



# SUMMARY REPORT ON THE 10<sup>TH</sup> IMEX POLITICIANS FORUM

Hotel Villa Kennedy, Frankfurt

Tuesday 22<sup>nd</sup> May 2012



**The 10th IMEX Politicians Forum took the 'knowledge economy' as its principal theme, aiming to show how meetings and business events contribute to the development of the knowledge-based economies which have become central to the prosperity and future growth of many nations and cities.**

*The Politicians Forum is part of the IMEX Vision programme. It is held under the auspices of the Joint Meetings Industry Council (JMIC) whose membership comprises the leading international meetings industry associations and organised by IMEX in collaboration with European Cities Marketing (ECM), a pan-European network of tourist offices and convention bureaux, and the International Association of Congress Centres (AIPC). It is supported by the German Convention Bureau, the Frankfurt Convention Bureau, Messe Frankfurt, International Meetings Review, Brähler and Sixt.*

## **ATTENDING**

80 meetings and events industry leaders from all over the world plus 36 politicians and government officials took part in the Forum. Politicians and government officials attended from 16 countries - the largest number to date: Australia, Belgium, Bulgaria, Canada, Denmark, France, Iceland, Italy, Japan, Mexico, Poland, Saudi Arabia, Slovenia, South Africa, Sweden and the UK.

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## THE FORUM – OPENING SESSION

### 1. OPENING REMARKS

**Michael Hirst, OBE, Chairman, UK Business Visits & Events Partnership, Vice Chairman and a director of The Tourism Alliance moderated the morning session.**

Hirst made several points, starting with: “They say a week in politics is a long time. Well, I can tell you that 10 years is even more frenetic and heroic when it comes to stating the meetings industry’s case for greater recognition of the contribution the industry makes, not only to enrich the tourism economy but its vital role in generating employment, developing trade, driving exports, staging creative enterprise, spreading knowledge, stimulating culture, regenerating cities and nurturing local communities.”

He explained the aim of the forum and also expressed concerns at the attitude of several governments now adopting policies that directly damage the meetings industry – such as taxes on travel and reductions in spending on meetings. He also mentioned a return to negative sentiment in the United States.

**Rod Cameron, President, Criterion Communications Inc, Vancouver, Canada, and Executive Director, Development, International Association of Convention Centres (AIPC) also addressed the audience.**

Cameron focused on convention centres as one of the most important interfaces between the meetings industry and governments.

He said: “There’s now a shift to what is referred to as the ‘knowledge economy’ - or ‘knowledge-based economy’ - and the implications of this are clearly that the jobs for tomorrow and the skills for those jobs are not the jobs of yesterday and not the jobs that anyone could expect to come out of the economic transition we’re going through now.”

He concluded: “The key for us is to be able to develop flexibility and the understanding of how the business community and business needs are evolving to allow us to react in future. The understanding and support – and the investment – by governments of what we do and, more specifically, how what we do relates to the economic growth and development of the whole of the professional spectrum, is essential.”

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### 2. THE STORY OF SAN DIEGO’S SUCCESS

**Speakers: Carol Wallace, president and CEO, and Steven Johnson, VP Public Affairs, San Diego Convention Center, USA.**

These two speakers presented a case study on how, with the strong support of the mayor and other community stakeholders, business events in the convention centre helped transform San Diego. The convention centre is now set for its third expansion since it opened in 1989.

Wallace said that 25 years ago San Diego was known as a small Navy town with a red light district and today it’s one of the USA’s top tourism and business events destinations. She explained that the convention centre is a public

corporation that partners with private industry and is overseen by many private partners and by the board, but its biggest champion since it was built is the mayor, Jerry Sanders, a former chief of police.

As Sanders was unable to be present, she showed video clips from the recent AIPC convention in San Diego, where he addressed the delegates. He hoped they would be inspired by the city's reborn bayside downtown. "Everything you see is partially because of the convention centre. But even with the size we have now, we still turn away a year's worth of business every year and are expanding in order to keep the largest conventions that are most lucrative to the economy." The centre has generated close to 20 billion dollars in economic impact since 1989 and generates a tremendous amount of sales tax revenue but it also supports jobs for about 12,000 people.

Steven Johnson then described how San Diego's evolution as a top meetings destination parallels a similar dynamic in another part of the city's economy, its emergence as a home to the biotech industry and other innovation in research knowledge economies. "The synergy between the meetings we have at our facility and other dynamic sectors are a shared growth."

San Diego has seen significant growth in life sciences and research, generating many jobs for locals and attracting business, education and research institutes. It has also emerged over the past 20 years to be one of the world's largest clusters of biotechnology centres. "Since our opening, biotech has grown from two small start-up companies to an industry supporting about 40,000 San Diegans and contributing 10 billion dollars to the local economy," said Johnson.

He concluded: "Our goal is to expand the centre by another third and add a rooftop venue where we can host outdoor events. We're hoping to make the venue attractive not only to visitors but also the residents who have moved into downtown now that it's safe and full of amenities. They also need more parks and open spaces and hopefully this expansion will make it a better destination both for visitors and residents alike."

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### **3. HOW CAN POLITICIANS ATTRACT MORE CONGRESSES?**

#### **Speaker: Isabel Bardin, CEO, European Society of Cardiology (ESC)**

The ESC is a professional association, staging the world's largest annual conference on the science, management and prevention of cardiovascular disease (CDV). There are currently 73,000 members and cardiology is a very wide title for what has become 19 working groups, five sub-specialities and five councils, all of which generate congresses.

The average congress attendance is 30,000 participants. At the last congress in Paris, for example, they had 10,000 abstracts, 463 sessions needing 34 simultaneous rooms which had to be built, attendees from 150 countries and 150 exhibitors. "So when we go somewhere for five days with that number of people, plus all the onsite staff, we're talking about 40,000 people – the same size as a midsize town! This has a lot of logistical implications: more than 100,000 hotel nights, 10,000 delegates per hour in local transport, 36,000 meals...

"What I want to know is how many doctors came and how many patients are going to be impacted by what was said and done at the congress. For me, the legacy is not the economic impact on the city. It's how many people are going to be able to benefit from the innovative treatments we're presenting, the clinical trials being given out, the poster

sessions and the exchange between doctors and the healthcare industry. There is no innovation without that sort of meeting happening. Congresses are the most efficient media for research and development that has ever been found and that is what is important for us," said Bardinet.

She suggested this was one of the reasons why convention centres are not built by private enterprise. "They can't be. If we go there, we're not public-private enterprise. We're completely public, public healthcare in particular. So you, the politicians, have the issues and they're not just the tourism or filling convention centres. You are responsible for the people who elected you and you have the power to address these problems. We have the solutions and you are the link which can facilitate such meetings. So you need to identify these areas where people need to meet and encourage them to come. The ball is in your court."

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#### **4. USING A DESTINATION BRAND AS A VEHICLE FOR INTERNATIONAL DEVELOPMENT**

**Speaker: Stéphane Delaux, vice president of France Congrès and deputy mayor of Bordeaux.**

Delaux explained the role that a federation of elected officials can play at national level and how it contributes to positioning the business events industry as an engine for international development.

France Congrès, a non-profit organisation, was created in 1965 by 10 cities which opened a central office in Paris to provide documentation and advice to conference organisers in companies, federations, associations and trade unions. Now, after 45 years, France Congrès comprises 54 members and is a unique organisation in France for disseminating information.

Said Delaux: "Our activity falls into two main parts. First, lobbying - one of our most important objectives is to position our industry in the national economic and social landscape over the long-term. Currently, for example, we are working on developing strategic partnerships between main the competitive clusters and our sector. The second activity is promoting the services of our members directly to the French market and on the international scene through collaboration with Atout France (the France Tourism Development Agency)."

The total economic impact for the country is estimated at 5.8 billion euros from exhibitions and 3.2 billion euros from meetings.

Wearing his other hat as deputy mayor of Bordeaux, Delaux described the remarkable transformation the city had been through in the past 15 years, thanks to an ambitious urban project focused on public transport and public buildings. This led to its listing as a UNESCO World Heritage Site in 2007 and reinforced the power of the Bordeaux brand known world-wide for the quality of its wine - demand has risen not only in traditional markets but particularly in Asia.

The city has risen in rankings for the hosting of fairs, trade shows and international conferences and this will continue, judging by the impressive list of international congresses it will host up to 2016.

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#### **5. THE FORUM – PART 2**

IMEX chairman Ray Bloom welcomed all the delegates invited to the second session of the Forum in Villa Kennedy, the first Rocco Forte hotel in Frankfurt.

Further opening remarks came from the three meetings industry associations which support the Politicians Forum. Philippe Fournier, president of the Joint Meetings Industry Council (JMIC), Dieter Hardt-Stremayr, president of European Cities Marketing (ECM) and Geoff Donaghy, vice president of the International Association of Congress Centres (AIPC), all briefly outlined the purpose and make-up of these associations and how important it was to have productive interactions with the invited government representatives.

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## 6. RESTRICTIVE LABOUR LEGISLATION AND THE HOTEL SECTOR

### **Speaker: Sir Rocco Forte, chairman, The Rocco Forte Hotels Group**

As first guest speaker and host for the afternoon, Sir Rocco took full advantage of the chance to address the politicians, particularly those from Europe, by throwing down the gauntlet on the damage inflicted by overly restrictive employment regulations on small and medium-size companies and entrepreneurial business such as the hotel industry. He backed his argument by summarising the situation in several of the countries where he has hotels, as some have freer labour laws than others.

“Nothing is happening to improve the supply side and make it easier for companies to take on workers. Who wants to take on employees if they then become permanent and costly if the economy does not improve? With staff in hotels being so central to the product, my closeness to the business shows me at first hand the direct effect restrictive labour legislation has and sometimes I despair! Comprehensive structure reforms should be taken in all countries with high unemployment and it is necessary to deal with the many labour market rigidities, such as high minimum wages, generous unemployment insurance schemes, high firing costs, non competitive wage-setting mechanisms and severe tax distortion.”

He also talked about the financial crisis and the deficits with which governments are struggling today. “The bankers had some fault but the real culprits were the politicians who ran loose monetary and fiscal policy simultaneously. The euro further exacerbated the situation for southern European countries. We have a monumental hangover and it is not one which will be resolved overnight.”

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## 7. REAPING THE REWARDS OF JOINED-UP POLITICAL THINKING

### **Speaker: Rohit Talwar, global futurist and founder of Fast Future Research**

Talwar had a specific purpose, to reiterate and emphasise the vital contribution that the business events industry makes to a successful knowledge economy. And he began with a very positive message. “There’s a risk in a forum like this of telling the politicians they’re doing the wrong things. Actually, in a lot of cities there’s a lot going on that’s right. The extra 10 per cent is how you join up the good things that are happening and leverage them to really drive the development of the knowledge economy.”

In highlighting the advisory role the meetings industry has to play, he said that business events are a 'force multiplier', providing the fuel to drive other things being done to build the knowledge economy and drive business revenues, job creation and economic growth. For example, London & Partners has been able to create some joined-up thinking between the business events sector and the inward investment community and recently attracted a big international conference with a team that included diplomats, financiers, investment people and some industries who saw that hosting the event would bring a number of government heads together and persuade others to come at the same time. They could then create sub-events and maximise the benefits for the city in a way none of them could have done with their individual activities.

He cited numerous other examples in detail: Eindhoven, the Netherlands, Turkey, Houston and Abu Dhabi.

He also explained that large events – IMEX for example – encourage the delivery and take-up of sustainable practices and he cited the example of Malmö, Sweden, which was in industrial decline in the 1990s. It deliberately set about a transformation programme to create a green sustainable city and extend its education facilities. The third prong of the strategy was to bring green and education together by holding events that introduced new and sustainable practices. He said such strong sustainable local coordination doesn't happen overnight but 'nudge' is a very powerful strategy.

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## **8. HOW GERMANY EMBRACES A BUSINESS CLUSTERS STRATEGY TO CREATE A KNOWLEDGE ECONOMY**

**Speakers: Matthias Schultze, managing director, German Convention Bureau (GCB); Dr Stefan Walter, general manager of the House of Logistics and Mobility (HOLM), Frankfurt; Jutta Weisbrod, director, Frankfurt Convention Bureau**

Schultz kicked off this session by talking a little about the history and make-up of the GCB – it has 500 members across the country – and its success in the meetings market. Last year, he said, 2.69 million events were held in 6,414 facilities, 323 million people participated in those events, contributing 66 billion euros to the economy. "So you can see how important meetings are for our industry, our science, our economy and entire society," he said. "Without meetings Germany wouldn't work."

He went on to describe the 'German quality triangle', the three important criteria which need to be fulfilled from the bureau's point of view: value for money, an excellent infrastructure and, most importantly, economic and scientific expertise. The bureau had just that day published the results of a survey it had conducted among 12,000 meeting planners, both German and international, and the majority had said that networking by meeting planners with local industry expertise is becoming increasingly important. As a result, the GCB has developed a strategy on certain key industries, particularly those where Germany and the USA have close relations but also those relevant to other key markets such as the UK, Russia, Brazil and China.

Stefan Walter then took over to explain how the cluster idea translates to logistics and mobility and why it should have some events, networks and knowledge infrastructure of its own. "We started with this four and a half years ago. We wanted to combine economic development, technological advancement, research and development and regional development and there is nothing better than having a fair or a conference here, networks where people meet

together, because personally I don't believe in management by Blackberry. I think we should be meeting and having cups of coffee together and this is our DNA."

He believes we will live in a different world after the financial crisis and there will be fewer globally connected logistics hubs than has been suggested by HOLM's equivalents in Dubai Logistics City, probably 12 to 15 globally and a maximum of two in Europe. But he said the metropolitan region Frankfurt-Rhine Main is in pole position as investments in capacities of knowledge infrastructure raise its competitiveness

"We think HOLM should be copied worldwide," said Walter. "We're happy to have some international relations and are talking to friends in Singapore, Moscow, Sal Paulo and others. We want to double our regional traffic capabilities and put them in a national network linked internationally."

Weisbrod stepped in to say they did not win the congress but had made the shortlist. "Nevertheless, for us this was an experience, a success story, because we had a great new way of working with HOLM, with Messe Frankfurt, with political representatives and also with experts, such as transportation companies, concerning the content. With the cluster still somewhat at the beginning, we have succeeded in securing smaller meetings and events and they are growing and becoming more international. So we wanted to use this as an example of the way our destination has worked collectively to introduce this cluster strategy."

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## 9. HOW MEXICO IS GROWING AND FACILITATING INTERNATIONAL MEETINGS

**Speaker: Secretary Gloria Guevara Manzo, State Secretary of Tourism, Mexico, and member of President Calderon's cabinet**

Mexico is a country of 112 million people whose average age is 29. One of the world's top 15 economies, Mexico enjoys the highest international trade of any Latin American country and, according to the World Bank index, is the easiest country in the region in which to do business. The key industries are tourism, automotive, aerospace and renewable energy. Of 190 million tourists last year, almost 23 million were international travellers.

Secretary Gloria Guevara Manzo explained that infrastructure is key and that the government was investing close to five per cent of the GDP in roads, railways, ports, airports, urban development, signage and training. The private sector has also been investing in 18 billion dollars worth of amenities such as golf courses and hotels. Tourism is now a national priority and Mexico's goal is to be one of the world's top five destinations by 2018. "And, just last year, after months of work, we were able to put together our National Agreement for Tourism. At the end of the day it's a business plan for 101 actions, every one with a name and a date it is to be accomplished." Essentially, she explained, the plan has 10 strategic key initiatives, one of which is for regulatory changes in favour of the travel industry.

A study of the meetings industry by PWC last year revealed that it contributes 1.43 per cent of Mexico's GDP and represented 18 per cent of the total travel and tourism demand. Meetings generate 441,300 direct jobs and 342,400 indirect jobs which are crucial for the country's workforce. It is currently 20<sup>th</sup> in the international congress rankings published by ICCA (International Congress & Convention Association) and aims to climb higher. Consequently, ministries such as health, labour and economy have become actively involved in bidding for international congresses.

New visa initiatives are being introduced. There are also exclusive airport express lanes for big congresses at Immigration and Customs and a dedicated meetings department inside the Immigration Agency.

So what next for Mexico? "We are working on new conventions centres, two of them opening this year. We are expanding the tourism board offices in Russia and China and opening a new office for the meetings industry in Belgium. We are also strengthening the awareness of professional meetings industry certification among meeting suppliers. All this is viable but I would like to say that the best asset we have, as those who've visited us already know, is our people. We have a 98 per cent repeat visitor rate," stated Calderon.

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## **10. BUSINESS EVENTS – A RESOURCE TO ACHIEVE GOVERNMENT OBJECTIVES**

**Speakers: Lyn Lewis-Smith, CEO, Business Events Sydney (BE Sydney); The Honourable Nick Greiner, AC, former New South Wales Premier and current chair of Infrastructure New South Wales**

The previous year, Lyn Lewis-Smith had presented the first phase of BTB research commissioned by BE Sydney in 2010. This time she was there with the top-line results of the second phase of the research, conducted last year again by the University of Technology, Sydney (UTS).

First she reported that already the research had contributed to the business case put up by the NSW government to build Australia's first integrated international convention, exhibition and entertainment precinct. The site of the present convention centre at Darling Harbour will be redeveloped over a three-year period, due for completion in late 2016. The A\$1.2 billion, 20 hectare project is expected to bring economic benefit to NSW of over A\$1 billion over five years - a powerful argument for such infrastructure investment.

Researchers took five international conferences across different industry sectors held in Sydney over a three-year period and interviewed delegates, both researchers and practitioners, the sponsors and the exhibitors. "So we actually looked back to find out what the future provides as results from these events," Lewis-Smith explained. "They produced an extensive range of benefits and outcomes, leaving legacies in five areas, namely intrinsic, practice, social, economic and attitudinal. This means, put simply, that business events deliver multi-faceted benefits to industries, economies and communities."

Lewis-Smith said that, since conducting the research and the election of the current new government in March last year, they had seen a marked change in how business events are viewed in NSW and were experiencing new levels of engagement by ministers and government departments.

The Hon Nick Greiner said he could only speak from a government and private sector perspective which may challenge some of the conventional wisdom already discussed at the Forum. He was NSW premier in 1988 when the Sydney Convention & Exhibition Centre opened and would be chair of Infrastructure NSW when it is demolished next year, but couldn't say if he would still be in that job when the new precinct opens.

"Our approach is to drive this as part of the economic strategy of the state," he emphasised. "Of course, it has a large and relevant input from the tourism and meetings industries but we're starting at the other end, if you like, from what is right and integral from the point of view of the new government. Tourism and the meetings industry need to be

positioned as something that is core to the NSW government's strategy, in other words that is primarily an economic activity rather than starting with the tourism perspective."

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## **11. ATTRACTING MORE BUSINESS EVENTS – THE POWER OF PARTNERSHIP**

- **Speakers: Kevin Murphy, CEO, ExCeL London International Convention Centre**
- **Nick de Bois MP, chair, All Party Parliamentary Group for Events, UK**

Murphy explained that the UK operates a very different economic model from most of its competitors in that facilities such as ExCeL are privately owned assets. "So for us working in partnership with local government is key to ensuring that the overall package we offer is competitive."

He reported that the value of Britain's events sector is £36.1 billion, the vast majority from conferences, meetings and exhibitions. The projection for 2020 is £41 billion. Events generate 25 per cent of all overseas visits and 28 per cent of all inbound tourism earnings. Business visitors spend on average £131 per day, 72 per cent more than the amount spent by leisure visitors.

Against this backdrop, there is more investment, both private and public. He mentioned the £165 million ExCeL extension completed in 2010 – another £45 million is to be invested in developing another hotel on the site. In the case of the phase two extension of ExCeL, he said that mayoral support had to be secured when the project started. "It was, if you like, London ICC pitching to the mayor. This is private investment but what we need is city support so that we can compete globally with other cities that are joined up."

He admitted that the UK is still playing catch-up but the private sector's message to government is quite simple: "We're not asking for money. We understand the current conditions. We know we're not going to see a subvention pot as a country. We are simply asking you to support our bids and get ministers involved – if we're pitching for a medical congress, the health minister and mayor should be writing letters of support. The prime minister should be supporting these bids."

Although now an MP, Nick de Bois had run his own events company for 25 years and understands the challenges and opportunities of working together with government. "The meetings industry has to engage with government to achieve some of the goals that Kevin outlined and I hope the government will see that there is support for both the social and economic policies and of course for meeting the growth agenda. As Isabel Bardinnet of the European Society of Cardiology outlined, we should think bigger than just the economic benefits and conventions and meetings do just that, particularly in health. So by working in partnership we actually have the opportunity of delivering the results."

In conclusion, he recognised that Britain has a long way to go compared with some countries represented at the Forum. "But we have learnt from you and I hope you will be willing to learn from us because I think that, ultimately, we are all working to the same purpose and that is to promote and drive not just the events industry but the growth agenda for all our countries in these difficult and challenging times."

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## 12. OPEN FORUM – FINAL SESSION

There followed an open forum with questions from the floor and further discussion from the day's speakers.

Among the day's concluding remarks, Bordeaux's Stefan Delaux summed up: "The Forum has changed since I first attended five years ago so I congratulate IMEX for that, but congress solutions are not the same as then. There is a crisis and the meetings industry is - for most of us - a response to that economic crisis. I think we have observed today a better comprehension between professionals and politicians."

***The next IMEX in Frankfurt Politicians Forum will take place on May 21<sup>st</sup> 2013.***

<http://www.imex-frankfurt.com/politforum.html>

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