

For discussion on
21 April 2009

**LEGISLATIVE COUNCIL
PANEL ON COMMERCE AND INDUSTRY**

**Update on Government's efforts
in the promotion and development of MICE industry**

PURPOSE

This paper updates Members on the Government's efforts in the promotion and development of the MICE (Meetings, Incentive Travels, Conventions and Exhibitions) industry.

BACKGROUND

2. The MICE industry has made significant contributions to Hong Kong's economy. The international trade fairs held in Hong Kong have been a major channel for local small and medium enterprises (SMEs) as well as the Mainland enterprises which want to make use of the Hong Kong platform for "going out" to meet with and showcase their products and services to overseas buyers in Hong Kong.

3. Nevertheless, in the face of intensifying regional competition in the MICE industry as well as the current global economic crisis, we need to continue to sharpen our edges as an international MICE capital. A cross-sector Steering Committee on MICE, set up in October 2007 and chaired by the Financial Secretary and the Secretary for Commerce and Economic Development¹, has been providing high-level steer on policies relating to MICE development. Moreover, to achieve better synergy in our overseas publicity work, the Tourism Commission (TC) set up in early 2008 an Alliance Group on MICE Promotion with representatives from the Hong Kong Tourism Board (HKTB), the Hong Kong Trade Development Council (TDC), Invest Hong Kong

¹ Membership of the Steering Committee comprises representatives from the tourism, hotel, exhibition and convention, and academic sectors, as well as representatives from related statutory bodies, major exhibition venues and government departments.

and Hong Kong Economic and Trade Offices. TC co-ordinates and mobilises members of the Alliance Group to make concerted bidding efforts and joint overseas publicity to promote Hong Kong as a preferred MICE destination. Through concerted efforts, the Government, major venue providers and other relevant agencies in Hong Kong have secured a number of prestigious international MICE to be held in Hong Kong (examples of the more significant events scheduled in 2009 in Hong Kong are at *Annex*).

4. Key progress on the promotion and development of our MICE industry is set out in the ensuing paragraphs.

PROMOTION AND DEVELOPMENT OF MICE INDUSTRY

The MEHK Office

5. In the 2008-09 Budget, the Financial Secretary earmarked \$150 million over five years to promote MICE tourism and to attract more international conventions and exhibitions to be hosted in Hong Kong. HKTB established the MEHK office in November 2008 to carry out these tasks. Since its establishment, MEHK has organised various launch ceremonies and publicity programmes in Hong Kong and 14 cities round the world, including London, Shanghai, Mumbai, New Delhi, Taipei, Barcelona, Sydney, Melbourne, Osaka, Tokyo, Seoul, New York, Singapore and Kuala Lumpur.

6. We will continue the arrangement of providing \$30 million to HKTB in the coming year to provide one-stop professional support to event organisers, enhance overseas promotional initiatives, and enrich the travel experience of our MICE visitors. MEHK has developed a customised website (www.mehongkong.com) for MICE clients and will also arrange sector-specific publicity through different channels (such as advertisements, direct mailing, trade and other promotion activities) targetted at overseas event organisers to consolidate Hong Kong's position as a preferred MICE destination. In addition, MEHK has been providing one-stop support services to assist event organisers to identify prospective MICE events, to lobby in the bidding process, to co-ordinate with relevant government departments and to source for necessary services such as venues and tourism products.

7. MEHK also works closely with the Hong Kong Exhibition and Convention Industry Association to support the exhibition sector and drive attendance for their shows. Moreover, in view of the current challenging economic conditions, MEHK launched in March 2009 an attendance booster campaign entitled “*Business Right Here*” with airlines, hotels, major tourist attractions etc. to support the MICE sector. Under the “*Business Right Here*” campaign, registered buyers of 29 trade exhibitions being staged in Hong Kong from March to June 2009 enjoy an array of special offers from airlines, hotels and tourist attractions. The campaign is promoted through marketing channels of participating exhibition organisers and MEHK, and through advertising at print or online business magazines/newspapers in selected markets.

Manpower for the MICE Sector

8. TC commissioned a consultancy to study the manpower requirements of the MICE and cruise tourism sectors in August 2008. For the MICE sector, the consultant has concluded that there will not be any significant surplus or shortfall of manpower in the MICE sector in the next five years. In this regard, we will continue to support tertiary and vocational institutions to develop programmes to enhance the skill-set of current employees in the sector and those interested in joining the trade. We will also work with the Labour Department, Employees Retraining Board, Travel Industry Council of Hong Kong, and Hong Kong Exhibition and Convention Industry Association to consider how to enhance the existing training courses to better meet the needs of the market.

Physical infrastructure

9. We have been closely monitoring the supply of and demand for hardware infrastructure in the market and will continue to facilitate the provision of quality convention and exhibition facilities in Hong Kong. In the light of expected demand for quality exhibition and convention facilities, we provided policy support for the HKCEC Atrium Link Extension (ALE) project. Since then, the Commerce and Economic Development Bureau has worked closely with TDC and has made tremendous efforts in facilitating the project through co-ordinating the works of relevant government bureaux and departments throughout the public consultation, planning, design and construction phases of the project. The project was completed on schedule in early April and has boosted HKCEC’s total exhibition spaces by 42% (from

46,600 to 66,000 square metres), equivalent to 1,000 booths which will benefit thousands of Hong Kong SMEs currently on the waiting lists for over-subscribed trade shows.

10. Nevertheless, to maintain our position as a convention and exhibition capital, the Chief Executive advised in his Policy Address in October 2008 that the Government and TDC would conduct detailed studies to examine the feasibility of a Phase 3 expansion of the HKCEC at a nearby site, and will conduct a public consultation exercise for the project. A Task Force chaired by the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) is monitoring the progress of relevant detailed studies which cover areas such as the design of the proposed HKCEC Phase 3 structure, related planning issues, public consultation plans and the project's impacts on the traffic, environment and other public facilities in the vicinity. The public consultation will commence as soon as possible upon completion of such studies, and the Government will take into account the result of the public consultation before making a decision on Phase 3.

CONCLUSION

11. Members are invited to note the progress as outlined above.

Commerce and Economic Development Bureau
April 2009

List of Key MICE Events in 2009

Events	Date	Estimated Attendance
1. Hong Kong Toys and Games Fair	5-8 January	29,000
2. Hong Kong International Jewellery Show	4-8 March	16,000
3. Asia Pacific Leather Fair	31 March - 2 April	20,000
4. Commonwealth Law Conference 2009	4-8 April	1,500
5. Hong Kong Electronics Fair	13-16 April	50,000
6. Hong Kong Gifts and Premium Fair	27-30 April	50,000
7. 13 th Asian International Exhibition of Food & Drink, Hotel, Restaurant & Foodservice Equipment, Supplies & Services	6-9 May	30,000
8. 31 st Asia Pacific Dental Congress 2009	7-11 May	1,000
9. The Diplomatic Conference for the Adoption of the International Convention for the Safe and Environmentally Sound Recycling of Ships of the International Maritime Organization	11-15 May	800
10. Asia Funeral Expo and National Funeral Directors Association Asia Conference	13-15 May	3,000
11. WONCA Asia Pacific Region Conference (a regional conference for family doctors)	4-7 June	1,000

Events	Date	Estimated Attendance
12. Sino International Freight Forwarders Conference	11-14 June	1,200
13. Asia Aerospace International Expo & Congress	8-10 September	13,000
14. SIBOS (Swift International Banking Operations Seminar) (an exhibition and convention for experts in financial infrastructure)	14-18 September	6,000
15. World Health Organization Western Pacific Regional Committee Meeting	21-25 September	200
16. China Sourcing Fair (electronics, home products, gifts and premiums, fashion accessories)	12-15 October, 20-23 October	30,000
17. Mega Show (gifts, housewares, premiums, toys, home & décor, stationery)	20-23 October, 28-30 October	60,000
18. Cosmoprof Asia (beauty and cosmetics tradeshow)	11-13 November	20,000
19. Hong Kong International Wine & Spirits Fair	4-6 November	9,000
20. Asian Patent Attorneys Association Annual General Meeting & Council Meeting 2009	17-22 November	1,200