



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:

The Belgian economy shrunk with 5.7% in 2020 but bounced back to 6.2 % in 2021. This was mainly due to the vaccination movement which made the successive COVID outbreaks less successful, the people more resistant. The upturn was visible in nearly all parts of the market with the greatest upturn happening in the 3rd trimester of 2021 as the 4th trimester saw – like in the rest of Europe a deeper onslaught of the Omikron variant resulting in negative movement.

Even with the negative impact of the Ukraine – Russia war and the overall negative effect on the international markets, the Belgian GDP resisted during the first trimester of 2022 (+0.5%) but started to lose strength in the 2nd trimester (+0.1%) and picking up to an estimated + 0.3% in the last trimesters. This results in an annual increase of an estimated 2.4% GDP in 2022 mainly following the increased private consumption. In 2023, it is foreseen that the GDP will slow down to 1,3 %.

It is predicted that the employment market will remain fairly stable: there may be a slowdown of job creations, but unemployment will stay historically low at 5.7%.

The inflation peak (8.1%) in 2022 is explained not only by the skyrocketing energy prices but also by a growing underlying existing inflation. This has been fed by the growing disruptions in the supply chains and increasing prices as a result of the shortages created by the war in the Ukraine. This and other incidences have pushed inflation to higher levels and, due to a complicated indexation mechanism, to hefty salary increases. However, these increases are disproportionate to the increased prices of the average shopping basket and of course energy. 2022 was already historic, but for 2023 predictions look at a possible 3,5%, all subject to the continued effects of the war.

And there lies the problem as the war is a big unknown factor which has far stretching economic results. Sanctions are being discussed which will have widespread effects on the international markets and make it nearly impossible today to make accurate predictions.

The war has somewhat overshadowed the news on the health front which seems to be developing in a positive way with a 4th wave of booster shots being started in September by the government. Everybody is now holding their collective breath as far as the coming winter is concerned.

Sources: Bureau du plan, note de conjoncture, juin 2022

Banque Nationale de Belgique, Projections économiques, juin 2022

1.1.2 Situation in Luxembourg:

The GDP bounced back to level off at 6.9 % in 2021 and is expected to lower to a 2.9 % level in 2022 and 2.1 % in 2023. Figures claim a solid consumption in the last trimesters but are predicted to slow down.

Activity in Luxembourg remained dynamic early 2022 with a GDP increase of 1.2% in the first trimester mainly based on the positive results of commerce, transport services, the service industry and construction.

Services of non-financial companies remained confident in the first part of the year but slowed down by summer. Companies are of the opinion that the situation has deteriorated and the actual and future demand is questionable.

Observation shows a deterioration of private consumption in the last months mainly due to the inflation infringing on the buying power.

This year inflation is expected to reach 6.6% and 5.3% for next year.

Source: Statec Central Service of Statistics and Economic Studies, Luxembourg, note de conjuncture juin 2022 et août 2022

OCDE Perspectives économiques, conjuncture flash, août 2022

1.2 Meetings industry situation and trends

Following the really catastrophic year 2020, the MICE market has continued to bleed in 2021. Wave after wave, lockdown after lockdown.... There was little time left to actually perform in 2021. The introduction of the Covid Safe ticket system for events has contributed to the safe re-launch of events both in open air and indoor.

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

In spring 2022 when restrictions were lifted, the number of meetings and events increased, but has certainly not yet reached the levels as before the pandemic.

1.2.1 Situation in companies:

- Many companies still continue to organise virtual meetings.
- In most companies teleworking has become standard, on average 2 days per week and the return of face-to-face meetings have been expected in the 2nd half of the year, locally or abroad in neighbouring countries
- But this was counteracted by the war in the Ukraine extending and energy prices skyrocketing.

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 5 years.
- Personal exchanges are 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 process: request of more involvement of the partners, destinations and suppliers/sponsors.
- Organisation of an event for purpose: the conference must create values and knowledge.

1.2.3 Situation in the agencies:

It is still a very difficult situation.

- After more than 1-2 years of unemployment, many people have left the sector.
- Certain agencies are still not back to 100% staffing levels.
- Some also work temporarily and partially in other sectors.
- Agencies have great difficulty finding qualified staff and this results in having to decline certain job offers.
- For 2022, almost six out of ten organisations expect their turnover to be lower than in 2019.

1.2.4. Luxembourg

In 2021, Luxembourg travellers realised 2 million trips with overnights. About 10% are business trips, the rest is leisure travel.

180 000 business trips were made in 2021, by 27 % of active and employed residents. The average length of stay increased in 2020 and 2021, going from 3.4 nights in 2019 to 4.7 in 2020 and 5.0 in 2021. It seems that companies have reduced the number of short stay trips.

By end of 2021, the pre-pandemic levels were only half reached.

For both business and leisure travel the 3 nearby countries are the most frequent destinations: France 25%, followed by Germany 18% and Belgium 11%. These countries are followed closely by Portugal, Italy and Holland with 5 to 9%. 95% of all business trips remain in Europe, Switzerland comes in 7th position.

Statec, Le tourisme en chiffre, juillet 2022

1.3 RFP Situation in Belgium and Luxembourg

There was a slight increase in the number of RFP's 2021, mainly for the Benelux countries or neighbouring countries and some for the expo in Dubai. Even with Omicron some groups visited Switzerland early 2022.

Once the restrictions were lifted, requests increased a little mainly for the local market, nearby destinations and sunny locations like Spain, Portugal and Italy. As a result of the increased energy rates most companies will be obliged to introduce restrictions. The increase of fuel and therefore ticket prices and the strong Swiss Franc do not help.

Trends:

- Most requests for events will be domestic or regional – short distance.
- Large groups are split in 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 and will probably continue to be reduced in view of the situation.
- Requests will increase and be more **last minute**.
- Suppliers are expected to be even **more flexible**: options, cancellation fees, etc.
- **Core business of the meeting** will be even more important: **the goal, the content**, but also the **experience** will have to justify the format of an event or meeting abroad.

- Associations continue planning their events but with a good "raison d'être" and by creating values.
- High demand for large spaces enabling observance of social distancing and equipped with necessary technology to allow for hybrid formats.

2 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. Being 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.
- Pursuing an active advertising policy vis-à-vis Swiss companies or companies which have an affinity with Switzerland.
- Keep 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 regular reporting on our relationships with associations.
- Represent our Swiss partners in the best way possible and provide them with the appropriate platform for "meeting" potential clients in Switzerland.
- Ensure high visibility on local market for the destination Switzerland by participating in industry events, live or virtual.

Conclusion

As mentioned 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 that and to provide the professional background and support that the event organisers, both agencies and the 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 SCIB will give them the best-possible advice and create a win-win situation for all concerned.

3 CURRENT DATABASE SITUATION

Type	Number of Contacts
Agencies	520
Corporates	975
Associations	900
Media	23

4 DETAILED MARKETING ACTIVITIES

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