

# Expo industry contributes 3.4% to GDP

Recent research conducted by Grant Thornton for a joint venture between the Johannesburg Tourism Company (JTC) and the Exhibition Association of South Africa (EXSA), has revealed that the South African exhibition industry contributes 3.4% to the national GDP.

The industry also sustains in total some 908 741 jobs each year, of which 335 516 are sustained by exhibition activity itself and a further 573 225 are sustained by deal/purchase activity facilitated by exhibitions.

Grant Thornton Tourism Hospitality and Leisure Consulting undertook surveys within the exhibition industry from May to September 2006 to collect data in order to conduct an analysis of the impact of the industry. Surveys were self-administered and organisers of 13 major exhibitions, 144 exhibitors and 504 exhibition attendees completed questionnaires. In addition, for qualitative purposes and cross-checking, exhibition venues were also surveyed and returns were received from five major venues.

The research assessed the size of the industry in terms of the number of exhibitors and visitors at exhibitions and the total square metres sold domestically and internationally for every exhibition. It showed that 25 917 exhibitors exhibited in 2006 with a total of 3.7 million visitors attending. The total visitor spend for major exhibitions was confirmed as R260 million by foreign visitors; R32.2 billion for domestic out-of-town visitors; and R21 billion for domestic local visitors.

## Total direct expenditure

Gillian Saunders, principal at Grant Thornton South Africa, comments, "Based on the total direct expenditure in the economy as a result of exhibition activity of R73.09 billion, we estimate that during a full year the exhibition industry contributes R156.8 billion to the national economy, of which R98.5 billion (62.8%) is from trade deals and purchases. R54.3 billion is in the wholesale and retail, catering and accommodation sector, and R4.0 billion in the transport sector, while the purchase/deal contribution is made to the general economy.

"The trip spend of attendees and exhibitors can be taken as the tourism spend associated with exhibitions. This totals R19.39 bn and represents 75% of the exhibition industry direct spend excluding deal activity and 26.5% of the total exhibition industry economic activity."

EXSA's immediate past chairperson Carol Weaving praises the South African exhibition industry, saying that the outcome of the research was a revelation and a positive indicator that the industry was prepared for the 2010 FIFA World Cup. "Our contribution to the business tourism industry is very clear, and I anticipate the industry raising the stakes and increasing these figures before 2010," Weaving says.

Weaving states that the future looked positive for the industry, with a substantial growth in exhibition activity in the Cape as well as for all venues. "Exhibition revenues represent, on average, 49% of total venue revenue," she said.

## **Growing exhibition activity**

She also adds that all venues reported growing exhibition activity with a revenue growth of 7.5% to 10% annually. She confirms too that organisers should expect growth of trade and consumer visitors as well as an increase in exhibition spend.

Eddy Khosa, CEO of the JTC, concludes, "Exhibitions are doing well to put us on the map and I think that their value is growing from strength to strength. It's important to always ask ourselves how we are influencing the national tourism agenda and I think this research expressed well how exhibitions are contributing to the business tourism as a whole".

For a research summary, go to [www.exsa.co.za](http://www.exsa.co.za) (look under "Resources"). For more information or the full research report, contact Sharon Peetz, GM of EXSA, on +27 (0)82 443 7679 or +27 (0)11 805 7272.

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