UFI Africa Exhibition Industry Outlook
24 September 2022

Unlocking Africa's Untapped Opportunity

UFI's Africa Exhibition Industry Outlook showcased a continent eager to attract organisers to an exhibition market rich with opportunities.

For an organiser looking to break into a new market, Africa stands alone in terms of opportunity. A continent full of expanding, diversifying economies; multiple entry points for international businesses intent on gaining early market share in nascent markets.

A continent where, in the words of Bruce Whitfield, author and keynote speaker at last month's UFI Africa Exhibition Industry Outlook in Johannesburg, "things could be a lot worse, but should also be a lot better".

The role of exhibitions carries arguably more weight in Africa than anywhere else, ferrying international business to undiscovered markets intent on exporting their expertise. Montgomery, Reed, Clarion, Informa and the Messes have all been active in the region with varying degrees of success. The highs of working in one of the world's last untapped markets offset by the lows of poor infrastructure, connectivity, regional expertise and expense.

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At the Johannesburg Expo Center on 13 September, global exhibition association UFI gave a platform to businesses looking both into and out of Africa. The Africa Exhibition Industry Outlook conference painted a continent with enormous variation in terms of audience and infrastructure.

In his opening remarks, UFI's regional director for the Middle East and Africa, Naji El Haddad explained that while "the economic impact of exhibitions in Africa may be less than in other, smaller, regions, it means there are unlocked opportunities waiting to be explored".

For most international organisers, South Africa remains the landing point. Home to venues and infrastructure capable of accommodating large international crowds, and with appeal to tourists carrying both suitcases and backpacks, investors in South Africa are able to extract their capital relatively simply. Success here is often a precursor to success elsewhere on the continent.

However, the pandemic has not been kind to the continent's foremost exhibition destination. With economic woes exacerbated by the loss of tourism, South Africa has been partially disconnected by the loss of four airlines: South Africa British Airways, South African Airways, Mango and Kulula, limiting travel options to Cape Town from its primary international arrivals point in Johannesburg.

The country's connectivity issues pale into insignificance however, when compared with travel elsewhere on the continent; a major stumbling block for organisers hoping to entice attendees from other nations.

In the surrounding Southern African Development Community (SADC), its 100 million Congolese members may share a common need with the 2.3 million who live in Botswana, but their means are very different. And the SADC comprises just 16 of Africa's 54 recognised countries.

The result is that countries like South Africa and Nigeria provide a platform for those markets less primed for international trade visitors. But intra-Africa trade is minimal; contributing less than 10 percent of total business conducted at exhibitions. The bulk of trade is conducted with Western Europe and North America.

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Putting partnership first

The Montgomery Group has been active in Africa for half a century, serving industries such as mining, building & construction, food & hospitality, packaging and printing. Speaking at the event in Johannesburg, Gary Corin, Managing Director of Montgomery Group Specialised Exhibitions, said the African market is very dependent on the industrial component of its economy.

“As locals, we are able to tap into those markets, to create a platform that makes sense for that particular sector, but then deliver it at [in this case] a Montgomery standard internationally.

“Organisers must partner with local people linked to those local markets. That’s how we’ve brought about our focus, and it’s allowed us to diversify and take on new opportunities,” he said.

A close working relationship with the regional audience is key to success in a market that, by its own admission, has a dearth of the expertise necessary to engage the international audience.

The 2022 UFI Global Exhibitions Barometer, an annual survey of the issues affecting - and performance of - exhibition industries around the world, saw African recipients place local talent and experience at the top of the table, alongside regional economic factors.

Getting regional stakeholders talking is a surefire way to address this shortfall. However Sibusiso Mncwabe, Chair of the Exhibition and Events Association of South Africa (EXSA) told the audience that efforts “must be doubled”.

“Our continent does not converse. The left and the right do not speak to each other,” he explained. “In South Africa we don’t talk to Angola to find out what they are doing, or to Zimbabwe, which is right next to us.

“We only talk when they need something or we need something, but when are we collaborating? When are we saying to one another that we need to grow this continent?”

Sibusiso points to the urbanisation taking place across the continent, and the positive impact this is having on exhibition infrastructure; development that must be matched by regional expertise. This is a common concern and not one limited to Africa, but failure to find this expertise has been exacerbated by a talent pool drained by the pandemic.

Taking time out of his day-to-day as President of dmg events for the Middle East Asia and Africa, master of ceremonies Matt Denton said organisers around the world are chasing the survivors.

“We’re all crying out for expertise. Even the incumbents are looking to see if they can get 10-15 percent more salary for the same job somewhere else.”

The global industry is engaged in what Denton calls the “talent market dance”, and for those with the right skillset, it is the more developed markets - those willing to pay more - that are the more attractive.

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Markets on the move

Expertise is nothing without vision, and the ability to spot and seek a share of emerging markets requires a trained eye.

South Africa grew wealthy through mining, but with that industry suffering and its suppliers are trying to diversify. Denton points out that dmg’s portfolio of mining shows are not just about mining, focusing equally on the broad range of ancillary industries in related sectors.

Similarly, while Nigeria may be the world’s 15th largest oil producer, historically home to plastics and mining events, its blossoming ICT, healthcare and media industries have caught the eye of portfolio directors representing different crowds.

Organisers looking to enter African markets are advised against the traditional expansion model of acquisition and rebadging, in favour of organic growth driven by a permanent local presence.

Most of dmg’s push into Africa has been through construction, essentially a trip from the Arabian Sea south across the Indian Ocean for its Big 5 brand and subsidiaries. When these land, it is crucial the properties are geo-adapted, rather than geo-cloned for the African market.

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The core audience for a construction show in Dubai is, according to Denton, “a group of people who have rarely picked up a power tool in their working life, they are about the business of construction”. By contrast the audience for a construction show in South Africa comprises valued contractors with a 30-man business and a successful career, who can drive a digger or still do the plastering.

“If I took that construction show and targeted the wrong audience, it would die,” he explained.

Speculate to accumulate

The clamour for international events such as these has increased in the wake of the pandemic. According to UFI’s Barometer survey, exhibitions in Africa generate 8,600 jobs directly, rising to 20,500 across the full value chain of exhibitions. More than a million square metres were sold to 43,000 exhibiting companies, which in turn played host to 2.2 million visitors.

It’s a significant underachievement. For the sake of contrast, more than 130,000 exhibited in the Middle East in the same period.

Recently appointed Zimbabwe Tourism Authority Chief Executive, Winnie Muchanyuka, confirmed onstage that MICE tourism will be the organisation’s bread and butter in the short to medium term, adding leisure tourism back into the mix thereafter.

“Coming out of Covid we came to realise that this is the type of business that we need to rely on, and not the leisure tourism that we’ve been chasing,” she said. “With leisure tourism the business stops the moment you have any upheaval or restriction.

“As a model we realised that we need to change our focus and build on what we were doing to pay more attention to domestic tourism and moreso: MICE tourism.”

As with most African countries, the Convention and Visitors Bureau occupies minimal space under Zimbabwe’s tourism umbrella. But while they refine their bids and champion investment and public sector funding for the development of national events infrastructure, subvention and financial support for international exhibitions remains scarce.

Across the border, South Africa’s National Convention Bureau operates a Bid Support Programme that will present 100 per cent of its financial support if the event is hosted in a second-tier city or town.

The programme, introduced in 2017 and adjusted in the wake of the pandemic, helps organisers bid for specific business events, providing insight and subsidised support against certain criteria, such as the percentage of international delegates, or ability of that event to attract investors and contribute to local products being exported.

Zinhle Nzama, General Manager for Strategic Events at South African Tourism, told the audience that the focus on second tier locations is to use these shows “as a platform to bridge the gap between the township economy and the mainstream economy”. It does this through the creation of township economy pavilions, which bring previously disadvantaged communities into the mainstream.

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Forward without fear

To return to the wisdom of keynote speaker Bruce Whitfield, South Africa is a land of “precise opportunism” for those with financial freedom and flexibility, and minds unclouded by fear and indecision.

“If you live in a social media world where your Facebook feed tells you what you think you know already, and others are telling you what a genius you are because you’re telling them what they believe, then you’re in the wrong place.

“It’s an old cowboy saying: always drink upstream from the herd. I grew up on a farm two hours from here and I swam downstream from the herd and trust me: you don’t do that twice. But we do it every single day in our social media lives, in the media we consume, in the truths that we believe, and often we get ourselves quite caught up in the hyper negativity of our environment.”

Whitfield said that the most common trait in the CEOs he has been interviewing for his book - directors of small companies that grew into huge companies over the last 20 years - is an unshakable belief that they can make the world a better place.

There are fundamental challenges to delivering exhibitions in Africa. Travel, accommodation and affordability all impact the experience for international exhibitors, while infrastructure shortcomings limit the ability to drive scale and for an international organiser looking to enter a market.

But solutions are being sought and UFI's conference in Johannesburg demonstrated the opportunity was there. Stick to topics that you know, be focused but not self-limiting, take your strongest brands and seek equally strong relationships, and mitigate the problems of geography and travel allowance with online components.

To wait for conditions to be comfortable is to cede ground to other organisers already taking valuable market share. The boldest will be in before they should be, but they will have their markers down in time to ensure longevity in the market.

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*For more on the 2022 UFI Global Exhibitions Barometer, click **here**, or **here** to download the document in full.*

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