

For discussion on
21 December 2010

**LEGISLATIVE COUNCIL
PANEL ON COMMERCE AND INDUSTRY**

Development of the exhibition industry in Hong Kong

PURPOSE

This paper briefs Members on the latest development of the exhibition industry since the last meeting held in April 2010.

BACKGROUND

2. At the meeting of the Panel on Commerce and Industry held on 20 April 2010, about 40 individuals and groups attended and suggested ways to further develop the exhibition industry, reflecting the keen interest of the trade and the public in the development of the industry. At the meeting, the Trade Development Council (TDC) agreed to step up communication and cooperation with the AsiaWorld-Expo (AWE), and consider additional assistance to local small and medium enterprises (SMEs) and new exhibitors. In collaboration with the Hong Kong Tourism Board (HKTB), TDC will also enhance cooperation with private fair organisers. We will brief members on the measures adopted by the Government to encourage utilisation of the existing convention and exhibition facilities, as well as the latest development in promoting the MICE (Meetings, Incentive travels, Conventions and Exhibitions) industry and the progress of the above initiatives.

LATEST DEVELOPMENT

Encouraging utilisation of the existing convention and exhibition facilities

3. At present, there are two major convention and exhibition facilities in Hong Kong, namely, the Hong Kong Convention and exhibition Centre (HKCEC), which has been established for over two decades, and AWE, which was opened just five years ago. Due to various reasons, the utilisation rate of HKCEC is higher than that of AWE. The Government has been encouraging businesses and other users of MICE facilities to use AWE. In September 2010, a private organiser adopted the “one show, two locations” approach in

organising the Hong Kong Jewellery and Gem Fair at HKCEC and AWE concurrently. The fair featured over 3,200 exhibitors covering over 120,000 square meters of exhibition space in HKCEC and AWE, and was the largest fair of its kind in the world. We will continue to encourage TDC and other fair organisers to better utilise the existing convention and exhibition facilities by adopting the “one show, two locations” or “two shows, two locations” approaches.

4. Moreover, an exhibition entitled “River of Wisdom - Animated Version of Riverside Scene at Qingming Festival” (the Exhibition) jointly presented by the HKSAR Government and the Shanghai Municipal People’s Government was recently staged at AWE between 9 and 29 November 2010. The event was very successful. During the 21-day exhibition period, about 50,000 visitors were attracted to AWE daily, making up a total of over 900,000 visitors. To facilitate visitors travelling to and from AWE, the Government works closely with AWE Management Limited (AWEML) and public transport operators to further improve the public transport services serving AWE.

5. In view of the increased number of activities held at AWE, the Government has recently conducted a comprehensive review with AWEML and public transport operators on the public transport services for AWE to ensure that the public is adequately and conveniently served by the public transport services. With concerted efforts, the franchised bus operators have agreed to implement a number of new measures on days with events at AWE on a long term basis as follows:

- (a) to introduce a point-to-point franchised bus route X1 running between MTR Tung Chung Station bus terminus and AWE in addition to existing route S1;
- (b) to divert nine Airport franchised bus routes (A routes) via AWE on their airport bound journeys; and
- (c) to strengthen eight North Lantau External franchised bus routes (E routes) to cater for demand if necessary.

Furthermore, the MTR Corporation Limited has agreed to provide concessionary fares on days with events at AWE.

6. The above enhanced transport arrangements have been launched effectively with positive responses from the public during the Exhibition period in November 2010. The details of the rail and franchised bus services to serve AWE on days with events are set out at **Annex**.

Enhanced cooperation between TDC and AWE

7. In October 2010, TDC agreed with a private fair organiser at AWE to operate shuttle bus services between HKCEC and AWE when two electronics fairs were concurrently held at these two venues, with a view to facilitating buyers in visiting both fairs. This arrangement help promote the implementation of “one show, two locations” and “two shows, two locations” in staging exhibitions.

8. In addition, TDC is actively exploring the feasibility of holding more new shows at AWE. TDC recently announced that it has agreed with a private fair organiser to jointly launch a new exhibition at AWE in 2011/12.

TDC’s assistance to local SMEs and new exhibitors

9. As partner of SMEs, TDC has been providing assistance to new exhibitors in various ways, including the introduction of an incentive scheme recently to encourage them to make use of TDC’s exhibition platform. Under the scheme, local SMEs can apply for economy booths of six square metres at a number of TDC’s fairs from October 2010 onwards. This programme aims to assist quality companies which have less resources. Supporting initiatives for start-up entrepreneurs include giving them priority in application for economy booths and “Cubic Showcase” at TDC’s trade fairs in Hong Kong to display their products and catalogues, so as to encourage new SME exhibitors participating in suitable trade fairs. For online promotion, new exhibitors may also make use of the TDC’s free online promotion services at www.hktdc.com, or join the one-year promotional package. SMEs can reach out to the global market by making full use of the above marketing platforms.

10. TDC will continue to assist local SMEs in participating in leading overseas and Mainland trade fairs by organising business delegations or facilitating their initial contacts with fair organisers. Consultations with the industry through outreach programme as well as seminars will also be conducted to better understand the promotional needs of SMEs, so as to launch services that can meet the market needs.

AWE’s services for the exhibition industry

11. AWE is celebrating its 5th anniversary this year and consolidating its position as an ideal location for international and local MICE events. One highlight of AWE’s event calendar is the biannual series of China Sourcing Fairs. Relocated from Shanghai to Hong Kong in 2006, the series of China Sourcing Fairs attracted over 14,000 exhibitors and more than 144,000 trade

visitors each year. Another highlight is the 2011 Asian Aerospace International Expo and Congress. The event is the world's largest business-to-business commercial aerospace and aviation showcase. It was also held in Hong Kong in 2007 and 2009.

12. To cater for the needs of organisers, AWE has recently completed the renovation and upgrading works of its two halls. The renovated halls are suitable for hosting small or medium scale conferences with 500 to 5,000 participants. Looking ahead, the scheduled completion of nearby infrastructure projects such as the Hong Kong-Zhuhai-Macao Bridge, the Tuen Mun Western Bypass and the Tuen Mun-Chek Lap Kok Link will significantly reduce the travelling time for AWE visitors coming from the Pearl River Delta region and Northwest New Territories. The AWEML will grasp the opportunities arising from the enhanced connectivity and seek to host more events at AWE.

Promotion of the MICE industry

13. The Government has been striving to improve the supporting software of the MICE industry and enhance Hong Kong's appeal as an international convention, exhibition and tourism capital. The Financial Secretary earmarked an additional HK\$150 million in the 2008-09 Budget for use over the following five years to attract more MICE events to Hong Kong. In November 2008, the Meetings and Exhibitions Hong Kong (MEHK) Office was established under the HKTB as a dedicated agency specialising in promoting MICE tourism. MEHK's major initiatives are set out in a discussion paper for the meeting held in April 2010. Latest developments on this front are as follows.

14. With the concerted efforts of the Government, MEHK and the MICE trade, we have been able to attract some 895,000 overnight MICE visitors to Hong Kong in the first three quarters of this year. This is a significant increase of 24.9% over the same period last year.

15. In 2010, we have secured many large scale MICE events for Hong Kong, including SIGGRAPH (Special Interest Group on Computer Graphics and Interactive Techniques) Asia 2011, Vitafoods Asia 2011 (a food fair organised in 2011), 2012 Junior Chamber International Asia Pacific Conference, 2012 FDI (World Dental Federation) Annual World Dental Congress, 45th Annual Congress of International Society of Paediatric Oncology (2013), and 8th International Congress of Cognitive Psychotherapy (2014). Events which have taken root in Hong Kong in recent years include Asian Aerospace International Expo and Congress, Asia Fruit Logistica, Asia Funeral Expo, Asian Seafood Exposition, CARTES in Asia and Retail Asia Expo etc. These events cover a wide spectrum of industries such as aviation, food production,

funeral services, medical as well as technological industries. They have not only further diversified our MICE portfolio, but also revealed our position as the preferred MICE destination.

16. MEHK will strengthen joint promotion with travel agents to attract more meetings and incentive travels to Hong Kong. It will closely engage local organisers to actively bid for international conventions in high-growth sectors such as medical science and technology.

17. HKTB, TDC and the Hong Kong Exhibition and Convention Industry Association (HKECIA) work closely and organise various overseas promotional activities on a recurrent basis. For example, they have been co-hosting a business luncheon at the UFI (Global Association of the Exhibition Industry) Congress to promote Hong Kong as a premier destination for exhibitions. They also jointly organise a Hong Kong pavilion at the annual China International Trade Show for Exhibition and Conference Industry to strengthen promotion on the Mainland. Furthermore, they from time to time arrange promotional roadshows in the region. To strengthen cooperation with the existing partners, HKTB and TDC will jointly host a business reception at the Society of Independent Show Organisers (SISO) CEO Summit to be held in 2011. TDC is also considering developing tourism programmes together with HKTB for visitors and their companions attending MICE events organised by TDC.

18. As for local publicity, TDC will enhance its support for Hong Kong's exhibition industry, e.g. by creating a new industry-specific portal on Hong Kong's trade fairs on its website. In addition to industry news, the portal also provides a trade fair calendar listing major exhibitions held in Hong Kong by private organisers with hyperlinks to corresponding fair websites. The newly renovated and re-opened TDC SME Centre features a special section displaying information of selected Hong Kong and overseas trade fairs. From September 2010 onwards, TDC has invited private fair organisers to attend its seminars for product and service promotion to present their fairs to Hong Kong companies as an effective marketing tool to help them expand their business.

CONCLUSION

19. We believe the above initiatives are conducive to the vibrant development of the convention and exhibition industry. The Government will continue to work jointly with the MICE trade to reinforce Hong Kong's position as an international convention, exhibition and tourism capital.

20. Members are invited to note the above developments and give their comments.

**Commerce and Economic Development Bureau
December 2010**

**Public transport services serving AWE
on days with events**

Rail Services

- (a) MTR Airport Express Line
- (b) MTR Tung Chung Line (with an interchange with franchised bus route S1 or X1)

Franchised Bus Services

- (a) Two feeder bus routes to AWE

Route No.	Routes
X1	MTR Tung Chung Station Bus Terminus - AWE (point-to-point)
S1	MTR Tung Chung Station Bus Terminus – AWE (via Passenger Terminal Building at the airport) (circular)

- (b) Nine “A routes” diverted via AWE on their airport bound journeys

Route No.	Routes
A10	Ap Lei Chau Estate - Airport
A11	North Point Ferry Pier - Airport
A12	Siu Sai Wan (Island Resort) - Airport
A21	MTR Hung Hom Station - Airport
A22	MTR Lam Tin Station - Airport
A31	Tsuen Wan (Discovery Park Bus Terminus) - Airport

A41	Sha Tin (Yu Chui Court) - Airport
A41P	Ma On Shan (Yiu On) - Airport
A43	Fanling (Luen Wo Hui) - Airport

(c) Eight “E routes” terminating at AWE

Route No.	Routes
E11	Causeway Bay (Tin Hau) - AWE
E21	Tai Kok Tsui (Island Harbourview) Bus Terminus - AWE
E22	Lam Tin (North) - AWE
E22A	Tseung Kwan O (Po Lam Public Transport Interchange) - AWE
E22B	Tseung Kwan O (Po Lam Public Transport Interchange) - AWE
E22P	Yau Tong Temporary Bus Terminus - AWE
E32	MTR Kwai Fong Station - AWE
E41	Tai Po Tau – AWE