



Market insight Russia

March/April 2021

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When we ask how the situation are for the companies and what they focus on right now, they answer the following:

- ✓ *Focus on business travel and events in Russia*
- ✓ *Provide up-to-date information regarding travel and events in Russia and abroad according to actual sanitary measures and safety regulations*
- ✓ *Implementation diverse digital tools for competence development for the staff*
- ✓ *Tailor-made digital/hybrid events for the clients*
- ✓ *Assistance in business travel to destinations abroad if required permits are in order*
- ✓ *International events/incentive trips are available on request to open destinations and «on hold» to countries with closed borders*

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And when we ask how the outlook for this year is, they say:

- ✓ *Russia is the 4th most affected country in terms of Covid-19 with almost 4.400.045 infections and 92.494 deaths (15.03.2021) and the 1st country in the world to register a COVID-19 vaccine Sputnik V – on 11th of August 2020.*
- ✓ *05. December 2020 mass vaccination against COVID-19 has started in Russia. It is free of charge and voluntary. There are 3 COVID-19 registered Russian vaccines for the moment: Sputnik V (by Gamalei Research Centre), EpiVacCorona (by Vector Research Center), CoviVac (by Chumakov Research Center).*
- ✓ *Business activity in Russia is resuming as gradually all restrictions related to COVID-19 pandemic are being lifted in Moscow, St.Petersburg and major Russian cities. Wearing face masks and keeping social distance 1,5-2 m are still mandatory in public places and transport.*
- ✓ *Rules for arranging events differ in every region of Russia and are imposed by the regional government authorities.*
- ✓ *Life in Russia could return to normal by May 2021 as long as people get vaccinated.*

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What is most important for the MICE agent's clients at the moment, what do they ask for?

- ✓ *Safety is the highest priority.*
- ✓ *Digitalisation of sales: increase of online bookings, different digital tools.*
- ✓ *Offline events will be even more required: people are hungry for live communication.*
- ✓ *Corporations spend their considerable MICE budgets to maintain such an important indicator as employee engagement. Not any online systems can handle this.*
- ✓ *Prefer individual transportation/transfers.*
- ✓ *Short booking period before travel.*
- ✓ *Price sensitivity /Cost efficiency.*

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Norway as a MICE destination in Russia post corona?

- ✓ *Norway is perceived as a safe and secure country in post COVID-19 times.*
- ✓ *Norway has a great advantage as a mature sustainable and an attractive MICE destination:*
 - *a variety of business venues with all the necessary modern equipment for events*
 - *locations in beautiful nature*
 - *excellent combination of business meeting and team-building activities*
 - *wide choice of outdoor activities/soft adventure products suitable for incentives and corporate clients*



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When we ask how Norwegian partners/suppliers might help, they mention the following needs:

- ✓ *Up-to-date information on COVID-19 safety regulations and restrictions*
- ✓ *Fresh update on MICE products, services and opportunities in Norway*
- ✓ *Flexibility in booking & cancellation policy*
- ✓ *Uncertainty when the MICE products in Norway will be available*



Travel advice in Russia at the moment

- ✓ *Travel advice from the Russian Government – stay at home or travel in Russia.*

- ✓ *Cashback program (20% refund for trip costs in Russia) was launched by Rostourism in August 2020 in order to stimulate sales of inbound tourism:*
 - *1 step: 21-28 of August, maximum refund sum RUB 15.000 (approx. NOK 1.700)*
 - *2 step: 15. October - 05. December. 2020, maximum refund sum RUB 20.000 (approx. NOK 2.250)*
 - *3 step: will be launched in March 2021*

How business is affected in Russia

- ✓ *MICE industry suffers heavily due to restrictions for travel and arranging events, lockdowns and closed borders.*
- ✓ *The biggest challenge is to overcome the crisis.*
- ✓ *Airline industries need to recover as well.*
- ✓ *Focus on domestic market.*



The work situation in Russia at the moment

- ✓ *International air traffic will not be recovered immediately, therefore MICE agencies will probably lose 30-40% of business in the year to come.*
- ✓ *Companies themselves can impose restrictions on a number of international destinations at the first stage due to increased security measures.*
- ✓ *The crisis has affected absolutely all sectors of the Russian economy, which means that customers will also need to recover in order to return to the previous volumes of business trips.*
- ✓ *The psychological factor will hold back the rapid growth of the industry — people need time to overcome their fears and return to “normal”.*



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