



## Hong Kong's convention and exhibition sector

Figure 1 – Supply of C&E facilities

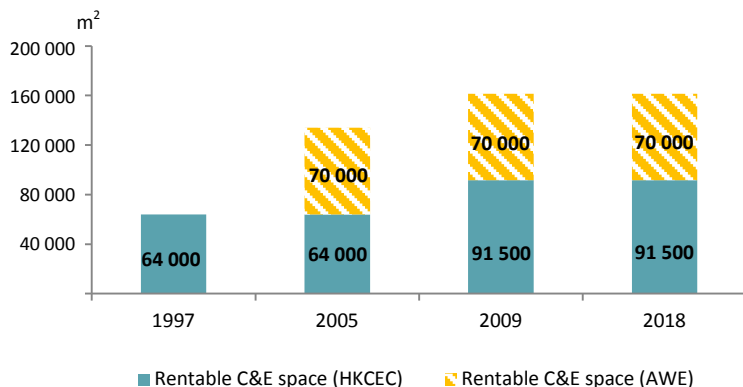


Figure 2 – Overnight MICE visitor arrivals

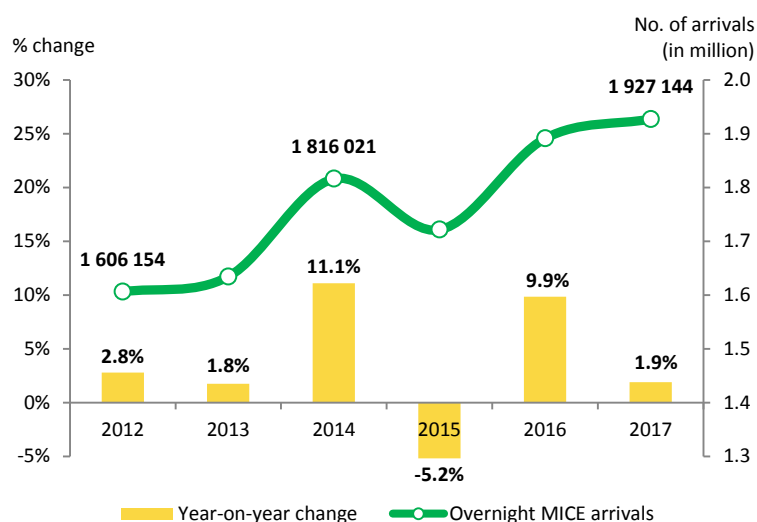
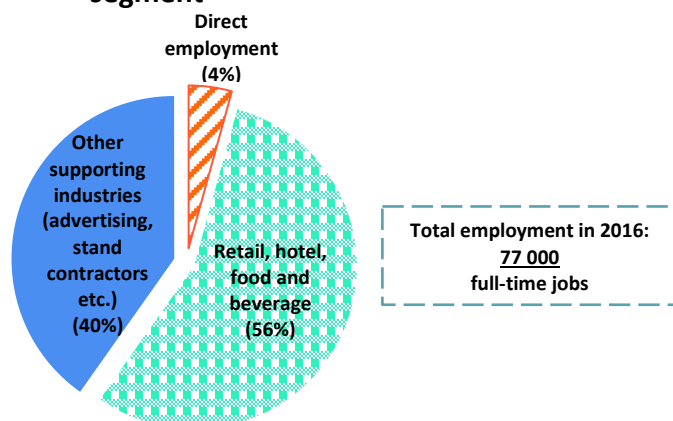


Figure 3 – Employment generated by the exhibition segment



## Highlights

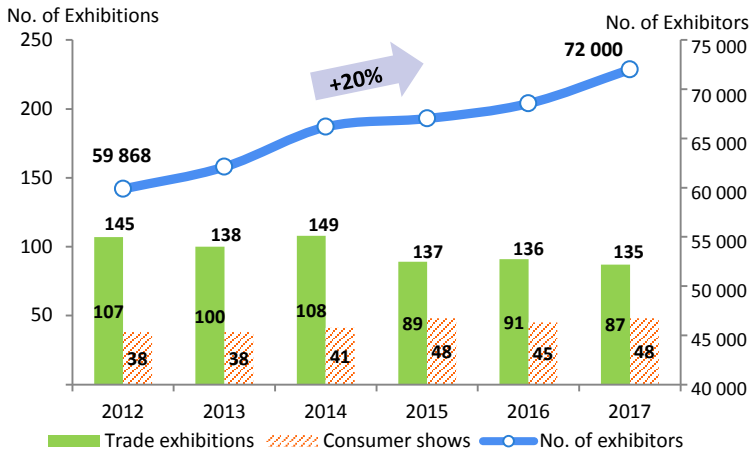
- The convention and exhibition ("C&E") sector plays an important role in promoting Hong Kong's economy. At present, the Hong Kong Convention and Exhibition Centre ("HKCEC") and AsiaWorld-Expo ("AWE") are the two major dedicated C&E venues in Hong Kong. Phases 1 and 2 of HKCEC were developed in 1988 and 1997 respectively which offered a total of 64 000 m<sup>2</sup> in rentable C&E space. AWE was opened in 2005 and provided about 70 000 m<sup>2</sup> of C&E space. With the development of the atrium link in 2009, HKCEC's rentable C&E space has expanded to 91 500 m<sup>2</sup> (Figure 1). There has, however, been no additional supply of major C&E space in Hong Kong since then.

- Each year, Hong Kong hosts numerous large-scale C&E events in finance, commerce, and arts and design which help drive the development of tourism and bring employment opportunities. Meetings, incentives, conventions and exhibitions ("MICE") visitors are high-value groups in comparison with general overnight visitors. The number of overnight MICE visitor arrivals have grown by 20% since 2012, reaching a peak of 1.93 million in 2017 (Figure 2). The Mainland has been a strong growth market and accounted for 51.2% of all MICE arrivals in 2017.

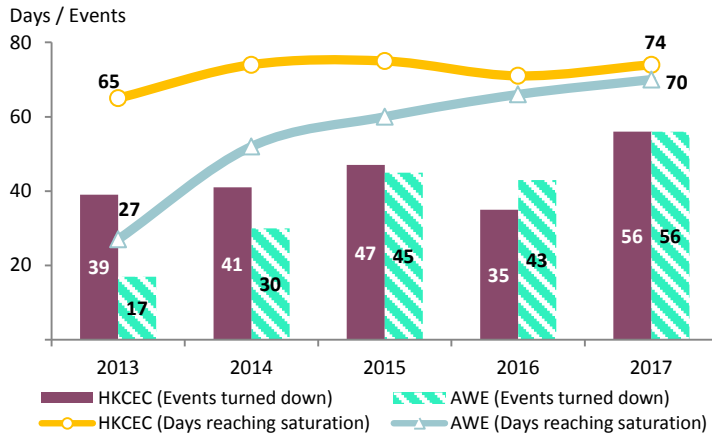
- A government-commissioned consultancy study conducted in 2014 indicated that a majority of Hong Kong's C&E revenue is generated by the exhibition segment. Based on the estimate of the Hong Kong Exhibition and Convention Industry Association ("HKECIA"), there were 77 000 full-time jobs provided in the exhibition segment in 2016, of which 4% were directly employed by exhibition venues and organizers while the remaining 96% were provided by the retail, hotel, food and beverage sector (56%), as well as other supporting industries (40%) such as advertising and stand contractors (Figure 3).

## Hong Kong's convention and exhibition sector (cont'd)

**Figure 4 – Number of exhibitions and exhibitors in major C&E venues**

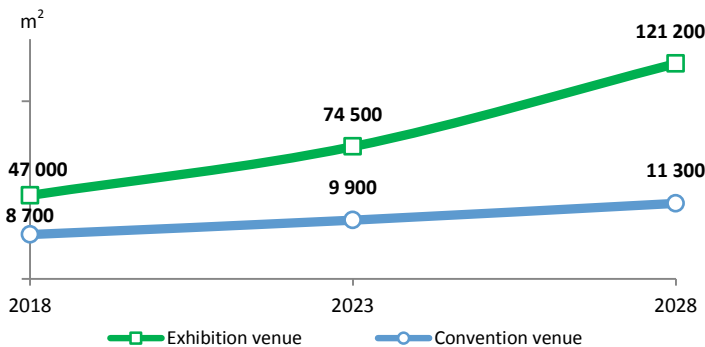


**Figure 5 – Days reaching saturation and events turned down(\*) in major C&E venues**



Note: (\*) Events turned down include both exhibitions and conferences.

**Figure 6 – Projected shortage of C&E space**



## Highlights

- While exhibition is the largest segment of the C&E sector in terms of revenue generated, according to HKECIA, the number of large-scale trade exhibition and consumer fairs occupying at least 2 000 m<sup>2</sup> of gross floor area have plateaued at around 136 since 2015 (Figure 4), due possibly to tight supply of the facilities. On the contrary, there has been a 20% growth in the number of exhibitors from 2012 to 2017, which illustrated the continued demand for exposure in Hong Kong from exhibitors around the world.
- Insufficient C&E space during peak seasons (i.e. spring and autumn months) has become a bottleneck for the industry. In order to maximize venue utilization, some organizers have adopted the "one show, two venues" approach by hosting C&E events concurrently at HKCEC and AWE. Efforts have also been made to re-schedule existing events to accommodate more exhibitions during peak periods. Notwithstanding these measures, HKCEC and AWE respectively turned down 56 C&E events in 2017 due to capacity constraints. During the year, there were 74 and 70 days on which the two venues reached saturation (Figure 5).
- According to the Government-commissioned consultancy study, by 2028, Hong Kong will face an average unmet demand per day of 121 200 m<sup>2</sup> in exhibition venue and 11 300 m<sup>2</sup> in convention venue during peak months (Figure 6). In its 2017 Policy Address, the Government announced plans to redevelop the three government buildings in Wan Chai North into C&E facilities, and to proceed with the development of a C&E venue above the Exhibition Centre Station of the Shatin to Central Link. These two venues are expected to provide additional 23 000 m<sup>2</sup> and 15 000 m<sup>2</sup> of C&E space respectively.

Data sources: Latest figures from the Commerce and Economic Development Bureau, Hong Kong Exhibition & Convention Industry Association and Hong Kong Tourism Board.

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18 October 2018  
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