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Promoting, Serving and Representing
the Global Exhibition Industry



Global Exhibition Barometer

11th edition (July 2013)

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

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



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Introduction

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 has evolved as the “Global Exhibition Barometer”, with two surveys per year. The current document presents the results of the 11th survey conducted in June 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 (217 from 56 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 was obtained (China, Germany, Italy, Netherlands, Russia, South Africa and USA).

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

1. Gross Turnover

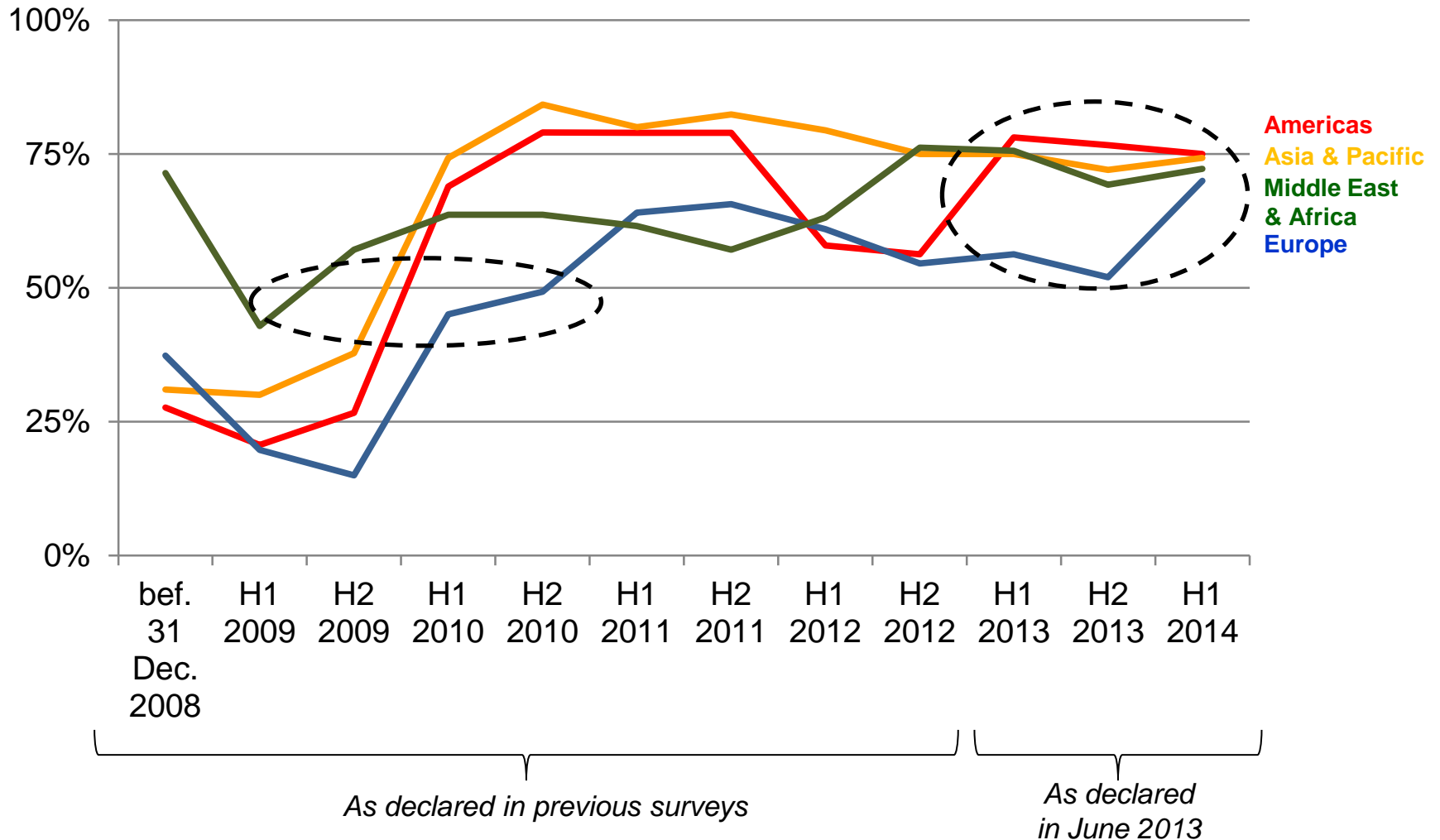
The 11th Barometer surveyed the evolution of participants' turnover expectations for the 2 halves of 2013 and the first half of 2014 as compared to their expectations during the same period the year before (regardless of possible biennial effects). The charts presented on the next two pages combine these 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 is positive with a majority of companies in all regions declaring turnover increases. Projections indicate that this is expected to continue in the coming year. **The first half of 2014 appears as the first period since 2008 in which 3 companies out of 4 in all regions expect a turnover increase.**
- The detailed figures available for several major national markets (China, Germany, Italy, Netherlands, Russia, South Africa and USA) show a rather similar pattern where, on average, between 56% and 71% of the companies anticipate a turnover increase in the coming year.
- Whereas this "+/- 75%" proportion of companies expecting a turnover increase has been rather stable in Asia/Pacific since 2010 and - with the exception of year 2012 – in the Americas, it was only reached in the second half of 2012 for Middle East & Africa and it is not expected to be reached until the beginning of 2014 for Europe.

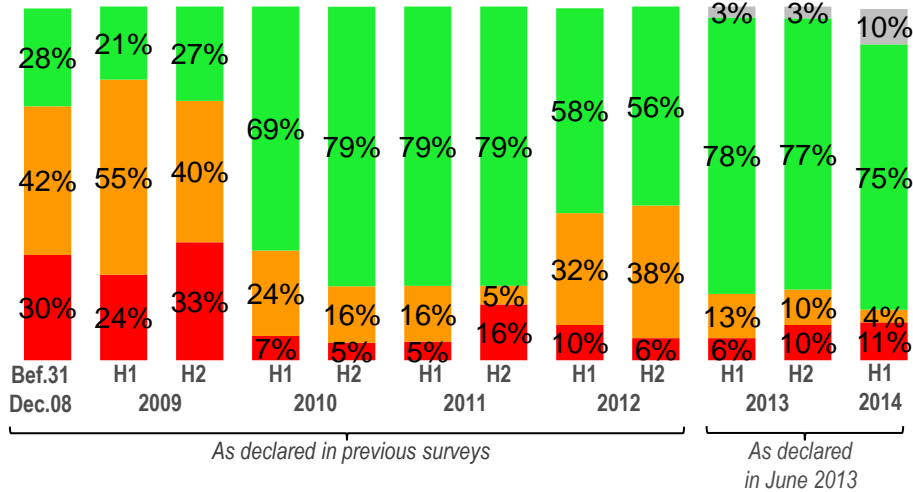
% of companies declaring an increase in **turnover**
 when compared to their projections for the same period the year
 before (regardless of possible biennial effects)



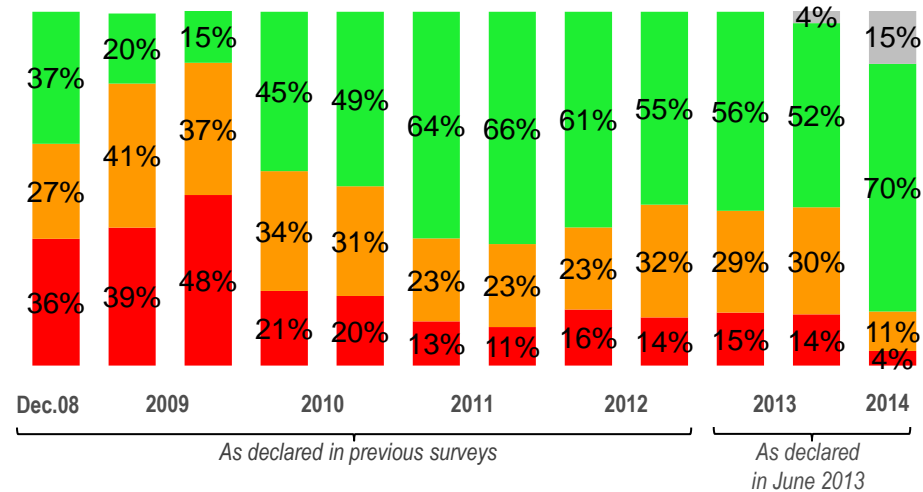
How do you expect your turnover to change when compared to the same period the year before (regardless of possible biennial effects)?

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

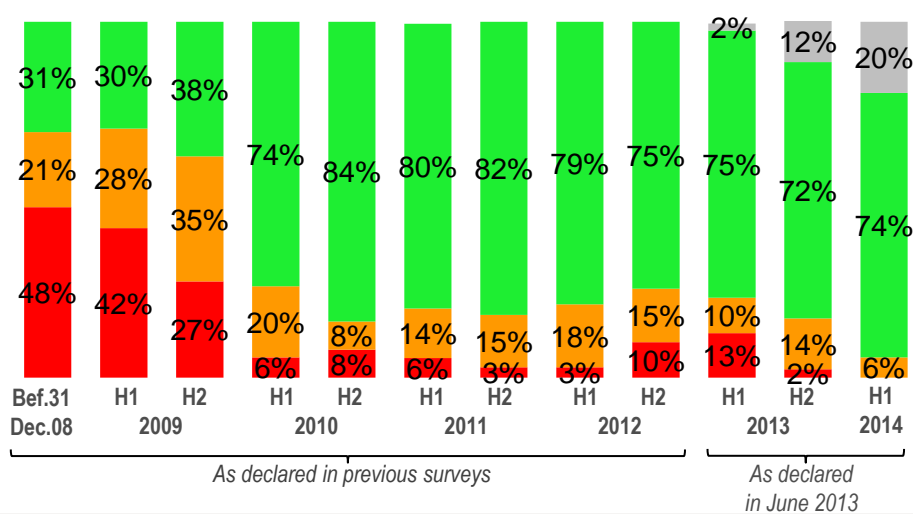
AMERICAS



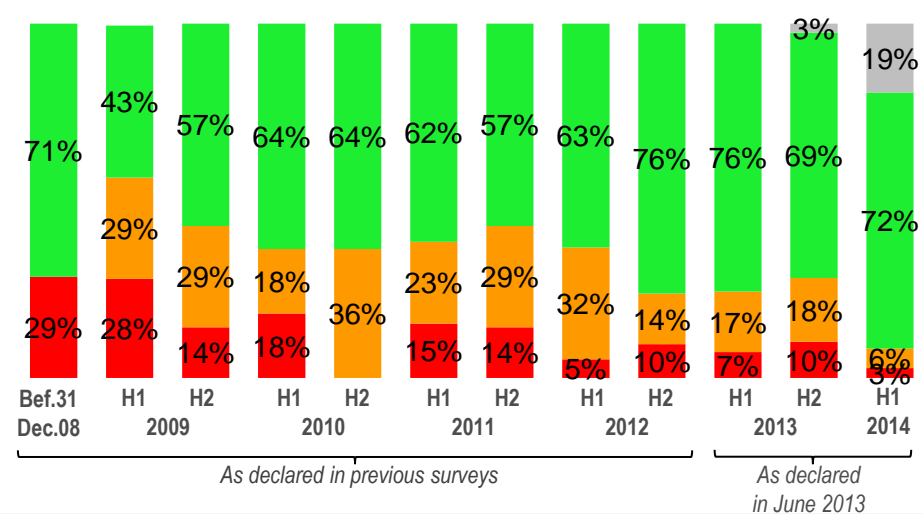
EUROPE



ASIA/PACIFIC



MIDDLE EAST/AFRICA



2. Operating Profits

The 11th Global Barometer survey questioned the evolution of operating profits for 2012 and 2013 as compared to the previous year.

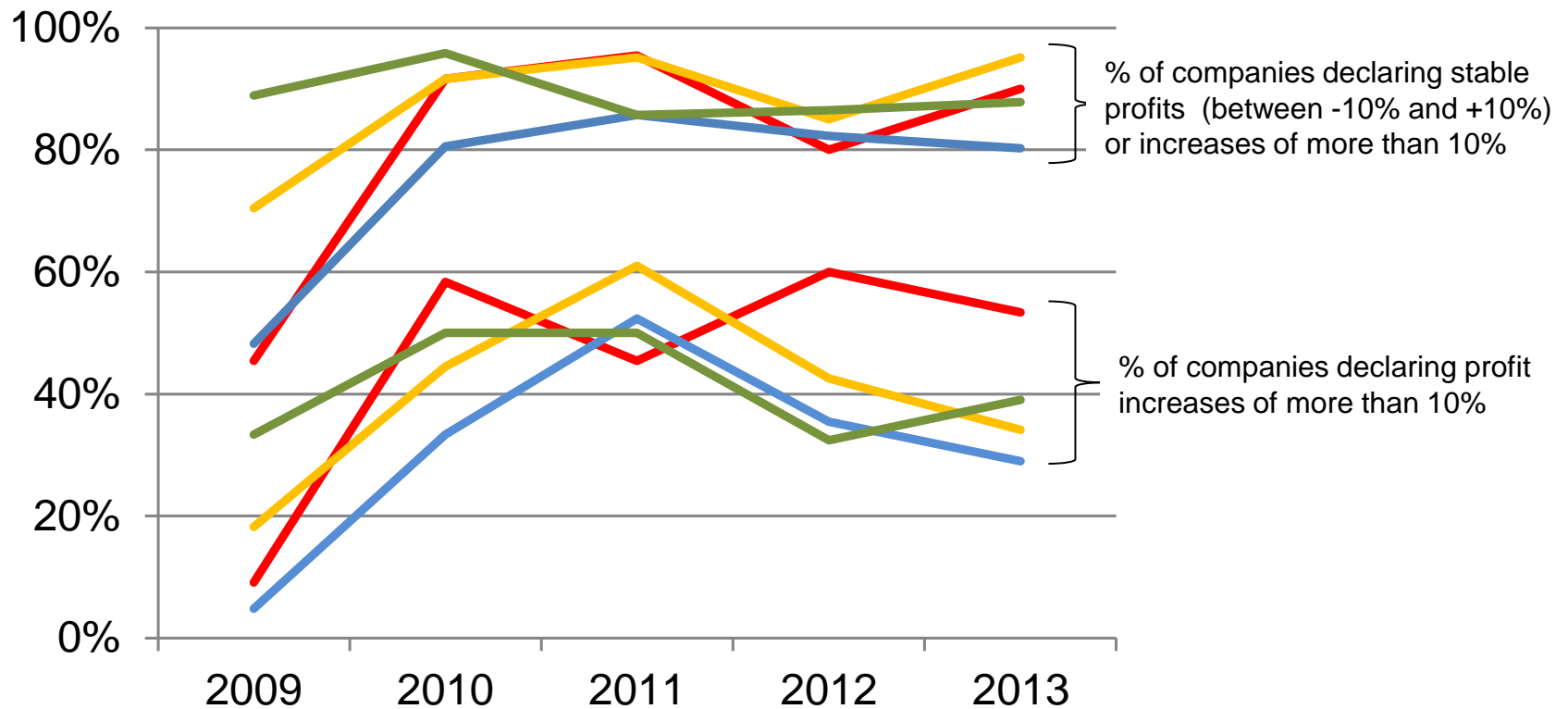
The charts presented in the next two pages combine these results with those of previous surveys which provided the evolution of operating profits for 2009, 2010 and 2011. The first chart combines the results of companies declaring an increase of more than 10% and those declaring a stable result (between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

The results show that:

- More than 1 company out of 2 in the Americas, and between 3 and 4 companies out of 10 in the other regions, expect an increase of more than 10% in annual profits for 2013. These proportions are rather stable when related to those of year 2012.
- Important differences are noted for several key national markets: the proportion of companies expecting an increase of more than 10% in their annual profits for 2013 reaches 20% in China and Germany, between 25 and 30% in Italy and the Netherlands, between 50 and 60% in Russia and South Africa and more than 70% in the USA.

Operating profits compared to the previous year

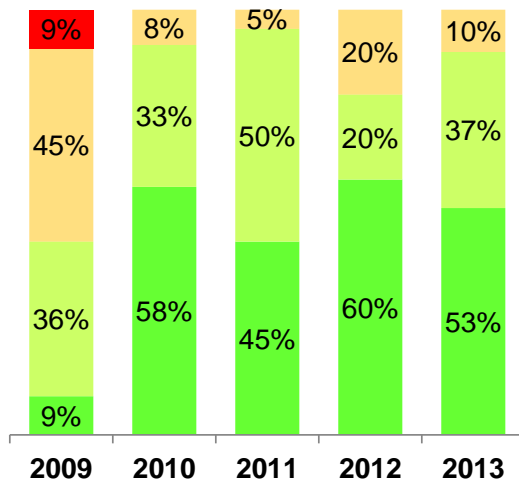
Americas
 Asia & Pacific
 Europe
 Middle East & Africa



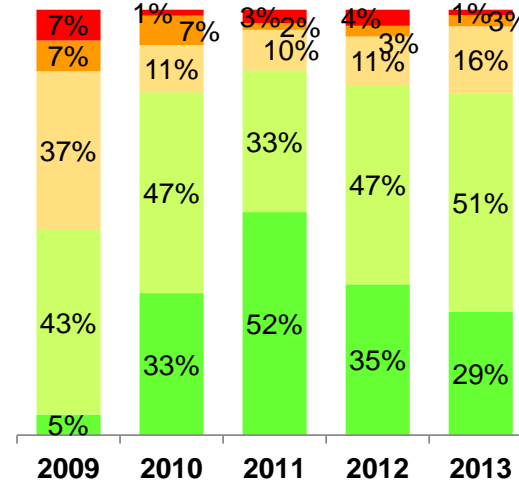
Operating profits compared to the previous year



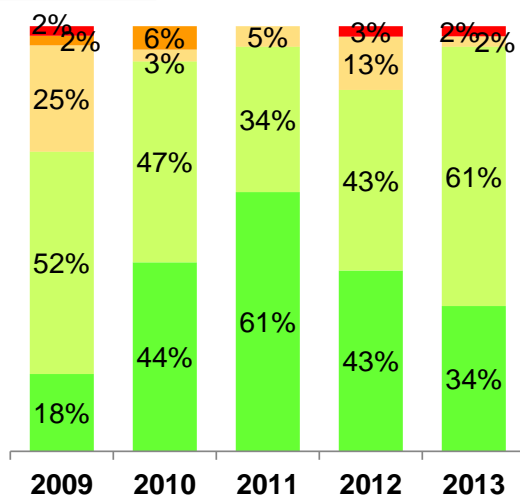
AMERICAS



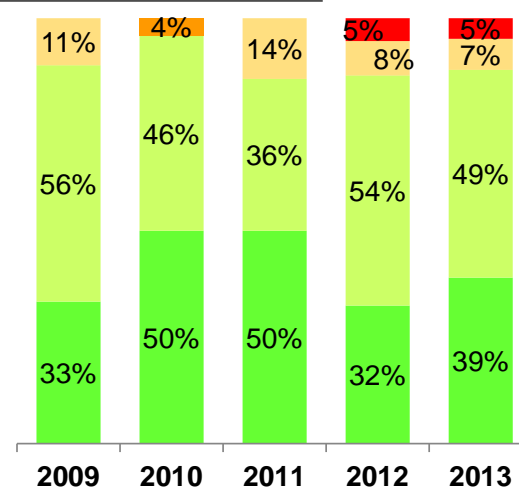
EUROPE



ASIAPACIFIC



MIDDLE EAST/AFRICA



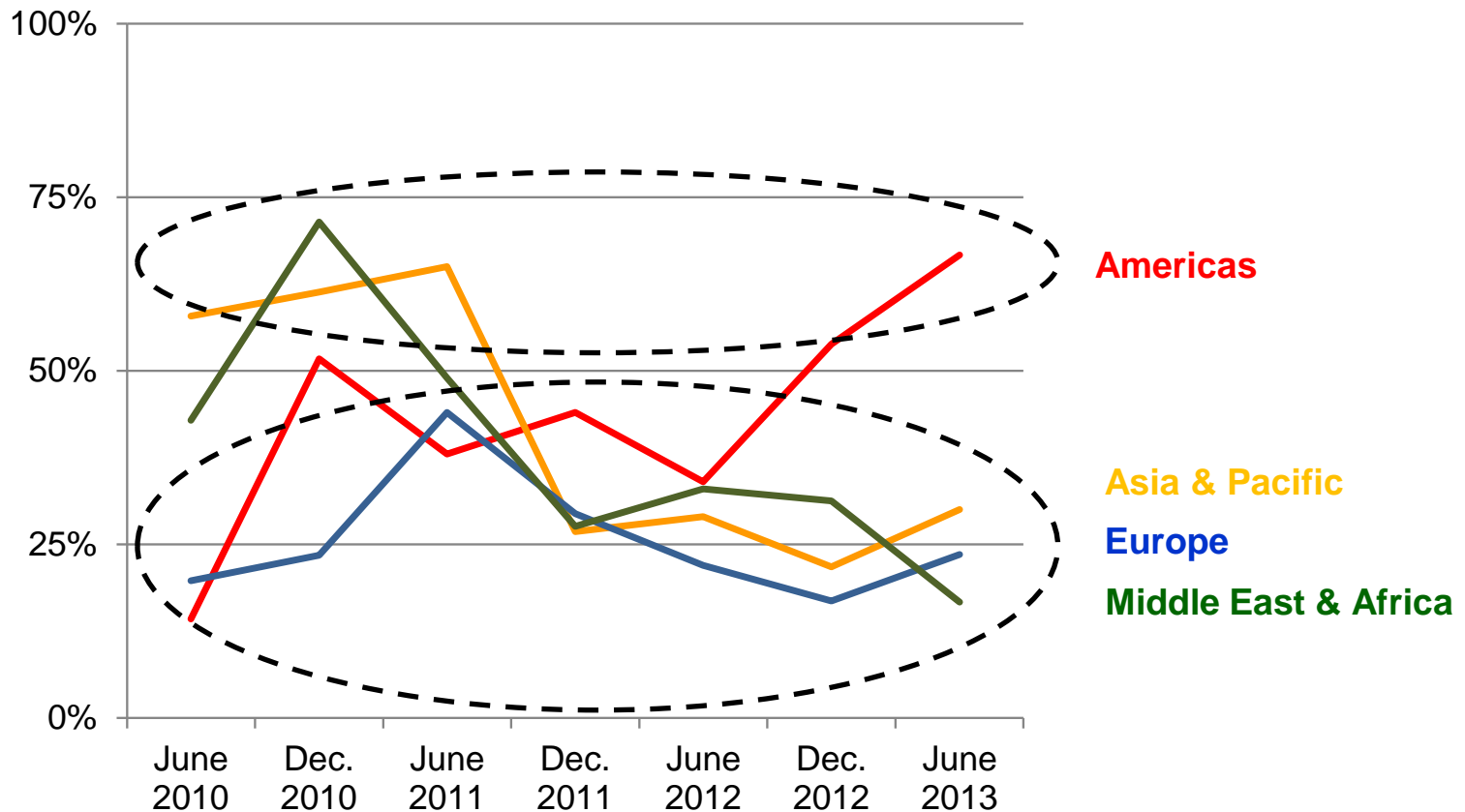
3. Perception of the economic crisis

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 surveys of the last 3 years.

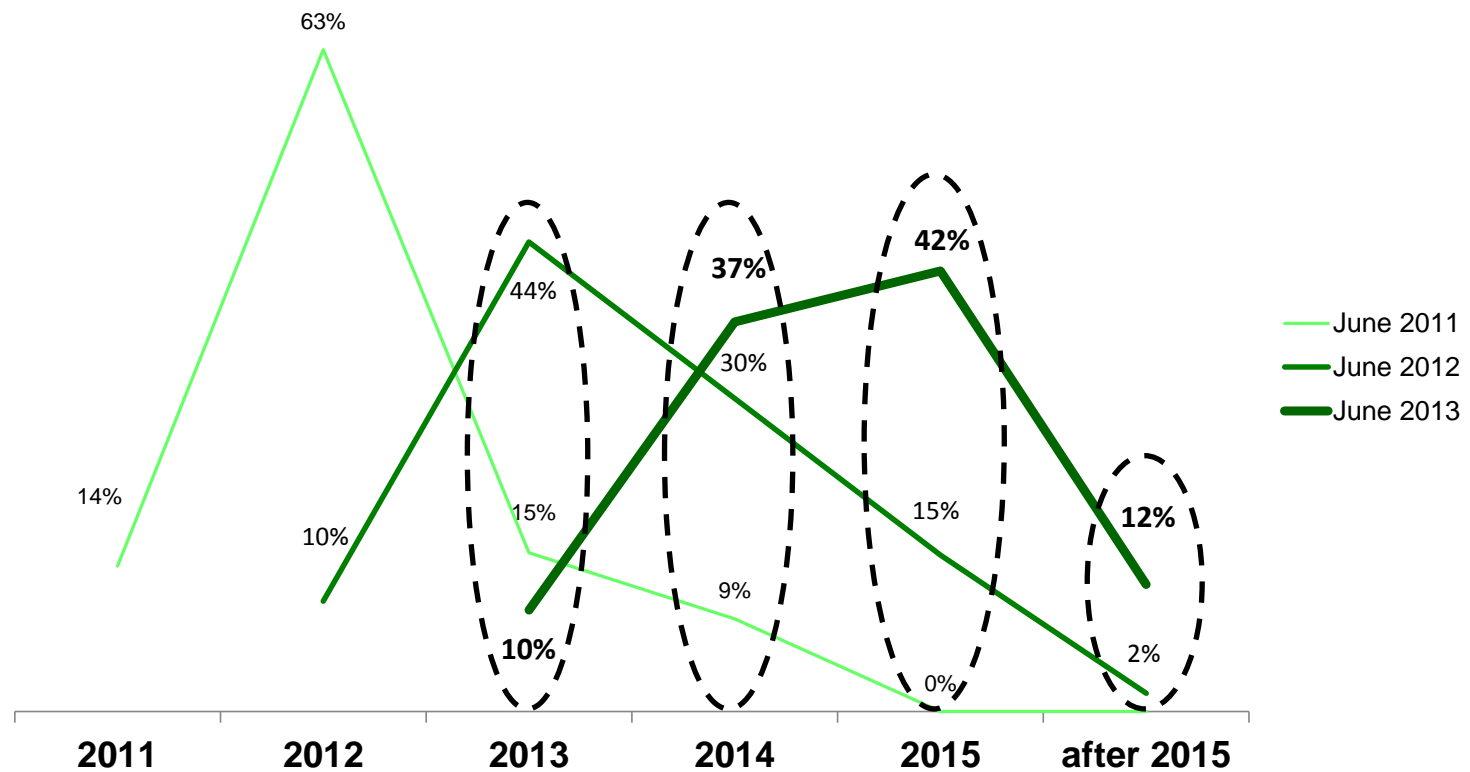
As in the survey conducted 6 months ago, the Americas is the only region where a majority of respondents declared that the impact of the “economic crisis” on their exhibition business is now over. This is now the belief of 2 companies out of 3 in that region. In all other regions a rather stable proportion of 3 companies out of 4 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 the surveys conducted in June 2011 and 2012. The number of companies who now believe that the crisis will end in 2013 has dropped from 44% a year ago to 10% today. 37% now believe that the impact of the economic crisis will only end in 2014, 42% that this will occur in 2015, and 12% that it will be later than that.

% of companies declaring – over the last 7 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 3 years by those who consider that it is not yet over



4. Most important business issues

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.

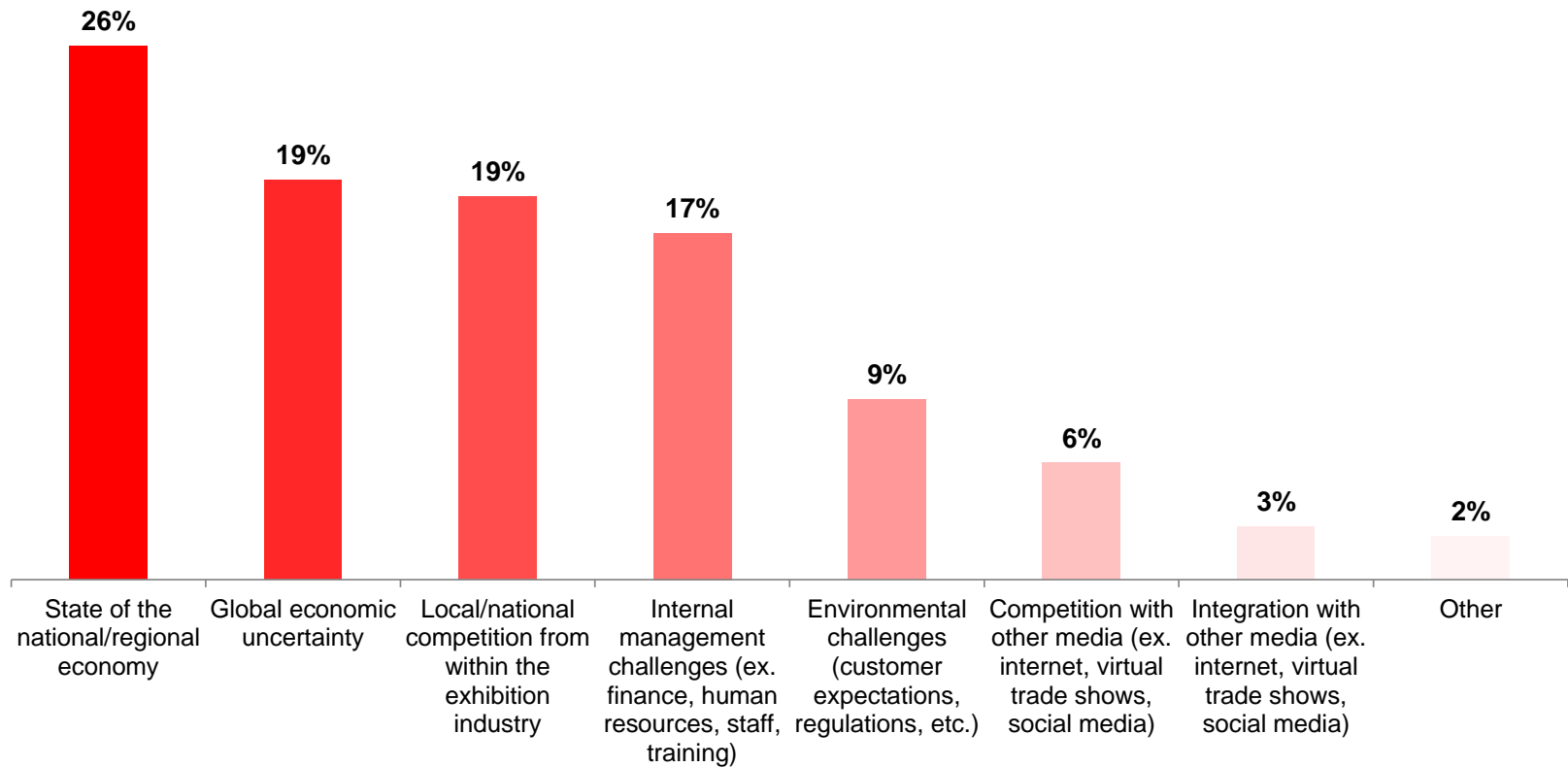
The results are stable in all surveys, with around 80% of all answers relating to the following 4 issues:

- “State of the national/regional economy” (26% in the current survey)
- “Global economic uncertainty” (19% in the current survey)
- “Local/national competition from the exhibition industry” (19% in the current survey)
- “Internal management challenges” (17% 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.

Top 3 issues



Conclusion

The 11th Global Barometer survey, conducted in June 2013, was answered by 217 companies from 56 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 general outlook is positive with a majority of companies in all regions still declaring turnover increases. The first half of 2014 even appears as the first period in the last 5 years when all regions reach a strong rate of around 3 companies out of 4 expecting a turnover increase. Whereas this rate has occurred since 2010 in Asia/Pacific and in the Americas - with the exception of year 2012-, it was only reached in the second half of 2012 for Middle East & Africa and it won't be reached until the beginning of 2014 for Europe.

This turnover growth does not however directly translate into operating profit, at least in 2012 and 2013, as less than one company out of 2 on average in all regions except the Americas project an increase of more than 10% when compared to 2012.

In the Americas and for both 2012 and 2013, a slight majority of companies have declared an increase of more than 10% of their annual profit. The Americas also remain the only region to have a majority of respondents declaring that the impact of the “economic crisis” on their exhibition business is now over.

For those companies who consider that it is not yet over, almost 10% believe that it will end in 2013, around 40% in 2014, another 40% in 2015 and the remaining after 2015.

In fact, the “global economic uncertainty” and “the state of the national/regional economy” remain the top issues for a majority of companies.

THE NEXT GLOBAL BAROMETER SURVEY WILL BE RUN IN DECEMBER 2013 – PLEASE PARTICIPATE!

Number of survey replies per country/region

Total = 217 (in 56 countries/regions)

N.B.: 4 answers were provided for a region as a whole by large companies who operate in several countries in these regions

<u>Americas</u>	<u>36</u>	<u>Asia/Pacific</u>	<u>46</u>	<u>Europe</u>	<u>87</u>	<u>Middle East/Africa</u>	<u>48</u>
Argentina	4	Australia	3	Belgium	4	Egypt	1
Brazil	3	Azerbaijan	1	Croatia	1	Iran	2
Canada	2	Hong Kong	5	France	3	Iraq	1
Colombia	3	India	5	Georgia	1	Jordan	2
Honduras	1	Japan	1	Germany	11	Kuwait	1
Mexico	3	Macao	1	Greece	4	Lebanon	1
Peru	1	Mainland China	12	Hungary	1	Libya	2
USA	17	Pakistan	2	Italy	9	Oman	1
		Philippines	1	Kazakhstan	1	Saudi Arabia	1
		Singapore	6	Kosovo	1	South Africa (*)	31
		South Korea	3	Luxembourg	1	Syria	1
		Taipei	1	Netherlands	9	United Arab Emirates	2
		Thailand	4	Norway	1	Zimbabwe	1
				Poland	4		
				Portugal	1		
				Romania	1		
				Russian Federation	10		
				Slovenia	2		
				Spain	3		
				Sweden	2		
				Switzerland	1		
				Turkey	6		
				Ukraine	5		
				United Kingdom	5		

(*) a ratio was applied when necessary to the answers from South Africa in order not to produce biased consolidated regional results



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