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Promoting, Serving and Representing
the Global Exhibition Industry



Global Exhibition Barometer

12th edition (January 2014)

A UFI report based on the results of a survey conducted in December 2013 among UFI*, SISO**, AFIDA*** & EXSA**** Members

(* Global (** USA (***) Central & South America (****) Southern Africa



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

Results of this survey were initially published in February, May & August 2009. This report evolved as the “Global Exhibition Barometer”, with two surveys per year. The last seven reports were issued in January and July 2010, 2011, 2012 and in July 2013. The current document presents the results of the 12th Global Exhibition Barometer survey, conducted in December 2013. Where possible it identifies trends drawing on the results of the previous surveys.

It should be noted that the number of replies to the current survey (178 from 57 countries) provides representative results. However, the consolidated regional results may not reflect the situation of specific countries in that region. Detailed replies to the first two questions related to gross turnover and operating profits are indicated for major national markets where a large number of answers were obtained (China, Germany and USA).

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

1. Gross Turnover

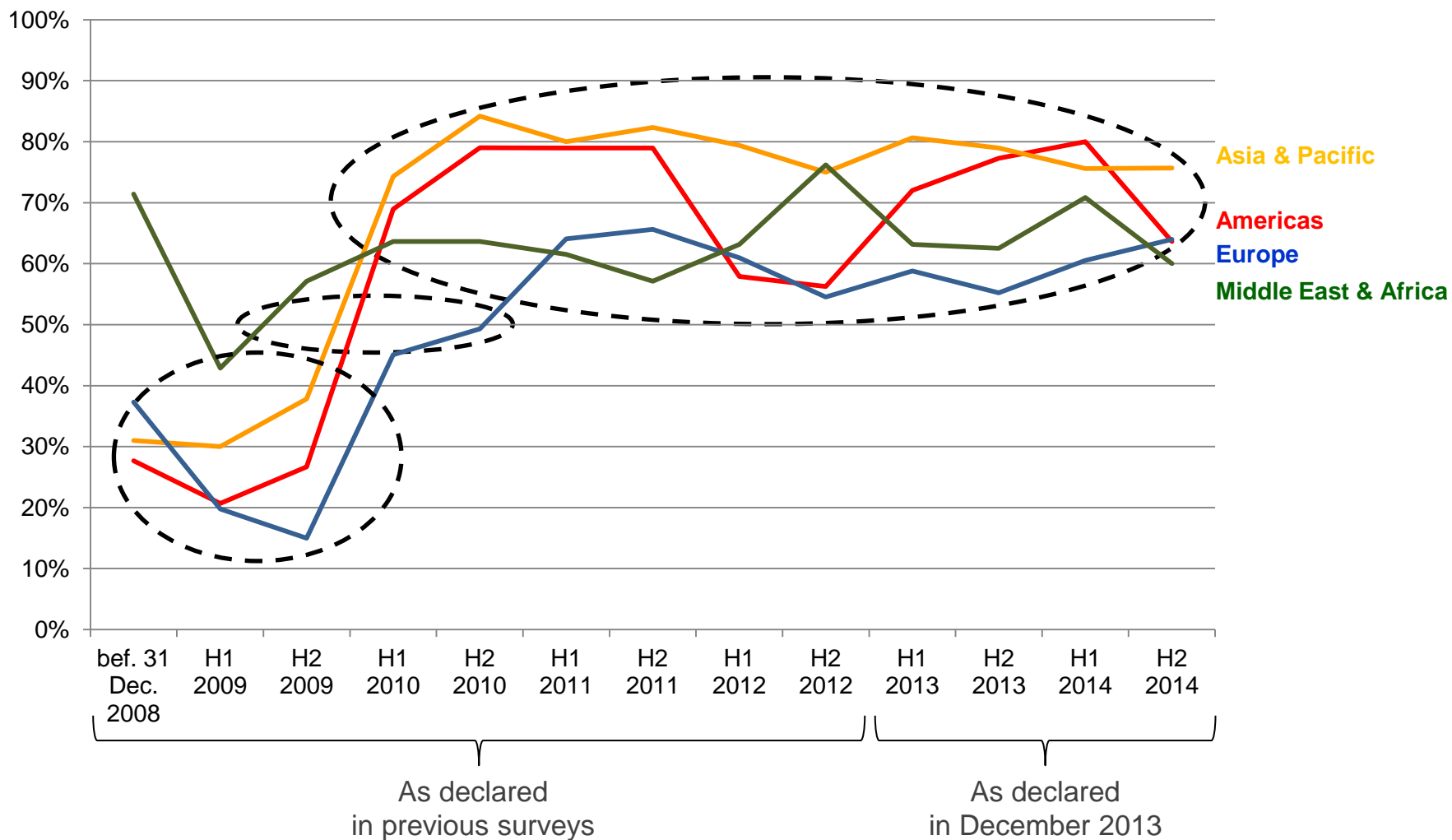
The 12th Barometer surveyed the evolution of participants' turnover expectations for 2013 and 2014 as compared to their expectations during the same period the year before (regardless of possible biennial effects). The charts presented on the next two pages combine these results with those of previous surveys for the 2008-2012 period.

The first chart presents the percentage of companies declaring an increase in their turnover. The charts on the following page detail these results, adding the percentage of companies declaring decreases in their turnover and the percentage of "unknown" answers.

Survey results indicate:

- The outlook since 2011 remains positive with a majority of companies in all regions declaring turnover increases.
- Projections indicate that this is expected to continue through 2014.
- There are however different regional levels of turnover increases for 2013 and 2014:
 - An average 6 companies out of 10 declare increases in Europe (where Germany exactly follow the average regional results) and in the Middle East & Africa;
 - Between 7 and 8 companies out of 10 declare an increase in Asia/Pacific (where China slightly outperforms the average regional results) and the Americas, except in the USA where a slowdown is anticipated for the second half of 2014 with only 4 companies out of 10 on average currently expecting an increase.

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

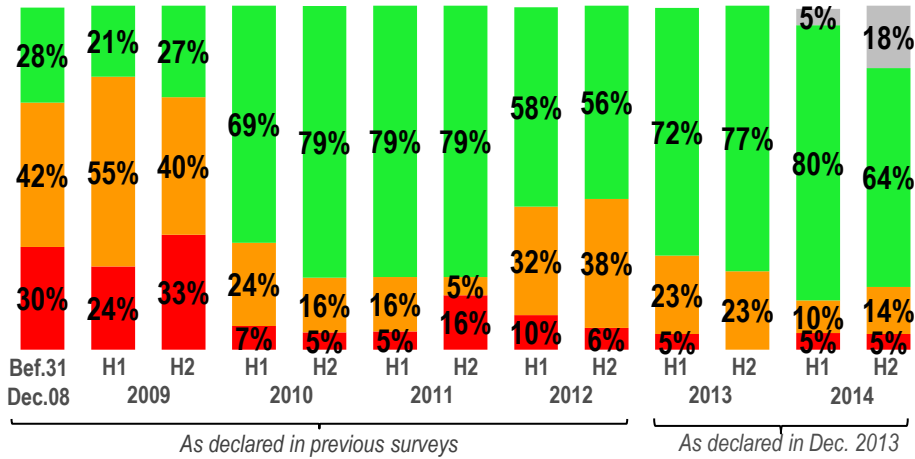


How do you expect your turnover to change when compared to the same period the year before?

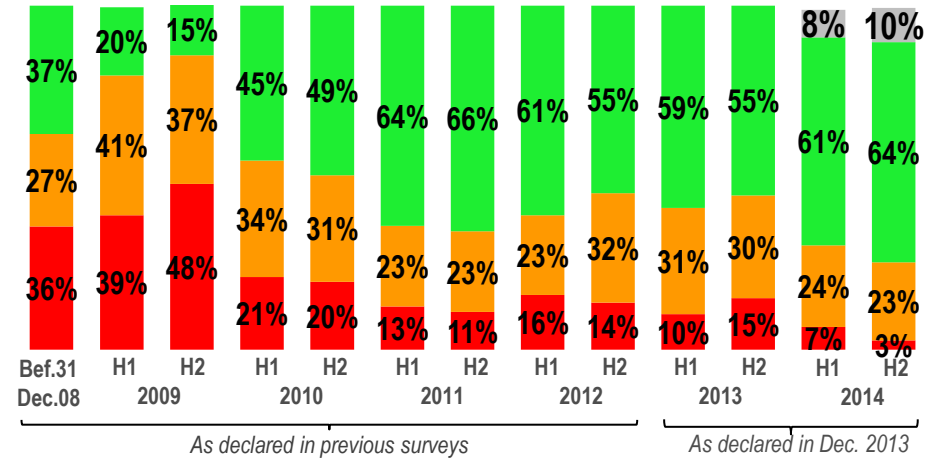
How do you expect your turnover to change when compared to the same period the year before?

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

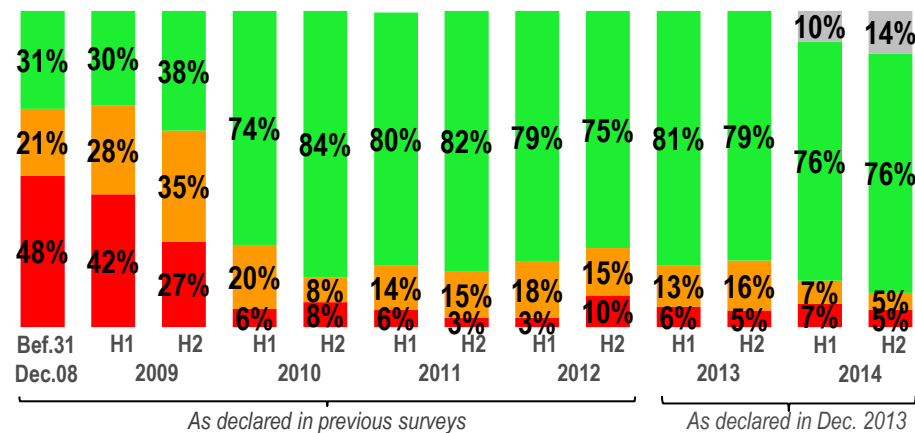
Americas



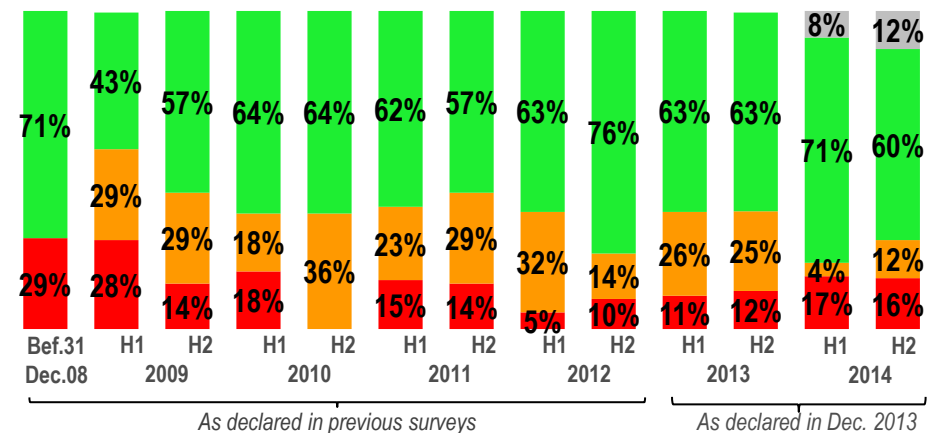
Europe



Asia/Pacific



Middle East & Africa



2. Operating Profits

The 12th Global Barometer survey questioned the evolution of operating profits for 2013 as compared to the previous year.

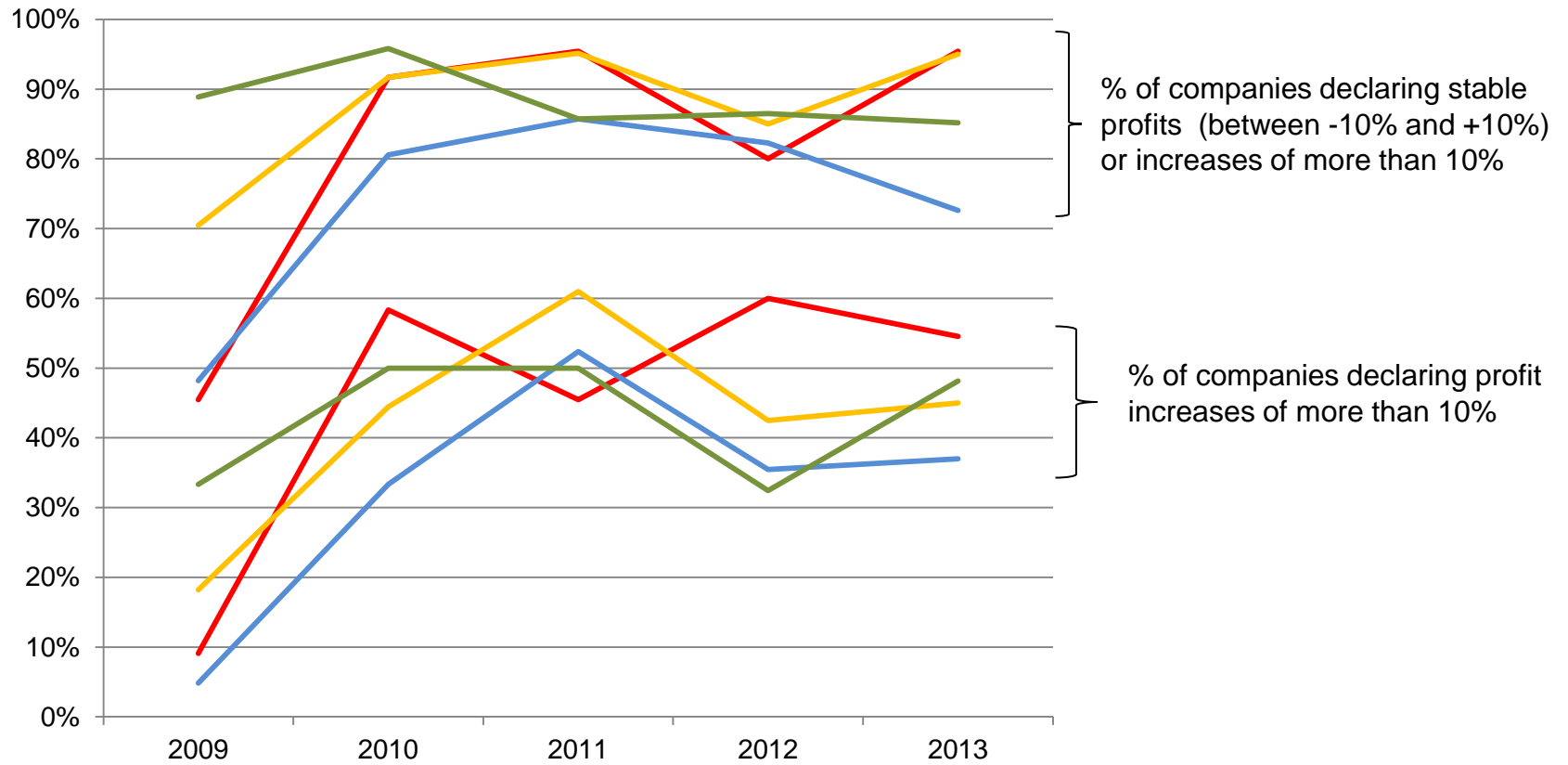
The charts presented in the next two pages combine these results with those of previous surveys which provided the evolution of operating profits for 2009, 2010, 2011 and 2012. The first chart combines the results of companies declaring an increase of more than 10% and those declaring a stable result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

The results show that:

- A rough average of companies (between 4 and 6 out of 10) in all regions declare an increase of more than 10% in annual profits for 2013. These results apply to the 3 major national markets where a large number of answers were received: 50% in Germany and in the USA and 41% in China;
- A large proportion of companies claim stable or increasing results: 73% in Europe, 85% in the Middle East/Africa and 95% in the Americas or in Asia/Pacific.

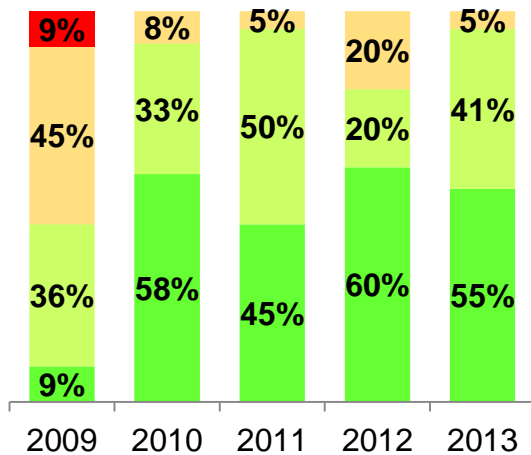
Operating profits compared to the previous year

Americas **Asia & Pacific** **Europe** **Middle East & Africa**

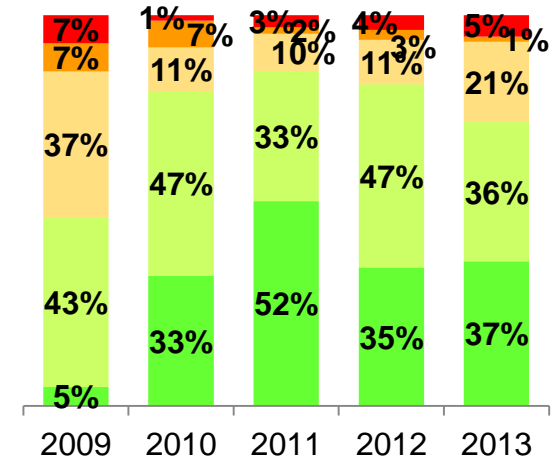


Operating profits compared to the previous year

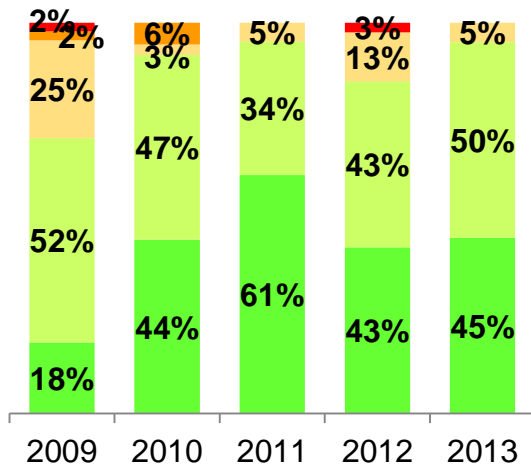
Americas



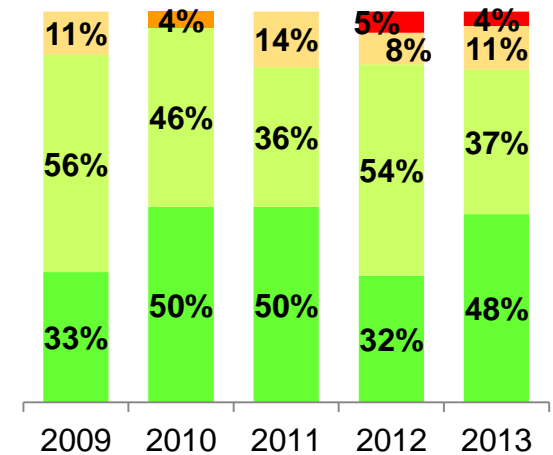
Europe



Asia/Pacific



Middle East & Africa



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

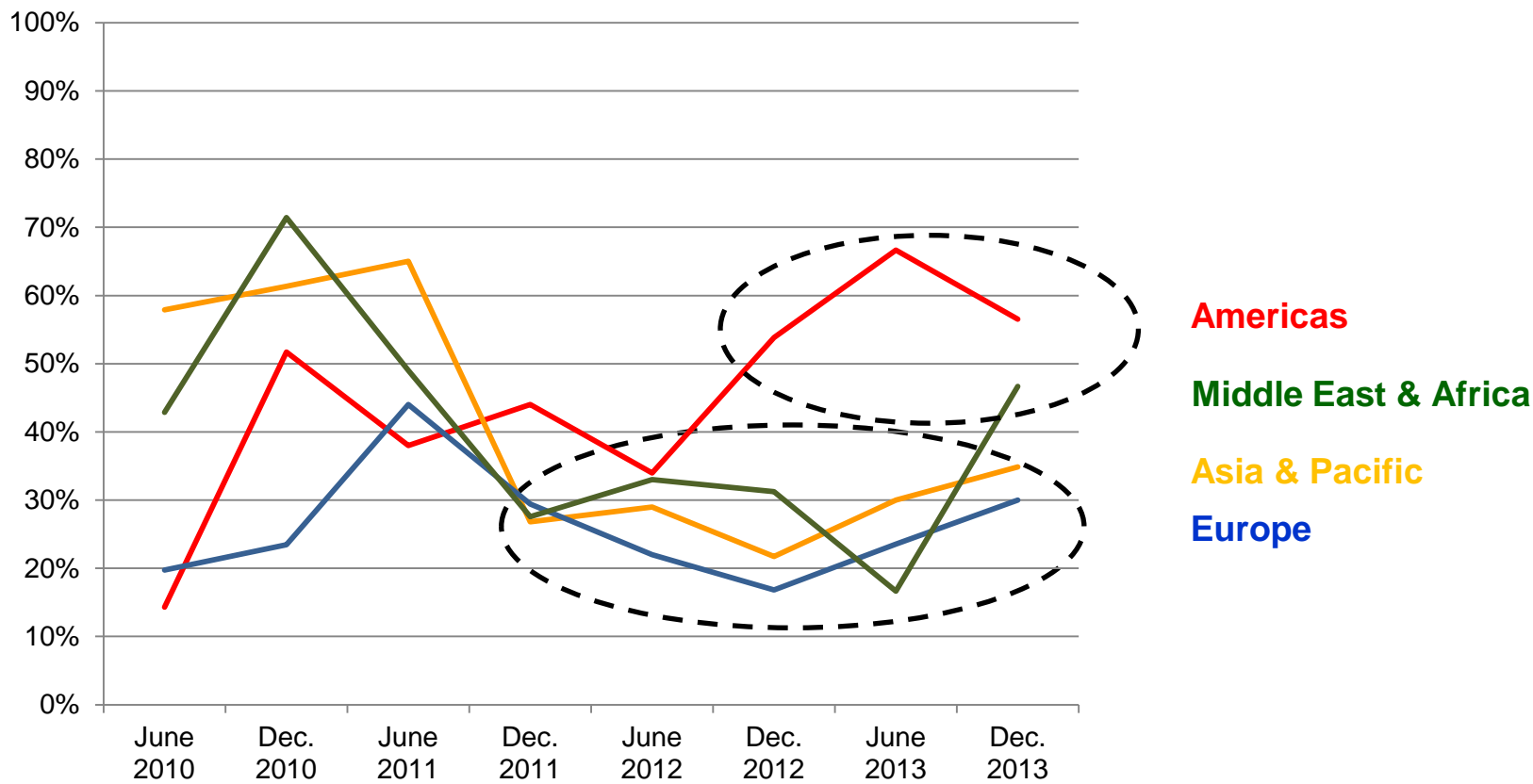
3. Perceptions of the economic crisis

Companies were asked their views on whether the impact of the “economic crisis” on their business was over or not. The chart on the next page presents the replies together with those declared in the 7 previous surveys.

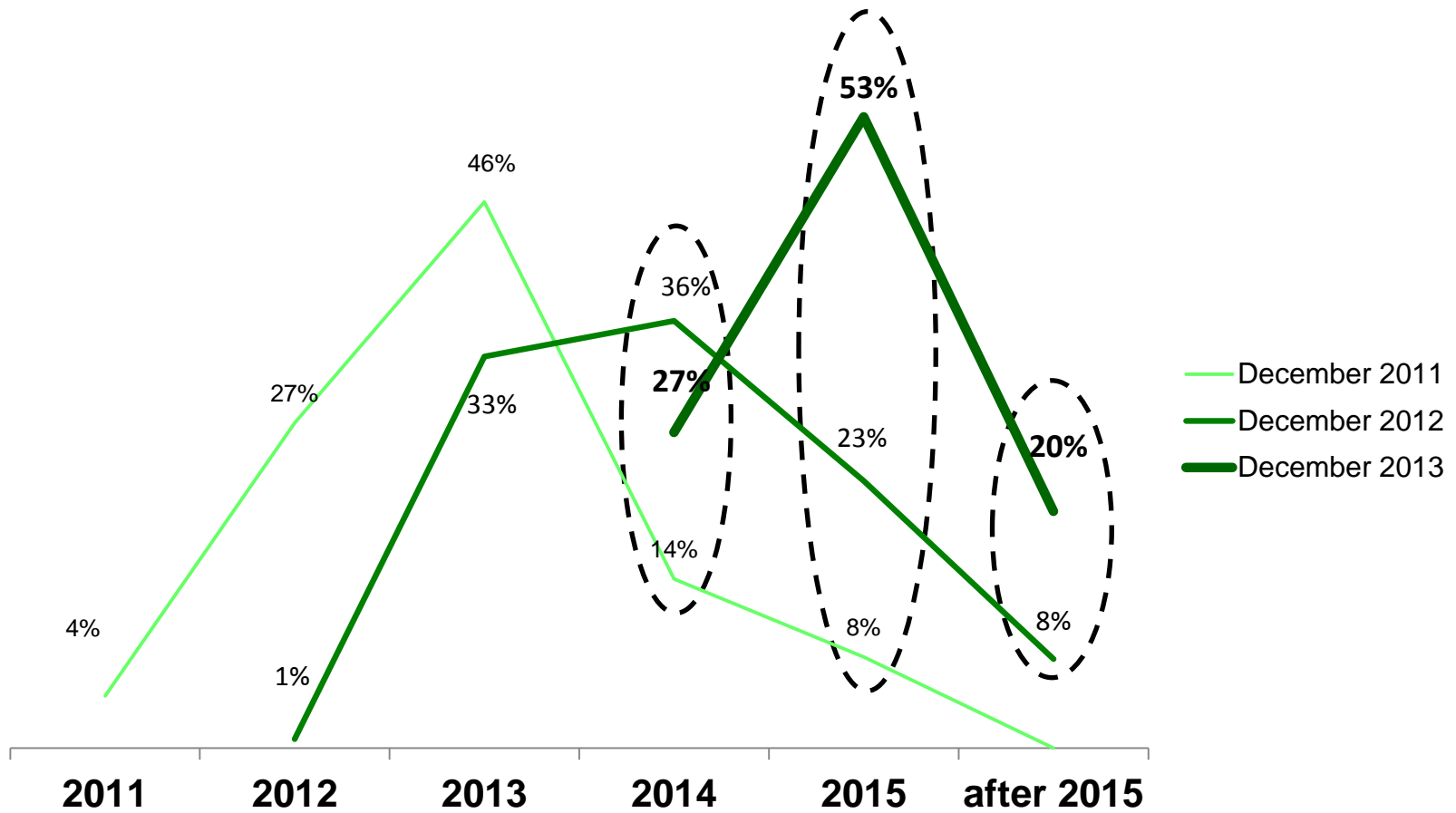
The Americas remains, for a year now, the only region where a small majority of respondents declared that the impact of the “economic crisis” on their exhibition business is now over. In all other regions a strong majority of respondents consider that their business is still affected by the “economic crisis”.

The following page shows that the year when it is expected that the economic crisis will be over has shifted when compared with the results of previous surveys. The number of companies who believe that the crisis will end in 2014 has dropped from 36% a year ago to 27% today. 53% now believe that the impact of the economic crisis will only end in 2015 and 20% that it will be later than that.

% of companies declaring – over the last 8 Barometer surveys – that the impact of the “economic crisis” on their exhibition business is now over



Anticipated end of the “economic crisis” as declared in the last 4 surveys by those who consider that it is not yet over



4. Most important business issues

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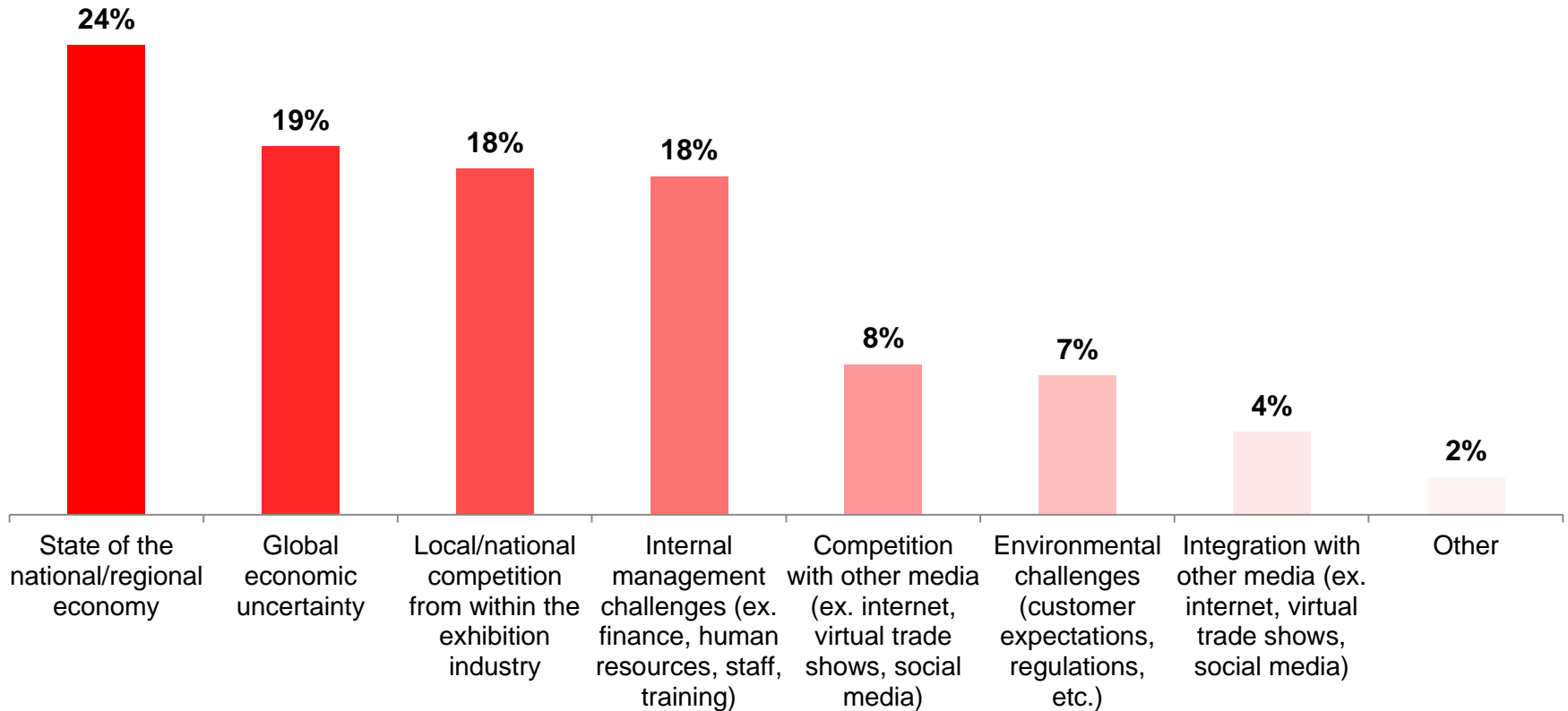
As in the earlier Global Barometer Surveys, companies were asked to identify the three most important issues for their business in the coming year from a proposed list of seven issues.

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

- “State of the national/regional economy” (24% in the current survey)
- “Global economic uncertainty” (19% in the current survey)
- “Local/national competition from the exhibition industry” (18% in the current survey)
- “Internal management challenges” (18% in the current survey).

“Environmental challenges (customer expectations, regulations, etc.)” and “Other media” issues - “Competition from other media (ex. internet, virtual trade shows, social media)” or “Integration with other media” (ex. internet, virtual trade shows, social media) - are currently considered as less critical.

The next slide shows the three most important issues selected.



5. Priorities in terms of strategy

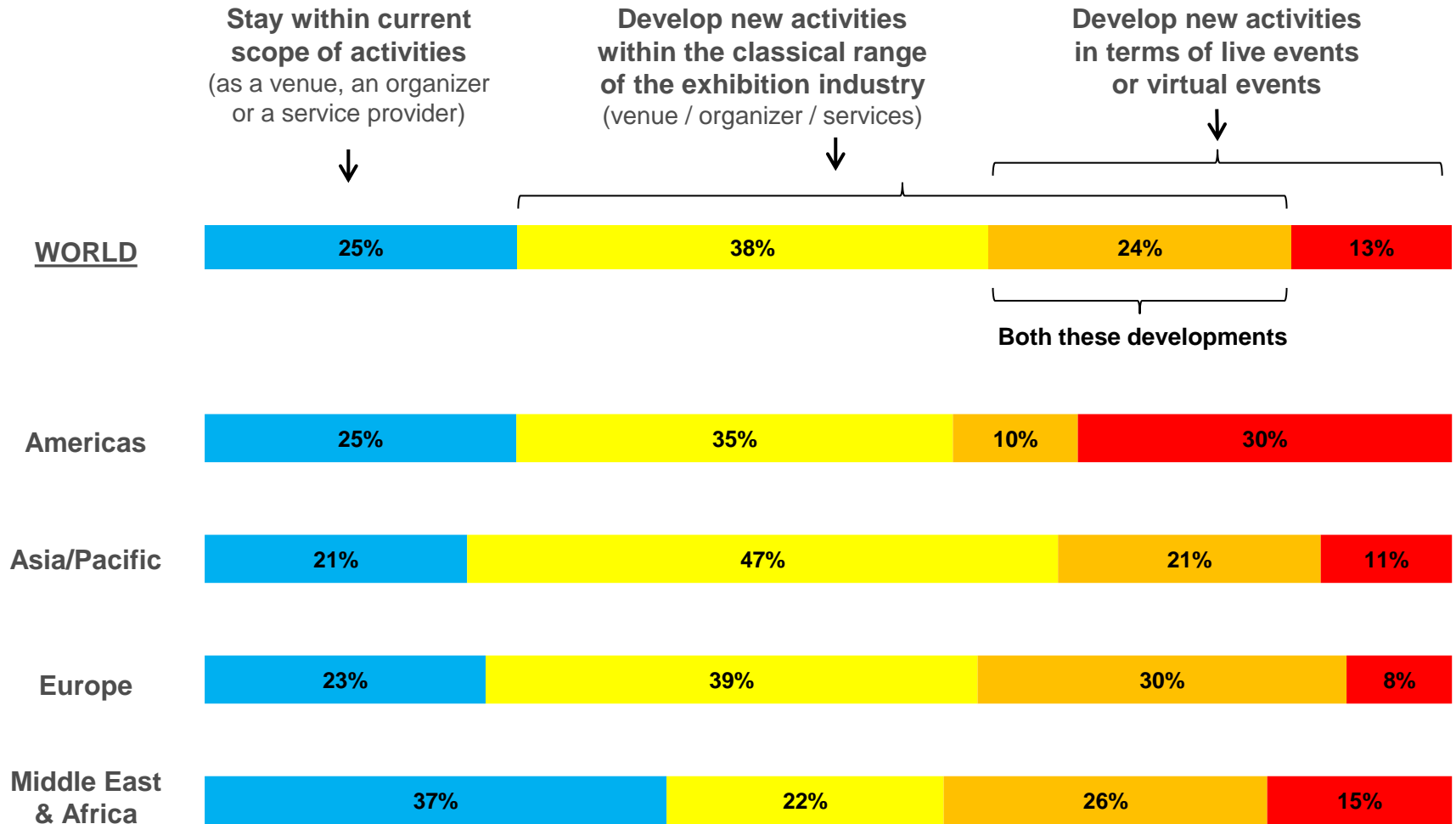
Finally, companies were asked if they could share their current priorities in terms of strategy in two specific areas: their range of activities and their geographical exposure.

In all regions, a large majority of companies intends to develop new activities, in either the classic range of exhibition industry activities (venue/organizer/services), in other live events or virtual events, or in both: 63% in the Middle East & Africa, 73% in Europe, 75% in the Americas and 79% in Asia/Pacific .

In terms of geographical expansion, around one company out of two in all regions declare an intention to develop operations in new countries.

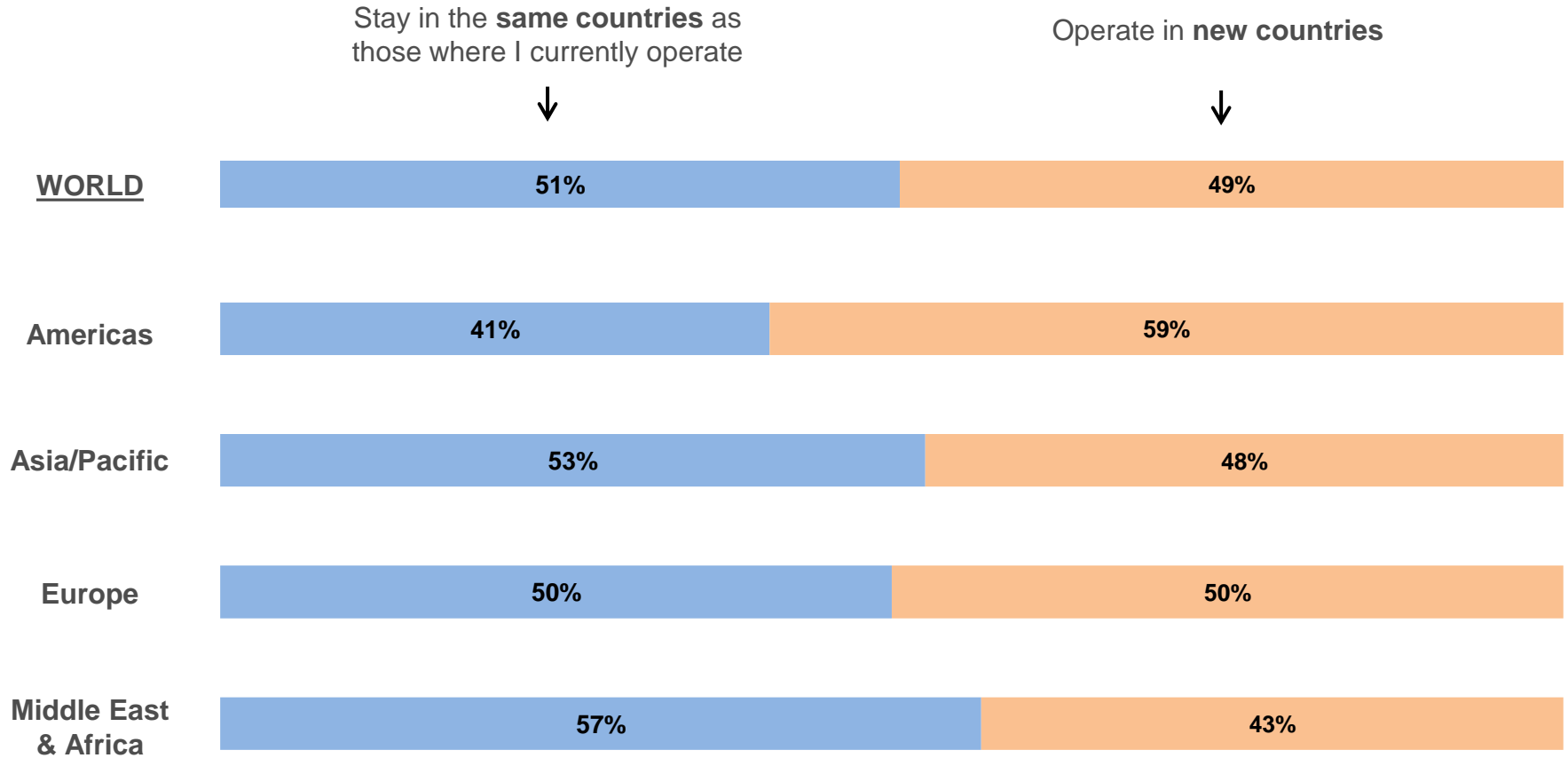
These results are, in both areas, rather similar to the ones obtained a year and 2 years ago.

Current strategic priorities related to the range of activities



Current strategic priorities related to geographic exposure

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The 12th Global Barometer survey, conducted in December 2013, was answered by 178 companies from 57 countries. Its results, combined with those of the previous surveys, provide an insight into the impact of the economic crisis on the exhibition industry since the end of 2008.

The situation appears rather solid with a majority of companies declaring an increase of their turnover and around one company out of two declaring an increase of annual profit of more than 10% since at least 2011.

Still, 63% of the respondents declare that the impact of the “economic crisis” on their business is not yet over and 2015 is when most of them believe it will be.

This strong concern related the general economic situation is confirmed with the question on the most important business issues where the “state of the national/regional economy” and “global economic uncertainty” have been consistently selected as among the 3 most important business issues for the last 4 years, together with “local competition” and “internal management challenges”.

Finally, most companies are planning new business developments:

- 75% are planning new activities in either the classic range of exhibition activities (venue/organizer/services) or in live or virtual events (or both).
- 49% plan to expand exhibition operations to new countries.

THE NEXT GLOBAL BAROMETER SURVEY WILL BE RUN IN JUNE 2014 – PLEASE PARTICIPATE!

Number of survey replies per country/region - Total = 178 (in 57 countries/regions)

<u>Americas</u>	<u>23</u>	<u>Asia/Pacific</u>	<u>44</u>	<u>Europe</u>	<u>81</u>	<u>Middle East/Africa</u>	<u>30</u>
Argentina	2	Australia	2	Austria	1	Egypt	1
Brazil	1	Azerbaijan	1	Bulgaria	1	Iran	2
Canada	1	Mainland China	18	Croatia	1	Iraq	1
Colombia	2	India	4	Czech Republic	1	Jordan	2
Ecuador	1	Japan	2	Denmark	1	Kuwait	1
Mexico	2	New Zealand	1	France	1	Libya	1
Peru	1	Pakistan	1	Georgia	1	Saudi Arabia	1
Puerto Rico	1	Philippines	1	Germany	15	South Africa (**)	16
USA	11	Singapore	7	Greece	2	Syria	1
(*)	1	South Korea	2	Hungary	1	United Arab Emirates	2
		Taipei	1	Italy	8	(*)	2
		Thailand	1	Kosovo	1		
		(*)	3	Luxembourg	1		
				Netherlands	6		
				Norway	1		
				Poland	4		
				Romania	1		
				Russian Federation	5	(*) several countries	
				Serbia	1	(regional answer)	
				Slovenia	1		
				Spain	3	(**) a ratio was applied	
				Sweden	4	when necessary to the	
				Switzerland	1	answers from South	
				Turkey	5	Africa in order not to	
				Ukraine	4	produce biased	
				United Kingdom	6	consolidated regional	
				(*)	1	results	

Headquarters

17, rue Louise Michel
F-92300 Levallois-Perret France
Tel: (33) 1 46 39 75 00
Fax: (33) 1 46 39 75 01
E-mail: info@ufi.org

Asia/Pacific Office

Suite 4114, Hong Kong Plaza
188 Connaught Road West
Hong Kong, China
Tel: (852) 2525 6129
Fax: (852) 2525 6171
E-mail: asia@ufi.org

Middle East/Africa Office

Expo Centre
Sharjah, UAE
Tel / Fax: (971) 6 599 1352
E-mail: mea@ufi.org

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