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GOLDRIDE SECURITIES LIMITED

Member of the Stock Exchange of Hong Kong Limited

The Hon Andrew Leung Kwan-yuen, GBS, JP
Chairman, Bills Committee on Competition Bill

Legislative Council Secretariat
Legislative Council Building
1 Legislative Council Road, Hong Kong

20 January 2012

Dear Sir,

Competition Bill

I am writing to support exempting the HKTDC from the Competition Bill. I have worked closely with the HKTDC in promoting the financial services sector overseas over the years and I have come to believe that the role of the HKTDC is indispensable for the future development of HK.

Many SME's have benefitted from the work of the HKTDC. In the past, most of these have been in the manufacturing and trading sectors. However, HKTDC has seen the changes to the economic landscape in HK and has begun to promote the financial services sector overseas.

HK thrives on being a free economy and the role of SME's cannot be underestimated. This is as true for the financial services sector now as it was for the trading and manufacturing sectors in the past. The crux of the matter is that SME's (manufacturing, trading, or financial) do not have the resources to develop overseas markets and HKTDC plays an important role in bringing local providers and overseas buyers together. I have personally benefitted from the help that HKTDC has provided and have been able to access several markets which would not have been possible otherwise.

Specifically, I would like to point out the following in support of exempting HKTDC from the Competition Bill.

Public Service Mission

HKTDC is a statutory body responsible for the promotion trade. HKTDC is not a for profit business and therefore I believe that the Competition Bill should not apply. The position is similar to that between the Police versus private security companies, the Hospital Authority versus private hospital, the Education Department versus private schools and MTR versus taxi

and minibus. The Competition Bill is designed to address competition among profit-making companies in the private sector, not the public sector.

Support for SMEs

HKTDC has supported SME's which would not have been able to afford the fees and charges of private fair organizers. It is fair to say that without the HKTDC the SME's would not have been able to participate in fairs and promote their businesses. This is not a case of HKTDC competing with private sector.

I understand that as a non-profit making organisation, any surplus is re-invested in the fairs allowing for lower prices and further enhancement of quality. HKTDC also invests in trade fairs for emerging or niche industries where private fair organisers are not willing to invest.

National Interests

As private trade fair organisers operate for profits, they may take a fair out of Hong Kong and relocate it (to say Macau, Singapore) if there are attractive incentives for them to do so. If that happens, Hong Kong's economy would be adversely affected as SMEs rely heavily on these shows to get orders and may not be able to afford to exhibit elsewhere. So HK loses twice, we lose the boost to the economy from overseas fair attendees (hotels, transportation, entertainment, etc.) and HK SME's lose the business that they would have been able to do. HKTDC is a statutory body with a mandate to promote Hong Kong's trade and help local companies especially SMEs. Therefore, HKTDC trade fairs are based in Hong Kong and are here to stay.

Frivolous Litigation

HKTDC provides an integrated service to HK industries. If the Competition Law applies to HKTDC, it would impact the entire operations. It would also attract endless complaints, encourage litigation and require considerable administrative and accounting work in anticipation of legal challenges under the Law. The loser will be HK industries.

HK has successfully navigated many changes in the international economic environment, making successful transition from manufacturing to trading to financial services. HKTDC has contributed enormously to this success and there is no reason to change a successful model. Therefore, HKTDC should be exempted from the Competition Bill and allowed to continue to assist HK enterprises in promoting our goods and services overseas.

Very truly yours,



Anthony ESPINA

Managing Director