

To: Panel on Commerce and Industry

**Submission on "Development of the exhibition industry in Hong Kong"**

I am Waiman Cheung, Professor, Faculty of Business Administration, The Chinese University of Hong Kong. We are currently conducting the Phrase II study on the Hong Kong Exhibition Industry. In our Phrase I study, we have found that the Exhibition Industry is not only important but also sustainable in the Hong Kong economy. It accounted for about 1.8% of GDP and helped create 58,500 employment opportunities directly and indirectly. We believe market competition is good for the exhibition industry. The addition of the AWE in 2006 was an excellent move of the HKSAR Government, which significantly improved the market conditions in terms of

- more supply;
- more competition with new overseas & local organizers;
- less market domination, and
- new market demands.

Our study also suggested a few measures to help ease the current uneven capacity tension, for instance, (1) "One Fair Two Venues", which makes a better use of fair venues and a better classification of the exhibitors and products; (2) "Efficient Allocation of Fairs", which rationalizes the event calendars of both HKCEC and AWE in order to accommodate more events throughout the years; (3) "Increase HKTDC Promotional Role at AWE", which allows more exhibitions to take up the currently less utilized space; and at last (4) "Continue to Improve Supporting Infrastructure for AWE", which helps utilize its advantages of having the excellent transportation networks and logistics provided by the Hong Kong International Airport.

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