

**LegCo Panel On Commerce and Industry
Meeting on 12 February 2001**

**Item IV: Provision of Additional Convention
and Exhibition Facilities in Hong Kong**

Introduction

This paper informs Members of the Administration's assessment on the requirements for additional convention and exhibition facilities in Hong Kong and the preliminary options for construction of such facilities.

Hong Kong as a Trade Fair Capital

2. Hong Kong is one of the most popular cities in Asia for conventions and exhibitions. Almost 600 conventions, exhibitions and corporate meetings were hosted in Hong Kong in 1999, attracting some 211,000 overseas visitors and 49,500 foreign participants to these events. We offer the international business community a diverse range of convention and exhibition sites, including the world-class Hong Kong Convention and Exhibition Centre (HKCEC), the adjacent Hong Kong Exhibition Centre and the Hong Kong International Trade & Exhibition Centre in Kowloon Bay. Many hotels also offer top-class venues for smaller or speciality events.

3. In January 1998, the Economic Services Bureau (ESB) commissioned a consultancy study to consider the case for providing additional convention and exhibition facilities in Hong Kong. The consultancy study, completed in late 1999, concluded that there would be a need for an exhibition-based multi-purpose facility by 2005-06, with a usable area of about 51,000 square metres. The consultant also took the view that Chek Lap Kok would be a suitable location for building such a facility.

Preliminary Options for Construction of Additional Convention and Exhibition Facilities

Potential Exhibition-based Facility at Chek Lap Kok

4. The report of ESB's consultancy had been referred to the Airport Authority (AA) for further consideration in the context of the latter's consultancy

study on the land use of the Airport North Commercial District. The AA consultancy study, completed in December 2000, proposed, among others, the development of an exhibition facility in the northern area of the airport. This proposal is being coordinated with the AA's Strategic Overview of Major Airport Development (SOMAD) Study. This latter study aims at devising a development plan and prioritising the strategic options for major developments at the airport, including the proposed exhibition facility. The SOMAD Study is scheduled for completion in the third quarter of 2001.

Possible Expansion of Existing HKCEC

5. Since the completion of its Extension in 1997, convention and exhibition business of the HKCEC has recorded steady growth and the overall occupancy of HKCEC has risen from 40% in 1998 to 51% in 2000. Based on bookings in hand and the HKCEC Operator's projections on future demand for exhibition space, the demand for exhibition space in HKCEC in peak months is expected to reach saturation by 2007. The Hong Kong Trade Development Council (HKTDC) has recently commissioned a preliminary study to explore the option of building an underground extension to the east of HKCEC Extension. It has also requested that such an option be included in the Outline Zoning Plan for the Wan Chai Development Phase II. Such an extension, if implemented, would provide an additional 22,000 square metres of exhibition space.

6. The Government appreciates TDC's foresight in this latest initiative but it has not taken any position yet on the need for such an extension and related arrangements.

Conclusion

7. We will continue to liaise closely with the AA and HKTDC to see how their proposals should be taken forward. We will also maintain dialogue with members of the convention and exhibition industry regarding the development of the industry.