



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 worldwide economy growth did not exceed 3.1% in 2023 versus 3.5% the previous year. This slowdown is due to the increase of interest rates decided by major central banks in order to battle inflation and by the ongoing geopolitical tensions. The worldwide increase should be just over 3% in 2024. This is a much inferior figure to the previous decades and is a result of the decrease in demographics and productivity.

Growth of the Belgian economy:

Both in 2023 and 2024 the growth of the Belgian GDP is based on individual consumption and company investments. Net exports and individual investments in housing have a negative effect. The GDP growth reached 1.5% in 2023 and will settle at 1.4% in 2024, impressive progression for Belgium within the euro zone (respectively, 0,5% and 0,9%). The Belgian economy is forecasted to stabilise strongly, varying between 1.3 and 1.4% per year for the period 2025-2029, and slightly under the euro zone (1,5%).

The Belgian economy growth is mainly a result of national demand, there where export has suffered by the international economy. Company investments have increased, but the individual investments in housing have decreased because of the increased mortgage rates and the growing cost of building materials.

It is possible that in 2024, these investments will suffer from the pressure of the negative influences. Nevertheless it is almost certain the enterprises will continue to invest in sustainability and digitisation, two transitions in the economy that will only increase in importance in the coming years.

Inflation:

The spectacular decrease in energy prices after the huge rise has resulted last year in a quick decrease of the inflation figures, even reaching negative figures in October. But in the meantime the market for raw materials (including energy) has stabilised meaning they no longer impact the inflation figures. In the coming months, inflation in Belgium will settle around 4 à 5%. Based on today's figures and without surprises from the energy market, inflation should be at 2,8% in 2024, to decrease to 1,8% as of 2025.

Labour Market:

The labour market also shows signs of the uncertain economic climate with a clear decrease of part-time activities and the number of new job offers. However the overall employment continues to grow. One of the major problems for the last couple of years has been the sourcing of qualified staff and that is still so in 2024. The employment growth will slow down to settle around 74,3% in 2029. Unemployment will increase slightly to decrease to 8,2% in 2029.

Challenges:

Profitability of companies is decreasing. These last couple of years the average benefits of companies have been under pressure due to the price increases of raw materials, the higher

cost of financing and major salary increases. A few of these indicators will improve but a planned major salary indexation and uncertain economic perspectives suggest an ongoing decrease of the average profitability.

2024 is election year in Belgium: the country faces huge challenges in public finances, increase of productivity, education, labour market, sustainability and digitisation. Industry leaders insist on structural reforms but will the new government come up with the right solutions is the question.

Source: Bureau du plan, perspectives économiques 2024-2029, February 2024

1.1.2 Situation in Luxembourg

For the euro zone 2023 has been a year of sluggish activity and Luxembourg like a few other countries have been in recession. 2024 foresees a slow increase but still much influenced by the international situation.

Since early 2023 the economic activity in Luxembourg has stagnated versus the previous year (-1% GDP). The financial and construction industries have been particularly touched with a decrease in activity.

For 2024, a slight increase is forecasted but it is possible Luxembourg will still know a slight recession. Export should pick up again, but with a minimal increase. Inflation goes down in Europe, but salaries increase in Luxembourg. They are expecting a 2,6% inflation in 2024.

The Luxembourg labour market is clearly slowing down, with a quasi-stagnation of employ and an increase in unemployment. Even with a slight activity increase in 2024, employment will slow down (+1.3% in 2024).

Source: Statec Central Service of Statistics and Economic Studies, Luxembourg, conjoncture Flash, February 2024

Perspectives économiques de l'OCDE, volume 2023, Numéro 2

1.2 Meetings industry situation and trends

After the summer period in 2022 the demand for meetings abroad picked up, but the ongoing Ukraine war and sky-rocketing energy rates counteracted that movement. With a historically high inflation rate and salary indexation, companies have to increase salary budgets by 10%, which will of course have its repercussions on other expenditures.

The majority of companies have gone back to face-to-face meetings but some continue with hybrid and virtual meetings.

In most companies, remote working has become standard, on average two days per week. Business events did not return to the before covid standards, mainly because of home offices and teams and/or zoom meetings, incentives return but mainly to surrounding regions/countries. But it is a fact that working from home has underlined the need for physical meetings of the teams in order to cultivate a company spirit and the commitment of the employees.

Agencies get a lot of requests and are still struggling with finding qualified staff. These last few years have been a rollercoaster for the events industry that had to face many challenges and adapt. It has thrived, proving its immense value and return on investment in the

world of marketing. Events have become a crucial communication tool, scaling new heights in marketer's playbooks.

The events industry continues to evolve mainly because of digitalization and personalization. The integration of AI and other advanced systems will definitely re-define the way events are organized and experienced.

Corporate buyers consider the attractiveness of the country / city when choosing a destination for their event. They also consider potential business reasons to travel to a region, e.g. visiting a branch office, access to local customers.

Decision makers do look at the return on investment (ROI), but more so they expect a return on experience (ROX), to reinforce the feeling of belonging and to offer special moments worth remembering.

Sustainability isn't just a buzzword – it's a necessity. We're not just talking about avoiding plastic or encouraging eco-friendly travel to events. We're talking about comprehensive sustainability impact assessments, about scrutinizing every aspect of the event supply chain.

Budget control is an important topic in all aspects of meetings and events. Budgets remain the same but the cost of meetings increases. There is less money as inflation reduces the expenses. Meeting planners must show their creativity where costs are concerned and this can result in changes of destination, shorter meetings, different menus, etc...

It gets more and more difficult to attract attendees to a meeting or event. The WOW effect is important but the ROI is even more important. Attention to the feel-good factor and food and beverage options for participants are important as well.

Trends and outlook 2024

These are the trends and perspectives in the companies and agencies:

- Attending events in person is increasingly common (again). Networking events, opportunities to connect and teambuilding are more important than ever.
- **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.
- **Creativity**
Agencies will have to come up with digital solutions and AI applications to render the attendee experience more original and within budget restrictions

- 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.

Sources: BCD Meetings & Events, What's trending 2024; Amex GBT Meetings & Events 2024 Global Meetings and Events Forecast; diverse professional medias.

Within the associations:

Today, associations do not limit themselves to organising member meetings and other events in the conventional way. Instead, they will actively seek innovative and dynamic ways to further engage their members and offer them added value through inclusion, fun and much more. Here are 5 event trends for 2024:

- **DEI at all stages**
In 2024, associations will prioritise DEI (Diversity, Equity and Inclusion) efforts. To effectively implement these principles throughout event logistics, associations should include DEI-oriented fields in the event website and registration form, promoting inclusivity. Additionally, the event programme should be carefully designed to showcase diversity and incorporate content that promotes the principles of DEI.
- **Gamification at events**
The popularity of participant interaction at events, regardless of the format, whether it be in-person, online, or hybrid, will continue to grow. Online trivia, polls, leader boards and quizzes will feature prominently, adding a touch of entertainment and fun to events. The key is to actively encourage members to engage in the association's activities. Moreover, it is important to create networking opportunities -such as an app dedicated to the event -that are more engaging and connect event.
- **Beyond sustainability**
In the context of event planning, the focus on sustainability has been at the forefront in recent years. In 2024, this trend will increase. Event organisers will focus on measuring and reporting the impact of their sustainability efforts, for example by tracking the carbon footprint of their events. In particular, the focus will be on aspects such as food waste, energy consumption, the use of sustainable and local materials.
- **Virtual and hybrid events are here to stay**
Although in-person meetings are slowly getting back to their pre-pandemic levels, hybrid and virtual events have become a permanent fixture of the association world, complementing (not replacing) in-person gatherings. Virtual events offer increased flexibility and convenience for members and event organisers and provide a cost-effective and sustainable option. Additionally, virtual events can help reach a larger audience, as participation is not limited by travel logistic hassles or budgetary constraints.
- **Year-round event cycle**
Although the Annual General Meeting is still the flagship event of the year, associations are expanding their offering and moving towards a year-round event cycle, which allows them to keep members engaged and to respond to an increasing demand for interaction. Thanks to the rise of virtual and hybrid events, associations are diversifying the types of events they can organise, as well as their frequency. However, quality will always trump quantity, so event organisers need to be conscious of content and scheduling events that will create value for their members.

Source: Sec Newgate January 2024

1.3 RFP Situation in Belgium and Luxembourg

According to the agencies, the number of requests is quite high. There is a lot of competition between agencies, who are asking us to come up with original ideas that are off the beaten track and will make all the difference. It is still clear that sunny destinations in South Europe are very popular, including Italy, Spain and Malta. For our part, the number of requests received is slightly superior to the same period last year, but for smaller groups and requiring more work as we have to search for that one unique detail for a specific client.

As a result of 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.

Challenges

- Last minute requests
- Inflation, recession, energy, war, increasing salary cost
- Reduced budget view of the situation
- Strong Swiss franc
- Train connections from BeLux to Switzerland
- Availabilities in Switzerland

2 TARGETS

The Belgian market, and more specifically Brussels, is still 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.
- Keeping 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.
- Representing our Swiss partners in the best way possible and providing them with the appropriate platform for “meeting” potential clients in Switzerland.
- Ensuring high visibility on local markets 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 travel starts up again. The office has had a fairly high presence in the market for over 30 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	570
Corporates	934
Associations	900
Media	17

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.