

We Request a Solution to “Exhibition Cancellation Issue” due to Tokyo Olympics

- Because Tokyo Big Sight will be used as Olympic Media Center for 20 months, equivalent of 232 exhibitions will be cancelled, and 78,000 companies (mostly SMEs) will lose JPY 2 trillion (US\$ 18.2 billion) in revenue.
- We wish for a successful 2020 Tokyo Olympic Games. At the same time, we strongly request the Tokyo Metropolitan Government, Olympic Committee and Japanese Government that all the said exhibitions will be allowed to take place in the same scale as usual.

1 Exhibitions at Tokyo Big Sight have been held on a regular basis for many years

A At Tokyo Big Sight, there is business between exhibitors and buyers worth JPY trillions every year.

At Tokyo Big Sight, over 300 exhibitions have been held annually since its open 20 years ago, and JPY trillions of trade has been conducted every year.

These exhibitions change every week. For example, “International Jewellery Fair Tokyo” is held on the 4th week of January every year, “Gift Show” on the 1st week of February, and “JIMTOF” “Manufacturing World” “International Robot Expo” “Toy Show” “Comic Market”, etc. are held in the same period every year, and have been continuing for 20 years. Because exhibitions are held tightly annually as above, Tokyo Big Sight is always completely occupied throughout the year.

Every year, about 130,000 companies exhibit, and 14.69 million buyers* visit these exhibitions. Among them, about 30,000 are foreign exhibitors and the total number of participants from overseas is over 200,000 including buyers. In short, exhibitions are a “huge market”.



An exhibition is a “huge marketplace” with thousands of exhibitors and tens of thousands of buyers in one place.

*Based on the official report from Tokyo Big Sight in April, 2017.

B Every exhibition held at Tokyo Big Sight is a “market” like Tsukiji and needs an alternative location.

At Tsukiji Market, some 1,000 companies have raised sales of approximately JPY 600 billion for decades. So, they are considered to have the “right to continue their business”. And this is why the Tokyo Metropolitan Government (TMG) decided to relocate the Tsukiji market to Toyosu, the site where they could secure the same floor area as the current market.

Meanwhile, each exhibition held at Tokyo Big Sight is a “market” like the Tsukiji market. Number of exhibitors, visitors and trade volume is much larger and more international, and exhibitions provide a huge benefit to the Japanese economy. However, these “markets” at Tokyo Big Sight are going to be shut down for 20 months, to be used as the media centre for the Olympics. Simple math tells us that equivalent of 232* exhibitions will be cancelled due to this incident.

As a result, many stakeholders including exhibitors and related services companies will suffer huge losses.

So, we consider we shall have an alternative venue with the same size of Tokyo Big Sight, just like the case of Tsukiji.

In the past Olympic Games (Rio, London, and Beijing Olympics), we’ve heard none of these host countries had the idea using an existing exhibition centre as the media centre for the Olympics considering the gigantic economic effect of exhibitions.



Serious business dealings between exhibitors and buyers are taking place at the venue, and the amount of transactions made at an exhibition aggregate up to tens of billion yen.

*At Tokyo Big Sight, 304 exhibitions are held annually (according to the record 2016). This means that 506 exhibitions are held during a period of 20 months. As it will be described later, the available space for exhibitions will be reduced to 54% of the current space during this 20-month period and virtually 232 exhibitions will have to be cancelled.

2 Huge losses caused by cancellation and downsizing of exhibitions for 20 months

A About 78,000 exhibitors, mostly small and medium-sized enterprises (SMEs), will lose JPY 2 trillion in sales.

Over 95% of the exhibitors of the exhibitions held at Tokyo Big Sight are SMEs. These SMEs may have great products, but selling them can be challenging for them because they do not have enough marketing channel or budget for advertising their products.

This is why exhibitions, where they can meet tens of thousands of potential buyers, have been the most important marketing opportunity for them.

As it is often said that “Japan’s economy is built on SMEs”, cancellation of even one single exhibition could lead to a great loss in revenue for SMEs, which may then lead them to be bankrupt. This may in turn bring a negative impact on large companies and lead to a stagnation in Japan’s economy.

*Calculated based on Tokyo Big Sight’s official announcement (July 2007)

Voices of exhibitors

[Metal Processing Industry]

Nobuo Nakano,
President and CEO,
Nakano Chemical Co., Ltd.

SMEs like us do not have a sales team like big companies. So, it is impossible for us to visit potential buyers to market our products. For us, exhibitions are our biggest marketing opportunity. If they got cancelled, we could go out of business.

[Device Development / Manufacturing]

Yoshiaki Tagami,
Chairman of the Board,
Micro Tech Co., Ltd.

Every year, we develop new devices with the exhibition in mind to sell them to customers in and outside Japan. Many of the orders for our new products are placed during the exhibition. If the exhibition is cancelled, the sales will drop sharply.

[Jewellery Wholesale]

Chiaki Nakagawa,
President and CEO,
Tokyo Kiho Co., Ltd.

In the jewellery industry, dealings at exhibitions are routine. Without exhibitions, the growth of our industry will be surely hindered. We are very concerned with this situation as many jewellery companies may go bankrupt.

(In no particular order; no honorific title)

B Some 1,600 exhibition-services companies will lose about JPY 230 billion in sales, and many of them will be bankrupt. (Booth decorators, electric construction, printing, security, hotels, etc.)

At Tokyo Big Sight, some 1,600 exhibition-services companies are working during a 20-month period. For example, every week over 1,000 craftsmen from booth decorating companies set up booths for one exhibition and takes them down after the week. This had been repeated over decades. Also, as they use materials and equipment specifically catered for exhibitions, it is difficult for them to serve a different industry. This means that cancellation exhibitions can lead to bankruptcy of these companies.

Moreover, although hotels around Tokyo Big Sight are expected to be completely booked during the Olympic Games, they are also likely to suffer significant loss in revenue due to a huge decrease in the number of guests caused by cancellation/downsizing of exhibitions for the period of 20 months.

*Calculated based on Tokyo Big Sight’s official announcement (July 2007)

Voices of related companies

[Booth Decorators]

Moriaki Yoshida,
President and CEO,
Tohghashi Co., Ltd.

If exhibitions are cancelled or downsized for 20 months, we will suffer a significant loss in sales. As we have served exhibitions for decades, our right to continue our business activities should be protected.

[Lunch and Catering Service]

Toshiaki Tanaka,
President and CEO,
Wako Sangyo Co., Ltd.

The number of new orders critically dropped for two months after the earthquake and tsunami in 2011, which put us in financial difficulties. If we were in the same situation for 20 months, we would surely go out of business. Our employees would lose their job and would not be able to support their family.

[Rental Equipment / Booth Decorators]

Takanori Sakamoto,
President and CEO,
Replus Design Co., Ltd.

Services for exhibitions require special know-how, so we can’t apply them to a different industry. Since we are specialized in exhibitions, cancellation of exhibitions is a matter of life and death for us.

(In no particular order; no honorific title)

C “Revitalization of industries” will stagnate and global competitiveness decreases

At exhibitions, not only transactions but also various other activities such as announcement of new products, discovery of new customers, survey of industry trends, personnel exchanges, tie-ups and acquisitions take place between exhibitors and visitors.

In this way, exhibitions are playing an important role to promote the revitalization of different industries. Therefore, if exhibitions are cancelled or downsized, their essential meaning will be lost, and the global competitiveness of each industry in Japan will be significantly lowered.

While other countries around the world truly recognize the significance of trade shows and are devoting themselves to nurturing them, cancellation and downsizing of trade shows will lead to a great loss of Japan’s national interests.

D Exhibitors may seek for an alternative exhibition overseas and may stick to it even after the Tokyo Olympics

Just as automotive-related shows are held in dozens of countries, there are multiple trade shows for the same industry around the world competing against each other.

In addition, countries are devoting their full effort to expand the scale of their domestic trade shows. It is because the bigger the scale of the trade show is, the bigger the presence and influence of the country in the industry is and the more globally competitive the country will be.

If exhibitions in Japan are cancelled or downsized for 20 months, many companies will shift to exhibitions in China, South Korea, etc. will never come back to Japan.

Moreover, once exhibitors switch to a different exhibition, they tend to stick with the new location for a long time: there is no guarantee that they will come back to Japan after the Tokyo Olympic Games.

This could lead to downsizing of Japanese exhibitions and be a major blow to Japan’s economy.

3 “Fundamental Solution” is needed.

A Having a temporary venue may not fundamentally solve the problem.

In the initial plan, only an average of 35% of the area of Tokyo Big Sight would be available for exhibitions throughout the 20-month period. This means that an exhibition which currently has 1,000 exhibitors will have to be downsized where it can accommodate only 350 exhibitors. In this situation, many organizers consider they will have to cancel holding the exhibition. TMG is planning to construct a temporary venue to address this problem. While many stakeholders appreciate their effort, they are skeptical if the problem will be solved fundamentally.

The reason is because the size of the temporary venue is only one quarter of the size of Tokyo Big Sight. Together with the Tokyo Big Sight’s available space for exhibitions, the total available space would still be 54% on average during the 20-month period.

Furthermore, this temporary venue will be 1.5 km away (20 minutes on foot) from Tokyo Big Sight. That is to say it loses the largest merit of exhibitions which is gathering thousands of exhibitors under one roof. As a result, the motivation of the exhibitors and visitors to participate will decrease drastically, and the exhibition might end up being cancelled.

B The issue will become deeper as the Olympics approach

JEXA conducted a survey to their members on April 2017, half year following the announcement of building a temporary exhibition center. 86% of the organizers, and 89% of the services companies replied that “The issue with exhibitions to be cancelled is not solved”.

Also, JEXA submitted 80,000 petitions to resolve the issue to Tokyo Governor Ms. Koike on January, 2017. The number of petition continues to increase, and it reaches over 150,000 in August.

The number of people requesting to resolve the issue fundamentally is increasing as the dates of Olympics are approaching. There are widespread concerns that this problem will cause serious social and economic issues from 2019 when exhibitions begin to be cancelled or reduced.

4 We still have time! Let’s go for a Fundamental Solution

Seeking a “fundamental solution”, we discussed with many stakeholders and have concluded that building a simple and inexpensive venue is good enough and if we make a decision by the end of this year or by April 2018 at latest, we will be able to make it! Here are the details of our possible solutions

A Construct a temporary venue of the same scale as Tokyo Big Sight (100,000m²) in the metropolitan area

If there is no way to change the plan to use Tokyo Big Sight as the media centre for the Olympic Games, the only possible solution is to construct a temporary venue of the same scale in the metropolitan area.

Some of the possible candidates for the temporary venue are the vicinity of Haneda Airport, Minato Mirai district, Yamashita Futo, and Makuhari Messe.

Among these candidates, the disaster prevention park is the most ideal candidate as it is located right next to Tokyo Big Sight. This will be the best solution if the government decides to do so.

Also, some experts say that, with the latest technologies, it is possible to build a venue in a year with a construction cost of 10 to 20 billion yen. There are even some domestic and overseas companies which are interested in funding part of the construction cost if the facility can be continuously used after the Olympic Games.

There are many people who think “If we could prevent losing JPY 2 trillion, the investment of JPY 20 billion to build the venue is rational and serves interest of Japan/Tokyo citizens.”

B Constructing a new media centre somewhere else than Tokyo Big Sight.

The current plan is to completely alter Tokyo Big Sight into a media centre and restore it to an exhibition venue after the Olympic Games, which is completely different from the past Olympics.

In this regard, some experts are worried that the costs of remodeling and restoration may become very high.

Considering that we may lose sales of JPY 2 trillion, we should review the current plan and reconsider building a new media centre somewhere else than Tokyo Big Sight.

Some experts say that for a media centre of 60,000 to 80,000 square meters, it is possible to build it in a year with a construction budget of 25 billion yen.

Some of the possible locations are, like the temporary venue, the vicinity of Haneda Airport, Minato Mirai district, and the disaster prevention park. Many people are giving us various location suggestions.

We welcome other suggestions than those we mentioned here.

Unless otherwise specified, numbers in the text are estimates calculated by the Japan Exhibition Association.

Promoters

- Japan Exhibition Association
- TOKYO DISPLAY ASSOCIATION
- Japan Jewellery Association
- Japan Doujin-shi Printing Group
- Japan Care Association
- Japan Wind Power Association

Advocate Organizations

- Japan Hospital Association
- Thermal and Nuclear Power Engineering Society
- Hydrogen Energy Systems Society of Japan
- Fuel Cell Development Information Center
- JAPAN PEARL PROMOTION SOCIETY
- Japan Flower Growers Association
- Japan Retailers Association
- Fukui Optical Association
- Exhibitors, visitors, related people, etc.

(honorifics omitted, in random order)

Many other organization are planning to agree with the opinion above. They will be announced on JEXA website occasionally.

Please visit JEXA Official Website if you are;
www.nittenkyo.jp

- ① A Company/Organization agree with this Official Announcement, or
- ② An individual who agree to sign the petition

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