UFI Global Exhibition Barometer

21st Edition

Report based on the results of a survey concluded in July 2018

Global

Southern Africa

United Kingdom

Central & South America

Mexico

Indonesia

Australia

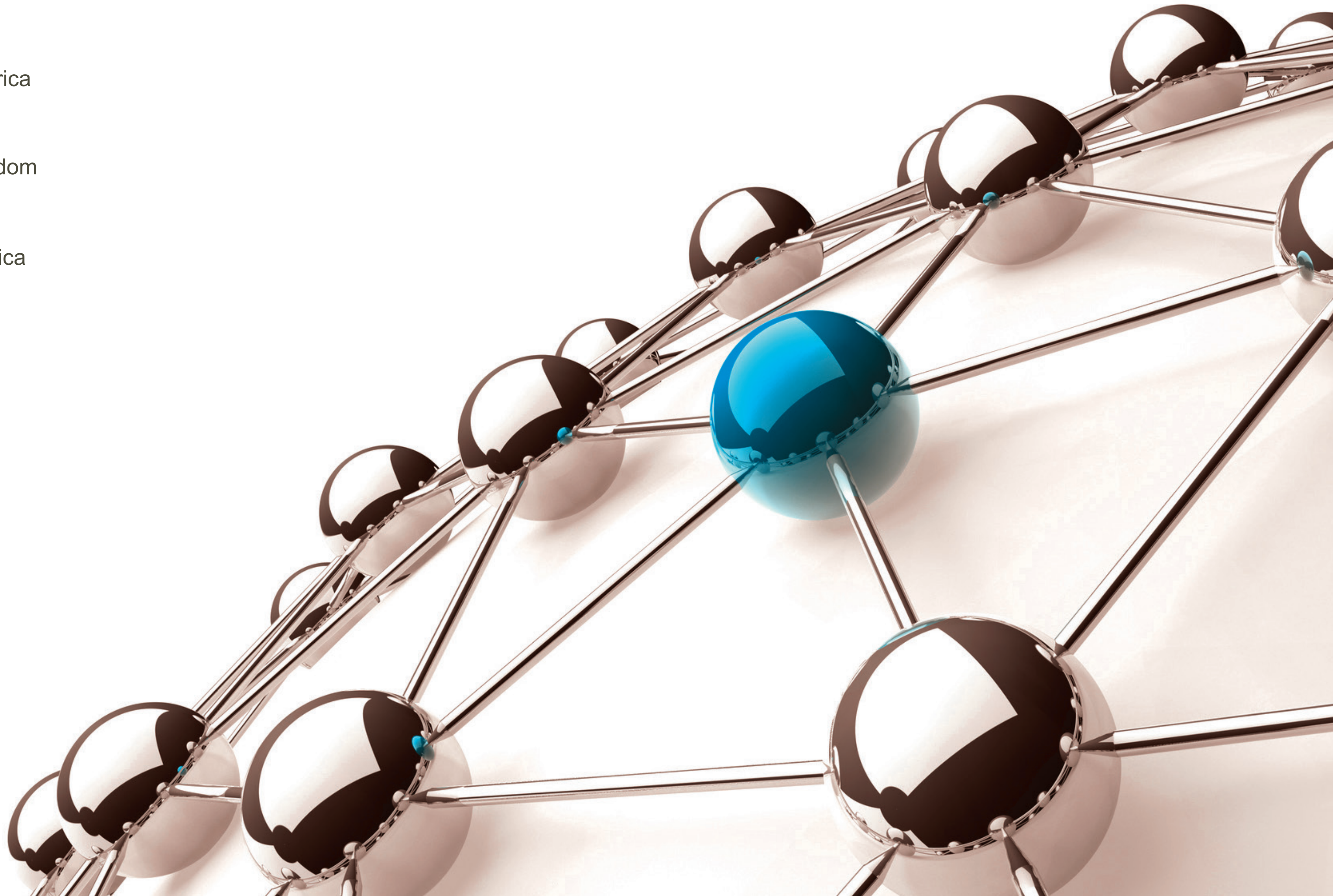
India

Macau

US

Thailand

Brazil



Contents

Introduction

Welcome to the 21st edition of the "UFI Global Exhibition Barometer" survey. This study is based on a global survey, concluded in July 2018. It represents up to date information on the development and the outlook of the global exhibition industry as well as on 18 specific countries and zones.

UFI began assessing impact of the global economic conditions on the exhibition industry twice a year in 2009. Since then, it has regularly grown in size and scope, as numerous industry associations around the world have joined the project. These are: AAXO (The Association of African Exhibition Organizers) and EXSA (Exhibition and Events Association of Southern Africa) in South Africa, AEO (Association of Event Organisers) in the UK, AFIDA (Asociación Internacional de Ferias de América) in Central and South America, AMPROFEC (Asociación Mexicana de Profesionales de Ferias y Exposiciones y Convenciones) in Mexico,, EEAA (The Exhibition and Event Association of Australasia) in Australasia, IECA (Indonesia Exhibition Companies Association) in Indonesia, IEIA (Indian Exhibition Industry Association), in India, MFTA (Macau Fair Trade Association) in Macau, SISO (Society of Independent Show Organizers) for the UK, TEA (Thai Exhibition Association) in Thailand and UBRAFE (União Brasileira dos Promotores Feiras) in Brazil.

Important remarks

It should be noted that the number of replies to the current survey (312 from 55 countries - see full list at the end of the document) provides representative results. However, the consolidated regional results may not reflect the situation of specific countries in that region. This is why the report also includes a set of detailed results for the 18 countries or zones where a significant number of answers were obtained.

Questions related to this survey can be addressed to Christian Druart, UFI Research Manager, at chris@ufi.org.

This research is available online at www.ufi.org/research.

Gross Turnover Development

The 21st Barometer surveyed the evolution of participants' gross turnover expectations for the two halves of 2018 and the first half of 2019 compared to their turnover during the same period in the previous year (regardless of possible biennial effects).

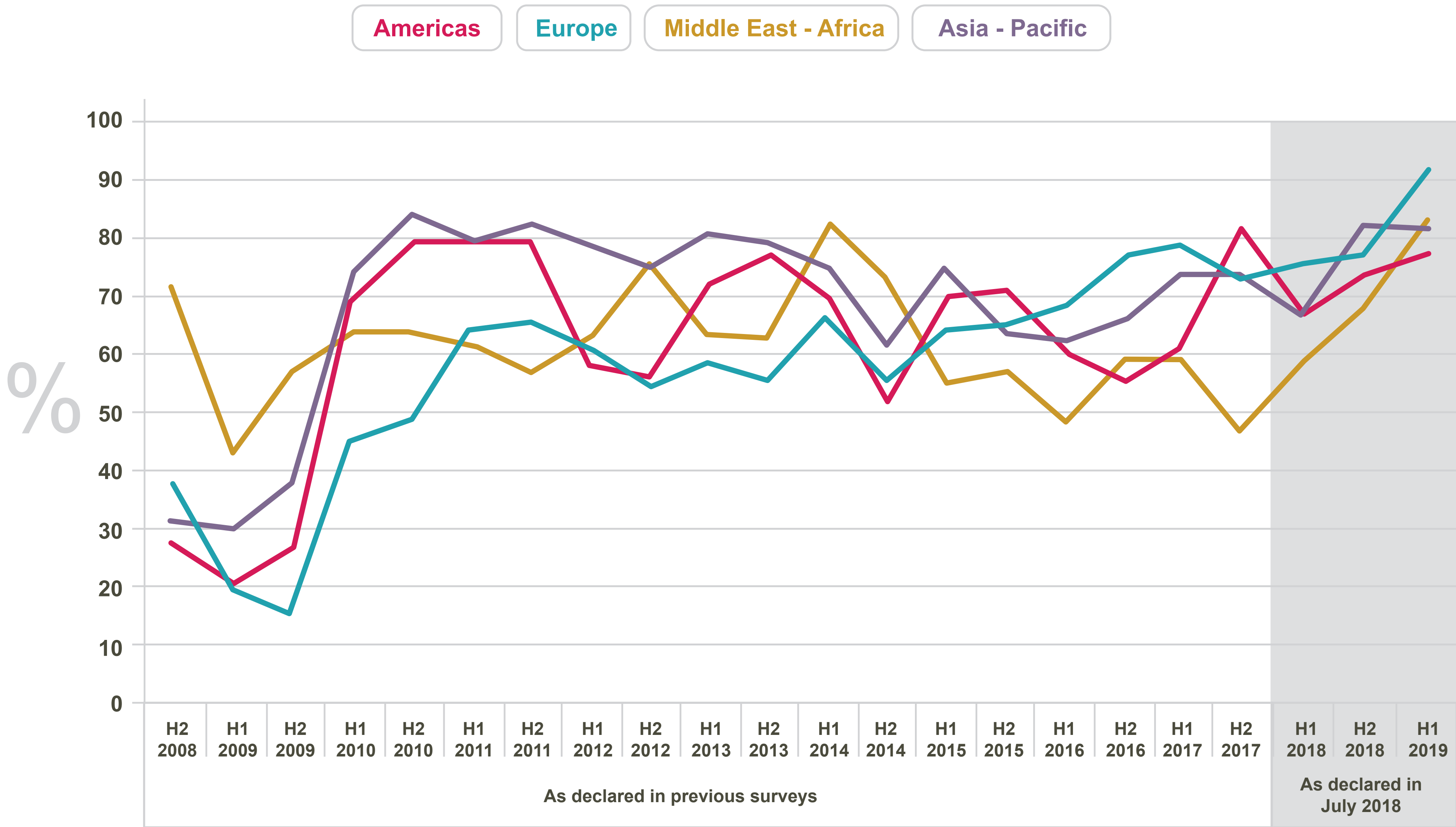
The following chart presents, at regional level, the percentage of companies declaring an increase in their turnover. It combines these results with those of previous surveys since 2008 and it does not take into account the "unknown" or "not applicable" answers.

For the first time in ten years, all four global regions report a positive development simultaneously: Everywhere, the share of companies declaring an increase in turnover is rising, regarding the second half of 2018.

For the first half of 2019, the barometer reports the highest ever share of positive expectations for Europe.

The charts included in the second part of this report ("Detailed results for selected countries or zones") detail these regional results, adding the percentage of companies declaring decreases in their turnover and the percentage of "unknown" answers.

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



Development of Operating Profits

The 21st Global Barometer survey questioned the evolution of operating profits for 2017 and 2018 compared to the previous year.

The following chart combines these results with those of previous surveys, which track the development of operating profits since 2009. It highlights the results of companies declaring an increase of more than 10% and those declaring a stable result (between -10% and +10%) – see footnote.

The detailed results show that most companies maintained a good level of performance in 2017 and more than 40% of companies from all regions declared an increase of more than 10% compared to 2016.

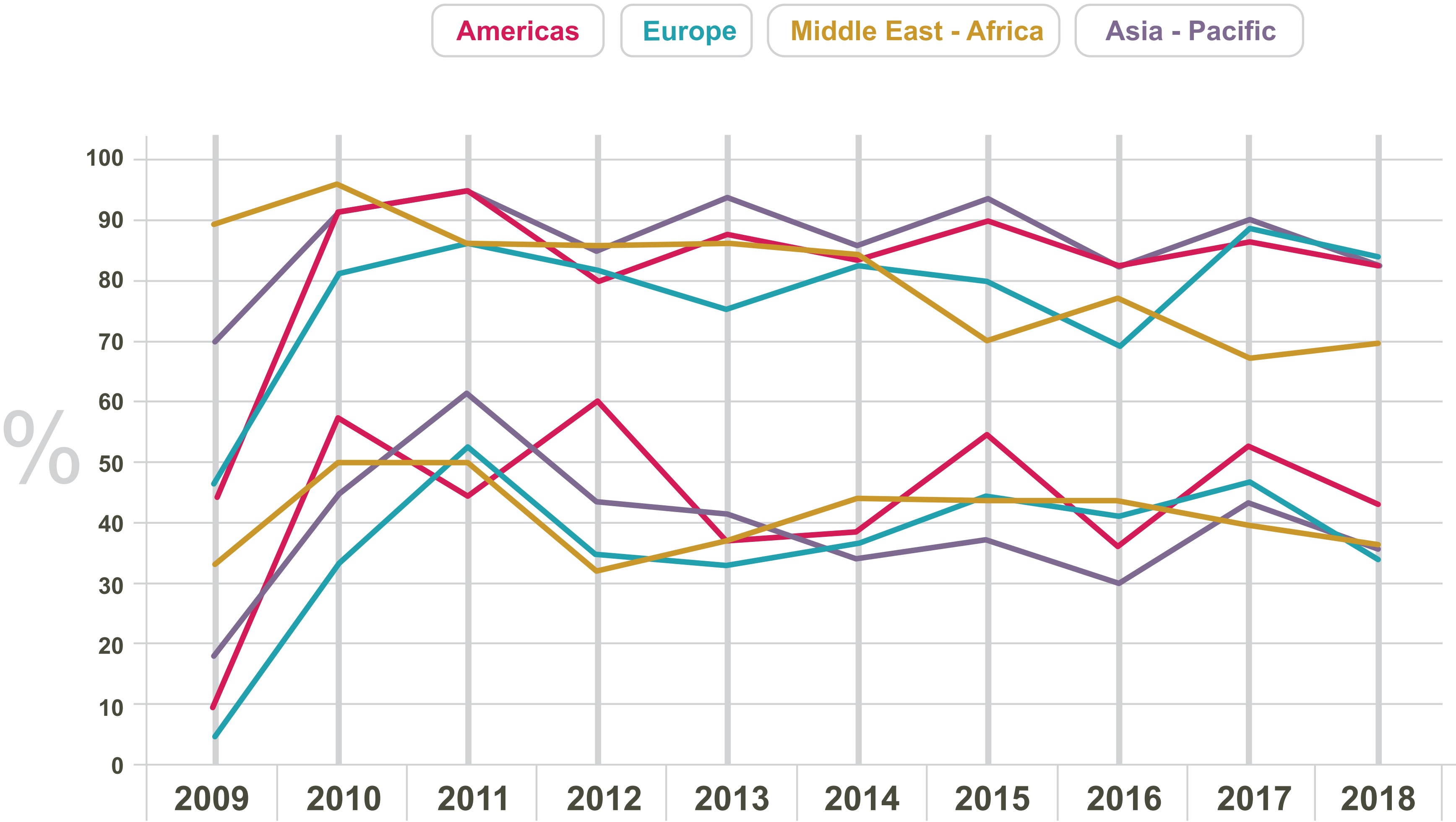
The highest proportions of companies declaring such an increase are observed in India (72%), Germany and the U.S. (both 70%); on the opposite side, the lowest proportions are in Russia (21%), South Africa and many countries in Asia/Pacific (40% or below, but not in India, China and Indonesia).

However, the perspectives for 2018 are currently lower globally, with a smaller share of companies expecting a profit increase.

Significant levels of companies anticipate reduction of their profit or loss in several submarkets: Middle East (36%), Indonesia (33%), South Africa (28%), Australia (24%), India (21%) and the U.S. (17%).

Footnote: The charts included in the second part of this report ("Detailed results for selected countries or zones") detail these results, adding the percentage of companies with reductions in profits or losses.

Operating Profits compared to the previous year



% of companies declaring:

- stable profits (between -10% and +10%)

- or increases of more than 10%

% of companies declaring:

- increases of more than 10%

Most Important Business Issues

Companies were asked to identify the three most important issues for their business in the coming year from a pre-defined list of seven issues. Multiple choices were provided to get further insights for some answers.

As in previous surveys, the clear majority of all answers relate to the following 4 issues:

“State of the economy in home market” (24% in the current survey, down 1% compared to 6 months ago);

“Competition from within the industry” (18% in the current survey, down 3% compared to 6 months ago);

“Global economic developments” (18% in the current survey, up 2% compared to 6 months ago);

“Internal challenges” (17% in the current survey, up 1% compared to 6 months ago), where “Human resources” are named as the most important aspect.

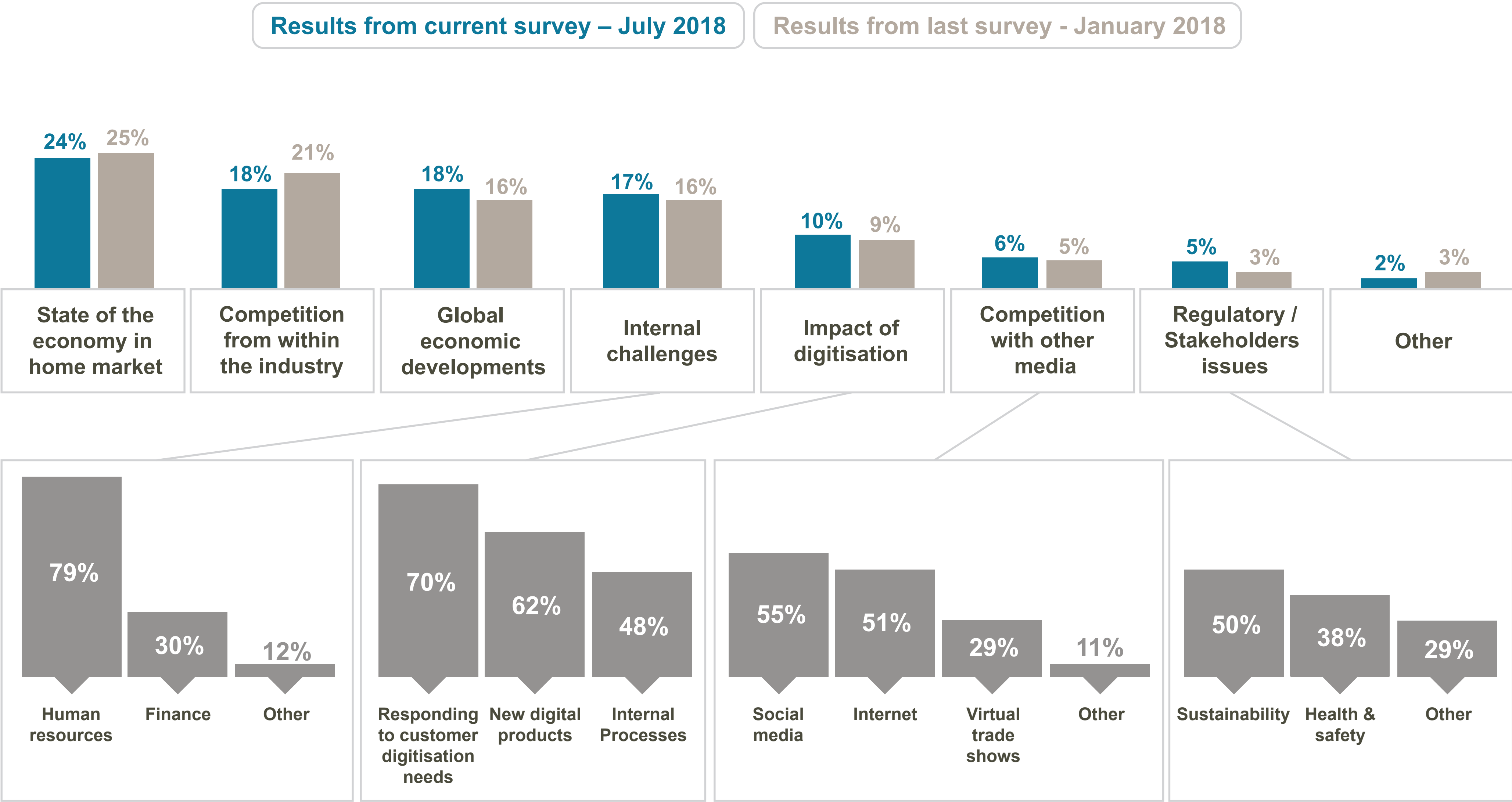
“Impact of digitisation” (“Responding to customer digitisation needs”, “New digital products” or “Internal processes”), “Competition with other media” (“Internet”, “Social media”, “Virtual trade shows” or “Other”) and “Regulatory / Stakeholders issues” (“Sustainability”, “Health & safety” or “Other) keep similar levels than in the last survey.

The following pages shows the consolidated global results, including further insights. They also detail those results by region and by type of activity (for 3 main segments: “Organiser”, “Venue only” and “Service provider only”). Results show some differences:

“Internal challenges” appear as more of an issue in Americas and Asia-Pacific than in the other regions, as a result of less concern towards “Global economic developments”;

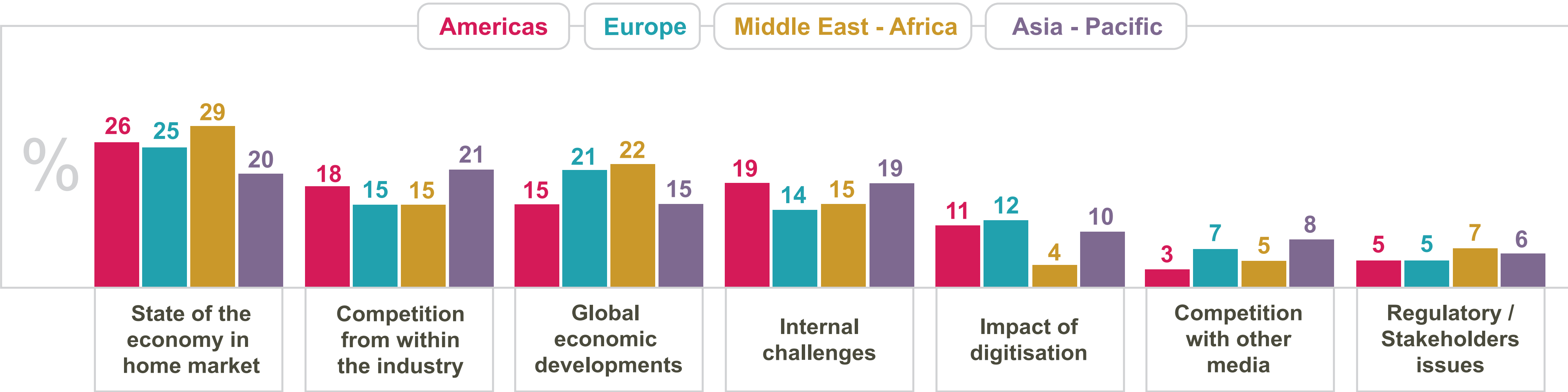
“State of the economy in home market ” and especially “Global economic developments ” and “Competition from within the industry” are more important for venues than for organisers and service providers (for which “Internal challenges” are, in proportion, ranked higher).

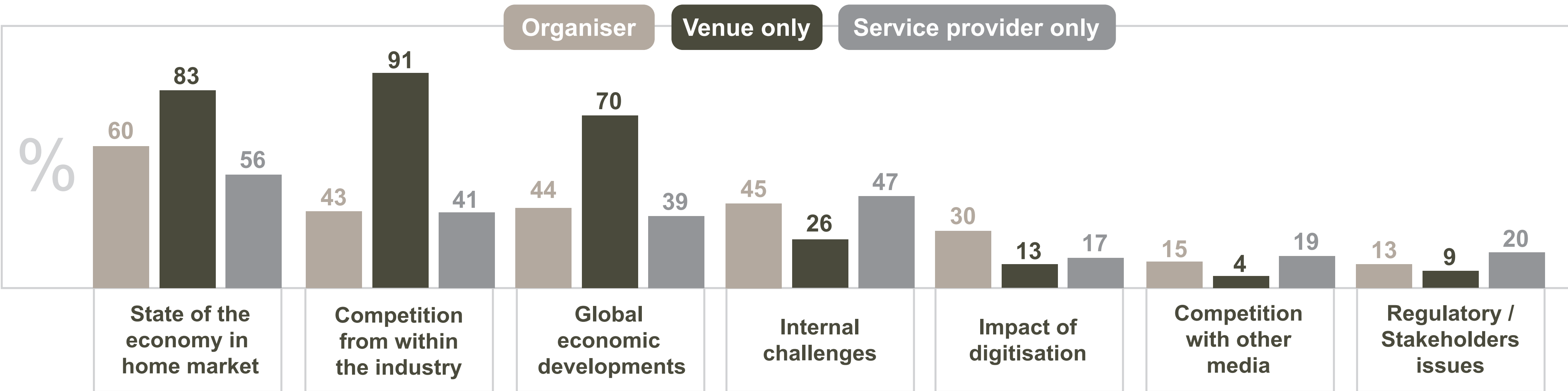
Top Issues: Global Results



(multiple answers possible)

Most important issues: detail by region and type of activity for the five top issues identified globally





Actions Towards Digitisation

With digitisation accelerating in businesses around the world, the Global Barometer started a year ago to also focus on the state of digital activity in the exhibition industry. The results show that the majority of companies have responded to the accelerating process of digitisation in the exhibition industry. However progress is limited.

The “digitisation Implementation Index” towards a “full digitisation” is 32 globally (+1 compared to a year ago). Compared to last year’s initial survey, the most striking development is the fact that, by now, 37% of the participating companies state that they have developed a digital transformation strategy on a company level.

Germany, the U.K. and the U.S. are identified as the exhibition markets who are currently most advanced in the digital transformation process.

- **64% of survey participants reported that they have added digital services/products (like apps, digital advertising, digital signage) around existing exhibitions. This is already widely established in Brazil (86%), Italy (85%) and Germany (83%);**

- **The companies in the exhibition industry are digitising themselves as well: globally, 54% stated that they have changed internal processes and workflows to be more digital. The most advanced exhibition markets here are the U.K. (90%), Germany (75%) and Russia (71%);**

- **37% of companies participating in the survey reported that they have developed a digital transformation strategy for the whole company, with Mexico (71%), Germany (67%) and Brazil (57%) leading;**

- **22% have created a designated function (like a Chief Digital Officer) in the upper/top management – led here by the U.K. (40%), Germany and the U.S. (both 33%);**

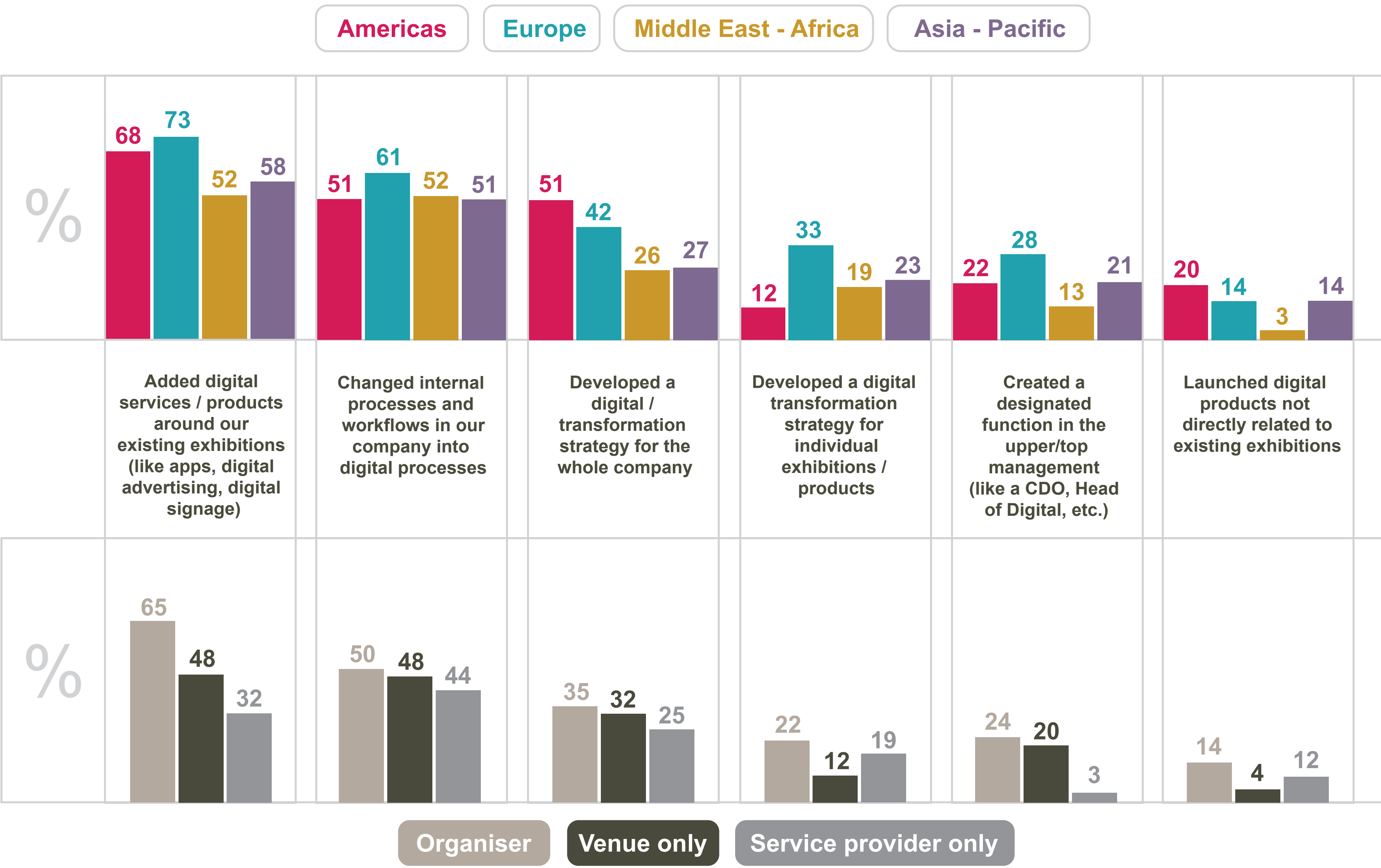
- **Finally, 14% of survey participants stated that they have launched digital products not directly related to existing exhibitions – a development especially visible in the U.S. (42%) and the U.K. (30%).**

The following pages show the global results, followed by detailed results.

Digitisation: global results

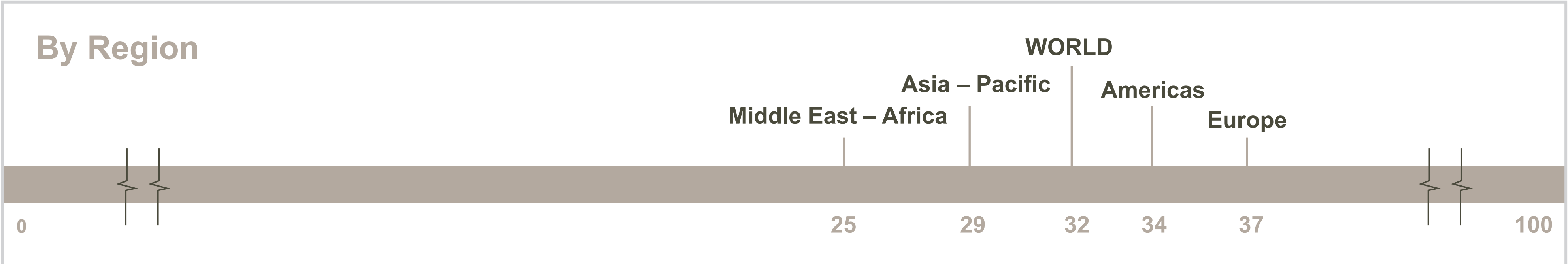
	Added digital services / products around our existing exhibitions (like apps, digital advertising, digital signage)	64%
	Changed internal processes and workflows in our company into digital processes	54%
	Developed a digital / transformation strategy for the whole company	37%
	Developed a digital transformation strategy for individual exhibitions / products	23%
	Created a designated function in the upper/top management (like a CDO, Head of Digital, etc.)	22%
	Launched digital products not directly related to existing exhibitions	14%
	Other	9%

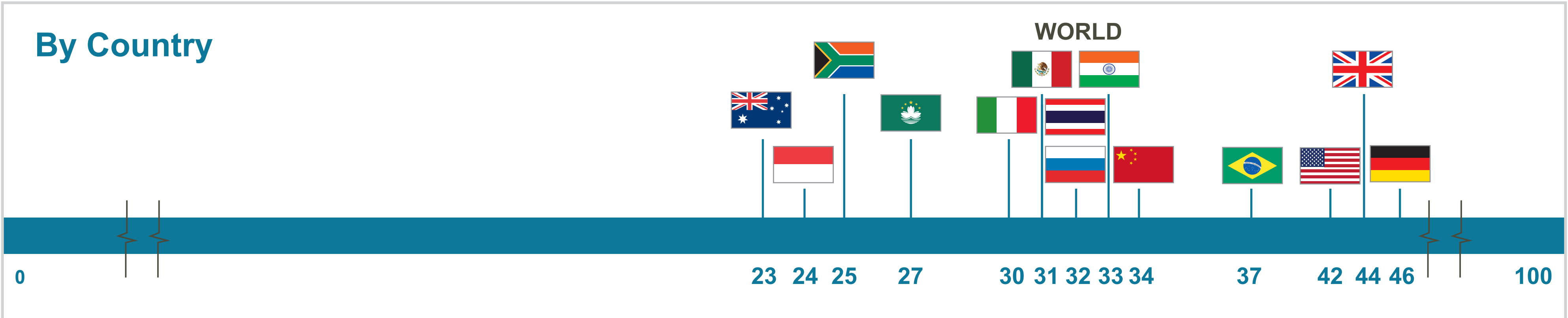
Digitisation: detail by region and type of activity



Digitisation Implementation Index

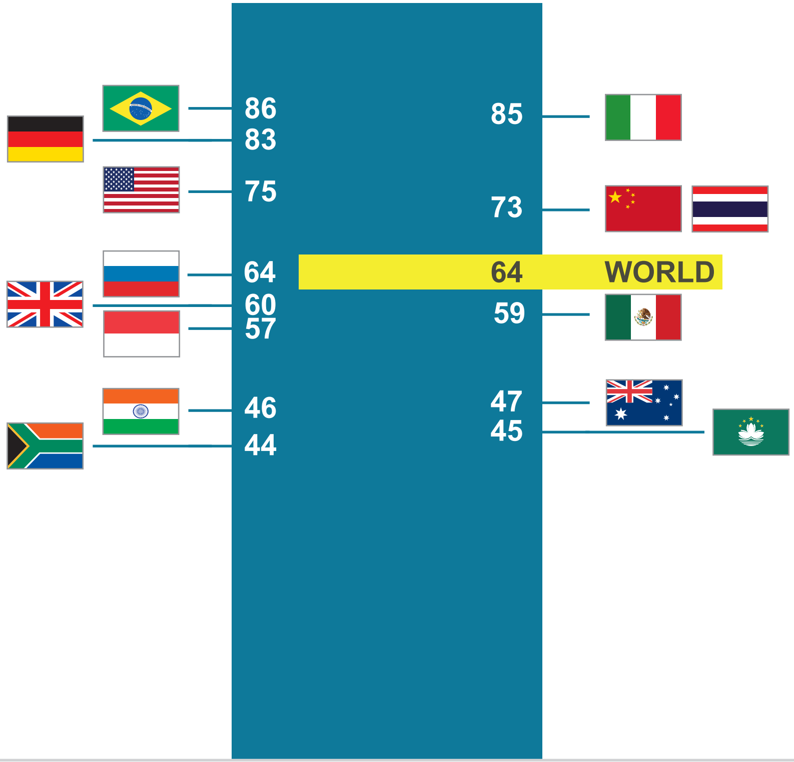
Aggregating the status of all digitisation activities, this index shows how far different exhibition industry markets around the world currently have progressed towards full digitisation.





To find out how the exhibition industry is responding globally to the accelerating digitisation, we asked participants of the "Global Exhibition Barometer" to state whether or not they have implemented various digitisation activities.

"Yes, we have added digital services / products around existing exhibitions (like apps, digital advertising, digital signage)."



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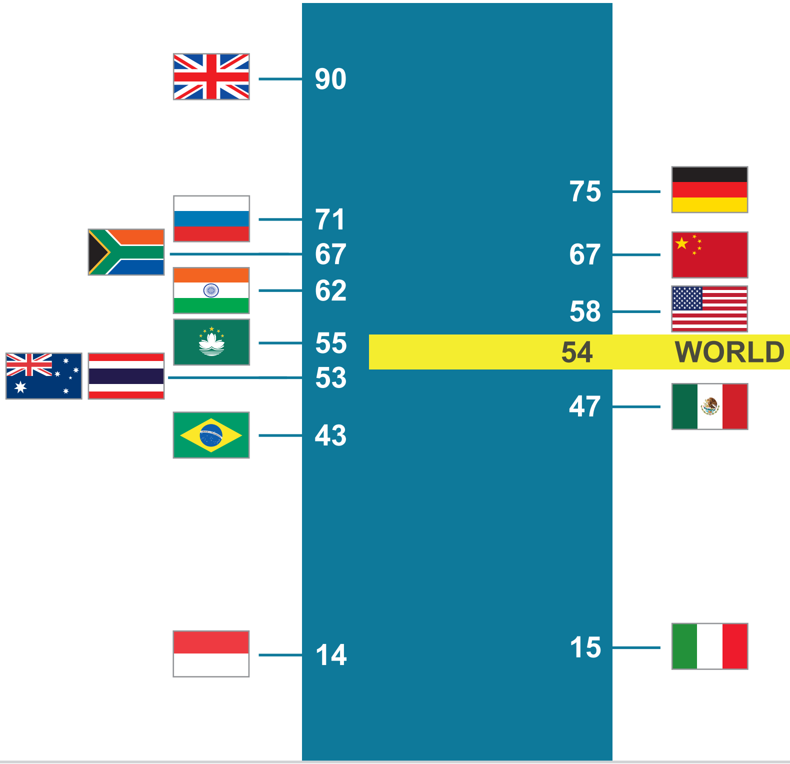
"Yes, we have changed internal processes and workflows in our company into digital processes."

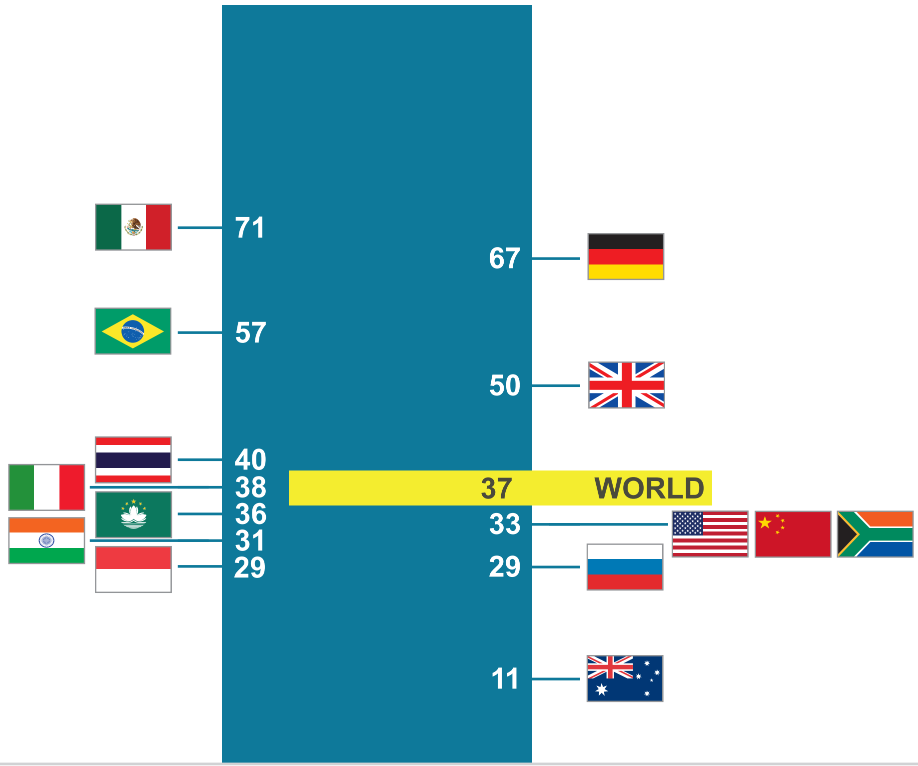


Actions Towards Digitisation

The Global Association of the Exhibition Industry

To find out how the exhibition industry is responding globally to the accelerating digitisation, we asked participants of the "Global Exhibition Barometer" to state whether or not they have implemented various digitisation activities.

"Yes, we have developed a digital / transformation strategy for the whole company."



Actions Towards Digitisation

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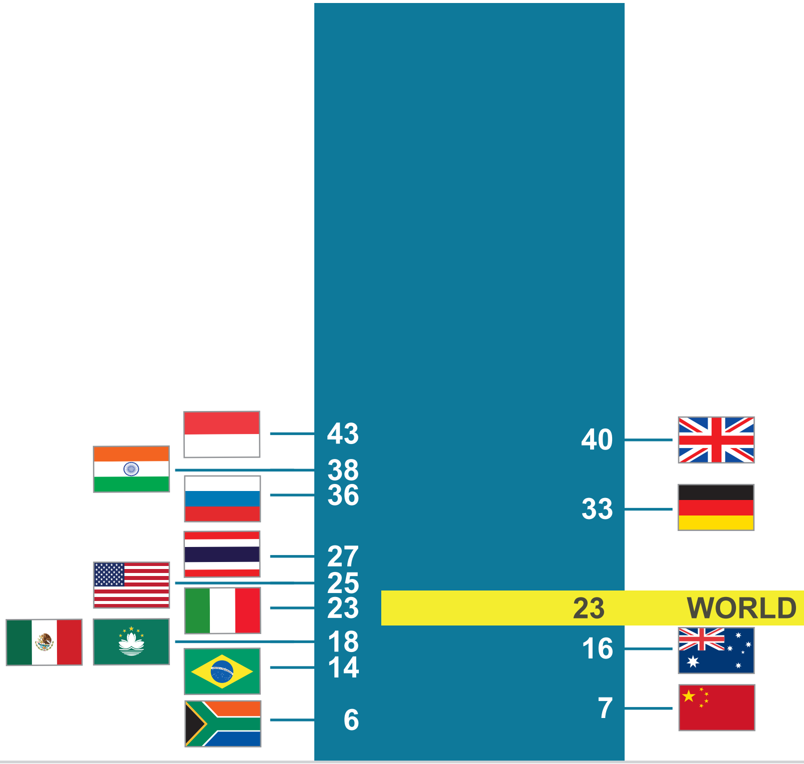
"Yes, we have developed a digital / transformation strategy for individual exhibitions / products."



Actions Towards Digitisation

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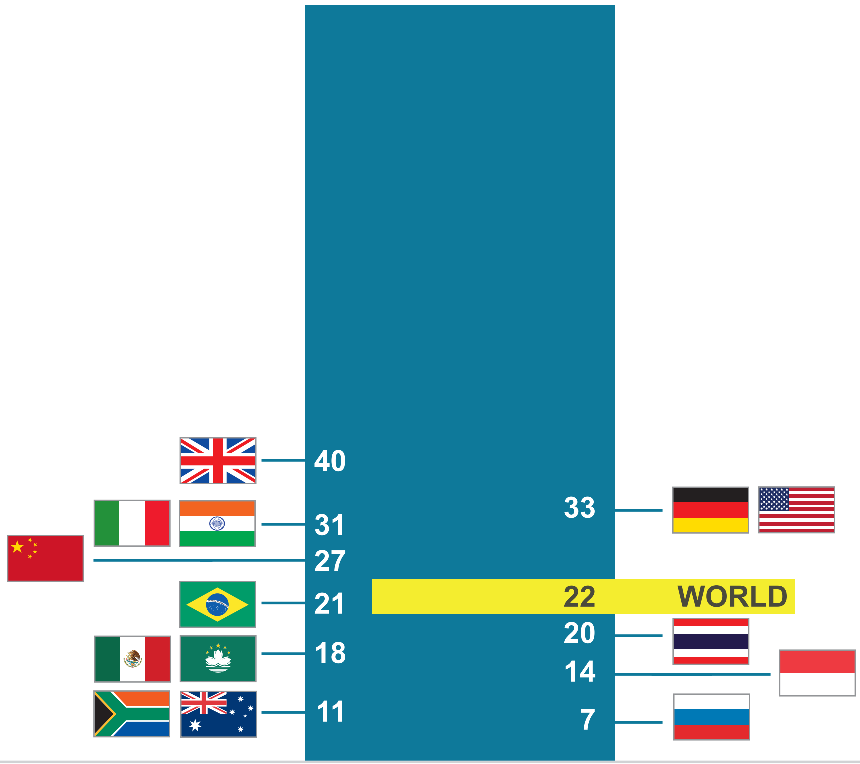
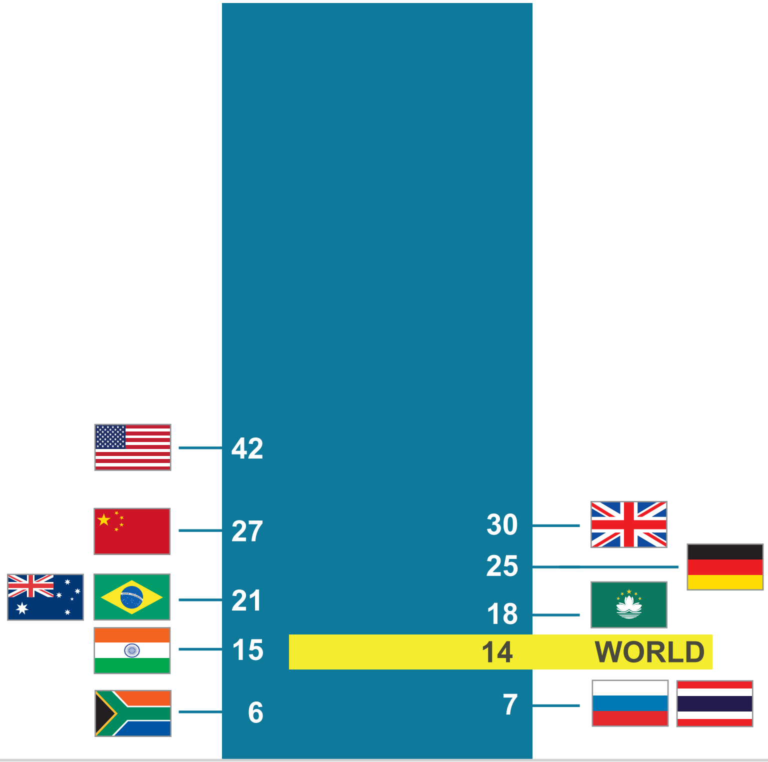
"Yes, we have created a designated function in the upper/top management (like a CDO, Head of Digital, etc)."



Actions Towards Digitisation

To find out how the exhibition industry is responding globally to the accelerating digitisation, we asked participants of the "Global Exhibition Barometer" to state whether or not they have implemented various digitisation activities.

"Yes, we have launched digital products not directly related to existing exhibitions."



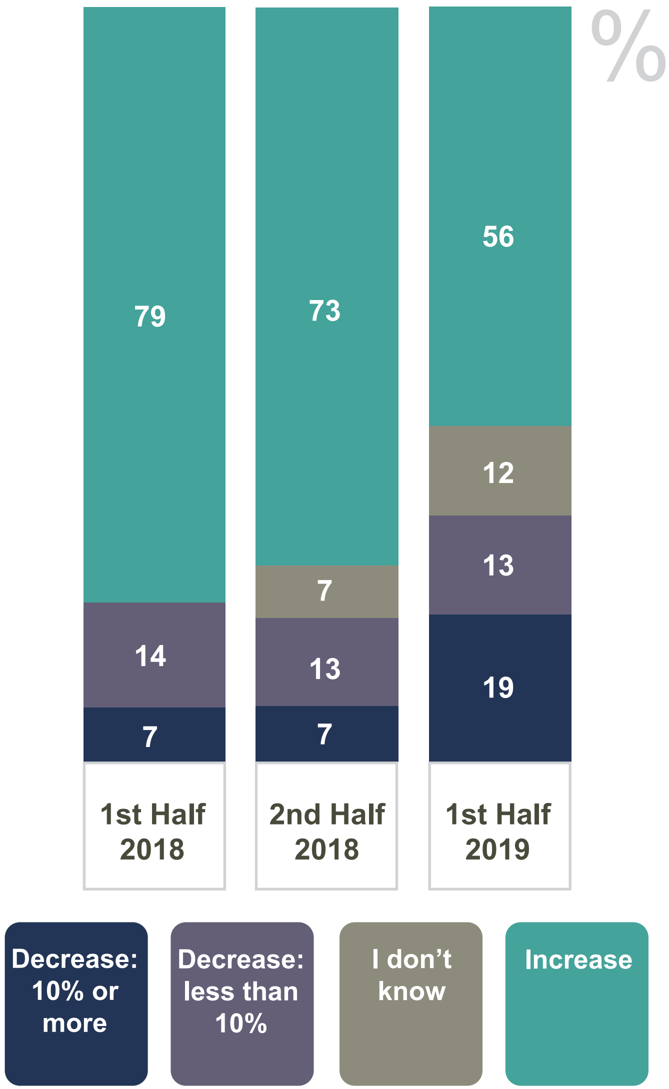
Part 2:
Detailed results for 18 selected countries or zones

North America:	Mexico US
Central and South America:	Brazil Other countries in Central & South America
Europe:	Germany Italy Russia United Kingdom Other countries in Europe
Africa:	South Africa
Middle East:	Middle East
Asia - Pacific:	Australia China India Indonesia Macau Thailand Other countries in Asia - Pacific

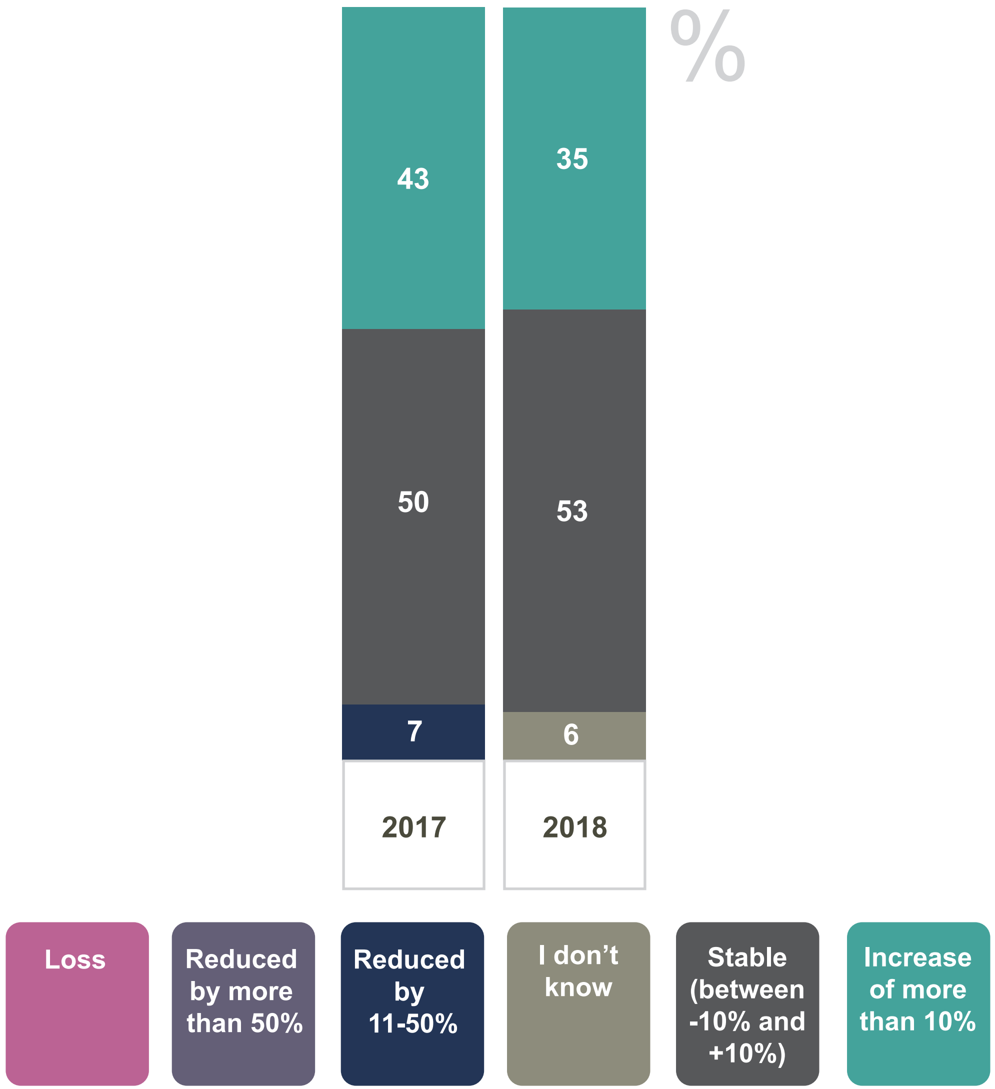
Detailed results for MEXICO

Financial expectations of Mexican exhibition companies compared to previous years

Turnover



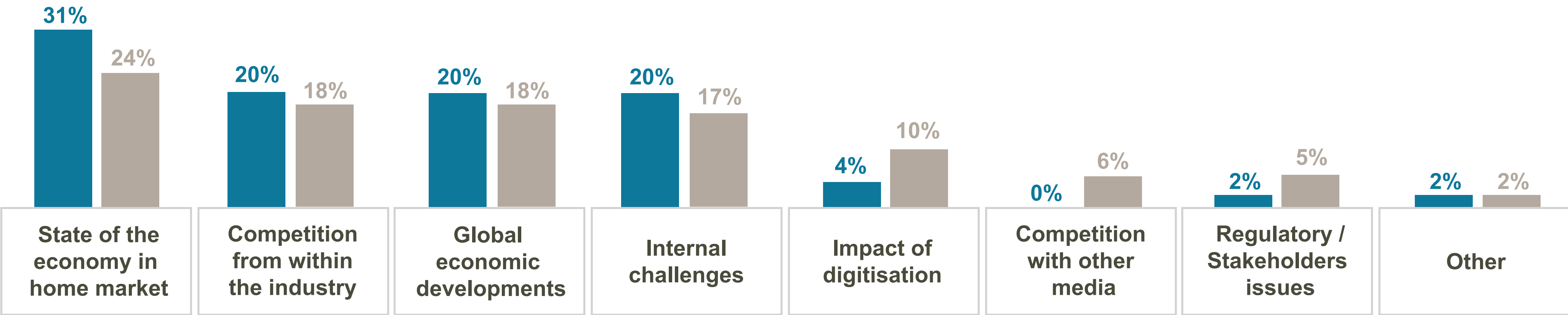
Operating Profit



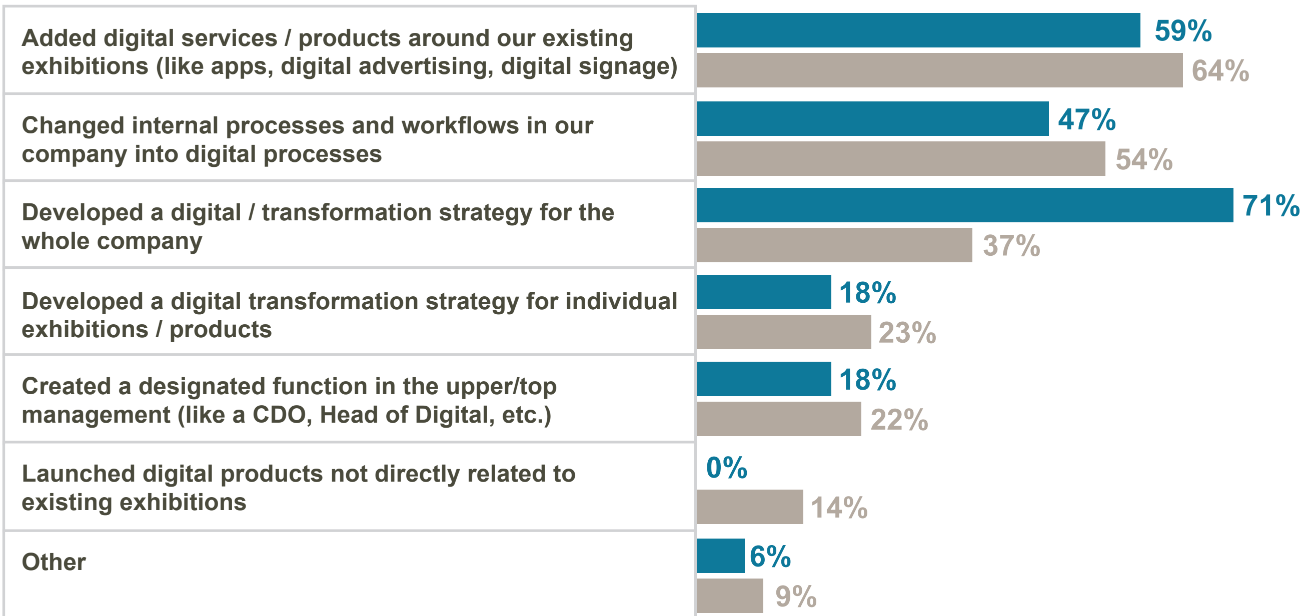
(17 answers in total)

Detailed results for MEXICO

Most important business issues in the exhibition industry in Mexico and globally



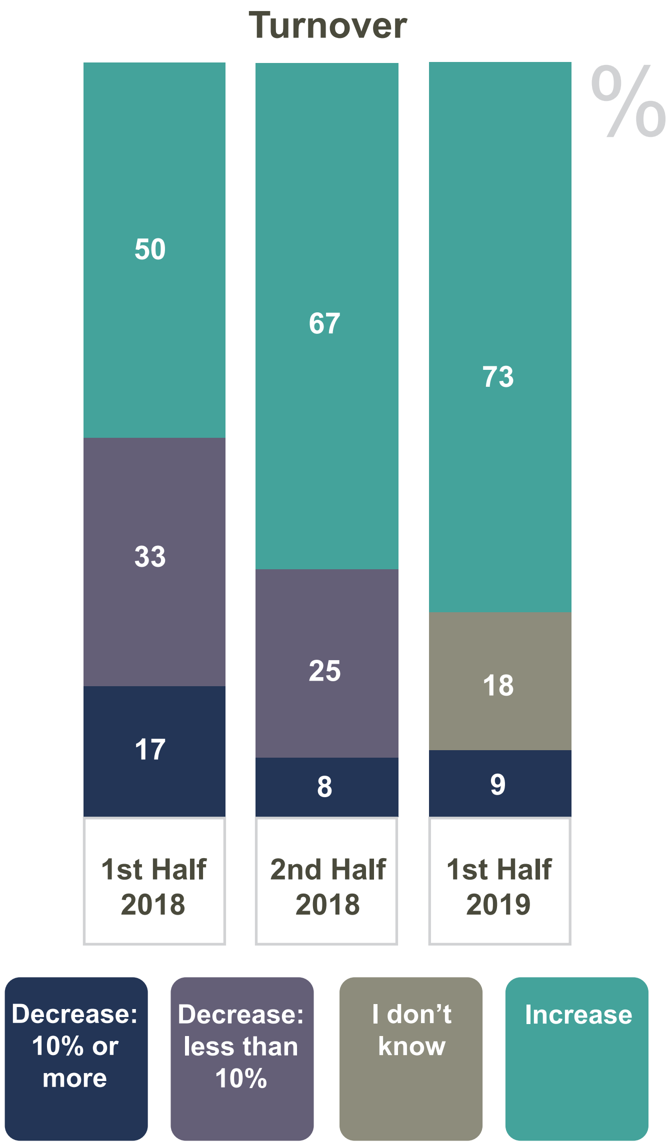
Digitisation: implementation in Mexico and globally

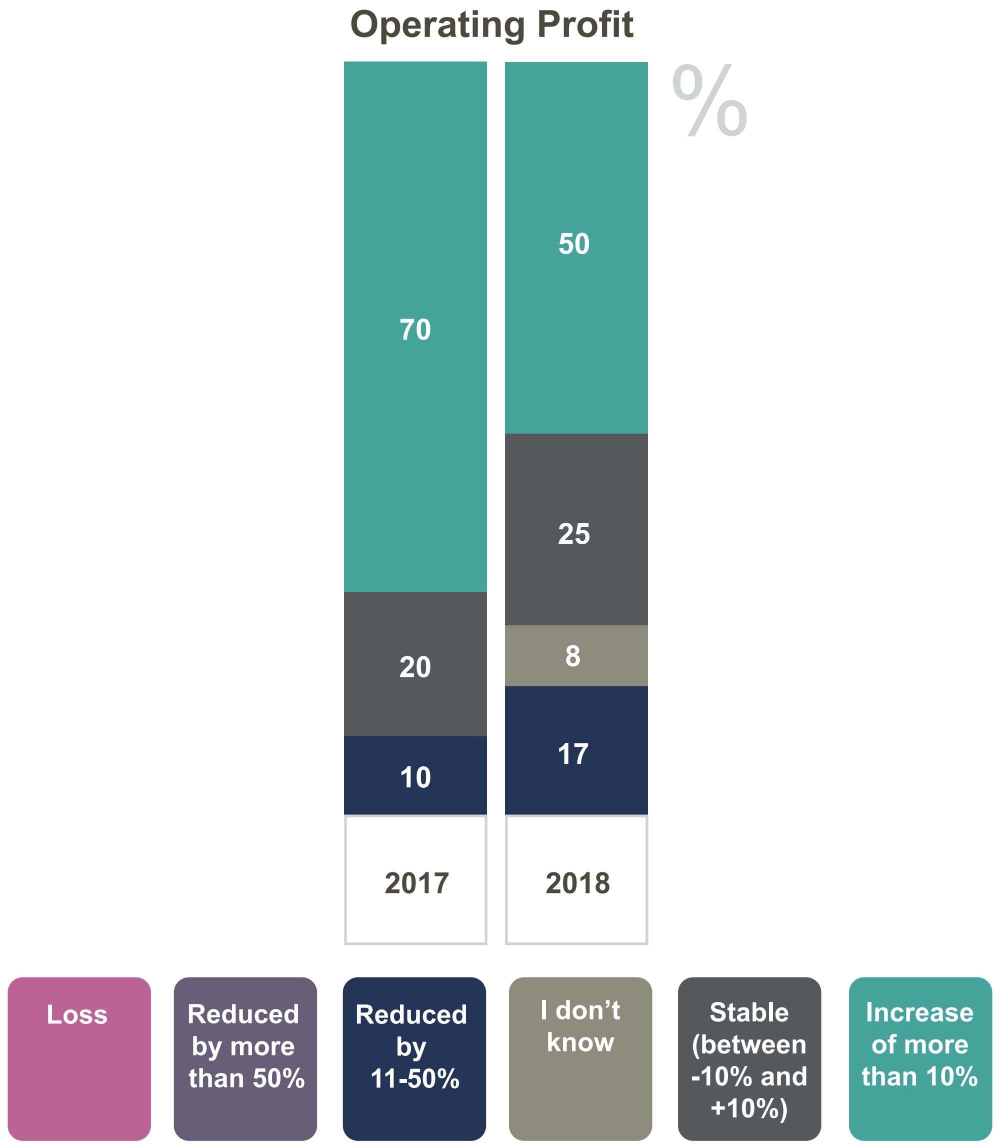


(17 answers in total)

Detailed results for US

Financial expectations of US exhibition companies compared to previous years

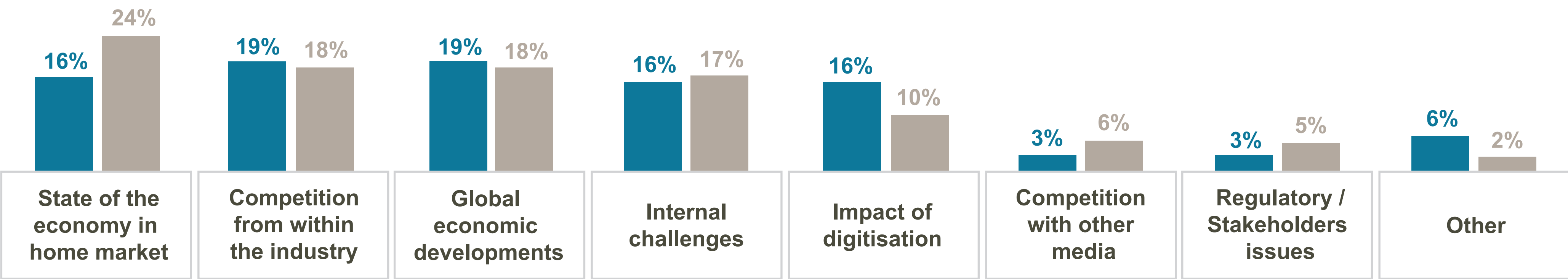




(14 answers in total)

Detailed results for US

Most important business issues in the exhibition industry in US and globally

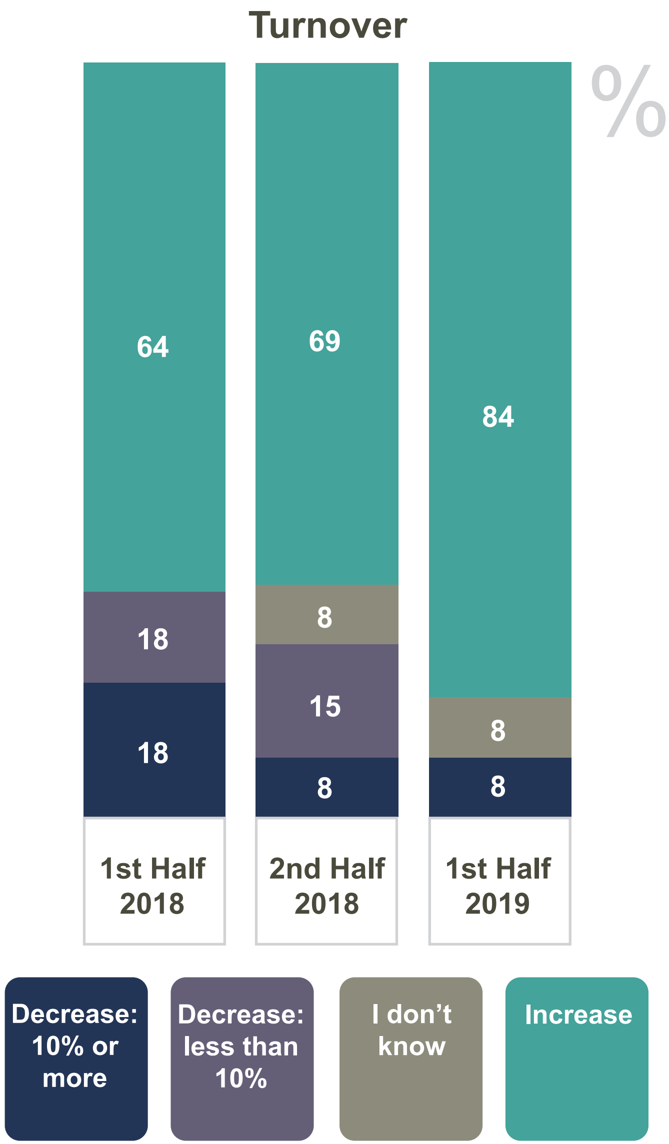


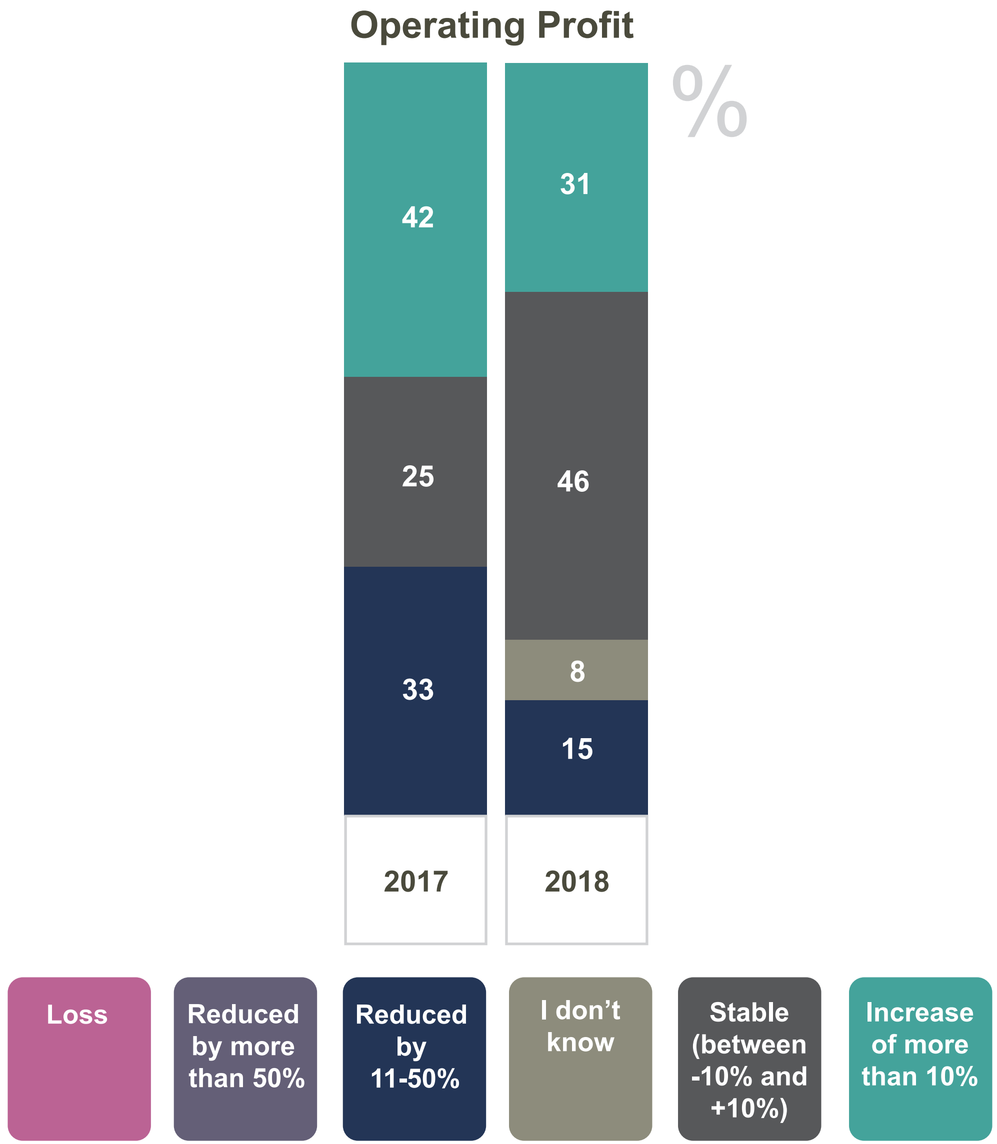
Digitisation: implementation in US and globally

(14 answers in total)

Detailed results for Brazil

Financial expectations of Brazilian exhibition companies compared to previous years

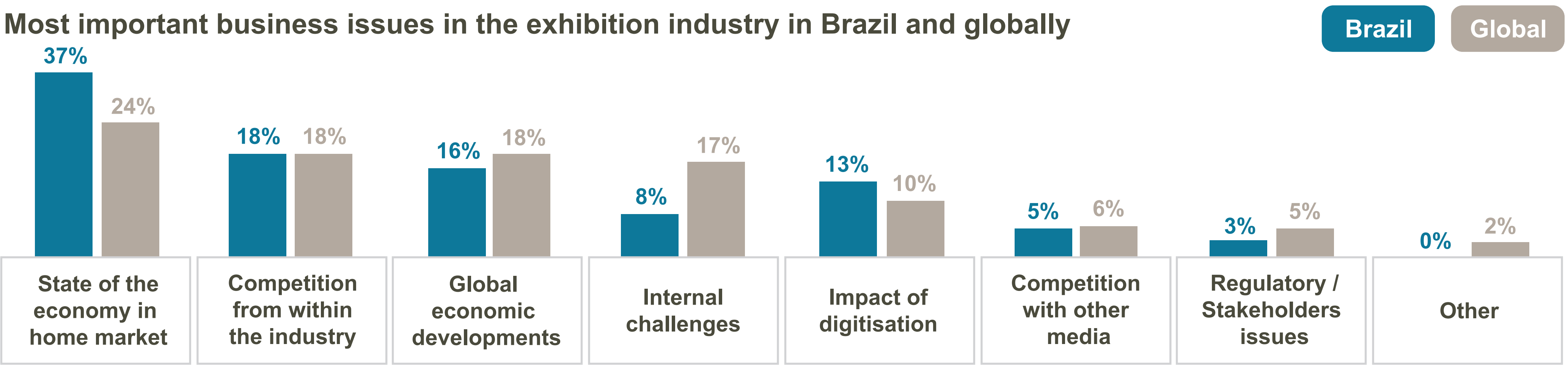




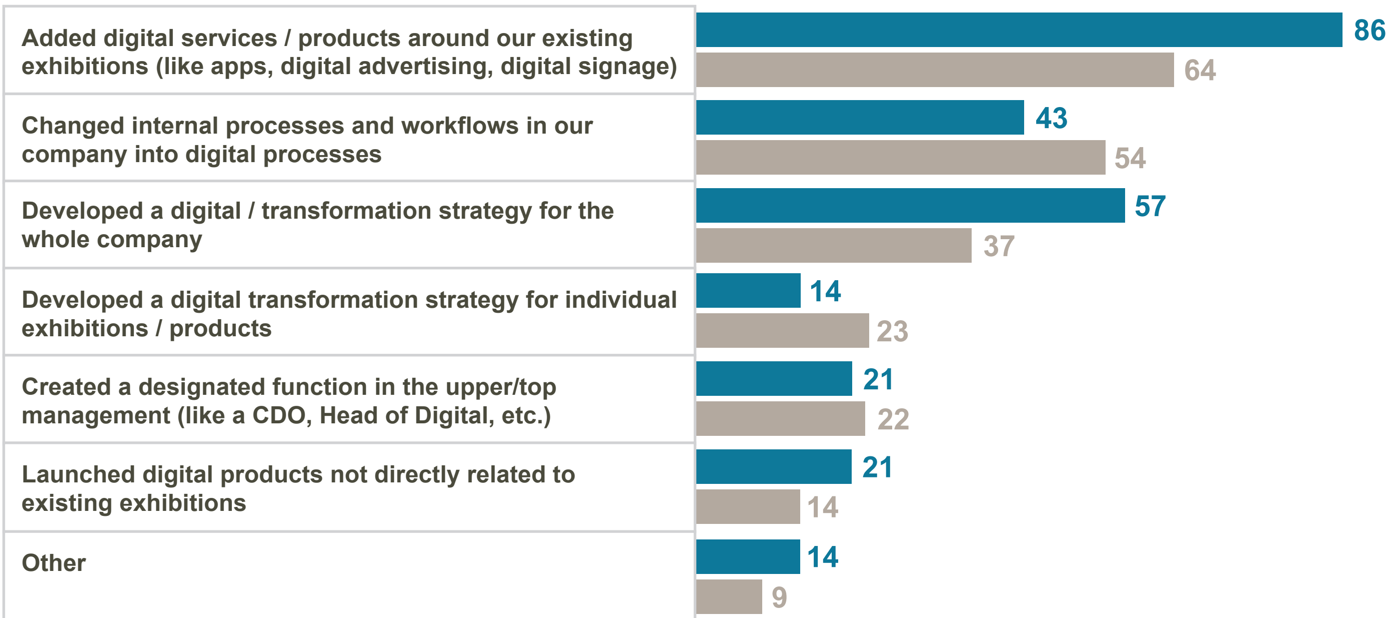
(14 answers in total)

Detailed results for Brazil

Most important business issues in the exhibition industry in Brazil and globally



Digitisation: implementation in Brazil and globally

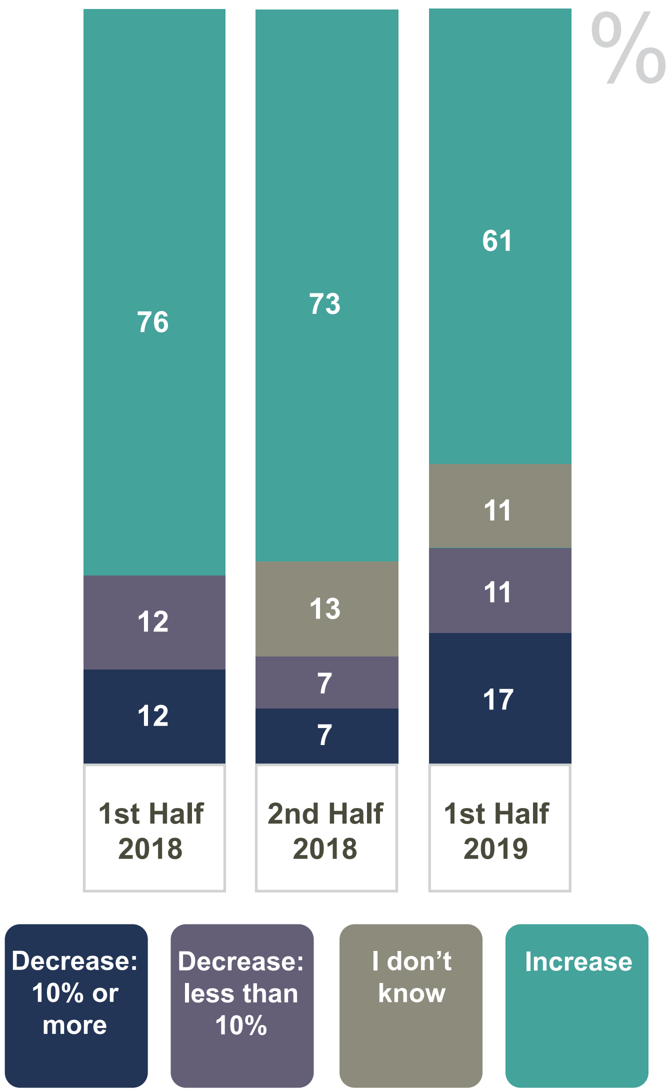


(14 answers in total)

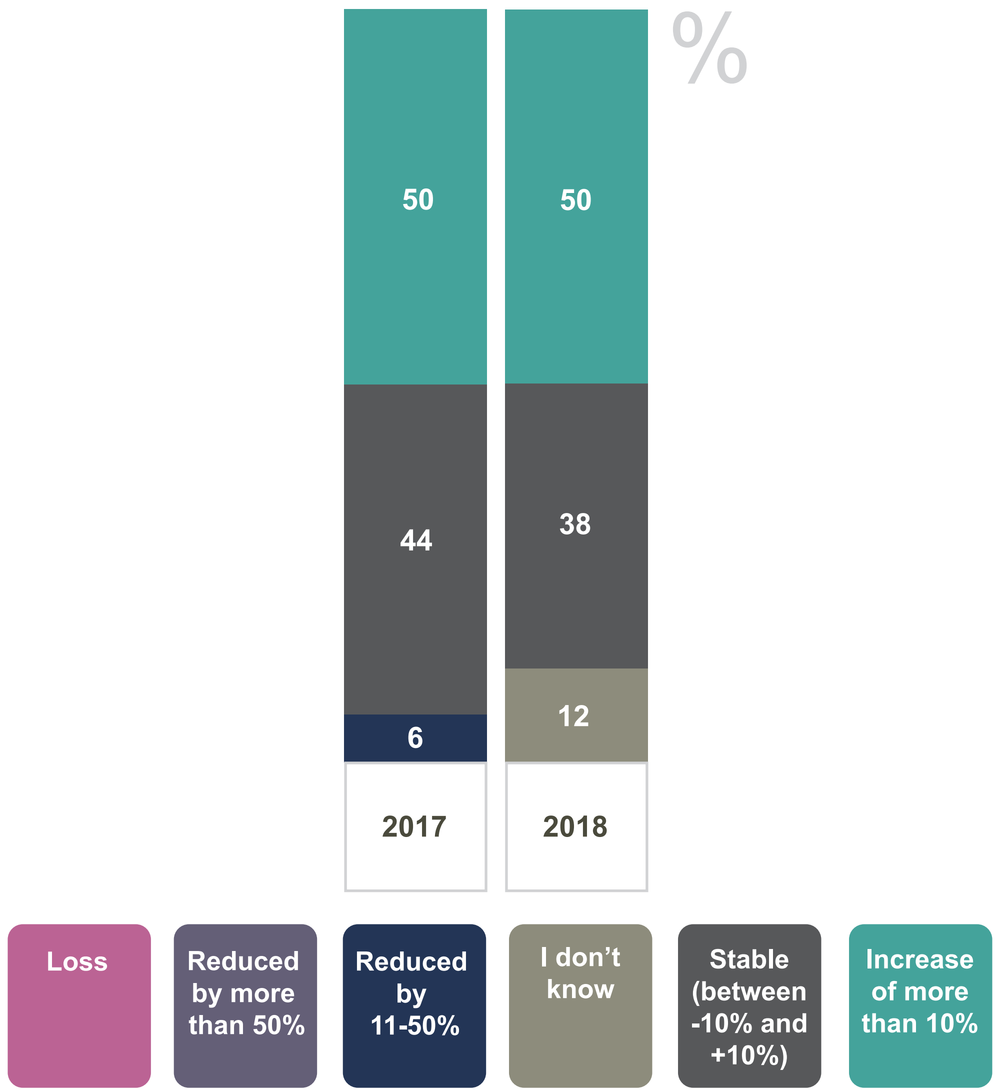
Detailed results for other countries in Central & South America

Financial expectations of Other countries in Central & South America exhibition companies compared to previous years

Turnover



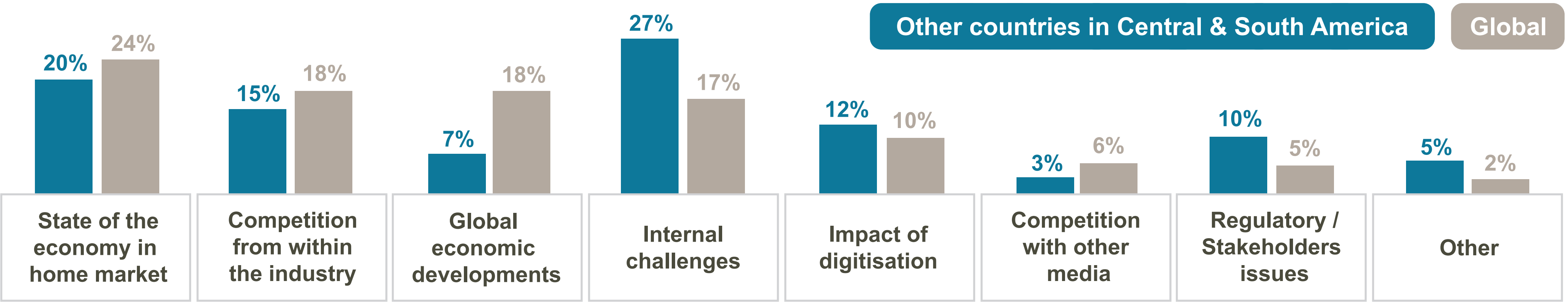
Operating Profit



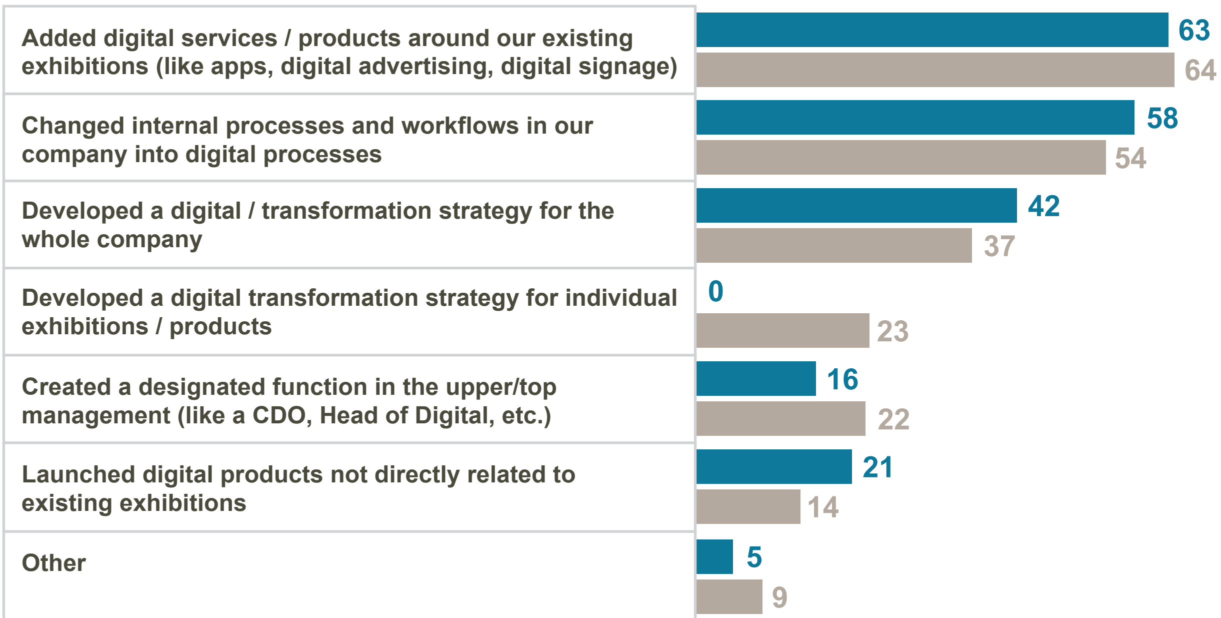
(19 answers in total)

Detailed results for other countries in Central & South America

Most important business issues in the exhibition industry in Other countries in Central & South America and globally



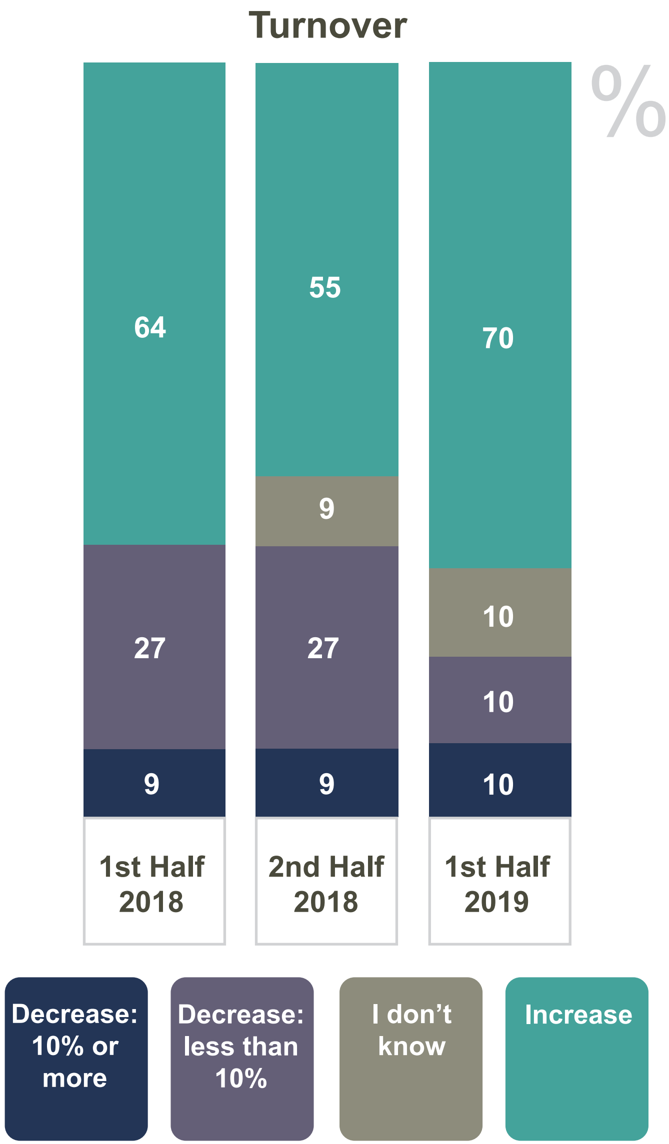
Digitisation: implementation in Other countries in Central & South America and globally

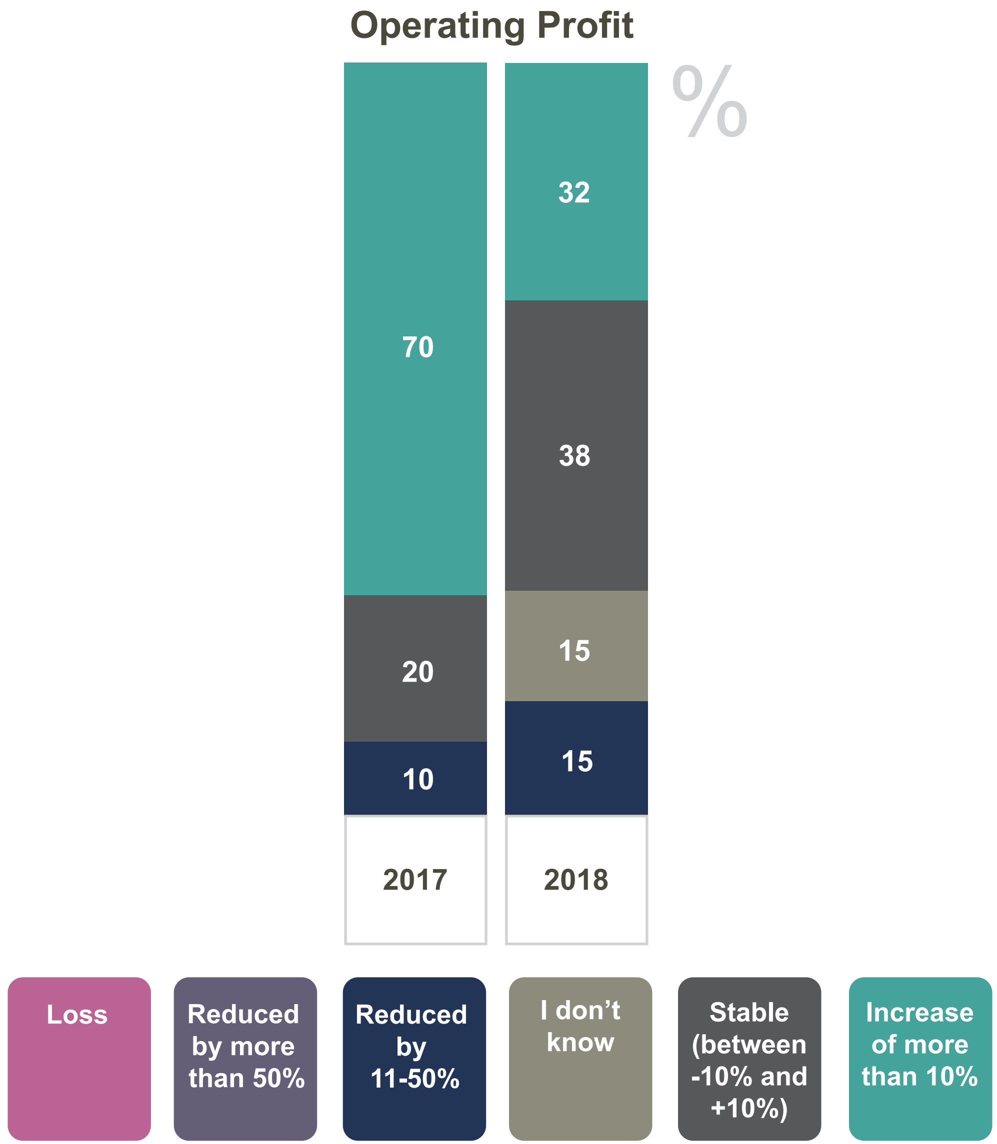


(19 answers in total)

Detailed results for Germany

Financial expectations of German exhibition companies compared to previous years



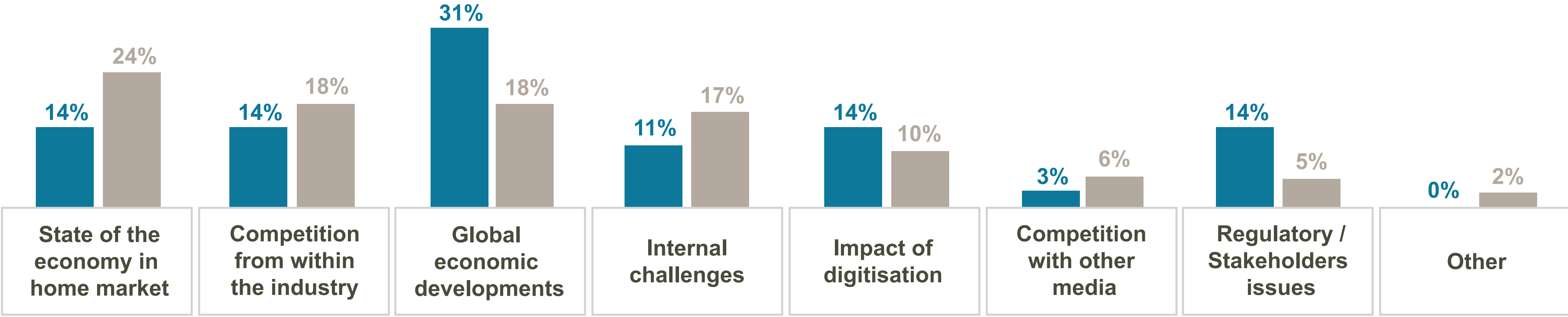


(14 answers in total)

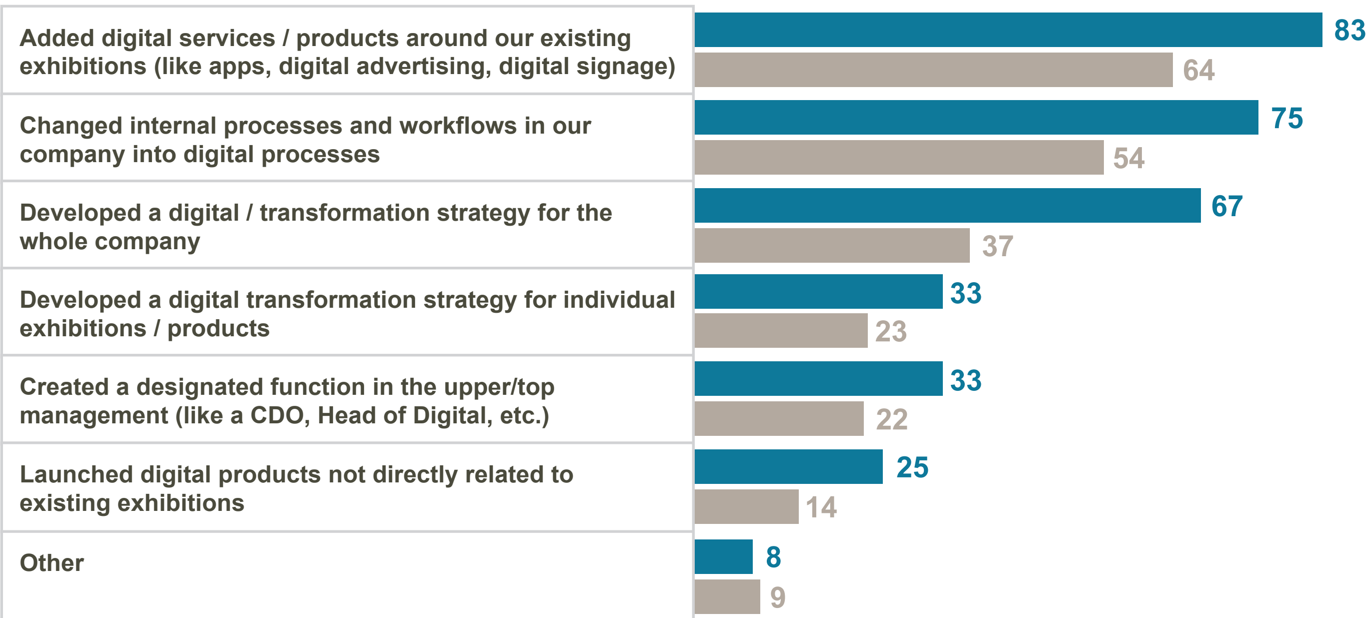
Detailed results for Germany

Most important business issues in the exhibition industry in Germany and globally

Germany Global



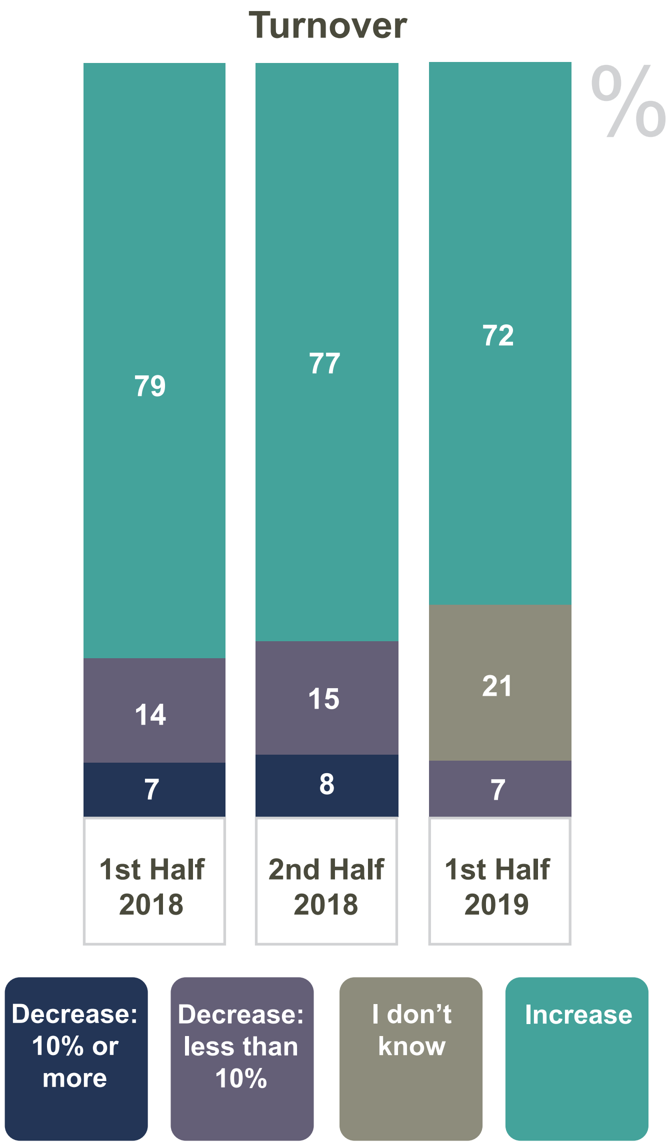
Digitisation: implementation in Germany and globally

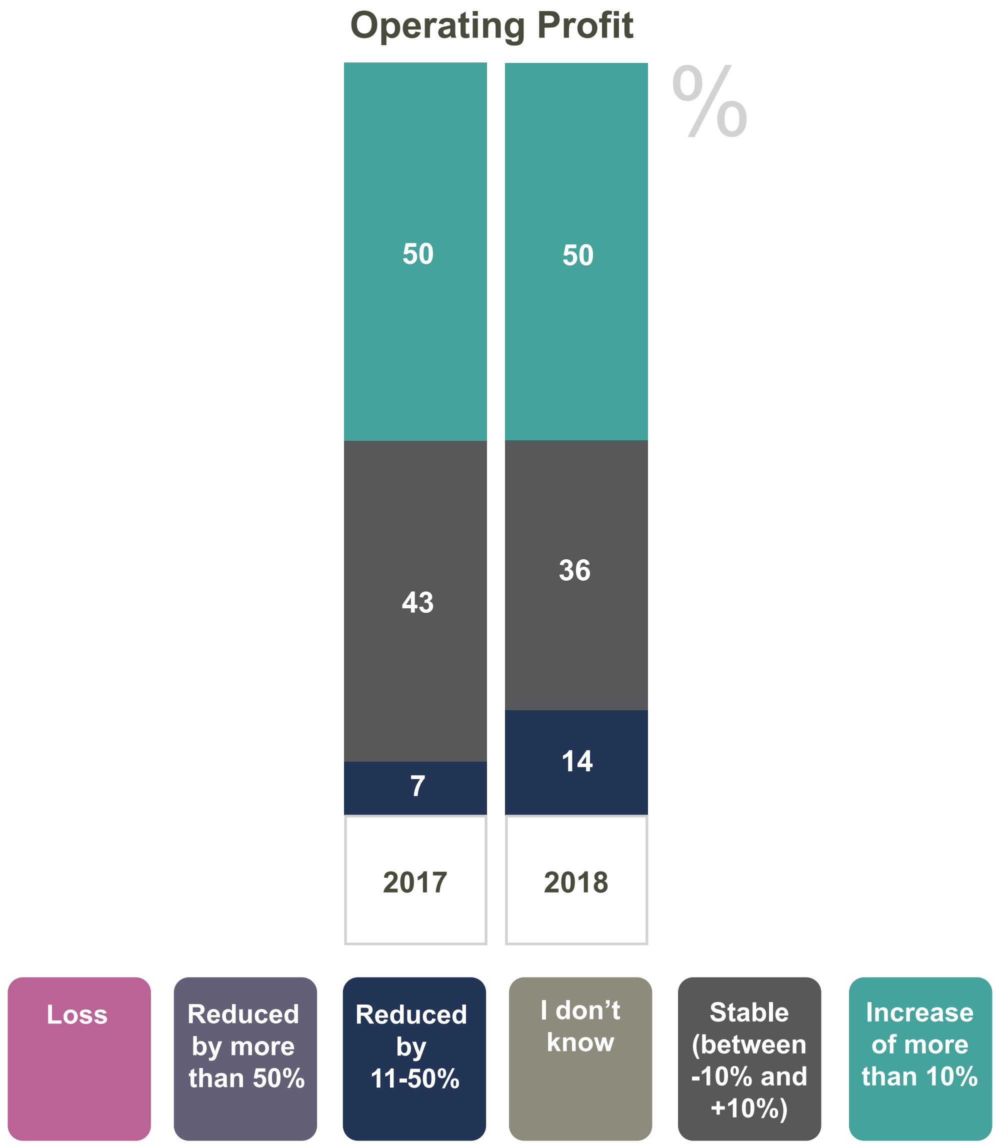


(14 answers in total)

Detailed results for Italy

Financial expectations of Italian exhibition companies compared to previous years



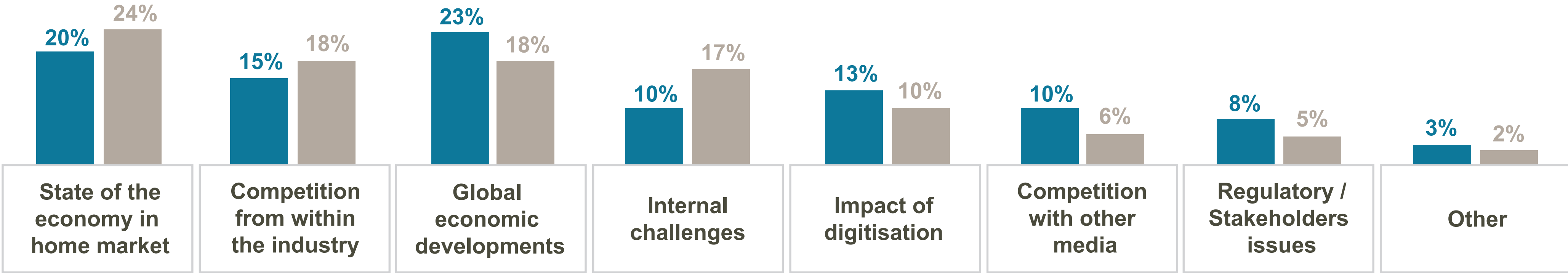


(14 answers in total)

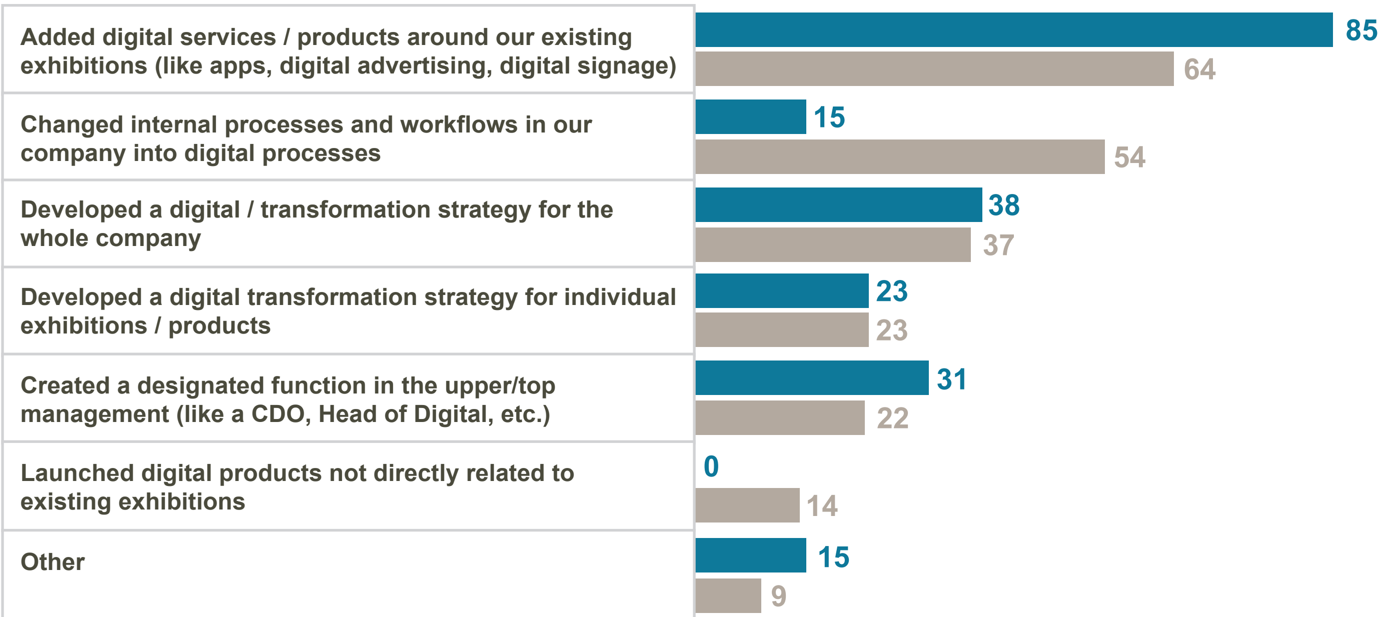
Detailed results for Italy

Most important business issues in the exhibition industry in Italy and globally

Italy Global



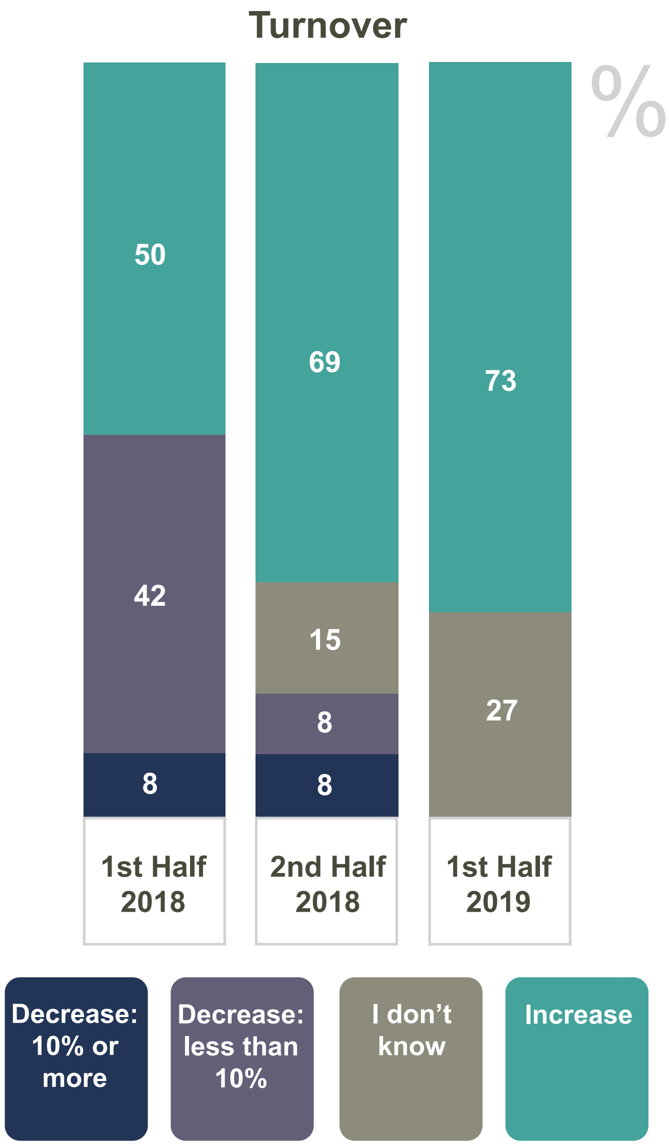
Digitisation: implementation in Italy and globally

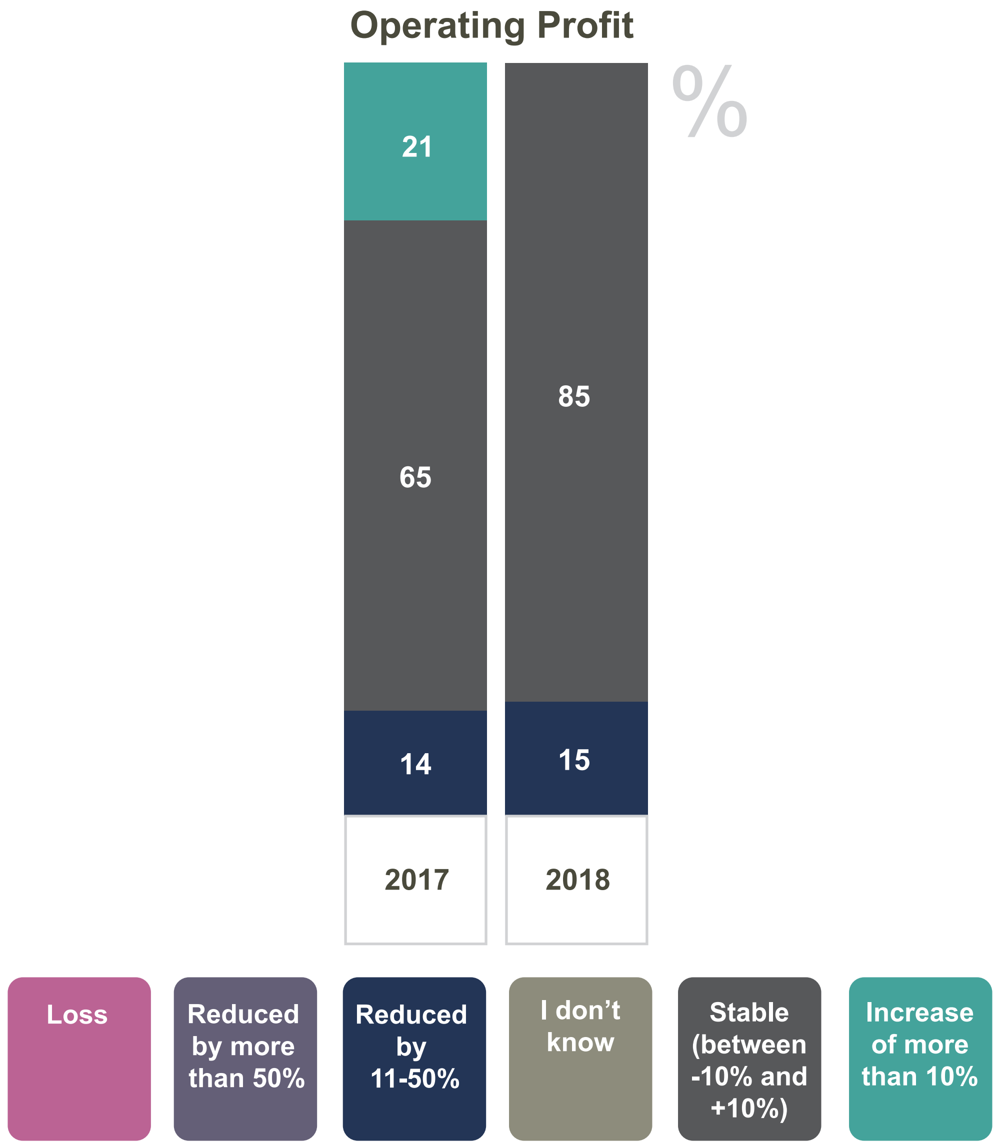


(14 answers in total)

Detailed results for Russia

Financial expectations of Russian exhibition companies compared to previous years

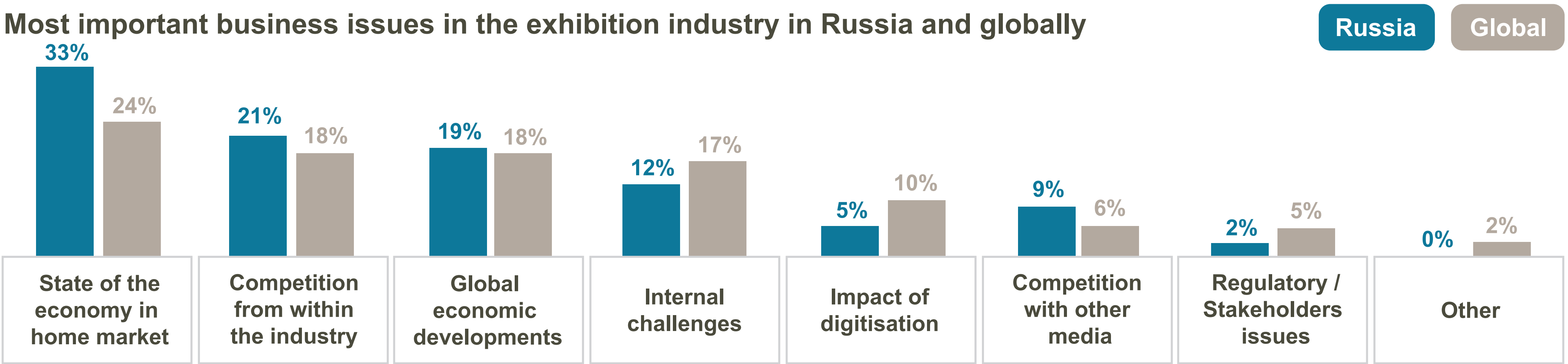




(16 answers in total)

Detailed results for Russia

Most important business issues in the exhibition industry in Russia and globally

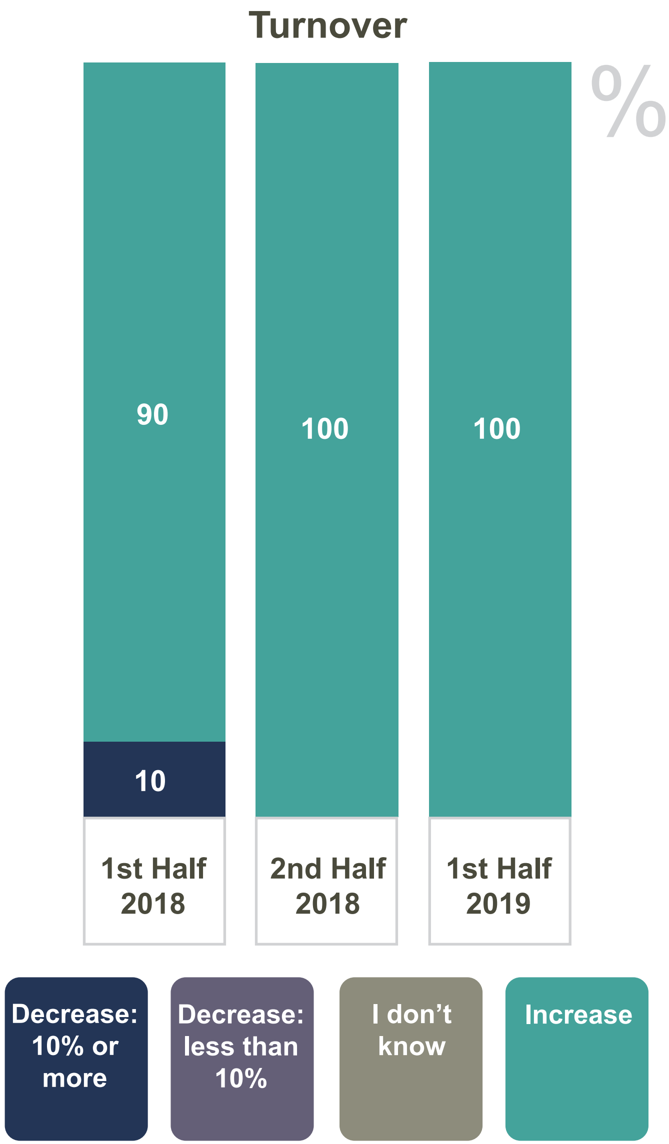


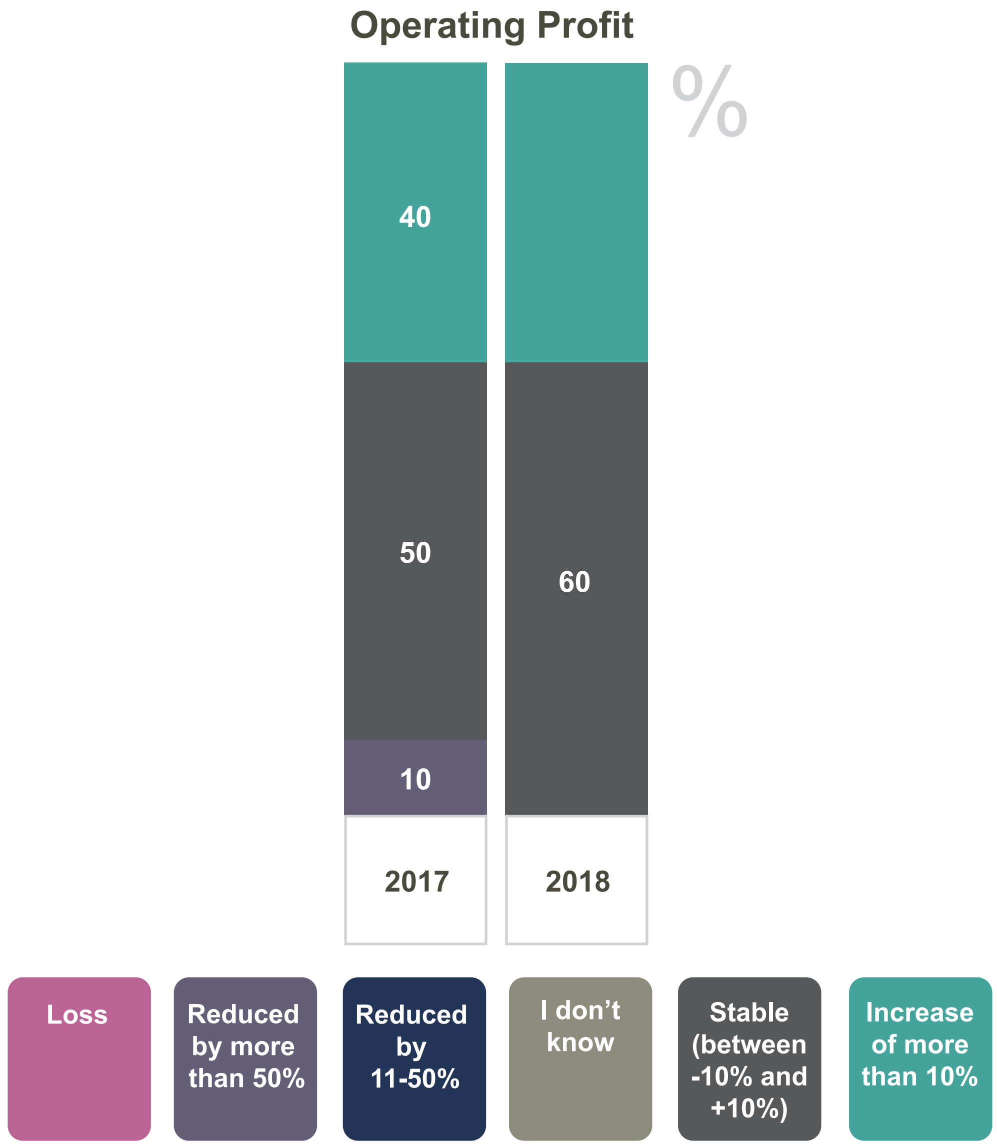
Digitisation: implementation in Russia and globally

(16 answers in total)

Detailed results for UK

Financial expectations of UK exhibition companies compared to previous years

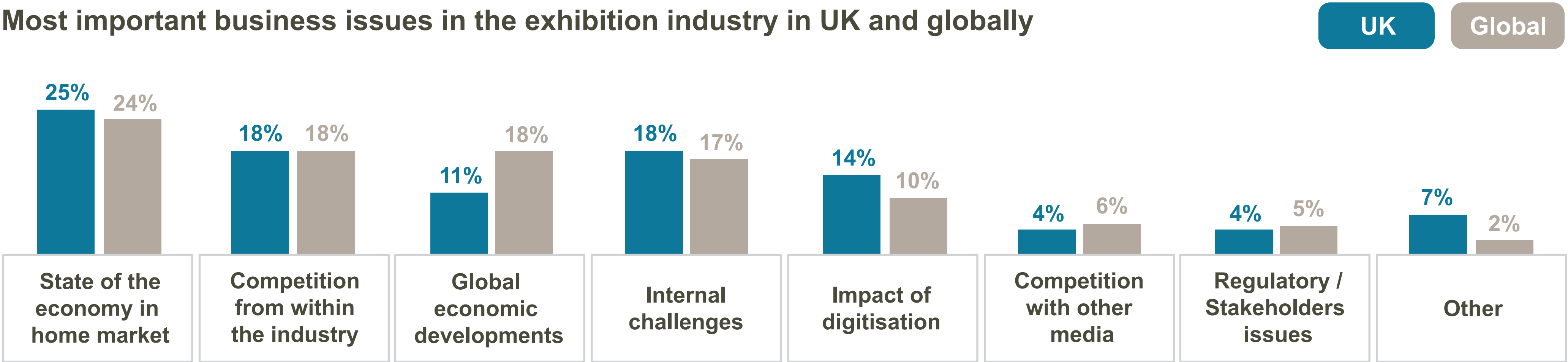




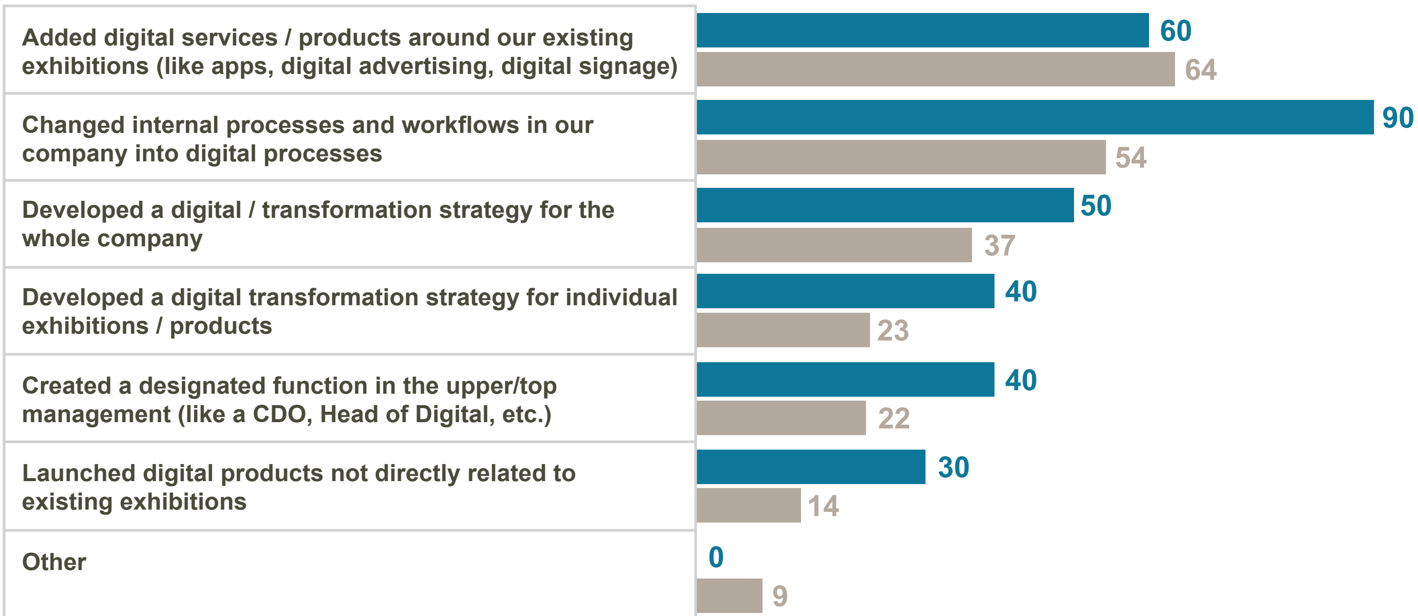
(10 answers in total)

Detailed results for UK

Most important business issues in the exhibition industry in UK and globally



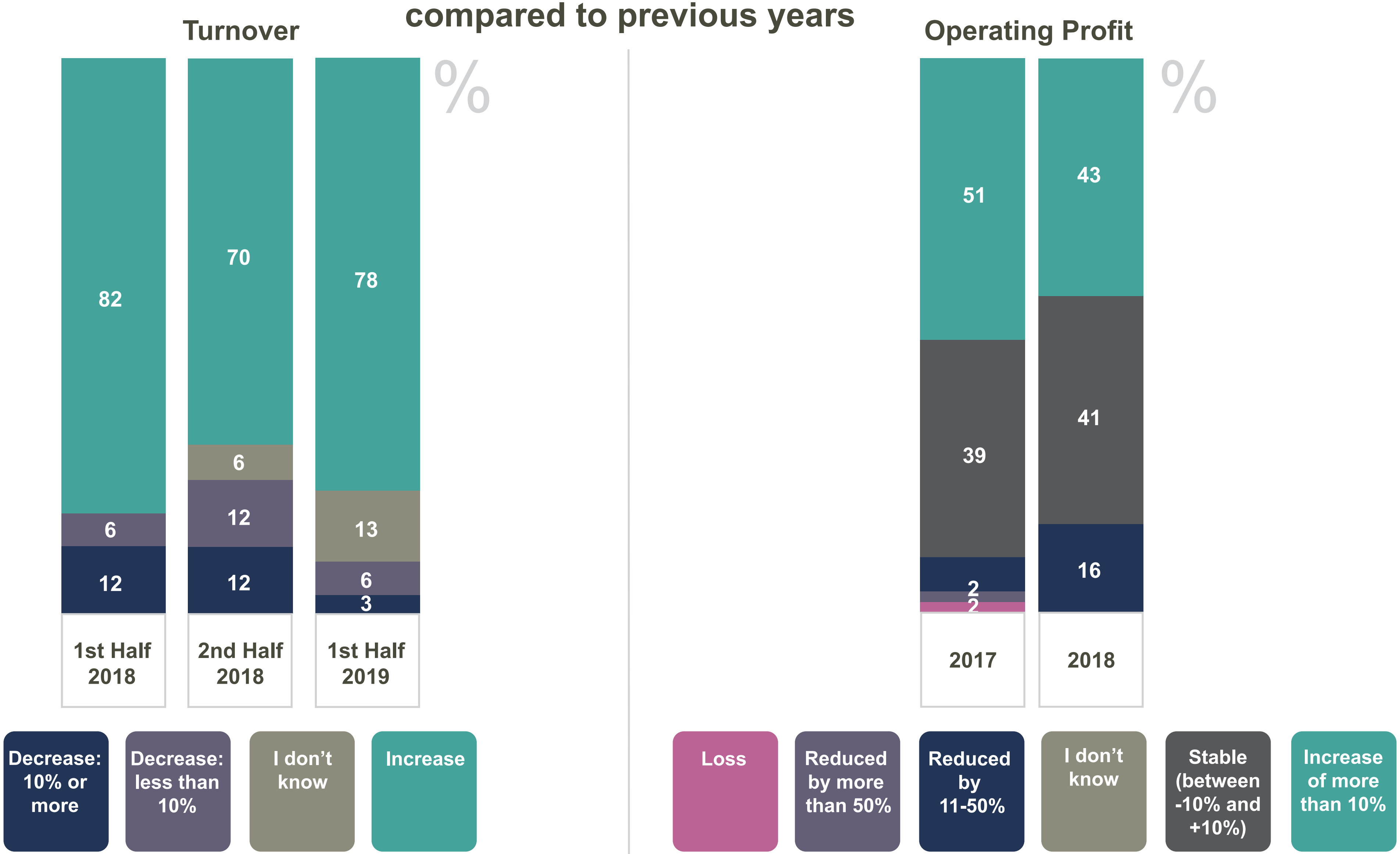
Digitisation: implementation in UK and globally



(10 answers in total)

Detailed results for other countries in Europe

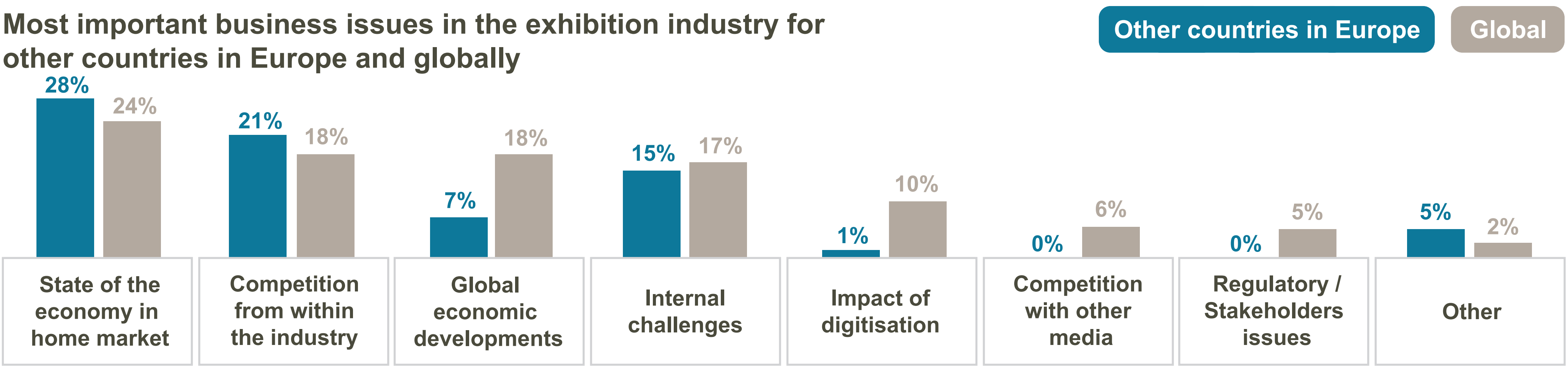
Financial expectations of exhibition companies from other countries in Europe compared to previous years



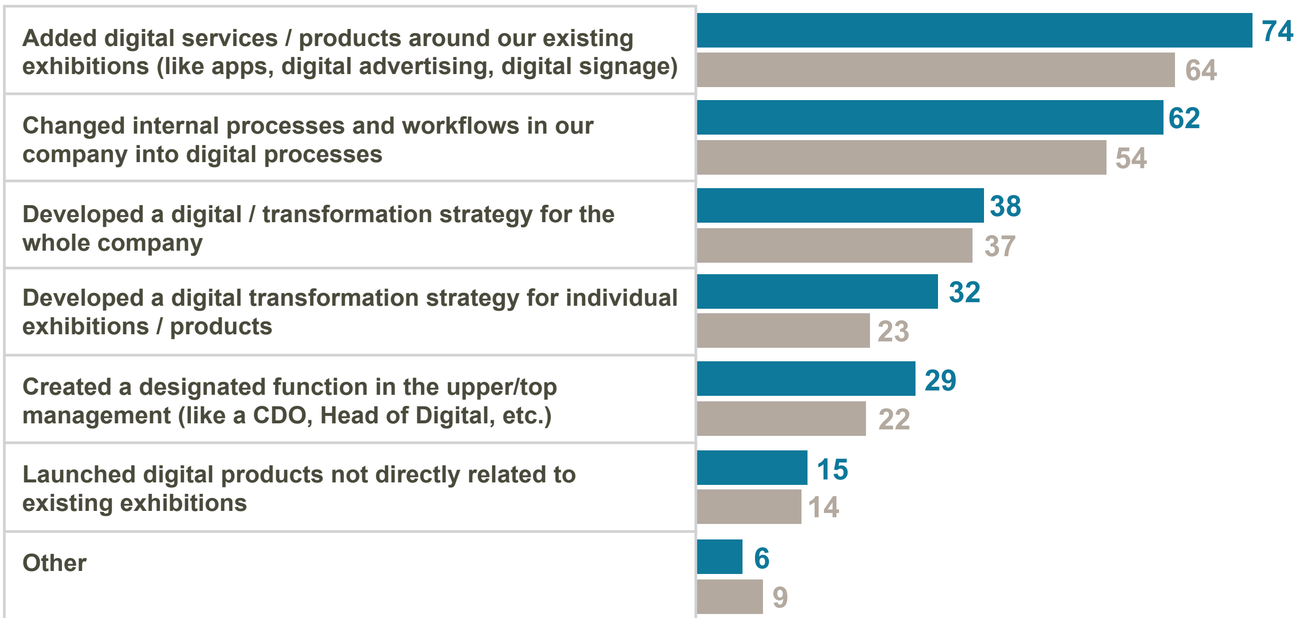
(31 answers in total)

Detailed results for other countries in Europe

Most important business issues in the exhibition industry for other countries in Europe and globally



Digitisation: implementation in other countries in Europe and globally

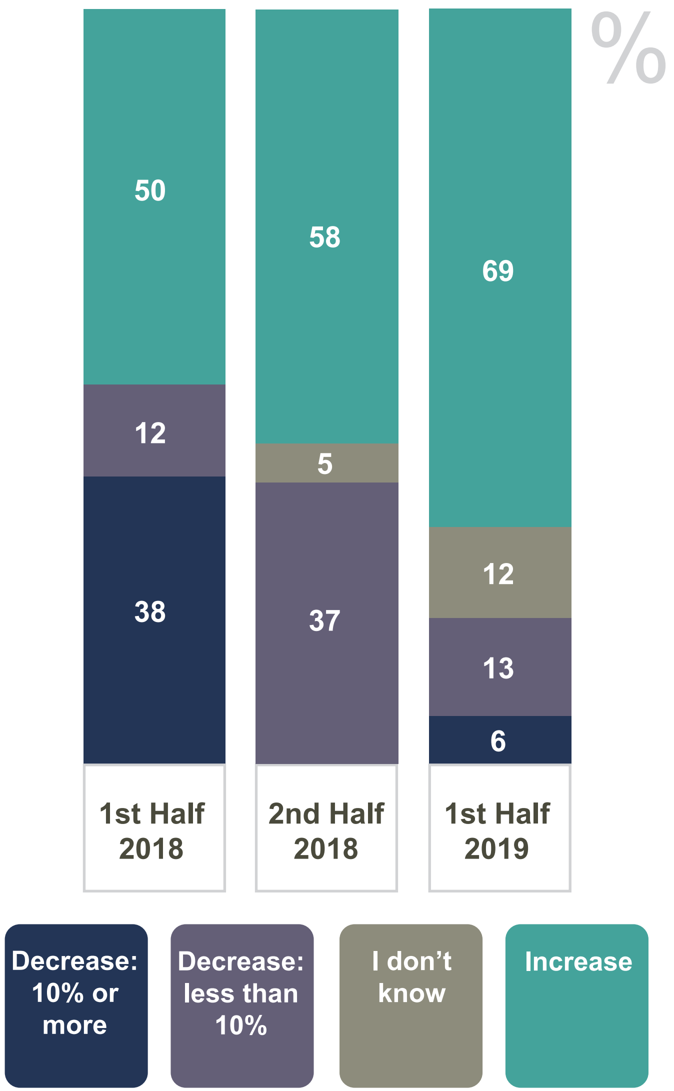


(31 answers in total)

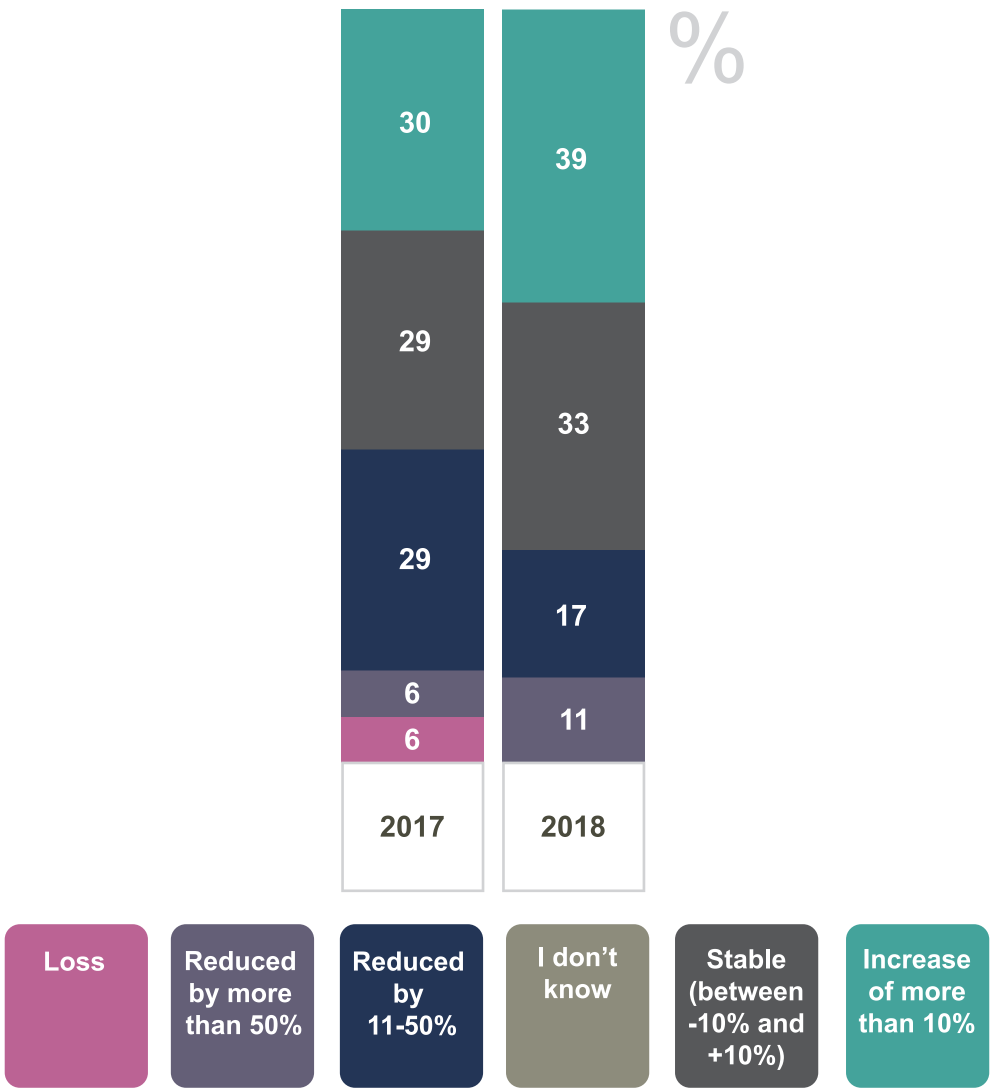
Detailed results for South Africa

Financial expectations of South African exhibition companies compared to previous years

Turnover



Operating Profit

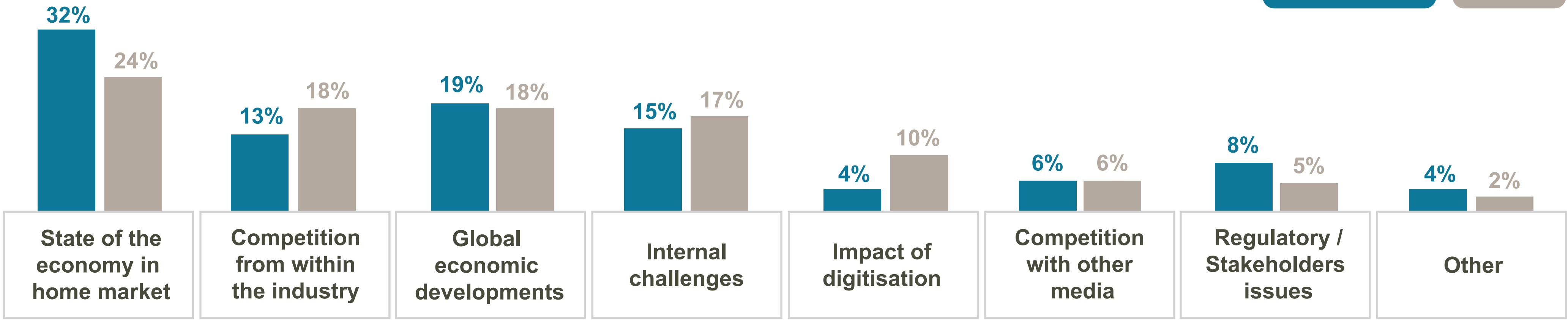


(22 answers in total)

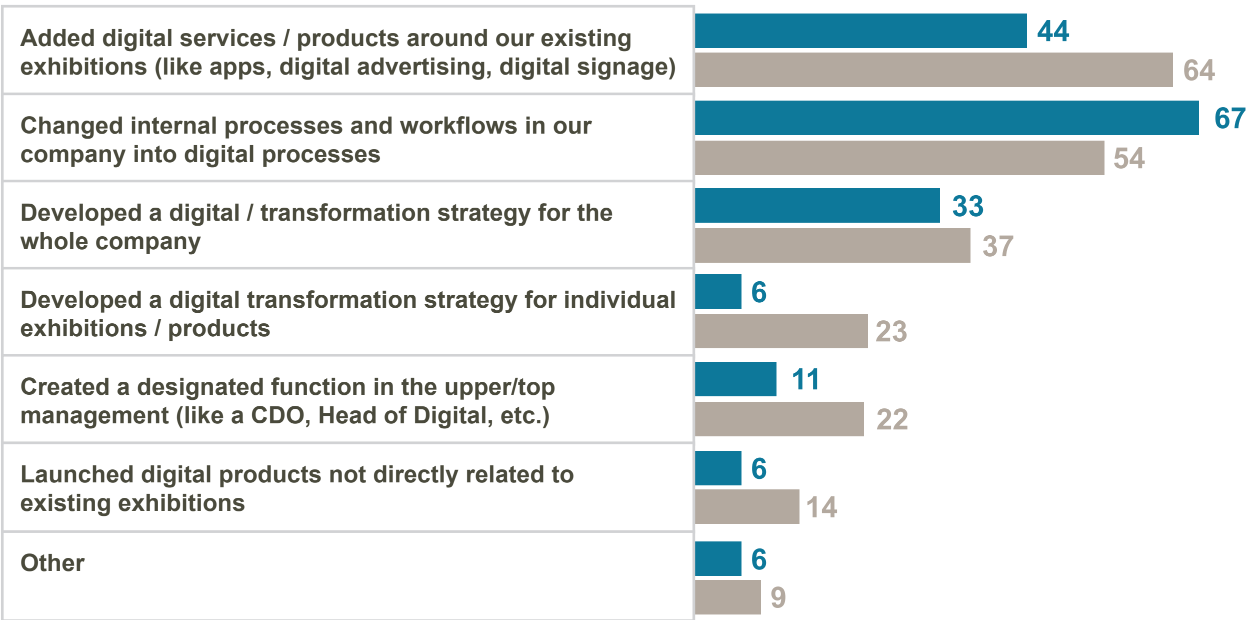
Detailed results for South Africa

Most important business issues in the exhibition industry in South Africa and globally

South Africa Global



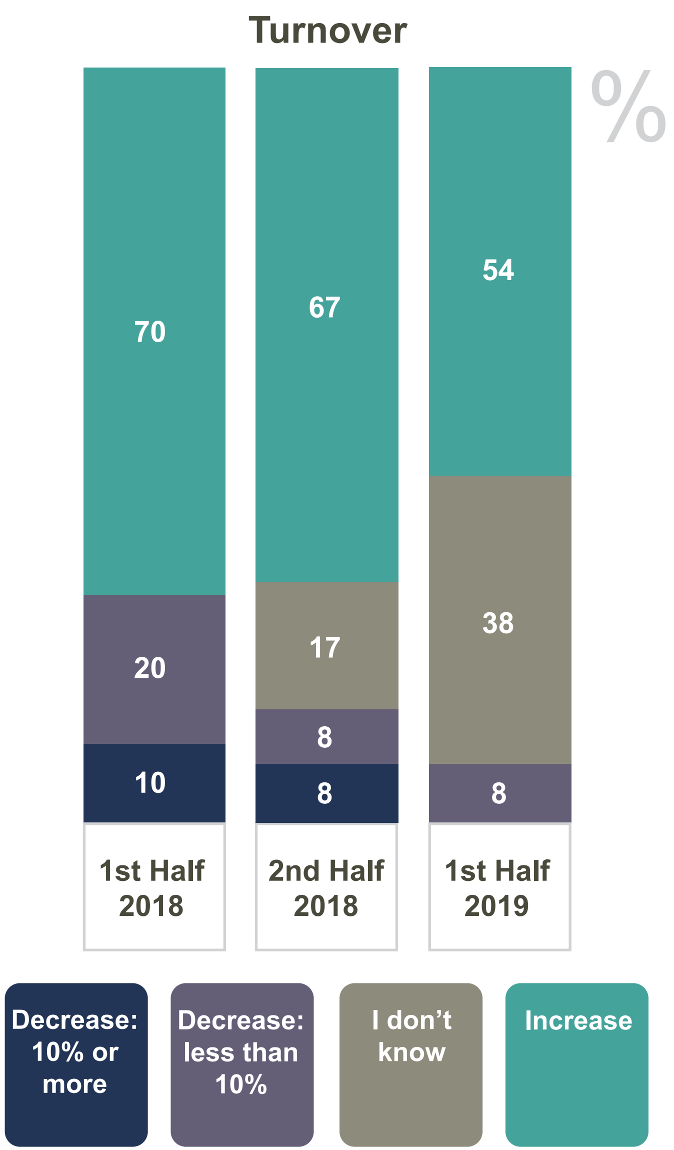
Digitisation: implementation in South Africa and globally

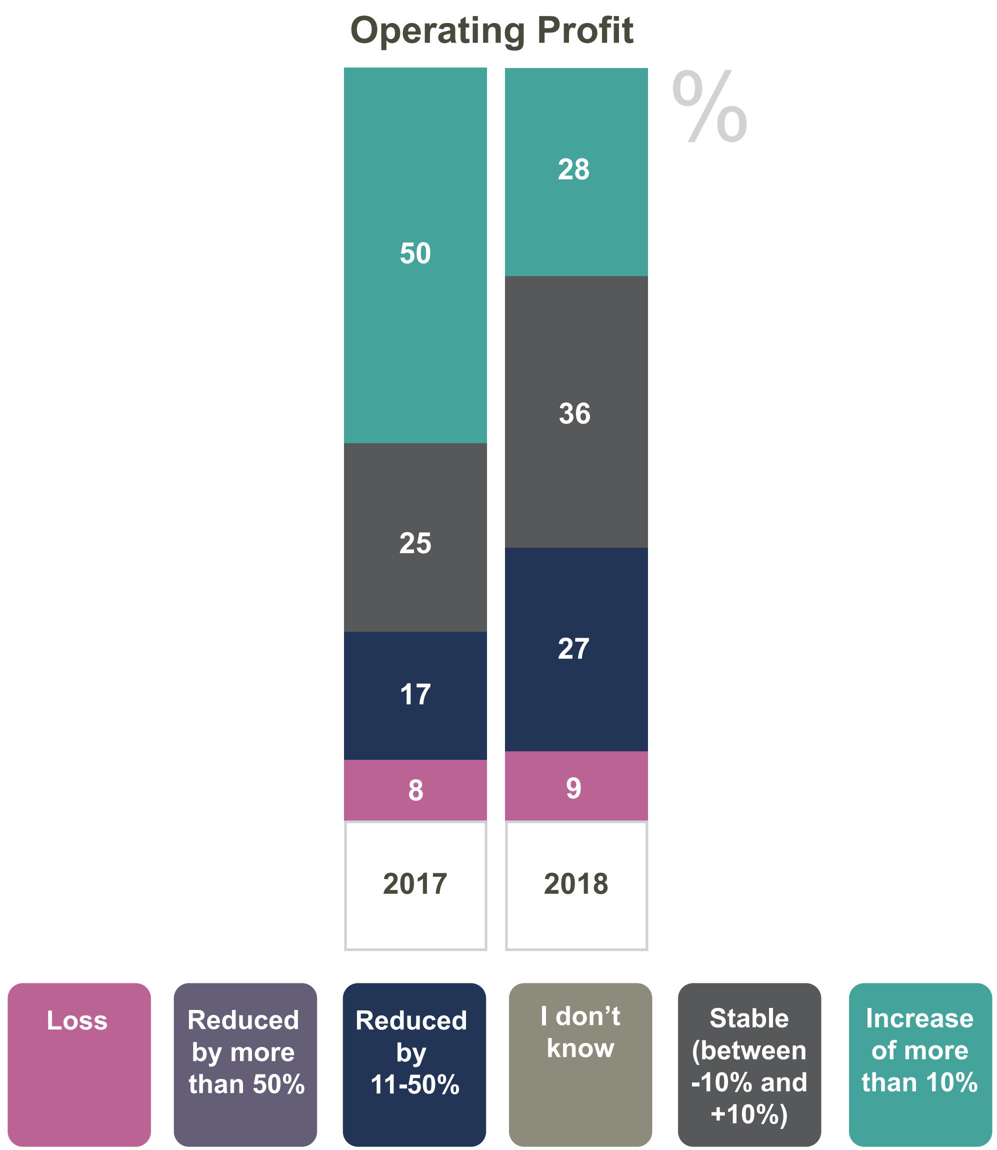


(22 answers in total)

Detailed results the Middle East

Financial expectations of Middle East exhibition companies compared to previous years



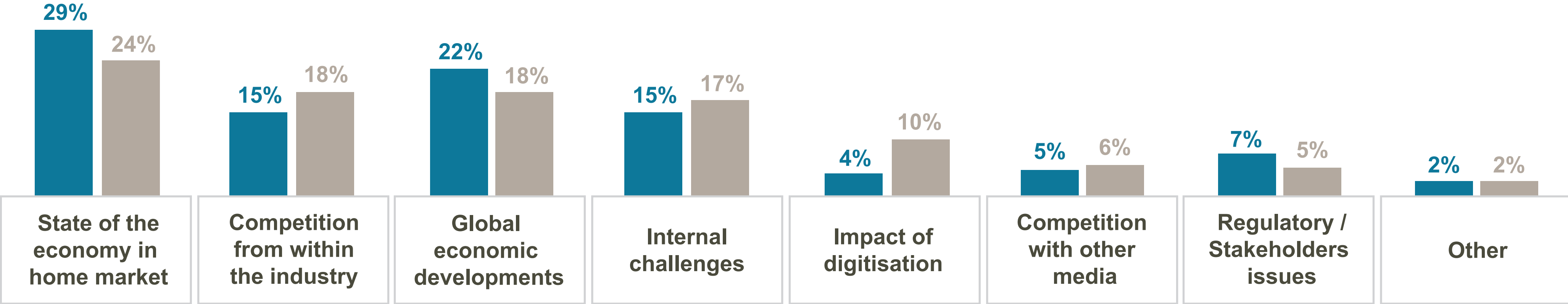


(15 answers in total)

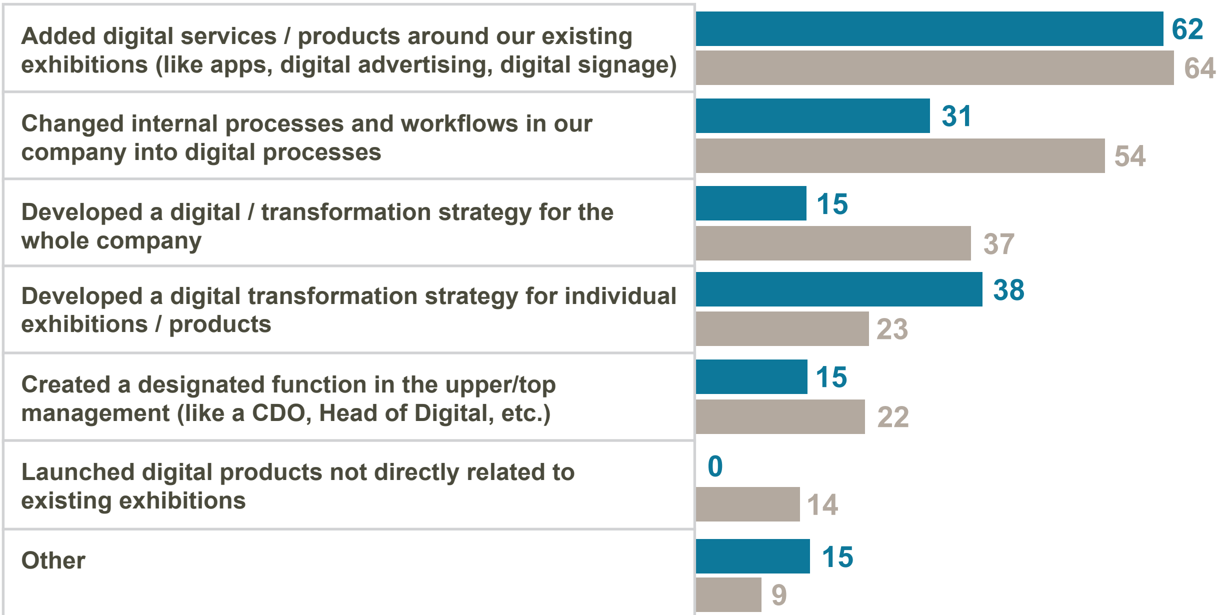
Detailed results the Middle East

Most important business issues in the exhibition industry in the Middle East and globally

Middle East Global



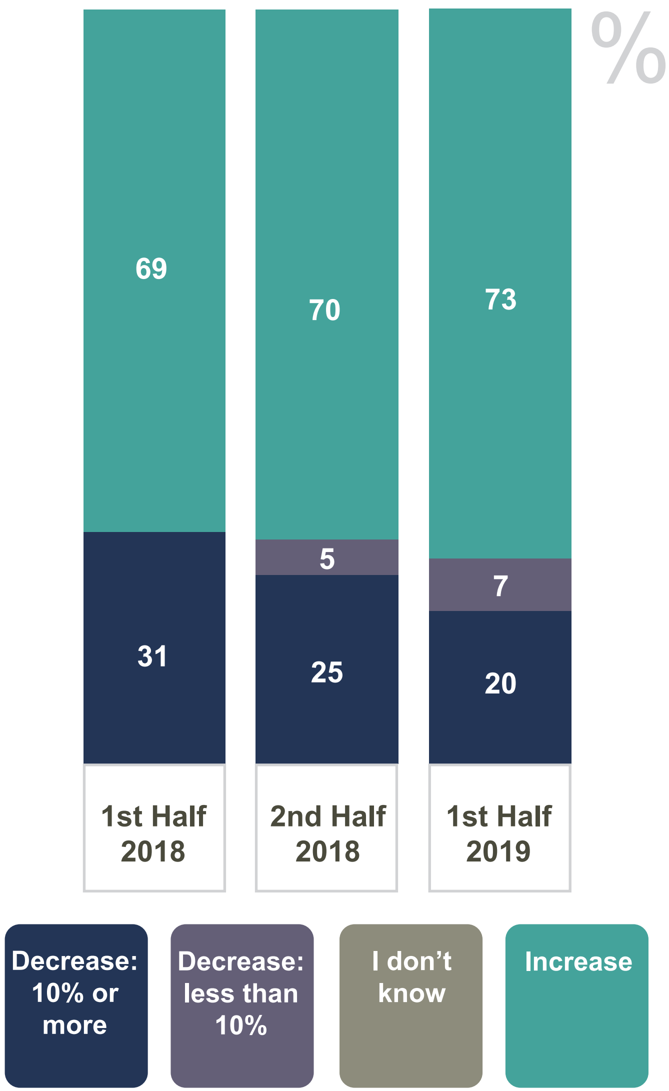
Digitisation: implementation in the Middle East and globally

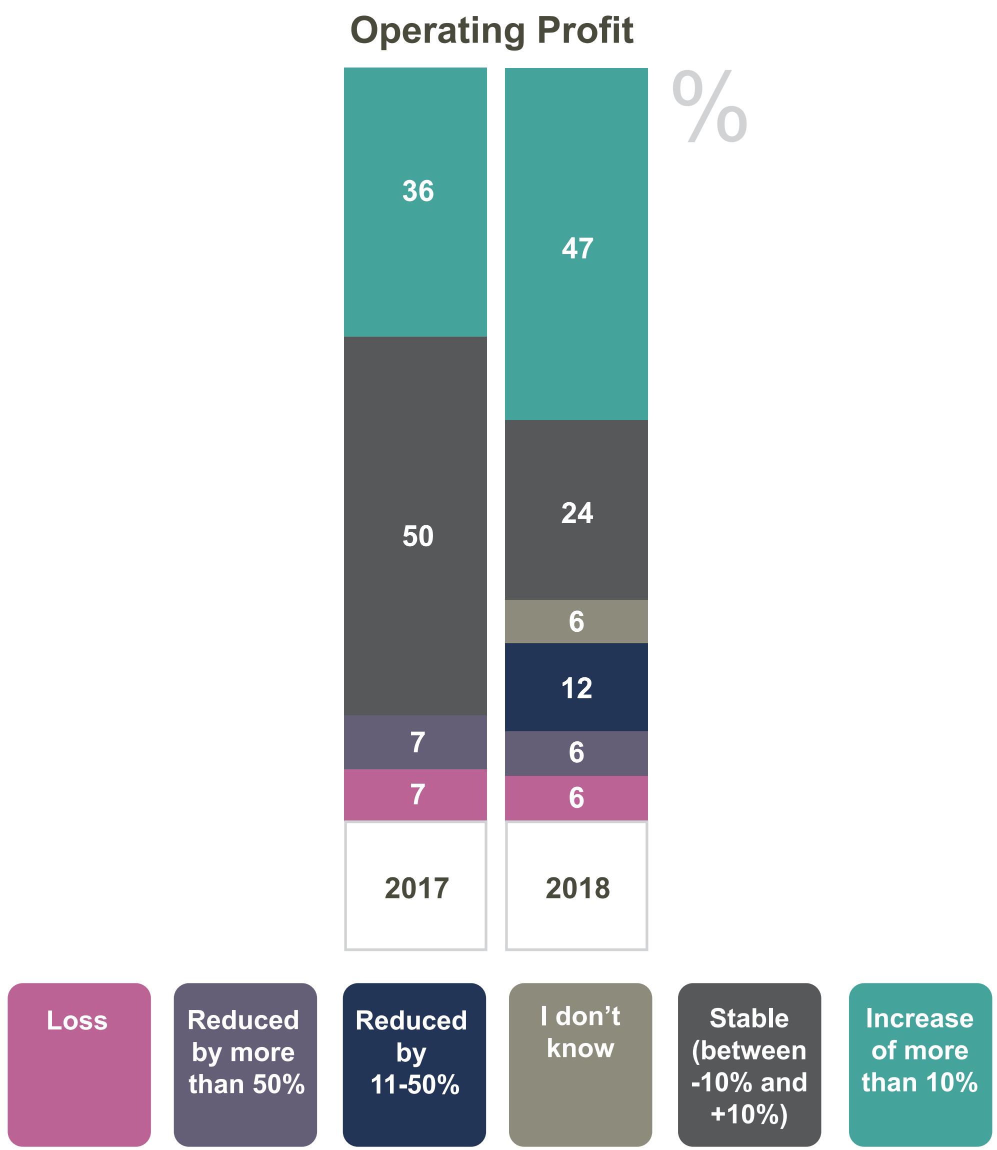


(15 answers in total)

Detailed results for Australia

Financial expectations of Australian exhibition companies compared to previous years





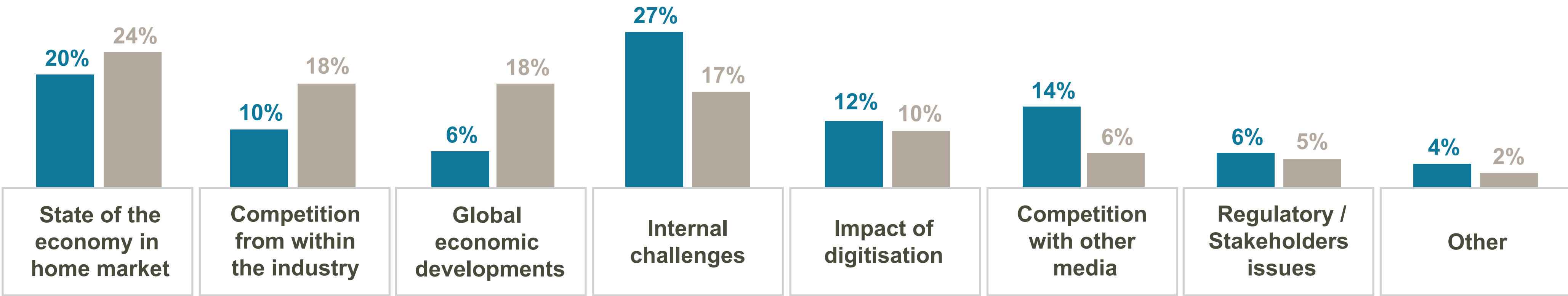
(24 answers in total)

Detailed results for Australia

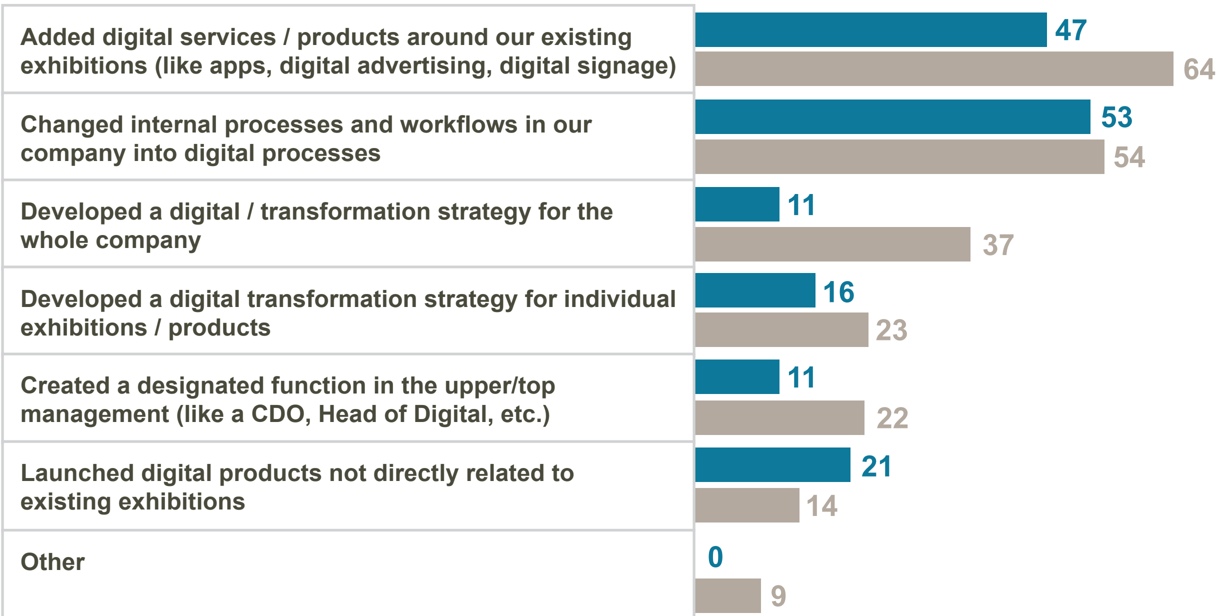
The Global Association of the Exhibition Industry

Most important business issues in the exhibition industry in Australia and globally

Australia Global



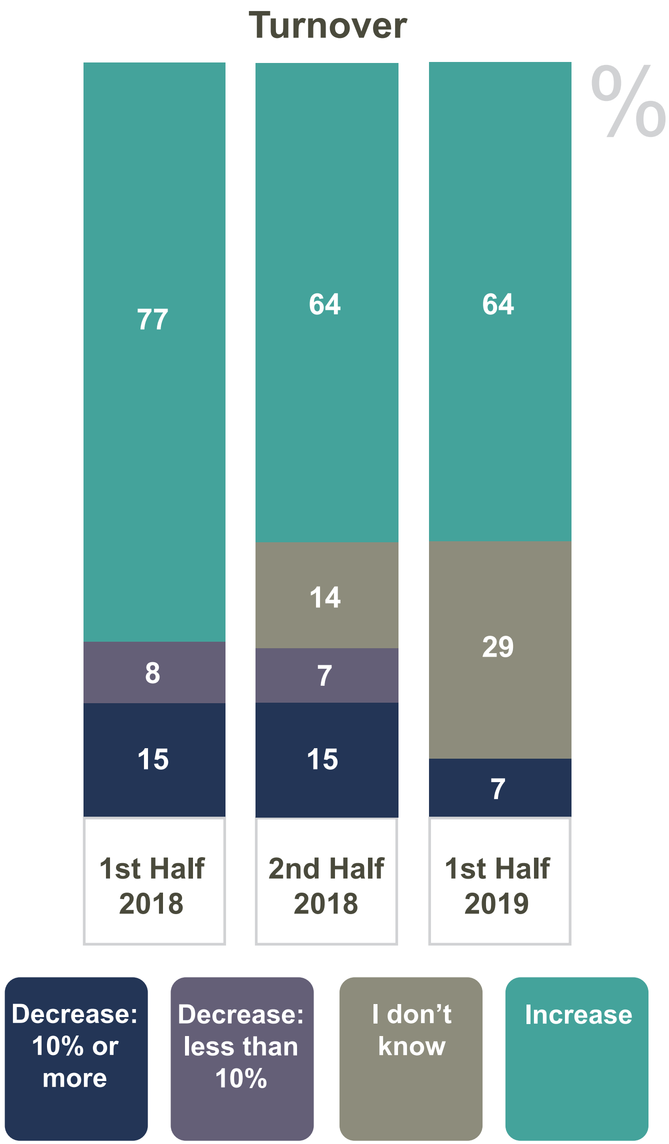
Digitisation: implementation in Australia and globally

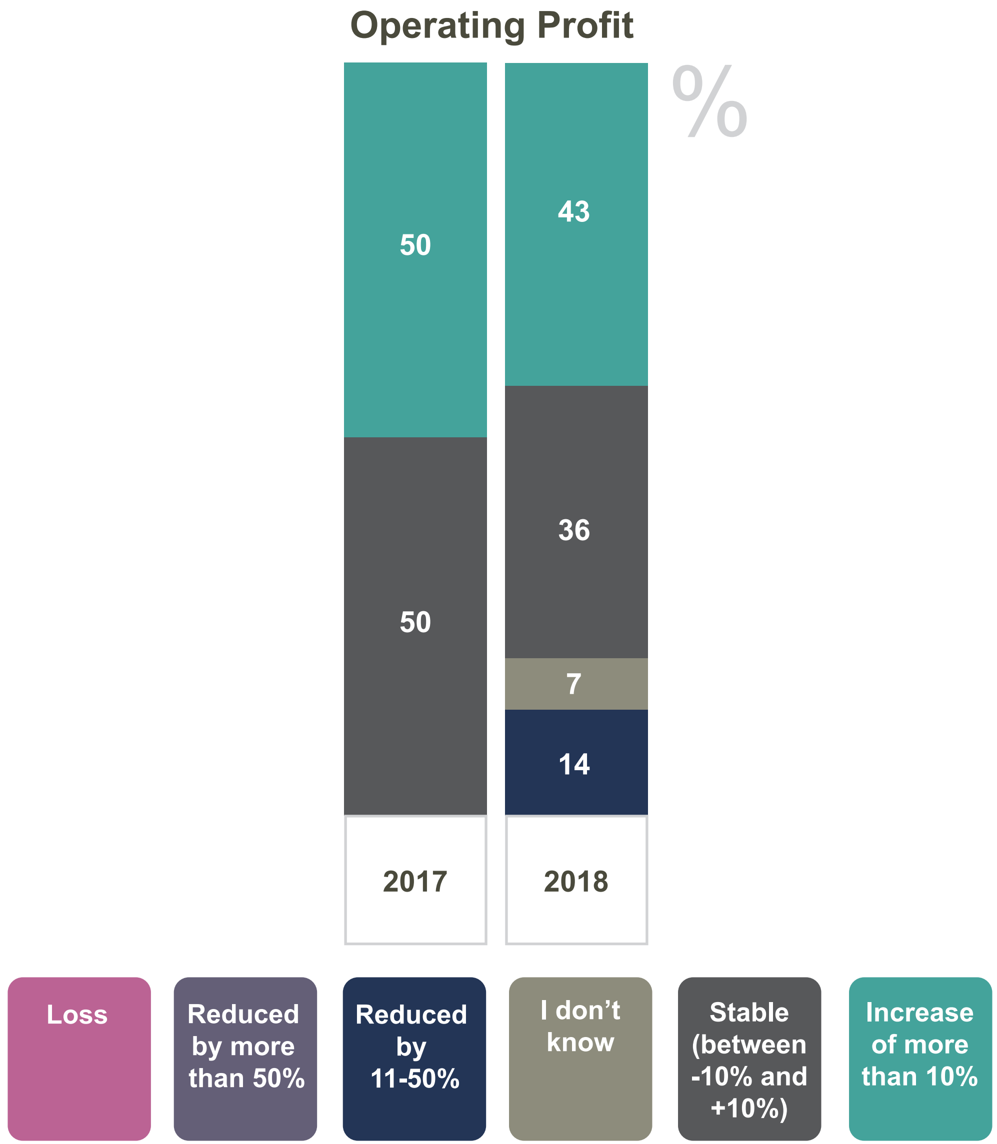


(24 answers in total)

Detailed results for China

Financial expectations of Chinese exhibition companies compared to previous years



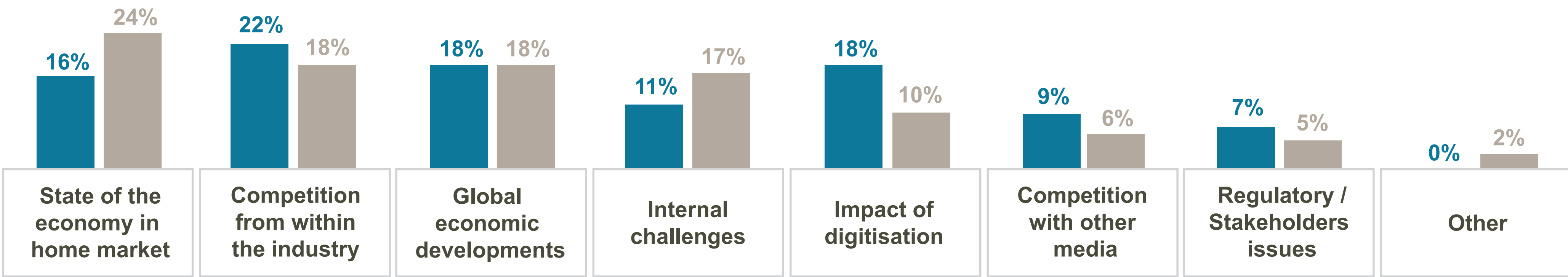


(16 answers in total)

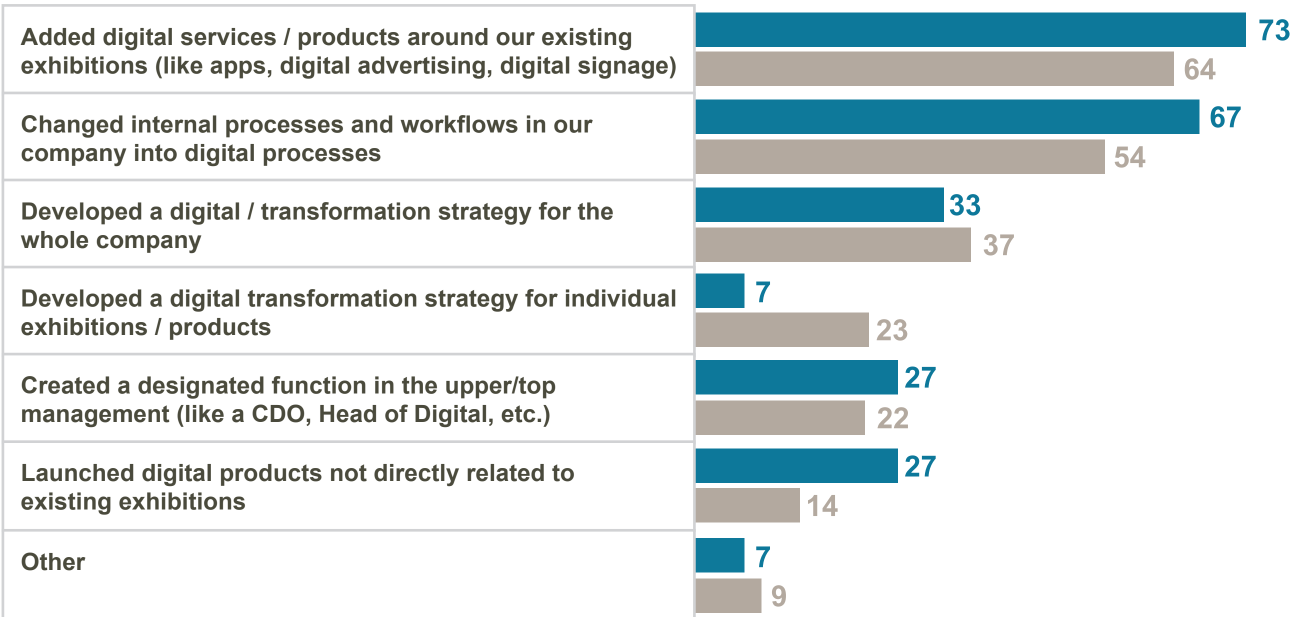
Detailed results for China

Most important business issues in the exhibition industry in China and globally

China
Global



Digitisation: implementation in China and globally

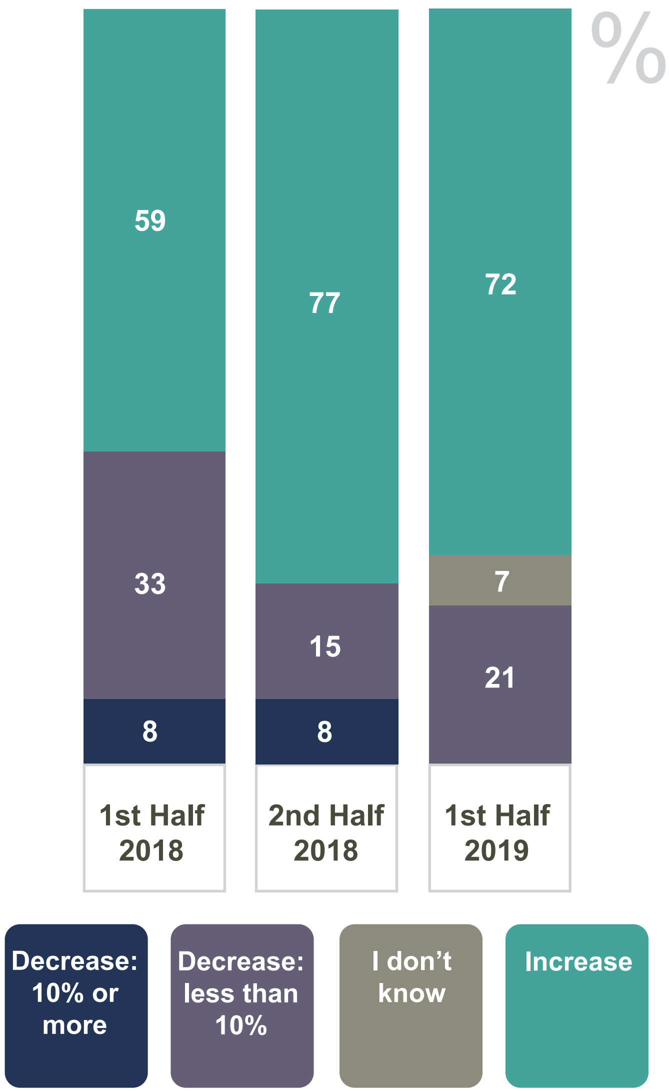


(16 answers in total)

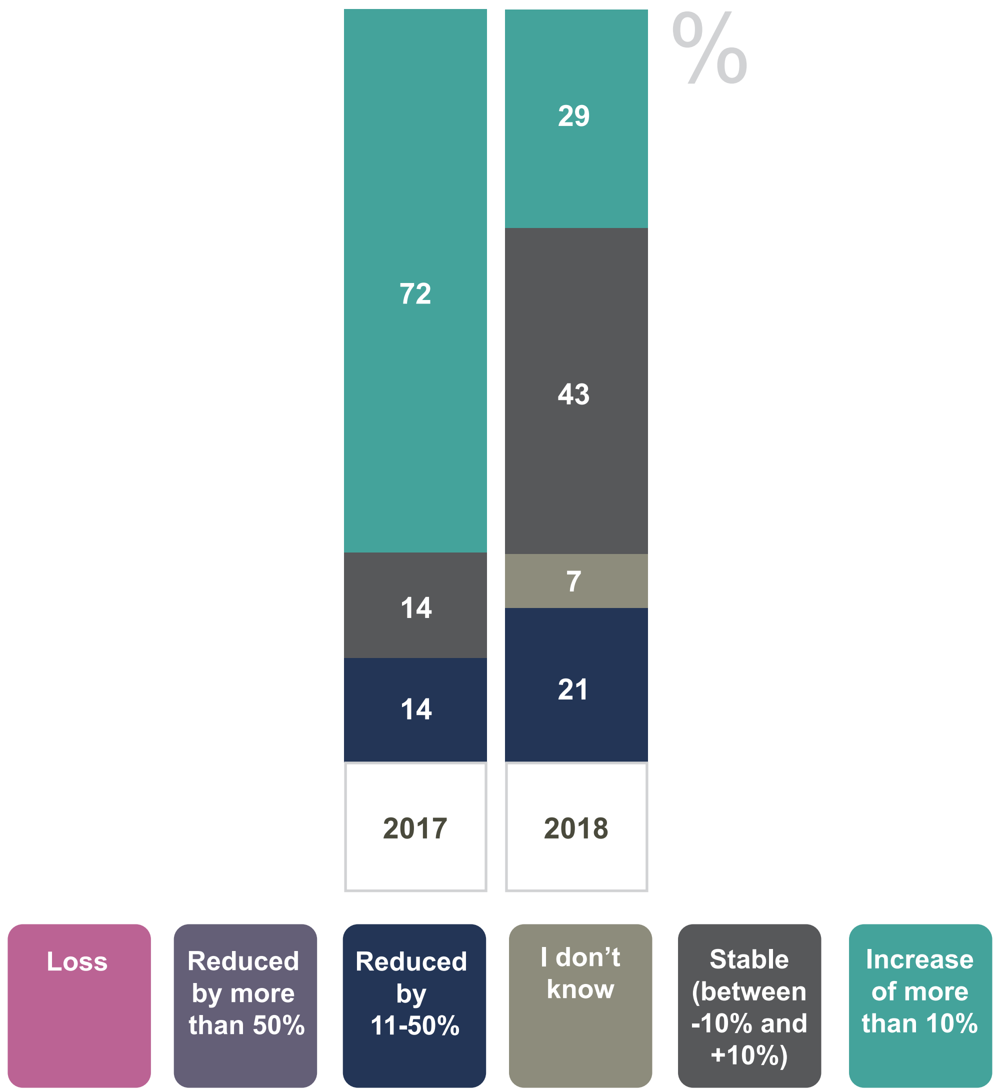
Detailed results for India

Financial expectations of Indian exhibition companies compared to previous years

Turnover



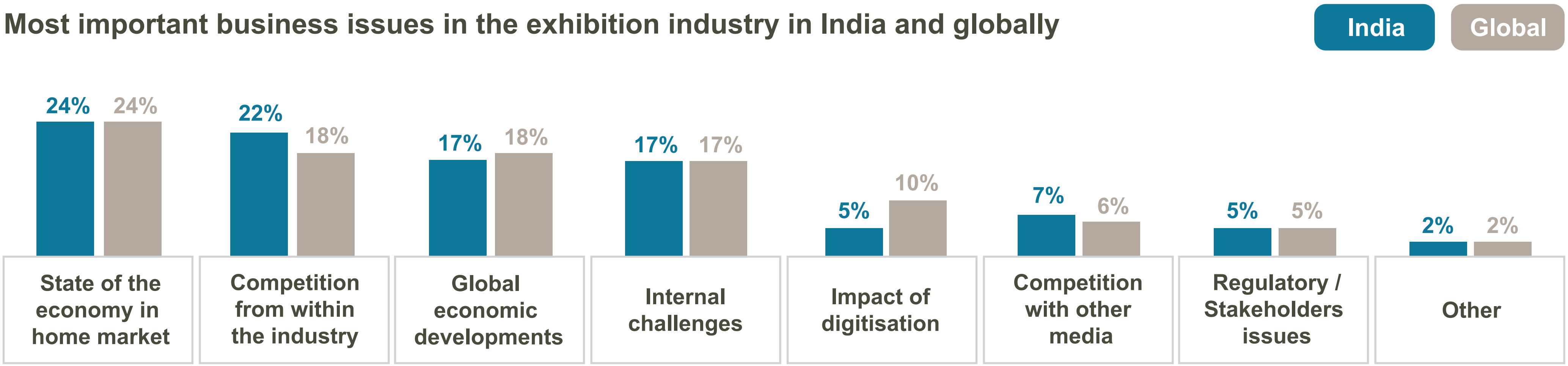
Operating Profit



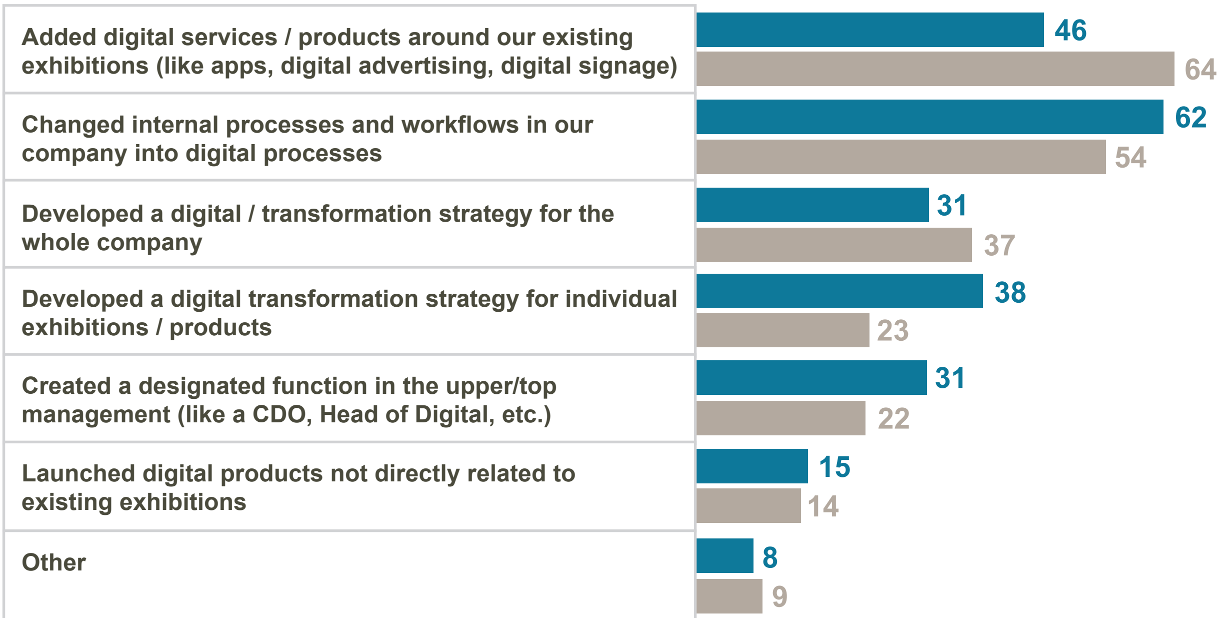
(20 answers in total)

Detailed results for India

Most important business issues in the exhibition industry in India and globally



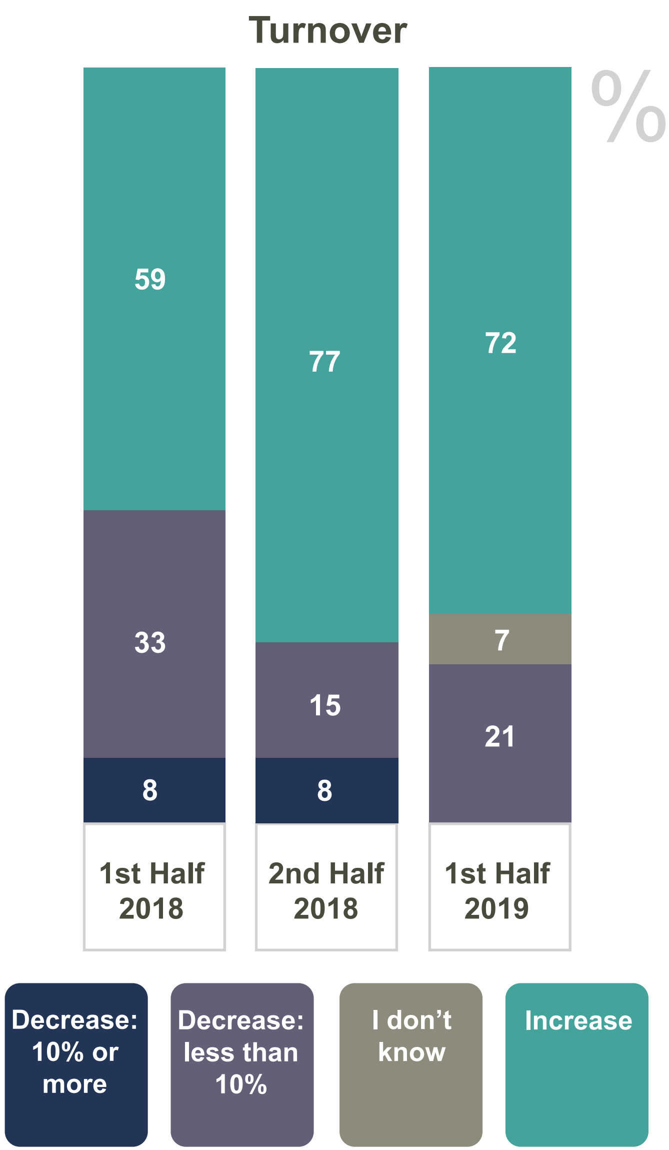
Digitisation: implementation in India and globally

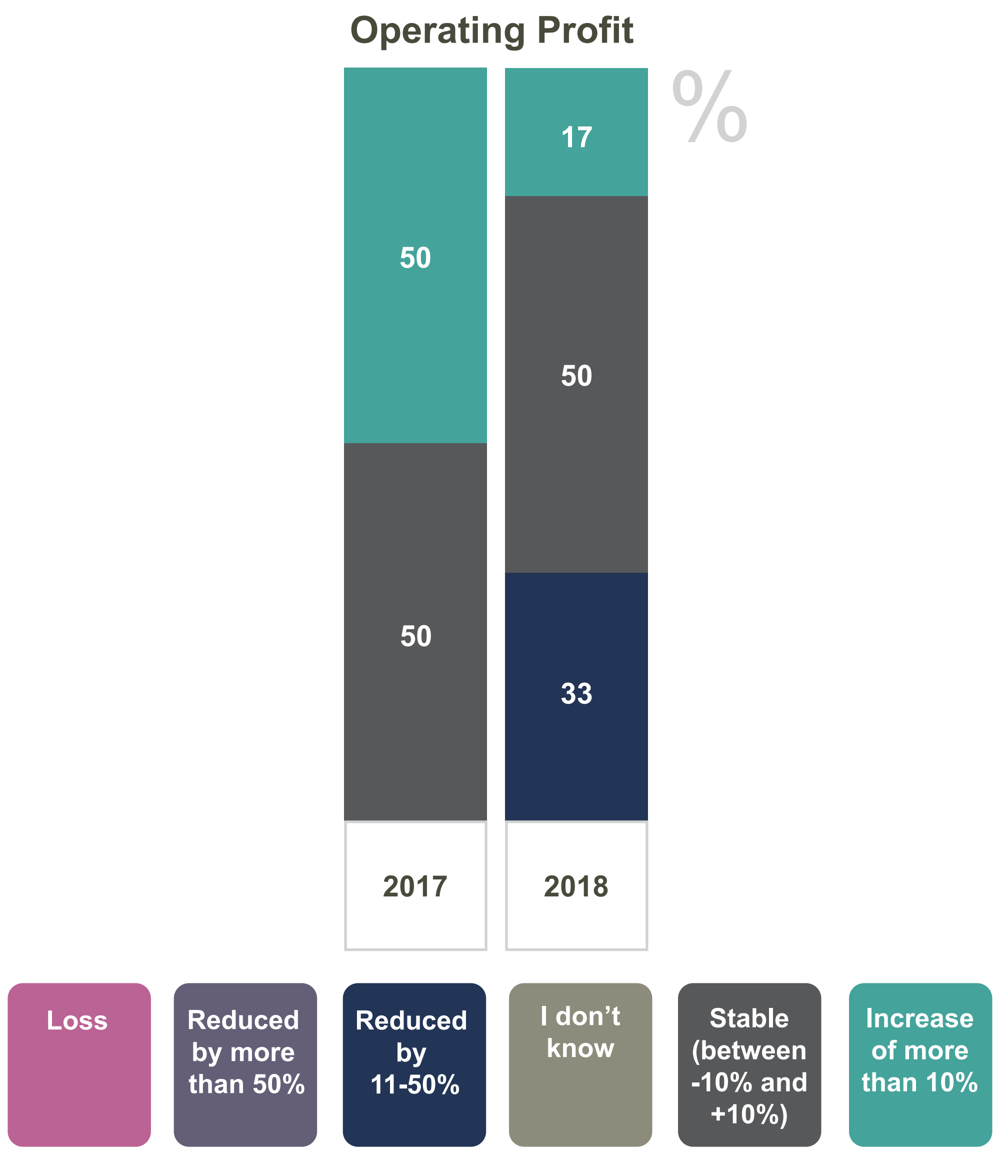


(20 answers in total)

Detailed results for Indonesia

Financial expectations of Indonesian exhibition companies compared to previous years



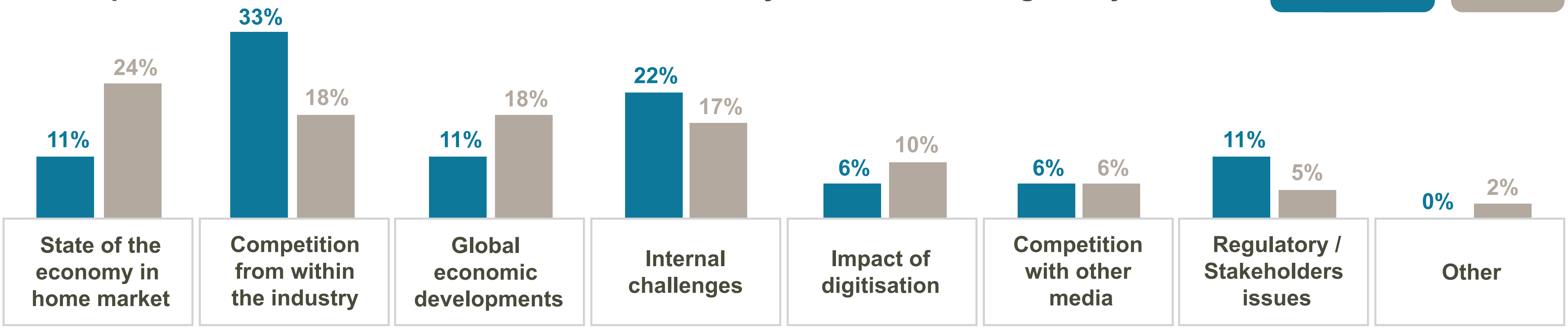


(12 answers in total)

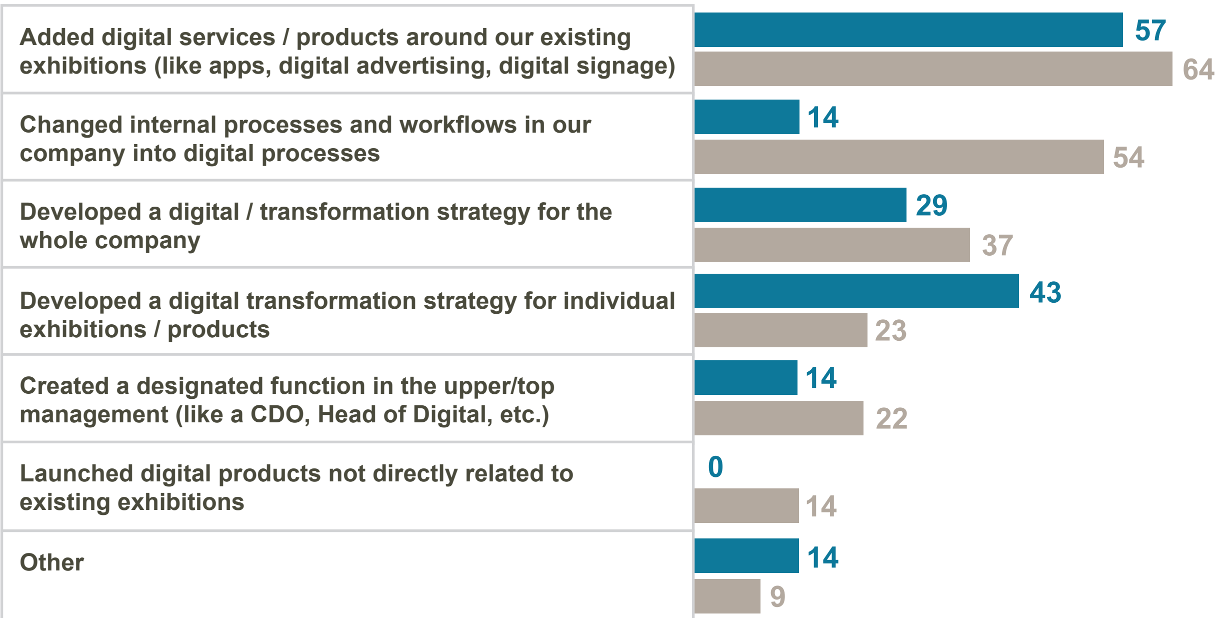
Detailed results for Indonesia

Indonesia | Global

Most important business issues in the exhibition industry in Indonesia and globally



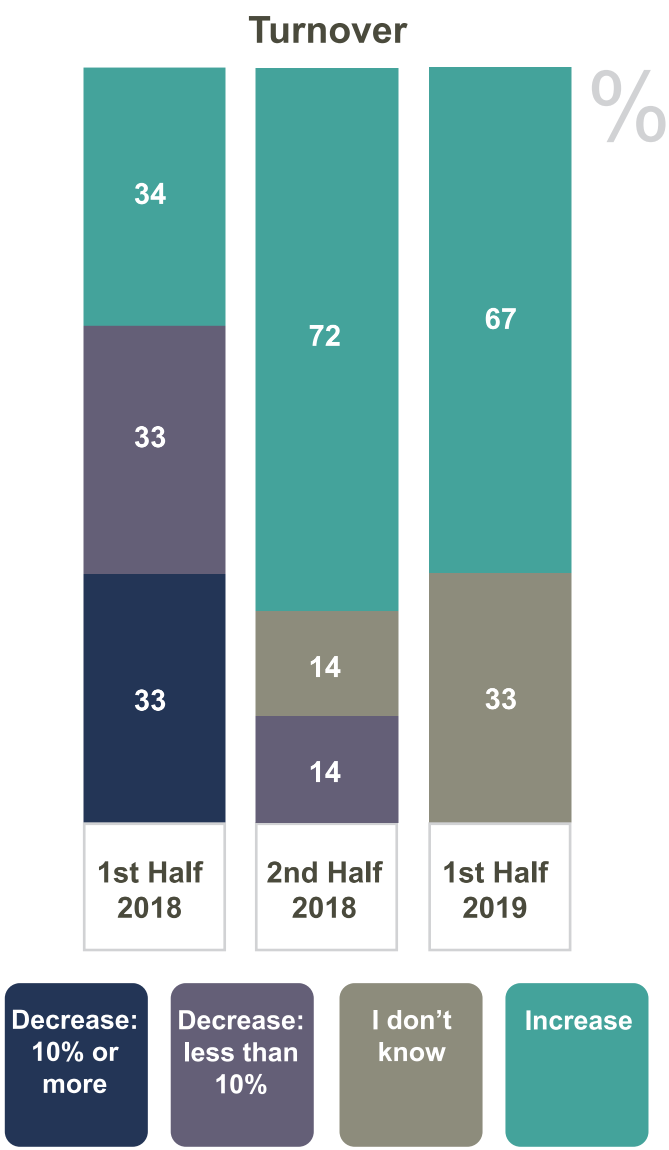
Digitisation: implementation in Indonesia and globally

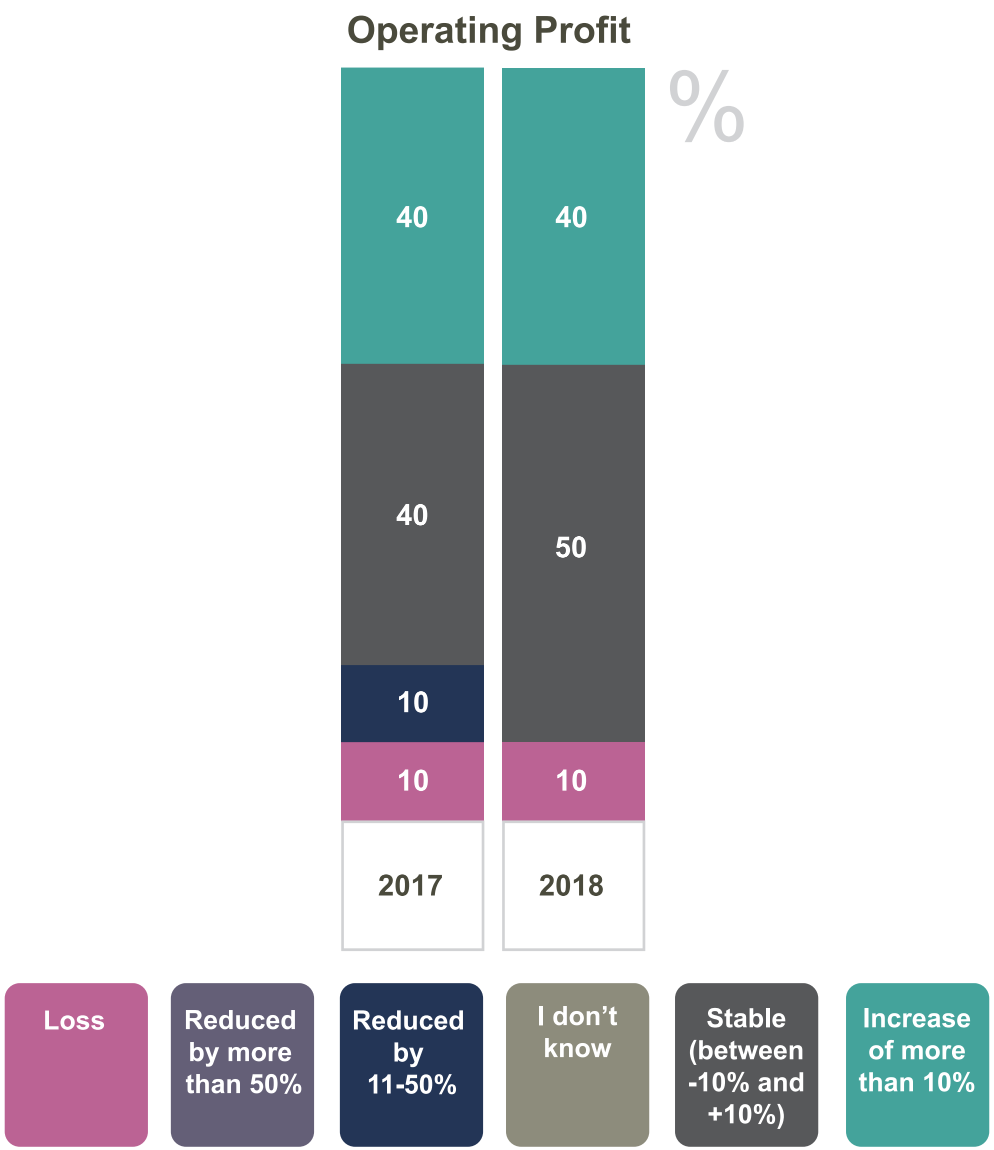


(12 answers in total)

Detailed results for Macau

Financial expectations of Macau exhibition companies compared to previous years

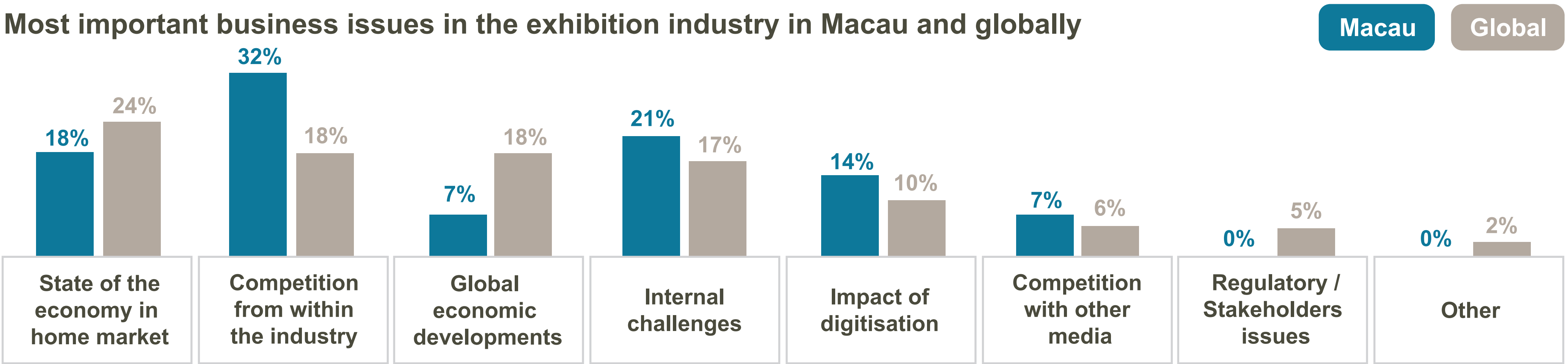




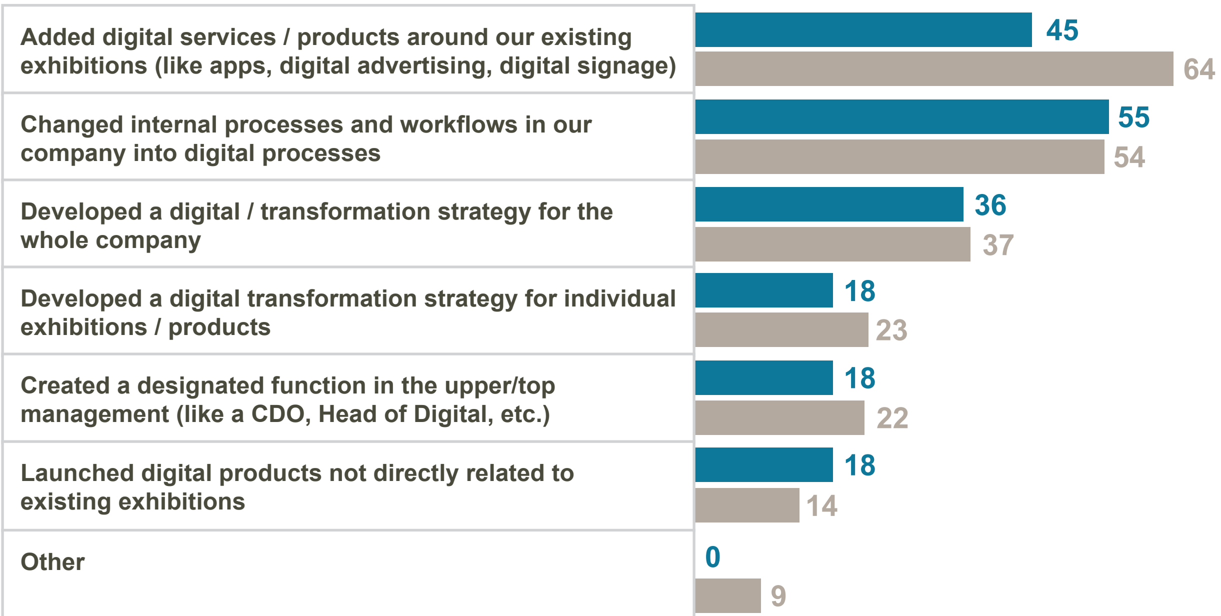
(11 answers in total)

Detailed results for Macau

Most important business issues in the exhibition industry in Macau and globally



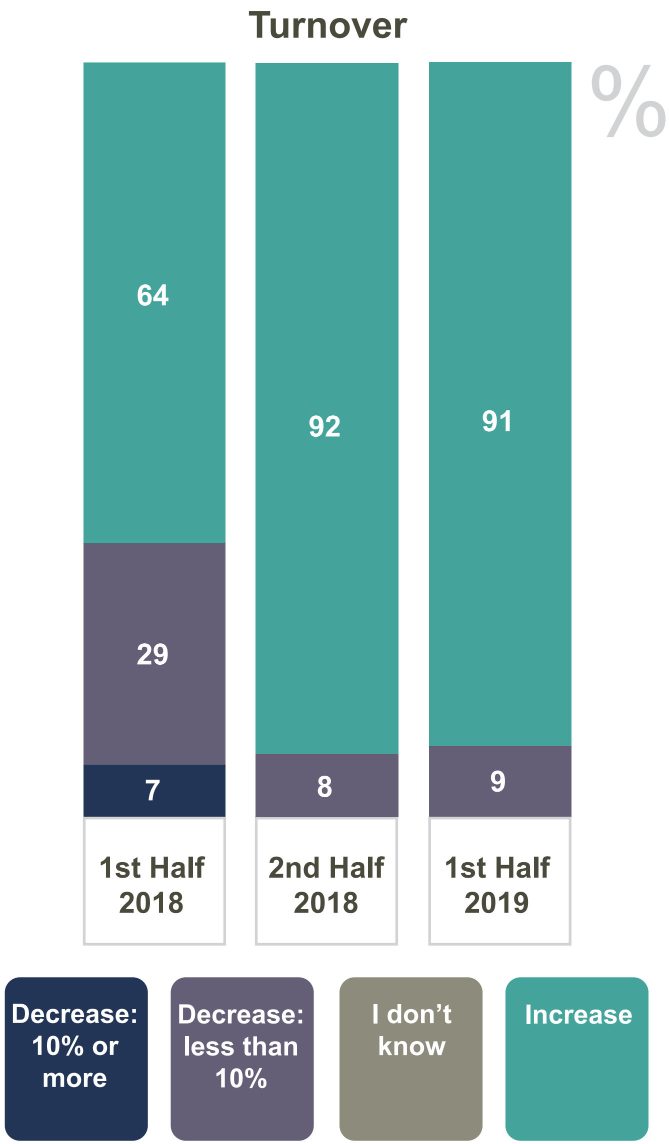
Digitisation: implementation in Macau and globally

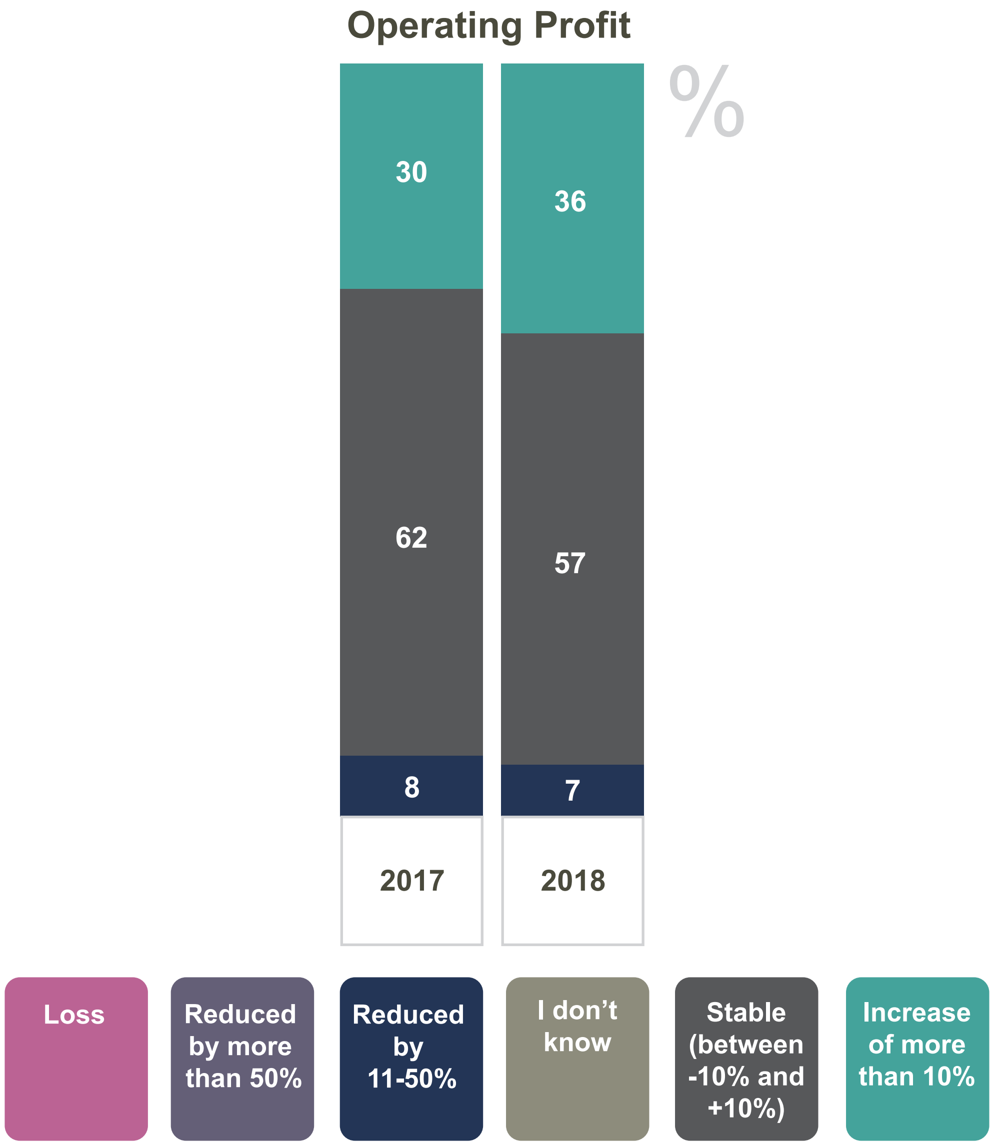


(11 answers in total)

Detailed results for Thailand

Financial expectations of Thai exhibition companies compared to previous years



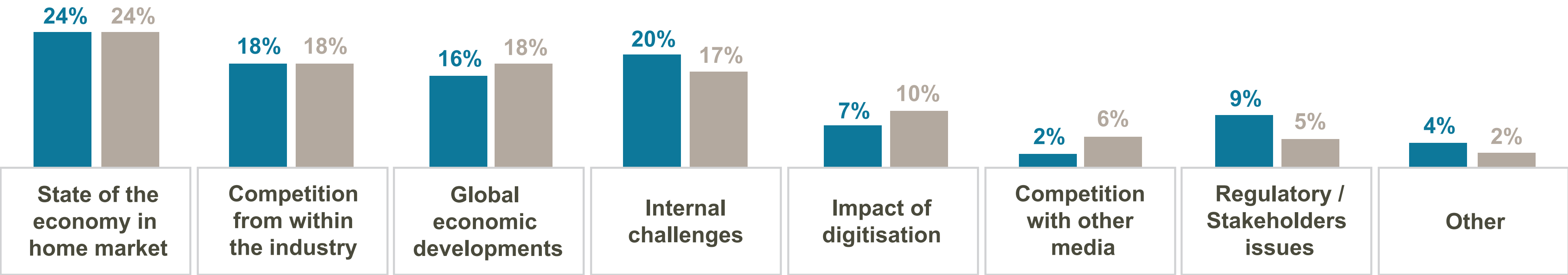


(16 answers in total)

Detailed results for Thailand

Most important business issues in the exhibition industry in Thailand and globally

Thailand Global

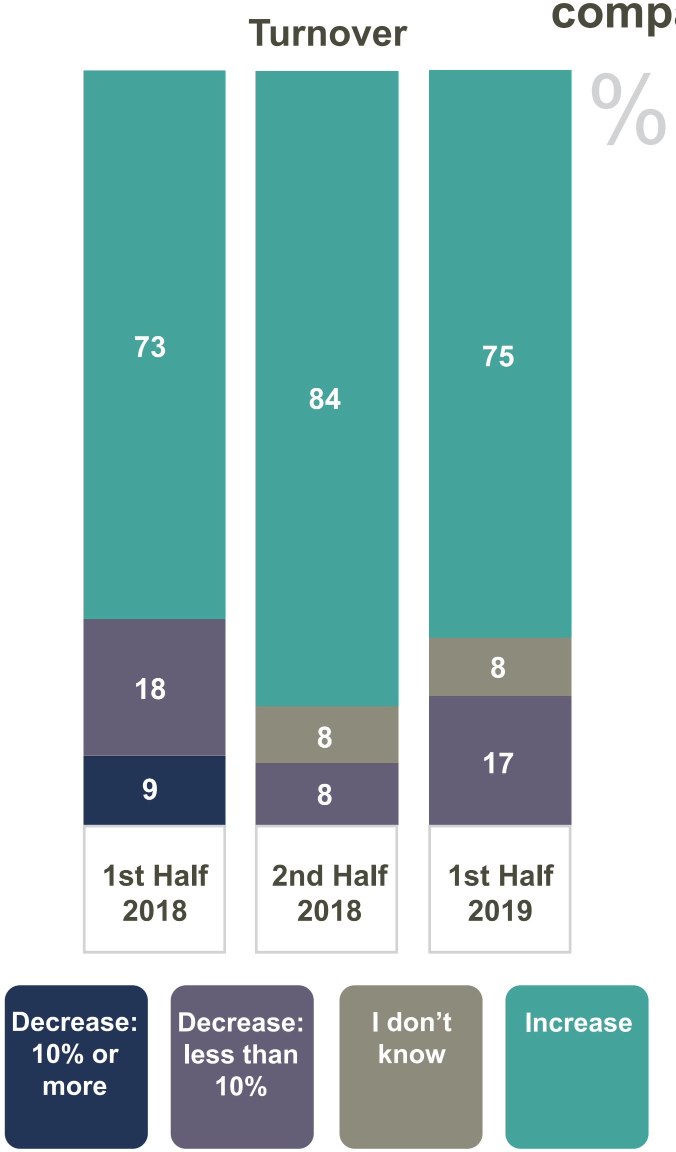


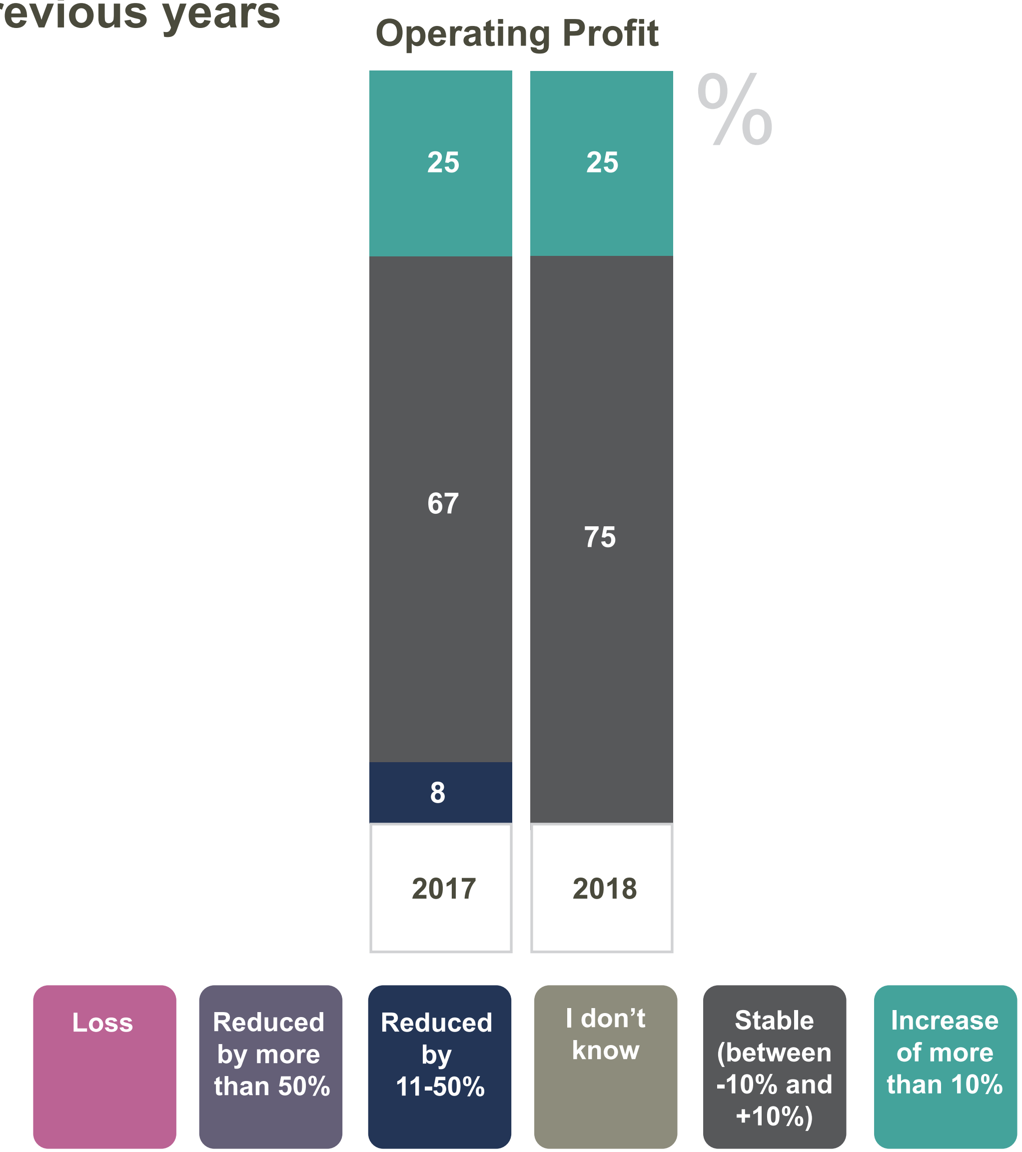
Digitisation: implementation in Thailand and globally

(16 answers in total)

Detailed results for other countries in Asia – Pacific

Financial expectations of exhibition companies from other countries in Asia – Pacific compared to previous years



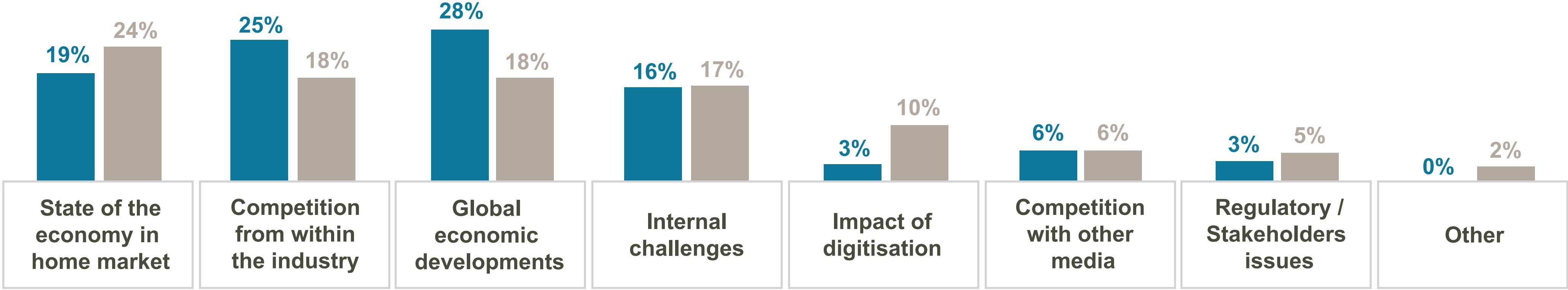


(16 answers in total)

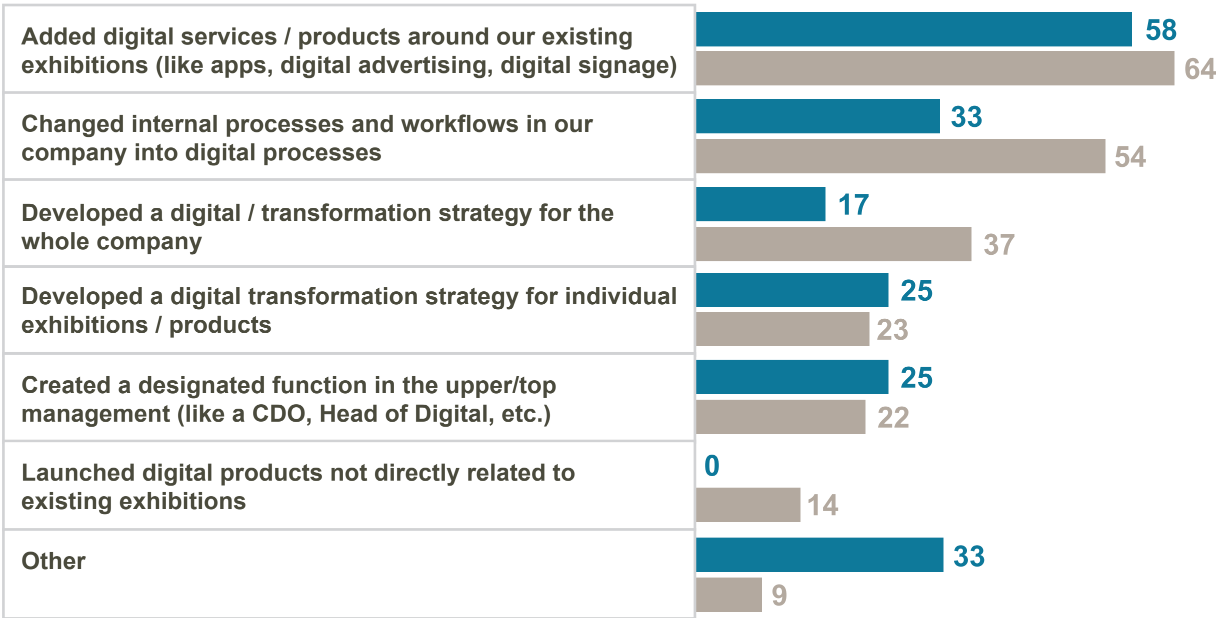
Detailed results for other countries in Asia – Pacific

Most important business issues in the exhibition industry for other countries in Asia – Pacific and globally

Asia - Pacific
Global



Digitisation: implementation in Asia - Pacific and globally



(16 answers in total)

Conclusion

The Global Barometer survey has been measuring the pulse of the exhibition industry since 2008. The 21st survey, conducted in June 2018, was answered by a record number of 312 companies from 55 countries. The results are detailed for 18 geographical zones, including 14 major markets.

Survey results reveal very positive trends at different levels:

- Regarding turnover, for the first time in ten years, all four global regions report a positive development simultaneously: Everywhere, the share of companies declaring an increase in turnover is going up, regarding the second half of 2018. And for the first half of 2019, the barometer reports the highest ever share of positive expectations for Europe.

- In terms of operating profit, most companies maintained a good level of performance in 2017 and more than 40% of companies from all regions declared an increase of more than 10% compared to 2016. However, the perspectives for 2018 are currently lower globally, with a smaller share of companies expecting profit increase.

- When asked about their top business issues, the “state of the national/ regional economy” was considered most important, with 24% of all respondents naming this as a top business issue. “Competition from within the industry” was considered a top business issue by 18% of survey respondents, down 3% compared to 6 months ago, and now at the same level as “Global economic developments” (up 2%). Regarding additional top issues, “Internal Challenges” and “Impact of digitisation” follow in the ranking.

- Finally, a majority of companies have responded to the accelerating process of digitisation in the exhibition industry. The two actions most frequently undertaken were “Added digital services/products around existing exhibitions (i.e.: apps, digital advertising, digital signage) and “Changed internal processes and workflows in our company into digital processes” with respectively 64% and 54% of respondents having implemented these actions. The “Digitisation Implementation Index” (DIX) aiming to show how far the industry has progressed towards a “full digitisation” reaches 32 globally (+1 compared to a year ago).

THANK YOU TO ALL SURVEY PARTICIPANTS FOR YOUR CONTRIBUTION!

THE NEXT GLOBAL BAROMETER SURVEY WILL BE CONDUCTED IN DECEMBER 2018 – PLEASE PARTICIPATE!

Appendix: Number of survey replies per country
Total = 312 (in 55 countries/regions)

The Global Association of the Exhibition Industry

North America	**34**
Canada	3
Mexico	17
USA	14
Central & South America	**33**
Argentina	5
Bolivia	2
Brazil	14
Chile	3
Colombia	4
Cuba	1
Ecuador	2
El Salvador	1
Nicaragua	1
Africa	**23**
Libya	1
South Africa	22

Europe	**92**
Austria	1
Belgium	2
Croatia	1
Czech Republic	1
Finland	1
France	3
Georgia	1
Germany	14
Greece	2
Hungary	2
Italy	14
Netherlands	1
Poland	2
Portugal	2
Romania	1
Russian Federation	16
Slovenia	1
Spain	3
Sweden	4
Turkey	7
Ukraine	3
United Kingdom	10

Middle East	**15**
Iran	8
Lebanon	1
Oman	1
Qatar	1
Saudi Arabia	2
United Arab Emirates	2
Asia / Pacific	**115**
Australia	24
China	16
India	20
Indonesia	12
Japan	3
Malaysia	2
Macau	11
Philippines	2
New Zealand	2
Singapore	3
South Korea	3
Thailand	16
Vietnam	1

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