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香港中文大學
The Chinese University of Hong Kong

BMT Asia Pacific

Hong Kong Trade Exhibition - An Industry Review

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Hong Kong Trade Exhibition
- An Industry Review

(The full report and more information are available via: http://www.ccl.baf.cuhk.edu.hk/Download/HKEI_study.pdf).

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1 Executive Summary

Growth of the Hong Kong Exhibition Market

In the past 15 years, the Hong Kong exhibition market has experienced remarkable changes. The market size in terms of the net exhibition space[1] sold increased by 3.5 times from 253,896 sq m in 1996 to 880,961sq m in 2008, representing an average growth rate of 10.9% per year.

Number of Trade Exhibition Organisers

The number of key trade exhibition organisers in the Hong Kong exhibition market was 11 in 2004, which has increased to 30 in 2008. These consisted of one public organiser (i.e., HKTDC) and 29 private organisers such as Global Sources, UBM Asia Ltd etc.

In terms of the market share of these organisers, HKTDC accounted for 45% of the total gross exhibition space sold in 2008 and the rest shared the remaining 55% with the second largest player, Global Sources, accounted for 16% of the total, which was merely 36% of HKTDC. HKTDC had been the market leader with substantial market power in terms of trade related exhibitions although its market share had been gradually decreasing since the addition of AWE.

Apart from a few larger ones such as Global Sources and UBM Asia Ltd, most of the private organisers are small and weak in terms of market power. There were 24 private organisers holding 27 events in 2008 which means on average, each of them held only one event a year.

Supply of Exhibition Space in Hong Kong

Over the last 15 years, the market supply of exhibition space in terms of total saleable exhibition space[2], also increased from 27,231 sq m to 140,900 sq m in 2008, representing a 5.2 times growth and an average growth rate of 14.7% per year. The market supply was further increased by the new expansion of the HKCEC in April 2009 to 160,663 sq m, with 88,563sq m provided by HKCEC, 70,000 sq m by AWE and 2,100 sq m by HKEC currently.

[1] *The exhibition space occupied by the exhibitors. It does not include service areas for non exhibitors e.g. authorities and general services, and areas for traffic e.g. walkways*

[2] *Space which is available for exhibition usage. Includes the purposely built exhibition halls and multi-function halls which can be converted for exhibition use,*

Rate of Utilisation

The utilisation[3] of HKCEC and AWE combined decreased in recent years. This was mainly due to the fact that the increased space available was much higher than the additional space utilised, although the overall space sold in the market had increased. Another possible factor would be the impact of economic downturns during the financial tsunami in recent years.

On the other hand, the utilisation rate at HKCEC did not show signs of decline given the same economic conditions during the period. This might be due to the fact that having a strong market power, HKTDC held more than 93% of its exhibition events at HKCEC in 2008 even with AWE's emergence.

The Introduction of AWE

The introduction of AWE in the end of 2005 was a significant move in the market. The additional space brought in by AWE did not only help increase the overall market size, but also attract new market players who would not have been able to enter the Hong Kong market given the small market size before the emergence of AWE.

The newly attracted players after AWE's existence did not only benefit AWE but also HKCEC. Evidence to support this is that some of the new organisers also host events at HKCEC. The introduction of AWE was therefore considered an improvement to the development of the overall exhibition market.

Regional Comparisons

Hong Kong remained the regional leader with average revenue per fair of US$4.08 million in 2008, which was 50% more than Mainland China with its average revenue per fair of US$2.71 million. In the Asia Pacific region, only two other markets average more than US$2 million per fair: Japan US$2.07 and Thailand US$2.05 million. This was mainly driven by Hong Kong's relatively small number of large scale sourcing fairs which, by standards of the region, sustain quite high prices.

Compared with the other markets in the Asian Pacific region, the Hong Kong exhibition market has a few distinct characteristics such as:

i) Hong Kong's exhibitions are much larger on average than those in Tokyo, Singapore and Sydney. For example, average net space sold in Hong Kong was about 10,000 sq m per exhibition vs. 3,400 sq m in Singapore in 2008;

---

[3] *Total gross exhibition space sold divided by available saleable exhibition space*

ii) Hong Kong has a high exhibition to organiser ratio (fewer organisers than Singapore and Sydney, yet more events organised). For example, the average number of exhibitions per organiser was 2.7 vs. 1.49 in Tokyo in 2008; and

iii) Hong Kong has relatively fewer organisers, i.e., 30, especially compared to Tokyo, i.e., 114.

Government-owned Organiser

The government-owned organiser, HKTDC, holds a substantial amount of market share in the exhibition industry. Alongside their close relationship with HKCEC, HKTDC's market share in HKCEC accounted for 57% but in AWE, it was merely 12%. The Hong Kong exhibition industry may be better served if the role of HKTDC focuses more on bringing new themes and new buyers to Hong Kong instead of trying to maintain its market leadership.

Capacity Tension

When discussing utilisation, "capacity tension" should be considered. Capacity tension is when venues are operating at or close to full capacity. In other words, events, organisers and exhibitors may have to be turned away due to the venues operating at full or near to full capacity.

The number of days at which HKCEC was operating at near full capacity peaked in 2005, with 42 days. This number has decreased over time, with 26 days in 2008. In contrast, there are no days at which AWE were operating at full capacity. While potential capacity tension may exist in a handful of shows at HKCEC, the overall average space utilisation is still very low (<50%).

In the theoretical scenario of having perfect cooperation between AWE and HKCEC, there would be no days in 2008 at which the two venues were both operating at full capacity. Thus, more events or more exhibitors can still be accommodated in these venues.

The two venues, although were built with some distinct features, both of them can be used to host most of the exhibitions have been held in Hong Kong.

The Way Forward

Before making the decision on a Phase 3 expansion of HKCEC, a few issues remain to be further discussed:

- The social costs associated with the construction of the expansion which includes significant increases in traffic burden, air and noise pollution that may potentially bring to Wan Chai as well as the possible resistance from local community due to the need to demolish Wan Chai Sports Ground in order to accommodate the expansion;

- Does the benefit of capturing this capacity tension exceed that of the costs of the expansion, given that the period in which capacity tension exists is few and far between?

- Is there a need to expand the HKCEC when the last expansion project was only completed in April 2009?

- Will there be alternatives to expansion of existing venues?

It is recommended that a Cost-Benefit Analysis (CBA) is to be performed in order to evaluate and quantify in detail these social costs against its benefits.

Potential Alternatives

The decision for further expansion should only be made when the overall social costs and benefits are taken into account and weighting them against alternative measures to expansion such as:

- "One Fair Two Venues": This is an innovative idea that has been successfully put into use. The "September Hong Kong Jewellery and Gem Fair 2009" in September 2009 was a successful example. The practice has been welcomed by key industry stakeholders such as exhibitors, buyers, the jewellery industry associations, the organiser and the Commerce and Economic Development Bureau (Government entity).

- Efficient Allocation of Fairs: One possibility is to rationalise the event calendars of both venues in order to accommodate more events throughout the year. Further investigation can be put to establish effective referral mechanism between the venue providers.

- Increase HKTDC Promotional Role at AWE: HKTDC's role should evolve as the exhibition industry matures. Being a promotional arm for the Hong Kong trade industry HKTDC should be given the mandate to use its strong reputation to promote AWE as a good alternative to HKCEC.

- Continue to Improve AWE Infrastructure: In addition to the provision of transportation discounts for users of the venue to better utilise its advantages of having the excellent transportation networks and logistics provided by the Hong Kong International Airport, there is a need to continue improving infrastructures such as tourist attractions, entertainment and supporting services.

This Executive Summary contains only major concepts and recommendations from the report. Please refer to the full report for detailed considerations and justifications.
(The full report and more information are available via: http://www.ccl.baf.cuhk.edu.hk/Download/HKEI_study.pdf).

2 Introduction

2.1 Background and Objectives

In light of the growing competition in the regional exhibition market, Hong Kong is continuously striving to enhance the competitiveness of the industry and considering increasing its capacity to host more large-scale international conventions and exhibitions.

The Project Team intends to examine the Hong Kong exhibition market. In particular, we will study the demand and supply conditions, market competition, public private participation and its future sustainability.

2.2 The Project Team

The Project Team for this Study is led by Professor Waiman Cheung of the Department of Decision Sciences & Managerial Economics (DSE), The Chinese University of Hong Kong (CUHK). The team includes consultants from BMT Asia Pacific Ltd. Headquartered in the UK, BMT is a leading consulting consortium providing advice on strategic planning for private and public organisations. BMT includes economists, management consultants and logistics experts and is well versed in local and regional business practices and economies.

2.3 Work Scope

This is a two-phase Study. The objectives of the Study are to assess:

- The market demand and supply of the exhibition business in Hong Kong and their implications for the exhibition industry's development strategies;
- The historical background and current incentives for the development of Hong Kong exhibition industry, focusing on:

➢ The private sector's involvement in Hong Kong's exhibition market when compared with similar Asian markets – does the Hong Kong market accommodate sufficient competition?

- The role of Hong Kong Special Administrative Region (HKSAR) government in the Hong Kong exhibition market;
- The role of private exhibition organisers in the long term development of the Hong Kong exhibition market;

- The relationship between the Hong Kong Convention and Exhibition Centre (HKCEC) and AsiaWorld-Expo (AWE) and current status of their cooperation or complementarities;

- The prospects for the future development of the Hong Kong exhibition industry, in particular

  - The synergy of HKCEC and AWE;
  - The synergy of HKTDC and the private exhibition organisers;
  - The integration of the exhibition markets of Hong Kong and Pearl River Delta (PRD);
  - A better utilisation of the large-scale cross-boundary infrastructures such as the Hong Kong-Zhuhai-Macao Bridge and the future Hong Kong-Shenzhen Airport Rail Link;

- The role for the HKSAR Government in the sustainable development of the exhibition industry, especially when it relates to private sector participation.

2.4 Data Collection Methods

The majority of data collected in this report has been compiled from publicly available publications such as government statistics, industry journals and periodicals, web-base publications, etc. In some cases, key stakeholders of the exhibition industry, which includes venues, organisers and associations, were consulted. Primary sources of data provided by the stakeholders have also been included in the report. Where possible, we have taken measures to verify the data provided.

However, it is not feasible to provide an independent audit on every detail of the data due to three factors:

i. Stakeholders choose not to disclose certain event details such as revenue generated, due to contractual confidentiality agreements between the relevant parties;

ii. Stakeholders may tend to overstate past visitor attendance figures and exhibition space for marketing purposes in order to attract future potential exhibitors (see Box 2.1); and

iii. Detailed information regarding the old events, especially for those that occurred before 2004, is largely unavailable on the public domain.

Although it is anticipated that minor data discrepancies may be found between this study and other sources, the overall trends and conclusions made in this study is unlikely to be affected.

The industry in 2009 is included in the scope of this study. Thus we have estimated data regarding events from October-December 2009 by looking at the marketing publications of these future events, and forecasting using historic data of these recurring events.

Where applicable, we have stated the source of data for all charts and graphs in this study. Previous studies that have been conducted specifically with regards to the Hong Kong exhibition industry include BSG's "Economic Impact of Hong Kong's Exhibitions Industry" (2002) and KPMG's "Economic impact of the Hong Kong exhibition industry" (2007). Also held in high regard is the UFI Report researched, BSG's "The Trade Fair Industry in Asia" (yearly). Data has been compiled from these reports to analyse historic trends in the industry.

Box 2.1 Comments on Data from BSG

"The exhibitions industry…has had a tradition tendency towards exaggeration when reporting data particularly for visitors to trade shows … over state the space of previous trade fairs in order to make them look more attractive to potential exhibitors." – BSG Report

2.5 Key Stakeholder Consultations

In order to have a better understanding of the Hong Kong exhibition industry, consultations were conducted with key stakeholders of the industry in Hong Kong.

The following stakeholders have agreed to participate in the consultations:

- Hong Kong Exhibition & Convention Industry Association
- Hong Kong Convention and Exhibition Centre
- AsiaWorld-Expo
- Hong Kong Trade Development Council
- Global Sources
- UBM Asia Ltd.

The results of these consultations have been summarized and compiled according to their contents. They can be found at the end of Chapters 3, 4, 6 and 7.

2.6 Organisation of the Working Paper

This report is for Phase 1 of the Study, which is organised in the following further sections:

Chapter 3 – Overview of the Current Hong Kong Trade Exhibition Industry: overview of the exhibition venues in Hong Kong and their market shares, the types of exhibitions and the economic impact of the industry, the strengths of Hong Kong and identifying key stakeholders;

Chapter 4 – Importance of a Healthy Exhibition Industry: identifying key development phases of the Hong Kong exhibition market and analysing the growth of the market over the past 15 years; analysing the supply and demand in the market in terms of exhibition space and utilisation, and the state of competition between venues, organisers and exhibitors in Hong Kong;

Chapter 5 – Overseas Comparisons: identifying possible overseas comparisons to the case of Hong Kong and identifying any distinctive differences between them, and suggestions for why these differences, if any, exist;

Chapter 6 – Role of HKSAR Government: highlighting the role that HKSAR Government and HKTDC hold and how they have helped the industry growth over time, and the implication of AWE being introduced and their effect on the industry as a whole; and

Chapter 7 – Conclusion and the Way Forward: summarises the results of analysis and highlight some suggestions for future development of the Hong Kong trade exhibition industry.

Chapter 8 – Appendix: includes supplementary figures regarding capacity utilisation for reference purposes.

Chapter 9 – Glossary.

3 Overview of the Current Hong Kong Exhibition Industry

3.1 Exhibition Venues in Hong Kong

There are currently 3 major exhibitions centres in Hong Kong capable of holding trade exhibitions: Hong Kong Convention and Exhibition Centre (HKCEC), AsiaWorld-Expo (AWE) and Hong Kong Exhibition Centre (HKEC).

Established in 1984, HKEC is Hong Kong's first exhibition centre. Located in Wan Chai near Victoria Harbour, it boasts 2,100 square metres (sq m) of saleable exhibition space[4], split between an exhibition hall and a multi-function hall.

The HKCEC was established in 1988 with a recorded 25,131 sq m of saleable exhibition space. It became the first venue in Hong Kong to be capable of holding large events, and immediate growth in the exhibition industry was recorded. In 1997, a Phase Two expansion was completed to bring its saleable exhibition space to 61,804 sq m. Phase Two atrium extension was recently completed in April 2009 to bring the saleable exhibition space to 88,563 sq m. At present, there are discussions in place with regards to whether or not there is a need for further expansion.

In 1998, a feasibility study on the introduction of another major exhibition venue in Hong Kong was conducted by the Steering Committee of the Provision of Additional Convention and Exhibition Facilities, chaired by the Economic Service Bureau of Hong Kong. It recommended that a second major venue should be constructed in order to cope with the rapid growth which resulted in the augmentation of AWE.

AWE boasts over 70,000 sq m of saleable exhibition space located near Chek Lap Kok Airport. This locational advantage has made it especially convenient for international exhibitors and visitors. The introduction of AWE has had an instant impact on Hong Kong's exhibition industry by increasing the overall supply of exhibition space.

Unlike AWE and HKCEC, the HKEC is not capable of holding 'mega shows' due to their very limited floor space. Therefore the focus of this report will be the role and impact of HKCEC and AWE in Hong Kong's trade exhibition industry.

[4] *All space that is available for exhibition use. This includes the purposely-built exhibition space and all other areas that were converted into exhibition areas.*

3.2 Types of Exhibitions

There are three types of exhibition commonly identified by the industry, i.e., exhibitions for "Trade", "Public" and "Trade and Public" purposes. Table 3.1 shows the "natures" of exhibition shows in Hong Kong, as classified by the HKCEC and AWE.

Table 3.1 Types of Exhibition Shows

Nature of Exhibition	Description
"Trade"	Exhibitions those are only open to traders. It is strictly a business-to-business event, and excludes the general public. Products are not sold directly at the stand
"Public"	Public shows are open to the public. Unlike most Trade shows, products are usually sold to visitors directly at the stand
"Trade & Public"	A combination of the 2 types

Thanks to the large influx of overseas visitors that attend the shows specifically for trade purposes, the economic benefits brought by the trade exhibitions to the region are large. Thus, this study will be focusing on trade exhibition shows. Trade exhibitions are usually seasonal, recurrent and very sensitive to "hosting at prime season" therefore they are likely to be the source of tension for exhibition space. "Trade & Public" events will be also taken into consideration.

However, "Public" events are comparatively less seasonal and influential to the economy and thus will be excluded from this study, unless stated otherwise.

3.3 Economic Impacts

There is much evidence to suggest that the exhibition industry is growing and becoming increasingly important to the overall Hong Kong economy. For instance, KPMG Transactions Advisory Services Limited released "Economic impact of the Hong Kong exhibition industry" in August 2007. The report, commissioned by the HKECIA, attempted to estimate the economic impact of the exhibition industry on Hong Kong's economy. It was estimated that HKD$26.4 billion was contributed by the industry to Hong Kong's economy in 2006, up 39% from 2004. To put this into perspective, $26.4 billion is equivalent to 1.8% of Hong Kong's total Gross Domestic Production (GDP).

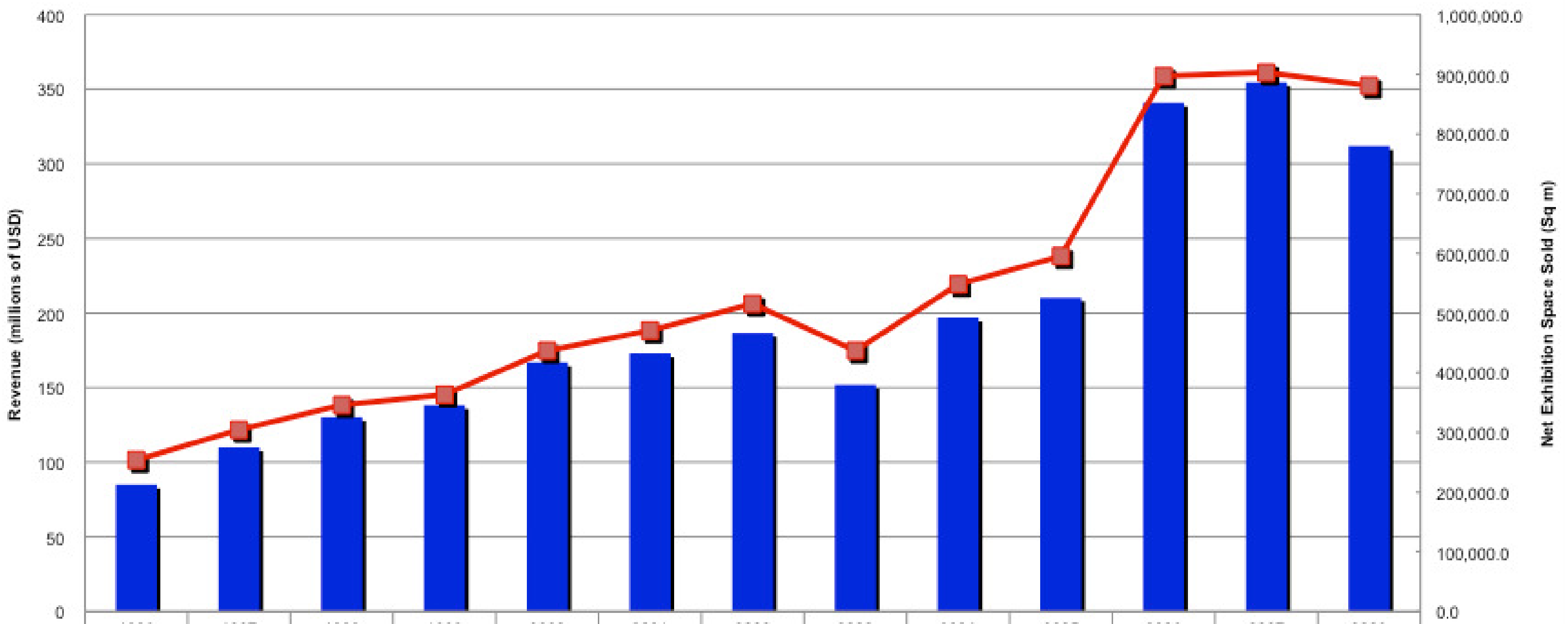
The expenditure effects of the Hong Kong exhibition industry as a percent of GDP was equivalent to around 1.5% of GDP in 2004, as against 1% in Germany and 0.8% in the UK.

The report also "calculated employment generated was 58,500 Full Time Equivalent (FTE) employees in 2006". Apart from the employment generated directly by venues and event organisers, other supporting sectors that contributed to the employment generation include food & beverages, retail, hotel, stand construction, advertising and logistics / freight.

As can be seen in Figure 3.1, the industry has been growing steadily (in terms of annual revenue and net exhibition space sold) from 1996 to 2005. The sudden dip in 2003 is the result of the SARS epidemic which forced many events to cancel during the year.

A dramatic increase of revenue and net exhibition space sold from 2005 to 2006 can be contributed to the opening of AWE in December 2005. The new venue brought in new events and organisers to Hong Kong's exhibition industry. The effect of the introduction of AWE on the industry will be examined in detail in later sections.

Figure 3.1 Annual Revenue & Net Exhibition Space Sold 1996 - 2008



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenue(USD)	84,993,418	110,040,416	130,287,024	138,212,839	166,949,188	172,870,845	186,656,628	151,996,469	196,915,622	210,330,105	340,870,076	354,662,792	311,911,638
Space Sold	253,896.0	304,470.0	345,893.0	363,421.0	437,014.0	470,705.0	515,650.0	437,018.0	548,226.0	595,192.0	897,153.0	903,022.0	880,961.0

*Source: HKECIA *2009*

*Note that data from HKECIA includes public events as well.

3.4 Key Stakeholders

This section intends to identify the key players in Hong Kong's trade exhibition industry and explore their relationships with venue suppliers. In addition, the stakeholders' views toward the existing market conditions and their expectation for the future are also collected and discussed.

The key players / sectors (supply side) in the exhibition industry are:

- Exhibitors
- Exhibition organisers
- Venue suppliers
- Government officials in charge of trade policies & Associations of the industry

Table 3.2 identifies these key stakeholders and some of their key details.

Table 3.2 Key Stakeholders and Key Details

Stakeholder Name	Stakeholder Role/Type	Remarks
Hong Kong Convention and Exhibition Centre (HKCEC)	Venue	• Established in November 1988 • Located in Wan Chai • Expansions completed in 1997, 2009 • Owned by HKTDC and HKSAR Government • Largest exhibition venue in Hong Kong • Operated by Hong Kong Convention and Exhibition Centre (Management) Limited (HML), a wholly-owned subsidiary of NWS Holdings Ltd
AsiaWorld-Expo (AWE)	Venue	• Established in December 2005 • Located near to the Hong Kong International Airport • Owned by Hong Kong IEC Limited, a joint venture between the Government and a private partner • Operated by AsiaWorld-Expo Management Limited
Hong Kong Exhibition & Convention Industry Association (HKECIA)	Association	• Represents the best interest of its members in the exhibition and convention industries • Advisory body to its members • Helps promote Hong Kong's exhibition industry • Collects industry information and data for the benefits of members and their businesses
Hong Kong Trade Development Council (HKTDC)	Industry promoter, exhibition organiser and venue owner	• Public organiser • Largest trade exhibition organiser in Hong Kong • Creates and facilitates opportunities in international trade in Hong Kong • Promotes Hong Kong trade industry
Global Sources	Exhibition organiser	• Largest private organiser in Hong Kong
UBM Asia Ltd.	Exhibition organiser	• Private organiser of the largest trade fair in Hong Kong

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3.5 Market Share

As with most industries, market share can be calculated / estimated using different comparables. For the exhibition industry, the key comparables identified are:

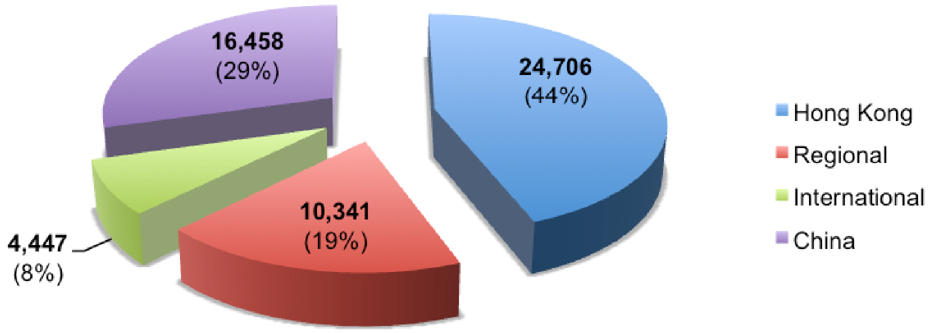
- Gross exhibition space / net exhibition space sold
- Number of trade fairs organised
- Gross revenue generated by trade fairs
- Number of organisers
- Occupancy rate/ Utilisation
- Number of visitors

However, as mentioned earlier, comparing the number of visitors that different exhibition venues or trade fair events have would not be an accurate measure. This is due to the fact that many of the figures that the organisers and exhibitors publish could be exaggerated in their favour, in order to attract future exhibitors and attendees.

Figure 3.2 shows how exhibitions in Hong Kong compose of exhibitors from different regions. In particular, 44% of exhibitors in 2008 are local from within Hong Kong. The pie-chart also shows the importance and influence of China to the exhibition industry in Hong Kong. 29% of all exhibitors in 2008 originate from China. The remaining 37% market share is split between regional and international competitors.

"International" is defined as exhibitors from Africa/ the Americas/ Middle East/ Europe. Therefore "Regional" are exhibitors from any countries that are not covered by "Hong Kong', "China" and "International" i.e. most of those in Asia-Pacific.

Figure 3.2 2008 Exhibitor Composition (total of 55,952 companies)



Source: HKECIA 2009

Figure 3.3 and 3.4 shows 2008 exhibition organisers' market shares in terms of number of events organised and their respective gross exhibition space[5]. It shows apparently that HKTDC, Hong Kong's only public/governmental organiser has the largest market share with 31 (38%) trade exhibitions organised in 2008. Besides, there is a considerable gap between HKTDC market share and the next most significant organiser, i.e., Global Sources who held 10 (12%) events in the same period.

"Others" consist of all the firms who organise events, which do not exceed 50,000 sq m each. There are 24 firms that fall under this category and they together organised 27 (33%) events. Thus, most of these organisers under the "Others' category have only organised one event each in 2008.

When comparing the number of events organised to the actual gross exhibition space of these events, two points should be raised.

First, all the named firms hold a larger percentage market share in terms of gross exhibition space compared to the number of events organised e.g. HKTDC has 38% share in events but 45% in gross exhibition space. The difference in market shares are at the expense of the small fairs organised by "Others" who have 33% of events but only 15% of gross exhibition space.

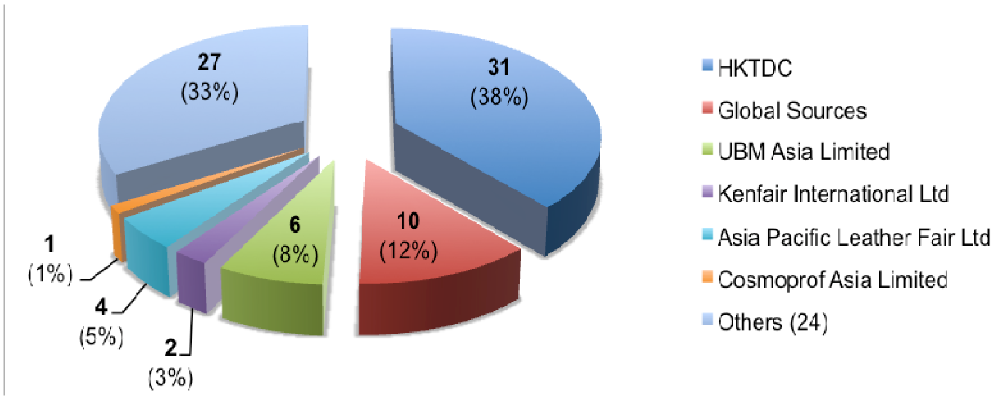
Secondly, since the proportionate market share of gross exhibition space is larger than the corresponding events market share, intuitively it can be concluded that the

[5] *The exhibition space that is sold for exhibition to the organisers. It includes the net exhibition space and the areas for necessary traffic and services.*

actual size of the events held by these firms are much larger than those held by "Others".

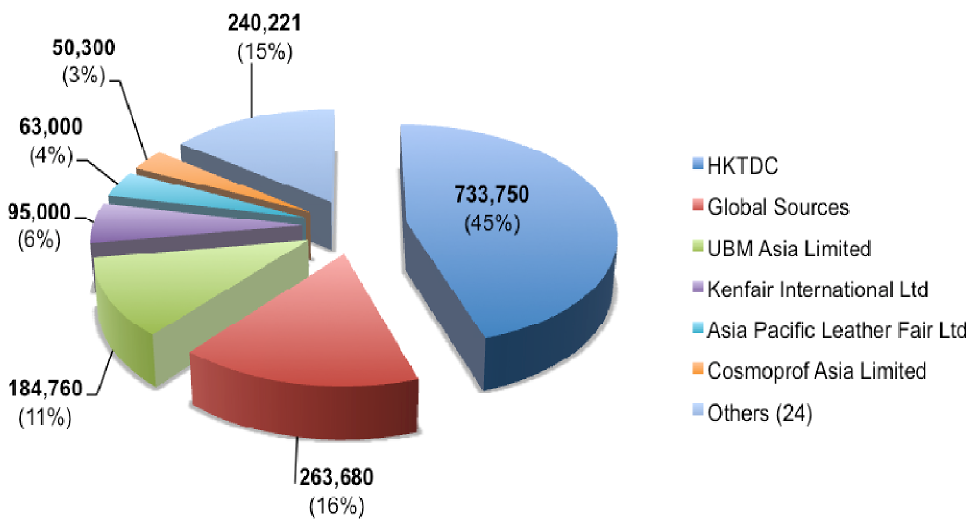
In addition, since HKTDC is the dominant market players among the organisers, it may be interesting to analyse the location of the venue organised by HKTDC, which will be further discussed in detail in Chapter 6.

Figure 3.3 2008 Organiser Market Share (Number of Trade Exhibitions)



Source: Compiled from AWE, HKCEC and public domain

Figure 3.4 2008 Organiser Market Share (Gross Exhibition Space Sold sq m)



Source: Compiled from AWE, HKCEC and public domain

Figure 3.5 shows the market share of saleable exhibition space by venue holders. HKCEC currently provides the most exhibition space with 88,563 sq m (post April 2009), and AWE has 70,000 sq m. Being only 2,100 sq m in saleable exhibition space, HKEC has less than 1% market share in terms of supply of space. Thus, the effect HKEC has on Hong Kong's exhibition industry is considered to be minimal and will not be analysed in detail in this study.

Note that space figures are what were reported by the venues as saleable exhibition space. By exhibition space, it refers to the space that is available and can be used by exhibition events. For example, the exhibition space in HKCEC includes exhibition halls as well as some multi-function venues and foyer areas that are capable of being used as exhibition space.

There have been confusions caused in the past due to the space figures that have been published.

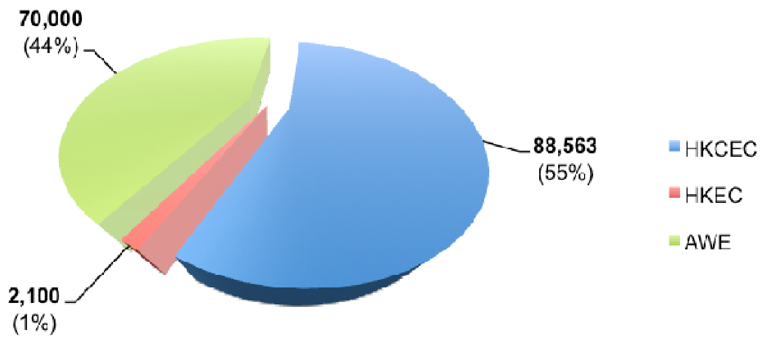
Some publications quoted the HKCEC as having 91,979 sq m, which referred to the total rentable space available (including Exhibition Halls, Multi-function Venues and Event Support Area). As this figure includes the space that cannot be used by exhibition events, this figure would not be used in the study.

HKCEC acknowledged that there had been misunderstandings of the quoted figures of saleable space of HKCEC, but they pointed out that this was due to the difference of terminology used when disclosing these figures. They had recently clarified the figures of 88,563 sq m as the saleable exhibition space after the expansion of Atrium Link in April 2009 so that they would not be taken out of context or be misunderstood by the public, government or other stakeholders in the future.

For both AWE and HKCEC, another figure commonly used is the "purposely built exhibition hall space". AWE is quoted as having 66,420 sq m and HKCEC has 66,000 sq m. These figures are limited to the purpose-built exhibition halls, but the actual available space for exhibition use has increased over time. This stems from the increasing demand by organisers and exhibitors for more space, and in order to meet this demand, the operators were able to convert parts of the venues that were not originally planned for exhibition use into saleable exhibition space. For instance, HKCEC has reconstructed an underground car park as the Expo Drive Hall and this added 6,998 sq m to the total saleable exhibition space available in 2006.

For this study, the reported available saleable exhibition space figures are used.

Figure 3.5 2009 Total Saleable Exhibition Space (sq m)

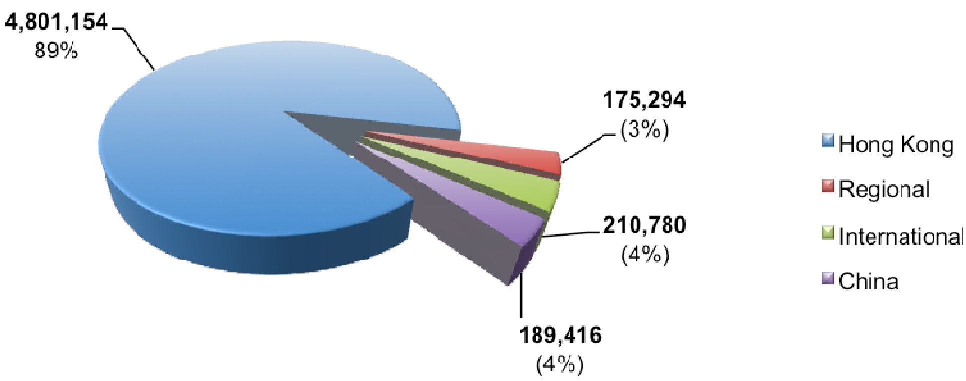


Source: AWE, HKCEC, HKEC

Figure 3.6 shows the exhibition visitor composition in 2008. 89% of exhibition attendees were local from within Hong Kong. The remaining attendees were from Mainland China and abroad. It is noted that these figures include public exhibitions too, which has higher attendance figures than private trade shows. For this reason, the figures tend to be skewed towards Hong Kong.

Also, a large number of trading companies and buying firms/representatives of foreign companies are physically located in Hong Kong.

Figure 3.6 2008 Exhibition Visitor Composition (total of 5,376,644)



Source: HKECIA 2009

3.6 Stakeholders' Views

The stakeholders consulted all agreed that Hong Kong had a number of "core competencies" that makes the exhibition industry successful and sustainable. These can be summarised under the following 3 categories:

1. The Presence of Quality Buyers
   - Numerous local sourcing offices for overseas buyers

2. Cluster of Suppliers
   - The advantage of sharing a border with Mainland China
   - Hong Kong's position as a Special Administrative Region of China, which has enabled relatively easy access between the two regions
   - Next to a large and varied local market and production base in Pearl River Delta, especially after China's entrance into the WTO and CEPA

3. Well-established Infrastructure and Facilities
   - The presence of two world class exhibition venues in the form of HKCEC and AWE;
   - Excellent hotels, entertainment facilities and tourist sites;

- World class trade and business services such as finance, legal and logistics.
- Geographical location at the heart of Asia (within 5 hours direct flight of all countries in the Asia-Pacific);
- Superb public transportation systems;

Of the 3 major competencies, the stakeholders agreed that the presence of quality buyers has been the determining factor for the success of the Hong Kong exhibition industry. Besides the competencies mentioned above, other strengths of Hong Kong mentioned includes:

- Business friendly – for many passports, no VISA is required;
- Tax-free and duty-free to bring samples in and out of Hong Kong; and
- Having the English language as a medium; and
- A neutral trading platform for many industries.

4 Importance of a Healthy Exhibition Industry

4.1 Historical Development of the Exhibition Industry: The Three Key Development Phases

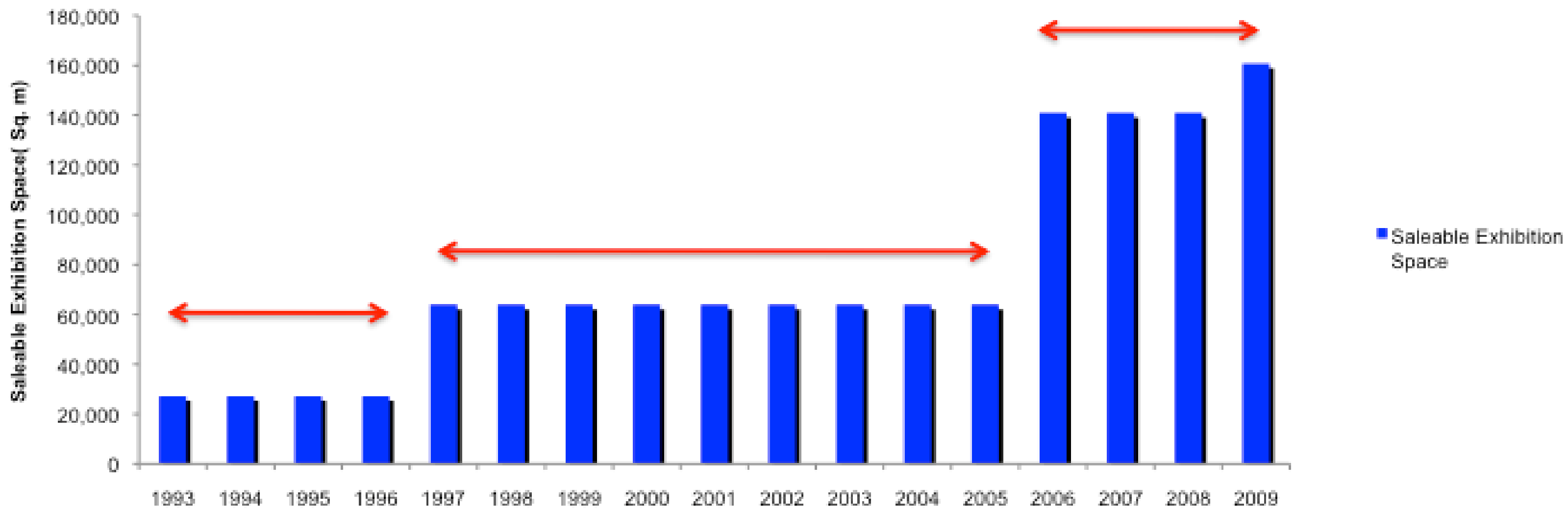
In order to measure the historical development, growth and progression of the exhibition industry, three key development phases have been identified for the case of Hong Kong. These phases are marked by significant increases in the total saleable exhibition space. These phases are divided by two significant changes in the market, namely the Phase Two expansion of HKCEC in 1997 and the introduction of AWE in 2006. Figure 4.1 shows these market development phases.

The first phase is the period before 1997. Before 1997, Hong Kong has only two main venues for exhibition, the HKCEC and HKEC. This was prior to the 1997 expansion of HKCEC.

The second phase is the period from 1997 to 2005. This was prior to the introduction of the AWE as Hong Kong's second venue capable of holding large scale exhibition events.

The third phase is the period since 2006, when the AWE facilities was introduced.

Figure 4.1 Key Development Phases



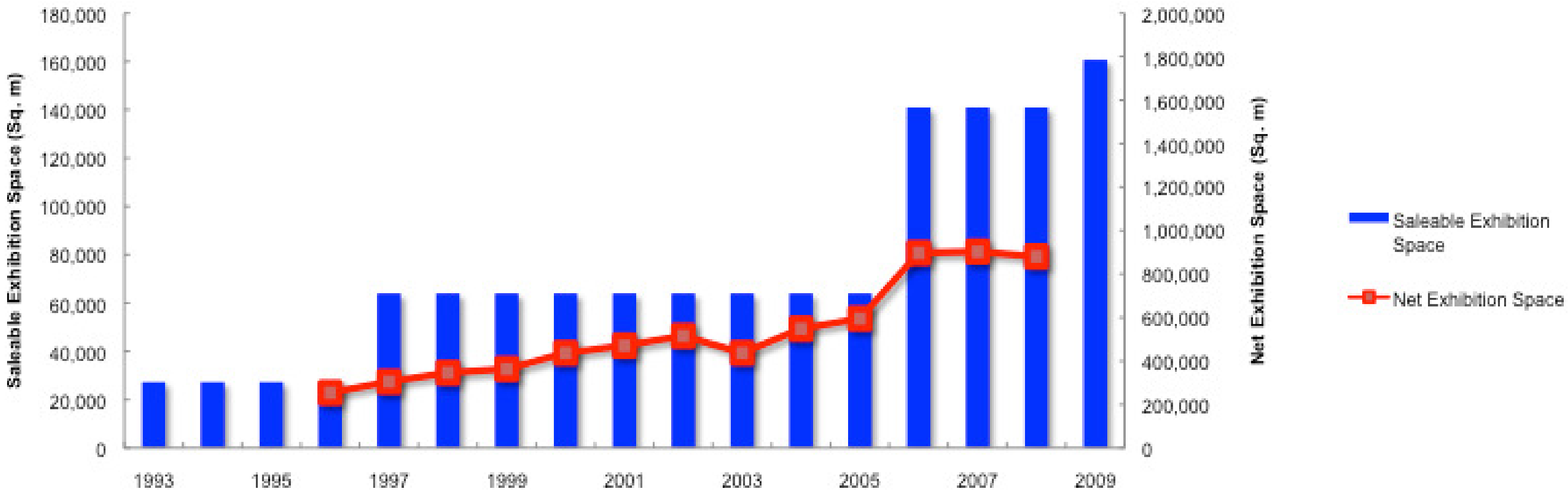
Source: Compiled from AWE, HKCEC, HKEC reports

4.2 The Market Growth

Throughout the years, the market size in terms of the net exhibition space sold has experienced consecutive years of growth to 3.5 times of the original size in 1996. The net exhibition space sold has grown by 627,065 sq m from 253,896 sq m in 1996 to 880,961 sq m in 2008. The average growth rate is about 10.9% per year.

The market growth from 1996 to 2005 was quite steady with an exception in 2003 when Severe Acute Respiratory Syndrome (SARS) occurred in the middle of that year. The growth in 1997 was similar to that of 1996 despite the major expansion of HKCEC was in operation in that year. On the other hand, a substantially higher market growth rate was experienced in 2006 when AWE was in operation.

Figure 4.2 Saleable Exhibition Space and Net Exhibition Space Sold



Source: Compiled from AWE, HKCEC, HKEC reports (Saleable Exhibition Space); HKECIA (Net Exhibition Space)

4.3 Market Supply

The market supply focused in the following section is the saleable exhibition space which includes exhibition space that was not purposely built. By saleable exhibition space, it refers to all the space (e.g., purposely built exhibition halls, grand halls, convention halls and multi-function halls) that is available for exhibition and has actually been used for exhibition. The exhibition space available from 1988 to 1996 was provided mainly by the HKCEC and the HKEC. The saleable exhibition space of the HKCEC was 25,131 sq m and that of the HKEC during that period was stable at 2,100 sq m. The HKCEC and the HKEC together provided a total supply of 27,231 sq m from 1988 to 1996.

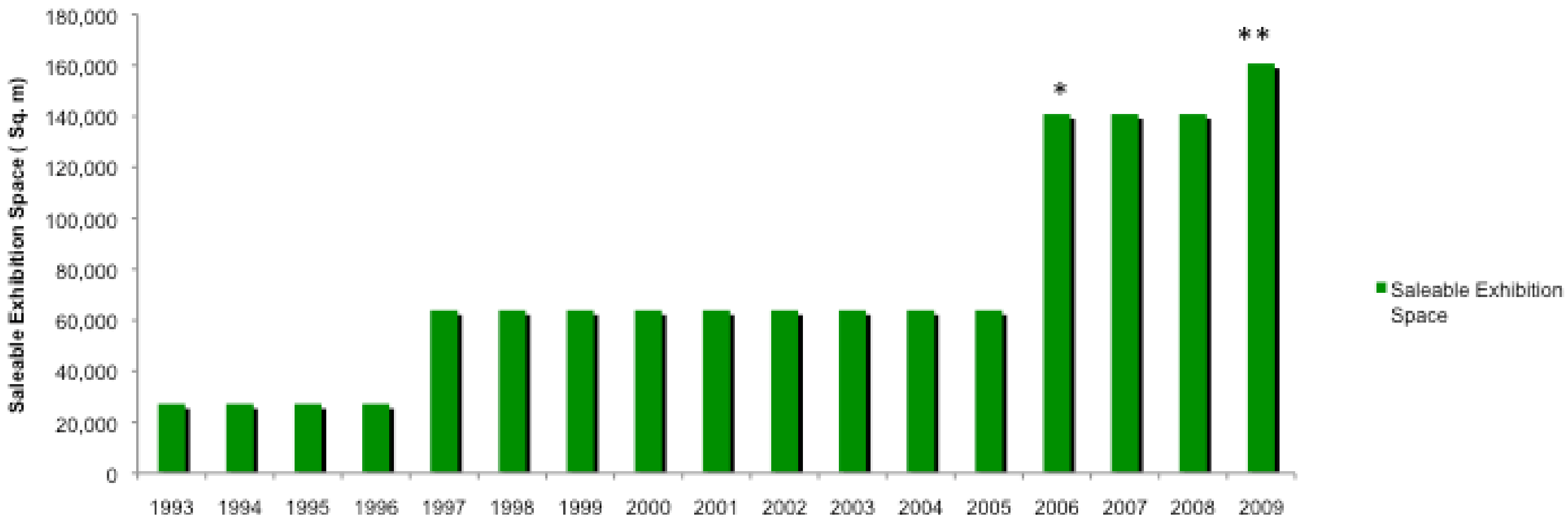
In 1997, the construction of Phase Two of the HKCEC was finished and at that time the two phases of the HKCEC supplied a total saleable exhibition space of 61,804 sq m. Together with the 2,100 sq m provided by HKEC, the total supply of space reached 63,904 sq m in 1997 and the exhibition space available remained largely the same level until 2006.

In 2006, the AWE acceded to the exhibition industry and hence provided an extra exhibition space of 70,000 sq m. In April, the same year, HKCEC has reconstructed an underground car park as the Expo Drive Hall and this added 6,998 sq m to the saleable exhibition space. The AWE, the HKCEC and the HKEC since then provided a total space of 140,900 sq m, i.e. the supply of space has doubled after 2005.

In April 2009, the new expansion (also known as the Atrium Link) of the HKCEC has added an extra exhibition space of 19,400 sq m to the exhibition space available and the saleable exhibition space from then on has reached 160,663 sq m.

Over 14 years from 1996 to 2009, the amount of saleable exhibition space has grown from 27,231 sq m to 160,663 sq m, which is about 5.9 times (Figure 4.3).

Figure 4.3 Growth of Saleable Exhibition Space (Supply - sq m)



Source: Compiled from AWE, HKCEC, HKEC reports

** refers to the completion of AWE in December 2005 and hence provided an extra exhibition space of 70,000 sq m and the reconstruction of an underground car park in the HKCEC as the Expo Drive Hall in 2006 and hence adding additional exhibition space of 6,998 sq m.*

*** refers to the most recent expansion of the HKCEC which was completed in April 2009. It added a further 19,400 sq m of purposely built exhibition space to the HKCEC*

4.4 Market Demand

The market demand in the three phases can be reflected by the space sold and the utilisation in the three phases - i.e., the larger the space sold, the larger the demand; the higher the utilisation, the larger the demand.

When discussing utilisation, "capacity tension" should be considered. Capacity tension is when venues are operating at or close to full capacity. In other words, events, organisers and exhibitors may have to be turned away due to the venues operating at full or near to full capacity.

However, the extent of capacity tension cannot be accurately estimated, as data regarding the number of organisers and exhibitors that are actually turned away is unavailable. Nonetheless, if venues were operating at full capacity, it would suggest that there is capacity tension.

Note that the figure for the number of days an event occurs for at a particular venue includes the estimated move-in/set-up and move-out period.

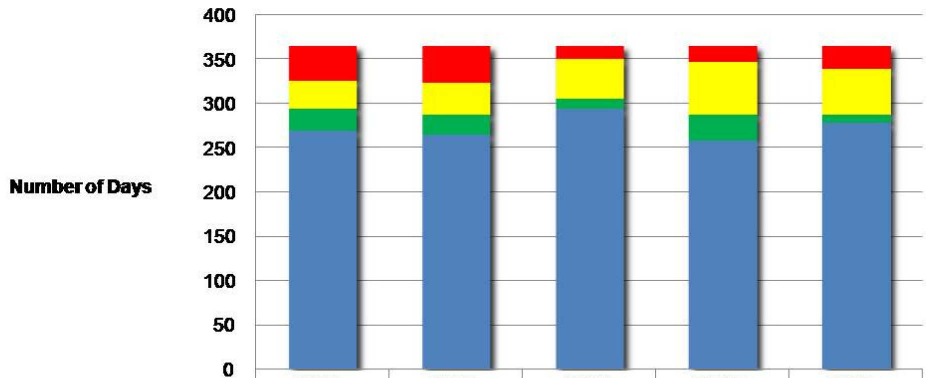
Note also that non-recurring trade shows were excluded in the analysis of utilisation.[6] The reason for this is because these shows "come and go" meaning that if they are held this year it is unlikely they will appear again next year. There is also no pattern to the scheduling of other non-recurring show(s) in similar periods each year.

As shown in Figure 4.4, according to various sources, the number of days which the HKCEC was at full capacity peaked in 2005 at 42 days. A dramatic decrease was noted in 2006, the cause of which could be attributed to the introduction of AWE.

Since then, the number of days at which utilisation for HKCEC was at 100% has been increasing steadily, to 26 days in 2008

[6] *For 2008 utilisation figures that include non-recurring events, please see Appendix Section 8.1*

Figure 4.4 HKCEC Utilisation 2004 - 2008



	2004	2005	2006	2007	2008
HKCEC Utilisation=100%	39	42	14	18	26
70%≤HKCEC Utilisation <100%	32	36	46	59	51
50% ≤HKCEC Utilisation <70%	25	22	11	30	10
HKCEC Utilisation <50%	269	265	294	258	278

Source: Compiled from AWE, HKCEC and public domain data

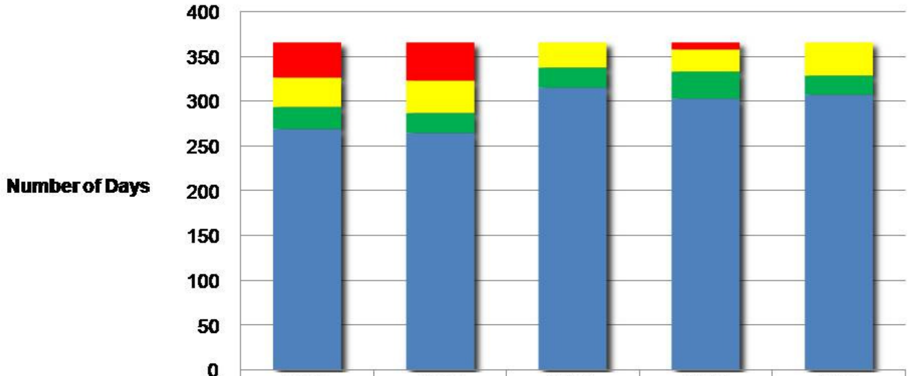
Figure 4.5 shows the utilisation in the theoretical scenario of AWE and HKCEC being able to fully share venue space with 100% efficient allocation of events. In this case, there were no days in which the overall utilisation was at 100% in 2006 due to the higher supply of the combined capacity, and hence no capacity tension. 2007 saw 8 days of full capacity utilisation, but 2008 had no days of full utilisation.

100% efficient allocation of events between two venues may not be possible. However, better cooperation and event management between AWE and HKCEC can lower the number of days where the venues would be operating at full capacity, and hence it could be possible to eliminate some capacity tension.

It is noted that if a venue is not at full utilisation (i.e., 100% utilisation), it does not signify they would be capable of eliminating capacity tension. For example, if HKCEC had events taking place on a certain date that utilised 95% of the available trade exhibition space, there would be few events in such a small scale to be able to utilise the remaining 5%.

Figure 4.5 assumes that an exhibition can be "hosted" in two venues, i.e., HKCEC and AWE. The two venues, although were built with some distinct features, both of them can be used to host most of the exhibitions have been held in Hong Kong. In practice and at this stage, there are few exhibitions that might agree to split their trade space between two different venues (especially small and medium sized events).

Figure 4.5 Overall Utilisation 2004 - 2008



	2004	2005	2006	2007	2008
Overall Utilisation=100%	39	42	0	8	0
70%≦Overall Utilisation <100%	32	36	28	24	37
50% ≦Overall Utilisation <70%	25	22	22	30	21
Overall Utilisation <50%	269	265	315	303	307

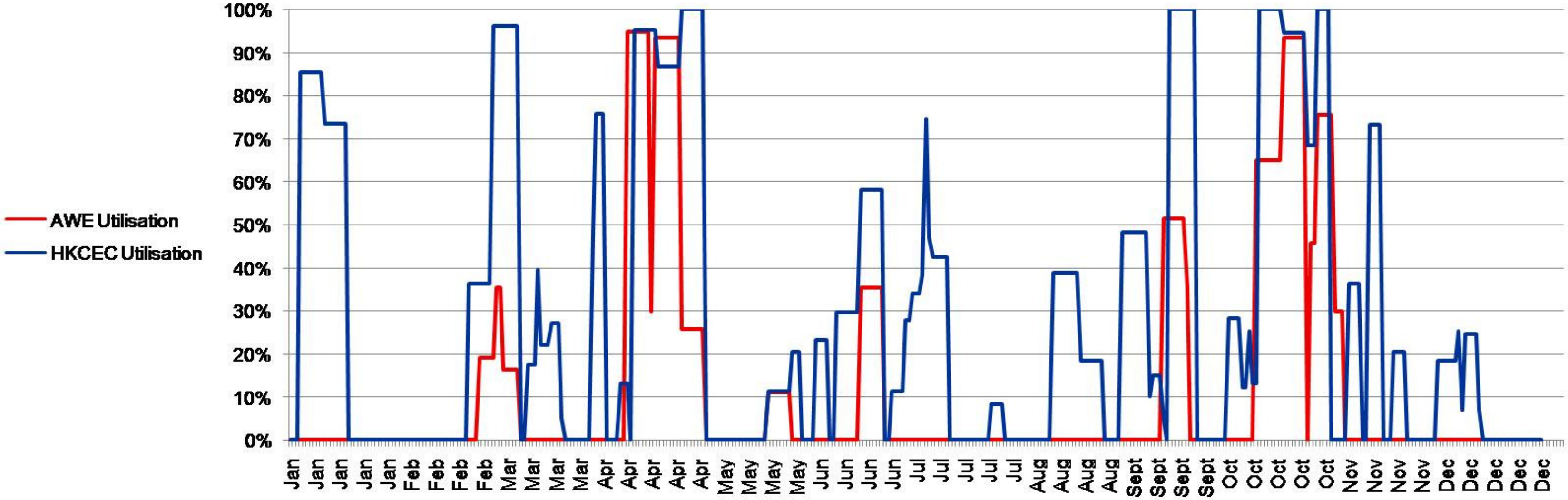
Source: Compiled from AWE, HKCEC and public domain data

In order to observe the seasonal trends in the trade exhibition industry, the utilisations of the venues by months and days are examined. Figure 4.6 shows the utilisation of HKCEC and AWE respectively throughout the months in 2008. In general, the utilisation for both the HKCEC and the AWE were low for much of the year. Based on our compiled data, there were only a handful of days in the periods of April - May and September - October at which the HKCEC were operating close to full capacity, which therefore suggests the potential existence of capacity tension. The utilisation was also relatively high at over 80% for a number of days in the months of January - March. In contrast, there were no days at which AWE were 100% fully utilised.

As mentioned earlier, a possible solution to eliminate capacity tension is to "better utilise" both venues as a whole. This solution is particularly apparent for the cases of a certain number of days in February - March 2008, where HKCEC were almost fully utilised but the AWE at less than 40% and a certain number of days in September, where HKCEC were fully utilised but the AWE at less than 50%. In these cases, there may be capacity tension for HKCEC but not to the industry as a whole since there is sufficient space to host more events in AWE.

Figure 4.7 again presents the theoretical scenario of having the cooperation between AWE and HKCEC. If this were possible, there would be no days in 2008 at which the two venues were both at full capacity. Thus, they will be able to hold more events or increase the number of exhibitors, therefore eliminating capacity tension. Similar phenomena can be seen in 2009. Utilisation rates for 2009 with estimated figures for October, November and December are available in Appendix (Section 8.1).

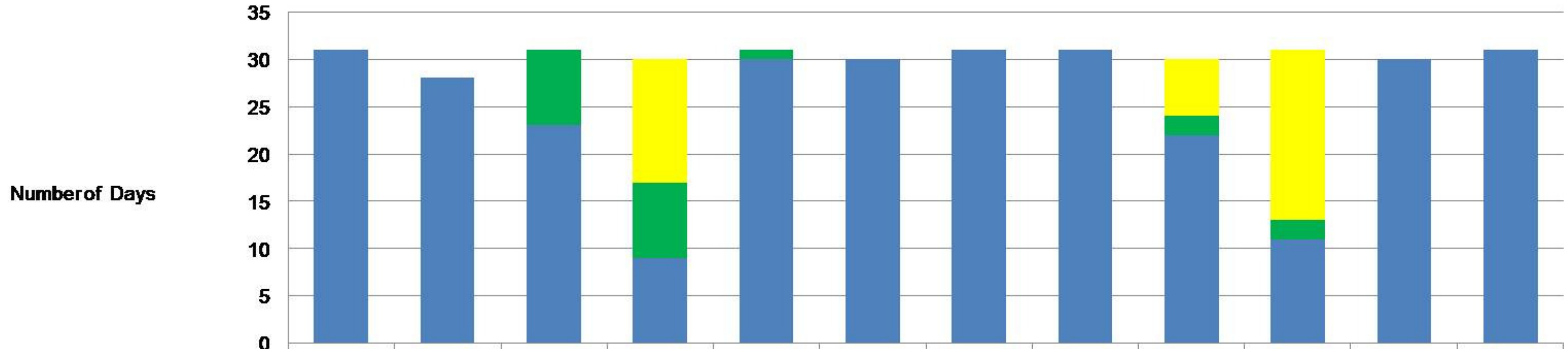
Figure 4.6 Capacity Utilisation in 2008



Source: Compiled from AWE, HKCEC and public domain data

For 2009 data please see Appendix Section 8.1

Figure 4.7 Combined Utilisation in 2008



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overall Utilisation =100%	0	0	0	0	0	0	0	0	0	0	0	0
70% ≤ Overall Utilisation <100%	0	0	0	13	0	0	0	0	6	18	0	0
50% ≤ Overall Utilisation <70%	0	0	8	8	1	0	0	0	2	2	0	0
Overall Utilisation <50%	31	28	23	9	30	30	31	31	22	11	30	31

Source: Compiled from AWE, HKCEC and public domain data

For data of 2009 please see Appendix Section 8.1

4.5 Market Competition

4.5.1 Venues

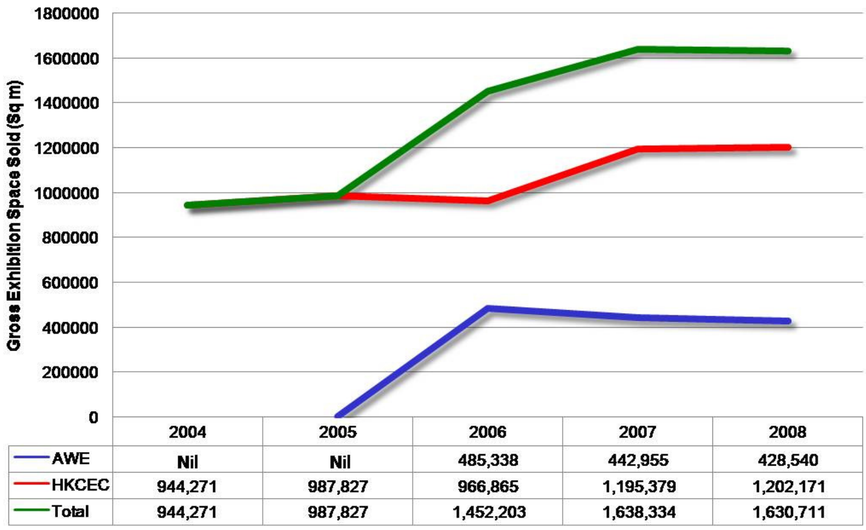
The market influence that HKEC has is assumed minimal as with only 2,100 sq m available compared to the total supply, the competition effect it has on AWE and HKCEC is small.

As shown in Figure 4.8, the total gross exhibition space sold in Hong Kong's trade exhibition industry saw a significant increase in 2006. This can be directly attributed to the introduction of the AWE. From 2004-2006, prior to AWE, total gross exhibition space growth was small for HKCEC. Since 2006 however, HKCEC has experienced a steady growth, increasing from 966,865 sq m sold in 2006, to 1,202,171 sq m sold in 2008.

The AWE also experienced a generous growth from 2006-2007. For both AWE and HKCEC, growth slowed after 2007, probably due to the adjustment made due to 2006's sudden growth.

The fact that upon the introduction of a new competitor in the form of AWE it had not taken business away from HKCEC suggests that AWE had brought with it new organisers and new business into Hong Kong. The net gain on total gross exhibition space sold (green line) each year since 2006 shows a close correlation to the space sold of AWE (blue line). This implies that the introduction of AWE was a positive change to bring in new customers which helped enlarge the Hong Kong exhibition market base.

Figure 4.8 Total Gross Exhibition Space Sold 2004-2008



Source: Compiled from AWE, HKCEC and public domain data

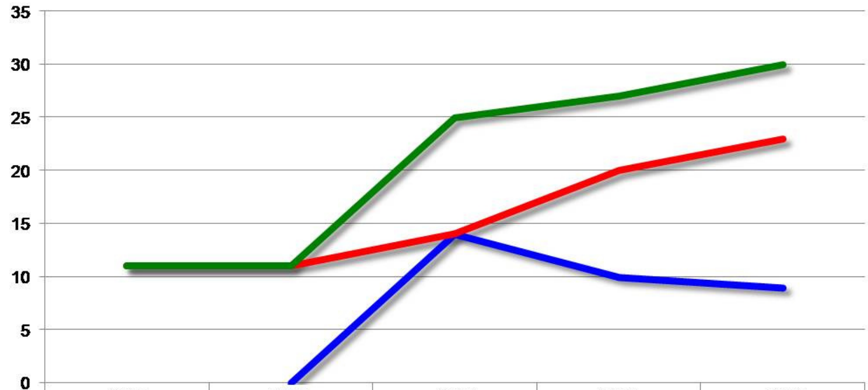
4.5.2 Organisers

As shown in Figure 4.9, there was no growth in the total number of organisers during 2004-2005 and the number of organisers for trade exhibitions remained at 11.

As the AWE joined the industry in year 2006, competition was introduced to the market. The total number of organisers increased more than a double to 25. The total number of organisers has increased slightly since then. This implied that the addition of the AWE in 2006 did bring in a large number of organisers to the market and the effect is likely to be lasting.

Since 2006, the number of organisers that hold events at HKCEC had increased dramatically from 14 to 23 in 2008. This suggests that AWE encouraged new organisers to hold events in Hong Kong which was beneficial not only to AWE but also HKCEC as they opted for their own preference whether they would like to host at AWE or HKCEC.

Figure 4.9 Growth of Number of Organisers 2004-2008

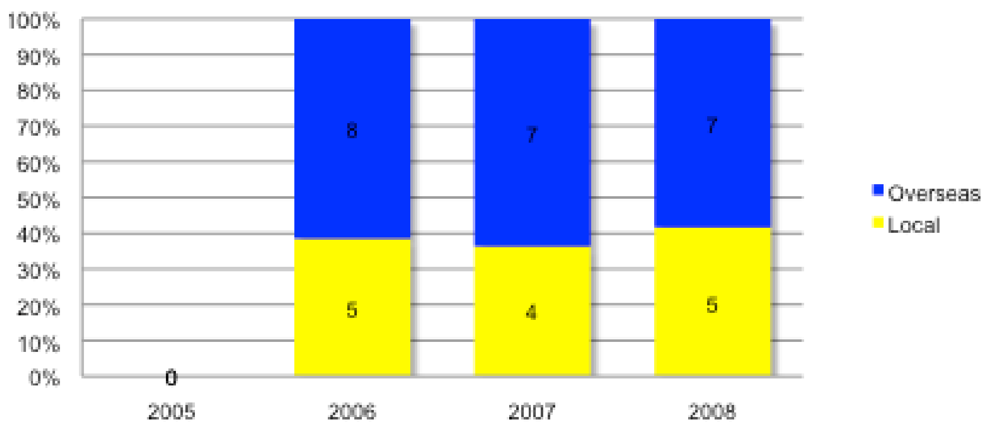


	2004	2005	2006	2007	2008
AWE	Nil	Nil	14	10	9
HKCEC	11	11	14	20	23
Total	11	11	25	27	30

Source: Compiled from AWE, HKCEC and public domain data

With regards to the growth in the number of new organisers, organisers were mainly constituted of the local organisers in the years prior to 2006 (see Figure 4.10). However, from 2006, an increasing number of overseas organisers were also attracted to organise trade shows in Hong Kong. This means that the addition of one more major and independent exhibition venue helped the promotion of Hong Kong as a regional convention and exhibition capital, and thus directly attributable to the influx of overseas organisers.

Figure 4.10 New Organisers Attracted to Hong Kong Exhibition Industry



Source: Compiled from AWE, HKCEC and public domain data

4.6 Stakeholders' Views

The augmentation of AWE into the exhibition industry has a positive effect on the overall industry.

Global Sources has made a point that the addition of AWE has allowed new organisers to enter the market and thus Hong Kong's total space sold had increased. They commented that if the AWE never came to existence, Global Sources would still be holding their events at other cities, such as Shanghai since there would not be a chance for them to enter the Hong Kong market.

HKECIA agrees that from the organisers' point of view, the introduction of AWE does reduce the domination of HKTDC in the market and the introduction, which has provided an instant period of growth, is beneficial to the local economy.

HKCEC acknowledges that AWE has contributed to the growth of the market in recent years. However, they also believe that the introduction of a second major venue may not be necessary for the sustainability and development of the Hong Kong exhibition industry, as the location is not ideal. Instead, they argue that the government should do more to promote new themes and industries to the exhibition market.

5 Overseas Comparisons

5.1 Criteria for the Selection of the Overseas Comparison

Hong Kong is a regional leader in the exhibition business, according to BSG's "The Trade Fair Industry in Asia" report (Box 5.1). However, Hong Kong's exhibition industry is unique in terms of the geographical region, number of venues and fairs as well as revenue generated from the fairs. All these will be analysed in detail in the following sections.

Box 5.1 Hong Kong is a Regional Leader in the Exhibition Market

> *"In terms of average revenue per fair, Hong Kong is still the regional leader with average revenue per fair of US$4.08 million in 2008. This figure is 50% more than the next closest market China with its average revenue per fair of US$2.71. Only two other markets average more than US$2 million per fair: Japan US$2.07 and Thailand US$2.05 million. Hong Kong's wide lead is driven by its relatively small number of large scale sourcing fairs which, by the standards of the region, sustain quite high prices" - BSG Report 2009*

Alongside the focus on "light industry"[7] in Hong Kong's trade exhibitions, it is difficult to locate a good "benchmark" that is sufficiently similar to Hong Kong's unique position.

Overseas comparisons are to be conducted by focusing on markets located in the Asia-Pacific region, and those that match the following criteria:

- Located in a similar region, geographically and economically as Hong Kong so that market conditions are similar;
- Similar to HK's exhibition industry, in that there have been new exhibition centres built within last 10 years, or have expanded existing exhibition centres, and/or plan to expand in near future;
- Generating or recorded average revenue per fair in excess of US$1.5 million;
- Have good international transportation links;

[7] *Less capital intensive then heavy industry. Usually more consumer-orientated i.e. products manufactured for end-users e.g. toys, furniture, consumer electronics, clothing. Most other countries/cities are capable of having heavy industry and thus able to hold heavy industry trade fairs.*

- Have good domestic transportation links to and from the exhibition centres; and
- Have large exhibition centres of at least 20,000 sq m of floor space, so to have a better comparison with Hong Kong's comparatively large venues and their capability to hold large shows.

Considering the criteria made above, Tokyo, Singapore and Sydney were chosen for overseas comparisons.

5.2 Background Information

5.2.1 Tokyo

There are currently three exhibition centres in Tokyo, the largest of which is Tokyo Big Sight, with a gross indoor size 80,660 sq m. It is by far the largest exhibition-oriented centre in the city.

Table 5.1 Exhibition Centres in Tokyo

Venue	Year Established	Current Gross Indoor Size (sq m)
Tokyo Big Sight	1996	80,660
Sunshine City Convention City	1979	12,513
Tokyo International Forum	1996	7,025

Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney

5.2.2 Singapore

There are four exhibition centres in Singapore, two of which were only constructed in the last 2 years. With a gross indoor size of 100,000 sq m, Singapore Expo is one of the largest exhibition centres in the Asia-Pacific region.

Table 5.2 Exhibition Centres in Singapore

Venue	Year Established	Current Gross Indoor Size (sq m)
Singapore Expo	1999	100,000
The Marina Bay Sands	2009	41,000
(New) Changi Exhibition Centre	2007	40,000
Suntec Singapore International Convention and Exhibition Centre	1995	22,600

Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney

5.2.3 Sydney

Sydney is home to only two exhibition centres, both of which do not exceed 30,000 sq m.

Table 5.3 Exhibition Centres in Sydney

Venue	Year Established	Current Gross Indoor Size (sq m)
Sydney Convention & Exhibition Centre	1988	27,200
Ajc Convention Centre		7,863

Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney

5.3 Comparisons to Hong Kong

5.3.1 Comparison Overview

A number of observations can be made from Table 5.4:

- Hong Kong has the second largest exhibition market next to Tokyo among the four markets (it is 30% smaller than Tokyo).
- Exhibitions organised in Hong Kong are on average much larger in terms of net exhibition space sold compared to those in Tokyo, Singapore and Sydney.
- Hong Kong has a high exhibition to organiser ratio (fewer organisers than Singapore and Sydney, yet more events organised).
- Hong Kong has the smallest number of organisers, especially compared to Tokyo.
- Comparing the venue utilisation (defined in this section as net exhibition space sold divided by available exhibition space here), venue utilisation of Tokyo is double of Hong Kong. Sydney has a higher venue utilisation than Hong Kong while Singapore is the lowest.

Table 5.4 Hong Kong Comparisons 2008

City/Country	No. of Exhibitions	No. of Organisers	Net Exhibition Space Sold (sq m)
Tokyo	170	114	1,201,544
Hong Kong	81	30	815,355.5[8]
Singapore	69	44	237,169
Sydney	60	38	214,218

Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney. Hong Kong data compiled from AWE, HKCEC and public domain data

[8] *Net Space Sold for Hong Kong estimated using half the gross exhibition sold in 2008, which was 1,630,711sq m*

The average number of exhibitions per organiser and average net space sold per exhibition are summarised in Table 5.5.

Table 5.5 Hong Kong Comparisons 2008 (Averages)

City/Country	Average no. of exhibitions per organiser	Average net space sold per exhibition (sq m)
Tokyo	1.49	7,067.9
Hong Kong	2.7	10,066.1
Singapore	1.57	3,437.2
Sydney	1.58	3,570.3

Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney. Hong Kong data compiled from AWE, HKCEC and public domain data.

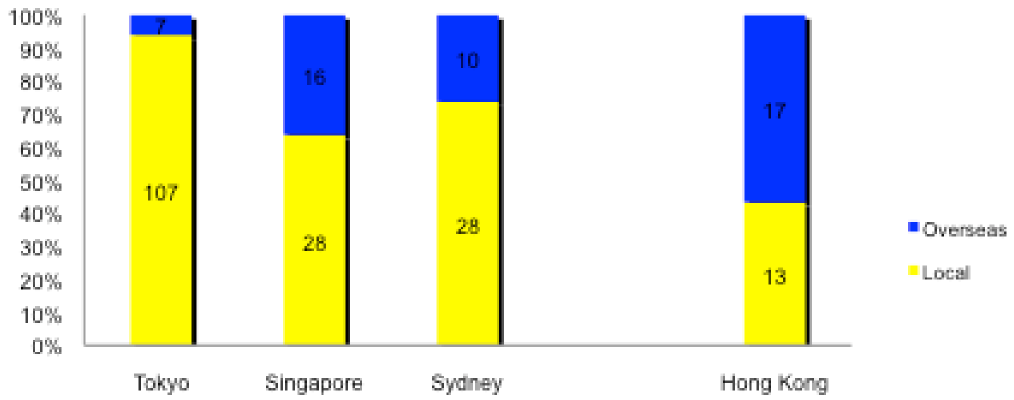
5.3.2 Organiser Origin

Figure 5.1 shows the composition of organisers in terms of their origin. Only 7 of the total 114 organisers that organised events in Tokyo in 2008 were from overseas (6.14%). Singapore and Sydney had a larger proportion of overseas organisers compared to Tokyo, with 36.36% and 26.32% respectively. The number of local organisers exceeded overseas organisers for all 3 comparison cities/countries.

In contrast, Hong Kong had a larger proportion of overseas organisers (56.67%) than local organisers (43.33%). This would support the claim that Hong Kong is the "trade fair capital" of Asia. However, whilst it seems that Hong Kong's trade exhibition has a very healthy market as many international organisers chose to host events in Hong Kong's venues, it should be noted that many of these 'international' organisers originate from China.

Hong Kong has an obvious advantage of having a border with China and being a Special Administrative Region of China, which therefore encourages organisers from China choose to hold events in Hong Kong rather than other neighbouring countries.

Figure 5.1 Organisers by Origin 2008



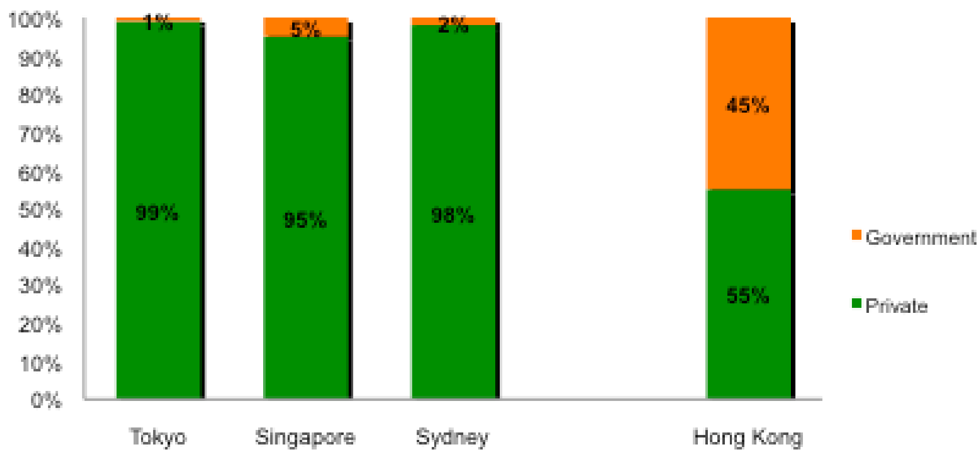
Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney. Hong Kong data compiled from AWE, HKCEC and public domain data.

5.3.3 Space Sold

As shown in Figure 5.2, it is usually the case that private sector organisers account for the majority of the space sold. For the chosen overseas comparisons, the private sector organisers hold over 95% market share in terms of the space sold.

It is evident that Hong Kong does not follow this pattern as 45% of the space sold is to the government-owned organiser, which in this case is the HKTDC. HKTDC as a major exhibition organiser and an owner of HKCEC has contributed significantly to the past success of the Hong Kong exhibition business development. Moving ahead, while Hong Kong is working to becoming the biggest exhibition city in Asia, the role of HKTDC should be carefully examined.

Figure 5.2 Space Sold to Organisers 2008



Source: BSG Benchmarking Report 2009 for Tokyo, Singapore and Sydney. Hong Kong data compiled from AWE, HKCEC and public domain data.

5.4 SWOT Analysis

From the evidence presented above, Hong Kong has proven itself to have a very active and successful trade exhibition industry in comparison to its overseas competitors.

A SWOT analysis is to suggest reasons why and how Hong Kong has the strengths and opportunities to be known as the "Trade Capital of China" but also to identify possible weaknesses and threats.

<table>
<tr><th>Strengths</th><th>Weaknesses</th></tr>
<tr><td>
Large number of trading companies, buyers and representative offices of foreign companies are physically located in Hong Kong.
A large variety of suppliers and manufacturers operate in the PRD. Many of them are owned by Hong Kong companies or having offices in Hong Kong.
There are direct flights that reach Hong Kong from all over the world, and most people from across Asia-Pacific can fly to Hong Kong in less than 5 hours.
Hong Kong has excellent infrastructure in place - the public transportation system is one of the best in the world.
Hong Kong is known to be a "shopping heaven" with good entertainment facilities across the city. These are great incentives to exhibitors and visitors alike to come to Hong Kong
Financial Capital of Asia.
The exhibition industry in Hong Kong already has a strong reputation as has been called the "Trade Capital of Asia". They host some of the largest events of their kinds.
World class venues in the form of AWE and HKCEC
An international market, where the majority of the employees can speak Mandarin and English.
Hong Kong has a visa-free policy for over 170 jurisdictions.
</td><td>
Hong Kong may lose out if venues are at full capacity (note: the overall average space utilisation is still very low in Hong Kong (<50%).
Lack of supporting facilities and services, entertainments and tourism attractions in the airport areas
High accommodation and living costs compared to the neighbouring cities
Hong Kong has a small number of private organisers and most of them have weak market power
</td></tr>
<tr><th>Opportunities</th><th>Threats</th></tr>
<tr><td>
Eliminate capacity tension to further increase growth of the industry
"One fair two venues" could help increase the demand for both HKCEC and AWE space (see Section 7.2.2)
Regional cooperation with venues in South China such as Guangzhou may help attract additional customers, especially for those who are destined to visit the PRD manufacturers
</td><td>
Increasing regional competition e.g. Macau and China in particular those in South China such as Guangzhou and Shenzhen
</td></tr>
</table>

6 Role of HKSAR Government

6.1 Background information

The Hong Kong government has been heavily involved in and made significant contribution to the development of the Hong Kong exhibition industry before as well as after 1997. The decisions to build and invest in HKCEC in 1988, phase two expansion of HKCEC in 1997 and the new addition of AWE in 2006 were all significant moves to the industry. Each move has added additional strength to the industry's competitiveness. With the change of policy instead of continuing to expand HKCEC, the SAR Government's decision to build a new facility, i.e., AWE, turned out to have a very positive effect on the market conditions. The resulted more vibrant and competitive market has brought along a faster market growth. At the same time, the Government also influences the exhibition industry through Hong Kong Trade Development Council.

Established in 1966, the Hong Kong Trade Development Council (HKTDC) is the international marketing arm for Hong Kong-based manufacturers, traders and service providers, especially for small and medium enterprises. The HKTDC is a government entity governed by a collection of a 19-member Council of Hong Kong business leaders and senior Government officials.

Box 6.1 reveals HKTDC's role and obligation to promote local and international trade in Hong Kong. They also organise trade fairs themselves.

Box 6.1 HKTDC Profile and Mission

Profile

Established in 1966, the Hong Kong Trade Development Council (HKTDC) is the international marketing arm for Hong Kong-based traders, manufacturers and service providers. With 40 offices worldwide, including 11 on the Chinese mainland, the HKTDC promoted Hong Kong as a platform for doing business with China and Asia. The HKTDC also organises trade fairs and business missions to connect companies with opportunities in Hong Kong and on the mainland, while providing information via trade publications, research reports and online.

Mission

…to create opportunities for Hong Kong companies...focus on delivery value by promoting trade in goods and services, while connecting the world's small and medium-sized enterprises (SMEs) through Hong Kong's business platform.

In striving to be the best trade promotion organisation in the world, the HKTDC is committed to:

- developing and expanding new frontiers by exploring, learning and innovating
- creating and delivering value to our customers
- building on Hong Kong's economic success through global business
- maintaining trust, respect and openness in all our relationships

Source: HKTDC Annual Report 2008-2009

In addition to these two significant practices, HKTDC also oversees the operation of the HKCEC, Hong Kong's largest exhibition venue. The HKTDC, and thus the HKSAR Government owns HKCEC. Furthermore, HKTDC has contracted with Hong Kong Convention and Exhibition Centre (Management) Limited (HML) for management and operation of the Centre. HML is a wholly-owned subsidiary of NWS Holdings Ltd[9].

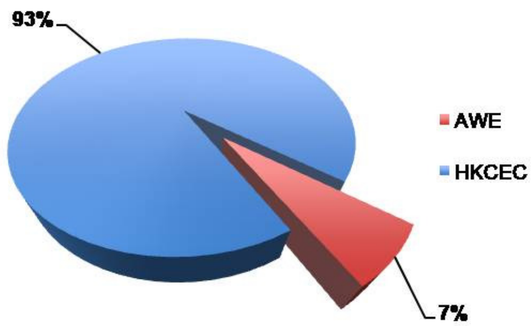
6.2 Choice of Venue

Figure 6.1 shows that 93% of the government–organised exhibitions (HKTDC) were held in the HKCEC in 2008 while only 7%of which was held in the AWE. This indicated that HKCEC tends to be the main venue for HKTDC-organised exhibitions to take place.

The figures also seem to suggest that HKTDC has preferred to hold its trade exhibitions at HKCEC for an obvious reason that HKTDC is also an owner of HKCEC. While it is not unusual for an organiser to have a preferred venue holding all its events, it is worth studying whether a dominant government organiser should do the same in a mature market.

[9] *Source: HKCEC public domain*

Figure 6.1 Exhibitions Organised by HKTDC in 2008



Source: Compiled from AWE, HKCEC and public domain data

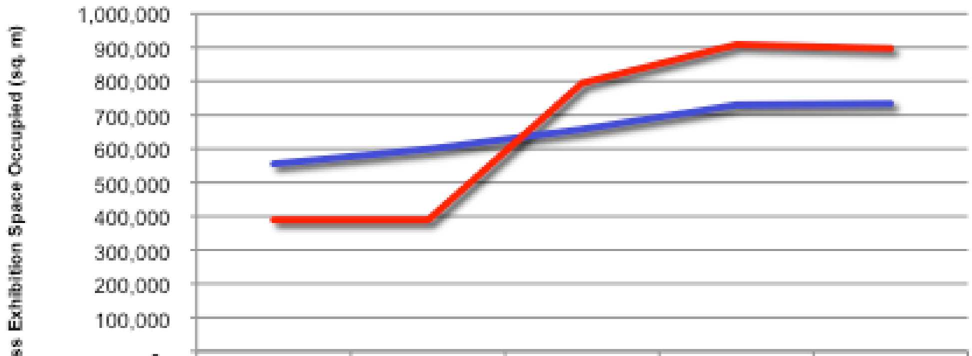
6.3 Market Power

The exhibitions in Hong Kong are held by either governmental organiser or private organisers and the figures shown here as well as Section 3.5 indicate that the major organiser for exhibitions is HKTDC. For years, HKTDC has not only been the major exhibition organiser but also the only governmental organiser in Hong Kong.

Figure 6.2 shows that the single organiser alone accounts for a substantial amount of the total gross exhibition space sold from 2004-2008.

It can be seen from the graph that HKTDC was the market leader, in terms of gross exhibition space sold, by a substantial margin of 59% in 2004 and 61% in 2005 compared to private organisers. There was no growth recorded by private organisers during those two years. This changed however after the introduction of AWE, as the presence of private organisers increased dramatically as the gross exhibition space sold by them doubled from 2005 to 2006, and continues to increase to this day. In 2008, HKTDCs market share is estimated 45%.

Figure 6.2 Gross Exhibition Space (sq m) Sold to HKTDC and Private Organisers



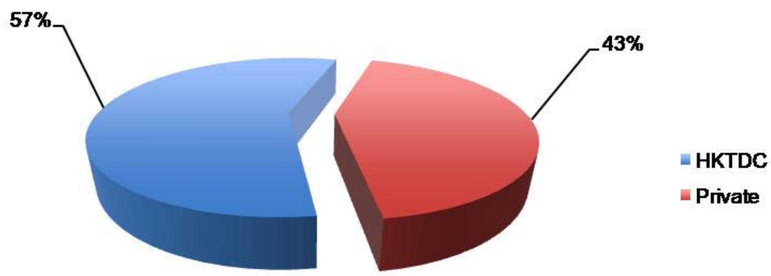
	2004	2005	2006	2007	2008
TDC	555,429	598,985	657,867	729,727	733,750
Private	388,842	388,842	794,336	908,607	896,961

Source: Compiled from AWE, HKCEC and public domain data

Figure 6.3 and Figure 6.4 shows the market share held by HKTDC in terms of gross exhibition space sold in the two Hong Kong venues.

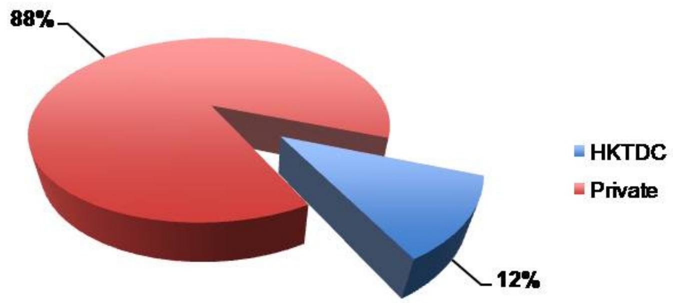
HKTDC is the most important organiser for the exhibitions held at HKCEC as HKTDC sold a substantial 57% of the total gross exhibition space in 2008. On the other hand, HKTDC represents 12% of total gross exhibition space sold in 2008 at AWE.

Figure 6.3 HKTDC vs. Private Organiser Market Share at HKCEC in 2008



Source: Compiled from AWE, HKCEC and public domain data

Figure 6.4 HKTDC vs. Private Organiser Market Share at AWE in 2008



Source: Compiled from AWE, HKCEC and public domain data

6.4 HKTDC's Role Over Three Development Phases

All the figures indicate that HKTDC has had a significant positive effect on Hong Kong's exhibition industry in general. HKTDC helped keeping the industry's continued growth by organising many important events in Hong Kong. They were a dominant presence in the past, but although they still currently retain a substantial market share in the exhibition industry in Hong Kong, their dominance has also decreased. Figure 6.5 shows the change of market power in the industry, and the increased competition.

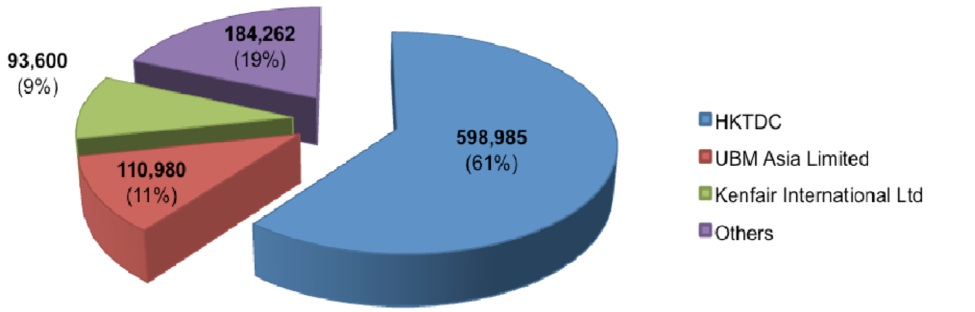
Prior to the addition of AWE, the gross exhibition space sold to HKTDC in 2005 accounted for 61% of the total. The HKTDC's market share in gross exhibition space sold was significantly larger than their closest competitors, UBM Asia Ltd. (11%) and Kenfair International Ltd. (9%). The remaining organisers each held a small percentage market share.

The market share composition changed significantly after AWE entered. HKTDC's market share reduced to 45% in 2008 (although the gross exhibition space sold has increased from 538,985 sq m to 733,750 sq m). There was an increase in the number of competitors, most notably Global Sources (16%).

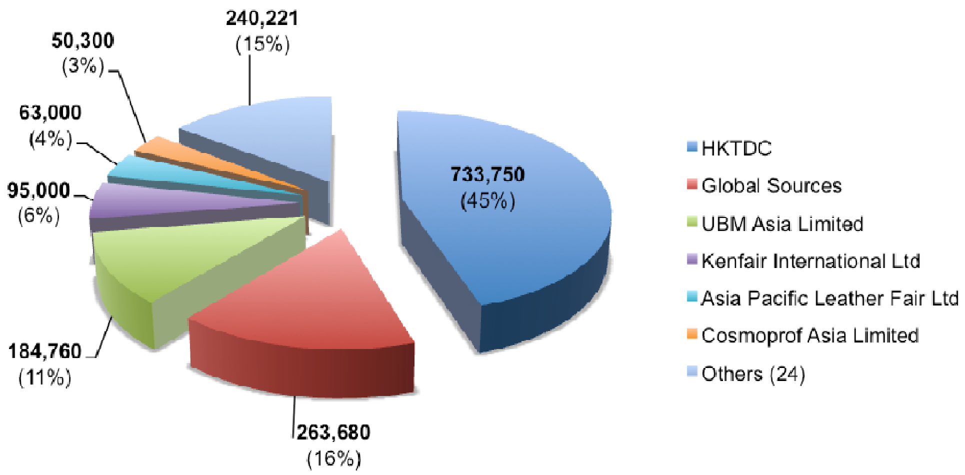
From comparing the 2005 and 2008 pie-charts, it is evident the market composition is healthier after another venue in the form of AWE entered and brought with it new competition.

Figure 6.5 Change in Market Share (Gross Exhibition Space sq m)

2005



2008



Source: Compiled from AWE, HKCEC and public domain data

6.5 Stakeholders' Views

AWE acknowledges the pivotal role that HKTDC has played in promoting the exhibition industry and taking the industry in Hong Kong from the ground to where it is today. However, they suggest that HKTDC as a government agency could invest more of their efforts into bringing new markets and new customers to Hong Kong instead of trying to be the market leader as an event organiser.

UBM Asia Limited believes HKTDC has been efficient in the area of trade promotion. However, they think that being the largest organiser and having the role of trade promoter in Hong Kong, HKTDC should consider sharing their database of data collected from all their events with private organisers. UBM Asia Limited suggested the industry could benefit from the privatisation of such a database.

Global Sources believes that the high level of governmental participation in the exhibition industry may have contributed to the small number of private organisers in Hong Kong. Exhibitors tend to see HKTDC as the "legitimate" representative of the HK trade industry and hence chose HKTDC over the services of private organisers.

HKCEC acknowledges that there have been misunderstandings of the quoted figures of saleable space of HKCEC, but they pointed out that this is due to the difference of terminology used when disclosing these figures. They have recently clarified the figures of 88,563 sq m as the saleable exhibition space after the expansion of Atrium Link so that they will not be taken out of context or be misunderstood by the public, government or other stakeholders in the future.

7 Conclusion and the Way Forward

7.1 Conclusion

Key conclusions can be summarised in the following bullet points:

- Exhibition Industry is important to the Hong Kong economy as it accounted for about 1.8% of GDP and helped create 58,500 employment opportunities;

- Addition of the AWE 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*

- While potential capacity tension may occur in a handful of shows, the overall average space utilization is still very low (< 50%);

- The fact that a government-owned agency having substantially dominant market power and making preferred choice of venue may not be beneficial to the future development of the Hong Kong exhibition market and has to be carefully examined;

- Expansion of HKCEC with current tight relationship with TDC may put a setback to the market condition and therefore decisions should be made with caution, in particular;

  - Social costs of the centrally located expansion have to be evaluated and quantified in detail (also see the next section);

- The Hong Kong exhibition sector has many advantages to remain successful and is likely to sustain its market leadership in the region, These include clusters of suppliers, traders and infrastructure; and

- However, the Hong Kong exhibition market has also weaknesses and threats in particular with the costs, in competing with its neighbouring opponents.

7.2 Implications for the Next Steps

7.2.1 Further Expansion

With the existence of 'capacity tension', an obvious solution is to expand the existing venue to eliminate capacity tension. It is understood that the Government is considering a Phase 3 expansion of HKCEC. However the benefit of this expansion has been contentious and there remain some issues to be further discussed which include:

- The social costs associated with the construction of the expansion. There will be a significant increase in traffic burden, air and noise pollution in the area of the construction site in Wan Chai. There may also be a need to demolish Wan Chai Sports Ground to accommodate the expansion, the news of which may advocate the resistance from local community.
- As evidenced in Section 4.4, the period in which capacity tension exists is few and far between. Does the benefit of eliminating capacity tension exceed that of the costs of the expansion?
- Is there a need to expand the HKCEC when the last expansion project was only completed in April 2009?
- Will there be alternatives to expansion of existing venues?

It is therefore recommended that a Cost-Benefit Analysis (CBA) is to be performed in order to evaluate and quantify in detail these social costs against its benefits.

7.2.2 "One Fair Two Venues"

Given the growing size of some exhibitions and together with the already-high utlisation during the peak seasons, the traditional concept of holding an exhibition in one venue may not be sufficient. Instead of limiting the size of the exhibition, the "One Fair Two Venues" term is an innovative idea that has been put into use.

An example of "One Fair Two Venues" is the "September Hong Kong Jewellery and Gem Fair 2009" in September 2009 organised by UBM Asia Limited. For this exhibition, HKCEC and AWE were jointly responsible for the display of different products; raw materials and semi-finished products like diamonds, pearls, and gemstones were exhibited in AWE, whereas HKCEC was mainly responsible for the finished products of jewellery.

The event turned out to be a great success. According to a press release from UBM Asia Limited, the number of trade visitors attracted to the event has a 5% increase compared to the same event in 2008. The ability for the organisers to host one fair at both venues in order to capitalize on the available space has made the jewellery exhibition to be the biggest of its kind in the world.

The concept of “One Fair Two Venues” has been welcomed by key industry stakeholders such as exhibitors, buyers, major jewellery industry associations (such as Hong Kong Jewellers’ and Goldsmiths’ Association, The Hong Kong Jewellery and Jade Manufacturers Association, etc.), UBM Asia Limited as well as the Commerce and Economic Development Bureau (Government entity).

This concept of “One Fair Two Venues” is not simply by shifting a half of the booths to another venue but to make a better classification of the exhibitors and products. This concept not only benefits the buyers in terms of the ease of navigation, but also the overall market in eliminating the occurrence of capacity tension.

Box 7.1 “One Fair Two Venues” has been Well-received by the Market

- *UBM Asia announces that the September Hong Kong Jewellery & Gem Fair held from 21 to 27 September attracted 39,146 trade visitors from 140 countries and regions, a 5% increase compared to last year.*
- *The overall exhibition space of the Fair grew by 25 percent compared to 2008, reaching 120,000 square metres, while the number of exhibitors increased by 16 percent with 3,061 exhibitors from 44 countries and regions. The Fair was the world’s largest jewellery event in 2009 and the largest Fair ever organised in Hong Kong in any industry. – 23th October 2009 press release of UBM Asia*

7.2.3 Efficient Allocation of Fairs

As discussed in Section 4.4, the number of days during which HKCEC at full or near full capacity is more than the AWE. In addition, the evidences also have shown that the overwhelming majority (93%) of events that HKTDC organise are held at HKCEC. If HKTDC holds more events in AWE, the number of fully utilised days intuitively decreases, allowing Hong Kong to decrease the capacity tension that currently exists.

Alternatively, the possibility of a more efficient allocation of events during a calendar year should be further investigated in detail. For the Hong Kong market, the experiences reveal that the peak seasons for trade exhibitions were April and October, but for the majority of the year, the capacity utilisation was under 50%. Using Tokyo as a reference, it suggests that there is still much room to improve our utilisation rate.

It is noted that the large, established recurring fairs may be reluctant to move their events to other time slot. It is always preferable to keep one large event in a single venue. For as long as we can keep the buyers and exhibitors in Hong Kong, "one fair two venues" is still possible and feasible.

7.2.4 Increase HKTDC Promotional Role at AWE

Being a promotional arm for the Hong Kong trade industry and to fulfil its obligations, HKTDC should be able to use its strong reputation in the industry to promote AWE as a good alternative to HKCEC. This should allow both venues to eliminate capacity tension. However, it would possibly conflict with HKTDC's role as an owner of HKCEC.

7.2.5 Continue to Improve AWE Infrastructure

Being located near the Hong Kong Airport provides AWE the excellent transportation networks and logistics convenience but also at the expenses of the venue not being able to enjoy the direct infrastructural benefits, such as close proximity to city centre attractions and entertainment, which the HKCEC already has. It is acknowledged that AWE is taking great strides in improving affordable domestic transportation links by providing transportation discounts for users of the venue.

7.3 Stakeholders' Views

The stakeholders consulted are optimistic that the future of the local exhibition industry would be sustainable. They believe that Hong Kong as a platform for trade could continue to develop and grow if the core competencies are continued to be preserved and taken advantage of.

HKECIA foresees that AWE may have a potential to become a major exhibition centre in the future. However, the supporting infrastructure, such as accommodation and entertainment facilities in the area still needed to be improved. Furthermore, although the expansion of HKCEC would impose high social costs, it is up to the public to weigh up the cost and benefits of such an expansion. The association has estimated that the exhibition industry could generate 10 times the revenue purely from direct expenditure of the industry.

HKTDC believes that marketing exhibitions would have an increasingly important role in the exhibition industry and that Hong Kong needed to be prepared for marketing-purpose exhibitions. HKTDC also has mentioned their belief that Hong

Kong needs to have a venue capable of holding shows larger then 100,000 sq m in order to sustain growth and compete with venues of similar size in the region.

Global Sources deemed AWE as an already excellent exhibition venue. But they commented that AWE should investigate further cooperation with the MTRC to offer exclusive discounts to the visitors during the period of their exhibition.

HKCEC believes that more needed to be done to attract other industries and themes to the industry in order to sustain the relatively high growth already seen in the industry. They commented that the capacity utilisation, which they estimated currently in the high 50s (%), was due to the recent financial turmoil. They commented that this figure was already quite high compared to worldwide industry averages, and that it is inevitable that the utilisation rate would increase in the near future to 60% and 70%. They revealed that the 70% mark is a threshold that many venues used when considering expansion.

AWE believes that the tension of exhibition space during the peak seasons will diminish if better cooperation between HKCEC and AWE can be in place to establish a more efficient event scheduling system.

8 Appendix

8.1 Capacity Utilisation – Supplementary Figures

Figure 8.1 shows the estimated utilisation rate of HKCEC and AWE respectively in 2009. In general, the utilisation for both the HKCEC and the AWE were low for much of the year. Based on our compiled data, there were a few days in the periods of February-March and September-October at which the HKCEC were operating at full capacity, which therefore suggests the existence of capacity tension. In contrast there were no days at which AWE were 100% fully utilised.

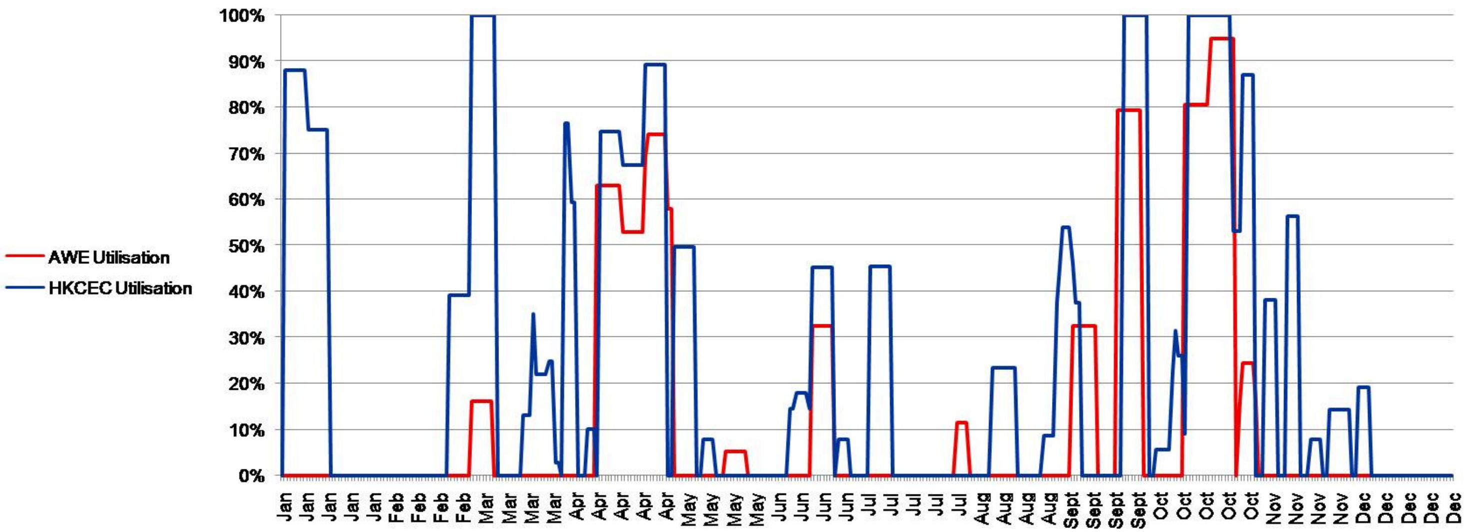
As mentioned earlier, a possible solution to eliminate capacity tension is to "share" events between the two venues. This solution is particularly apparent for the case of February - March 2009, where HKCEC were fully utilised but the AWE at less than 20%.

Figure 8.2 again presents the theoretical scenario of having the cooperation between AWE and HKCEC. If this were possible, there would be no days in 2009 at which the two venues were at full capacity. Thus, they will be able to hold more events and therefore eliminate capacity tension.

Figure 8.3 shows the capacity utilisation for AWE and HKCEC in 2008, inclusive of non-recurring trade shows.

Figure 8.4 the theoretical scenario of having the cooperation between AWE and HKCEC in 2008, inclusive of non-recurring trade shows. Although there is a number of non-recurring trade shows added, there are still no days at which the overall utilisation is full or near full.

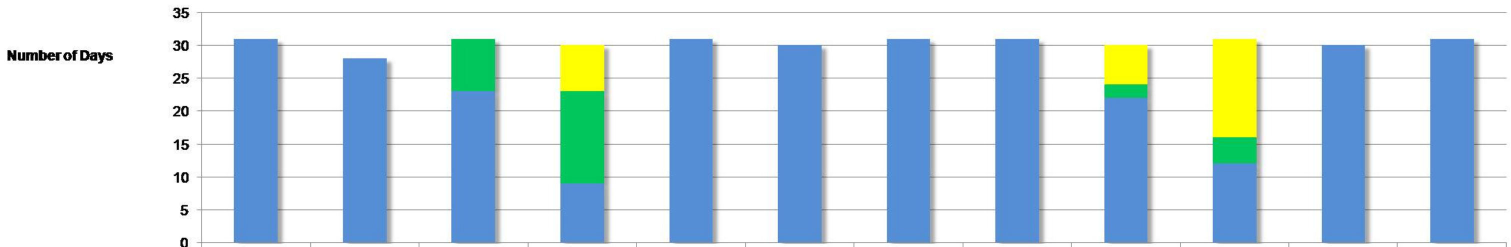
Figure 8.1 Capacity Utilisation in 2009*



Source: Compiled from AWE, HKCEC and public domain data

** List of 2009 Trade Exhibitions is attached in Appendix (Section 8.2) for reference.*

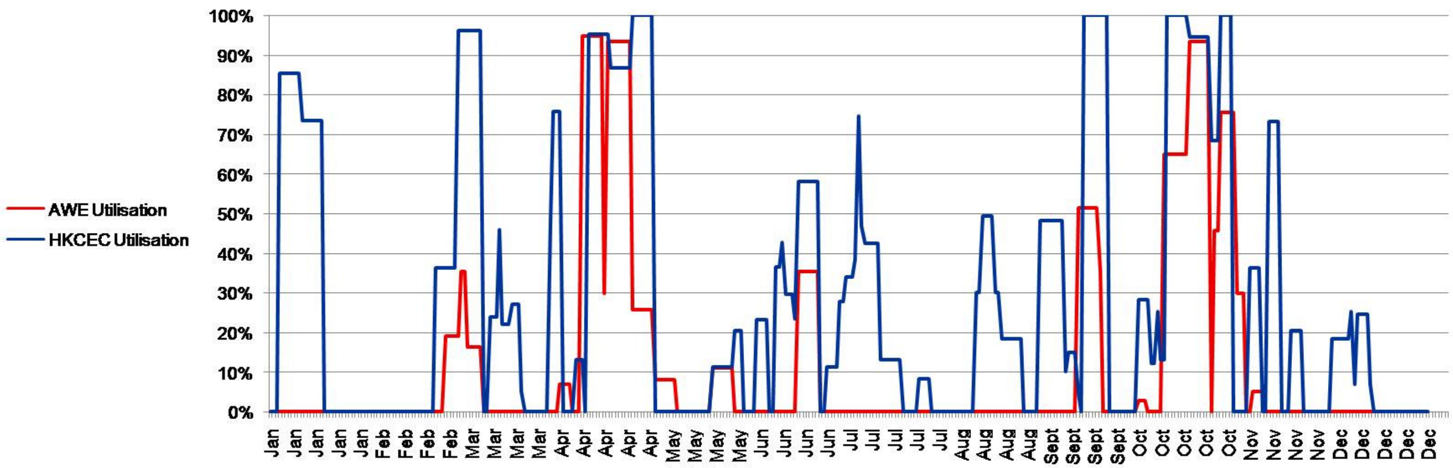
Figure 8.2 Combined Utilisation in 2009



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overall Utilisation =100%	0	0	0	0	0	0	0	0	0	0	0	0
70% ≤ Overall Utilisation <100%	0	0	0	7	0	0	0	0	6	15	0	0
50% ≤ Overall Utilisation <70%	0	0	8	14	0	0	0	0	2	4	0	0
Overall Utilisation <50%	31	28	23	9	31	30	31	31	22	12	30	31

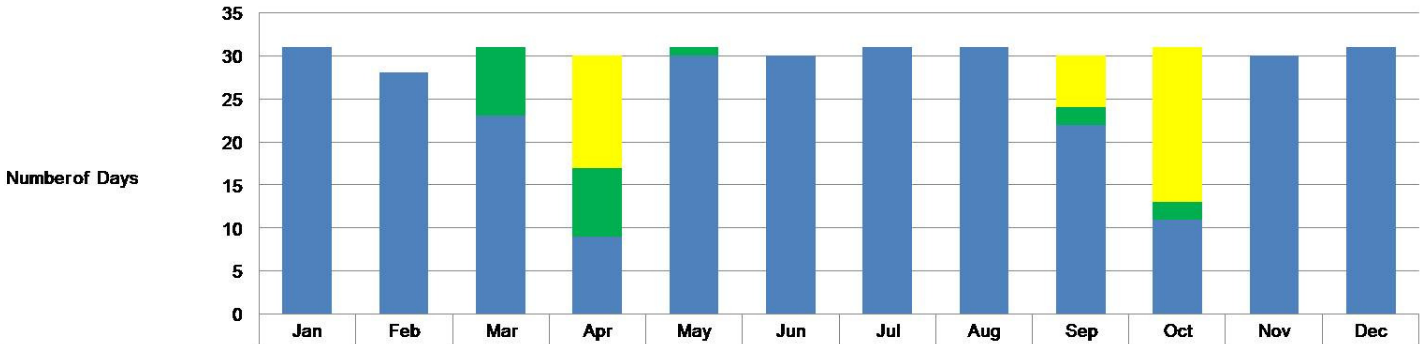
Source: Compiled from AWE, HKCEC and public domain data

Figure 8.3 Capacity Utilisation in 2008 (including non-recurring events)



Source: Compiled from AWE, HKCEC and public domain data

Figure 8.4 Combined Utilisation in 2008 (including non-recurring events)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overall Utilisation = 100%	0	0	0	0	0	0	0	0	0	0	0	0
70% ≤ Overall Utilisation <100%	0	0	0	13	0	0	0	0	6	18	0	0
50% ≤ Overall Utilisation <70%	0	0	8	8	1	0	0	0	2	2	0	0
Overall Utilisation <50%	31	28	23	9	30	30	31	31	22	11	30	31

Source: Compiled from AWE, HKCEC and public domain data

8.2 List of 2009 Trade related Exhibitions

HKCEC:

Event Nature	Event Name	Start Date	End Date	Organiser
Trade	Hong Kong Toys & Games Fair 2009	05 Jan 2009	08 Jan 2009	Hong Kong Trade Development Council
Trade	Hong Kong International Stationery Fair 2009	05 Jan 2009	08 Jan 2009	Hong Kong Trade Development Council
Trade	World Boutique, Hong Kong 2009	12 Jan 2009	15 Jan 2009	Hong Kong Trade Development Council
Trade	Hong Kong Fashion Week for Fall/Winter 2009	12 Jan 2009	15 Jan 2009	Hong Kong Trade Development Council
Trade	Fire Asia 2009	09 Feb 2009	11 Feb 2009	Union Fair & Trade Co., Ltd.
Trade	2009 Hong Kong International Fur & Fashion Fair	25 Feb 2009	28 Feb 2009	Hong Kong Fur Federation
Trade	Hong Kong International Jewellery Show 2009	04 Mar 2009	08 Mar 2009	Hong Kong Trade Development Council
Trade	Interstoff Asia Essential - Spring 2009	18 Mar 2009	20 Mar 2009	Messe Frankfurt HK Ltd
Trade	Hong Kong International Film & TV Market (FILMART) 2009 & Hong Kong-Asia Film Financing Forum (HAF)	23 Mar 2009	26 Mar 2009	Hong Kong Trade Development Council
Trade and Public	Hong Kong Music Fair	26 Mar 2009	28 Mar 2009	Hong Kong Trade Development Council
Trade	APLF - Materials, Manufacturing & Technology	31 Mar 2009	02 Apr 2009	Asia Pacific Leather Fair Ltd
Trade	Prime Source Forum	31 Mar 2009	02 Apr 2009	Asia Pacific Leather Fair Limited
Trade	Fashion Access	31 Mar 2009	02 Apr 2009	Asia Pacific Leather Fair Ltd
Trade	Hong Kong Mode Lingerie	07 Apr 2009	08 Apr 2009	EUROVET ASIA LTD
Trade	HKTDC International ICT Expo	13 Apr 2009	16 Apr 2009	Hong Kong Trade Development Council
Trade	HKTDC Hong Kong Electronics Fair (Spring Edition)	13 Apr 2009	16 Apr 2009	Hong Kong Trade Development Council

Event Nature	Event Name	Start Date	End Date	Organiser
Trade	HKTDC Hong Kong International Lighting Fair (Spring Edition)	13 Apr 2009	16 Apr 2009	Hong Kong Trade Development Council
Trade	HKTDC Hong Kong Houseware Fair	20 Apr 2009	23 Apr 2009	Hong Kong Trade Development Council
Trade	HKTDC Hong Kong Gifts & Premium Fair	27 Apr 2009	30 Apr 2009	Hong Kong Trade Development Council
Trade	HOFEX 2009 - The 13th Asian International Exhibition of Food & Drink, Hotel, Restaurant, Foodservice	06 May 2009	09 May 2009	Hong Kong Exhibition Services Ltd
Trade	Asia Funeral Expo 2009	13 May 2009	15 May 2009	Vertical Expo Services Company Limited
Trade and Public	HONG KONG 2009 - 23rd Asian International Stamp Exhibition	14 May 2009	17 May 2009	Hong Kong Philatelic Society
Trade and Public	Christie's Hong Kong Spring Auctions 2009	22 May 2009	27 May 2009	Christie's Hong Kong Limited
Trade and Public	The 4th M.I.C.E., Business & Incentive Travel Expo	11 Jun 2009	13 Jun 2009	TKS Exhibition Services Ltd
Trade and Public	The 23rd International Travel Expo Hong Kong	11 Jun 2009	14 Jun 2009	TKS Exhibition Services Ltd
Trade	June Hong Kong Jewellery & Gem Fair 2009	18 Jun 2009	21 Jun 2009	UBM Asia Limited
Trade	Retail Asia Expo 2009	24 Jun 2009	26 Jun 2009	Asia Business Events Limited
Trade	HKTDC Hong Kong Fashion Week for Spring / Summer	06 Jul 2009	09 Jul 2009	Hong Kong Trade Development Council
Trade	HKTDC Summer Sourcing Show for Gifts, Houseware and Toys	06 Jul 2009	09 Jul 2009	Hong Kong Trade Development Council
Trade and Public	Hong Kong International Tea Fair	13 Aug 2009	15 Aug 2009	Hong Kong Trade Development Council
Trade and Public	International Conference & Exhibition of the Modernization of Chinese Medicine & Health Products	13 Aug 2009	17 Aug 2009	Hong Kong Trade Development Council
Trade and Public	HKTDC Food Expo	13 Aug 2009	17 Aug 2009	Hong Kong Trade Development Council

Event Nature	Event Name	Start Date	End Date	Organiser
Trade and Public	International Conference & Exhibition of the Modernization of Chinese Medicine & Health Products	13 Aug 2009	17 Aug 2009	Hong Kong Trade Development Council
Trade and Public	HKTDC Food Expo	13 Aug 2009	17 Aug 2009	Hong Kong Trade Development Council
Trade	Natural Products Expo Asia 2009	27 Aug 2009	29 Aug 2009	Penton Media Asia Limited
Trade	Restaurant & Bar Hong Kong 2009	01 Sep 2009	03 Sep 2009	Asia Business Events Limited
Trade	Asia Fruit Logistica / Asiafruit Congress	02 Sep 2009	04 Sep 2009	Global Proudce Events GmbH
Trade	HKTDC Hong Kong Watch & Clock Fair	02 Sep 2009	06 Sep 2009	Hong Kong Trade Development Council
Trade	Sibos 2009	14 Sep 2009	18 Sep 2009	SWIFT
Trade	September Hong Kong Jewellery & Gem Fair	23 Sep 2009	27 Sep 2009	UBM Asia Ltd
Trade and Public	Hong Kong International Arts & Antiques Fair (HKIAAF) 2009	03 Oct 2009	06 Oct 2009	Art & Antique International Fair Ltd
Trade	Fashion Access	06 Oct 2009	08 Oct 2009	Fashion Access
Trade	Interstoff Asia Essential - Autumn 2009	07 Oct 2009	09 Oct 2009	Messe Frankfurt HK Ltd
Trade	HKTDC Hong Kong Electronics Fair (Autumn Edition)	13 Oct 2009	16 Oct 2009	Hong Kong Trade Development Council
Trade	electronicAsia	13 Oct 2009	16 Oct 2009	Hong Kong Trade Development Council MMI Asia Pte Ltd
Trade	Mega Show Part 1	20 Oct 2009	23 Oct 2009	Group Idea International Limited
Trade	HKTDC Hong Kong International Lighting Fair (Autumn Edition)	27 Oct 2009	30 Oct 2009	Hong Kong Trade Development Council
Trade	Mega Show Part 2	28 Oct 2009	30 Oct 2009	Group Idea International Limited
Trade	Mega Show Part 2 - Gifts, Decor & Home	28 Oct 2009	30 Oct 2009	Group Idea International Limited
Trade and Public	HKTDC Hong Kong International Wine & Spirits Fair	04 Nov 2009	06 Nov 2009	Hong Kong Trade Development Council

Event Nature	Event Name	Start Date	End Date	Organiser
Trade and Public	HKTDC Hong Kong International Wine & Spirits Fair	04 Nov 2009	06 Nov 2009	Hong Kong Trade Development Council
Trade	HKTDC Hong Kong Optical Fair 2009	04 Nov 2009	06 Nov 2009	Hong Kong Trade Development Council
Trade	HKTDC Hong Kong International Medical Devices and Supplies Fair	04 Nov 2009	06 Nov 2009	Hong Kong Trade Development Council
Trade	Cosmoprof Asia 2009	11 Nov 2009	13 Nov 2009	Cosmoprof Asia Limited
Trade	2009 GSMA Mobile Asia Congress	18 Nov 2009	19 Nov 2009	GSMC Limited
Trade	MIPIM ASIA - The World's property market in Asia Pacific	18 Nov 2009	20 Nov 2009	Reed Midem
Trade and Public	Hong Kong International Jewelry Manufacturers' Show	26 Nov 2009	29 Nov 2009	Hong Kong Jewelry Manufacturers' Association
Trade and Public	Christie's Hong Kong Autumn Auctions 2009	28 Nov 2009	03 Dec 2009	Christie's Hong Kong Limited
Trade	HKTDC World SME Expo 2009	03 Dec 2009	05 Dec 2009	Hong Kong Trade Development Council
Trade and Public	HKTDC Inno Design Tech Expo 2009	03 Dec 2009	05 Dec 2009	Hong Kong Trade Development Council
Trade	CineAsia 2009	08 Dec 2009	10 Dec 2009	Nielsen Film Group
Trade and Public	Asia Game Show 2009 ... a world of games & electro-gadgets + Online Game Festival	24 Dec 2009	27 Dec 2009	Asia Game Show Holdings Limited

Source: HKCEC Website

AWE :

Event Date	Event Name	Event Type
4-7 March 2009	Asia's Fashion Jewellery & Accessories Fair – March	Exhibition (Trade)
12-15 April 2009	China Sourcing Fair – Electronics & Components	Exhibition (Trade)
20-23 April 2009	China Sourcing Fair – Home Products	Exhibition (Trade)
20-23 April 2009	China Sourcing Fair – Baby & Children's Products	Exhibition (Trade)
20-23 April 2009	India Sourcing Fair – Home Products	Exhibition (Trade)
27-30 April 2009	Hong Kong International Printing and Packaging Fair	Exhibition (Trade)
28 April-1 May 2009	China Sourcing Fair – Fashion Accessories	Exhibition (Trade)
28 April-1 May 2009	China Sourcing Fair – Gifts & Premiums	Exhibition (Trade)
28 April-1 May 2009	China Sourcing Fair – Underwear & Swimwear	Exhibition (Trade)
22-25 May 2009	Asia International Arts & Antiques Fair 2009	Exhibition (Trade and Public)
11-14 June 2009	6th Sino-International Freight Forwarders Conference 2009	Conference / Exhibition (Trade)
18-21 June 2009	Asia's Fashion Jewellery & Accessories Fair - June	Exhibition (Trade)
31 July-2 August 2009	4th Hong Kong International Pet & Accessory Expo	Exhibition (Trade and Public)
31 July-2 August 2009	Family Expo Hong Kong	Exhibition (Trade and Public)
31 July-2 August 2009	Hong Kong International Aqua Expo	Exhibition (Trade and Public)
8-10 September 2009	Air Freight Asia 2009	Conference / Exhibition (Trade)
8-10 September 2009	Aircraft Interiors Expo Asia 2009	Exhibition (Trade)
8-10 September 2009	Asia Pacific Airline Training Symposium (APAT 2009)	Conference / Exhibition (Trade)
8-10 September 2009	Asian Aerospace International Expo and Congress 2009	Conference / Exhibition (Trade)
21-24 September 2009	Asia's Fashion Jewellery & Accessories Fair - September	Exhibition (Trade)
21-25 September 2009	Hong Kong Jewellery & Gem Fair 2009	Exhibition (Trade)
12-15 October 2009	China Sourcing Fair – Electronics & Components	Exhibition (Trade)
12-15 October 2009	China Sourcing Fair – Security Products	Exhibition (Trade)

20-23 October 2009	China Sourcing Fair – Baby & Children's Products	Exhibition (Trade)
20-23 October 2009	China Sourcing Fair – Fashion Accessories	Exhibition (Trade)
20-23 October 2009	China Sourcing Fair – Gifts & Premiums	Exhibition (Trade)
20-23 October 2009	China Sourcing Fair – Home Products	Exhibition (Trade)
20-23 October 2009	China Sourcing Fair – Underwear & Swimwear	Exhibition (Trade)
20-23 October 2009	India Sourcing Fair – Home Products	Exhibition (Trade)
28-30 October 2009	Sports Source Asia - International Sourcing Fair for Sports Equipment and Sports Apparel	Exhibition (Trade)
28-31 October 2009	2009 LED + Light Tech Show – HK	Exhibition (Trade)
28-31 October 2009	Eco Expo Asia - International Trade Fair on Environmental Protection	Exhibition (Trade)
28-31 October 2009	Hong Kong International Building and Decoration Materials & Hardware Fair	Exhibition (Trade)
8-10 December 2009	Aviation Week MRO Asia	Exhibition (Trade)
18-20 December 2009	First World Conference of Endoscopy Physicians (19th General Assembly Session of Chinese Endoscopy Physicians) / First World Endoscopy Technology Expo	Conference / Exhibition (Trade and Public)

Source: AWE Website

Note that the event lists from HKCEC and AWE include all the trade related exhibitions, both recurring and non- recurring.

9 Glossary

AWE	AsiaWorld-Expo
BSG	Business Strategies Group Limited
CBA	Cost Benefit Analysis
CUHK	Chinese University of Hong Kong
FTE	Full Time Equivalent
GDP	Gross Domestic Production
Gross exhibition space	The exhibition space that is sold for exhibition to the organisers. It includes the net exhibition space and the areas for necessary traffic and services.
HKCEC	Hong Kong Convention and Exhibition Centre
HKEC	Hong Kong Exhibition Centre
HKECIA	Hong Kong Exhibition & Convention Industry Association
HKSAR	Hong Kong Special Administrative Region
HKTDC	Hong Kong Trade Development Council
HML	Hong Kong Convention and Exhibition Centre (Management) Limited
Net exhibition space	The exhibition space occupied by the exhibitors. It does not include service areas for non exhibitors e.g. authorities and general services, and areas for traffic e.g. walkways

Purposely-built exhibition space	The space that was intentionally built for exhibition use only.
Rentable space	The space that is available for exhibitions and other functions. It includes the saleable exhibition space and other space that cannot be used by exhibition.
Saleable exhibition space	All space that is available for exhibition use. This includes the purposely-built exhibition space and all other areas that were converted into exhibition areas.
SARS	Severe acute respiratory syndrome
SWOT	Strengths, Weaknesses, Opportunities and Threats
UFI	Union des Foires Internationales (Global Association of the Exhibition Industry)
Utilisation	Total gross exhibition space sold divided by available saleable exhibition space