

LCQ3: Convention and exhibition facilities

Following is a question by the Hon Tony Tse and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (January 10):

According to the consultancy study report on the Demand Study for New Convention and Exhibition Facilities in Hong Kong published in 2015, 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. However, the Government has subsequently abandoned its plan to develop a new convention centre above the MTR Exhibition Centre Station, and no definite date has been set for the plans to expand the AsiaWorld-Expo (AWE) and redevelop the site of the three government towers in Wan Chai North into C&E facilities. Some members of the industry have relayed that the supply of large-scale and high-end C&E venues in Hong Kong still falls short of the demand, which has affected the competitiveness of the C&E industry and Hong Kong as a whole. In this connection, will the Government inform this Council:

(1) given that the 2023 Policy Address has proposed to expand C&E facilities, including AWE, and construct new C&E facilities in Wan Chai North, of the specific implementation timetable for these two plans; whether it has assessed if the progress of the expansion of AWE will be affected by the relevant community treatment facilities;

(2) apart from the aforesaid two plans, whether the Government will plan to construct large-scale C&E facilities in other districts, such as the Northern Metropolis and the Kau Yi Chau Artificial Islands; and

(3) whether it will commence a new demand study for C&E facilities; if so, of the timetable; if not, the reasons for that?

Reply:

President,

My consolidated reply to the questions raised by the Hon Tony Tse is as follows:

The convention and exhibition (C&E) industry is crucial to Hong Kong as an international trade centre.

According to a study conducted by the industry, in 2018, the exhibition industry contributed a total of \$58.6 billion to Hong Kong's economy, which was equivalent to 2.1 per cent of the gross domestic product, and created some 77 000 full-time employment opportunities.

According to the figures of the Hong Kong Tourism Board, in 2019, Hong Kong attracted 1.69 million overnight MICE (meeting, incentives, conventions and exhibitions) visitors, with a per capita consumption of some \$7,200 (i.e. a total of \$12.2 billion), which was 23 per cent higher than that of the overall overnight visitors.

Hong Kong hosts many large-scale international C&Es every year. Before the pandemic, Hong Kong hosted over 160 large-scale international exhibitions annually, of which over 10 were the largest Asian or even global sourcing platforms for the trades concerned, including electronics, jewellery, gifts, watches and clocks, lighting; and around 250 large-scale international conventions, including the Asian Financial Forum, the Asian Logistics, Maritime and Aviation Conference, the Belt and Road Summit, the Business of Design Week, in the two dedicated venues for mega C&E events every year, namely the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo. These large-scale C&Es reflect our role as an international trade centre and a connecting platform between the Mainland and the rest of the world, as well as our strengths as a super connector and super value-adder.

To consolidate and enhance the pre-eminent position of Hong Kong as a hub for international C&E events, the Hong Kong Special Administrative Region Government has actively taken forward the expansion of our C&E facilities. When expanding our C&E facilities, we have considered multiple factors including, inter alia, the expectations of the industry, whether there are adequate supporting facilities such as transport, accommodation, dining and entertainment facilities nearby, the synergy between new and existing facilities and the cost-effectiveness. The Government has been studying different options for expanding C&E facilities, and after taking into account the above factors, it is our priority to pursue the expansion of C&E facilities in proximity to the existing Hong Kong Convention and Exhibition Centre in Wan Chai North and the AsiaWorld-Expo. The two expansion projects will increase the large-scale C&E space of Hong Kong by more than 40 per cent, from the existing 158 000 square metres to over 220 000 sq m.

In Wan Chai North, the Government will redevelop the sites of the Wan Chai Government Offices Compound, Gloucester Road Garden and the Kong Wan Fire Station into C&E facilities, hotel and Grade A offices. After the redevelopment, there will be an additional 30 000 sq m of rentable C&E spaces connecting seamlessly with the existing Hong Kong Convention and Exhibition Centre, and a hotel with some 500 rooms to accommodate visitors during mega C&E events after the expansion of C&E facilities.

The Government is relocating the government departments and law courts in the Wan Chai Government Offices Compound to nine new government building projects as scheduled. Among them, five projects, namely the West Kowloon Government Offices, Government Data Centre Complex, Treasury Building, Inland Revenue Centre and Immigration Headquarters have been completed and respectively commissioned. The Government expects to complete the remaining four building projects of Tseung Kwan O Government Offices, Water Supplies Department Building and Correctional Services Headquarters Building, Drainage Services Tower, and the District Court at Caroline Hill Road in or before

2026.

Meanwhile, after obtaining the funding approval of the Legislative Council's Finance Committee in November last year, the Government has already commenced the reprovisioning of the Kong Wan Fire Station. To pave way for the Wan Chai North Redevelopment project, the Kong Wan Fire Station will be reprovisioned at the site adjoining Fenwick Pier Street and Lung Hop Street. The Government expects that the reprovisioning of the Kong Wan Fire Station will be completed by 2027 and the Wan Chai Government Offices Compound will be vacated by the end of 2027.

As the Wan Chai North Redevelopment project involves the demolition of three existing multi-storey buildings, deep excavation and construction of large-scale excavation and lateral support, as well as the construction of a multi-storey building, all the demolition and construction works will take at least seven years to be completed. As such, the Government estimates that the Wan Chai North Redevelopment project will be completed in 2034 at the earliest.

On the other hand, the Airport Authority Hong Kong (AA) has conducted a consultancy study on the AsiaWorld-Expo phase 2 expansion, and will invest in the expansion project. Currently, the Government is reviewing the operational needs of the North Lantau Hospital Hong Kong Infection Control Centre. Once the infection control centre ceases operation and is vacated, the AA will commence the expansion works.

According to the preliminary design, the phase 2 expansion of AsiaWorld-Expo will provide an additional 33 600 sq m of rentable C&E spaces, and a multi-purpose indoor arena with a seating capacity of over 20 000 people, providing a venue for large-scale international C&E, entertainment and sports events. The construction of SKYCITY next to the AsiaWorld-Expo is being completed in phases. The AsiaWorld-Expo will synergise with the accommodation, shopping, dining and entertainment facilities in the SKYCITY, facilitating the development of Hong Kong International Airport into an airport city, connecting the Guangdong-Hong Kong-Macao Greater Bay Area and the world.

As the pandemic eases, we are pleased to see that the recovery progress of the C&E industry is better than expected, and the industry assesses it is returning to 70 to 80 per cent of pre-pandemic levels. At this stage, we do not have sufficient data to accurately assess the exact demand for future C&E facilities, but in the longer term, there will still be a substantial demand for C&E facilities. We will continue to proactively expand C&E space in Wan Chai North and the Airport Island, and maintain close communication with the C&E industry, to grasp the latest development in the industry and explore the possibility of further expanding our C&E facilities.