

By Email

31 January, 2012

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

Dear Sir / Madam,

**Supporting the Hong Kong Trade Development Council
to be exempted from Competition Bill**

As a non-profit making trade association committing to safeguarding the interests and progressing the business opportunities of its member exporters, The Hong Kong Exporters' Association (HKEA) has been working closely with The Hong Kong Trade Development Council (HKTDC) in every efforts to help Hong Kong exporters to expand their business through exhibitions, delegations, seminars and other marketing channels. The contributions of HKTDC are of undeniable and vital importance to Hong Kong's trade development. I am therefore writing to support The HKTDC to be exempted from the Competition Bill.

To promote Hong Kong's gifts industry, The HKEA has co-organized the Hong Kong Gifts & Premium Fair with HKTDC over the past 26 years. The Fair has now grown to the world's largest event of its kind and attracted thousands of buyers from the world every year. As a support to Hong Kong SMEs to develop their business, the participation fee for exhibitors is lower than other fairs organized by private fair organizers and is also lower for Hong Kong SMEs than the mainland and overseas participants.

The scale, quality and reputation of the fair and other fairs organized by HKTDC were not built within one day. It is hardly to imagine if, HKTDC is bounded by the Competition Law which will force it to raise its charges for local companies who can no longer be benefitted, and would be unable to bear the burden and finally give up the opportunity to meet international buyers in the world-class trade fairs in Hong Kong. As such, the competitive edge of Hong Kong SMEs will be crippled. So will Hong Kong trade.

In addition to exhibitions, HKTDC organized trade delegations with the surplus from trade fairs to the new emerging markets, acting as a channel for SMEs to conduct market study, gain market exposure, establish contacts and increase sales. In the past few years, The HKEA joined hands with HKTDC to lead several delegations to the emerging Malaysia and Indonesia of ASEAN as well as to the niche wine markets in Spain, Portugal and Italy. All of these delegations were well-received and useful for SMEs to explore opportunities to make up for the loss from traditional markets.

The HKTDC also organized many other seminars and workshops to keep the SMEs abreast of latest market trends and international regulations. We know that HKTDC supports these market promotion activities and services by the surplus from trade fairs. A cutback in any one of them will make the whole set of comprehensive services incomplete for the sustainability and development of Hong Kong trade.

The accusation against HKTDC for monopolizing Hong Kong exhibition industry is too narrow. There is no entry barrier and HKTDC's trade fairs, mainly organized with other trade associations, only account for a minor proportion of all the fairs in Hong Kong. The mission and statutory status of HKTDC to promote Hong Kong's trade and help Hong Kong's SMEs will only drive them to organize more and better trade fairs for different industries. On the contrary, the private fair organizers' main concern is profit only that they would relocate the fairs to other regions when the profit earned from Hong Kong is less attractive, or further lift the participation fee for their interests. It is obvious to keep HKTDC exempted from the Competition Bill for the interest of Hong Kong at large.

The HKEA therefore urges your Committee to exempt HKTDC from the Competition Bill, so as to allow HKTDC to accomplish its mission to the fullest and to tide Hong Kong SMEs and export trade over the economic uncertainties throughout this year.

Yours sincerely,



Tom Tang
Chairman

The Hong Kong Exporters' Association