

Significance of the Business Events/ Meetings/ MICE industry



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The benefits derived from Business Events extend well **beyond** tourism contribution.

Knowledge expansion

Networking, Relationship
and Collaboration

Educational Outcomes

Infrastructure Development

Investment and financial contribution to local economy

Increase skilled employment

Fund Raising and Future Research Capacity

Showcasing and Destination Reputation

Trade and Export enhancement

Raising awareness and profiling

The World's major events

2008



Bear Stearns rescues



Russia and Georgia War



Lehman Brothers bankrupt



Earthquake in China

2009



President Obama in office



Australia's bushfires



Earthquake in Italy



Swine flu outbreak

2010



Earthquake in Haiti



Iceland's volcano ash



Oil spill in Gulf of Mexico



Greece's bailout

2011



Tsunami hits Japan



Political crisis in Arab World



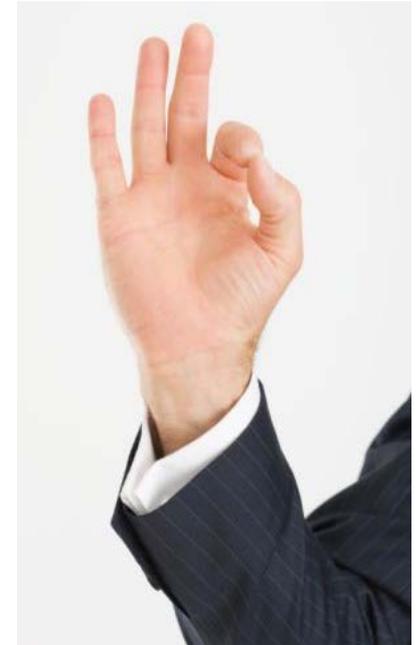
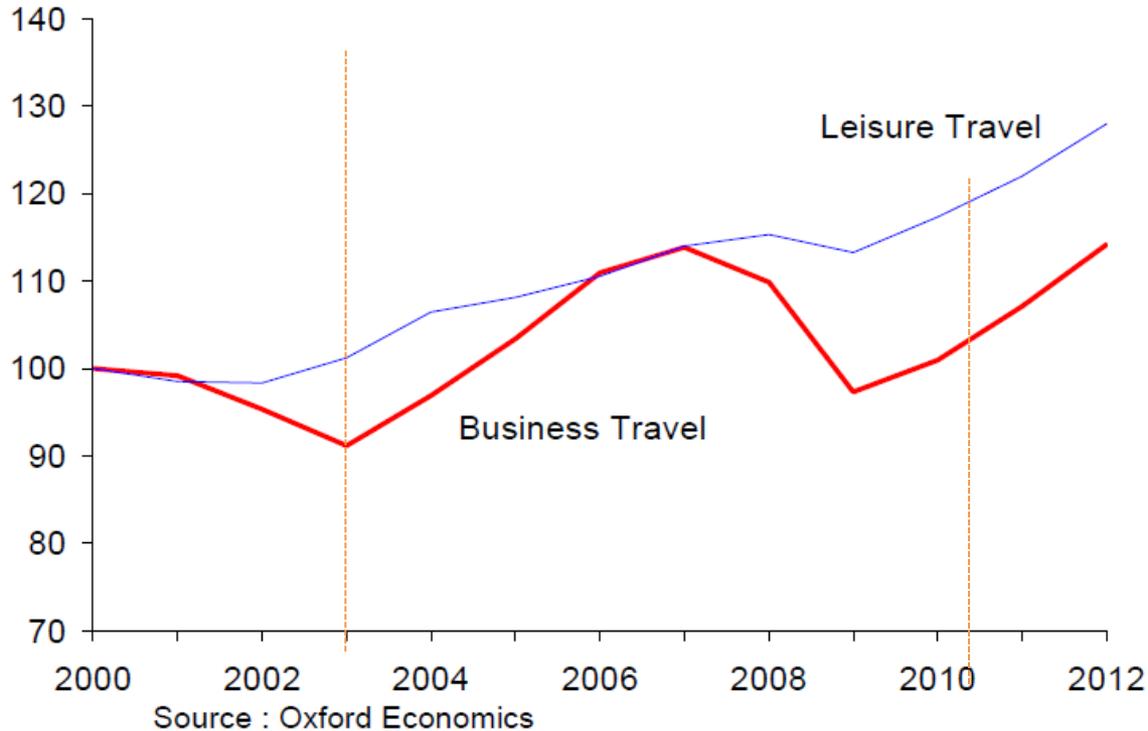
Hurricane Irene hits US



Flood in Thailand

Global Travel Spending

2000=100, inflation adjusted



Global spending on business travel is expected to continue a rise after a decline in 2009 from the global economic crisis

15 April 2011

Source: World Travel and Tourism Council: Business Travel: A Catalyst to Economic Performance

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Britain



“Major cultural events are recognised as significant drivers of national and regional performance, of physical and social regeneration and of cultural development”

Events Will Shape Britain's Future

“World class events generate business opportunities and revenue and create a global showcase for UK expertise, capabilities and skills”

Business Visits and Events are worth nearly **£25 billion** to Britain's economy.

Conferences and meetings, exhibitions and trade fairs, incentive travel programmes, outdoor events, corporate hospitality, festivals, sporting, cultural and music events spearhead the wellbeing of Britain's destinations.

The latest available data estimates that the individual segments of the events sector are worth:

- Exhibitions and trade shows - £9.3 billion
- Conferences and meetings - £7.2 billion
- Sports events - £2.3 billion
- Music events - £1.4 billion
- Incentive travel - £1.2 billion
- Festivals and cultural events - £1.1 billion
- Corporate hospitality - £1.1 billion
- Outdoor events - £1 billion

Total - £24.6 billion

“For 3 out of the 5 most important markets to Britain, business visits and events are the most valuable sectors in terms of expenditure”

In addition trade transacted at exhibitions and other business events is conservatively estimated to be worth over £100 billion.

Source: Business and Events Manifesto for Britain

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The Meetings Industry's Direct Contributions to the U.S. Economy:

1.8M corporate and business meetings, trade shows, conventions, congresses, incentive events and other meetings take place in the U.S., resulting in:

- **\$263B** in spending
- **1.7M** U.S. jobs
- **\$106B** contribution to GDP
- **\$14.3B** federal tax revenue
- **\$11.3B** state and local tax revenue
- **\$60B** in U.S. labor income

Total Economic Output of the Meetings Industry including direct spending and multiplier effects (indirect/suppliers and induced/other attendee spending):

- **\$907B** in total U.S. economic activity
- **6.3M** U.S. jobs
- **\$458B** contribution to GDP
- **\$64B** federal tax revenue
- **\$46B** state and local tax revenue
- **\$271B** in labor income

Source: the Economic Significance of Meetings to the U.S. Economy study
<http://www.conventionindustry.org/ResearchInfo/EconomicSignificanceStudy/ESSExecSummary.aspx>

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Meetings Industry Volume, Lodging and Attendees:

- 205M attendees participate in the nation's 1.8M conventions, conferences, congresses, trade shows and exhibitions, incentive events and corporate/business meetings
- Of the 1.8M meetings, 1.3M are classified as corporate or business meetings
- 85% of meetings are conducted at venues with lodging
- The 1.8M meetings generate 250M room nights/overnight stays
- Of the 205M attendees, 117M are domestic attendees who travel more than 50 miles or stay overnight, 83M travel less than 50 miles or do not stay overnight and 5M are international travelers
- Of the 205M attendees, 162M are delegates, 18M are exhibitors and 25M are others, including event organizers, staff, press, etc.

Direct Spending Breakdown:

- The meetings industry contributes \$263B in direct spending to the U.S. economy
- Of the \$263B, \$151B is meeting planning and production related
- Of the \$263B, \$113B is travel and tourism related
- The \$113B in travel and tourism spending is 16% of the \$708B Travel & Tourism sector in the U.S.
- Delegates, exhibitors and other attendees spend \$145B on attendance-related items, the majority (46%) on registration fees, accommodations (17%) and food and beverage (13%). Other industries supported include air transportation (9%), retail (3%), gasoline (3%), entertainment/recreation (3%), car rental (3%) and urban transit (1%)

Source: the Economic Significance of Meetings to the U.S. Economy study
<http://www.conventionindustry.org/ResearchInfo/EconomicSignificanceStudy/ESExecSummary.aspx>

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GDP Contributions Breakdown:

- The meetings industry's direct contributions to GDP are \$106B
- Meetings' \$106 billion contribution to the U.S. GDP is greater than, for example, auto manufacturing (\$78B), performing arts/spectator sports/museums (\$71B) and information and data processing services (\$76B)
- Combined direct, indirect and induced effects of the meeting industry to GDP total \$458B

Employment and Labor Income Breakdown:

- 1.7M U.S. jobs are directly supported by the meetings industry
- \$60B in U.S. labor income is directly generated by the meetings industry
- Direct employment contributed is more than, for example, broadcasting and telecommunications (1.3M), truck and rail transportation industries (1.5M) and computer systems design and related services (1.4M)
- Direct employment supports the meetings industry (organizers, venues), as well as tourism industries such as food and beverage, accommodation, transportation, recreation/entertainment, retail, travel services and more
- Combined direct, indirect and induced effects of the meeting industry support 6.3M U.S. jobs
- Combined direct, indirect and induced effects of the meetings industry result in \$271B in U.S. labor income

Federal and State/Local Tax Revenue Breakdown:

- \$14.3B in federal tax revenue is directly generated by the meetings industry
- Combined direct, indirect and induced effects of the meetings industry result in \$64B in federal tax revenue
- \$11.3B in state and local tax revenue is directly generated by the meetings industry
- Combined direct, indirect and induced effects of the meetings industry result in \$46B in state and local tax revenue

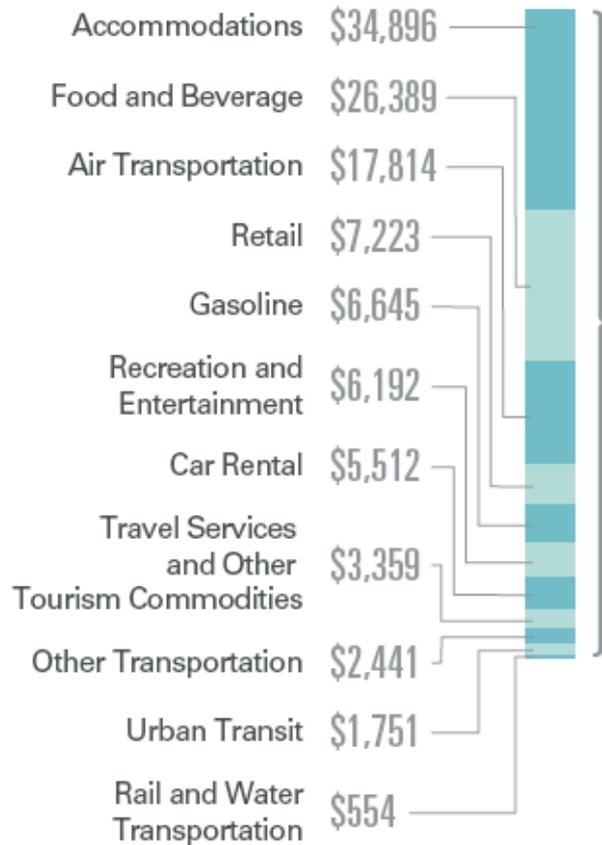
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MEETING SPENDING BEYOND TRAVEL (IN MILLIONS)

Spending on meetings extends beyond the almost \$113 billion spent on travel to include an additional \$151 billion spent on other meeting-related expenses, such as hiring meeting contractors and renting venues.

Travel & Tourism Commodities

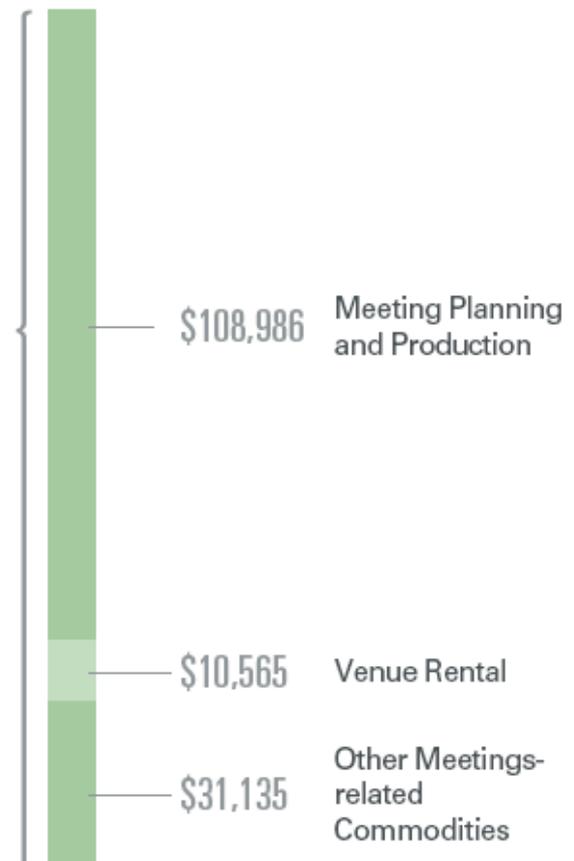


Subtotal \$112,776

Subtotal \$150,668

Total Direct Spending: \$263,444

Meetings & Other Commodities



Source: Meetingnet.com April 2011/Association Meetings

http://meetingsnet.com/associationmeetings/mag/AMApril11_BigNewsAboutMeetings.pdf

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Australia

Convention Yield

- International convention delegates spend (on average) **five to six times** that of the international leisure tourist.
- **27%** of international delegates **also bring a partner.**

Convention Delegate Dispersal

- **44%** of all international convention delegates **participate in pre or post-touring to other parts** of regional Victoria and Australia.
- **71%** of international convention delegates **indicate that they will come back** to Australia for a holiday within the next five years after the convention has been held.

Economic Impact to Victoria

- Business Events are directly responsible for **more than 22,000 jobs** in Victoria.
- Business Events generate **\$1.2 billion** annually for the Victorian economy.
- More than **192,000 room nights** were secured by MCVB in the last financial year (2009/10).
- In 2009/10, MCVB's activities attracted **in excess of 71,000 delegates** and their partners and families to Victoria, injecting **AUD\$ 269 million** into the State economy.

Source: Melbourne Convention + Visitors Bureau

<http://www.mcvb.com.au/about-mcvb/research/business-events-facts-and-figures.aspx>

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Australia

A significant economic contribution to the host destination

- Exhibitors and sponsors spend on average **\$16,238** per respondent.

A significant investment opportunities

- The host destination receives investment that range from **\$1500 to > \$10m.**

Additional realised business opportunities

- increased product exposure and awareness
 - new leads
 - improved organisational profile
 - access to target market
 - improving their brand

Source: Beyond Tourism Benefits –Measuring the social legacies of business events, 2011




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