



Market insight Germany

March/April 2021

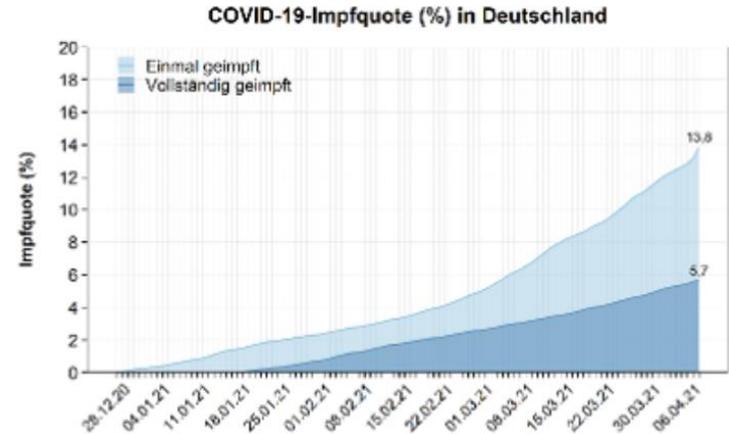
General situation in Germany

General Corona update

Rules:

- Contacts are to be limited. Private gatherings are allowed with max. 5 people from 2 households. Children under 14 are not counted.
- All should comply to AHA + L + A rules -> keep distance (1,5m), hand hygiene, wear a (medical) mask, ventilation indoors and use the Corona-App.
- A medical mask is obligatory in public buildings, in shops (and 10m around), on public transport, and also locally on public places. Further differing local rules exist in each state.

- Vaccination rate is relatively low.
- Schools are partially open, shift model.
- The British virus variant B.1.1.7. is predominant.
- Corona restrictions apply until 18. April.



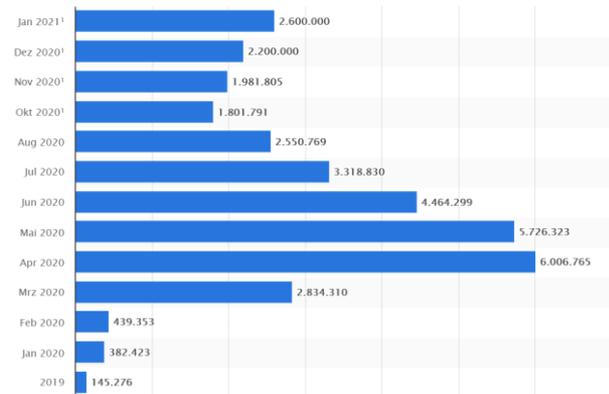
Vaccination rate on 7.4.21 source: [RKI](#)

Update on economic situation

- Sentiment among German business managers has improved noticeably. The **ifo Index** rose from 92.7 points (seasonally adjusted) in February to 96.6 points in March. It is the **highest value since June 2019**. Optimism about the coming months has also returned, despite rising infection numbers. (*ifo-index*).
- The **obligation to file for insolvency** for insolvent companies is **suspended** until the end of April 2021. Bankruptcies will probably show later in 2021.
- **Aviation industry:** On average in January and February 2021, only around 10 percent of passengers flew compared to the pre-crisis level. 65% of airport employees are on short time work. Every fourth job in German aviation is threatened.
- The general German **labour market** is relatively robust, with unemployment figures in February of 6.2 per cent (in December 5.9 per cent). This is seasonally dependent and companies receive good government support.
- The number of people in **short-term work** rose again slightly to 2.6 million in January 2021. To secure jobs further in the crisis, the government extended the duration of short-term work until end of 2021.

Sources: ifo institute, Federal Ministry of Justice and Consumer Protection, Presseportal

ifo Business Climate Germany*
Seasonally adjusted



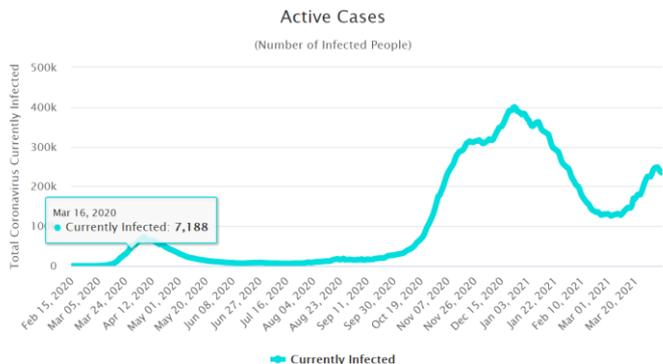
Source: short time work, Statista

Update on German travel advice

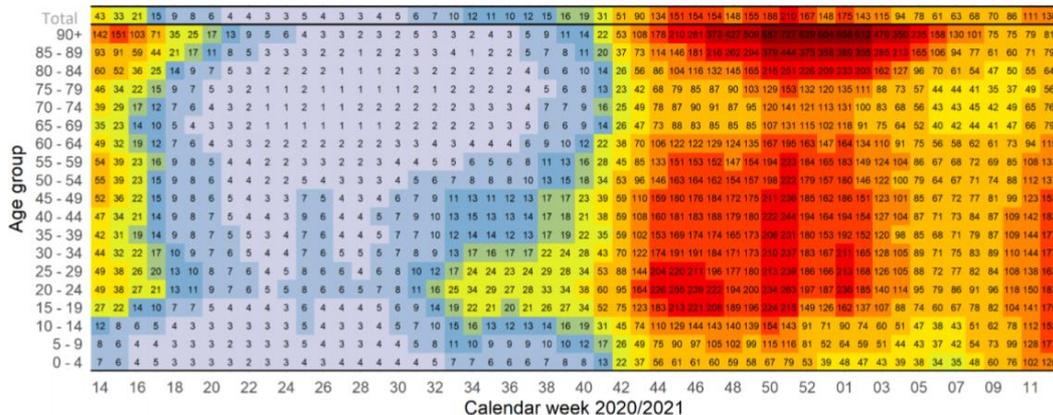
There are **currently warnings against unnecessary private and business trips** (especially tourist trips) to a large number of countries. The Government gives differentiated travel advice for individual countries.

Flight travellers to Germany will be required to take a COVID test before departure, regardless of the coronavirus risk level in their country of origin (valid until mid of May 2021).

Active Cases in Germany



Germany - Weekly COVID-19 incidence (per 100,000)



Meetings industry

Current situation in the German MICE industry

- Since summer 2020 many agencies have their employees on short-time work and expanded it to a maximum of 24 months. Many event planners either do not work or work few hours per day. They have to use these shortened working hours to do everyday business and on eventual ongoing projects. Capacity for the oversupply of presentations of destinations or hotels is low.
- In 2020 some agencies have quickly become experts for hybrid and virtual events. They reacted to customer needs and could even win new ones.
- Both corporate and event planners from agencies confirm that events and meetings in early 2021 are held in virtual form.
- It is assumed that with increasing vaccination rates and decreasing case numbers physical events are planned and conducted in the second half of the year.
- Hybrid and virtual events will also play a significant role post-covid.
- Event planners fear that in the future face-to-face events become more expensive as they need to rent larger rooms for small groups to be able to comply with current hygiene measures.

Current needs and challenges for event planners

- Due to the persistent lockdowns and contact restriction still only **virtual formats are requested and implemented** and demand is high.
- **Infrastructure for hybrids events** will also be important in the future. Experiences with already implemented hybrid event formats can influence the decision of event planners. **Flexible cancellation conditions are essential.**
- Virtual site inspection, options for hybrid events, hygiene concepts, images and events with current security conditions are essential for event planners and **should be offered without invitation.**
- Although there are hardly any planners at the moment with specific inquiries for events abroad it is **important to stay in touch with them.** As soon as the situation will calm down event planners will take destinations in consideration that **proactively** offer good solutions, that are in their mind and known to them and that can offer **fast, uncomplicated alternatives** for events.



Photo: Foap – visitnorway.com

The event industry is changing

A qualitative structural change of the event industry has already started, and have been massively accelerated due to the Corona pandemic:

-> The **digital transformation** and

-> the **megatrend sustainability**

bring innovative concepts and new actors.

The trend to hybrids and spacious distributed events will increase.

People will return to face-to-face events, which can in many cases be virtually expanded and thus open up to larger communities.

(Source: <https://www.dmm.travel/nc/news/ve-ranstaltungsmarkt-wandelt-sich/>)



Top criteria for event planners for choosing a destination

- Security & open borders, travel permits, no quarantine, priority for business travellers
- Large rooms and areas outdoors
- Hygiene concepts
- Support from convention bureaus for hybrid event formats
- Good internet and technical infrastructure
- Cancellation policy and cancellation flexibility
- Partners who know all regulations and are up to date on status of local suppliers
- Top service



Related surveys

VDR business travel barometer 2020, September 2020

VDR: Association of German Travel Management

- only 2.7% of the companies surveyed (n= 74) allow unlimited business travel at the moment,
- 96% allow business trips only in justified exceptional cases.
- 28.6% (4.3%) companies allow business trips within Germany (Europe) without restrictions
- The majority of 61.2% of the companies surveyed estimate the business travel volume to decrease by 30% in the future and only 3.0% estimate a recovery up to the same level as before.

(Source: VDR Business Travel Report 2020 (vdr-service.de))

VDR Barometer Update, April 2021:

- Business travel activities remain at a low level
- Employees are almost without exception only allowed to travel to business-critical dates
- Significantly more companies expect travel restrictions until the end of the year
- Respondents are less optimistic overall.

(Source: Stimmungsbarometer zur Corona-Pandemie | VDR (vdr-service.de))

Trend survey from VPLT, March 2021

VPLT: Association for Media and Event technology

Respondents were Entrepreneurs, sole traders and employees in DACH markets

- Around **40% have lost employees** (reasons: lack of prospects in the industry/ company, insufficient earnings in short-time work). Around 24% will lay off employees in the foreseeable future, around 40% cannot yet decide
- Around 55% said that 70 to 100% of the employees were on short-time work. Only a few ended short-time working, e.g. because of the termination of employees
- Many criticize that financial aid has so far not been sufficient or effective
- Respondents confirm a **loss of skilled workers** and negative effects on apprenticeships.
- **Expectation on reopening:** Most respondents assume a possible restart of the event industry in 2022. More optimistic ones believe in a restart at the end of 2021. Few believe that 2023, 2024 or even 2026 will be as before the crisis.
- When it comes to the question of whether the industry will emerge stronger from the corona pandemic. More than 40 percent are sceptical in this regard.

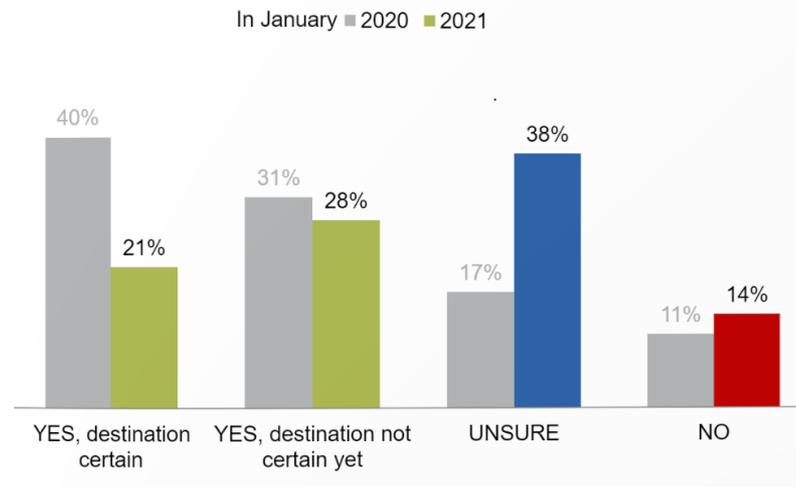
Reiseanalyse 2021 F.U.R. (leisure travel) – first results

- There is a strong desire for holiday travelling among Germans, at the same time insecurity about whether and when it is possible again
- Pessimism about general economic situation, but 80% expect their personal economic situation to remain stable or even improve
- Among holidaymakers, holidays have the second most important consumption priority, short and weekend breaks are significantly less important
- Travel plans in January 2021 (see figure)

(Source: [RA 2021 How Germany travels](#))

TRAVEL PLANS 2021:

The results give reason for cautious optimism





Tusen takk!
www.innovasjon norge.no