

4th Jan, 2012

Clerk to Bills Committee on Competition Bill

Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Sir/Madam,

I am writing to express our support for the exemption of HKTDC from “Competition Bill”.

HKTDC has been working closely with all HK industries, running exhibitions, trade fairs, assisting brand building and promotion in China, conducting market researches and gathering related market and economic data etc. They provide a basket of vital services and there is no other private company providing similar services so comprehensively. I think TDC is able to do so because of their economies of scale. Synergy and cost efficiencies are enjoyed and passed along to us fellow industrialists. While some may see TDC earning handsome profit from organizing trade fairs and exhibitions, the expense on brand building and promotion, research, information gathering and support are also tremendous. Under the proposed Competition Bill, the lower charges for HKTDC services and promotional activities could be challenged as “predatory pricing” intended to stop private sector entities from offering similar services. Instead of bringing charges down, there is the possibility that HKTDC may be forced to increase our charges. If HKTDC is bounded by the Competition Law and forced to raise its charges, SMEs would have to bear the burden, just like in the case of the Links.

The HKTDC is set up by law to implement the government policy to promote trade and it has been proven effective and successful in helping SMEs. It is also the envy of many trade promotional organizations around the world. Any adverse changes to the HKTDC model would not just impact on the operations of the Council but most importantly, would undermine our usefulness to SMEs who are in need of assistance to help them face the upcoming challenges in the difficult times ahead. The proposed Competition Law only addresses the local context and cannot lay its hand on anti-competition behavior outside of the territory. Hong Kong has worked so hard to becoming a leader in exhibitions industry in the region, we should not let anything happen to undermine this position.

I would appreciate if LEGCO can re-consider the issue and exempt TDC from “Competition Bill”. We look forward to LEGCO’s sensible judgment and let TDC continue to support the local SMEs.



Thank you for your kind attention.

Yours faithfully,

Hung Man Ching, Alex
Managing Director
Crossover International Co. Ltd.