



Switzerland.

Market situation North America.

Switzerland Convention & Incentive Bureau (SCIB).

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1 MARKET SITUATION AND OUTLOOK.

1.1 Economic situation

1.1.1. United States

Despite facing challenges at the domestic level along with a rapidly transforming global landscape, the U.S. economy is still the largest and most important in the world. The U.S. economy represents about 20% of total global output and is still larger than the output of China. Moreover, according to the IMF, the U.S. has the sixth highest per capita GDP (PPP). The U.S. economy features a highly developed and technologically advanced service sector, which accounts for about 80% of its output. The U.S. economy is dominated by service-oriented companies in areas such as technology, financial services, healthcare, and retail. Large U.S. corporations also play a major role on the global stage, with more than a fifth of companies on the Fortune Global 500 coming from the United States.

The U.S. economy is currently emerging from a period of considerable turmoil. A mix of factors, including low-interest rates, widespread mortgage lending, excessive risk-taking in the financial sector, high consumer indebtedness and lax government regulation, led to a major recession that began in 2008. The housing market and several major banks collapsed, and the U.S. economy proceeded to contract until the third quarter of 2009 in what was the deepest and longest downturn since the Great Depression. The U.S. government intervened by using USD 700 billion to purchase troubled mortgage-related assets and propping up large floundering corporations to stabilize the financial system. It also introduced a stimulus package worth USD 831 billion to be spent across the following 10 years to boost the economy.

While the labor market has recovered significantly and employment has returned to pre-crisis levels, there is still widespread debate regarding the health of the U.S. economy. In addition, even though the worst effects of the recession are now fading, the economy still faces a variety of significant challenges going forward. Deteriorating infrastructure, wage stagnation, rising income inequality, elevated pension, and medical costs, as well as large current account and government budget deficits, are all issues facing the U.S. economy. (source: focus economics)

The pace of GDP growth is anticipated to weaken from its recent very high levels to 2.5% in 2022 and 1.2% in 2023. Supply disruptions may take some time to fully ease, especially given the impacts of the war in Ukraine and COVID-related lockdowns in China. Wage growth will stay strong, as the labour market is expected to remain tight, despite an increase in labour force participation as receding health risks and higher wages prompt workers to return to the labour force. Inflation will remain above the Federal Reserve's 2% target at the end of 2023. (source: OECD)

1.1.2. Canada

After gaining momentum in Q4 2021, preliminary data suggests the economy outperformed its G7 peers in Q1, with StatCan estimating the growth of 1.4% quarter-on-quarter. Looking at the monthly picture, economic activity growth was muted in January due to Omicron and poor weather affecting energy output. However, momentum picked up in February thanks to healthy expansions in manufacturing and customer-facing services. In particular, the accommodation and food services sector saw a double-digit gain as the Omicron wave faded and associated restrictions were eased. Turning to Q2, available signs are mainly positive. In April, the unemployment rate fell to an all-time low, while the manufacturing PMI was well in expansionary territory and housing starts jumped, boding well for residential investment. However, multi-decade high inflation could be weighing somewhat on spending intentions.



Growth will ease in 2022 as interest rates and inflation increase and momentum in the U.S. slows. Nevertheless, a tighter labor market and reduced Covid-19 restrictions will support private spending. Moreover, higher oil and gas prices will buoy government coffers. Uncertainty surrounding possible new Covid-19 variants and fears of a recession in the U.S. are risks. FocusEconomics analysts project growth of 4.0% in 2022, which is up 0.1 percentage points from last month. In 2023, analysts see growth easing to 2.5%. (source: focus economics)

Canada's economy has largely recovered from the COVID-19 crisis. Domestic demand is picking up following the easing of containment measures. Exports are expected to strengthen, and demand for commodities buoying trade amid shocks to world growth. Limited trade ties to economies hard-hit by the war in Ukraine, and income from high resource prices, shield Canada from larger economic impacts. Real GDP is projected to grow by 3.8% in 2022 and 2.6% in 2023. Unemployment will remain low as output rises slightly above potential. Global supply tensions will keep price growth high this year, compounding underlying inflationary pressures. (source: OECD)

1.2 Travel industry in General

A recent Skift report stated that while spending was actually up over the past two months, due to greater demand for in-person activities, companies have cut back on other key areas associated with growth over the past two months, for example, there was an average spending reduction in electronics of 41 percent, advertising of 18 percent and software purchases of 6 percent.

As far as outbound travel to Switzerland, American guests (leisure & business events) have been returning to Switzerland in droves. The U.S. has returned to its pre-pandemic second most important source market for Switzerland after Germany and currently (Jan-Jun 2022) performs at – 24% compared to the record-breaking 2019. However, the gap between 2019 and 2022 closes month by month and in June we were already at only -3.9%, which is a hugely positive sign that we can expect our bookings to increase in the coming months.

One reason for this positive surge is of course that the pent-up demand was huge. Many people have postponed their Europe trips not once but twice and nothing could stop them, not even a 'war in Europe', the skyrocketing inflation that we have in the USA, or the much-reported issues at European airports. The weak Euro makes a European trip more attractive. While for this year this mainly results in bigger spending while in Europe, this could also have a positive impact on 2023 bookings.

Looking at 2023 we see currently very high airfares, which is a challenge mainly for clients sourcing their destination now. There won't be many people cashing in 'travel credits' from the pandemic anymore and of course and there is still a lot of general uncertainty (inflation, energy crisis, geo-political issues with Russia and China), which have the potential to destabilize the recovery.

1.3 Situation of the Meeting Industry & Trends.

Northstar's latest Industry PULSE Survey reveals that demand for in-person meetings is strong, and planners are optimistic about the future of live events. However, inflation's impact is worsening and planners' patience with hoteliers is wearing thin. Regardless of cost and service issues, the future looks bright for the meetings industry.

- Demand for new events remains strong; 68% of planners are booking or actively sourcing.
- Cancellations and rescheduling have ticked up recently, due to lower attendance and rising costs.

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- Optimism is on the rise, even though concern for variants rises for the second straight cycle.
- Inflation's impact is worsening. Rising costs are having a material impact on a growing number of planners.
- More planners report 2022 will be a good year, and 2023 will be even better.
- Far fewer planners are satisfied with their hotel partners relative to their other supplier relationships.

For more details on the above and an in-depth report, you can download your copy [here](#).

MPI has also released its outlook 2023 with more data. A copy is available [here](#).

1.4 RFP situation in North America.

The RFP situation in NA remained challenging in Q1 2022 due to required COVID-19 tests when returning back to the US. RFPs picked up in Q2 and Q3 and we were able to report groups having taken place in Switzerland. We are receiving many requests on very short notice.

1 January 2022 – 31 August 2022

122 RFPs received with a total of 63,070 overnights

- 35 RFPs carried out in CH with a total of 16,559 overnights
- 12 RFPs confirmed with a total of 10,236 overnights
- 25 RFPs pending with a total of 65,533 overnights
- 58 RFPs canceled with a total of 90,722 overnights
- 44 RFPs carried out foreign with a total of 55,986 overnights
- 7 RFPs postponed with a total of 8,570 overnights

2 TARGETS.

2.1 Qualitative.

- Continue to stay connected with the business events industry in NA on a regular basis
- Adapt to new trends and find the most efficient and new platforms to stay in contact with clients
- Seek out new strategic initiatives & partnerships given uncertain market dynamics
- Elevate SCIB NA's digital presence to proactively promote brand & stay connected to clients.
- Make necessary updates to the database and client's history
- Identify clients' primary concerns and work to resolve them. Be the go-to resource local market expert capable of providing accurate and helpful destination info
- Convert RFIs and RFPs into overnights and consistent ROI

2.2 Quantitative Goals

- Number of qualified contacts in the database: 6,600
- Qualified client contacts: 1,500



- Number of days with customers: 40
- Number of requests: 85
- Number of conferences, meetings and incentives in Switzerland: 20
- Number of directly influenced overnights: 10,000
- Web visits on meetings/incentives: 5,500
- Web visits destination weddings: 4,000

3 CURRENT DATABASE FIGURES.

Type	Contacts
Agencies	3,383
Corporates	1,731
Media	113
Associations	1,048
Wedding Planners	88
Others	11
TOTAL Qualified Contacts	6,374
Inactive	1,473

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.