

**立法會**  
**Legislative Council**

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**Panel on Commerce and Industry**

**Meeting on 10 February 2015**

**Background brief on  
development of convention and exhibition industries in Hong Kong**

**Purpose**

This paper provides background information on the development of convention and exhibition industries in Hong Kong. It also summarizes the views and concerns expressed by Members on the subject in previous discussions.

**Background**

2. The Convention and exhibition industries help promote the export trade of Hong Kong, facilitate the development of the products and services industries and attract overnight business travellers to Hong Kong, thereby playing a key role in maintaining Hong Kong's leading position as an international business centre. The hosting of conventions and exhibitions can bring about significant direct economic benefits to the local economy in relation to the employment for the exhibition industry as well as other service industries and supporting sectors, such as aviation, hotels, food and beverage, retail, booth design and construction and logistics.

3. At present, there are two major convention and exhibition facilities in Hong Kong, namely the Hong Kong Convention and Exhibition Centre (HKCEC) in Wan Chai and the AsiaWorld-Expo (AWE) on Lantau Island. HKCEC was opened in 1988, and expanded in 1997 and 2009 respectively. The Atrium Link Extension of HKCEC commenced operation in April 2009, boosting HKCEC's dedicated exhibition space by 42% to 66 000 square metres. HKCEC, located in the downtown area, has been a popular venue for consumer products related trade fairs in Hong Kong. AWE was opened in December

2005, offering a total of more than 70 000 square metres of exhibition space. Its column-free, high ceiling design is suitable for hosting exhibitions involving large exhibits.

4. The Administration has commissioned a consultancy study in 2014 to assess the demand for convention and exhibition facilities in Hong Kong in the coming 15 years, taking into account the situation in Hong Kong and the global and regional developments of the convention and exhibition industries. The consultant recommends the Administration to maximize the use of existing convention and exhibition facilities, and to construct new facilities<sup>1</sup>. On the construction of new facilities, one of the consultant's recommendations is to build a new convention centre above the Exhibition Station of the Shatin to Central Link. The consultant considers that the new convention centre can help attract new conventions on professional and financial services industries which are more suitably held in a downtown location to Hong Kong, and can also create operational synergies with HKCEC. The Chief Executive announced in the 2015 Policy Address that the Administration will consider constructing a new convention centre above the Exhibition Station upon its completion in around 2020. In this connection, the Administration has invited the Hong Kong Trade Development Council (TDC) to proceed with planning for the new convention centre.

## **Views and concerns expressed by Members**

### Panel on Commerce and Industry

5. The Panel on Commerce and Industry (the Panel) discussed the provision and utilization of convention and exhibition facilities in Hong Kong at its meetings on 20 April 2010, 21 December 2010, and 15 November 2011. Members were keen to ensure that the capacity of local facilities could stay ahead of the industry demand with a view to maintaining Hong Kong's leading position as an international convention and exhibition centre.

6. Some members were concerned that AWE was under-utilized in its initial years of operation, and suggested that AWE should not confine itself to staging conventional trade fairs. Members were of the view that AWE should leverage on its competitive advantage over HKCEC on the size of exhibition space and explore new exhibition themes requiring large exhibition space, such as aviation and boat shows. In view of the construction of the Hong Kong-Zhuhai-Macao Bridge, the Tuen Mun Western Bypass and the Tuen Mun-Chek Lap Kok Link, which would significantly reduce the travelling time for AWE visitors coming from the Pearl River Delta Region and Northwest

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<sup>1</sup> See paragraphs 3 and 4 of the Administration's paper [LC Paper No. CB\(1\)438/14-15\(03\)](#) on "2015 Policy Address: Policy Initiatives of Commerce, Industry and Tourism Branch and Innovation and Technology Commission, Commerce and Economic Development Bureau".

New Territories, some members called on AWE to grasp the opportunities arising from the enhanced connectivity and actively explore the feasibility of hosting more events and new shows at AWE. There was also a suggestion that suitable traffic arrangements should be made to enable event participants to travel between AWE and various tourist attractions on Lantau Island for the benefit of the local economy and the overall tourism development of Hong Kong.

7. Some members were concerned about possible competition between HKCEC and AWE vying for prospective clients in staging conventions, shows and exhibitions. Some other members however were of the view that healthy competition could exist between HKCEC and AWE as they served different functions and had different market positions. Members called for enhanced communication and co-operation between operators of the HKCEC and AWE to maximize the utilization of the existing convention facilities and exhibition space so as to bring about a larger market for the exhibition and convention industries for the benefit of the overall economy of Hong Kong. Members supported the "one show, two locations" approach, i.e. staging trade fairs or exhibitions at HKCEC and AWE concurrently so as to solve the problem of shortage of space at HKCEC and to fully utilize the available space at AWE to accommodate more small and medium-sized enterprises (SMEs) to participate in the trade fairs or exhibitions.

8. To address the industries' concern that the location of AWE was not so convenient, members suggested that transportation facilitation measures be put in place to facilitate the commute of event participants. In this regard, members noted that with the joint efforts of the Administration, the AWE Management Limited and public transport operators, numerous bus routes connecting to various places at the Hong Kong Island, Kowloon and the New Territories and concessionary MTR fares were provided on the days with events at AWE. Free shuttle bus services were also organized to facilitate exhibitors and buyers travelling between the two venues when events were held under the "one show, two locations" approach.

9. Members also raised concerns that Hong Kong had lagged behind its neighbouring countries in the provision of exhibition facilities and had lost out to Singapore in hosting large scale international conferences due to the saturation of existing conference facilities. In order for Hong Kong to stay internationally competitive in the convention and exhibition industries, members called for long-term planning, taking into account future demand for convention and exhibition facilities in Hong Kong as well as regional development of convention and exhibition industries. While looking for suitable locations for setting up additional conference and exhibition venues, other complementary facilities, such as hotel accommodation, catering, transportation and entertainment facilities, should be put in place. Efforts should also be made to help refer other suitable venues in Hong Kong to

individual organizers who could not identify needed venues in HKCEC and AWE during their specified dates.

10. In addition to the provision of first-rate convention and exhibition facilities, members urged the Administration to consult the industry to better understand the promotional needs of SMEs so that services launched would meet the industry needs. Members also called on the Administration, in collaboration with the Hong Kong Tourism Board, TDC, Invest Hong Kong, operators of HKCEC and AWE as well as industry associations and stakeholders, to step up overseas promotional activities to promote Hong Kong as a premier destination for exhibitions and conventions and lobby potential clients to choose Hong Kong as their venue for holding exhibitions and conventions.

### Council questions

11. At the Council meetings on 2 May 2012, 9 January 2013 and 19 February 2014, Hon Paul TSE, Hon WONG Ting-kwong and Hon Regina IP raised questions relating to the convention and exhibition industries in Hong Kong. Issues covered in the questions include the utilization and development of AWE, co-operation between HKCEC and AWE, in particular the "one show, two locations" approach, as well as the expansion of convention and exhibition facilities in Hong Kong. Members enquired about the Administration's policies on promoting the development of the convention industry and raising the utilization rate of AWE. Members also expressed concern about measures and policies for encouraging and fostering co-operation between HKCEC and AWE so as to optimize the use of the capacities of the two venues. Details of the Council questions are hyperlinked in the **Appendix** for ease of reference.

### **Latest position**

12. The Administration will brief the Panel on 10 February 2015 on the future demand for convention and exhibition facilities in Hong Kong, and its follow-up actions taking into account recommendations made by the consultant.

### **Relevant papers**

13. A list of relevant papers is shown in the **Appendix**.

**Development of convention and exhibition industries in Hong Kong**

**List of relevant papers**

<b>Date of meeting</b>	<b>Meeting</b>	<b>Paper</b>
20/4/2010	Panel on Commerce Industry	<p>Administration's paper on "Development of the MICE industry in Hong Kong" (<a href="#">LC Paper No. CB(1)1601/09-10(05)</a>)</p> <p>Updated background brief on the development of convention and exhibition industry in Hong Kong prepared by the Legislative Council Secretariat (<a href="#">LC Paper No. CB(1)1601/09-10(06)</a>)</p> <p>Minutes of meeting (<a href="#">LC Paper No. CB(1)2189/09-10</a>)</p>
21/12/2010	Panel on Commerce and Industry	<p>Administration's paper on "Development of the exhibition industry in Hong Kong" (<a href="#">LC Paper No. CB(1)785/10-11(03)</a>)</p> <p>Updated background brief on the development of convention and exhibition industry in Hong Kong prepared by the Legislative Council Secretariat (<a href="#">LC Paper No. CB(1)785/10-11(04)</a>)</p> <p>Minutes of meeting (<a href="#">LC Paper No. CB(1)1247/10-11</a>)</p>
15/11/2011	Panel on Commerce and Industry	<p>Administration's paper on "Development of the exhibition industry in Hong Kong" (<a href="#">LC Paper No. CB(1)277/11-12(03)</a>)</p> <p>Updated background brief on the development of convention and exhibition industry in Hong Kong prepared by the Legislative Council Secretariat (<a href="#">LC Paper No. CB(1)277/11-12(04)</a>)</p>

<b>Date of meeting</b>	<b>Meeting</b>	<b>Paper</b>
		Minutes of meeting ( <a href="#">LC Paper No. CB(1)827/11-12</a> )
2/5/2012	Council	Question No. 20 on "Promoting development of convention and exhibition industries in Hong Kong" raised by Hon Paul TSE ( <a href="#">Hansard</a> ) (Page 9036-9041)
9/1/2013	Council	Question No. 2 on "Provision of convention and exhibition facilities" raised by Hon WONG Ting-kwong ( <a href="#">Hansard</a> ) (Page 4325-4336)
19/2/2014	Council	Question No. 9 on "Management and development of Asia World-Expo" raised by Hon Regina IP ( <a href="#">Hansard</a> )
20/1/2015	Panel on Commerce and Industry	Administration's paper on "2015 Policy Address — Policy initiatives of Commerce, Industry and Tourism Branch and Innovation and Technology Commission, Commerce and Economic Development Bureau" ( <a href="#">LC Paper No. CB(1)438/14-15(03)</a> )