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TRADE FAIRS MADE IN EUROPE AND GLOBAL BENCHMARK

2009 showed a painful downturn in the European exhibition industry, whereas we see a slow, but steady business growth in the in the first half of 2010 reflecting a gradual economic recovery

The European view

All relevant trade fairs metrics, as reported by the European Major Exhibition Centre Association (EMECA), faced a considerable decline in 2009:

- exhibitor numbers: ↓7%
- visitor numbers: ↓10%
- occupied floor space: ↓11%
- turnover: ↓10%

EMECA represents 18 leading European venues.



René Kamm, CEO MCH Group Schweiz and EMECA President - Giovanni Colombo, Fiere di Verona

For 2010 EMECA is cautiously optimistic, pointing out several strategic trends under streamlined market conditions.

Among these are the strengthening of the market position for leading shows, increased investments in markets and marketing and less in infrastructure; expansion of international activities, particularly in Asia and Latin America as well as the optimisation of service offerings and closer cooperation with host organisers.

Since the development of markets and of trade fairs as market places is among others related to the purchasing power, please view the newest 2011 IMF forecast for the Euro countries

Rank	Country	GDP per capita in \$US for 2011 (forecast)	Rank before crisis
1	Luxemburg	80.724	1 →
2	Austria	40.681	4 ↑
3	Netherlands	40.604	3 →
4	Ireland	39.770	2 ↓
5	Belgium	37.101	5 →
6	Finland	36.369	6 →
7	Germany	35.968	7 →
8	France	35.333	8 →
9	Greece	31.865	11 ↑
10	Cyprus	31.293	13 ↑
11	Slovenia	30.566	12 ↑
12	Spain	30.041	10 ↓
13	Italy	30.037	9 ↓
14	Malta	24.589	14 →
15	Slovakia	23.960	16 ↑
16	Portugal	22.699	15 ↓

Source: International Monetary Fund

The German picture

Looking at Germany the decline in 2009 was a little less dramatic, according to the AUMA figures:

The 135 international trade fairs in Germany in 2009 (compared with their previous shows)		
Rented space (in sqm)	5.781.738	- 6,0 %
Exhibitors total	154.155	- 4,3 %
Domestic exhibitors	72.285	- 3,5 %
Foreign exhibitors	81.870	- 5,0%
Visitors	8.916.693	- 8,4%

Source: AUMA June 2010

In an overall view for 2010, the association doesn't see a return to positive figures in the running year for the German Messes - in comparison with the respective previous events.

Regional benchmarks and global perspective

The current Global Barometer Survey of UFI, in which KME participated, reveals significant regional differences. Whereas in Asia/Pacific 58% of the respondents consider that the impact of the crisis is finally over, in the Americas this confidence is only spoken out by 14% and in Europe by 20%.

The Middle East & Africa Region feels more confident with 43% of the participants indicating that the effects of the economic crisis may be considered as being over.

Most important business issues

When it comes to the scenario to identify the 3 most important issues with business relevance for 2011, here are some major trends:

In both the Americas and Europe, the order of the 3 main topics of concern is the

1. "state of the national/regional economy"
2. "global economic uncertainty"
3. "internal management challenges" (ex. finance, human resources, staff, training).

These same 3 criteria are listed in Asia / Pacific, but in a different order, as the "internal management challenges" issue is ranked first.

In Middle East / Africa, the "state of the national/regional economy" is not among the top 3 listed; it is replaced by the "Local/national competition from within the exhibition industry" issue.

EXHIBITION CENTRES IN ASIA

Since 2005 the number of exhibition venues in Asia increased from 101 to 175, of which 95 venues (= 68%) are located in China.

In 2010 the region's capacity will reach more than 6 mil. sqm, a 6% increase from 5.67 mil. sqm in 2009. Japan, India and Korea will by the end of 2010 have 12 venues each, the next highest number compared to China.

This is one of the results of the new report produced by Business Strategies Group Ltd. (BSG) in Hong Kong.

The consequence: Whereas China is approaching overcapacities in some regions, the Indian subcontinent still lacks state-of-the-art venues, mainly in its economic heart, the metropolis of Mumbai.

Number & size of international exhibition centres in Asia, end 2010

	No. of centres 2010	Total Gross Indoor Size in sqm
China	95	4,113,520
Japan	12	350,606
India	12	257,457
Korea	12	223,326
Thailand	7	209,905
Singapore	4	203,600
Hong Kong	3	151,920
Australia	8	115,242
Taiwan	4	105,409
Macau	2	76,715
Malaysia	4	71,292
Pakistan	2	39,045
Vietnam	4	33,793
Indonesia	3	31,656
Philippines	3	26,257
Total	175	6,009,743

Source: BSG research & analysis 2010

INTERVIEW WITH GCB GERMAN CONVENTION BUREAU

The GCB German Convention Bureau markets Germany as a destination for conventions, meetings, events and incentives both on a national and international level, and is the place to contact for all customers who are planning events in Germany. Its new managing director Matthias Schultze has been interviewed by the ExhibitionPilot.



How would you describe the specific strengths of the meetings and events industry in Germany?

Germany is the leading meeting destination europewide and number two worldwide behind the USA. The country has achieved this excellent result as a destination for meetings and conventions for the sixth time running, as confirmed by the recent International Association Meetings Market survey of ICCA, the International Congress & Convention Association.

Germany offers ideal conditions as a meeting and event destination: an excellent infrastructure, great value for money and a strong service mentality. According to the findings of the Meeting & Event Barometer 2010, 80 per cent of organisers are confident that Germany's image as a meeting and event destination is constantly improving.

Yes, Germany is attractive for all those reasons – but they are certainly not the only ones! I believe the real strength is that Germany is a leader in areas such as economic sustainability, research and development. This is a unique selling proposition and the result of the targeted development of existing strengths in science and research.

Which role do you attribute to the issue of „Green meetings“ in this context?

Climate change is one of the greatest challenges of our times. And when it comes to finding effective strategies to address this challenge, Germany keeps setting important accents: as a stimulator for political processes but also as a host for meetings and conventions with a worldwide impact.

Germany has the best chances to establish itself world-wide as one of the leading locations for sustainable events. Not only is our government setting international standards in environmental protection and energy efficiency, but also German convention centres and meeting hotels are among the international pioneers in this field.



As part of its campaign for a greener meetings and conventions industry the GCB German Convention Bureau is involved in a new project of the International Organization for Standardization (ISO). The introduction of the new ISO standard 20121 for sustainable event management is to be completed by the time the 2012 Olympic Games kick off in London.



Leipzig Congress Centre

As the association of German meeting and convention providers, we attach great importance to this and we represent the interests of our 240 members in the German Standards Committee for Sustainable Event Management. Among our members there are many companies that are pioneers and set a good example for 'green meetings'.

Being involved in developing the new ISO standard is just one of several initiatives that help the GCB to position itself as a pioneer for 'green meetings'. We take account of sustainability when organising our annual general meeting and other in-house events. Our website www.germany-meetings.com has a separate 'Green

Meetings' area offering comprehensive advice on sustainable event planning including a CO2 Calculator.

Being the new face of the event destination Germany, how do you view the future priority targets of the GCB?

As the new Managing Director of the GCB German Convention Bureau, I am looking forward to closely working with our members and partners. But I am not simply interested in marketing hotel and convention centre capacity, but in the joint development and presentation of themes and content "which Germany can successfully use to position itself abroad". We must observe the market, identify themes and create our own trends - that is the job and that is my role.

What are the three main challenges for the meetings industry in the coming years?

Buyers and suppliers in the meetings industry are still confronted with an uncertain business climate. In the long run the crisis has forced more or less all of us to rethink our concepts, strategies, costs and processes. Both now and in future the situation will be marked by a greater sensitivity towards costs, greater pressure to justify our actions, and demand for ROI monitoring. There has been a paradigmatic change in the way we deal with our

customers, partners and service providers, which offers great new opportunities.

The effect of technology on the types of meetings held will continue to be a key challenge for the future.

The issue of social media and how the industry uses such media to capture and retain participants' interest year-round will also be an important challenge in the coming years. A few years ago commentators were concerned about the effect of virtual meetings on the industry and were asking whether such virtual events would replace face-to-face meetings. In the past 5 years

it has become increasingly apparent that virtual technologies, when used well, can greatly enhance face-to-face meetings and do not serve as effective replacements. However, the industry is still struggling to understand how best to blend virtual and real meetings for the benefit of delegates.

Finally, corporate social responsibility will be a continuing interest for meeting and event professionals' organizations, and a potential differentiator for companies and associations that can demonstrate a strong commitment to effective CSR programmes.

10 YEARS INTERNATIONAL UNIVERSITY BAD HONNEF

The International University of Applied Sciences Bad Honnef Bonn (IUBH) celebrates its 10th anniversary this year.

In this context, a conference entitled **"IUBH Dialogue on Sustainability"** was hosted on the Bad Honnef campus on Friday, June 18, 2010.

Dr. Rainer Wend, Executive Vice President Corporate Public Policy and Sustainability at Deutsche Post DHL, held the keynote speech concerning entrepreneurial responsibility and the sustainability

strategy of a leading global logistics service provider.

KME contributed to the session on service management as a competitive advantage, showcasing the different levels of sustainable venue management and exhibition organising.



f.l.t.r.: Dr. Kresse, Member of Advisory Board of IUBH, Dr. Wend, Deutsche Post DHL, Prof. Thuy, Rector IUBH

BUSINESS TRAVEL COSTS DOWN

Companies in Germany and all over the world have picked up the red pencil concerning their business travel expenses and are continuing to do so.

Whereas the number of business travels by German managers was reduced by 11 per cent to 145 mil. in 2009, the cutbacks in Euro reached 12 per cent. This resulted in a total sum of 41 bill. Euro spent by German companies in 2009.

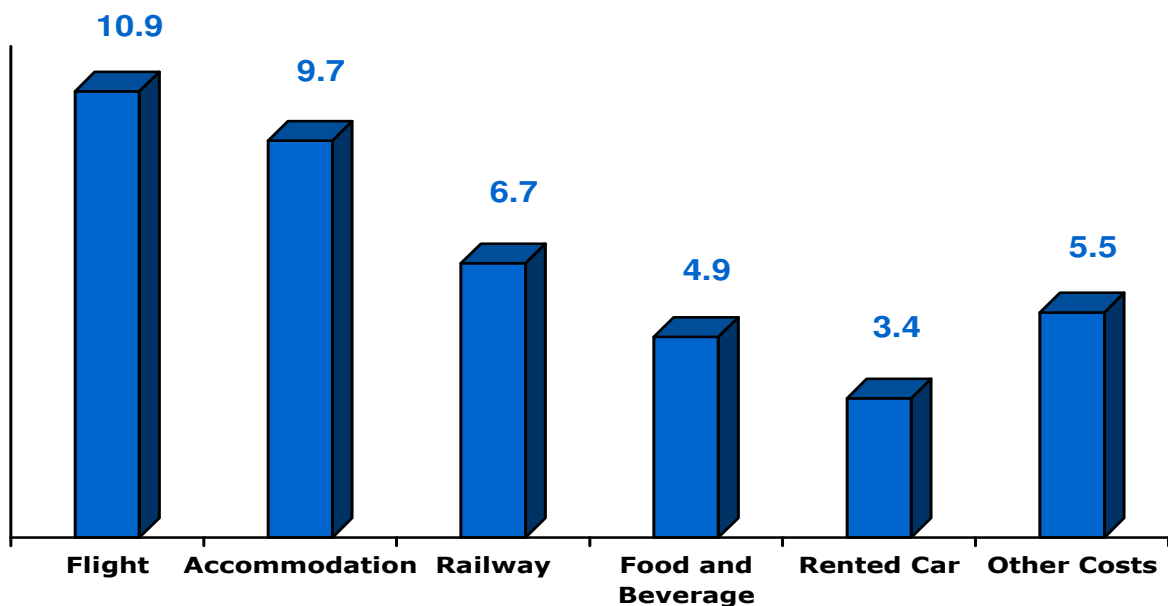
What are the cost cutting priorities?

In the first quarter of 2010 the austerity measures mainly referred to

- the reduction of travel volume (81%)
- alternatives to business travel, like video and web conferences (63%)
- less activities in the business event sector, e.g. trade fair participations and customer events, (50%)
- more restrictions in travel guidelines (46%).

Flying in economy class instead of business and the use of low cost airlines has meanwhile become a normal attitude of managers.

Business Travel Cost Total Expenses of German Companies Germany, in Billion Euro 2009



Total: 41.1 Billion Euro

BEZPEKA | SECURITY 2010 - GERMAN & EUROPEAN LOUNGE

The leading trade fair for security in Eastern Europe will take place from 26 to 29 October 2010 in Kyiv / Ukraine - for some this date sounds “still far away”. But for companies who want to benefit from a collective booth, the even more interesting deadline should be 10 September 2010.

For the second time, KME Consulting Group has created a special concept for companies interested in exhibiting in spite of the challenging economic situation. Lean budgets shall not force entrepreneurs to reduce their activities abroad - which is why next to already renowned “German Lounge”, a “European Lounge” will be represented at Bezpeka | Security 2010 at the Kyiv Expo Plaza Venue.



The new European Lounge assembles exhibitors from different European countries, offering the opportunity to use the collective booth as a matchmaking platform. An individual exhibition space on 12, 20 or 24 sqm is offered. An Info counter and additionally a common central meeting area for matchmaking at a collective booth for an all inclusive price complement this exhibiting made easy for the participating companies.

EUROPEAN LOUNGE

The internationally oriented trade fair Bezpeka | Security takes place for the 15th time this year ; several congresses enrich the show and complete it to a top event.

In 2009 (14th Bezpeka | Security) 165 exhibitors and more than 5.200 visitors from 8 different countries (Germany, Finland, France, Poland, Russia, Ukraine, Hungary and Belorussia) attended the show.

Application Details

Further information and the application documents can be found on the website www.msi-agency.com.

Applications will be accepted until 10 September 2010.

BENCHMARK YOUR PORTFOLIO TO FUTURE MEGA TRENDS

During a webinar of AFIDA International Association of Exhibition in Latin America, KME's CEO Dr. Hermann Kresse gave a presentation about the relevance of mega trends on the portfolio of exhibition organisers.

Located in Bogotá, Columbia, AFIDA had invited mostly Spanish speaking companies to listen to the online presentation held in English. A simultaneous Spanish translation was provided.

To define priority sectors for the portfolio upgrading and expansion, the following six mega trends have to be taken into account:

- Sustainability
- Ageing Society
- Healthcare & Health Style of tomorrow
- New Work - The Mobile Society
- The World Getting Less Male and More Female

To examine the relevance of these mega trends for the existing portfolio of an organiser is of a vital importance for a company's future positioning.

Portfolio evaluation and development is one of KME's main consulting areas for exhibition companies.

ITA STAFF TRAINING IN MUNICH

Staff members of the Abu Dhabi National Exhibition Company, currently seizing the opportunity to benefit from a training on the job at the ADNEC owned exhibition centre ExCeL London, enjoyed the participation in a 3 day staff training in Munich, organised by ITA International Trade Fair Academy.

The training comprised topics such as international trade show benchmarks, exhibition ROI, venue management and exhibition logistics, marketing and brand man-

agement as well as insights into the success factors of the trade fair market Germany. It was complemented by a visit of Munich fair grounds, the ICM International Congress Centre Munich and the BMW-World as an example for a specific event location and "brand land".



ADNEC's commitment

Having recently been awarded with the "Green" Award for investing in sustainability and social responsibility, the Abu Dhabi National Exhibitions Company (ADNEC) shows a substantial commitment to human resources.

The Abu Dhabi National Exhibition Centre, managed by ADNEC, is the most modern

and largest state-of-the art exhibition venue in the Middle East with 12 halls totalling 55.000 sqm. The Centre is part of ADNEC's Capital Centre, a world standard exhibitions lifestyle destination.

When fully developed, Capital Centre will comprise 23 towers including 7 hotels as well as the 5-star Hyatt Capital Gate, to be housed in the iconic Capital Gate tower, which is currently under development.

"YOUR KEY TO TRADE FAIR SUCCESS" ITA SUPPORTS INITIATIVE

Among ITA's endeavours to enhance the efficiency of trade fairs as top marketing tools, the International Trade Fair Academy has chosen to endorse the new initiative "Your Key to Trade Fair Success", set off by Meplan GmbH, part of the Munich Fairs International group.

The initiative has two target groups: It offers the possibility to exhibitors to broaden their trade fair know how for all exhibition project steps, reach their objectives and measure the return on investment.

On the other hand the tool box boosts the customer relationship management of or-

ganisers. The package of measures includes theoretical trade fair know how as well as practical trade fair assistance, e.g. through a web based budget planner and invitation management, complemented by lead management and a cost calculator for booth design.



ITA is now supporting this initiative, presenting some of the tools as examples in its training modules.

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