





# 1 MARKET SITUATION AND OUTLOOK.

## 1.1 Economic Situation

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)

In 2022, the country's GDP expanded 3.0%. The chief economists generally believe that China's economy will improve significantly, comprehensively and positively in 2023, with the national GDP growth rate of more than 5%. With the support of a series of policies, China's economy will be driven more by domestic demand, and promoting consumption and stabilizing investment will become the main driving force.

The annual meeting of the National People's Congress (NPC) was held in March, 2023. Further information will be updated after March.

## 1.2 Situation and Trends of the Meeting & Wedding Industry.

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 with international business. After three years of pandemic, most of the corporates would like to travel abroad instead of staying in China. Corporates are facing challenges for selecting feasible destinations. Some companies did not expect the opening in 2023 already, so before December 2022, they announced domestic destinations to take the incentives place in 2023. The situation also depends on some other



factors such as the political situation with overseas markets, Covid-19 restrictions for in-b and outbound travelers, visa policy, availability of flights, cost and etc.

Political relationship between China and foreign countries become more sensitive for MICE industry, especially for 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 tracks for Covid testing to move on.

The industry predicts that the MICE business will be back as of March 2023 and requests are increasing already. The industry sectors that place requests from China for incentives to Switzerland for the future are: Direct selling industries, European companies and some Chinese companies for top incentive programs.

The potential for Business Events out of China is still good due to the image of Switzerland being a neutral state. The main targeted clients decreased their budget for incentives groups, but eager to travel abroad again now. MICE agencies are busy with overseas requests and making quotations. There is no doubt that they expect to run business again for foreign destinations as soon as possible and the incentive industry is facing challenges for their entire team running overseas projects and with the need to be linked again with overseas resources.

#### Destination Weddings:

After the market recovery, overseas wedding planners turn to focus on international wedding destinations again.

As a long-haul wedding destination, Switzerland is has good potential, especially in combination with honeymoon trips and pre-wedding shoots.

We continually prompted STA Destination Wedding module in 2022 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

#### MICE:

We lost some confirmed requests over the last three years. However, some companies will postpone the overseas destination until 2023 or even later. We will chase the confirmed requests and are ready for the market recovery. We maintained the relationship with corporates clients and MICE agencies during the tough time. Some corporate customers are very cautious in making overseas destination plans for incentives but some companies insist on choosing overseas destinations instead of domestic ones.

#### Destination Weddings:

We continue our promotion and expect 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, especially during pandemic.
- Since 2020, some destinations are quietly disappearing, such as North America. Our main competitors will be European destinations, some Asian countries, and New Zealand.
- The contacts at operation level might be renewed and enlarged quickly in 2023 and will require basic trainings and the travel policy should be up to date.
- Cashback will be more common, and some destinations will increase their investments in this area.
- The costs of travelling abroad has become much more expensive and availability is tight.

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. In 2023, we will restart our promotion. 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 trainings, 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 must go through a more complicated visa process compared with Asian destinations.

## 1.5 Trends

MICE:

- **The pharmaceuticals industry: budget cuts and 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, meanwhile, the overseas budget forecast mainly were not planned for 2023. As a result, the recovery will be slower than expected.
- **Requests with high quality clients, diverse destinations and different travel season slightly changed.**  
From the statistics of recent years, more and more requests for high-end groups will consider Switzerland as long-haul destinations. Destinations become more diverse than before. After Winter Olympic Games 2022 in Beijing, it is an excellent opportunity to promote winter incentive programs during winter season.
- **Direct selling companies are surviving.**  
The gene of the direct selling industry is meeting people, but the consumption power and the performance declined during COVID-19. Some traditional brands of direct selling companies are recovering slowly since the second half of 2021. Most of the companies have no last-minute plans for overseas destinations in 2023, but some announced recently for outbound plans in 2024.
- **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 smaller back-to-back groups with different arrival



days. Expired passports limited time slots for visa applications are a challenge for the current and upcoming groups.

Destination Weddings:

- **Young generation changes wedding industry.**  
The young generation, ready to marry has more overseas travel or study experience and would like to have a unique wedding experience, especially back to the countries they studied in. The traditional wedding ceremony still exists, but pre-wedding shoots and honeymoon travel are usually combined as a package and get more and more popular in China, especially from couples living in first and second tier cities.
- **Anniversary and Remarriage.**  
Chinas economy has developed rapidly over the last years and the older generation would like to make up for their regrets that they could not afford a honeymoon or a romantic wedding ceremony at the time they got married due to the lack of financial resource. Now, they would like to make up for it, “marry” again and organize a wedding ceremony with their family. This situation offers good potential for overseas weddings. Also, the divorce rate has been increasing over the last years in China, resulting in more second marriages wanting to re-marry differently from the traditional first-time wedding ceremony in China, with an overseas wedding instead. Wedding planners in China are more their consumption power is usually higher.

## 2 TARGETS.

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

## 3 DETAILED MARKETING ACTIVITIES.

Further details of past, present and future marketing activities can be found on [www.stnet.ch](http://www.stnet.ch), which can be accessed by using your personal username and password.