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The Status of MICE Industry Development in Taiwan

(I) Supply & Demand

MICE industry development is an important index for evaluating regional prosperity and level of internationalization. As an emerging globalized service industry, MICE is especially valued by national governments for its three highs—high growth potential, high added-value, and highly beneficial innovations; three larges—large output, large opportunities for employment, and large industry associations; and three advantages—the advantage over other industries in human resources, technological know-how, and the efficient utilization of assets. Many cities are even utilizing the MICE industry as a development strategy for the new era. Taiwan’s MICE industry has been around for only a quarter century, and is a much younger industry than its more mature counterparts in Hong Kong, Japan, and Singapore, though not without its own competitive edge. There is no disputing the fact that the MICE industry in Asia is currently experiencing a period of great expansion and growth, and regional competition has only just begun.

MICE employs an industry model based on service, emphasizing resource integration, with the objective of developing satellite industries around its main focus—that of meetings and exhibitions. Every US\$1 spent on this industry will lead to US\$7-10 of peripheral economic benefits. That is why the Taiwanese government has designated the MICE industry as an important service industry for development, and estimate that industry output value will reach US\$ 100 million in 2008. In addition, Taiwan is striving to host more international exhibitions, pledging to double the amount of international exhibitions held on the island in 2008 and a 10% increase in international visitors. The government designated 2008 as an “exhibiting activity year,” as the opening of the Taipei World Trade Center Nangang International Exhibition Hall (TWTC Nangang) in 2008 effectively increases the international competitiveness of the local industry. The industry will see further resource integration during 2008, culminating in 2009’s “exhibition expansion year,” when the developmental focus will be on the expansion of industry depth and scope.

According to the UFI industry report, the Taiwan External Trade Development Council (TAITRA) is among the top 10 convention organizations in Asia, just behind the China Foreign Trade Guangzhou Exhibition Corporation, Singapore International Convention & Exhibition Centre, and Hong Kong Trade Development Council. In 2006, Taiwan ranked 9th in the region for the number of international conventions held (47), while Taipei ranked 8th among all Asian cities with 29 international conventions held. ICCA statistics further indicate that in 2006, international conventions in Taiwan were joined by a total of 33,589 participants, which is a 46.7% increase on the 22,902 participants in 2005. Statistical data disclosed by Taiwan's Tourism Bureau (TBROC) indicates that of the 3,716,063 total visitors to Taiwan, 57,800 came for the purpose of attending meetings and conventions. In the area of international exhibitions, UFI's June 2007 data shows that Taiwan ranked 7th in Asia for sponsoring a total of 60 international exhibitions in 2006. Taiwan also ranked 6th in Asia for the total area leased for exhibitions, which came to 410,000m², or a 24.6% increase on 2005. With all these advantages in mind, it is imperative that Taiwan do more to develop unique local MICE industry features to increase overall global competitiveness for all domestic industries.

As of the end of 2007, there were a total of six exhibition halls in Taiwan for regular exhibitions, providing a total of 58,254m² in available floor space. The TWTC database also reveals that nearly 100 international exhibitions are held annually at the TWTC exhibition halls in Taipei, its 310-day annual occupancy rate virtually unsurpassed. In fact, TWTC exhibition halls are very often overbooked. Opened in March 2008, TWTC Nangang is expected to alleviate this space problem.

The Taiwanese government has invested heavily in the MICE industry. A total US\$680 million was invested into the construction of large-scale exhibition halls including the TWTC Nangang, TWTC Nangang expansion, and Kaohsiung Exhibition & Convention Center. Upon the completion of these projects, Taiwan will advance from 7th to 5th-place in Asia in terms of the amount of available exhibition floor space, and from 36th to 32nd in the world in terms of the number of international conventions held.

Exhibition Halls in Taiwan by 2012 (by Floor Space and Booths)

Regions	Exhibition Halls	Service Since:	Available Floor Space (m ²)	No. of Booths
Northern Taiwan	Taipei World Trade Center (TWTC) Exhibition Hall 1	1986	28,239	1,554
	Taipei Show Hall 2 (formerly TWTC Exhibition Hall 2)	1999	5,543	331
	TWTC Exhibition Hall 3	2003	7,481	365
	TWTC Nangang Exhibition Hall	2008	4,536	2,465
	TWTC Nangang Exhibition Hall 2	2013 (F)	47,255	2,650
	Taipei County Exhibiton Hall	1999	4,235	238
Central Taiwan	Taichung World Trade Center	2000	4,851	250
	Taichung International Conference & Exhibition Center	2008 (F)	4,300	500~1,000
Southern Taiwan	Kaohsiung Business Exhibition Center	2000	7,716	422
	Kaohsiung Exhibition & Convention Center	2011 (F)	N/A	1,500

Source: Exhibition hall websites; compiled for the present study, 2008/2

(II) An Analysis of Existing Gaps in the Industry Supply Chain, Investment Niches, and Prospective Foreign Investors

The MICE industry incorporates a wide range of expertise that can be roughly divided into three categories, including exhibition facilities, organizers, and peripheral subcontractors. Putting an international exhibition together requires professionals from a variety of fields, and those professionals are lead by Professional Convention Organizers (PCO) and Professional Exhibition Organizers (PEO).

The MICE industry incorporates a wide range of services. Required hardware includes onsite audiovisual equipment accomodating Internet connections, overhead projection, exhibition design and decoration, stage design, audio construction, light efficiency, and simulataneous interpretation. Non-facility-related services include exhibition arrangement, public relations, marketing, planning, advertising media, graphic design, tourism, insurance, and transportation.

MICE Industry Supply Chains in Taiwan

Exhibition Halls	Convention Venues	Exhibition Venues
	Taipei International Convention Center (TICC), Civil Service Development Institute, National Taiwan	Taipei World Trade Center (TWTC) Exhibition Halls 1 & 3, Taipei Show Hall 2, TWTC Nangang Exhibition Hall, Taipei County Exhibiton Hall, Taichung World Trade Center, Kaohsiung Business Exhibition Center

	University Hospital (NTUH) International Convention Center, GIS Convention Center, National Taiwan Science Education Center				
Exhibition Organizers	Professional Convention Organizers (PCO)	Professional Exhibition Organizers (PEO)			
	Elite, GIS, K&A, API, WILLY, Intercon, IECMC, Round Table, We Plan, Achieving Professional Conference Organizer, TCM	International Professional Exhibitions	International Exhibition Agents	Foreign Organizers	Domestic-sale Exhibitions
	TAITRA, Taiwan Textile Federation, TEEMA, Taipei Computer Association, TPCA, Taipei Book Fair Foundation, PIDA, Chao Exhibition Hall, New Era International Inc.	ACE Forum, Chieh Feng, WES Expo Co., KAIGO, Golden Seal	CMP Asia, Messe Frankfurt, SEMI	Top Link, KJE, KTS, Chia Yi International, Economic Daily News, United Daily New, ttnet.net, Trans Electric Co.	
Peripheral-Industry Firms	Notable Public Relations, Decoration, Utilities, and Transportation Firms; Travel Agencies				
	Foreign Firms	Local Firms			
	Uniplan, Olily Exhibition Design, Sta Translation	The Gleaner Inc., Hsing Li An, Sun Pro Int'l Travel Service, China Economic News Service, SSXC International Audio-Visual Co., Congress Rental, etc.			

Source: Compiled for the present study, 2008/2

The Taiwanese MICE industry has the advantage of having a number of venues that can accommodate events hosting under 500 participants, including the Taipei International Convention Center (TICC), GIS Convention Center, TWTC exhibition halls, and Kaohsiung Business Exhibition Center. In contrast, the gap in the industrial supply chain is limited space for exhibitions, a problem that the opening of the TWTC Nangang will help to remedy. The low floor space concentration remains an issue. Compared with other Asian countries, which have 80,000-100,000m² of concentrated

available floor space, the local industry is lacking (TWTC exhibition halls have approx. 26,000m², and TWTC Nangang has approx. 45,000m²). Secondly, of the nearly 100 professional and consumer exhibitions held at the TWTC each year, 20 international shows are hosted by TAITRA—this inability of local PEOs to put on international exhibitions is another weak point in the industry. The third gap is in international competitiveness. While other countries invest heavily to attract buyers to their domestic markets, Taiwanese companies are spurred by the lack of exhibition space on the island to participate in foreign exhibitions, as the scale of domestic exhibitions is limited. Fourthly, development is unequal between the northern and southern parts of the island. Exhibitors like to join exhibitions in Taipei because there is a lack of proper exhibition space down south.

As exhibitions in Taiwan begin to transform into a service-lead industry, the market stands to profit from know-how from European and American exhibition companies, as well as collaboration with government and associations for the immediate development of new shows. As there are very few foreign companies involved in the local market, there is still a room for peripheral industries such as the public relations, interpretation, decoration, utilities, transportation, and travel agency industries to flourish alongside. As for complimentary facilities, there is currently an insufficient number of hotel rooms and venues that can accommodate international meetings of over 500. The tourism and MICE industries can reap mutual benefits from the establishment of international convention centers and hotels in scenic locations.

In order to promote MICE industry competitiveness and trade collaborations between Taiwan and Korea, KINTEX chairman Mr. In-Shik Kim signed a cooperation agreement with TAITRA in March 2008. KINTEX is the biggest exhibition center in Korea and a joint public and private venture. Opened in April 2005, KINTEX resolved the lack of exhibition space in Seoul, and greatly enhanced the Korean MICE industry's level of internationalization. Taiwan can learn from the experience of others to develop its own domestic MICE industry.

In addition, foreign firms CMP Asia, Messe Frankfurt, and SEMI have set up offices in Taiwan to recruit exhibitors for international exhibitions. Potential industry suppliers include Uniplan and Olily of Germany, and well as STAR translation. Uniplan has an outstanding international reputation and 40-years of experience in display design and construction. Olily is expert at combining innovative construction and materials with exhibition design to create a practical aesthetic.

(III) Major Suppliers in Taiwan

The MOEA wants to expand the domestic exhibition market and promote the international status of the local MICE industry through the integration of private investments and government resources. They also wish to establish local exhibition and convention companies that can compete with existing international firms.

Many internationally-renowned exhibition firms have subsidiaries in Taiwan. Taiwanese exhibitors have always attended overseas exhibitions in the past, but we now hope that said subsidiaries will not only invite their vendors or buyers to visit the island, but also benefit the local economy by increasing employment opportunities. Taiwanese PEOs can currently be divided into three categories—exhibition companies, associations, and government. TAITRA, TEMA, Chan Chao Exhibition Hall, and New Era International Inc. are all local firms in charge of professional international exhibitions. ACE Forum, Wes Expo Co., and Kaigo are international exhibition agents. United Daily News and Trans Electric Co. are responsible for domestic-sales exhibitions.

In Taiwan, the first and largest private professional exhibition company is Chan Chao Exhibition. It not only holds foreign and domestic international exhibitions and conventions, but also publishes an industry magazine. In addition, they are responsible for promoting world-renowned exhibitions and building digital exhibitions via the Internet. The next largest, TAITRA, is an organization under the MOEA that promotes Taiwanese MICE industry growth by holding 20-plus international exhibitions annually.