

Exhibitions in Asia: An Industry Overview

1st Penang International MICE Conference

Mark Cochrane
UFI / Business Strategies Group

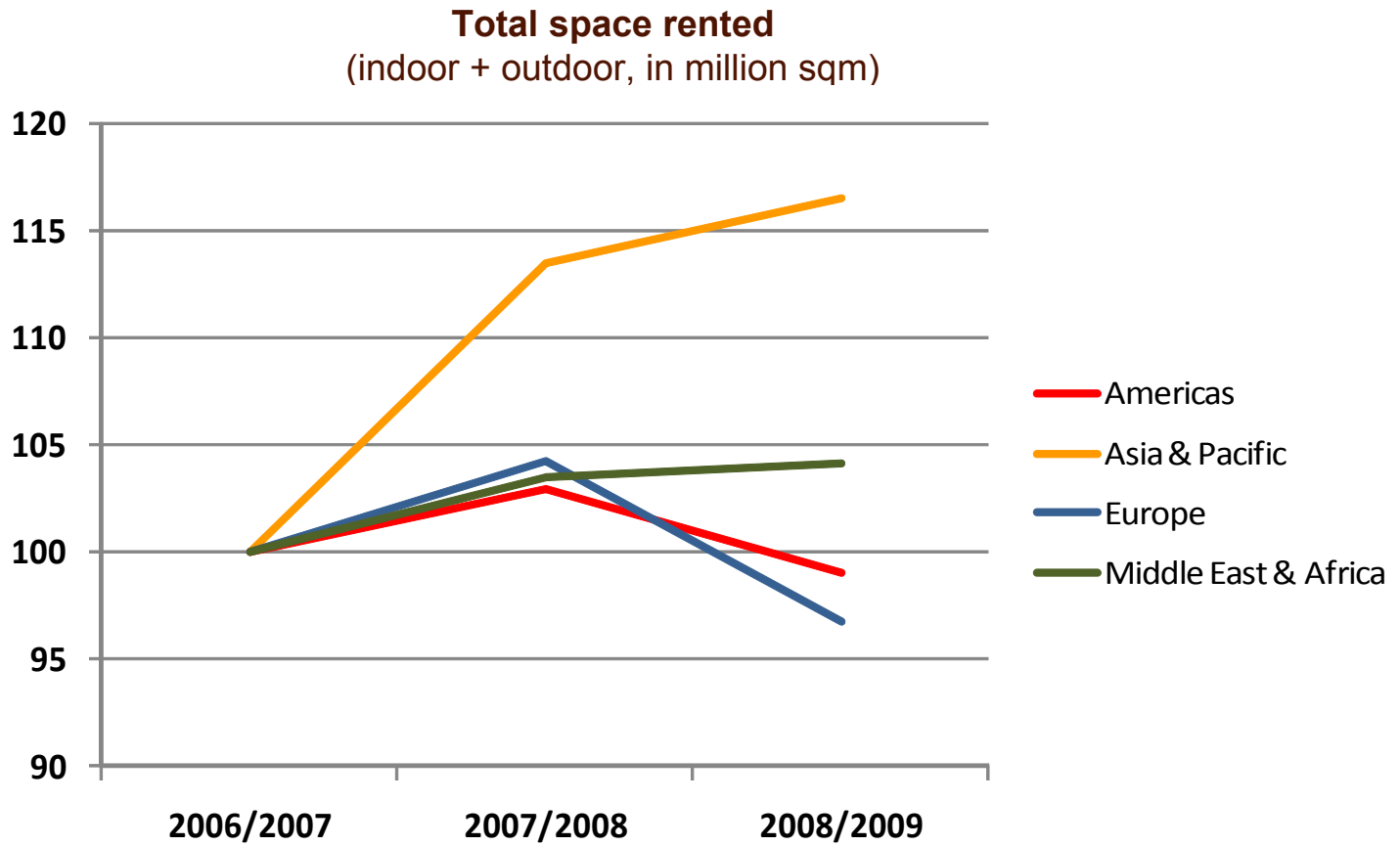
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Asian exhibitions in context

“In today’s exhibition industry, world power is shifting east to Asia at a rapid pace.”

Mike Rusbridge
CEO, Reed Exhibitions

Asia at the epicentre of growth



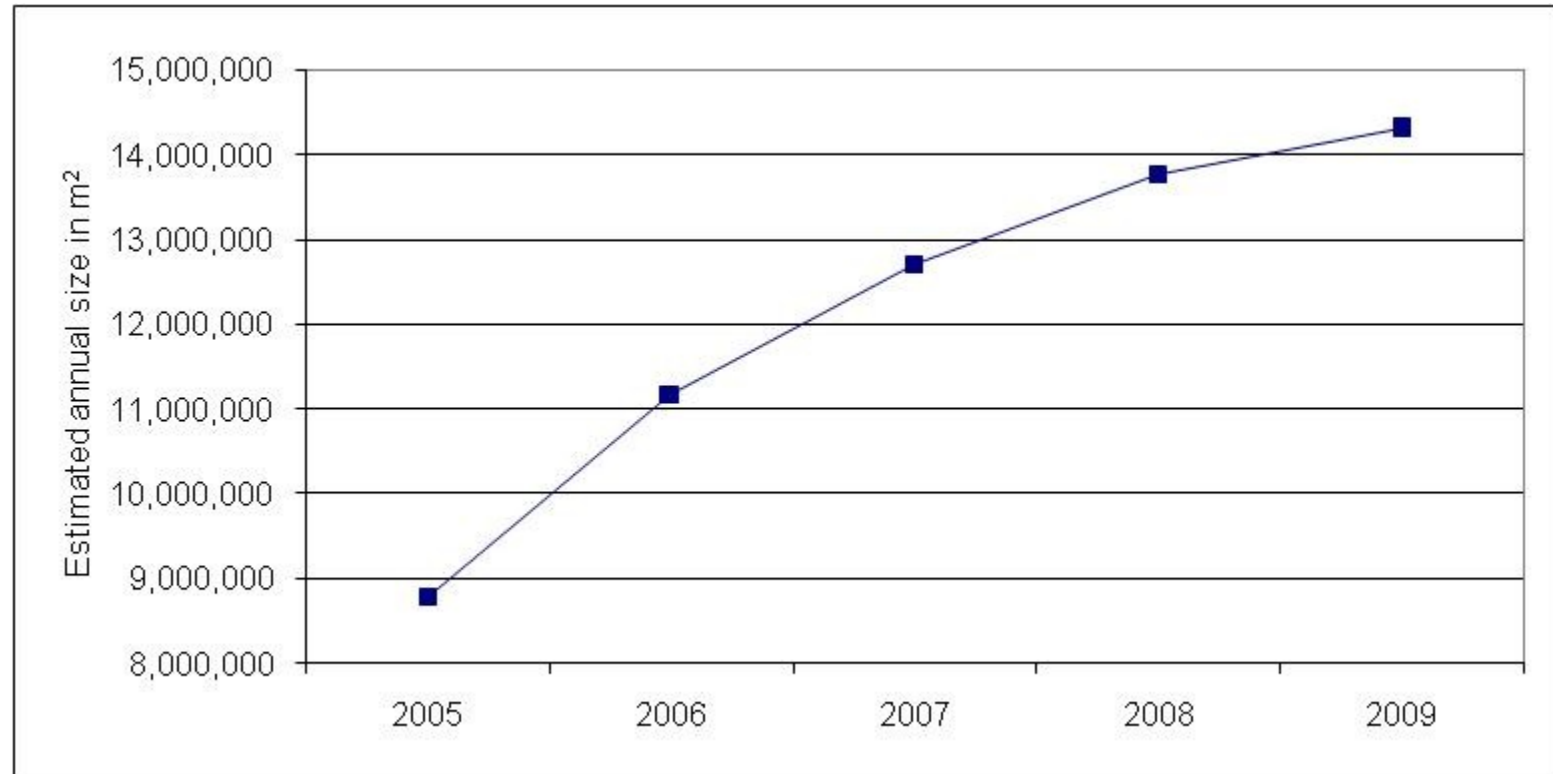
Data source & background

- Report prepared by BSG since 2004
- Published jointly with UFI
- Draws on BSG's exhibition database developing since 2001
- Covers 15 key markets in Asia
- Focuses on B2B exhibitions > 2000 m²
- Excludes B2C events

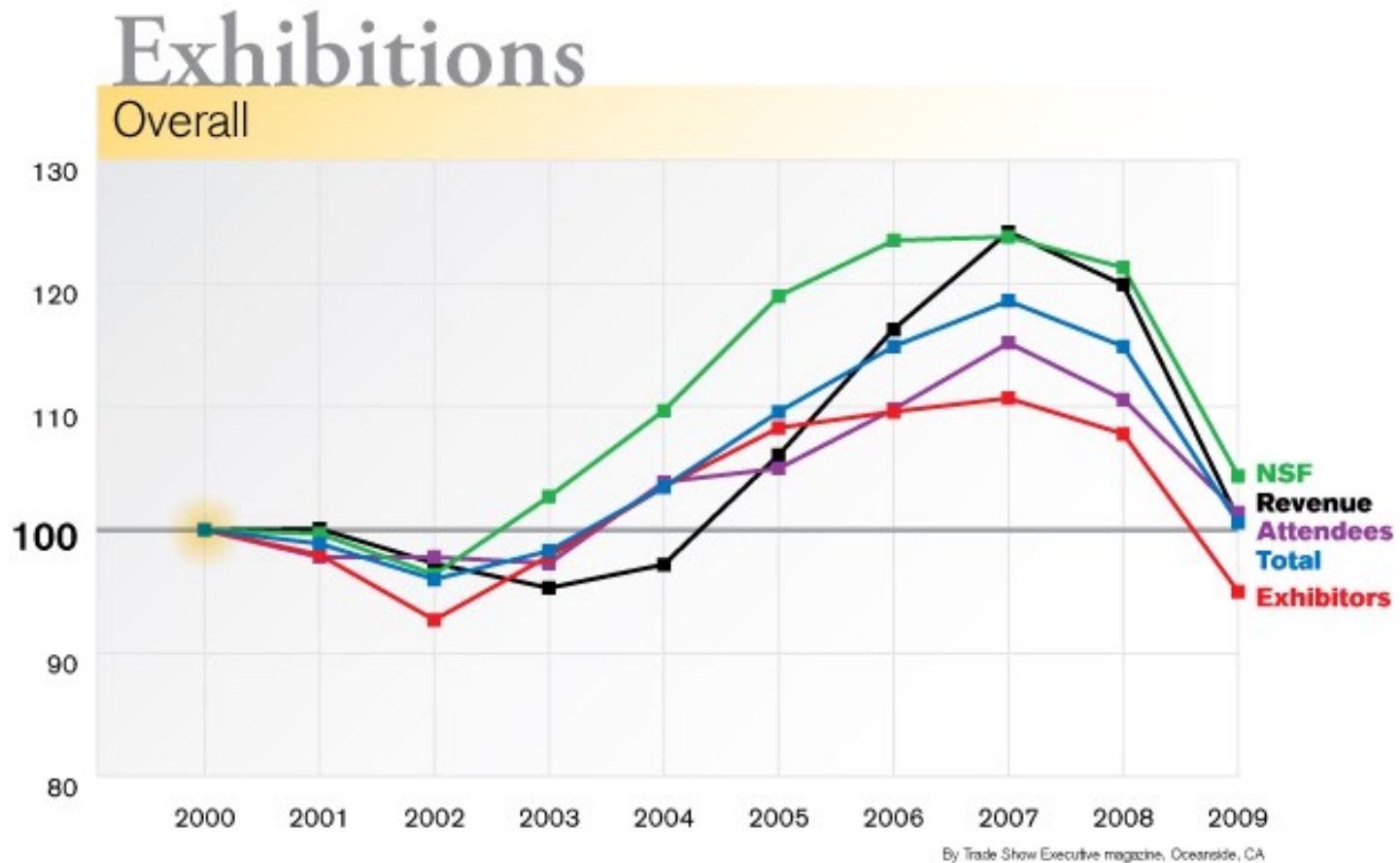
Exhibitions in Asia: Key stats

- Nearly 1800 exhibitions identified
- 14.9 mil m² sold in 2009 – up 3.8%
- 55% of that space was sold in China
- Revenues US\$3.41 billion – flat y-on-y
- 33% of revenues generated in China

Asian exhibitions booming

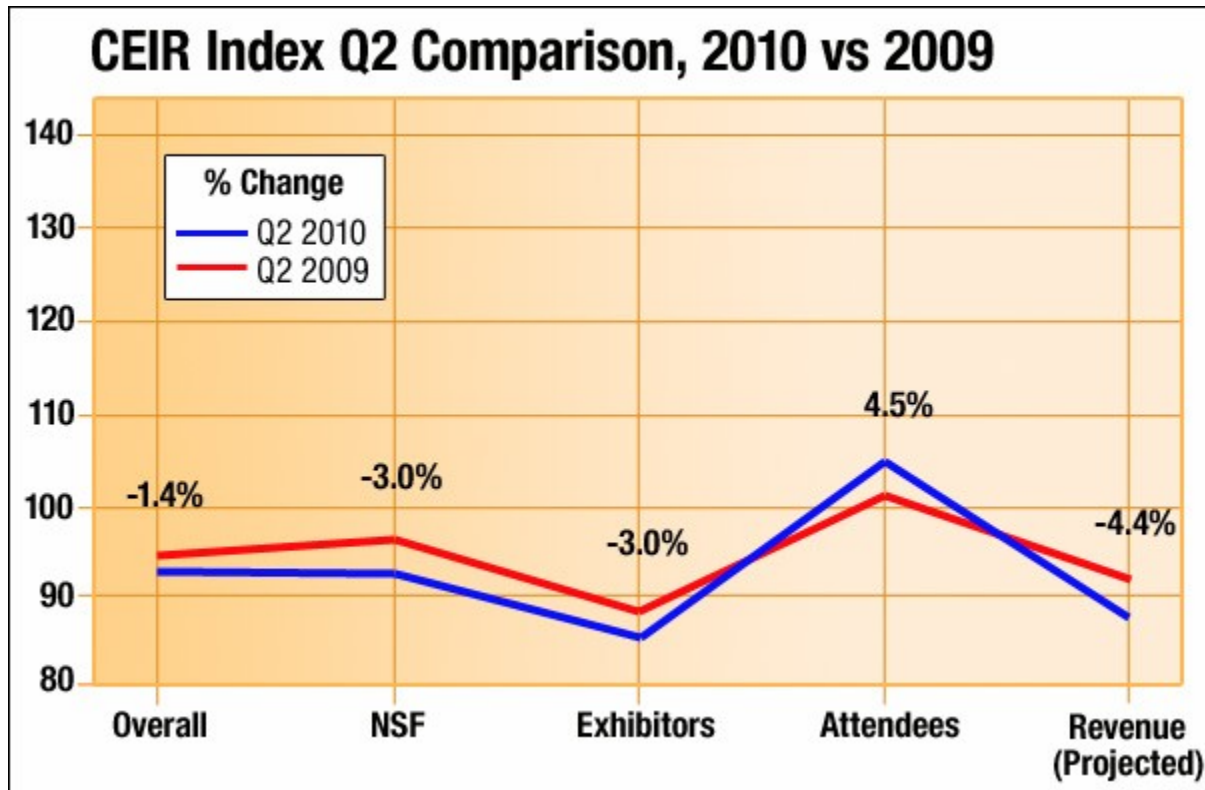


U.S. exhibitions struggle



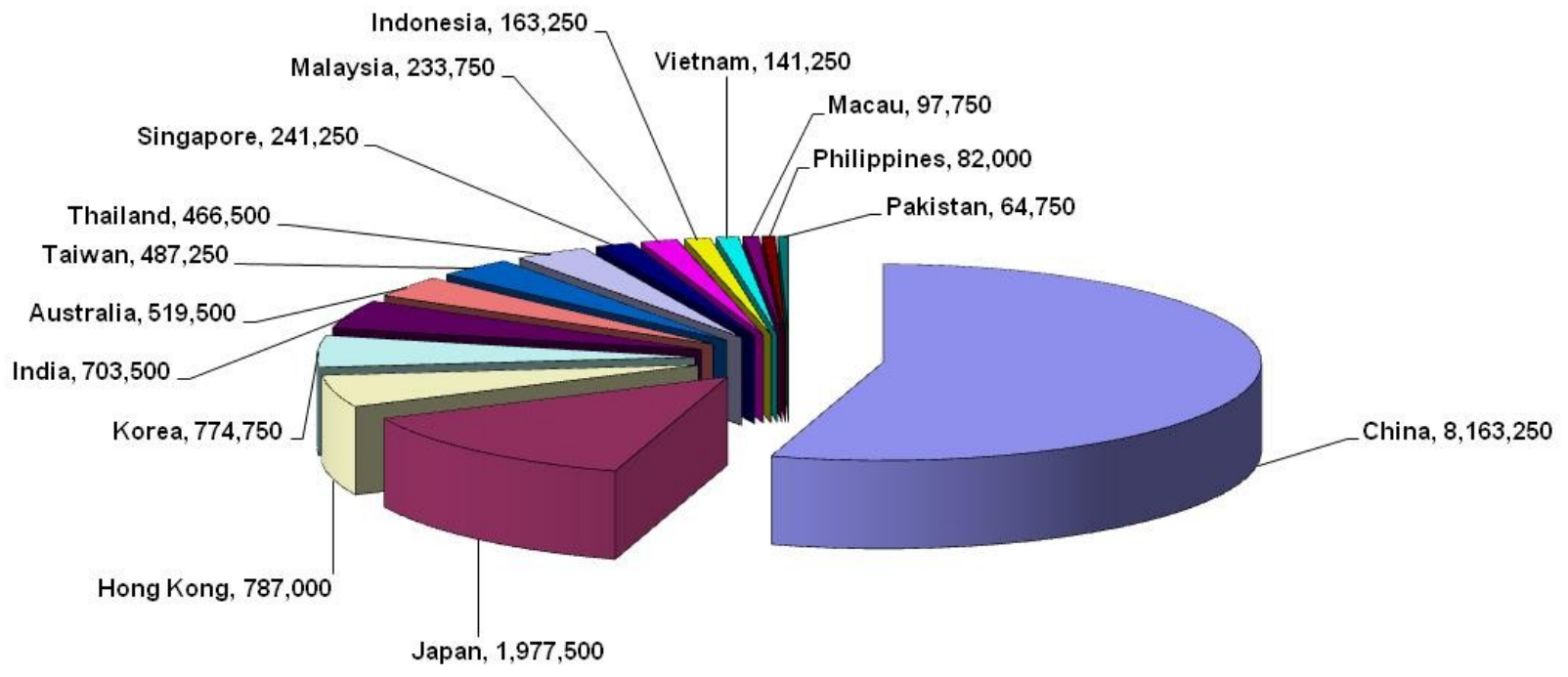
Source: CEIR

U.S. exhibitions still struggling

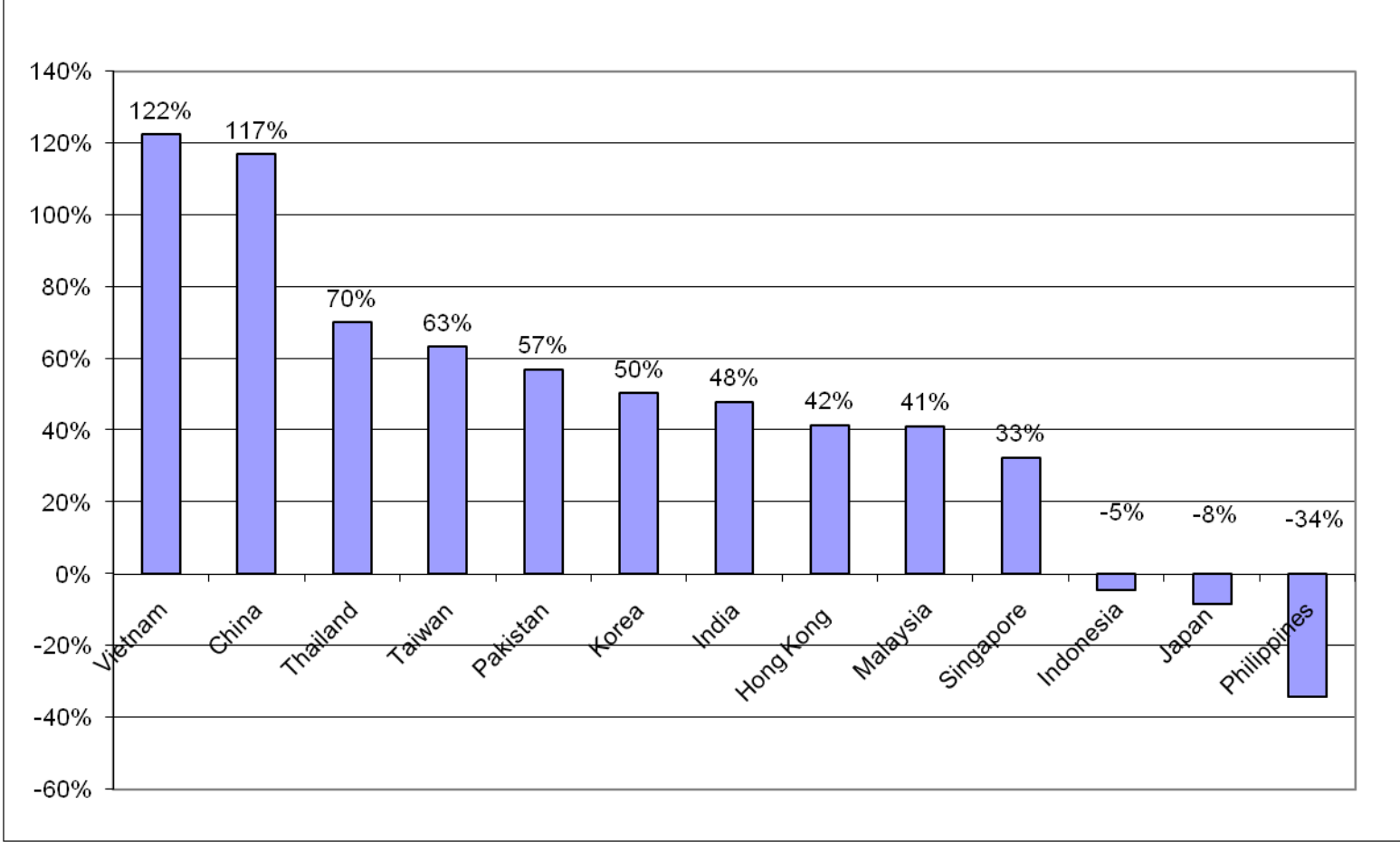


Source: CEIR

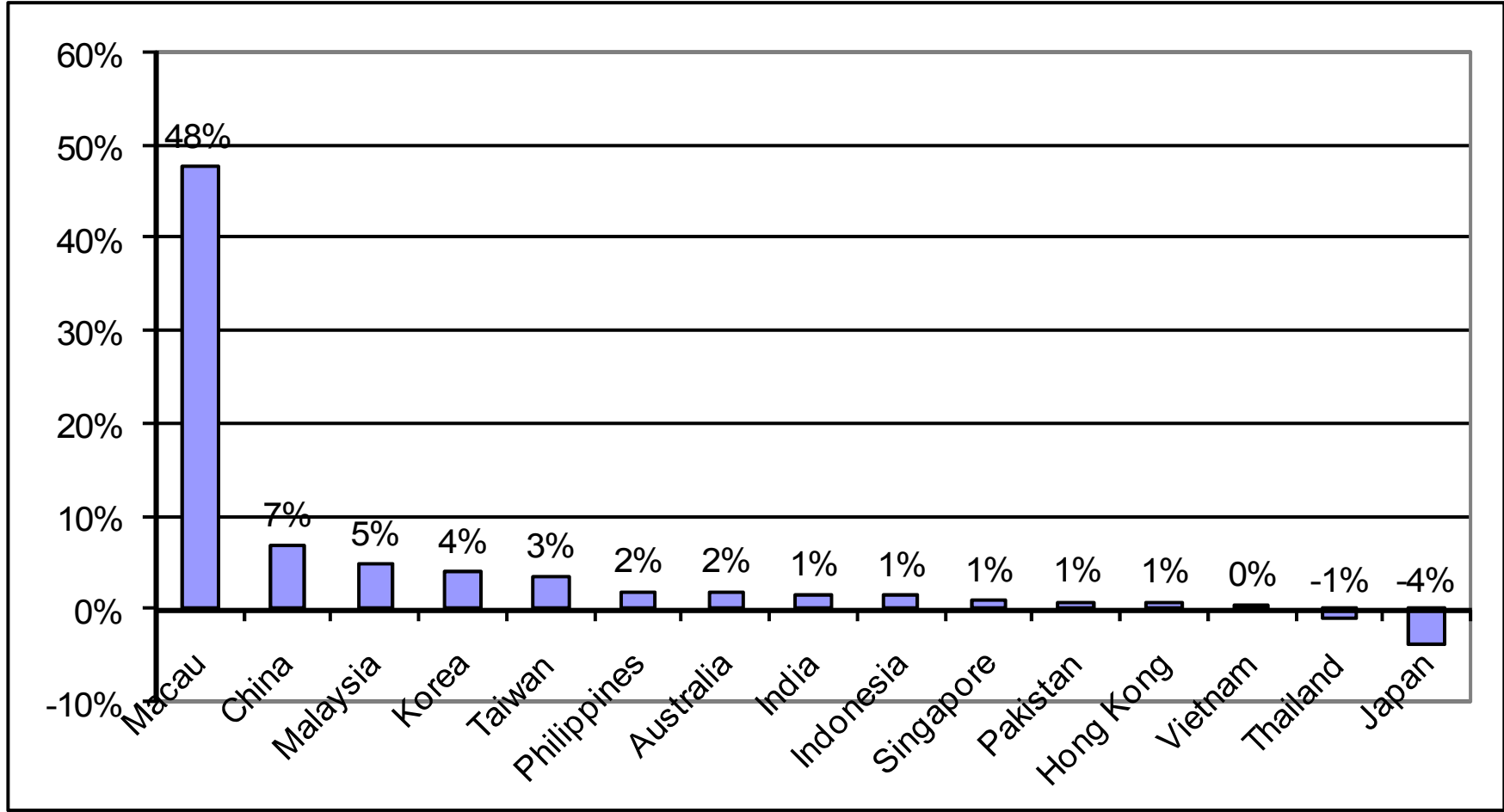
Asian exhibition markets by net size



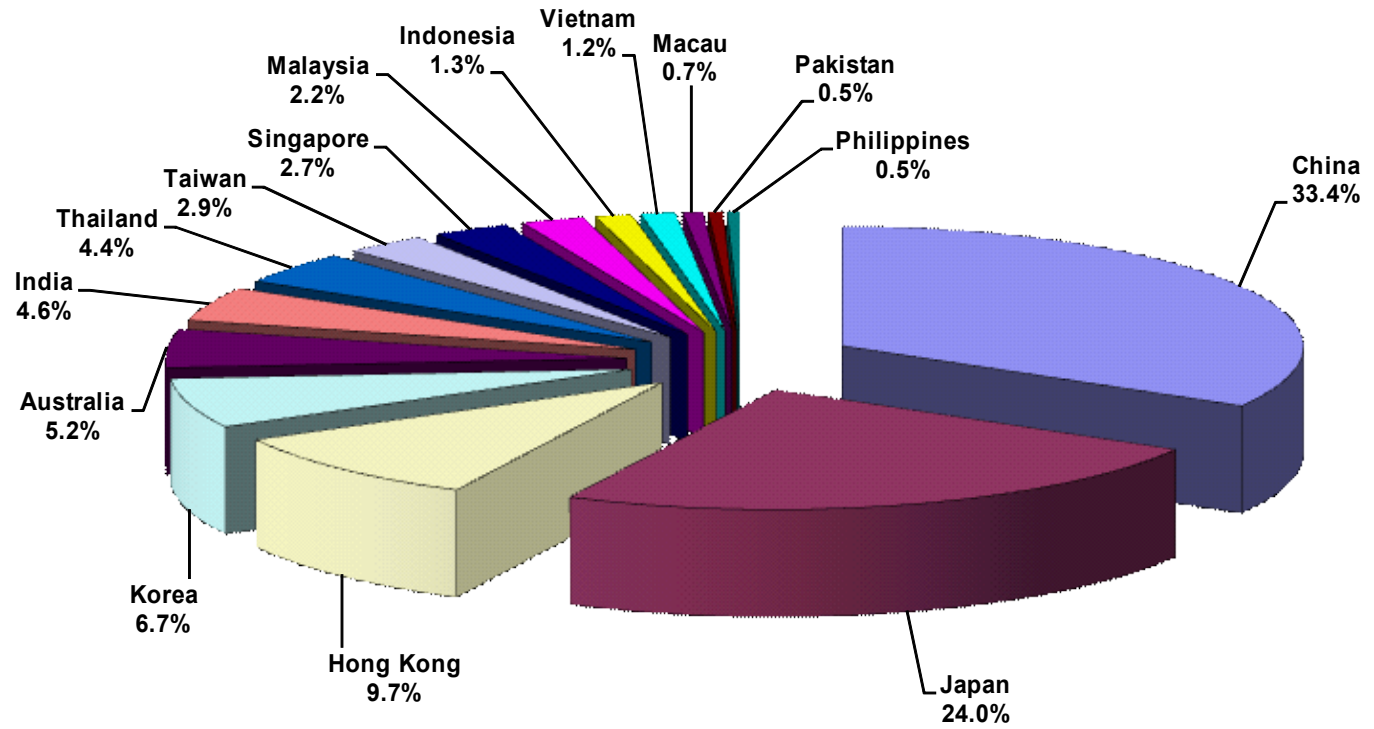
Change in net size: '09 vs. '05



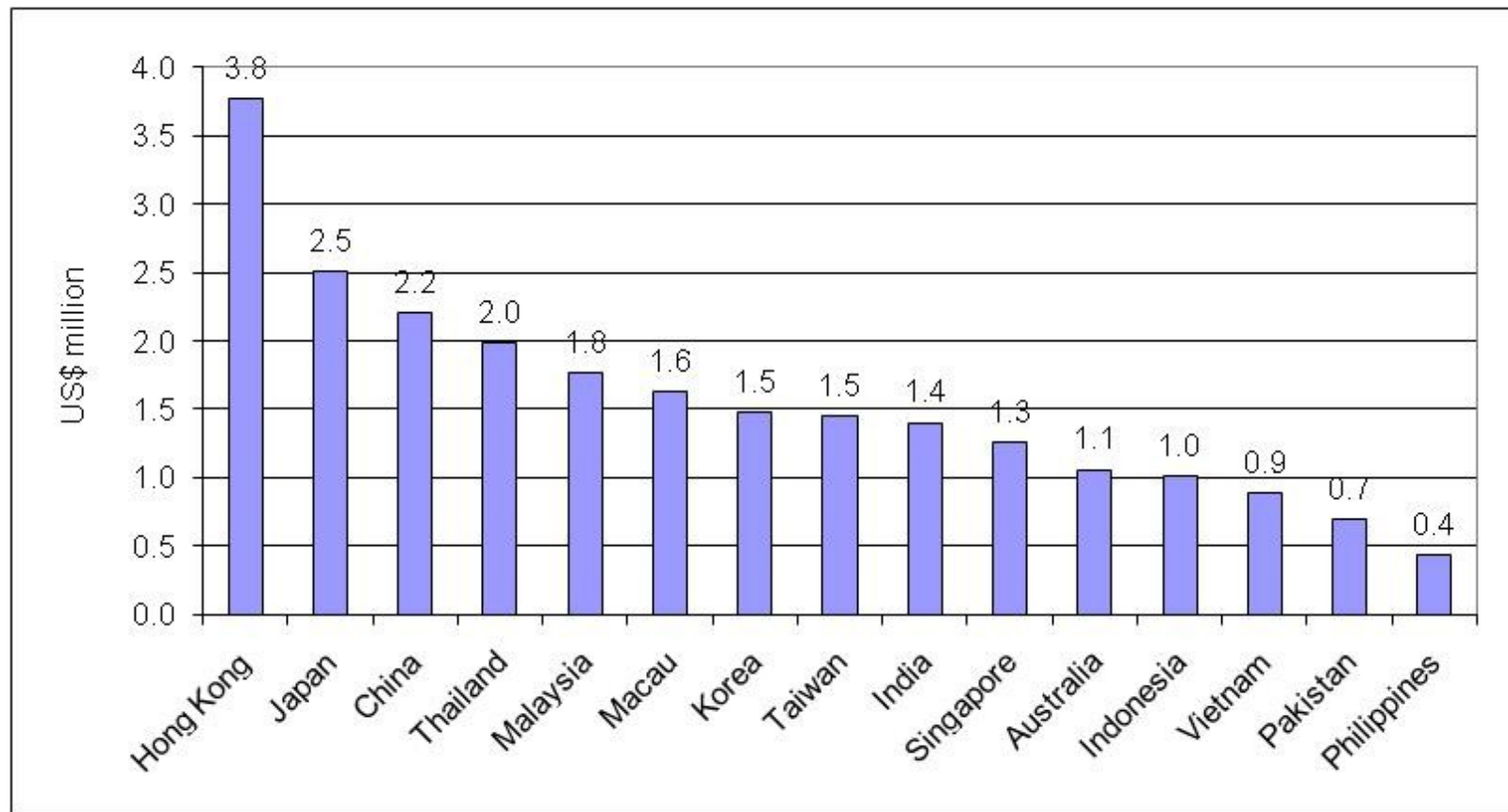
2009 change in net size



Share of total revenues



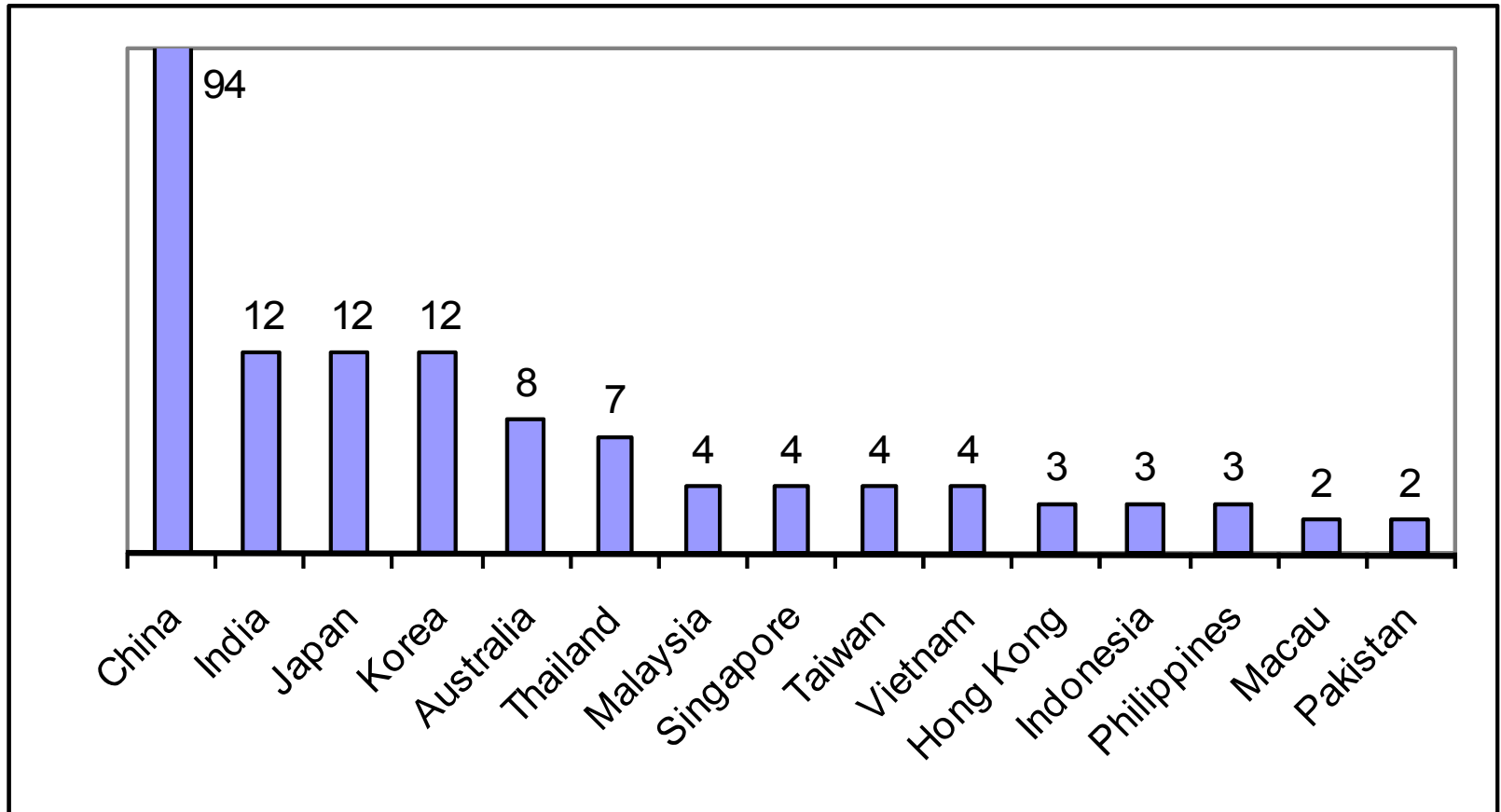
Average revenues per fair



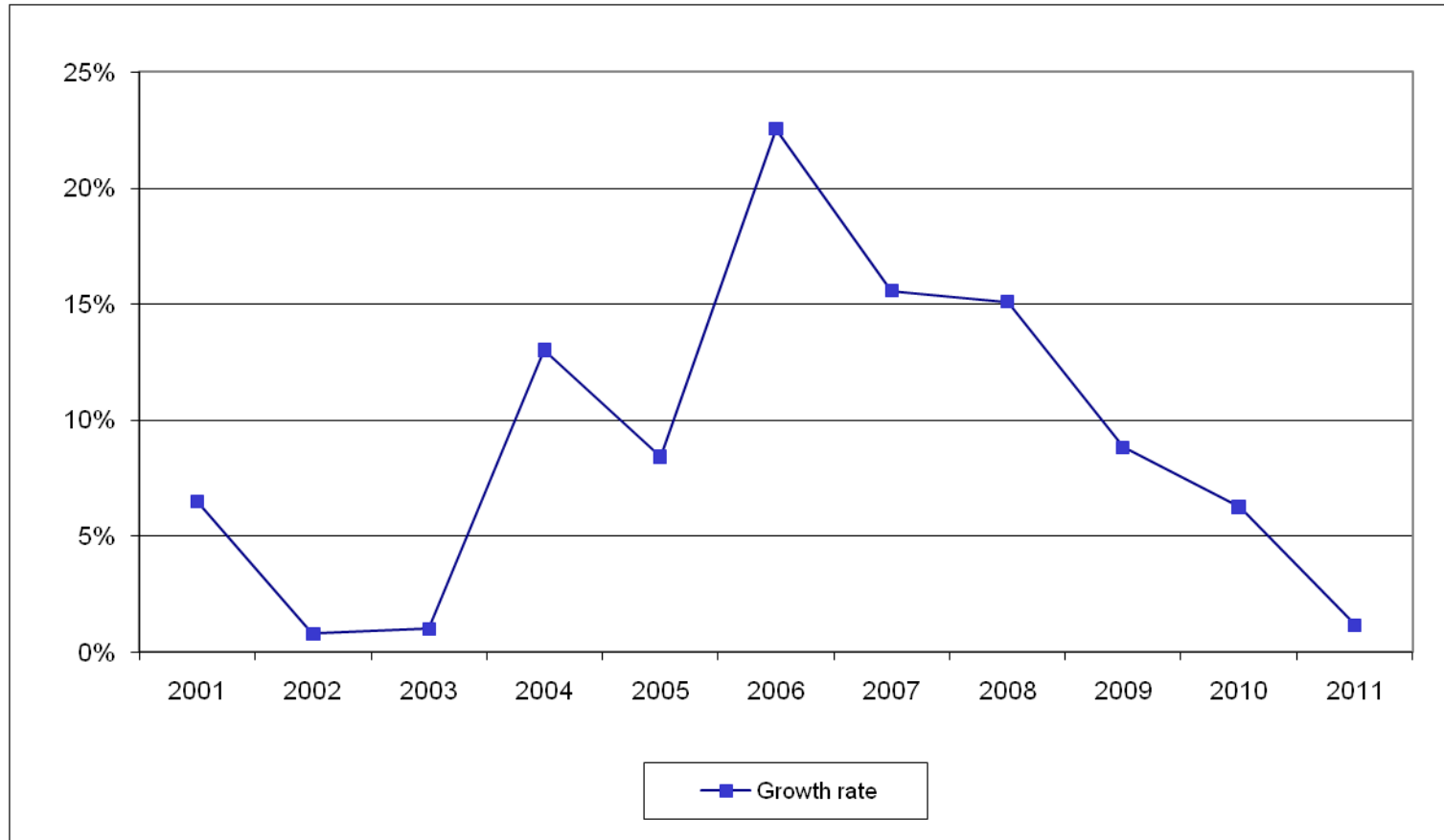
Asia's venue boom

- An issue with serious implications
- Venue capacity a concern in 2005
- 2010 vs. '05: 100% increase
- 2005: 3 million m²
- 2010: 6.01 million m²

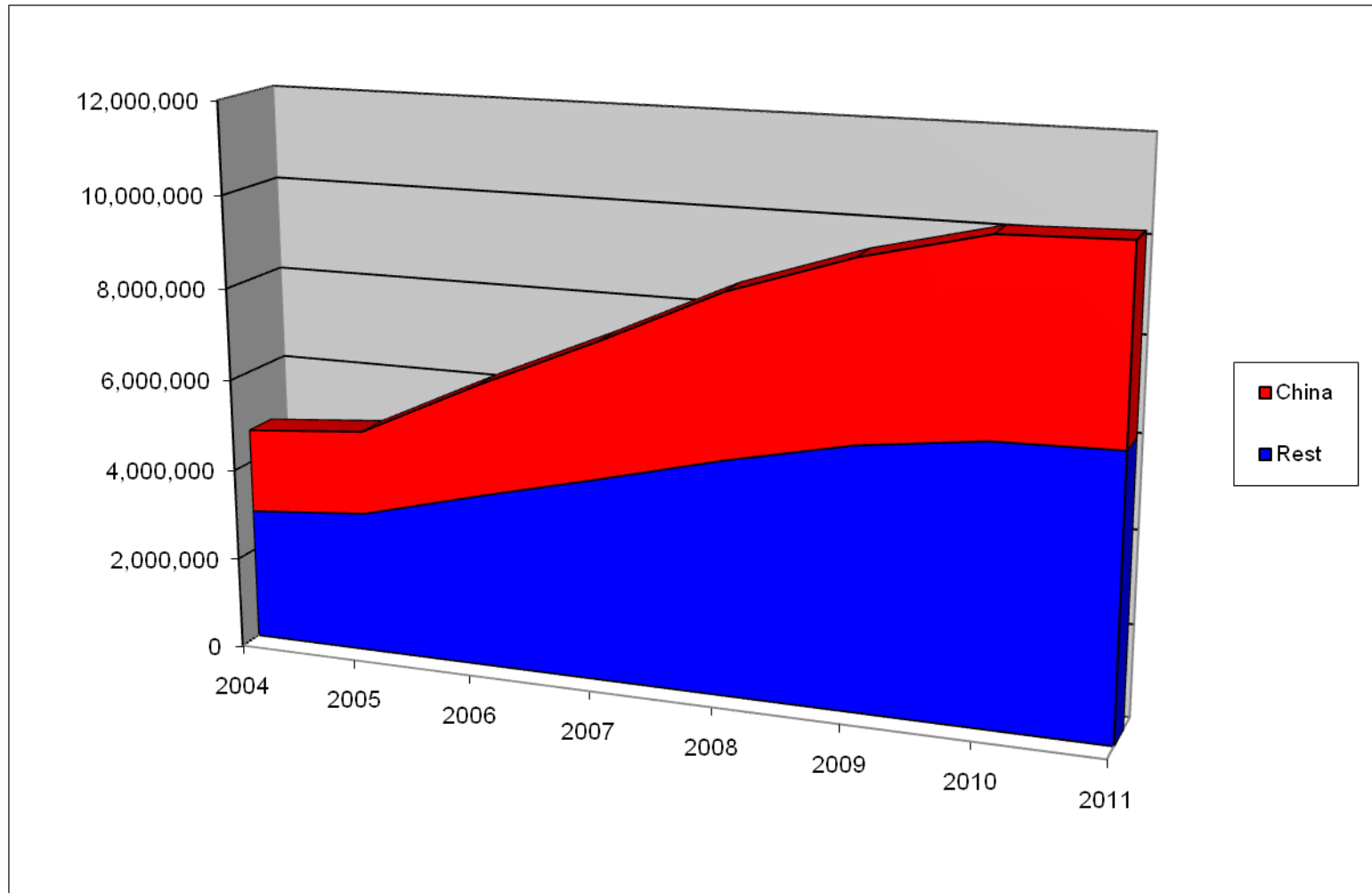
Venues: another China story

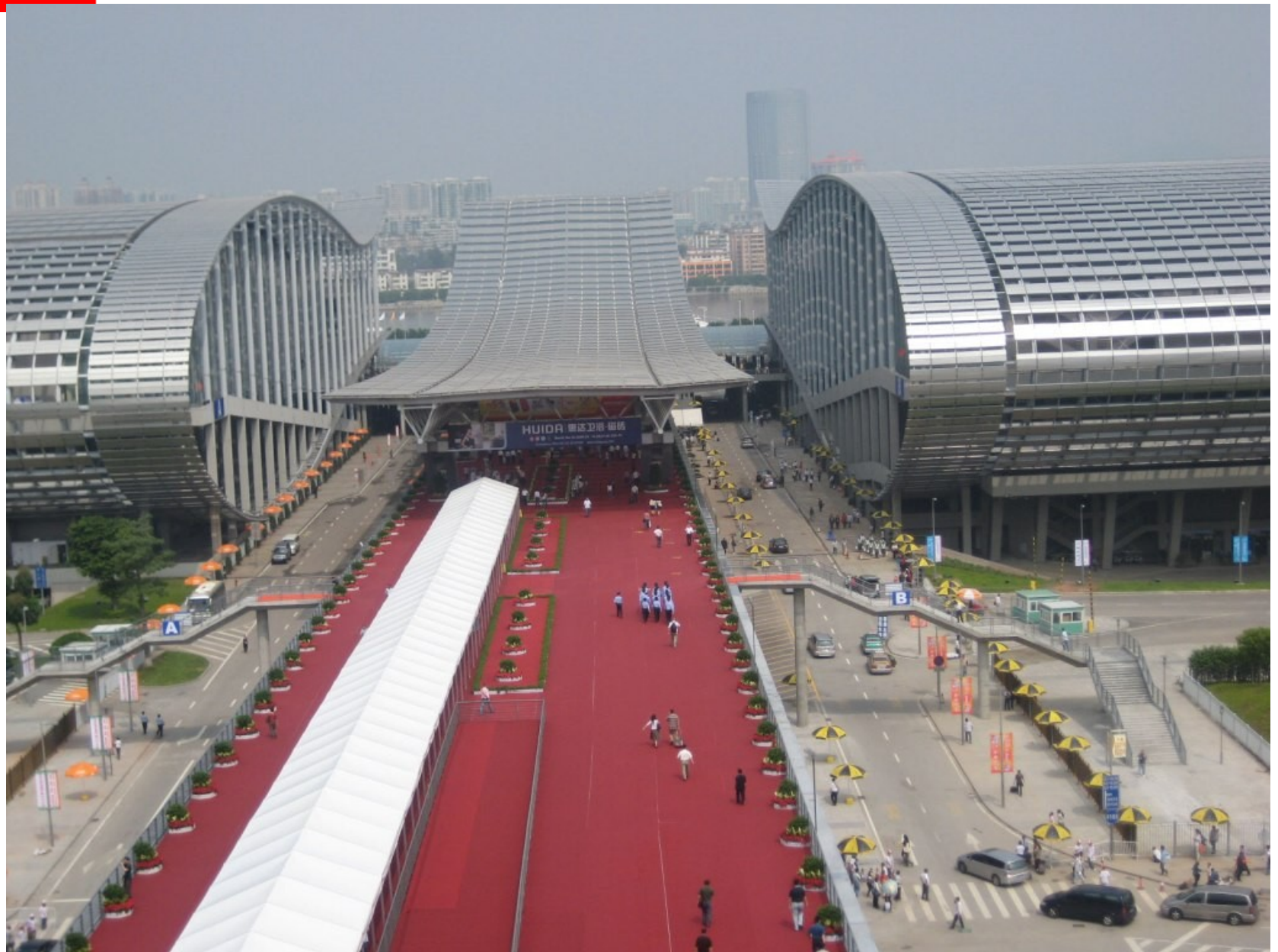


Capacity expansion



Capacity in China





10 largest exhibition centres in Asia



Shanghai New International Expo Centre



China National Convention Centre (Beijing)



Integrated resorts



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Marina Bay Sands Singapore



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Fragmentation into national markets

- Fewer aspirations for regional events
- Splitting into national markets
- Larger, export-oriented markets doing well (e.g. Thailand)



Government competition

- MICE strategy a priority for Asian governments
- TCEB, MyCEB, STB & TAITRA
- Korea: venues
- Macau, Hong Kong

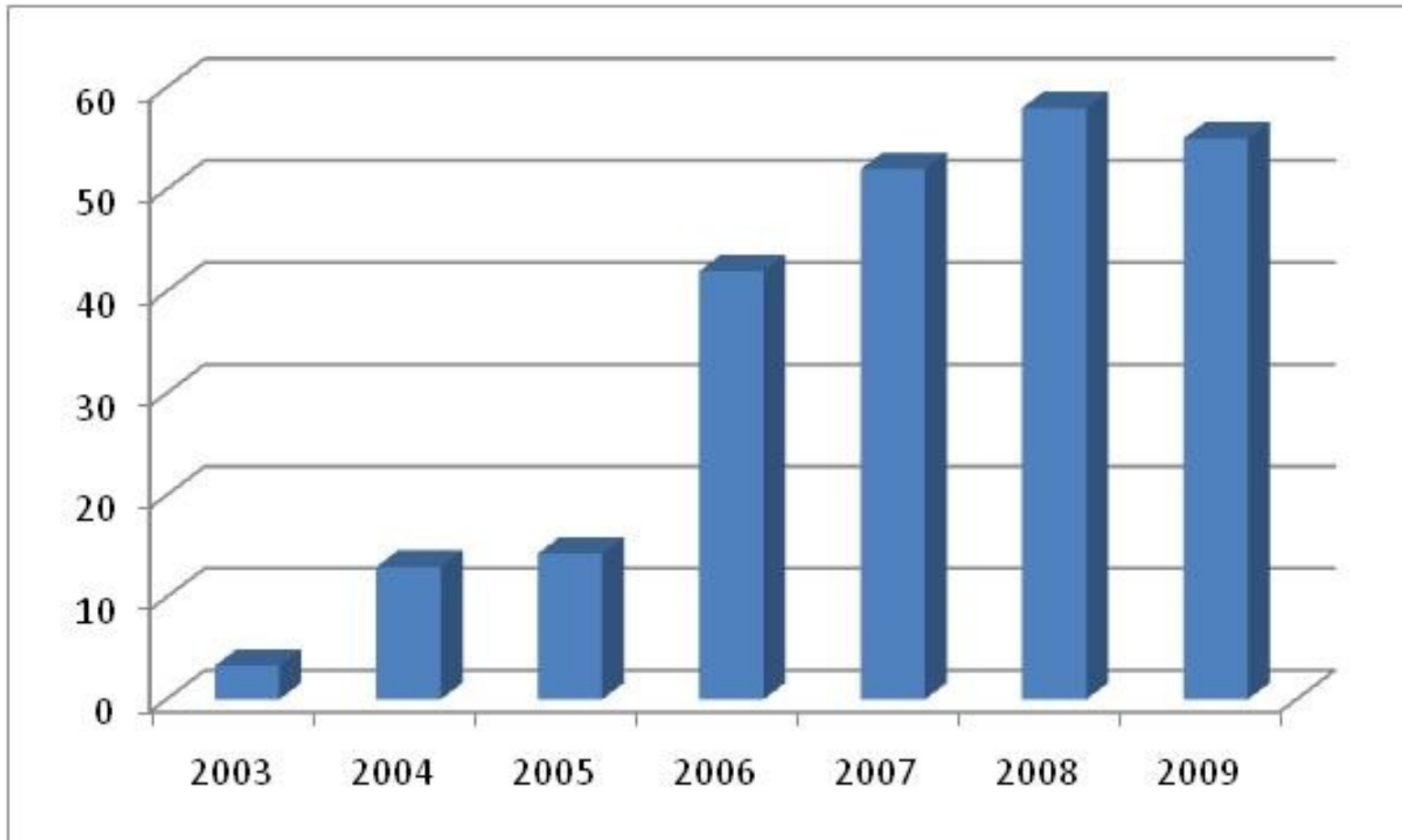


New sources of competition

- The success of Global Sources
- The potential of Alibaba:
 - Largest online platform in Asian B2B media
 - Able to make the leap to events



Global Sources: Exhibition revenues



Global Sources:

A successful shift to events

Manufacturers: Global Sources

http://www.globalsources.com/

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- Fashion Accessories**
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Latest News and Research

Tough times call for tough measures (Feb 19, 2009)
The global "financial tsunami" has brought about a number of attention-grabbing headlines peppered with mind-boggling ...

Value-added fabric shapes industry (Feb 10, 2009)
Models made of moisture-wicking, anti-bacterial and organic textiles boost comfort and help ease the environment

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global sources

Gifts & Premiums

China Sourcing Fair

Alibaba: Major organiser?

- 56.7 million users
- 41 mil in China
- Unmatched online expertise
- Strong branding and marketing capabilities
- US\$1.25 bil cash



Rise of regional buyers & SME buyers drives growth

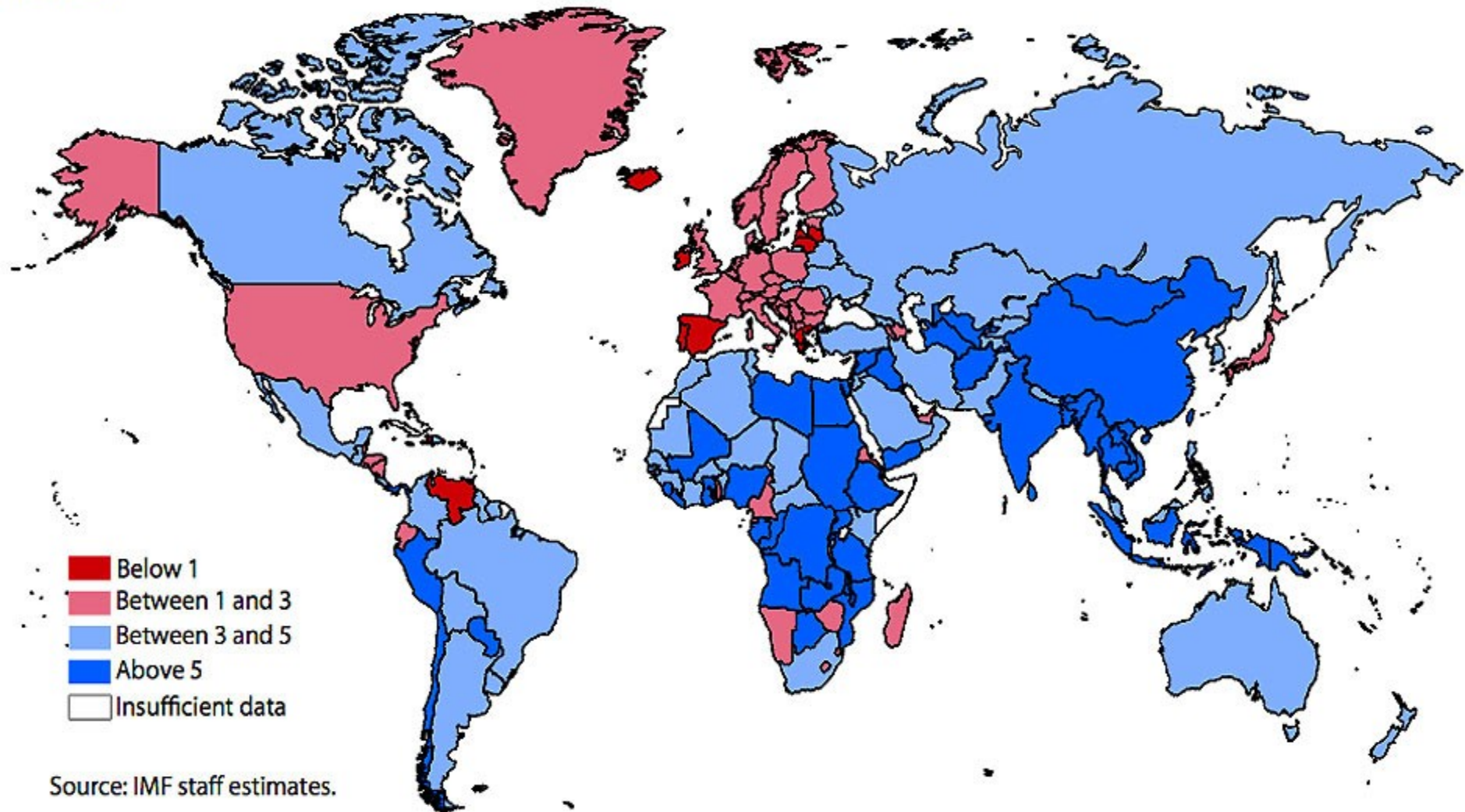
- B2B trade fairs becoming less reliant on U.S. and European buyers
- Buyers from Asia doing business with suppliers from Asia
- Buyers from BRIC, Middle East of growing importance

Asian MICE Integration: Macro-economic changes

- CAFTA, ASEAN Free Trade
 - Enhanced trade
 - Increased investment
 - Reduced barriers
- Rise of middle class and consumer markets in India and China
- World-class portfolio of venues in region

Figure 2.1. Average Real GDP Growth during 2010–11

(Percent)



Source: IMF staff estimates.

Computex: Growth from Asia



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M&A activity increasing

- This will lead to increased M&A activity:
- UBM
 - Shanghai International Children's & Baby
 - Sign China
 - CIOE
- EJ Krause
 - Expo Comm JV partner
- Diversified Business Communications
 - InfoCast India
 - Asian Business Events (Hong Kong)
- Tarsus, Messe Frankfurt, ITE, etc.

Rise of niche exhibitions in Asia

- Some exhibitors turning away from “bigger is better”
- Looking for:
 - niche events
 - Want opportunities to build their corporate brand



Reallocation of corporate budgets

- Major exhibitors reallocate if do not see ROI
- Niche events, small-scale events and “self-organised”
- Strong conferences



Thank you

mark@bsgasia.com

mark@ufi.org