

Asia grows as hotspot for exhibition M&A

Lee Pei Qi, Singapore, July 25, 2013

MERGERS and acquisitions (M&A) activities are intensifying in Asia as more international exhibition organisers are drawn to the region in search of growth opportunities, with the number of such transactions rising from 42 in 2010 to 74 last year.

Steve Monnington, managing director of Mayfield Media Strategies, who presented the data at the Singapore MICE Forum on July 18, said the transactions were primarily for B2B exhibitions and valued under US\$10 million.

Monnington identified Asia as the next hotspot for M&A in the exhibitions sphere, adding that China led the trend with nine transactions while India, Malaysia and Indonesia had five, four and three respectively in 2012.

Attributing this trend to the weak European economy, Monnington said: "International companies with exhibitions in mature economies have found it difficult to maintain growth in Europe due to the Eurozone crisis, hence the focus now on new markets with higher GDP growth."

While China continues to draw great interest from exhibition organisers, Monnington said countries in South-east Asia would be the ones to watch, especially Indonesia due to its 240 million population and "many new venues that are coming up and transforming the business".

UBM Asia has performed many transactions in South-east Asia in recent years, acquiring in 2011 trade shows related to water, livestock, energy, and mechanical/electrical industries in Malaysia, Vietnam and the Philippines from AMB Exhibitions. Last February, it acquired the Malaysian International Furniture Fair and became the largest exhibition organiser in Malaysia.

Muthiah Gandhi, managing director of UBM Asia, said: "Acquisitions are extremely important when you are entering a new market especially in an Asian country because you do not want to be seen as being too aggressive, so you partner instead of compete with the local brands.

He expects the formation of the ASEAN Economic Community, set for 2015, to bring greater growth potential due to closer integration between countries.

Reed Exhibitions is also keen on South-east Asia, according to Paul Lee, vice president, marketing & business development. It announced a joint venture with Panorama Group to establish Reed Panorama Exhibitions in Indonesia last June.

While there are concerns that these international players may eventually take over local companies, Monnington said more parties were taking on "equitable partnerships" today.