

PIERPAOLO VAJ: LET'S CONSIDER EXHIBITIONS AS AN INDUSTRIAL CLUSTER.

ASAL ASSOALLESTIMENTI AND FEDERLEGNO-ARREDO ARE ORGANIZING THE FIRST FORUM OF THE ITALIAN EXHIBITION SUPPLY CHAIN THAT IS GOING TO BE HELD ON NOVEMBER 29TH

"After years of conservative policy, we are now at a turning point. The Italian exhibition sector is going through significant structural changes that operators and institutions cannot consider from an external point of view. The market, together with competition, has to make the machine work, but the 'engine' planning has to stem from a consideration concerning the exhibition model to be adopted in Italy. The expression "may the best man win!" cannot be applied in an industry like the one of exhibitions: it is necessary to provide excellence for all those companies that consider shows as an internationalization-oriented communication strategy". These are the remarks of Pierpaolo Vaj, President of ASAL Assoallestimenti, a Federlegno-Arredo association that represents about 500 exhibition contractors in the Italian market.

In the last few days, ASAL has presented an integrated project aiming at studying, promoting and enhancing the Italian exhibition sector: the main goal of this plan is to assess the situation of the exhibition industry as well as cooperation and comparison areas of trade fair districts, organizers, exhibition contractors and service providers.

"We have realized – says Moreno Zaccarelli, entrepreneur and manager of the project coordination – that the economic system and exhibition operators are reluctant to consider shows as an industry, an organized economic sector, a supply chain that needs to synchronize activities in order to work. Today, the economic debate on exhibitions is dominated by a kind of logic that focuses on trade fair districts, forgetting that our sector works because the activity of each supply-chain operator is characterised by high standards in their specific production phase. In some sense, we work as an industrial cluster with great skills of flexibility and openness".

The first stage of the ASAL project, that sets the end of the commitment phase of the previous years, is the organisation of the 1st Forum of the Exhibition Supply Chain, that will be attended by all the operators of the sector in order to discuss, considering the new competitive context, on issues that prevent the system and the cooperation areas of the different characters of the supply chain from improving. ASAL representatives hope that the Forum can become a fixed appointment in the future to discuss on the problems of this sector.

"Exhibition organisations – continues President Vaj – are implementing significant enlargement plans. In some cases you can wonder if we are following an industrial logic or simply the fulfilment of a desire for gigantism of operators and local institutions. The risk is that there could be too many exhibition areas and similar shows, in a competitive fight that could favour foreign exhibition centres that are more organized and have more resources to manage. We have to wonder if the scenario is expected to turn into a system with few large trade fair complexes or an exhibition centre for each small town in five or ten years. There are obviously several possible solutions in-between, but these are not going to be heaven-sent".

The enlargement of trade fair complexes does not only concern trade fair districts: the costs of excessive competition between exhibition centres and an inconsistent enlargement strategy would inevitably and negatively affect the competitive quality and strength of Italian shows, weakening them compared to foreign events.

The focus on quality is instead the real competitive lever of the Italian exhibition sector: once it could rely on national manufacturing systems as growth engine, while now it has to focus more and more on high-level international exhibitions.

“Exhibition quality – states the coordinator Moreno Zaccarelli – is directly connected with the synchronism capabilities of the whole supply chain. Not only organisations and organizers, but also exhibition contractors and service providers have to cooperate “building a system”, in order to record excellent results. This is the only way to keep international exhibitions in Italy.”

“One of the activities where only the cooperation of the whole supply chain can guarantee an efficient solution – continues Zaccarelli – is that of sustainable calendars. The organisations

also due to the investment made, tend to reduce installation and dismantling times in order to make instant use of available areas; this behaviour negatively affects the quality of services for exhibitors and visitors as well, sometimes undermining workers’ safety. In the medium term it is a boomerang for the organisations that have to confront important international events; also specialised medium and small events, that look for exhibition quality, are negatively affected.”

The presentation of ASAL Forum of the Exhibition Supply Chain has also been the opportunity to illustrate the trend of this sector, that is now experiencing a relatively positive period.

Exhibition contractors: the system

(Figures in million euros at current prices - estimate)

	2005	% Var. 2005/2004
Total turnover	878	+0.9%
Square meters (exhibition area)	8,180,000	+0.9%
Turnover (installations in foreign trade fair districts)	120	+9.7%
Turnover (installations in foreign trade fair districts) % out of the total	13.6%	
Regular operators	6,250	+1%
Companies	500	-

Source: ASAL/Federlegno-Arredo estimates

“This sector – concludes President Pierpaolo Vaj – recorded last year positive results with an increase close to 1% as far as turnover and square meters are concerned. The foreign turnover in particular has driven the growth up to 120 million euros showing that the Italian offer still has strong development capabilities that can be useful only if we are able to build a system.”

As far as 2006 is concerned, the expectations of entrepreneurs are still optimistic: for exhibition contractors and service and material providers, we are going to record for this year an increase (about 40% of respondents) or a confirmation of the good results recorded in 2005 (about 50% of respondents).

Milan, October 6th 2006

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