

UFI Global Exhibition Barometer

18th edition

Report based on the results of a survey concluded in January 2017



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Introduction



Welcome to the 18th edition of the “UFI Global Exhibition Barometer” survey. This study is based on a global survey, concluded in January 2017. It represents up to date information on the development and the outlook of the global exhibition industry as well as on 14 specific countries and zones.

UFI began assessing the impact of the global economic conditions on the exhibition industry twice a year in 2009, based on perceptions of UFI members around the world. In 2010, this biannual survey became the “UFI Global Exhibition Barometer”. For the United States, this survey includes Members of SISO (Society of Independent Show Organizers) and the scope of the Research has since been broadened to include members of AEO (Association of Event Organisers, UK), AFIDA (Asociación Internacional de Ferias de América), AMPROFEC (Asociación Mexicana de Profesionales de Ferias y Exposiciones y Convenciones), AAXO (The Association of African Exhibition Organizers) and EXSA (Exhibition and Events Association of Southern Africa) in South Africa, TEA (Thai Exhibition Association) and UBRAFE (União Brasileira dos Promotores Feiras) in Central and South America.

Important remarks

It should be noted that the number of replies to the current survey (240 from 54 countries - see full list on the page 33) provides representative results. However, the consolidated *regional* results may not reflect the situation of specific countries in that region. This is why the report also includes a set of detailed results for the 14 *countries or zones* where a significant number of answers were obtained are included (see list on the page 17).

Questions related to this survey can be addressed to Christian Druart, UFI Research Manager, at chris@ufi.org.

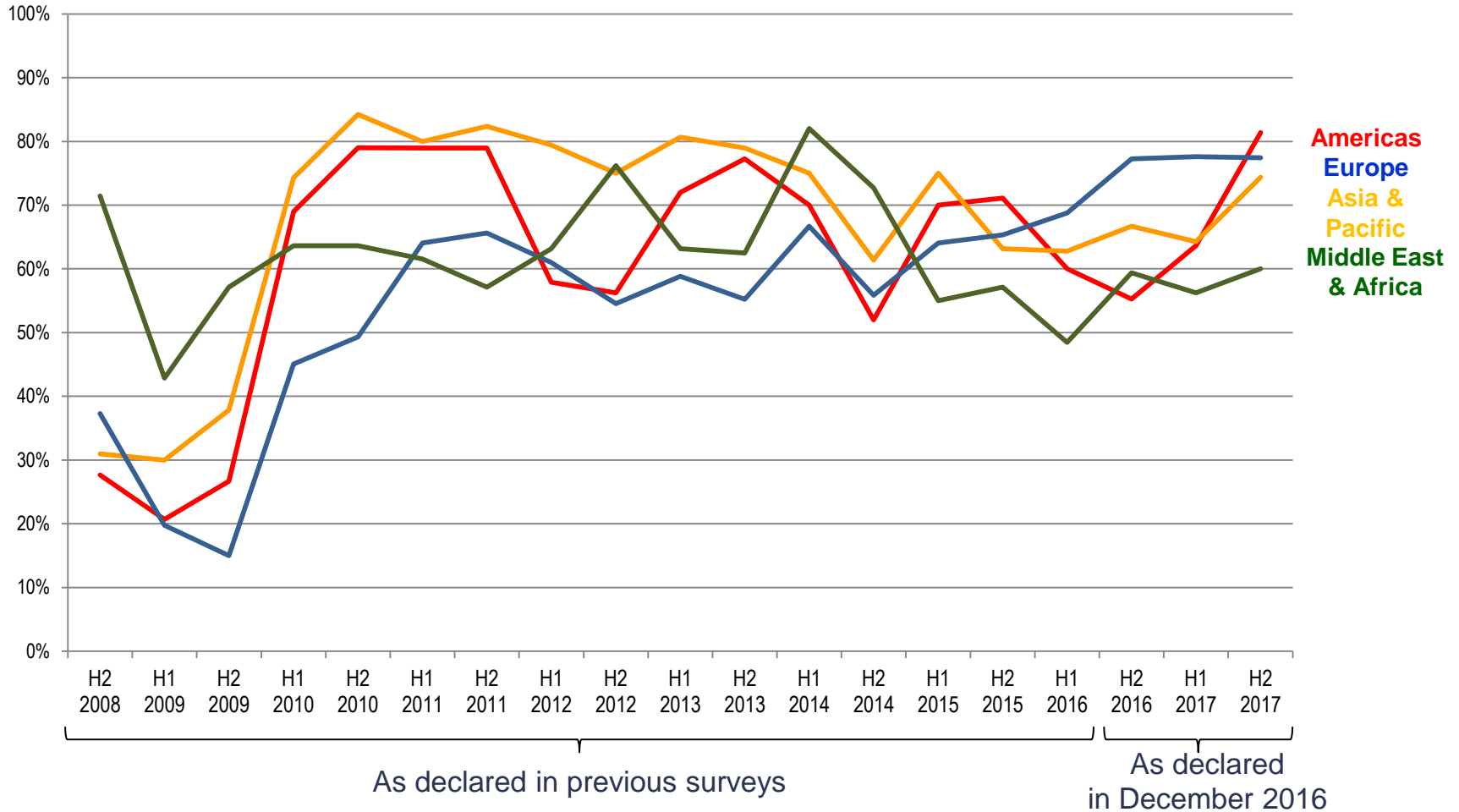
1. Gross Turnover development

The 18th Barometer surveyed the evolution of participants' gross turnover expectations for the second half of 2016 and the two halves of 2017 compared to their turnover during the same period in the previous year (regardless of possible biennial effects).

The chart on the next page presents, at regional level, the percentage of companies declaring an increase in their turnover. It combines these results with those of previous surveys since 2008. It does not take into account the “unknown” or “not applicable” answers. It shows a very positive and stable outlook for Europe, where 77 to 78% declare an increase. In the Americas, the situation improves over the period, from 55% to 81%. A positive trend is also noticed in Asia/Pacific (from 64-67% in 2016 to 74% in 2017) whereas the situation is relatively stable in the Middle East and Africa (56 to 60%). The charts included in the second part of this report (“Detailed results for selected countries or zones”) detail these regional results, adding the percentage of companies declaring decreases in their turnover and the percentage of “unknown” answers. They show a variety of situations:

- In North America, the US and Mexico present a positive outlook with more than 60% of companies expecting increase in turnover for the 3 periods, and even more than 70% in the US or 90% in Mexico for some periods;
- In Central and South America however, the 2nd part of 2016 has seen a decrease of turnover for around 80% of companies on average; the situation for 2017 is anticipated to improve importantly for Brazil, with 80 to 90% of companies declaring an increase, but not so much for the other countries, where a majority of companies still expect decreases;
- In Europe, most markets declare a very positive outlook with around 80% of companies expecting increase in turnover for the 3 periods. Exceptions are however noticed for Germany and Italy where 2017 appears weaker than 2016. In Russia, a positive trend is noticed for the 2nd half of 2017, where 60% anticipate growth;
- In Asia/Pacific, China outperforms the other zones studied, with 70 to 85% of companies declaring an increase on average for the 3 periods. This is the case for only up to 50% of companies in Thailand and 60% on average for the other countries;
- In the Middle East or South Africa, 45 to 65% of companies expect increase in turnover for the 3 periods.

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



2. Development of Operating Profits

The 18th Global Barometer survey questioned the evolution of operating profits for 2016 compared to the previous year.

The chart presented on the following page combines these results with those of previous surveys which track the development of operating profits since 2009. It highlights the results of companies declaring an increase of more than 10% and those declaring a more stable result (between -10% and +10%) – see footnote.

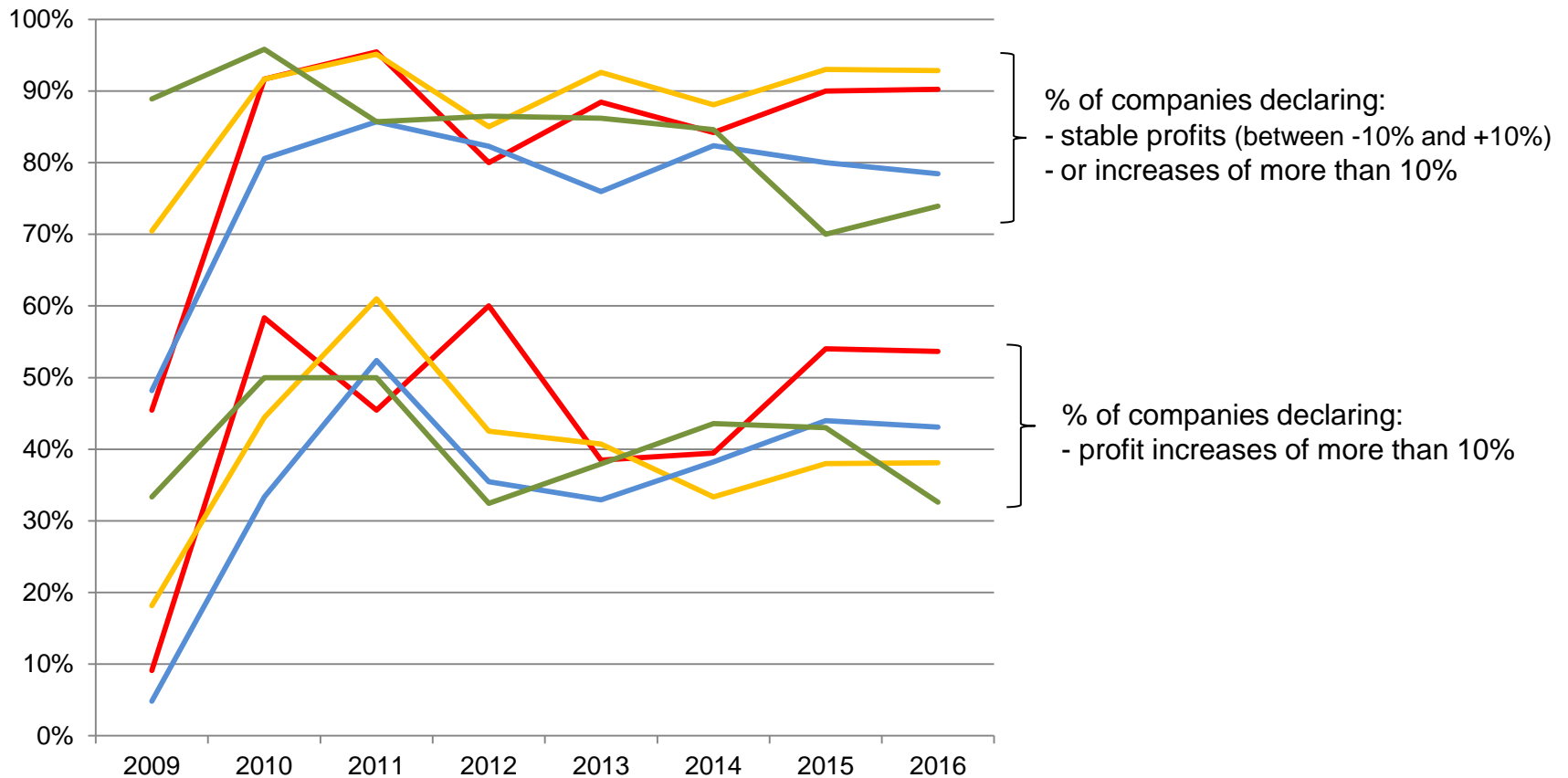
The detailed results show that most regions maintained in 2016 the good level of performance recorded in 2015;

- A majority of companies declare an increase of more than 10% in annual profits for 2016 in Mexico, USA, most countries in Asia/Pacific and Central and South America (except in Thailand: 42%; China: 19% and Brazil: 40%);
- In Europe, 3 to 5 companies out of 10 declare an increase of more than 10% in annual profits for 2016 in most zones, except in the UK which outperformed with 57% in that situation;
- There is a similar situation in the Middle East (46%) but in South Africa, only 6% declare an increase of more than 10%.

Footnote: The charts included in the second part of this report (“Detailed results for selected countries or zones”) detail these results, adding the percentage of companies with reductions in profits or losses.

Operating profits compared to the previous year

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



3. Most important business issues

Companies were asked to identify the three most important issues for their business in the coming year from a pre-defined list of seven issues. Multiples choices were proposed to get further insight for some answers.

As in previous surveys, around 80% of all answers relate to the following 4 issues:

- “State of the economy in home market” (25% in the current survey, down 1% compared to 6 months ago)
- “Global economic developments” (24% in the current survey, down 2% compared to 6 months ago)
- “Competition from within the industry” (20% in the current survey, up 3% compared to 6 months ago)
- “Internal challenges” (13% in the current survey), unchanged, where “Human resources” are named as the most important aspect.

It can be noted however, that, compared with the last survey results, “Competition from within the industry” climbs up by +3% taken to the first 2 issues.

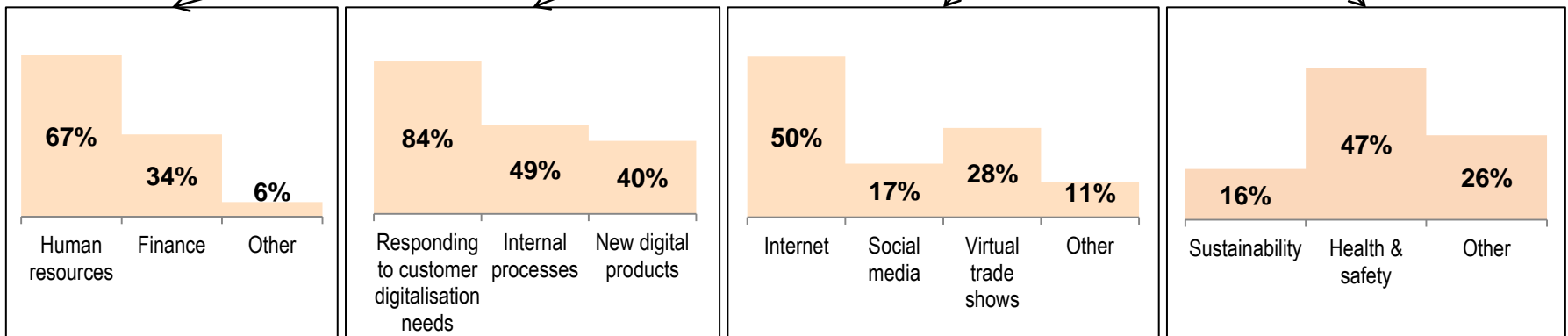
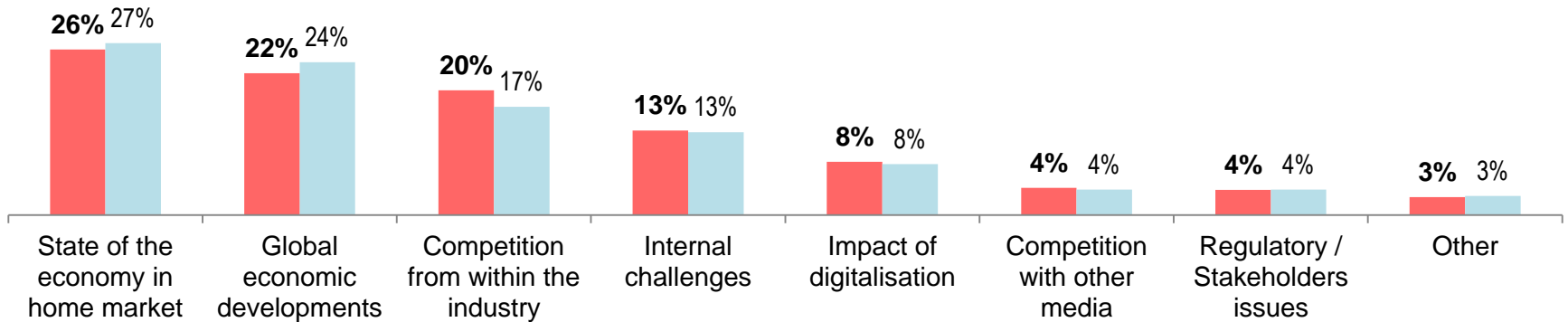
“Impact of digitalisation” (“Responding to customer digitalization needs”, “New digital products” or “Internal processes”), “Competition with other media” (“Internet”, “Social media”, “Virtual trade shows” or “Other”) and “Regulatory / Stakeholders issues” (“Sustainability”, “Health & safety” or “Other”) keep their exact same level as in the last survey.

The next slide shows the consolidated global results, including further insights. The following pages details those results by region and by type of activity (for 3 main segments: “Organiser”, “Venue only” and “Service provider only”). Results show that there are no significant differences based on these criteria, except for the “Impact of digitalisation” which is not so present, generally speaking, in Middle East and Africa and also among “Venues only”, but receives very high relevance in Germany (21%) and most countries in Central and South America (20%).

Regarding venues, “Competition from within the industry” has become the top issue. Also, “Human challenges” are ranked significantly higher .

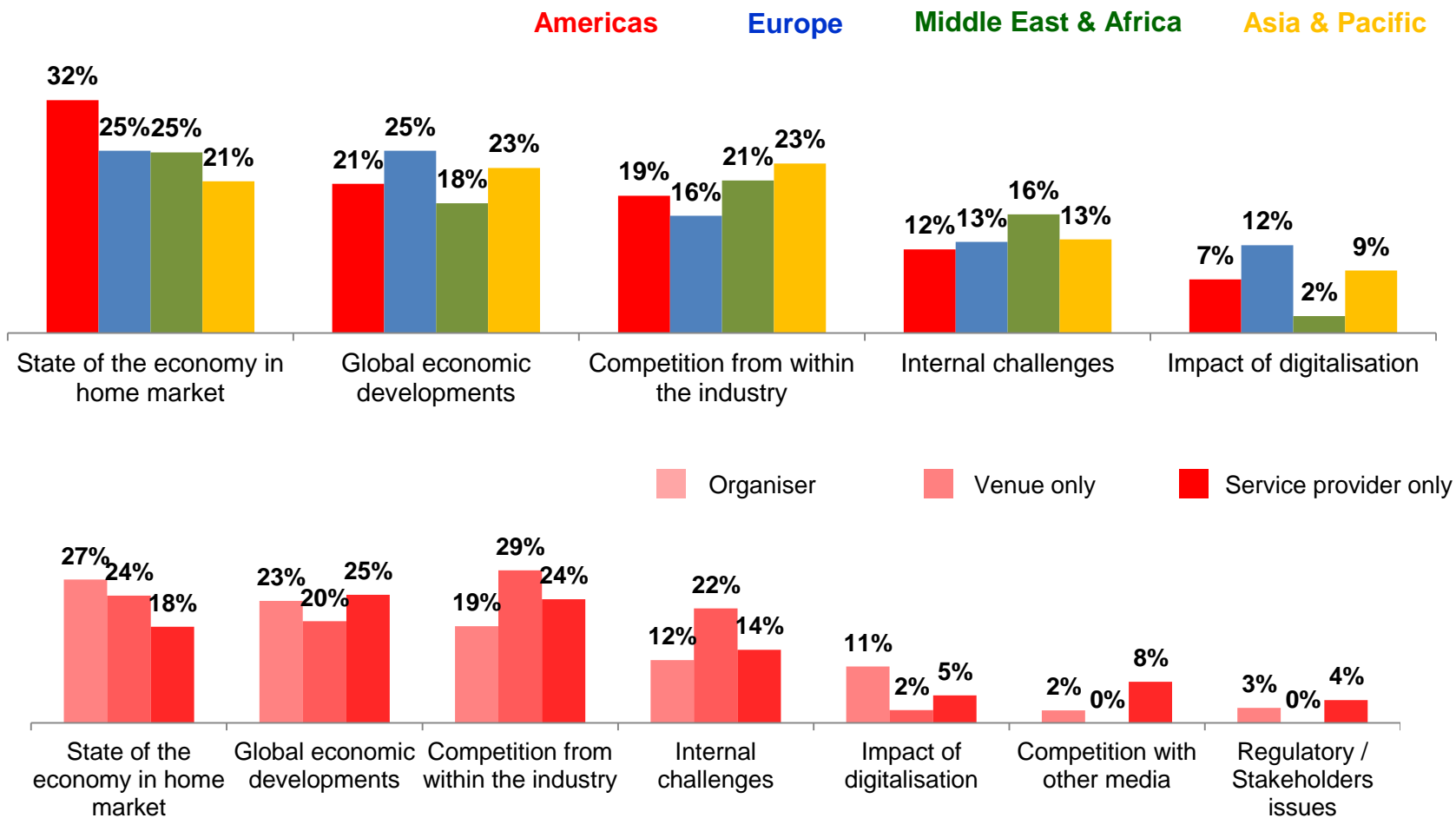
Top issues: global results

Top issues (■ : results from last survey conducted in June 2016)



(multiple answers possible)

Most important issues: detail by region and type of activity for the five top issues identified globally



4. Priorities in terms of strategy

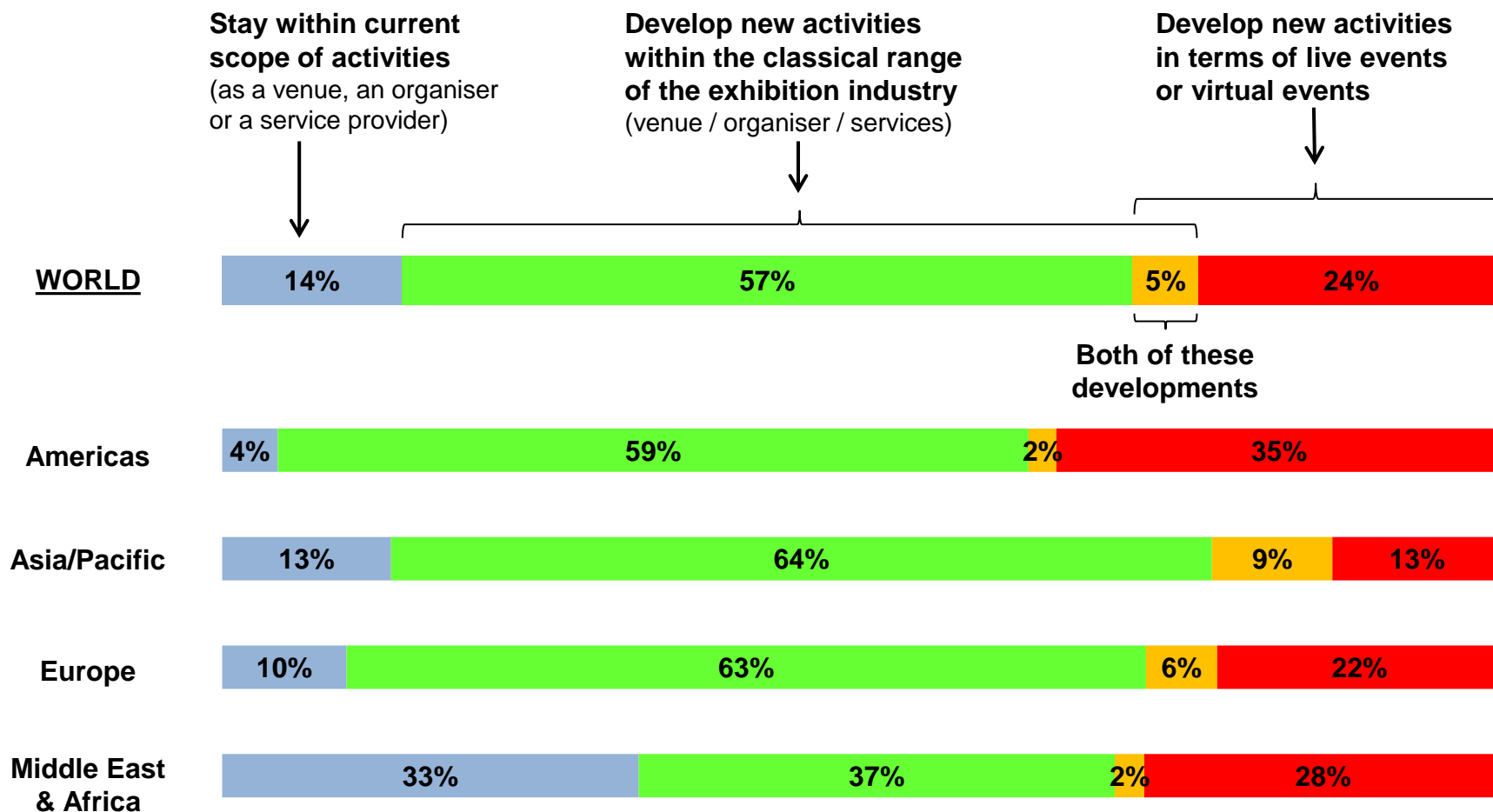
Companies were asked to share their current priorities in terms of strategy in two specific areas: their range of activities and their geographical exposure.

In all regions, a large majority of companies intend to develop new activities, in either the classic range of exhibition industry activities (venue/organiser/services), other live events or virtual events, or in both: 67% in the Middle East & Africa, 87% in Asia/Pacific, 90% in Europe and 96% in the Americas.

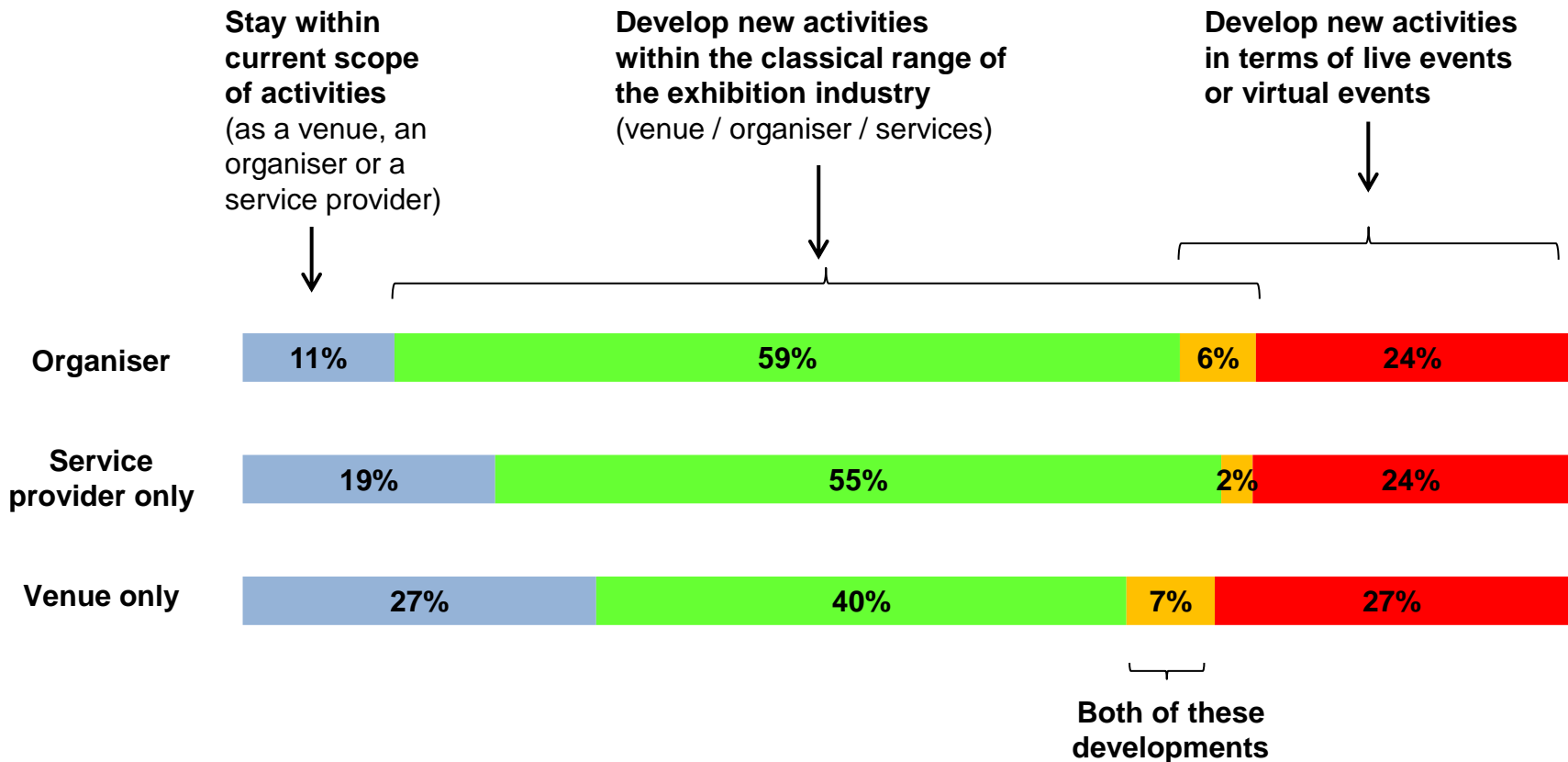
In terms of geographical expansion, 4 companies out of 10 on average declare an intention to develop operations in new countries, and the rate is much higher in the UK (70%), USA (67%) and the Middle East (57%).

These results are also detailed in the following pages for the main segments of “company type” (“Organiser”, “Venue only” and “Service Provider only”).

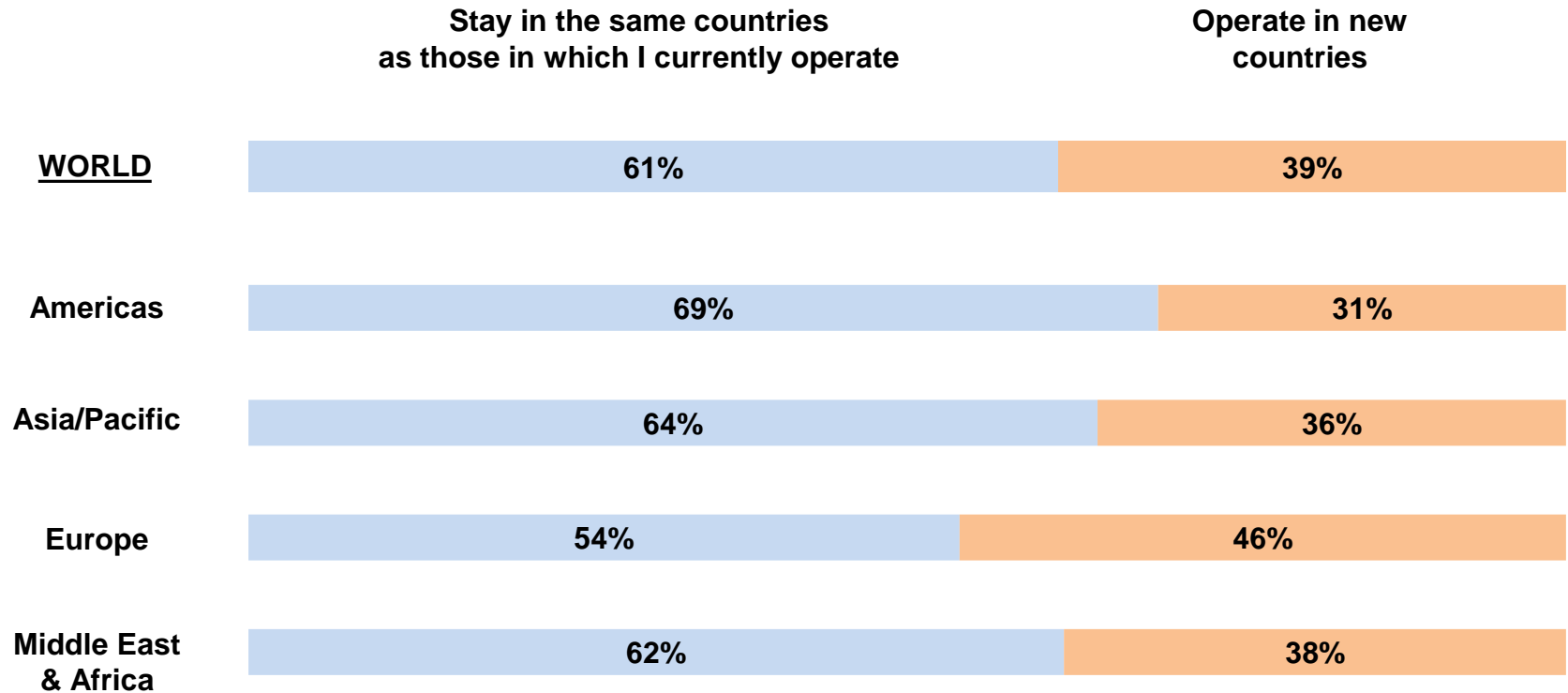
Current strategic priorities related to the range of activities : results by geographical zone



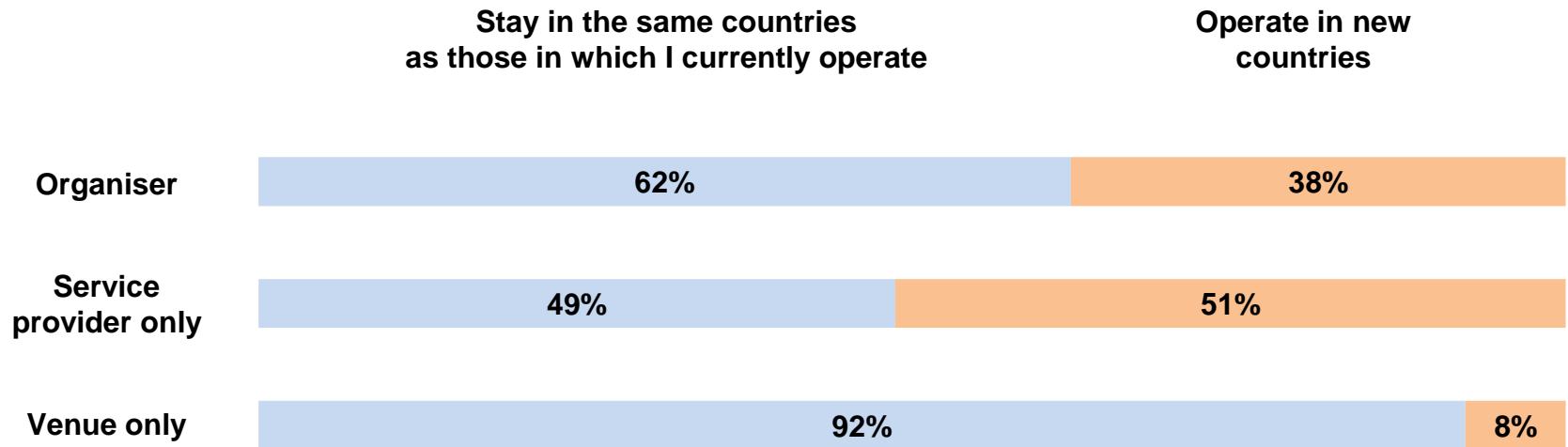
Current strategic priorities related to the range of activities: results by type of company



Current strategic priorities related to geographic exposure: results by geographical zone



Current strategic priorities related to geographic exposure: results by type of activity



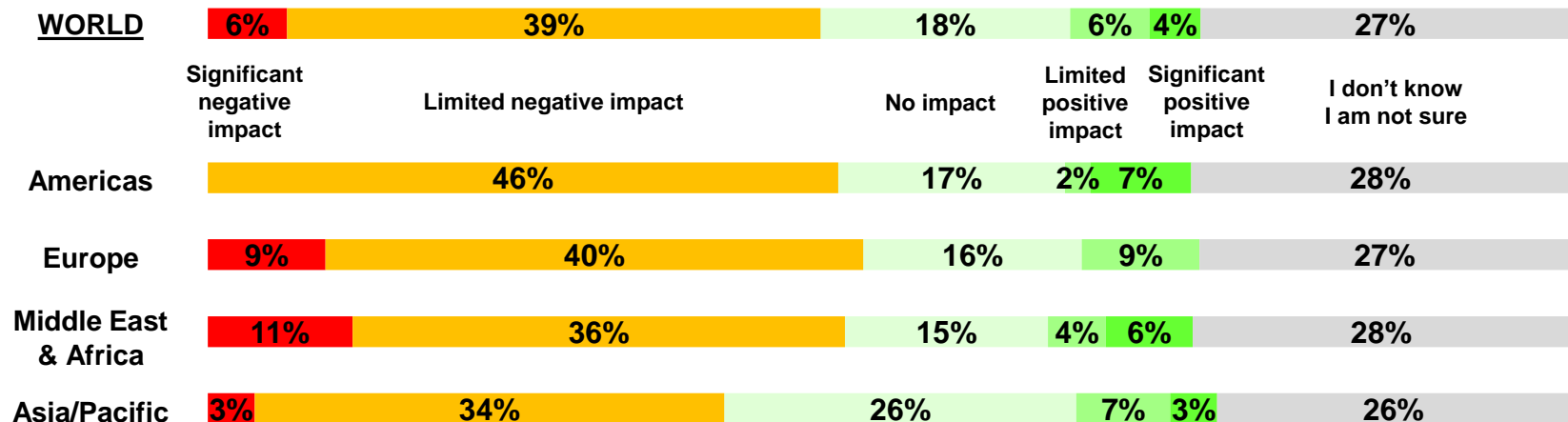
5. Impact of recent political developments

This question aims to assess the perceptions of the impact to international trade and the exhibition industry due to numerous recent major political developments (namely the Brexit vote in the UK, the failed coup in Turkey and the outcome of the US presidential elections).

45% of participants globally anticipate a limited or significant negative impact of some sorts for business. Detailed results at country level indicate that Mexico (60%) and the US (54%) report the highest degrees of concern.

By comparison only 1 out of ten on average are expecting a positive impact of some sort. 2 on average anticipate no impact, and between 2 and 3 don't know are or not sure.

From the Brexit vote in the UK to the failed coup in Turkey and the outcome of the US presidential elections - numerous major political developments are causing discussions in the exhibition industry. What kind of impact to international trade and the exhibition industry do you expect?

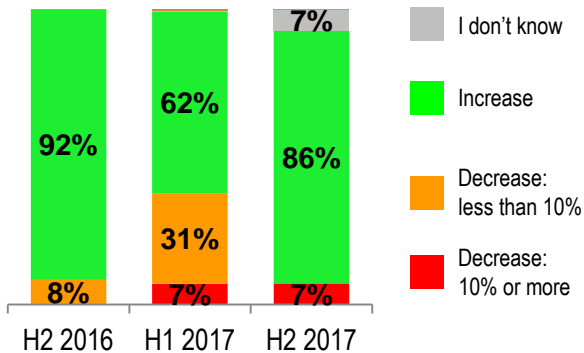


Part 2: Detailed results for 14 selected countries or zones

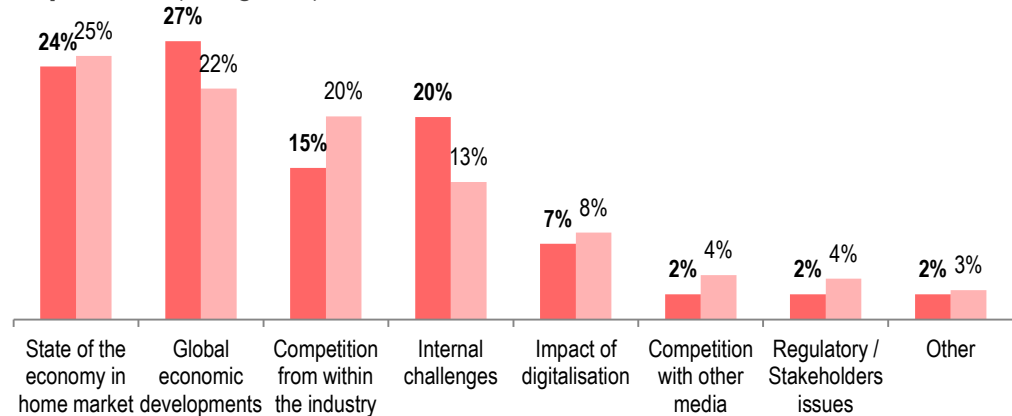
North America:	Mexico US
Central and South America:	Brazil Other countries in Central & South America
Europe:	Germany Italy Russia United Kingdom Other countries in Europe
Africa:	South Africa
Middle East:	Middle East
Asia/Pacific:	China Thailand Other countries in Asia/Pacific

Detailed results for MEXICO (15 answers)

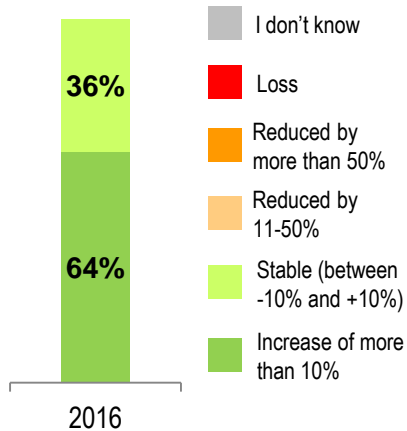
How do you expect your turnover to change when compared to the same period the previous year?



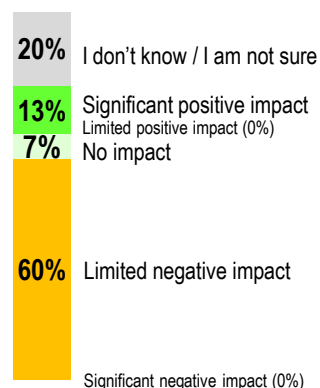
Top issues (: global)



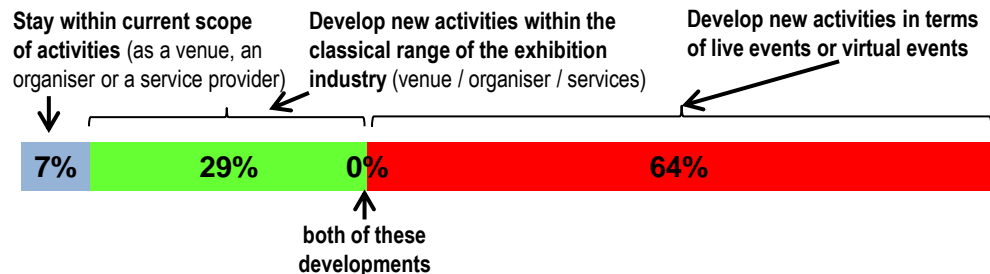
Operating profits compared to previous year



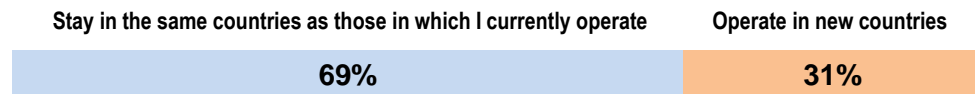
Impact of recent political developments



Current strategic priorities related to the range of activities

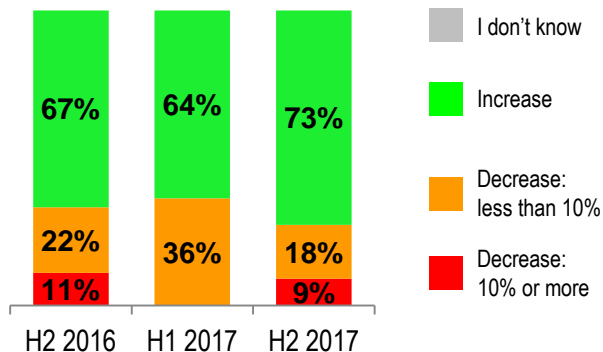


Current strategic priorities related to geographic exposure

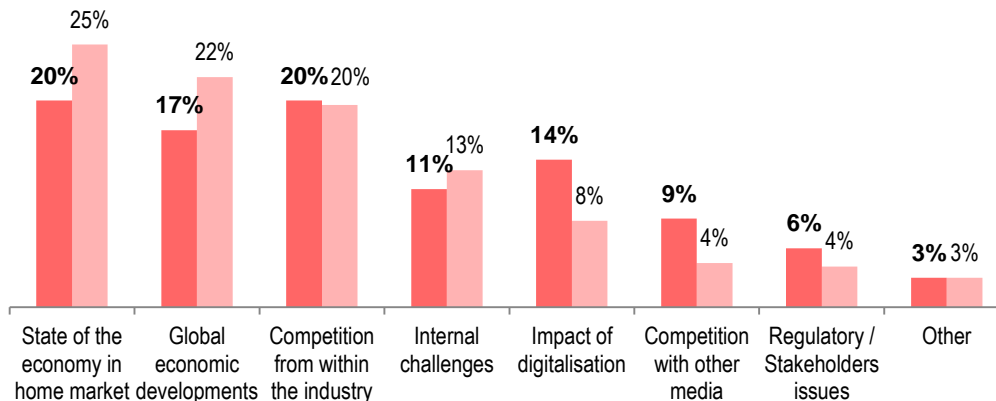


Detailed results for USA (13 answers)

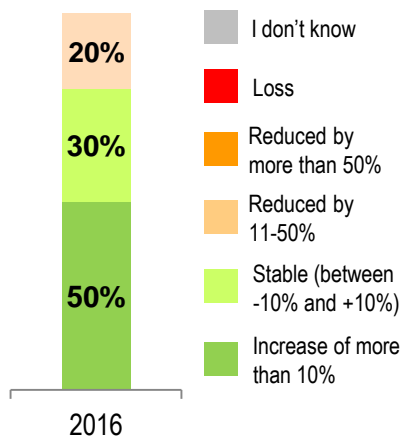
How do you expect your turnover to change when compared to the same period the previous year?



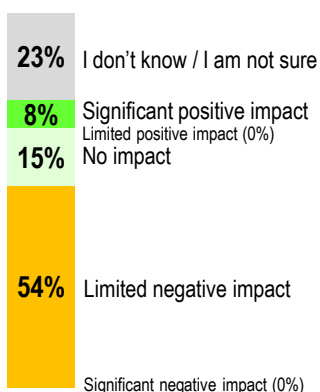
Top issues (: global)



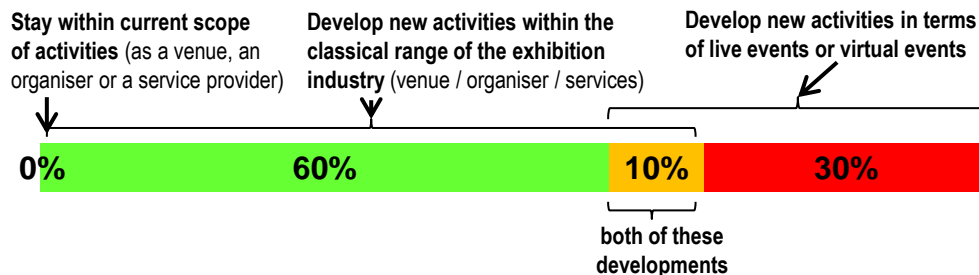
Operating profits compared to previous year



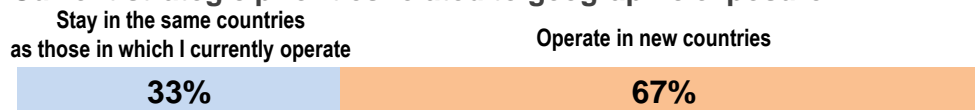
Impact of recent political developments



Current strategic priorities related to the range of activities

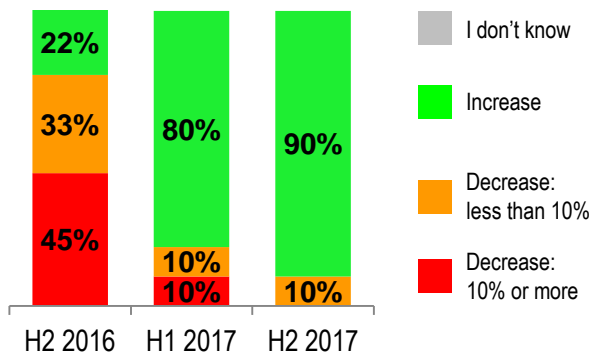


Current strategic priorities related to geographic exposure

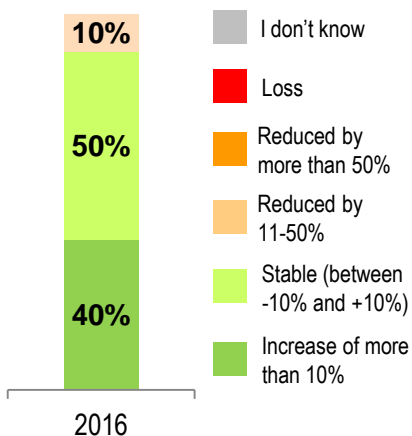


Detailed results for Brazil (11 answers)

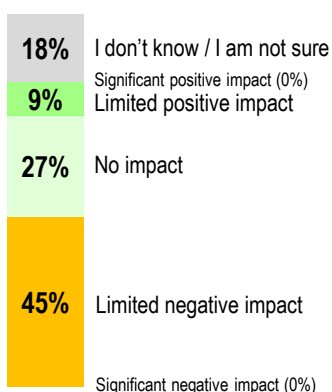
How do you expect your turnover to change when compared to the same period the previous year?



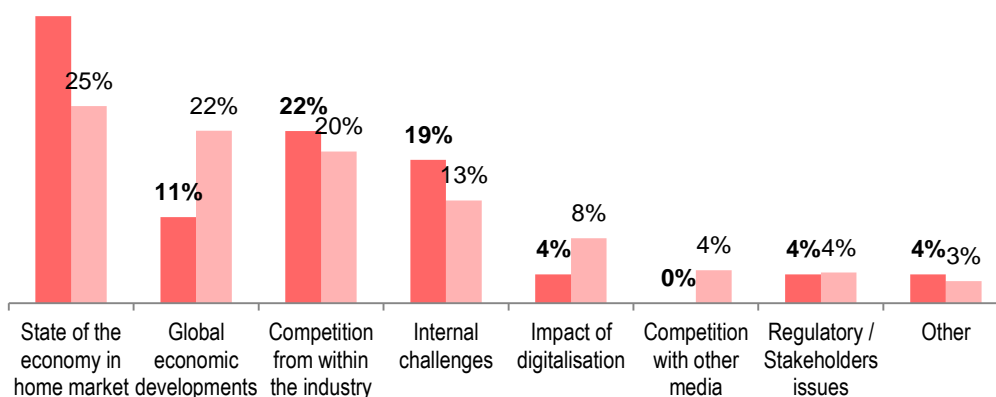
Operating profits compared to previous year



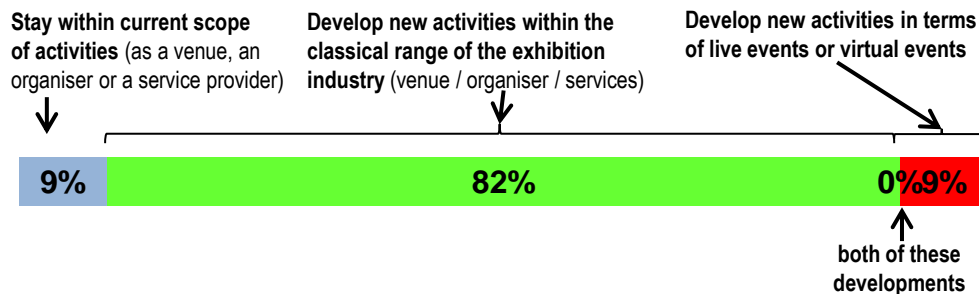
Impact of recent political developments



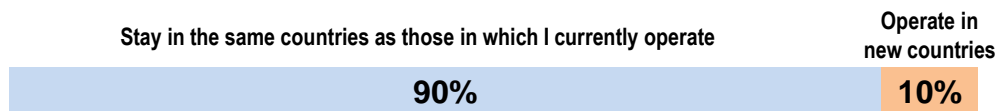
Top issues (: global)



Current strategic priorities related to the range of activities

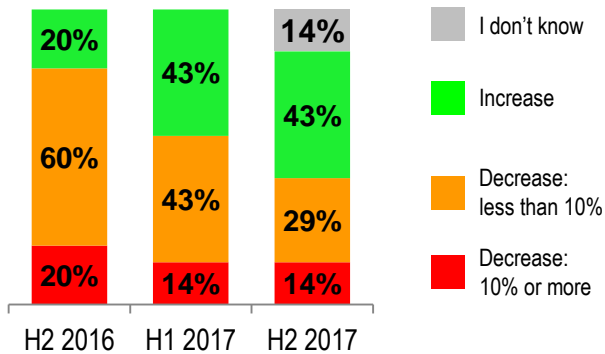


Current strategic priorities related to geographic exposure

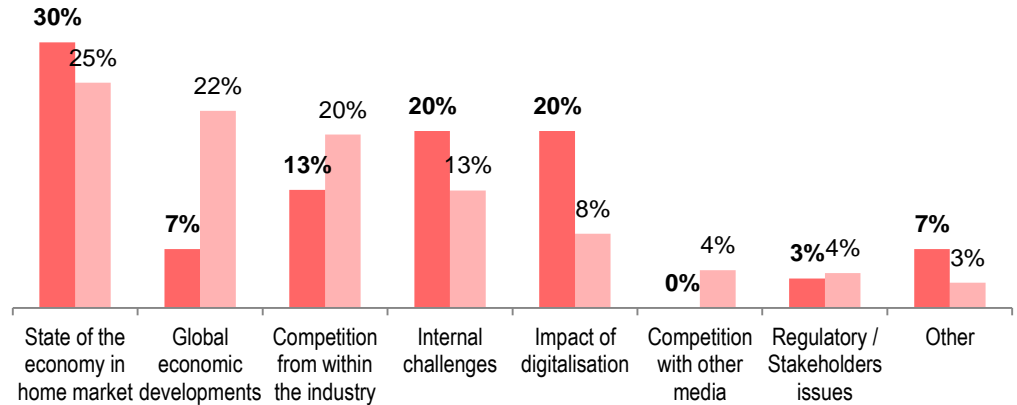


Detailed results for other countries in Central and South America (12 answers)

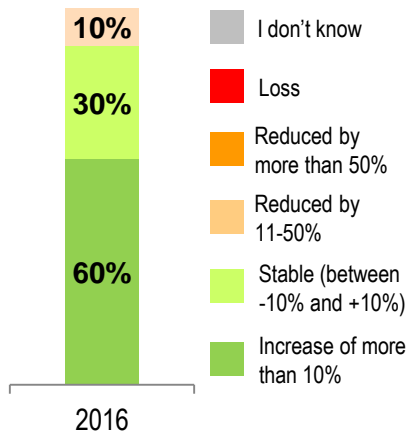
How do you expect your turnover to change when compared to the same period the previous year?



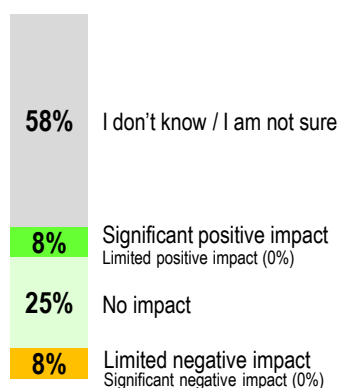
Top issues (: global)



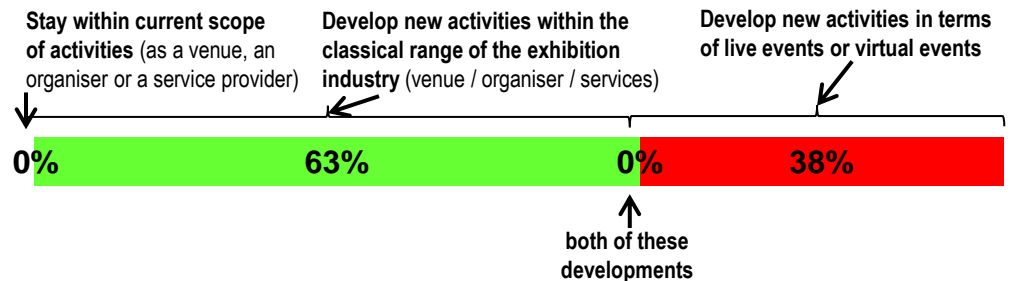
Operating profits compared to previous year



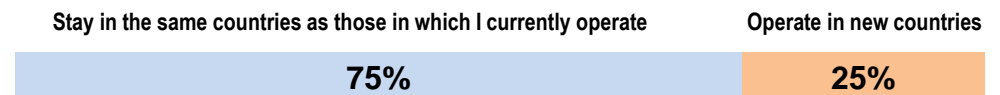
Impact of recent political developments



Current strategic priorities related to the range of activities

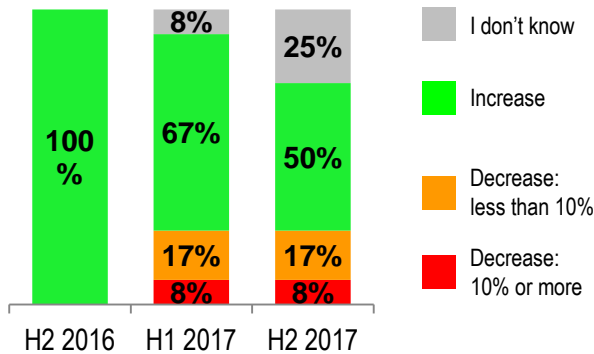


Current strategic priorities related to geographic exposure

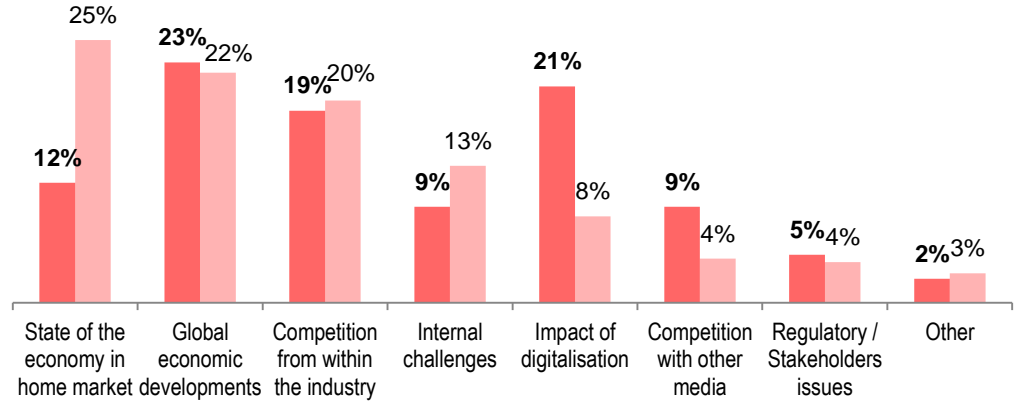


Detailed results for Germany (15 answers)

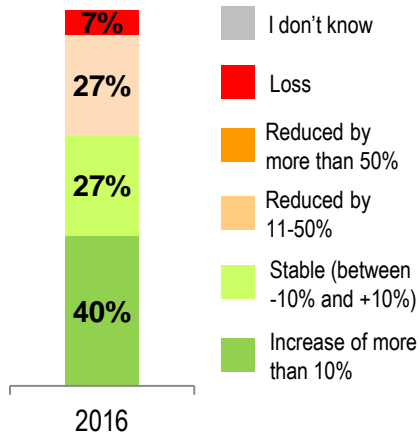
How do you expect your turnover to change when compared to the same period the previous year?



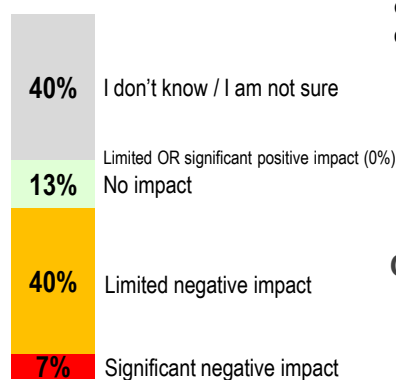
Top issues (: global)



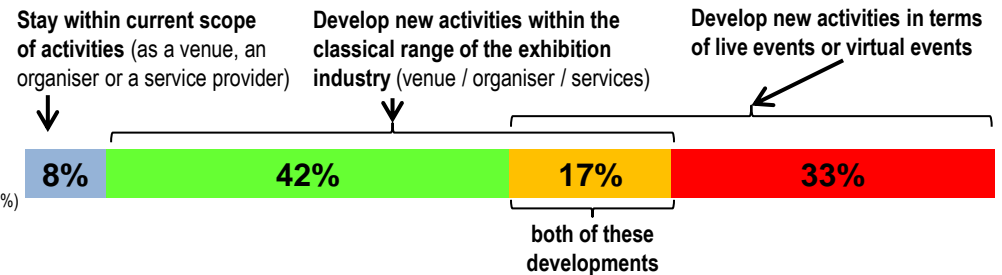
Operating profits compared to previous year



Impact of recent political developments



Current strategic priorities related to the range of activities

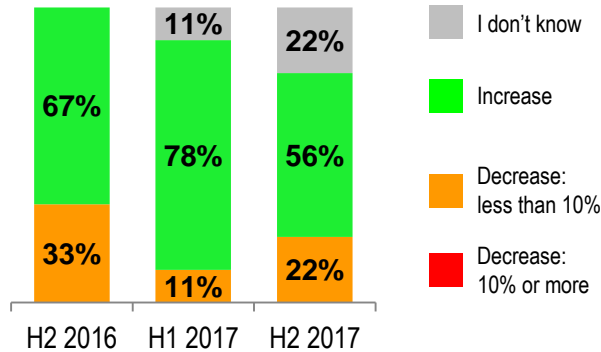


Current strategic priorities related to geographic exposure

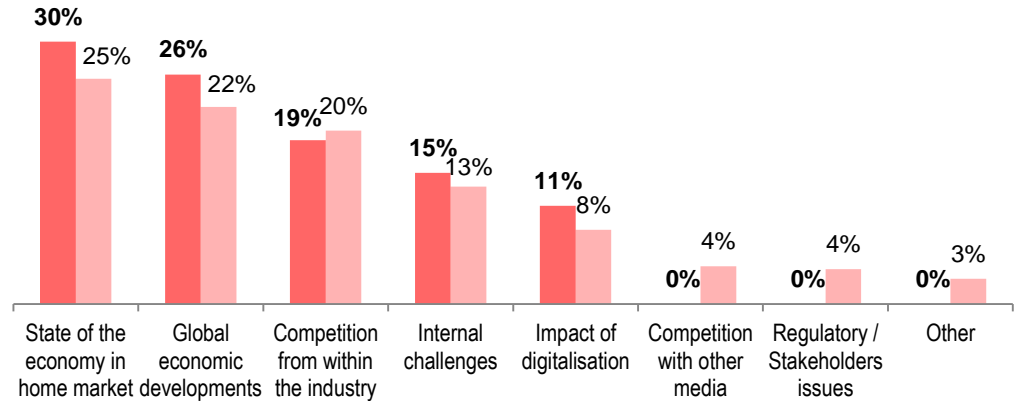


Detailed results for Italy (10 answers)

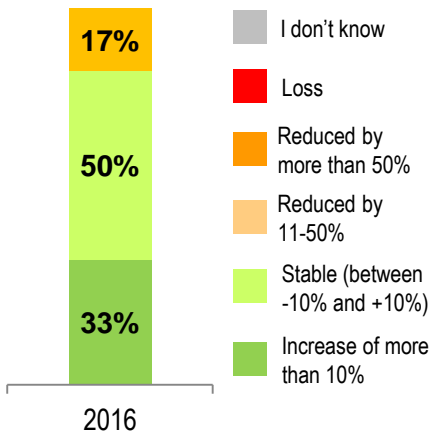
How do you expect your turnover to change when compared to the same period the previous year?



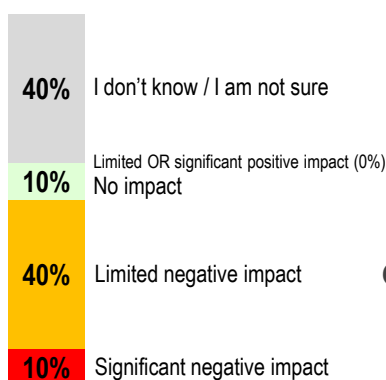
Top issues (: global)



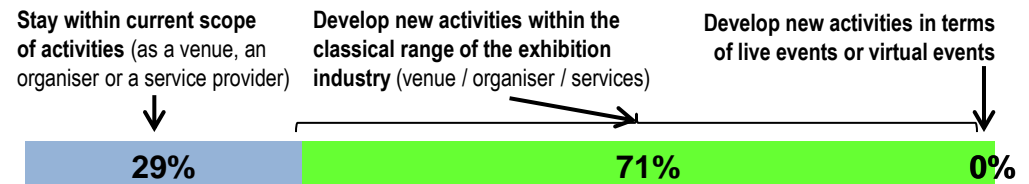
Operating profits compared to previous year



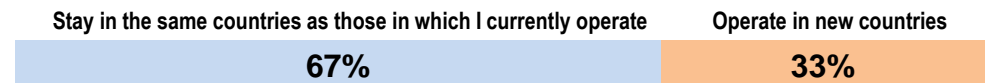
Impact of recent political developments



Current strategic priorities related to the range of activities

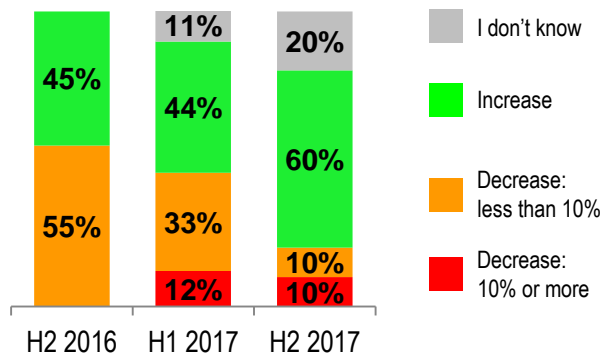


Current strategic priorities related to geographic exposure

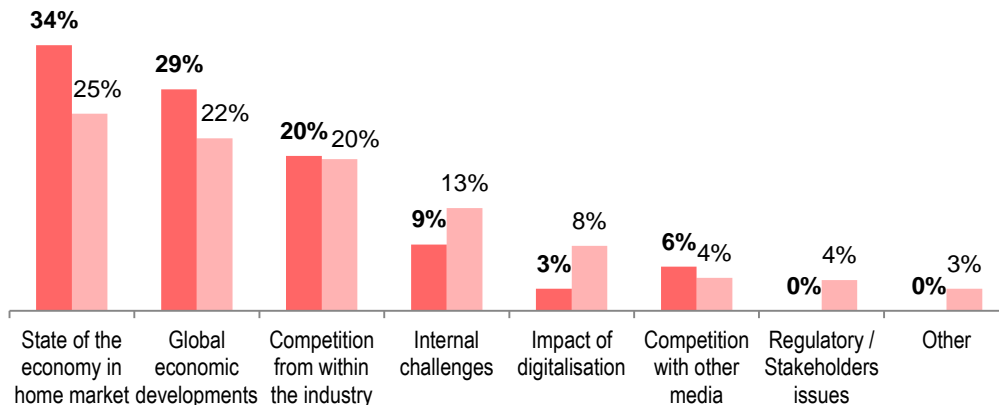


Detailed results for Russia (13 answers)

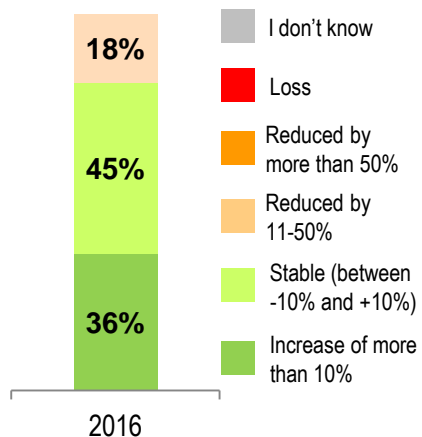
How do you expect your turnover to change when compared to the same period the previous year?



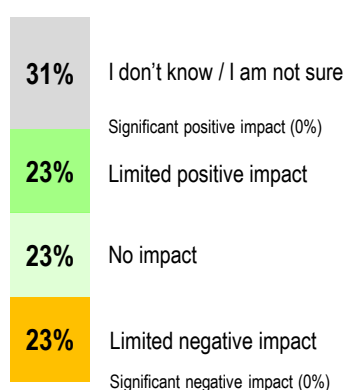
Top issues (: global)



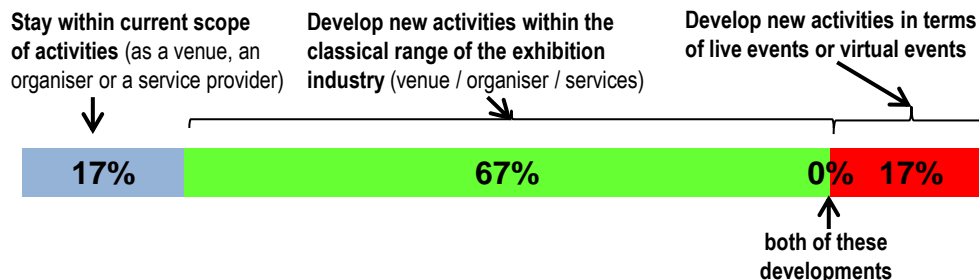
Operating profits compared to previous year



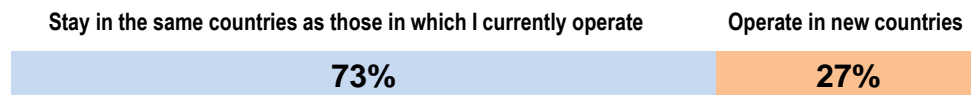
Impact of recent political developments



Current strategic priorities related to the range of activities

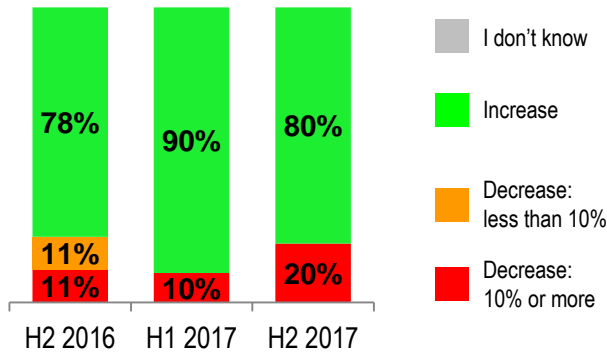


Current strategic priorities related to geographic exposure

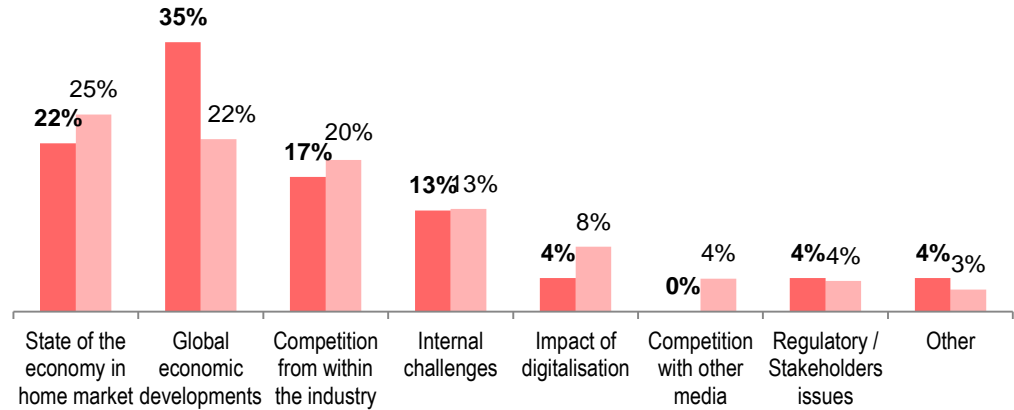


Detailed results for the United Kingdom (10 answers)

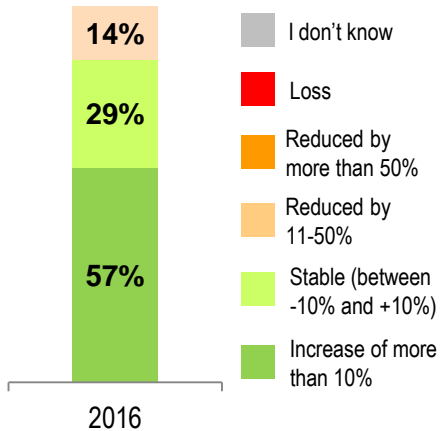
How do you expect your turnover to change when compared to the same period the previous year?



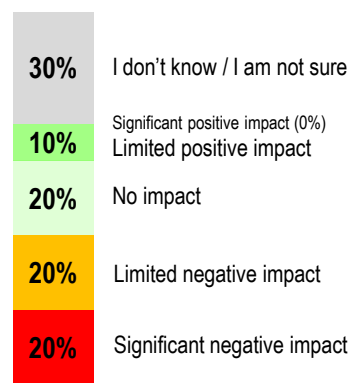
Top issues (: global)



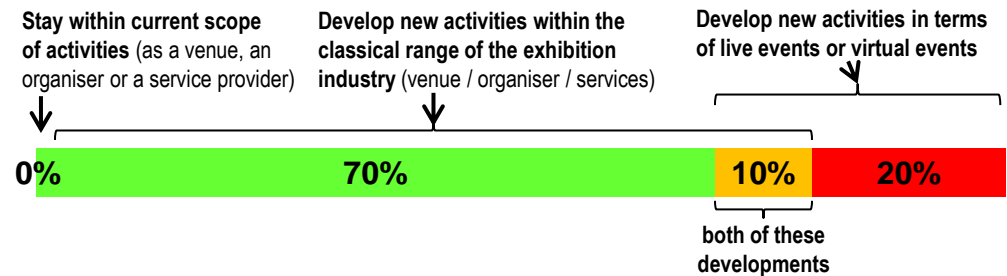
Operating profits compared to previous year



Impact of recent political developments



Current strategic priorities related to the range of activities

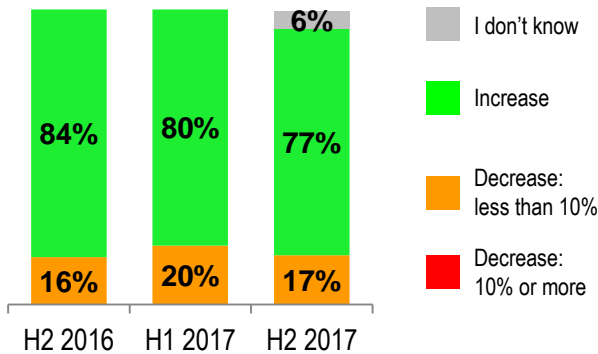


Current strategic priorities related to geographic exposure

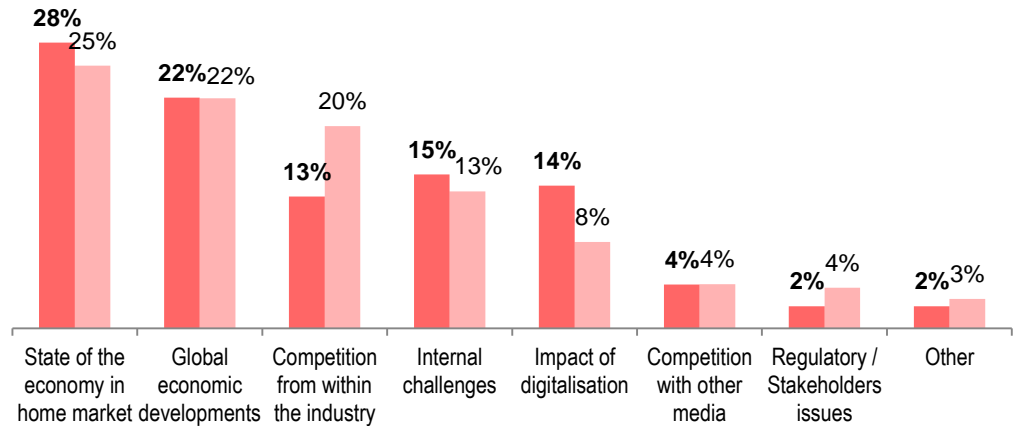


Detailed results for other countries in Europe (26 answers)

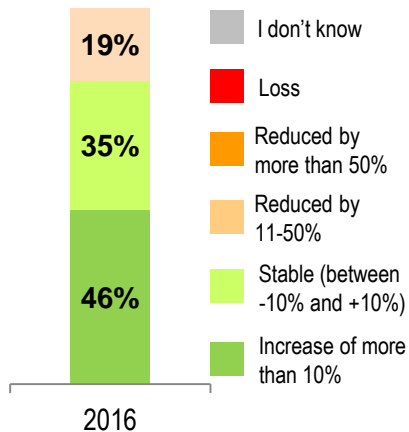
How do you expect your turnover to change when compared to the same period the previous year?



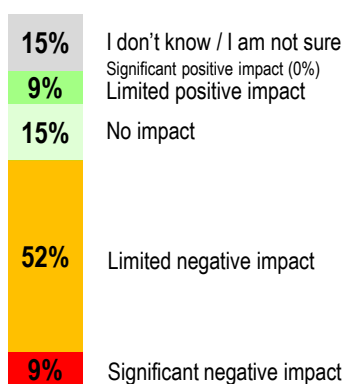
Top issues (: global)



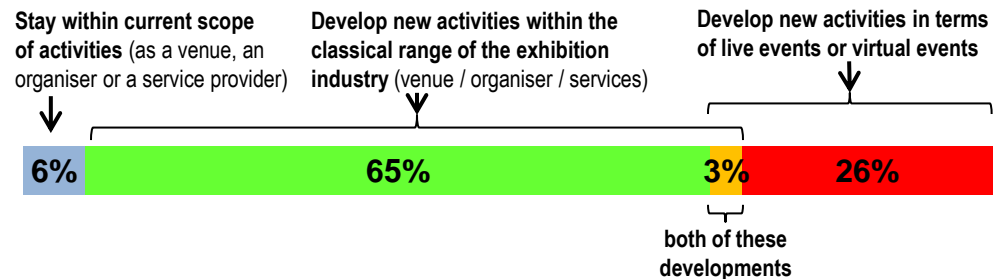
Operating profits compared to previous year



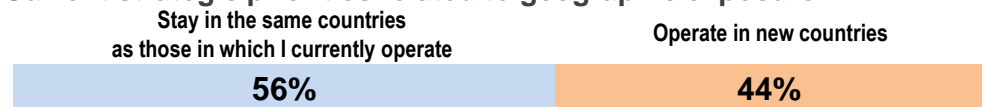
Impact of recent political developments



Current strategic priorities related to the range of activities

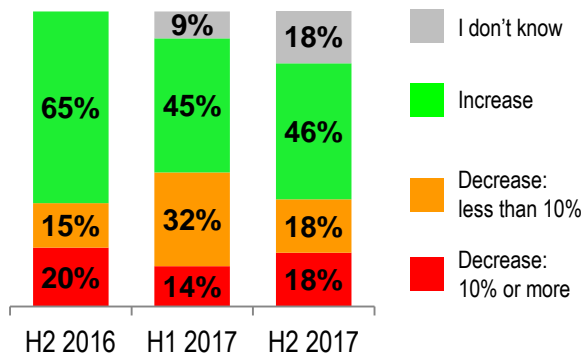


Current strategic priorities related to geographic exposure

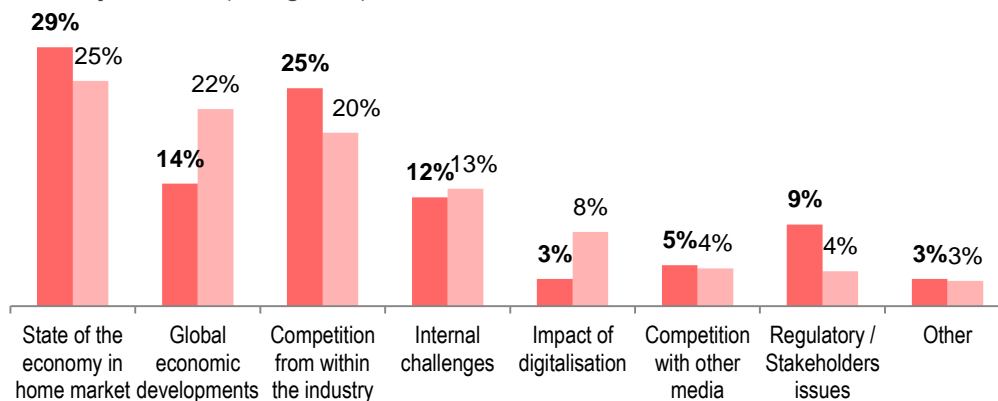


Detailed results for South Africa (26 answers)

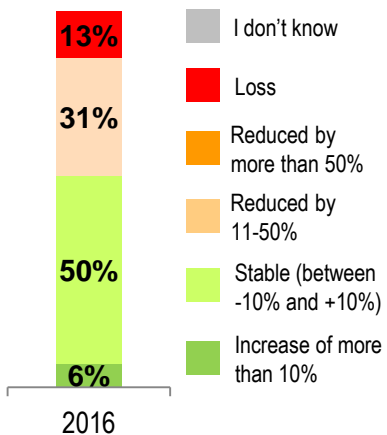
How do you expect your turnover to change when compared to the same period the previous year?



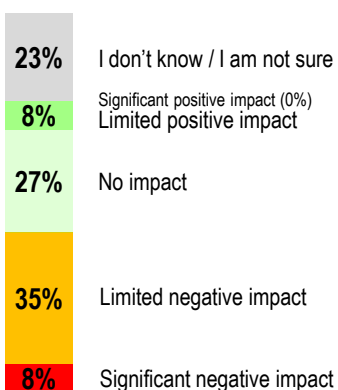
Top issues (: global)



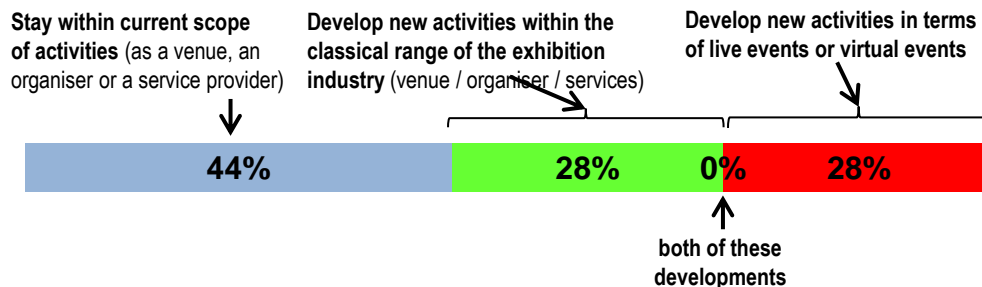
Operating profits compared to previous year



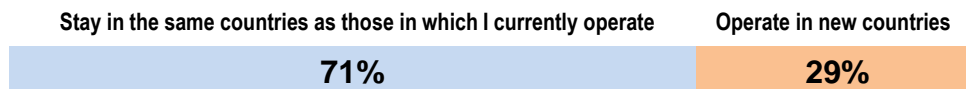
Impact of recent political developments



Current strategic priorities related to the range of activities

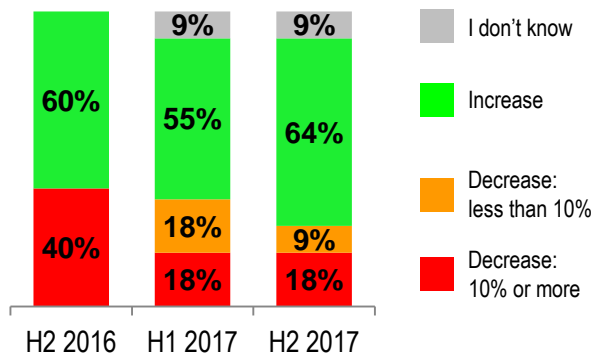


Current strategic priorities related to geographic exposure

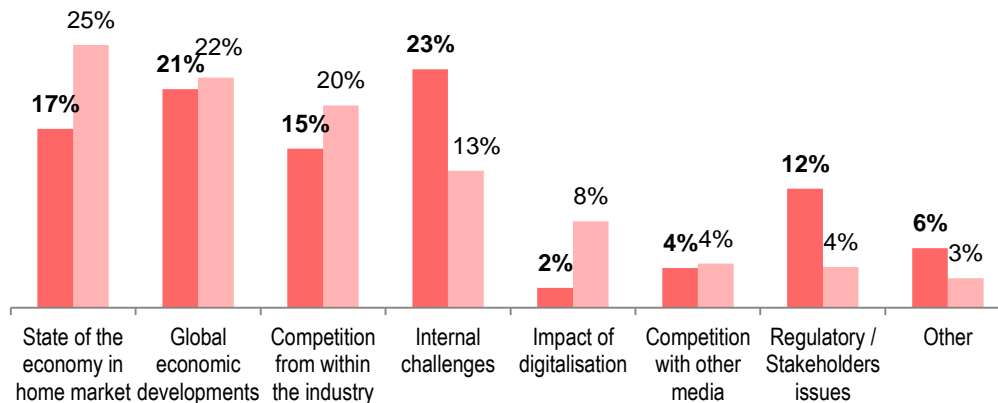


Detailed results for the Middle East (17 answers)

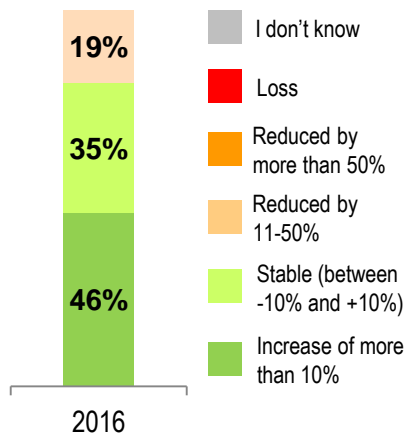
How do you expect your turnover to change when compared to the same period the previous year?



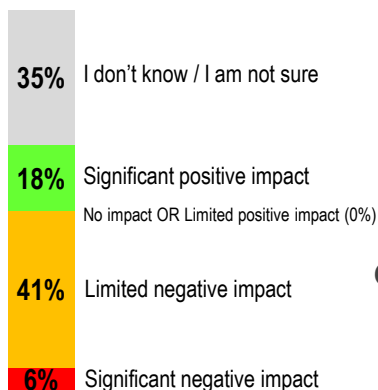
Top issues (: global)



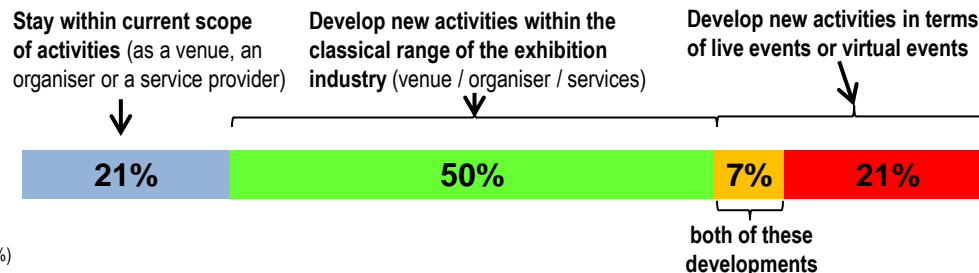
Operating profits compared to previous year



Impact of recent political developments



Current strategic priorities related to the range of activities

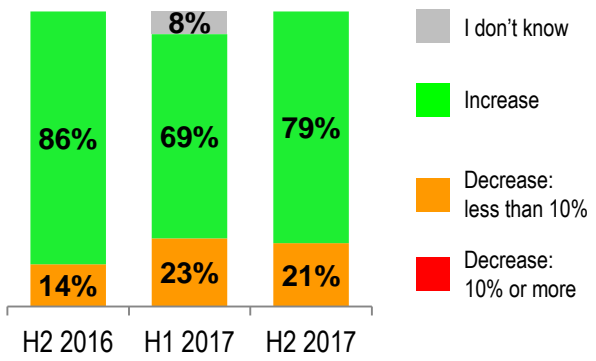


Current strategic priorities related to geographic exposure

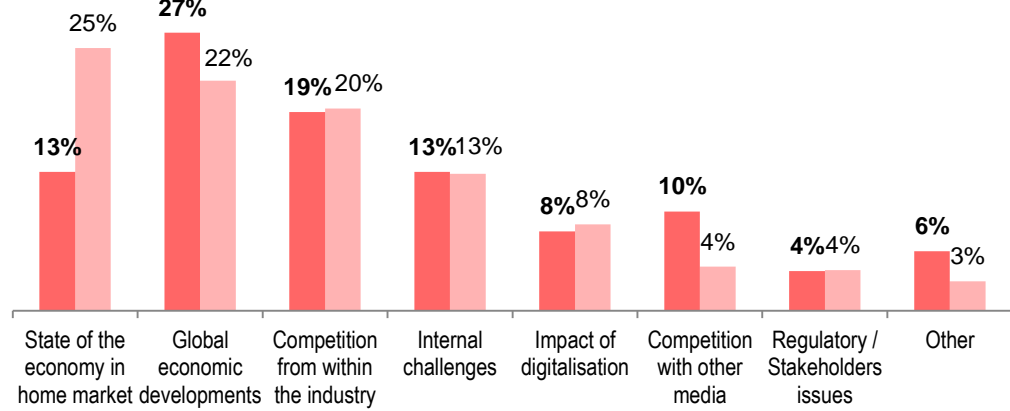


Detailed results for China (16 answers)

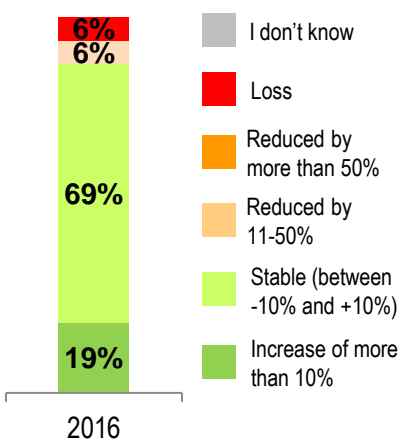
How do you expect your turnover to change when compared to the same period the previous year?



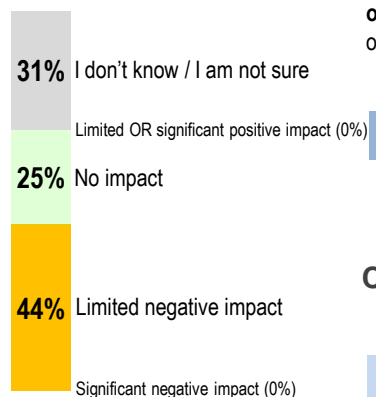
Top issues (: global)



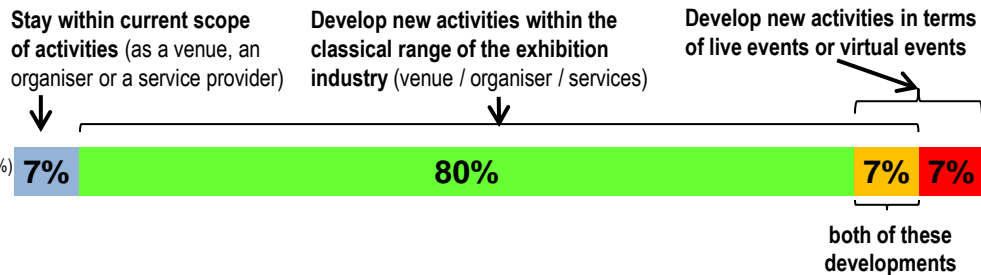
Operating profits compared to previous year



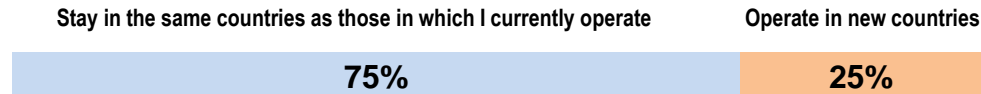
Impact of recent political developments



Current strategic priorities related to the range of activities

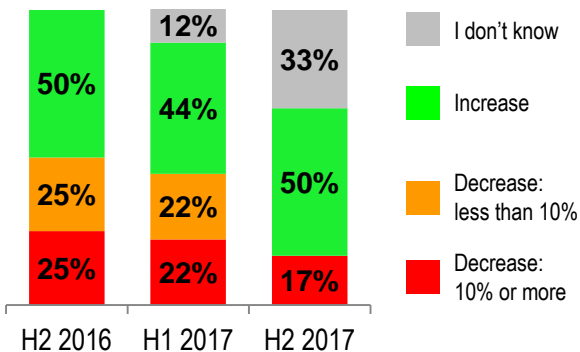


Current strategic priorities related to geographic exposure

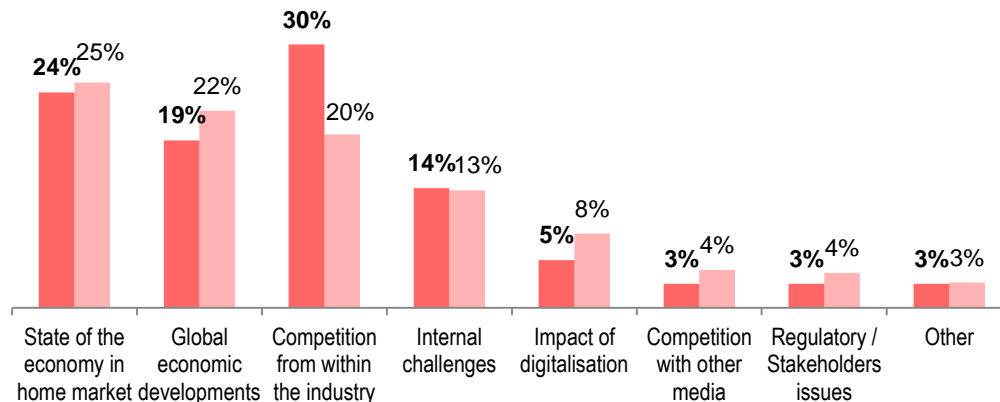


Detailed results for Thailand (14 answers)

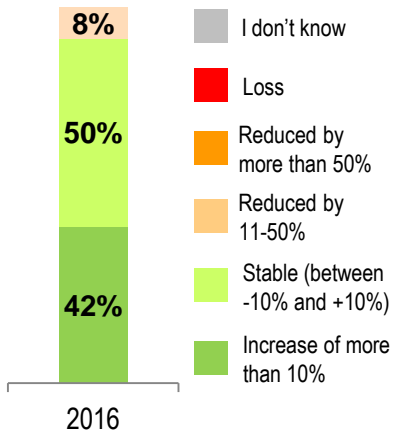
How do you expect your turnover to change when compared to the same period the previous year?



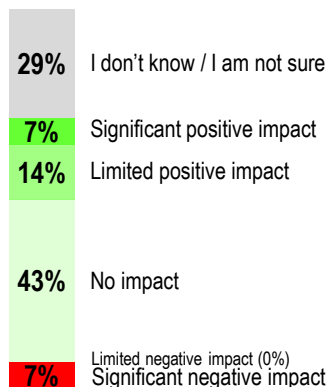
Top issues (: global)



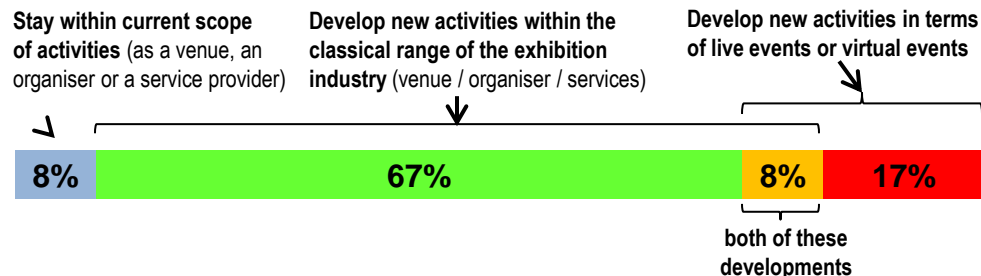
Operating profits compared to previous year



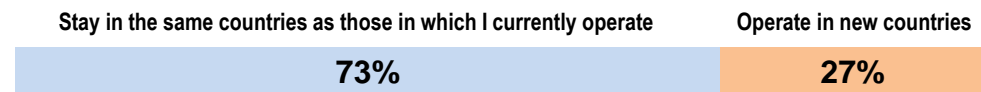
Impact of recent political developments



Current strategic priorities related to the range of activities

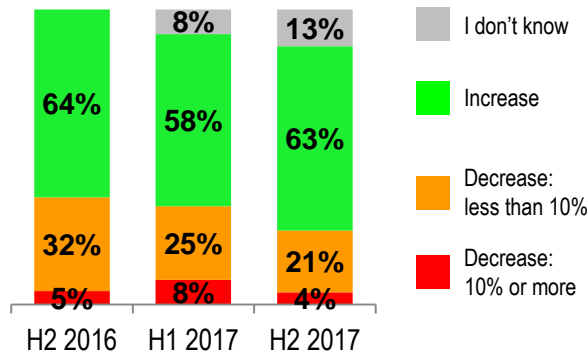


Current strategic priorities related to geographic exposure

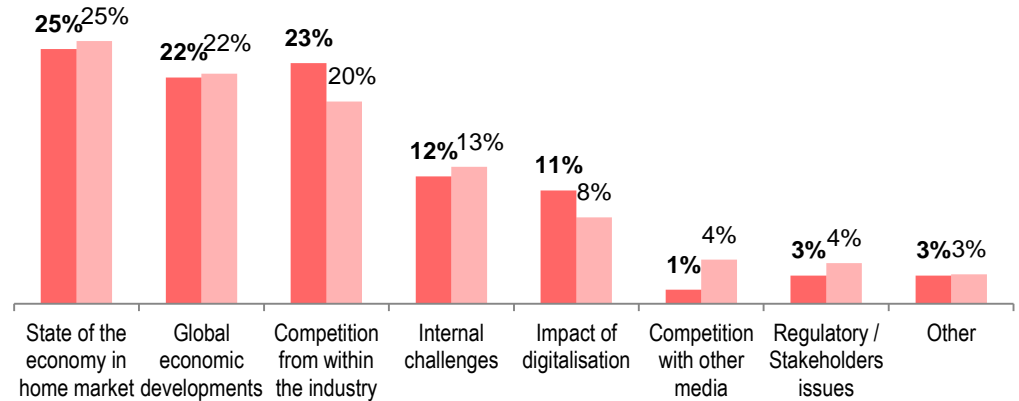


Detailed results for other countries in Asia/Pacific (28 answers)

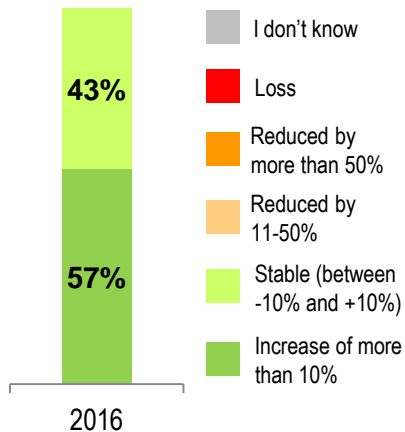
How do you expect your turnover to change when compared to the same period the previous year?



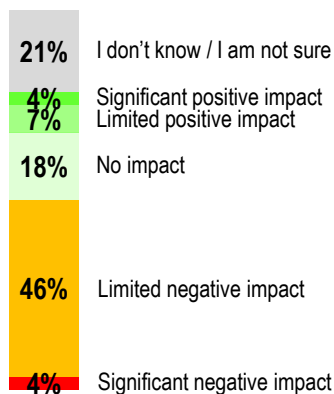
Top issues (: global)



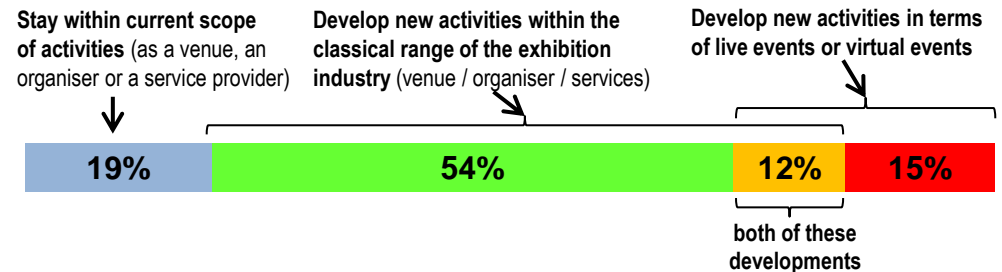
Operating profits compared to previous year



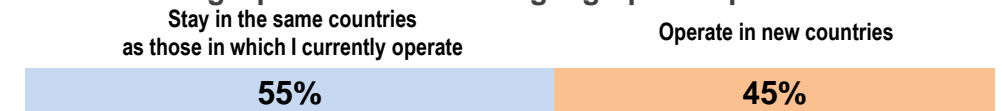
Impact of recent political developments



Current strategic priorities related to the range of activities



Current strategic priorities related to geographic exposure



Conclusion

The Global Barometer survey has been measuring the pulse of the exhibition industry since 2008. The 18th survey, concluded in January 2017, was answered by 240 companies from 54 countries. The results are detailed for 14 geographical zones, including 10 major national markets.

Survey results reveal that despite an ongoing slowdown in global economic growth, and a decline in open trade promoters on the international stage, the exhibition industry remains geared for continued growth in 2017. Answers indicate turnover increases for a majority of companies in 2017, following two years of relatively stable levels of operating profit. The US, Mexico, China and the UK perform above average. Brazil and Russia also indicate a positive trend in turnover, but for 2017 only. In Germany and Italy however, 2017 appears at this stage weaker than 2016.

When asked about the possible impact of recent major political developments (such as the Brexit vote in the UK, the failed coup in Turkey, and the US presidential elections) on international trade and the exhibition industry, 45% of participants globally anticipate a limited or significant negative impact on business. At country level, Mexico (60%) and the US (54%) report the highest degrees of concern. By comparison an average of only one in ten respondents expects recent political developments to have a positive impact on business. On average, 20% anticipate no impact, and 20-30% are unsure.

A core question of UFI's Global Barometer asks for the "most important business issues" companies are currently facing. As has been the case in recent years "State of the national/regional economy" and "Global economic uncertainty" retain their top positions, yet both items receive slightly less attention than six months ago. In contrast, "Competition from within the industry" has seen a measurable rise in importance, closing the previous gap with the other two top issues. "Impact of digitalisation" receives high relevance in Germany (21%) and most countries in Central and South America (20%).

Covering the strategic outlook of the global exhibition industry, the barometer shows an ongoing expansion in the industry's business activities globally, both at companies' home bases and in new geographical markets. A large majority of companies from all regions intend to develop new activities, either in the classic range of exhibition industry activities (venue/organiser/services), or in other live or virtual events, or in both. An average of four out of 10 companies also declare an intention to develop operations in new countries. This figure is particularly high for companies based in the UK (70%), the US (67%) and the Middle East (57%).

THE NEXT GLOBAL BAROMETER SURVEY WILL BE CONDUCTED IN JUNE 2017 – PLEASE PARTICIPATE!

Appendix: Number of survey replies per country

Total = 240 (in 54 countries)

<u>North America</u>	<u>31</u>	<u>Europe</u>	<u>81</u>	<u>Middle East</u>	<u>17</u>
Canada	3	Austria	2	Iran	8
Mexico	15	Belgium	1	Jordan	2
USA	13	Croatia	1	Lebanon	1
		Czech Republic	1	Oman	2
		France	2	Saudi Arabia	2
		Georgia	1	United Arab Emirates	1
<u>Central & South America</u>	<u>23</u>	Germany	15	(*)	1
Argentina	4	Greece	1		
Bolivia	1	Hungary	1		
Brazil	11	Italy	10		
Chile	3	Luxembourg	1		
Colombia	2	Netherlands	1		
Ecuador	2	Poland	1	<u>Asia / Pacific</u>	<u>58</u>
		Portugal	3	Australia	5
		Romania	1	China	16
		Russian Federation	13	India	4
		Serbia	1	Indonesia	1
<u>Africa</u>	<u>30</u>	Slovenia	1	Japan	5
Egypt	1	Spain	1	Malaysia	1
Libya	1	Sweden	3	New Zealand	1
Namibia	1	Turkey	7	Pakistan	2
South Africa	26	Ukraine	2	Singapore	6
Sudan	1	United Kingdom	10	South Korea	3
		(*)	1	Thailand	14

(*): several countries (regional answer)

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