



**Switzerland.**

# Market situation Germany.

Switzerland Convention & Incentive Bureau (SCIB).

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# 1 MARKET SITUATION AND OUTLOOK.

## 1.1 General Economic Situation in Germany and Worldwide

After a slight recessionary period in the winter half-year 2022/23, the German economy stagnated in the second quarter of 2023. While private consumption is expected to have had a stabilising effect, the still weak external economic conditions dampened production and export growth. Current leading indicators do not yet indicate to a sustained economic recovery in the upcoming months.

Industrial production in June witnessed a significant decline compared to the previous month (-1.3%), with the automotive and construction industries experiencing particularly substantial decreases. The ifo business climate index, an economic indicator, that measures the business sentiment in Germany (by the Institute for Economic Research) further deteriorated in July, with expectations for future developments being pessimistic.

Considering the declining inflation rates and rising wage agreements, private consumption could increasingly play a more significant role in driving economic growth in the upcoming months. The inflation rate stood at 6.2% (June: +6.4%) and the rate of core inflation also decreased by 0.3% points to 5.5%.

On the labour market, the ongoing cyclical weakness persisted in August, but the noticeable decline observed in the previous month did not continue. Registered unemployment slightly decreased and employment remained unchanged. The labour market is expected to become less dynamic in the upcoming months, as companies plan to reduce their hiring activities.

The overall trend in corporate insolvencies shows a continuous increase since mid-2022, although is started from a very low level.

After the - now somewhat less pronounced - decline in German economic output in the winter half-year of 2022/23, the anticipated economic recovery did not materialise in early summer. The expected cautious revival of private consumption, services and investment in the domestic economy offers some hope, which is likely to strengthen throughout the year. At the same time, the still weak external demand, ongoing geopolitical uncertainties, the still high rates of price increases and the increasingly noticeable effects of monetary tightening are dampening the prospects of a stronger economic recovery. Current leading indicators such as new orders and the business climate, as well as the restrained development of the global economy, do not suggest a sustained economic revival in Germany at present.

### 1.1.1 Global Economic Outlook

Global industrial production remained unchanged in May compared to the previous month, while world trade recorded a slight increase of 0.3%. But leading indicators for world trade suggest to an uneven development in the upcoming months.



The IMF expects the global economy at an annual rate of around around 3.0% in the coming years, which is below the historical average. According to the current forecast average from Consensus Economics, economic activity in Germany's important trading partner countries is likely to increase only moderately this year (Euro area: +0.5%, USA: +1.6%). On the other hand, Asia is likely to provide stronger impulses for the global economy.

External trade prices continued reflect the impact of declining energy and commodity prices in world markets, as well as the alleviation of supply chain issues in the period under review. Business conditions improved by 1.5% in June compared to the previous month, with imports experiencing a sharper decline (-1.6%) than exports (-0.1%). This suggests that exports may have slightly increased in real terms, while imports may have decreased to a lesser extent in real terms.

### 1.1.2 Outlook in industry remains subdued

In light of companies subdued business and export expectations of companies, a significant recovery of the industrial economy is not yet foreseeable.

For the next few months, therefore, price dynamics will remain high but to slow down. The price pressure from previous cost increases and supply chain disruptions has largely shifted. Energy prices are at a moderate level. Monetary tightening is having a dampening effect on the demand side. Given this context, the current forecast range for the inflation rate in 2023 is 5.3% to 6.1% and it is projected to decline to 2.0% to 3.1% in 2024.

It should be noted, that there will be an additional base effect that contribute to an increase in the price level. In the period October 2023 to March 2024, the reduction in the VAT rate on gas and district heating in the previous year is likely to lead to a slight increase.

<sup>1</sup> This report uses data available up to 11 August 2023. Unless otherwise stated, these are rates of change compared to the respective previous period based on price-, calendar- and seasonally-adjusted data.

Source: [The economic situation in Germany August 2023](#)

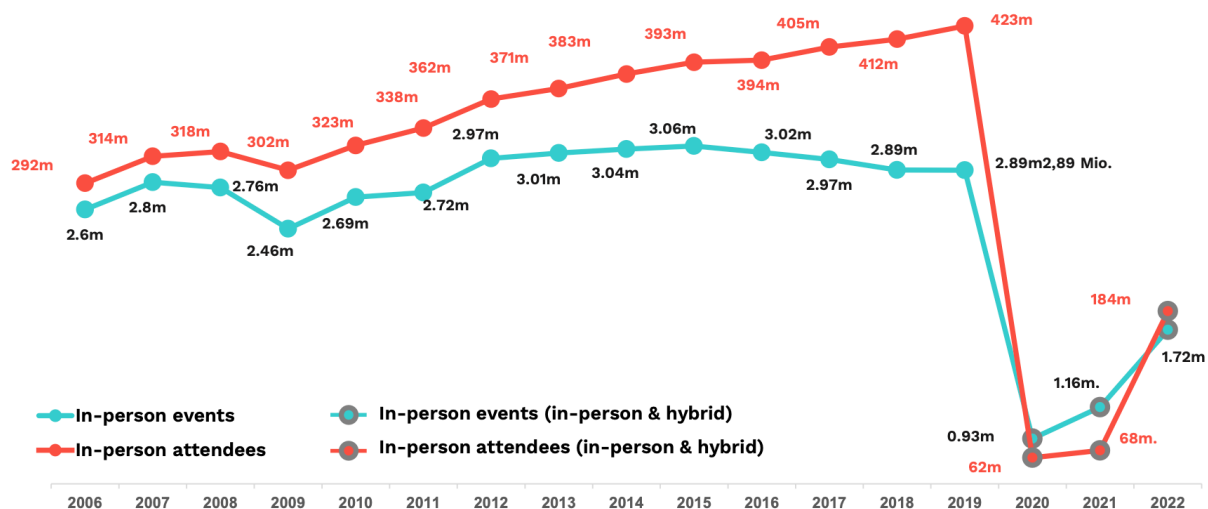
## 1.2 The German Meetings Industry – Status Quo

The development of the German event market in 2022 and 2023 highlights its ability to adapt to various challenges and the ongoing importance of business events in the communication strategies of organisations.

Overall, the real volume of on-site events (in-person and hybrid) in the past calendar year reached 48.5% of the 2019 level. The market's recovery became evident with the lifting of the Corona measures starting from the second quarter 2022 until the end of the year.

During this period event volumes return to 66.0% of pre-pandemic levels. There was a strong increase in the number of purely in-person events compared to 2021, but this was accompanied by a decline in hybrid events. In 2022, a total of 1.72 million occurred, encompassing both purely in-person and hybrid formats. This figure signifies a substantial 48.3% increase in comparison to the previous year.

A similar trend is observed in the number of participants. A total of 184.5 million participants attended pure live events and on-site hybrid events. This corresponds to an increase of almost 170.0% compared to the same year in 2021.



Basis: EITW, supplier surveys 2007 to 2023: total number of events, total number of attendees  
Source: GCB Meeting- & EventBarometer Deutschland 2022/2023

The need for in-person meetings has increased significantly, which puts the role of virtual and hybrid events into perspective. This trend is also evident when considering the duration of different event formats. On average in-person events last 1.4 days, hybrid formats 0.9 days and purely virtual events only 0.5 days.

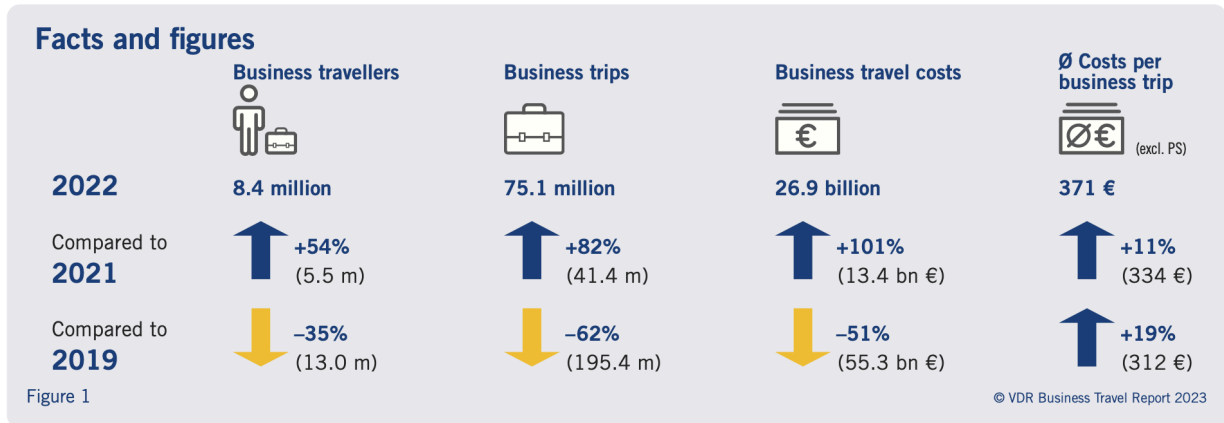
The increase in professionally motivated travel is also reflected in the numbers of international participants. In 2022, their share averaged 3.9% in 2022 (compared to 2.0% in 2021). This indicates that international demand is growing at a slower pace than the domestic market, but remains distinctly positive.

### 1.2.1 Business travel

In the report of the VDR (Verband Deutsches Reisemanagement e.V.), it is noted that the recovery of society and the economy has not yet been fulfilled, which is reflected in the number of business trips with an increase of 82.0 % to 75.1 million. However, the figures are still 62.0 % below the level of the peak year 2019. Business travellers from the public sector had a higher-than-average frequency of travel, with a growth rate of 99.0 %.



The majority of business trips have always taken place within Germany. However, starting from 2018, there has been a consistent increase in proportion of foreign travel, resulting that 2022 in approximately one in four business trips (26.0%) being abroad. These figures also show the increased catch-up demand after the pandemic.



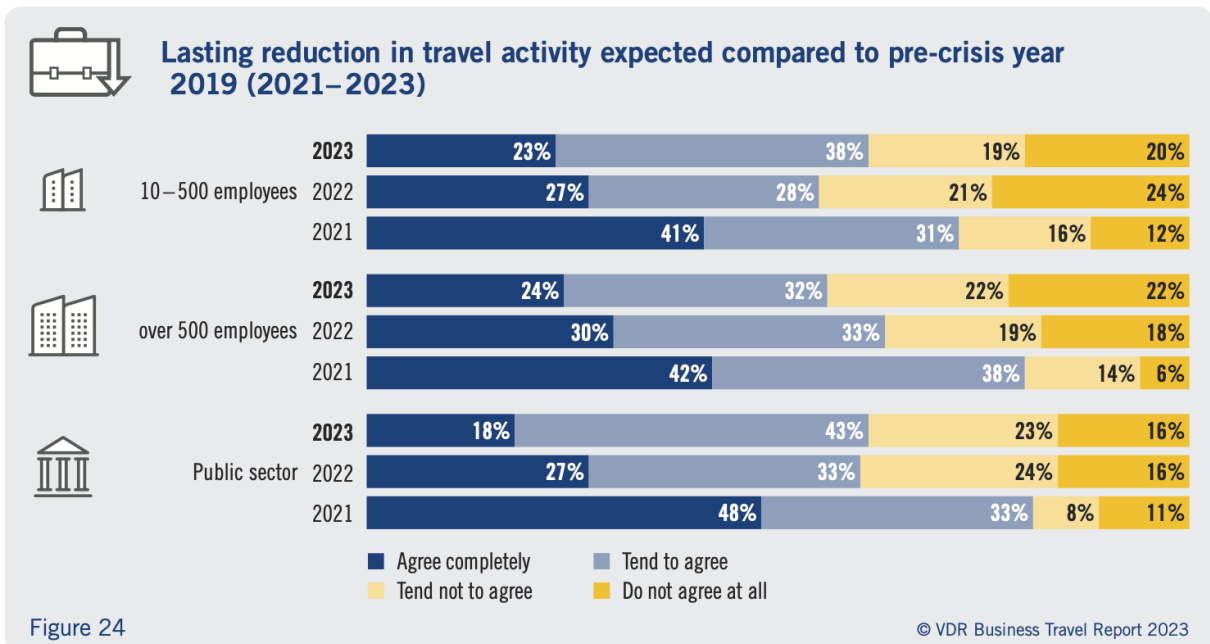
Source: VDR-Geschäftsreiseanalyse 2023

#### Developments in business travel in 2022:

- Increased business travel expenses are accompanied by a reduction in travel frequency due to changes in travel behaviour, extreme increase in energy price, worsening material and supply bottlenecks, a shortage of skilled labor and substantial price hikes from service providers.
- The average duration of business trips continues to rise due to the impact of the pandemic and pent-up demand.
- Video/teleconferencing is being adopted as a substitute for in-person meetings, leading closer scrutiny of the reasons for travel, bundling of business trips and booking of a lower category in accommodations in response to price increases.
- The effects of staff shortages persist, resulting in service bottlenecks, closures of restaurants, hotels operating with limited capacity, loss of new business opportunities and scheduling delays.
- Companies are increasingly implementing various measures and initiatives in the area of sustainability, such as allocating budgets for sustainable furniture.

### 1.2.2 Outlook Travel Activity

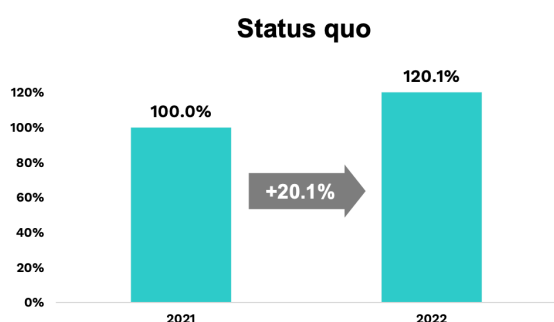
Even if in the third year after the outbreak of the pandemic the consensus on this question is no longer as strong. However the basic forecast remains: Business travel will permanently decrease compared to the pre-pandemic times. 47.0 % of companies see fewer reasons for business travel, and intelligent bundling of appointments also contributes to this (60.0 %). The reduction in the number of business trips as the top measure to address the climate crisis, achieve more sustainability and balance between work and private life are also among the reasons. Safety and health concerns are also cited by approximately one in four companies today. From 2019 to 2021, there was a 30.0% decrease in business travel compared to the figures of 2019.



Source: VDR-Geschäftsreiseanalyse 2023

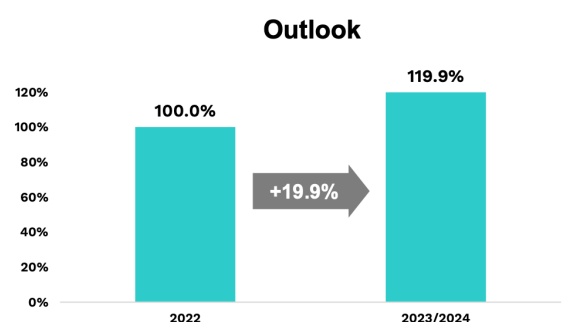
### 1.3 Turnover & Budgets

A comparison with the pandemic year 2021 reveals an overall increase in revenues of 76.7% in 2022, indicated a noticeable upward trend. For budgets, on the other hand, the increase is somewhat more minimal. For almost half of the respondents, the amount of the budget remained the same, while it increased for around 44.0%. As a result, the budget in 2022 developed around 20.0% above the level of the previous year. In-person events accounted for just over half of the organisers' budget in 2022, but represented only two-thirds of the total number of events.



In 2022, event organiser budgets were 20.1% higher than in 2021. The budget remained the same in 2022 for almost half of the respondents and increased for only 44%.

Source: GCB Meeting- & EventBarometer Deutschland 2022/2023



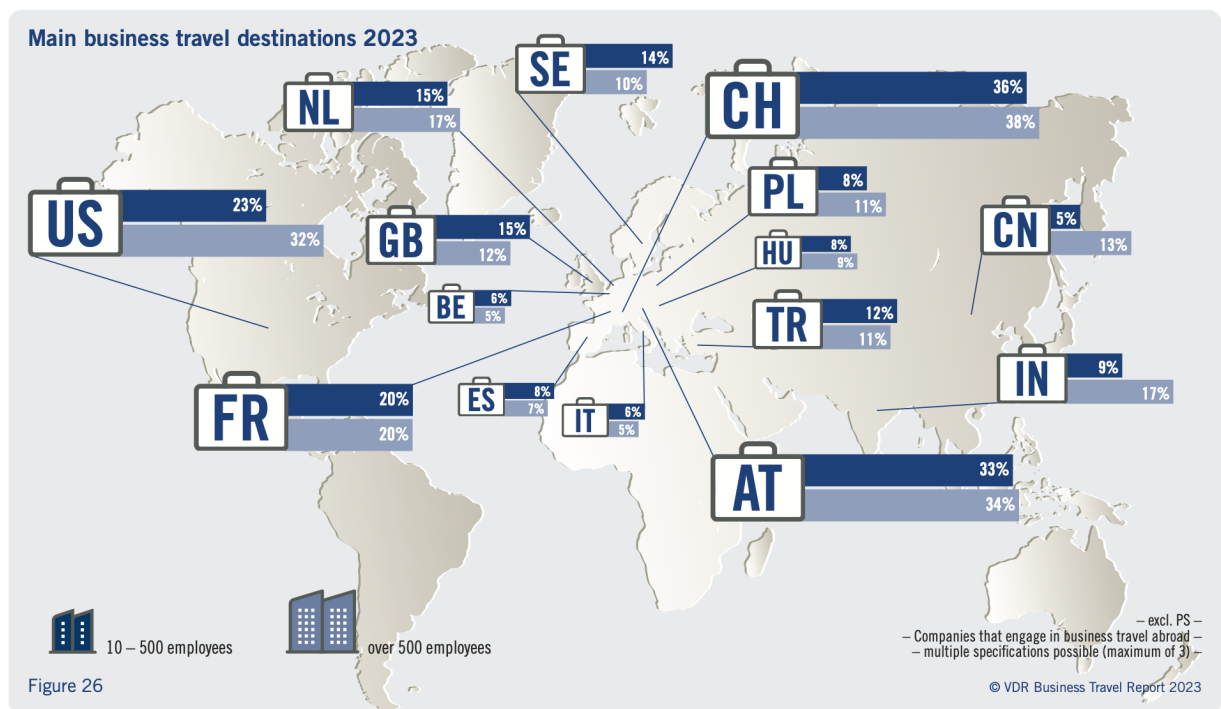
For the current year 2023 and the coming year, budget increases of around 20% are expected. For 2024, the share of those who expect the budget to increase is growing.



## 1.4 The most important source markets

The focus of the most important international source markets is once again on Germany's direct neighbours. Austria and Switzerland take the first and second place, followed closely by the USA. Other neighbouring countries such as the Netherlands and France are also rank in the top 5.

For future marketing activities it is important to identify new potential markets. The top 3 potential source markets include Switzerland, the UK and Austria. Therefore, the focus remains continues to be on the European source markets.

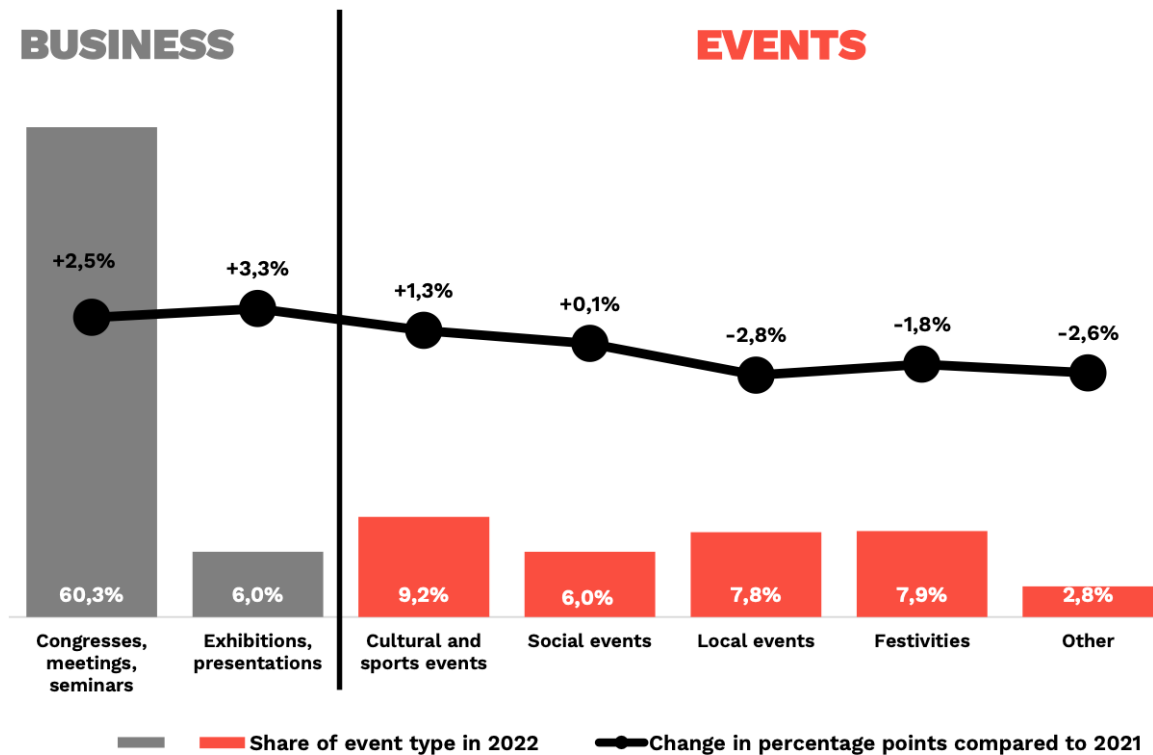


## 1.5 Meeting formats & Organisers

Corporate clients remain the largest group of organisers, followed by associations from academia, the public sector and others. Among these, 45.0% are booked in conference hotels, 31.0% in event locations and 24.0% in convention centres.

This indicates that the percentage distribution shifts only minimally and continues to decline by 0.3% to 1.4%.

Congresses, conferences and seminars continue to be the most important types of events, accounting for 60.3% and experiencing a 2.5% increase. Cultural and sporting events come in second place with 9.2 % followed by festivals with 7.9 % and local events with 7.0 %. Exhibitions and presentations, as well as social events, still account for 6.0%.



Source: GCB Meeting- & EventBarometer Deutschland 2022/2023

## 1.6 The focus topics and challenges of the meeting industry

### 1.6.1 Sustainability increasingly in focus

The participants attending hybrid formats, along with those attending in-person formats, form a growing group of individuals, who wish to meet face-to-face.

Especially concerning to the topic of sustainability, the responsible use of digitalisation is inevitable and increasingly important. Approximately one fifth of the supplier companies have already strategically positioned themselves sustainably throughout the entire area of the supply chain. The vast majority of surveyed suppliers are capable of fulfilling various aspects of sustainable endeavours, while less than 10.0% of respondents do not actively engaged with the topic.

For event organisers, sustainable event management holds significant importance. When considering different aspects of sustainability at events, catering takes precedence followed by CO<sub>2</sub> compensation and a certification system.

Overall, sustainability is increasingly influencing corporate decisions and the entire event planning process.

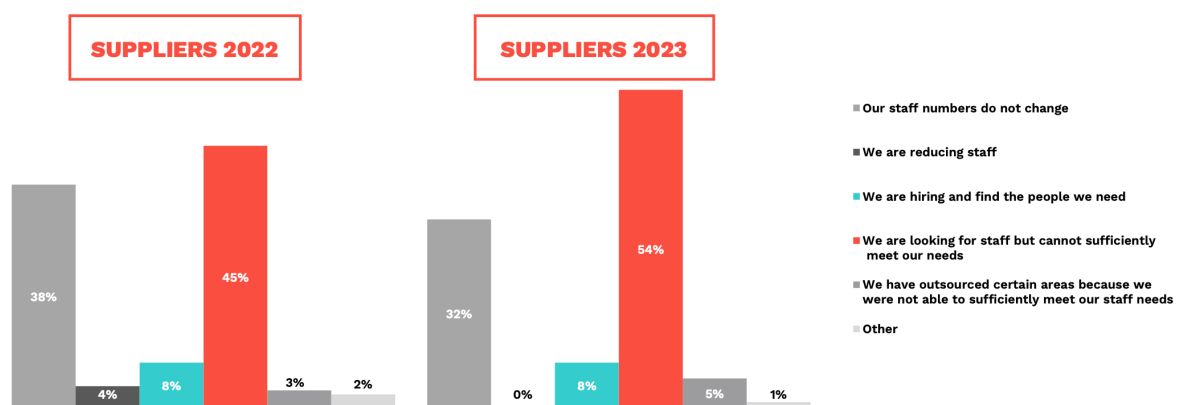




## 1.6.2 Staffing situation remains challenging

The majority of suppliers are still looking for personnel. 62.0% of businesses would like to hire staff (compared to 53.0% in 2022), but only 8.0% of venues are able to find sufficient staff, while 54.0% are unable to meet their needs satisfactorily.

The various crises are further complicating the recruitment of staff. Skilled workers are particularly in demand, followed by trainees and temporary staff, within the provider companies. This places even greater demands and burdens on the existing workforce. Other consequences include rising labour costs, supply constraints, a decline of quality and the inability to fully exploit growth potential.



Source: GCB Meeting- & EventBarometer Deutschland 2022/2023

## 2 TARGETS.

- Further establishing the topics of "sustainability" and "corporate social responsibility" in the market through corresponding activities.
- Introducing the "Bleisure" campaign with corresponding measures and activities
- Evaluating and driving forward cross-market and cross-theme projects
- Maintaining a strong market presence by continuing various activities such as sales calls and participation in customer events
- Raising awareness and maintaining interest of existing clients in Switzerland
- Acquiring new customers and reactivating the customer base in the greater Stuttgart area and Baden-Württemberg respectively
- Responding to market tenders quickly, proactively and professionally
- Providing support to customers with our valued quality service
- Ensuring that our clients are aware of innovative programme ideas
- Targeting corporate clients with a special interest in Switzerland
- Penetrating the association market

- Increasing the number of followers on our website at myswitzerland/meetings
- Expanding digital marketing efforts and click-throughs rates via LinkedIn, Instagram and newsletters
- Cleaning up and updating the database

### 3 DATABASE GERMANY AND AUSTRIA.

The SCIB's database is comprised as this concerning contacts from Germany & Austria (as of August 29<sup>th</sup>, 2023).

Kind	Contacts
Agency	1.998
Corporate	1.429
Association	341
Media	39
Other	323
<b>Total</b>	<b>4.130</b>

### 4 DETAILED MARKETING ACTIVITIES.

Further details of past, present, and future marketing activities can be found on <https://www.stnet.ch/de/meetings-kongresse-scib/ueber-scib/markte/>, accessed by using your personal username and password.