



Regional leader...Hong Kong Convention and Exhibition Centre

Vibrant venues

Asia Pacific's purpose-built venues are healthier than ever. However, with a number of new players joining in, there are a few issues that need to be addressed. **Mark Armsden** reports

The Asia-Pacific exhibition and convention industry has never been more vibrant and governments, countries, cities and the private sector are moving rapidly to cash in with a spate of new venues and upgrades.

Hardly a day passes without a new announcement of a convention and exhibition centre to be built, or an extension to an existing facility coming out. But with all of this development there has been some concern among the industry relating to whether all of these new venues can be sustained in the region.

AsiaWorld-Expo (AWE) is one of the newest venues to open and its launch followed years of debate in Hong Kong as to whether two large convention and exhibition centres could remain profitable.

The Hong Kong Convention & Exhibition Centre (HKCEC) had already had a massive space increase for Hong Kong's handover back to China in 1997. It was felt by management of that venue that another centre in the city would dilute the market.

Organisers in Hong Kong felt differently

and AWE went ahead. Now HKCEC will also expand, creating more space. AWE has only just opened and it has land available to it to continue to grow, so the ongoing story of Hong Kong venue space may never end.

Perfect gateway

Hong Kong has also long been known as a perfect gateway to China, but mainland venue expansion seems to be haphazard.

High-profile organisers in Asia — who prefer to remain nameless because they are also



New facility: Hyderabad International Convention Centre

“In some countries there are fixed rules about ‘copycat’ trade fairs, however in most Asia markets there are not”

Michael Duck
Senior vice-president,
CMP Asia

tapping into the expanding exhibition and conference business in China — say venue development seems to have evolved into a competition between cities as to who can build the largest venue and that this could have dire long-term results for the industry.

“There just is not the middle to lower-level management and staff with the experience to run these centres well, but all the main government officials are very proud and if Shanghai, Beijing and Guangzhou have a huge venue, then they want one too,” one organiser says.

Large new venues have also opened at Hyderabad in India and Abu Dhabi in the UAE. In Australia, brand-new centres have

opened in Perth and on the Gold Coast. A new centre is to open in the Northern Territory’s capital city of Darwin and the Melbourne Convention and Exhibition Centre has also announced a massive expansion adjacent to its existing facility.

But the industry still faces a number of issues, which we have examined by talking to regional organisers. We also have an exclusive interview (see p52) with Barbara Maple, president of the International Association of Congress Centres, president of the Joint Meetings Industry Council and chairwoman of the World Council for Venue Management.

Double selling

One issue that has been constantly bubbling away in Asia Pacific for many years, and one that many exhibition organisers believe some venues and their managers have not adequately solved, is that of hosting multiple events in one venue — in other words ‘selling’ the same industry many times.

This has been a constant theme in Thailand for many years and the issue is starting to emerge in China where managers may be tak-

ing any business they can to fill halls, including ‘copycat’ trade fairs.

Hong Kong-based senior vice-president of CMP Asia Michael Duck is always quite measured in his comments on this issue. He says he would like to see some consistency in the region.

But it is going to take a global organisation, or at least a large regional one, to take the reins and create the necessary parameters.

“In some countries or cities there are fixed rules written in to contracts (to combat this), however in most Asia (markets) there are not,” Duck says.

“There is much confusion in the industry regarding this issue. I believe there should be some consensus within the organising industry on this matter.

“Without organisers there are no shows. The organisers invest heavily and take the risks commercially. In most cases the organisers are independent companies (some are state-owned, which reduces the risk) and so fair profile protection is very important.”

While Duck may have been alluding to state-owned companies in the context of the industry in China, it is also an issue in Asia’s other emerging giant, India.

New Delhi-based chief executive officer of Global Exhibitions and Conferences, Sanjay Handa, says his experiences have led him to the same conclusion — venues should have regulations in place to prevent similar shows appearing frequently as it will dilute source-buyer markets.

“Each convention centre must stick to the rules and regulations in terms of allowing organisers to organise shows,” he says.

“There must be at least a four-month gap between each show in a similar or same product category.” □



Modern look...Dubai WTC Hall

“There must be a four-month gap between each show in a similar or same category”

Sanjay Handa
CEO,
Global Exhibitions
and Conferences

OPINION BARBARA MAPLE, PRESIDENT, AIPC

Established venues in Asia Pacific have a global reputation for top service, but with more venues coming online around the region — especially in developing countries — there have been some concerns raised as to the quality of service.

Barbara Maple is the president of the International Association of Congress Centres (AIPC), president of the Joint Meetings Industry Council and chairwoman of the World Council for Venue Management.

Maple spoke exclusively to *CEI Asia Pacific* on a wide range of issues for venue managers and how they must adapt to meet and exceed client needs.



Maple...looking forward



CEI: With the rapid development of exhibition and congress centres across Asia Pacific, is AIPC concerned that the quality of venue management and the services they supply could be slipping? If so, what can be done to rectify this?

Barbara Maple: While there are a number of different operating standards used in convention and exhibition centres, none are truly universal. In reality, client expectations are the most important consideration.

Centres really need to belong to an organisation like AIPC where they can then benchmark themselves against colleagues around the world and get access to the kind of information that will let them assess whether or not they are meeting market requirements.

The market itself is a very quick and effective device to manage quality issues, particularly in a situation where there is a buyer's market such as we have seen for the past few years.

“Centres really need to belong to an organisation like AIPC where they can benchmark themselves against colleagues around the world and...assess whether or not they are meeting market requirements”

Barbara Maple
President,
International Association
of Congress Centres

This is one of the most effective ways to develop consistency in performance.

One area where we have seen good examples of high performance in Asia Pacific venues is in service excellence, which is at a high premium in today's market.

The most important set of standards are the expectations of the customers for congress and exhibition centres. As this is a global industry, these expectations tend to be largely consistent worldwide and networking among centres is the only real way to identify and respond to them.

CEI: Looking at China and India specifically and the rapid expansion in the number of venues there, does AIPC have any concerns relating to service quality?

BM: Our role is to encourage and recognise facility and service quality rather than enforce a particular set of standards. New facilities must take the initiative themselves to determine if they are addressing quality issues, since if they don't the market will respond quickly.

The primary need for emerging regions is to understand the global context they are working in and to seek out the information they need to meet international expectations. This applies as much to China and India as to any other countries.



Updated...Cairns Convention Centre

CEI: With the number of new centres opening in the region, is training at the mid-management level an issue? If so what can be done to assist venue management here?

BM: This is an issue worldwide, with changing demographics and specialised labour shortages appearing in many different areas. While congress-centre management shares many skills and knowledge requirements with other sectors, it is in many ways a unique discipline that requires specialised training. We believe that this will become even more important over the next few years.

CEI: What will be the biggest challenges for Asia-Pacific venues in the coming years in terms of maintaining quality?

BM: The biggest challenge will be to remain competitive in terms that mean something to the market. The most important factor is that there will be good communications with the rest of the industry.

No facility or region can operate as an island in an industry that has so many internationally mobile customers. Unless strong communications are maintained, centres risk falling behind.

The second risk will be recognition of the need for continuing investment. Industry expectations change and evolve and ongoing investment is needed to respond.

PANEL DISCUSSION THE CLIENT PERSPECTIVE

Exhibition organisers are vital clients for large venues. Organisers are constantly monitoring issues and trends in the industry. *CEI Asia Pacific* spoke to some of the biggest players in the region to get an idea of the current state of play and discuss future trends they believe the industry should be aware of



New venue...KLCC, Kuala Lumpur

- Q1:** What is the most important factor your company considers before booking a venue? Why?
- Q2:** Do you see venue hire costs rising or falling in the coming 12 months? Why?
- Q3:** In the coming 12 months, what do you see as the most important issue for venue managers?
- Q4:** Is Asia Pacific becoming 'oversupplied' with venues?
- Q5:** In no particular order, what are your top five exhibition and conference centres in Asia Pacific?



Michael Duck
Senior vice-president, **CMP Asia — Hong Kong**
www.cmpasia.com

- A1:** Is it visitor-friendly in terms of geographic location? And are the transfer services to and from the venue fast, efficient and comfortable, or interesting? If the visitors are happy, the exhibitors will be there.
- A2:** Falling. With the amount of exhibition space coming on stream, let alone the square metres available now, it would be senseless for a venue to raise hiring costs.

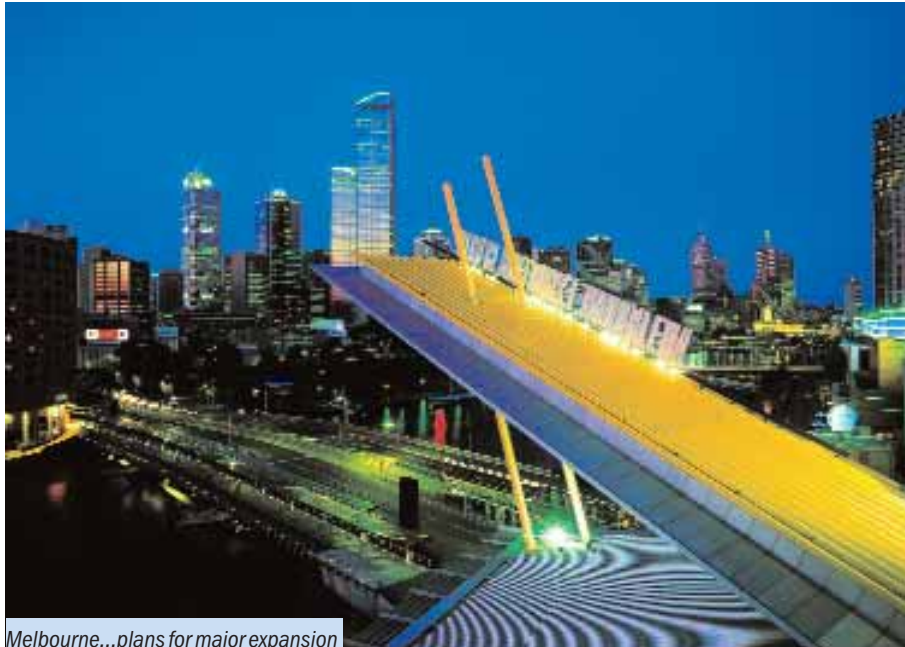
- A3:** With the economy being quite buoyant and the general market for staff having expertise in event organising or venue management, it must be personnel. Having to retrain costs both time and money.
- A4:** Possibly in the short-term, but the medium- to long-term looks favourable. However, if you build in the wrong location then no one can help you.
- A5:** Hong Kong Convention & Exhibition Centre; AsiaWorld-Expo (Hong Kong); Cairns Exhibition Centre (Australia); Melbourne Exhibition and Convention Centre (Australia); Shanghai New International Exhibition Centre (China).



Sanjay Handa
Chief executive officer,
Global Exhibitions & Conference — India
www.gec-india.com

- A1:** Location, facilities, services and charges.
- A2:** Rising as there is more demand for organising events as many small organisers are coming online.

- A3:** The new venues are much more hi-tech than the existing ones. Therefore there is competition and it is difficult for the older venues to keep in pace with the new ones.
- A4:** Not really, as there are mostly only two or three venues in every country except China.
- A5:** Hong Kong Convention & Exhibition Centre; AsiaWorld-Expo (Hong Kong); Shanghai World Expo (China); Beijing Exhibition Centre (China); Expo Mart (India).



Melbourne...plans for major expansion



Quality...Suntec Singapore



Large...IMPACT, Bangkok



Andrew Lee
Executive Director,
World Events Organisation – Singapore
www.worldeventsorganisation.com

- A1:** Location and infrastructure. The venue must first be able to accommodate my event and it has to be centrally located where delegates have easy access.
- A2:** Definitely rising – the venues are cashing in on the upswing on most economies. I think this is extremely short-term minded, artificially inflating costs for organisers like us.

- A3:** Understanding their clients' businesses. Venues cannot see themselves as only suppliers of space but as an integral part of an event life cycle.
- A4:** No, Asia Pacific is under-supplied with quality venues in the right locations. Yes, there are venues being built at a fast rate. But are they needed in certain locations?
- A5:** Suntec Singapore; Hong Kong Convention & Exhibition Centre; Melbourne Convention & Exhibition Centre (Australia); Sydney Convention and Exhibition Centre (Australia); Kuala Lumpur Convention Centre (Malaysia).



Gernot Ringling
Managing Director,
Messe Düsseldorf Asia – Singapore
mda.messe-dusseldorf.com

- A1:** If it involves a country as a venue, the primary factor will greatly depend on the vibrancy of the market and its potentials. Where exhibition venues are concerned, to identify just one key factor would not be possible. Venue selection will greatly depend on its facilities and the accessibility and of course there is also the question of costs.
- A2:** I would envisage costs to rise in tandem with the better business and GDP forecasts. This is based on pure economics. There is

also the question of increasing competition among host countries and venues.

- A3:** Other than resolving to solicit for repeat and new business, venue managers will find it a challenge to fill their halls. They will need to rethink their strategy and should consider offering value-added services.
- A4:** Across Asia Pacific some countries are more active in hosting exhibitions than others. In Southeast Asia, there are sufficient world-class exhibition venues in Singapore, Thailand and Malaysia. In China, there may be surpluses as we witness new venues sprouting practically every month.
- A5:** Suntec Singapore; Singapore Expo; Kuala Lumpur Convention Centre (Malaysia); IMPACT – new Challenger Halls (Thailand); BITEC (Thailand).



Gillian Loh
Deputy project manager, Lines Exposition & Management Services – Singapore
www.grayling.com

- A1:** Suitability for the individual show profiles is our highest priority, what are the expected visitor numbers and how accessible and convenient is the venue for the target exhibitors and visitors?
- A2:** From our experience venue costs have been rising,

particularly over the last five years. However this is relative to other cost increases.

- A3:** Our shows tend to be on the larger side and we would like to see improvements in crowd-control management, ensuring sufficient car-parking facilities at the centrally located conference venues. Last but not least, the issue of temperature control as the crowd numbers fluctuate.
- A4:** No.
- A5:** Most of our shows are based in Singapore, so Singapore Expo and Suntec Singapore.

Hotel groups turn to management



New option...Sofitel Boao, Hainan Island



Modern venue...Sofitel on Renmin Square

With the lift in demand for exhibition and conference venues in Asia, more companies are moving into venue management to capitalise on the business opportunities available.

The Accor hotel group is one such company, but interestingly this company also boasts significant accommodation options adjacent to the venues they manage, allowing event organisers a true 'one-stop' service when planning an event. And Accor has a focus on doing this in Asia, particularly in China.

Over the next two years Accor will be opening a series of hotels with significant exhibition and convention potential, adding to its more than 200 hotels in the Asia-Pacific region with noteworthy conference facilities.

Building profile

The group has managed one of the region's largest and most successful venues – the Sydney Convention and Exhibition Centre – for over a decade. Its most recent addition to the mix is the Hyderabad International Convention Centre (HICC), India's largest and first purpose-built convention facility.

It opened in late 2005 and earlier this year hosted the Asian Development Bank annual meeting.

According to Accor Asia Pacific chairman, David Baffsky, the addition of HICC to the group's portfolio of venues continues to build Accor's profile in the international meetings and exhibitions market.

"Accor Asia Pacific has pioneered a number of bold developments in the region, including Sydney's Darling Harbour and Olympic Park precincts, and helped establish them as world-class meetings and exhibitions centres. We believe we can make a similarly successful contribution to the Hyderabad development," he says.

"We are committed to its success and

"The growth in MICE-related hotels around the country complements our overall China expansion, which will see us add 20 hotels in less than two years"

Brian Deeson
CEO for Greater China,
Accor

believe that the joint convention centre and Novotel development will help establish Hyderabad as the geographical and event-related hub for India."

He adds that Accor operates conference centres in many of the key cities around the world including London, Paris, Sydney and Rio de Janeiro. Each of these centres offers , seamlessly co-ordinated services, including accommodation, meeting facilities, banqueting, catering and entertainment, and is capable of handling exceptional, large-scale events.

China network

Accor is also building a comprehensive network of business-event hotels around China as part of the group's rapid development in China that will see the company grow its network from the current 34 hotels to over 50 in the next two years.

In 2005 Accor launched China's newest convention centre in Xian. The Sofitel Convention Centre on Renmin Square is the largest facility in the region and follows the group's appointment to operate the Boao Convention Centre — home of the Boao Forum — on Hainan Island. Both are integrated convention and accommodation complexes.

In May, Accor opened two hotels in the same day in Nanjing, a first for the company anywhere in the world, both with meetings and conference elements.

Accor's CEO for Greater China, Brian Deeson, says Accor had targeted the business events sector because of its strong economic potential.

"Accor will offer the widest range of hotel styles to meet the needs of meetings and conference guests, and we are unique among international hotel groups in that our hotels cover the luxury, mid-market and economy sectors," he adds.

"This provides convention and meeting planners with unique accommodation offers they might not find anywhere else. The best example of this in China is at Renmin Square, where the adjacent Sofitel, Grand Mercure and Mercure hotels are all in the same compound with three distinct rate structures."

Construction works

Three Sofitel hotels will be built between now and the end of 2008 to enhance the meetings and convention roster for Accor around China.

In late 2006, the 451-room Sofitel Guangzhou will open with its primary meeting venue a 1,000 sqm ballroom and in 2007 the 440-room Sofitel Macau@Ponte16 will open at the Inner Harbour of Macau's Pier 16, one of the oldest districts in the former Portuguese enclave

"The growth in MICE-related hotels around the country complements our overall China expansion, which will see the group's hotel network add 20 hotels in less than two years. We anticipate signing a number of new projects during the remainder of 2006," Deeson adds. □

Mark Armsden