

# South Africa

## An exhibition

# FOCUS



Business Events Supplement produced by  
Contact Publications Pty Ltd  
Publishers of **Business Events Africa**

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NATIONAL CONVENTION BUREAU

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SOUTH AFRICA

# An exhibition focus

This is the last business events supplement of the 2016 series produced by the South Africa National Convention Bureau in conjunction with *Business Events Africa*. In this supplement Business Events Africa takes a closer look at the local and global exhibition industry.

**Exhibitions are the most powerful, versatile and cost-effective marketing tool available, and on average according to The Global Association of the Exhibition Industry (UFI's) 17th Global Exhibition Barometer, the industry expects continued growth in turnover for the coming year.**







Tourism from exhibitions  
also helped sustain an  
estimated a notable  
**47 000 jobs**  
per annum

*(From a study AAXO commissioned  
from Grant Thornton)*

# The state of the exhibition industry

## Global perspective

Kai Hattendorf, UFI managing director said: "It is a beacon in changing times. Perhaps like no other industry globally, the exhibition industry is linked to the development of regional, national and global commerce. It is therefore pleasing to say that, despite a slowdown in the global economic growth, exhibitions are faring well."

"Although a significant level of uncertainty is forecast for the first half of 2017 in Asia, Middle East and Africa, on average, the exhibition industry expects continued growth in turn-over for the coming year."

"Data presented at UFI's Global Congress last November even suggests that in 2017 the growth of the exhibition industry may actually exceed the global economic growth – underlining the importance of well operated exhibitions as market platforms in changing times."

"At the same time, in recent months, we have seen the UK vote on Brexit, a failed coup in Turkey, growing tensions between Russia and the West, and a US presidential election that shows a deeply divided country."

"All these amount to a growing level of uncertainty around politics and business. Are trade agreements to be scrapped? Will travel to vital markets remain easy (and safe)? How will markets adapt to changing currency levels? There are numerous questions being addressed in corporate boardrooms all around the world."

"And they will impact on how companies choose to participate in exhibitions in a more protectionist environment."

"How this will play out exactly for our industry is impossible to predict. However, let's not forget to note that especially in difficult times, exhibitions are always used by whole industries to meet and to take stock themselves."

"As market places for goods, ideas, and innovations, exhibitions are becoming even more important – providing the personal 'face-to-face' dialogue and trust that no other marketing channel can offer!"

## Local association perspective

Phumulani Hlatshwayo, general manager of the Exhibition & Events Association of Southern Africa (EXSA), said: "The exhibition industry has been fairly resilient in difficult economic conditions. But, as with all marketing forms, it has forced the industry, including organisers, venues and service providers to become increasingly creative, innovative and resourceful in finding new and efficient ways for companies to communicate and market their products through exhibitions and keep enticing visitors."

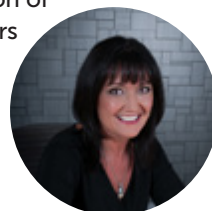
"Going into 2017, we will see an increase in joint ventures and partnerships with international exhibition companies as South Africa becomes an attractive market for

international markets to host their events. Exhibitions and trade shows will also move more and more towards complete sustainability in 2017."



Neil Nagooroo, chairman of EXSA said: "The exhibition industry and business in general is changing rapidly, and 2017 will be an exciting year full of promise and opportunities where we aim to help our members GROW, LEARN, ENGAGE and CONNECT."

Carol Weaving, Association of African Exhibition Organisers (AAXO) said: "On the back of a highly successful 2016, 2017 promises to be another eventful year."



"In the face of a tough economy, marketing and communication professionals and management alike are increasingly starting to witness the value of exhibitions as a marketing tool."

"More than ever, customers want an experience and it is precisely due to the experiential nature of exhibitions that drives sales unlike any other marketing channel. This is why we need to be more innovative and ensure a 365 customer experience by incorporating digital technology."

"It is by maximising the potential of the exhibition industry that we see the biggest impact."

"Not only do exhibitions have a significant impact on local business but a study AAXO commissioned from Grant Thornton revealed its vital contribution to the economy and business tourism as a whole."

"Visitors to the country also confirmed the value of business they placed at an exhibition, which is phenomenal." ■



In total, i.e. the total direct, indirect and induced economic impact of the exhibition industry is estimated at  
**R75-billion** for South Africa as a whole.

# The State of the global exhibition industry



## The Global Association of the Exhibition Industry (UFI) Global Exhibition Barometer Survey: 17th edition (July 2016)

**T**his study is based on a global survey, conducted in June 2016. It represents up-to-date information on the development and the outlook of the global exhibition industry, as well as on 16 specific countries and zones.

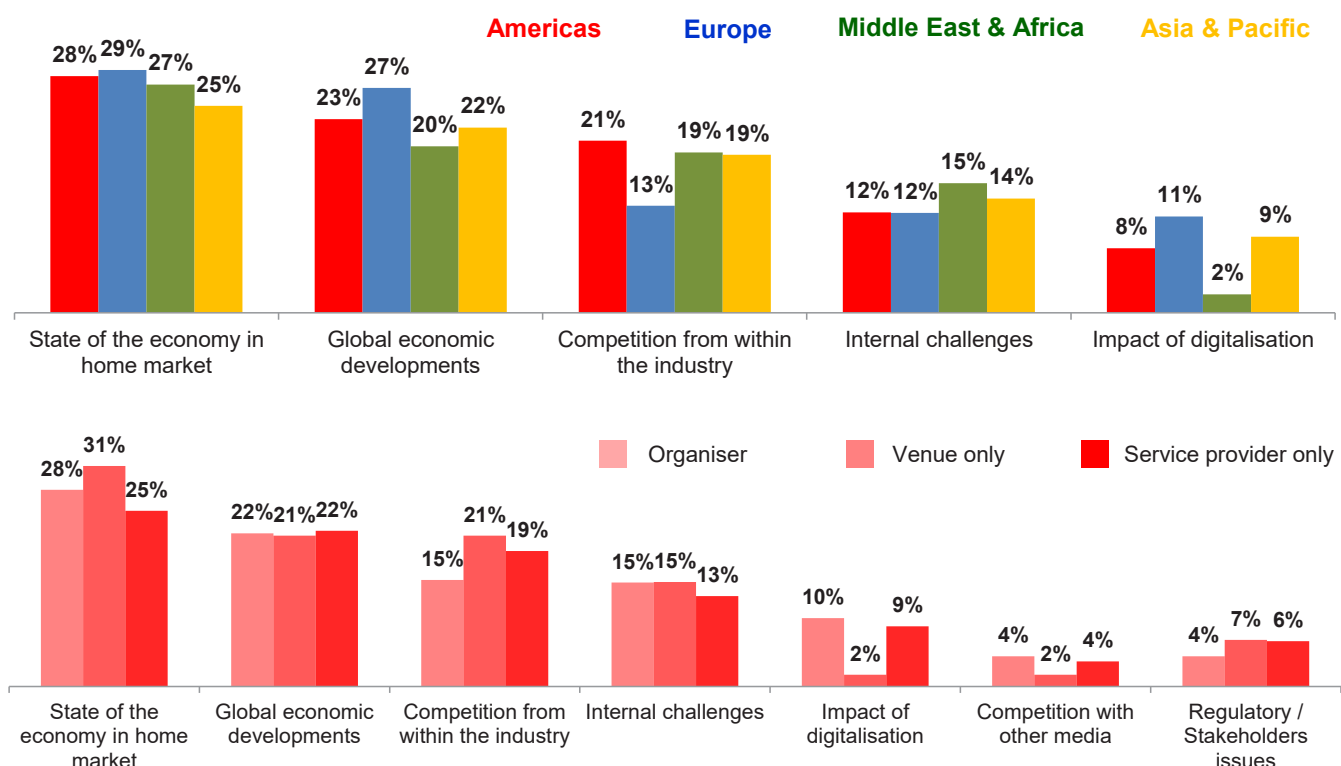
UFI began assessing the impact of the global economic conditions on the exhibition industry twice a year in 2009, based on perceptions of UFI members around the world.

In 2010, this bi-annual survey became the "UFI Global Exhibition

Barometer". For the United States, this survey includes SISO Members (Society of Independent Show Organisers) and the scope of the research has since been broadened to include members of AFIDA (Asociación Internacional de Ferias de América), AMPROFEC (Asociación Mexicana de Profesionales de Ferias y Exposiciones Y Convenciones) and UBRAFE (União Brasileira dos Promotores Feiras) in Central and South America and of EXSA (Exhibition & Events Association of Southern Africa) in South Africa. In this 17th edition, Members from AEO (Association of Event Organisers, UK) and TEA (Thai Exhibition Association) have been included for the first time. ■

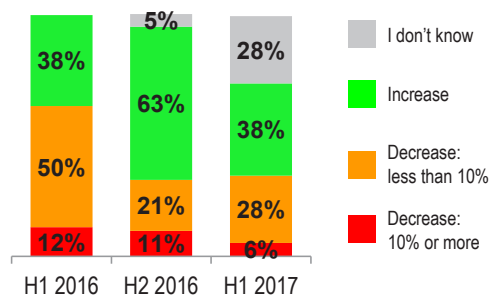


## Most important issues: detail by region and type of activity for the five top issues identified globally

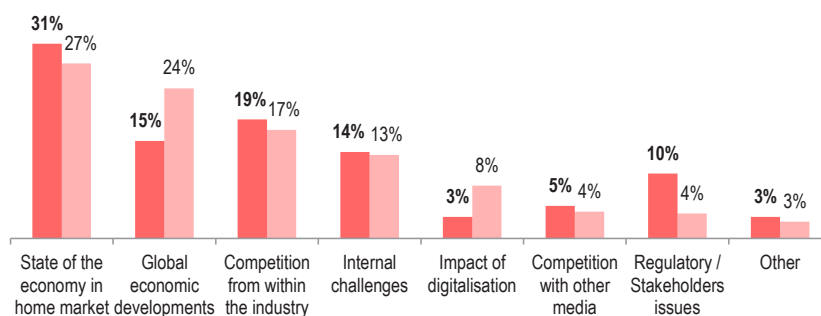


## Detailed results for SOUTH AFRICA (23 answers)

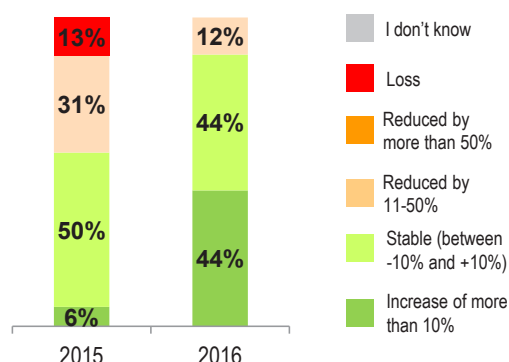
How do you expect your turnover to change when compared to the same period the previous year?



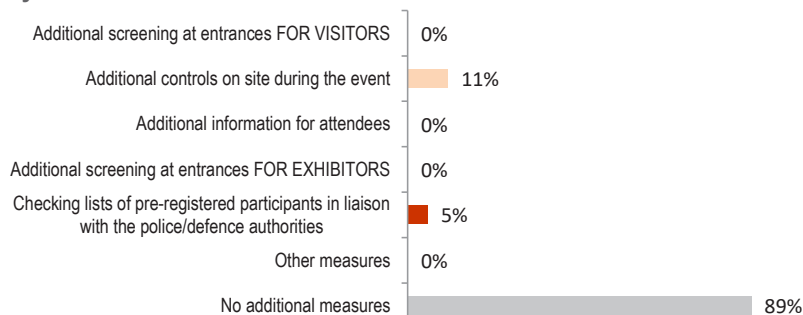
Top issues ( : global)



Operating profits compared to the previous year



Have you expanded security measures around your exhibitions / your venues in recent months?



### SURVEY RESULTS REVEAL A NUMBER OF KEY REGIONAL TRENDS FOR THE EXHIBITION INDUSTRY:

In North America, the outlook is very positive: more than eight companies out of 10 expect increase in turnover for 2016 and the first half of 2017 and more than 50 per cent of those polled declare an increase of more than 10 per cent in annual profits for 2015 and 2016.

In Europe, UK - at the time of the survey, before the EU referendum was expecting to perform in a positive way similar to North America, whereas good perspectives also appeared in several European markets. In Germany however, less than 50 per cent of the survey participants anticipate a growth for the first half of 2017 compared to a cyclically strong 2016. In Turkey, the levels of companies declaring a profit increase of more than 10 per cent decreases sharply between 2015 and 2016. The situation in Russia remains flat.

In Central and South America, a majority of companies anticipate turnover decreases in 2016, but are more confident for the first half of 2017. Profits there are also expected to rise, with the notable exception of Brazil.

In Asia as well as in the Middle East and Africa, three to five companies out of 10 declare an increase of more than 10 per cent in annual profits for 2015 and 2016. The level is lower in China, where two to three do but three to four companies out of 10 report uncertainty regarding their turnover for the first half of 2017.

In each region, the most important business issues remain related to the general economic situation with the state of the economy in home market, the global economic development uncertainty, the competition from within the industry, and internal challenges.

Security is also high on the agenda with a large majority of companies declaring having implemented additional measures in the recent months, varying from additional screening for visitors and exhibitors to additional information for attendees, controls on site during the event and also, sometimes, checking the lists of pre-registered participants in liaison with government institutions.





# 84th UFI Global Congress 2017 heads for South Africa



**When? 1-4 November 2017**

**Where? Sandton  
Convention Centre,  
South Africa**

**Delegates expected: +/- 400**

**Who does it attract?**

*It will bring large corporate organisations from North America, South America, Europe, the UK, and Asia that invest in exhibitions and events worldwide; to our shores. This will create many opportunities for people in our country who are ready to work with these organisations to grow our international footprint.*

**C**raig Newman, chief executive office of Johannesburg Expo Centre and vice chair of the Middle East Africa chapter, UFI, said: "As a UFI board member, I would like to draw more attention to the role that Africa can play in this global industry."



"I believe that this continent represents the next frontier for growth and development for the exhibitions industry and a number of our partners have been working together to grow the continent's share of regional, continental and global business events."

"There is great potential for growth as Africa does not host as many international exhibitions and

conferences or events as the UK, Europe or North America.

"The biggest challenge will be creating stability both economically and politically. It is critical that our governments are involved in the industry and realise its importance so that we have credibility and the market can expand as a result. If South Africa and Africa can do this successfully then we will attract foreign investment and the sector will grow as it should." ■



## Past Congress

UFI's 83rd Global Congress took place in Shanghai from 9-12 November 2016. The congress titled, "The Exhibition Industry in Transformation", attracted more than 600 event professionals from more than 50 countries.

The local UFI committee took a delegation to Shanghai to demonstrate what the UFI members could expect when they arrive in South Africa.

There was an exhibition booth as well as a presentation which was well received.

## What is the UFI?

UFI is the leading global association of the world's tradeshow organisers and exhibition centre operators, as well as the major national and international exhibition associations, and selected partners of the exhibition industry.

UFI's main goal is to represent, promote and support the business interests of its members and the exhibition industry. UFI directly represents around 50 000 exhibition industry employees globally, and also works closely with its 55 national and regional association's members.

UFI members continue to provide the international business community with a unique marketing media aimed at developing outstanding face-to-face business opportunities.

Over **700** member  
organisations

**84** countries

**900** international  
trade fairs proudly bear  
the UFI approved label,  
(a quality guarantee for  
visitors and exhibitors  
alike).

**21** African members

**8** South African  
members

# ONE ON ONE WITH KAI HATTENDORF, MANAGING DIRECTOR OF UFI



**Kai Hattendorf,**  
**UFI managing director**

## How important is Africa to UFI?

With Africa being among the world's fastest growing economies rich in business opportunity, the exhibition industry offers a platform to link Africa with the rest of the world, specifically for those seeking new, exciting opportunities in emerging markets.

As a stimulating emerging market, Africa ultimately offers opportunity for growth and development across all platforms.

The greater the opportunity for investment in Africa, the greater the demand for face-to-face networking and business links, which exhibitions efficiently facilitate.



international events, such as the FIFA World Cup in 2010, the UN Climate Change Conference (COP17) in 2011 and with the Africa World Economic Forum scheduled to take place in 2017, the timing to host the annual UFI Congress complements the business calendar now more than ever.

With UFI being a global association, servicing the exhibition industry across the world, including Africa, the opportunity to promote Africa, to create greater awareness of the business opportunities plays into UFI's agenda of encouraging greater participation from our members by offering them new platforms and opportunities to grow their businesses and the industry as a whole.

As a global association, it is also important for UFI to represent all the actors within the industry, and UFI purposely rotates the global congress from one continent to another, one country to another.

In 2016, the congress was in Shanghai, China, in 2018, it will be held in St. Petersburg, Russia. A total number of participants of around 400 is expected, in line with how the congress has been evolving over the last few years.

## What could the financial contribution be to SA?

As with other international events, with the majority of attendees travelling from outside the country, hosting the congress in South Africa will no doubt have a positive effect on the economic impact of the region and country.

Apart from confirming their attendance at the congress, many of our members have already expressed interest in including their spouse and/or family members and extending their stay in South Africa.

Extended stays will increase the spend per delegate and, in turn, result in a greater economic contribution.

In addition, many of the major players from the global exhibition industry will be attending the congress, and with them comes the promise of possible future new business for the South African market.

## The benefits of hosting the UFI congress?

Our members benefit in that the congress offers a platform that opens doors to new business opportunities through the sharing of information and creating a link between Africa and the rest of the exhibition world.

For UFI as an Association, we hope that our presence in Africa will spur on greater awareness and interest in the exhibition industry and encourage more Africans to become part of the association and integrate to a far greater extent into the global market of exhibitions.

For the region and country, many of the attendees will be first time visitors to South Africa, with many already intrigued by what the country has to offer. ■

## African UFI members

**Overall, there are 21 UFI members in Africa, with the highest membership in South Africa. There are eight South African members:**

1. Association of African Exhibition Organisers (AAXO)
2. Cape Town International Convention Centre Company SOC Ltd (CTICC)
3. Durban International Convention Centre (Durban ICC)
4. Exhibition and Events Association of Southern Africa (EXSA)
5. Johannesburg Expo Centre
6. Sandton Convention Centre
7. Specialised Exhibitions Montgomery
8. Thebe Reed Exhibitions.



*For more information on the UFI  
Global Congress visit  
[http://www.ufi.org/  
ufievent/84th-ufi-congress/](http://www.ufi.org/ufievent/84th-ufi-congress/)*

# The future of exhibitions in South Africa



**Exhibitions are in a very exciting space at this time.** We are seeing a lot more interest from the international markets in hosting their events in South Africa and it seems that Africa is beginning to establish itself as an attractive option for many of the global exhibition organisers.”

*Lindiwe Rakharebe, chief executive officer of Durban ICC*



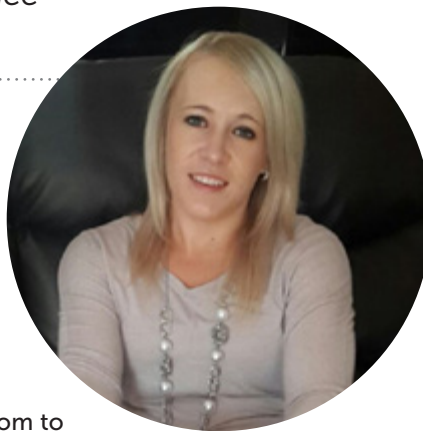
**The industry is tough.** GDP in SA is slowing, the currency is under pressure, and unemployment is at record highs. Industries like mining have been in decline in excess of 18 per cent year on year. The SA exhibition industry naturally reflects many of these trends, by implication making trading conditions very tough. Increased competition in the business events sector including multinational events has also had an impact.

All these seemingly negative indicators however do not underscore how robust and resilient our industry is. Most of SA's top events remain relevant and vibrant trading, marketing platforms. Buyers and sellers endorse these platforms by attending, engaging and stimulating commercial activities. We remain upbeat about our sector's role and relevance within both the SA and African economies. People do business with people and our industry is and remains the place to achieve that end.”

*Gary Corin, managing director Specialised Exhibitions Montgomery*

**From my perspective,** the exhibitions industry in South Africa is reaching a point where innovation has become critical to keep the interest of attendees on both a B2B and B2C show level. Exhibitors have to continuously innovate to keep enticing the customer to want a face to face interaction on this level. Consumers in general has become accustomed to instant gratification and can be satisfied most of their information and purchasing needs via online platforms which can pose a risk to the Exhibition industry in general. All of us as suppliers in this industry needs to think of innovative ways to stay ahead of trends and assist our customers in understanding, attracting and retaining their 'visitors/customers'.”

*Adele von Well, PR and marketing manager GL events South Africa*



**I believe that our industry has a real potential** to collaborate with business and government and support economic growth within South Africa. Our industry is very competitive; it is made up of primarily small-medium sized enterprises (SMEs) and entrepreneurs that play a fundamental role in the country's economic development and employment rates. The economic climate internationally has created an opportunity for us to support international exhibitors and conference organisers; there is a keen interest in holding events and meetings on our shores.”

*Dean Gunningham, director of Compex*



**"I believe the industry is still incredibly relevant** and should hold a significant place in the marketing mix of any company. Research shows that exhibitions are one of the most cost effective methods of generating direct sales leads and getting face to face with your target market. I do feel that locally the industry is perceived as expensive and boring and it is up to us as industry members to not only revitalise, revamp and re-energise the local market but also to educate our clients and exhibitors about the power and benefits that face to face marketing offers.”

*Cara Nortman, managing director of SSQ Exhibitions*

