

# Assessing the Economic Importance of Meetings Activities in Denmark

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## Introduction: background

- This is a project initiated, carried out and financed by Visit Denmark;
- Project was inspired by UNWTO publication: “Measuring the Economic Importance of the Meetings Industry”;
- Visit Denmark has carried out three surveys: **venue, organizers and delegate surveys**;
- Centre for Regional and Tourism Research (CRT) has carried out the tasks for making the **satellite accounts** and evaluating the **economic and employment impacts** of the meeting activities by the Danish regional macroeconomic model.

## Findings – meetings activities

Number of meetings in 2010: **188,000**

Number of delegates in 2010: **6.9 million**

Total expenditure of meetings activities:

DKK **20.8 billion** (app. euro **2.8 billion**): where

- DKK 11.4 billion spent by meetings organizers (54.8%);
- DKK 9.4 billion spent by delegates (45.2%).

## Findings – economic impacts

Meetings activities create full-time equivalent jobs:

- Direct effects: **25,800 jobs**
- Total effects: 38,000 jobs

Meetings activities generates gross-value added

- Direct effects: **DKK 8,5 billion** (app. euro 1.1 billion)
- Total effects: **DKK 15.3 billion** (app. euro 2.1 billion)

Total governmental revenue:

- **DKK 7.8 billion** (app. euro 1.1 billion)

## Definition for meetings activities

Supply perspective:

Meetings activities are mostly related with industry with ISIC code **8230**: includes the activities of “*organization, promotion and/or management of events, such as business and trade shows, conventions, conferences and meetings, whether or not including the management and provision of the staff to operate the facilities in which these events take place*” (UN, 2008)

**Other braches** are involved into the meetings activities, such as hotels, conference centers and universities.

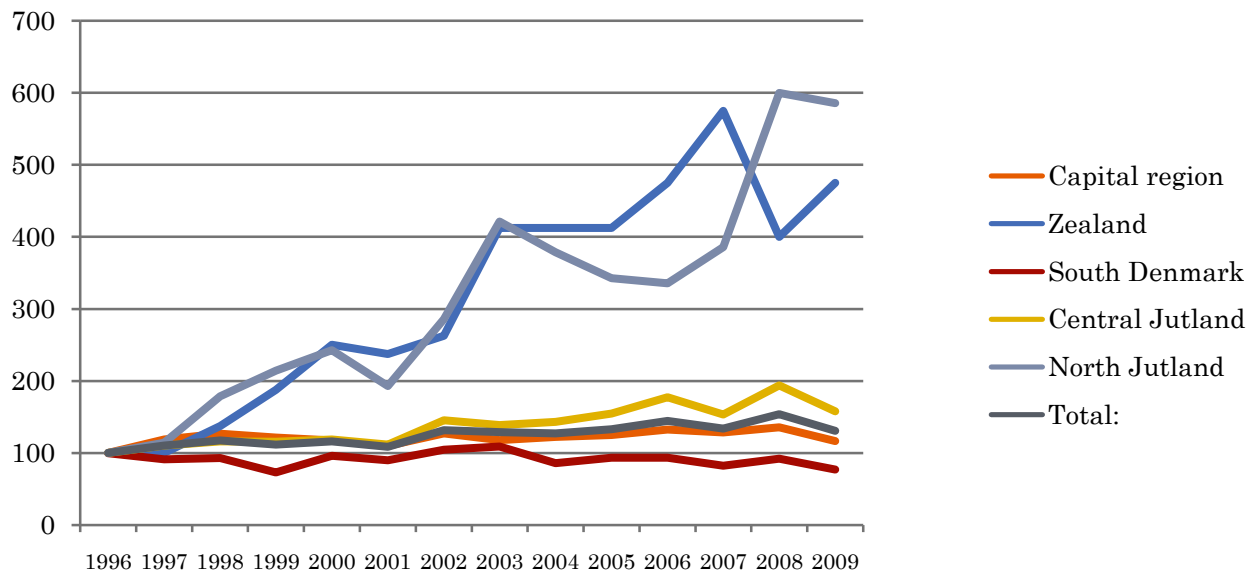
## Definition for meetings activities (cont')

Demand perspective:

- The aim of meetings should be to motivate participants, to conduct business, to share ideas, etc.;
- The minimum number should be **10 participants**;
- The minimum of **4 hours** or more for the meetings duration for each meeting;
- The types of meetings sectors include congresses /conferences, trade shows /exhibitions, incentive events and corporate meetings (**MICE**)
- Consumption fairs, sport events and political events are not included

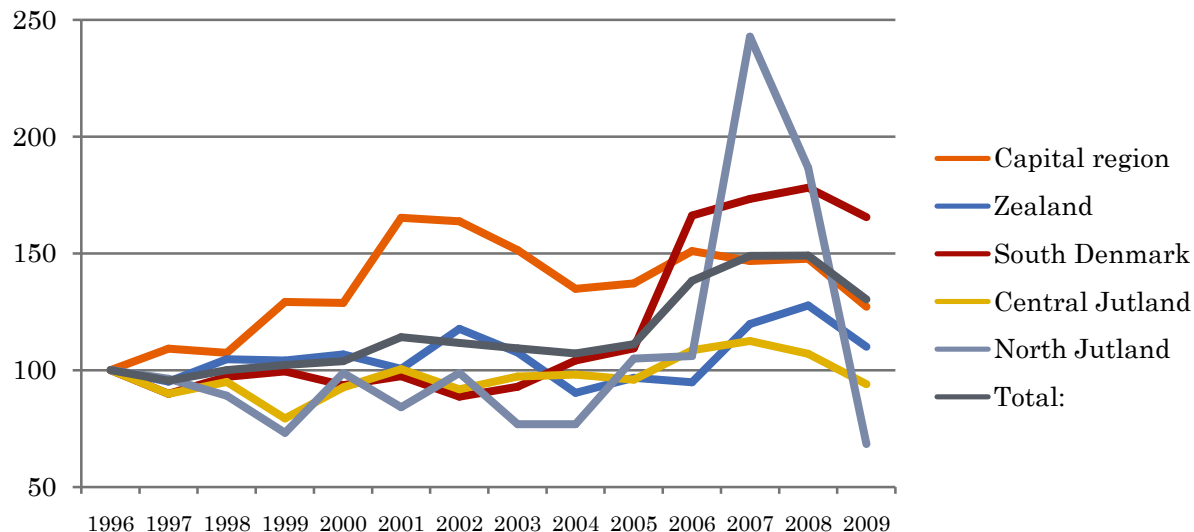
# Development in meeting sector (employment)

Regions	1996	2000	2004	2008
Capital region	486	571	594	660
Zealand	8	20	33	32
Southern Denmark	217	209	187	200
Central Jutland	356	423	510	690
Northern Jutland	14	34	53	84
<b>Total:</b>	<b>1081</b>	<b>1257</b>	<b>1377</b>	<b>1666</b>
Urban municipalities*	412	451	472	519
% of the urban	38.1	35.9	34.3	31.2



# Development in conference centre (employment)

Regions	1996	2000	2004	2008
Capital	590	760	795	871
Zealand	369	394	333	471
Southern Denmark	938	878	977	1670
Central Jutland	514	476	504	550
Northern Jutland	82	81	63	153
<b>Total:</b>	<b>2493</b>	<b>2589</b>	<b>2672</b>	<b>3715</b>
Urban municipalities*	277	249	339	579
% of the urban	11.1	9.6	12.7	15.6





# The venue survey

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## Meetings activities by the purpose

	No. of meetings	Days of meetings	Average length
<b>In total</b>	<b>187,900</b>	<b>295,700</b>	<b>1.6</b>
<b>Conference/ congress</b>	48,800	84,200	1.7
<b>Trade shows</b>	1,100	1,800	1.6
<b>Courses</b>	95,000	157,200	1.7
<b>Other meetings</b>	42,900	52,600	1.2

Note: The length of meetings is a discrete variable. Hence, the average day is overestimates

Source: Venue Survey from Visit Denmark (2012).

# The organizer survey

12-12-2013

## Average daily meeting cost by the purpose

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	Daily costs* (DKK)
Conference/congress	1,220
Trade shows	7,560
Courses	1,070
Other meetings	930

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Notes: \*Daily cost per delegate.

Source: Organizer Survey from Visit Denmark (2012).

# The delegate survey

## Average daily spending of participants

(in DKK)	Conference	Trade shows			
	/congress	Visitors	Exhibitors	Courses	Other
<b>Domestic</b>	<b>1,070</b>	<b>310</b>	<b>920</b>	<b>680</b>	<b>1,110</b>
Overnight stay	2,080	870	1,590	1,250	2,260
Day- participants	1,440	628	1,320	830	1,620
Local	780	190	430	230	870
<b>International</b>	<b>1,360</b>	<b>700</b>	<b>1,540</b>	<b>1,090</b>	<b>1,190</b>
Overnight stay	1,890	870	1,590	1,310	1,810
Day- participants	1,090	630	1,320	920	1,080

Source: Delegate Survey from Visit Denmark (2012).

# Methodology: a satellite accounts approach

UNWTO (2006): a guideline for satellite accounts for measuring the economic importance of meetings industry

Visit Denmark and CRT have carried out for regional tourism satellite accounts for nearly 10 years

Advantages in the method of satellite accounts:

- Full description of meetings activities from supply-side information: **production, GVA, income and employment**;
- Incorporate the demand data into the supply-side data, such as **consumption by products linked into branches**;
- Evaluation of **economic effects** by meeting activities.

## Methodology: the Danish regional macroeconomic model

LINE model is applied in this project for evaluating the economic and employment impacts of meetings activities;

The model is based on the **social accounting matrices (SAM)** and on the **input-output general equilibrium framework**;

The model has built on a **municipality level** – interregional relationship showing **commuting, shopping, trading and tourism flows**;

The model contains **many economic variables**: production, intermediate consumption, private and public consumption, investment, import and export, etc., as well as the census data, such as population, labour force, employment and taxes, etc;

# Issues of supply chain at meetings sectors

Supply chain of meeting sectors have been given special attention, as it concerns **back-ward linkage**, and economic effects on other branches and other regions.

Supply chain shows the meeting organizers' supply chain:

- The trade shows /exhibitions are closely connected with congress exhibitions (34%) and restaurant sectors (27%);
- The conferences are closely connected with hotels (23%) and restaurants (30%);
- The courses are most connected with the universities and educational centres (42%);

# Results of the economic contribution of meetings activities by 5 regions (1)

12-12-2013

(mil. DKK)	Capital	Zealand	South DK	Central J	North J	Denmark
Production	12,643	2,890	7,941	5,385	2,202	31,061
Intermediate consumption	6,803	1,476	3,932	2,556	1,033	15,801
<b>Gross value added</b>	<b>5,840</b>	<b>1,414</b>	<b>4,009</b>	<b>2,829</b>	<b>1,168</b>	<b>15,260</b>
Compensation to the employees	4,013	911	2,789	1,963	803	10,478
<b>Employment (FTE jobs)</b>	<b>12,683</b>	<b>3,609</b>	<b>10,768</b>	<b>7,642</b>	<b>3,186</b>	<b>37,888</b>

# Results of the economic contribution of meetings activities by 5 regions (2)

12-12-2013

(mil. DKK)	Capital	Zealand	South DK	Central J	North J	Denmark
- State's taxes	451	168	343	265	104	1,332
- Region's taxes	229	88	187	142	57	703
- Municipality's taxes	685	272	583	440	179	2,159
- Church's taxes	20	10	21	16	8	76
<b>Total income taxes</b>	<b>1,386</b>	<b>538</b>	<b>1,134</b>	<b>863</b>	<b>347</b>	<b>4,269</b>
Corporate taxes	228	33	99	57	22	439
<b>VAT</b>	<b>1,188</b>	<b>333</b>	<b>858</b>	<b>531</b>	<b>220</b>	<b>3,130</b>
<b>Governmental revenue</b>	<b>2,802</b>	<b>904</b>	<b>2,092</b>	<b>1,451</b>	<b>590</b>	<b>7,839</b>



## Concluding remarks

- This is the first analysis in Denmark on assessing the economic impact of meetings activities;
- The evidence suggests that expenditure from meetings activities is quantitatively important in Denmark, as it accounts for 28% of the total tourism expenditure;
- Meeting activities have certain attributes that make them more strategically attractive than leisure tourism;
- Further data collection and improvement is needed;
- Supply chain for meetings sectors need to have further studies.

# Thank you!

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