

January 5, 2012

CB(1)781/11-12(05)

Clerk to Bills Committee on Competition Bill

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

Dear Bills Committee:

I am writing on my own accord to support Hong Kong Trade Development Council (HKTDC) for being exempted from the Competition Bill.

HKTDC has played an instrumental role in promoting Hong Kong as an international trading platform to the overseas markets for many years. We have witnessed its development and success in helping SMEs in Hong Kong establish and expand their business throughout the world. It has never failed to impress Hong Kong and overseas with their high level of professionalism in what they are committed to achieve, which is why I take the greatest pleasure to voice out my support with arguments being as follows:

1. HKTDC was established as a statutory body under the public sector policy implementation. It is partially funded by subvention from the Hong Kong Government. While the Competition Bill is designed to address competition among profit-making companies in the private sector.
2. HKTDC has been running for 45 years promoting Hong Kong's trade and helping SMEs to develop their business. The operation itself is never based on a profit-making purpose. The charges of its services and activities are often lower than private companies and any surplus gained is re-invested for future events.
3. If HKTDC enters into a regulation relationship with the Competition Law, it will be challenged as "predatory pricing" against private entities. Under such circumstances, it is highly possible that HKTDC will be forced to increase charges, which will generate burdens to the SMEs that they offer services to.
4. HKTDC has been proven to be an effective platform for many

industries in Hong Kong. In most major and emerging industries, exporters are counting on HKTDC's trade fairs to exhibit their products to buyers from all over the world. A large percentage of their new orders comes from these fairs organized by HKTDC. It is always HKTDC's best interest to strive for more business opportunities for Hong Kong SMEs.

5. The HKTDC database is a powerful tool and yet expensive to maintain. It has now contained about 5 million business contacts around the world. The information has been useful to overseas buyers to source their desired products and find the ideal suppliers. The Competition Law might be used to oppose the access to this resource and cause data "spamming" issues.

6. HKTDC has never meant to enter any competition with the private sector. Its unique goal is to serve local SMEs and promote Hong Kong's trade development. The Competition Law will make an impact on its operations, increasing unnecessary administrative burdens that compromise its service quality.

7. HKTDC's operation model has proven to be successful for 45 years and it will continue to excel on its own course. It has set an example to those similar organizations around the world. Entering into regulation by the Competition Law means more restraints and limitations to its functionality. If there is anything we should do, we should support it, protect it and provide it with an open, flexible and friendly environment to grow. Because the ultimate beneficiary will not be HKTDC itself, but rather the local SMEs, which are considered the pillars of the Hong Kong's economy.

I appreciate your considerations on my arguments above. I would be most pleased if you find them convincing and important to your decision making. If you need any additional information, please feel free to contact me at () .

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