

## **DOCUMENT ON THE 6th LATIN AMERICAN POLITICIANS FORUM ON THE MEETING INDUSTRY**

This year, the 6<sup>th</sup> Latin American Politicians Forum on the Meeting Industry took place during FIE XPO Latin America 2019 at the Sheraton Hotel in Santiago, Chile. It was attended by high government authorities from the host country, including the Undersecretary of Tourism, Monica Zalaquett and the director of Sernatur, Andrea Wolleter, as well as authorities from other countries in the region. One of such authorities was Rosi Prado de Holguín, Minister of Tourism of Ecuador; Alejandro Lastra, Secretary of Tourism of Argentina; Gilson Machado Neto President of EMBRATUR, Bob Santos, National Secretary for Inter Agency Integration of Brazil, the Vice-Minister of Tourism of Peru, José Ernesto Vidal, the governor of the province of Salta, Juan Manuel Urtubey and the Vice President of Tourism of Procolombia, Julián Guerrero. Among the participants there were also senior executives of international organizations and associations linked to meetings tourism.

The Forum began with welcome words by the directors of the *Latin American and Caribbean Worldwide Meetings & Incentives Exhibition* Sergio Baritussio and Arnaldo Nardone. Nardone referred to the Political Forum as a dream in its way to becoming true: i.e., that the public and private sectors could have an instance of discussion for the betterment of the meetings and events industry, since joint work is essential.

Next, Chile's Undersecretary of Tourism, Monica Zalaquett Said welcomed all the audience, and especially greeted the ministers, vice-ministers, secretary generals, C.E.Os and various tourism authorities from many territories arrived in Chile from Peru, Costa Rica, Brazil, Colombia, Argentina, Ecuador and Uruguay. "This is a very special moment for our country, because after 3 years in charge of organizing this important fair, we are finally transferring the baton to our friends in Colombia, who during the next few years will have the honor of hosting this event that brings us together to share experiences, exchange knowledge and debate joint policies to promote the meetings tourism in our great Latin America," said Zalaquett.

After presenting a video with images of Chile, the Undersecretary shared some ideas about her country that stretches over 4,500 kms. Chile displays a world of contrasts, offering a wealth of experiences and the sight of a rich historical and cultural heritage, while providing high connectivity, safe cities and political, economic and social stability. She added that the country has 14 Convention Bureaus and highlighted that the dynamism of these institutions is currently visible owing to the experience obtained after hosting FIE XPO for 3 years.

The top Chilean authority of the sector added that meetings tourism contributed to building up a reputation and increased the levels of cooperation. In addition, meetings create and spread knowledge all over the world, and the meetings tourists leave behind more revenues, as they are typically high-end travelers. "In Chile we have seen how meetings tourism increases our income, how it boosts trade, and favors investment,



communications and technologies. It fosters the professional development of the sectors involved, creating jobs and making it possible for people to stay in their places of origin. By attracting experts from around the world to debate and exchange knowledge on issues relevant to our societies, this sector transforms and dynamizes local economies, breaks with seasonality, promotes recreational tourism and promotes innovation.

Referring to the figures involved in this industry, Monica Zalaquett pointed out that based on ICCA data, in terms of attracting events the market share of Latin America was 10% between 2013 and 2017. Yet, among the 20 top countries in the world ranking, there are 2 Latin American countries: Brazil and Argentina. For Chile, he said, hosting FIEXPO has been a great opportunity for growth; he expanded the idea, stating that the country ranks 4<sup>th</sup> in Latin America with 109 events, as reported in the ICCA ranking. Santiago de Chile also ranks 4<sup>th</sup>, surpassed only by Buenos Aires, Lima and Sao Paulo. In the world ranking, Santiago ranks 41<sup>st</sup>. In 2018, 10% of the tourists visiting Chile did so to attend meetings and conventions; moreover, 17% of the foreign currency collected by tourism in the country corresponds to meetings and events tourism.

Also relevant is the increase in the number of applications and the events obtained, thanks to the joint work of Sernatur and the country's Convention Bureaus. In 2017, Chile applied for 36 international events overall, and got 25. These congresses are expected to receive more than 20,000 delegates between 2018 and 2023. Of the 41 international congresses presented in 2018, Chile obtained 28, which are to be held between 2019 and 2024; this means there was a 12% increase over the previous year. With a public expense of US\$ 22,747, the money that is expected to flow into the country as a result of these 28 events would be approximately US\$ 35 million. So far in 2019 Chile has expressed interest in hosting 21 international congresses and has been awarded 12 to date. According to the Undersecretary, FIEXPO's contribution to this development is undeniable.

Later, there was a videoconference from London, featuring James Rees, President of ICCA and CEO of ExCeL London. Rees regretted not being present at the event, because of agenda issues. He reminded the audience that ICCA represents the world's leading suppliers of management and transportation services and accommodation for international meetings and events. At present, ICCA gathers more than 1,200 member companies and organizations in nearly 100 countries worldwide. The president called on the Latin American region to increase its membership, which now adds up to 95.

Rees also referred to how holding events can positively transform the world's perception of a destination, citing the change in London's image after the Olympics as an example. In his view, Londoners now have a better reputation, having left behind their cold or aloof image. In his message, the ICCA leader highlighted the new challenges facing the world, mentioning Brexit and the ongoing political uncertainty in the United Kingdom. Vis-a-vis this new reality, Rees stressed the importance of face-

to-face meetings as a unifying factor. “Faced with the trend of recent years, and seeing that the challenges we face are growing, partnerships with different actors in the industry arises as a strategy for better results,” said the President of ICCA.

Wrapping up, Rees gave 3 tips to the destinations interested in achieving better results when attracting international events, including: i) demonstrate that you have a significant and varied record of events; ii) show a stable and reliable local environment; and iii) make sure you respond positively to any requests from event organizers.

Following the Forum program, Ana María Arango, Director of UFI - Latin America, referred to the Impact of the Fair and Exhibitions Sector globally and in Latin America. With a history of almost 100 years, UFI is the worldwide association of the main trade fair organizers and fair owners, as well as the main national and international exhibition associations and selected partners in the industry. Forty-one percent of its 800 members are in Europe, 36% in Asia, 12% in the Middle East and 10% in the Americas. In Latin America there are 48 members.

In her presentation, the director shared the results of the last and recent study - launched last April-, commissioned by UFI on the economic impact of the industry worldwide. The study seeks to demonstrate that fairs are the best marketing tools, the best setting for innovation and knowledge, and the drive for developing the industry; they produce educational tools, provide opportunities for networking, and dynamize the economy of destinations. There is a 1-2-8 ratio, which means that for every dollar invested by the exhibitor, fairs generate 2 dollars during the event itself and US\$ 8 at later stages.

The study, which analyzed 32,000 fairs in 180 countries, found that globally there are 4.5 million exhibition companies; 138 million square meters of exhibition area, and they attract 303 million visitors. In terms of their impact, these fairs increase the GDP by US\$ 198 billion and provide 3.2 million direct and indirect jobs. Based on the 4.5 million exhibitors in the world and their total direct expenditure of US\$ 136.9 billion, it is estimated that the direct expenditure per exhibitor is US\$ 30,200 and based on the US\$ 198 billion total impact in terms of GDP, the trade fair sector would be equivalent to the 56<sup>th</sup> economy in the world, performing better than Hungary, Kuwait or Ecuador.

As for the performance of the industry in South America, Ana María Arango mentioned that there are 217,000 exhibition companies; 5.2 million square meters and 9.9 million visitors in the region. In terms of impact, it contributes with US\$3.2 billion to the GDP and provides 85,000 direct and indirect jobs.

These figures, Arango pointed out, reflect that it is a very dynamic sector, leading the director to call on convention centers and fairgrounds to develop their own events, because they can receive significant revenues through them. She also included the tourist offices, encouraging them to see the fair sector as a very interesting segment that can significantly impact their destinations.



Next, Rosi Prado-Holguín, Minister of Tourism of Ecuador presented the Comprehensive Plan for Tourist Assistance (PIAT, for its acronym in Spanish), which is considered a model in Latin America, as it aims to position Ecuador as a safe destination and as a world reference in sustainable tourism that offers visitors a positive and unique experience, based on assurance and services all along their experience: before, during and after the trip.

As the opinion leaders put it, PIAT can be defined as a tool that guarantees the mobility and safe travel of tourists visiting the country, being the most modern of its kind in the region. In her presentation, the Ecuadorian minister highlighted that the PIAT was conceived with a preventive approach, highlighting both the potential of planning work coordinating between various public and private institutions and the existence of a protocol for the tourism security, whose implementation enables stakeholders to respond immediately to the visitors' emergency calls.

In the last presentation of the block, Julián Guerrero, Tourism Vice President of Procolombia, took to the stage to present what he described as an “appetizer” of the forthcoming FIEXPO 2020, 2021 and 2022 in Cartagena, Medellín and Bogotá. Guerrero explained that in Colombia the meetings industry has been set as a priority, so the public and private sectors have made a great effort to invest in convention centers. In the last 6 years, Colombia has invested nearly US\$ 200 million in the construction or reconstruction of new centers. For example, he mentioned that among others, Ágora (Bogotá) and the Cartagena Convention Center have been remodeled.

According to Julián Guerrero, Colombia has very diverse regions, and efforts have been made to improve their hotel infrastructure. Thanks to a tax franchise applied in recent years, 180 new hotels were opened in the country. In the north of South America, the country's geographic location is privileged and boasts to have good connectivity with the rest of the world. Significant joint work was done with the airlines to increase connectivity. Currently Colombia connects with 26 countries and 50 cities. Last year, the airlines inaugurated 17 new international routes and 26 frequencies, while this year close to 8 new routes are being inaugurated. The Tourism Vice President of ProColombia remarked that due to its geographical characteristics, Colombia gave rise to several large cities with good infrastructure, offering the possibility to host international events. Cartagena, Medellín, Cali, Pereira, Armenia, Manizales, Barranquilla, Santa Marta and Bucaramanga were some of the cities he mentioned.

In his presentation, Julián Guerrero highlighted that the human factor has played a key role in the development of the meetings tourism industry in his country, and the formula developed by Colombia is summarized as  $People = P(\text{purpose}) + P(\text{passion}) + P(\text{pride})$ . Also, they raised awareness among the population, highlighting the purpose of meetings industry, i.e., to Connect -people, interests, businesses, cultures-, and we connect through people. Another important aspect mentioned is working with the legacy left by events, the concept of meetings with a purpose. When talking about



traveling, we should not limit ourselves to the traveler's experience; we should consider three other elements: the community and the impact of this activity on it; the impact on the environment; and the experience of the organizer, and in this sense, the event has to be a good business for its organizers.

As he addressed the initial themes of the forum itself, Arnaldo Nardone introduced the focus of the analysis of each of them. The first is "How to achieve the convergence of the main associations of the meetings industry and other governing bodies of traditional tourism, so that they may all follow the same path, leading to the success of the destinations". The topics raised by the organization are: Who is who in destination management? The importance of defining the role of each organization so as not to overlap efforts and work professionally, with defined strategies and clear objectives. A medium and long-term operation that leads to the positioning of a destination as an international benchmark for meetings.

Christian Mutschlechner (Vienna), former President of ICCA and CEO of the Vienna Convention Bureau for over 25 years introduced and developed the first topic.

Mutschlechner argues that our organizations fail to see the right path when trying to attract congresses and events to destinations; this becomes particularly critical in the area of medical and scientific meetings. He insisted that they need to consider that today the pharmaceutical industry needs to comply with specific ethics code (lack of compliance puts them at risk of suffering sanctions), precluding activities in certain destinations and venues, as being too luxurious. One should focus on the objectives of the associations that organize the meetings, they are not consistent with going to enjoy some tourist place; that is why the social and tourist programs today are diminishing, at least in Europe, for this type of meetings, since their ultimate purpose is to refresh knowledge and exchange breakthroughs in new therapies. Therefore, the way to approach these meetings should not be based only on tourism. Today, we must move more toward the knowledge industry than to the tourist industry. We are closer to aligning ourselves with UNESCO, with universities, with the World Health Organization, than with UNWTO.

The former President of ICCA also stated that we should not only think about the direct economic impact of congresses, but well beyond that. What impact do events have on the areas of knowledge and technology? Some countries have even adopted the strategy of aligning the capture of events to develop specific areas where they have gaps. If we focus solely on tourism, we are going to misdirect our business. We have to consider the objective of the organizers; that must be our *leit motifas* we try to capture the events.

During the debate, Julián Guerrero (Colombia), gave his opinion regarding Mutschlechner's approach, challenging him with the question: "With that proposal, why would an association be interested to change the destination for an event? Because – he added - although the tourism ingredient may not be the main one, it is a plus". The



former president of ICCA argued that the associations focus mainly on the infrastructure of the destinations, because in scientific congresses there is no time for consuming culture and even less for entertainment. At least, said Mutschlechner, “that is the prevailing trend in Europe, and I transmit it: the tourist attraction is not a criterion for defining a destination,” he concludes.

Participants analyzed the same issues; Eduardo Chaillo (Mexico) reflected on the type of Convention Bureau or organization we need in Latin America to deal with a market that operates that way. We should move closer to the intellectual capital of our destinations, to the universities, to the experts, to the scientific associations of our destinations. As Convention Bureaus we have to join that transformation. Fernando Gorbarán, from Argentina, said that each destination, each country, matures in a different way. We do have the great challenge of measuring the economic impact of this sector. “We created a competitiveness table with the Ministry of Tourism, and we began to work with the different ministries, to foster a greater commitment in the capture and definition of contents of the events. “We are aligned with what Mutschlechner proposes”, he concluded. For his part, Arnaldo Nardone clarified that what Mutschlechner’s proposal refers mainly to the capture of congresses and which aspects we should emphasize more, also depending on the target market. The regional market is different from the European market, he argued.

Gloria Gallardo (Guayaquil) said that her city has grown significantly as a venue for international meetings thanks to the implementation of the program Ambassadors, who, as opinion leaders in various branches of science, play a key role in promoting the destination. She highlighted the importance of measuring the scientific impact. We usually measure the economic impact of events, but how do we measure their scientific impact on knowledge?

The Vice-Minister of Tourism of Peru, José Ernesto Vidal, took the floor to report that Ecuador had created an Executive Board on Tourism, which focuses on the objective of the event; in the case of scientific events, with time they will result in development. “We are responsible for raising awareness among our peers to go after these events, whether with the Ministry of Health or other players.

Arnaldo Nardone then explained that there are studies conducted in Latin America that have shown that 40% of all delegates who visited a country have returned with their families to the destination for tourism. On the other hand, it has been demonstrated that the more partnerships we have with the scientific sector, especially with associations, or with communities, hobbies and many more, the more we will grow as an industry.

Silvana Biaggiotti, elected President of the Latin American Convention Bureaus Association, commented on the need for bureaus in the region to work out the parameters with which to measure the legacy of each activity.

Regarding the social impact of the events, Monica Zalaquett said that “in a few months we will have COP25, a mega event that will gather 30,000 participants in Santiago. This is generating multisectoral efforts, but it is very interesting to see the social impact of this event. Today there is a public-private partnership and there are incentives along the lines of committing ourselves to climate change; that has led us to ask ourselves what will happen after COP25, that is, it is leading a social transformation.

The second topic, “Tourism services versus meeting services”, was presented by Didier Scaillet (Brussels), CEO of SITE - Society for Incentive Travel Excellence.

The questions that motivated the analysis were: Is the attention given to a high level tourist similar to that given to the president of an international professional association?

Is the staff of hotels, restaurants and tourist services in general really capable of understanding this difference?

Another theme is the importance of raising awareness throughout the range of service providers about the different scopes and requirements of each of them.

In his presentation Didier Scaillet defined the differences between a traditional tourist and an incentive travel tourist, who may be participating in different activities, including the launching of a product or sales meetings. These travelers do not personally choose their own destination, so their expectations differ from the traditional travelers; they do not spend their own money and on the other hand, their expenditure is much higher.

Incentive travels are a tool used as a unique travel experience, intended to motivate the employees of a company to generate greater loyalty and/or to increase sales. What organizers look for is to offer experiences beyond the regular expectations. The incentive trip has to offer experiences that cannot be replicated in personal vacations. To work with incentives, the destination needs to use the WOW! factor, have an easy access, large and wonderful hotels, multiple offers, and must be able to understand what the group is expecting; these people are looking for unique and memorable experiences. It is a high permeability segment. Services are very important. The staff working in one of these destinations need to provide special services; they need to have a good understanding of the difference between an incentive group and the vacation tourist. Examples of the kind of experiences they may be offered are a cocktail on the Chinese wall; at the Louvre, etc.

Arnaldo Nardone remarked that we invest a lot in promotion and marketing, but not in training for the entire chain of services. There are service problems almost everywhere; that does not depend only on the use of technology; problems may occur from the design of the event to each aspect of its implementation. There is a need to work on the certification of human resources, including the entire value chain.

Eduardo Chaillo referred to the issue: “In the meetings industry ecosystem, professional credentials have been designed for each of the topics. There are certifications for convention bureaus, to sell to associations, to promote and speak the language of associations. For me the most important part of professional skills lies on trust. We have to be a vehicle to gain the clients’ trust, which is an intangible”.

The Vice-Minister of Peru commented that the staff involved in this type of trips has to be extraordinarily qualified. In Peru, they are working on a number of trainings and they are outlining the profiles of the people who work in the sector. For its part, the Undersecretary of Tourism of Chile indicated that the country sees a great opportunity in incentive tourism, which is why it is working with each of the regions to seek differentiation and value those things that are almost unique.

The Secretary of Tourism of Argentina, Alejandro Lastra, said that “...there is a coincidence in the treatment of the entire value chain, including the quality of all services across the board. We have the *Instituto de Calidad Turística Argentina* and we have developed a plan to raise awareness about the entire value chain, which involves not only tourist services but the entire community.

In the third theme of the Forum, Sherrif Karamat (United States), CEO and President of PCMA – the Professional Convention Management Association-, addressed the topic “Emerging Destinations vs. Consolidated Destinations”. What actions do national and local governments undertake to strengthen the role of secondary destinations versus capitals?

A great “Country Team” must design a capture strategy based on the potential of each destination, while supporting the development of infrastructure, connectivity, professionalization of human resources and international promotion, among other issues.

In his presentation, Sherrif Karamat referred to the fact that it is estimated that by 2050 85% of the world's population will be concentrated in around 600 cities. This poses the challenge of managing our destinations with a very clear strategy. All the stakeholders share the responsibility for developing the event industry; the sector must leave a legacy, because “your events transform cities economically, socially, in all fields”.

Alejandro Lastra (Argentina) underscored the serious work of the Argentine government and the private sector to develop meetings tourism industry in national destinations. The Secretary of Tourism highlighted the development of air connectivity in his country, with international connections increasing by 30% in the last period. In Argentina there are 30 cities that have been favored by greater air connectivity, which also makes them emerging destinations for the meetings tourism. They are also working with issues related with tourism facilitation and airport infrastructure, among other aspects.



Lastra commented that in Argentina, solidarity is promoted by rotating events between cities with similar conditions. Likewise, the strengthening of bureaus (32 in total) is based on their scale.

Finally, the organization announced the Motivation Luxury Summit 2020 in Chile. In addition, Salta received the Best Emerging Destination Award, so the Governor of that Argentine province, Juan Manuel Urtubey, traveled especially to get it, while the Forum Award - the highest award given by the Political Forum to government authorities for their work in the development of the meetings market, was given to the Undersecretary of Tourism of Chile, Mónica Zalaquett.