

# Global Exhibition Barometer

Results of the survey conducted  
in December 2010 among  
UFI \*, SISO \*\* & AFIDA \*\*\* Members

(\*) World      (\*\*) USA      (\*\*\*) 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 84 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 Internacional de Ferias de America) of their respective members.

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

The current document presents the results of the sixth survey, conducted in December 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 (173, from 54 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 [research@ufi.org](mailto:research@ufi.org).

# 1. Gross Turnover

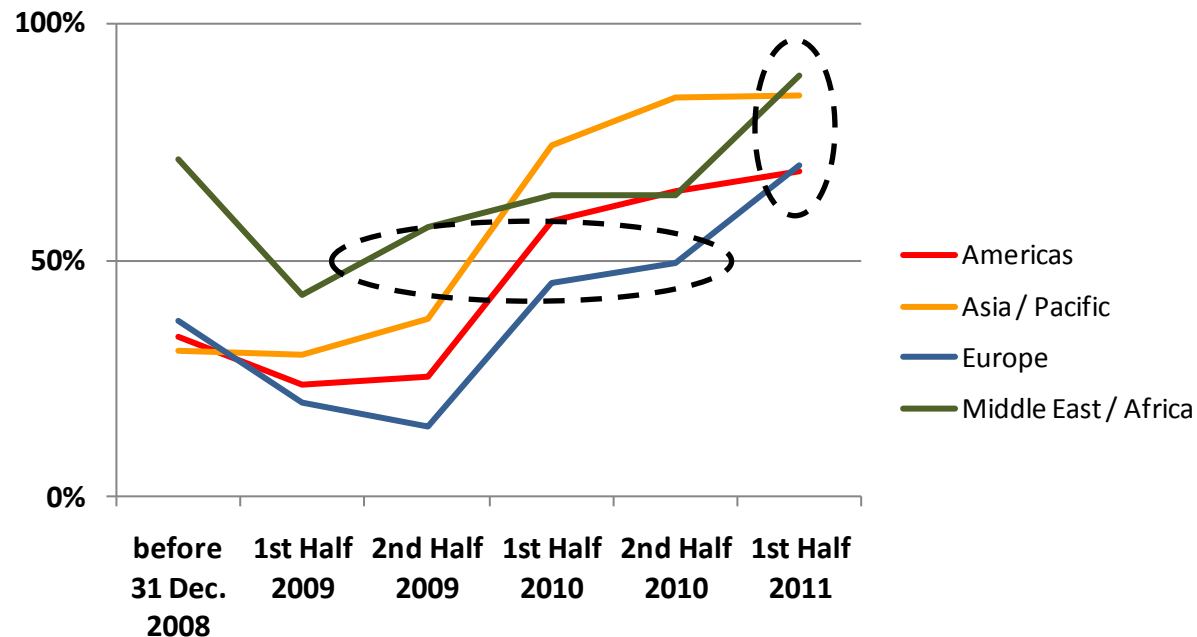
The 6<sup>th</sup> Barometer survey questioned the evolution of the participants' turnover for 3 half year periods when compared to the same period the year before: first half 2010, second half 2010 and first half 2011. As such, it provides an update to the elements collected in June 2010.

The charts presented below and on the page 6 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.

The first chart on this page identifies significant regional differences:

- Middle East/Africa appears to have altogether been least affected, with a minimum of 50% of companies declaring an increase in turnover during most periods.
- For the other regions, the time when a majority of companies declared an increase in turnover ranges from the 2nd half of 2009 for Asia/Pacific to the 2nd half of 2010 for Europe.
- For the first half of 2011, the % of companies declaring an increase of their turnover varies from 69% for Americas & 70% for Europe to 85% for Asia/Pacific and 89% for Middle East/Africa.

**% of companies declaring an increase of their turnover when compared to the same period the year before (regardless of possible biennial effects)**



The next slide provides the detailed results for each region.

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: 74% of respondents experienced an increase in turnover for the first half of 2010 when compared to the same period the year before, 84% for the second half of 2010 and 85% expect one for the first half of 2011.
- **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 and 79% 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 70% expect one for the first half of 2011 (with an additional 9% who don’t know yet).
- **Europe**, which was more severely hit than Asia/Pacific or the Americas in 2009, also faced a longer delay for recovery: only 45% and 49% of respondents experienced an increase in turnover for the first half of 2010. But 70% of respondents now expect an increase for the first half of 2011 when compared to the same period the year before .
- **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.

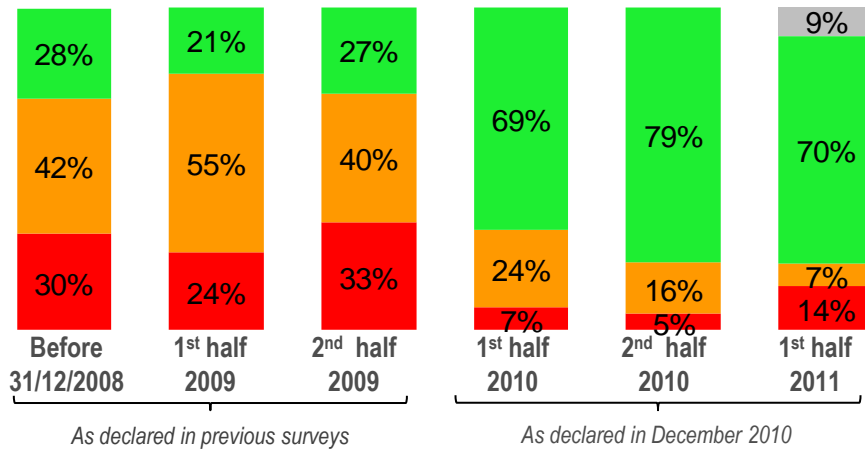
When compared to the data collected in June 2010:

- the turnover for the second half of 2010 appears better than expected in Americas, as expected in Asia/Pacific and Europe, and slightly worse in Middle East/Africa.
- the turnover for the first half of 2011 appears as expected in Asia/Pacific, but worse than expected in Americas, Europe and, to a smaller extend in Middle East/Africa.

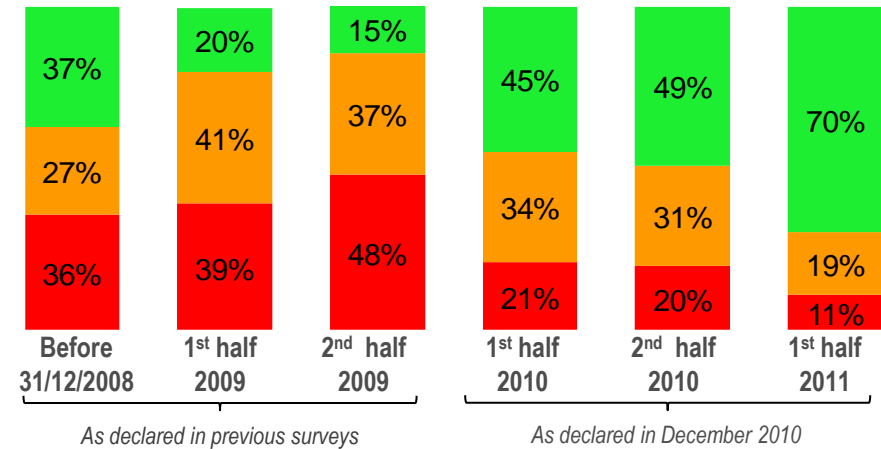
# How do you expect your turnover to change when compared to the same period the year before (regardless of possible biennial effects)?

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

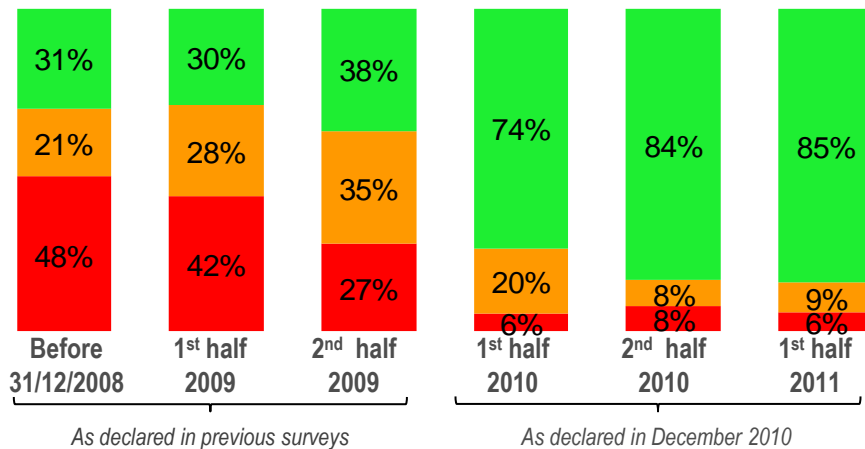
## AMERICAS



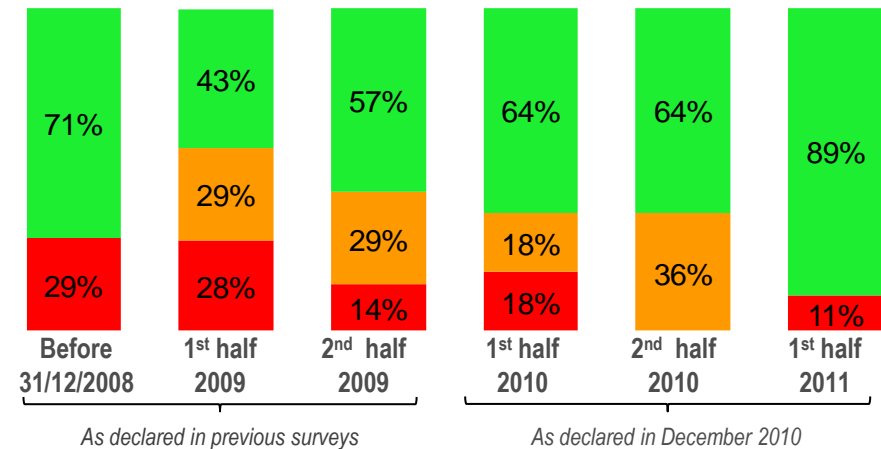
## EUROPE



## ASIA/PACIFIC



## MIDDLE EAST/AFRICA



## 2. Operating Profit

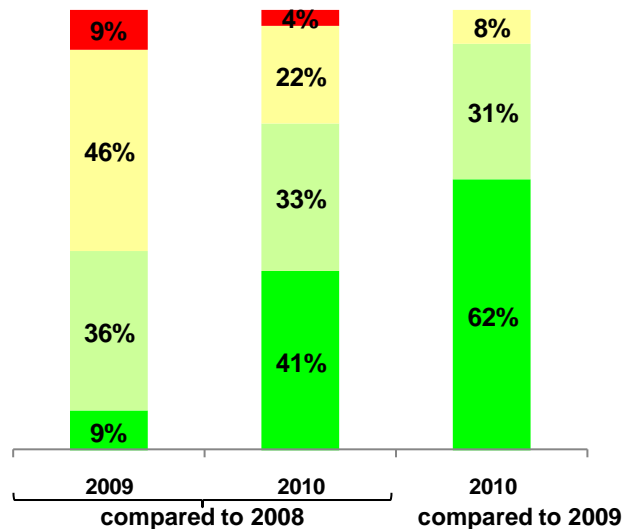
The 6<sup>th</sup> barometer survey questioned the evolution of the operating profit for 2010 compared to 2008 and to 2009. The charts here combine these results with those of the previous survey which provided the evolution of the operating profit for 2009 compared to 2008.

These results indicate that a majority of respondents from 3 regions now expect an increase by more than 10% of their 2010 annual profit when compared to 2009: Americas, Asia/Pacific and Middle East/Africa. This improves the results provided in June 2010 where no region was then reaching that level. Europe shows a situation close to the one expected last June, with 50% of respondents expecting a “stable” operating profit.

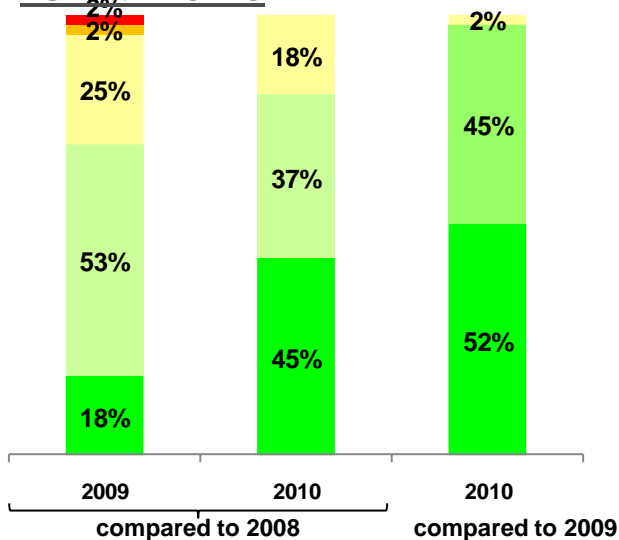
### Annual operating profit for 2009 & 2010



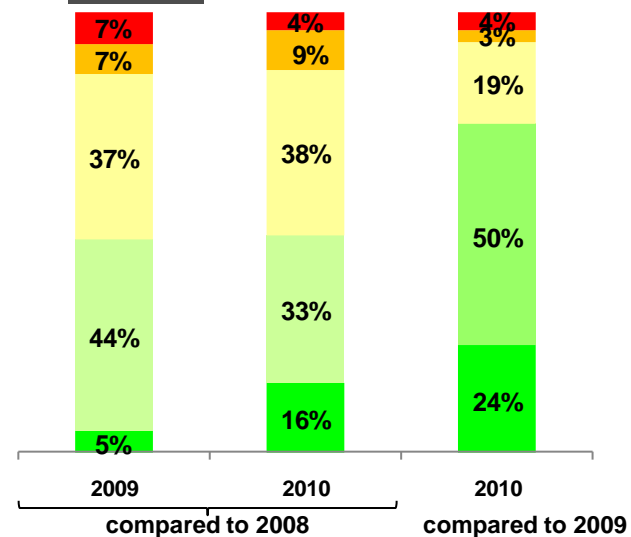
#### AMERICAS



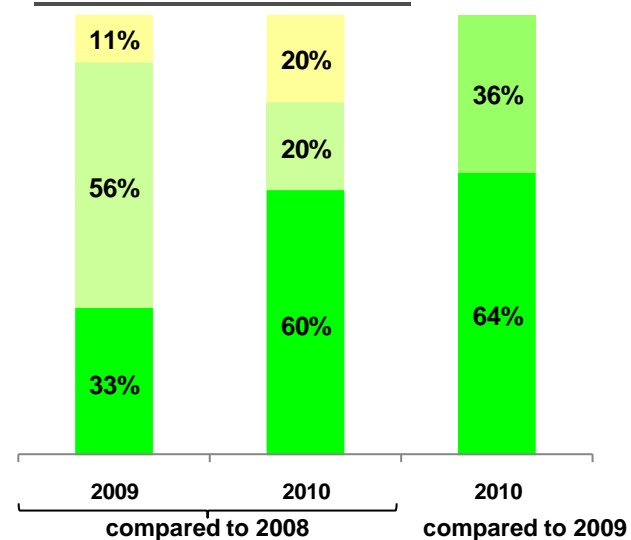
#### ASIA & PACIFIC



#### EUROPE



#### 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 anticipated ending date of this impact for those who consider that it is not yet over. The chart below present the results together with those declared last June (lighter charts):

- In all regions except “Europe”, respondents consider that the impact of the economic is now over. This varies, however, from 52% of answers in the Americas, to 61% in Asia/Pacific and 71% in Middle East/Africa; the biggest improvements in the last 6 months are seen in Americas and Middle East/Africa
- The average anticipated ending date, for those who declared still feeling an impact falls in the last quarter of 2011 for Middle East/Africa, the first one of 2012 for Asia/Pacific, the second quarter for Europe and the third for Americas.

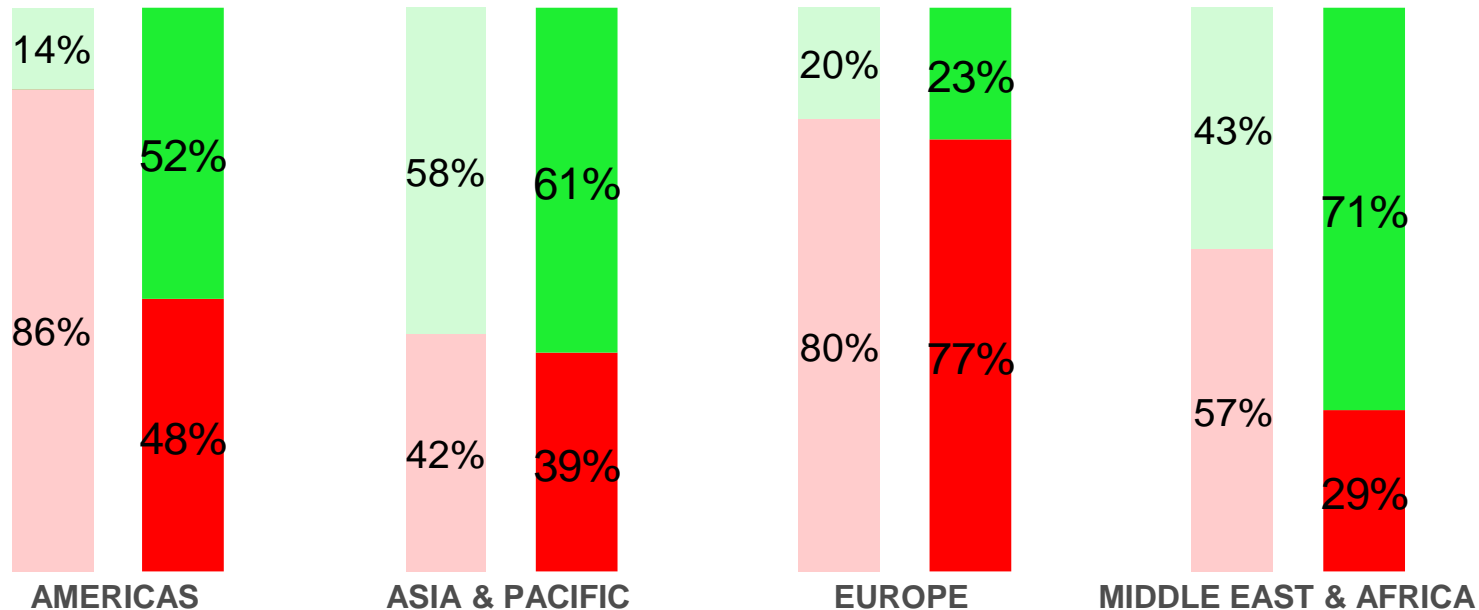
Would you say that the impact of the “economic crisis” on your exhibition business is now over?

 YES

 NO, I still feel its impact

*as declared in Dec. 2010*

*& - lighter charts - June 2010*





## 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 on next page, in all regions except Asia /Pacific, the top 3 are: the **“State of the national/regional economy”**, the **“Global economic uncertainty”** and the **“Internal management challenges”** (ex. finance, human resources, staff, training). The issue of **“Local/national competition from within the exhibition industry”** ranks 4<sup>th</sup> on average in almost all regions and 3<sup>rd</sup> in Asia/Pacific.

Other issues identified were:

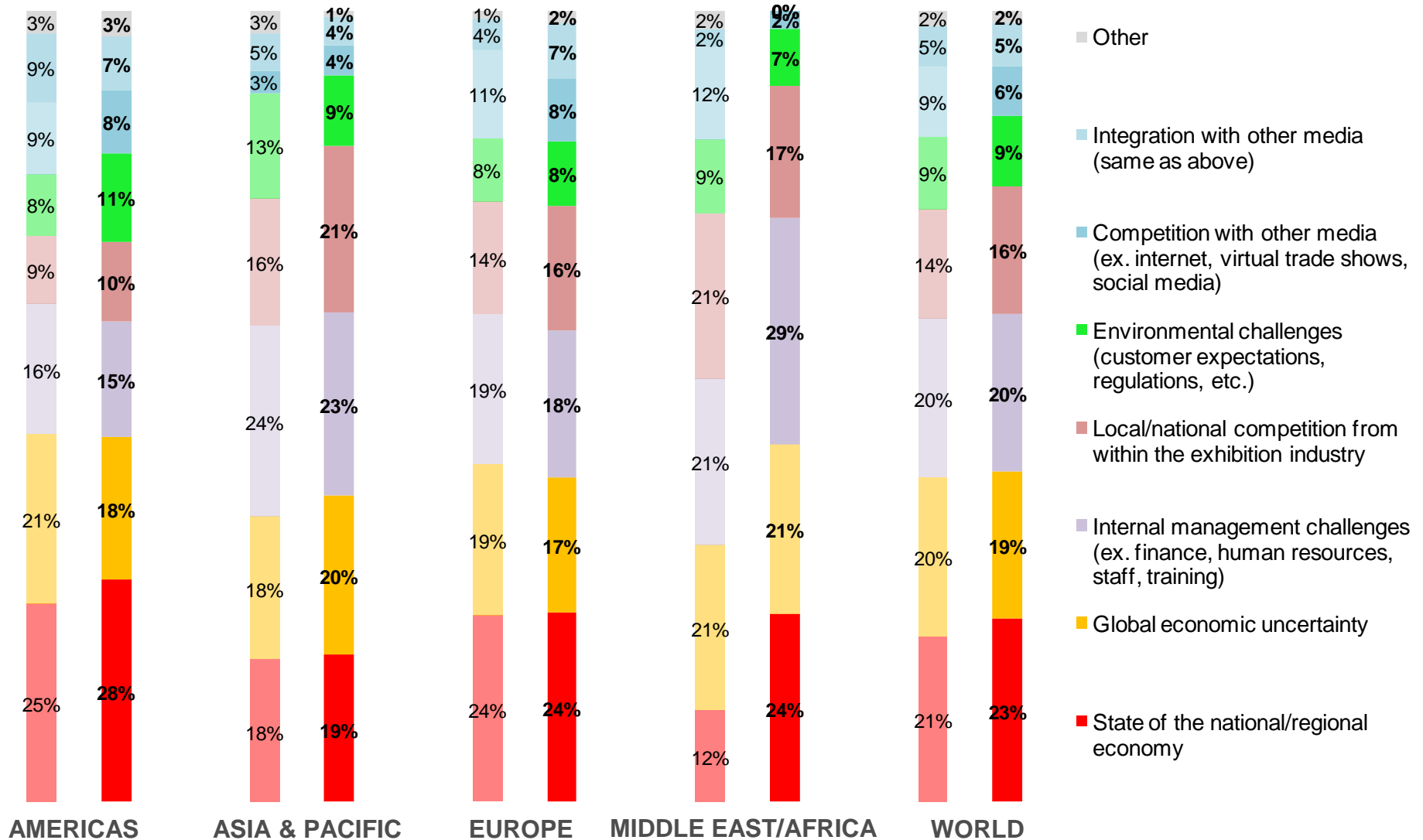
- **“Environmental challenges** (customer expectations, regulations, etc.)” which was mentioned by 9% of the respondents;
- **“Competition from other media** (ex. internet, virtual trade shows, social media)” which was also mentioned by 6% of the respondents;
- **“Integration with other media”** (ex. internet, virtual trade shows, social media) was mentioned in the top 3 priority by 5% of respondents. A remaining 2% chose “Other”, mainly specifying “international competition”.

When only looking at *the most* important issue identified in each region (see page 11), a majority of respondents in all regions (56% in the Americas, 42% in Asia/Pacific, 62% in Europe and 43% in Middle East/Africa) rank first the state of the economy (at either global or national/regional level).

These results are very close to those identified 6 months ago, when the same questions were asked. The only significant changes relate to a shift of around 20% from “global economic uncertainty” as the most important issue to “internal management challenges” in Asia/Pacific and a rise of 14% of the “state of the national/regional economy” as the most important issue in Middle East/Africa.

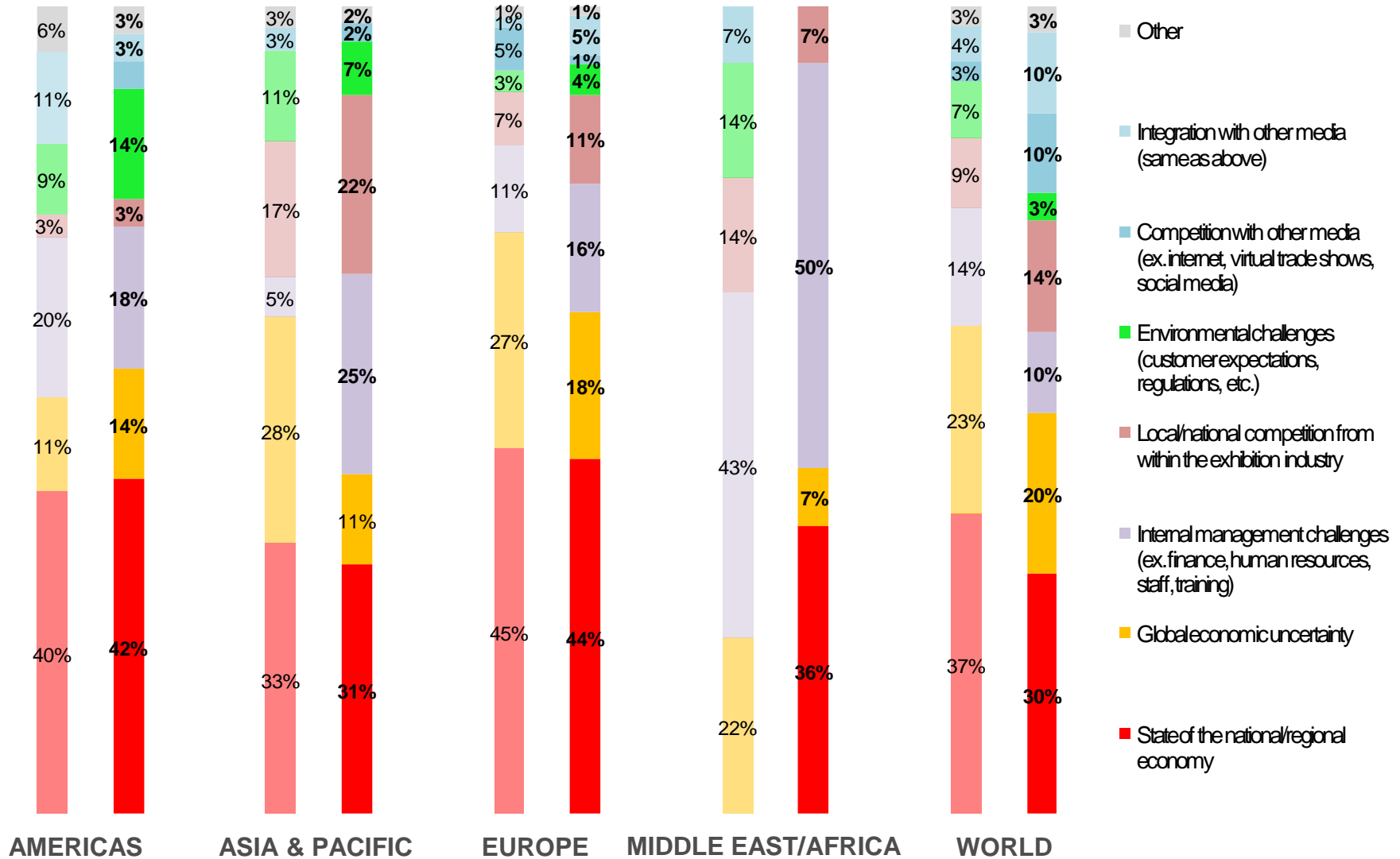
# 3 most important issues for your business in the coming year : DISTRIBUTION OF ALL ISSUES SELECTED

as declared in Dec. 2010 and - lighter charts - June 2010



# Most important issue for the coming year

as declared in Dec. 2010 and - lighter charts - June 2010



# CONCLUSION

The 6<sup>th</sup> barometer survey, conducted in December 2010, was answered by 173 companies from 54 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, who also declare an increase of their turnover for the second half of 2010. Their 2010 operating profit compared to both 2008 and 2009 increases by more than 10% for 4 respondents out of 10 and remains stable (between -10% and +10%) for another 4 out of 10.

More than 7 companies out of 10 also expect an increase of their turnover during the first half of 2011 but 6 respondents 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: 74% of respondents experienced an increase in turnover for the first half of 2010 when compared to the same period the year before, 84% for the second half of 2010 and 85% expect one for the first half of 2011.  
52% of respondents expect an increase by more than 10% of their 2010 annual profit compared to 2009 and 61% consider that the impact of the economic crisis is now over.

# 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% and 79% 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 70% expect one for the first half of 2011 (with an additional 9% who don’t know yet).

62% of respondents expect their 2010 annual profit to increase by more than 10% compared to 2009. The impact of the economic crisis is now considered as over by almost one respondent out of 2 (against less than 2 out of 10 6 months ago). However, it will only end during the third quarter of 2012 on average for the other half of respondents.

- **Europe**, which was more severely hit than Asia/Pacific or the Americas in 2009, also faced a longer delay for recovery: only 45% of respondents experienced an increase in turnover for the first half of 2010 and 49% for the second half of 2010 when compared to the same period the year before.. But 70% now expect an increase for the first half of 2011.

The 2010 operating profit is expected to be stable (between -10% and +10%) when compared to 2009 for 50% of respondents and 77% of respondents consider that the economic crisis still has an impact on their business, with an ending date estimated, on average, at the second quarter of 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 an increase of more than 10% of their 2010 annual profit when compared to 2009 (64% of respondents). The impact of the economic crisis is now considered as over by a majority of respondents (71%, against only 43% 6 months ago).

# 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 23% of respondents and listed as the most important issue for 30% of them)
- The **“Internal management challenges”** (e.g. finance, human resources, staff, training) which was mentioned by 20% of respondents and listed as the most important issue for 10% of them (but this varies greatly from one region to another)
- The **“Global economic uncertainty”** (mentioned by 19% of respondents and listed as the most important issue for 20% of them, but that also varies significantly from one region to another).

Other issues identified were:

- “Environmental challenges (customer expectations, regulations, etc.)” which was mentioned by 9% of the respondents;
- “competition from other media (ex. internet, virtual trade shows, social media)” which was also mentioned by 6% of the respondents;
- “Integration with other media” (ex. internet, virtual trade shows, social media) was mentioned in the top 3 priority by 5% of respondents. A remaining 2% chose “Other”, mainly specifying “international competition”.

***NEXT SURVEY WILL BE RUN IN JUNE 2011 – PLEASE PARTICIPATE!***

# Number of answers per country/region

Total = 173 (in 54 countries/regions)

## Americas **29**

Argentina	3
Bolivia	1
Canada	2
Ecuador	2
El Salvador	1
Mexico	2
USA	18

## Asia/Pacific **45**

Australia	5
Azerbaijan	1
Hong Kong	4
India	3
Macao	1
Mainland China	19
Malaysia	1
Singapore	2
South Korea	5
Taiwan	2
Thailand	2

## Europe **84**

Belgium	4
Croatia	1
Czech Republic	1
Finland	1
France	4
Georgia	1
Germany	14
Greece	6
Hungary	1
Italy	11
Luxembourg	1
Montenegro	1
Netherlands	6
Norway	1
Poland	1
Portugal	2
Russian Federation	3
Serbia	1
Slovak Republic	1
Slovenia	1

*(Europe - continued)*

Spain	3
Sweden	3
Switzerland	1
Turkey	6
Ukraine	4
United Kingdom	5

## Middle East/Africa **15**

Iraq	1
Jordan	1
Kuwait	1
Lebanon	1
Libya	2
Qatar	1
Saudi Arabia	2
South Africa	1
Syria	2
United Arab Emirates	3