

# Global Exhibition Barometer

Results of the survey conducted  
in June 2010 among  
UFI <sup>\*</sup>, SISO <sup>\*\*</sup> & AFIDA <sup>\*\*\*</sup> Members

(<sup>\*</sup>) World    (<sup>\*\*</sup>) USA    (<sup>\*\*\*</sup>) Central & South America

## REPORT

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# Introduction



At the beginning of 2009, UFI decided to assess the impact of the economic downturn by developing a “Crisis Barometer” based on the perceptions of our UFI members in 82 countries and including for the USA, an identical survey conducted by SISO (Society of Independent Show Organizers) and for Central & South America by AFIDA (Asociacion International de Ferias de America) of their respective members.

Results of this regular survey were first published in February, May and August 2009. This tool then went forward as the “Global Exhibition Barometer”, with 2 surveys planned per year, and the last report was issued in January 2010.

The current document presents the results of the fifth survey, conducted in June 2010. It also includes trends drawing on the results of the previous surveys wherever possible.

The current Barometer provides new insights into the impact of the economic crisis on the exhibition industry and confirms the significant differences across the various regions of the world identified in the previous results.

It should be noted that the number of replies to this survey (175, from 50 countries – see details in appendix) provides representative results. However, the consolidated regional results may not reflect the situation of specific countries in that region.

For questions related to this survey, please contact UFI at [chris@ufi.org](mailto:chris@ufi.org).

# 1. Gross Turnover

The 5<sup>th</sup> Barometer survey questioned the evolution of the participants' turnover for 3 half year periods when compared to the same period the year before: first half 2010, second half 2010 and first half 2011.

The charts presented on the next slide combine these results with those of the previous survey, which were related to the end of 2008 and the first and second halves of 2009.

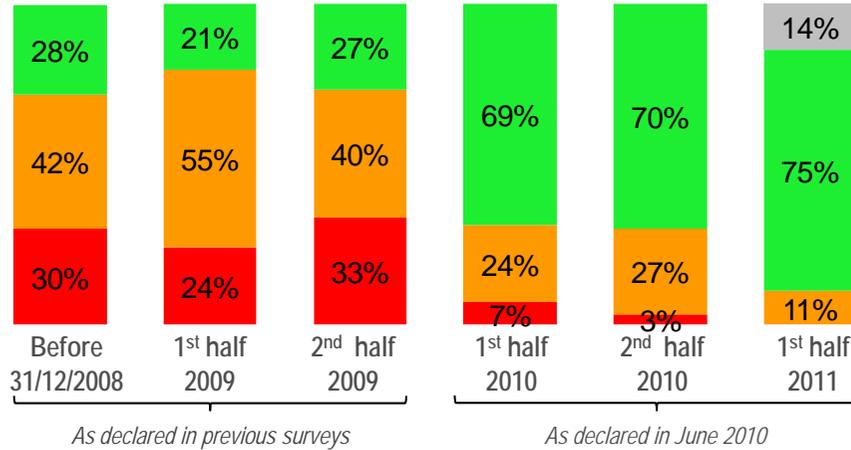
Main findings are as follows:

- **Asia/Pacific**, which appeared most strongly hit in 2008 has definitely reached a “bottom-out” in 2009 for the decrease in turnover: 76% of respondents experienced an increase in turnover for the first half of 2010 when compared to the same period the year before and 87% expect one for the second half of 2010. 77% also already expect an increase for the first half of 2011 (with an additional 10% who don't know yet).
- **The Americas** show to some extent a similar profile to Asia/Pacific, with an early exposure and an early “bottom-out” effect in 2009 for the decrease in turnover: 69 to 70% of respondents experienced an increase in turnover in the first and the second halves of 2010 when compared to the same period the year before and 75% expect one for the first half of 2011 (with an additional 14% who don't know yet).
- **Europe**, which was more severely hit than Asia/Pacific or the Americas in 2009, also faces a longer delay for recovery: only 41% of respondents experienced an increase in turnover for the first half of 2010 when compared to the same period the year before, 51% expect an increase for the second half of 2010 and 64% for the first half of 2011 (with an additional 19% who don't know yet).
- **Middle East/Africa** appears to be less severely hit than the other regions with, for each half year except the first one of 2009, a large majority of respondents declaring turnover increases.

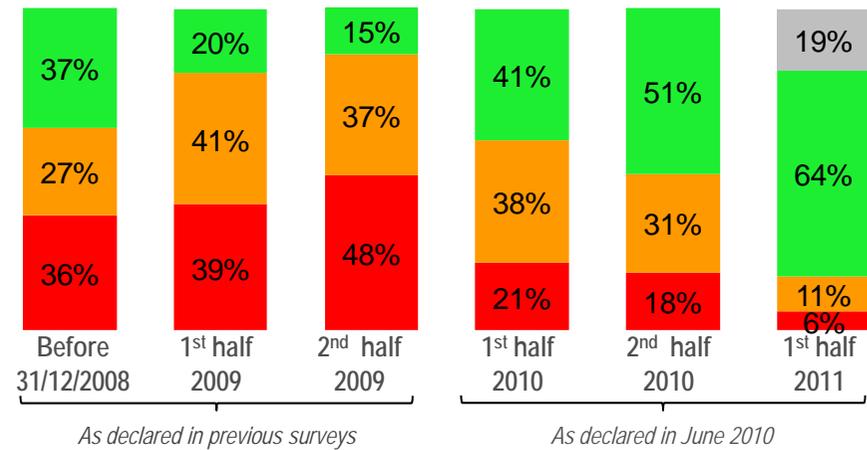
# How do you expect your turnover to change when compared to the same period the year before (regardless of possible biennial effects)?

I don't know
  Decrease: 10% or more
  Decrease: less than 10%
  Increase

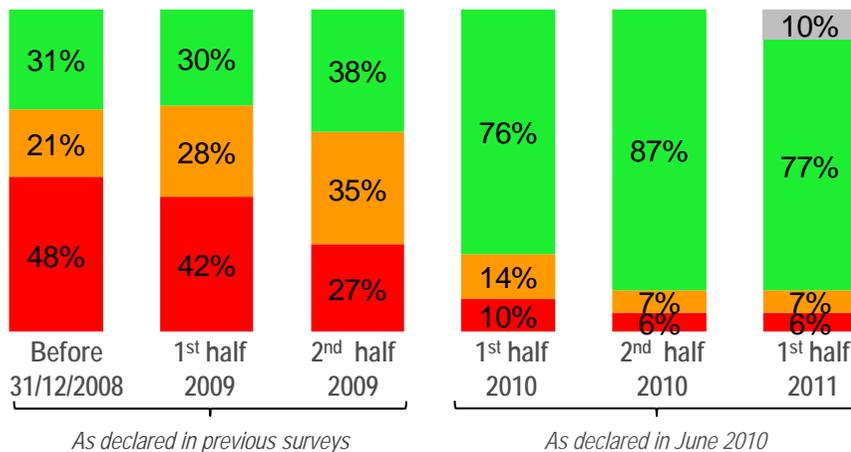
## AMERICAS



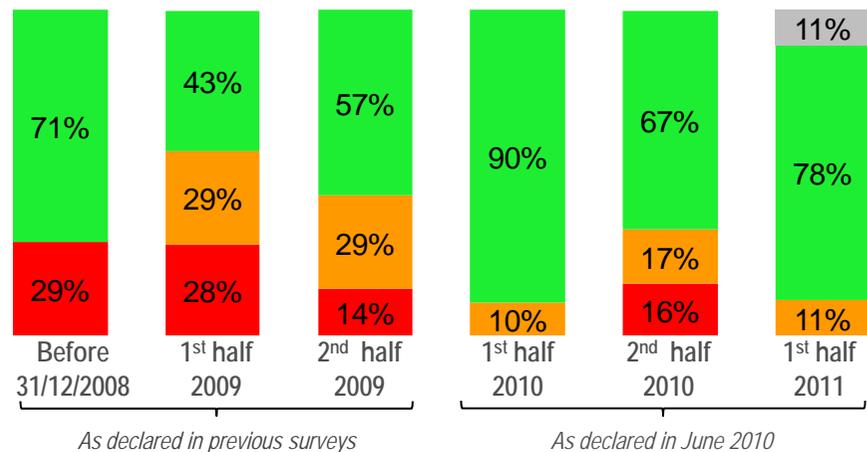
## EUROPE



## ASIA/PACIFIC



## MIDDLE EAST/AFRICA



## 2. Operating Profit

The 5<sup>th</sup> barometer survey questioned the evolution of the operating profit for 2010 compared to 2008 and to 2009.

The charts presented on the next slide combine these results with those of the previous survey which provided the evolution of the operating profit for 2009 compared to 2008.

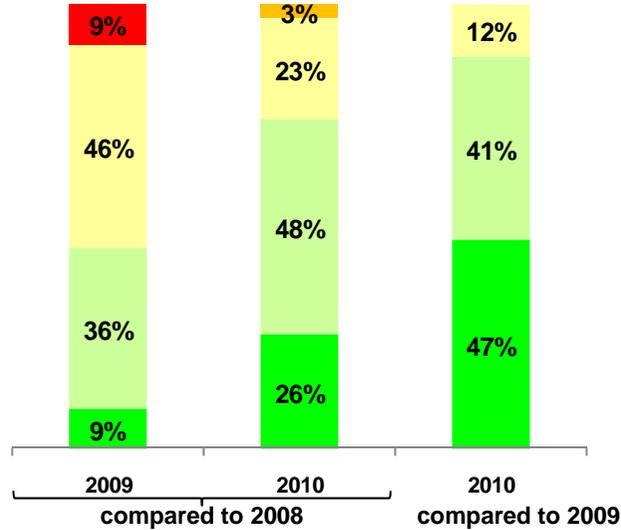
These results indicate that:

- **Asia/Pacific** is the only region where a majority of respondents (54%) expect an increase by more than 10% of their 2010 annual profit compared to 2008.
- Almost one respondent out of 2 in **the Americas** expect their 2010 annual profit to increase by more than 10% compared to 2009 (47% of respondents), but expect it to remain stable (between -10% and +10%) compared to 2008 (48% of respondents).
- In **Europe**, the 2010 operating profit is expected to be stable (between -10% and +10%) when compared to 2008 for 39% of respondents and for 52% of them when compared to 2009.
- In **Middle East / Africa**, most companies also declare a stable 2010 annual profit (between -10% and +10%) compared to 2008 (80% of respondents) or 2009 (67% of respondents).

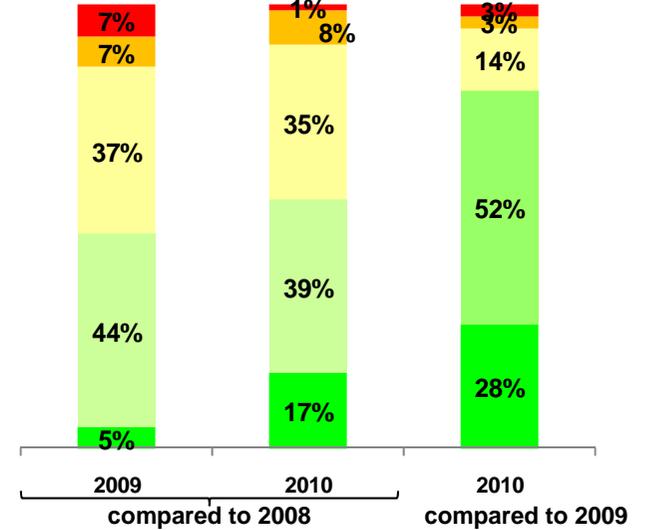
# Annual operating profit for 2009 and 2010



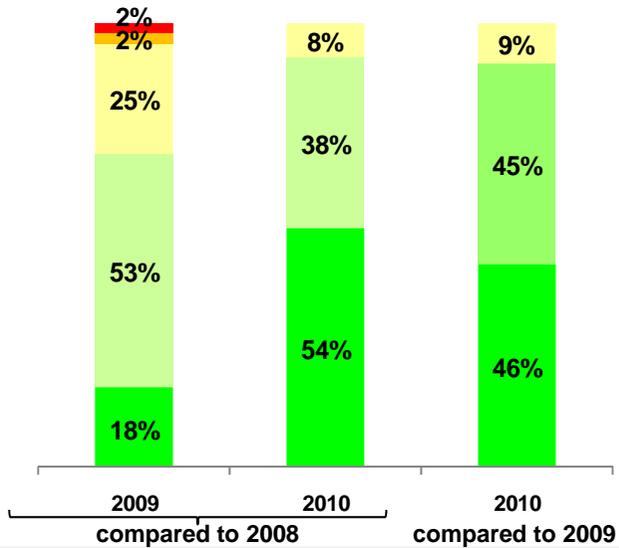
## AMERICAS



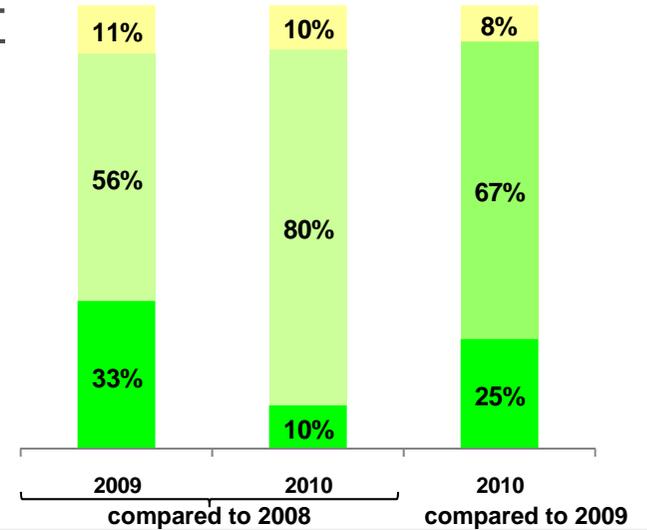
## EUROPE



## ASIA & PACIFIC



## MIDDLE EAST & AFRICA



### 3. Perception of the economic crisis

Companies were asked whether the impact of the “economic crisis” on their business was over or not, and to indicate the starting and ending dates of this impact (anticipated ending date for those who consider that it is not yet over).

The charts from the next 2 slides present the results:

- In all regions except “Asia / Pacific”, respondents consider that the impact of the economic crisis is still felt. This varies, however, from 86% of answers in the Americas, to 80% in Europe and 57% in Middle East / Africa;
- Asia / Pacific is the only region where a majority of respondents (57%) consider that the impact of the economic crisis is now over.

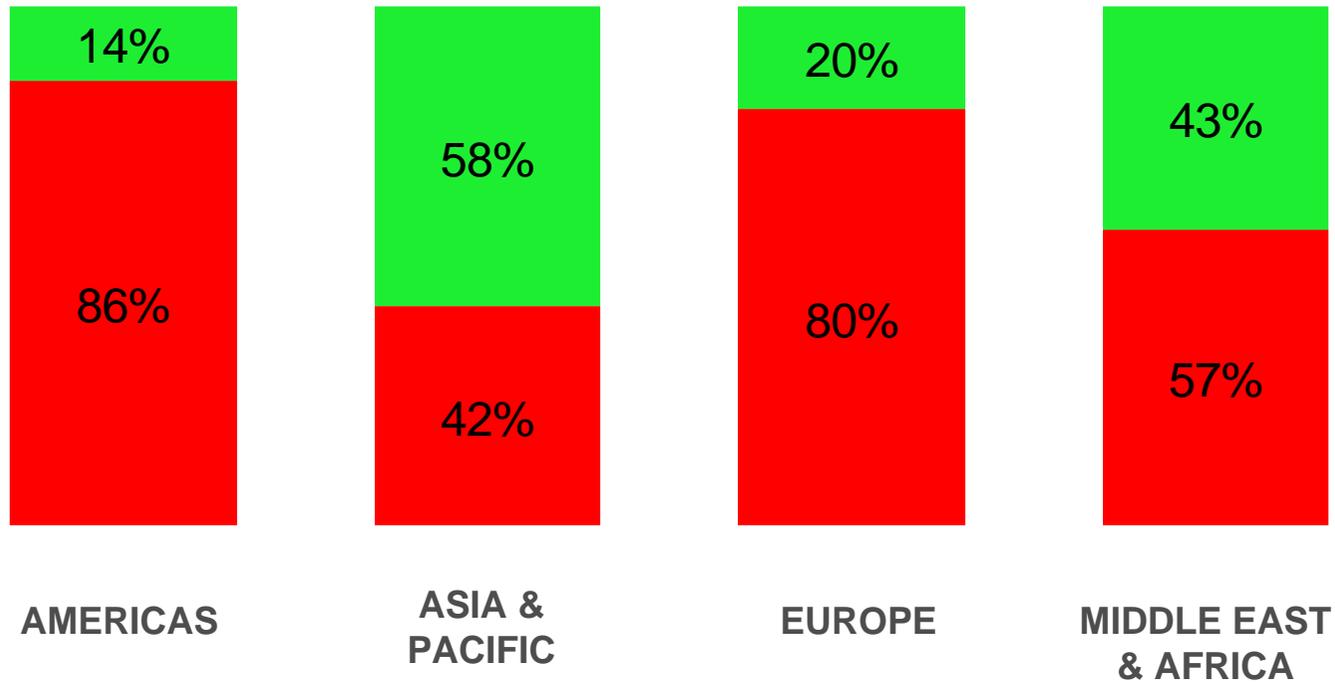
Most respondents consider that this impact started in 2008, except in Europe where slightly more respondents indicate 2009.

In terms of ending year, results are more spread out:

- 72% of respondents in the Americas and 59% in Europe think that the impact will be felt until 2011 or 2012;
- Whereas 54% of respondents in Asia / Pacific and 50% in Middle East /Africa think that it has already ended in 2009 or it will in 2010.

# Would you say that the impact of the “economic crisis” on your exhibition business is now over?

■ NO, I still feel its impact      ■ YES



**Starting and ending years of the impact** (combined for those who consider that the impact of the economic crisis is now over and those who don't)



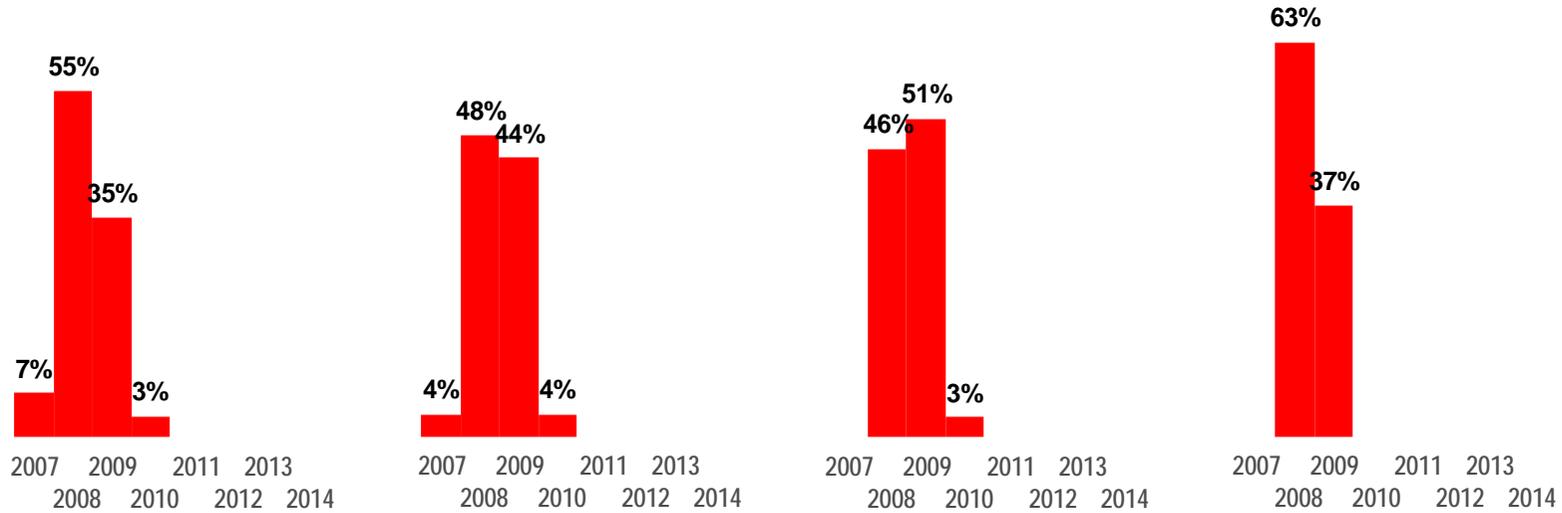
**AMERICAS**

**ASIA & PACIFIC**

**EUROPE**

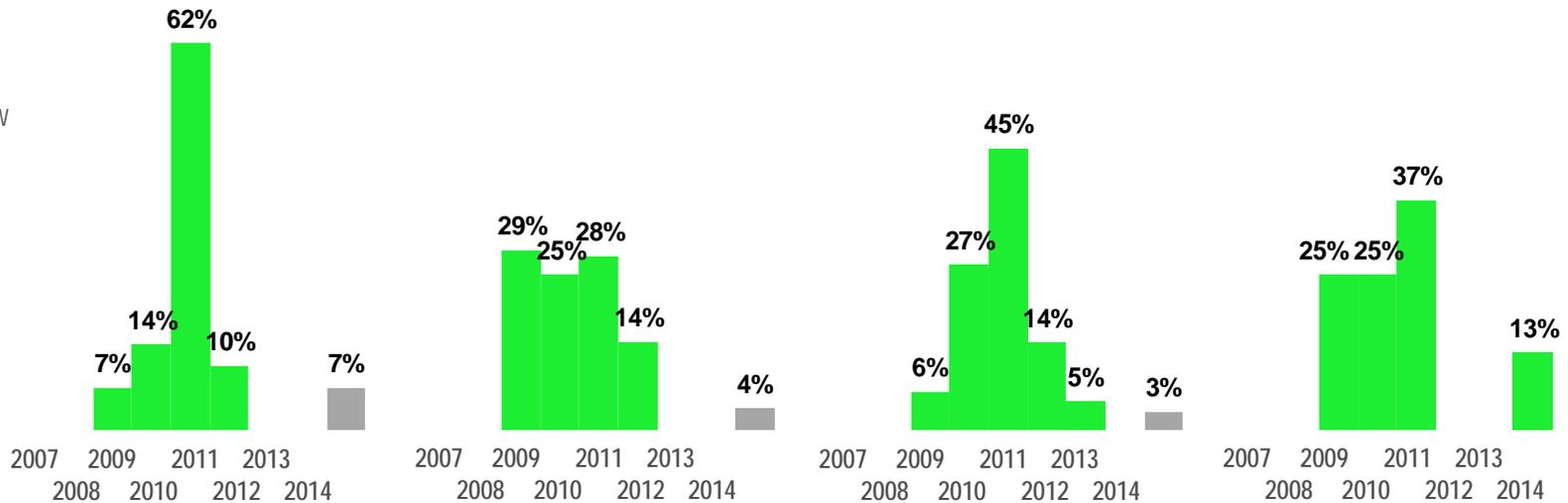
**MIDDLE EAST/AFRICA**

**Starting year**



**Ending year**

■ I don't know



## 4. Most important business issues

Finally, companies were asked to identify the 3 most important issues for their business in the coming year, out of a proposed list of 7.

As shown in the next page, in both the Americas and Europe, the order is the “**state of the national/regional economy**”, followed by the “**global economic uncertainty**” and then the “**internal management challenges**” (ex. finance, human resources, staff, training). These same 3 criteria are listed in Asia / Pacific, but in a different order, as the “internal management challenges” issue is ranked first. In Middle East / Africa, the “**state of the national/regional economy**” is not among the top 3 listed; it is replaced by the “Local/national competition from within the exhibition industry” issue.

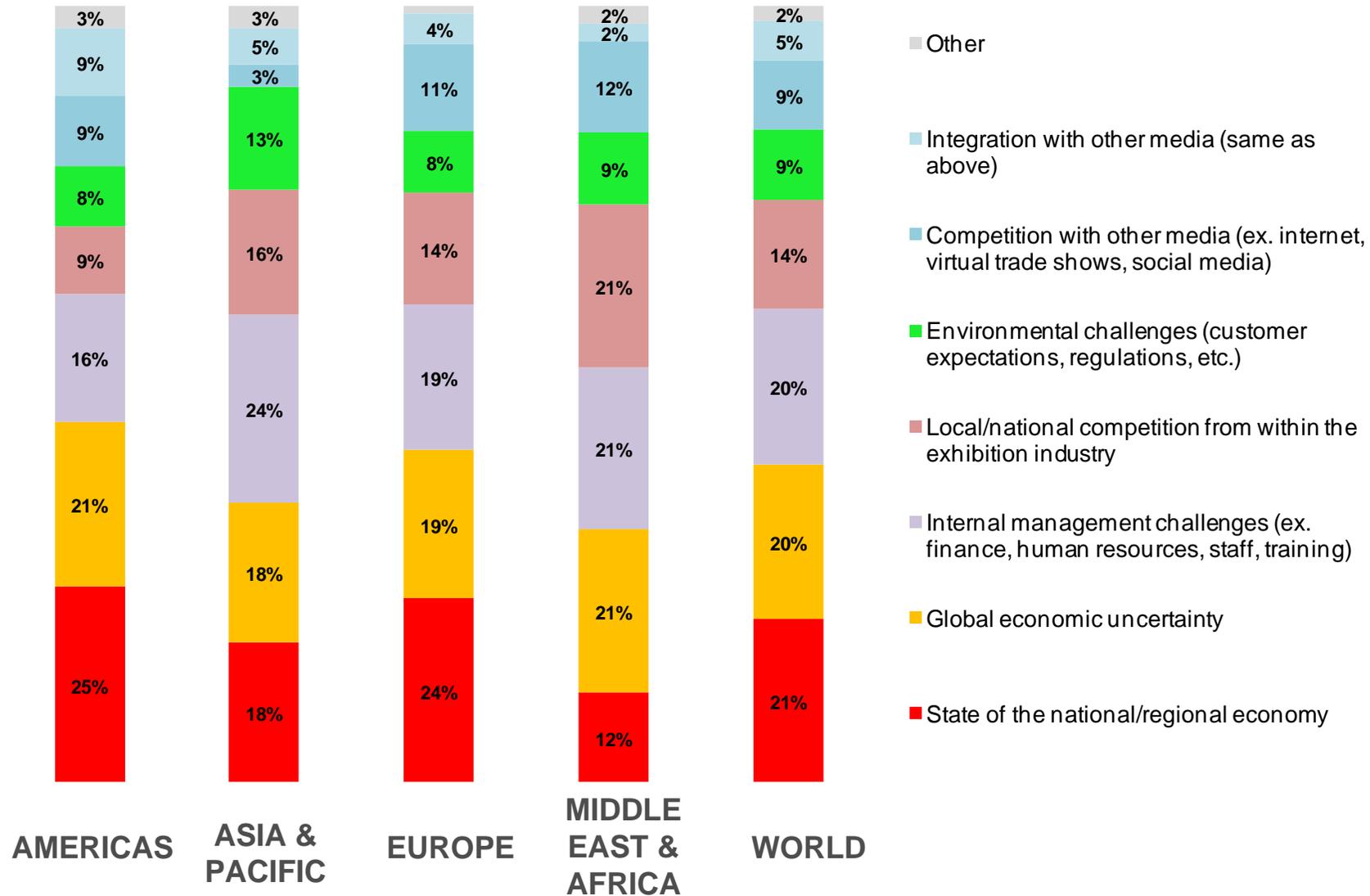
Other main issues identified were:

- “**Local/national competition from within the exhibition industry**” (mentioned by 14% of respondents);
- “**Environmental challenges** (customer expectations, regulations, etc.)” which was mentioned by 9% of the respondents;
- And “**Competition from other media** (ex. internet, virtual trade shows, social media)” which was also mentioned by 9% of the respondents.

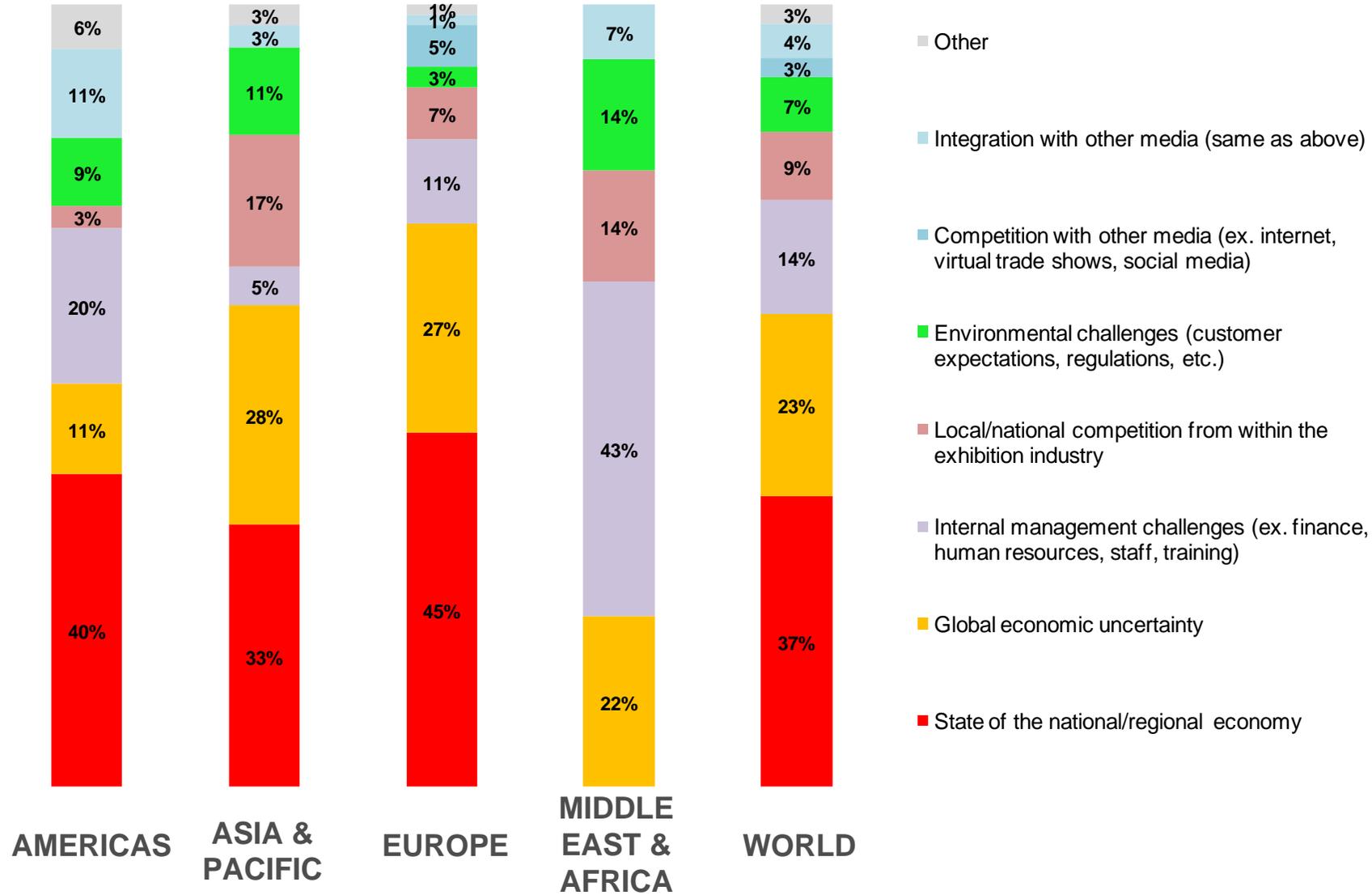
The other proposed issue “**Integration with other media**” (ex. internet, virtual trade shows, social media) was mentioned in the top 3 priority by only 5% of respondents. A remaining 2% chose “Other”, mainly specifying venue availability or quality.

When only looking at *the most* important issue identified in each region (see page 13), a majority of respondents in all regions except Middle East/Africa (51% in the Americas, 61% in Asia/Pacific, 72% in Europe, but only 22% in Middle East/Africa) rank first the state of the economy (at either global or national/regional level).

### 3 most important issues for your business in the coming year : DISTRIBUTION OF ALL ISSUES SELECTED



# Most important issue for the coming year



# CONCLUSION

The 5<sup>th</sup> barometer survey, conducted in June 2010, was answered by 175 companies from 50 countries. Its results, combined with those of the previous surveys, provide an insight into the impact of the economic crisis on the exhibition industry since the end of 2008.

Globally speaking, a “bottom-out” effect for the decrease in turnover has occurred during the first half of 2010 for around 6 respondents out of 10. However, the 2010 operating profit compared to both 2008 and 2009 remains stable (between -10% and +10%) for almost 1 respondent out of 2. Finally, more than 7 companies out of 10 consider that their exhibition business still suffers from the impact of the economic crisis.

These global results need to be detailed; as identified in the previous surveys, there are significant differences across the various regions of the world:

- **Asia/Pacific**, which appeared most strongly hit in 2008 has definitely reached a “bottom-out” in 2009 for the decrease in turnover: 76% of respondents experienced an increase in turnover for the first half of 2010 when compared to the same period the year before and 87% expect one for the second half of 2010. 77% also already expect an increase for the first half of 2011 (with an additional 10% who don’t know yet).

Asia/Pacific is the only region where a majority of respondents expect an increase by more than 10% of their 2010 annual profit compared to 2008 (54%) and also consider that the impact of the economic crisis is now over (58%).

## CONCLUSION (continued)

- **The Americas** show to some extent a similar profile to Asia/Pacific, with an early exposure and an early “bottom-out” effect in 2009 for the decrease in turnover: 69 to 70% of respondents experienced an increase in turnover in the first and the second halves of 2010 when compared to the same period the year before and 75% expect one for the first half of 2011 (with an additional 14% who don’t know yet).

Almost one respondent out of 2 in the Americas expect their 2010 annual profit to increase by more than 10% compared to 2009 (47% of respondents), but expect it to remain stable (between -10% and +10%) compared to 2008 (48% of respondents). The impact of the economic crisis is still felt by almost all respondents from the Americas (86%) and 62% believe that it will end in 2011 only.

- **Europe**, which was more severely hit than Asia/Pacific or the Americas in 2009, also faced a longer delay for recovery: only 41% of respondents experienced an increase in turnover for the first half of 2010 when compared to the same period the year before, 51% expect an increase for the second half of 2010 and 64% for the first half of 2011 (with an additional 19% who don’t know yet).

The 2010 operating profit is expected to be stable (between -10% and +10%) when compared to 2008 for 39% of respondents and for 52% of them when compared to 2009. However, 80% of respondents consider that the economic crisis still has an impact on their business. 59% of respondents consider that the impact will be felt until 2011 or 2012.

- **Middle East/Africa** appears to be less severely hit than the other regions with, for each half year except the first one of 2009, a large majority of respondents declaring turnover increases. Most companies also declare a stable 2010 annual profit (between -10% and +10%) compared to 2008 (80% of respondents) or 2009 (67% of respondents). But the impact of the economic crisis is still felt by a majority of respondents (57%). For most of them however the impact will end in 2011 latest.

## CONCLUSION (continued)

Finally, companies were asked to identify the **3 most important issues for the coming year** out of a proposed list of 7. The order is:

- The “state of the national/regional economy” (mentioned by 22% of respondents and listed as the most important issue for 38% of them)
- The “global economic uncertainty” (mentioned by 20% of respondents and listed as the most important issue for 23% of them)
- And finally: the “internal management challenges” (ex. finance, human resources, staff, training) which was mentioned by 20% of respondents and listed as the most important issue for 14% of them.

Other main issues identified were:

- “Local/national competition from within the exhibition industry” (mentioned by 14% of respondents)
- “Environmental challenges (customer expectations, regulations, etc.)” which was mentioned by 9% of the respondents
- And “Competition from other media (ex. internet, virtual trade shows, social media)” which was also mentioned by 9% of the respondents.

The other proposed issue “Integration with other media (ex. internet, virtual trade shows, social media)” was mentioned in the top 3 priority by only 5% of respondents. A remaining 2% chose “Other”, mainly specifying “venue availability or quality”.

# Number of answers per country/region

Total = 175 (in 50 countries)

**Americas**                      **37**

Argentina	2
Bolivia	1
Canada	3
Colombia	2
USA	29

**Asia/Pacific**                      **39**

Australia	4
Hong Kong	5
India	5
Japan	1
Mainland China	11
Pakistan	1
Singapore	3
South Korea	7
Taipei	1
Tajikistan	1

**Europe**                                      **84**

Belgium	3
Bulgaria	1
Croatia	2
Czech Republic	1
Finland	1
France	5
Georgia	1
Germany	16
Greece	5
Hungary	2
Italy	6
Luxembourg	1
Netherlands	5
Norway	1
Poland	3
Portugal	2
Russian Federation	6
Serbia	1
Slovenia	1
Spain	3

*(Europe - continued)*

Sweden	3
Switzerland	2
Turkey	4
UK	1
Ukraine	3
United Kingdom	5

**Middle East/Africa**                      **15**

Iran	1
Iraq	1
Jordan	1
Kuwait	1
Lebanon	1
Libya	1
Oman	2
South Africa	2
Syria	2
UAE	1
United Arab Emirates	2