



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 annual growth of the GDP has increased significantly in Belgium in 2021(+6,1 %) following the worldwide resurgence of the economic activity. Belgium actually showed a higher average than the EU (27 countries +5,4 %) and of the euro zone (+5,3 %). During the second trimester of 2022, Belgium saw its GDP increase by 4.1% over the previous year but nevertheless slightly less than the previous trimester (+5,3 % with a year distance).

The war in Ukraine and the sanctions against Russia have had a heavy negative impact on the economy and the future evolution. Fear for shortages in energy supplies have resulted in spectacular increases in the price of natural gas in Europe, followed by a massive increase in electricity rates. Family budgets are being eroded by the increasing energy prices and the high food prices. Companies on the other hand are facing increases in production cost and a growing supply problem. Belgium's GDP resisted well in the first trimester of 2022 (0,5 %) and even after a bit of a slump stayed positive in 2022 (0,2 %). The growth is 2,6% for 2022 and will go to 0.5 % in 2023, before rising again to 1.1 % in 2024.

A slowing down of the historically high inflation in Belgium is expected in 2023. Inflation went from 0,3 % in January 2021 to 10 % in August 2022 and 13,1% in October. These levels were unseen since 1976. A slowdown is expected in 2023 to 6,5 %.

After two weak trimesters, public consumption has surged again since the 2nd trimester of 2022 even with a growing uncertainty and high inflation. This strong increase has exceeded expectations due probably to the high « buying urge » after the closures and restrictions during the pandemic. Normal life as we know it has resumed again for the first time since March 2020. Nevertheless consumers' confidence fell to an all-time low in September and came to a grinding halt in the 4th quarter of 2022. Predictions are for early 2023 to see a positive upsurge to progress positively. Recently, international energy prices have decreased and this should gradually be reflected in the consumer rates. There is also the annual indexation of the salaries which will increase the buying power significantly.

Company investments have rebounded quickly and strongly after the pandemic, but were lowered again in the period of summer 21 to summer 22. Today a slight increase for end 2022 has been noted and a gradual increase is expected for 2023. On an annual basis this means a decrease of -2,2 % in 2022, followed by an expected 1,3 % increase in 2023. Company investments are largely based on the re-launch plans of the government but are also hindered by the ongoing climate of uncertainty and the increase of the long term interest rates.

The unemployment rate has gone from 8,4 % to 8,0 % in 2022 and will stabilise in 2023.

Sources : Bureau du plan, budget économique, septembre 2022

OCDE, perspectives économiques, novembre 2022

Banque Nationale de Belgique, Projections économiques, décembre 2022



1.1.2 Situation in Luxembourg:

2022 started dynamically due mainly to the end of the restrictions of the pandemic, but slowed down due to the rising inflation and the ongoing war in Ukraine. Retail saw an increase of 2.1 % and employment figures remained stable. In September 22 unemployment figures stayed at 4.8%, however buyers trust is at the lowest point since 2002, due mainly by inflation and interest rates. After having reached a high early 2022, companies trust has decreased and retail manufacturing and private construction has slowed down. After a high of 10.6% in June, October saw a stabilised inflation rate at 8,8%. In the 2nd trimester salaries were increased by 7.8%. The GDP slowed down in 2022 to 1.7% and 1.5% is foreseen for 2023 as well as an increase to 2.1% in 2024. Government support and measures taken will sustain consumption in 2023.

Progress of financial services will slow down in 2023 and the high interest rates will delay investments and property sales. This will result in a slight slowing down of employment (from +3.4% to +2.3% in 2023) as well as a slight increase in unemployment (from 5.1% of the active population, versus 4.8% in 2022).

Source: Statec Central Service of Statistics and Economic Studies, Luxembourg, note conjuncture décembre 2022

OCDE Perspectives économiques, projections, novembre 2022

1.2 Meetings industry situation and trends

Spring of 2022 saw a revival of the Meeting Industry after Covid restrictions were lifted and « face-to-face » meetings were possible again. Companies have gradually started up meeting activities again, mainly in Belgium first and in neighbouring countries. After the summer period the demand for meetings abroad picked up, but the ongoing Ukraine war and sky-rocketing energy rates counteracted this movement.

With a historically high inflation rate and salary indexation, companies must increase salary budgets by 10% which will of course have its repercussions on other expenditures.

Many companies still continue to organise virtual meetings. In most companies teleworking has become standard, on average 2 days per week.

The number of requests for the organisation of meetings and events has increased but not yet reached the pre-pandemic levels of 2019.

Agencies have been intensively solicited and have not always responded positively to the demands. There is still a noticeable shortage of qualified staff. Many employees have left the industry or still do interim work in other industries to ensure their financial situation.

The Belgian event professional is confident:

46 % of the organisers of events and suppliers in Belgium, estimate and increase in sales figures in 2023 over 2022. 74 % indicate an increase in revenue in 2022 over 2021.

47% event organisers confirm a higher revenue figure than in 2019. These figures are the result of a poll organised by „Public Impact”, the research centre of the KdG University of Applied Sciences and Arts, 251 industry professionals participated in January 2023.

In 2022 associations on the whole started meetings again both in presence and hybrid format. Some are catching up with meetings that should have taken place in 2020 or 2021.



We have also noticed changes in the RFP process: request more involvement of the partners, destinations and suppliers/sponsors. In certain associations we have also noted a reduced number of staff members especially in the events and conference departments as some must face a loss of members and increased payroll for staff.

Belgians in general like events and took every opportunity to participate in 2022:

The KdG University research centre organised a poll with 1000 adult Belgians in December of 2022. Belgians in general still very much like their events.

In 2022, 79 % of Belgians have visited events in their free time. For 80% of these, events where food and drink are featured are particularly popular such as trade shows and food truck festivals. 67% went for artistic or cultural events such as theatre or light & sound events. And 50% attended (some on more than 1 occasion) music festivals or different types of music events. Around 50% went for sports events and 41% even participated actively. It is also remarkable that 51% choose to participate in their free time in events where know-how, information and/or networking were the main reason for visiting such as trade fairs or conventions.

Other than the need to plan, security and stability, the impact on the climate and the environment are also elements that 30% of Belgians take into account when participating in an event. 66% even think that it is important that an organiser is seen to be making serious efforts to lower the impact of the events on climate and environment. Only 36 % of participants at events are declaring that what they do or don't do at an event has a direct impact for climate and environment. More so, 32 % find no problem with events where only vegan or vegetarian meals are served.

Trends and outlook 2023

These are the trends and perspectives in the companies and agencies

- Attending events in person is on the up and up. Connections and teambuilding are more than ever important
- **A preference for micro-events is developing:** there is great movement towards the organisation of events on a smaller scale. This is not a recent phenomenon, but it was reinforced by the recent pandemic. Micro-events also have the added benefit of more and better interactions between participants
- **Sustainability is a must**
The demand for eco-friendly and responsible, sustainable events is definitely on the increase. Organisers must be prepared for this development and have the right tools at hand to fulfil this demand. Recycling of materials, creating a social impact, choosing hotels and venues that are eco-friendly or zero waste dinner concepts. We recommend to our Swiss suppliers to actively communicate on their efforts in the matter of sustainability (Swisstainable level)
- **Events need to have an emotional impact**
Themes such as wellbeing and connectivity will more and more find their way on the meeting agendas in the coming years. Events that create an emotional reaction will result in better engagement. People want to feel things and events must therefore be authentic and have an emotional impact.
- **Digitalisation:** the approach to an event that makes no distinction between the different types: hybrid, online, virtual or face-to-face. Each has their own needs. The organiser will have to choose and propose the format best fitting his clients and participants. More than ever it will be important to know and understand one's target audience.



- **Accessibility, diversity and inclusion**
- Most requests for events will be domestic or regional – short distance.
- Requests will increase and be more **last minute**
- Suppliers are expected to be even **more flexible**: options, cancellation fees, etc.

Within the Associations

The positive trend of recovery globally should continue

- 2023 will test the true **value** of in person events. The pressure will be on organisers to design events that justify the time, money, and CO₂ to travel to.
- **Making experience**: create experiences that are uniquely different, better and much more enjoyable than anything we can get online
- **But still online sessions** that allow communities to learn, exchange and connect regularly
- **3 reasons to attend a conference**: 1. Educational Program (learning new skills, hearing about trends and best practices) 2. Networking 3. Share knowledge with other delegates
- **Accessibility, diversity, inclusion, sustainability and legacy**
- Sustainability and legacy became developments where delegates build their decision on to participate or not. This should be incorporated into the marketing outings of the conference
- Partnering with destination: marketing awareness, how to boost delegate numbers

1.3 RFP-Situation in Belgium and Luxembourg

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.

Nevertheless, we have noticed an increase in requests in the second half of the year, especially from associations for their future conventions of 2024, 2025 and even 2026.

We ended 2022 with 43 RFP's and 19'536 overnights.

Challenges

- Last minute requests
- Inflation, recession, energy, war, increasing salary cost
- Reduced budget view of the situation
- Flight offers to Switzerland (still not at the level of before 2019), train connections from Belux to Switzerland.



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 Destination Switzerland by participating in industry events, live or virtual.

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, both agencies and the all-important international associations, will need when business travel is fully 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	950
Associations	900
Media	23

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.