the Chairman to chair the meeting.  |                 |
| 041101 – 041403 | Hong Kong Brands Protection Alliance               | Hong Kong Brands Protection Alliance briefed members on the Alliance's submission (LC Paper No. CB(1)740/11-12(07)) and added that TDC should be exempted from the Bill unless the Bill sought to protect large enterprises instead of SMEs.   |                 |
| 041404 – 041525 | Hong Kong Small and Medium Enterprises Association | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)1202/11-12(04) tabled at the meeting)   |                 |
| 041526 – 041835 | Economic Synergy                                   | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)1133/11-12(01))   |                 |
| 041836 – 042128 | The American Chamber of Commerce in Hong Kong      | Presentation of views against allowing all statutory bodies to enjoy prima facie exemption from the Bill. Exemption should instead be granted on a case-by-case basis with reference to clearly stated criteria (LC Paper No. CB(1)1049/11-12(01))   |                 |
| 042129 – 042510 | The Lion Rock Institute                            | The Deputy Chairman assumed the chair during the Chairman's absence from 042129 to 043958.<br><br>The Lion Rock Institute expressed opposition to the Bill pointing out that it could not tackle monopoly and opined that the provision of Government funding for statutory bodies competing with private sector operators unfairly was the cause of monopoly. The Institute was therefore opposed to exemption of statutory bodies from the Bill. |                 |
| 042511 – 042633 | Jan Cheong Sing Hardware                           | Jan Cheong Sing Hardware indicated opposition to the Bill, especially as so many statutory bodies would be exempted and considered it undesirable for CC to support the Bill, having regard that it was one of the statutory bodies to be exempted.  |                 |
| 042634 – 042943 | Wiseville International Ltd.                       | Wiseville International Ltd. indicated support for TDC's exemption from the Bill by quoting its own experience in participating in trade fairs, which showed that TDC's trade fairs were better organized than those by other exhibition organizers, and that there was a need to exempt TDC lest it would be restricted from organizing exhibitions at a loss to assist SMEs.   |                 |
| 042944 –        | Zigen  | Presentation of views in support of suitably exempting   |                 |



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| 043328          | Pharmaceutical Ltd.   | TDC from the Bill<br>(LC Paper No. CB(1)1166/11-12(07))   |                 |
| 043329 – 043629 | Wings Trading (HK) Co. Ltd.   | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)641/11-12(08))  |                 |
| 043630 – 043958 | Professor Hans MAHNCKE, Senior Coordinator, Office of the Provost, City University of Hong Kong | <p>Professor MAHNCKE expressed the following views –</p> <p>(a) most views expressed by deputations at this meeting, whether in written or verbal form, were in support of TDC's exemption from the Bill and were similar. It was therefore questionable whether the deputations concerned had come of their own accord, or that TDC had been abusing its dominant or privileged position to make them come forward; and</p> <p>(b) it was ironic that the Administration agreed with the above deputations too, and was proposing to exempt nearly all statutory bodies, including those which were not playing an indispensable role in serving the community but were relics from the past. Instead of exempting these statutory bodies, they should be shut down or privatized.</p> <p>(LC Paper No. CB(1)1133/11-12(02))</p> |                 |
| 043959 – 044312 | Professor Mark WILLIAMS, School of Accounting and Financing, Hong Kong Polytechnic University   | Presentation of views questioning the exemption of various statutory bodies from the Bill. Instead, statutory bodies should generally be included, and exemption should only be granted to their conducts where relevant<br>(LC Paper No. CB(1)1166/11-12(08))  |                 |
| 044313 – 044420 | The Chinese General Chamber of Commerce   | Presentation of views in support of exempting all statutory bodies, including TDC, from the Bill<br>(LC Paper No. CB(1)1133/11-12(03))  |                 |
| 044421 – 044754 | The Real Estate Developers Association of Hong Kong (REDA)                                      | <p>REDA highlighted its stance regarding the Bill stated in its previous submissions, and made the following comments on the proposed exemption arrangements –</p> <p>(a) REDA could not accept the exemption from the Bill of most statutory bodies, in particular the Housing Authority which had been the subject of COMPAG's investigation in the past. This was because all economic activities, whether conducted by statutory bodies or the private sector, should be similarly regulated in keeping with international practices, the spirit of law, and the objective of the Bill;</p> <p>(b) the public functions performed by statutory bodies could already seek exemption as appropriate</p>   |                 |

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|                 |   | <p>according to section 3 of Schedule 1. There was no need to place the Government above law by exempting so many statutory bodies; and</p> <p>(c) the Bill should be amended to empower LegCo to regularly review and revise as necessary the list of exempted bodies.</p> <p>(LC Paper No. CB(1)1202/11-12(05) tabled at the meeting)</p>  |                 |
| 044755 – 045050 | The Hong Kong Chinese Importers' & Exporters' Association | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)899/11-12(02))   |                 |
| 045051 – 045400 | Mr Peter WONG   | Mr Peter WONG stated opposition to exempting statutory bodies from the Bill, and opined that TDC, HKPC and CC should be regulated, and queried the validity of views in support of exempting TDC, which in his view was similar to an independent kingdom not even regulated by the Audit Commission.  |                 |
| 045401 – 045627 | Chairman Administration                                   | In response to deputations' views above, the Administration made points similar to those expressed at the end of session I, and added that the Government had the responsibility to provide quality services to the general public and companies of Hong Kong at affordable fees, for example, education, medical, housing and trade promotion services. Hence there was a need for statutory bodies to be treated differently under the Bill to enable them to help provide the above services.   |                 |
| 045628 – 050142 | Chairman Ms Emily LAU Global Sources                      | <p>Ms Emily LAU expressed the following views –</p> <p>(a) that all deputations were free to give views to LegCo, and it might be advisable to enact the Ordinance first even though it might not be perfect, lest Hong Kong would not have a competition law to enable international companies to compete with local companies on a level playing field; and</p> <p>(b) the view of certain deputations that exemption from the Bill should be granted upon application for conduct on a case-by-case basis rather than granting exemption to statutory bodies in their entirety was agreeable.</p> <p>Ms LAU asked Global Sources whether it was willing to co-operate with TDC to create a win-win situation, and whether there were any difficulties in this regard.</p> <p>Global Sources pointed out that as seen from the majority views expressed at this meeting, TDC could abuse its</p> |                 |

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|   |  | market power to squeeze out its competitors, and that TDC was not willing to co-operate with it.   |                 |
| 050143 – 050440                           | Chairman<br>Mr WONG<br>Ting-kwong                                    | Mr WONG Ting-kwong indicated disagreement with Global Sources on abuse of market power by TDC and expressed the following views –<br><br>(a) Global Sources should co-operate with TDC to create a win-win situation in serving Hong Kong as seen in examples of successful co-operation between TDC and other exhibition organizers;<br><br>(b) Mr WONG was willing to play a co-ordinating role in this regard; and<br><br>(c) many SMEs supported TDC because of its services and assistance to them, and would not agree to restricting TDC from continuing such good work by subjecting it to regulation of the Bill. |                 |
| 050441 – 050512                           | Chairman   | The Chairman thanked the deputations for attending the meeting, and invited them to submit further views to the Bills Committee in writing.  |                 |
| <b><i>Break from 050513 to 053042</i></b> |  |  |                 |
| <b><i>Session III</i></b>                 |  |  |                 |
| 053043 – 053128                           | Chairman   | Opening remarks  |                 |
| 053129 – 053433                           | The Professional Commons   | Presentation of views in support of exempting statutory bodies which had no or insignificant economic activities. As to statutory bodies which engaged in economic activities, they would need to satisfy all four of the criteria stated in the submission from the Professional Commons (LC Paper No. CB(1)1166/11-12(09)) before they could be made subject to the provisions of the Bill.  |                 |
| 053434 – 053740                           | Hong Kong Gold & Silver Ornament Workers and Merchants General Union | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)847/11-12(02))  |                 |
| 053741 – 053950                           | Romus Ltd.   | Expression of views in support of TDC's exemption from the Bill by highlighting its own experience of TDC's good service and performance   |                 |
| 053951 – 054209                           | COG Limited  | Presentation of views in support of TDC's exemption from the Bill by describing the assistance it received from TDC (LC Paper No. CB(1)1166/11-12(10))   |                 |
| 054210 – 054517                           | Hong Kong Mould and Product Technology                               | Presentation of views in support of TDC's exemption from the Bill, and expression of concerns that if TDC was not exempted, SMEs might need to pay higher fees for taking  |                 |

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|                 | Association                                      | part in exhibitions organized by private exhibition organizers intent on making profits<br>(LC Paper No. CB(1)769/11-12(04))   |                 |
| 054518 – 054749 | The Toys Manufacturers' Association of Hong Kong | Presentation of views in support of exempting the public functions of TDC from the Bill, and calling for co-operation between TDC and other exhibition organizers<br>(LC Paper No. CB(1)960/11-12(03))   |                 |
| 054750 – 055110 | MRC Technology International Ltd.                | Presentation of views in support of TDC's exemption from the Bill<br>(LC Paper No. CB(1)724/11-12(04))   |                 |
| 055111 – 055421 | Community Development Initiative                 | <p>Community Development Initiative expressed regret that some members were not paying sufficient attention to deputations' views and expressed the following views –</p> <p>(a) the validity of the views expressed in support of TDC's exemption from the Bill was doubtful, and members should refer to the findings of a survey conducted by the Initiative earlier (LC Paper No. CB(1)2749/10-11(01));</p> <p>(b) the quality of TDC's services was not a justification for exempting it. Nor was the claim that TDC was serving the community a good reason if TDC's activities were economic activities; and</p> <p>(c) instead of exempting statutory bodies in entirety, the Bill should only exempt their public functions as in EU.</p> |                 |
| 055422 – 055738 | Hong Kong Environmental Industry Association     | <p>The Hong Kong Environmental Industry Association expressed views in support of TDC's exemption from the Bill for the following reasons –</p> <p>(a) TDC was performing important public functions and making a great contribution to trade development and economy of Hong Kong;</p> <p>(b) TDC did not enjoy monopoly as some deputations claimed. The above misunderstanding might have been caused by the lack of exhibition venues in Hong Kong and TDC's success in establishing itself in the international arena; and</p> <p>(c) there might be abuse if TDC was forced by the enacted Competition Ordinance to share its database on Hong Kong enterprises with private exhibition organizers.</p>                                      |                 |
| 055739 – 060100 | Dr Robert HANSON                                 | <p>Dr HANSON expressed the following views –</p> <p>(a) under the rule of law, the Bill should bind every</p>  |                 |

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|                 |  | <p>organization instead of exempting most statutory bodies, including TDC considering that it was operating in a mixed market. Instead, exemption should be granted to conducts on a case-by-case basis; and</p> <p>(b) SMEs would not get what they wanted by seeking to exempt TDC because in an international environment, the enacted Competition Ordinance would be subject to international interpretation.</p>  |                 |
| 060101 – 060417 | Mr Andrew SHUEN  | Mr Andrew SHUEN expressed views against exemption of TDC from the Bill as well as the Bill because it was too powerful.  |                 |
| 060418 – 060723 | Hong Kong Young Industrialists Council   | Presentation of views in support of exempting TDC and FHKI from the Bill by highlighting their contribution (LC Paper No. CB(1)905/11-12(01))  |                 |
| 060724 – 061008 | Hong Kong Logistics Association  | Expression of views in support of TDC's exemption from the Bill in recognition of its contribution and comprehensive quality services  |                 |
| 061009 – 061233 | Hong Kong Auto Parts Industry Association  | <p>Expression of views in support of TDC's exemption from the Bill for the following reasons –</p> <p>(a) TDC readily provided necessary services to SMEs at reasonable fees, and had made important contribution to trade development; and</p> <p>(b) during the current economic downturn, TDC should be encouraged instead of restricted from providing greater assistance to SMEs by subjecting it to regulation of the Bill.</p>  |                 |
| 061234 – 061544 | Tomson Holdings Limited  | Presentation of views in support of TDC's exemption from the Bill (LC Paper No. CB(1)641/11-12(12))  |                 |
| 061545 – 061615 | Administration   | The Administration thanked the deputations for their views, and undertook to seriously consider them when finalizing the exemption arrangements.   |                 |
| 061616 – 062515 | <p>Chairman Ms Emily LAU<br/>Hong Kong Environmental Industry Association<br/>Tomson Holdings Limited<br/>Mr WONG Ting-kwong</p> | <p>Ms Emily LAU said that she tended not to exempt TDC from the Bill but would seriously consider the many views expressed in support of exempting TDC.</p> <p>In response to Ms LAU, Hong Kong Environmental Industry Association, Tomson Holdings Limited and Mr WONG Ting-kwong explained that TDC seemed to enjoy monopoly by taking up a significant number of exhibition slots of HKCEC because it was the organizer of exhibitions which, as an established practice and out of actual needs, such as brand-building needs, took place at HKCEC every</p> |                 |

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|                 |  | <p>year.</p> <p>Mr WONG Ting-kwong expressed the following views –</p> <ul style="list-style-type: none"> <li>(a) AWE was not as adequately supported as HKCEC in terms of transport, and infrastructures such as hotels and entertainment facilities;</li> <li>(b) the Government should provide more resources to better connect AWE to other parts of Hong Kong, so as to enable HKCEC and AWE, which were both funded by the Government, to co-operate instead of directly competing with each other; and</li> <li>(c) the presently under-utilized AWE could be used for hosting concerts or as outlets instead of competing with HKCEC in hosting exhibitions.</li> </ul>  |                 |
| 062516 – 063436 | <p>Chairman<br/>Mr Andrew SHUEN<br/>Mr WONG<br/>Ting-kwong<br/>Hong Kong Mould<br/>and Product<br/>Technology<br/>Association<br/>Community<br/>Development<br/>Initiative</p> | <p>Mr Andrew SHUEN and Mr WONG Ting-kwong discussed the following –</p> <ul style="list-style-type: none"> <li>(a) whether the Bill would, if passed, prevent TDC from continuing to perform its social function of assisting SMEs; and</li> <li>(b) whether the Bill should exempt TDC while applying to the private sector, if excessive litigation was the justification for exempting TDC.</li> </ul> <p>Hong Kong Mould and Product Technology Association expressed the following views in support of Mr WONG Ting-kwong and TDC –</p> <ul style="list-style-type: none"> <li>(a) the Association and many SMEs supported the Bill but considered it necessary to exempt TDC from the Bill because the services which TDC provided to help SMEs secure trade opportunities outside Hong Kong were necessary to enable Hong Kong to compete with other countries. Moreover, the Government was already monitoring how TDC provided the above services. Other countries were similarly subsidizing their exhibition industries, and their exhibition venues were also used for other purposes when not in use for hosting exhibitions;</li> <li>(b) the Bill should focus on tackling monopoly, such as the monopoly of tunnel operators or supermarket chains; and</li> <li>(c) those parties which were opposed to exempting TDC were in fact TDC's competitors such as Global Sources. TDC should be free from regulation of the Bill to enable it to continue to serve Hong Kong to benefit Hong Kong people.</li> </ul> |                 |

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|                 |   | <p>Community Development Initiative pointed out that HKCEC, which was owned by TDC, was directly competing with the private sector by operating businesses such as food and beverage services, film shows and annual meetings. As such, TDC should not be exempted in its entirety.</p> <p>The Chairman pointed out that the above highlighted services of HKCEC were not exempted from the Bill.</p>   |  |
| 063437 – 063657 | Chairman<br>Mr LEUNG<br>Kwok-hung   | Mr LEUNG Kwok-hung opined that instead of exempting TDC in its entirety, exemption should be granted to only those public functions performed by TDC to promote trade and assist SMEs. The same principle applied to the Housing Authority.   |  |
| 063658 – 063940 | Chairman<br>Mr WONG<br>Ting-kwong<br>Community<br>Development<br>Initiative<br>Administration | <p>Mr WONG Ting-kwong emphasized that booking and scheduling at HKCEC was handled by the Hong Kong Convention and Exhibition Centre (Management) Limited (the HKCEC Management Limited) and TDC had to book exhibition slots from the HKCEC Management Limited.</p> <p>Community Development Initiative emphasized that HKCEC was owned by TDC.</p> <p>The Chairman and Mr WONG explained that the HKCEC Management Limited was a business entity separate from TDC, and that the former would not be exempted from the Bill. The Administration confirmed their understanding and pointed out that the HKCEC Management Limited was a private company.</p> |  |
| 063941– 014025  | Chairman<br>Ms Emily LAU  | <p>The Chairman thanked the deputations for attending the meeting, and invited them to submit further views to the Bills Committee in writing.</p> <p>The Chairman reminded the Administration to provide a consolidated written response to the views, whether in written or verbal form, expressed by deputations and members at the meeting.</p> <p>Meeting arrangements</p>   | The Administration to take action as requested in paragraph 7(a) |