

**The President's Commission on Executive Exchange
The White House
May 19, 1990**

EXPO '95

A World's Fair for Vienna and Budapest

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Ladies and Gentlemen,

Nothing could highlight the speed of developments in Europe better than a **comparison** between the **present** and the **past** of just a year ago. Let us look back at May 19, 1989.

That day, **Vaclav Havel** was working as a stoker in a housing block. Today he is President of Czechoslovakia.

On May 19, 1989, **Erich Honecker**, party leader and head of state, was busy making preparations for the parade to celebrate the 40th anniversary of the foundation of the German Democratic Republic. Today, he is almost an outlaw and has fallen into oblivion.

On May 19, 1989, the first **new opposition groups** were forming in **Hungary**. Just a couple of weeks ago, they won an absolute majority in the first free parliamentary elections for 40 years.

Europe in **May '89** and in **May '90**. Only a year has passed – a year, however, of historic events.

What has happened?

Mikhail Gorbachev's **perestroika** and the struggle of the Eastern European nations for **democracy** and **freedom** have resulted in a historic **turnabout**: the age of **Soviet imperialism** and **neo-Stalinism** has come to an end. The superpowers are gradually withdrawing from the heart of

the Old World. Eastern and Western Europe are no longer drifting apart, but striving towards each other, with dynamic force.

The American artist **Christo** will no longer be able to “wrap” the **Berlin Wall**, as had been one of his proposed spectacular projects for the future. Pieces of brick from **the Wall** and barbed wire from the **Iron Curtain** have become best-selling souvenir items.

The reason for all this is the “**hot autumn**” of 1989: 200 years after the French Revolution the **Eastern Central European nations** commemorated the Declaration of Human Rights – **their** human rights – and set out to shape their own destiny.

- The first to do so were the **Hungarians** and **Poles** in **spring 1989**,
- then came the **East Germans** in **October**,
- followed by the **Czechoslovaks** in **November**,
- and, finally, the **Romanians** in **December**.

German unification has become the order of the day. A **unified Europe** is a much-needed (and no longer Utopian) objective.

Provided there is no setback, the 90's will go down in history as **the European decade**. On the threshold of the third millennium the vision of a unified continent **without** political **frontiers** and **trade barriers** materializes.

Halfway through this European decade, in '95, **Vienna and Budapest** will be hosts to millions of visitors from Europe and overseas. By co-hosting an **international exposition**, they will endeavour to span "**Bridges to the Future**" - which is the theme of EXPO '95 - and highlight development beyond the year 2000.

The **supreme objective** of EXPO 95 will be to organise a **major event** which reflects the social and technological developments of the late 20th century and provides a **unique and memorable experience** for its visitors.

In the **age of electronic media** where every child thinks that it's all been on the screen before, the Exposition will have to demonstrate that a "**hands-on**" **reality** is more exciting and more stimulating than any media-made reality.

After a period of "**specialized**" and "**universal**" expositions, the **Vienna and Budapest event** will be the first truly **supranational**, the first truly Central European exposition, thanks to the **twin-city concept**.

EXPO 95, however, will not only be a **challenge to Austria**, it will also be a challenge to the **country's capital, Vienna**.

Every city needs to find **symbols** in order to develop **self-awareness** and **self-assuredness**. Such symbols include **major events** like Olympic Games or World Championships or international expositions. They may become part of a positive, forward-looking **urban identity**.

Let me quote the famous Austrian-born market-researcher **Ernest Dichter**: “A World's Fair must bring about **identification** with what is being displayed and offered. Every visitor must be given the impression, for at least the short span of one day, that he is living in a new world, that he is sharing the **concerns, wishes and dreams** of other people.”

The **Austrians** have learnt, over a **period of 500 years**, to **communicate** and **cooperate** with their neighbours in the **north, south and east**. After all, present-day **Czechoslovakia** and present-day **Hungary** were part of **Habsburg Austria** for 500 years.

40 years of division by the **Iron Curtain** cannot eradicate **500 years of common destiny**. Even during the **Cold War**, **Austria** was usually one step ahead of other countries as regards cooperation with the East, thanks to its **neutrality**.

Recent developments in Europe have transformed my native city from a “**terminal**” into a “**bridgehead**” of Western Europe. **Vienna** has become the heart of the “**new old Central European fatherland**”, the very centre of Europe.

It is against this background that I would like to explain, in the second part of my presentation, the philosophy and concept of the '95 World Fair in Vienna and Budapest.

EXPO '95 will be a **vision** of the future and a **panorama** of the 21st century, not only in the eyes of the **organisers**, but

also and above all in the eyes of the **exhibitors**, who will present what **bridges** they think will link us to the future.

We do not lay down what is to be shown, we have chosen the subject to **stimulate**, to further **creativity**. EXPO'95 is to be a "**festival of creativity**".

"**Bridges to the Future**" is an **invitation** to the **hosts** and **architects**, the **exhibitors** and **sponsors** to **symbolize**, **visualize** and **materialize** things and ideas which are capable of forming a bold and yet sustainable **transition** from the present to the future.

In this context, "**bridge**" also signifies constructive **new development**, new and better **coherence** as a result of their harmonization.

Let me give a **few examples**:

- * the **reconciliation** of **nature** and **technology**,
- * of **ecology** and the **economic system**;
- * the **interaction** of **market forces** and **planning strategies**;
- * the **harmonized action** of the **economic** and the **cultural sphere**;
- * the **combination** of the **useful** and the **beautiful**;
- * the **balance** between **high tech** and **high touch**;
- * the **overcoming** of the **generation gap**;
- * the **resolution** of the **North-South conflict**, and
- * the **cooperation** between **different social systems**, which will not have ceased to exist in the world of '95.

The **basic objective** is to show the **options** open to human kind for overcoming existing differences and thus **meeting the challenges of the future**. It is this outlook that forms the principal **dynamic element** of the “Bridges to the Future” theme.

Such an interpretation provides the **guarantee** that – to quote **Ernest Dichter** – visitors are enabled to “make that fundamental discovery that it is **just great to be alive.**”

Of course, in a competitive and performance-oriented society, EXPO'95 must also be a **showcase for achievement**, a **demonstration of optimism and confidence** in the future.

Drawing on extensive research, we expect an estimated **20 million visits** during the six-month World Fair. **6 million visits** are likely to be by people from **Eastern European countries**, which, though not far away geographically, had so far formed a watertight world of their own.

Bechtel Corporation, our American consultants, have defined what benefit of participation a visitor needs to derive from such an event.

“Visitors will gain an **understanding** of human affairs and develop a **new appreciation** for the accomplishments of their predecessors. Some of the elements can perhaps be seen at trade fairs, in theatres, at theme parks. However, the **combined impact** of these features in a single, special purpose environment, is a **unique experience.**”

The proof of the pudding is in the eating, and thus the third part of my address will outline projects and plans to be completed until year-end.

In December '89, Vienna and Budapest were finally awarded EXPO '95 by the **International Bureau of Expositions** in Paris.

In January, four teams of prominent **Austrian architects** presented their visions and basic ideas. On that basis and in cooperation with the City of Vienna, we have formulated a **master programme** which defines the site and its integration into Vienna's overall urban planning strategies. This programme is one of the principal elements of the **architects' competition** starting this June to construct the pavilions and design the layout of the site.

Another major task will be to work out **financing concepts** with a high degree of **private-sector involvement**.

Although **infrastructural costs** will be borne by the government and the City of Vienna, all of the **operating costs** and a maximum of the **buildings and facilities** on the Exposition grounds will have to be financed through **private-sector participation**.

Another important decision concerns the allocation of the **advertising and promotion budget**. In a two-stage presentation, **GREY** were ranked first by an international jury as the company to carry out worldwide advertising and promotion of EXPO '95.

The communications concept will include programmes for public relations activities and advertising as well as business to business activities covering the tourist sector, special events and promotion. A detailed strategy for the acquisition of sponsors and the selling of rights will also be elaborated.

The first steps in communications will include an international competition for an EXPO-logo starting in June 1990 and subsequent competitions to create a mascot and the EXPO-music.

An important **prerequisite for success** has already been fulfilled: a **positive attitude** among the population. Let me quote from most recent opinion polls:

- **87 %** of all Austrians are informed on EXPO '95;
- **80 % regard EXPO** as a **good or even very good thing**;
- **66 %** say they **will be going** to visit EXPO '95;
- **74 %** think this event will help **promote tourism**;
- **69 %** view it as an **important contribution to world understanding**.

The figures for **Hungary** are the following:

- **95 %** of all Hungarians **know** about the World Fair;
- **80 %** have a **favourable attitude**.

I have now outlined the political context as well as the underlying concept of EXPO '95 and the progress made in translating it into reality.

The estimated **20 million visits** are a **great challenge** even in a country which, last year, registered some **95 million** overnight stays of foreigners (given a total national population of approximately 8 million).

This illustrates the significance which the tourist sector has for the country's overall economy. A little **juggling with figures** will help to make my point. The ratio between the number of inhabitants and the number of overnight stays by foreigners in **Austria** is **1 to 12**. Given a **US population** of **242 million** people, this would correspond to **2.9 billion** overnight stays in the USA!

The tourist sector is a key industry in Austria and amounts to approximately **8 %** of the gross domestic product, thus holding a larger share than the **construction sector** and twice as large a share as **agriculture**.

But even a flourishing tourist trade needs ever-new **stimulation** and **impetus**. EXPO'95 will be such an **instrument**.

We are currently compiling an attractive schedule of events. It will **run the gamut** from **classical** to **light music**, from **theatre** to **opera**, from **concerts** and **exhibitions** to **circus** and **fireworks**.

1995 will moreover be a memorable year for **cinema lovers**: it is the **centennial** of **motion pictures**. We are therefore planning to organise a major **film festival**.

At present, the number of **American tourists** amounts to approximately **2 %** of all overnight stays, with **8.5 %** in **Vienna** alone.

By 1995, the capacity of the hotels in and around Vienna will have increased to **75,000 beds**. Already, Vienna has surpassed **Geneva, Brussels, Venice, Amsterdam** and **Madrid** in international city tourism, ranking among the top together with **London** and **Paris**.

Vienna is a **focus** of the **arts and culture**. **Franz Schubert** was born in the City, **Mozart** and **Beethoven** lived and worked here. It was in Vienna that **Sigmund Freud** developed his revolutionary ideas.

Guests from abroad can **make a choice** between **184 museums**. In 1989, the large Austrian museums saw the number of visitors increase by about **a million** compared with 1988. And it was mainly visitors from Eastern Europe who contributed to that veritable boom.

Vienna is also a **centre of music**, the "home base" of the **Vienna Philharmonic Orchestra**, the **Vienna Symphonic Orchestra** and a number of other **prestigious ensembles** which perform in half a dozen splendid concert halls.

That Vienna has **three opera-houses** is probably well-known to you. But you may not have been aware that with a **population of 1.5 million** and **56 theatres and stages**, Vienna may also be called a **centre of theatre life**. I understand that there are **158** Broadway, off-Broadway and off-off-Broadway theatres in **New York City**, which means that there is **one theatre** per **45,000 New Yorkers**. In Vienna, the ratio is **26,000** inhabitants per theatre.

As mentioned above, **Bechtel Corporation** carried out a project study in 1988, providing the first predictions of the expected number of **visitors**, the **economic implications** and the **organisational requirements**.

Bechtel experts estimated **10 million** visitors for **Vienna**. The **volume of spending** during six months of the EXPO 95 is expected to amount **6 billion** Austrian schillings in **Vienna** and **18 billion forints** in **Budapest**. In the wake of the most recent development in Eastern Europe, another study was commissioned by **early 1990**, to be carried out by **Triconsult**, and their prediction indicated some **20 million visits** for **Vienna** alone.

On the average, we expect about **110,000** visitors **per day** and between **160,000** and **180,000** visitors on **peak days**.

Cost analyses have been worked out too. Austria's share of **EXPO costs** is estimated at **9 to 12 billion**.

One institute has calculated that **every billion** spent in connection with the EXPO 95 will increase **gross domestic production** by AS **1.6 billion**, creating **1,400 to 1,600 jobs**.

Bechtel Corporation are expecting **50 to 70 exhibitors** for Vienna and Budapest. The number of **sponsors** is estimated at about **30**.

During the event some **15,000 people** will be working for EXPO 95 in each of the two cities. If we include the **suppliers**, this means that some **50,000** people will be involved in this event.

In its study of the effects of EXPO '95 on the national economy, the **Austrian Institute of Economic Research** maintains that the project "constitutes a **chance** for developing and modernizing the **economic area**, being effective not only in the Vienna area, but also in the rest of the country." The study further elaborates that **revenues** of approximately **AS 30 billion** (at 1987 prices) may be expected. Of these **30 billion**, **AS 6 billion** will flow out of the country. The remaining **domestic spending power** will result in a **real net output** of **AS 16 billion** in **Vienna** and **AS 8 billion** in the **other provinces**. A comparison of current **cost-benefit values** reveals an **accounting surplus** of approximately **AS 1 billion**.

It is this function as a **provider** of **impetus** and **stimulation** that we need to develop, making EXPO '95 a forum for new **insights**, **critical spirit**, **enlightenment**, a **proving ground** for **experiments**, **exploration** and the **willingness** to take **risks**.

A **small country** can only maintain its position in the interactive and interconnected world of tomorrow with **intellectual curiosity**, establishing **contacts** with the outside world. EXPO '95 affords an opportunity for exhibitors and visitors to see an **open-minded**, **friendly**, **outward-looking Austria** capable not only of **improvisation** but also of efficient **organisation**. A country able to cope with the **future**.

Actually, **economic aspects** and **planning considerations** will be given **priority**. But they are not the only criteria governing the organisation and the success of the project.

EXPO '95 will be measured above all by what it contributes to the **Austrian identity**: Was it **trail-blazing**, did it hold out **promise** for a new **European partnership**, was it a **vehicle** with regard to the **country's millennial** and the **new millennium**?

These will be the **yardsticks** of EXPO '95.