

Via Post & Fax

Fax: 2521 7518

3 March 2010

Mrs. Pandora CHAN

Complaints Division
Legislative Council Secretariat
5/F. Citibank Tower
3 Garden Road
Central, HK

Dear Mrs. Chan,

Concerns on Hong Kong Exhibition Industry Development

In response to your letter of 27 January 2010 regarding the development of the Hong Kong Exhibition Industry, we are submitting the attached position paper which was discussed and endorsed by HKECIA's Executive Committee. A list of HKECIA's Executive Committee Member is attached for your reference.

In the position paper, HKECIA fully supports the further expansion of exhibition space in Hong Kong to meet the growing demand and to maintain Hong Kong's competitiveness in the region. We have also covered the points with regard to the role of the Hong Kong Trade Development Council in the exhibition industry.



If you require any further information, please do not hesitate to contact us.

Yours sincerely,.

Stanley Chu

Chairman

Encl: HKECIA Position Paper & Executive Committee List





26 February 2010

Hong Kong Exhibition & Convention Industry Association Position Paper

This paper calls for attention with regard to the recent concerns of further expanding exhibition space in Hong Kong, as well as the role of HKTDC in Hong Kong's exhibition industry. Hong Kong Exhibition & Convention Industry Association (HKECIA), being the authoritative voice of the Convention and Exhibition industry in Hong Kong, now takes the initiative to address the issues raised as follows:

- 1.1. To strengthen Hong Kong's established position as Asia's Trade Fair Capital and a premier Convention destination, it is crucial to increase venue capacity so as to cater for more world-class conferences, exhibitions, and other large-scale activities such as corporate meetings and incentive events. Adequate supply of venue space helps to maintain Hong Kong's competitiveness against rivalrous competitions in the region for the sustainable growth of the MICE industry overall.
- 1.2. In view of the growing demand of exhibition space, business opportunities from international conventions, and competition from other neighbouring cities, HKECIA has supported the initiatives of constructing AWE and HKCEC's most recent atrium expansion, which proved to be of great benefits to Hong Kong's exhibition industry and the economy at large.
- 1.3. HKECIA supports HKCEC's third expansion and AWE's phase-two expansion for the following reasons:
 - 1.3.1 "One Fair, Two Centres" could apply as a way to solve space shortage in one venue. However, this arrangement bears difficulties in terms of operation and achieving satisfaction from exhibitors and visitors. And in some cases, both Centres are occupied with shows hosted by different organizers that are competitive in nature. Hence, it cannot be a long term solution to solve the space shortage problem in Hong Kong.
 - 1.3.2 There are suggestions that expansion plan should be considered only when the venue's occupancy rate reaches up to 70%. However, even the world's busiest venues have records of up to 60% in average only.



- 1.3.3 Hong Kong is renowned for its consumer products sourcing fairs. These fairs have to be staged during the buying seasons of the year. Hong Kong must provide sufficient space during the peak buying seasons or else, our exhibitors and visitors would divert their interests to other competing fairs in neighbouring cities.
- 1.3.4 To expedite expansion plans in order to cope with the escalating demand for space since it could take a considerable number of years for consultation, planning and construction.
- 1.4. HKECIA urges the West Kowloon Cultural Centre to have the design of its performing arts facilities also good for the use of international conventions and conferences. These facilities would have to be supported by banqueting facilities and hotels in the vicinity. With a huge growth potential, the Meetings, Incentives and Convention business in HK needs hardware and venue support though at present this has given the priority to the successful exhibition industry.
- 1.5. HKECIA requests HKTDC to help promoting Hong Kong's exhibitions and to avoid possible unfair competition with the private sector:
 - 1.5.1 There were concerns that HKTDC as a major exhibition organizer in Hong Kong, and to avoid any possible conflict of interest with the private sector, the HK Government should review whether HKTDC should act as exhibition facility owner on behalf of the Government.
 - 1.5.2 HKTDC should only consider launching new events in Hong Kong provided that they are not competing with existing privately organized events, and in such case, HKTDC should seek involvement from private organizers as partners or joint organizers as far as possible.



HKECIA EXECUTIVE COMMITTEE MEMBERS

- 1. Adsale Exhibition Services Ltd
- 2. Agility Fairs & Events Logistics Ltd
- 3. AMC (Exhibits) Ltd
- AsiaWorld-Expo Management Ltd
- 5. Cathay Pacific Airways
- 6. China Promotion Ltd
- 7. CIEC Exhibition Co (Hong Kong) Ltd
- 8. Coastal International Exhibition Co Ltd
- 9. Global Sources
- 10. Hong Kong Convention & Exhibition Centre (Management) Ltd
- 11. Hong Kong Exhibition Services Ltd
- 12. Hong Kong Tourism Board
- 13. Hong Kong Trade Development Council
- 14. Kenfair International Ltd
- 15. Magic Media Co Ltd
- 16. MMI Asia Pte Ltd
- 17. Pico International (HK) Ltd
- 18. Schenker Int'l (HK) Ltd
- 19. UBM Asia Ltd