



FRA Limited

DESIGN + ARCHITECTURE + PLANNING CONSULTANT

華 譽 規 劃 設 計 有 限 公 司

Our Ref: LN20120112TDC001

Date: 30 January 2012

Clerk to Bills Committee on Competition Bill
Legislative Council Secretariat, Legislative Council Complex,
1 Legislative Council Road, Central, Hong Kong

TO WHOM IT MAY CONCERN

I would like to introduce myself. My name is Francis Lee, Managing Director and Creative Director of FRA Ltd, an Architectural and Interior Design Consultant Company. I am also Vice Chairman of Hong Kong Designers Association, Hong Kong Ten Outstanding Designers, Chartered Designer of United Kingdom (MCSD UK). I am now writing this letter in order to urge you to reconsider of having HKTDC (Hong Kong Trade Development Council) exempted from "Competition Bill".

HKTDC has a statutory responsibility in the purpose of promoting trade and is partially subvented, through a Trade Declaration Charge on exports and imports. HKTDC is not profit-driven and should not be viewed as a business organization. HKTDC has been working closely with all Hong Kong industries and HKTDC execute wide range of activities in order to promote various industries which including operating exhibitions, trade fairs, study missions, seminars, assisting brand building and promotion in Hong Kong, China and overseas, conducting market researches and gathering related market and economic data analysis and so on. I do not see any other private company providing similar services so comprehensively. I think HKTDC is able to do so because of their economies of scale and resources. Synergy and cost efficiencies are enjoyed and passed along to us fellow industrialists. This is the most important responsibility to promote Hong Kong industries and to strengthen local economy and employment. HKTDC is not a business oriented and not focus on profit making.

Some people may think that HKTDC earns profit from organizing all the activities, however, expenses on brand building and promotion, research, information gathering and all strong effective support are tremendous. HKTDC will not be able to



FRA Limited

DESIGN + ARCHITECTURE + PLANNING CONSULTANT

華 譽 規 劃 設 計 有 限 公 司

offer the same standard of service if any parts of its activities are taken out for the sake of encouraging competition. In order to minimize the loss of revenue of HKTDC, one of the major effects will be increment of service fees. All the industrialists and Hong Kong companies will be forced to pay more because there is now increased competition. I forecast this will be definitely harmful to Hong Kong industries in this perspective. In addition, the other consequences that HKTDC will loss of business as their service fee increasing to certain level that there are a lot of other private organizations with the similar service fee, the Hong Kong companies will not just participate HKTDC's fair and activities, however the Hong Kong companies cannot enjoy the same level of service as HKTDC. As a result, both HKTDC and the Hong Kong industrialists will be suffered.

As mentioned, HKTDC's priority is not making profit and they earn the money to invest other supporting service which is expensive, such as marketing research with detailed data analysis and statistics, business development plan, information gathering and business matching. HKTDC is "special" entity that they are able to collaborate with district and government authorities from China and overseas. Also they organize VIP support, officials, and local enterprises for all overseas and even local trade shows. HKTDC provides and organizes variety of media and press functions, exceptional publicity, ad and media exposure and high level official reception in all local and overseas trade shows and exhibitions. We never obtain even similar or the same level of service from any other organizers, this is not only the entry fee or service fee, this is the level of competence and HKTDC's unique service which is their strength. It will be pity if HKTDC falls into "Competition Bill", the Hong Kong companies will suffer from the loss of business exposure, advantages and opportunities. It will directly and indirectly not only influence the Hong Kong industries, but also Hong Kong economy and employment.

We do not agree that HKTDC monopolizing the exhibition business as they do not own the Hong Kong Convention and Exhibition Centre nor they prohibit other organizers from using it. There are over 100 trade shows in Hong Kong every year, HKTDC only runs around 30%. It is not wise to apply competition in the trade show business, it is because trade show is not a simple operation. It is complicated and mixed with a lot of business sense for promoting Hong Kong industries, this links up with the whole Hong Kong economy.



FRA Limited

DESIGN + ARCHITECTURE + PLANNING CONSULTANT

華 譽 規 劃 設 計 有 限 公 司

In conclusion, I strongly advise that HKTDC should exempt from "Competition Bill". HKTDC is not monopoly or sheer lack of competition, HKTDC accelerate Hong Kong's economy and employment by their endeavour and industry support. HKTDC's success is the same as Hong Kong's success. HKTDC's high level service and support to Hong Kong industries should be encouraged, not to depress them by penalized HKTDC to be governed by the Competition Bill.

HKTDC is a semi-official entity. The Competition Bill is designed to apply competition among profit-making companies in the private sector, and should not apply to the public sector or government related authority. HKTDC is in the execution of public sector policy implementation, therefore, they should be exempted from the Competition Bill.

Due to the importance of HKTDC's role and responsibility for Hong Kong industries, we all should strongly support HKTDC that is the same to support Hong Kong industries. Please consider that if HKTDC cannot be exempted from Competition Bill, it will be a great impact and detrimental to the Hong Kong industries, Hong Kong economy and employment.

I would be much delighted if your office will reconsider exemption HKTDC from "Competition Bill".

Thank you very much for your attention and understanding.

Yours faithfully,

Francis Lee

Hong Kong Ten Outstanding Designers

Vice Chairman of Hong Kong Designers Association

MCS D Chartered Designer, UK

Managing Director and Creative Director

FRA Limited