

The Legislative Council of
The Government of the HKSAR

Dear Sir,

Re: HKTDC's role as a trade fair organizer

The Hong Kong Electronic Industries Association (HKEIA), which represents one of the largest sector in Hong Kong's manufacturing industries, fully support the HKTDC and its role as an organizer of trade fairs for Hong Kong's industries and companies.

In December last year, we offered a written submission to this Chamber to dedicate our support and to provide reasoned arguments on the captioned subject. Today we wish to expand further and explain in more specific terms why we are in strong support of the HKTDC and its vitally important function.

Promotion of Hong Kong

The most important and the key mission of HKTDC, as its name implies, is to promote trade, image and industry of Hong Kong to the world and oversea customers. In order for HKTDC to perform the duty effectively and efficiently, one very essential and basic tool is the organization of trade fairs in Hong Kong, form missions to other countries and also to facilitate Hong Kong companies in participating in other trade fairs. The two functions must go side by side. The successes in the past twenty years are well known and it is extremely important that HKTDC continues to do her job and expand on it.

SERVING INDUSTRY'S NEEDS:

1. As a trade fair organizer, HKTDC should and must turn in a profit, but unlike other commercial companies, the HKTDC's profits do not go into shareholders' pockets, benefiting only a few, but are plowed back into the council. Only by making profit can HKTDC improve her service, expand the scope of work and add values to Hong Kong industries. Furthermore, unlike other commercial trade fair organization which may withdraw from potentially loss-making trade promotional efforts, HKTDC do have a mandate to support Hong Kong companies. She has to serve the industries even facing high risks and niche markets. Otherwise, the developing industries and SMEs will be disadvantaged.
2. It is argued that the July Premium Show is too close to other similar shows scheduled for both April and October. Therefore the HKTDC is exerting pressure and undesirable competition to other organizers. We fail to see the logic of such arguments because it is the industry and the market demand, not the HKTDC, which decides. It is our understanding that more than 1,000 exhibitors have already signed up for the July show; this is a strong indication that there is a demand and the HKTDC is obligated to try its best to meet this opportunity.
3. The need for higher frequency in staging trade show is real. Since trade and business are now global and multi-cultural in nature, different countries do have different buying timings and habits. The seasonal effects are less obviously nowadays. In addition, as product life-cycles get shorter, the need for manufacturers to show and promote constantly their new lines grow more urgently. The July trade show helps to fill a gap, and therefore is needed by industry.

HKTDC MUST CONTINUE AND EXPAND ITS ROLE AS A TRADE FAIR ORGANIZER

THE BIG PICTURE

As we indicated in (3) above, competition in the exhibition and convention business is getting keener. Every major city in Asia and China is trying to build up its strength as an exhibition city and new and bigger facilities are constantly coming on stream. It is a multi-billion dollar business (tourism, infrastructure, hotels, food and entertainment are many of the by-products that bring huge financial benefits). To stay in the game, Hong Kong must explore all opportunities to stage bigger, better and more international trade fairs so that not only manufacturing but also the tourism industry can benefit. It is therefore paramount that any exhibition organizer, whether commercial or subvented, should be encouraged

STABILITY

For more than 20 years, the HKTDC had been a staunch and steadfast service provider and trade fair organizer for Hong Kong's varied manufacturing industries. Many big and small exhibition companies have since come and gone but the HKTDC has been a stable and rock-solid pillar of our industries. In the volatile marketing place today, it is absolute essential to have a long term, reputable and reliable organization such as HKTDC that can provide confidence and sustained quality to customers all over the world. Hong Kong cannot afford to be compromised on this issue.

HKTDC IS INDUSTRY'S PARTNER

It is important to recognize that HKTDC is not just a trade show organizer. She is in fact our industries' long term partner. Unlike other purely profit-minded commercial operations, the HKTDC works with and for industry. Since the creation of a number of "industry advisory committees" in the 80s, many industry leaders and representatives of the trade associations sit on the board of these committees to give advice and together chart the course of the HKTDC's trade promotion strategies worldwide. This close relationship ensure that the HKTDC stays on course, does not get too greedy by overcharging, hears and adheres to industry's needs. For this reason alone, the HKTDC's status quo must be maintained and its obligations and right to organize trade shows in the best interest of Hong Kong should and must be ensured at all times.

We hope the above provide a well-reasoned and well-defined argument why the Hong Kong Trade Development Council must maintain its role as a major exhibition organizer for the territory.

Yours truly,

Dr. K.B. Chan, Chairman,
For the Executive Committee
The Hong Kong Electronic Industries Association