

LCQ14: Convention and exhibition facilities

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (January 16):

Question:

The consultancy study report on the Demand Study for New Convention and Exhibition Facilities in Hong Kong published in 2015 pointed out that 84 400 and 132 500 square metres of additional convention and exhibition (C&E) space would be needed in Hong Kong by 2023 and 2028 respectively. The Government has anticipated that not until 2026, at the earliest, will the sites of the three government towers in Wan Chai North and the adjacent Kong Wan Fire Station be vacated for the provision of additional C&E venues and other uses. As phase two expansion plan of the AsiaWorld-Expo (AWE) is currently at the stage of discussion with the Airport Authority Hong Kong, its implementation schedule has yet to be drawn up. The industry is therefore worried that the shortage of C&E facilities can hardly be ameliorated in the short to medium term. In this connection, will the Government inform this Council:

(1) whether it knows the respective numbers of days of last year on which the exhibition venues of the Hong Kong Convention and Exhibition Centre (HKCEC) and AWE reached saturation; the respective numbers of exhibitions, held in HKCEC and AWE in each of the past five years, for which all the exhibition areas of the respective venues were hired, with a breakdown by theme type to which the exhibitions belonged;

(2) whether it knows the respective numbers of applications for renting venues for C&E events turned down by the administrators of HKCEC and AWE last year due to shortage of space, and the economic loss caused by such situation to Hong Kong in each of the past five years;

(3) of the short-term measures taken to alleviate the shortage of C&E facilities and the effectiveness of such measures;

(4) whether it has measures in place to expedite the vacation of the sites of the three government towers in Wan Chai North and the Kong Wan Fire Station; if not, of the reasons for that;

(5) when the Government plans to finalise the phase two expansion plan of AWE with the Airport Authority Hong Kong; of the anticipated date of completion of the plan and the area of C&E facilities that can be provided by then; and

(6) whether it has assessed if Hong Kong will still face the problem of shortage of C&E facilities upon the completion of the new C&E facilities currently under planning; if it has assessed and the outcome is in the

affirmative, of the solutions?

Reply:

President,

The convention and exhibition (C&E) industry is vital to Hong Kong as an international business and trading centre. In order to reinforce the advantages of C&E industry in Hong Kong and enhance the synergy between C&E venues and facilities in their vicinity, the Government has been working in earnest to increase the supply of C&E venues. Regarding the question raised by the Hon Jimmy Ng, our reply is as follows.

(1) According to the information provided by the management companies of the Hong Kong Convention and Exhibition Centre (HKCEC) and AsiaWorld-Expo (AWE), in 2018, the purpose-built exhibition facilities of HKCEC reached saturation on 75 days, and AWE reached saturation on 81 days. The standalone exhibitions which rented all the areas of HKCEC/AWE in the recent five years and their theme types are tabulated below:

Year	Standalone exhibitions which rented all the areas of the venues concerned			
	HKCEC		AWE	
	Type	Number	Type	Number
2014	Jewellery	3	Electronics	2
	Gifts	1		
	Procurement	1	Jewellery	1
	Beauty	1		
2015	Jewellery	3	Electronics	2
	Gifts	1		
	Procurement	1	Jewellery	1
	Beauty	1		
2016	Jewellery	3	Electronics	2
	Gifts	1		
	Procurement	1	Jewellery	1
	Beauty	1		
2017	Jewellery	3	Electronics	2
	Gifts	1		
	Procurement	1	Jewellery	1
	Beauty	1		
2018	Jewellery	3	Electronics	3
	Gifts	1		
	Procurement	1	Jewellery	1
	Beauty	1		

The numbers above only include standalone exhibitions which rented all the areas of HKCEC/AWE, and do not include exhibitions that were held concurrently and collectively rented all the areas of the venues concerned. Furthermore, although some individual exhibitions did not rent the entire exhibition venues, the remaining areas of the venues were not available for hosting other concurrent exhibitions because the exhibitions concerned had already rented most of the areas, or because of the exhibitions' nature (e.g. security, visitor flow and/or technical requirements).

(2) According to the information provided by the management companies of HKCEC and AWE, in 2018, the two venues respectively turned down 31 and 47 applications for C&E events due to shortage of venue.

According to the consultancy study commissioned by the Government in 2014, a wide array of information is required to assess the total economic loss arising from the total unmet demand for C&E venues, including demand for venues, number of events and participants, expenditure figures of events and participants, etc., in order to estimate the direct expenditure, indirect expenditure, induced expenditure, value added and associated employment estimates. Since the assessment involves substantial commercially-sensitive information and complex calculations, the Government is unable to estimate the economic loss to Hong Kong caused by turning down applications for C&E events due to shortage of venue.

(3) In tandem with developing new C&E facilities, the Government will, through the Meetings and Exhibitions Hong Kong of the Hong Kong Tourism Board, continue to provide all-round support services for international organisers which plan to organise conferences and exhibitions in Hong Kong to ensure the smooth staging of such events. The services include introducing suitable venues, such as HKCEC, AWE, Kowloonbay International Trade & Exhibition Centre, meeting facilities of various hotels and other possible event space, based on the needs of the organisers.

(4) The Chief Executive announced in the October 2017 Policy Address that the Government will develop Wan Chai North into a C&E hub in Asia. To this end, the Government is actively taking forward the redevelopment of the three government towers in Wan Chai North and Kong Wan Fire Station into C&E facilities, hotel and office. Due to the massive scale of the relocation, which involves 29 government departments and the Judiciary with over 10 000 staff, as well as the time required to construct various new government buildings for relocation, the relocation exercise is being taken forward in phases. The West Kowloon Government Offices will be the first relocation project to be completed, and the departments concerned will move in from January in phases. Other relocation projects are being taken forward as planned. The Government expects that the relocation would be completed by 2026 the earliest for vacating the sites for the development of C&E facilities, hotel and office.

(5) The Airport Authority Hong Kong (AA) completed the acquisition of the private interest in AWE in September last year, providing room and

opportunities to better leverage the advantages of the existing AWE in hosting C&E events. In addition, the Government will discuss with AA on the phase two expansion plan of AWE to further increase the supply of C&E facilities in Hong Kong, so as to strengthen the competitiveness of C&E industry in Hong Kong.

(6) In parallel with actively taking forward the projects mentioned in parts (4) and (5) above, the Government will continue to explore ways to better utilise existing venues in HKCEC and AWE, as well as other proposals to increase C&E facilities. Nevertheless, with limited land in Hong Kong, the Government needs to, in parallel with expanding C&E facilities, define the strategic position to focus on C&E events which bring more economic contributions to Hong Kong, so as to maintain Hong Kong's competitive edge in the C&E industry.