

December 19, 2011

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

To Whom It May Concern

RE: Competition Bill & Hong Kong Trade Development Council

As member of the Hong Kong business community, I would like to voice my support that the Hong Kong Trade Development Council must be exempted from the Competition Bill.

HKTDC as a non-profit statutory body has contributed immensely to this city's progress and development for over 40 years. Its trade promotion activities are evident and well-recognized. What is less publicized is the process of how HKTDC helps to spearhead the development of trade in Hong Kong.

The success of HKTDC in developing Hong Kong into Asia wine hub is a case in point, an industry which I have been deeply involved in for over 23 years.

In February 2008, the Hong Kong Government abolished the wine-duty with the objective of developing Hong Kong into Asia's wine hub. Evidently, the HK Government saw the potential for creating business and trade opportunities and thus jobs for the community.

Just 6 months later, HKTDC immediately proceeded with initializing the first edition of the Hong Kong International Wines & Spirits Fair in the summer of 2008 and with subsequent exhibitions in November of 2008, 2010, and 2011 that have been immensely successful in facilitating the momentum for making Hong Kong a wine hub.

Just four years later, HKTDC's facilitation of the Government's goal has led Hong Kong to become the most important wine auction center in the world. Wine logistic companies and storage facilities have multiplied dramatically and more are opening. Numerous wine schools with all types of courses have opened, including wine MBA courses. Thousands of wine producers, buyers, traders have flown to Hong Kong to seek business opportunities. Hundreds of new wine merchants have since opened for business. Wine seminars and conferences have

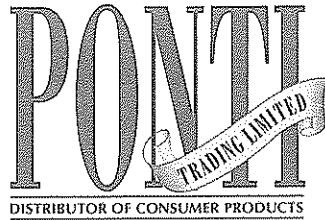
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(established since 1994)

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been held with fervent attendance. Memorandums of cooperation were signed between Hong Kong and key wine producing countries. Ultimately, all this have created countless business transactions that benefit the Hong Kong economy directly through creating thousands of new jobs. This is all the more important in an advance economy that is non-manufacturing based, such as Hong Kong.

HKTDC's role should not be simply seen as just a facilitator that provides the hardware, being the physical exhibition hall, which can be replicated easily. The essence lies in the human asset, the cumulative experiences and know-how of its people, their research, their market intelligence and connections from its 40 or so offices around the world that allow it to successfully spearhead and to facilitate new growth industries that benefit Hong Kong's economic well-being. This is what a quasi-Government body like HKTDC has been rightly doing, no different from many other trade promotion bodies in other countries around the world.

If we are NOT to exempt HKTDC from the competition law, it would hamper its ability to facilitate and help develop new trade opportunities for Hong Kong. It could even undermine the Government's long-term policies to develop new opportunities that are beneficial to the Hong Kong on a community-wide basis and to maintain Hong Kong's international competitive edge.

After all, most profit-orientated businesses are set-up to make money. As a result, it is un-natural and rare that a profit-orientated business will rank the objectives of developing an overall industry for the government and community as foremost in their business planning and even more unlikely that they will target their profit and loss on a break-even basis only. These companies have very different mandates compared to the HKTDC. Thus, HKTDC is not just any other registered organisation on the street and should not be considered as such under the competition bill.

As a non-profit statutory body established in 1966 to promote trade, HK Trade Development Council has been and will continue to play a pivotal role in Hong Kong's economic development.

HK Trade Development Council is a facilitator to enhancing Hong Kong's economy for the good of Hong Kong. We will harm ourselves by creating obstacles in its path.

With warm regards
Ponti Trading Ltd

A handwritten signature in black ink, appearing to read "Antonio Koo".

Antonio Koo
Managing Director

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