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Panel on Commerce and Industry
Special meeting on 6 July 2004

Information note on the AsiaWorld-Expo

Purpose

This note highlights key information relating to the AsiaWorld-Expo (formerly known as the International Exhibition Centre) situated at the Hong Kong International Airport.

The AsiaWorld-Expo project

Exhibition facilities

2. The first phase of the AsiaWorld-Expo will provide 66 000 m² of exhibition space on one level. Soft opening of the AsiaWorld-Expo will take place by the end of 2005 while the phase 1 development will be completed for full operation in the first quarter of 2006. The AsiaWorld-Expo will be capable of further expansion to 100 000 m² of exhibition space in response to market demand.

Government's involvement

3. The AsiaWorld-Expo is a tripartite joint venture between the Government, the Airport Authority (AA) and a private consortium. The land for the venue is contributed by AA. On 20 December 2002, the Finance Committee (FC) approved a new commitment to inject \$2 billion from the Capital Investment Fund to partly finance the construction cost of the AsiaWorld-Expo, in exchange for equity stakes in the joint venture. The booking, day-to-day management and operation of the venue is undertaken by AsiaWorld-Expo Management Limited, which has entered into a service agreement with the joint venture.

4. According to the information provided in the relevant FC paper, the Government is represented on the Board of Directors of the joint venture to ensure proper monitoring of both the construction and the future operation of the AsiaWorld-Expo. According to the service agreement entered into with the management company, the latter's service can be terminated in the event of a breach of contract or unsatisfactory performance.

Latest development

5. According to newspaper reports, AsiaWorld-Expo Management Limited has invited applications and subsequently allocated certain prime slots for holding trade fairs in the three years after commissioning of the venue to "Global Sources", a company engaged in organizing fairs. Concern has been raised as to the policy and criteria for allocating slots at the venue to private fair organizers, the Government's role in the management of the AsiaWorld-Expo, and whether the Government's investment of \$2 billion has been value for money.

6. Hon IP Kwok-him has submitted an oral question on the subject at the Council meeting to be held on 7 July 2004.

7. According to newspaper reports, the Hong Kong Exhibition and Convention Industry Association, which is the association representing the exhibition trade, has invited the AsiaWorld-Expo Management Limited to attend its monthly meeting on 9 July 2004 to provide clarification to its members on the subject.

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