

COMMENT 

# Reflections on Bologna

**S**IMAC this year was not the disaster many had predicted, but neither was it a runaway success. Visitor numbers were decidedly down and most appear to have attended on the Wednesday, the second day of the four-day event, which coincided with the middle day of the three-day Lineapelle show, where attendance was also down. However, many exhibitors commented favourably on the quality of the people they did see. So, considering the general state of the industry in Europe, one might be tempted to say that the fair was satisfactory given the circumstances.

Unfortunately, this would be avoiding an unpleasant truth: an increasing number of exhibitors appear to be far from satisfied with SIMAC. The rumblings started last year when Main Group downsized its stand to an information booth and invited visitors to the factory to see its machines. The reason? The company could no longer justify the enormous expense involved with SIMAC every year and neither did they feel able to develop new technology on an annual basis. This year, while all the majors were at the fair, the discontent had become more widespread.

Desma probably represents the view of many. As the company sees things, SIMAC effectively took over from Pirmasens (IMS) in the late 1990s as the German industry contracted. With Pirmasens gone, SIMAC found itself transformed into the only global fair and as a result did very well. Holding Lineapelle at the same time was seen as a further plus for visitors. During this period, the company saw important visitors from all parts of the world, received concrete orders, and learnt a great deal about the overall shape of the industry in four short days. The downside was that the fair involved the whole sales department and absorbed 75% of the annual exhibition budget. The company was thus gambling a considerable amount on only four days of the year. But, at that time, the effort always paid off and SIMAC was considered essential to the marketing programme.

## Alternative options

Things are very different today however. A new trend started two years ago when suddenly visitors from China and the rest of Asia went missing. Everybody blamed the outbreak of SARS, but now it is seen as the start of a new development. Many Asian buyers stayed away because they realised that they did not have to come to Europe anymore. Not only was shoemaking moving to Asia, but also the exhibitions. Desma

felt it had to follow suit and, for the first time, showed a complete machine at Guangzhou this June with great success.

Other non-European exhibitions, such as ANPIC (Mexico) and FIMEC (Brazil), as well as those in China, are gaining in importance. While there are still visitors from the Americas at SIMAC, the overall trend is again downward. As a high percentage of business is generated in this region, the German machine builder has also had to increase its involvement with these exhibitions. Over 60% of visitors to April's SIMAC came from Europe, Africa or the Near East. This suggests that the show is returning to its origins and fast becoming a European exhibition with less global appeal.

## Lessons from history

Looking at the history of other exhibitions such as Pirmasens and the Semaine du Cuir in Paris, it is unlikely that this trend can be reversed in the foreseeable future to attract Asian and American buyers back. Desma says it must adjust to the new situation and can no longer put so much investment into an event which is no longer global. Asia and the Americas require more attention and this will be reflected in increased spending at their exhibitions. SIMAC will therefore see a reduction, as in a competitive world the company cannot justify the current outlay.

On the other hand, it does not wish to abandon SIMAC. If it continues on an annual basis, the company would most likely reduce its presence considerably and have no more than a basic exhibit. Unfortunately, if everyone did this, the fair would become even less attractive to non-European visitors. If the fair became biennial, the company would support it in the manner it does now in one year and concentrate on other exhibitions in the alternate year. It feels this solution would answer its dilemma and at the same time still make SIMAC attractive to visitors.

*The trouble is that if either of these scenarios were to come about, could SIMAC survive in the long term and what would this imply for everyone concerned?*

SIMAC—in conjunction with Lineapelle—is the last showcase for the European leather and footwear industry where every aspect can be viewed in one place at the same time. Where else can one go and see everything from the latest design concepts and materials right through the spectrum to the machinery to process them? All the consumables are there from cutting dies through adhesives and finishes to the final packaging. And, in addition to all this, there are all the ancillary products and ►

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services that support the industry. How would these exhibitors feel if SIMAC became biennial?

It is unclear as to whether SIMAC drives Lineapelle or the other way round. There is no doubt, however, that while the latter would hit be less hard than the former, it would be hit nevertheless. Many footwear manufacturers regard Lineapelle as the inspiration for new ideas, fashions and materials for their factories. To lose this would be a major blow for a struggling European industry and, in the long term, for the global industry as well.

Europe, and Italy in particular, is the driving force for fashion, new materials and manufacturing technologies for the industry worldwide. Indeed, most retail brands do their range building in Europe, where they have easy access to all the influences and technologies they need to employ. Many of the originators of these trends and ideas are, however, smaller companies that have neither the time nor the money to exhibit all over the world. If the big players are struggling, how can the small ones cope?

*There is little doubt that SIMAC is at risk and to lose it would leave Europe without a serious machinery exhibition. So, are there any other solutions?*

One possibility is to reduce overall cost. Bologna is expensive in more ways than one. While the cost of the actual stand space might not be considered excessive, the charges involved in stand building and freight forwarding are. Bologna leans very much to the left politically and is also highly unionised. For years there has been no alternative but to accept the extra costs this has meant. A good example this year was starting the fair the day after a national holiday: stands had to be finished and machinery installed on that day and so labour charges were twice the standard rate.

### The city cannot ignore its customers

Another involves the infrastructure of the city and the cost of hotels. During SIMAC week, all Bologna rates effectively



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double. Suddenly one is faced with 'minimum stays'. There is no way out as it is strictly controlled. The unattractive option is to take a hotel in Florence, Modena or even Rimini. This, however, involves train journeys, often delayed, and extremely long and tiring days.

Exhibitions are hard work at the best of times and these factors are further disincentives for visitors unless they can be sure that the trip will be really worthwhile. Bologna and its hotels and restaurants stand to lose a great deal of revenue if SIMAC goes.

This has to be a persuasive argument in favour of local politicians, tourist authorities and the exhibition organisers to find sensible answers to their collective benefit. (Some years ago, this magazine suggested that the organisers needed to make the city more aware of their problems because, if there was a downturn in the fortunes of the industry, exhibitors would blame Bologna for their non-attendance). One recalls that in Miami, when a leather show organiser asked the city fathers to close a main road to overcome a major problem or lose the show, the authorities were prepared to make the concession as soon as they realised the city would lose many millions of dollars in revenue. Closing a road for a few days was a small price to pay.

While increased cheap imports from Asia into Europe are a fact of life under WTO rules, there is a growing groundswell of opinion throughout the EU that something has to be done to avoid a manufacturing meltdown in all sectors. Despite all of the statements to the contrary, service industries cannot replace all of the jobs at risk. They also tend to be lower paid, so governments stand to lose substantial tax revenues. The footwear industry is still a significant employer, so perhaps the Italian Government should be approached for a subsidy until the future of the industry can be stabilised.

*Above all, the industry must act in unison if it wants to retain a world class exhibition in Europe. After all, if SIMAC does go, everyone loses.*



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