

ESSEN AFFAIRS

THE MAGAZINE FROM MESSE ESSEN

Special edition

MESSE
ESSEN

SEPTEMBER 2018

www.messe-essen.de

A REASSURING FEELING

How the desire for security
determines our lives



TOP-CLASS

Top events during
Security Essen

EXPENSIVE

How cybercrime harms
businesses

MULTIFACETED

A discussion with BSI President
Arne Schönbohm



The Security Event 2019

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Dear Security Essen visitors,

Welcome to the leading trade fair for civil security! The worldwide revenue for industries represented at Security Essen is likely to exceed more than 400 billion US dollars this year – with good prospects for substantial further value growth. However, the complexity of threat scenarios has also grown, not least due to digital challenges. Background information and facts on the state of the security industry can be found in this special edition of ESSEN AFFAIRS, the magazine from Messe Essen.

Only those who are prepared to adapt to diverse networked security solutions will stay successful in the long term. This also applies to a leading trade fair. That is why we have enhanced the profile of

Security Essen. With six main showcase areas, including the new area Cybersecurity and Economic Protection, we offer our exhibitors and visitors a trade fair marked by direct communication, where everything is within easy reach.

If you last visited Messe Essen two years ago, you will be in for a big surprise here as well. Right on time for Security Essen, we have implemented a large part of our extensive modernisation measures – from the new glass foyer on the eastern side through the new hall 6, to the optimised logistics and hall layout, we have done everything we can to make your trade fair visit and presence as effective and comfortable as possible.

I wish you a successful Security Essen and a pleasant stay in our city.

Best regards,

Oliver P. Kuhrt,
Managing Director of Messe Essen GmbH



Have you downloaded the Security Essen app yet?

Among other things, the app shows the current exhibitor list with stand numbers and contact details, an overview of the supporting programme and a hall plan for better orientation. It can be downloaded free of charge in the Google Play Store (Android) or the Apple App Store (iOS).

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A REASSURING FEELING

The world of security is changing – and Security Essen is changing with it. When the leading trade fair for security and fire protection opens its doors at the end of September, the focus will be on digitisation and networking. But what does security actually mean in different industries and spheres of life? A tour through various themes of Messe Essen's trade fair calendar.





Photos: shutterstock ©fokke baarsen; strandperle © Tom Merton-Horton; montage: Lothar Kempkes

ENERGY

— The European grid is one of the most secure power grids worldwide. But in the winter of 2016/17, the German power grid was on the verge of a major long-term blackout – at least according to the transmission system operator Amprion. When it comes to security, the increasing transnational networking of the energy sector brings both challenges and opportunities. On the one hand, a digitally networked system is more susceptible to hacker attacks – a threat that the EU intends to address by the end of 2018 with a network code for energy-related cyber security. On the other hand, there is no way around networking, as the proportion of regenerative energy, i.e. energy with fluctuating production output, is increasing, and electricity therefore has to be continually conducted.

To ensure security of supply in the future and, at the same time, continue on the path towards a low-carbon society, the European Commission's "Clean Energy for All Europeans" package includes regional operational centres in which grid operators from different federal states work together. And because the most secure energy is one that is not consumed at all, smart meters are designed to help customers reduce their power consumption and relieve the load on the grid. The intelligent grid of tomorrow is also one of the core topics at E-world energy & water, Europe's leading trade fair for the energy industry.



Photo: Shutterstock ©lembi

ON THE MOVE

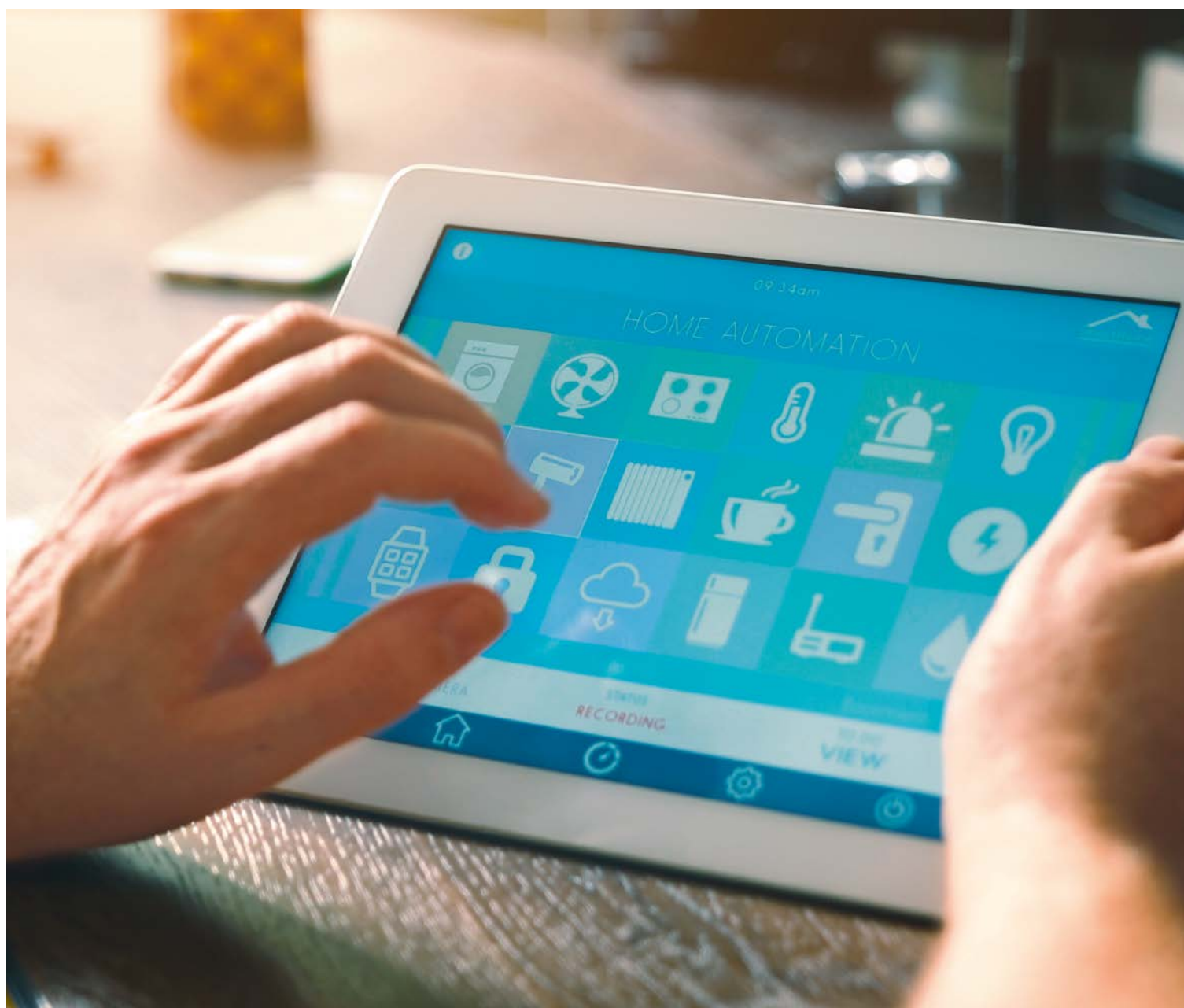
—— German wanderlust continues unabated.

This could be observed in Essen at the end of February at Reise + Camping. According to a survey conducted by the Hamburg-based BAT Institute for Leisure Research, the majority of respondents only feels safe in five of the 30 countries included in the survey – even Spain is not among them. “Instead of sun, beach and sea, security has become the decisive factor when travelling,” says the study director, Ulrich Reinhardt. According to previous studies, holidaymakers are

willing to accept a larger police presence, and even a military presence, as well as video surveillance or stricter controls in hotels and tourist hotspots. Large tour operators such as TUI and Thomas Cook have long recognised the relevance of the topic. Thanks to a global crisis monitoring system, they always know where customers are and can inform them about potential issues. Companies are also increasingly turning to global travel security concepts to protect their employees when abroad.

AT HOME

— Anyone visiting trade fairs such as SHK Essen knows that digital homes offer fascinating prospects in terms of comfort, energy efficiency and security – be it for a door system with video-based access control, a heating system that is aware of open windows or sophisticated lighting control. But experts do warn that anyone who only considers security an appendage to the smart home and does not protect their home automation with a high-quality, professional security system is acting recklessly.



PRODUCTION

— Ever since a suspected South East Asian hacker group gained access to data from a German industrial group for more than two months in 2016, the malware Winnti has been well known to security managers. According to a current report by the German Federal Office for Information Security (BSI), “CEO fraud” and blackmail attacks with ransomware are just some of the numerous digital threats that commercial enterprises face. Technological expertise, as reflected

in industrial fairs such as SCHWEISSEN & SCHNEIDEN, requires higher levels of protection in the age of digitisation. But this shouldn’t detract one from the fact that traditional security issues remain relevant. According to the insurance industry, every third industrial fire causes damage of more than 500,000 euros, and a survey by Corporate Trust revealed that every fifth SME in Germany has been burglarised in the past three years.





Foto: RINSPEED ©Dinge Photos

MOBILITY

— Around 1.2 million people worldwide are killed in road traffic accidents annually. “Vision Zero” is a road traffic safety project that aims to achieve a highway system with no traffic fatalities. It originated in Sweden, where the government already committed itself to increasing road safety in 1997. A prominent result is the roundabout, which has become popular throughout Europe. Meanwhile, supplier groups such as Bosch, Continental and ZF are developing increasingly complex assistance and protection

systems, and in the major technology nations, autonomous cars could become more and more common in the coming decade. The security level has also made significant headway with the introduction of the NCAP five-star rating system, under which nine out of ten new cars in Europe have received top marks. In the tuning area, campaigns such as “Tune it safe!” have allowed even customised cars to become much safer. The current campaign vehicle is presented each year during the Essen Motor Show.

THE NEW SECURITY ESSEN

“Secure your business” – under this motto, the leading trade fair for civil security is focusing more than ever on digitisation and networking. The key topics, the most important innovations – and what the industry is saying about them.



Axel Schmidt, Managing Director,
SALTO Systems GmbH

The subject of access control was already digitised when magnetic strips were introduced. We were also the first to use RFID technology in mass production. So we are not afraid of new developments. Smartphone and cloud solutions will become increasingly important in future access control applications. Therefore, it is only right and also inevitable that Security Essen is now also dedicated to the topic of cyber security. I also find the reorientation very successful. It will bring even more order to the halls.



Michael von Resch
Managing Director, Gretsch-Unitas Group

We feel very clearly that electronic requirements are increasing. All our competitors are now offering solutions in the smart home sector. But this is a problem: there has been no single huge success. Instead, there are too many individual solutions – and too few specialist installers to professionally implement integrated systems. We feel just as clearly that for our customers, security is still strongly linked to mechanics. Some 90% of the systems we sell are mechatronic. We are very curious about Security Essen's new concept, and are therefore very optimistic about coming to Essen. The fact is, we need a trade fair that reflects all the facets of security – without becoming overly diversified.





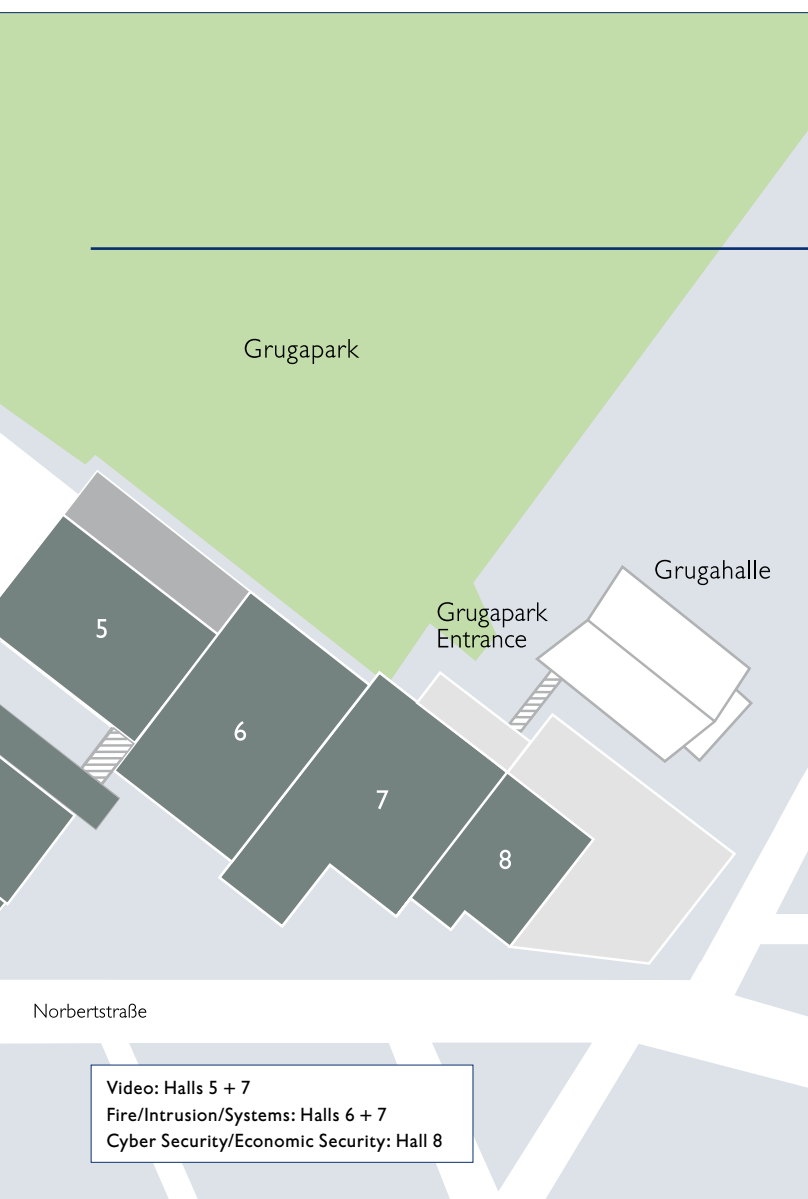
Norbert Schaaf, Executive Chairman, BHE Bundesverbands Sicherheitstechnik e.V.

The security industry has long been accustomed to thinking in terms of its own professions. Digitisation is forcing us to open up – especially as large new competitors are entering the market in the smart home and smart office sectors. The industry is also opening up. In my opinion, the path to networked security only leads through standardised, high-quality interfaces. This will be the biggest task of the coming years – also reflected in the Security Essen concept.



Stefan Fischbach, Chairman of the Management Board, ASSA ABLOY Sicherheitstechnik GmbH

In addition to digitisation, we consider urbanisation an important worldwide trend. It increases the demand for both security and convenience. We develop suitable products for this purpose, be it for the end consumer with smart living offers, or in the building sector with synchronised door solutions that make everyday life easier for planners, installers and users. We are pleased that Security Essen is focusing on digitisation and networking. The trade fair is an indispensable part of our marketing mix. Where else can we find our target group, installers, locksmiths, specialist security dealers and professional end customers, in a compact, four-day format?



CLEAR STRUCTURE – EVEN MORE INNOVATION

For the first time ever, **Security Essen** will be held from 25 to 28 September 2018 in Messe Essen's modernised halls. Reorganising the fairgrounds has opened up the

possibility of a completely new exhibition structure. Security Essen is now divided into six key topic areas, ensuring optimal orientation and placement for exhibitors and professional visitors. More than ever before, the leading trade fair for civil security is also focusing on innovative, digital topics.

The German Federal Office for Information Security and the security technology association BHE Bundesverband Sicherheitstechnik are offering a tailored cyber security conference in the new hall 8 – which can be reached conveniently and quickly during the trade fair. This new orientation is also reflected in the Security Innovation Award. The prestigious prize will be awarded for the first time this year in the category Cyber Security/Economic Security.



TOP INNOVATIONS, A NEW TRADE FAIR IN BRITAIN, A NEW PUBLIC SECURITY FORUM: AT EVENTS ASSOCIATED WITH SECURITY ESSEN, MESSE ESSEN ACTS AS A KEY PARTNER TO THE SECURITY SECTOR.



Photo: PR

The National Exhibition Centre (NEC) in Birmingham will host the first edition of "The Security Event – powered by Security Essen" from 9 to 11 April 2019. The trade fair will be held in parallel to three established formats: the "Health & Safety Event", "Fire Safety Event" and "Facilities Event".

THE SECURITY EVENT BIG PLAYER IN BIRMINGHAM

The British trade fair organiser Western Business Exhibitions (WBE) is cooperating with Messe Essen on the occasion of its new security trade fair "The Security Event". The goal here is to provide the European security industry with a comprehensive platform for business in Britain. "The Security Event – powered by Security Essen" will be held from 9 to 11 April 2019 at the National Exhibition Centre (NEC) in Birmingham, with a special focus on networking exhibitors, specialist contractors and users. The event will gather over one hundred of the world's leading security brands, including the top ten players in the industry.

"The response to the launch of 'The Security Event' has been extraordinary, and the new partnership with Security Essen has reinforced our decision to bring a security trade fair back to the NEC again," says WBE Director Tim Else. "WBE is being supported by the world-class team at Messe Essen in developing an outstanding offer for the British security and fire protection network and its clients." Torben Wegner, Head of Corporate Development at Messe Essen, adds: "Britain is a tremendously important market for the international security industry. We are very pleased to be showing our presence there with Security Essen and have a strong partner at our side with Western Business Exhibitions."

SECURITY INNOVATION AWARD WHO WILL WIN THE RACE?

Thirteen companies in the security industry are still hoping to take home highly coveted awards at the 6th Security Innovation Award. Out of a total of 75 submissions, the newly formed panel of judges selected finalists in four categories. Meanwhile, all the finalists have presented their innovations to the experts in detail. On 25 September, the final results will be announced at Security Essen.



Guests at the premiere of the Essen Security Conference (from left): Burkhard Freier, Director of the Office for the Protection of the Constitution in North Rhine-Westphalia; Herbert Reul, Minister of the Interior of North Rhine-Westphalia; Thomas Kufen, Mayor of Essen; Frank Richter, Chief of Police in Essen and Mülheim an der Ruhr; Dr Christian Endreß, Managing Director of Allianz für Sicherheit in der Wirtschaft Nordrhein-Westfalen e.V. and Messe Essen CEO Oliver P. Kuhrt.

ESSEN SECURITY CONFERENCE PREMIERE OF A NEW DISCUSSION

Whether terrorist incidents, cyber attacks or organised crime, security agencies are more concerned than ever with multidimensional threat situations. Topics such as these were on the agenda at the Essen Security Conference, which invited representatives from the police force, businesses and local authorities, as well as other security experts, to exchange views. The new panel and discussion forum in Messe Essen's Congress Center East welcomed high-calibre attendees to the premiere.

»A NEW CHALLENGE«

BSI President Arne Schönbohm on threat scenarios that companies currently face – and growth potential in the security industry.



Arne Schönbohm has been President of the German Federal Office for Information Security (BSI) since 2016. BSI supports the new Cyber Security Conference that Messe Essen is organising in cooperation with BHE Bundesverband Sicherheitstechnik e.V. as part of Security Essen. The meeting place for digital experts is the new hall 8.

ESSEN AFFAIRS: The challenges associated with cyber security are becoming increasingly complex. What are the new trends?

Arne Schönbohm: According to our findings, existing hazards have become more diverse and complex. First of all, waves of ransomware attacks have pushed the threat potential to a high level, and secondly, the hazards have taken on a new quality. Hardware security vulnerabilities such as Spectre/Meltdown and Spectre NG have the potential to render current business models and fundamental IT security concepts obsolete. In other words, these attacks are aimed at the foundations of secure IT and the IT architecture. This is a new challenge.

How are German companies and institutions dealing with these risks?

It is clear from the 2017 Cyber Security Survey, conducted by BSI for the Alliance for Cyber Security, that risk awareness is high. In total, approximately 92% of respondents rated the risks as critical to the operability of their institution. And 89% said that specific security measures, such as segmentation or gateway minimisation, had been taken to secure their networks. Anti-virus measures were also frequently used. There is an urgent need to introduce BSI basic protection certification and employee training. And more people need to recognise that information security is a prerequisite for successful digitisation, which also makes it a management issue.

What are the typical attack scenarios?

For several years, it has become apparent that one or several groups are developing malicious software specifically for attacks on industrial control systems. This enables unknown hackers to enter into the network of regional telecommunications companies. A second case: In March 2018, criminals sent mass messages via Facebook Messenger, which, disguised as messages from Facebook friends, contained a link to what was supposed to be a YouTube video. When one followed the link, it led to a fake Facebook login page.

When users entered their login data, criminals were able to tap their access data and enter their Facebook accounts. Unfortunately, this is no exception.

Are larger corporations further along when it comes to cyber security than small and medium-sized companies?

Corporations are usually more sensitive to the problem and also better equipped. For example, in the aforementioned survey, just under 38% of the corporations believe that operations could continue in the event of a cyber attack. All too often, small and medium-sized businesses still cling to the erroneous belief that they are not interesting enough for hackers. It is our job to enlighten and inform them.

Where do you see the greatest prospects for the security industry, and where are the biggest challenges?

In view of the risk situation, it is foreseeable that the demand for security products and services will only grow, especially in the commercial sector. It will be much more important to establish more prudent cyber risk management in the future. To what extent can I reduce my risks by investing in information security? What measures should I be prepared to take? And how will all this pay off? We need to have answers for all these concerns.



THE 6 TRILLION DOLLAR QUESTION

Where the industry now stands and what awaits us in the coming years: exciting – and alarming – figures from the world of security.

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The global sales of the sectors represented at Security Essen will total more than **400 billion US dollars** in 2018. In what is currently the most lucrative subsegment of the security industry, classic services with sub-areas such as surveillance, alarm activation, secure transport and security consulting, sales of 240 billion US dollars are expected in 2020.

Source: Security Essen



With a total volume of **4.183 billion euros**, providers of electronic security technology surpassed the 4 billion euro threshold for the first time on the German market in 2017. The biggest growth driver and strongest individual segment were fire alarm systems, with a 6% increase and a share of 1.95 billion euros.

Source: BHE Bundesverband Sicherheitstechnik e. V.

+13%

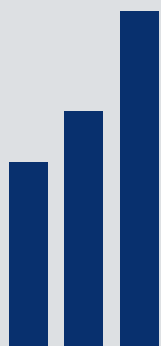
By the year 2022, IT security analysts expect their segment to grow at an annual rate of up to **13%**. Experts also expect above-average growth in traditional surveillance technology (+10.1%), structural fire protection (+9.7%) and security services (+5.9%).

Source: Security Essen



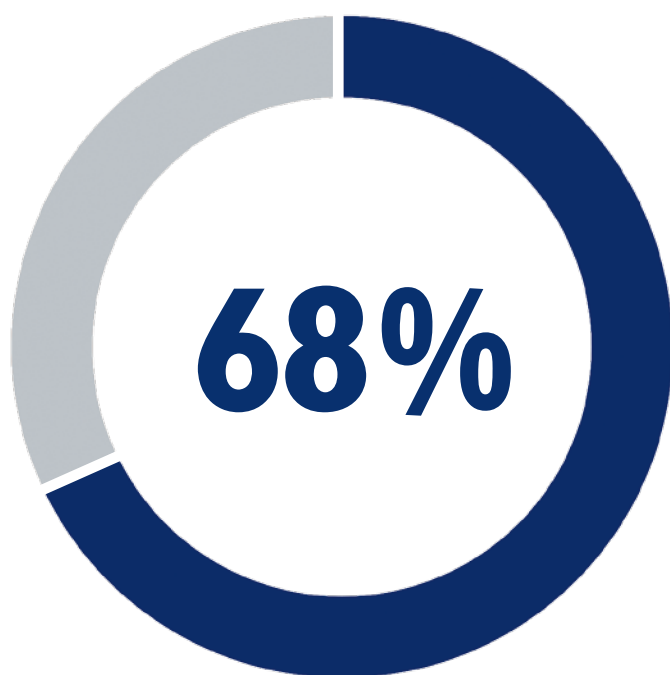
A survey by the German Federal Office for Information Security (BSI) in the summer of 2018 revealed that **one in six employees** would respond to a fake e-mail from their management level and disclose sensitive company information.

Source: Online survey commissioned by BSI and conducted by EARSandEYES; survey period: 06 – 11.06.2018 (n=666)



Every single cyber attack cost US companies **21.22 million US dollars** last year. The largest increase was recorded by German companies, where costs increased from 7.84 million US dollars in 2016 to 11.15 million US dollars per attack. In terms of sectors, the energy sector and the financial industry are affected the most.

Source: 2017 Cost of Cyber Crime Study, Accenture and Ponemon Institute



According to a representative survey conducted in July 2018, **68% of the German** population support the use of video technology in private residential environments or are already using such systems. Some 11% are generally opposed to such technology, and 51% can imagine opening the front or flat door by fingerprint scan – or do so already.

Source: "Sicherheits-Check Deutschland" (representative survey by SeeTec and YouGov in cooperation with Security Essen, survey period: 04–06.07.2018 [n=2,040])

German specialist installers in the security technology segment assess their business situation as being extremely positive. A total of 87% of respondents rated their market situation as "good" or "very good" in the spring economic survey conducted by BHE Bundesverband Sicherheitstechnik e.V. **On a scale of 1 to 6**, with 1 being the top grade, the result was **1.82**. The only drawback is the shortage of skilled workers: 56% of respondents are looking for additional qualified staff.

Source: BHE Bundesverband Sicherheitstechnik e. V.

1.82



Smaller businesses are also vulnerable to cyber attacks. In

2015, smaller companies were targeted in **43% of the overall number of attacks**. In 2011, this number had been as low as 18%. According to the American National Cyber Security Alliance (NCSA), 60% of all small businesses that fall victim to a cyber attack are no longer on the market six months later.

Source: Symantec 2016 Internet Security Threat Report; NCSA



DISCOVER NEW WORLDS

WELCOME TO THE NEW MESSE ESSEN

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