



Economic Development Branch (Division A)  
Economic and Labour Bureau  
2/F Main Wing  
Central Government Offices  
Lower Albert Road  
Central  
Hong Kong

By Email: [competition@edlb.gov.hk](mailto:competition@edlb.gov.hk)

1<sup>st</sup> February, 2007

Dear Sir/Madam,

**Re: Competition Policy in Hong Kong**

We would like to express our views on the consultation paper "Promoting Competition – Maintaining our Economic Drive" that the Hong Kong SAR Government issued in November 2006.

We feel so fortunate to be in Hong Kong – the freest economy in the world. The economic non-intervention policy has benefited small and medium enterprises like us since we have had the freedom to develop our business.

When we heard that the government considers introducing a competition law in Hong Kong regulating such behaviour as price-fixing, we are worried and do not understand why we would need such a law. Sometimes when a number of suppliers offer the same price, it is because of the market situation. It may not be due to any conspiracy among the suppliers in fixing the price. The market is the best regulator rather than any complex law.

Compliance with the law would bring additional costs, such as consulting legal advisors to explain to us the complicated regulations or filing documents with the relevant authorities. Big corporations that can afford teams of top lawyers may use the competition law to go against us and initiate lengthy and costly hearings or lawsuits. Such costs would be passed to the customers and may make us less competitive.

If there would be changes to the current economic freedom policy with a competition law introduced, we are afraid that there may be harmful effects not just on us and other businesses but also on Hong Kong's economy as a whole.

We strongly urge the government to withdraw its proposal to introduce a competition law. Thank you for your attention.

Yours sincerely,

  
James Lam  
Chief Executive Officer  
Shinetown Telecommunication Limited

