



*Hong Kong*

20<sup>th</sup> December 2011

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

To whom it may concern,

I am writing in support of the HKTDC (TDC) being exempted from the "Competition Bill" and therefore urge the Bills Committee to reconsider the TDC's inclusion.

Throughout my association with the TDC dating back to the 1990's when I was a diplomat representing a foreign country, through to my current role as one of Hong Kong's foundation members of the wine industry, the TDC has always resolutely served its role as a semi-official organisation with a clearly mandated statutory responsibility to promote Hong Kong's SMEs.

As a non-profit organisation, the TDC falls into a different category from any other comparable "business". The very fact that many of their services offered to assist and promote SMEs are in turn partly funded by the surplus earned from trade fairs and Government subvention, appears to run contradictory to the proposal that they fall under the competition law. Clearly the TDC will not be able to render the same level of service if part of its major business, such as organizing exhibitions, is hampered for the sake of encouraging competition.

The TDC has a 45 year long track record of doing exactly what it was designed to do by allowing our SMEs to flourish in the international arena. The fees charged by the TDC are usually lower than those charged by the private sector and should they make any profit, this is re-invested into those sub-sectors that would otherwise run at a loss. It defies logic to open this semi-official, Government supported trade promotion organisation to compete directly with the private sector. This could in all likelihood result in their fees being raised in order to compensate the loss of revenue or loss of business. This would in turn negatively impact on the very SMEs that they are currently assisting so successfully while also requiring greater Government subvention.

Owing to the TDC's "special entity" status, they are able to draw VIP support from district government, officials, and local enterprises when doing overseas trade shows. I was personally able to experience this when still serving in the Foreign Service. This "official" recognition in the international arena also allows the TDC to provide exceptional publicity, ad and media exposure as well as a high level of official reception at their trade shows and exhibitions. This simply cannot be replicated by private companies.

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Irrespective of the above issues, the TDC only runs around 30% of all the trade shows held in Hong Kong each year. This would appear to contradict claims that the inclusion of the TDC in the Competition Bill is necessary in order to permit the improvement and growth of trade fairs and exhibitions locally. Given that the TDC provides such a wide variety of essential services over and above trade fairs and exhibitions including study missions, seminars, assisting brand building and promotion in China, conducting market research, gathering related market and economic data etc., it would seem that their trade fair and exhibition market share is not excessive and is being put to good use.

In closing, let us not hamper one of Hong Kong's most successful inventions that is widely considered to be the best of its kind internationally, and which is regularly studied by foreign Governments as the ideal model to replicate in their own countries. The TDC works as a semi-official trade promotion organisation and currently does exactly what it was designed to do by supporting and assisting our SME's. Let us not tamper with a winning formula.

Yours sincerely

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