



Switzerland.

Market situation China.

Switzerland Convention & Incentive Bureau (SCIB).

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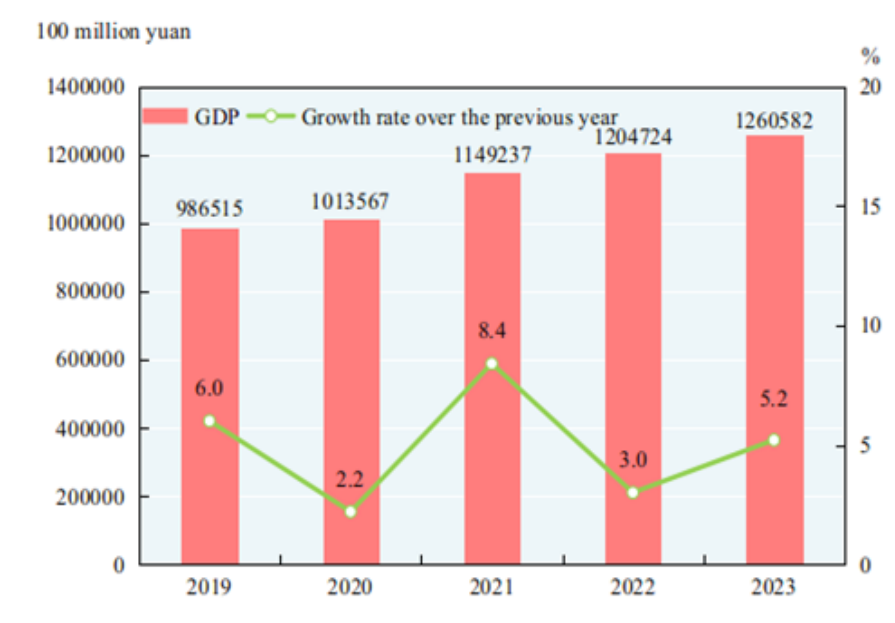
1 MARKET SITUATION AND OUTLOOK.

1.1 Economic situation

Mainland China:

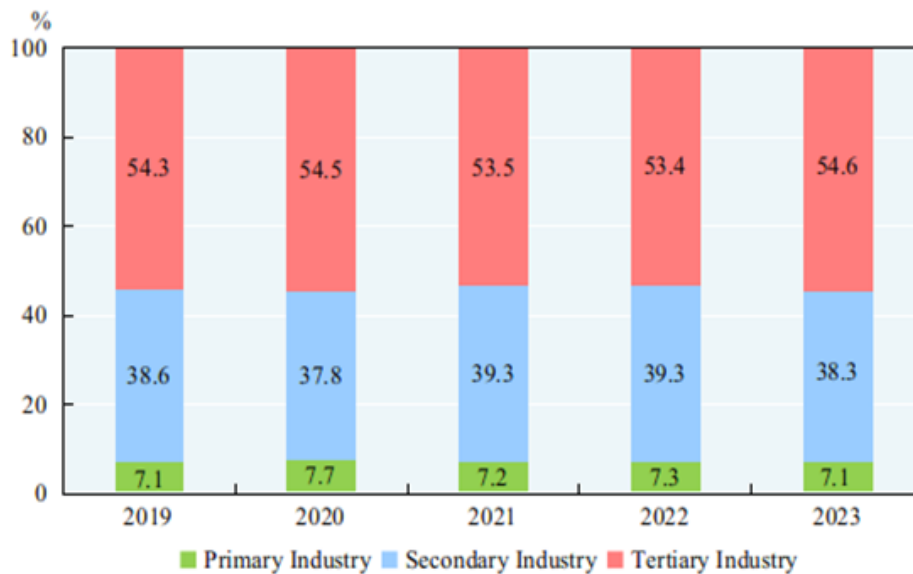
In 2023, against the backdrop of unstable global economic recovery and intensified international geopolitical risks, China's economy maintained strong resilience and achieved stabilization and recovery, with an annual economic growth of 5.2% (Source: National Bureau of Statistics of China).

Figure 1- Gross Domestic Product and Growth Rates 2019-2023



According to preliminary estimation, the gross domestic product (GDP) in 2023 was 126,058.2 billion yuan, up by 5.2 percent over the previous year. Of this total, the value added of the primary industry was 8,975.5 billion yuan, up by 4.1 percent over the previous year, that of the secondary industry was 48,258.9 billion yuan, up by 4.7 percent, and that of the tertiary industry was 68,823.8 billion yuan, up by 5.8 percent. The value added of the primary industry accounted for 7.1 percent of the GDP; that of the secondary industry accounted for 38.3 percent; and that of the tertiary industry accounted for 54.6 percent. The contribution of the final consumption expenditure to GDP growth rate was up by 4.3 percentage points, that of the gross capital formation to GDP growth rate up by 1.5 percentage points and that of the net exports of goods and services to GDP growth rate down by 0.6 percentage points.

Figure 2- Shares of the Three Industries' Value Added in GDP 2019-2023



Mainland China's economy saw a stronger than expected growth in 2023. However, projections are still cloudy, with the Chinese economy struggling to pick up the pace after almost 4 years of strict zero covid policy affecting the global supply chain and investor confidence. China's economy is projected to grow by around 5% in 2024. Low consumption, rising shipping costs between Asia and Europe paired with a looming deflation, high youth unemployment and a real estate crisis are curbing growth in the world's second largest economy. As consumer and business confidence is impacted by high uncertainty, the economy will remain a priority for the Chinese government in 2024. Further stimulus and policy adjustments to boost GDP and foreign direct investment are expected. China's long-term growth should continue to surpass most Western economies as China's economy is transitioning towards innovation-led growth with opportunities in consumer tech, artificial intelligence, domestic brands and service spending as well as green technology.

Hong Kong:

Hong Kong's economic recovery continues on a slow path. For 2024 experts are forecasting a GDP growth of 2.7 – 2.9% with 42% of businesses expecting a lower turnout than in 2019. Companies continue to struggle with talent sourcing, although the outflow of talent is gradually slowing down. The Hong Kong government is combatting talent outflow with a new investment visa scheme, aimed to attract investments and talents from the Mainland and abroad. Housing prices are down 20% from their historic peak in 2021 and are expected to continue their decrease in 2024.

Taiwan:

The economy in Taiwan showed sluggish growth all throughout 2023. As global trade picks up momentum, backed up by the expansion of emerging technologies such as artificial intelligence and high-speed computing, Taiwan's economy has finally bottomed out and is beginning to rise in 2024. Experts forecast a 3.1-3.5% GDP growth in 2024, partly due to a rebound in private investment and Taiwan's crucial role in the global

trade of semiconductors. While the manufacturing sector continues to be in contraction and Taiwan's CPI rose way above the alert level of 2%, unemployment rate remains at a historic low with 3.3% and export orders remain at historic high levels leading to a record high trade surplus of US \$80.56 billion as of December 2023.

1.2 The Situation of the Meeting & Destination Wedding Industry & Trends.

Overall, Chinese people, whether they are business travelers or leisure travelers, have a high interest in Switzerland, which can be attributed to Switzerland's long-term existence, good political relations between the region and Switzerland as well as a high perception of natural beauty, comfort, standard and safety in Switzerland.

MICE:

For MICE clients, they returned to Switzerland with fastest reaction after the epidemic in 2023.

Most of MICE projects, they have not stopped during the epidemic period, but their destinations have been transferred from overseas to domestic destinations for hosting. After the epidemic, companies began to re-plan their outbound projects.

Industry-wise, the most requests from China market in the near future: Direct selling industries, insurance companies and etc.

As a result, the prospects of MICE industry in China are still good for Switzerland in the future once the image of Switzerland as a neutral state. The main targeted clients amended their budget for incentives groups, but eager to travel abroad again after pandemic. Meanwhile, MICE agencies are busy with overseas requests and making quotations. There's no doubt that they expect to run more business for overseas destinations. Compared to last year, this year's resources are relatively more fully prepared. Swiss International Air Lines has resumed to 75% capacity of pre-pandemic level, with flights resuming daily operations from Shanghai to Zurich and Hong Kong to Zurich in 2024. Air China is flying to Geneva four times a week from Beijing. Visa is no longer an obstacle to MICE projects, and the Swiss Embassy and Consulates in China are very supportive of the incentive projects.

However, there are still significant challenges, such as a significant increase in destination costs, unfriendly exchange rates, a lack of professional personnel for MICE agencies and cash reward support for other MICE destinations.

Destination Wedding:

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

As a long-haul wedding destination, Switzerland is still with plenty of potentials, esp. combination with honeymoon trip and pre-wedding shooting.

Elopement weddings have become more popular, and newlyweds are more concerned about their own feelings, so their acceptance of destination weddings is increasing.

The most popular wedding destinations currently are concentrated in Southeast Asia or China. But with the opening of the outbound market, more and more couples are considering going abroad. For destination wedding planners, the competitions in the Southeast Asian market are very fierce, so they have begun to focus on the development of products and services for long-haul destinations. High safety and destination feedback efficiency are very important screening factors.

1.3 RFP situation in China.

MICE:

Before the epidemic, the projects we confirmed were still being worked on to recover. At the same time, we are also working together with MICE agencies in the industry to promote Switzerland as a MICE destination.

After the epidemic, the number of projects traveling to Europe has decreased. Some projects focus more on experiential activities and are willing to allocate a portion of the budget to small banquets, with the main number range of projects being 15-200 people, which may make it easier to find suitable resources for the destinations of Switzerland.

Destination Wedding:

We took advantage of the pandemic and filmed Asian styled destination wedding in Switzerland, which were not launched for promotion until 2023. In 2024, we will focus more on small-scale weddings and destination wedding productization, assist destination wedding planners in finding suitable resources, increase media exposure, and attract more attention to Swiss weddings.

At the same time, we will also pay attention to the remarriage and wedding anniversary markets. Especially in some markets in Taiwan, Hong Kong, and mainland China, the main force heading to Switzerland is the retired population.

2 TARGETS.

2.1 Qualitative.

- Maintain our strong market presence and align with market needs and development within the business events industry / destination wedding circle.
- Continue to adapt and, where feasible, incorporate new trends and technologies, e.g. WeChat Mini-app application.
- 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 digital presence to promote the brand & stay connected to clients proactively.
- Organize corporate clients event to approach them directly.
- Research, qualify & (re)connect with corporates and Destination Wedding planners.
- Convert RFIs and RFPs into overnights and consistent ROI.
- Make necessary updates to the database and the client's history.

2.2 Quantitative Goals

- Number of qualified contacts in the database: 1050
- Qualified client contacts: 130
- Number of days with customers: 55
- Number of requests: 35
- Number of conferences, meetings and incentives in Switzerland: 20
- Number of directly influenced overnights: 6500
- Web visits on meetings/incentives: 4000

3 CURRENT DATABASE FIGURES.

Type	Contacts March 2024
Agencies	1046
Corporates	65
Wedding Planners	15

4 DETAILED MARKETING ACTIVITIES.

Further details of past, present, and future marketing activities can be found on www.stnet.ch, accessed using your username and password.