

灣仔區議員黎大偉辦事處

Office of David Lai, Wan Chai District Councillor

灣仔軒尼詩道 226 號寶華商業中心 25 樓 B 室

Room B 25/F Po Wah Commercial Center 226 Hennessy Road Wan Chai Hong Kong

電話 TEL : 6893 0346 傳真 FAX : 3011 9576 電郵 EMAIL : davidlai.dc@gmail.com**Objection to Exemptions of Government Bodies in Competition Bill**

The government tries to submit a competition bill and push it to become law of Hong Kong; however, it is also seeking exemptions for most but six of the 581 government related but 'independent' bodies which intervene in the market place and substantially affect everyday's lives of the public. The government seeks to have the Hong Kong Trade Development Council (HKTDC), the Urban Redevelopment Agency (URA) and other government sponsored bodies to be exempted from the competition bill for no good reasons.

HKTDC

The HKTDC owns the exclusive management of Hong Kong Exhibition and Convention Centre in Wan Chai and has signed an exclusive agreement in 1985 with Polytown Company Ltd (subsidiary of New World Service Holdings) to manage the exhibition and convention facilities. The agreement was intent for the original Hong Kong Exhibition and Convention Centre but the parties to the agreement may argue that any benefit should include any further expansion to the Exhibition and Convention Centre in Wan Chai, in fact, monopolize the exhibition and convention industry in Hong Kong and reduce competition among the oligopoly in Hong Kong. This is not only an anti-competitive action which the intent law is trying to eliminate but also an action which will automatically split any benefit to a private company without any new bidding process for the new expansion. To avoid any doubt, any new exhibition and convention site located in Wan Chai for Convention/ Exhibition purposes should go for a new competitive bidding among new entrants and existing operators, including the HKTDC and New World Group, tied with a stringent traffic control to alleviate the already congested traffic along Convention Road and lack of parking in Wan Chai. If the HKTDC is exempted from the Competition Law, and if therefore the existing TDC/ Polytown contract can continue to run until contract expires, even though contract is non-competitive in nature, and if therefore the TDC is able to again award similar kind of non-competitive contract to New World, would there be fair competition for Hong Kong anymore ?



URA

The Urban Renewal Authority (URA) buys, sells and develops real properties as an Agency of the Hong Kong Government under the Development Bureau. Currently it is given the ultimate power of applying for Government Land Resumption for any owner who is not willing to sell at the time and price when the 'offer' is given to the property owners. The URA, previously name the Land Development Corporation (LDC), often assemble properties at a less than competitive price from previous owners and work out a private agreement with development to develop and sell the new building at a much higher price, making a lot of money from being authorized to buy at a time of low price with the resumption order and sell to the public at a high price. The K11 project in TST, now known as the Masterpiece above the MTR station, was taken from previous owners at a range of \$3200 to the max of \$6890 per square foot during acquisition. The highest price sold was \$40,000 per square foot in 2010. Owners who has experienced the invasive order of the Government Land Resumption has no means of participating in the project and no benefit from the redevelopment while a private developer could negotiate with the joint ownership for re-development under a flat-for-flat scheme or even a share of profit when the properties is assembled. The URA often gives a low offer with price set by their own values without weighting owners' surveyors' valuation on their properties. With such behavior, the URA intervenes and interferes with free market operations and put individual owners at a big disadvantage by taking away any bargaining power individual may have while giving the URA the benefit of when the acquisition will take place and allowing the authority to 'low ball' their offers at a disadvantage pricing to the owners.

The government should take a lead in promoting the competition sprit of the competition law, not by seeking exemptions of most of the government-related-bodies which affects the economy, the industries and the livelihood of property owners. The TDC and URA are but two clear examples that these bodies should not be exempted under the Competition Law.

David Lai

Wan Chai District Councillor

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