

Global Exhibition Barometer

15th edition (July 2015)

A UFI report based on the results of a survey conducted in June 2015



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Introduction

Since 2009, UFI has regularly assessed the impact of the economic downturn by developing a “Crisis Barometer” based on the perceptions of UFI members in 84 countries and including, for the USA, an identical survey conducted by SISO (Society of Independent Show Organizers). The scope of the survey has since been broadened to include members of AFIDA (Asociacion International de Ferias de America) in Central and South America and of EXSA (Exhibition and Events Association of Southern Africa).

Results of this survey were initially published in February, May & August 2009. This report evolved as the “Global Exhibition Barometer”, with two surveys per year. The last fourteen reports were issued in January and July 2010, 2011, 2012, 2013, 2014 and January 2015. The current document presents the results of the 15th Global Exhibition Barometer survey, conducted in June 2015. Where possible it identifies trends drawing on the results of the previous surveys.

Important remark

It should be noted that the number of replies to the current survey (201 from 55 countries) provides representative results. However, the consolidated *regional* results may not reflect the situation of specific countries in that region.

This is why a second set of results, specific to those *countries* where a significant number of answers were obtained (China, Italy, Germany, Russian Federation, South Africa, USA) are included.

Questions related to this survey should be addressed to Christian Druart at chris@ufi.org.

Gross Turnover

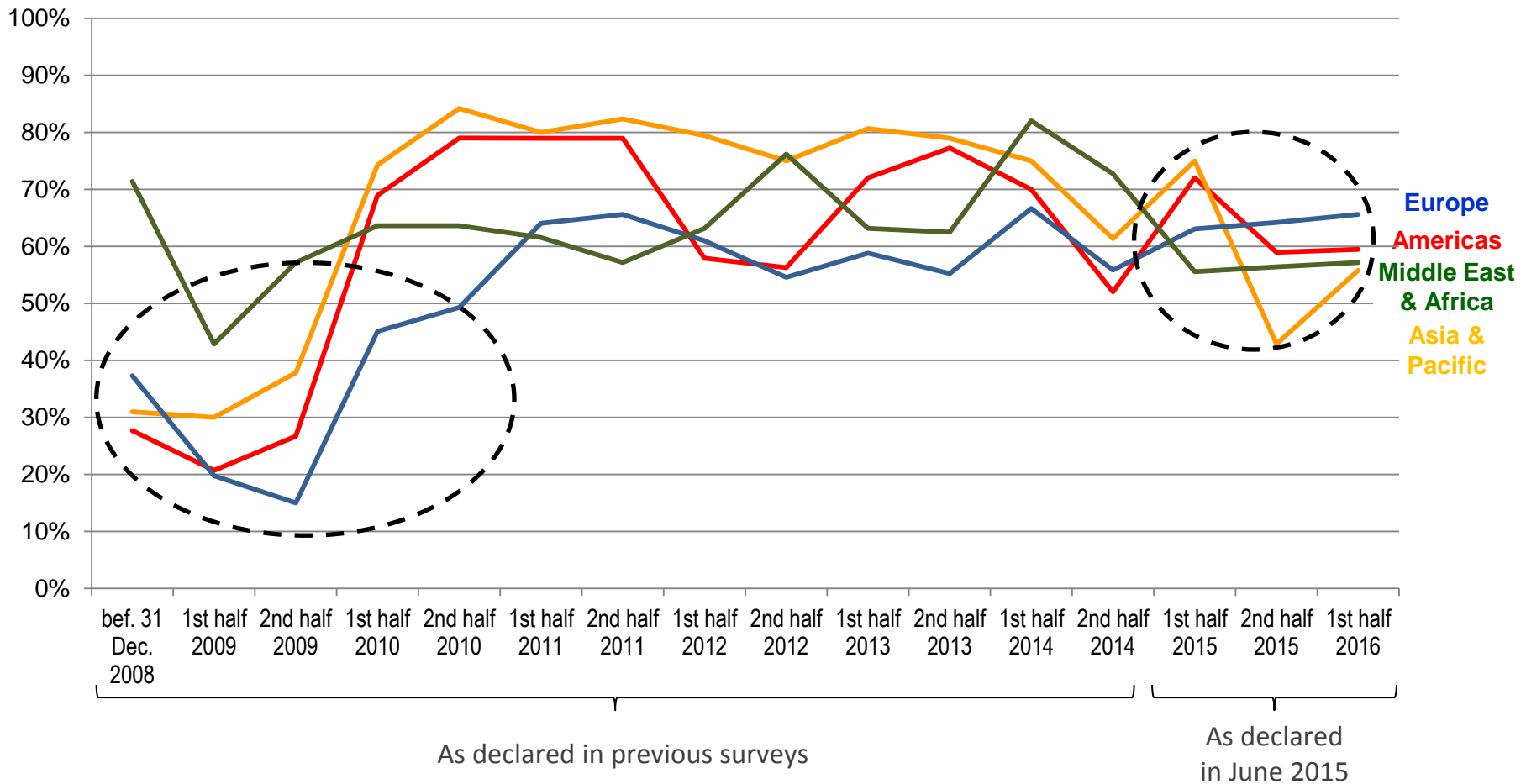
The 15th Barometer surveyed the evolution of participants' turnover expectations for the 2 halves of 2015 and the first half of 2016 as compared to their expectations during the same period the year before (regardless of possible biennial effects).

The charts presented on the next two pages combine these results with those of previous surveys for the 2008-2014 period. The first chart presents the percentage of companies declaring an increase in their turnover. The charts on the following page detail these results, adding the percentage of companies declaring decreases in their turnover and the percentage of “unknown” answers.

Survey results indicate:

- In all regions, an average of 6 companies out of 10 declaring an increase for 2015 and the first half of 2016
- When compared to 2014, this appears to be a rather stable situation for the Americas or Europe, but it reflects a slight slowdown in Asia/Pacific or Middle East and Africa, who had higher levels of growth in 2014
- USA and China have stronger rates than the average of their respective region for both 2015 and the first half of 2016;
- In Europe, Germany and Russia have lower results for 2015, where in both countries, only around 5 companies out of 10 declare an increase on average; this situation is expected to improve for the first half of 2016 in Germany but not in Russia.

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

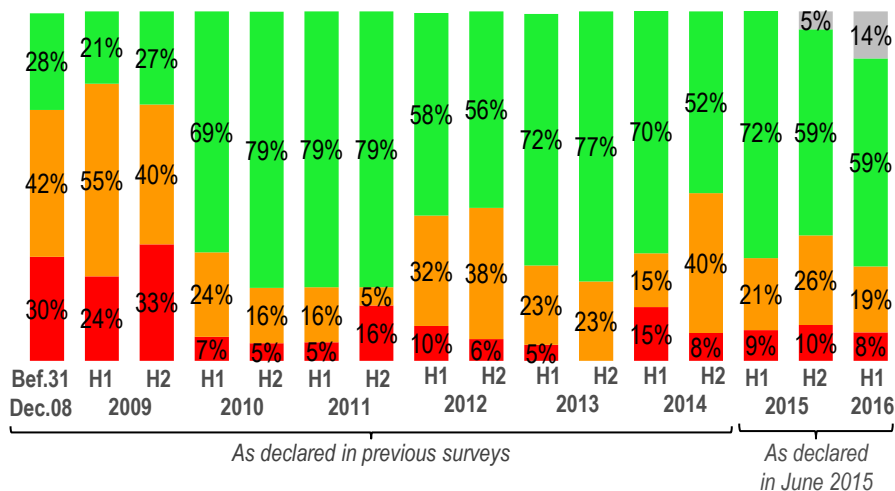


How do you expect your turnover to change when compared to the same period the year before?

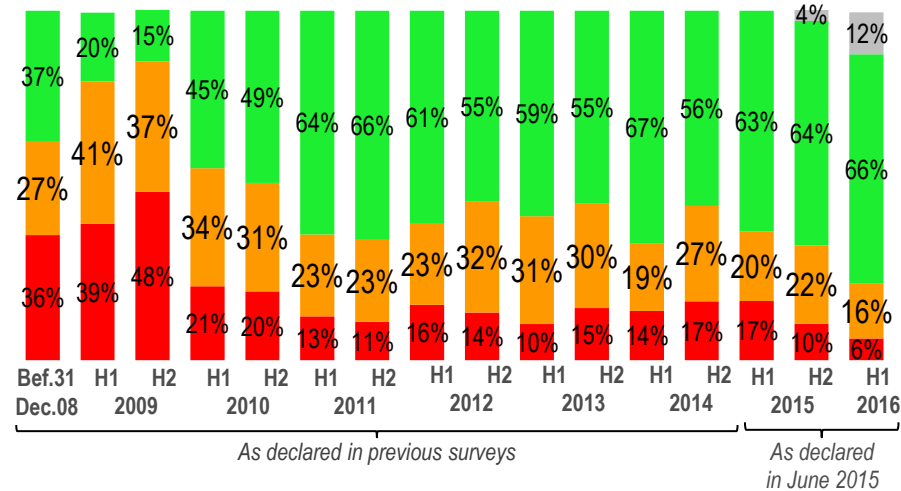
I don't know Decrease: 10% or more Decrease: less than 10% Increase



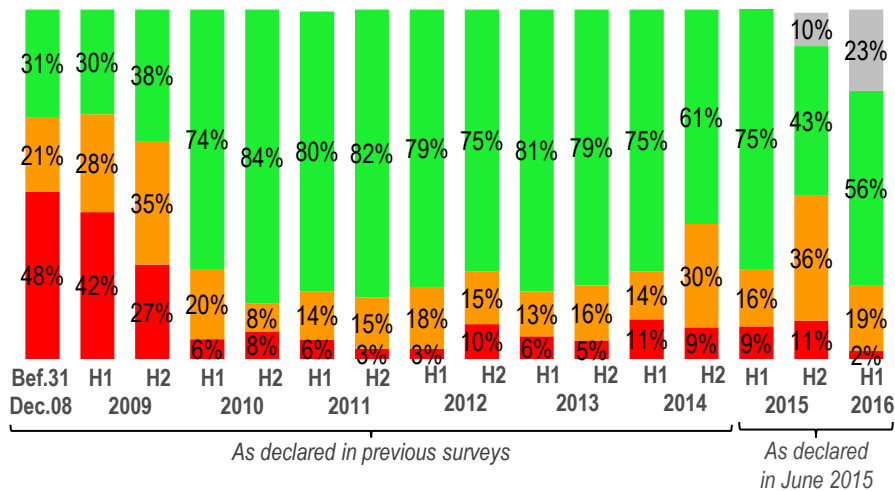
Americas



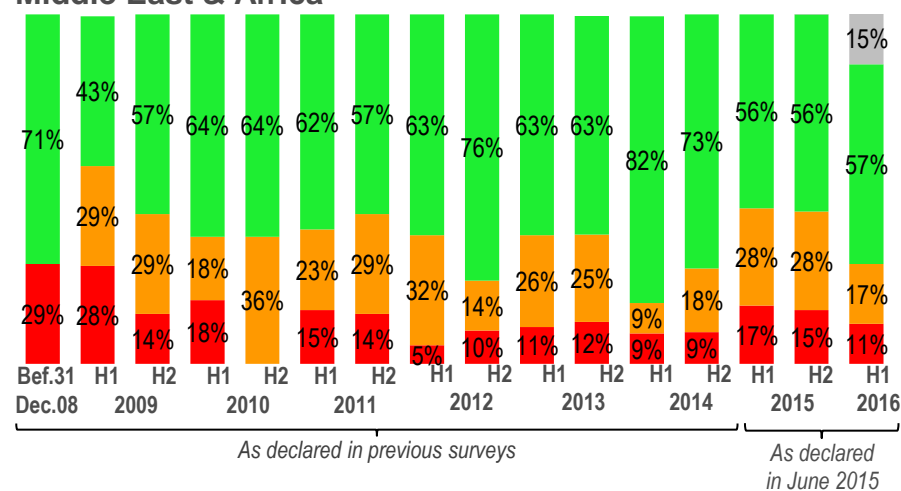
Europe



Asia/Pacific



Middle East & Africa



2. Operating Profits

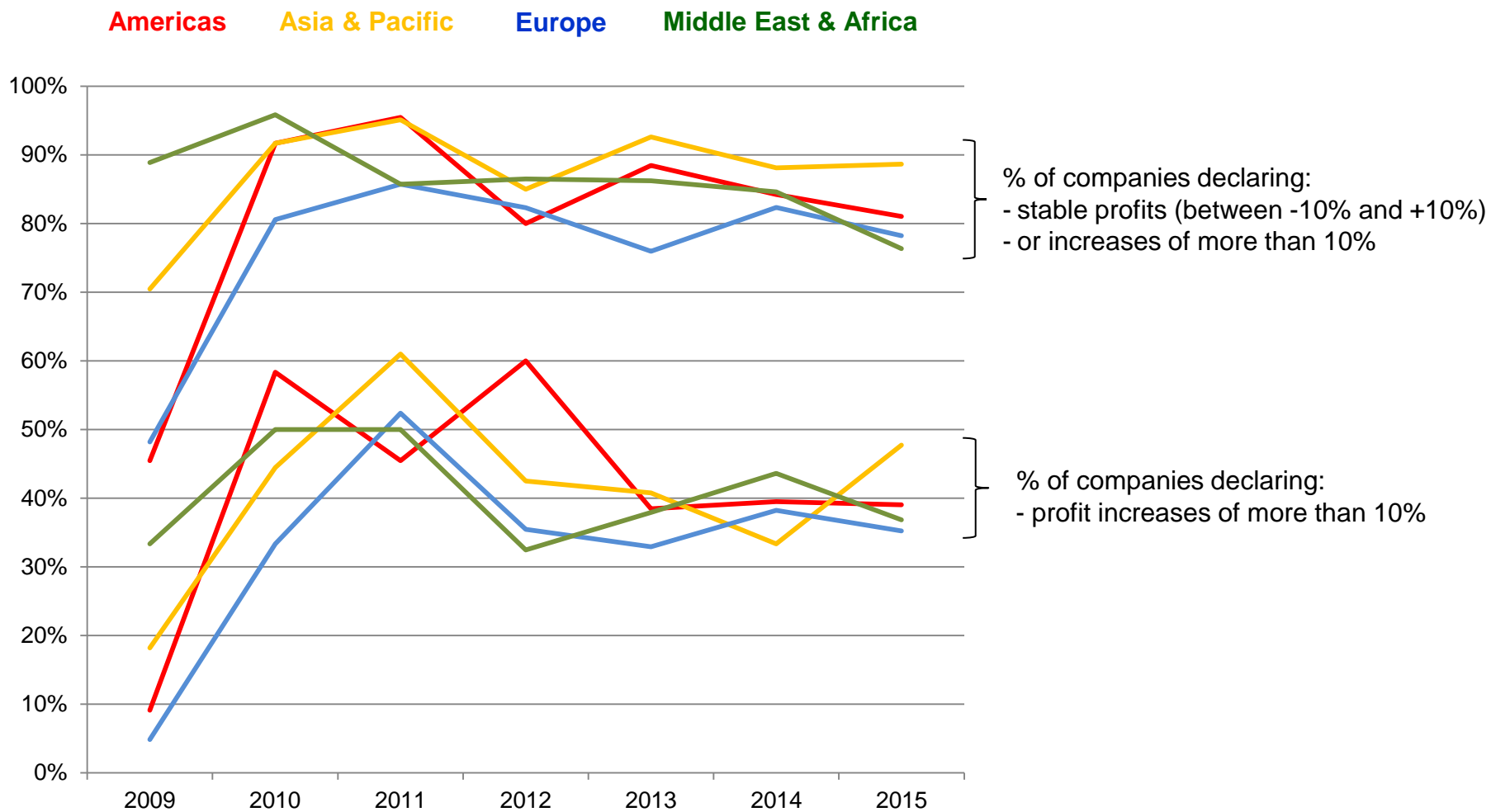
The 15th Global Barometer survey questioned the evolution of operating profits for 2014 and 2015 as compared to the previous year.

The charts presented in the next two pages combine these results with those of previous surveys which provided the evolution of operating profits for 2009, 2010, 2011, 2012 and 2013. The first chart combines the results of companies declaring an increase of more than 10% and those declaring a stable result (between -10% and +10%) and the next chart identifies those with reductions in profits or losses.

The results show that:

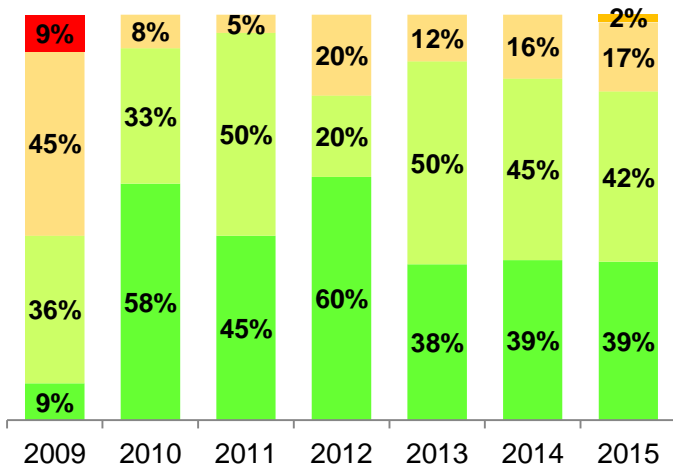
- For all regions except Asia/Pacific, around 4 companies out of 10 declare an increase of more than 10% in annual profits for 2014 and 2015; this is stable with the level registered for 2013.
- In Asia/Pacific, only 3 companies out of 10 declare an increase of more than 10% in annual profits for 2014 but the situation improves to 5 companies out of 10 for 2015.
- These findings roughly apply to the major national markets where a large number of answers were received, except for China where better results are expected for 2015 with 58% of companies declaring an increase of more than 10% of their operating profits.

Operating profits compared to the previous year

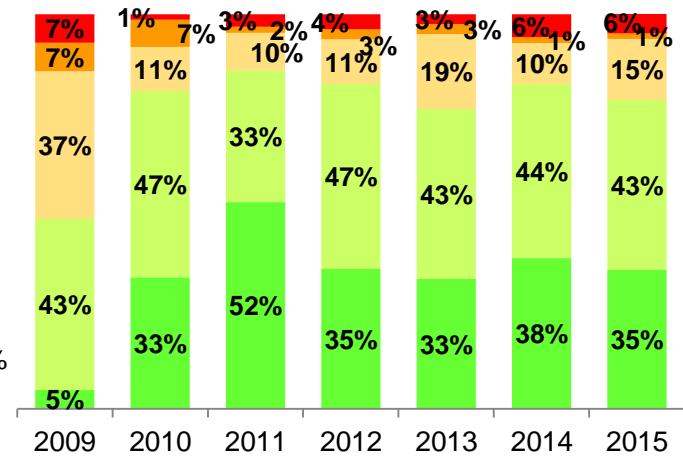


Operating profits compared to the previous year

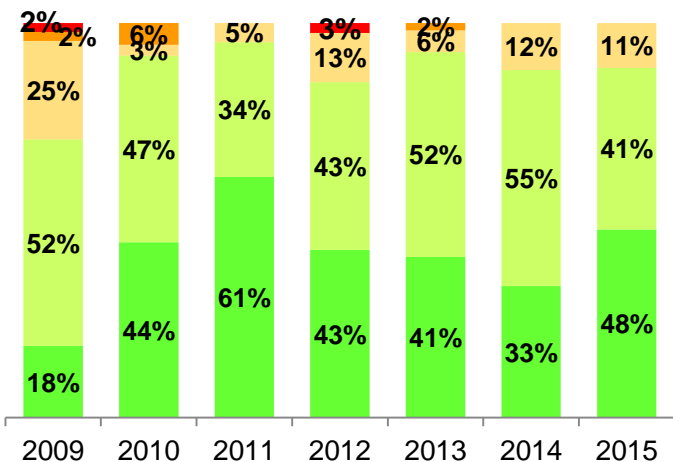
Americas



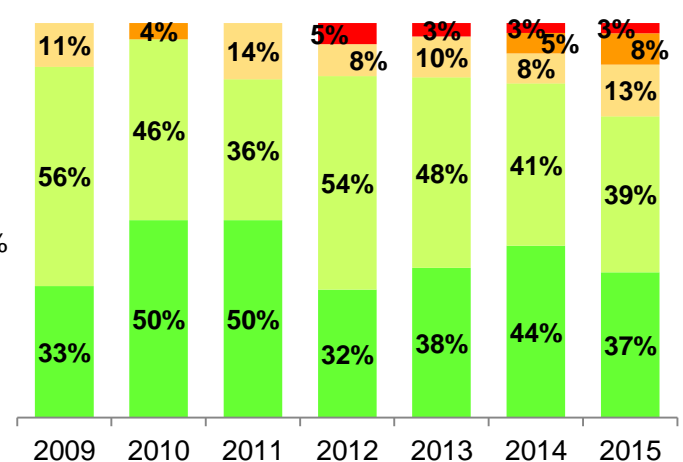
Europe



Asia/Pacific



Middle East & Africa



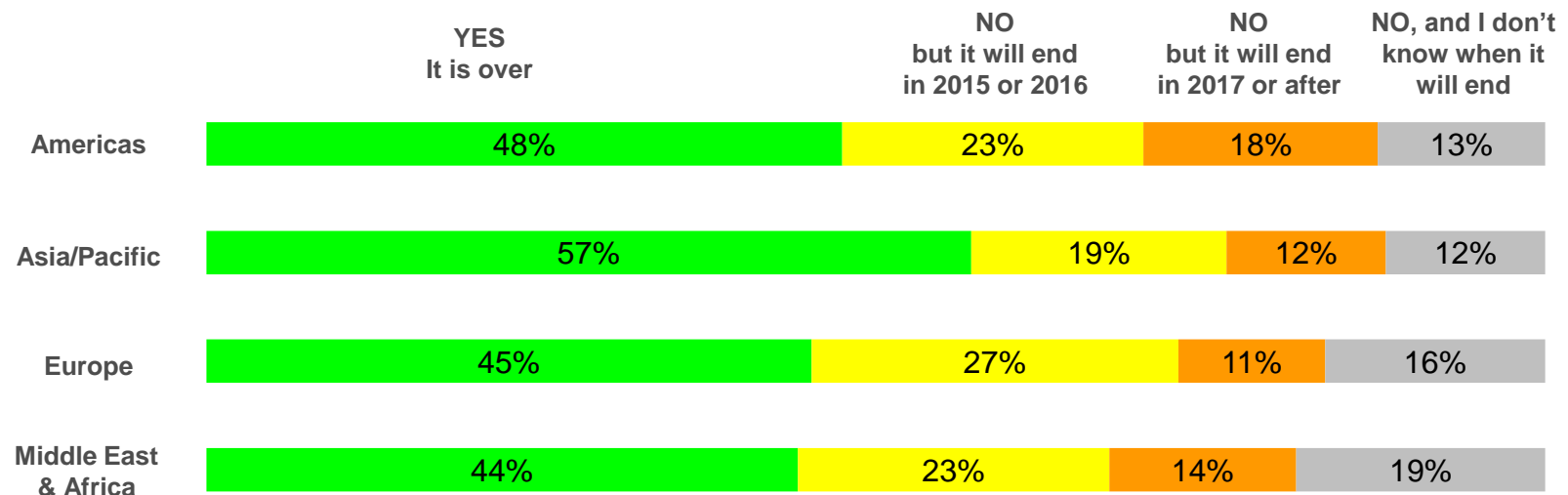
- Loss
- Reduced by more than 50%
- Reduced by 11-50%
- Stable (between -10% and +10%)
- Increase of more than 10%

3. Perceptions of the economic crisis

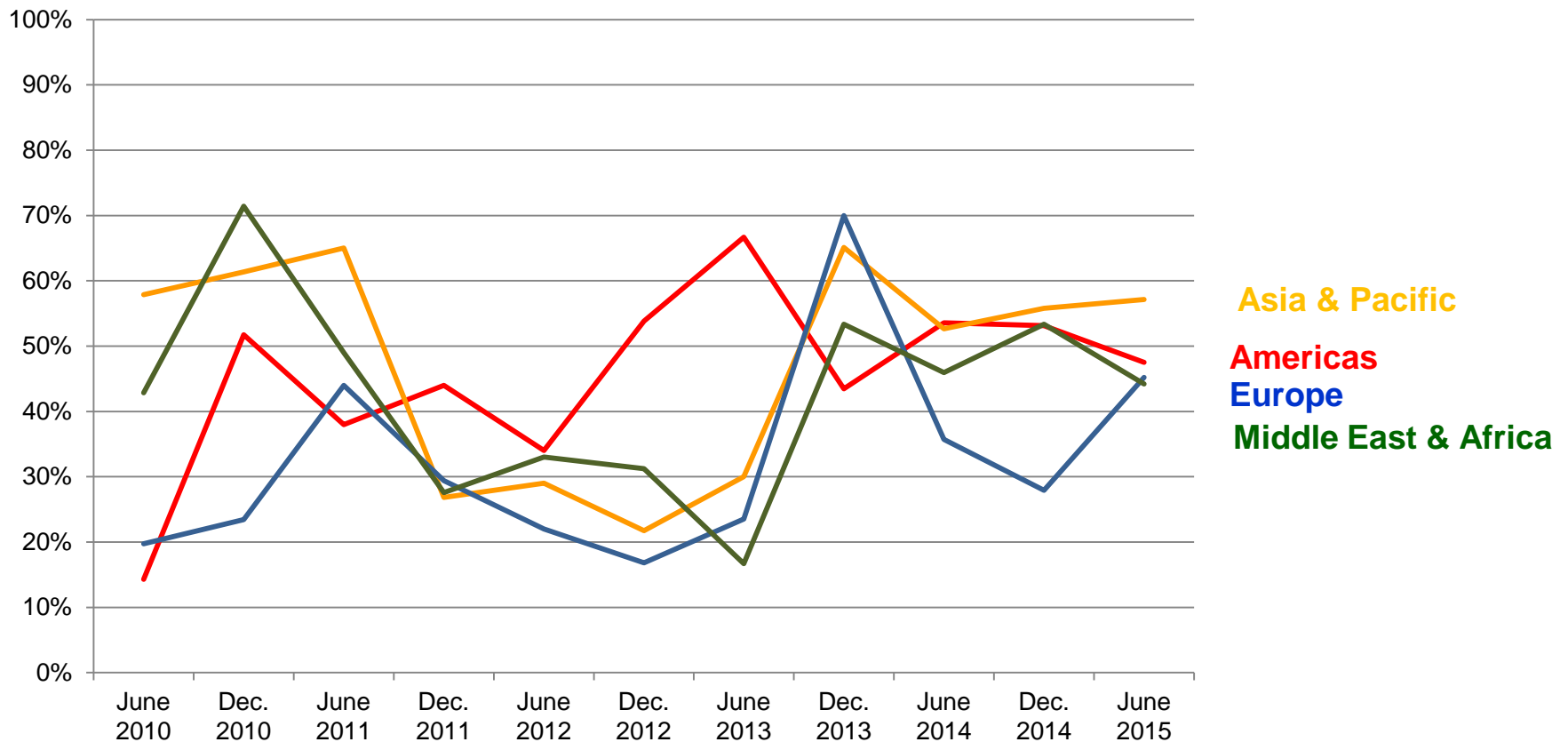
Companies were asked their views on whether the impact of the “economic crisis” on their business was over or not. The chart below indicates the results per region and the one on the next page presents the main result when compared to those declared in the previous surveys.

Around half of respondents from all regions declares that the impact of the “economic crisis” on their exhibition business is now over. This level is similar to the results reached 6 months ago, except in Europe where the level of confidence increases from 28% to 45%.

For around 2 to 3 companies out of 10 in all regions, the crisis will be over in 2015 or 2016.



% of companies declaring – over the last 10 Barometer surveys – that the impact of the “economic crisis” on their exhibition business is now over



4. Most important business issues

As in the earlier Global Barometer Surveys, companies were asked to identify the three most important issues for their business in the coming year from a proposed list of seven issues.

The results are remarkably stable in all surveys, with around 80% of all answers relating to the following 4 issues:

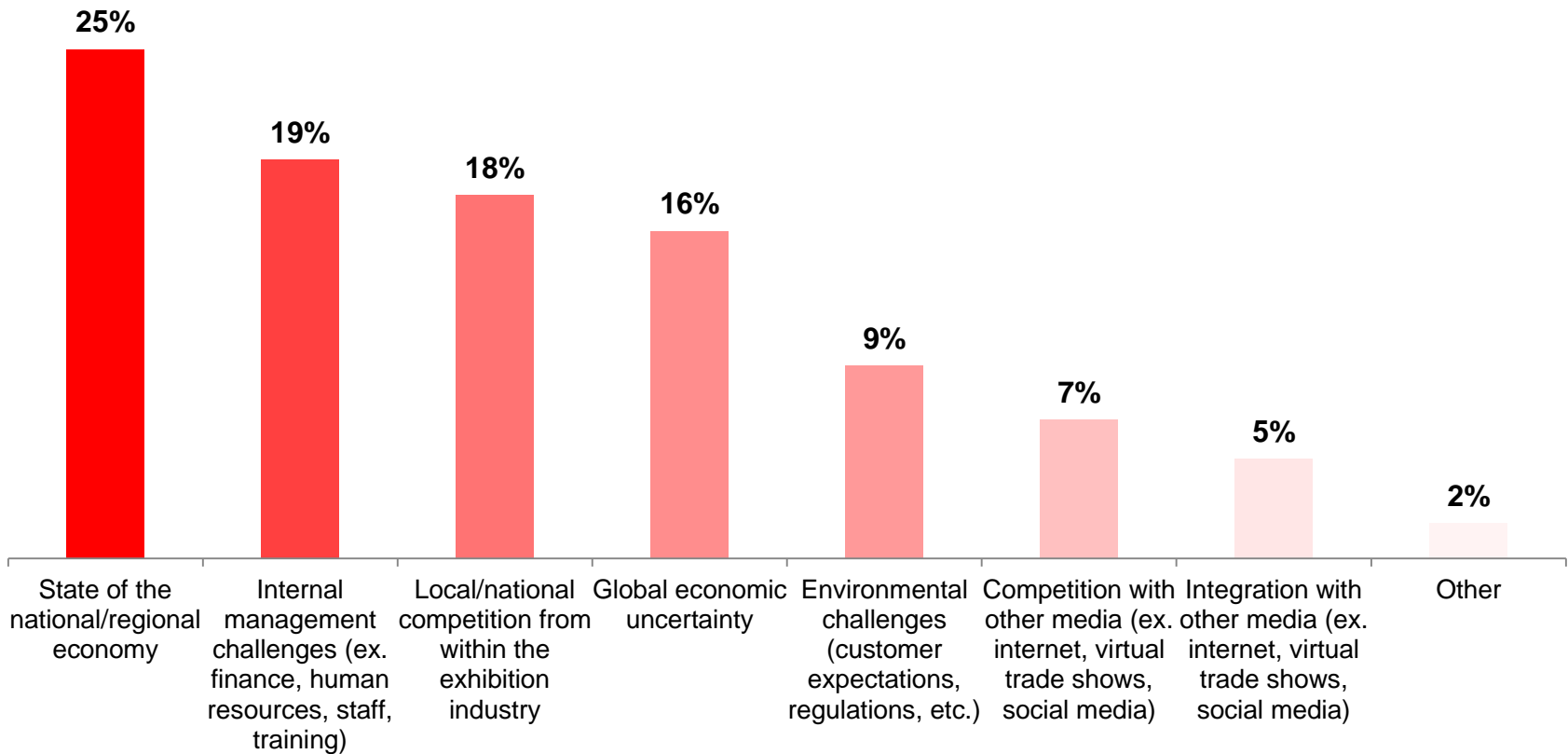
- “State of the national/regional economy” (25% in the current survey)
- “Internal management challenges” (19% in the current survey).
- “Local/national competition from the exhibition industry” (18% in the current survey)
- “Global economic uncertainty” (16% in the current survey)

“Environmental challenges (customer expectations, regulations, etc.)” appears, as in the last 3 surveys, as the next most important issue (9% in the current survey).

The next slide shows the three most important issues selected and the table below highlights the rates obtained for each of the top 5 issues in those countries where a significant number of answers were obtained.

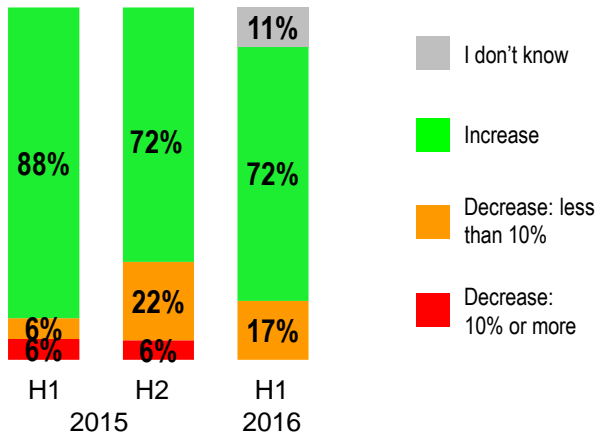
	State of the national/regional economy	Internal management challenges (ex. finance, human resources, staff, training)	Local/national competition from within the exhibition industry	Global economic uncertainty	Environmental challenges (customer expectations, regulations, etc.)
USA	26%	16%	19%	21%	7%
China	18%	28%	18%	13%	8%
Germany	15%	26%	26%	15%	7%
Italy	24%	19%	19%	24%	10%
Russian Federation	32%	11%	21%	18%	9%
South Africa	16%	24%	12%	12%	12%

Top 3 issues

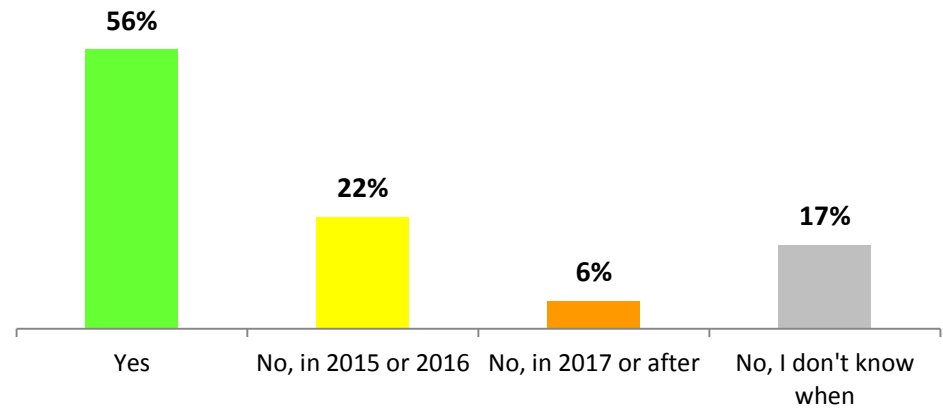


Detailed results for CHINA (22 answers)

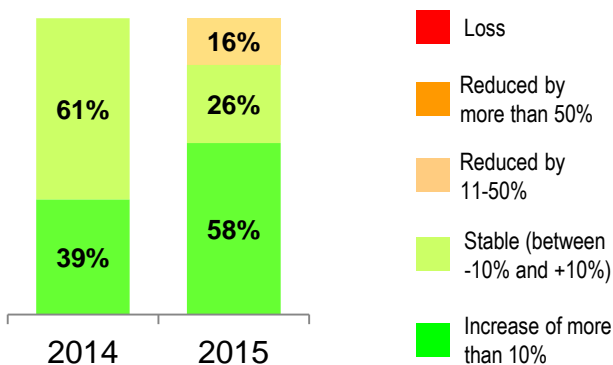
How do you expect your turnover to change when compared to the same period the year before?



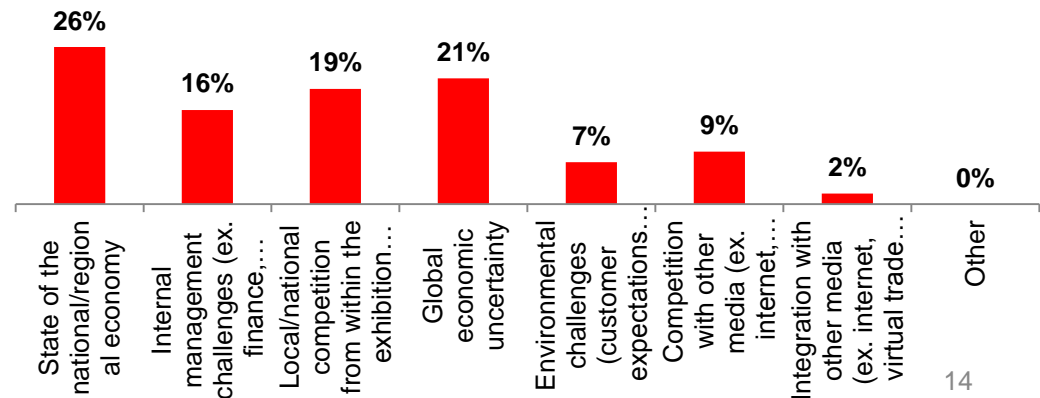
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year

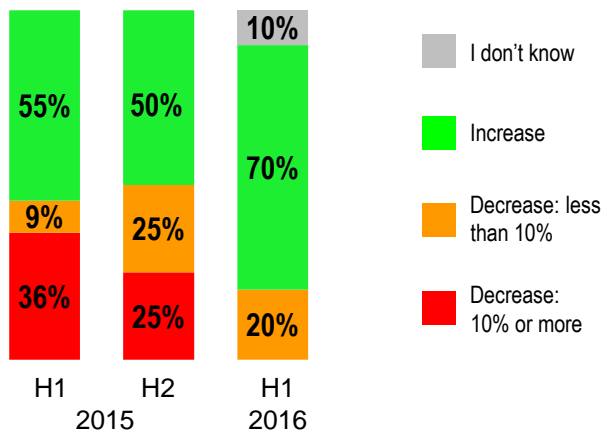


Top 3 issues

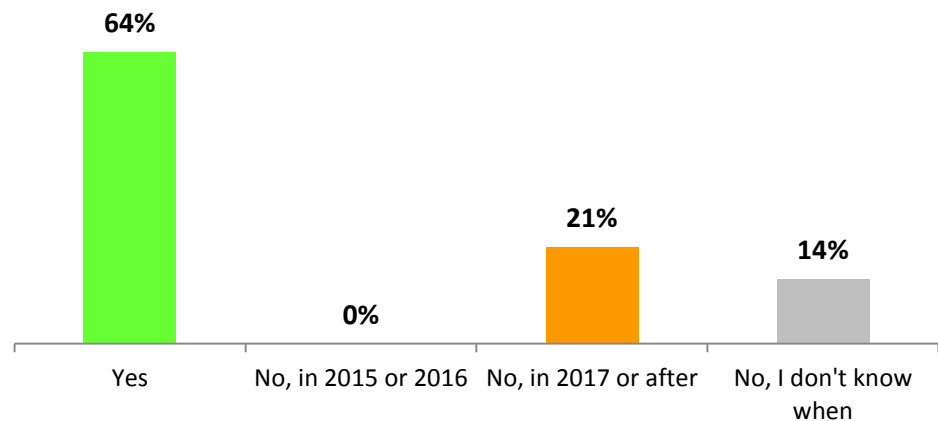


Detailed results for GERMANY (14 answers)

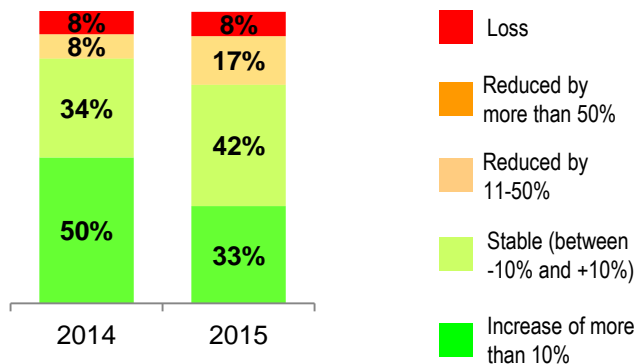
How do you expect your turnover to change when compared to the same period the year before?



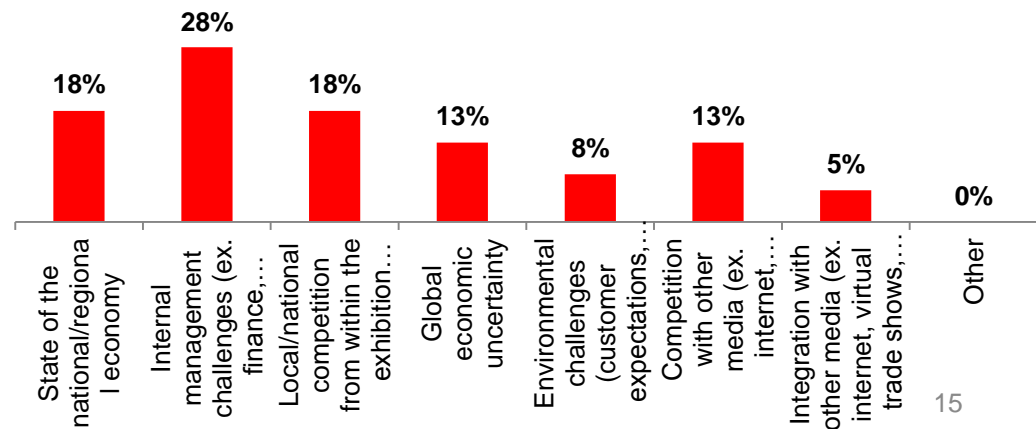
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year

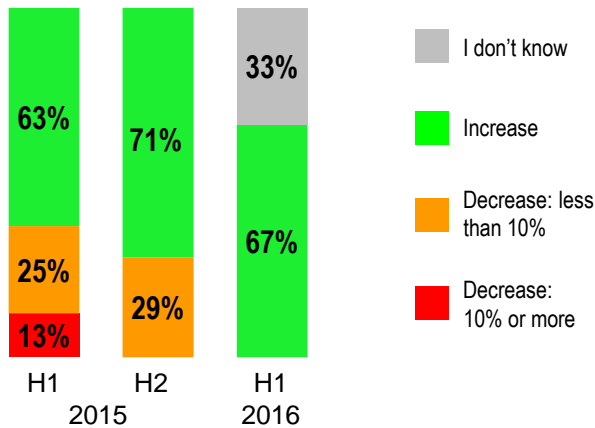


Top 3 issues

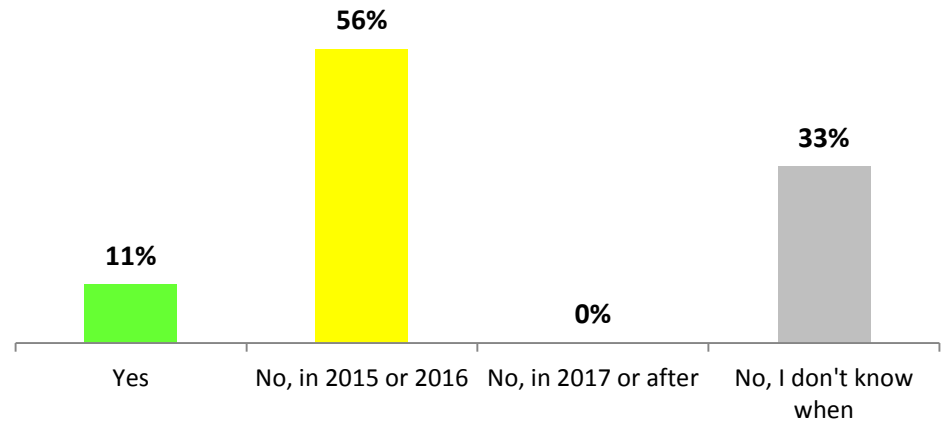


Detailed results for ITALY (9 answers)

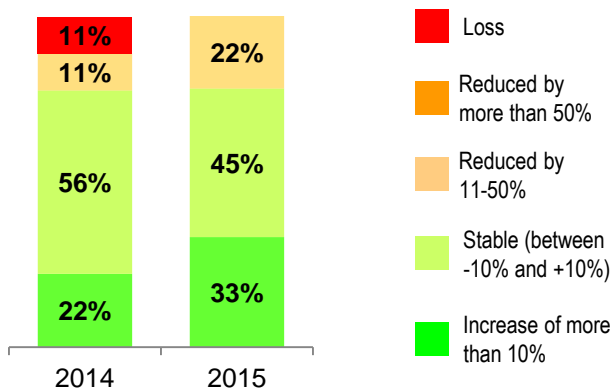
How do you expect your turnover to change when compared to the same period the year before?



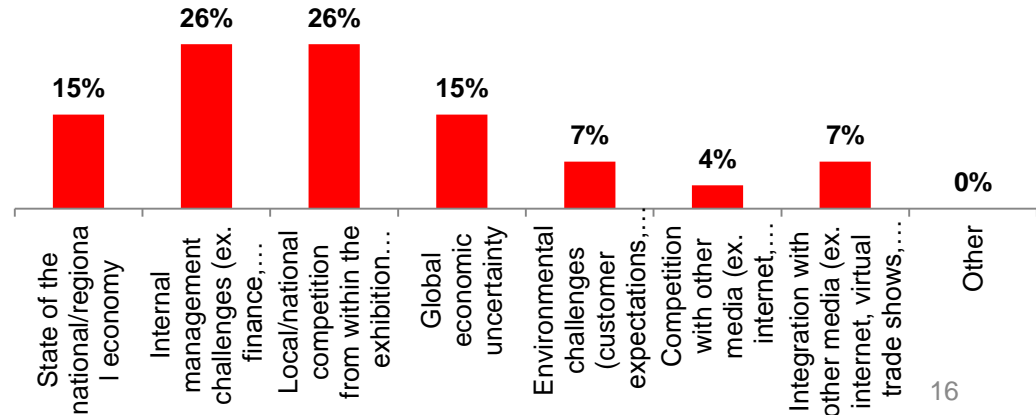
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year

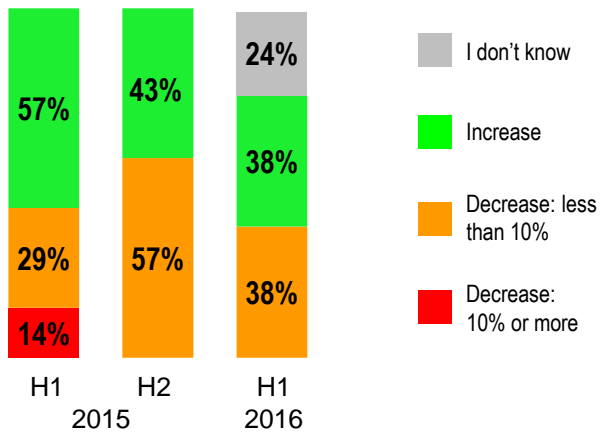


Top 3 issues

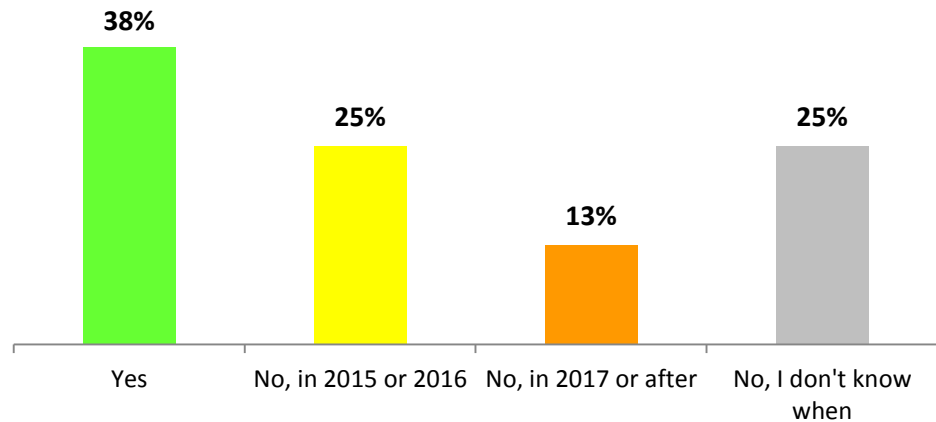


Detailed results for RUSSIA (8 answers)

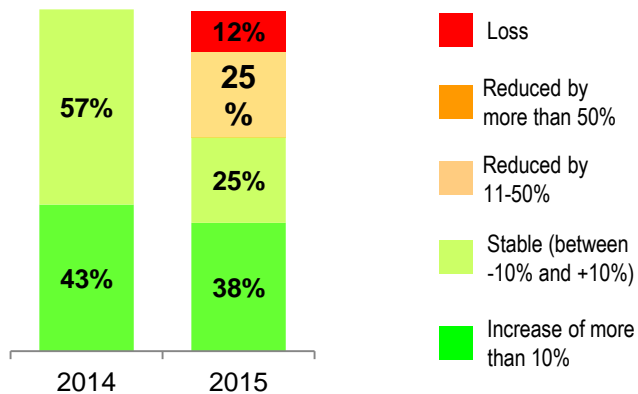
How do you expect your turnover to change when compared to the same period the year before?



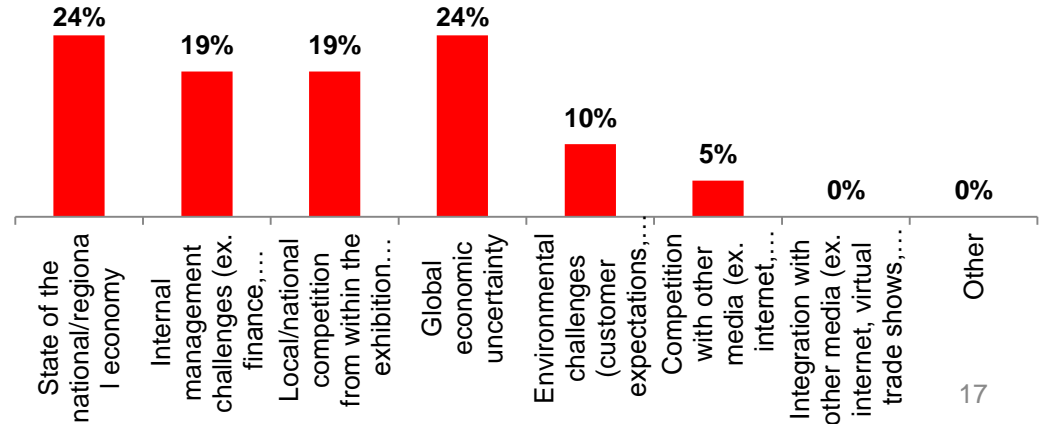
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year

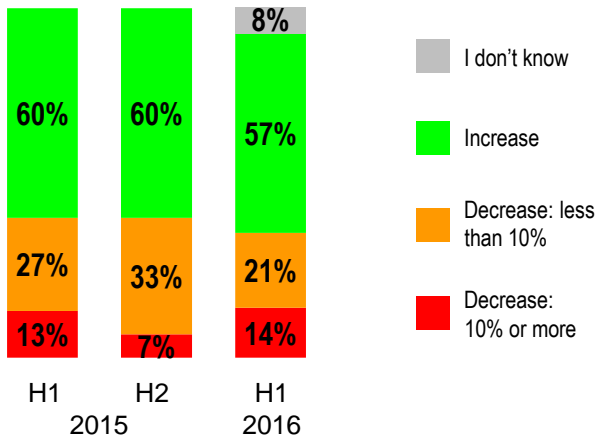


Top 3 issues

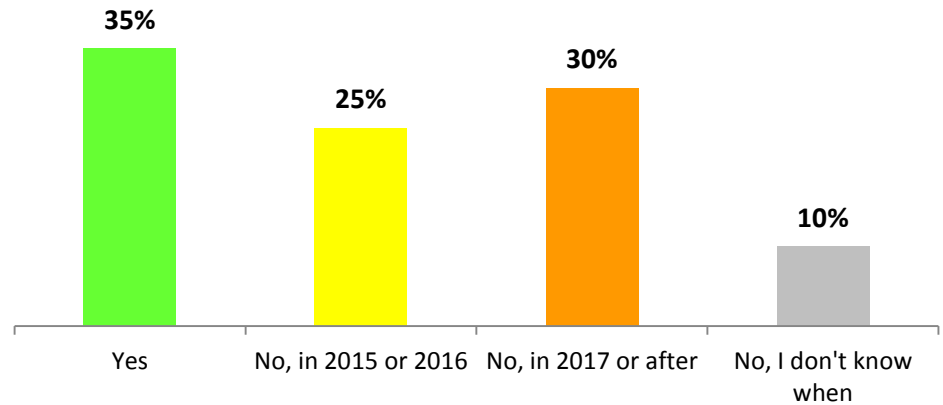


Detailed results for SOUTH AFRICA (15 answers)

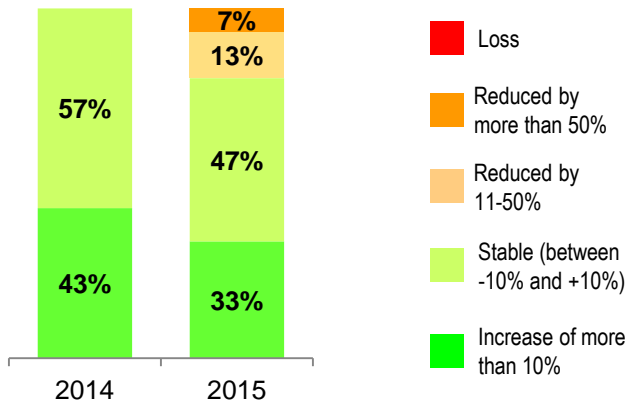
How do you expect your turnover to change when compared to the same period the year before?



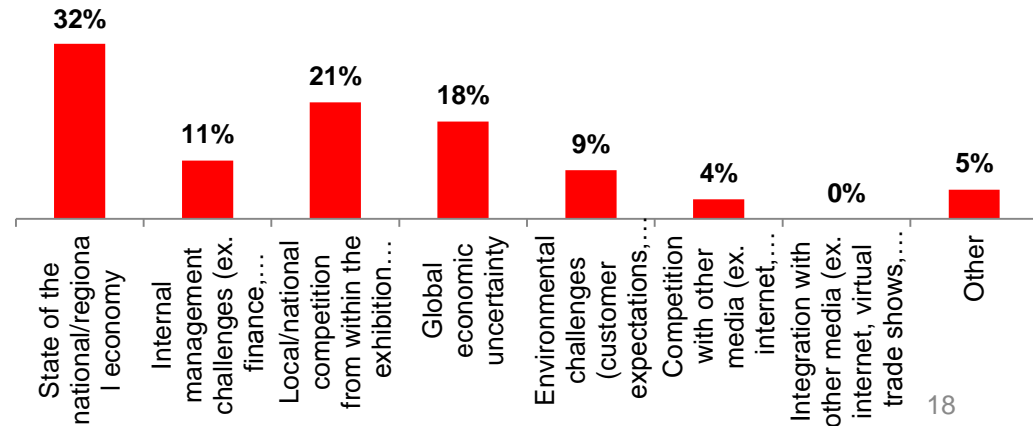
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year

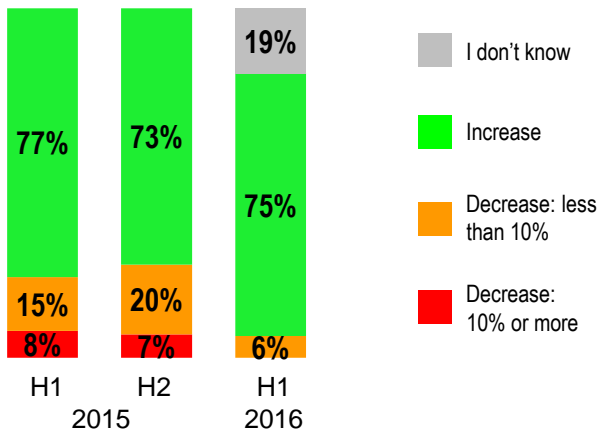


Top 3 issues

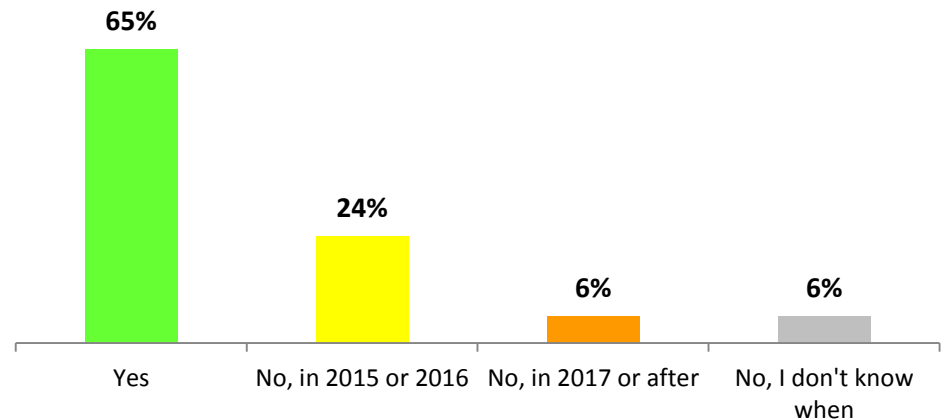


Detailed results for USA (17 answers)

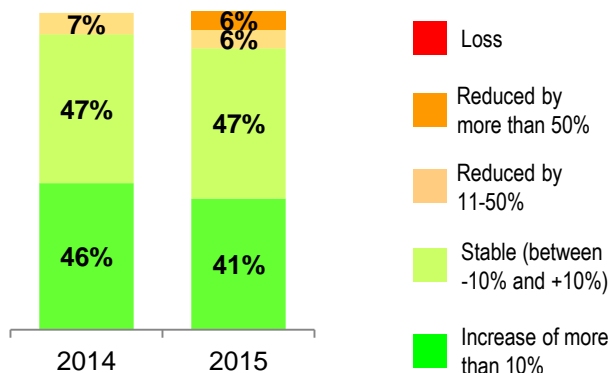
How do you expect your turnover to change when compared to the same period the year before?



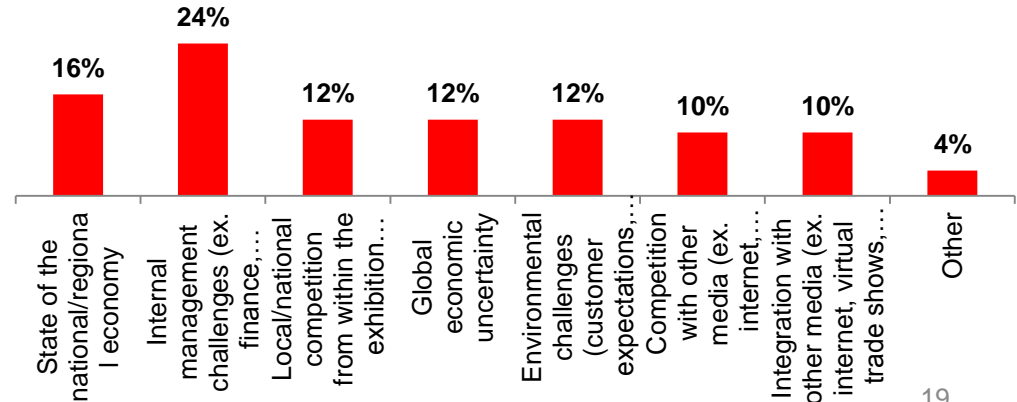
% of companies declaring that the impact of the “economic crisis” on their exhibition business is now over and anticipated end by those who consider that it is not yet over



Operating profits compared to the previous year



Top 3 issues



Conclusion

The 15th Global Barometer survey, conducted in June 2015, was answered by 201 companies from 55 countries. Its results, combined with those of the previous surveys, provide a pulse on the exhibition industry since the end of 2008.

Results indicate positive turnover expectations for 2015 and the first half of 2016, with in all regions an average of 6 companies out of 10 declaring increases. When compared to 2014, this appears to be a rather stable situation for the Americas or Europe, but it reflects a slight slowdown in Asia/Pacific or Middle East and Africa, who had higher levels of growth in 2014. However, both the USA and China outperform their respective regions, with more than 7 companies out of 10 declaring increases.

In terms of operating profits, around 4 companies out of 10 in all regions except Asia/Pacific declare an increase of more than 10% in annual profits for 2014 and 2015; in Asia/Pacific, only 3 companies out of 10 do for 2014 but the situation improves to 5 companies out of 10 for 2015. China outperforms these results, with 58% of companies expecting an increase of more than 10% of their 2015 operating profits.

Around half of respondents from all regions declared that the impact of the “economic crisis” on their exhibition business is now over. This level is similar to the one reached 6 months ago, except in Europe where the level of confidence increases from 28% to 45%. For another 2 to 3 companies out of 10 in all regions, the crisis will be over in 2015 or 2016.

The most important business issues remain related to the general economic situation with the state of the national/regional economy and global economic uncertainty consistently selected as among the three most important business issues for the last four years together with local competition and internal management challenges. Environmental challenges (customer expectations, regulations, etc.) appear, as in the last 3 surveys, as the next most important issue.

THE NEXT GLOBAL BAROMETER SURVEY WILL BE RUN IN DECEMBER 2015 – PLEASE PARTICIPATE!

Appendix: Number of survey replies per country

Total = 201 (in 55 countries)

<u>North America</u>	<u>23</u>	<u>Europe</u>	<u>73</u>	<u>Middle East / Africa</u>	<u>44</u>	<u>Asia & Pacific</u>	<u>44</u>
Canada	2	Belgium	2	Bahrain	1	Australia	5
Mexico	3	Bulgaria	1	Iran	6	China	22
USA	17	Croatia	1	Iraq	2	India	3
(*)	1	Czech Republic	1	Jordan	1	Japan	3
		France	1	Lebanon	1	Malaysia	2
		Georgia	1	Libya	1	New Zealand	1
<u>Central & South America</u>	<u>17</u>	Germany	14	Middle East	2	Pakistan	1
Argentina	2	Greece	3	Oman	3	Singapore	4
Brazil	2	Hungary	1	Saudi Arabia	1	South Korea	2
Caribbea	1	Italy	9	South Africa	15	(*)	1
Chile	1	Luxembourg	1	South Africa	6		
Colombia	6	Netherlands	2	Sudan	1		
Cuba	1	Poland	2	Tunisia	1		
Ecuador	1	Portugal	3	United Arab Emirates	2		
Peru	1	Romania	1	(*)	1		
		Russian Federation	8				
Venezuela	1	Slovenia	1				
(*)	1	Spain	3				
		Sweden	4				
		Switzerland	1				
		Turkey	3				
		Ukraine	2				
		United Kingdom	5				
		(*)	3				

(*) several countries
(regional answer)

(**) a ratio was applied
when necessary to the
answers from South
Africa in order not to
produce biased
consolidated regional
results

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