

ECONOMIC IMPACT OF EXHIBITIONS IN SPAIN 2018

Prepared for:



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TABLE OF CONTENTS

Executive summary	3
Section 1: Exhibitions volume and direct spending	8
Section 2: Economic impact of exhibitions	12
Section 3: Methods	16

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

To quantify the economic significance of the global exhibition industry, Oxford Economics has prepared a comprehensive model of global exhibitions activity that references recent studies on their economic significance. The results were part of the study, “Global Economic Impact of Exhibitions”, which was released in April 2019 and showed the scope of the global exhibition sector in terms of direct spending and jobs, as well as the total impacts of exhibitions in the broader economy.

As part of this analysis, Oxford Economics took the following steps:

- 1 Analysed existing data on exhibitions maintained by UFI, including net square meters sold, visitors, and exhibitors;
- 2 Analysed historic data on the exhibition industry maintained by UFI and referenced published studies on exhibition impacts in 13 countries, as well as third-party industry data across more than 180 countries;
- 3 Developed an econometric model of the relationship between economic and travel-industry data sets and exhibition industry impacts to estimate exhibition activity in countries in which the exhibition industry has not been previously quantified; and
- 4 Combined the results of existing studies and modeled relationships to prepare global estimates. Previous country-level analyses of exhibitions activity accounted for more than three-quarters of the estimated global total, providing a solid research foundation.

Based on the country-level modeling in the global economic impact analysis released in April 2019, Oxford Economics is compiling country profile reports on the impacts of the exhibition industry..

This document presents key elements of the research and findings for the exhibition industry in Spain.

The report is organized in the following sections:

- Exhibition industry metrics and direct spending
- Economic impact analysis
- Methods

EXECUTIVE SUMMARY

What qualifies as an exhibition?

UFI follows the ISO 25639-1:2008 (E/F) definitions which are also adopted here. For the purposes of this study, an exhibition, show, or fair is an event in which products, services, or information are displayed and disseminated. Exhibitions differ from “conferences”, “conventions” or “seminars”, or other business and consumer events. Exhibitions exclude flea markets and street markets. Exhibitions include:

- Trade exhibitions: exhibitions that promotes trade and commerce and are attended primarily by trade visitors. A trade exhibition can be opened to the public at specific times.
- Public exhibitions: exhibitions open primarily to general public visitors. A public exhibition is sometimes also known as a consumer show.

What are the main components of economic impact?

Direct impacts consist of the direct spending and jobs that are directly involved in planning and producing exhibitions, and for participants and exhibitors to travel to exhibitions, as well as other exhibition-related spending.

Indirect impacts represent downstream supplier industry impacts, also referred to as supply chain impacts. For example, the facilities at which exhibitions occur require inputs such as energy and food ingredients. Also, many exhibition venues contract with specialised service providers, such as marketing, equipment upkeep, cleaning, technology support, accounting, and legal and financial services. These are examples of indirect impacts.

Induced impacts occur as employees spend their wages and salaries in the broader economy. For example, as hotel employees spend money on rent, transportation, food and beverage, and entertainment.

Impacts are expressed in terms of economic **output**, which includes all business sales, **GDP** (gross domestic product), which is defined as business sales less intermediate inputs, and **jobs**.

EXECUTIVE SUMMARY

Direct impacts of exhibitions in Spain (2018)

UFI follows the ISO 25639-1:2008 (E/F) definitions which are also adopted here. For the purposes of this study, an exhibition, show, or fair is an event in which products, services, or information are displayed and disseminated. Exhibitions differ from “conferences”, “conventions” or “seminars”, or other business and consumer events. Exhibitions exclude flea markets and street markets. Exhibitions include:

- Number of exhibitions, visitors & exhibitors: Based on data provided by Asociación de Ferias Españolas (AFE), approximately 563 exhibitions in Spain directly involved approximately 10.1 million visitors and 82,000 exhibitors.
- Direct spending (business sales): Exhibitions generated €6.3 billion of direct spending by visitors, exhibitors and additional exhibitions-related expenditures.
- Direct GDP (gross domestic product) and employment: Exhibitions supported more than 61,000 direct jobs in Spain and generated €3.2 billion of direct GDP.
- Based on approximately 82,000 exhibitors and €6.3 billion of direct spending, exhibitions generated approximately €77,000 in direct spending per exhibitor in Spain.

Total impacts of exhibitions in Spain (2018)

After accounting for indirect and induced impacts, exhibitions in Spain supported a total economic impact in 2018 of:

- €13.0 billion of output (business sales)
- 123,000 jobs
- €6.5 billion of GDP (representing contribution to Spain’s gross domestic product)

Based on a total economic impact of €13.0 billion and a total of 1.53 million sqm of capacity in Spain (as reported in UFI’s World Map of Venues), total output per sqm of capacity amounted to approximately €8,500 in 2018.

EXECUTIVE SUMMARY

Economic impacts of exhibitions in Spain (2018)

DIRECT IMPACTS (2018)



10.1 million

Visitors

Including international and domestic visitors



€6.3 billion

Direct tourism spending

representing spending to plan and produce exhibitions, exhibitions-related travel, and other direct spending, such as spending by visitors and exhibitors



€3.2 billion

Direct GDP (value added)

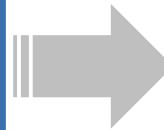
Gross domestic product or value added



61,000

Direct jobs

Jobs directly supported by Spain's exhibition industry



TOTAL IMPACTS (2018)



€13.0 billion

Total output (business sales)

including direct, indirect, and induced output



€6.5 billion

Total GDP (value added)

including direct, indirect, and induced GDP impacts



123,000

Total jobs

directly and indirectly supported by Spain exhibitions

€159,000 of total impact per exhibiting company

€8,500 total impact per sqm of venue gross indoor exhibition space

1 EXHIBITIONS VOLUME AND DIRECT SPENDING

OVERVIEW OF EXHIBITIONS VOLUME AND DIRECT SPENDING

This section summarises the size and scope of exhibitions sector activity in Spain. The primary measures presented are:

- Amount of exhibitions direct spending
- Space sold (net square meters)
- Number of visitors and exhibitors
- Number of exhibitions direct jobs

Exhibition data on space sold, visitors, and exhibitors was provided by AFE. Data on estimated exhibitions direct spending is based on econometric modeling by Oxford Economics.

Exhibitions direct spending represents spending directly incurred in the planning and production of exhibitions, travel to exhibitions, and accompanying exhibitions-related activities. As a basic description this includes spending by participants to attend the exhibition (e.g. travel and registration), organiser-paid travel, spending by exhibitors (e.g. sponsorships, exhibit production, off-site events), spending by exhibition organisers and hosts, and certain other exhibitions-related spending.

Exhibitions direct spending provides the clearest measure of the economic significance of exhibitions because it captures the full scope of services and goods directly provided by a range of industries. For this reason, much of our summary analysis focuses on exhibitions direct spending and the number of exhibitions participants.

Definition of an exhibition

UFI follows the ISO 25639-1:2008 (E/F) definitions which are also adopted here. For the purposes of this study, an exhibition, show, or fair is an event in which products, services, or information are displayed and disseminated. Exhibitions differ from "conference", "conventions" or "seminars", or other business and consumer events. Exhibitions exclude flea markets and street markets. Exhibitions include:

- Trade exhibitions: exhibitions that promotes trade and commerce and are attended primarily by trade visitors. A trade exhibition can be opened to the public at specific times.
- Public exhibitions: exhibitions open primarily to general public visitors. A public exhibition is sometimes also known as a consumer show.

EXHIBITIONS SUMMARY DATA

Exhibitions generated €6.3 billion of direct spending and sold 4.7 million net square meters in 2018.

In 2018, approximately 563 exhibitions sold nearly 4.7 million net square meters in Spain. Exhibitions generated approximately €6.3 billion of direct spending, by visitors, exhibitors and additional exhibitions-related expenditure.

Exhibitions welcomed more than 10.1 million visitors and nearly 82,000 exhibitors to Spain in 2018.

Summary of Spain's exhibitions activity, 2018

	Spain 2018
Direct spending (€ billions)	€ 6.3
Space sold (nsm millions)	4.7
Capacity (nsm millions)	1.5
Events	563
Visitors (000s)	10,123
Exhibitors (000s)	82

Source: AFE & Oxford Economics (2020)

EXHIBITIONS SUMMARY DATA

Exhibitions generated approximately €4,096 in direct spending per square meter of venue capacity in Spain in 2018.

Exhibitions generated €6.3 billion of direct spending in 2018. Based on a total of 82,000 exhibitors in Spain in 2018, direct spending per exhibitor amounted to €76,584.

Exhibitions generated €6.3 billion of direct spending in 2018. Based on a total of 1.5 million square meters of venue capacity measured in terms of gross indoor exhibition space (as reported in UFI's World Map of Venues), direct spending per square meter of venue capacity amounted to €4,096.

Direct spending metrics, 2018

	Spain 2018
Direct spending per square metre of capacity	€ 4,096
Direct spending per exhibitor	€ 76,584

Source: AFE & Oxford Economics (2020)

2 ECONOMIC IMPACT OF EXHIBITIONS

ECONOMIC IMPACT APPROACH

Our analysis of exhibitions direct spending served as an input for the economic impact model we used to estimate exhibitions-sector direct employment and labor income, and the downstream impacts of the sector. This model is also referred to as an input-output (I-O) model.

Components of economic impact analysis

There are three main components of a sector's overall economic impact:

1 Direct impacts consist of the direct spending and jobs that are involved in planning and producing exhibitions, and for participants to travel to exhibitions, as well as other exhibitions-related spending. Given the characteristics of the exhibitions sector, much of this direct activity occurs across a variety of sectors. For example, the production of an exhibition frequently involves employees onsite at a hotel or other venue, including banquet staff as well as audio-visual/staging and technical staff, and other third-party contracted service providers, such as entertainment/production services, décor, speakers and trainers, advertising and promotion. These employees all represent direct jobs supported by the exhibitions sector. Meanwhile, participants' travel to the exhibition, and accommodation during the event, supports direct spending and jobs across a range of service providers in the travel sector. Though this spending is occurring across businesses in a range of industry sectors, it all represents activity that is supported by exhibitions direct spending, and is part of the exhibition sector's direct impacts.

2 Indirect impacts represent downstream supplier industry impacts, also referred to as supply chain impacts. For example, the facilities at which exhibitions occur require inputs such as energy and food ingredients. Also, many exhibition venues contract with specialized service providers, such as marketing, equipment upkeep, cleaning, technology support, accounting, and legal and financial services. These are examples of indirect impacts.

3 Induced impacts occur as employees spend their wages and salaries in the broader economy. For example, as hotel employees spend money on rent, transportation, food and beverage, and entertainment.

Indirect and induced impacts may also be referred to collectively as indirect effects.

To conduct the impact analysis, we used country-level economic impact multipliers from the existing exhibitions impact studies. For countries where exhibitions impact multipliers were either unavailable or appeared inconsistent with reference data, we used travel and tourism multipliers maintained by WTTC (World Travel and Tourism Council) and Oxford Economics. WTTC multipliers are based on input-output tables for each country and were sourced from either the OECD (Organisation for Economic Co-operation and Development), or when not available, national statistical offices. From the input-output tables, multiplier matrices were developed for each economy, detailing the flow of spending in an economy that occurs as a consequence of spending in a given industry.

ECONOMIC IMPACTS

Spain's exhibitions sector supported €13.0 billion of total output (business sales) in 2018.

Overall, the total economic impact of the exhibition industry in Spain in 2018 is summarized as follows:

- €13.0 billion of economic output (business sales)
- €6.5 billion in total GDP contribution; and
- More than 123,000 total jobs.

These totals represent the combination of direct impacts within the exhibitions sector (e.g. €6.3 billion of exhibitions direct spending, and 61,000 direct jobs), plus the estimated indirect and induced effects.

The resulting output multiplier for the exhibitions sector in Spain is 2.07, implying that each €1.00 in direct exhibition spending generates an additional €1.07 in indirect and induced expenditures in Spain's economy.

Economic impacts of Spain exhibitions, 2018

Spain 2018
(Euros & jobs)

Direct exhibitions sector impact

Output (exhibitions direct spending) (€ billions)	€ 6.3
Employment	61,232
GDP (€ billions)	€ 3.2

Total exhibitions sector impact

Output (€ billions)	€ 13.0
Employment	123,123
GDP (€ billions)	€ 6.5

Source: Oxford Economics (2020)

ECONOMIC IMPACTS

Exhibitions generated approximately €159,000 in total output per exhibitor in 2018.

Exhibitions generated €13.0 billion of total output (total business sales) in 2018. Based on a total of 82,000 exhibitors in Spain in 2018, total output per exhibitor amounted to €158,775.

Based on a total of 1.5 million square meters of venue capacity measured in terms of gross indoor exhibition space (as reported in UFI's World Map of Venues), total output per square meter of venue capacity amounted to €8,492.

Economic total output metrics, 2018

Spain 2018 (Euros)	
Total output per square meter of capacity	€ 8,492
Total output per exhibitor	€ 158,775

Source: Oxford Economics (2020)

3 METHODS

RESEARCH APPROACH

We integrated the results of existing studies and exhibitions data maintained by UFI to model global exhibitions volume and direct spending. Three-quarters of global exhibitions direct spending was covered by country-level studies.

Our approach to the exhibitions sector research included the following steps:

- Analysed existing data on exhibitions maintained by UFI, including net square meters sold, visitors, and exhibitors;
- Analysed existing studies on exhibitions impacts in 13 countries, as well as third-party industry data;
- Developed an econometric model of the relationship between economic and travel-industry data sets and exhibitions industry impacts to estimate exhibitions activity in countries in which the exhibitions industry has not been previously quantified; and
- Combined the results of existing studies and modeled relationships to prepare global estimates.

Overall, we found that approximately three-quarters of global exhibitions direct spending was already covered by the country-level studies we analysed. As a result, while we applied the econometric model to prepare estimates for countries that have not yet been studied at the country level, findings for many of the largest and most important countries were based on the results of existing studies. This provided a solid research foundation.

In this global analysis, we have relied broadly on the headline measures of exhibitions activity and participants as reported by each study. In situations in which we saw clear differences such as definition differences or outliers in specific results, we excluded specific country-level report metrics from the estimation process.

Our discussion of research methods in this section follows the same order. First, we outline the research process, then we highlight the statistical modeling, and last, the conceptual framework.

Figures in this report are based on unrounded estimates. Due to rounding, the totals in certain tables may differ slightly from the sum of the individual rows or columns. The analysis was conducted in nominal Euros and US dollars based on market exchange rates.

Model outputs were analyzed in US dollars and converted to Euros using the period exchange rate for calendar year 2018, which was 1.18 US Dollars for each Euro.

EXISTING IMPACT STUDIES AND THIRD-PARTY DATA

We compiled existing studies on the impacts of exhibitions in global markets. A comprehensive list of the 13 studies included in the analysis is outlined in the table below.

The research team collected the following metrics for each country:

- Direct spending
- Direct value-added (GDP)
- Direct jobs
- Total participants

In addition to existing impact studies, the research process also encompassed third-party industry data from the following sources:

- UFI
- Global Business Travel Association

Existing economic impact studies	Country	Study year	Report title	Sources
	Australia	2015	The Value of Business Events to Australia	Ernst & Young, Business Events Council of Australia
	Canada	2014	The Economic Contribution of Business Events in Canada	MPI Foundation Canada, Maritz Research, The Conference Board of Canada
	Denmark	2012	Economic Contribution of Meeting Activity in Denmark	Visit Denmark
	France	2011	Étude sur les retombées économiques de l'activité des salons en France et en Île-de-France	Atout France, CCI de Paris IDF, Comité des Expositions de Paris, DGE (Ministère de l'Economie), France Congrès et Événements, UNIMEV-OJS, Viparis
	Germany	2018	Overall Economic Relevance of Exhibitions in Germany	Association of the German Trade Fair Industry (AUMA)
	Guatemala	2017	Medicion de la relevancia economica de la industria de turismo de reuniones en Guatemala	STA Consultores, Gobierno de la Republica de Guatemala, INGUAT (Instituto Guatemalteco de Turismo)
	India	2017	Indian Exhibition Industry Report	Indian Exhibition Industry Association
	Mexico	2016	The Economic Relevance of Meetings in Mexico	SECTUR (Secretaria de Turismo), Consejo de Promocion Turistica de Mexico, STA Consultores
	Peru	2014	Peru, Destination for Meetings Tourism	PROMPERU
	Poland	2015	The Economic Impact of Poland's Meetings Industry	Poland Convention Bureau, Polka Organizacja Turystyczna, MPI Foundation, MPI Poland Chapter
	United Kingdom	2012	The Economic Impact of the UK Exhibitions Industry	FaceTime & Oxford Economics
	United Kingdom	2013	The Economic Impact of the UK Meeting & Event Industry	MPI Foundation
	United States	2018	Economic Significance of Meetings to the US Economy	Oxford Economics, Events Industry Council

ECONOMETRIC MODEL

The research team developed an econometric model of the relationship between economic and travel-industry data sets and exhibitions impacts to estimate exhibitions activity in countries in which the exhibitions industry has not been previously quantified. In addition to the data provided by UFI and collected from existing exhibitions impact studies, the table below summarizes the data we compiled to include in the modeling process.

	Data description	Sources
Data inputs for econometric model	Business arrivals	UNWTO (World Tourism Organization), various national statistical agencies
	International business inbound travel spending	IMF Balance of Payments
	Domestic business travel spending	Oxford Economics / WTTC (World Travel and Tourism Council)
	GDP (gross domestic product)	Haver Analytics, various national statistical agencies
	Total population	Haver Analytics, United Nations, various national statistical agencies
	Per capita GDP	Haver Analytics, United Nations, various national statistical agencies
	Services industry gross output	Various national statistical agencies, central banks, and ministries of finance
	Whole economy gross output	Various national statistical agencies, central banks, and ministries of finance

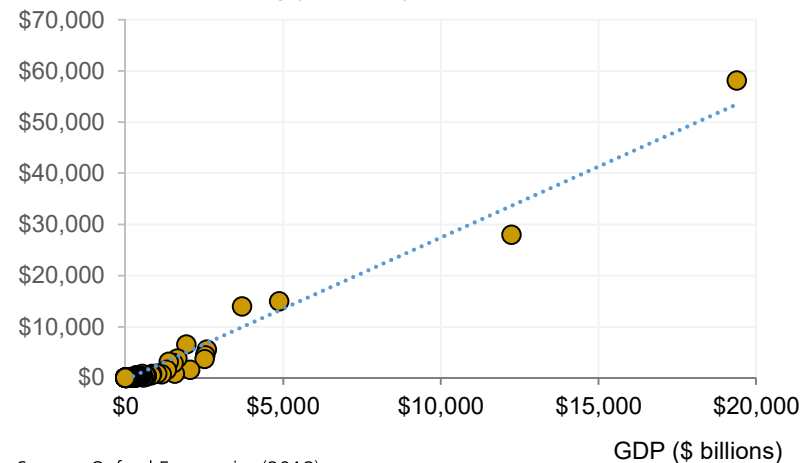
ECONOMETRIC MODEL

The resulting model reflects the relationship between travel-industry measures, such as estimated domestic and international business travel spending at the country level (based on Oxford Economics analysis for the World Travel and Tourism Council), and exhibitions direct spending. Because studies of exhibitions activity in more developed countries tend to show higher levels of activity relative to business travel spending, GDP per capita was also used in the model.

The resulting estimates show that exhibitions spending tends to be correlated with broad economic activity. For example, the correlation between exhibitions spending and economic activity as measured by GDP is shown in the accompanying chart.

Exhibitions direct spending and GDP by country

Exhibitions direct spending (\$ millions)



Source: Oxford Economics (2018)

ECONOMIC IMPACT METRICS

After estimating direct exhibitions spending based on existing impact studies and the econometric model, the research team estimated additional economic impact metrics utilizing the sources listed in the table below. For example, we used economic data on gross output and value added for both the whole economy and the travel industry to estimate direct GDP impacts for each country.

In addition, we used multipliers from existing impact studies and travel and tourism multipliers maintained by Oxford Economics and WTTC to estimate the total economic impact of exhibitions for each country.

Economic impact metrics	Economic impact metric	Estimation method and source
	Direct spending (direct output)	Existing impact studies Estimates from econometric model
	Net space sold (square meters)	Existing UFI data
	Total visitors	Existing UFI data
	Total exhibitors	Existing UFI data
	Direct GDP (gross domestic product) impact	Estimates of direct spending (direct output) Economic data on whole economy & services industry gross output from national statistical agencies Economic data on whole economy & services industry value-added from national statistical agencies
	Direct jobs	Existing impact studies Estimates from econometric model Economic data on whole economy gross output from various national statistical agencies Travel & tourism data & multipliers from Oxford Economics & WTTC (World Travel and Tourism Council)
	Total economic impact, GDP, and jobs	Existing impact studies Travel & tourism data & multipliers from Oxford Economics & WTTC (World Travel and Tourism Council)

ABOUT OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities.

Headquartered in Oxford, England, with regional centres in London, New York, and Singapore, Oxford Economics has offices across the globe. We employ over 200 full-time people, including more than 130 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.