

LegCo Speech

Apr 20, 2010

Chairman, Councillors and my fellow Hong Kong citizens.

My name is Merle Hinrichs, I'm the Chairman and CEO of Global Sources, a global trade show organizer.

I have two concerns:

Can investors trust commitments made by the Hong Kong government?

Second, is the government prepared to allow the TDC to jeopardize government commitments and investments?

In 2003, we were invited by Invest Hong Kong to tender for operating exhibitions at AsiaWorld-Expo.

After lengthy discussions and the Government's commitment to invest HK\$2 billion in a purpose-built state-of-the-art exhibition and a letter of guarantee shown to us stating that no further exhibition space would be built in Hong Kong until the second phase of AWE was completed we were convinced to proceed.

However we expressed our concerns that:

- 1) The TDC would object and use their powers to disrupt AWE's success, and
- 2) The TDC and CEC would try to expand the exhibition space at CEC .

Again, we received the strongest assurances that the government was determined to make a CHANGE.

As a result, we invested HK\$312 million and we proved that AWE can succeed.

However, the announcement of the "Atrium Link" at CEC, directly impacted our business.

Exhibitors were encouraged by the TDC to switch to CEC on the basis of convenience. The switch did not of course bring more business to Hong Kong. The benefit was solely to the TDC. And a loss to us, AWE, and the exhibition industry of Hong Kong.

If CEC 3 goes ahead, the government's \$2 billion investment AWE will be totally lost.

The question I posed at the beginning was can I trust you? Can I trust you, the representatives of the Hong Kong government, in honoring commitments this government has made? [Please turn to the CEDB chief Rita Lau, look at her and her staff, and ask this question.]

My second question is whether the government is prepared to allow the TDC to jeopardize government investments?

The TDC conveniently and opportunistically decides when to present themselves as a government representative, and/or when to behave like an aggressive private company. Suggesting that they do not compete with the private sector is a joke.

They target our exhibitors with offers of lower rates and priority locations if they "jump ship" to the TDC. They copy shows which we have spent years developing.

In conclusion:

We have lost trust, and are asking the government to immediately redress this problem. The taxpayers deserve no less.

And we call on the government and this Council to take a firm stand on the TDC. Get it under control, rather than allowing the unmanaged, unaudited and unfettered, TDC to do as it wishes for its own financial gain.

If this is not done AWE, and private exhibition organizers will fail; investors like ourselves will go elsewhere; the TDC will further increase its monopoly.

You decide!

Ends