

Conferences provide €2.5bn boost to city

Trade fairs

Private management helps city-owned Fira cope with tough economic times, says **Miles Johnson**

In February, almost 60,000 people filtered past the 50 metre high Venetian towers leading into Barcelona's Plaça Espanya to attend the Mobile World Congress. The three-day conference is regarded by the telecoms industry as an annual pilgrimage and the keynote speeches from Google's Eric Schmidt and Microsoft's Steve Ballmer were broadcast live to technology fanatics around the globe.

Away from the exhibition centre, it is also an event worth millions of euros to the economy of the city that hosts it. Local hotels are block-booked, plazas are filled with delegates, and it becomes a complicated affair to locate a restaurant table in central Barcelona.

The Mobile Congress, and 80 other trade fairs representing industries from textiles to food, are all held at the city's main exhibition centre, Fira Barcelona, housed off the Plaça Espanya. According to a study conducted by Iese, the Barcelona-based business school, the events held at Fira generate €2.5bn a year for the city, of which almost 40 per cent comes from the amount spent by visitors and exhibitors during their stay.

"We use the brand of Barcelona, which is very strong," says Agustín Cordón Barrenechea, Fira's chief executive. "Much of the money we generate is made by our direct activities, but also what our events generate for businesses in the city."

Fira traces its origins back to the universal exhibition held in the city in 1888 – said to have featured a two-metre sculpture of a castle carved out of Manchego cheese, and seen by some academics as an important influence on the Catalan architectural modernism made famous by Gaudí.

Fira was officially designated by the government as a trade show centre in 1932, and went on to hold the first demonstration of television in Spain in July 1936 before being shut down throughout the Spanish Civil War.

Mr Cordón Barrenechea is particularly proud of Fira's ability to operate like a private-sector company despite being city-owned: "Our business

model is not usually found [for conference centres] in other countries," he says. "We have public shareholders, the city hall and the government, but we are managed by representatives of business. There are no politicians in our business model."

However, Fira will have to compete against rivals from Milan, Munich and Paris to secure the Mobile World Congress from 2013 to 2017, having previously snatched it from Cannes.

As well as liaising with Barcelona's hotels and leisure industries to plan for the thousands who attend, Fira is also required to work closely with other parts of the city's infrastructure to run its events effectively.

For the ITMA textile and garment machinery exhibition, to be held this September and expected to attract 100,000 people, Fira has had to work closely with the Barcelona port authorities to arrange for machinery to be shipped in from Asia that cannot be transported by air.

Mr Cordón Barrenechea argues that the varying industries and geographical regions represented in Fira's fairs



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are an indicator of the changing state of the global economy: "We saw the mix of the countries change, depending on the economic performance of each country," he says.

"For example, we had a record this year at the Mobile World Congress for people coming from Asia, while we have fewer visitors coming from the US. Internationally focused events have remained strong, but more local events have suffered, as the Spanish market has obviously been hurt by the crisis."

The result has been that Fira's business, while rooted in Barcelona, has become more international, with exhibitions, such as its Alimentaria food show, travelling to Latin America in recent years: "When the demand for our exhibitors is not ready in Europe, we are taking our exhibitors to events in local markets," he says. "This is something we have seen during these times. Fairs are very efficient ways of helping companies internationalise."