

立法會
Legislative Council

LC Paper No. CB(1)836/03-04

(These minutes have been seen by
the Administration and the Hong
Kong Trade Development Council)

Ref : CB1/PL/CI/1

Panel on Commerce and Industry

**Minutes of meeting
held on Monday, 8 December 2003, at 4:30 pm
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Kenneth TING Woo-shou, JP (Chairman)
Hon HUI Cheung-ching, JP (Deputy Chairman)
Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, JP
Hon Henry WU King-cheong, BBS, JP
Hon MA Fung-kwok, JP
- Members absent** : Dr Hon LUI Ming-wah, JP
Hon NG Leung-sing, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai
- Public officers attending** : **Item IV**

Miss Denise YUE, JP
Permanent Secretary for Commerce, Industry and
Technology (Commerce and Industry)

Miss Clara TANG
Principal Assistant Secretary for Commerce, Industry
and Technology (Commerce and Industry)

Mr Michael SZE
Executive Director,
Hong Kong Trade Development Council

Mr Benjamin CHAU
Director for Exhibitions,
Hong Kong Trade Development Council

Mr Lawrence YAU
Manager for Communication,
Hong Kong Trade Development Council

Clerk in attendance : Miss Polly YEUNG
Chief Assistant Secretary (1)3

Staff in attendance : Mr TSANG Siu-cheung
Senior Assistant Secretary (1)7

Miss Chris LAM
Clerical Assistant (1)2

Action

I Confirmation of minutes

(LC Paper No. CB(1)430/03-04	-- Minutes of meeting held on 13 October 2003
LC Paper No. CB(1)494/03-04	-- Minutes of meeting held on 10 November 2003)

Mr Henry WU proposed a minor amendment to paragraph 23 of the minutes of meeting held on 13 October 2003 which were tabled at the meeting for members' information. Members accepted Mr WU's amendment and confirmed the minutes of the meetings held on 13 October and 10 November 2003.

(Post-meeting note: The revised and confirmed minutes of the Panel meeting held on 13 October 2003 were issued on 9 December 2003 for members' information.)

II Date and items for discussion for next meeting

(LC Paper No. CB(1)431/03-04(01)	-- List of outstanding items for discussion
LC Paper No. CB(1)431/03-04(02)	-- List of follow-up actions)

2. The Chairman informed members that the next Panel meeting was originally scheduled for Monday, 12 January 2004 at 4:30 pm. However, to avoid a clash with an additional hearing in January 2004 recently decided by the Select Committee to inquire into the handling of the Severe Acute Respiratory Syndrome outbreak by the Government and the Hospital Authority, the Chairman considered that the next Panel meeting should be re-scheduled. After consultation, members agreed in principle to reserve the following two meeting time-slots:

- (a) Wednesday, 14 January 2004, from 10:45 am to 11:45 am; and
- (b) Monday, 19 January 2004, from 2:30 pm to 4:30 pm.

Subject to separate arrangements to be worked out by the Secretariat with the Administration, members agreed that time-slot (a) would be used for holding the Policy Briefing on the 2004 Policy Address while time-slot (b) would be reserved for the Panel's re-scheduled regular meeting for January 2004.

(Post-meeting note: Members were informed of the above arrangements vide LC Paper CB(1) 565/03-04.)

3. The Chairman advised that the Secretariat would liaise with the Administration on the proposed discussion items for the next meeting in due course. Upon confirmation of the details of the Panel meeting and the Policy Briefing, members would be informed of the meeting arrangements as soon as practicable.

4. Mr CHAN Kam-lam and Mr HUI Cheung-ching considered that if the Administration did not have any urgent items for the Panel's consideration in January 2004, it might not be necessary for the Panel to hold the regular meeting for January 2004. Members agreed to the arrangement.

III Information paper issued since last meeting

5. Members noted that no information paper had been issued since the last meeting.

IV Policy and role of the Trade Development Council (TDC) in organizing trade fairs/exhibitions

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| (LC Paper No. CB(1)431/03-04(03) | -- | Information paper provided by the Administration/TDC |
| LC Paper No. CB(1)429/03-04(01) | -- | Letter dated 8 October 2003 from Kenfair International Limited addressed to the Panel Chairman and copied to other Panel members (English version only) |
| LC Paper No. CB(1)429/03-04(02) | -- | Letter dated 2 October 2003 from the Executive Director, TDC to Hon SIN Chung-kai and copied to other Panel members (Chinese version only) |
| LC Paper No. CB(1)398/03-04(01) | -- | Letter dated 20 November 2003 from the Administration to the Panel Clerk) |

Submissions from the following organizations

Hong Kong Exporters' Association
LC Paper No. CB(1)429/03-04(03) (English version only)

Hong Kong General Chamber of Commerce
LC Paper No. CB(1)486/03-04(01) (English version only)

Hong Kong Optical Manufacturers Association Ltd.
LC Paper No. CB(1)486/03-04(02) (Chinese version only)

Hong Kong Jewellers' and Goldsmiths' Association Ltd.
LC Paper No. CB(1)486/03-04(03) (Chinese version only)

Hong Kong Electronic Industries Association Ltd.
LC Paper No. CB(1)486/03-04(04)

Federation of Hong Kong Industries
LC Paper No. CB(1)486/03-04(05) (English version only)

Hong Kong Watch Manufacturers Association Ltd.
LC Paper No. CB(1)486/03-04(06) (Chinese version only)

The Federation of Hong Kong Watch Trades and Industries Ltd.
LC Paper No. CB(1)486/03-04(07) (Chinese version only)

The Chinese General Chamber of Commerce
LC Paper No. CB(1)431/03-04(04) (Chinese version only)

The Chinese Manufacturers' Association of Hong Kong
LC Paper No. CB(1)431/03-04(05) (English version only)

Other relevant papers

Recent Questions and replies at Council meetings

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| (LC Paper No. CB(1)429/03-04(04)) | -- | Question raised by Hon CHAN Kam-lam on "TDC's Staging of Summer Sourcing Fair" at the Council meeting on 29 October 2003 and the Administration's reply |
| LC Paper No. CB(1)429/03-04(05) | -- | Question raised by Hon CHAN Yuen-han on "Researches commissioned and exhibitions organized by TDC" at the Council meeting on 12 November 2003 and the Administration's reply |

LC Paper No. CB(1)429/03-04(06) -- Question raised by Hon James TIEN Pei-chun on “Priority accorded by TDC to traders who have participated in previous related exhibitions to join the Hong Kong Gifts & Premium Fair” at the Council meeting on 19 November 2003 and the Administration’s reply)

Previous papers and minutes of meeting for the Panel meeting of 8 June 2000

(LC Paper No. CB(1)1762/99-00(03) -- Information paper provided by the Administration on “Policy and charging arrangement of TDC in the organization of trade exhibition”

LC Paper No. CB(1)2114/99-00 -- Extract of minutes of meeting of the Panel on Trade and Industry held on 8 June 2000

LC Paper No. CB(1)1813/99-00(01) -- Position paper from Hong Kong Exhibition & Convention Organisers’ and Suppliers’ Association (HKECOSA) regarding the Government’s policy and mandate for TDC

LC Paper No. CB(1)1813/99-00(02) -- Response from TDC on HKECOSA’s position paper (Chinese version only))

6. The Chairman briefed members on the background of the agenda item. In view of the letter dated 8 October 2003 from Kenfair International Limited (Kenfair) to Panel members complaining that TDC competed with the private sector in the business of organizing exhibitions, members agreed at the meeting of 13 October 2003 to invite representatives of the Administration and TDC to attend a future Panel meeting to discuss the policy and role of TDC in organizing trade fairs/exhibitions. The Chairman stressed that the purpose of the meeting was to discuss the policy and role of TDC in organizing large scale exhibition activities, rather than dealing with any particular case. Before the meeting, the Secretariat was informed that a consultancy firm had provided the Panel Chairman with a copy of a submission on behalf of Kenfair. With the concurrence of the Chairman and the consultancy firm, a copy of the submission was tabled at the meeting for members’ information.

(*Post-meeting note:* The copy of aforesaid submission provided by the consultancy firm was issued vide LC Paper No. CB(1) 555/03-04 on 9 December 2003 for members' reference.)

The stance of the Government

7. The Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry) (PSCIT) pointed out that the functions of TDC were to promote and assist the development of Hong Kong's external trade, including the trade in goods and services. Organizing large scale trade fairs was considered one of the most effective means to promote Hong Kong exports. As such, the Government of the Hong Kong Special Administrative Region (HKSARG) recognized the role of TDC in this respect. HKSARG noted that the exhibitions organized by TDC had all along been highly popular among local industries and small and medium enterprises (SMEs). Notwithstanding the complaint in question, she understood that a number of trade associations had written to the Panel recently expressing their support for TDC. HKSARG would continue to support TDC in its work of promoting the development of the local exhibition industry. PSCIT added that in order to facilitate the development of the local exhibition industry, HKSARG, the Airport Authority and a private joint venture had signed an agreement for the said private sector corporation to construct a new major exhibition centre at Chek Lap Kok. Moreover, as convention and exhibition services were one of the 18 services sectors to be liberalized under the Closer Economic Partnership Arrangement (CEPA), she believed that the liberalization measures relating to the trade in services would facilitate the business expansion of the local exhibition industry into the Mainland market. She further pointed out that under the "Campaign to re-launch Hong Kong's economy", HKSARG had also allocated resources to support the development of the local exhibition industry.

TDC's role, policy and exhibition participation fees

8. The Executive Director, Hong Kong Trade Development Council (ED/TDC) briefed members on TDC's functions as detailed in the information paper provided for the meeting. He stressed that trade fairs organized by the private sector were commercial activities and generally speaking, were profit-making in nature. On the contrary, the first and foremost consideration of TDC in organizing trade fairs lay in promoting Hong Kong's exports and developing Hong Kong into Asia's sourcing hub and trade fair capital, rather than making profit. He pointed out that since 1970, TDC had organized many large scale trade fairs for different industries. Local SMEs could meet buyers from all over the world and promote their products without having to leave Hong Kong. For those trade fairs which did not generate any profit, e.g. the Hong Kong International Film & TV Market and Hong Kong Information Infrastructure Expo & Conference, TDC had also been actively involved and taken up the preparation work concerned. ED/TDC pointed out that when major trade fairs were held, TDC would arrange related activities such as seminars and market researches to promote the themes of the trade fairs and to cater for the needs of exhibitors so as to achieve greater promotion.

9. As regards the fees charged on exhibitors by TDC for organizing exhibition activities, ED/TDC advised that the fees would be adjusted in the light of changes in the market to a level which was generally considered by exhibitors as affordable and reasonable. For instance, after the financial turmoil in 1997, TDC had taken the initiative to freeze the exhibition participation fees for three years. In 2001, the fees were further reduced by 3% to 22%. He added that in the course of promoting the development of the local exhibition industry, TDC played the role of striving for business opportunities for the private sector, rather than competing with the private sector for profit.

10. ED/TDC informed members that according to the survey conducted by TDC, local and overseas buyers had indicated that they would participate in the July fair as well as the fairs organized by TDC in April and October every year. The shortening of the product sourcing cycle throughout the world had made available sourcing and sales opportunities in summer which had not been fully tapped by local businesses and overseas buyers. Due to the outbreak of the Severe Acute Respiratory Syndrome (SARS), TDC organized a supplementary fair in July this year which turned the SARS crisis into an opportunity for local businesses to promote their products through the trade fair. Local businesses then recognized that July was also an ideal timing for promotional and sourcing activities. As such, TDC considered it appropriate to seize the opportunity to stage a trade fair to promote local products at this time of the year. Otherwise, the opportunities for Hong Kong businessmen to promote their products and receive orders, and the business travel receipts gained by various trades and industries from trade fairs staged in Hong Kong would otherwise be lost to neighbouring regions. Hong Kong's status as a trade fair capital would ultimately be undermined. He stressed that the real competitors facing the local exhibition industry were overseas exhibition organizers. As such, the industry should adopt a more macro perspective and actively explore ways to spearhead the development of the local exhibition industry amidst regional competition. As far as he understood, the trade fair organized by TDC in July this year did not have any negative impact on the trade fair organized by Kenfair in Las Vegas, United States in August and the one held in Hong Kong in October 2003.

Balancing the interests of TDC and the private sector in organizing exhibitions

11. Mr CHAN Kam-lam acknowledged TDC's contribution to the development of the local exhibition industry. Following the elimination of tariff as stipulated under CEPA, many Hong Kong products would be exported to the Mainland. Mr CHAN considered that in the next year or two, TDC would have to address the important subject of ways to open up the Mainland market for Hong Kong products through large scale exhibitions. In view of the considerable number of existing private companies engaged in exhibition business, Mr CHAN Kam-lam urged TDC to take into account these companies' interests when organizing exhibitions. Efforts should be made to strike a balance and avoid competing for profit with the private sector, thus allowing the private organizations concerned sufficient room for survival and development. Although many trade associations supported TDC in organizing large scale exhibitions, Mr CHAN suggested that TDC should consider contracting out the organization of some of its exhibitions to the private sector while assuming a

monitoring role itself. This could achieve a win-win situation under which the local exhibition industry could be widely promoted while the private sector could participate in its development.

12. ED/TDC thanked Mr CHAN's for his recognition of TDC's contribution to the development of the local exhibition industry over the past years. He reiterated that when staging trade fairs, TDC aimed at assisting Hong Kong companies, particularly SMEs, in promoting their products and services instead of making profit. In general, the exhibition participation fees would be in line with those of the market, and the affordability of exhibitors would also be taken into consideration so as to attract more exhibitors. Moreover, given that many large scale exhibitions were organized by TDC in conjunction with different trade associations as a co-organizer, joint organizer or collaborator, he believed that individual trade associations would also keep a close watch on the level of exhibition participation fees charged by TDC.

13. Regarding Mr CHAN's suggestion that TDC should contract out the organization of some trade fairs to the private sector while assuming a monitoring role itself, ED/TDC clarified that the relevant legislation did not confer on TDC any monitoring or overseeing function. Citing Singapore as an example, he pointed out that entrusting the organization of trade fairs to the private sector alone might not be conducive to developing Hong Kong into a trade fair capital. He said that Singapore currently had two major exhibition centres, which were located at the airport and the city centre respectively. Although the fees charged by the exhibition venue in Singapore's city centre were lower than those of the Hong Kong Convention and Exhibition Centre (HKCEC), the exhibition business in Singapore failed to flourish. This was mainly attributed to over-reliance on private sector exhibition companies, whose primary objective was making profit, for organizing exhibitions. If staging trade fairs in other places could generate more profit, private sector exhibition companies would likely relocate the venue of the trade fairs. At the same time, the private sector was often unwilling to be involved in organizing trade fairs which were unable to generate profits despite the demand of specific industries for such services. ED/TDC further advised that even when Hong Kong was facing difficult times, TDC was still actively committed to holding trade fairs so as to maximize business opportunities for Hong Kong and its trades and industries. For example, during the SARS outbreak in April 2003 when exhibitions in other places were cancelled one after another, TDC not only went ahead with the trade fair scheduled for April but also staged an additional trade fair in July the same year for the gifts, premium and houseware industries to promote the products and gain orders.

TDC's promotional efforts under CEPA

14. On Mr CHAN Kam-lam's suggestion that TDC should consider setting up additional offices in the Mainland, ED/TDC responded that at present TDC had 11 offices in the Mainland. These offices were actively involved in identifying more business opportunities under CEPA for Hong Kong businesses to gain access to the Mainland market. In fact, before CEPA was finalized, TDC had already conducted a lot of research studies on the situation of different industries

in the Mainland market. The findings of such research studies and analyses had been uploaded to TDC's website. ED/TDC advised that TDC had earmarked resources in its next annual budget to establish CEPA Business Service Centres in its offices in Beijing, Shanghai, Guangzhou and Hong Kong. It also planned to set up a CEPA Business Enquiry Hotline in the Mainland to handle enquiries about CEPA from enterprises operating in different provinces and municipalities in the Mainland. Matching services would be provided to the Mainland enterprises and companies in Hong Kong. He added that TDC organized a large scale CEPA Expo on 2 and 3 December 2003 which had attracted enterprises from over 40 Mainland provinces and municipalities as well as Hong Kong companies. According to statistics, about 26 000 SMEs had attended the Expo, participated in over 100 seminars and made use of the business matching services. He stressed that TDC would continue to allocate resources for promoting further development of the local exhibition industry within the framework of CEPA.

15. Mr CHAN Kam-lam was concerned about the implications of the complaint in question. In reply, ED/TDC remarked that the crux of the issue was related to the problem between two exhibition organizers and did not involve the entire exhibition industry. As to Mr CHAN's concern on whether the fairs held in July and October were too close to each other, ED/TDC advised that this was a matter of actual market demand. Given that the sourcing cycle of many products had been shortened, the interval between the two fairs was considered reasonable. He added that the fair held in April this year was the largest gifts and premium fair in Asia. Had there been no SARS outbreak, TDC might not have been able to meet the demand of all exhibitors. According to the number of applications received initially, there were over 1 000 exhibitors on the waiting list in April 2003 who could not take part in the fair. Despite some exhibitors' request for enlarging the exhibition areas, TDC was unable to make the necessary arrangement due to limitations of the venue. In the past, very few trade fairs were organized in Hong Kong in July although many trade fairs were held during this month in other places in the world. As such, there were untapped promotion and sourcing opportunities in July. In fact, the supplementary fair held by TDC in July 2003 had broken previous attendance record and attracted more than 62 000 buyers. He reiterated that notwithstanding such overwhelming response, the July fair had no negative impact on the fairs subsequently organized by Kenfair.

Collaboration between TDC and the private sector

16. Mr HUI Cheung-ching advised that at present, local SMEs could apply for financial assistance under the SME Funding Schemes to launch marketing and promotion activities. Participating in exhibition activities had been regarded as the main way for SMEs to gain orders. He was concerned how TDC would negotiate with private sector companies on organizing trade fairs on a cooperative basis, and suggested that TDC should provide opportunities as far as practicable for the private sector to participate in the organization of trade fairs. Moreover, Mr HUI was concerned about the reasons on why TDC and Kenfair had failed to reach an agreement on jointly organizing the trade fair.

17. In response, ED/TDC said that TDC adopted an open attitude as far as collaboration with the private sector in organizing trade fairs was concerned. He pointed out that in respect of the complaint, TDC had all along been willing to discuss with Kenfair to work out a mutually acceptable option. As to the reason for the subsequent withdrawal of Kenfair from the discussion, ED/TDC said that he was not aware of the reason but would not rule out commercial considerations. He stressed that TDC still maintained an open stance. Although discussion between the two parties on possible collaboration had come to a halt at this stage, ED/TDC said that TDC was willing and ready to resume negotiation with Kenfair if the latter so requested.

18. Mrs Selina CHOW declared interest as a TDC Council member. She noted that according to the information paper provided by the Administration and TDC, out of the 150 trade fairs held in HKCEC in 2002, only 20 were organized by TDC, accounting for only 13%. She considered that based on these figures, it appeared that the private sector had considerable room for development in the trade fair business. Since Kenfair was not satisfied with the exhibition arrangements made by TDC, Mrs Selina CHOW questioned why the company did not attend today's meeting to convey their views to the Panel.

19. The Chairman reiterated that the purpose of the meeting was to examine the relevant policy instead of discussing individual cases. He invited the Clerk to give an account of the background leading to this meeting. The Clerk explained that the item was proposed for discussion by a member at the Panel meeting held on 13 October 2003. Members had not suggested there and then that apart from the Government and TDC, other organizations should be invited to the meeting to present views. Nevertheless, the Secretariat was given to understand that Kenfair had issued a letter to all Panel members on 8 October 2003. Hence, after the Chairman had decided to include the item for discussion at this meeting, the Clerk notified Kenfair in writing on 27 November 2003. Thereafter, the company had not contacted the Secretariat or put up any other request. Meanwhile, the Secretariat had received a number of submissions from various trade associations on the subject matter a few days prior to the meeting. In this connection, the Clerk pointed out that if the Panel would like to receive views, it might need to consider inviting other organizations to the meeting as well. Mrs Selina CHOW and the Chairman agreed that based on the principle of fairness, if the Panel considered it necessary to receive views, it should also consider inviting other organizations to express their views as well.

20. PSCIT advised that whether TDC should continue organizing trade fairs would hinge on whether such activities were consistent with TDC's statutory functions and would contribute to the growth of Hong Kong's overall exports, in particular the export of goods and services. Regarding the complaint in question, the Administration considered it primarily a commercial issue involving two exhibition organizers. As such, it would not seek to intervene at the policy level. PSCIT reiterated that HKSARG supported TDC in organizing trade fairs to promote the further development of the local exhibition industry. Taking into consideration the current situation, the trade fairs organized by TDC did not amount to market monopolization. As pointed out in the Administration's reply to Miss CHAN Yuen-han's question raised at the Council

meeting on 12 November 2003, the exhibitions held by TDC in HKCEC over the past three years accounted for a very small percentage (i.e. about 13% to 20%) of the exhibitions held in Hong Kong. The percentage in 2003 was higher mainly because many exhibitions held by the private sector were cancelled due to the SARS outbreak in April this year.

Submissions from trade associations

21. Mr MA Fung-kwok was concerned that the submissions from various trade associations received by the Panel did not appear to have been sent directly to the Secretariat, and that the views expressed therein were broadly similar. He was concerned whether the submissions had been initiated by TDC with a view to fostering a positive image of itself. In response, ED/TDC said that as most of the trade associations which had presented views to the Panel were TDC's partners in developing the local exhibition industry, their support for TDC was understandable. Besides, the submissions had also been released to the press and the public. In this connection, The Clerk added that the submissions from the trade associations were addressed to the Panel Chairman, with most of them being copied to the Panel Clerk and to TDC which had also attached the submissions to its own paper.

Exhibition arrangements

22. Mr MA Fung-kwok said that according to certain hearsay information he was aware of, TDC had advised individual exhibitors that those who did not participate in the July fair this year would lose their right to take part in the April fair next year. Mr MA was concerned whether the rumour was substantiated and if yes, such a practice might exert undue pressure on exhibitors. In response, ED/TDC stressed that although the practice mentioned by Mr MA was very common in other places, TDC definitely would not compel exhibitors to take part in certain exhibitions as a prerequisite for participation in other exhibitions. He pointed out that the trade fairs to be held in April and July next year were two independent and separate events. As such, whether exhibitors would participate in any one of them would have no impact on their eligibility for participating in the other. However, the situation this year was quite special. After the SARS outbreak in April 2003, TDC provided the exhibitors who had joined the April fair with four options, namely withdrawal from the event and refund of the exhibition participation fees in full; participating in either the combined fair held in April 2003 or the supplementary fair held in July 2003; or participating in both fairs in April and July 2003 with discount on the exhibition participation fees of the latter. At the time of application, there were about 1 000 exhibitors on the waiting list which had indicated their intention to take part in the April fair this year. ED/TDC advised that individual exhibitors who chose to withdraw from the April fair and not to join the July fair would surrender their places to other exhibitors on the waiting list. The withdrawn exhibitors would also lose their priority status in the same exhibition to be held next year. Nevertheless, they would still be placed on the top of the waiting list.

23. As regards any preferential treatment accorded to exhibitors, ED/TDC clarified that owing to the SARS outbreak, the July fair held this year was a supplementary version of the April fair. The exhibitors who had participated in the April or July fair this year would have priority in joining either the April or July fair in 2004.

24. Mr MA Fung-kwok did not have any strong view on TDC's staging exhibition activities during non-peak period. However, he stressed that the exhibitions should be held in the interest of the exhibition industry. As regards measures taken by TDC for attracting exhibitors, Mr MA expressed reservation if such measures were for the purpose of securing exhibitors' participation so as to ensure the successful organization of the trade fairs concerned.

25. As to whether in future, exhibitors who had joined the April or July fair held every year would in general be given preferential treatment when participating in other TDC exhibitions, ED/TDC advised that TDC would not rule out such possibility. In response to the enquiry about whether further concessions would be offered to exhibitors which participated in the fair held in July when the rental of HKCEC venues was generally lower, ED/TDC advised that TDC would study the feasibility of the arrangement concerned in due course.

Research and analysis on exhibitions

26. Mr MA Fung-kwok enquired about whether TDC had conducted any scientific research and analysis on the response and prospect of exhibitions. The Director of Exhibitions, Trade Development Council (DE/TDC) informed the Panel that in September 2003, TDC had conducted a questionnaire survey on 7 146 exhibitors who had participated in the toys fair, houseware fair and gifts and premium fair and the companies on the waiting list. The response rate was 22.5% and 1 610 exhibitors/companies had responded. Among the respondents, 94% indicated their interest in joining the fair held by TDC in July 2004. As to whether the July fair would affect the participation of exhibitors in other fairs, more than 80% of the respondents said that the July fair would not have any impact on their participation in the fairs held in other periods. DE/TDC further advised that in order to gauge the demand of the buyers and the market, TDC had commissioned AC Neilson to conduct an independent survey under which 1 041 overseas buyers were interviewed at the fair venue in July this year. According to the survey findings, nearly 30% of the responding overseas buyers said that due to the shortening of product cycle throughout the world, they visited Hong Kong three times or more a year to participate in fairs and to source products. In addition, about 62% of the buyers believed that by placing orders in Hong Kong in July, they were still able to ship the finished products back to their home country in time for sale before Christmas.

27. DE/TDC supplemented that as the July fair targeted not only the gifts and houseware industries but also the toys industry, TDC also conducted a survey for the Toys & Games Fair. Among the 12 422 questionnaires issued, 998 replies were received, representing a response rate of 8%. He pointed out that nearly half of the respondents would like TDC to organize another similar exhibition in July each year in addition to the Toys & Games Fair held in January. Moreover,

TDC also conducted focus groups and research studies involving the 26 companies which participated in the July fair this year. The participants indicated that the July fair had provided an ideal platform for local manufacturers to promote their new products to overseas buyers. Besides, savings could also be achieved as the manufacturers would no longer need to go on overseas trade fairs during summer to promote their products. He added that certain overseas trade associations, such as the Thai Gifts & Premium Association, the Taiwan Gift & Houseware Exporters Association and the Taiwan Toys Manufacturers Association also welcomed TDC to organize an additional fair in July to facilitate business transactions between manufacturers and buyers.

Conclusion

28. The Chairman concluded that the Panel noted the policy and role of TDC in organizing trade fairs/exhibitions. He acknowledged TDC's contribution to the promotion of the local exhibition industry. Apart from the manufacturing industry, the Chairman hoped that TDC could provide more opportunities for the local services sectors to participate in exhibitions so that businesses in the services sectors could benefit from relevant promotional activities. Finally, the Chairman urged TDC to play an active role by organizing large scale exhibitions to make the best use of the favourable conditions under CEPA to assist local businesses to expand into the Mainland market and seek business opportunities.

V Any other business

29. There being no other business, the meeting ended at 5:45 pm.