

By Mail and Email

15 December 2011

Bills Committee on Competition Bill
Legislative Council, 1 Legislative Council Road,
Central, Hong Kong

Dear Sir / Madam,

To Support the Hong Kong Trade Development Council (HKTDC)
Being Exempted from the Competition Bill

We have now been grown into a medium-size integrated OEM procurement service provider for renowned global brands, product idea incubator as well as brand developer in the field of housewares and gifts since our company establishment in 1980. HKTDC has been playing an important supporting role in our export market growth during the past 30 years.

Without first joining the HKTDC trade delegation to the Middle East in 1981, we might not survive the start-up stage. In 1982 we expanded our client base to Europe through the great help of the HKTDC European offices by providing us marketing information, regulatory information, and introduction of clients for free. This is one of the excellent services of HKTDC in supporting Hong Kong exporters to explore and expand markets. We enjoyed the same services from HKTDC while we developed further into America, Latin America and Japanese markets. Along our growth path, we have been regularly participating in various trade delegations and exhibitions organized by the HKTDC at affordable costs and have successfully built an extensive business networks. In recent years, we are making use of the HKTDC Design Gallery platform to showcase our own branded products at reasonable costs. The all-round services from HKTDC are really valuable to SME exporters like us and helpful in gaining an edge over other competitors in the region.

According to our understanding, there are complaints from the exhibition sector with strong request to oppose to the exemption of HKTDC from the Competition Bill. However in our opinion it is clear that we should not single out the exhibition service from the all-round services of HKTDC. It is obvious that HKTDC is leveraging their income from exhibition service to support the above-mentioned valuable services for exporters' market and business development.

If HKTDC will be excluded from the exemption list of the Competition Bill, we expect the following harmful situation may happen to the Hong Kong exporters:-

- HKTDC will be forced to reduce the market share and to cut out some exhibitions. Thus HKTDC will raise charge of the remaining exhibitions which is definitely not helping the export industry.
- HKTDC together with the quality Hong Kong exporters had built up many world renowned

exhibitions in Hong Kong. If HKTDC are forced to split or cut out any one of these successful exhibitions, this is not only the loss of HKTDC but also the related industry as a whole.

- Furthermore, if other exhibition operators pick up one of these world renowned exhibitions and see the opportunity to move it to cities out of Hong Kong for more profit, this will be a huge loss to Hong Kong. As well as our collective competitive advantage of such industry will be largely depleted.
- In order to support the local companies especially SMEs, HKTDC is now offering a lower charge to Hong Kong companies in their exhibitions whereas the foreign participating companies are paying higher charge. Hong Kong companies may be forced to pay the same high rate to the other exhibition operators if they take over some exhibitions from HKTDC as these operators are not mandated to have the mission to help Hong Kong exporters to promote trade.
- We had joined various trade delegations with HKTDC to explore emerging markets. The participation fees we paid are of great value with all the business matching, product display, local business environment information sessions, and events to mingle with the local business sectors. Perhaps other business service operators may complain HKTDC's trade delegation services are not par to cost and force HKTDC to raise their charges dramatically.
- Perhaps one day other business operators may also complain HKTDC's overseas offices offering free consultation services in which they have not a chance to sell their services for money to Hong Kong exporters.

There is no argument that the export market outlook of 2012 and forward is gloomy, and the Hong Kong exporters especially SMEs have to withstand the urge of industry transformation for value-added services across all industries. We desperately need the continuous all-round HKTDC services at lower cost not higher costs. Otherwise the unemployment rate in the export industry will surely increase further.

Being a responsible Hong Kong company, we sincerely request your Committee to support the exemption of HKTDC from the Competition Bill in order to maintain the overall competitiveness of the Hong Kong trades, especially for the benefits of the SMEs.

Yours sincerely,
Wings Trading (HK) Company Limited

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