



Switzerland.

Market situation China.

Switzerland Convention & Incentive Bureau (SCIB).

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1 MARKET SITUATION AND OUTLOOK.

1.1 Economic Situation

In 2020, the country's GDP expanded 2.3%, the slowest pace in more than four decades. The Chinese economy expanded 4.0 percent year-on-year in the fourth quarter of 2021, easing from a 4.9 percent growth in the previous period but exceeding market consensus of 3.6 percent. It was the slowest pace of expansion since Q2 2020, amid multiple headwinds including a property downturn, supply chain issues, and COVID-19 outbreaks. Considering full year of 2021, the economy grew 8.1 percent, the fastest expansion in nearly a decade, exceeding the government's target of above 6 percent and following a revised 2.2% growth in 2020. Consumption expenditure contributed 65.4 percent to the 2021 GDP growth, compared with 54.3 percent in 2020, surpassing the average level of 60 percent from 2013 to 2019 but was still lower than in developed economies. (source: National Bureau of Statistics of China)

The deficit-to-GDP ratio for the year is set at around 2.8 percent, slightly lower than last year. A comprehensive resource conservation strategy would be implemented with a surveyed urban unemployment rate of no more than 5.5 percent in 2022.

The annual meeting of the National People's Congress (NPC) was held in March, 2022. For 2022, China expects the economy to grow around 5.5%.

1.2 Situation of the Meeting & Wedding Industry & Trends.

Business Events (MICE)

Chinese economic sectors continue to show much higher figures than elsewhere in the world. The MICE industry has been growing over the past few decades into a mature business sector, driven by globalization and an increase in cross-border trade. Particularly in the Chinese culture, businesses cannot function in a fully effective way without face-to-face meetings between the parties involved. More and more companies now understand that meetings, conferences and exhibitions are an indispensable means of communicating their business messages, increasing sales and business development in China. With the strengthening of China's economic powerbase, companies from all over the world are not just buying from China, they are also selling to China's 1.3 billion people.

China's MICE market is recovering rapidly and continually developed domestic business. After two and half years' pandemic, domestic destinations became less and less



influential and attractive for MICE market. Corporates are facing to big challenges for selecting destinations. Still, MICE industry shows successfully economic internal circulation except for the lockdown period.

The MICE trend forecast of After COVID-19 would be changed due to some main factors: Political situation with overseas markets, quarantine policy and safety.

Political relationship between China and foreign countries become more sensitive for MICE industry, esp. Incentives. With the reopening of the market, it is an inevitable trend to open the regional market or kick off with bubble projects, followed by visa issues, flights recovery and fast track for testing to move on.

MICE industry predicts that the MICE business will be back since March 2023.

Industry-wise, the most requests from China market in the near future: Direct selling industries.

As a result, the prospects of MICE industry in China are still good for Switzerland in the future once the image of Switzerland as a neutral state. The main targeted clients decreased their budget for incentives groups, but eager to travel abroad again after pandemic. Meanwhiles, even though MICE agencies are busy with domestic requests, but the profit is too low compared with overseas requests. There's no doubt that they expect to run business again for foreign destinations. Meanwhile, the satisfaction rate was lower and lower for participants during pandemic. Therefore, the whole incentive industry is facing to big challenges for their original business model.

Destination Weddings

Due to COVID-19 situation, overseas wedding planners turn to focus on domestic wedding destinations.

As a long-haul wedding destination, Switzerland is still with plenty of potentials, esp. combination with honeymoon trip and pre-wedding shooting.

We created STA Destination Wedding module in 2021 and more than 100 registers accomplished the module. Our Chinese Wedding welcome package will be continued until the end of 2023.

1.3 RFP situation in China

Business Events (MICE)

We lost some confirmed requests for 2021 and 2022. However, some companies will postpone the overseas destination until 2023 or even later. We will chase after the confirmed requests and always be ready for the market recovery.



Meanwhile, we maintain the relationship with corporates clients and MICE agencies during the tough time. Corporate customers are very cautious in making overseas destination plans for incentives. Meanwhile, some companies still insist on choosing overseas destinations instead of domestic ones.

Destination Weddings

There are almost no overseas destinations in the market for wedding promotion. We continue our promotion and wait for the marketing recovery. The strategy will be expanded and include the pre-shooting and honeymoon concept in Switzerland. The aim is to appeal to more couples to travel to Switzerland after COVID-19.

1.4 Challenges

There are major challenges in the MICE sector:

- Continuation of anti-corruption policy: Chinese President Xi Jinping has made it his mission to stamp out corruption, which has been a big part of China's social and political life for decades. It still influences the market after COVID-19. President Xi emphasized the importance of science R&D and development of quality.
- Meeting and incentives of state-owned companies, especially duration and destination of official programs abroad, are strictly controlled by supervisors, esp. during pandemic.
- Since 2020, some destinations are quietly disappearing, esp. North America. Our main competitors will be European destinations, some Asian destinations, and New Zealand.
- The contacts of operation level might be renewed and enlarged quickly in 2022 once there's a clear signal from Government that the overseas travels allow to restart. The basic trainings will be necessary and travel policy should be up to date.
- Cashback will be more seen, some destinations will increase their investments in this area.
- The costs of travelling abroad are much expensive now under the travel boom.

There are some challenges in the wedding sector:

- Due to pandemic, we had to stop most of our promotion in 2022 and some of our projects had to be postponed. We are creating our image as a wedding destination and will try to influence audiences via different channels, e.g. continuation of STA destination wedding module, Destination Wedding Webinar training, cooperation with different related industries and wedding circle.
- As a long-haul destination, travel to Switzerland is more expensive and takes longer time than Asian destinations. Also, participants have to apply for more complicated visa process compared with Asian destinations.



1.5 Trends

Business Events (MICE)

- **The pharmaceuticals industry: budget cuts & strict policy**
The pharmaceuticals industry, which used to be a big market, is now facing stricter rules and laws to counter bribery. Influenced by the global recession, most firms have tighter budgets, fewer new products and longer research and development periods. As a result, the need for conference and business travel has decreased.
- **Requests with high quality clients, destinations diverse, travel season slightly changed.**
From the statistics of recent years, more and more requests for high-ending groups will consider Switzerland as long-haul MICE destination. Destinations become more diverse than before. And for winter, we still have some requests for high-end clients. We are trying to get more business during our low seasons for cities in winter. Winter Olympic Games 2022 took place in Beijing in 2022 and were a good opportunity to promote winter incentive programs.
- **Direct selling companies are surviving.**
Mainly because the gene of direct selling industry is meeting with people, as well, the economy is not good as before, the consumption power declined. The performance showed negatively during COVID-19 situation and some traditional brands of direct selling companies are recovering slowly since the second half of 2021.
- **Smaller Groups requests.**
Before COVID-19, the incentive requests from Asian market used to be big groups. The near future requests will be more likely back-to-back groups with different arrival times.

Destination Weddings

- **Young generation changes wedding industries.**
New couples nowadays were mainly born in the 90s. They have travelled overseas or even studied abroad and they would like to have a unique wedding experience, possibly to go back to the country they studied. So, the traditional wedding ceremony still exists, but pre-wedding shooting and honeymoon travel usually combined as a package get more and more popular in China market, especially in first and second tier cities.
- **Anniversary and Remarriage Business.**
Because Chinas Economy has developed form more than ten years, the old generation would like to make it up for what they missed when they were poor and could not afford a honeymoon or romantic wedding ceremony, they would like to “marry” again and organize a wedding ceremony with their family. They are a target audience for overseas weddings as well. Additionally, the divorce rate is increasing the last ten years in China, and the couples remarrying are also a potential for second time and more acceptable to organize an overseas wedding instead. Also, they usually have higher consumption power. Wedding planners in China are aware of the importance of these additional couples.



2 TARGETS.

- Maintain and update contacts with key MICE agents/Destination Wedding planners
- Finding new potential clients through different channels (Fairs, MICE agencies, Wedding planners etc.)
- Sales calls to existing corporate clients
- Organize corporate clients event to approach them directly
- Give destination updates to MICE agents, corporate clients and wedding planners
- Closely keep in touch with potential repeaters
- Continue to support client requests as well as partners
- Focus on the market tendency and changes in requirements

3 DETAILED MARKETING ACTIVITIES.

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