

2023 Global Economic Significance of Business Events

Events Industry Council

Executive Summary

May 2023

In association with



Welcome & Introduction

The Events Industry Council and Oxford Economics set out to evaluate the full scope and economic significance of our \$1.6 trillion USD global business events industry after the massive disruption caused by COVID-19. Beyond better understanding pre-pandemic benchmarks and 2020 losses, a critical element of the **2023 Global Economic Significance of Business Events** study assesses the important “catalytic” effects or wide-reaching benefits of business events.

For the first-time, EIC measured the critical role business events serve in areas like knowledge sharing, innovation and employee engagement—important impacts that go well beyond direct event spending.

As the voice of the global events industry, we are committed to commissioning, collecting and sharing evidence-based data. Our comprehensive research analysis and new quarterly EIC Global Barometer will help you champion the substantial value of business events and make more informed and effective decisions.

Whether it’s the critical role face-to-face interaction plays in relationship building or how business events are increasingly important in building culture and engagement, the study findings support that in-person benefits are still overwhelmingly valuable.

Events are a catalyst for meaningful change. Across industry sectors, organisations and individuals all gain in ways that are fundamental to advancement, innovation and adaptation to a changing world.

There are many people involved in producing these studies and once again my thanks go to all of our valued partners, and particularly to the industry organisations who continue to support it, including ADMEI, AHLA, ASAE, Caesars Entertainment, Fairmont, Freeman, IACC, IAEE, IMEX Group, IRF, Los Angeles Tourism, Maritz Global Events, MCI, MGM, MPI, Northstar, New York City Tourism + Conventions, Omni Hotel & Resorts, PCMA, RCMA, SISO, SITE, and U.S. Travel Association.

Special thanks to the EIC Advocacy and Research Committee: Cathy Breden, Martin Boyle, Nancy Drapeau, Jennifer Glynn, Senthil Gopinath, and Stephanie Harris.



Amy Calvert
CEO, Events Industry Council

About Oxford Economics



Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco and Washington DC, we employ over 300 economists and analysts.

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Executive Summary

Overview

To provide a current, comprehensive view of the importance and significance of the global business events sector, Events Industry Council and Oxford Economics collaborated on an extensive research project. This research updates previous findings on the economic significance of meetings to include results on the broader catalytic effects of meetings as well the latest outlook for the sector.

Research findings are summarized in three sections:

- **Economic significance of business events**
- **Catalytic effects of business events**
- **Barometer and outlook**

The research process included:

- **Primary research** conducted through a survey of global event organisers, venues, destination marketing organisations, and suppliers. Over 1,600 industry participants responded to the survey.
- **Secondary research** including analysis of data gathered by Longwoods International on travel spending by US business travelers; an analysis of third-party studies on business events activity at the country level; data gathered as part of the Events Industry Council Barometer of event activity; specific research on the US events market, including research by the Center for Exhibition Industry Research (CEIR) on trade show activity; and economic modelling based on Oxford Economics' current global economic and business travel forecasts.





Key Terms:

- **What qualifies as a business event in this study?** A gathering of 10 or more participants for a minimum of four hours in a contracted venue. This includes business events, but excludes social, educational (formal educational activities at primary, secondary, and university level education), and recreational activities. Consumer exhibitions are included.
- **How are economic impacts measured?** Economic impacts refer to the economic activity supported by direct spending on business events. These economic impacts include direct effects, such as jobs in planning and producing business events, as well as jobs supporting participants' travel to attend events; indirect impacts that include supply chain effects, such as when event organisers and suppliers purchase inputs from businesses in other sectors, and induced impacts as those directly supported by business events spend their income.
- **What is business events direct spending?** Business events direct spending consists of spending to plan and produce business events, business events-related travel, and other direct spending, such as spending by exhibitors. In this study, it is reported in nominal US dollars.
- **What are catalytic effects and how do they differ from economic impacts?** Economic impacts measured in this research refer to the activity supported strictly by the spending that occurs around the organisation, production, travel and attendance at business events. Catalytic effects refer to the important broader impacts that occur as the result of business events, ranging from new business opportunities, knowledge transfers and future sales generated through exhibits at trade shows, to innovative research collaborations fostered through medical conferences, new skills learned through training, or career connections made through technology or creative sector conferences.

Executive Summary: Economic Significance of Business Events

Oxford Economics analysed the economic significance of business events during 2019 to establish the full scope and economic impacts of the sector before the COVID-19 pandemic. As part of this process, Oxford Economics took the following steps:

- Analysed existing studies on business events impacts in 15 countries, as well as third-party industry data across more than 180 countries, this included a detailed analysis of business events impacts in the US;
- Developed an econometric model of the relationship between economic and travel-industry data sets and business events industry impacts to estimate business events activity in countries in which the business events industry has not been previously quantified; and
- Combined the results of existing studies and modelled relationships to prepare global estimates.

Executive Summary: Economic Significance of Business Events

Direct impacts of global business events (2019)

- **Number of participants:** Business events involved 1.6 billion participants across more than 180 countries.
- **Direct spending (business sales):** Business events generated more than \$1.15 trillion of direct spending, representing spending to plan and produce business events, business events-related travel, and other direct spending, such as spending by exhibitors.
- **Direct GDP (gross domestic product) and employment:** Business events supported 10.9 million direct jobs globally and generated \$662.6 billion of direct GDP.
- **Average spending per participant:** On average, \$707 was spent per business event participant.
- **Top countries:** The top 50 countries accounted for \$1.11 trillion of business events direct spending, representing 96.5% of the global total.
- **Prior country-level studies:** Previous country-level analyses of business events activity, including US research as part of this study, accounted for almost two-thirds of the estimated global total, providing a solid research foundation.

Note: all \$ amount reflect USD

Executive Summary:

Economic Significance of Business Events

Total impacts of global business events (2019)

- Accounting for indirect and induced impacts, business events supported a total global economic impact in 2019 of:
 - **\$2.8 trillion of output (business sales)**
 - **27.5 million jobs**
 - **\$1.6 trillion of GDP (representing contribution to global gross domestic product)**
- The business events sector directly generated more output (business sales) than many large global sectors, including telecommunication equipment and air transport.
- The \$1.62 trillion of total GDP supported by global business events would rank the sector as the 13th largest economy globally. Based on its \$662.6 billion direct GDP impact, the business events sector would rank as the 21st largest economy globally.
- The \$2.8 trillion in total output supported by global business events represents a 9.1% increase relative to 2017, the prior year reported by Events Industry Council.

Executive Summary: Catalytic Effects of Business Events

Catalytic effects refer to the broader impacts that occur as the result of business events, ranging from new business opportunities, knowledge transfers and future sales generated through exhibits at trade shows, to innovative research collaborations fostered through medical conferences, new skills learned through training, or career connections made through technology or creative sector conferences. Other examples of catalytic effects include future investment in infrastructure, industry innovation and progress on advanced research.

Many catalytic effects are difficult to measure and quantify. This presents the key risk that much of the true significance of business events goes unmeasured, unreported, and therefore undervalued.

Executive Summary: Catalytic Effects of Business Events

We reviewed recent research by academic researchers and industry stakeholders as part of this study, and we see important progress in three areas.

- **Understanding catalytic effects:** Progress underscoring the rich and important catalytic effects that occur at business events.
- **Measuring catalytic effects:** Progress on efforts to not only measure and assess what occurs at business events, but also to help business managers make more informed and effective decisions, such as how to allocate resources. Example measures include surveying attendees to assess outcomes (such as sales leads) and behaviors (such as share of attendees who had created connections between industry and their home community).
- **Communicating the importance of catalytic effects:** Progress on efforts by economic development groups and community stakeholders to better understand and communicate the important role of business events to countries, cities and sectors.

Executive Summary: Barometer & Outlook

Events Industry Council and Oxford Economics have collaborated to develop the Global Business Events Barometer, track activity lost during the COVID-19 pandemic, and forecast business events activity.

EIC Global Barometer

The EIC Global Barometer is published quarterly by Events Industry Council and provides key data points tracking the full scope of the recovery globally and across individual regions.

Within the Barometer, hotel group room nights provides a measure of guest stays that were booked as part of a group (e.g., as part of a room block), providing an indicator of business events activity; and RFP activity represents requests for proposals released by business professionals seeking venues and accommodation for future events.

Lost activity

- **Two-thirds of global direct business event spending was lost in 2020; the three-year cumulative (2020 to 2022) lost sales total \$1.9 trillion**
- **By 2022, activity was in recovery, but losses during that year still amounted to almost one-third (29%) of expected spending at the pre-pandemic trend.**
- **The pandemic caused significant direct spending loss across each global region. Cumulative lost direct spending was largest in Western Europe (\$621 billion), and smallest in the Middle East (\$16 billion).**
- **The loss of spending represents lost business sales across all major global regions and resulted in the loss of 5.8 million jobs annually, or more than 16 million annual job equivalents over the three-year period.**

Photo Credit: EPNAC.com

Executive Summary: Barometer & Outlook

Forecast business events activity

- Global business events activity recovered solidly in 2022, with estimated direct spending on business events increasing almost 80% from 2021. With this gain, global business events activity in 2022 was still about 20% below 2019 levels measured in terms of nominal spending. In other words, even in 2022, approximately one-fifth of pre-pandemic business events activity had yet to return.
- Global business event spending is forecast to recover 2019 levels in 2024, in nominal terms. Because of inflation, prices will be higher than in 2019, and the actual level of business events activity and direct spending in real terms will both still be lower than in 2019.
- Survey respondents view business events as increasingly important in building culture and employee engagement, as well as knowledge-sharing and professional development. Many also anticipate that events will utilize more hybrid formats in the future.

KEY FINDINGS

ECONOMIC SIGNIFICANCE OF BUSINESS EVENTS (IN US\$)

Direct impacts of global business events (2019)



1.6 billion

Participants at business events across more than 180 countries.



\$1.2 trillion

Direct spending (business sales), representing spending to plan and produce business events, business events-related travel, and other direct spending, such as spending by exhibitors



10.9 million

Direct jobs generated globally



\$663 billion

Direct GDP generated globally

Total impacts of global business events (2019)



\$2.8T

Total
business
sales



27.5M

Jobs sustained by
global business
events



\$1.6T

Contribution to
global GDP

Direct impacts of global events over time

	2017	2019	2020	2021	2022
Direct spending (in US\$ millions)	\$1,071	\$1,152	\$423	\$525	\$938
Year-on-year % growth		7.5%	-63.3%	24.3%	78.6%
% relative to 2019		100.0%	36.7%	45.6%	81.4%
Direct jobs (in 000s)	10,308	10,879	4,066	4,887	8,097
Year-on-year % growth		5.5%	-62.6%	20.2%	65.7%
% relative to 2019		100.0%	37.4%	44.9%	74.4%

KEY FINDINGS

CATALYTIC EFFECTS OF BUSINESS EVENTS

Event results most difficult to replace (% of survey respondents)

Survey of event organisers during 2022



67%

View building relationships through face-to-face interaction as most difficult to replace



23%

View worker collaboration and business development difficult to replace

Typical 'returns on investment' from hosting events

Survey of event organisers (and exhibitors) during 2022



44%

Revenue that would be lost without hosting in-person events



38

New leads generated on average per event (exhibitors)

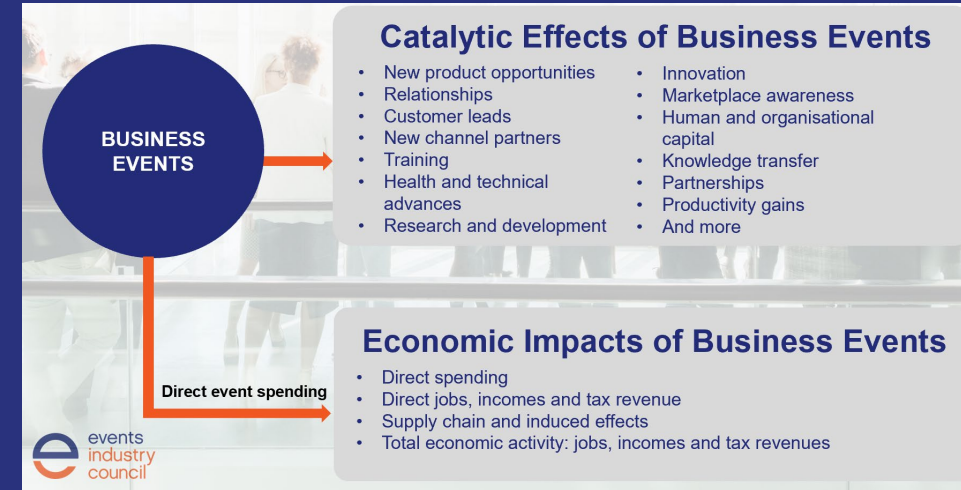


37%

Marketing and sales expense reduction from hosting in-person events

Source: Events Industry Council; Oxford Economics

Business events generate catalytic effects and economic impacts



KEY FINDINGS

BUSINESS EVENTS OUTLOOK

Recovery in direct impacts of global business events (2022)



81%

Direct spending versus 2019 levels



74%

Direct employment versus 2019 levels

Long-term outlook (% of survey respondents)

Survey of event organisers and other participants during 2022



41%

Agree events will be increasingly important in building culture and engagement



36%

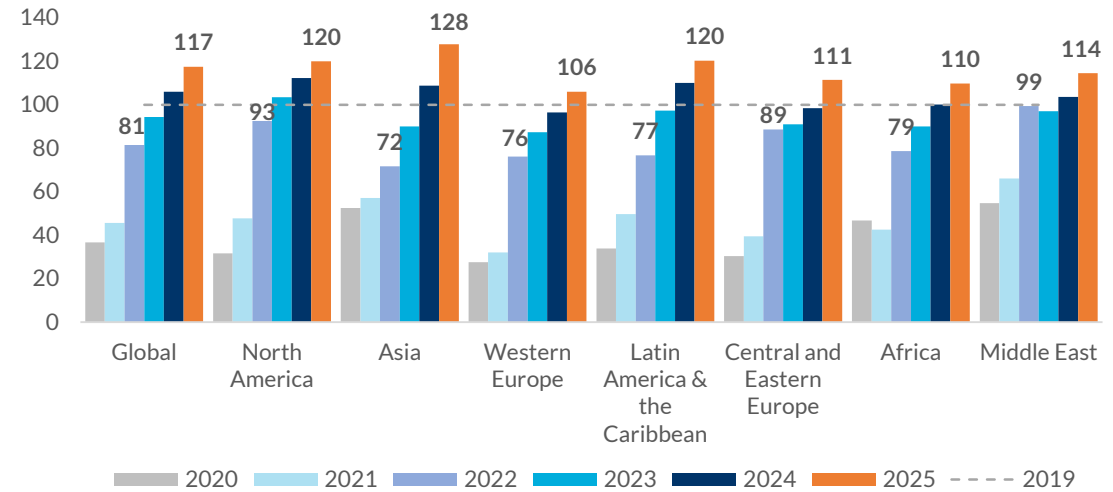
Agree events will be used more to advance growth of individual employees



40%

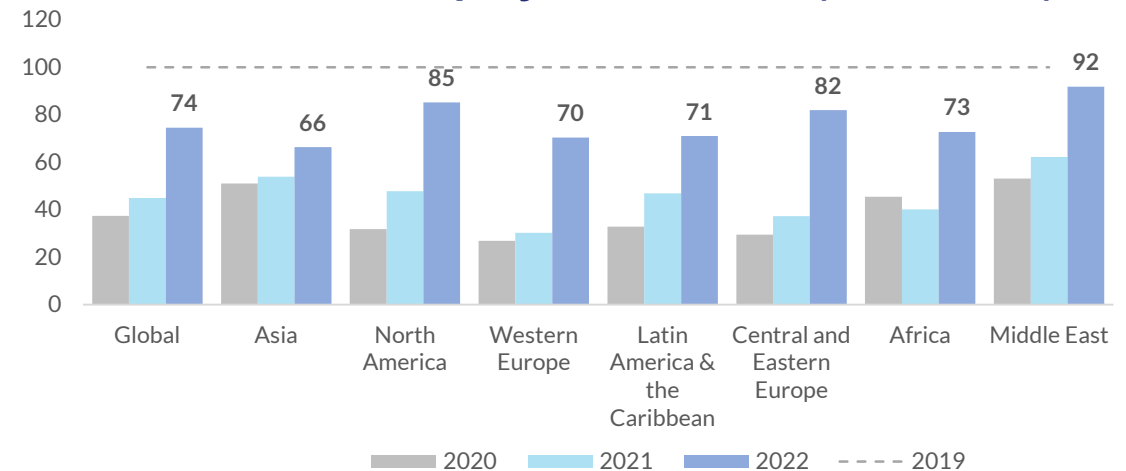
Agree events will utilize more hybrid formats in the future

Events direct spending – Index (2019 = 100)



Source: Events Industry Council; Oxford Economics; Note: Based on nominal spending

Events direct employment – Index (2019 = 100)



Source: Events Industry Council; Oxford Economics

ABOUT THE 2022 SURVEY

This study was led by the Events Industry Council in conjunction with Oxford Economics to help measure the economic impact and significance of the global business meetings and events industry.

- The survey was conducted between May and September 2022.
- The total number of respondents to the survey were 1,648 (compared to 1,300 in prior US study)
- Respondents in the events and business meetings were served on results from CY 2019 and results since.
- Respondents represented all global regions, with the majority from North America (90%).



ROLES IN THE MICE INDUSTRY

Most respondents represented organisers (71%). Venues and/or hotel facilities comprised 14% of the respondent base, followed by suppliers (9%). DMOs accounted for 4%, while 2% were exhibitors.



TYPES OF ORGANISATIONS

Companies, governments, or other organisations were most represented in the survey (40%). Association or membership organisations also comprised an important share (26%), followed by event management companies (16%).



SIZE OF ORGANISATIONS

Many respondents were from organisations with fewer than 50 employees (36%), followed by organisations with 50 to 500 employees (27%), and those with 501 to 10,000 (21%).

MAJOR INDUSTRIES OF ATTENDEES

(Share of respondents that listed the industry as a primary source of attendees)



37%
Medical/
healthcare



37%
Business services



32%
Education



29%
Financial, legal,
and real estate

Glossary

Business Event: A gathering of 10 or more participants for a minimum of four hours in a contracted venue, in a physical setting, in-person. Business meetings and events include conventions, conferences, congresses, trade shows and exhibitions (including business-to-business and business-to-consumer exhibitions), product launches to consumers, incentive events, corporate/business meetings, and other events which meet the criteria. Business meetings and events exclude social activities (wedding receptions, holiday parties, etc.), permanently established formal educational activities (primary, secondary or university level education), purely recreational activities (such as concerts and shows of any kind), and political campaign rallies.

Convention/Conference/Congress: Meeting of a professional, trade, or other non-corporate organisation. Some events include an exhibition floor with exhibiting companies.

Trade Show: A product and/or service exhibition typically held for members of a common industry primarily for business-to-business purposes or business-to-consumer exhibitions.

Incentive Event: Programs conducted to reward and showcase persons meeting or exceeding goals.

Corporate/business Event: A meeting held in a contracted venue for a company, representatives of an organisation, or clients to conduct a business function.

Other Events: Refers to meetings not described above held in a contracted venue with a minimum of 10 participants for a duration of four hours or more.

Stakeholders: Parties that can either affect or be affected by business events such as event organisers, participants, exhibitors, destinations, industry sectors, and service providers.

Glossary

Event organiser: Organisation, or group of organisations, responsible for planning and producing a business event; similarly, an individual involved in organising business events.

Event participant: People gathering as part of an event, including for example, meeting attendees/delegates, exhibitors, speakers, media, but excluding those strictly involved in the supply-side of the business event production (e.g., venue staff).

Exhibitor: Companies and organisations that typically pay to display products or services as part of a business event.

Destination: Area in which a business event occurs, such as the local area, region or country.

Labor income: Income (wages, salaries, proprietor income and benefits) supported by total business event spending.

Service provider: Organisation providing a service that is part of producing a business event, such as catering, transportation, logistics, exhibitor services, audio/visual, housing/registration providers, organiser services, or destination management company.

Catalytic effects: Impacts resulting from business events that are beyond the economic impacts of event spending, such as new business opportunities, knowledge transfers, lead generation, sales, collaboration, training, networking, partner development, health and technical advances, innovation, marketplace awareness, human and organisational capital, and productivity gains.

Direct Spending: Business events direct spending refers to spending involved in planning and producing business events, and for participants to travel to business events, as well as other business events-related spending.

Glossary

Direct Employment: Refers to employment supported directly by business events direct spending; these are employees at businesses at which direct spending occurs.

Direct Impact: Refers to economic activity, such as business sales and jobs, supported directly by business events direct spending.

Economic Impact: Refers to economic activity that is supported by business events direct spending. The scope of this economic activity is quantified through economic impact analysis that measures direct impacts, as well as indirect and induced impacts.

Indirect Impact: Represents downstream supply chain impacts. Examples include event facility inputs such as energy, food ingredients, marketing services, equipment upkeep, cleaning, technology support, and accounting services.

Induced Impact: Refers to impacts of spending by employees whose wages are directly or indirectly generated by business events. Induced impacts occur as employees spend their wages and salaries on goods and services in the broader economy.

Output (Business Sales): Output refers to business sales.

Total Impacts: The sum of the direct, indirect, and induced impacts generated in the economy because of business events.

Value Added (GDP): Measures the value of goods and services produced. Conceptually, as a measure of output (business sales) minus the cost of intermediate inputs, it primarily represents the sum of employee compensation, profits and taxes.

Thank You to Our Partners

