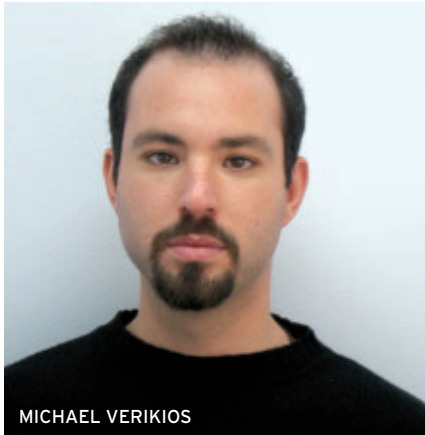


MEETINGS AND CONVENTIONS IN EUROPE: A REVIEW OF CURRENT TRENDS

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The well-established **Meetings and Conventions** industry in Europe continues its strong pace in 2007 with all indicators showing an increase in numbers and profits. Europe leads the way in the meetings industry and convention tourism with Western Europe having the biggest share of the pie but with a fast growing Eastern Europe making a strong impression.

Traditional European meetings destinations such as Germany, France, Spain, United Kingdom and Austria remain at the top during

2007, but the strong infrastructure development which is well underway in the Eastern Countries such as Poland - and especially in Russia - promises to raise competitiveness in the near future.

Demand for meetings in Europe surged during 2006, marking it a very good year for the industry not only in numbers but also in the high profile of meetings. Industry leaders suggest that the segment will continue its upward course with 2007 predictions showing positive results.

However, with recent statistics from travel management companies pointing to higher hotel, air and car rental prices and tighter availability, clients are still likely to be somewhat risk averse and to book late.

TRENDS:

In 2006, the economy played a significant role in the industry impacting meetings and events in 2007 as planners and suppliers noted the negative impact of increasing travel costs and the high prices of oil and gas. In 2007 fears of terrorism were further concerns for meeting planners - topping the list in MPI's FutureWatch 2007: A Comparative Outlook on the Global Business of Meetings.

Top trends impacting the global industry are:

1. Impact of terrorism and war on business and travel
2. Cost of oil and gas, particularly the impact on travel costs
3. General price inflation
4. Current or impending economic downturn or recession
5. Current or impending economic upturn or improvement
6. Changes or advances in technology
7. Increasing globalisation

TOP MARKETS WITHIN EUROPE:

In 2007 Germany has defended its top position in Europe once again. With 334 meetings, Germany came in number one for the third time running and number two worldwide after the USA, according to the new International Association Meetings Market 2006 survey of the International Congress & Convention Association (ICCA).

Germany's good and constant position in this dynamic environment shows that we are doing the right thing and succeeding with our strategy, commented Lutz P. Vogt, director of the GCB German Convention Bureau e.V..

Spain, last year's number three, has dropped to number five in the new ranking.

Within Europe, United Kingdom came in the second place with 279 meetings followed by France (269), Spain (266), Italy (209), Austria (204) and the Netherlands (187).

In the city rankings, Vienna once more came in the first position with 147 meetings followed by Paris (130), Barcelona (103), Berlin (91), Budapest (86), Prague (82), Copenhagen (69) and Lisbon (69).

FOCUS ON EUROPE

European planners' behaviour is becoming more Europe-focused. In 2006 Europeans planned to hold 71% of their meetings in Europe with 81% planned for 2007, while North America and Asia fall in demand. In 2006, European meeting planners planned to hold 13% of their meetings in North America and 3% in Asia while in 2007 this percentage is even lower with 8% for North America and 3% in Asia.

Furthermore US planners estimated 5% of 2006 meetings in Europe while in 2007 they predicted 3%; only 1% was predicted by Canada.

The good news come from Canada as the Canadian meeting planners expected to hold 2% of their 2006 meetings in Europe while in 2007 the percentage is increasing and reaching a 5%.*

WHERE DO EUROPEAN PLANNERS PLAN TO HOLD THEIR MEETINGS?

City hotels top the list with 28%, followed by conference and university centres (20%) and convention centres (17%), resort hotels (13%), restaurants, country clubs and unique venues (9%) and airport and suburban hotels (5%).

Conference centers and universities showed an increase compared to 2006 while city hotels which remain in the first place dropped from last year (32%).*

* Source: MPI's FutureWatch 2007: A Comparative Outlook on the Global Business of Meetings

EMERGING MARKETS:

Even though Western Europe is a very strong market in the meetings industry and convention tourism, the Eastern European countries are rising in popularity with the Czech Republic, Hungary and Poland building a strong meetings infrastructure followed by the Baltic and Balkan countries. The most important of them all, as experts indicate, is Russia with great potential ahead but it will still take some years to create the right infrastructure basis in order to be on the same level of competitiveness with Western Europe.

GREENER INDUSTRY:

Carbon emissions and other environment related issues are high on the agenda. Larger industry associations actively promote corporate responsibility and greener solutions. The European Union's Emissions Trading Scheme helps promote the idea to industry conferences.

EXHIBITIONS:

MICE Exhibitions within Europe play an important role for the industry, illustrated by an increased number of buyers and visitors at the most recent IMEX.

IMEX Chairman **Ray Bloom** considers this growth to be a direct result of last year's strategic decision to expand the show's long-haul hosted buyer programme, with a particular emphasis on the US market.

Paul Kennedy, Group Exhibitions Director RTE expressed his expectations for EIBTM 2007 by saying 'We are building on the record attendance at EIBTM 2006 and already a large number of returning exhibitors have not only re-confirmed early but are also increasing their stand space for this year's event.'