

POSITION PAPER

Brussels, 17th July 2020

Trade fairs and exhibitions business still flat

Incentives for exhibitors and visitors needed

Exhibitions are essential strategic instrument to boost economic recovery, digitisation and the Green Deal

Fragmentation of reopening conditions

Nearly everywhere in the Europe, business events and exhibitions are permitted again, starting the latest in September or – in some cases - October this year. All exhibition centres are in close contact with their local authorities about the respective protocols to keep exhibitors, visitors, contractors and staff safe and healthy. Although in principle the authorities recognise that exhibitions are not mass events like festivals or rock concerts, the regulations vary substantially across Europe. In many countries, the regions are responsible for setting the conditions, which leads to a wide fragmentation of rules and measures applied within Europe. Nonetheless, EEIA welcomes the progress made in paving the way for reopening and keeps supporting its Members in their discussions with the authorities. Our utmost aim is to offer a safe environment at all times for customers, contractors and employees and to create trust and confidence among the clients to start business again.

Exhibitions and business events business still flat – exhibitions cancelled

Even though the conditions for reopening under strict health and safety measures are set almost everywhere, the outlook for Q3 and Q4 is bleak. Exhibitors hesitate to confirm their participation in the autumn trade fairs because they fear not to see the number and quality of buyers they expect and need for making business. This is especially true for the large international exhibitions with usually a high degree of internationality among visitors and also exhibitors. Customers from major sourcing markets from overseas remain banned from attending – as travel is not yet permitted. This makes exhibitors hesitate or cancel. For most of the large international exhibitions the situation is so dramatic that they have cancelled or will probably cancel the entire event in the second semester. The signal that such a cancellation sends to the respective market is disastrous and the losses for the organisers and venues is immense.¹ Reopening Europe for international travel in line with the improvement of

¹ EEIA list of cancelled trade fairs for Q3 and Q4 2020 available separately.

the pandemic situation therefore is crucial. Smaller regional, national or European level trade fairs are in a better situation as EU-wide travel is permitted. However, exhibiting companies, mostly SMEs, are in dear economic conditions, too. They had to cut marketing budgets and therefore hesitate to invest into exhibiting in trade fairs at this crucial moment when they dearly need a marketing and selling platform.

The exhibition players predict losses up to 75% or more of this year's turnover. 39% expect substantially reduced operating profits and 46% expect losses.

Exhibitions must be a key element of Europe's industrial strategy

In order to rebuild Europe's economy, push the transition towards digital as well as sustainable technologies and practices and achieve the long term goal of a carbon neutral Europe, exhibitions play a mission-critical role. **Exhibitions are the marketplaces and innovation hubs for entire industries** – regionally, nationally, and internationally. They are of systemic relevance for Europe to implement the necessary changes after the Covid-19 crisis like gearing up Europe's autonomy in health, succeeding the targeted transition towards sustainability and digitisation, and securing the EU's leading role in the future.

The European exhibition industry is the global leader in terms of exhibition venue capacity, quality and turnover. It represents nearly half of the global market share of the exhibition industry and it hosts the majority of all leading international B2B and B2C trade fairs. European trade fairs attract businesses from within the EU and all around the world.

We are ready to play our role, offer a safe environment for B2B connections and have no intention to lose our position to competitors from outside Europe. We are an industry that is proud to be both a contributor to local economies and a stimulus for innovation, competitiveness and business growth, especially for SMEs. Attracting attendees and restoring customer confidence will also contribute substantially to the recovery of all travel and tourism related businesses.

Exhibitions need direct subsidies and support to attract clients now

Direct subsidies for the exhibition industry must be included in the EU and national recovery plans. Many companies in the exhibition ecosystem cannot continue waiting and will not survive with no revenue and no perspective. Short time work schemes and loans are not sufficient anymore to buffer the Covid-19 losses. We now need focussed and robust subsidies to allow the preparation of meaningful and successful exhibitions and events for the European companies. Investments need to be done now and during a period when turnover will be far from back to earlier levels.

A recent global survey was produced by UFI. Details in the annex point out the situation for the EU 27 countries.

We suggest the following immediate action:

- A flat rate support for all SME exhibitors of 5.000 EUR across the whole EU for one year
- Lump sum support for exhibition organisers to implement Hosted Buyers Programmes for visitors
- Immediate support for necessary investments by venues and organisers for Health & Safety measures and digital tools to enhance the physical events.
- Marketing campaign for "Business events destination Europe"

We would also like to start discussions on mid- and long-term engagement as key allies for building a sustainable and digital Europe:

- Exhibitions as key element in EU action and projects for core industrial areas, SMEs, innovation and market access - long term programmes
- Exhibitions as key hub for lifelong learning, knowledge transfer, vocational education and training (VET), skills development and network building
- Exhibition industry as driver for sustainability – in energy efficiency, waste management, model transport services, regional sourcing and value chains at their venues and in organising events
- Exhibition industry as driver for digital infrastructure and services with 5G model venues and innovative digital services like ticketing, wayfinding and crowd control, AI for matchmaking, conferencing, hybrid events, innovation spaces and much more

Exhibitions are key to rebuilding economies

Once more, the European Exhibition Industry Alliance addresses you for urgent support to be included in the recovery package and next MFF. We call on all EU Institutions to ensure the coordinated implementation of powerful measures for our sector without any further delay across the whole EU by the Member States.



Barbara Weizsäcker

Secretary General
European Exhibition Industry Alliance
(EEIA)

Background Information

About EEIA

The European Exhibition Industry Alliance represents nearly 400 European exhibition organisers and venue operators in Brussels to the European institutions and stakeholders. These trade fairs and exhibition players are organised in UFI, the Global Association of the Exhibition Industry and the European Major Exhibition Centres Association EMECA. For more information please visit:

www.exhibition-alliance.eu www.ufi.org www.emeca.eu

We look forward to receiving any queries and your positive reply.
Please contact: barbara.weizsaecker@exhibition-alliance.eu

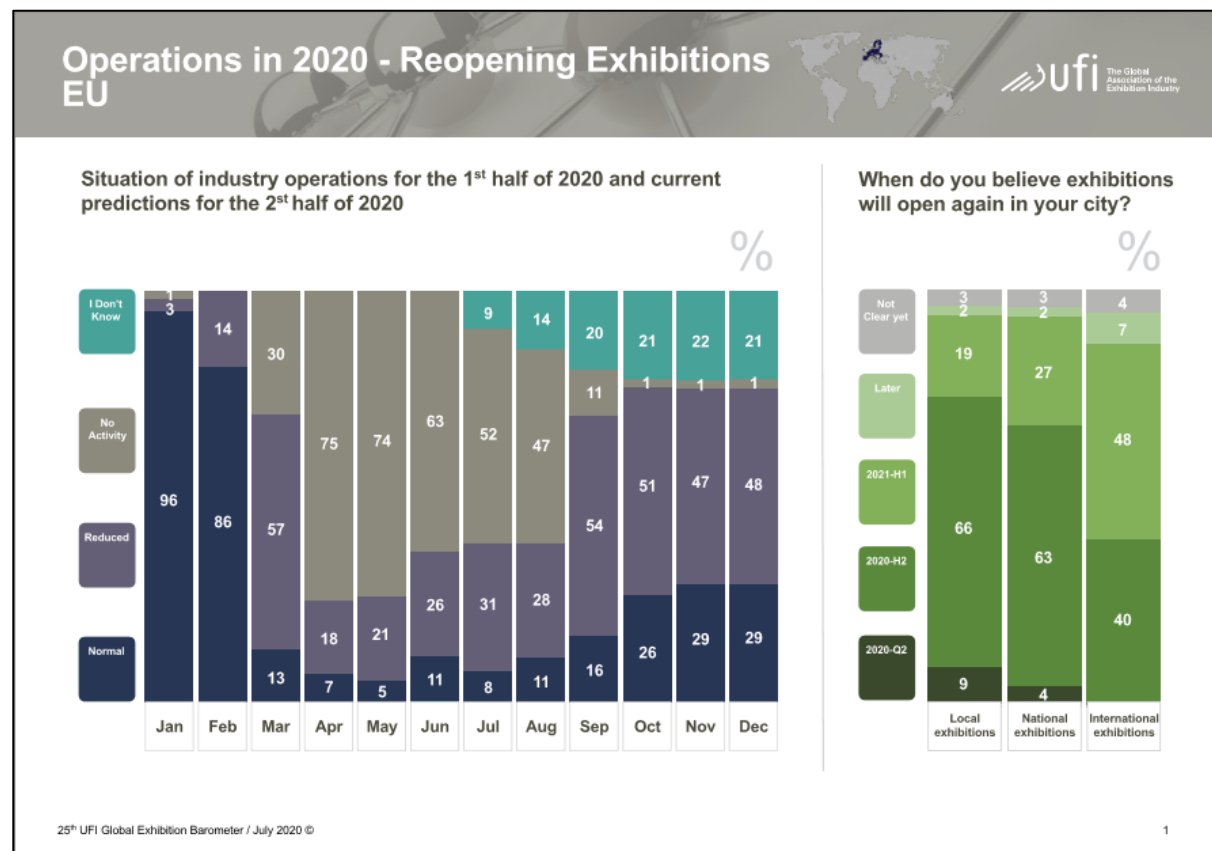
ANNEX

The Global Exhibition Barometer (July 2020)

This study is based on a global survey, conducted in June and concluded in July 2020 by UFI. It represents up-to-date information on the development and outlook of the global exhibition industry as well as on 20 countries and 5 five aggregated regional zones, including geographical Europe (starting page 84). The full edition can be accessed [here](#).

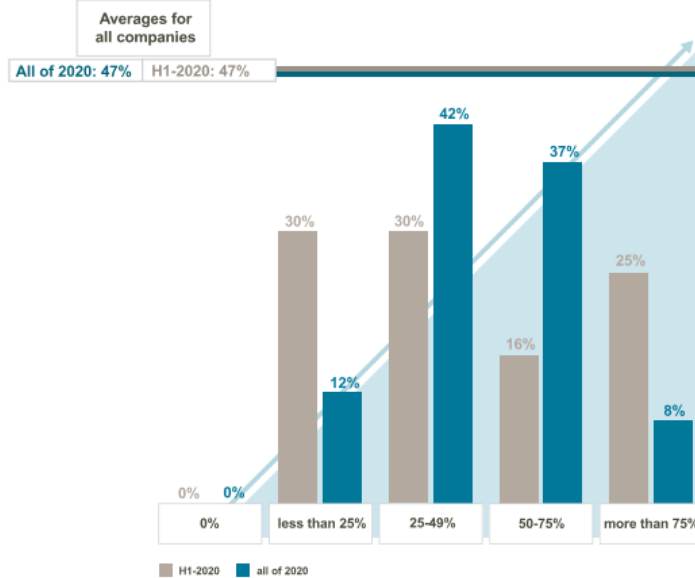
A special extract for the EU 27 Member States is available here below (7 slides)

- The outlook for the **operations** looks gloomy and nearly 60% expect reopening for international shows only for 2021. Unfortunately, this is being confirmed with high numbers of cancellations of events being announced every day.
- Accordingly, **revenues** are expected to drop steeply. While 2019 was an excellent year with high profits, 46% expect **losses** and 39% substantial reductions in operating profits for 2020. 83% of all companies implemented **cost reductions**. 49% of companies did not receive any public financial support, while the ones who did, did not receive high shares.
- Short term **investments** to comply with Covid-19 protocols are expected to vary from below 5% to over 20% of all costs. General investments for 2020 have been entirely stopped by 26% and 25% of the companies decreased these by more than 50%. Investments into **digitisation** are stable or have increased for 83% and also 83% state that public investments into this field would be necessary. Covid-19 also impacted the activity on **diversity**. Concerning **sustainability**, 55% stopped or decreased investments and 85% consider public investment for sustainability necessary or essential.
- The last slide puts the **overall business issues** in relation to the global results and shows a tendency for the **formats of exhibitions** in the future: the value of face-to-face as well as a clear trend towards additional digital elements to complement and enhance physical exhibitions.

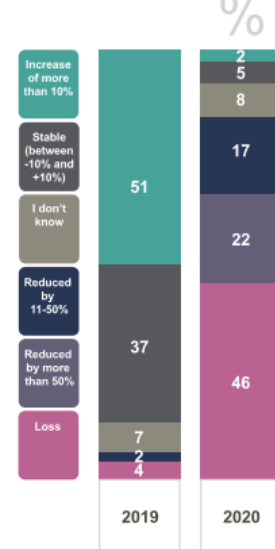


Turnover - Operating Profits EU

Revenue compared to last year (2019)

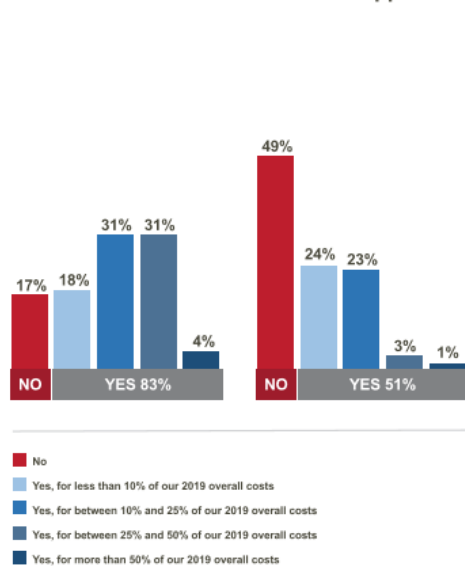


Operating Profits

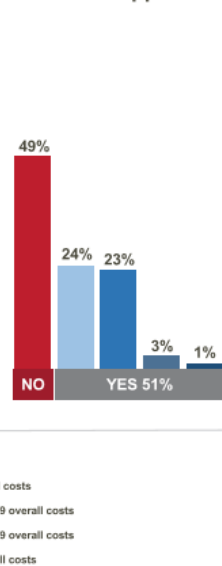


Cost Reductions - Public Financial Support - Investments - EU

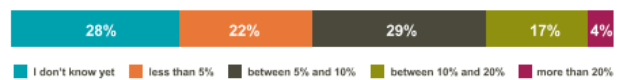
Did your company implement cost reductions?



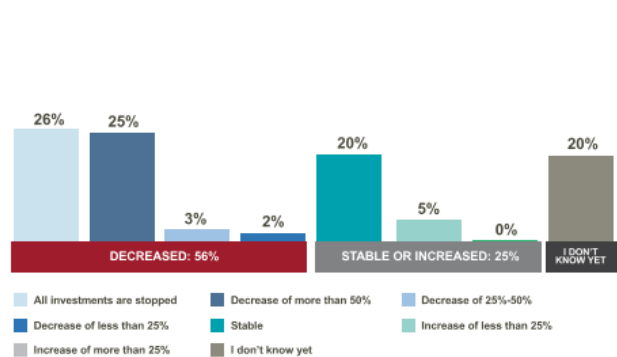
Did your company benefit from public financial support?



Estimated short-term investments necessary for complying with Covid-19 (likely) protocols & guidelines, as a % of current overall costs?



How is the Covid-19 crisis affecting the level of investment of your company in 2020?



Impact of Covid-19 on Digitalisation EU

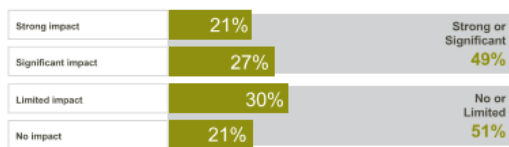
Digitalisation

How would you rate the transition of the exhibition industry?

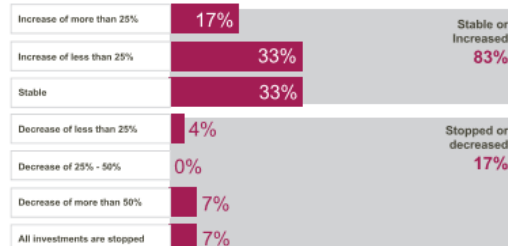
(scale from 1 to 5, with 1 'only starting the transition' to 5 'very advanced')

2.7

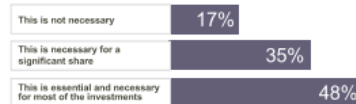
To what extent has Covid-19 impacted your company activities in digitalisation?



How is the Covid-19 crisis affecting the level of investment of your company in digitalisation in 2020?



To what degree would you welcome some public investments in digitalisation?



Impact of Covid-19 on Diversity EU

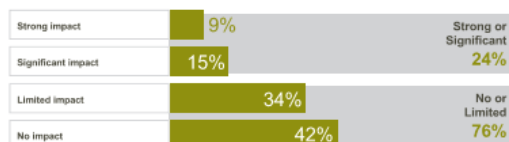
Diversity

How would you rate the transition of the exhibition industry?

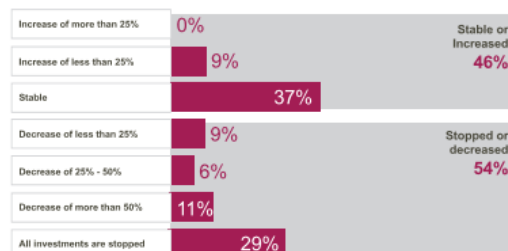
(scale from 1 to 5, with 1 'only starting the transition' to 5 'very advanced')

2.8

To what extent has Covid-19 impacted your company activities in diversity?



How is the Covid-19 crisis affecting the level of investment of your company in diversity in 2020?



To what degree would you welcome some public investments in diversity?



Impact of Covid-19 on Sustainability EU

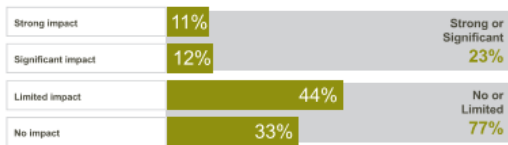
Sustainability

How would you rate the transition of the exhibition industry?

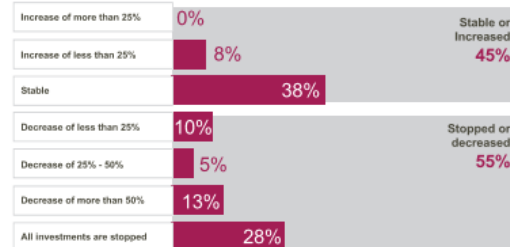
(scale from 1 to 5, with 1 'only starting the transition' to 5 'very advanced')

2.7

To what extent has Covid-19 impacted your company activities in sustainability?



How is the Covid-19 crisis affecting the level of investment of your company in sustainability in 2020?



To what degree would you welcome some public investments in sustainability?



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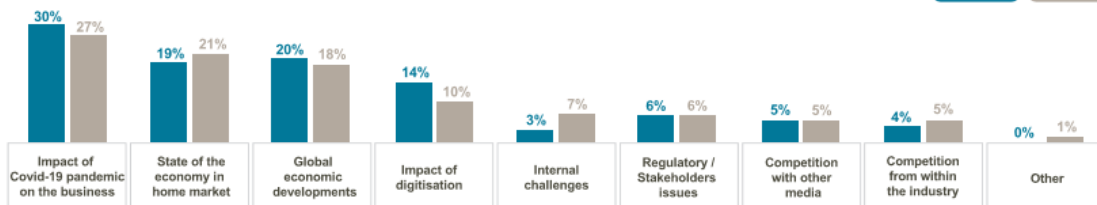
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Most Important Business Issues - Format of Exhibitions - EU

Most important business issues in the exhibition industry

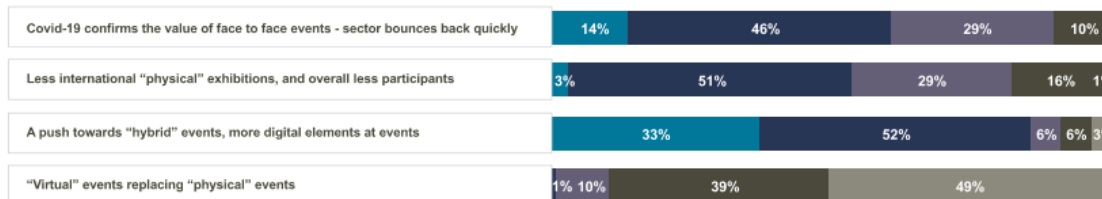
EU

Global



Format of exhibitions in the coming years

Yes, for sure Most probably Not sure Not sure at all Definitely not



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