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To competition@edlb.gov.hk

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Subject Advice from a HK citizen

Urgent

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Dear Sirs,

I would like to express my own opinions on the Competition Policy now is under consideration process. I think we need to take micro and macro perspectives on the "Competition" situation. As Hong Kong need to improve in its competitive advantages among the other economic developing countries and regions such as Singapore, Taiwan, and so on. It is the macro perspective, which can be fulfilled by improving our productivity, economic attraction, financial situation, etc.

From the micro perspective, I agree very much on the Consultation Paper which mentioned the need on Competition Policy and it shall be enforced by Law, to protect the trades in Hong Kong from improper acts from the business enterprises to the customers. However, several considerations are under my concern:

1. The price dissipation - from economic point of view, companies to increase their competitiveness will lower their prices to bid, in extreme cases, prices may be lower than reasonable amounts or even lower than their required costs to attract customers. It will lead to firstly, bad competitive situation so that companies without sufficient financial support may face problems. Secondly, poor quality products, as this price dissipation does not occur in large enterprise to dominate the market, but it also happens in small contracting companies to bid big projects. For example, reputable companies bidding projects cannot be in prices lower than their required costs, but small contractors can do. That's why there have been so many low quality buildings since the previous years in Hong Kong as the developers and property owners looked for the lowest bidders and suppliers but ignored the necessary quality for their products. My opinion is that the policy shall be suitable for different profession to protect not only the small companies but also the reputable business runners to maintain high quality as well as reasonable price (not simply as low price as possible, the fact is: our economy is still lead by tycoons but not small-medium businesses. Forced low price may cause impact / collapse of a trade or even the society: referred to the \$85,000 Housing Policy case).

2. Transparency on information - suppliers or companies can proceed improper tricks on business because their customers have no or not enough information on what they are buying. True, honest and sufficient information are very important for the customers' decisions. It shall be a recommendable idea for Government to have third party monitoring and informative bodies to provide good advice to customers for suggestions.

I sincerely hope the above can express some advices to the Consultation Board for considerations, as a Hong Kong citizen to give my own idea on the coming Policy.

Wish every success and look forward to build a better place for out living.

Best regards