

Economic Effects of International Meeting Industry: From the Standards Contribution Perspective

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ABSTRACT. *The international meeting industry constitutes the important part for modern service industry and has important impact on economic development. It acts as the bridge and link between production and consumption. In the development process of world economy, international meeting centers play a more and more important role. The paper investigated research on the economic effects of international meeting industry and discussed the important significance of international meeting industry from the contribution of standards. As far as the first Silk Road (Dunhuang) International Cultural Expo is concerned, if there would develop or form some basic standards for cultural exchanges, then this Cultural Expo may have the inestimable influence to China as well as countries around the world. To achieve this goal, we should pay more attention to the cooperation in the fields of standards beside other important aspects. The wide and complete standards cooperation among countries along the Silk road may have important influence to the economic development of countries around the world.*

Keywords: *international meeting industry, economic effects, International meeting center, international trade*

1. Introduction

Meeting economy constitutes the important part for modern service industry. It acts as the bridge and link between production and consumption. In the development process of world economy, international meeting industry play a more and more important role. There are some characteristics concerning the international meeting industry. First, international meeting industry displays the development trend of international economy. Economic resources concentrated in international meeting centers. During the exhibition period, meeting centers promote the flow of market information and economic resources like commodities and services. Second, as the display centers, international meeting centers may display the vivid information of commodities. The Effects are better than traditional advertisement. And these can display the latest technological achievements and new life ideas or lifestyles. More importantly, the economic effects are larger than the meetings industry itself. Therefore, the paper tried to discuss the latest studies concerning the economic

effects of international meeting centers. Furthermore, we tried to investigate the economic effects of international meeting centers from the perspective of standards contribution, which is an important channel that international meeting industry may influence economic development.

The rest of the paper are arranged as follows: in the second part, we reviewed the existed research results about the economic effects of international meeting industry. The third part introduced the development history of international meeting industry. The fourth part discussed one of the important channels that international meeting industry may have a positive impact on economic development, which is the contribution of standards. In the final part, we discussed the significance for promoting standards in international meeting industry. And in order to fulfill the influence of international meeting centers for economic development, some policies which combining the Dunhuang were discussed.

2. Literature review

The meeting industry has emerged over recent years as an important contributor to national economic development. The meeting industry is perceived as a significant and growing component of tourism and other industries and yet little reliable and consistent data exist to support this perception (ICCA, 2013).

Li and the research team investigated the economic impact of the meeting industry on the British economy (Li, etc., 2013). The research used two economic approaches, Meeting and Tourism Satellite Account (MTSA) and Input-Output modelling. The former may describe the direct contribution of international meeting industry, while the latter may evaluate the total impact. Meeting industry may involve many sectors, like transportation, accommodation, construction and entertainment. Thus, a larger demand appears due to the concentration effects. The research collected feedbacks from many groups representing both the demand and supply side. Obviously, the international meeting industry is closely linked to many industries, in particular tourism- related industries and those non-tourism industries. Li and the research team found meetings contributed £58.7 billion to the UK GDP and generated 1 million FTEs across various industries.

Winram (2013) set out the principles and best practices for estimating the economic benefit that an event, host facility (such as an international meeting center) brings to a market. They considered that the general approach is best illustrated by measuring the economic impact of a host facility over a specific period (like a fiscal year). Measuring the impact of an individual event or destination would require some relatively simple modification to the methodology. The research proposed three principles for estimating of economic impact. First, proper definition of the scope of the study. Second, direct and correct capture of spending, by surveying a cross-section of spenders and from other sources. Third, accurate projection of spending, by properly expanding the data to the target population.

The Visit Denmark project team (2012) finished the research concerning the

economic contribution of meeting activity in Denmark. They found the Danish meetings industry was responsible for nearly 188,000 meetings held in 2010, attended by a total of 6.9 million delegates. This created a direct turnover of DKK 20.8 billion, of which DKK 11.4 billion constitutes costs of meetings and DKK 9.4 billion is spending from delegates. International delegates contribute with DKK 3.5 billion of the total. More importantly, the research investigated the economic benefits derived from the direct, indirect and induced effects of the total meeting expenditures. These effects involve employment, gross value added, taxes and VAT. Specifically, 38,000 full year equivalent jobs constitute 1.4 per cent of the total employment. 15.3 billion constitute 1 per cent of the total GVA of Denmark.

SECTUR carried out the project concerning the economic significance of meeting in Mexico. The research team found 197400 meetings were held in 2010, consisting of 131 thousand corporate meetings, 28 thousand conferences and conventions, 6300 incentive trips, 4400 consumer shows and the rest consisted of other event types. The contribution to the gross domestic product ascends to 12.0 billion dollars which represents 1.43% of the national GDP. Indirectly it contributes another 13 billion dollars; however, contribution to GDP must only consider direct effects. Meetings in Mexico generate 32.5 billion dollars in sales. Sales and direct consumption correspond to 18.1 billion US dollars in the nation's economy. They indirectly generate an additional \$14.3 billion US dollars. Meetings generate 441,300 direct jobs and 342,400 indirect jobs, which adds up to 783,700 total jobs. Also, it generates 4.6 billion dollars in employment income (2.7 billion directly and 1.9 indirectly) (SESTUR,2011).

CIC investigated the economic significance of Meetings to the U.S. Economy. The research team discussed the economic significance of meetings activity in terms of output, contribution to GDP, employment, and labor income. They found total output for 2009 related to meetings activity is estimated at \$907 billion, while the total contribution to GDP is \$458 billion. Meetings activity supported 6.3 million jobs and generated \$271 billion in total labor income. The tax effects of the meetings were also significant in 2009, with \$64 billion in federal taxes generated by the industry, and an additional \$46 billion at the state and local level. According to the Bureau of Economic Analysis (BEA), U.S. GDP in 2009 totaled \$14.1 trillion. The meetings industry directly contributed \$106 billion to this total. The meetings industry ranks higher than several high-profile industries, both in terms of its contribution to U.S. GDP, and the number of full- and part-time workers employed.

CEIS (2007) worked on Canadian Economic Impact Study. The results were achieved through a combination of data collection plan and economic analysis. The overall picture shows that Meetings Activity and its Economic Contribution to the Canadian economy have been stable over the years 2006-2008. Total GDP (\$ millions) generated in base year was \$11281, in 2007 was \$11469, in 2008 was \$11330. Growth rate from 2006 to 2007 was 1.7% while from 2007 to 2008 is -1.2%. They also found a cascade effect felt across the economy was the result of declines led by the meetings and tourism industries in terms of employment – while 3800 jobs (-1.6%) were directly lost in 2007 the total effect (direct, indirect and induced impacts combined) on the economy was the loss of 9,400 full- time equivalent jobs.

To sum up, due to the lack of consistent concepts and definitions, as well as data, it is hard for researchers to accurately measure the economic effects of the international meeting industry. Whether from the macroeconomic level or from the microeconomic level, the development of international meeting industry involves a wide and varied range of contents. Thus the economic effects of international meeting industry have rich meanings to all groups. The paper tried to discuss the economic effects of international meeting industry from the perspective of standards contribution.

3. Development of international meeting industry

The International Congress and Convention Association (ICCA) represents the main specialists in organizing, transporting and accommodating international meetings and events, comprising almost 1000 member companies and organizations in over 90 countries worldwide.

According to the research results of ICCA (2012), there are 173432 meetings taking place between 1963 and 2012. 1795(1%) of these meetings took place in the period 1963-1967, 54844 (31.6%) in the period 2008-2012. More detailed information are reported in Tab.1 and Tab.2.

Tab.1 Number of meetings (1963-2012)

Year	Meetings	Year	Meetings
63-67	1795	88-92	12260
68-72	2695	93-97	16861
73-77	4057	98-02	25535
78-82	5977	03-07	40823
83-87	8585	08-12	54844

Data resource: ICCA, 2013.

Tab.2 Number of meetings (per city)

Rank	city	63-67	68-72	73-77	78-82	83-87	88-92	93-97	98-02	03-07	08-12
1	Paris	91	99	133	158	191	300	333	445	709	897
2	Vienna	65	48	81	105	129	210	258	331	695	875
3	Barcelona	12	24	22	35	68	140	210	335	584	822
4	Berlin	23	24	44	71	105	160	202	313	596	772
5	Singapore	3	11	24	51	97	128	170	264	550	721
6	London	93	118	128	167	183	187	196	328	482	666
7	Amsterdam	32	50	79	91	113	187	229	297	442	612
8	Madrid	28	35	59	73	119	156	150	249	378	611
9	Istanbul	8	18	12	12	18	44	106	133	320	601
10	Beijing	-	-	-	3	38	95	154	209	478	598
11	Lisbon	10	11	14	30	59	100	158	246	433	569
12	Copenhagen	45	34	69	85	114	144	251	318	408	568
13	Prague	34	31	28	25	32	92	165	259	483	561
14	Seoul	4	10	17	33	61	110	166	264	441	548

15	Brussels	30	50	61	87	133	143	146	214	332	537
16	Stockholm	47	43	55	87	118	169	197	302	351	532
17	Budapest	17	36	29	62	103	166	244	264	445	526
18	Buenos Aires	4	24	33	35	70	94	115	195	342	524
19	Rome	44	43	38	56	88	106	148	232	367	509
20	Hong Kong	2	11	11	31	47	95	173	238	384	456
	Other	1206	1976	3127	4684	6712	9456	13119	20162	31790	42590
	Totals	1798	2696	4064	5981	8598	12282	16890	25598	41019	55095

Data resource: ICCA, 2013.

4. Contribution of standards from international meeting industry

There are many channels that international meeting industry may influence economic development. We will discuss the contribution of standards from international meeting industry from the perspective of meetings economy milestones and Technology Innovation.

Tab. 3 Events concerning standards

in international meeting

Time	events concerning standard
1974	Intel's improved microprocessor chip is introduced April 1, 1974, the 8080 becomes a standard in the computer industry.
1978	The 5.25- inch floppy disk becomes an industry standard
1979	Hyes markets its first modem that becomes the industry standard for modems
1993	America Online and Delphi started to connect their proprietary email systems to the internet, beginning the large scale adoption of internet email as a global standard.
2003	The first product from APEX (the online glossary) was delivered. Many more products (voluntary standards) were later released including meeting history standards, site profile, requests for proposals, housing/ registration, and green meetings
2006	Mobile phone technology providers such as LogOn develop products for meetings including a variety of tools such as product directories, networking functions, schedules, and audience voting via standard cell phones.
2009	Digital television became the broadcast standard in the U.S. and other parts of the world

Data resource: ICCA, 2013.

The development and application of these standards have a landmark significance for the economic development. The creation of vital standards had an immediate effect while the practice of standards may support and lead the development of certain industry. The international meeting industry act as a major contributor to those countries economic prosperity. The development of these standards made the international meeting industry not only a tourism-related industry, but also a non-tourism-related industry. The direct and indirect effects of international meeting industry have profound meanings from the perspective of contributions of standards.

5. Conclusion

The international meeting industry have important impact on economic development. Meanwhile, to the millions of people who attend conventions and exhibitions annually, these events provide an invaluable source of adult and continuing education, a forum for developing and maintaining professional contacts, and effective and efficient means of promoting sales efforts, and medium for information exchange leading to innovation and research breakthroughs (2011) .

From the innovation and research breakthroughs, the contribution of standards from the international meeting industry is a vital part for evaluating the significance of this industry. As we all know, standards constitute the cornerstone of modern economy and international trade. As far as international meeting industry is concerned, it would have far reaching impact on economic development if some fundamental or basic standards were developed during the meeting.

Since 2013, China proposed the program of “one belt and one road”. The program focused on the harmonization between human development and natural environment for the Silk Road. The first Silk Road (Dunhuang) International Cultural Expo will be held in Dunhuang from September 20th to 21st, 2016. If there would develop or form some basic standards for cultural exchanges, then this Cultural Expo may have the inestimable influence to China as well as countries around the world. To achieve this goal, we should pay more attention to the cooperation in the fields of standards beside other important aspects. The wide and complete standards cooperation among countries along the Silk road may have important influence to the economic development of countries around the world.

For countries along the Silk Road, it is necessary to widely communicate and cooperate in international level, regional level as well as national level about standardization practices and enhance the international level for national standardization system (Yang, 2015). We should follow international advanced standards, accelerate adoption of international standards and broaden technical scope and category. In the long term, countries along the Silk Road should strengthen consultation and exchanges and mutually beneficial cooperation with international standardization organizations including IEC, ISO and ITU etc. Moreover, we should substantially participate into the preparation and setting process of international standards, enhancing reputation of national standards on the basis of completely considering technical standards types and economic and social development capacity so as to promote national standards to become international standards.

Acknowledgement

Supported by Gansu Provincial Social Science Planning Project “The Path of the Silk Road (Dunhuang) International Cultural Expo to Promote Regional Economic Development” (No: YB007) and the Fundamental Research Funds for the Central Universities “Research on the Trade Facilitation in the Geo-Economic Integration” (16LZUJBWZD003).

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