

13 April 2010  
Our Ref: CC042

The Hon Vincent Fang Kang, SBS  
Chairman  
Panel on Commerce and Industry  
Legislative Council  
8 Jackson Road, Hong Kong

Dear Mr Fang,

The Hong Kong General Chamber of Commerce would like to express our views in relation to the discussion on "Development of the exhibition industry in Hong Kong" at the Panel's meeting on 20 April.

#### Infrastructure

To maintain Hong Kong's leading position in the region's convention and trade fair industry, it is essential that both the short and long term demand for space is met by good planning and management. While business community generally supports the third phase expansion of the Hong Kong Convention and Exhibition Centre (HKCEC), the Government must find ways to address the unbalanced utilization between the facilities of HKCEC and the Asia World Expo.

We echo the view of some members in the exhibition trade that the West Kowloon Cultural District's (WKCD) facilities should be designed in such a way that major international conferences and trade exhibitions can be held. WKCD should also be marketed internationally as an integrated hub for arts, culture, conventions and conferences. Hong Kong's MICE trade would benefit enormously from such a development. A good reference is the Barbican Centre in London. With the appointment of the Barbican Centre's artistic director as WKCD's CEO, Hong Kong is in a good position to consider how it can borrow from the Barbican's experience in respect of facilitating conference and exhibition business in an arts hub.

Above all, the demand for venue space and marketing of Hong Kong as a premier centre for trade fairs and exhibition should be considered in light of the newly signed framework agreement for cooperation between Hong Kong and Guangdong, which includes the development of the exhibition industry. It is envisaged in the framework document that the relevant industries of Hong Kong and Guangdong will work together closely on joint exhibitions, marketing and brand building.

## Role and Function of HKTDC

We are aware that there are concerns in the industry that there exists potential conflict of interest for HKTDC to be both a major exhibition organizer and the HKCEC's facility owner on behalf of the Government. As a matter of principle, HKTDC – being a public body – should avoid competing with private businesses unless there is a strong policy reason for it to take up a commercial role. And when HKTDC is engaged in commercial activities, it should not be exempted from any competition legislation in the future.

## Nutrition Labelling

After the new nutrition labelling law starts taking effect in the middle of the year, it will not be lawful to display in trade fairs new-to-market samples of food products which do not comply with Hong Kong's unique nutrition labelling standards. This will be a major blow for the industry, as reportedly some 7,500 new food products are introduced into Hong Kong each year, mainly through trade shows, and 30-40% stay in the market. With the new restriction, some foreign counsels have expressed concerns that it would be hard to recruit traders for exhibitions.

It will not make sense for trade fair participants to go through the procedures and incur expense to seek exemption for the purpose of exhibition only, as they cannot be sure that the new products will have a market in Hong Kong.

The Government should consider exempting new-to-market food products displayed in exhibitions from complying with the new law. The proposed exemption is unlikely to harm consumer interests. After all, exhibitions are for people in the trade and professionals, not general consumers. The regulatory regime should only be triggered when businesses decide to bring exhibited products into Hong Kong. Traders by then shall be required to comply with the labelling requirements or seek exemption if products are of small quantities, as the case may be, in order to protect consumers.

One can expect that it may be challenging to define what constitutes an exhibition and new-to-market for the purpose of exemption. But technical difficulties should not deter the Government from considering an exemption which is vital for the exhibition and food trading industries. Facilitating the continual introduction of new products to Hong Kong will eventually benefit consumers.

Thank you for your attention. If there are any questions, we would be happy to provide more information.

Sincerely yours,



Alex Fong  
CEO