

TRADE FAIRS CANCELLED AND POSTPONED - GERMAN ECONOMY FEELS THE LOSSES



Many trade fairs in Germany have been cancelled due to the current corona crisis. One of the first ones was ITB Berlin, which was cancelled only 5 days before it should open its doors. Now, it was announced the Frankfurt's IMEX is cancelled as well.

The business event was originally intended to bring together exhibitors and buyers in the Frankfurt Fair and Exhibition Centre from 12 May to 14 May 2020. **The next IMEX will take place from 25 May to 27 May 2021.**

Since the annual sales volume of trade fair organizers in Germany is around 4 billion euros and the MICE industry is highly important for the economy, the current crisis is expected to hit the sector hard, according to the German Association for Industry Communication (Bundesverband Industrie Kommunikation e.V.). (BVIK)

With around 10 million visitors to national trade fairs, Germany is one of the world's most important trade fair locations. According to the association, 178 national trade fairs were counted - including well-known major events such as the Hannover Trade Fair and a large number of smaller, highly specialized leading trade fairs.

For the capital goods industry, postponements and cancellations mean the loss of one of its main order channels. A large number of companies in the exhibition stand construction, hotel and catering sectors are threatened with serious economic damage.

The BVIK - Industry Association for Communication and Marketing - expressly warns of the immense, still unforeseeable, but often existence-threatening consequences of the cancellations and postponements of major events of this kind. The approximately 220 corporate members of the association are directly affected and face challenges that are in part difficult to solve. The Research Institute for Exhibition and Live-Communication (R.I.F.E.L.) has put the damage in the exhibition construction sector alone at 670 million euros, and the total damage to the trade fair industry at over 1.6 billion euros.

"It is to be feared that many suppliers will not survive the crisis and that jobs will be lost on a large scale in Germany," warns Rainer Pfeil, Managing Director, bluepool GmbH Trade Fairs & Events and Board Member of BVIK.

Almost 40 percent of the annual marketing budget of industrial companies has been constantly flowing into the trade fairs over the last few years, as the BVIK study "B2B Marketing Budgets" shows. Online channels are increasing, but German SMEs continue to rely on personal contact with customers out of conviction.

From the point of view of the industry, it should also be borne in mind that **the dates of major leading trade fairs represent important milestones in the product development cycles of industrial companies.** All communication is geared to this and must now be digitally bridged at

least for four months, as in the case of the Hanover Fair, which is cost-intensive. But many marketing managers in the BVIK network doubt whether virtual trade fairs will achieve the same success as real fairs. Cancelling major events such as trade fairs therefore not only means immense damage in the marketing sector, but also in sales due to a lack of orders from the trade fair business.

The additional costs on one side and the certainly expected loss of sales due to lost trade fair orders on the other side will by no means leave the medium-sized industry and the German labor market unaffected.

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