



Switzerland.

Market situation Belgium and Luxembourg.

Switzerland Convention & Incentive Bureau (SCIB).
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1 MARKET SITUATION AND OUTLOOK.

1.1 Economic situation

1.1.1 Situation in Belgium

Despite the strong rise in the Belgian economy in 2021, mainly due to mass vaccinations, a slowdown was noted in the last months of the year.

The real growth for the year 2021 settled at 6.1%, after a decrease of 5.7% in 2020.

The main indicators of the slowdown were the continued health situation, the difficulties encountered by companies in increasing production and strong growth in inflation.

All these factors continued to considerably dampen the Belgian economy in early 2022. Despite mass vaccination, the Omicron variant pushed the government – just like its European counterparts – to take strict restraining measures again as from 21 November, such as mandatory teleworking, stricter rules for events and private gatherings and limited opening hours for bars and restaurants.

The economy has slowed down considerably in Belgium and is not likely to increase in the near future due to delivery restrictions, sky-high energy prices and the continued threat of Covid-19.

Spring 2022 is seen as the earliest date for any improvement. A forecast of an increase of 2.6% in the economy is realistic. The rhythm of this increase should stabilise in the coming years to settle at 2.4% in 2023 and 1.6% in 2024.

However, the outlook for the medium term is brighter, and growth should pick up after the first quarter of 2022. It will be mainly driven by private consumption, owing to solid income growth and a normalisation of the savings ratio.

The job market continues to surprise and should remain strong: the increase in new jobs will slow down slightly but will remain positive. Unemployment should climb to 6.5% in 2022 because of working hour policies and the end of the job creation measures. It will then decrease gradually to 5.7% in 2024.

Surging prices will lead to unprecedented labour cost growth as of 2022 via the indexation mechanisms, which will worsen cost competitiveness in the short term.

Inflation will continue to climb because of the steep increase in energy prices and will reach a peak in 2022 (4.9%) before seeing a major decrease.

It goes without saying that all these projections depend greatly on the further development of the pandemic and of course also on the measures taken by the government.

Sources: OECD Economic Outlook, volume 2021, number 2

Regards économiques Lidam-IRES-ESPO ESL-UCLouvain, January 2022, number 167

National Bank of Belgium, Economic projections, December 2021

1.1.2 Situation in Luxembourg

Economic expansion should continue, while the different market segments hardest hit by Covid-19 normalise.

GDP (gross domestic product) growth is forecast as 6.5% in 2021, followed by 3.7% in 2022 and 3.1% in 2023. Private consumption will pick up in 2022 following the loosening of the pandemic restrictions, the return to working in offices and the rise in employment.

Employment was predicted to increase by 3% both in 2021 and 2022. This will allow unemployment to settle at approximately 5% of the active population in 2022, following 5.8% in 2021. In a pessimistic scenario, the decrease in unemployment would be less pronounced (5.4% in 2022).

In 2022 inflation should reach 2.5%.

Like most European countries, Luxembourg faced a record number of infections and as a result it tightened restrictions. This has had a particularly bad influence on activities requiring active interaction (hotels, restaurants, catering, events, leisure). There has been a significant economic impact due to the rapidly spreading Covid-19 virus, and the economic reality also includes other challenges: shortages of certain basic materials and components, difficulties in logistics chains, high energy costs and recruitment difficulties.

Source: Statec Central Service of Statistics and Economic Studies, Luxembourg, economic note, December 2021 and January 2022

OECD Economic Outlook, volume 2021, number 2

1.2 Meetings industry situation and trends

Following the catastrophic year of 2020, the meetings, incentives, conferences and exhibitions (MICE) market continued to bleed in 2021.

Wave after wave, lockdown after lockdown... There was little time left for any activities in 2021.

Belgium went into a second lockdown in October 2020 and until May 2021, restaurants, cafés and bars were restricted, and all events were totally prohibited. During the summer of 2021, most restrictions were gradually lifted, also for events.

Additionally, it must not be forgotten that Belgium issued a ban on all non-essential travel until mid-April. Both Belgium and Luxembourg can be seen as top performers as far as vaccination levels (>85%) are concerned. The introduction of the Covid Safe Ticket system for events also contributed to the safe re-launch of events both in the open air and indoors.

This was before a new Covid variant was discovered in November. Switzerland actually put Belgium on the list of quarantine countries. This naturally did not make life easier for meeting planners. From November onwards, many events were – once again – cancelled or postponed.

At the end of January 2022, the Belgian government adopted a “coronavirus barometer” for all public events, hotels, restaurants, catering and related leisure activities.

The coronavirus barometer has three colours reflecting the level of pressure on hospitals, etc: yellow, orange and red. This system should open up perspectives for the events market.

1.2.1 Situation in companies

- The Belgian government still requires teleworking four days per week.
- In Luxembourg, the majority of company employees also work from home or alternate with office working. A 3G Covid check applies (access for vaccinated, recovered and tested persons).
- In principle events are allowed if they follow the Covid Safe Ticket rule and obtain any parallel authorisations.
- Many companies still continue to organise virtual meetings.
- More national and local companies want to return to physical meetings, be it locally or abroad in neighbouring countries, and this will probably start happening in the second half of 2022.

1.2.2 Situation in associations

- A number of associations are still coping with the delayed conventions of 2020 and 2021.
- According to some trends, we will not return to the pre-crisis situation for at least five years.
- Personal exchange is important and will not be replaced by online meetings.
- Associations have also found many advantages in digitalisation and will use virtual and hybrid means in the future.
- We have also noticed changes in the RFP (request for proposals) process: it now involves more involvement from partners, destinations and suppliers/sponsors.
- Organisation of an event for a purpose: the convention or conference must create values and knowledge.

1.2.3 Situation in the agencies

It is still a very difficult situation.

- After one or more years of unemployment, many people have left the sector.
- Few bankruptcies so far because the government supported measures until 31 December 2021.
- Most workers in the sector are still partially unemployed, sometimes working only one day a week.
- Some also work temporarily and partially in other sectors.
- The event sector also participated in the vaccination campaign.
- The food truck and the event sector also helped the flood victims last summer.

1.2.4 The event industry in Belgium 2021/2022

The event industry in Belgium represents 80,000 people, 3,000 companies and 77,000 events per year in Belgium alone. A study by KdG Public Impact Centre of Expertise in December 2021 concluded the following:

- Compared to 2019, the turnover for 2021 is estimated on average to be 52% lower.

- For 2022, almost six out of ten organisations expect their turnover to be lower than in 2019.
- 51% of all organisations had to dismiss employees or terminate contracts with fixed freelancers in 2021, which is even more than in 2020.
- One-third of event professionals indicate that they worked on more unprofitable than profitable events in 2021.
- Since the start of the pandemic, almost six out of ten organisations have more than once considered permanently stopping their activities in the event sector.
- 86% of event professionals think the sector has shrunk since the start of the crisis by an average of 30%
- 57% of organisations think that the governments puts too much onus on event organisers to control and enforce Covid measures.
- 63% of event professionals indicate that if it were up to them, non-vaccinated people should be banned from events until the pandemic is over.

2 RFP SITUATION IN BELGIUM AND LUXEMBOURG.

The first quarter of 2021 was not good for new RFPs: the strict lockdown measures – with contact limited to one person – were not conducive to event organising. Belgium also prohibited all non-essential travel from the end of January until mid-April 2021.

With the start-up of the Covid Safe Pass and Vaccination Pass, travel was given a big boost last summer.

There was a slight increase in the number of RFPs in 2021, mainly for the Benelux countries and neighbouring countries but also for Expo Dubai.

There will be little travel until June 2022 or more likely until the second half of the year, and most requests are for “sunny” destinations: Portugal, Italy, Greece and Spain.

But travel abroad remains complicated.

2.1. Trends

- Most requests for events will be domestic or regional – short distance.
- Large groups are split into smaller bubbles and go to destinations reachable by car or train.
- The alternative is of course virtual meetings and events.
- No more big events, but **smaller** ones spread over time.
- Unfortunately, budgets have been reduced.
- Requests will increase and be more **last minute**.
- Suppliers are expected to be even **more flexible**: options, cancellation fees, etc.
- The **core business of the meeting** will be even more important: **the goal, the content** and also the **experience** will have to justify the format of an event or meeting abroad.
- Associations continue planning their events, providing good justifications and creating value.

- High demand for spaces that are large enough to enable social distancing and that are equipped with the necessary technology for hybrid events.
- Travel abroad remains difficult because of governmental decisions, quarantine rules and the high risk of fast-changing policies.

3 TARGETS.

The Belgian market, and more specifically Brussels, is one of the major European hubs for international and European associations and conferences. It is important to underline the importance of the Belgian market for its decision-making power and influence. As it is the seat of the European parliament, international and European associations/conferences naturally gravitate to and establish their headquarters in Belgium. That is why we have set ourselves the following objectives:

- Continuing our connections and close relationships with 300 international associations based in Belgium and evaluating their potential.
- More targeted activities and a communications campaign, in particular, media aimed at corporate clients and those industries that seem to be weathering the pandemic best.
- A communication campaign presenting the different destination clusters in niche media, bringing a different approach than typical “tourism or MICE”.
- Pursuing an active advertising policy vis-à-vis Swiss companies and companies which have an affinity with Switzerland.
- Keeping our strong market presence and remaining aligned with market needs and developments.
- Continuing to provide a quality service to professional organisers.
- Updating our database on an ongoing basis and reporting on our relationships with associations regularly.
- Representing our Swiss partners in the best way possible and providing them with an appropriate platform for “meeting” potential clients in Switzerland.
- Ensuring high visibility on the local market for the destination Switzerland by participating in industry events, whether live or virtual.

3.1. Conclusion

As said before, it is of the highest importance that, in order to maintain our market position, we continue to ensure high visibility in the market and keep our ear to the ground, so we can react quickly and efficiently to any new trends and situations that might present themselves.

In Brussels, we are ideally placed to do just that and to provide the professional background and support that the event organisers, agencies and all-important international associations will need when travel starts up again. The office has had a fairly high presence in the market for over 20 years. Organisers feel comfortable contacting us and know that all the Swiss partners and the Switzerland Convention & Incentive Bureau (SCIB) will give them the best possible advice and create a win-win situation for all concerned.

2 CURRENT DATABASE SITUATION.

Type	Number of contacts
Agencies	520
Companies	974
Associations	904
Media	23

3 DETAILED MARKETING ACTIVITIES.

Further details of past, present and future marketing activities can be found on www.stnet.ch, which users can access with their personal username and password.