EXECUTIVE SUMMARY

INDIAN EXHIBITION INDUSTRY REPORT 2017

IEIA
www.ieia.in
Indian Exhibition Industry Association

Knowledge Partner
EAC
INTERNATIONAL CONSULTING

PREFACE

This initiative of Indian Exhibition Industry Association (IEIA) to quantify the size and the economic impact of the exhibition industry in India. IEIA had commissioned the work to Euro Asia Consulting (EAC) to present the Status Quo and Outlook of the sector and also to highlight the Organiser and Infrastructure Landscape in the country for the period from January 2016 to June 2017.

The report covers the overall exhibition industry assessment, statistical findings, profiling and segmentation of exhibition organisers, infrastructure assessment and growth projections of the sector, while covering both B2B and B2C exhibitions. It helps understand the inhibiting challenges, emerging market trends and the role of government in the growth of the exhibition industry in India while identifying the initiatives that can help India to be positioned as the leading exhibitions destination in the world.

The primary aim of the project is to understand the multiplier effect of the sector on the overall economy of the nation. It also covers the assessment of the employment generation factor while capturing the direct and indirect financial impact review. The existing exhibition industry infrastructure availability, leading venues and the announced expansion plans also form an integral part of this report.

A comparison of the infrastructure availability in India with other leading countries has also been presented vis-a-vis role of the government in further infrastructure support and development. It also outlines the growing role of industry associations, trade bodies, state and central government in organising exhibitions for large scale investment and business promotions.

Both primary and secondary research methodologies have been adopted by EAC with the support of IEIA and its members to come up with this in-depth study of the Indian exhibition industry. In the first edition, the researchers have attempted to cover maximum relevant shows based on information available/provided to them by exhibition organisers as per the objectives set out, although given the growing exhibition market in the country and this being the first major effort to capture the size of the industry across the nation, certain errors and oversight of finer details are expected, we shall correct the errors and ensure wider coverage of the industry in the next editions of this work. The next study will cover the industry from July 2017 to December 2018 and thereafter the study will follow calendar year period (January to December).

We would like to thank all the participants who have supported this one-of-its kind initiative which will help the industry players understand the market trends and changing organiser landscape in the country.

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Industry Study Partner

Messe München

Message from Knowledge Partner EAC-Euro ASIA Consulting

Brief Introduction EAC: EAC is an international management consulting firm headquartered in Munich, Germany and presence in Mumbai, Shanghai and Moscow. EAC has 25 years of experience in supporting leading MNCs / European SMEs in internationalization with focus on Strategy, M&A and Operational Excellence in emerging markets / Asia. EAC provides full value chain of services in the Exhibitions sector from market study and business planning, elaboration of strategic concept followed by implementation support, co-operation models conceptualization and implementation by Joint ventures or M&A.

Overview IEIA Market Study 2017: EAC is honoured to be the Knowledge Partner of Indian Exhibition Industry Association (IEIA) and this report is first of its kind initiative for the Indian Exhibition Industry with comprehensive insights on exhibitions and venue market status-quo, transparency on the organizer landscape, industry focus, current trends as well as industry outlook 2021. The study also elaborates the direct and indirect economic impact in terms of revenue and employment generation by the industry.

Indian Exhibition Industry has witnessed strong growth during last 3 years driven by economic growth and government initiatives to promote infrastructure and policy reforms. Industry is on cusp of major transformation with increasing internationalisation and introduction of global events focused on strengthening manufacturing/ industrial and consumption trends of the Indian market. The Indian Exhibitions sector is expected to keep growth momentum driven by growth of existing events, introduction of new events in emerging sectors, entry of additional international companies and exhibition brands and by significant increase in infrastructure capacity.

We hope that the insights will be extremely useful for the industry stakeholders to gain understanding on Indian Exhibitions Industry, generate transparency on the business opportunities and benefit with an informed decision-making.

Disclaimer

As part of the study, EAC has researched and analysed qualitative and quantitative market information on the Indian exhibition industry through exhaustive secondary research in the public domain and selected primary research with relevant industry stakeholders. EAC has made concrete efforts to retrieve event related details for all small, mid and large exhibitions and exhibition organizers available on the public domain. However, if some event details or events have been missed out or mis-represented, then that is purely unintentional and due to the limited information available in the public domain for which EAC and IEIA cannot be held liable. We are committed to improve the quality of the market understanding in the further editions and therefore request the industry stakeholders to actively provide their constructive feedback to improve the quality of the market information as this will be a step towards adding further transparency to this highly fragmented industry.

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PRESIDENT'S MESSAGE

KV Nagendra Prasad
President, IEIA

Exhibitions/Tradefairs play a powerful multiplier effect on the overall economy by contributing 8 to 10 times of their turnover (both direct plus indirect spends) to the geographical area served. With over 31000 exhibitions held annually across the globe, the estimated spend on this industry is US$109 billion. India is one of the fastest growing exhibitions market in the world with increased government support and initiatives and is much poised to take the leading position in Asia in terms of gross exhibition sales. With a steady growth rate of almost 8%, over the past few years, the exhibitions sector in India is growing faster than the GDP growth rate, while also being a colossal employment provider in the country.

Many developed nations across the globe have successfully leveraged the power of exhibitions in scripting their growth story and India shall be no exception with the progressive measures being taken by the Government leading to positive momentum of growth and optimism. Indian Exhibition Industry Association, being the National apex body representing the Exhibition Industry in India strives to work for the progress of this sector with the objective of developing the exhibition/trade fairs industry in India. As part of its mandate, IEIA has endeavoured to bring out the overall economic impact of the exhibition industry in our country, through this Report. It is heartening to share that today over 700 business fairs are held in India annually, directly contributing over Rs. 25,000 crores to the economy every year. Major changes are envisaged in terms of capacity addition in venue space over the next 5 years, which will take the industry only towards progression.

On behalf of the Executive Committee of IEIA, appreciate the efforts of M/s Euro Asia Consulting in conducting and presenting the findings of this research and also would like to thank MesseMuenchen India for being the co-sponsor of this research along with IEIA.

Project Scope

Intent of the study was to capture an 'insights-rich' report on Indian exhibition industry highlighting status quo and growth projection, organizer landscape, infrastructure outlook and impact on economy.

Project Targets	**"Transparency on Indian exhibition industry, growth outlook and impact on Indian economy"**
Exhibition Industry Analysis	» Status Quo of Indian Exhibition Industry 2016 – Industry size (sqm area, turnover), event statistics (number of events, event type, frequency, size split, organizer share), drivers & challenges, government support, benchmark with select leading exhibition country (Germany). » Understanding the multiplier effect of exhibition industry on Indian economy – employment generation, financial impact. » Exhibition Industry potential 2021 (sqm area, turnover)
Exhibition Organizer Landscape	» Profiling of exhibition organizers – event details, turnover, industry focus, growth targets » Segmentation, share and role/impact of organizers on exhibition industry – domestic/industry association trade bodies/ international.
Exhibition Infrastructure Assessment	» Review of existing exhibition venues in India – ownership, operator model, indoor & outdoor space, no. of events (incl. frequency), capacity utilization, services offered, expansion plans » Capture new exhibition venues planned – location, exhibition area, likelihood of implementation
Industry Outlook	» Key takeaways from exhibition industry assessment – emerging market trends, changes in organizer landscape, infrastructure development, government initiatives

Project Expectation, Coverage - Delivery

The project covers all the topics and their corresponding coverage reflected in the proposal – snapshot on macroeconomic development, exhibition industry status quo 2016 (period Jan 2016 to June 2017), impact on economy exhibition organizer landscape and their profiling, exhibition infrastructure assessment and capturing upcoming venues, emerging market trends and industry outlook 2021.

Topics	Coverage	Completion
India Macroeconomic Development	» Overview of key macroeconomic indications like GDP growth, FDI, IIP, Inflation, trade development » Government policies and economic outlook 2020	Snapshot on Indian economy 2016 and outlook 2020
Exhibition Industry Status Quo, 2016	» Key industry statistics like size (sqm area, number of events, turnover), average duration, events frequency, share to GDP, benchmark with global peers » Market split (event size and type, sector coverage, regional spend, organizer landscape)	Complete transparency on exhibition industry
Exhibition Industry Impact on Economy	» Understanding the multiplier effect of exhibition industry on economy employment generation, financial impact	Economic Contribution & employment generation (direct & indirect)
Exhibition Organizer Landscape	» Organizer segmentation and share in total events conducted across India, impact of leading players and emerging landscape » Profiling of key organizers to understand their background event coverage and details, exhibition covered within and outside India	Transparency on organizer group and top players across each group
Exhibition Infrastructure Assessment	» Review of existing venues in India and their profiling (purpose build and temporary) » Capturing upcoming investments – planned expansion / new center	Profiling of existing venues in India and capturing announced investment
Exhibition Industry Outlook 2021	» Emerging market trends and projection of exhibition industry size 2020 » Growth drivers and their impact	Exhibition area demand development 2021 and growth drivers

Key Assumption - Exhibition Industry Assessment

Assumptions

» All calculations are on **gross exhibition area**

» Exhibition **classification**

– **Standalone:** Single theme event with frequency of year or more

– **Multi Location:** Same event organized at multiple locations (in same year)

– **Concurrent:** More than 1 event organized simultaneously (venue, time) by the same organizer

» All **B2B, B2C events** considered for compiling exhibition database

» **Exhibition industry size** includes all events held between Jan 2016 to June 2017 or last show conducted.

» **Exhibition rental price** are average quoted for bare shell (excluding taxes) and obtained from secondary research, limited primaries

Event Database – Methodology

Database of 745 events identified through exhaustive secondary research covering all major organizers groups; event profiling and analysis to derive industry status quo

Information Source

» Secondary Research

- Organizer and Event Website
- Venue Website
- Industry Reports
- Publications

» IEIA Member List

» Primary Research

- List of Events from some Organizers and Venues

» EAC In-house Database

Exhibition Database – Template

Database captures all relevant exhibition information from detailed profiling – organizers, location, frequency, industry type, duration, area and participants.

Organizer Name Type of Organizer	Event Name Type of Event Industry	Concurrent Event	Venue City	Year Month Frequency Duration (days) Set-up & dis-mantling days	Gross Area (sqm) Net Area (sqm)	Gross Area utilization Net Area utilization	No. of exhibitors No. of visitors
Understanding the organizers landscape and their shows or-ganised	Captures the event type (B2B or B2C)and its industry focus	Mapped the event that are concurrently hap-pening with the main show	Mapping re-gional split and capturing events which have multi locations	Timeline of the event where it captures frequen-cy and duration of the event of - event days and non event days (set up, disman-tling)	Capture event size (gross & net) in sqm	Capture the net & gross area utili-zation by event - covers events and non event days	Captures the number of exhibi-tors & visitors

EXECUTIVE SUMMARY

India emerged as fastest growing economy globally; private sector consumption as well as government initiatives and increasing infrastructure spending will have positive impact on the exhibition industry.

INDIA MACROECONOMIC SNAPSHOT

» India emerged as fastest growing major economy globally overtaking China in last 2 to 3 years, GDP growth has increased from 5.5% in FY'13 to 7.9% in FY'16; slowdown in the GDP growth rate from Q2 FY'17 due to impact of demonetization and introduction of GST, but still expected to emerge as fast growing major economy by 2020

» Steady improvement in macroeconomic fundamentals — inflation falling from high of 10 in FY'13 to 4.7% in FY'17, declining interest rate, fiscal deficit gradually moving towards government target of 3% and current account deficit under control which is narrowing and in range of under 2%

» India is 3rd largest FDI recipient in Asia (followed by China and Singapore) and 9th in world for FDI investment 2016; FDI inflows have doubled since 2014 to reach 43.4 bln USD in FY 17 and reflects increasing confidence of foreign investors in India; further FDI regularization, reforms initiation are the key drivers

» India needs stronger reforms and policy push to revive private sector investments which has been steadily declining for last 3 years; stagnant capacity utilization impacting new investments

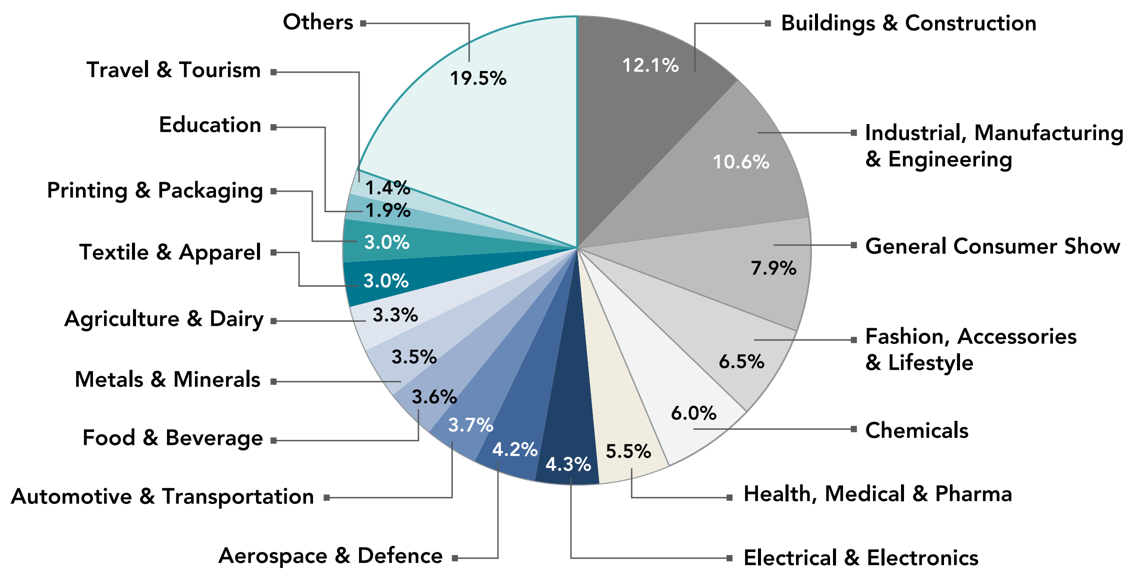
» Government initiatives to revive domestic manufacturing by attracting domestic and foreign investments through reforms like liberal tax agreements, introduction of GST and rationalization of corporate taxes as well as infrastructure spending, internationalization of economy through export

» Exhibition industry is expected to have positive impact from growth in private sector consumption as well as government initiatives and increasing government's infrastructure spending

Indian Exhibition Industry Status Quo and Future Outlook

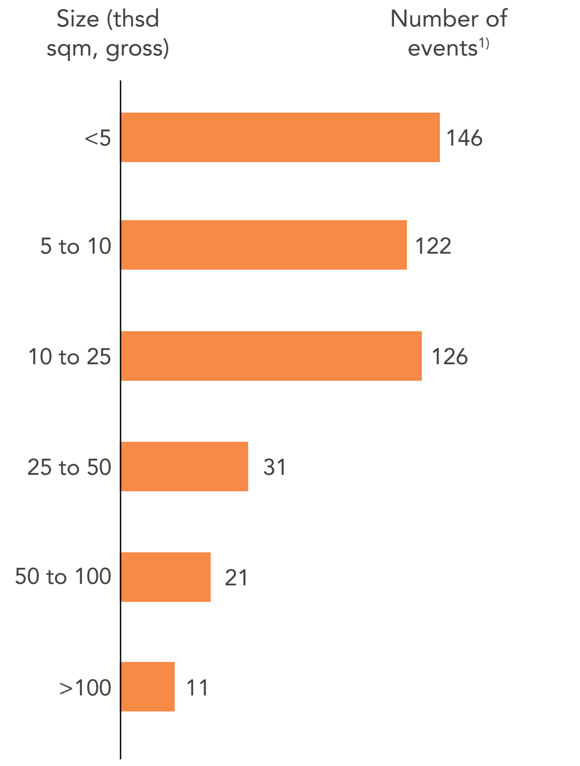
- Exhibition industry (direct + indirect) is valued at 250 bln INR and generates employment of 116 thsd personnel; indirect impact contributes factor of 5.4 times more than direct impact to the economy
- Indian exhibition industry has 727 events with gross area of 7.1 mio Sq.M. and net area of 3.4 mio Sq.M.; high dominance of domestic organizers with 51 % share followed by non-profit organizers with 45% share
- Building & construction, Industrials & manufacturing are the largest industry segments with leading exhibition area share of -33% share; low to medium presence of international exhibitors
- India lags in global exhibition market by 25-40% in pricing; consolidation, quality participants, demand for quality venue, technology, internationalization and associations as industry platforms are the major trends
- Exhibition organizers are segmented as - domestic organizers dominate with regional focus, industry associations/ govt. trade bodies with strong network and international players strengthening via M&A
- India lacks large venues with indoor capacity of 100 thsd Sq.M. and above; 25 venues in India with 460 thsd Sq.M. of indoor area and 729 thsd Sq.M. of outdoor area; high concentration in north and west region
- Strong economic growth, professionalization, government initiatives, faster growth in emerging sectors - key growth drivers posed to drive industry to 2.9 to 4.7 mio Sq.M. of additional gross area potential by 2021

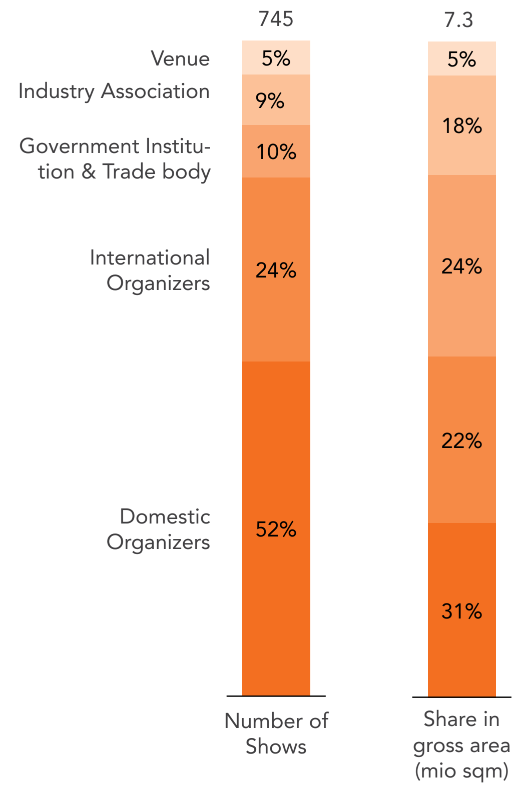
Industry Split



Organizers Landscape

Size Segmentation





Indian Exhibition Industry – Economic Impact Assessment

Exhibition industry spend is two-fold – direct impact via spending by exhibitors/visitors and employment generation whereas the indirect impact comprises income/expenditure on related services. It is note worthy to mention that the business enabled by exhibition industry is estimated to be 8-10 times (direct + indirect) spend of the industry.

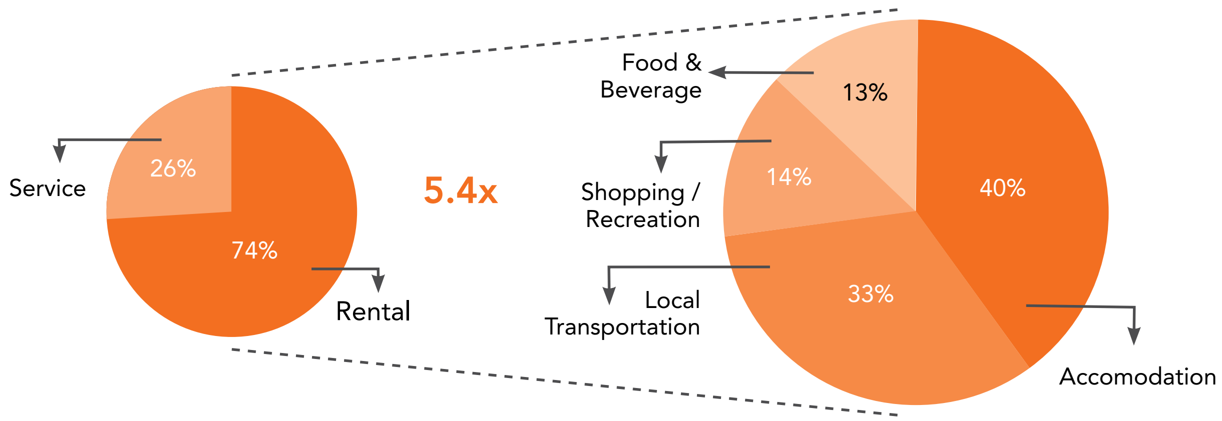
EXHIBITION INDUSTRY			
Direct spend – Income/Expenditure and Employment			Indirect spend – Related Services
Income/ Expenditure	Employment – Full Time	Employment – Temporary	Economic
Includes spend by exhibitors on rental to exhibition organizers, for services like booth construction, logistics etc.	Direct full time employment generated by exhibition venues and organizers across business functions and including dedicated maintenance and service team	Temporary jobs from service demand during exhibition days – maintenance, house-keeping, booth construction, registration desk, security, parking etc.	Covers spend by employees of exhibitors and visitors on accommodation, food & beverage, local transportation and recreation/shopping

Indian Exhibition Industry – Economic Impact

Exhibition industry contributes 254 bln INR to Indian economy; 39.5 bln INR direct impact through spend by exhibitors towards rental and services whereas 214.7 bln INR of indirect impact

Direct Impact
Total: 39.5 bln INR

Indirect Impact
Total: 214.7 bln INR



» Revenue generated by 220 exhibition organizers through 745 events identified

» In addition also include spend on services like booth construction, logistics etc.

» Induced impact through spending of 131 thsd exhibitors and 21.5 mio visitors during the exhibition days on travel, accommodation, food and recreation/shopping

Source: State Governments websites

ABOUT IEIA

Indian Exhibition Industry Association (IEIA) is the National apex body of the Indian Exhibition Industry representing all the segments of the exhibition industry in India including Organisers, Service Providers and Venue Owners. IEIA, is registered with the Registrar of Societies, Under Societies Registration Act XXI of 1860 Under No. 55/63 of 2006, in New Delhi. The association brings together all the exhibition organizers, managers, designers & stand contractors, freight forwarders, services & facilities providers, venue owners etc. so that there is a common platform available to the entire industry to consider ways and means for the sound and scientific development of various facets of the industry.

The Association represents the entire country and all segments related to the exhibition industry. IEIA aims to be your one-stop source of information pertaining to exhibition industry, various exhibitions/trade shows organized in the country, exhibition industry news, information on various agencies, private and public organizations operating in the exhibition industry in India.

The main objectives of IEIA as per its constitution are to:

- Protect and promote the common interest of its members.
- Provide a common platform where members meet informally through Councils / Committees, Seminars / Workshops to exchange views and information on developments, improvements and problems in the industry.
- Represent the industry in all matters nationally and internationally in relation to Government, media and the public.
- Organize training programs, bring out publications, compile, tabulate and analyze statistics on the exhibitions for the benefit of the industry.
- Keep close contact with the press and media with the objective of achieving a higher share of advertising and promotional market of the industry.
- Promote Indian Exhibitions and Trade Fairs as cost effective marketing medium nationally and internationally.
- Devise and implement a system of auditing of Trade Shows and Exhibitions so as to lend credibility.
- Maintain high ethical standards by laying down a code of ethics for conducting business and safeguard high quality of services to the exhibitors and visitors to events organized by its members.
- Do all other things as may be considered by the Association to be incidental or conducive for the benefit of the industry.

IEIA INITIATIVES

GLOBAL AFFILIATIONS

FULL REPORT FEATURES:

Full report consists of detailed coverage of Indian Exhibition Industry analysis of finding and future outlook.

To get a copy of the full report, contact:

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Exhibitions Mean Business

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It's true whether you sell industrial machinery or sticky puddings: the better you know your customer - and the better your customer knows you - the more likely you are to make that first sale and the increasingly profitable sales that follow.

If you had to design from the ground up a marketing medium that's perfectly suited to this kind of relationship building and customer retention, it would probably look remarkably like exhibitions, the most direct form of direct marketing ever.

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For more info, contact:
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