

Alternative Investment Management Association

23 December 2011

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

Re: Hong Kong Trade Development Council (“HKTDC”) to maintain its status quo

I am writing to express our support for HKTDC's position to pursue its public service mission in its existing modus operandi, as laid down in the Hong Kong Trade Development Council Ordinance 1966.

The Alternative Investment Management Association Limited (AIMA) is the global trade association for the alternative investment industry. The Hong Kong Branch was established in 1999 and we have over 160 company members in Hong Kong, representing thousands of individuals. According to the lastly SFC survey, hedge funds in Hong Kong manage US\$63.2 billion (as of 2010), up from \$9.1 billion in 2004. Therefore this is a fast growing industry which is a key pillar of the asset management industry- an industry which the HKSAR government is heavily promoting.

AIMA and some of its members have worked closely with HKTDC over the years, and we believe HKTDC has been extremely helpful in promoting the financial services industry in Hong Kong. The Financial Service Committee setup by the HKTDC is an effective forum to address policy-making and promotion issues related to our industry. The Asian Financial Forum is a roaring success which attracts high quality delegates to Hong Kong and further enhances Hong Kong's status as an international financial center. This is in addition to the many inbound and outbound delegations organized by the HKTDC which contribute significantly to the promotion of our industry. In particular there have been a number of high profile overseas delegations led by our Chief Executive which were extremely well organized but more importantly they are crucial in building relationships which various global markets which our industry depends on.

Given HKTDC's critical public service mission in promoting our industry (and many other industries), it would only make sense to exempt HKTDC from the competition bill. The exhibition operation is an integrated service offered by HKTDC, often in partnership with industry players, and therefore it should not be look at in isolation. HKTDC is in essence is an instrument of public sector policy implementation, and it would be wrong to compare HKTDC to private sector companies in the context of the Competition Bill. We are seriously concerned that including HKTDC in the Competition Bill will significantly impacts its ability to achieve its



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mission to promote various Hong Kong industries and services. This will have a negative impact on the Hong Kong economy. How can that be good for the people of Hong Kong?

Please feel free to contact me if you have any further questions about our position.

Yours sincerely,

Christophe Lee

Chairman

Alternative Investment Fund Management Association, Hong Kong Branch