



A comparison of the exhibition industry issues between the Czech Republic and the world

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Veletrhy Brno, a.s.**



1. The exhibition industry worldwide and in Europe
2. The exhibition industry in Germany
 - Statistics
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 - Ownership relations
3. Exhibition markets in Central Europe
4. Consequences of the EU accession for the exhibition industries in the new EU member countries
5. Trade fair trends worldwide and in Europe
6. Foreign and national trade fair associations
FKM, CENTREX, UFI, AUMA, SOVA CR

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1. The exhibition industry worldwide and in Europe

Trade fairs worldwide

Number of trade fairs and exhibitions



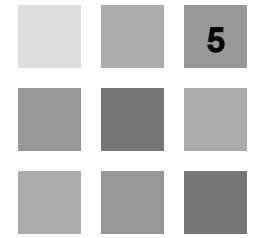
JGK20106-1e.sw (05/2001)

Source: m+a MESSEPLANER

M
Messe
Düsseldorf

Trade Fairs in Europe

✓ data in 2004



Annual market volume according to UFI estimates

(The Global Association of the Exhibition Industry)

- 1.5 million exhibitors
- 160 million visitors
- ca. 300 large towns
- ca. 3600 trade fairs and exhibitions a year

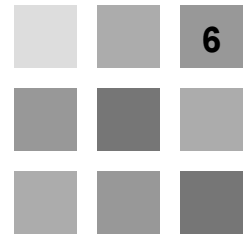
The exhibition market with audited statistics makes up a third of the market

- 512,000 exhibitors
- 49.5 million visitors
- 21.5 million sqm
- 1,415 trade fairs and trade shows, of this
 - 45% are intended for experts
 - 30% for the general public
 - 25% for B2B and B2C



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Global trade fair and exhibition market



■ Exhibition halls capacity (million m2 brutto)



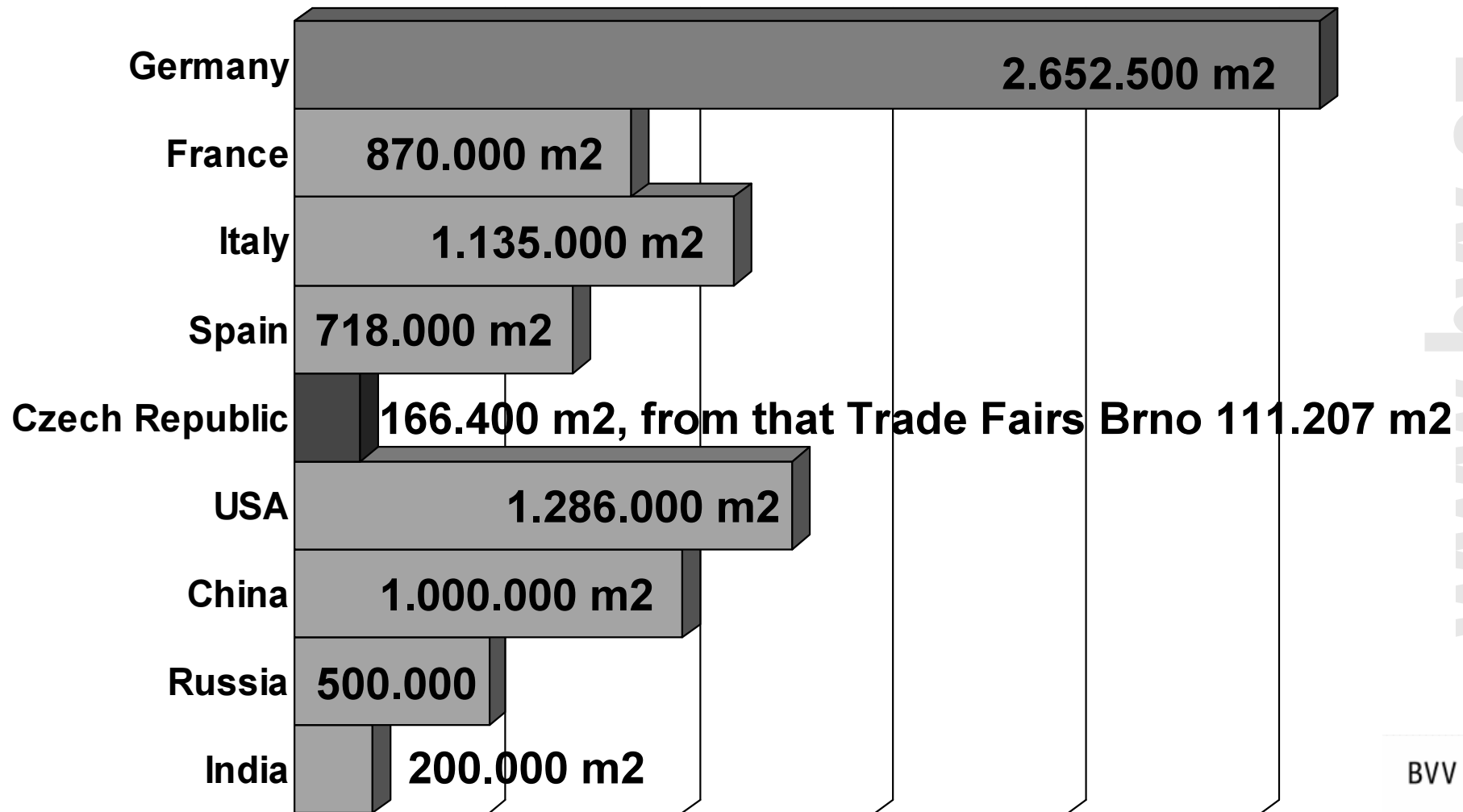
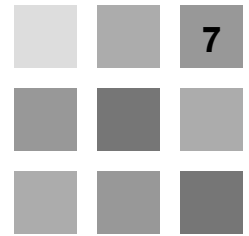
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In the whole world there are 12 million square metres of exhibition area at the 252 largest exhibition centres.

Source: AUMA, 2001

Global trade fair and exhibition market

✓ by exhibition capacity of the halls



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Global trade fair and exhibition market

✓ by exhibition capacity of the halls

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Messeplätze weltweit 2005



Ausstellungskapazitäten*
(brutto in m²)

Ort	Halle
Hannover	495 265
Mailand	348 000
Frankfurt / Main	324 023
Köln	286 000
Düsseldorf	252 214
Valencia	230 837
Paris expo	227 380
Chicago	204 461
Birmingham	200 000
Orlando (Orange County)	195 167
Paris-Nord	190 669
Las Vegas (L.V. Convention Center)	184 456
München	180 000
Berlin	160 000
Nürnberg	152 000
Bologna	150 000
Madrid	150 000
Guangzhou	149 200
Utrecht (mit Trade Mart)	135 000
Basel	133 000
Atlanta	130 112
Verona	125 000
Bari	120 000
Houston (Reliant Park)	119 258
Barcelona (Montjuic)	115 000
Brüssel	114 445
Barcelona (Gran Vià M2)	114 000
Posen	113 100
Essen	110 000
Moskau (VVZ)	108 500
Bilbao	108 000
Lyon	104 000
Genf	102 470
New Orleans	102 230
London (Earls Court / Olympia)	101 300
Leipzig	101 200
Parma	100 000



Germany is No. 1 in the
exhibition industry

Brno 111,207 m²

Stand: 1.1.2005

* mit mehr als 100 000 m² Hallenfläche

Die Zahlen beziehen sich – wenn nicht anders vermerkt – jeweils auf
das Hauptmessegelände, nicht auf die Gesamtkapazitäten der Stadt

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Comparison of space rental prices

✓ an average price for m2

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Italien	€ 120
Deutschland	€ 140
Brasilien	€ 157
Frankreich	€ 183
Russland	€ 215
Großbritannien	€ 264
Vereinigte Ar.Emirate	€ 283
China	€ 289
USA	€ 289
Hongkong	€ 293
Japan	€ 326

Source: AUMA

Tschechische Republik € 84

Source: BVV

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Motto:

***The oldest marketing tool is in great shape again;
German trade fairs have resumed the way of success...***

2. The exhibition industry in Germany

“QUO VADIS“

Trade Fair Towns in Germany

24 trade fairs companies = 2,652.531 m²



TOP 6

Messeplatz Deutschland 2005 
 Ausstellungskapazitäten*
 (brutto in m²)

Ort	Halle	Freigelände
Hannover	495 265	57 880
Frankfurt/M.	324 277	83 163
Köln	286 000	52 000
Düsseldorf	252 214	32 500
München (Neue Messe)	180 000	103 000
Berlin	160 000	100 000
Nürnberg	152 000	
Essen	110 000	20 000
Leipzig	101 200	69 998
Friedrichshafen	69 700	11 800
Hamburg	64 900	8 500
Augsburg	58 000	55 000
Stuttgart	54 500	10 000
Karlsruhe (Neue Messe)	52 000	10 000
Dortmund	48 235	
Pirmasens	45 000	30 000
Sinsheim	40 160	10 000
Bremen	39 000	100 000
München (M, O, C,)	25 000	
Saarbrücken	24 519	27 400
Karlsruhe (Kongress Center)	22 000	10 000
Offenbach	18 000	
Offenburg	17 061	35 000
Freiburg	13 500	180 000

Stand: 1.1.2005
 * Plätze mit mindestens einer Veranstaltung der AUMA-Kategorie "überregional/international"

What does the strength of the German exhibition industry consist in?

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- Every year about 310 trade fairs are held, a half of these are international fairs (152 in 2005)
- Two thirds of all the world's top projects take place here
- 10 strongest world show organizers have their seat in Germany
- Powerful trade unions participate in organizing a number of fairs. Along with industrial leaders, they are involved in making decisions on venues of fairs, creating attractive concepts, and share the profit.

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Data & facts 1999 - 2005

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German exhibition market statistics

	Total net space (m2)	Number of exhibitors	Provable visitors
1998	8 557 585	216 812	18 812 131
1999	8 421 071	220 043	18 821 521
2000	9 136 185	234 993	18 991 231
2001	8 910 985	226 921	19 143 711
2002	8 285 048	222 240	16 407 771
2003	7 577 464	210 839	16 673 577
2004	8 121 034	218 648	16 694 163
2005 - estimate	8 324 060	229 580	16 527 221

Source: AUMA

Data & facts 2000 - 2004

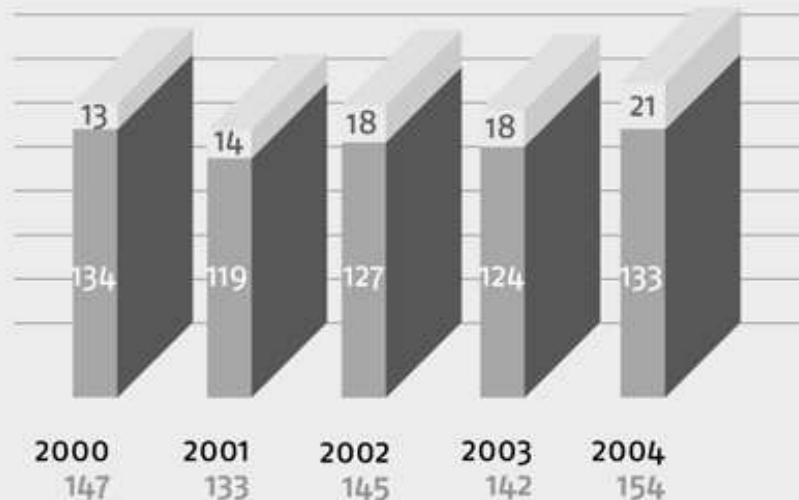
✓ number of fairs held*

14

World fairs

Regional fairs

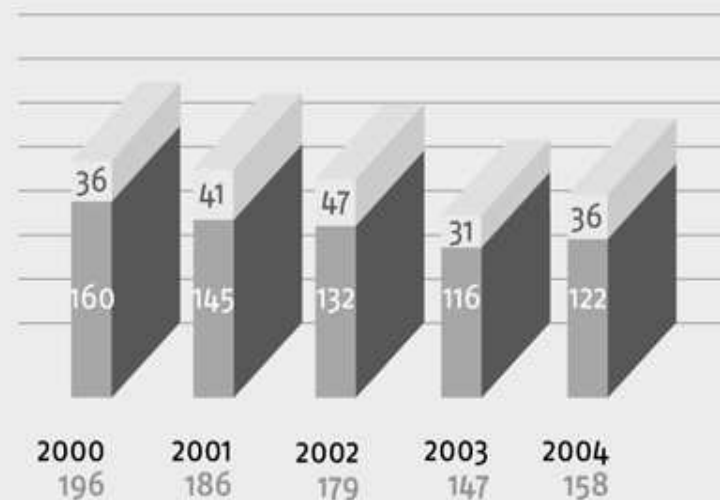
Messeplatz Deutschland Überregionale Veranstaltungen



Zahl der Veranstaltungen

■ FKM geprüft ■ nicht FKM geprüft

Regionale Veranstaltungen AUMA Kategorie Regional



Zahl der Veranstaltungen

■ FKM geprüft ■ nicht FKM geprüft

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* FKM audited + non-audited data

Source: AUMA

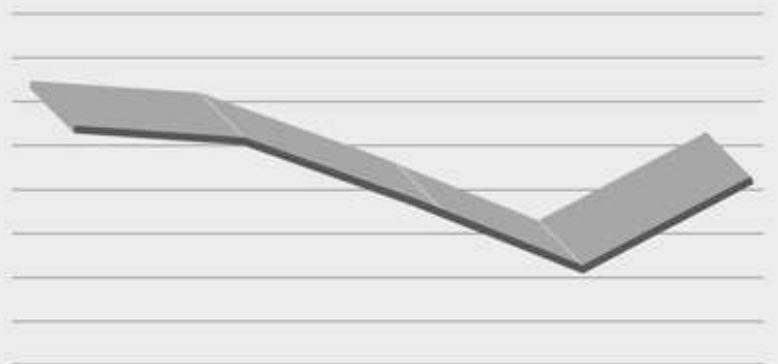
Data & facts 2000 – 2004

✓ rented space in m2

World fairs

Regional fairs

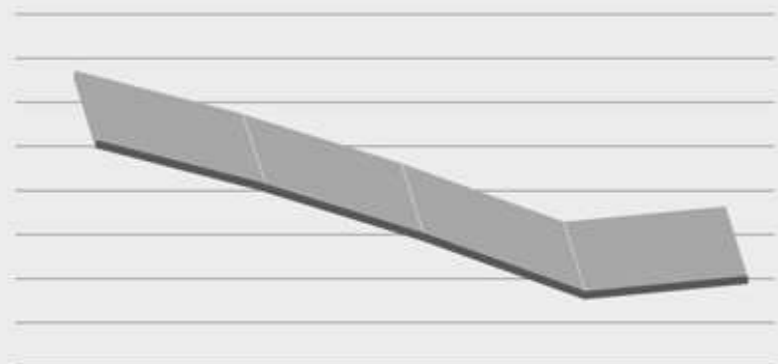
Messeplatz Deutschland Überregionale Veranstaltungen



2000 2001 2002 2003 2004
7.195.556 7.104.295 6.639.204 6.118.937 6.617.716

Vermietete Fläche in m²

Regionale Veranstaltungen AUMA Kategorie Regional



2000 2001 2002 2003 2004
1.940.629 1.806.690 1.645.844 1.458.527 1.503.969

Vermietete Fläche in m²

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N.B. A drop in rented space in 2003 was due to an adverse conjuncture of the German economy (GDP 0.9% only)

Source: AUMA

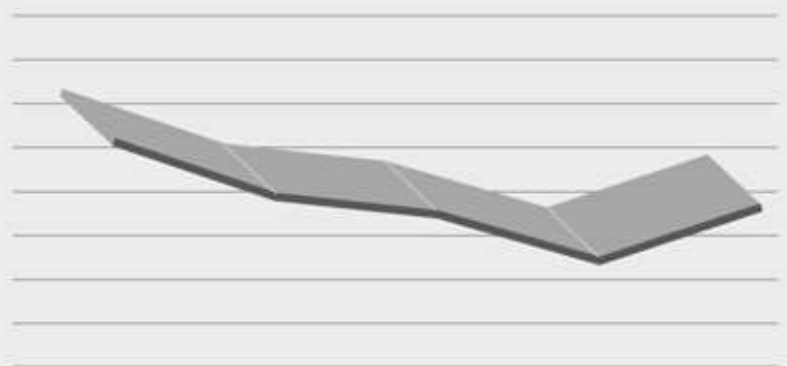
Data & facts 2000 - 2004

✓ exhibitor numbers

World fairs

Regional fairs

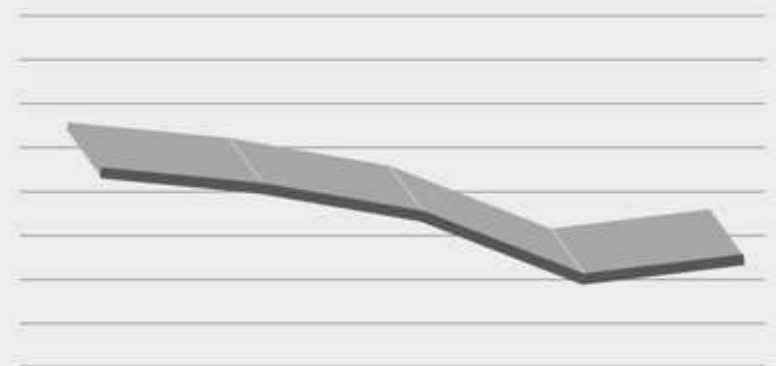
Messeplatz Deutschland Überregionale Veranstaltungen



Year	2000	2001	2002	2003	2004
Number of exhibitors	174.612	167.980	165.859	160.238	166.991

Zahl der Aussteller

Regionale Veranstaltungen AUMA Kategorie Regional



Year	2000	2001	2002	2003	2004
Number of exhibitors	60.381	58.941	56.381	50.601	51.657

Zahl der Aussteller

www.bvwv.cz

Source: AUMA

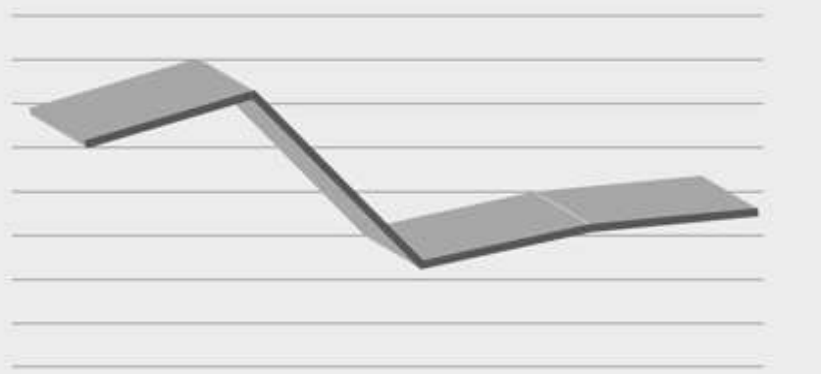
Data & facts 2000 - 2004

✓ visitor numbers

World fairs

Regional fairs

Messeplatz Deutschland Überregionale Veranstaltungen

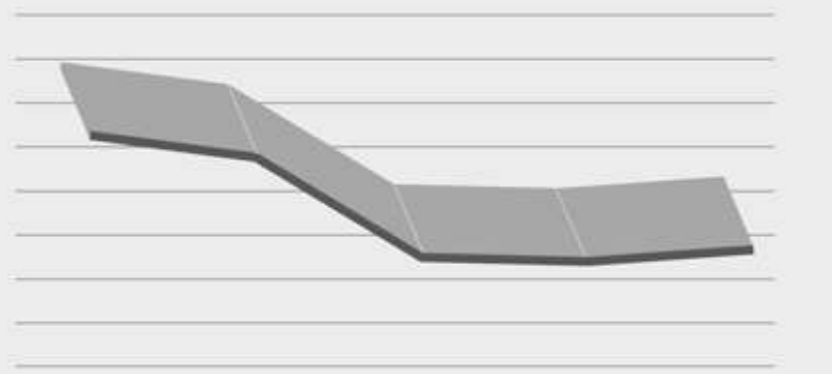


Year	2000	2001	2002	2003	2004
Number of visitors	10.260.800	10.691.527*	9.218.276*	9.536.187*	9.675.845*

Zahl der Besucher

*Aufgrund eines neuen Verfahrens zur Besucherzählung ab 2001 sind Vergleiche zu den Vorjahren nur eingeschränkt möglich

Regionale Veranstaltungen AUMA Kategorie Regional



Year	2000	2001	2002	2003	2004
Number of visitors	8.730.431	8.452.184	7.189.495	7.137.390	7.018.318

Zahl der Besucher

www.bvwv.cz

Source: AUMA

Development of indices

World fairs 1994 - 2004

Regional fairs 2003 - 2004

Messeplatz Deutschland

Überregionale Veranstaltungen



Entwicklung 1994 - 2004



Regionale Veranstaltungen 2004

AUMA Kategorie Regional



Die 158 regionalen Messen und Ausstellungen
im Vergleich zu ihren Vorveranstaltungen



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✓ audited statistics only

- **Assumed data:**
 - An increase in area by 2.5 %
 - An increase in the number of exhibitors 0.5 %
 - A decrease in the number of visitors by 1%

- **Internationality of projects is growing, from abroad there were:**
 - 1/2 exhibitors
 - 1/3 expert visitors

- **Total sales of trade fair companies in 2005 probably reached almost 2.4 mld. €**
 - The reason why the sales were lower than in 2004 (2,45 mld. €) is a different representation of trade fairs. In 2005, some large projects with the periodicity of two or more years did not take place (e.g. DRUPA, Glasstec, Euroblech,..)

Source: AUMA

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Trends of the German trade fair industry in 2006

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Stabilization at the trade fair and exhibition market

- In the past two years, the domestic market, same as the German trade fair industry, was affected by the adverse conjuncture of the German economy

German GDP development in 2000 - 2006

	2000	2001	2002	2003	2004	2005	2006 Schätzung
Bruttoinlandsprodukt	2,5	2,5	1,5	0,9	2,4	1,3	1,4

Quelle: Statistisches Bundesamt Deutschland

- Interest in specialized, very clearly outlined trade fairs
- Again, trade fairs rank first in the marketing mix.

Ranking of marketing tools:

1. *trade fairs*
2. *personal sale*
3. *direct marketing*

Source: A study conducted by the Messe Institut Laubenheim, 2005. In total, 25, 000 responses were evaluated (respondents were marketing experts from companies and economics professors from German universities)

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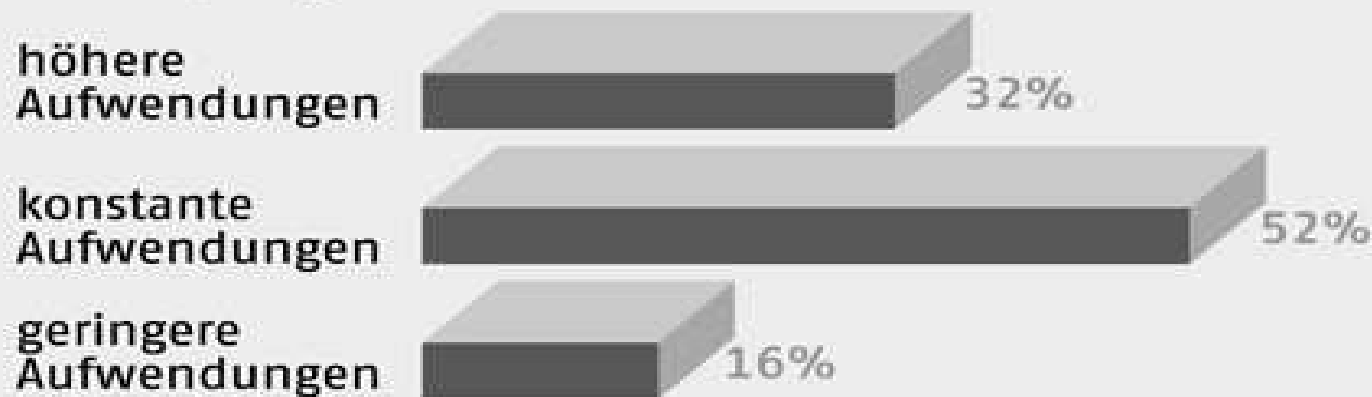
Future: the growth of investments in trade fair participation

AUMA_MesseTrend 2006



Investitionen in Messebeteiligungen

...% der deutschen ausstellenden Unternehmen* planen weltweit im Zeitraum 2006/2007 im Vergleich zu 2004/2005



Messebudget pro Unternehmen: 2005 + 2006: 279.000,- €
2006 + 2007: 281.600,- € **+0,9%**

* repräsentative Umfrage von TNS Emnid im Auftrag des AUMA unter 500 Unternehmen, die auf fachbesucherorientierten Messen ausstellen; Oktober 2005

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Future: the importance of trade fairs in the communication mix will grow

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AUMA_MesseTrend 2006



Messen im Kommunikations-Mix

In der B-to-B-Kommunikation betrachten ...% der deutschen ausstellenden Unternehmen als sehr wichtig oder wichtig:



* repräsentative Umfrage von TNS Emnid im Auftrag des AUMA unter 500 Unternehmen, die auf fachbesucherorientierten Messen ausstellen; Oktober 2005

Source: AUMA

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TRENDS: Preferred sectors

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SECTORS THAT PRESENT NOVELTIES AND KEEP UP WITH TECHNOLOGY DEVELOPMENT

- Engineering, automation, logistics
- Automobile industry
- Medicine
- Ecology, unconventional sources of energy
- Building industry
- IT
- Entertainment electronics
- Food industry
- Sports and wellness
- Travel trade fairs
- Further education
- Trade fairs focused on arts

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- Fairs focused on consumer goods have shown a drop in attendance

Reasons:

- On the part of exhibitors: bankrupts of small companies that did not overcome current economy problems in Germany
- Certain “customer restraint “, associated with a lower buying power of end consumers
- Strong competition of supermarkets that take over the presentation role of trade fairs in this segment

TREND: Added value of trade fairs

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✓ innovations in the offers by fair administrations

- **The offer of „complex marketing and sales solutions “**
 - The focus moves over to services, the offer of which is being extended
 - The aim is to “prolong the value chain “ (from ca. 20% to 40%)
 - The range of services stretches out from an accommodation reservation to a full organizational back-up of trade fair participation
- **So called “combined formats“ are promoted**
 - Joining trade fairs with congresses
 - These are more attractive both for exhibitors and experts than traditional trade fairs
 - It is easier to address relevant target groups
- **Business-Matching of exhibitors and visitors**
 - It offers efficient visit planning – due to a shorter duration of stays on exhibition grounds
- **Online-Community (www organizer´s communicaiton)**
 - Exhibitors present their products at their websites all the year round
 - Experts may obtain information not only once or twice a year, but also in periods between fairs, regardless of their course

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Problems in the German trade fair industry

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- **“Canibalization “ = lurking away the existing projects into new exhibition facilities**
 - Reasons: An increasing competition between fair managements
 - This trend is apparent in Italy, too (Fiera Milano strives for transferring the projects of competitor fair managements to its new exhibition grounds – gross area of 530,000 m², net area of 260,000 m²)
- **Copying trade fair themes for the same target groups, often in an immediate geographic proximity**
 - Problems: fragmentation of exhibitors´ interests, visitors cannot get comprehensive information in one place
 - Consequences: cancellation of projects due to a lack of interest by exhibitors, e.g. Reallocation Leipzig, FabForm Nürnberg, Frankfurtrg, Children´s Book Fair in Köln, Fair for Advertising Technology Frankfurt
- **Building new exhibition space, in spite of not utilizing the existing one = the expansion is not compensated by an increasing demand. In 1998-2003, total exhibition space was increased by 10%.**
 - Reasons: trade fair owners (municipalities, federal lands) rely on cost-effectiveness rather than profit
 - Consequences: an excessive offer pushes down space rental prices (dumping prices)
 - Problems: low utilization of exhibition grounds, losses are paid by tax-payers
 - Solution: privatization of trade fairs that might prevent wasting state resources

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TREND: Privatization of trade fairs

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■ Ownership structure in Germany

- Trade fairs are owned mainly by municipalities and federal lands
- Economy becomes a problem because only a few achieve profit in exhibition centre operation. Basically, yields from trade fairs are used for maintenance and investments

■ Privatization

- Capital market capability of German trade fairs is not sufficient for the privatization yet
- Modern infrastructure cannot be built at current prices (e.g. 1 m² costs EUR 140 in Germany, EUR 260 EUR in the United Kingdom, and EUR 326 in Japan)

■ What does the EU say?

- The European Union is alarmed because public corporations favour their companies and, what is more, provide subsidies at the expense of tax payers

■ Future prospects

- German trade fairs will not avoid the privatization
- They can hold up in the international competition only if they take over the implementation of their projects, including related services, on their own exhibition grounds

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TREND: Strategy of internationalization

✓ German model

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- **Internationalization = expansion on German trade fairs to foreign countries**

- **The strategic goals**
 - Establishment of German organizers abroad (building new exhibition grounds, e.g. SNIEC in Shanghai – based on cooperation among Deutsche Messe Hannover, Messe Düsseldorf and Messe München)
 - Export of successful trade fair themes
 - Transfer of know-how of the European trade fair standard
 - Efficient support to exhibitors and visitors in international activities
 - Aid to small and medium size companies at their entrance to new perspective markets, an offer of suitable communication platform
 - Acquisition of new exhibitors and visitors for trade fairs in Germany

- **Priority territories of expansion**
 - Economic regions in Asia (China, Japan, India, Thailand, Korea, Vietnam)
 - Countries of Central and Eastern Europe (Russia, United Arab Emirates)

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Participation in trade fairs abroad

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AUMA_MesseTrend 2006

Beteiligung an Messen im Ausland



...% der deutschen ausstellenden Unternehmen*
sind auch im Ausland präsent



Zahl der Beteiligungen 2006/2007: Inland 5,1
Ausland 3,2

* repräsentative Umfrage von TNS Emnid im Auftrag des AUMA unter
500 Unternehmen, die auf fachbesucherorientierten Messen ausstellen;
Oktober 2005

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Source: AUMA

Die 192 Auslandsmessen deutscher Veranstalter 2006



AUMA - Mitglieder

● Die wichtigsten Regionen

- 71 Ostasien
- 35 Osteuropa
- 20 Naher und Mittlerer Osten
- 16 Lateinamerika

● Die wichtigsten Länder

- 60 China (Shanghai 36)
- 29 Russland (Moskau 26)
- 14 Vereinigte Arabische Emirate (Dubai 13)
- 13 Indien (Mumbai 7)

Stand: 11/2005

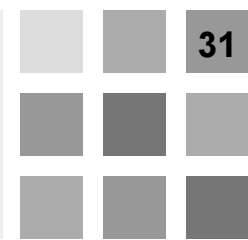
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Messe Hannover profile



Deutsche Messe AG
Hannover

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- Annual turnover about EUR 220 mil., 790 employees, 60 foreign representatives

Premises

- 496,000 m² covered space, 58.000 m² open-air space, 27 exhibition halls and pavilions

Trade fairs

- Total 68 trade fairs, of these 30 are held abroad
- **World trade fairs:** DOMOTEX, BIOTECHNIKA, contractword, didacta, CeBIT, HANNOVER MESSE, EMO Hannover, IAA, Nutzfahrzeuge, CeMAT, EuroBLECH, IKK Hannover, AGRITECHNIKA, EuroTier, LIGNA+, INTERSCHUTZ – Der Rote Hahn, INTERPOLICE

Statistics 2004*			
Number of shows	Net exhibition space	Number of exhibitors	Number of visitors
17	928,507 m ²	23,364 -40% of these were from abroad	1,823,940 -18.9% of these were from abroad

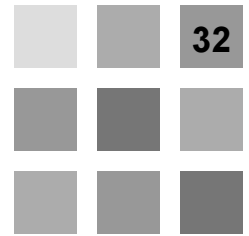
*Source: EURO FAIRS STATISTICS 2004 – Audited trade fairs only



Messe Frankfurt profile



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- Annual turnover in 2005: EUR 371 mil., a share of foreign activities in turnover: 45%, over 100 foreign representatives

Premises

- 324,000 m² covered space, 83,000 m² open-air space, 10 halls

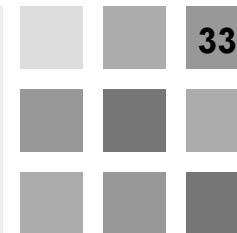
Trade fairs

- Over 100 trade fairs held both in Germany and abroad
- World trade fairs: Ambiente, Automechanika, Heimtextil, Light+Building, Musikmesse, Paperworld, Tendence Lifestyle

Statistics 2004*			
Number of shows	Net exhibition space	Number of exhibitors	Number of visitors
14	1,057,091 m ²	25,442 -68% of these were from abroad	897,615 -36.7% of these were from abroa

*Source: EURO FAIRS STATISTICS 2004 – Audited trade fairs only

Kölnmesse profile



- Annual turnover in 2005: EUR 181 mil.

Premises

- In January 2005, a new exhibition centre was opened
- 284,000 m² covered space, 75,000 m² open-air space, 11 halls

Trade fairs

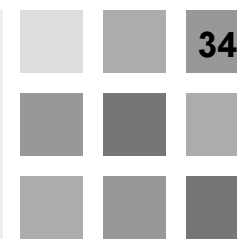
- Over 50 trade fairs and 2.000 congresses
- World trade fairs: imm cologne, International Hardware Fair, ISM, ORGATEC, photokina, spoga, Dach und Wand

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Statistics 2004*			
Number of shows	Net exhibition space	Number of exhibitors	Number of visitors
14	707,752 m ²	13,199 - 65% of these were from abroad	753,456 -28% of these were from abroad

*Source: EURO FAIRS STATISTICS 2004 – Audited trade fairs only

Messe Düsseldorf profile



- Annual turnover in 2005: EUR 225 mil.
- 65 representatives in 105 foreign countries, 13 daughter companies and participations, 1,432 employees all around the world

Premises

- 252,000 m² total exhibition space

Trade fairs

- Over 40 trade fairs in Düsseldorf, more than 20 of these are the world ones
- Ca. 80 trade fairs abroad a year
- World trade fairs: GDS, GIFA, Thermprocess, MEDICA, boot Düsseldorf, drupa, K, CARAVAN SALON Düsseldorf, REHACARE, wire, interpack, A+A, Tube, EuroShop, glasstec, ProWein, cpd woman-man, BEAUTY International, Metec

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Statistics 2004*			
Number of shows	Net exhibition space	Number of exhibitors	Number of visitors
22	1.157.051 m ²	24.984 -57.5% of these were from abroad	1.718.760 -35% of these were from abroad



*Source: EURO FAIRS STATISTICS 2004 – Audited trade fairs only

Messe München profile



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- Annual turnover in 2005: EUR 197.6 mil.; daughter companies and foreign representatives in more than 80 countries

Premises

- New exhibition grounds – 180,000 m² covered space and 253,000 m² open-air space, 17 show halls

Trade fairs

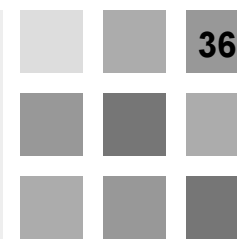
- About 40 trade fairs
- World trade fairs: BAUMA + MINING, ELECTRONICA, PRODUCTRONICA, AUTOMATICA, ISPO, ITMA, INTERMOT, IHM, HEIM + HANDWERK, BAU, TRANSPORT LOGISTIC

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Statistics 2004*			
Number of shows	Net exhibition space	Number of exhibitors	Number of visitors
19	936,261 m ²	20,626 - 42.8 % of these were from abroad	1,512,775 -19% of these were from abroad

*Source: EURO FAIRS STATISTICS 2004 – Audited trade fairs only

Messe Berlin profile



www.bvv.cz

- Annual turnover in 2005: EUR 130 mil.; foreign representatives in more than 100 countries

Premises

- 160,000 m2 covered space

Trade fairs

- About 25 fairs of their own, 55 guest projects
- World trade fairs: International Green Week, ITB, bautec, IFA, ILA, InnoTrans, Fruit Logistica

Statistics 2004*			
Number of shows	Net exhibition space	Number of exhibitors	Number of visitors
8	230,084 m2	15,523 -65.9% of these were from abroad	815,118 -8.4% of these were from abroad

*Source: EURO FAIRS STATISTICS 2004 – Audited trade fairs only



Russia, China

Makroeconomic conditions:

- The economy is growing (estimate: up to 7% a year)
- The inflation rate is decreasing
- The demand at the internal market has invigorated noticeably



Russia offers attractive market opportunities



Therefore foreign firms use trade fairs to make first contacts and explore the situation at the local market

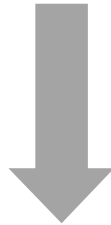
The exhibition industry in Russia:

- Moscow – the centre of Russian exhibition events, 4 exhibition grounds
- more exhibition grounds are expected to be built all over the country
- the most significant foreign trade fair organizers in Russia are Messe Düsseldorf and Messe Frankfurt

Russia – areas of potential



Economy grows at a fast rate



The Chinese market becomes a priority one for large German trade fair companies

The exhibition market in China:

- **The most important exhibition centre is the New International Expo Centres in Sanghai (SNIEC)**
 - **the most engaged exhibition centre in the world**
 - **by 2010 it will be enlarged by another 200,000 m² of exhibition space**
 - **the investment (EUR 300 mil.) is provided by the joint-venture of the trade fairs Hannover, München and Düsseldorf, and the city of Sanghai**

China – regions of potential



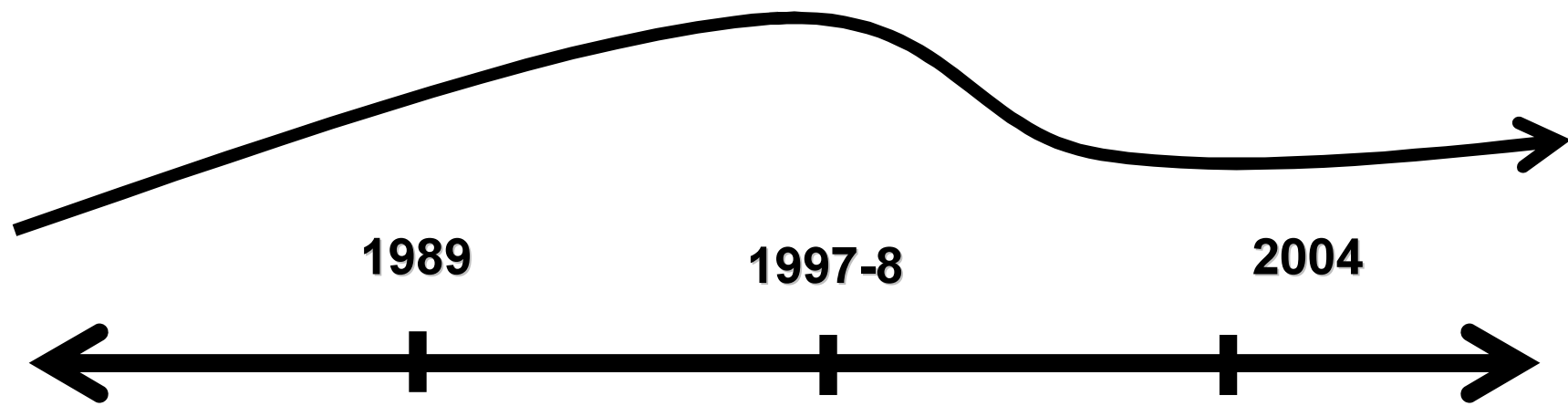
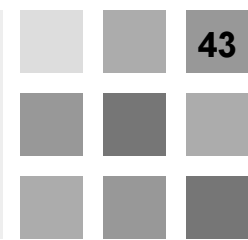
1996 MAGELLAN Geographix/SMSanta Barbara, CA (805) 685-3100

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3. Exhibition markets in Central Europe

Milestones of the Central European exhibition industry



CENTRALLY PLANNED ECONOMY

Exhibition industry & politics

Monopoly foreign trade

Influence of political decisions

All-embracing trade fairs

BOOM OF EXHIBITION INDUSTRY

Opening of the market

Quick privatization

New firms

Trade liberalization

Demand driven market

STAGNATION

Disillusionment

Slowdown of economic growth

Arrival of supranational companies and mergers

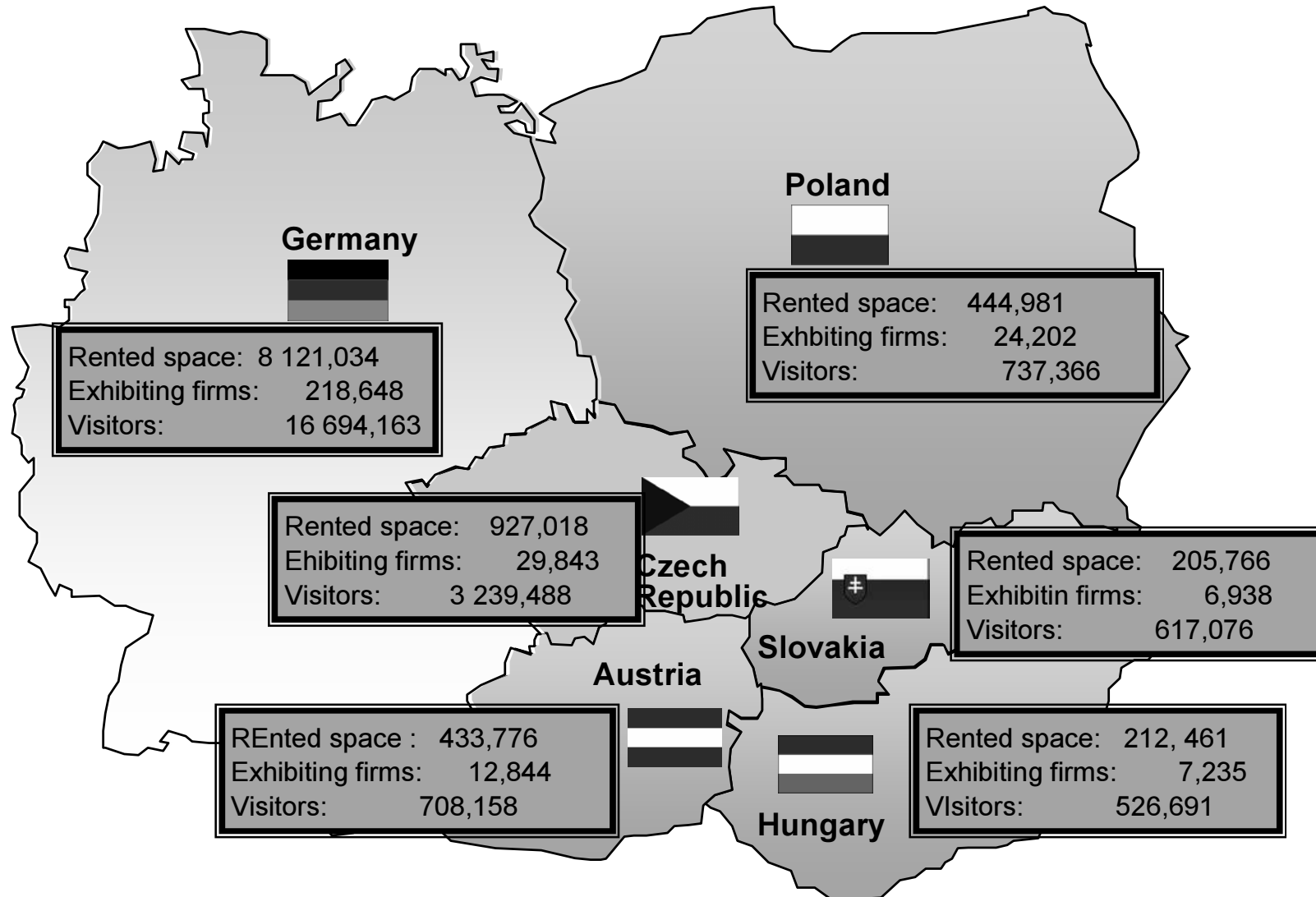
Assertion of different marketing tools

EU ACCESSION

New challenges, new business of trade fair managements

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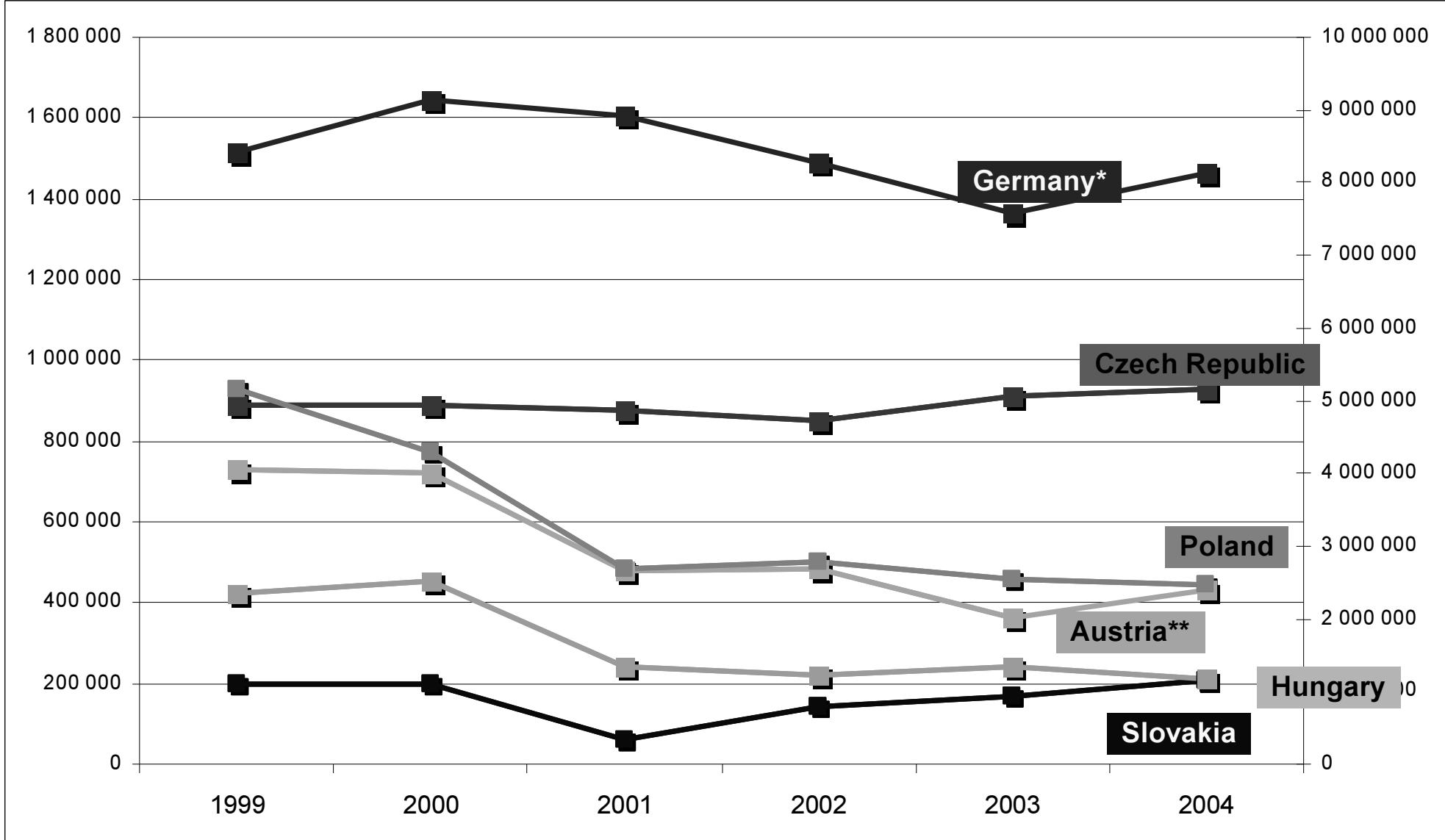
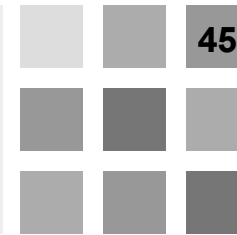
The exhibition market in Central Europe and Germany in 2004



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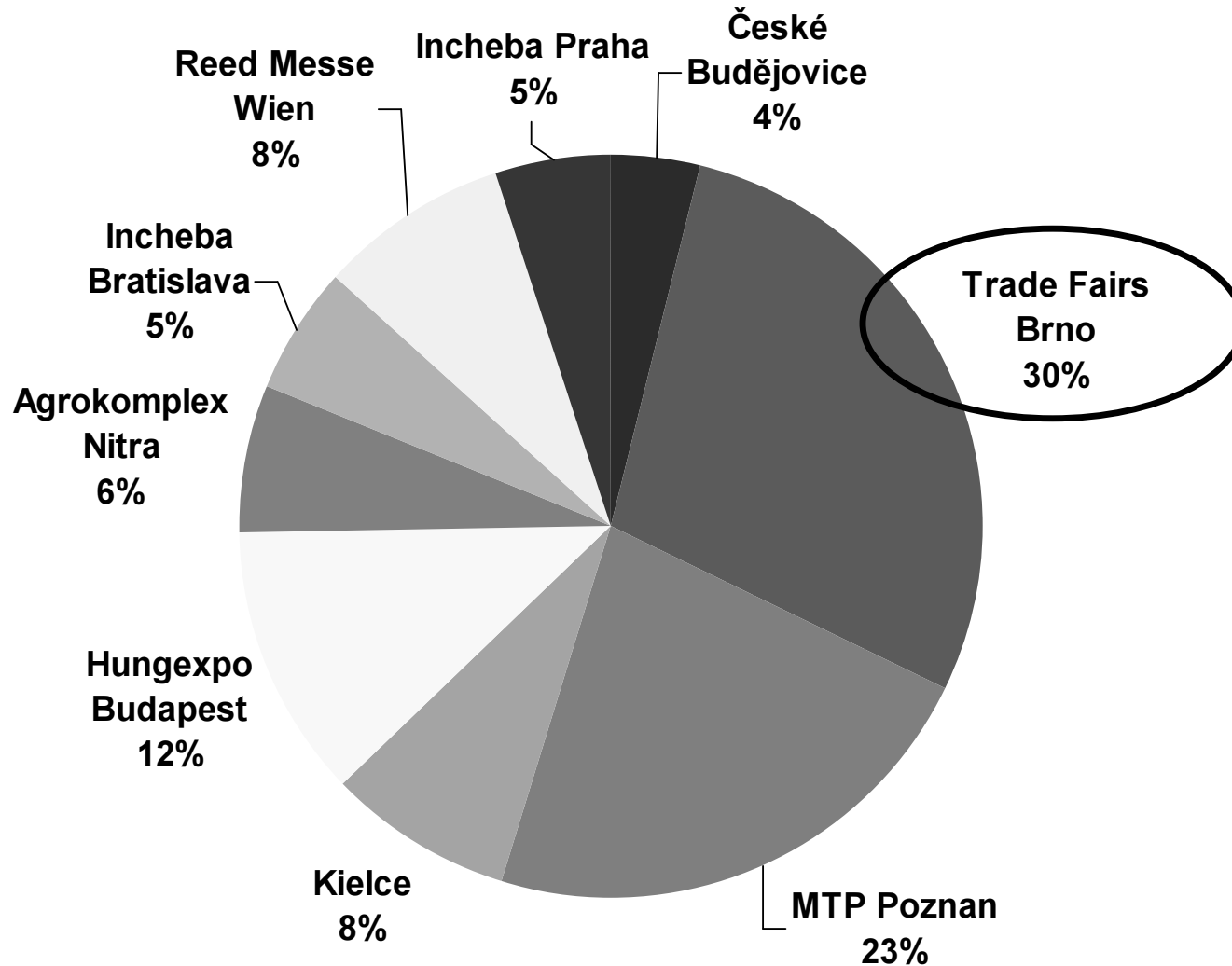
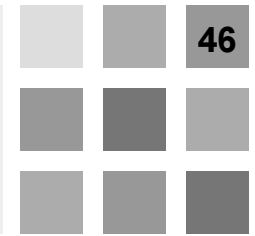


Development trends at the markets in Central Europe and Germany



*For the development line of Germany, the right axis is applicable ** data 2001-2004 audited by FKM only

Shares of organizers at the Central European market in 2004



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Organizers with rented space over 50,000 m²; 2004

Source: CENTREX, FKM





4. Impact of the EU accession on the exhibition industries in the new member countries

New borders – new Europe – new business

- EU Member States before 1 May, 2004
- New EU Member States
- Candidate countries
- Others



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Structural impulses from the EU

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(1)

- **Changes of the economic environment in the new member countries**
 - Increased efficiency of economies
 - Increased living standard and consumption by households
 - Greater confidence of foreign investors regarding the allocation of resources
 - Better legal environment, respect to proprietary rights and rules of economic competition
 - Consistent policy of state support and regulation
 - Assumption of new and demanding EU standards (technical, ecological, social-labour-legal ones, etc.)

- **Free movement of goods and capital in enlarged Europe**
 - Withdrawal of customs barriers, enhancement of protective duties
 - Increased labour mobility
 - Liberalization of capital movement

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■ Increase in investments by means of the EU funds

- Cohesion Fund

finances large investment projects in two main areas – the environment and transport (trans-European transport networks) in the EU Member States, the GDP of which is lower than 90% of the EU average. In terms of the finance volume, the Fund will provide about 1/3 of total aid

- Structural Funds – Operational Programmes (OP)

- OP Human resources Development
- OP Industry and Enterprise
- OP Infrastructure
- OP Rural Development and Multifunctional Agriculture

- Joint Regional Operational Programme (JROP)

is complementary with the sector operational programmes and the Cohesion Fund. The JROP extends their impact at a local level and is oriented at joint development strategies of the regions.

New opportunities & new business philosophy

- **Opening the market without customs barriers encouraged trade cooperation**
 - The market was enlarged for global companies
 - The internationality of trade fairs was increased due to the increasing competitiveness of small and medium size firms and their increasing penetration to new markets
 - The culture of exhibition industry in new member countries has been improved by introducing international standards
- **Drawbacks**
 - Less direct participation of firms from Western Europe (participation by means of local subsidiaries)
 - Gradual withdrawal of the official support by state institutions that subsidized the participation of firms in trade fairs in Central and Eastern Europe in the past. The support is now provided to new priority interest countries (other EU candidate countries, markets in Asia, South America...)

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Trade fair business in Central Europe

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✓ specificities

- International trade fairs do not transcend national or Central European borders significantly (no trade fair is No. 1 in the all-European or worldwide context)
- Central European countries guarantee a higher share of visitors both from the Central European countries and from the countries of the former Soviet Union (no language barriers, historical relationships)
- Infrastructure of fair grounds is at different levels (e.g. the fair grounds in Brno and Vienna rank among the TOP....)

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Motto:

Top trade fairs are the key to economic success...

5) Exhibition event trends worldwide and in Europe

■ Consequences of Globalization

- More intensive international competition in the exhibition industry
- Massive concentration of trade fairs, accompanied by the rise of integrated companies with significant turnover. "The World League of Trade Fair Economy" has been established

■ Fair administrations look for possibilities of cooperation at the third markets

- The goal is cost saving, joint management

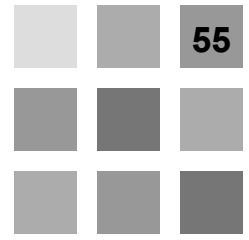
■ Internationalization has two directions.

- At the European markets, the share of foreign exhibitors and visitors is increasing
 - Producers and distributors from Asia push their way to those markets
 - Competitive producers from Central European countries try to sell at the Western European markets
- Top trade fairs are exported abroad
 - The exhibition industry moves closer to sales markets with growth potential (China, Russia, United Arab Emirates, India..)

■ Large market players (organizers of top trade fairs) are more distinctively profiled against regional fair administrations

General trends in the exhibition industry

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- Trade fairs have proven to sensitively react to the crisis of conjuncture, although with a delay
- At the market, only good projects can be asserted that are of importance for the sector “ business to business” (B2B)
- Quality is preferred to quantity – this holds good for the visitors, above all. For specialized B2B trade fairs it is the quality and not the quantity that matters (internationality, expertise or decision making powers of visitors)
- Effectiveness of trade fair participation (performance to price ratio) is not always quantifiable – it also is a matter of image, emotions, experience, face to face communication. Experience has shown that the effectiveness of trade fair participation is directly proportionate to the marketing strategy chosen by the exhibitor. Therefore the exhibitor must carry out adequate preparations for the trade fair!
- The number of visitors in the segment of small and medium size firms is growing

Trade fair projects & the customer

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Motto Messe Düsseldorf: "Services are intended for customers"

- **Emphasis on the concept of trade fair**
 - Feedback to the industry, VIP firms and associations

- **An extraordinary attention must be paid to services. The aim is to**
 - Prolong the value chain of trade fairs
 - Extension of the offer of services to customers ("key-ready" stands, transport services, hotel reservations, staffing, evening programme....)

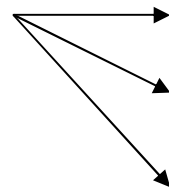
- **Business-Matching increases the effectiveness of trade fairs, both for exhibitors and visitors**
 - "meeting point" at trade fairs
 - Organized visits by experts

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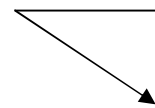
6. International and national trade fair associations

a) international



**audit FKM, CENTREX
UFI
INTEREXPO, CEFA....**

b) national

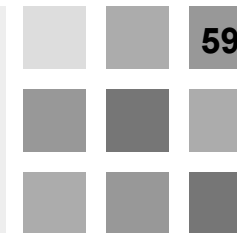


**AUMA
SOVA ČR**



- **FKM – Gesellschaft zur Freiwilligen Kontrolle von Messe- und Ausstellungszahlen carries out audits of statistical data for its members**
- **At present, 72 organizers of trade fairs and exhibitions are members of FKM**
- **Goals of the Society are**
 - **to ensure the transparency of exhibition statistics of the trade fairs that have applied for participation in compliance with standard rules, as to the division into the categories of area, exhibitors, visitors and data on visitor structure**
 - **to issue publications on audited trade fairs by FKM**
 - **to provide audited data for the AUMA database**

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- **“CENTREX“ - International Exhibition Statistics Union was founded in 1997**

- **CENTREX is a professional organization with Central and Eastern European impact. It was founded by 4 fair administrations: HUNGEXPO Budapest, INCHEBA Bratislava, Trade Fairs Brno and MTP Miedzynarodowe Targi Poznanskie Poznan. At present, CENTREX has 16 members**

- **Main goals of the Union are**
 - **to ensure the transparency of statistical data in compliance with standard rules of exhibition statistics among the members of the Union, and promote the standard rules among other trade fair organizers**
 - **to support trade fairs as means of marketing communication in general**
 - **to cooperate with foreign professional associations (a member of UFI, cooperating partner to AUMA)**

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UFI profile



- **UFI – The Global Association of the Exhibition Industry associates 334 trade fair companies worldwide, was founded in 1925**

- **The “UFI Seal“ is intended for the exhibitors to participate in foreign markets. It is a quality assurance of certified trade fairs**



- **Goals of the Association are**

- to watch over the adherence to standards in terms of international aspects
- to provide the transfer of trade fair know-how
- to take care of exchange of expert information, organize professional educational workshops
- to provide for studies and market analyses

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- **The Association of the German Trade Fair Industry AUMA was established in 1907.**
- **AUMA associates the top unions of German economy, professional unions of different industries, exhibiting at trade fairs, trade fair organizers and firms implementing foreign participations, associations of providers of exhibition services (stand construction, design, logistics) and associations involved in organization of congresses**
- **Main goals are**
 - **to represent interests of the exhibition industry at the national and international levels against state authorities**
 - **to provide information to exhibitors and visitors**
 - **to support international marketing of German exhibitors**
 - **to be involved in trade fair education**
 - **to improve market transparency**
 - **to obtain audited statistical data for their trade fair database from FKM - Gesellschaft für freiwilligen Kontrolle von Messe- und Ausstellungenzahlen**
 - **to coordinate German activities abroad**

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- The professional association was established in December 2001 by a merger of three subjects acting in the Czech exhibition industry (SOVA + ČVVS + Fair and Exhibition Section of the Economic Chamber of the Czech Republic).
- Members are organizers of trade fairs and exhibitions and firms providing specific services at trade fairs (stand construction) – 33 regular members and 4 honorary members.
- Main goals are
 - to integrate and form the Czech exhibition industry in relation to the international market
 - to support professionalism of all the entities at the Czech exhibition market
 - to implement international standards
 - to protect economy interests and prestige of trade fair and show organizers in the Czech Republic
 - to support quality, transparency, coordination and cooperation in the Czech exhibition industry

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Thank you for your attention