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# Exhibition Conference Service Economics in China: Trends, Challenges, and Opportunities

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**Abstract:** The exhibition and conference service industry has emerged as a fundamental component of China's contemporary service economy. In this article, a complete investigation into the development of the industry, its function in the economy, and its potential future trajectory is presented. The historical evolution of exhibition economics in China, the incorporation of conferences into the service economy, and the interaction between globalisation, digitalisation, and sustainability are all topics that are investigated in this book. The report shows potential for regional diversification, technological innovation, and international collaboration by analysing constraints such as talent shortages, infrastructural needs, and external shocks. These challenges are evaluated in order to highlight opportunities. The discussion places an emphasis on the industry's ability to affect global service economics as well as its contribution to the modernisation of China's economy.

**Keywords:** Exhibition; Conference; Service; Economics; Trends; Challenges; Opportunities



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## 1. Introduction

China's economic transformation has been marked by a gradual but decisive shift from manufacturing-led growth to a more balanced model that emphasizes services. Within this transition, the exhibition and conference industry has emerged as a vital sector. Exhibitions and conferences are not merely events; they are economic ecosystems that generate direct revenue, stimulate related industries, and foster knowledge exchange. In China, the industry has grown rapidly, supported by government policies, urban development strategies, and the country's increasing integration into global trade networks [1].

The importance of exhibition conference service economics lies in its ability to connect diverse stakeholders: businesses, governments, academics, and consumers. These events serve as platforms for trade, innovation, and diplomacy. They also contribute to urban branding, positioning Chinese cities as global hubs of commerce and culture. This paper seeks to provide a holistic understanding of exhibition conference service economics in China, situating the industry within the broader service economy, exploring its current trends, identifying challenges, and outlining opportunities for sustainable growth.

For much of the past four decades, China's meteoric economic rise was synonymous with sprawling factories, export-oriented manufacturing, and an insatiable appetite for industrial infrastructure. The "workshop of the world" model propelled hundreds of millions out of poverty and transformed a once-isolated agrarian society into the second-largest economy on earth.

However, as domestic consumption matures, global trade dynamics shift, and the marginal returns on industrial investment diminish, China has entered a new, more complex phase of its development [2], [3]. The country's economic transformation is no longer defined by the clatter of assembly lines but by a gradual yet decisive shift from manufacturing-led growth to a more balanced, resilient model that emphasizes services, innovation, and high-value-added activities. Within this profound transition, one sector has quietly but powerfully emerged as both a barometer and an engine of the new economy: the exhibition and conference industry. Once considered a peripheral luxury of commercial activity, the exhibition and conference sector has matured into a vital component of China's service ecosystem, embodying the nation's ambitions to move up the global value chain.

Exhibitions and conferences, at their core, are far more than transient gatherings of buyers and sellers. They are dense, dynamic economic ecosystems—temporary marketplaces where information, capital, technology, and human talent converge with extraordinary intensity. A single international trade fair can generate millions in direct revenue from booth rentals, ticketing, and logistics, but its true economic footprint extends exponentially [4]. It stimulates local hospitality, transport, retail, and construction industries; creates a cascade of temporary and permanent jobs; and, most critically, acts as a catalyst for knowledge transfer and technological diffusion. In an era where competitive advantage is increasingly derived from intangible assets data, relationships, brand equity, and intellectual property the exhibition and conference industry provides the physical and virtual platforms where these assets are forged.

The growth trajectory of China's exhibition and conference industry has been nothing short of remarkable. From a handful of state-run trade shows in the 1980s, the sector has exploded into a sprawling, multi-billion-dollar domain hosting thousands of events annually, from specialized industrial fairs in Shenzhen to world-class diplomatic summits in Beijing and Shanghai. This rapid ascent is not an accident of market forces alone. It has been systematically nurtured by a triad of powerful drivers: proactive government policies, ambitious urban development strategies, and the country's deepening integration into global trade networks. The Chinese central government, through its successive Five-Year Plans, has explicitly identified the convention and exhibition (or "MICE" Meetings, Incentives, Conferences, and Exhibitions) sector as a strategic pillar of the modern service industry [5]. Policies aimed at streamlining customs for exhibition goods, providing financial incentives for green and digital events, and encouraging the organization of Belt and Road Initiative-themed expos have all fuelled growth. Simultaneously, provincial and municipal governments have recognized that a world-class convention center is not merely a monument but a powerful anchor for urban regeneration and global branding. Cities like Guangzhou, Chengdu, Hangzhou, and Xi'an have invested billions in state-of-the-art venues, transforming skylines and repositioning themselves as hubs for international commerce and cultural diplomacy [6].

The importance of exhibition and conference service economics in China lies precisely in its unique ability to connect a diverse and often fragmented array of stakeholders. For businesses, these events are indispensable channels for trade, procurement, and market intelligence a place to launch products, sign contracts, and monitor competitors. For governments, they serve as platforms for investment promotion, policy dissemination, and diplomatic engagement, as seen in events like the China International Import Expo (CIIE), which signals China's commitment to globalized trade. For academics and researchers, conferences provide arenas for peer review, collaborative projects, and the dissemination of cutting-edge findings. For consumers, public-facing exhibitions offer curated access to emerging trends, from electric vehicles to sustainable fashion [7], [8]. This multi-stakeholder synergy creates a multiplier effect that few other industries can match: an exhibition on industrial automation not only sells robots but also educates a workforce, facilitates cross-border technology licensing, and generates data that informs national industrial policy. The sector, therefore, is not an isolated service activity but a meta-service a service that enables and accelerates the performance of virtually all other economic sectors.

Yet, to speak of a holistic understanding of exhibition conference service economics in China is to acknowledge a complex, rapidly evolving landscape fraught with both promise and paradox. The industry today must navigate a series of profound challenges. Foremost among these is the digital disruption accelerated by the COVID-19 pandemic, which forced a massive shift toward virtual and hybrid events. While this has democratized access and generated new data-driven business models, it has also raised existential questions about the value proposition of physical gatherings [9]. How will a sector built on face-to-face interaction, spatial experience, and serendipitous networking compete with the efficiency and reach of digital platforms? Another pressing challenge is the uneven geographical development of the industry. While first-tier megacities like Shanghai and Beijing host globally significant events, many second- and third-tier cities possess underutilized convention centers that operate at a loss, a legacy of speculative real estate booms rather than organic demand. Furthermore, issues of sustainability are moving to the fore. The massive carbon footprint of international travel, single-use exhibition booths, and printed materials is no longer tenable in an era of climate commitments. China's exhibition industry is thus under pressure to pioneer circular economy models, from modular, reusable booth structures to carbon-neutral event certification.

Despite these hurdles, the horizon is luminous with opportunity. The ongoing shift toward a service-led economy means that the demand for high-quality, specialized business events will only intensify as China's internal market matures and its companies seek to build global brands. The government's focus on "new quality productive forces" innovation-driven growth in fields like AI, biotech, and new energy directly creates demand for professional exhibitions and conferences as dissemination and commercialization platforms [10]. Moreover, China's unique position in the global economy, straddling developed-world capital and developing-world manufacturing, allows it to become a natural hub for "bridging" events that connect markets. The rise of secondary cities like Suzhou, Wuhan, and Xi'an as MICE destinations, driven by improved high-speed rail networks and lower costs, points toward a more decentralized and resilient national ecosystem. Finally, the very digital tools that threaten traditional events can be harnessed to create powerful hybrid models—combining the serendipity and trust of physical encounters with the data richness and scale of virtual platforms.

This paper seeks to provide exactly such a holistic understanding of exhibition conference service economics in China. It aims to situate the industry within the broader context of China's service economy transformation, moving beyond simplistic metrics of exhibition floor space and visitor numbers to explore the intricate value chains, policy frameworks, and socio-economic impacts that define the sector [11]. By critically exploring current trends from digital integration to sustainability mandates and rigorously identifying persistent challenges, this analysis will outline actionable pathways for sustainable and inclusive growth. In doing so, it argues that the future of China's economic transformation will be written not only in factories and fiber-optic cables but also in the vast, buzzing convention halls where the world comes to meet, negotiate, and imagine what comes next. The exhibition and conference industry is no longer a sideshow to China's development story; it is increasingly becoming the main stage.

## 2. Materials and Methods

### Historical Development of Exhibition Conference Services in China

#### Early Stages

During the latter part of the 20th century, the majority of exhibitions in China were trade fairs that were intended to display various industrial items. The magnitude of these events was relatively small, and they were frequently organised by government organisations in order to help domestic industry. Conferences, on the other hand, were primarily political or administrative in nature, with the primary focus being on the transmission of policies rather than the sharing of knowledge. The industry was in its infancy, with limited participation from foreign actors and a minimal economic impact that extended beyond the boundaries of the local event.

### **Reform and Opening-Up Era**

During the 1980s and 1990s, economic reforms were implemented, which resulted in a new landscape. The opening of China's borders to foreign investment coincided with the proliferation of international exhibitions in coastal towns such as Guangzhou and Shanghai. As an illustration, the Canton Fair came to be seen as a representation of China's incorporation into international trade. A greater number of foreign participants contributed to the connection of China's domestic sectors to international markets. The evolution of conferences also included the incorporation of academic and professional topics that represented China's growing interaction with worldwide knowledge networks.

### **Modern Expansion**

Exhibitions and conferences had become an essential component of municipal economic plans by the time the 2000s rolled around. It was proved that the business is capable of driving infrastructure investment, tourism, and cultural exchange through mega-events such as the Shanghai World Expo. In recognition of their ability to attract investment, talent, and prestige, cities competed with one another to offer the opportunity to hold international conferences. As a result of the industry's maturation, specialised service providers, professional groups, and university programs established themselves to assist the industry's expansion.

### **The Role of Exhibition Conference Services in the Service Economy**

The ascendancy of the service economy as the dominant paradigm of post-industrial development has prompted scholars to re-evaluate the contributions of previously peripheral sectors. Among these, the exhibition and conference industry often subsumed under the MICE (Meetings, Incentives, Conferences, Exhibitions) umbrella has garnered increasing academic attention. Once dismissed as mere promotional or social gatherings, exhibitions and conferences are now recognized as complex service ecosystems that generate substantial economic value, facilitate knowledge-based innovation, and reshape regional development trajectories. This literature review synthesizes existing research across three interconnected domains: the direct and indirect economic contributions of the sector, its role as a catalyst for knowledge exchange and innovation, and its influence on regional development patterns, with particular attention to the Chinese context.

### **Economic Contribution: Multiplier Effects and Industrial Linkages**

A robust strand of literature has established that the economic contribution of exhibition and conference services extends far beyond venue revenues and ticket sales. Researchers have consistently employed input-output models and multiplier analysis to capture the full economic footprint of these events. Dwyer and Forsyth (1997), pioneers in the economic analysis of business events, demonstrated that conference delegates typically spend two to three times more per day than leisure tourists, creating a disproportionately high impact on local hospitality, retail, and transport sectors. Kim, Chon, and Chung (2003) further refined this understanding by distinguishing between direct, indirect, and induced effects, finding that a single international convention in Seoul generated a multiplier of 1.8 across the regional economy.

More recent scholarship has focused on the longitudinal and spatial dimensions of these impacts. Jones and Li, examining the exhibition industry in Guangzhou, documented that the Canton Fair alone contributes an estimated 1.2 billion USD annually to the local economy, supporting over 50,000 jobs not only in venue management but also in logistics, interpretation services, temporary staffing, and event technology. Getz and Page (2016), in their comprehensive review, emphasized that the economic significance of exhibitions lies in their "catalytic" nature: they not only inject immediate spending but also stimulate long-term investment in infrastructure, skills development, and business networks. The literature is unequivocal that the multiplier effect is most pronounced when events are embedded within diversified local economies that can supply the requisite goods and services without excessive import leakage.

However, scholars have also sounded cautionary notes. Crompton (2006) famously critiqued the overestimation of economic impact studies that fail to account for substitution effects and opportunity costs. In the Chinese context, where many exhibition venues were constructed as

speculative real estate projects rather than responses to demonstrated demand, Jin and Weber (2008) found that economic benefits are often concentrated in first-tier cities while secondary cities struggle to achieve minimum viable scales of activity. Thus, while the literature affirms the substantial economic contribution of the sector, it also underscores the importance of realistic assessment and strategic planning.

### **Knowledge and Innovation: The Epistemic Function of Events**

Beyond measurable economic flows, a growing body of literature conceptualizes exhibitions and conferences as critical infrastructures of the knowledge economy. Bathelt and Schuldt introduced the influential concept of “temporary clusters,” arguing that exhibitions create transient but highly intense agglomerations of specialized firms, experts, and information. These temporary clusters, while lasting only days, can perform many of the same functions as permanent industrial clusters facilitating knowledge spillovers, trust formation, and collaborative problem-solving without the long-term commitment of geographic co-location. Maskell, Bathelt, and Malmberg (2006) extended this argument, demonstrating that participation in leading international trade fairs is not merely a marketing activity but a strategic necessity for firms seeking to remain at the technological frontier. They coined the term “buzz” to describe the unique, unscripted knowledge exchanges that occur in the corridors and coffee breaks of conferences, which cannot be replicated through digital communication.

Conferences, specifically, have been studied as platforms for epistemic communities. Haas originally developed the concept of epistemic communities networks of knowledge-based experts who share causal beliefs and policy-relevant knowledge and subsequent researchers have shown that conferences are the primary sites where such communities are formed, maintained, and reproduced. In the Chinese scientific and technological landscape, Wang and Shapira found that international conferences held in China have become vital conduits for technology transfer, allowing domestic researchers and entrepreneurs to access global knowledge networks without lengthy overseas sojourns. The COVID-19 pandemic accelerated digital transformation, prompting a new literature on hybrid events. Luo and Zhang found that while virtual formats increase accessibility and reduce carbon footprints, they significantly diminish the serendipitous interactions and trust-building that underpin innovation. The consensus emerging is that physical events retain a unique epistemic value, though hybrid models may optimize the trade-off between reach and depth.

Exhibitions, meanwhile, function as arenas for product innovation and market validation. Calantone and Schatzel demonstrated that trade show participation is positively correlated with new product success rates, as the concentrated feedback from buyers, competitors, and distributors allows firms to refine offerings before full-scale launch. For small and medium-sized enterprises (SMEs), which often lack the resources for extensive market research, exhibitions serve as cost-effective testing grounds. In China, where thousands of manufacturing SMEs compete for domestic and international buyers, research by Zhou and Li (2018) showed that exhibition participation significantly accelerates export market entry and product upgrading.

### **Regional Development: Hubs, Peripheries, and Balanced Growth**

The third major strand of literature examines the role of exhibition and conference services in shaping regional development patterns. In the global context, cities compete intensely for the title of “convention hub,” recognizing that a strong MICE sector can enhance urban branding, attract foreign direct investment, and justify infrastructure investments. Crouch and Ritchie (2005) developed a comprehensive model of convention destination competitiveness, incorporating factors such as accessibility, venue quality, cost levels, political stability, and the broader business environment. Applying this framework, researchers have analyzed the rise of Asian hubs Singapore, Hong Kong, Shanghai which have systematically invested in convention infrastructure as part of broader export-led service strategies.

The Chinese experience offers a distinctive case of state-directed regional development through exhibition services. Zhang, Chen, and Li (2013) documented how the Chinese central government has explicitly designated MICE development as a policy tool to address regional

imbalances. While Beijing and Shanghai naturally emerged as international gateways, policies promoting the “Belt and Road Initiative” and “Western Development” have spurred exhibition center construction in inland cities such as Chengdu, Xi’an, and Chongqing. These cities have leveraged exhibitions to showcase regional specialties from electronics to aerospace to traditional crafts attracting both domestic and international buyers. Jin and Weber (2008) found that such strategies can be effective when aligned with underlying industrial strengths, but risk producing “white elephants” when pursued solely for prestige.

Emerging cities, in particular, face a paradoxical dynamic. On one hand, hosting a major exhibition can catalyze infrastructure improvement, international visibility, and industry agglomeration a virtuous cycle documented in the rise of Shenzhen’s high-tech fairs. On the other hand, the literature warns of “convention tourism bubbles,” where cities over-invest in venues without cultivating the professional service ecosystems (logistics, translation, event management, hospitality) required to deliver quality experiences. Chen and Zhang (2020) found that secondary Chinese cities often struggle to retain events after initial government subsidies expire, as organizers migrate back to established hubs. Thus, successful regional development through exhibitions requires not only hardware but also institutional capacity, skilled human capital, and sustained marketing efforts.

The literature establishes that exhibition and conference services play a multifaceted and significant role in the contemporary service economy. Their economic contributions, amplified by multiplier effects, are substantial though context-dependent. Their function as temporary clusters and epistemic communities makes them indispensable for knowledge diffusion and innovation. And their influence on regional development, while contingent on strategic alignment, offers a powerful tool for balanced urban growth. However, gaps remain. The literature is disproportionately focused on large-scale international events, with less attention to small and medium-sized professional gatherings that constitute the bulk of the industry. Furthermore, sustainability and digital transformation—urgent contemporary challenges remain undertheorized. This paper will contribute to filling these gaps by integrating insights from the Chinese context, where rapid growth, state guidance, and technological leapfrogging present both unique opportunities and distinct risks for the exhibition conference service economy.

### **Current Trends in China**

The exhibition and conference industry in China stands at a dynamic crossroads. Having weathered the disruptions of the COVID-19 pandemic and now adapting to a new era of technological acceleration and ecological consciousness, the sector is undergoing a profound transformation. Four interconnected trends are currently reshaping the landscape: the relentless advance of digitalization, the strategic hand of government support, the rising imperative of sustainability, and the deepening currents of global integration. Together, these forces are redefining not only how events are organized and experienced but also the very value proposition of the exhibition and conference service economy in China.

### **Digitalization: The Rise of Hybrid and Smart Events**

Digitalization has emerged as perhaps the most transformative trend in China’s exhibition and conference industry. While virtual platforms existed prior to 2020, the pandemic acted as an unprecedented catalyst, forcing organizers to rapidly adopt digital solutions or cease operations entirely. What began as a survival mechanism has since evolved into a strategic imperative. Today, hybrid events seamlessly combining physical attendance with virtual participation have become the new industry standard rather than a temporary exception.

The adoption of hybrid models offers multiple strategic advantages. First, digital platforms dramatically extend the geographical reach of events. A trade fair physically housed in Shanghai can now attract virtual participants from tier-two cities, rural counties, and international markets that would have been inaccessible due to travel costs or visa restrictions. Second, digitalization reduces per-participant costs. Virtual attendees avoid airfare, accommodation, and meal expenses, while organizers can scale participation without proportional increases in venue, security, or staffing costs.

Third, digital platforms enhance inclusivity. Professionals with disabilities, caregiving responsibilities, or other constraints that limit travel can now participate meaningfully in conferences and exhibitions.

Beyond basic hybrid formats, Chinese exhibition organizers are pioneering "smart event" technologies. Artificial intelligence-powered matchmaking algorithms connect buyers with relevant exhibitors, increasing transaction efficiency. Real-time translation services, integrated into virtual platforms, dissolve language barriers and enable truly international dialogue. Big data analytics provide organizers with granular insights into attendee behavior which booths attracted the longest dwell times, which sessions had the highest drop-off rates enabling continuous improvement. Facial recognition systems streamline registration and access control, reducing queues and enhancing security. Chinese technology giants such as Alibaba and Tencent have developed dedicated event platforms, embedding live streaming, e-commerce integration, and social networking features that transform exhibitions from passive viewing experiences into interactive digital ecosystems.

Crucially, digitalization has opened new revenue streams. Online ticketing, once limited to physical access, now includes tiered virtual access packages. Digital sponsorships such as branded virtual backgrounds, pre-roll video advertisements, and sponsored chat rooms offer novel monetization opportunities. Data-driven advertising, targeted to specific attendee segments based on demonstrated interests, commands premium pricing. Organizers are also monetizing archived content, selling on-demand access to keynote speeches and panel discussions long after the live event has concluded. These revenue streams are not merely supplementary; for some organizers, they have become primary sources of income that diversify risk away from physical attendance volatility.

#### **Government Support: Strategic Enabler of Industry Growth**

The Chinese government has been neither a passive observer nor a mere regulator of the exhibition and conference industry. Rather, it has acted as a proactive architect, recognizing the sector's strategic value to broader economic and diplomatic objectives. At the central level, successive Five-Year Plans have explicitly identified the MICE (Meetings, Incentives, Conferences, Exhibitions) industry as a priority sector for modern service economy development. The State Council has issued guidelines streamlining customs procedures for exhibition goods, reducing bureaucratic friction that previously deterred international participation. Tax incentives have been extended to exhibition organizers, particularly those hosting events aligned with national priorities such as the Belt and Road Initiative, technological self-sufficiency, or green development.

Local governments have been equally, if not more, active. Competition among Chinese cities to become regional or national exhibition hubs has intensified dramatically. Municipalities have invested billions of renminbi in state-of-the-art convention centers, often designed by internationally renowned architects and equipped with the latest digital infrastructure. Shanghai's National Exhibition and Convention Center, the largest single-block exhibition complex in the world, stands as a monument to this ambition. But second-tier cities are not far behind: Chengdu, Wuhan, Hangzhou, and Xi'an have all opened world-class venues, each hoping to capture a share of the growing domestic and international event market.

Infrastructure investment extends beyond individual venues. High-speed rail networks, expanded airports, and urban transit systems are all being developed with exhibition tourism in mind. The logic is straightforward: a city that can efficiently move thousands of international delegates from airport to hotel to convention center and back again gains a competitive edge in bidding for major events. Local governments also provide direct financial support, including subsidies for event organizers, discounted venue rental rates, and marketing assistance. In some cases, government-backed corporations act as equity partners or anchor sponsors for flagship events.

Policy frameworks have emphasized three guiding principles: openness, innovation, and sustainability. Openness refers to the easing of restrictions on foreign organizers and participants, as exemplified by the China International Import Expo (CIIE), which signals China's commitment to global trade integration. Innovation encompasses support for digital and smart event technologies, including government-funded research into virtual reality and augmented reality applications for

exhibitions. Sustainability, the third pillar, has gained increasing prominence and merits detailed examination.

### **Sustainability: Green Conferences as Competitive Advantage**

The sustainability trend in China's exhibition industry has moved from niche concern to mainstream imperative. Participants, particularly younger professionals and international delegates, increasingly evaluate events based on environmental responsibility. Organizers who fail to address sustainability risk reputational damage and declining attendance, while those who lead in this area gain competitive advantage.

Green conference practices are being adopted across multiple operational dimensions. Waste reduction is a primary focus. Chinese exhibition venues are phasing out single-use plastics, replacing disposable water bottles with refillable stations and offering digital rather than printed programs and brochures. Modular, reusable booth structures have gained popularity, replacing custom-built booths that were demolished after each event. Organizers are implementing comprehensive recycling and composting programs, with clear signage and trained waste-sorting volunteers to ensure compliance.

Energy efficiency measures are equally important. LED lighting, motion sensors, and smart HVAC (heating, ventilation, air conditioning) systems reduce electricity consumption. Venues are increasingly powered by renewable energy sources, with some convention centers installing rooftop solar panels. Scheduling adjustments, such as consolidating events to reduce idle building operations, further reduce carbon footprints. Sustainable catering has emerged as a distinctive sub-trend: plant-based menu options, locally sourced ingredients, and portion control to minimize food waste are becoming standard offerings rather than special requests.

Carbon offset programs are being piloted by major event organizers. Attendees are offered the option to calculate and offset the carbon emissions of their travel, with funds directed to reforestation or renewable energy projects. While the effectiveness of offsets remains debated, their inclusion signals organizational commitment to climate responsibility. Some Chinese exhibition companies have begun pursuing third-party sustainability certifications, such as ISO 20121 (Sustainable Event Management), to validate their claims and differentiate themselves in a competitive market.

Sustainability is not merely an ethical position but an economic one. Green practices often reduce operational costs: energy efficiency lowers utility bills, waste reduction decreases disposal fees, and digital alternatives eliminate printing expenses. Participants express willingness to pay premium registration fees for certified sustainable events. Corporate sponsors increasingly allocate marketing budgets to events that align with their own environmental, social, and governance (ESG) commitments. Sustainability, therefore, has become a source of both cost savings and revenue enhancement.

## **3. Results and Discussion**

### **Global Integration: The Belt and Road and Beyond**

The fourth major trend shaping China's exhibition industry is deepening global integration, driven significantly by the Belt and Road Initiative (BRI). Since its announcement in 2013, the BRI has expanded China's economic and diplomatic footprint across Asia, Africa, Europe, and beyond. Exhibitions and conferences have served as both instruments and expressions of this integration.

Thematic conferences linking Chinese industries with BRI partner countries have proliferated. These events focus on infrastructure development, energy cooperation, digital connectivity, and financial services—precisely the sectors where BRI investments are concentrated. For Chinese companies seeking to export products, technologies, or capital, these exhibitions provide curated access to decision-makers from partner countries. For international participants, they offer windows into Chinese industrial capabilities and partnership opportunities. The China-Arab States Expo, China-ASEAN Expo, and China-CEEC (Central and Eastern European Countries) Expo exemplify this model.

Global integration is not unidirectional. International exhibition organizers have expanded their presence in China, either through direct investment or strategic partnerships with Chinese firms.

Messe Frankfurt, UBM (now Informa), and Reed Exhibitions all operate substantial China portfolios, bringing global best practices and international exhibitor networks to Chinese venues. Conversely, Chinese-organized exhibitions have gone global, with flagship Chinese trade fairs launching editions in Southeast Asia, the Middle East, and Europe. This two-way flow has integrated China deeply into the global exhibition economy [12].

The China International Import Expo (CIIE), held annually in Shanghai, represents the apotheosis of this integration trend. Uniquely focused on imports rather than exports, CIIE symbolizes China's commitment to balanced trade and market opening. The event attracts thousands of international exhibitors and generates billions in intended procurement contracts. Beyond its immediate economic impact, CIIE serves as a diplomatic platform, hosting heads of state and government leaders from around the world. It has become a powerful signal of China's intention to remain a hub of global commerce despite rising protectionist pressures elsewhere [13], [14].

Digitalization, government support, sustainability, and global integration are not isolated trends but mutually reinforcing forces. Digital platforms enable global integration by overcoming distance. Government policies subsidize both digital infrastructure and green transitions. Sustainability credentials enhance China's attractiveness as a destination for international events. Together, these trends are positioning China not merely as a large market for exhibition services but as a laboratory for the future of the global industry. The Chinese exhibition and conference sector, once a follower of Western models, is increasingly becoming a trendsetter in its own right.

### **Challenges Facing the Industry**

Despite the remarkable growth and transformative trends characterizing China's exhibition and conference industry, the sector is far from immune to significant challenges. Beneath the gleaming surfaces of new convention centers and the impressive statistics of event attendance lie structural vulnerabilities that threaten the industry's long-term health. Four categories of challenges stand out as particularly pressing: intensifying competition leading to uneven development, persistent infrastructure pressures, a critical talent gap, and vulnerability to external shocks. Addressing these challenges is not merely a matter of industry optimization but a prerequisite for sustainable growth in the service economy.

### **Competition: The Perils of Rivalry and Uneven Development**

The proliferation of exhibition venues across China has created a highly competitive landscape, but not all competition is healthy. Major metropolitan hubs—Shanghai, Beijing, Guangzhou, and Shenzhen—have established overwhelming advantages in terms of international connectivity, hotel capacity, skilled labor pools, and historical reputation. These cities consistently attract the most prestigious and profitable events, creating virtuous cycles of reinvestment and further improvement. Smaller and emerging cities, however, face a markedly different reality.

For second- and third-tier cities, the calculus of exhibition hosting is often unfavorable. Venues constructed at great expense operate at low utilization rates, sometimes hosting only a handful of events annually. Without a critical mass of activity, these cities cannot sustain the specialized service ecosystems logistics providers, interpretation agencies, temporary staffing firms that distinguish professional event destinations. Organizers, seeking reliability and quality, gravitate toward established hubs, leaving smaller cities' venues in a downward spiral of underutilization, deteriorating service quality, and declining attractiveness.

This pattern of uneven development has systemic consequences. When exhibition activity concentrates in a handful of coastal megacities, the industry fails to fulfill its potential as a tool for balanced regional development. Inland and northeastern cities, already facing economic challenges from manufacturing decline or demographic outmigration, miss opportunities to use exhibitions as catalysts for industrial upgrading or investment attraction. The result is a two-tier industry: world-class events in first-tier cities alongside struggling venues in the periphery.

The challenge, therefore, is to balance competition with collaboration. Some cities have begun exploring cooperative models, such as rotating flagship events among multiple locations or developing complementary specializations (e.g., one city focusing on agricultural exhibitions, another

on high-tech fairs). Industry associations could play a greater role in matching events to appropriate venues rather than allowing zero-sum bidding wars. However, absent coordinated policy intervention, the competitive pressures driving uneven development are likely to persist, leaving many Chinese cities with expensive but underutilized exhibition assets.

### **Infrastructure Pressure: The Burden of Continuous Investment**

Even for successful venues, infrastructure demands never cease. The exhibition and conference industry is capital-intensive, requiring continuous investment to remain competitive. Physical infrastructure—exhibition halls, meeting rooms, loading docks, parking facilities—requires regular renovation and expansion. A venue that was state-of-the-art a decade ago may now be considered dated, lacking the ceiling heights, floor load capacities, or column-free spaces demanded by contemporary exhibitions. Digital infrastructure presents an even more rapidly moving target. High-bandwidth connectivity, cybersecurity systems, integrated registration platforms, and virtual event capabilities require ongoing upgrades that strain operating budgets.

The financial burden of maintaining competitiveness falls unevenly across the industry. State-owned or subsidized venues in major cities can draw on public resources for capital improvements. Privately operated venues, particularly those in smaller cities, often lack such backing. The COVID-19 pandemic exacerbated these pressures, as prolonged lockdowns and travel restrictions decimated revenues while fixed costs utilities, maintenance, debt service continued to accrue. Many venues postponed necessary upgrades, creating a maintenance backlog that will require years to address.

Balancing investment with long-term sustainability is a delicate act. Over-investment in speculative venue construction has already produced the white elephants noted earlier. Yet under-investment in existing venues risks losing events to competitors. The challenge is further complicated by uncertainty about future demand patterns. If hybrid and virtual events permanently reduce the need for physical exhibition space, then continued investment in large-scale venues may represent a misallocation of capital. Conversely, if post-pandemic demand for face-to-face interaction proves robust, under-investing now could cede competitive position for a generation. Navigating this uncertainty requires sophisticated demand forecasting and flexible infrastructure designs that can adapt to changing usage patterns.

### **Talent Gap: The Scarcity of Skilled Professionals**

Perhaps the most insidious challenge facing China's exhibition and conference industry is the persistent shortage of skilled human capital. The sector demands an unusual combination of competencies: logistical coordination, financial management, marketing acumen, customer service orientation, and increasingly, digital literacy and sustainability expertise. Yet the supply of professionals possessing this blend remains inadequate.

Several factors explain the talent gap. First, specialized education and training programs are underdeveloped. While a handful of Chinese universities offer event management concentrations within tourism or hospitality departments, dedicated exhibition and conference degree programs remain rare. The curriculum often lags behind industry practice, with insufficient attention to emerging areas such as hybrid event technologies, data analytics, or green event certification. Vocational training pathways are similarly limited, leaving technical positions exhibition stand design, audiovisual engineering, event security coordination filled by workers trained on the job rather than through systematic preparation.

Second, the industry suffers from perception problems. Compared to finance, technology, or consulting, event management is often viewed as less prestigious or less professionally rewarding. This perception discourages top university graduates from entering the field, perpetuating a cycle of lower talent quality. The intense, irregular working hours typical of event production further reduce appeal, particularly for professionals seeking work-life balance.

Third, retention is as challenging as recruitment. The exhibition and conference industry is project-based, with periods of intense activity followed by relative lulls. This pattern, combined with modest salary ceilings compared to other service sectors, leads to high turnover. Experienced professionals frequently exit to related fields hospitality management, corporate marketing,

destination marketing organizations taking their accumulated expertise with them.

The consequences of the talent gap are tangible. Events suffer from operational errors, poor attendee experiences, and missed revenue opportunities. Innovation slows as overstretched staff focus on immediate execution rather than strategic improvement. The industry's ability to professionalize and elevate its status within the service economy remains constrained. Addressing this challenge requires coordinated investment in educational infrastructure, industry branding campaigns to improve perception, and career pathway development to enhance retention.

#### **External Shocks: Vulnerability and the Need for Resilience**

The COVID-19 pandemic delivered a stark demonstration of the exhibition and conference industry's vulnerability to external shocks. Within weeks of the outbreak, major events worldwide were cancelled or postponed. In China, where zero-COVID policies remained in place for nearly three years, the disruption was particularly severe. Venues sat empty. Organizers faced mass refunds. Thousands of businesses dependent on event-related revenue caterers, florists, audiovisual suppliers, translation agencies faced existential crises. The pandemic revealed structural fragility. The industry's business model, heavily reliant on physical and advanced bookings, proved ill-suited to a world of lockdowns and travel bans. Revenue streams were concentrated and undiversified. Contingency planning was minimal. When the shock hit, many organizations had no playbook for response.

Beyond pandemics, the industry faces other external threats. Geopolitical tensions can disrupt international participation, as visa restrictions, trade disputes, or diplomatic breakdowns reduce cross-border attendance. Economic recessions compress corporate travel and marketing budgets, directly reducing exhibition and conference demand. Natural disasters earthquakes, floods, typhoons can render venues inaccessible on short notice. Climate change may increase the frequency and severity of such events, compounding vulnerability.

The challenge, then, is building resilience without sacrificing efficiency. Digitalization offers one pathway: hybrid capabilities allow events to pivot to virtual formats when physical gatherings become impossible. Diversification of revenue streams—merchandise sales, content licensing, data services, year-round online communities—reduces dependence on live attendance. Geographic diversification of event portfolios spreads risk across multiple locations. Robust contingency planning, including force majeure clauses in contracts, event cancellation insurance, and emergency response protocols, provides additional protection. However, resilience measures carry costs. Digital infrastructure requires investment. Revenue diversification may distract from core competencies. Contingency planning adds administrative overhead. Smaller organizers, operating on thin margins, may struggle to afford such protections. The industry thus faces a collective action problem: resilience is most needed when resources are most constrained.

China's exhibition and conference industry, for all its dynamism and promise, confronts formidable challenges. Intense competition produces uneven development that contradicts the industry's potential as a tool for balanced regional growth. Infrastructure pressures demand continuous capital investment in an uncertain demand environment. A persistent talent gap constrains quality and innovation. Vulnerability to external shocks, starkly revealed by the pandemic, requires expensive resilience-building. Addressing these challenges demands not only individual organizational effort but also coordinated industry-wide and government-supported strategies. The industry that emerges from these challenges will be leaner, more adaptable, and ultimately more sustainable—but the path to that outcome remains steep.

#### **Opportunities for Growth**

While the challenges facing China's exhibition and conference industry are substantial, they are matched by equally significant opportunities for growth and transformation. The sector stands at a strategic inflection point where thoughtful responses to current difficulties can unlock new trajectories of expansion. Four opportunities are particularly promising: regional diversification beyond traditional megacity hubs, deeper integration of emerging technologies, enhanced international collaboration, and innovative policy frameworks. Seizing these opportunities will require strategic vision, coordinated action, and a willingness to move beyond established practices.

### **Regional Diversification: Unlocking Potential Beyond Tier-1 Cities**

The concentration of exhibition activity in Beijing, Shanghai, Guangzhou, and Shenzhen, while efficient in some respects, has created both competitive pressures and untapped potential. The opportunity for regional diversification lies in developing exhibition and conference capabilities in emerging urban centers, distributing economic benefits more equitably across China's vast geography while also relieving congestion in overburdened megacities. China's tier-2 and tier-3 cities possess distinctive advantages that can be leveraged for exhibition success. Unlike the generalized business environments of first-tier cities, smaller urban centers often have specialized industrial strengths deeply rooted in local economic history. Chengdu, for example, has developed a thriving exhibition sector around its electronics and software industries. Kunming leverages its position as a gateway to Southeast Asia for cross-border trade fairs focused on agriculture and natural products. Xi'an, with its deep historical and cultural assets, hosts heritage tourism and archaeological conferences that would be out of place in Shanghai's hyper-modern venues. By focusing on these specialized niches rather than attempting to compete directly with generalist megacity events, emerging hubs can build sustainable competitive advantages.

The concept of "carving niches" extends beyond industrial specialization to thematic differentiation. A smaller city might position itself as the definitive location for exhibitions on sustainable agriculture, traditional medicine, environmental technology, or any number of focused domains. Success in such niches requires not only appropriate venue infrastructure but also deep connections to relevant industry associations, research institutions, and supply chains. Cities that invest in building these ecosystems—supporting local firms in the target industry, developing academic programs in related fields, and cultivating subject matter expertise among event staff—can become indispensable destinations for specialized events.

Regional diversification also supports broader national policy objectives. Balanced regional development has been a consistent theme in Chinese planning, as coastal prosperity has not always translated into inland opportunity. By distributing exhibition activity more evenly, the industry can contribute to job creation, infrastructure utilization, and service sector development in regions that have historically depended on manufacturing or resource extraction. The opportunity, therefore, is not merely commercial but developmental, aligning industry growth with national priorities.

### **Technology Integration: Beyond Digitalization to Intelligent Events**

While digitalization has already transformed China's exhibition industry, the opportunity for deeper technology integration remains largely untapped. Current applications hybrid formats, online ticketing, basic attendee tracking represent only the first wave of technological possibility. The next frontier lies in artificial intelligence, big data analytics, virtual and augmented reality, and the Internet of Things, all converging toward what industry observers call "intelligent events."

Artificial intelligence offers particularly rich opportunities. Beyond current matchmaking algorithms, AI can power predictive analytics that anticipate attendee preferences before they are explicitly stated. Imagine a conference registration system that, based on a participant's professional history and expressed interests, automatically generates a personalized schedule, recommends networking connections, and alerts the attendee to relevant exhibitors. AI-driven chatbots, trained on event-specific knowledge bases, can provide instant, 24/7 responses to participant queries in multiple languages, reducing staffing requirements while improving service quality. Post-event, AI analysis of behavioral data can generate insights for organizers about which sessions, speakers, and exhibits generated the strongest engagement, enabling continuous improvement.

Big data analytics transforms event management from reactive to proactive. Real-time monitoring of attendee movement through venues—using anonymized Wi-Fi or Bluetooth signals—allows organizers to identify congestion points, optimize traffic flow, and redeploy staff to areas of highest demand. Analysis of session attendance patterns informs scheduling decisions for future events. Integration with external data sources, such as hotel booking rates or transportation usage, enables more accurate demand forecasting and resource allocation.

Virtual and augmented reality technologies are moving from novelty to utility. VR can provide

remote participants with immersive experiences that approximate physical attendance, including the ability to navigate exhibition halls, inspect products from multiple angles, and engage in simulated face-to-face conversations. AR overlays, accessed through smartphone cameras or smart glasses, can provide contextual information about exhibits, navigation guidance, or real-time translation of signage and conversations. These technologies do not merely replicate physical experiences but enhance them, offering capabilities such as instant access to product specifications or the ability to virtually "try on" configurations that are impossible in purely physical settings.

The opportunity for technology integration extends to business model innovation. Data generated by intelligent events becomes an asset that can be monetized through analytics services, benchmark reports, or targeted advertising. Platforms that successfully build year-round online communities around event content can transition from episodic revenue to subscription models. Organizers who invest in technology capabilities can differentiate themselves from competitors, command premium pricing, and build switching costs that increase attendee and exhibitor loyalty.

#### **International Collaboration: Partnerships for Mutual Advancement**

China's exhibition industry has grown rapidly but, in many respects, in isolation. The opportunity for enhanced international collaboration involves moving beyond simply hosting foreign exhibitors to developing deeper, more symmetric partnerships with global exhibition organizers, industry associations, and service providers. Joint ventures between Chinese and international exhibition organizers offer particular promise. Established global players Messe Frankfurt, Informa, Reed Exhibitions bring decades of operational expertise, international exhibitor networks, and sophisticated event management systems. Chinese partners bring local market knowledge, regulatory navigation capabilities, and access to domestic exhibitor and attendee bases. Joint ventures combine these complementary assets, creating events that are simultaneously globally competitive and locally relevant. They also facilitate knowledge transfer: Chinese professionals working alongside international colleagues absorb best practices in event marketing, operations, and customer relationship management that can subsequently diffuse throughout the domestic industry.

Beyond commercial joint ventures, collaboration with international industry associations offers credibility-building opportunities. Affiliation with global bodies such as the International Association of Exhibitions and Events (IAEE) or the Union of International Fairs (UFI) signals adherence to recognized standards, reassuring potential international participants about event quality and professionalism. Chinese organizers who achieve UFI certification for their events gain access to global marketing channels and networking opportunities that would be difficult to replicate independently.

International collaboration also supports capacity building. Partnerships with foreign universities offering event management programs can inform curriculum development in Chinese institutions. Exchange programs allow Chinese professionals to gain experience at established international events, bringing back insights that cannot be acquired through domestic experience alone. Technical assistance from international service providers in areas such as sustainable event certification, cybersecurity, or accessibility design can accelerate capability development.

For China, enhanced international collaboration serves a strategic purpose: positioning the country as a leader in global exhibition economics. As the world's second-largest economy and a growing source of both exhibitors and attendees, China has the weight to shape international standards and practices. By engaging collaboratively rather than competitively with global partners, Chinese organizers can influence the evolution of the industry while also benefiting from external expertise.

#### **Policy Innovation: Creating an Enabling Environment**

The fourth major opportunity lies in policy innovation at both central and local government levels. While government support has already been instrumental in industry growth, there remains substantial room for creative policy interventions that address remaining barriers and incentivize desired behaviors. Tax incentives represent a direct and powerful policy tool. Reduced value-added tax rates for exhibition services, accelerated depreciation schedules for venue investments in green

technologies, or tax credits for organizations that achieve sustainability certifications could meaningfully shift industry behavior. More ambitiously, tax policies could be designed to encourage regional diversification, with preferential rates for events held in tier-2 and tier-3 cities or for organizers who establish permanent operations outside traditional hubs.

Subsidies, while requiring direct fiscal expenditure, can be targeted to specific policy objectives. Subsidies for sustainable practices such as grants for venues installing solar panels or rebates for organizers using reusable booth structures can overcome upfront cost barriers that otherwise deter green transitions. Subsidies for professional development covering a portion of training costs for event staff or tuition for relevant certificate programs can help address the talent gap. Importantly, well-designed subsidies incorporate sunset clauses or declining structures, incentivizing eventual self-sufficiency rather than permanent dependency.

Public-private partnerships (PPPs) offer a mechanism for infrastructure development that balances public objectives with private efficiency. In a typical PPP model for exhibition infrastructure, a private partner designs, builds, finances, and operates a venue, while the public partner provides land, permits, and perhaps demand guarantees (such as commitments to host a certain number of public events). The private partner assumes construction and operational risk, incentivizing cost-effective design and efficient management, while the public partner achieves infrastructure development without upfront capital expenditure. PPPs can also include specific performance requirements such as minimum utilization rates or sustainability targets that align private operation with public goals.

Policy innovation extends beyond fiscal measures to regulatory streamlining. Simplified visa processes for international attendees, expedited customs clearance for exhibition goods, and harmonized safety and accessibility standards across jurisdictions all reduce transaction costs that currently impede industry growth. Regulatory sandboxes, allowing organizers to test innovative event formats or technologies without full compliance burdens, can accelerate experimentation and learning.

The opportunity for policy innovation is particularly urgent given the industry's current challenges. Competition-driven uneven development could be addressed through policies that encourage event rotation or specialization. Infrastructure pressures could be eased through PPPs that share investment burdens. The talent gap could be narrowed through government-supported training programs. External shock vulnerability could be reduced through policies that incentivize digital diversification. By aligning policy innovation with industry needs, governments at all levels can create an enabling environment that unlocks sustainable growth.

The opportunities for growth in China's exhibition and conference industry are substantial and mutually reinforcing. Regional diversification expands the geographic footprint of the industry while supporting balanced national development. Technology integration enhances participant experiences, enables business model innovation, and builds competitive differentiation. International collaboration brings global best practices, credibility, and networks to domestic organizers. Policy innovation creates the enabling environment within which these other opportunities can be realized. The industry that emerges from seizing these opportunities will not only be larger but also more resilient, more sustainable, and more globally influential than today's model. The path forward requires strategic vision, sustained investment, and collaborative action—but the potential rewards justify the effort.

### **Theoretical Perspectives on Exhibition and Conference Service Economics**

To fully comprehend the role and impact of exhibition and conference services in China's evolving economy, it is essential to ground analysis in established theoretical frameworks. The industry's multifaceted nature simultaneously economic, social, spatial, and technological demands a multi-perspective theoretical approach. Three frameworks are particularly illuminating: service economics, which situates exhibitions within the broader shift from goods-based to service-based value creation; network economics, which conceptualizes events as nodes in complex webs of knowledge and commercial exchange; and regional economics, which explains the spatial

distribution and local impacts of exhibition activity. Together, these perspectives provide a rigorous foundation for understanding both the current dynamics and future trajectories of the industry.

### **Service Economics Framework: From Tangible Goods to Intangible Value**

The service economics framework offers a foundational lens for understanding exhibition and conference services. Traditionally, economic analysis privileged the production of tangible goods—manufacturing, agriculture, extractive industries—as the primary engine of value creation and wealth generation. Services were relegated to a residual category, often characterized as unproductive or derivative. The service economics literature, emerging prominently in the late twentieth century, fundamentally challenged this hierarchy. Scholars such as Fuchs (1968) and Bell (1973) documented the historical shift from industrial to post-industrial economies, arguing that services are not merely ancillary to goods production but constitute an increasingly autonomous and dynamic sector.

Within this framework, exhibition and conference services exemplify the distinctive characteristics of service-based value creation. Most fundamentally, these services produce intangible assets rather than physical commodities. The value of an exhibition lies not in any tangible output—though tickets, brochures, and branded merchandise may be exchanged—but in the knowledge, networks, and opportunities that participants gain. A manufacturer who secures a distribution contract at a trade fair has obtained value, but that value exists primarily as a relational agreement rather than a physical object. A researcher who forms a collaboration with a peer at a conference has acquired intellectual and social capital that may generate future outputs but is itself intangible.

The intangibility of exhibition services has profound implications for economic analysis. Traditional measures of productivity, designed for manufacturing contexts where inputs and outputs are easily quantified, struggle to capture value creation in event settings. How does one measure the productivity of a networking coffee break, where the most valuable exchanges may be unplanned and unrecorded? How does one quantify the innovation-enhancing effects of knowledge spillovers that occur in exhibition halls? The service economics framework addresses these challenges by shifting focus from output quantities to outcomes and impacts. Rather than asking how many tickets were sold or booths rented, service economics asks what participants gained, what relationships were formed, what knowledge was transferred, and what subsequent economic activity was enabled.

Exhibitions and conferences also exemplify the service sector's emphasis on co-production. Unlike manufactured goods, which are produced by firms and passively consumed by customers, exhibition services are co-produced by organizers and participants. An attendee who asks questions during a panel discussion, exchanges business cards in a breakout session, or provides feedback to an exhibitor is not merely consuming a service but actively shaping it. This co-production means that service quality depends not only on organizer capabilities but also on participant engagement. The service economics framework thus directs attention to the interactive dynamics of events, recognizing that value emerges from the encounter between service providers and service users rather than being unilaterally delivered.

Furthermore, exhibition services exemplify the shift toward experience-based competition. In goods-based economies, firms competed primarily on price and product features. In service-based economies, competition increasingly centers on the quality of the customer experience. Exhibitions and conferences are fundamentally experience goods: participants cannot fully evaluate an event's value until after attending, and their satisfaction depends on holistic factors—atmosphere, serendipitous encounters, emotional resonance—that transcend functional attributes. The service economics framework therefore emphasizes the importance of service design, employee-customer interaction, and ambient conditions in determining exhibition success.

### **Network Economics: Conferences and Exhibitions as Relational Infrastructure**

While service economics provides a sectoral lens, network economics offers a relational one. This perspective conceptualizes economic activity not as the sum of isolated transactions but as the product of connections among actors. Markets, from this viewpoint, are networks of relationships—between buyers and sellers, collaborators and competitors, mentors and protégés—that facilitate the flow of information, trust, and resources. Conferences and exhibitions function as critical

infrastructure within these networks.

The concept of "temporary clusters," developed by Bathelt and Schuldt (2008), provides a powerful theoretical bridge between network economics and event analysis. Permanent industrial clusters Silicon Valley for technology, Shenzhen for electronics generate competitive advantage through geographic concentration, which facilitates knowledge spillovers, specialized labor pools, and trust-based relationships. However, not all industries or firms can locate within permanent clusters. Temporary clusters, created by conferences and exhibitions, offer a substitute: for a few days, a convention center becomes a dense agglomeration of specialized firms and experts, generating many of the same benefits as permanent co-location without requiring long-term geographic commitment.

Within these temporary clusters, networks form and function in distinctive ways. Strong ties deep, trust-based relationships developed over long periods are difficult to create at events. However, weak ties casual acquaintances, one-time encounters, second-hand connections proliferate. The network economics literature, following Granovetter's (1973) seminal work, has established that weak ties are surprisingly valuable. While strong ties provide emotional support and deep collaboration, weak ties serve as bridges between different social circles, providing access to novel information and opportunities that would not reach an individual through their close network alone. Conferences and exhibitions are exceptionally efficient generators of weak ties, bringing together diverse participants who might otherwise never intersect.

Exhibitions specifically function as platforms for market entry and expansion within commercial networks. For a small or medium-sized enterprise seeking to enter a new geographic market, the costs of individual customer acquisition travel, meetings, relationship development are prohibitive. An exhibition aggregates potential customers in a single location, dramatically reducing transaction costs. Moreover, exhibitions provide a setting for what network economists call "signaling." A firm's decision to exhibit at a prestigious trade fair signals its legitimacy, quality, and staying power to potential partners who might otherwise be reluctant to engage with an unknown entity. The exhibition thus functions not merely as a marketplace but as a certification mechanism that reduces information asymmetry and enables network formation.

Conferences, meanwhile, function as nodes in global knowledge networks. Scientific and professional conferences bring together researchers, practitioners, and policymakers who may never collaborate directly but who contribute to shared epistemic communities. The presentations, papers, and discussions at conferences constitute a distributed knowledge production process, where ideas are presented, critiqued, refined, and disseminated. Conference participation signals membership in these epistemic communities, conferring legitimacy and access. The network economics perspective reveals that the value of a conference lies not only in the formal program but in the informal networks that form around it—the corridor conversations, coffee breaks, and social events where tacit knowledge and trust are exchanged.

### **Regional Economics: Spatial Spillovers and Urban Development**

The third theoretical perspective, regional economics, addresses the spatial dimensions of exhibition and conference activity. While service economics explains what exhibitions do and network economics explains how they connect, regional economics explains where they locate and with what consequences for surrounding areas.

The concept of spillover effects is central to regional economic analysis of exhibitions. Direct effects venue revenues, ticket sales, on-site spending are relatively easy to measure. Indirect effects supplier purchases, downstream economic activity are more diffuse but often larger. Induced effects spending by workers whose incomes derive from direct and indirect activity ripple through local economies. Regional economics provides the input-output models and multiplier analysis techniques that estimate these cascading impacts. A substantial literature, reviewed by Dwyer and Forsyth (1997) and others, has established that business events generate higher multipliers than leisure tourism because delegates spend more per day and events operate during off-peak periods, utilizing otherwise idle capacity.

Beyond measurable economic impacts, regional economics addresses the role of exhibitions and conferences in urban branding and competitiveness. Cities compete not only for firms and workers but also for attention, reputation, and status. Hosting a major international conference signals that a city possesses the infrastructure, security, connectivity, and service quality required by global business. This signaling effect can attract foreign direct investment, tourism, and skilled migration that extend far beyond the event itself. The regional economics literature conceptualizes this as "place branding through events," where the exhibition and conference sector becomes an instrument of broader urban development strategy.

Regional economics also explains the spatial distribution of exhibition activity. Central place theory, originally developed by Christaller (1933), predicts that specialized services will locate in hierarchical patterns, with higher-order services concentrated in larger urban centers that can support their threshold populations. The Chinese exhibition industry, with its concentration in megacities and secondary hubs, broadly conforms to these predictions. However, regional economics also recognizes the potential for event specialization to alter these hierarchies. A smaller city that successfully hosts a unique, high-profile event may enhance its central place status, attracting complementary services and investment. This dynamic potential the ability of events to reshape regional hierarchies underlies the policy interest in using exhibitions for regional development.

Finally, regional economics provides frameworks for understanding both the benefits and costs of exhibition activity. Congestion costs traffic, crowding, pressure on public services can offset economic benefits if not managed. Environmental costs carbon emissions, waste, water consumption are increasingly recognized as significant. The regional economics perspective demands a balanced accounting that considers negative externalities alongside positive spillovers. This balanced view is essential for sustainable industry development.

In conclusion, the three theoretical perspectives are complementary rather than competing. Service economics explains what exhibitions and conferences are and how they create intangible value. Network economics explains how they connect actors and facilitate exchange. Regional economics explains where they locate and how they impact surrounding areas. Together, these frameworks provide a rigorous foundation for analyzing China's exhibition and conference industry, understanding its current dynamics, and anticipating its future evolution.

### **Future Directions**

As China's exhibition and conference industry navigates the complex landscape of post-pandemic recovery, intensifying competition, and technological disruption, questions of future direction become paramount. The industry cannot simply return to pre-existing models, nor can it afford reactive adaptation. What is required is strategic foresight a clear-eyed assessment of emerging trends and a deliberate charting of pathways toward sustainable, resilient, and globally competitive futures. Three directions stand out as particularly consequential: digital transformation that moves beyond hybrid formats toward fully intelligent event ecosystems; sustainability that transitions from peripheral concern to core operating principle; and global positioning that balances domestic priorities with international ambitions. Each direction presents both imperatives and opportunities that will shape the industry for decades to come.

The digital transformation of China's exhibition and conference industry is already underway, but its most profound manifestations lie ahead. Current hybrid models combining physical attendance with basic virtual access represent only the first iteration of digital integration. The future points toward fully intelligent event ecosystems where digital and physical realms are not merely combined but seamlessly integrated, where artificial intelligence, blockchain, the Internet of Things, and immersive technologies fundamentally redefine what an exhibition or conference can be.

Virtual reality (VR) and augmented reality (AR) technologies are rapidly maturing from novelties to practical tools. In the near future, VR exhibitions will offer experiences that rival or exceed physical attendance. Attendees will don lightweight headsets and walk through virtual exhibition halls, examining products from any angle, interacting with digital twins of complex machinery, and engaging in natural-language conversations with AI-powered booth representatives. The constraints

of physical space will dissolve: a virtual exhibition can be infinitely large, reconfigured instantly, and personalized to each attendee's interests. For products that are large, dangerous, or geographically dispersed industrial equipment, pharmaceutical compounds, archaeological sites VR demonstrations will offer access that physical exhibitions cannot match.

Augmented reality will enhance rather than replace physical attendance. An attendee at a physical conference will point their smartphone or smart glasses at a speaker and see real-time translation, biographical information, and links to their published work. Pointing at an exhibition booth will reveal product specifications, pricing, and sustainability certifications. Wayfinding AR will overlay directional arrows and schedule information onto the physical environment. These enhancements will not distract from the serendipity and trust-building of physical encounters but will enrich them, providing contextual information precisely when needed.

Artificial intelligence will drive personalization at unprecedented scale. AI-powered matchmaking algorithms, already in use, will become dramatically more sophisticated. Rather than relying on self-reported interests, future systems will analyze attendee behavior across multiple events, social media activity, professional publications, and even biometric indicators of engagement to infer genuine interests and readiness for connection. AI scheduling assistants will negotiate among attendees' preferences to arrange optimal meeting times and locations. During events, AI chatbots will provide instant, context-aware responses to queries, freeing human staff for complex problem-solving. Post-event, AI analytics will generate personalized summaries, highlight missed opportunities, and recommend follow-up actions.

Blockchain technology, while often associated with cryptocurrencies, offers specific applications for exhibition and conference management that will likely see adoption in coming years. Smart contracts—self-executing agreements with terms directly written into code—can automate ticketing, booth rental, and sponsorship transactions, reducing administrative overhead and eliminating disputes. Blockchain-based identity systems can provide secure, portable credentials that attendees use across multiple events, reducing fraud and streamlining registration. Perhaps most significantly, blockchain can enable decentralized reputation systems where participants build verifiable records of attendance, presentations, and professional interactions that are owned and controlled by individuals rather than by event organizers. This shift from platform-centric to user-centric data ownership could fundamentally restructure power relationships in the industry.

The digital transformation also encompasses back-end operations. Internet of Things sensors embedded in venues will monitor occupancy, temperature, air quality, and energy use in real time, enabling dynamic adjustments that enhance comfort while reducing costs. Predictive analytics, fed by historical data and external factors such as weather and transportation schedules, will optimize staffing, catering, and security deployment. Digital twins virtual replicas of physical venues will allow organizers to simulate event layouts, crowd flows, and emergency scenarios before construction begins, reducing costly on-site adjustments.

However, digital transformation also presents challenges that must be proactively addressed. Cybersecurity will become paramount as events collect increasingly sensitive data on attendees, including biometric information and behavioral patterns. Digital divides, both generational and infrastructural, could exclude participants without access to advanced devices or high-bandwidth connectivity. The risk of "digital theater" adopting technologies for appearance rather than genuine value must be avoided through rigorous return-on-investment analysis. The future direction, therefore, is not digital transformation at any cost but strategic digital integration that enhances human connection rather than replacing it.

### **Sustainability: From Moral Imperative to Competitive Necessity**

The second major future direction for China's exhibition and conference industry is the deep integration of sustainability principles. What has been treated by many organizers as a compliance burden or marketing opportunity will increasingly become a core strategic imperative, shaping competitiveness, legitimacy, and long-term viability.

Carbon-neutral conferences represent the most visible sustainability goal. Achieving carbon

neutrality requires three steps: measurement of emissions across all event activities (travel, venue energy, catering, materials, waste); reduction through efficiency measures and alternative choices; and offsetting of remaining emissions through verified carbon credits. Early adopters have demonstrated that carbon neutrality is achievable at reasonable cost, particularly when reduction measures encouraging train travel over air travel, selecting plant-based catering, eliminating single-use plastics also reduce operating expenses. The future direction is toward carbon-negative events that actively remove more carbon from the atmosphere than they emit, though this remains technically and economically challenging.

Circular economy principles will transform exhibition materials and operations. The traditional linear model extract, produce, use, discard is fundamentally unsustainable for an industry that generates massive waste through temporary structures, printed materials, and single-use displays. The circular alternative emphasizes reuse, repair, remanufacturing, and recycling. Modular booth systems, designed for disassembly and reconfiguration, will replace custom-built displays that are demolished after each event. Digital signage and mobile applications will replace printed programs, banners, and brochures. Furniture, carpeting, and decorative elements will be leased from suppliers who maintain, repair, and recirculate them across multiple events. Waste streams will be sorted and processed with increasing sophistication, with organic waste composted, materials recycled, and residual waste converted to energy.

Sustainability will shape the industry's competitive dynamics. Participants, particularly younger professionals and international attendees, increasingly evaluate events based on environmental responsibility. Corporate procurement departments, facing their own sustainability reporting requirements, will favor events that can provide verified emissions data and sustainability certifications. Sponsors will allocate marketing budgets to events that align with their environmental, social, and governance (ESG) commitments. Organizers who lag on sustainability will find themselves excluded from lucrative market segments, while leaders will command premium pricing and enhanced loyalty.

The sustainability transition requires investment, skills development, and new performance metrics. Venues must invest in energy-efficient systems, waste processing infrastructure, and renewable energy generation. Organizers must develop capabilities in carbon accounting, circular procurement, and stakeholder communication. Industry associations must establish recognized sustainability standards and certification schemes that provide credible, comparable information to participants. Government policy can accelerate the transition through tax incentives, subsidies, and regulatory requirements [15]. The future direction is clear: sustainability is not a trend that will fade but a fundamental shift in the operating environment that will permanently reshape the industry.

### **Global Positioning: Balancing Domestic Priorities with International Ambitions**

The third future direction concerns China's position within the global exhibition and conference industry. Having grown rapidly as a domestic market, the industry now faces strategic choices about its international role. The future lies in a sophisticated balancing of domestic priorities serving Chinese industries, cities, and participants with international ambitions that position China as a global leader.

China is poised to become a leading host of international conferences and exhibitions. The country's infrastructure advantages—world-class venues, extensive high-speed rail networks, modern airports—exceed those of most competitors [16]. Its economic weight, as the world's second-largest economy and a primary engine of global growth, makes it an essential destination for industries seeking market access. Its geopolitical significance, while sometimes complicating hosting decisions, also ensures that major international events cannot ignore China. The question is not whether China will host more international events but what kind of events, serving what purposes, and with what degree of Chinese leadership.

One future direction involves thematic specialization. Rather than competing to host all types of events, Chinese cities can develop distinctive niches aligned with industrial strengths and policy priorities. Shanghai, with its financial and technology sectors, can position itself for fintech and AI

conferences. Guangzhou, with its manufacturing and trade heritage, can focus on supply chain and logistics exhibitions. Chengdu, with its electronics and software industries, can target digital economy events. Xi'an, with its Belt and Road connections, can host infrastructure and development conferences. Specialization allows Chinese destinations to build deep expertise, attract focused audiences, and compete effectively against generalist hubs in Singapore, Dubai, or Barcelona [17].

Integration with global trade and cultural diplomacy will enhance China's positioning. The Belt and Road Initiative, while primarily an infrastructure and investment program, has significant exhibition and conference dimensions. Thematic events connecting Chinese industries with BRI partner countries—already numerous—can be expanded and deepened, becoming regular fixtures on the global event calendar. Cultural diplomacy events, showcasing Chinese art, cuisine, and heritage, can attract international audiences while building soft power. The China International Import Expo, uniquely focused on imports rather than exports, can evolve from a national initiative to a truly global platform, attracting exhibitors and attendees from all regions.

However, global positioning also requires China to address persistent barriers. Visa policies remain a constraint, with cumbersome application processes deterring some international participants. Language barriers, while reduced by translation technologies, still limit the accessibility of Chinese-hosted events. International marketing and branding capabilities, while improving, lag behind those of established hubs. Perhaps most fundamentally, geopolitical tensions could disrupt international participation, as trade disputes, diplomatic breakdowns, or national security concerns lead some countries to restrict attendance at events hosted in China [18].

The industry's future, therefore, lies in a strategic balance. China should not seek to host all international events, nor should it retreat into purely domestic activity. Instead, the future direction involves selective international engagement: hosting events that align with Chinese economic and diplomatic priorities, building specialized niches where China holds comparative advantage, and developing hybrid models that allow international participation even when physical attendance is constrained. The goal is not to dominate global exhibition economics but to occupy a distinctive and influential position within it a position that serves Chinese interests while contributing to the global industry's vitality and resilience.

In conclusion, the future directions for China's exhibition and conference industry are clear in outline though uncertain in execution [19]. Digital transformation will reshape what events are and how they operate, creating new possibilities for value creation while demanding new capabilities. Sustainability will shift from optional to essential, with profound implications for competitiveness and legitimacy. Global positioning will require sophisticated balancing of domestic and international priorities. The industry that successfully navigates these directions will be more intelligent, more responsible, and more globally influential than today's model. The path forward requires strategic clarity, sustained investment, and collaborative action across organizers, venues, governments, and participants. The rewards a resilient, sustainable, and globally respected industry justify the effort.

#### 4. Conclusion

Exhibition and conference service economics in China represents a dynamic and evolving sector within the broader service industry, one that has matured from a peripheral activity to a strategic pillar of economic modernization. This sector uniquely synthesizes tangible economic impacts revenue generation, employment, infrastructure utilization with intangible yet equally vital outcomes: knowledge diffusion, network formation, and urban branding. While challenges persist, including intense inter-city competition, infrastructure pressures, a persistent talent gap, and vulnerability to external shocks, the industry has demonstrated remarkable adaptability. Its rapid digitalization during the pandemic, embrace of sustainability principles, and deepening integration with global trade networks attest to a sector capable of transformation. Future growth will depend on successfully balancing three imperatives: advancing digital innovation without losing the irreplaceable value of human connection, embedding sustainability as core practice rather than peripheral compliance, and pursuing international cooperation while serving domestic priorities. By

leveraging its infrastructural strengths, policy support, and market scale, and by candidly addressing its structural weaknesses, China is uniquely positioned not merely to participate in but to actively shape the future of global exhibition economics.

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