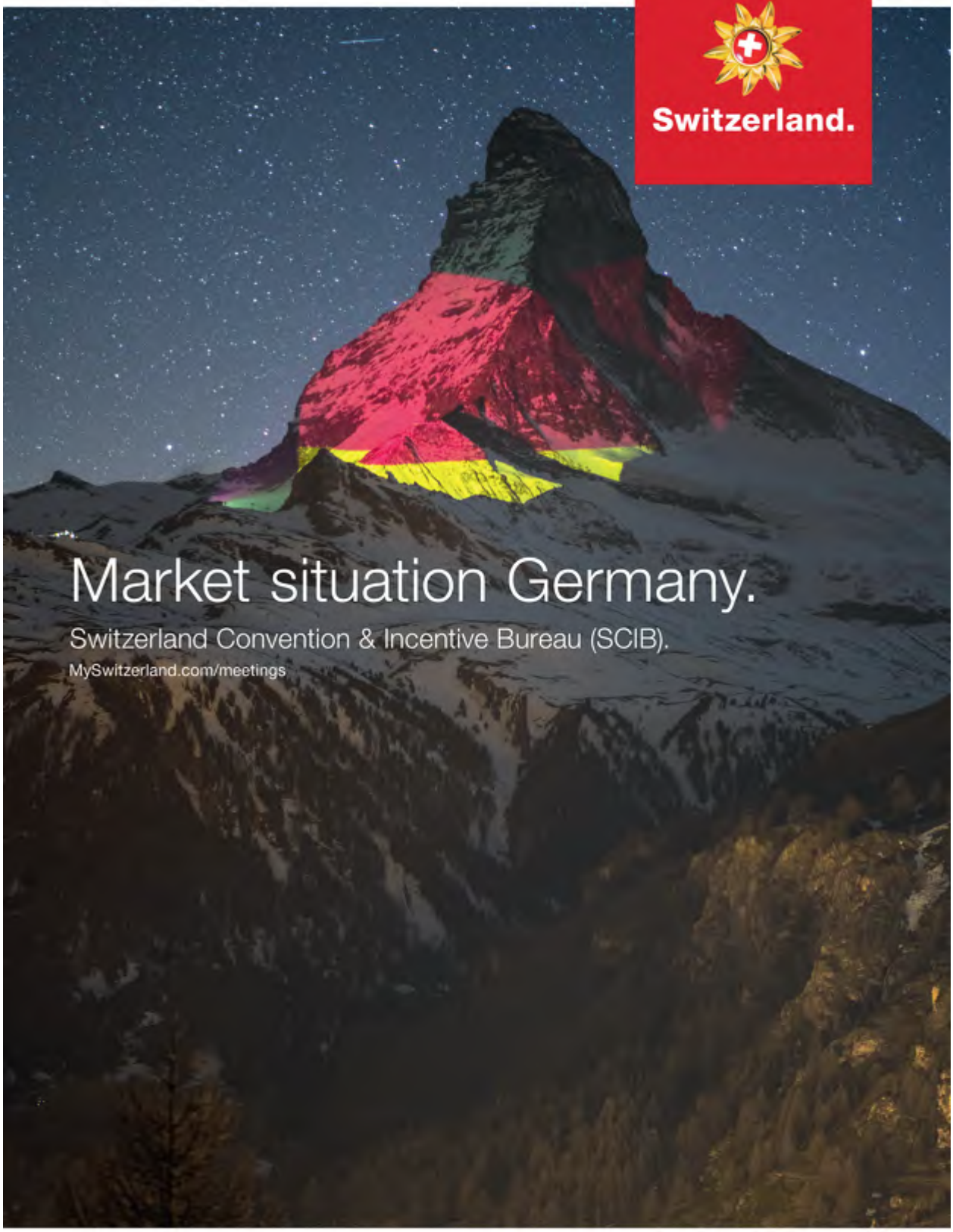


Switzerland.

Market situation Germany.

Switzerland Convention & Incentive Bureau (SCIB).

MySwitzerland.com/meetings

1 MARKET SITUATION AND OUTLOOK

1.1 General economic situation in Germany and worldwide

The economic situation up to March shows a divided picture: while the service sectors continue to be restricted by measures to tackle the pandemic, the industrial economy is proving robust. In general, hopes are high that restrictions will soon be scaled back as vaccination efforts progress. The development of the economy now to a large extent depends on whether infection can continue to be controlled and how quickly restrictions can be eased as a result.
Economic output increased only slightly in Q4 2020, due to the restrictions imposed in the wake of the second wave of the pandemic. Gross domestic product increased by 0.3%. In 2020 as a whole, economic output fell by 4.9%. The forecast for 2021 was corrected by the ministry of the economy on 27 March, increased from 3.0% to 3.5%.
The labour market is continuing to hold up. Registrations for short-time work declined in February, but the number of people in short-time work might still rise for a while.
German foreign trade is picking up again following a weak patch in the previous month. Even though we saw a slight decline in industrial production, the two-month comparison of January/December against November/October shows slightly positive rates of growth overall: output in the goods-producing industry was up 1.4%, industrial production up 2.1% and construction output up 0.2%.
The future outlook for the industrial sector depends on the course of the pandemic. However, the increase in new orders and brightening of the ifo business climate indicator in February 2021 signal confidence for coming developments.
Retail turnover declined significantly at the beginning of the year, when sales fell by 4.5% in January. Now in March, we see first positive signs of recovery reflected in the GfK Consumer Climate Indicator.
The consumer price level increased 0.7% in February following an increase of 0.8% in January. Furthermore, the inflation rate in these two months sat at 1.3% and 1%, respectively.

The global economy is continuing to recover and a confident mood due to global vaccination programmes is noticeable, but it has yet to leave the shadows of the pandemic behind.

Source: the economic situation in Germany March 2021

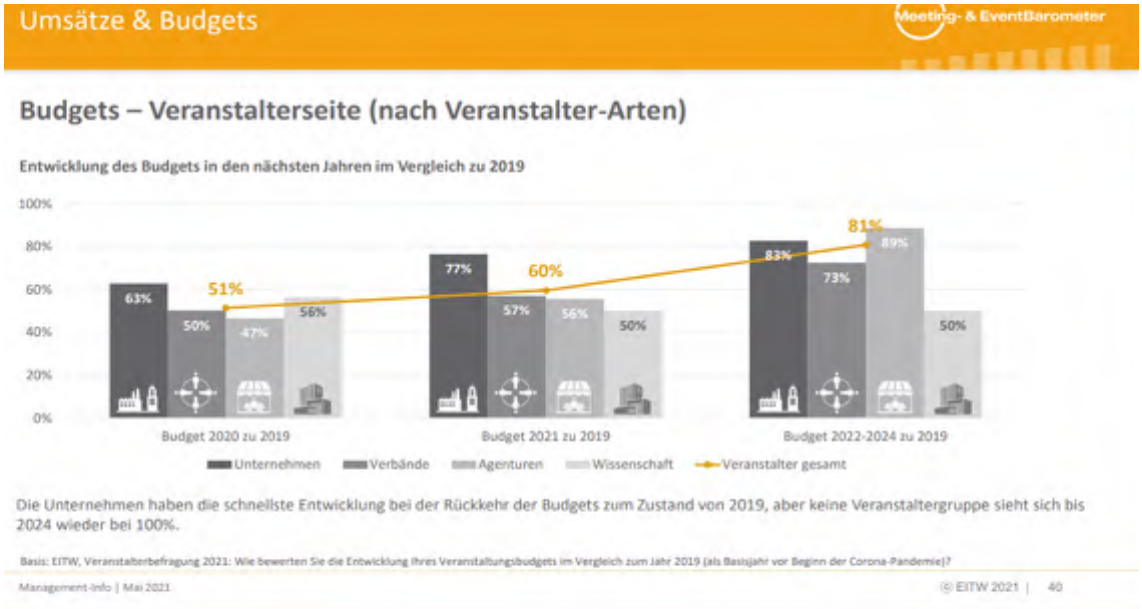
1.2 German meetings industry – status quo

By the end of the 2020 pandemic year, 60 million people had taken part in conferences, congresses and events in Germany, based on annual research of the German Convention Bureau (GCB). This number reflects a minus of 41.9 million and a total decrease of 86% in participant numbers. Big events remain prohibited in Germany and the number of live events decreased by 70.1% against 2019.
Overall, key findings of the research study report modified capacity demands for live events due to the required hygienic standards and further temporary changes in the segment of live events.
The digitisation of events will be more important and the number of smaller regional events will increase. Europe as a source market of international events will gain in relevance and the forecast for the development of the market in 2021 is slightly optimistic.
In 2020, digital events were analysed in detail by the GCB for the first time. Although online events are now part of “the new normal” in the meeting world, people long for personal meetings. The

clear Zoom fatigue results in a growing appetite for face-to-face meetings. However, it will take some time for the MICE market to recover in the area of live meetings.

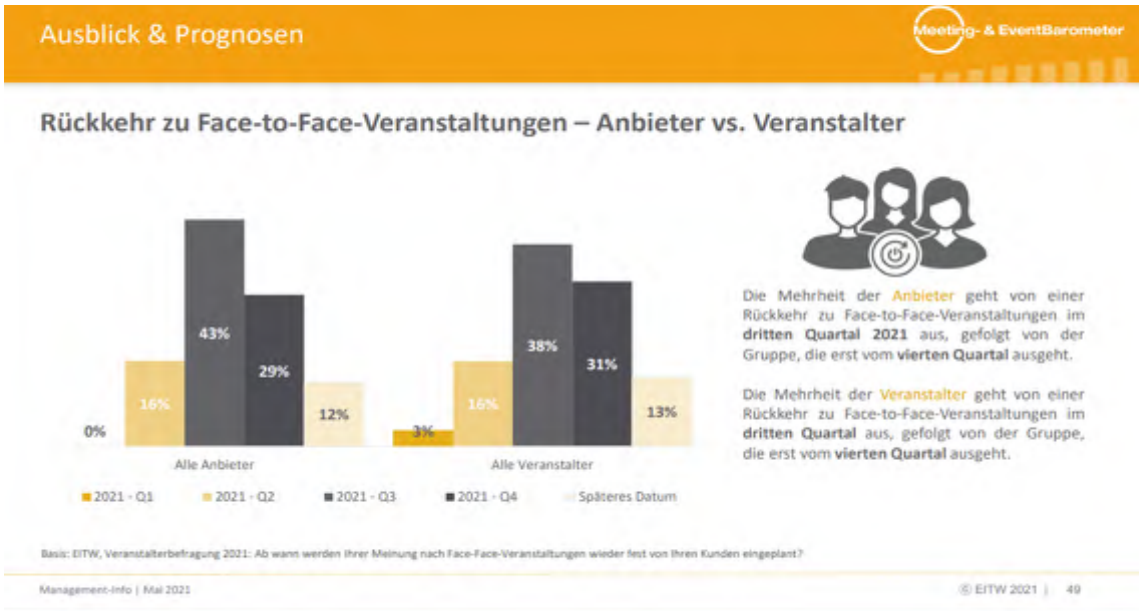
The GCB research study indicates that hybrid events will gain in importance in the months to come. Hybrid events are a combination of digital and live meeting formats. From a climate protection perspective, they produce a smaller carbon footprint, though technology does also generate CO_2. The shift has been accepted to a large degree by consumers, but it remains a fact that trust is not built as quickly or sustainably as in live meetings. As a result, live meetings with a hybrid component will grow significantly in future years.

Another product of the 2020 pandemic year is a changed budget consciousness for future years. Quality and value are the most important criteria when deciding on event formats.



Looking which types of event cause the highest budget, live events are in the lead despite only making up a third of events in the study. In relation to the number of events, hybrid events are the most expensive.

The GCB study further concludes about 75% of former live events will return starting Q3 2021. Here, the authenticity of a real location will play a key role when choosing a venue in future. The chosen location communicates a message which supports the dedicated meeting message as a whole.



1.2.1 Meeting formats

Business meetings, conferences and seminars remain the largest format of meetings held in Germany, with a share of 47.9%, but compared to 2019, the number of these events decreased by 9.8%. Second position is held by sports and cultural events with total of 14.3%, followed by other events (12.4%), festivals (9.7%), local events (7.9%) and social events (3.9%)

Owing to the pandemic, there has been a strong demand and growth in the segment of hybrid events (+54%) and digital events (+68%). As many clients are still inexperienced on how to realise digital events, the consulting effort on the agency side is quite high. Here, suppliers and convention bureaus could support agencies as they are the experts for their products. Digital events will be lastingly established as an event format. Smaller meetings (12-15 people) will greatly decrease as video conference tools such as Zoom/Teams are good alternative solutions here.

Source:https://www.gcb.de/de/news-downloads/downloads-mediathek/downloads.html

1.2.2 Business travel

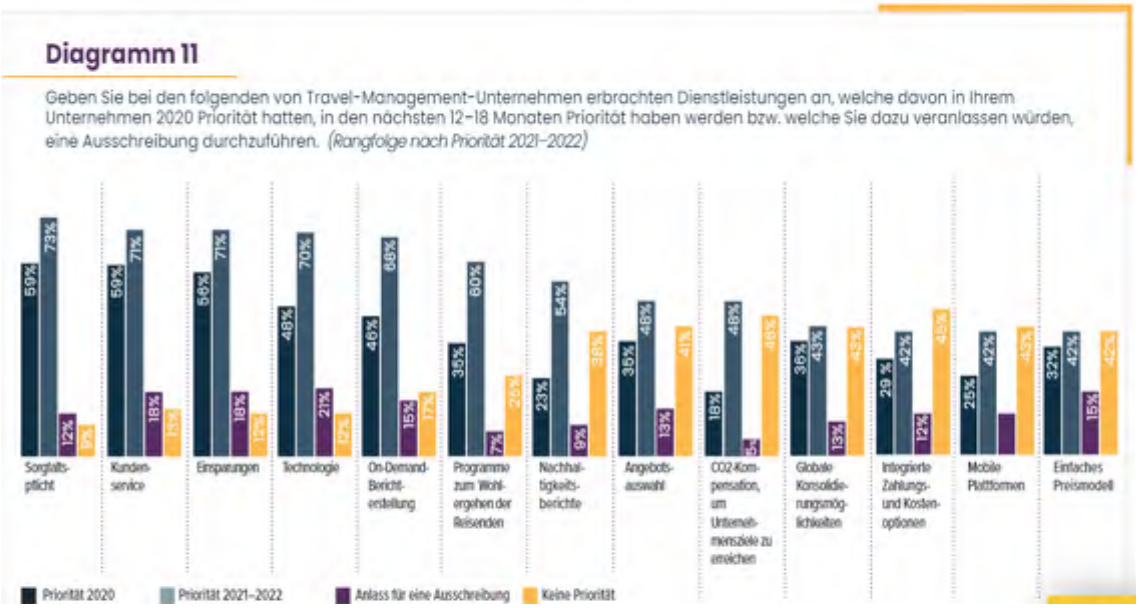
Online questionnaire “Ihr verwaltetes Reiseprogramm neu gestalten” (reconfiguring your travel management programme) by BTN Group/Egencia amongst 164 travel managers and other stakeholders in North and South America and EMEA between 26 January and 16 February 2021

In the online questionnaire, 63% of participants stated their travel management programme has changed significantly and enduringly due to the coronavirus pandemic. The most recognisable trend is the evaluation, limitation and security of planned travel activities. Accordingly, the definition of travel labelled “absolutely necessary” is the biggest change in travel management programmes, followed by the obligation for executive care.

Other general trends are:

- Stronger involvement of the management team in travel rules and programmes
- Safety first – 84% state this is the biggest worry they have to manage! Savings are ranked lower now… (see chart 11)
- Business relationships have changed to adjust to current demands: fewer relationships remain active but those that remain are intensified to reach higher service levels and focus on single initiatives
- Sustainability has become more important for over 50%, as they seek carbon offsetting
- Technology tailored to automate processes, locate meeting participants and monitor ticket usage
- Virtualisation: 60% offer links for virtual options within their online booking systems

The following chart shows which service criteria rank highest in the minds of travel managers when deciding on a business travel trip:



Looking into the meeting future of 2022, corporates will focus on providing virtual meetings options. They are in doubt business travel will return to the level it was in 2019, especially as technology for virtual meetings has advanced significantly. Only 17% believe business travel costs will be higher in 2022 than in 2019.

Verband Deutsches Reisemanagement (VDR) issued a five-step opening plan for safe business travel on 3 March 2021. To build up confidence and security for future business travel plans, VDR President Christoph Carnier offers to contribute to government regulations by naming the following steps on the path to secure business travel:

1. Quarantine-free travel for business travellers
2. Use of digital vaccine/test results
3. Clear rules for travel suppliers such as transportation and hotels
4. Quick Covid-19 tests in combination with hygiene and safety concepts
5. Strengthen trust in executive care demands with transparent preventive measures

In the last VDR-Barometer amongst all VDR members, 75% of questioned travel managers stated that only 10% of the 2019 business travel volume of has been realised. Potential health threats, complicated inbound travel rules and untransparent government regulations currently prevent an increase. Then again, more than 50% are ready to travel as soon as possible to meet in person with international teams, suppliers and clients.

Source: VDR Barometer 2021
Source: 5 steps opening plan

1.3 Outbound business & RFPs

Due to worldwide travel restrictions in 2020, numbers on actual outbound business are not available at this stage. Nevertheless, some leads from the German MICE market to Switzerland could be captured. From the digital sales calls in February and March 2021, we have received three RFIs and RFPs.

1.4 Coronavirus – restrictions for the meetings industry

Restrictions in Germany

Since 1 May, the German government has changed the infection law and implemented a “federal emergency brake”. Once the incidence rate exceeds the amount of 100 for three days in a row in a local area, the federal emergency brake overrules less strict procedures in many areas of the daily life. The most significant rule is probably the curfew from 9 p.m. to 5 a.m.
The brake can only be released once the incidence stays below 100 for five consecutive days. Sunday does not count for the bridge of five days.

Source: Federal Emergency Brake

1.5 General trends of the meetings industry

Looking at current general trends in the MICE industry, the Future Meetings Space (FMS) initiative launched by the German Convention Bureau (GCB) and the Fraunhofer Institute for Industrial Engineering IAO, introduces “A new ecosystem for business events”.

Findings about business events of the future include that the relevance of events for an organisation’s overall communication mix will continue to grow in the future. The increasingly hybrid set-up of meetings and conferences extends its reach, both from a time and geographical perspective. At the same time, the desire for physical locations and authentic experiences is growing. Events remain a hub of international relations and cannot be replicated in virtual spaces alone. They become a part of an organisations’ multi-sensory omnichannel marketing strategy, circulate in a kind of event loop to build a corresponding community 365 days a year.
Agencies and event organisers act as community managers who build communities around a specific event. Convention bureaus act as trend scouts and partnership promoters that are well connected in their regional ecosystem and interface between partners. Digital skills and systematic data management are the basis for all of these tasks.

Megatrends for 2021/22 are:

- **Increased proportion of hybrid events:** the continuing rise in hybrid events is due to the value of face-to-face encounters at authentic, real places being redefined. With increasing global vaccination progress and the implementation of travel documents giving proof of a past vaccination, hybrid events will gain ever more strength.
- **Sustainability** as a smart link between physical and virtual venues: cost savings, safety considerations and increased technology meet the power of a sustainable unique experience.
- **Safety first:** focus on the needs of customers and participants regarding safety requirements but at the same time acknowledge that the way people learn or share knowledge is shifting, which affects events as important platforms for knowledge transfer.

Source: A new ecosystem for business events
Source: Business events of the future

2 TARGETS

Listed below are current qualitative goals of the SCIB in 2021.

2.1 Qualitative goals

- Establish the subjects of “sustainability” and “corporate social responsibility” in the market with related activities
- Evaluate and push cross-market projects
- Establish and explore new paths along the 4-wheel drive, to market Switzerland as a meeting, incentive and conference destination
- Continue with the sales calls approach as a field time activity
- Raise awareness and keep existing clients’ interest in Switzerland
- Fast, pro-active and professional approach on RFPs towards the market
- Continue to support buyers with our valued quality service
- Ensure buyers know about innovative programme ideas
- Further penetration of the association market
- Target corporate clients with a special interest in Switzerland
- Bring more clients to our new website on MyS.com/meetings
- Establish a proactive rather than a reactive Austria market approach

3 DATABASE GERMANY AND AUSTRIA

The SCIB’s database is comprised as follows concerning contacts from Germany and Austria (as at 7 May 2021). We expect these figures to change in the next months.

Kind	**Contacts**
Agency	4,631
Corporate	2,096
Association	445
Media	112
Total	**7,284**

4 DETAILED MARKETING ACTIVITIES

Further details of past, present, and future marketing activities can be found on www.stnet.ch, which can be accessed by using your personal username and password.