

Skischally, Erich; Franci, Michele Guido

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INTERVIEW

Economic Aspects of Fair and Exhibition Policy

Every year the number of fairs and exhibitions at home and abroad is increasing. By no means is this only an expression of the countries' and cities' "prestige thinking". Exhibition and fair policies are playing an important part for the improvement of market transparency, easier establishing of contacts, intensive comparison of achievements and altogether for sales promotion. INTERECONOMICS* interviewed Dr Skischally of the Exhibition and Fair Committee of the German Economy (AUMA) and Dr Franci of the Milan Fair on the organisation and aims of these displays as well as on the possibilities of national and international co-operation in this field.

Fairs for Developed Countries only?

Interview with Dr Skischally, Chief Managing Director of AUMA, Cologne

INTERECONOMICS: Dr Skischally, in normal usage the words "fair" and "exhibition" have the same meaning. This is not quite correct. What is the real meaning of the two terms?

SKISCHALLY: By "fair" we understand a marketing event the purpose of which is to provide a more effective survey of the market to facilitate business contacts and

sales. In view of its purely commercial and economic function those who merely want to have a look should be kept out. Those with expert knowledge of the trade—on the exhibiting as well as on the visiting side—should have the fair to themselves.

An "exhibition", on the other hand, is intended to attract the broad public as much as possible.

It can be a general exhibition or a specialised one, e.g. the ANUGA (General Exhibition of Food, Luxury Food and Beverages) in Cologne or the "Green Week" (Agricultural Week) in Berlin where the public is invited to see the latest consumer goods or to taste samples.

Germany's aim is to present as far as possible everything the title "fair" or "exhibition" promises to show. There we have a certain advantage over other countries where there is some confusion about fairs and exhibitions; their titles are interchangeable and the public is admitted to both.

INTERECONOMICS: Fairs and exhibitions have long been the "cinderella" of economic policy. Perhaps this is mainly because not enough publicity was given to what they can and want to achieve. What is the purpose of fairs or exhibition policy today?

SKISCHALLY: I am not so sure whether one can speak of the "cinderella" of economic policy. Tracing the development of fairs

* The interviews were arranged by Gerhard Schuldman and Dietrich Keschull.

ERICH SKISCHALLY

was born on September 6, 1902, in Berlin. After his school-leaving examination he went to Latin America for several years and finished his commercial apprenticeship during this time. Having returned to Germany Skischally studied economic science in Berlin and graduated to a doctor of economics.

After several occupations in economic administration and industry he devoted his activity—in various positions—to exhibition and fair matters after World War II. Besides this as a university lecturer Skischally taught the academic rising generation his manifold experiences regarding sales economy at the university institute of economic science at the Free University of Berlin. Since 1958 he has been chief managing director of AUMA in Cologne. Moreover Skischally is a member of the Präsidium der Deutschen Gesellschaft für Betriebswirtschaft (presidency of the German association of business administration).

and exhibitions back to the great divide in 1945, you may find, for example that the first roots for the Hanover Fair were laid in 1947 in the British Zone of Occupation. If we had not started a small export show there, the great Hanover Fair—today enthusiastically acclaimed by the whole world and a contemporary "byword"—might never have come into being. It was also the starting point for developing the whole system of fairs and exhibitions in the Federal Republic of Germany. After the loss of Leipzig, Koenigsberg and Breslau in the East, it became necessary to replace them by something new. The large number of special fairs and exhibitions, however, shows that it proved impossible to create something new in the form of one big, comprehensive event such as the Leipzig Fair. There simply is no room to display all the many varieties of goods that are produced today. They have to be shown at different special fairs at different places. As a substitute for Leipzig, we tried for some time to combine four or five different fairs at different places under the title of "German Fair". But this was impossible to maintain of course, though it was a significant attempt to counter-balance the loss of Leipzig.

INTERECONOMICS: What tangible purpose do these fairs and exhibitions serve? What are their aims?

SKISCHALLY: By definition fairs are to promote sales, facilitate business contacts, provide a survey of markets and comparisons between various firms' efforts. Exhibitions aim at making the public familiar with what is on the market and also at informing those who are looking for some specific products. The real purpose is to balance a market economy's supply and demand.

INTERECONOMICS: Which organisations arrange and ensure the smooth functioning of German fairs and exhibitions at home and abroad?

SKISCHALLY: There are several organisations in Germany con-

cerned with this. First there is the Association of Major Fairs ("Gemeinschaft der Großmessen") to which Duesseldorf, Frankfurt, Hanover and Cologne (perhaps soon also Munich) belong. Secondly there is the Federation of German Fair-and-Exhibition-Towns which comprises the smaller municipal promoters of special events, and thirdly the organisation for local and regional exhibitions to which 19 smaller promoters belong. It is doubtful whether they contribute much to shaping the system of German fairs and exhibitions as a whole, I should say they are competitors and should adapt themselves to each other. Every exhibitor and visitor demands the presentation of a complete market. But to achieve this one has to make sure that there is no second market. Otherwise only half or a third of a market is presented, which must disappoint both buyers and sellers. There is a fourth organisation, the FKM (Gesellschaft zur Kontrolle der Messezahlen), which comprises the companies organising the fairs in Duesseldorf, Frankfurt, Hanover, Cologne, Nuremberg and Offenbach and aims at the publication of reliable data on the transactions and results of the fairs. The assumption is that such data are being prepared at all and that moreover, there is some control over their compilation. It is this control function which is exercised by the FKM.

INTERECONOMICS: What does the Fairs and Exhibitions Council (AUMA — Ausstellungs- und Messe-Ausschuss) which you represent do for German participation in foreign exhibitions and fairs?

SKISCHALLY: AUMA is essentially a coordinating body but can also function as an organiser. Every official participation in foreign events requires special consideration. For this purpose AUMA has formed a study group on foreign fairs. It meets once a year, and in the preceding twelve months data are collected for recommendations in agreement with industry and trade, as to where and in what form Germany should participate officially. Representatives of Minis-

tries and Government bodies are then invited, i.e. of the Ministries of Economics, Food and Foreign Affairs as well as of the Federal Office for Foreign Trade Information and the Federal Press Office, and the views of industry and trade submitted to them. Suggestions are then made as to where in the light of political considerations the emphasis should lie and where—in certain circumstances against the wishes of industry and trade—a different form of participation would be desirable.

There are various forms of participation. They range from a special information stand to a representative exhibition with a more or less limited theme. There is also the question of whether there is interest in joint exhibitions. Every two or three years a national exhibition of German industry or a technical exhibition is organised by AUMA. The Council recommends to the Ministry of Economics suitable personnel to man the information stands and examines the intellectual and moral qualifications of the people who as representatives of the Federal Republic present, so to speak, their country's visiting card. Last but not least this will also apply to the World Exhibition in Montreal. AUMA tries to ensure that an expert team is available to answer not only cultural and educational but also economic enquiries. A form prepared by AUMA lists the questions which will be sent to the relevant economic organisations. They will pass them on to the various firms concerned.

INTERECONOMICS: Does AUMA help and advise only trade and industrial exhibitors or also Government bodies, city and town councils?

SKISCHALLY: We make no distinction. We are at the disposal of the Federal, and the Lands' as well as local authorities, and are equally prepared to answer questions from private firms. The same applies to giving advice to foreign enquirers. Thus we serve indiscriminately all who are interested, including last but not least university students working on their academic theses.

INTERECONOMICS: Do you give any kind of financial support?

SKISCHALLY: No, we give no money. We only make recommendations and give advice. Of course, we refrain from taking sides where events are of equal merit and leave it to the firms to make their own decision. Any information we have is passed on to the trade and industrial organisations who then contact their members and thus make AUMA documentation widely available.

INTERECONOMICS: Do you receive any remuneration for your work?

SKISCHALLY: Yes and no. AUMA must, of course, have funds. Though its staff is small, all these experts must be properly paid. This is reflected in our budget, apart from the usual expenses for journeys, office rent, duplicating, post, telephone and teleprinter charges. But since the Council does not receive any public funds, it has to finance itself from membership dues and special fees. The special fees are the major part of our revenue. They consist of an AUMA fee which all German companies and exhibitors represented at German fairs and exhibitions have to pay per square metre of exhibition space.

INTERECONOMICS: Who are the members of AUMA?

SKISCHALLY: Our members are the central organisations of German industry and trade; the Federal Association of German Industry, the Central Association of German Chambers of Industry and Commerce (Deutscher Industrie- und Handelstag), the central organisations of German commerce, the German Association of Hotels and Restaurants and the associations of craftsmen. Membership is reflected in the composition of AUMA's board and advisory council.

INTERECONOMICS: Is AUMA policy towards fairs abroad synchronised with the wishes of government bodies, and, if so, what are the principles and criteria for such synchronisation?

SKISCHALLY: AUMA's task is to be the voice of industry and trade, as far as exhibitions and fairs are concerned. This means both of exhibitors and the visitors. It acts after consultation with member-organisations. The result is an autonomous collective opinion (which AUMA represents) about domestic events. There is no question of government directives; if any were issued they would not be considered. Regarding fairs abroad, the position is different. There one has to distinguish between a private decision; recommendations by AUMA which are based on consideration of available data and must also be regarded as private; and thirdly decisions of AUMA's study group on participation; these latter decisions are arrived at after consultation of the Government departments concerned with official participation in foreign events. Private firms need in no way abide by them. They are at liberty to ignore them.

INTERECONOMICS: Do you regard an annual revision of the fair and exhibition policy as beneficial to exporters, or does it make it more difficult for the various firms to assess future prospects?

SKISCHALLY: I think it absolutely essential to reconsider the situation every year. The economy is subject to such quick changes that one year is really the maximum period for decisions and planning. But I would like to emphasise that the firms' freedom of decision remains unaffected. As to official participation, AUMA has merely a vote on the most rational and effective use of public funds. Annual consultations are absolutely essential since every year the creation of new States means new fairs and exhibitions, and it is necessary to examine at that stage whether there is any point in taking part in them.

INTERECONOMICS: You described AUMA as a coordinating body. But you are often criticised for conducting your own fair policy, independent of the Federal Ministry of Economics. Is this correct? Is there such a thing as an AUMA-policy on foreign fairs?

SKISCHALLY: I think a compromise is the right answer. Anyone attending our annual meetings on participation in foreign events will notice that trade and industry (which we represent to the best of our ability) act very much on their own and do not always agree with the Government. Take the example of the Vienna Fair. There the private economic sector is so well represented that official participation is not necessary in our opinion. Political bodies, however, take a different view. They argue that the Soviet Zone of Germany and other countries are officially represented there and so ask the Federal Republic of Germany to act accordingly. Opinions differ. But I don't think it is correct to speak of an independent policy of AUMA on fairs abroad.

INTERECONOMICS: Does synchronisation with Federal Government programmes for foreign fairs imply that priority is being given to certain economic sectors in the interest of the economy as a whole?

SKISCHALLY: By collecting and passing on the requests of trade and commerce, we aim at the best possible synchronisation. We can only make recommendations. The authorities are entirely free to form their own opinion. But they will lay themselves open to being criticised for not making the right use of public funds if the private sector has had good reason to recommend or warn against participation.

INTERECONOMICS: Does it happen that firms associated with you make representations to the Federal Government independent of AUMA, if they don't agree with your recommendations?

SKISCHALLY: This is, of course, always possible. There are certain sectors advocating individual grants—I should like to avoid the word subsidies—since they are in a worse position in foreign markets than their Government-supported foreign competitors are in the German market. Various sectors have expressed this opinion. But they have so far been a minority. The principles regarding grants are unlikely to be modified in the fore-

seeable future. Anyhow this is my view. But the whole problem is certainly subject to further discussion.

INTERECONOMICS: This year's Federal Budget earmarks 12 million German Marks for promoting German fairs and exhibitions abroad. Are not the funds made available every year (last year they amounted to 10 million DM) rather modest in view of the growing foreign fair competition?

SKISCHALLY: No doubt, they are. If more money were available, action could be more effective. And action is not confined to effective presentation of a certain theme or to setting up an information stand; in addition to that a purposeful publicity is needed. Certainly a lot of things could be done if more funds were available. Complaints from some sectors about distorted competition would then become largely irrelevant. But I should once more like to emphasise that the public grants are not meant for one firm alone but for the whole exhibition. The money, therefore, never reaches the exhibitors directly but is used solely for the framework of the exhibition, i.e. the information stands, prestige or joint exhibitions.

INTERECONOMICS: What are the principles guiding your selection?

SKISCHALLY: That depends on the decisions of the study group on participation in foreign events. Tradition provides a certain guidance. Fairs where there has been a pavilion before will be selected again, if for no other reason than the advantage of rent exemption which is mostly valid for five, six or more years. Successful fairs generally do not become unattractive from one year to the next. Poznan, Zagreb or Stockholm will for many years be important centres for prestige and joint exhibitions.

INTERECONOMICS: It is often said that the steadily increasing number of foreign fairs leads to competition and inflation in this field. In Germany you have achieved a voluntary control of

fairs. Is AUMA in a position to exert some influence also on curbing the growth of competition from foreign fairs?

SKISCHALLY: The Union of Fair Consultants which has been formed in Europe may offer such a possibility. I cannot say, however, whether amiable recommendations and an exchange of views within this Union will prove effective. I only know an example from Switzerland. There a fair was planned to show the possibilities for the surface treatment of metals. The respective German trade associations were asked in advance to give their views about the plan. But though all of them were against such a fair, as processes of this kind have already been demonstrated in Hanover and at other German exhibitions, their views were ignored and the fair did take place. A mere exchange of views as you see has little effect. And regrettably existing fairs are being increasingly copied abroad, and there is nothing we can do about it.

INTERECONOMICS: By their nature fairs and exhibitions are means of publicising the products of an enterprise or a trade branch. It would not occur to anybody to request government grants for other methods of sales promotion, e.g. funds for large-scale advertising of detergents. Why does the Government intervene in the case of fairs and exhibitions?

SKISCHALLY: I believe this is due to the great interest there is in using such occasions to show what a country's own industry can do. Besides other countries are prepared to exhibit there. Considerations of prestige and the promotion of international relations often strongly influence the attitude towards fairs and exhibitions which frequently attract large numbers of the public. Governments want to emphasise the national solidarity and the strength of the new state, and there is a general belief that fairs are particularly well suited for this purpose.

INTERECONOMICS: Do enterprises which participate in fairs and exhibitions where the Federal Gov-

ernment is not officially represented receive support from AUMA or the Federal authorities?

SKISCHALLY: Strictly speaking we give no financial support to individual firms. Money from the 10 million to 12 million DM of public funds, which have already been mentioned, can be used for participation in a joint exhibition. The transport of exhibits for such a joint show may be financed by government funds. But there is always the clause that transport costs have to be refunded if the exhibit concerned is sold.

INTERECONOMICS: Some countries, e.g. Japan and France, have a special insurance system for fairs. Are there similar arrangements under which the success of a fair is guaranteed in Germany?

SKISCHALLY: No such guarantee is given by the public authorities. We know nothing about it.

INTERECONOMICS: Dr Skischally, we have so far spoken almost exclusively of German exhibitors. Is there any preferential treatment also extended to exhibitors from developing countries or countries of the Eastern Bloc who participate in fairs in Germany?

SKISCHALLY: We have organised a special exhibition "Partner in Progress", whereby we hope to interest mainly those countries which have not yet gained a foothold in the German market. At the Exhibition of German Industry, which is held every September in Berlin, these countries have a rent-free stand at their disposal where they can show their products and test the Berlin market. Besides, AUMA has issued a kind of guide to German fairs and exhibitions which is being distributed in developing countries. In it we explicitly point out that participation in German fairs and exhibitions makes sense only if the quality and prices of the goods offered meet German requirements. Where this is still impracticable we recommend Berlin as a first site which may be followed by exhibiting in national pavilions, as for instance in Frankfurt.

INTERECONOMICS: Does this mean that fairs are being linked with development policy?

SKISCHALLY: I can't answer that with a straight "yes". It is being tried in Frankfurt. But in the 1965 report on AUMA's activities we pointed out that such a link is not part of the purpose of fairs and that people who are not familiar with the market should not be admitted. After all, a fair is the top occasion for balancing supply and demand, and is not a place for beginners with insufficient knowledge of the market. They get in the way a bit. To them we recommend the German Industry Exhibition in Berlin as a first step.

INTERECONOMICS: Fair promotion means export promotion in

two directions. There is sales promotion for German goods at foreign fairs, and there is export promotion at domestic fairs, i.e. inside the Federal Republic. Are German domestic fairs self-supporting or do they receive—as it is often the case abroad—financial support from the Federal Government?

SKISCHALLY: To my knowledge the companies organising German domestic fairs and exhibitions don't get a penny from the Government and AUMA even less. It is neither its job nor practice. Besides it is in no position to give any grants to those companies. They are mostly private or public limited companies or co-operative societies and they have to try to organise their market profitably on a purely commercial basis.

INTERECONOMICS: Has there been a structural change as regards participation since the war or should Germany be represented in new areas, e.g. Asia or Latin America?

SKISCHALLY: On the whole our study group on official participation abroad thinks that in view of the small amount of public funds available these should as far as possible be used for participation in developing or more distant countries and not in Europe. As time goes on, this will inevitably mean some structural changes in the organisation and promotion of fairs. But this merely shows how flexible and efficient German policy is in this field.

The Future Belongs to the General Fair

Interview with Dr Franci, Secretary General to the Milan Fair Corporation, Milan

INTERECONOMICS: Dr Franci, as an old established sales and information medium, a fair is facing today increasing competition from the growing importance of other means of promotion, such as

television, radio and newspapers. How and why can a fair still hold its position?

FRANCI: A general fair will always be important. It is not only a promotion medium like televi-

sion, radio and newspapers. Communications by sound, pictures and print are, next to their function as means of information, powerful mass media which are also the special feature of general fairs. But this is not the only or the most important feature of general fairs.

Any fair that deserves the description "general" is and must above all be a market.

INTERECONOMICS: What support does the Government and the ICE respectively give to participation in fairs?

FRANCI: I can only say that the International Fair in Milan neither directly nor indirectly receives any grants, may it be for covering expenses or, in the way of preferential treatment, for receiving public services; neither the Government nor the ICE, nor any other authority, including chambers of commerce or local authorities, give any grants.

INTERECONOMICS: How is collaboration between the private fair

MICHELE GUIDO FRANCI

was born in Rome in 1904. He studied law and took his doctor degree. His professional career he began in the Istituto Nazionale per l'esportazione (Italian National Export Institute), the predecessor of the present Foreign Trade Institute (ICE). Since 1928 he is directly connected with matters concerning fairs. In 1939 his work as Director General of the Ente Autonome Fiera di Tripoli (Fair Agency of Tripolis) was interrupted by the war. In 1945 Dr Franci was designated to rehabilitate the heavily destroyed Milan Fair. Two years later he became Secretary General to the Milan Fair Corporation. Since that time he organised twenty general fairs. Due to his decisive contribution the appearance and orientation of the Fair has changed, the fair site has been quadrupled and the characteristics of an international market have been achieved. Under his guidance the Milan Fair has become one of the most important—if not even the predominant—establishments of this kind. Since 1948 Dr Franci owing to his great experiences has frequently been appointed technical consultant of important fairs abroad, an activity that brought him numerous awards and honorary functions.

organisations and the Government and the supra-national bodies arranged outside the financial sphere?

FRANCI: Collaboration between the Government or the supra-national bodies and the Milan Fair is being directed by special arrangements as the case arises; and this means whenever either of the parties requires the intervention of the other.

I would emphasise that this refers to collaboration and not to participation or to the "presence" at the fair of the Government or of supra-national bodies.

Participation of the Government in the Milan Fair is only possible as far as State enterprises for production or sale are concerned. There is for instance the possibility for the participation of the "State Monopolies". But the State will, as an entrepreneur, receive exactly the same treatment as a private exhibitor does, e.g. one who manufactures tobacco and sells it.

The Government's "presence" which basically differs from "participation", usually occurs whenever the "Milan Fair Corporation" (Ente Fiera Milano) has to avail itself of the supplying and distributing services of the State. These are services which exhibitors and visitors cannot do without during the Fair. Since it is not only the duty but is also in the interest of the enterprise organising the fair to see that these services function effectively, it obviously has to bear their cost, i.e. the total of the cost for the equipment and its operation.

"Collaboration" is the top form of possible co-operation. The Milan Fair can present an abundance of impressive examples of collaboration, and this in the light of its financial and technical autonomy, and in view of the international repute it has gained and of the rich measure of exhibiting space and equipment which is available for exhibition purposes. Such an example is the invitation extended, at the request of our Foreign Minister, to the United Nations Development Programme to avail itself of the premises of the International Trade

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Centre (Centro Internazionale degli Scambi, CIS). The premises, with all their personnel and technical installations, were put at the disposal of this UN body for holding in Milan its second session, after New York, in commodious and fruitful surroundings.

INTERECONOMICS: Who co-ordinates fairs in Italy, or is there already a central co-ordinating body within the framework of EEC?

FRANCI: Administrative direction and control of the Italian fairs is in the hands of the Ministry for Industry and Trade which publishes every year the list of authorised exhibitions, divided up as to dates, categories and international, national, regional or provincial competence of the events.

I am not aware of the existence of a central coordinating body within the framework of EEC. But I have been waiting for it for years. I feel certain that its establishment and operation would be of immediate and lasting value to all fields of industry and commerce in Europe. It would also make an important contribution to the process of European integration.

INTERECONOMICS: The Milan Fair is, next to Hanover and Leipzig, the most important general fair. Visitors there are being presented with a very broad programme. But does this not expose the fair to becoming difficult to survey?

FRANCI: The formula chosen and gradually developed after the war for planning the fair has been mainly designed to avert this danger.

We have therefore strictly adhered to the principle which I have always described as the "concentration of displays on and by the kinds of products". This concentration was achieved six years ago by the establishment of the CIS (Centro Internazionale degli Scambi). An end was thus made to national presentations in national pavilions or stands showing a jumble of all sorts of products.

For the exhibitors and the public specially interested in certain products the visit to the Milan Fair has now been made very much easier by arranging for 18 entries to the exhibition ground. Each entry leads to specific sectors or groups of exhibitors; exhibition halls have been built higher; and there is an abundance of lifts, escalators, etc., and of internal means of communication. A visitor interested for instance in the wide field of building only has to enter the fair through the appropriate gate and will immediately find himself among all the exhibits he is interested in, either in the open or in pavilions.

INTERECONOMICS: The number of specialised fairs increases every year. How many specialised fairs are there annually in Italy? How great is participation in them? Is

there not some danger that, only because each city wants its own fair, the number of them becomes inflated and results in a certain weariness about fairs; this all the more since, in a way, specialised fairs have been developed within the framework of the general Milan Fair?

FRANCI: In this context it may suffice to look at the international figures of fairs and exhibitions. They confirm that the number of general specialised fairs rises every year, and there is no trend to be seen towards their reduction. This leads to some considerable disturbance in world trade.

According to estimates in the "Calendario annuale mondiale, 1966", which is published by the periodical "Fiere e Mostre" (Fairs and Exhibitions) the number of fairs and special exhibitions of every kind is now more than 2,500 throughout the world. Italy has an important share. But so have other countries where there is a centuries old tradition of fairs.

However, I personally would like to say that the inflation of fairs—especially of those which are not truly annual markets—cannot perturb those fairs which in this sense are "genuine" markets.

The number of specialised exhibitions which take place on the ground of the Milan Fair has remained fairly stable for nearly six years now. It amounts to between 30 and 35 exhibitions a year. Arrangements for them are being made completely independently and are adjusted exclusively to the wishes of the respective economic sections. These choose on their own the time for the fair and allocate the exhibition stands from their own viewpoint, and this according to the rules which the majority of the producers lays down. The majority of exhibitors also remains faithful to the general Fair which takes place in April. They want to make use not only of one single "promotion" but would also like to benefit on a long range from the

increased functions of an active market.

If you allow me to make one point quite clear, I would like to emphasise that in my view the phenomenon of normal, specialised exhibitions is bound to diminish in course of time, or even disappear. The general fair, on the other hand, may experience some, and possibly far reaching modifications which must arise from the constant modernisation of means of information and communication. But it will never disappear completely; it is the suitable medium for satisfying everybody's urge for better information.

The general fair will not die. It fulfils an important social function: by enabling people of different origine and different thinking to meet, it contributes to enriching their knowledge. In my own experience it fosters a better judgement of each other, mutual respect and friendship between the nations.

INTERECONOMICS: Can the result of fairs be measured in some way? Have the exhibitors or the fair management the possibility of testing the results?

FRANCI: The results of this fair, in the field of organisation which is our concern and in the business field which is the concern of the exhibitors and the visitors and buyers respectively, are so clear and so open that, apart from the exhibitors, their control can also be carried out by the public, and this in our case at least within the European range.

I believe I am not evading your question on tactical grounds if I want to ask another question: "Do you think that well over 10,000 exhibitors apply every year about ten months in advance and also make considerable advance payments unless they have been satisfied with the results of the fair so far?" The last day to apply for participation in the fair, which starts on April 26th, is July 15th of the preceding year.

The organisers of the fair do in any case not rest content with obvious and foregone conclusions. They have developed certain official methods of control which ad hoc are being applied—also in secret—by the heads of the fair.

INTERECONOMICS: Can it be established that the fairs serve as a genuine incentive to Italian production?

FRANCI: Though the increasing number of exhibitions has to be kept in mind, it can be said that the true fairs in Italy have served as an important incentive to production of every kind of goods—especially to small and medium-sized enterprises—and still do. They are a unique instrument for sales.

INTERECONOMICS: The view can be heard that the recent 44th Milan Fair brought again great success to Italian exporters but that the Italian home buyers who are important to foreign exhibitors were less active. Would you agree, Dr FranCI?

FRANCI: Nothing is known to us about the second observation. Rather do our figures show an increase in the sales of foreign exhibitors, particularly in the sales of foodstuffs. The success was therefore in no way confined to Italian firms.

INTERECONOMICS: Who are the main buying countries in Milan? Has there been some change?

FRANCI: I would emphasise that the Milan Fair—and this is not only since today—is a commercial meeting centre which attracts trade between Italian buyers and foreign exhibitors. The participation of East European countries, which is strictly confined to trade, offers the best evidence for this statement. Bulgaria, Czechoslovakia, Poland, Rumania, Hungary and also the USSR have meanwhile become faithful customers of our fair. It is our aim to attract also in the future exhibitors and buyers of every origine and language.