

Brexit Briefing

The below are potential issues facing the UK events industry cited amongst the UK MICE media surrounding the issue of the EU referendum and Britain's vote to leave:

'European body threatens to move meeting upon Brexit vote'

Source: *Meetpie 6th June 2016*

A London Destination Management Company (DMC) says more inbound European conferences may go on hold pending Britain's historic EU referendum, after a meeting of former EU employees warned it would move elsewhere should Britain vote to leave. London DMC director Bill Prosser says the UK meetings industry could begin to see more uncertainty and cancellations as media coverage ramps up across Europe in the lead-up to the vote.

Full article: <http://www.meetpie.com/Modules/NewsModule/newsdetails.aspx?t=European-body-threatens-to-move-meeting-upon-Brexit-vote&newsid=23029>

'Congresses cancel as European clients 'take vote personally'

Source: *Meetpie.com 30th June 2016*

European conferences have pulled out of the UK, according to Portugal-based CPL Meetings and Events executive director Linda Peirera. Two conferences have pulled out of the UK with more inbound European groups threatening to follow suit in the wake of the UK's Brexit vote stating clients are taking the Brexit vote personally.

Full article: www.meetpie.com/Modules/NewsModule/newsdetails.aspx?newsid=23156

'NEC Group expansion could be delayed by Brexit'

Source: *Meetpie: 20th June 2016*

The chief executive of the NEC Group has warned that the group's expansion plans could be put on the backburner if the UK votes to leave the European Union (EU). Paul Thandi says that economic uncertainty following a Leave vote would continue for the next five years, and would directly affect the group's plans to build out its leisure and entertainment business on-site.

It comes after the NEC Group revealed that uncertainty around the EU referendum had already cost them a major textile machinery exhibition (ITMA 2017) worth £600 million, after organisers decided against the UK because of the possibility of a Leave vote.

Thandi said leaving the European Union would also have a "huge" knock-on effect for the number of international exhibitions and conventions due to visa regulations. "The UK isn't part of the Schengen Agreement, irrespective of the EU referendum, which already puts us at a disadvantage when trying to attract international events to the UK.

"If we exit the EU, we'd be at an even greater disadvantage. In addition to making it harder to visit the UK, there's a chance we'd move out of the European show rotation schedule which is crucial to our business. If we moved into the global rotation the NEC Group could be less likely to win business because we're not based in a capital city."

Full article: <http://www.meetpie.com/Modules/NewsModule/newsdetails.aspx?t=NEC-Group-expansion-could-be-delayed-by-Brexit&newsid=23104>

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'NEC Group prepares for staff shortage following Brexit'

Source: *Meetpie.com*: 24th June 2016

The NEC Group will double its efforts to train local catering staff in preparation for the possibility of fewer EU migrant staff, as suppliers say the UK events industry must embrace the EU decision to move forward. NEC Group's chief operating officer John Hornby said while the EU Referendum decision wouldn't have an immediate impact on staffing levels, the Group was starting to prepare for one once the exit is completed in around two years. "We benefit from a free flow of labour from the other EU countries, in particular with our catering service. For some time we've already been putting in place apprentice programmes to make sure we're a bit more self-sufficient to draw upon local skills to fill gaps within the organisation," he said.

Full article: <http://www.meetpie.com/Modules/NewsModule/newsdetails.aspx?t=NEC-Group-prepares-for-staff-shortage-following-Brexit&newsid=23137>

'State of the Industry 2016: Brexit - the MDs lowdown'

Source: *Citmagazine.com* 1st July 2016

Agencies are already seeing events postponed just a week after the UK's vote to leave the EU, but MDs hope uncertainty could result in more meetings as clients seek to reassure staff and partners.

- Crown MD Nicky Havelaar predicted: "There will be a period of uncertainty where clients will postpone events or simply not invest in them."
- Others are already seeing an impact. First Protocol MD Mark Riches said the agency's US office had seen several pieces of business postpone since the leave vote. "In New York, we've seen \$100,000 of business postponed. Some of it was into London and some of it was activity on the East Coast and I think what's driving that is expenditure."
- Meanwhile, Absolute Corporate Events MD Chris Parnham said he has had two clients based on both sides the channel change their plans due to concern that they will not feel welcome.

Full article: <http://www.citmagazine.com/article/1400844/state-industry-2016-brexit-mds-lowdown>

'Reactions from events industry following Britain's vote to leave EU'

Source: *Exhibitionnews.co.uk* 24th June

- Alan Newton, co-founder and COO of Eventopedia - "This level of uncertainty will, in the short to medium term, have a big negative impact I'd say all budgetary targets for this year probably have to be revisited. Any outbound events where the budget is held in the UK will also be heavily impacted by the sharp loss in the value of Sterling, which may lead to some events being curtailed or cancelled due to increased budgetary pressure."
- Sergey Alexeev, UFI president, and Kai Hattendorf, UFI managing director - "The exhibition industry provides the world's market places for trade and exchange, and is hence strongly linked to global economical developments. Ripples from the UK referendum will be felt in our industry, mirroring developments in other sectors."

Full article: <http://exhibitionnews.co.uk/news/news/reactions-from-events-industry-following-britains-vote-to-leave-eu>

'Event planners outline pros and cons of leave vote'

Source: *Citmagazine.com* 24th June

- **Skills shortage** - "I think there are multiple concerns around skills shortage, economic impact, and reduced foreign investment that will impact the events industry," said Alan Newton, founder and COO at Eventopedia. "In terms of skills shortage, let's be clear, we're not going to be losing tens of thousands of workers overnight, but the statistics show that we're an industry heavily reliant upon migrant workers, with the figure as high as 60% in London. More than a third of those workers are in skilled or managerial roles, so we're talking about a generation before we can reasonably introduce the required change in culture, education, and training to plug the gap, and we'll be missing the cultural advantages that go with having an immigrant workforce."
- **Greater competition from European agencies** - "I feel leaving the EU might make competing for European events business more difficult and result in some European HQs moving out of London and using local event agencies for their requirements," said Sam Robson, group events director at The Appointment Group.
- **Value of sterling dropping** - "Any outbound events where the budget is held in the UK will also be heavily impacted by the sharp loss in the value of sterling, which may lead to some events being curtailed or cancelled due to increased budgetary pressure," said Newton.
- **Uncertainty in the economy** - "The major concern about the Brexit from a client point of view is the uncertainty it might bring to the economy," said Shaun Casey, head of events at BI WORLDWIDE. "Clearly a vast majority of MICE spend is considered to be discretionary spend and this might be frozen on a wait-and-see basis. Hence, there could be pressure to postpone commitment and payments."
- **Knee-jerk market responses** - "The markets were informing us pre-vote that they were not favouring Brexit and they've certainly responded in that manner this morning," said Newton. "However, we also know that markets can have knee-jerk responses before recovering, so we have to be patient and allow the dust to settle. This level of uncertainty will, in the short to medium term, have a big negative impact and I'd say all budgetary targets for this year probably have to be revisited."
- **Leave vote could see a return to export carnets and restrictions** - Evcom chairman Steve Garvey says a main concern of Brexit is how it will impact on the movement of people, goods and services around Europe. If export carnets or restrictions of the past return, or visas for European travel introduced, it could have a huge impact on UK companies delivering events within the EU. "We believe it is vital to continue to allow the free movement of people, capital, goods and services between the UK and the rest of Europe. While the UK will remain a member of the EU for some time, it is essential that our members are able to deliver events and produce screen content in the EU after the Brexit process is completed," said Garvey.

Full article: <http://www.citmagazine.com/article/1400091/brexit-reaction-event-planners-outline-pros-cons-leave-vote-updated>