

# Solutions the MICE industry can employ to recover from the energy crisis

Statistics recently released show that economists predict 45% chance of recession for South Africa in 2023 with load shedding to continue until at least 2027. The constant high demand or urgent maintenance being performed at power stations, resulting in a jump from one stage of load shedding to the next, has had a drastic impact on many businesses - and individuals - nationwide.

Another industry heavily impacted by the energy crisis is the events and exhibitions industry, whose business operations across the entire value chain (from organisers to venues to exhibitors) have been affected.



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Devi Paulsen-Abbott, chairperson of the African Association of Exhibition Organisers (AAXO) and vice president of dmg events - together with members of AAXO - shares her observations on the effect of load shedding on the industry.

## Reduced attendance

Loadshedding has caused disruptions to electricity supply which impacts congestion on the roads, resulting in traffic build-up and, thereby, reduced delegate attendance at exhibitions and events.

On the other side of the spectrum, exhibitors need to ensure that the equipment they intend on exhibiting is able to be run off the backup power supplies from venues, which - in some instances - may mean exhibitors choose to not exhibit or reduce their presence due to the unreliability of power. The financial success of events is reliant on attendance: Both delegates and exhibitors.

## Technology

Load shedding impacts the use of technology - particularly on digital devices - which can cause delays and disruption to events (particularly if there is a delay in switching over to backup power) from mobile service signals through to Wi-Fi connection.

Mark Anderson, Portfolio Director at Specialised Exhibitions, owned by the prestigious Montgomery Group, says: "During

our trade shows, the generators that the venues supply are only suitable to power up the lights and are not suitable to run any machinery. Our exhibitors are not able to demonstrate and run their machines during load-shedding which is not only disruptive to the show, but may impact the number of deals they secure."

## **Increased costs**

Loadshedding has led to increased costs for event organisers in order to manage the disruptions - such as renting generator equipment or investing in alternative energy sources.

"We have installed a generator that runs our entire building and ensures that we are able to work effectively during load shedding. The side effect, however, is the obvious cost of additional diesel that we now pay on a daily basis to keep the generator running," says Anderson.

Charles Wilson, CEO of the Gallagher Convention Centre adds: "As much as having full power generation back-up for the Gallagher Convention Centre is an advantage, it does however have a devastating effect on the cost of not only running the venue, but also for our event organisers. The unfortunate reality is that no venue can absorb the cost of diesel as well as the increased maintenance costs and we begrudgingly must pass some of the diesel costs on to the event organiser. It goes without saying that the entire situation has made doing business much more expensive.

## **Safety**

Loadshedding can cause safety issues, such as the risk of fire or electrocution, and may cause delays in emergency services responding to events.

Event and exhibition organisers are legislated by health and safety requirements as stipulated by two sets of guidelines and legislations: Safety at Sports and Recreational Events Act 2010 and Regulations 2017; and local city events by-laws (Joint Operating Committee). Whilst no changes have been made yet to these to increase safety measures, discussions need to be had with venues, suppliers and health and safety managers on site to mitigate the additional risks posed.

## **Negative publicity**

The exhibition and events industry is striving to promote Brand South Africa as a world-class destination for business tourism.

Organisers are focusing their efforts on attracting international visitors and exhibitors to their events, to drive inbound investment to the local economy; however, ongoing challenges such as concerns around safety, xenophobic attacks, lockdown restrictions, droughts, and load shedding – and the world's perception of the country off the back of this publicity – has an impact on international visitors looking to do business in South Africa.

In spite of these challenges, the industry is doing its best to promote and market South Africa as a destination of choice for

international events and will continue to thrive and be an important contributor to the economy.

"It is difficult to make predictions, particularly in South Africa. However, given the industry's proven resilience over the past few years, I am certain we will continue to be adaptive and innovative in finding creative ways to overcome issues like load shedding. While we know that our venues are making substantial investments in reliable backup systems, organisers should be proactively exploring, encouraging, educating, and engaging suppliers, attendees, exhibitors, and stakeholders in the use of energy-efficient products, other technologies and best practices in the reduction of energy consumption," says Devi Paulsen-Abbott, chairperson of AAXO.

She continues: "AAXO is determined to ensure that we do not accept 200 days of load shedding, as experienced in 2022, as 'normal'. We must lobby our leaders for an urgent resolution to this issue and, in the meantime, take proactive steps to reduce our energy consumption. By doing this, we can ensure that our industry is adaptive and innovative in finding creative solutions to overcome the challenges we face as a collective."

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