

Turkey's changing landscape

Hardly any country in Europe has seen such an expansion in the trade fair sector in the last decade as Turkey, says Messe Frankfurt Istanbul's Aleksandar Medjedovic.

UFI delegates no doubt drew their own conclusions for their 75th Congress recently.



Turkey has it all whether for business or pleasure

From leisure to business

Turkey is a leisure tourism world powerhouse that is now pushing on into the business tourism and exhibitions market, even though the international trade fair tradition only dates back in any serious form to the 1980s.

The first international fair was actually held in 1923 in Izmir and was soon approved by UFI.

Despite this early start, the trade fair market in Turkey only started to modernise from 1993, with the construction of the first purpose-built exhibition centre in Istanbul.

Messe Frankfurt Istanbul's Aleksandar Medjedovic supports his claim of Turkish leadership in terms of European expansion, with figures:

"When I arrived in Turkey in 1998, I counted 60 organisers and 300 fairs all over Turkey.

Now, 10 years later, there are far more than 200 organisers and close to 1,000 fairs, a tripling in numbers."

Recent terror acts don't seem to have dented the economy, and with a young and ambitious workforce (more than half of Turkey's population of 70 million is under 25) Turkey is even bucking the trend in the turmoil that has been hitting the global financial markets.

Perhaps the greatest challenge for the country's exhibition industry is to keep up with the growth in the economy.

There are still a number of trade fairs that need to be organised in Turkey, representing gaps in the market.

EuroAsian exhibition space

Turkey has 21 purpose-built exhibition centres located in 16 cities, with just under 400,000 square metres of indoor space and an outdoor space of 312,300 square metres. This compares with just eight exhibition centres seven years ago they were located in just six cities and with a total capacity of less than half that of today.

In 2000 the Turkish government started to subsidise the construction of new exhibition venues and it led to a mini boom in the amount of available exhibition space.

Before 1993, trade fairs in Turkey were held in hotels, warehouses and sporting halls. Today, only 14 per cent are held in this type of premises, with 86 per cent are held in purpose-built exhibition centres.

Medjedovic warns that the full exhibition capacity in Turkey "is difficult to state precisely, as venue owners do not use a uniform method of statistics and often mix net, gross, outdoor and indoor figures, and also sometimes include office space and parking facilities into the general figure".

Other large Turkish cities with population figures above one million (Bursa, Ankara, Antalya, Gaziantep, Adana, Trabzon, Konya, Kayseri) muster about 170,000 square metres of indoor space altogether, Medjedovic believes.

He also says there is an overcapacity in Turkey, in particular in the off-season and in secondary cities on the Asian side of the country. "On the other hand, there is a shortage of space in the peak seasons like May and September to November, when the trade fair calendar in particular, in Istanbul, has joined the European timing of fairs."

The majority of fairs are still mainly held in Istanbul and general manager of HKF Trade Fairs and host of the 75th UFI Congress, Bekir Cakici, says new venues are urgently needed, "particularly on the European side of the city".

Medjedovic says there is no other other Turkish city to challenge Istanbul. "Antalya has been eyeing some fairs from tourism-related industries (hotel equipment, food, construction), so far with limited success, and Izmir used to host the traditional Izmir International Fair, which has faded in importance. Other cities, although having hosted some fairs mainly in the investment goods and construction sectors recently, are in a secondary league."

HKF Trade Fairs organises a small portfolio of high profile international trade fairs, including Busworld

Turkey; Viv Turkey (poultry technologies); Animalia Istanbul (livestock and cattle breeding technologies) and Foteg Istanbul (food technologies). All are international UFI approved events. Animalia and Foteg are both HKF creations, while Busworld is a partnership with the Belgian Busworld Kortrijk and Viv Turkey licensed from VNU Exhibitions, Netherlands. These HKF fairs are growing at 15-20 per cent per edition, according to Bekir Cakici.

He says the UFI Congress could be a catalyst for Turkish exhibition companies and venues to raise their game to international standards.

Cakici believes that the importance of the industry to the economy is recognised by Turkey's politicians and points out that the Turkish Association of Chambers of Commerce certainly has an important say in how the industry will develop.

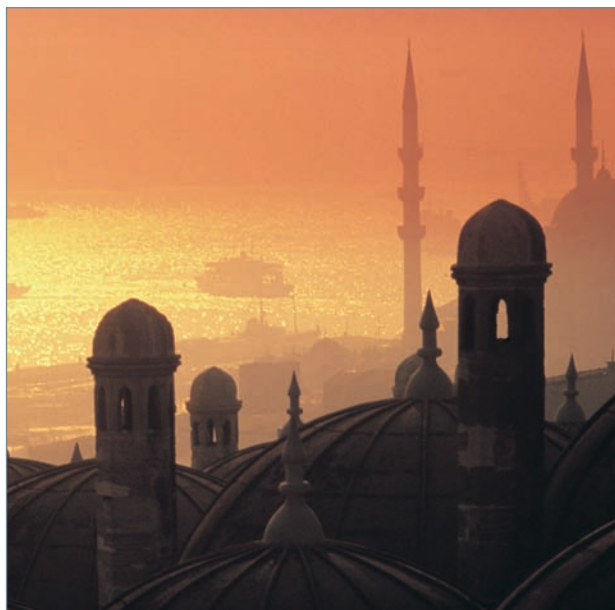
He believes the most important move for the industry would be "an organised expansion of new venues in Istanbul to match the growth of the industry".

HKF figures claim three-quarters of Turkey's total exhibition indoor space, 308,600 square metres, is in Istanbul alone, spread over the city's five purpose-built centres.

Antalya comes second with 70,000 square metres across two centres and Izmir third with 32,750 square metres of the total area at its one centre. Interestingly, Ankara, the capital, has only one purpose built centre.

By the end of 2008, HKF projected that 474 major trade fairs will have been organised in Turkey, 210 of them organised in Istanbul (44.3 per cent), 43 in Ankara (9 per cent), 37 in Izmir (7.8 per cent) and 26 in Antalya (5.4 per cent).

HKF also gives statistics on organisers: "Of the 159 registered fair organisers in the country, 96 are based in Istanbul, 23 in Ankara, seven in Izmir and eight in Antalya.



Turkey's changing landscape hosts a variety of beauty



Demand for space and events has increased as standards rise

Cakici also notes that there are gaps in the trade fair calendar that need to be filled in many industry sectors: "The country's increasing economical results need to be represented in the spectrum of fairs. That is the challenge."

A significant trend Medjedovic believes, is the consolidation process of fairs in industries that had multiple fairs for one and the same theme. "In Turkey, launching fairs with the same themes against each other is rather popular. In the last few years, however, several industries have refused to accept this and concentrated their support efforts on one key event rather than being pulled between numerous events."

Main players

CNR and Tuyap hold a major market advantage, being both venue operators of the largest two exhibition centres in Turkey and by being trade fair organisers as well.

Tuyap owns outright the 60,000 square metre Tuyap Fairground and is the leaseholder of Halls 1-8 (total 80,000 square metres indoor) at Istanbul Expo Center. The facility boasts 11 halls in all and is jointly owned by the Municipality and the Istanbul Chamber of Commerce.

Since CNR and Tuyap both effectively 'own' their venues, they don't have the high rental expenses of other organisers, and since their staff are actually on site, they both have the ambition to organise as many fairs as possible.

And the two major venues do compete: the Istanbul Fashion Fair, a very large exhibition, was for many years organised by Tuyap, but, says Cakici, is now organised by CNR because the related trade associations switched their support to CNR.

Cakici adds that in Turkey imitation is very much part of the exhibition industry. "If someone sees a successful fair, they will try to copy it. That is why we have to



East meets west in Turkey as exhibition venue popularity increases

continually strive to maintain and increase the quality of our brands.

Because of the relative immaturity of the exhibition industry in Turkey, there is often a 'big fish eats the small one' and 'dog eats dog' attitude. It will take some time before they realise how counter-productive this mentality is for the industry."

"Our greatest weakness is that Turkey as a country, as a 'product', is not as popular as, for instance, the BRIC countries are," says Cakici.

"Therefore we must work extra hard to capture interest from overseas. But when they come once, they continue coming."

The Union of Chambers and Commodity Exchanges of Turkey licenses both organisers and trade fairs and sets certain regulations such as minimum capital assets for organisers and, since 2006, this tightening has resulted in some weaker fairs and organisers falling by the wayside.

Messe Hannover was the first major foreign exhibition player to invest in a joint-venture in 1996, followed by ITE (UK) in 1999, Messe Frankfurt (Germany) and VNU (The Netherlands) in 2002.

More exhibition training and know-how is still needed and local, small and medium-sized companies still need to understand the value of the exhibition medium as a powerful marketing, sales and communication tool, Cakici believes. However he also points to the flexibility and multi-skilling of the Turkish in the workforce as strong suits.

Mayfield Media's Steve Monnington has been involved in the Turkish exhibition market for many years and believes there is significant interest in Turkey from international organisers.

"For many years Turkey has been shunned by most of the international companies. Now Turkey has high GDP growth and an emerging affluent middle class which fuels demands right across the board. It has the right set

of characteristics for international companies to come into the market – enough venue space, strong market leading events and a number of entrepreneurial companies running them.

"Because of this, Turkey has grabbed the attention of most of the international organisers and they are looking closely at the best way to enter the market."

Monnington's company works as acquisition brokers for the exhibition sector and, in particular, local entrepreneurs, helping them sell their businesses to the larger international organisers.

"In the year 2000 we sold 50 per cent of CNR exhibitions to ITE as their entry into Turkey. Now, with the increased level of interest, we are representing a number of companies with international market leading events."

Monnington says those events that have grown successfully have set their prices at a sensible level and have made sure that they have long term association support.

"We expect the exhibition landscape in Turkey to change significantly over the next two years with more international organisers entering the market and partnering with local organisers. This will inevitably increase the pressure on those shows that remain independent and their challenge will be to ensure that they can compete effectively with organisers that will have a stronger international reach."

Turkish E Trade Fairs (EUF A. S.) has been active on the market since 1999 in Istanbul, organising Optics, Stationery & Office and Ankomak (construction machinery) exhibitions which are the unique and oldest events in their sectors in Turkey.

The company has also facilitated more than 700 Turkish companies each year to participate in the most important exhibitions in Russia and CIS countries.

And looking to the future, Medjedovic says several organisers are aiming to create large industry-leading events in Istanbul, taking the example of the German, French or Italian fair cities. "The other objective for the future for many organisers is to attract more visitors and buyers from the former Soviet Republic and the Middle East, with the ultimate goal to establish Istanbul as a regional fair centre".

Medjedovic believes the greatest challenge to the industry is the economic situation.

"Although it is stable since the current government came to power in 2003, it is still volatile enough to force cuts in marketing budgets at the slightest changes in the financial and currency issues of the country. Fair organisers have been having a hard time to make large investments under such conditions. The other challenge is price-dumping, something that needs to be solved in favour of a more stable general square metre price for the industry."

On a positive note, Medjedovic says: "There are no other fair locations in the vicinity that can replace events in Turkey."