

Shanghai Flash

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Brief Report on the Chinese Exhibition Industry

'Which exhibition should I choose?' is probably the most frequent asked question by foreigners when they plan to find an exhibition to participate in China. Lots of foreign companies have the same impression that there are too many alternatives to choose in the Chinese exhibition industry.

Problems

Figures of the Chinese exhibition industry look quite impressive, especially given the fact that the Chinese Exhibition Industry only started in the 1990s. The total exhibition space has reached to more than **5 million** square meters, surpassing Germany - the 'Kingdom of exhibition'- (**2.5 million** square meters), ranking **No. 2** in the world; In 2003, China held more than **2,500** exhibitions in total, generating a profit of around RMB **8 billion**, with an average profit per exhibition of RMB **2.8 billion**; In 2004, Shanghai alone holds an average of **5.5** exhibitions every week, etc.

No doubt the Chinese exhibition industry is undergoing a fast development and has a tremendous potential, but the general level of exhibitions is still far behind the international standard in terms of exhibition organisation, exhibition services, exhibition management, etc.

The common confusion of foreign exhibitors mentioned at the beginning is just one major problem of the Chinese exhibition industry, showing that China has not founded an appropriate system of exhibition yet. In Germany, a country which is very famous for her exhibitions, there were only around 300 fairs in 2003, compared with 2,500 in China. However, Germany holds around 2/3 of world-known international exhibitions. The fact of too many exhibitions in China causes lots of confusion, to both the exhibitors and the visitors.

Take for instance of exhibitions in the car industry. Currently there are more than 100 car exhibitions held in different cities in China. The city of Haerbing in Heilongjiang Province, located in the North-Eastern China, held 4 car shows in 2003 itself. On one hand, organisers went around, fighting for exhibitors. On the other hand, exhibitors were overwhelmed by the flood of exhibitions, hard to decide which one to participate.

Another impact of the 'exhibition flood' is the quality drop of visitors. Visitors are distracted into different exhibitions. Some exhibitions barely have any visitors. It can be anticipated that the result of such exhibitions will not be satisfying.

The main reason of this situation is , according to some experts in the industry, that China does not have a unified management system and clear regulations. Exhibitions can be

approved by different organisations in different cities. The information flow in the industry is not very smooth. Some organisers are lacking professional knowledge and are too profit driven; they do not care about the quality of the exhibitions.

There are also problems with exhibition facilities. Currently China has more than 120 exhibition centres, with a total indoor exhibition space of over 2 million square meters, and more exhibition centres are planned to be built. Most exhibition centres in China share the following issues:

- *Lack of market research and ambiguous targets (can not really tell if it is built for exhibitions, conferences or balls, etc.);
- *Inconvenient and unreasonable location (transportation, logistics, reserved space for future development, etc);
- *Unpractical construction (impressive outlook, but problematic inside facilities);
- *Incomplete supporting facilities (accommodation, transportation, communication, restaurants, etc.);
- *Unbalanced geographic distribution of exhibition centres (surplus exhibition centres in small and middle cities, but insufficient in large cities, e.g. Beijing & Shanghai)

The government's interference into the organisation of exhibitions causes problems too. In this case, the main purpose to hold exhibitions is not to meet the need of the market, but either to follow the trend (a typical Chinese phenomenon, by the way), like the car shows mentioned in the beginning in Haerbin; or to serve as a platform to display the achievements and the success of major projects, for example the Shanghai International Industrial Fair organised by several central governmental organisations such as the National Development and the Reform Commission, Ministry of Commerce, and so on.

Development

The Chinese government has become aware of the importance of the exhibition industry as well as the existing problems. Some measures are taken to improve the situation. For instance, the government has made a clear outline of the distribution of 'exhibition cities', i. e. cities focusing on developing the exhibition industry.

The general structure will be two international exhibition cities, ten domestic exhibition cities and ten area exhibition cities. In this way, exhibition places will be more logically distributed and exhibitions can be better arranged.

Based on this structure, main 'exhibition cities' in the future will be the city of Beijing in the Northern China, Shanghai in the Eastern China, Guangzhou and Shenzhen in the Southern China. With the government's efforts to develop the West, the cities of Chengdu and Chongqing in Sichuan Province, and the City of Lan Zhou in Gansu Province are becoming important exhibition cities in the Western China. Among them, Beijing and Shanghai will hold most of the international exhibitions.

The government also plans to implement more regulations and to establish a market operational system. Laws will be strengthened in terms of intellectual property protection so products exhibited will be better protected in terms of copyright, trademark and patent rights.

Adjustments have also been made to some existing successful exhibitions so they are more adapted to the demand. For instance, the **interTEXTILE Shanghai** used to be held once a year including sectors of home textiles and apparel textiles. Starting from 2004, it is separated into two individual exhibitions held at different times. The result of the change was very positive. Both exhibitions are more targeted to the field, more space is available to the exhibitors, and visitors have a clearer purpose when visiting the selected exhibition. Another good example is the exhibition of **autoMechanika Shanghai**. Apart from Beijing, for the first time, the fair was held in Shanghai in 2004, which actually makes plenty of sense considering that Shanghai is one of the most important bases of car manufacturing.

Even though there are many problems in the exhibition industry, China is still the most potential market in this field. International giant exhibition companies, such as **Messe Frankfurt, Messe Hannover, Messe Munich, Reed Expo**, and so on, have already come to China. Organisers from Italy and the UK are seeking partnerships in China too. These organisers bring along their experience to China and will certainly have a positive impact on the development of the Chinese exhibition industry.

Useful information

OSEC and Swiss Business Hub China

One of the major tasks of OSEC, the business network of Switzerland, is to assess exhibitions and organise national pavilions to participate in proper exhibitions. The Swiss Business Hub China, as the local partner, works closely together with the OSEC, visiting exhibitions, collecting information, producing exhibition reports and assisting Swiss pavilions in exhibitions. Positive feedback has been given on the work of Swiss Business Hub China during exhibitions such as:

FHCChina (the international exhibition for the food, drinks, hospitality, foodservice, bakery and retail industries),

Marintec (the international exhibition of marine technology),

- *OSEC organised national pavilions in both exhibitions with the assistance of the Hub China.*

CIMT China (the China international machine tool exhibition)

ShanghaiTex (the Shanghai international techtextiles, nonwovens and machinery exhibition)

- *The Swiss Business Hub China helped to organise a Swiss Evening during the exhibitions for exhibitors and their clients.*

Please check on the website of OSEC www.osec.ch for detailed information on exhibition issues. The contact of Swiss Business Hub China can be found on the website as well.

Website of www.auma.de

This is a master website for exhibitions all over the world. This e-multilingual website provides information of exhibitions concerning date, venue, organiser, website, brief introduction, etc; the sitemap is very well designed so people can find an exhibition even with very little knowledge of the exhibition they look for. The brief introduction and general statistics of each exhibition gives people a general idea about the exhibition.

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