



7 April 2010

To: The Panel on Commerce and Industry, c/o the Panel Clerk

Thank you for providing this opportunity to submit our views on the subject.

Crown Wine Cellars Limited is widely acknowledged as the first company to heed our Governments call back in June 2000 to create professional Fine Wine Cellars in Hong Kong. This came about when at a HKTDC organized conference, Yvonne Choi on behalf of the then FS, Donald Tsang, proposed that Hong Kong could become the wine trading and storage centre of Asia, and that companies should consider using our heritage sites as possible storage locations.

Since then, CWC has gained recognition as a world leader in the area of wine storage, and we have been proud to be at the fore-front of Hong Kong's accession to the position of Asia's de facto wine trading centre.

Throughout this decade-long process our company, along with many others of Hong Kong origin, has worked closely with key Government Departments such as CEDB to create the best possible platform for the above scenario to develop, for the direct benefit of our local SMEs.

HKTDC has been an integral component of this process, not just over the past 2 years when anything to do with wine has become obviously popular, but also as far back as 10 years ago when many in HK (and internationally) dismissed such aspirations as fanciful and simply not possible.

Much of the reason why so much praise is being heaped on HK for its excellent planning ability and fore-sight comes down to the fact that our Government and TDC were willing to listen during these early stages and to walk hand-in-hand with the industry.

It is important to stress just how big an uphill struggle the local wine industry faced at that time, not just because of the wine duty issue, but also because certain international elements were intent on not letting HK develop into Asia's wine trading hub. Such a development would inevitably take business away from these competing countries and hence it was down to Hong Kong to help itself in the face of some aggressive anti-HK lobbying.

It is at times like this that HK performs at its best. There was universal and continuous pressure on the HKTDC from local SMEs for the introduction of an international wine show to rival the likes of the "London Wine & Spirits Show". It was therefore gratifying that, with typical HK efficiency and responsiveness, the HKTDC was able to announce such a show so soon after the announcement of zero duty on wine. Up to this point, not a

single organization had shown any interest whatsoever in assisting HK to develop its wine exhibition industry, and by implication, support its wine trading centre aspiration and its SMEs.

The timing of the first show was not ideal but was accepted given that the TDC could only plan for the same after the zero tax announcement had been made. Since then, the TDC has taken every possible opportunity to consult, support and work with local SMEs to ensure that the success of the show directly benefits the very organizations that requested it in the first place. Moreover, all steps to link with other internationally recognized institutions have also only taken place after hearing the views of the local industry. This has contributed to almost immediate international recognition and praise for the Hong Kong Wine and Spirits Show as an integral part of our Asian Wine Centre status.

This excellent service delivery, organization, and planning has all taken place while keeping costs low and by placing our SMEs first. As such, hundreds of local companies and literally tens of thousands of Hong Kong employees have benefited from this arrangement.

Personally this is what I believe organizations such as the TDC were originally designed to do and exactly how they should operate - in short, a Hong Kong funded organization performing to primarily assist and serve Hong Kong, its SMEs and ultimately its workers.

In closing, Asia's wine market (ex-Hong Kong) is largely in its infancy and its future growth potential is genuinely substantial. This potential has been identified by almost every wine producing country, wine promotion organization, merchant company and individual winery. By implication, Hong Kong can quite conceivably sustain more than one international wine show and would arguably even benefit from such a situation.

Thank you for taking the time to read this submission.

Yours sincerely,

Gregory De 'Eb