

The 62nd MSV International Engineering Fair will not take place until 2021

Press Release, June 25, 2020

Due to the COVID situation, the traditional Brno International Engineering Fair, scheduled for October 5 – 9, held regularly since 1959 at the Brno Exhibition Center, in the Czech Republic has been canceled.

The decision was taken the Board of Directors of Veletrhy Brno (BVV Trade Fairs Brno Co.) on June 25, 2020, on the basis of a thorough consideration of all factors and risks associated with the holding of the fair, including an evaluation of the current health rules for trade fairs and mass events. This breaks the long uninterrupted tradition of the fair, which in the last decade has become the leading industrial fair of Central Europe. *"The MSV fair has never been canceled. But we had to end the lingering uncertainty surrounding its holding. It was the most difficult decision I ever had to make. After cancellation of AMB Stuttgart, the MSV is another COVID victim among leading European shows,"* announced Mr. Jiří Kuliš, CEO of BVV Trade Fairs Brno.

"The announced rules for trade fairs by the Ministry of Health cannot be applied to MSV. These absurd rules deny the logistics and character of a fair of a scale like MSV. With these rules implemented, the show would no longer be a trade fair," said Mr. Michalis Busios, the trade fair's project manager. MSV exhibitors were impatiently waiting for the hygiene and safety rules. Since March, they have been uncertain about the holding of the fair and the implementation of rules set by the health authorities. Persistent uncertainty, concerns about the further development of the epidemic, concerns about employee health, the risk of lower participation of business partners from the Czech Republic, Slovakia and other neighboring countries, including the absence of non-European participants have been major concerns on the part of exhibitors and the organizer. *"Exhibitors and visitors do not want any restrictions. They want to shake hands, to communicate. They have to move freely around the fair. They cannot be tied to one hall with a limit of 1.000 persons, while they are not allowed to visit other halls and move freely through the fairgrounds,"* Mr. Busios specifies the objections of the organizer and exhibitors to the set rules by Czech government.

According to a survey of exhibitors, companies are afraid of lost investments made into the fair in case of new restrictions or a ban on holding the event shortly before the show opens. Other reasons why traditional exhibitors have been considering participation until now or ultimately decided not to participate is the state of the economy, fading investment mood, corporate financial situation, bans on participation from foreign parent companies for economic or health security reasons.

"The rules for holding trade fairs are a big disappointment to us. They allow to conduct only smaller events, but not a large and important event such as MSV. Implementation of MSV under these conditions would mean damage to the prestige and brand of an internationally important event. It is not doable at all. Surprisingly, the rule of one thousand persons in one sector at a time is not applied to large shopping centers," claims Mr. Jaroslav Bílek, spokesman for BVV Trade Fairs Brno.

A survey among exhibitors confirmed the status of MSV fair as an important commercial and marketing tool. Exhibitors consider participation in the International Engineering Fair to be an important company presentation that enables effective face-to-face meetings with the existing and new business partners. Representative participation of the entire industry,



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major companies including competitors present, and the international scope of the event are all important reasons for exhibiting. This year's MSV would not meet these attributes of a successful trade fair in the given COVID situation.

Exhibitors appreciate the international reach of the fair. More than half of domestic companies negotiate with foreign partners. The participation of foreign visitors from neighboring countries is emphasized by all foreign exhibitors. The restrictions on global travel, the hitherto closed EU borders for non-European countries and the risk of re-closing the borders make a highly international event impossible. The partner country of this year's MSV was supposed to be the Russian Federation. *"Although the organizers of the Russian participation continue the preparatory work, from the current epidemiological point of view, Russia's participation is unfortunately unrealistic,"* gives an example Mr. Busios. Larger participations from non-European countries - China, India, Japan, Taiwan were ready to join.

"So far, the perfectly fitting MSV sprockets, which compose the show logo, are broken by the COVID pandemic. The virus has infected the economy, which is evident from the preparation of the fair. Back in March, applications to participate in the MSV signaled a record year. Today everything is different. There is no investment mood in the market. The fair would be necessary to support the economy, but we must eliminate all potential risks, including the risk of our reputation. We are a responsible company that wants to maintain the prestige of the fair and go by the rules," summarizes the CEO of BVV Trade Fairs Brno, Mr. Jiří Kuliš.

"The impact on our business will be unprecedented. The company will end up with a record loss, as we are out-of-business due to COVID situation for several months. It is also a very bad news for small and medium-sized enterprises, self-employed people and many others connected to trade fair business, including hotels, restaurants and the overall economy of the city and the region," comments Mr. Kuliš the impact of the decision.

BVV Trade Fairs Brno Co. expect to hold other planned trade fairs in the second half of 2020, which are of smaller scale and are less international than MSV. The first will be the STYL/KABO B2B fashion contracting fair, which meets the set rules in terms of attendance. Congresses and corporate events can also take place at the exhibition center from September. The Brno Exhibition Grounds allows several separate events to take place in parallel at the same time.

**The 62nd International Engineering Fair is now scheduled for the date
September 13–17, 2021.**

BVV Trade Fairs Brno Co. is the leading trade fairs organizer in the Czech Republic and in Central Europe. The company is owner of a modern venue of 192.000 sqm and indoor/outdoor capacity of 130.000 sqm net. The company is owned by the municipality of the City of Brno, Czech Republic.

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