



22 February 2012

Bills Committee on Competition Bill
Legislative Council Secretariat
3/F, Citibank Tower
3 Garden Road
Central, Hong Kong

By email hysiu@legco.gov.hk and by hand

Subject: Concerns regarding competition bill and possible exemption for Hong Kong Trade Development Council (HKTDC)

Dear Sirs

UBM Asia Ltd, a company regionally headquartered in Hong Kong and owned by UBM plc which is listed on the London Stock Exchange and is one of the world's largest exhibition companies.

UBM Asia Ltd owns and operates 150 events across Asia and serves more than 1,000,000 business partners, mainly SMEs from around the world. The flagship exhibitions in Hong Kong are the Hong Kong Jewellery & Gem Fairs [June & September] in combination with the Fashion Jewellery & Accessories Fair [March, June & September]. The September event celebrates its 30th anniversary this year taking up the entire floor space at both the Hong Kong Convention and Exhibition Centre and Asia World Expo. This show is now widely known as the world's largest jewellery exhibition and with it brings enormous kudos to Hong Kong. Among others are the Asia Pacific Leather Fair [one of the world's largest leather industry and fashion events] and Cosmoprof Asia [Asia Pacific's largest beauty show]. In all UBM fairs in Hong Kong, 3,000 Hong Kong companies exhibited in 2011.

Hong Kong has a long established open market policy, and has always maintained that any Government intervention in markets should be minimal if at all, and where there is intervention, to ensure that there is a demonstrated justification for it and that it is returned to the market at the earliest time.

The HKTDC's role as a trade fair organiser makes it a keen and key competitor in organising trade fairs and exhibitions in competition also with the private sector in Hong Kong. This started mainly in 1989 when the HKCEC was built and the problems of the student uprising in China were causing a slowdown in the industry. Dame Lydia Dunn instructed the HKTDC to develop shows to fill the space. The HKTFG [Hong Kong Trade Fair Group], a private

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operator that this company bought in 1994, also at the same time built up new shows in the HKCEC. The HKTDC never exited though and continues to earn as well annually 8% of all income this company spends at the HKCEC [space, F&B, security etc]. One could also say that this is unfair competition, ie earning income from competition.

Where statutory bodies, like the HKTDC, are competing in the market, there needs to be a level playing field. HKTDC is clearly engaging in economic activities and, therefore, fulfil the criteria for being subject to the competition law.

If statutory bodies, like the HKTDC, engaging in economic activities are granted an exclusion from the competition law in Hong Kong, this has the potential to undermine existing free market policy and Hong Kong's competitiveness, running contrary to the purported object of the Bill.

In light of the above, we respectfully request that the Competition Bill states that the HKTDC will be a statutory body not being exempted from the competition law.

Yours faithfully



Jimé Essink
President & CEO
UBM Asia Ltd