

NEW ASSOCIATION FRONTIERS

From IMEA to N-11

Since 2001, emerging markets have become the world's economic engine. As companies fiercely compete for market share, professional and trade associations are also seeking to penetrate these rapidly growing economies, with many looking to build and grow chapters by defining locally relevant member value.

India, the Middle East & Africa (IMEA), a region where hyper-growth and huge local investments exist alongside well-documented social and political challenges, is currently leap-frogging ahead in terms of business and innovation, particularly in the countries of the Gulf Cooperation Council (GCC).

Although IMEA has a relatively short history in terms of the association industry, continued economic investment and expanding education is creating a growing desire for professional learning and development. As governments realise the full potential of associations to support the flourishing business environment, political will teamed with sheer population scale is providing the perfect environment for associations to thrive.

Let's put this into context:

- With some 78 countries counted in the region, IMEA has the highest number of emerging nations in any region as well as the world's fastest economic growth rate of between 7% and 20% annually.
- IMEA has a population of 2.7 billion (around 37% of the world live here) and a total GDP of 8 trillion dollars.
- IMEA is a region of extremes, boasting the second largest populated country in the world (India), the richest country in the world by GDP PP (Qatar), and the poorest country (South Sudan).
- The region enjoys foreign direct investments (FDIs) to the tune of over \$50 billion annually.
- The region is collectively the world's largest producer of oil and gas (40%).
- The region also boasts the world's biggest fleet of A380s and Dreamliners alongside the world's largest airport and tallest towers.
- IMEA has one of the world's highest mobile technology and social media penetrations and pioneered 'Mobile-Money' for the rest of the world.
- With an average median age of 25

(younger than China), the population is young, dynamic, and very ambitious.

KEY COUNTRY FOCUS

Turkey, the world's 15th largest economy, a bridge between Europe and Asia and the driving force of the Levant region (including Turkey, Iran and Northern Iraq), is making huge investments in infrastructure. With larger airports and sparkling new convention centres on the horizon, including a new airport in Istanbul with a capacity of 150 million passengers and plans to transform the current airport into a convention centre, the association meetings industry here looks set to flourish.

The African market is an interesting mix of European business fundamentals with the drive and ambition of Asia. **South Africa** is leading the growth of the association meetings business on the continent, but there are also over 300 associations based out of Kenya, with its own dynamics and opportunities. Business people in the region don't talk countries, they talk Africa, so associations have to build this nuance into their business model and ensure a more continent-centric strategy than in other regions.

In terms of the **Middle East**, the traditional association hubs of North Africa and some Levant countries, such as Morocco, Tunisia, Egypt and Lebanon, are going through major political and economic meltdown. GCC countries are capitalising on this, with the United Arab Emirates and its population of only 5.8 million leading the charge and reinforcing its growing reputation as the Hong Kong of the Middle East. These countries are also focusing on investment in mega projects such as Expo 2020, the

Olympics and FIFA World Cup in Qatar, with the UAE's foreign trade expected to touch Dh4 trillion by hosting Expo 2020.

A 100% tax free environment, re-export hub, developed free zones and strategic location are without a doubt the UAE's main economic strengths, however, like most GCC countries, international associations cannot be set up as legal entities in the region. For this purpose, a free zone like model was incorporated under the banner of Dubai Association Centre in 2013, enabling international associations to base themselves here and operate independently. This initiative has opened the door for association expansion in the Gulf region and looks set to turn Dubai into a key global association hub.

With a population of 30 million people, **Saudi Arabia** is the largest country in the GCC and is working hard to diversify its economy by moving away from its primary reliance on oil. Boasting one of the strongest institutional structures in the region, with several independent professional bodies driving industry standards and classifications, Saudi Arabia is also home to some of the region's largest universities, catering to a burgeoning Saudi youth population.

The majority of regional pharmaceutical budgets sit in this country, and some of the largest medical meetings of the region take place in Saudi, for a majority Saudi audience with some regional and international attendees. The Saudi associations behind these organisations typically reach out to their regional and international counterparts in terms of content development as well as best practices, but there is clear potential for more structured partnerships and strategic growth.



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More needs to be done to relax entry visa permits for foreign companies to enter, while social segregation and women's limited role in society remain problematic for various international associations looking to develop in the country.

India is its own market, with a unique ecosystem and strong institutional structure. With a quarter of India's 1.2 billion people currently defined as a strong emerging middle class - in absolute numbers this is about as big as the entire US population - India is a dream market in terms of both growing consumer numbers and a growing demand for higher education and professional development.

Thanks to this ever-expanding middle class, India is where many international associations out of the US and Europe are looking to expand their membership bases, as well products such as training programmes and international meetings.

Successfully tapping into the Indian market is not easy, however. A long-term view and

perseverance are vital, and international associations need to invest in strong local expertise and knowledge, ensuring that 90% of strategic decisions are made in the country and 10% come from the HQ, balancing local responsiveness and global standardisation.

BEYOND IMEA: NEXT 11.

In 2007, Goldman Sachs identified the **Next 11 (N-11)**; 11 countries that could potentially rival the G7 over time, even if they lack the scale to become the next BRICS (Brazil, Russia, India, China, South Africa.)

Made up of Bangladesh, Egypt, Indonesia, Iran, South Korea, Mexico, Nigeria, Pakistan, the Philippines, Turkey and Vietnam, the N-11 is a very eclectic mix identified in the context of similar BRICS themes; energy, infrastructure, urbanisation, human capital and technology.

Despite their differences, there are many examples of these countries working together economically and, as most already

have existing strong institutional and association frameworks despite their 'motley crew' backgrounds, the opportunities for associations are clear.

From an IMEA perspective, it's important to note that six of the N-11 countries fall well within its territories. While today's association growth drive in IMEA is focused on the GCC countries, it will be increasingly important for forward-thinking associations to keep up with developments in Egypt, Iran, Nigeria, Pakistan, Bangladesh and Turkey.

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