



The Hong Kong E&M Contractors' Association Limited
香港機電工程師協會有限公司

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Clerk to Bills Committee
 Bills Committee on Competition Bill
 Legislative Council Secretariat
 Legislative Council Complex
 1 Legislative Council Road
 Central
 Hong Kong

Dear Sirs

COMPETITION BILL

The Association agree indeed applause Government's Competition Policy particularly the strategy towards Business to Consumer.

However the Association has reservation about its strategy towards Business to Business particularly the business between weak "lower tier entities" and strong "upper tier entities" for example between contractors and Government and equivalents.

The business process in our industry is that the "upper tier entities" issue instructions to contractors to tender dictating terms and conditions normally harsh. Most of the time conduct post tender negotiations known as Dutch auction which is absolutely unfair.

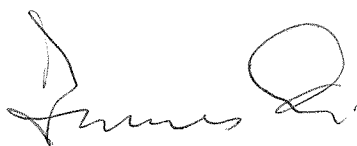
The Association agree price fixing, bid rigging etc should be prohibited but activities through trade associations such as our Association to discuss and lobby for healthy, practical and reasonable terms and conditions which are to be made know to all members and tenderers should be allowed indeed encouraged to continue.

Without delving into more detailed areas of concerns and in the context of the Bill, we suggest waivers should be given to :

- Collective negotiation of contract terms such as payment, extension of time etc
- Discussion of collective market information – including commercial terms, labour benchmarking etc
- Discussion of consultation survey which includes commercial terms.

Furthermore the Business to Business strategy should be progressively built up in 2 to 3 stages up for educating businesses particularly SME's and ensure sustainability.

Yours faithfully

A handwritten signature in black ink, appearing to read 'James Chiu'. The signature is fluid and cursive, with a large, prominent loop at the end.

James Chiu
Hon Secretary

Copy to :
Mr Abraham Shek – Legco
Mr C K Tsang – President, HKEMCA
All HKEMCA Council Members