

**LEGISLATIVE COUNCIL  
PANEL ON COMMERCE AND INDUSTRY**

**Hong Kong's position as an international convention and exhibition centre**

Introduction

This paper seeks to brief Members on the Government's measures to maintain Hong Kong's position as an international convention and exhibition centre.

Background

2. The convention and exhibition industry has played a key role in maintaining Hong Kong's leading position as an international business centre. International trade fairs anchored in Hong Kong are significant in the dynamics of job creation and demand for high value-added services in various sectors of our economy. While Hong Kong's world-class infrastructure and convenient business environment have already provided a highly favourable environment for international events to flourish here, the Government has spared no efforts in developing Hong Kong as an international convention and exhibition centre and has been making significant strategic investments in high-quality convention and exhibition infrastructures.

3. Moreover, we have been striving to attract internationally renowned events to Hong Kong. Recent notable examples include the Sixth Ministerial Conference (MC6) of the World Trade Organization (WTO) held in December 2005 and the ITU TELECOM WORLD 2006, the famed "Olympics of the telecommunications industry", held in December 2006. The ITU TELECOM WORLD 2006 is the first ever held outside Geneva. It is also the largest exhibition cum forum ever held in Hong Kong. The seamless arrangements were unanimously appreciated by the participants. The MC6 was commended by the delegates, non-government organizations as well as the press for its good organization. The Director-General of the WTO also described the logistical arrangements for MC6 as "perfect".

4. The success of both the MC6 and the ITU TELECOM WORLD 2006 testifies and reinforces the Government's commitment in furthering the development of Hong Kong as an international exhibition and convention centre. They demonstrate clearly to the world our capability of hosting mega international functions. The events drew worldwide attention and have also reinforced Hong Kong's position as the world's events capital.

5. During the Chief Executive's visit to Beijing in December last year, Premier Wen Jiabao reaffirmed Hong Kong's position as a centre for international conventions and exhibitions for our country. He also supported that Hong Kong should continue to make good use of both our hardware and software infrastructures for hosting more international events. The Minister of Foreign Affairs, Li Zhaoxing further indicated that his Ministry would work closely with the Government of the Special Administrative Region to facilitate large-scale international conventions and exhibitions to come to Hong Kong.

#### Enhancing Hong Kong's competitiveness

6. Hong Kong's strategic location in the region offers ready access to the vast markets of the Mainland, Southeast Asia, Japan and Korea, etc. Hosting international events in Hong Kong will offer organisers easy reach of the entire region's buyers and exhibitors, as well as the world's largest manufacturing base in the Pearl River Delta. Our first class convention and exhibition facilities, efficient transport network, proximity to and wealth of experience in doing business in the Mainland market, convenient business environment, meticulous professional and hospitality services and superb organization ability are all our competitive advantages that cannot be matched by our competitors so far. Indeed, we have showcased Hong Kong's strengths in hosting mega international conferences and exhibitions to the world through a good track record of numerous successful events.

7. Nevertheless, we are fully aware of the rise of the number of exhibition facilities in the neighbouring regions in recent years. In particular, most major Mainland cities have built or are planning to build new exhibition spaces. For example, the total exhibition space of the Guangzhou International Convention and Exhibition Centre is expected to reach 340 000 square metres in 2008. With a scheduled increase in exhibition space by 75 000 square metres in 2007, Macao is also emerging as one of our competitors for international exhibitions.

8. In the face of the ever changing market trend and intensifying regional competition, the Government has been closely monitoring demand for exhibition infrastructure and has taken appropriate measures to enhance Hong Kong's advantages continuously as an international convention and exhibition centre. Our major initiatives have been set out in the ensuing paragraphs.

#### Provision of quality convention and exhibition facilities

9. The provision of quality convention and exhibition facilities is essential for the continuous development of the industry. In this regard, the Government has been making strategic investments to provide high quality facilities. For example, the Government has invested \$2 billion to develop the AsiaWorld-Expo (AWE). The state-of-the-art facility, which is one of the largest, most hi-tech in the region and the only one in the world that combines full integration with a busy international airport and the service of an in-venue railway station, is suitable for exhibitions for both light and heavy industries. Since its opening in end 2005, major exhibitors from Hong Kong, the Mainland, Europe and the United States have held over 40 events and activities at the AWE, and over 90% of them were in Hong Kong for the first time.

10. Back in 2005, the Government rendered its support to the Hong Kong Trade Development Council (TDC) for its proposal of expanding the atrium link between Hong Kong Convention and Exhibition Centre's (HKCEC) Phase 1 and Phase 2. The expansion project is expected to be completed in 2009 and will add 19 400 square metres of exhibition space, boosting HKCEC's total dedicated exhibition space by 42%, equivalent to 1 000 more booths. This will benefit thousands of Hong Kong small and medium enterprises on waiting lists to exhibit at HKCEC shows that are presently over-scribed. With an expanded HKCEC in 2009, several Hong Kong's mega trade fairs such as the ones for gifts, electronics, toys, jewellery and lighting are also well positioned to become the world's largest for their industries.

11. Moreover, to meet the growth in demand for exhibition and conference space in the longer term, we are discussing with the AWE for an early commencement of the AWE Phase 2 expansion project, thereby increasing its total exhibition space from 66 000 to 100 000 square metres. In parallel, we are actively pursuing with TDC the development of HKCEC Phase 3 in Wanchai.

## Looking out for opportunities

12. The Government would liaise closely with the Central People's Government to identify opportunities for hosting large-scale international conventions and exhibitions in Hong Kong. Similarly, the Government will work together with the industry, trade associations and chambers of commerce, etc. to seek to bring more renowned and prestigious conventions, exhibitions and fairs to Hong Kong. In this regard, we have already requested the assistance of other Government Bureaux to help proactively seek large-scale international conventions and exhibitions under their portfolio that may be hosted in Hong Kong. The Government will also step up our promotional efforts to promote Hong Kong's advantages as the world's events capital. Where necessary, the Government will continue to assume a coordinating role for large-scale international conventions and exhibitions in areas such as security, traffic management and reception so as to facilitate their smooth running.

## Conclusion

13. Our convention and exhibition industry provides an effective platform for promoting Hong Kong products and for marketing Hong Kong as Asia's pre-eminent service centre. It is also pivotal to Hong Kong's role as a premium international business and sourcing platform for doing business with the Mainland and the region. Hence, we will reinvigorate our efforts to brand build Hong Kong as an international trade fair capital by leveraging global business interest in the region, particularly in the Mainland.

14. Members are invited to note and advise on the measures taken by the Government to further develop Hong Kong's position as an international convention and exhibition centre.

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