

The Impact of Exhibition Economy on China's Import and Export Trade and Countermeasures—A Case Study of the Canton Fair

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Abstract: With the advancement of economic globalization and the continuous development of international trade, the exhibition industry has gradually developed into a new tertiary industry, playing an increasingly important role in promoting regional economic growth, industrial upgrading, and strengthening international exchanges and cooperation. China Import and Export Fair (hereinafter referred to as "Canton Fair"), as the barometer of China's foreign trade, can reflect the situation of China's import and export trade. This paper takes Canton Fair as an example to study the impact of exhibition economy on China's import and export trade. This paper focuses on analyzing the problems that exist in the promotion of China's import and export trade, and puts forward some corresponding solutions on the basis of the analysis. It is hoped to provide some countermeasure suggestions for promoting China's exhibition industry to better play the role of economic pulling and promoting the international trade industry to be stable and far-reaching.

Keywords: Exhibition Industry; Import and Export Trade; Exhibition Economy; Canton Fair

1. Introduction

Exhibitions can bring a constant flow of business, logistics, people, capital and information, directly promote the development of commerce and tourism, create business opportunities, attract investment, and then stimulate the development of other industries, and form an economic group centered on convention and exhibition activities. Exhibition economy refers to an economic phenomenon and economic behavior that brings direct or indirect economic and social benefits by organizing various forms of conferences and exhibitions, exhibitions and sales.

Taking the Canton Fair held twice a year in spring and fall as an example, it has been successfully held for 136 times since its establishment, and has established trade relations with 229 countries and regions around the world, with a cumulative export turnover of about 1.5 trillion U.S. dollars, and a cumulative total of more than 10 million overseas buyers who have come to the fair and viewed the exhibition online, which has vigorously promoted trade exchanges and friendly exchanges between China and other countries and regions around the world. This has vigorously promoted trade exchanges and friendly contacts between China and other countries and regions in the world. Besides, exhibition economy is generally regarded as a high-income and high-profit industry. According to experts' estimation, the industrial driving coefficient of the exhibition industry in the world is about 1:9, that is to say, if the income of exhibition venues is 1, the related social income is 9.

It can be seen that the conference and exhibition industry plays a significant role in promoting China's import and export trade, and only if the conference and exhibition industry is constantly optimized and upgraded can it give full play to the economic benefits of the conference and exhibition, improve national income and promote the development of China's import and export trade.

2. The Current Situation of the Development of China's Exhibition Industry

2.1. The Number of Exhibitions in China Has Been on the Rise Year by Year

China's convention and exhibition industry is the sunrise industry of the 21st century, since 2011, It has entered a mature period. With the economic restructuring and industrial upgrading, the exhibition

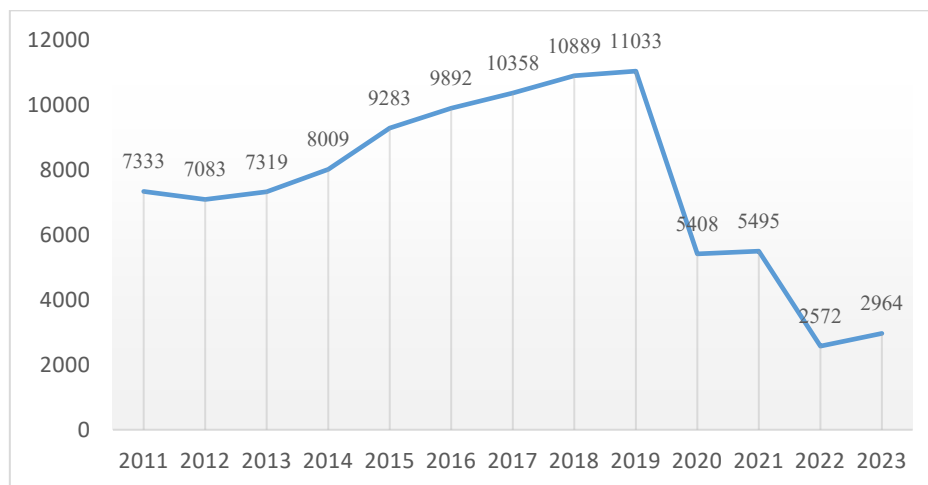
industry has gradually become an important force to promote economic development. The government has issued a series of policies to further regulate and guide the development of the exhibition industry.

Figure 1 is a line graph reflecting the trend of change in the current status of China's exhibition industry. From 2011 to 2023, the number of exhibitions in China shows an overall upward trend, with the highest number of exhibitions reaching 11,033 in 2019, a 1.5-fold increase compared with 2011. The figure shows that China's exhibition industry is a sunrise industry, with the number of exhibitions rising year by year.

As shown in Figure 1, the number of national exhibitions in 2020-2022 me down sharply and continue to be low. The number of exhibitions in China in 2020 is 5,400, compared with 11,033 exhibitions in 2019, a drop of 50%. The number of exhibitions in 2022 falls to a minimum of 2,572 exhibitions. The reasons for this are as follows: first, this was three years of fighting the COVID-19, the economy was in the depression and the exhibition industry was no exception. Secondly, the exhibition industry is subject to specific geographic and time constraints and has been hit hard by the inability to organize exhibitions offline. This shows that the exhibition industry is less risk-resistant and should accelerate the realization of digital transformation to resist external risks. Secondly, enterprises should not rely excessively on exhibition marketing, and should strengthen the competitiveness of their own products, enhance brand influence, and actively seek a variety of marketing methods to reduce external risks.

Figure 1 concludes that the exhibition industry will recover significantly after a three-year trough in 2023. The China Exhibition Index Report (2023) shows that Chinese exhibition industry ushered in a comprehensive rebound in 2023, with the number and scale of exhibitions held hitting a record high. A total of 2,964 exhibitions were held throughout the year, a year-on-year increase of 27%, and the total exhibition area reached 123,626,700 square meters, an increase of 23% from 2019, marking the strong resilience of the exhibition industry as an engine of the local economy.

Among them, the trade and economic exhibitions were as follows: in 2023, China held a total of 3,923 trade and economic exhibitions, an increase of 2,116 exhibitions, or 117.1% year-on-year, compared with 2022; and an increase of 376 exhibitions, or 10.6% year-on-year, compared with 2019, surpassing the level of the pre-epidemic period ^[1].



Source of Data: China Exhibition Data Statistical Report

Figure 1: Number of exhibitions nationwide from 2011 to 2023

2.2. The Exhibition Economy Has Driven the Growth of China's Import and Export Trade

By opening exhibitions offline, exhibition organizers brings together buyers and sellers from all over the world and establishes business contacts with them directly through offline communication. Participating in offline exhibitions is a more accurate way to attract customers than online media platforms, and is an important marketing tool for foreign trade enterprises. Exhibitions generally acquire customers by means of short-time offline exhibitions, which have the advantages of short operation cycle, low investment cost, high rate of return and obvious economic benefits, and drive the development of import and export trade, logistics and transportation, and tourism, and are favored by domestic and foreign importers and exporters, trading companies, logistics companies and so on.

The data show that there is a positive correlation between the index of competitiveness of the

exhibition industry and the proportion of export trade in GDP and the proportion of manufactured goods in export trade, indicating that the improvement of the competitiveness of the exhibition industry helps to expand the scale of China's export trade and optimize the structure of export trade. This shows that the higher the competitiveness of the exhibition industry is, the more favorable it is to the growth of China's export trade^[2].

Large-scale product trade fairs and exhibitions, represented by the Canton Fair, have established Guangzhou's status and influence as an international city and directly promoted the upgrading of industries in the PRD region, which have made Guangdong Province rank first in the country in terms of the total amount of export trade.

The turnover of the Canton Fair has been on a rising trend, greatly advancing the development of China's import and export trade. 2023 China's total export trade amounted to 5936.83 billion U.S. dollars for import and export commodities, of which, the amount of exported commodities was 3,380.02 billion U.S. dollars, the amount of imported commodities was 2556.8 billion U.S. dollars, and the foreign trade surplus was 823.22 billion U.S. dollars, once again leading the world. Only China's largest import and export exhibition, the Canton Fair in 2023, had a turnover of US\$74.272 billion, accounting for 2.197% of the country's total export trade, and on the import side, the 6th China International Import Expo (CIIE) in 2023 had a yearly intended turnover of US\$78.41 billion, accounting for 3.07% of total imports for the year. It can be seen that exhibitions are capable of boosting the growth of import and export trade within a relatively short period of time.

2.3. Exhibition Economy Promotes Chinese Enterprises' Expansion into International Markets

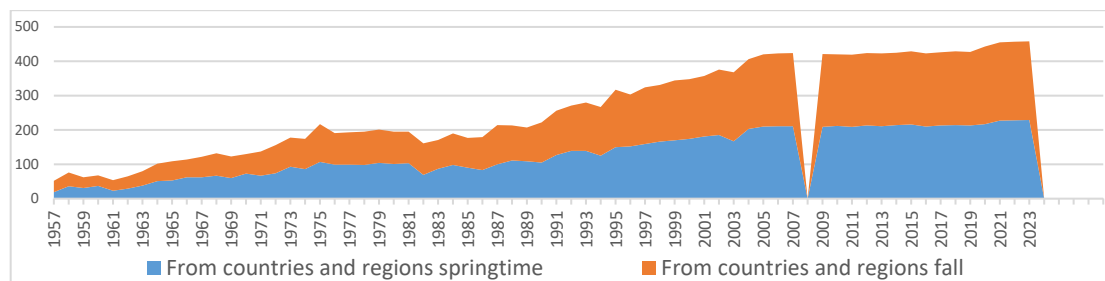
Exhibition economy to promote Chinese enterprises to enter foreign markets can be reflected in two aspects. On the one hand, domestic exhibitions attract more and more buyers from all over the world, bringing enterprises a steady stream of foreign customers; on the other hand, Chinese enterprises organize exhibitions in foreign countries to market their products and promote their products to all over the world.

Firstly, the variety of countries and regions from which buyers come to China to participate in the exhibition has increased. Taking the Canton Fair as an example,

Figure 2 shows the number of countries and regions that have been the source of buyers at the Canton Fair each year since its first session in 1957. Over the past 66 years, the source countries of buyers attending the Canton Fair have increased year by year. In 2023, buyers from 229 countries and regions participated in Canton fair, which is nearly 7 times that of only 33 countries and regions in the first Canton Fair in 1957.

This is not only related to China's reform and opening up to establish a market economy system, but also with the brand influence of Canton Fair. Today, Canton Fair has become an international comprehensive international trade event, known as "China's first exhibition", the world's influence is becoming more and more extensive. Domestic exhibitors learn about the needs of buyers and actively explore the international market by participating in domestic exhibitions such as the Fair, Canton Fair and Consumer Fair.

Figure 2 also shows that, after the market development, the customers are very sticky, and the buyers who come to participate in the exhibition, the types of their countries of origin are gradually increasing, which is beneficial for enterprises to sell their products all over the world.



Source of Data: Canton Fair official website

Figure 2: Statistics of Exhibitors' Arrivals in Canton Fairs

Secondly, In addition to participating in large-scale economic and trade exhibitions held in China, buyers and sellers also actively organized exhibitions abroad and participated in large-scale exhibitions

abroad.2023, CCPIT approved and actually implemented 900 overseas exhibition projects involving 55 countries or regions, with an exhibition area of 572,200 square meters and 39,600 exhibitors. Among them, 78 projects will be organized abroad, accounting for 8.7% of the total number of overseas exhibition projects. The quality of overseas exhibition projects has been improved, and the average data of overseas exhibition projects in 2023 will reach or even exceed the level of 2019, with an average exhibition area of 2,719.5 square meters, the number of exhibitors of 194.1 companies, and the number of booths of 280.9 companies, reaching the levels of 0.97, 1.33%, and 0.97, 1.33%, and 1.33% of the levels of 2019, respectively. The average exhibition area of projects abroad in 2023 was 2719.5 square meters, the number of exhibiting companies was 194, and the number of booths was 280.9, which was 0.97, 1.33 and 1.2 times of the 2019 level respectively.

It can be seen that on the one hand, the exhibition attracts importers to come to China to participate in the exhibition through the way of "pulling", on the other hand, through the way of "pushing" to let Chinese enterprises go out of the country, and actively explore the international market.

3. Analysis of Problems in Promoting China's Import and Export Trade Through Exhibitions

3.1. Exhibition is Limited by Time and Space, and Market Information Feedback is Not Timely Enough

Exhibition marketing, as a traditional marketing method, is often significantly limited in its influence and reach by time and space. As exhibitions are usually held on specific dates and locations, which makes it necessary for sellers and buyers to gather at a specific time and place, enterprises are unable to obtain information from the exhibition site in the event of a change in consumer demand during the off-season.

Taking the Canton Fair as an example, it is held twice a year for a total of only about 30 days, while with the development of the Internet and the increase in the number of Internet users, the network connects people all over the world. Through online social media marketing, consumer demand can be captured quickly, and the speed of information transfer is faster and more efficient than the marketing methods of trade fairs. With the development of digitalization and network technology, more and more enterprises are turning to online marketing channels, such as virtual exhibitions, social media marketing and content marketing, etc. These emerging methods can break through the limitations of time and space to achieve wider audience coverage and more flexible participation, thus providing enterprises with more efficient and economical marketing solutions.

3.2. Enterprises Rely too Much on Exhibition Marketing and Lack of Brand Building

Small and medium-sized foreign trade enterprises in the market development and product promotion channels are overly single and concentrated in the two annual Canton Fair. Many enterprises' products come with completely or mostly OEM textiles, and the number of enterprises whose own brands have a certain degree of popularity among similar products is insufficient, they will participate in the Canton Fair and other exhibitions as the main input of marketing costs throughout the year. However, enterprises that rely too much on exhibitions as their only marketing tool may neglect the importance of brand building, resulting in a brand that lacks depth and lasting influence.

While exhibitions can provide immediate exposure and sales opportunities, they are usually a short-term, event-driven marketing activity. This dependence may cause companies to miss the opportunity to build long-term brand recognition in the minds of consumers. Moreover, once there is a change in the market environment, enterprises may find that their brand lacks sufficient appeal and competitiveness, thus seriously affecting the export of their products.

3.3. Regional Differences in Exhibitions are Obvious, Which is Not Conducive to the Balanced Development of Trade in the Central and Western Regions

In terms of the number of exhibitions, the eastern region will hold the most trade and economic exhibitions in 2023, with a total of 2,678 exhibitions, accounting for 68.26% of the total number of domestic trade and economic exhibitions. The number of economic and trade exhibitions in the central and western regions will be 476 and 487, accounting for 12.14% and 12.41% respectively, while the number of exhibitions in the northeast region will be 282, accounting for 7.19%. The eastern part of China has shown a clustering effect, while the eastern and western parts of China have uneven development. In recent years, China has actively carried out trade with countries along the "Belt and

Road", such as trade between Xinjiang and ASEAN, which is shipped to Southeast Asian countries through the Western Land and Sea Corridor and the China-European liner, and onions from Gansu Province are shipped to Thailand, Vietnam and other markets through the Western Land and Sea Corridor. However, the number of exhibitions in the west is less than one-fifth of that in the east.

This regional difference is especially obvious between cities with different levels of economic development, especially in the central and western regions compared with the eastern coastal regions, there is a large gap in the development of the convention and exhibition industry.

The development of the convention and exhibition industry in the central and western regions is relatively lagging behind due to the limitations of geographic location, level of economic development, infrastructure construction and degree of marketization. The number and area of convention and exhibition activities in these regions lag behind those in the eastern region, which not only limits the brand exposure and market expansion opportunities of local enterprises, but also affects the balanced development of trade in the central and western regions. In addition, the central and western regions also have some problems in foreign trade, such as insufficient infrastructure construction, unbalanced economic development, and the level of opening up to the outside world has yet to be improved, which are all important factors restricting the balanced development of trade in the central and western regions.

4. Countermeasures to Promote China's Import and Export Trade Through Exhibitions

4.1. Combination of Online and Offline Exhibition, Breaking Through the Time and Space Limitations

After the 127th Canton Fair pioneered the Canton Fair Online Exhibition, "Canton Fair Online" encourages and helps participating export enterprises to "go to the cloud" and actively adopt cross-border live broadcasting to display their enterprises and products. By using the live broadcast marketing mode, export enterprises can not only realize the all-round display of brands, exhibits and enterprises for the whole world within 24 hours, but also attract buyers to enter the live broadcasting room, which lays the foundation for high-quality marketing negotiation and becomes an effective extension of experiential marketing. Through cross-border live broadcasting mode to carry out exhibition marketing, online promotion can be carried out by online attraction, and private traffic can be further activated through content operation, and access to external resources such as Link, Tencent, Facebook, YouTube and so on to realize cloud attraction, so as to achieve better marketing and promotion effects. At the same time, exhibitors can utilize virtual reality technology products such as VR/3D/AI to carefully design the live broadcast content and create a real experience^[3]. Through the combination of online and offline, the cost of buyers is reduced, thus promoting the number of online exhibitors and providing favorable conditions for the expansion of the transaction scale.

4.2. Enhance the Construction of Independent Brands and Promote the Brand Goes Overseas

Enterprises should actively enhance brand building and strengthen independent innovation; establish R&D centers, procurement networks, production facilities, brand promotion and after-sales service systems. Enterprises cannot rely solely on exhibition marketing and ignore brand building; if they rely solely on exporting low value-added products and win with low prices, it is difficult to maximize value.

But building private label can get rid of this dilemma by enhancing competitive advantage, improving risk resistance and building trust with customers. Utilize digital means: In the digital era, enterprises should utilize digital means such as the Internet and social media for brand promotion and construction. Participate in international cooperation: Enterprises should actively participate in international cooperation to enhance the international influence of their brands through international exchanges and cooperation. Meanwhile, the government can encourage and support enterprises in brand building by providing tax incentives, financial support, brand training and other policy measures.

4.3. Strengthening the Construction of Exhibitions in the West

Restricted by the level of economic development and relatively backward infrastructure in the western region, the development of convention and exhibition economy lags behind that of the east, and the number of exhibitions was less than one-fifth of that of the east in 2023. At the same time, the western conference and exhibition industry is small in scale, small in influence, small in exhibition hall area, and low in specialization, which can't satisfy the development of "One Belt and One Road" of western foreign

trade now.

Therefore, the government should increase the investment in the exhibition industry in the west, especially for the specialized exhibitions for the export commodities of the East European liner train in the west. The convention and exhibition industry belongs to the emerging service industry, and the importance of convention and exhibition is often overlooked as people do not have enough knowledge about it.

To deal with these problems, the western region should establish the concept of the development of the convention and exhibition industry as a service city, and increase the government's policy support in terms of policies, funds and talents. Strengthen the innovation and development of convention and exhibition mechanism, attract professional and skilled talents, establish a systematic vocational training system, and promote the healthy development of the regional convention and exhibition industry through the guidance of advanced convention and exhibition service concepts^[4].

5. Conclusion

As an emerging economic form, convention and exhibition economy has increased the total amount of China's import and export trade and pushed China's enterprises to actively explore foreign markets. However, there are problems such as unreasonable regional distribution of convention and exhibition economy, time and space limitations of conventions and exhibitions, insufficient timely feedback of market information; lack of brand building of enterprises relying too much on exhibition marketing; and time and space limitations of conventions and exhibitions, insufficient timely feedback of market information. Therefore, in order to make up for the above defects, it is suggested that the convention and exhibition should be combined with online and offline to break through the time and space limitations, and the enterprises should enhance the construction of their own brand and promote the brand to go abroad; The government has strengthened the construction of convention and exhibition in the west. In this way, it can better utilize the positive role of the exhibition economy in China's import and export trade, and promote the stability of China's international trade industry.

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