

Addis Chamber's Study suggests Exhibition Centre, Millennium Hall to resume their previous operation

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(Photo: Anteneh Aklilu)

The opening up of Addis Ababa Exhibition Centre and Millennium Hall is recommended as soon as possible to return back the MICE (Meetings, Incentives, Conventions and Exhibitions) industry. A study commissioned by the Addis Ababa Chamber of Commerce and Sectoral Association 'on the impact of COVID 19 in the networking and event organizing industry' shows that the MICE industry, which is a segment of the tourism industry that has been getting recognition as a sub-sector relevant for the development of tourism, has been significantly hampered by the global pandemic rather than any economic sector.

The study conducted by TopClass Consult indicated that like other countries, the pandemic in Ethiopia affected every industry, and the MICE industry is among those that was hit hard. "Under the conditions of harsh travel restrictions and closed borders, the Ethiopian MICE industry faced a sharp reduction of demand," the study revealed. It added that Ethiopian Airlines, hotels, car rental companies and other tourism-related businesses have experienced significant losses. Because of the travel restrictions effected across the globe and public gathering restrictions imposed in the case of Ethiopia, many events were canceled and millions in revenue were lost that led to more than 50 percent decrease in revenue compared to pre-COVID 19 activities that also hampered the industry with cash shortage to settle their liabilities and invoices.



The study stated that networking and event organizing companies had adopted strategies to mitigate the challenge, while the government provided support through tax exemptions.

"The hit is so hard to the MICE industry and with travel and public gathering restrictions are yet to be relax, the COVID 19 impacts are so substantial and difficult to overcome in short period of time," the report added. It recommended that different initiatives are supposed to be applied to bring back the sector to normalcy. "Addis Ababa Exhibition Center and operationalize of the Millennium Hall should resume their operation as soon as possible," the report added. Kedir Mussa, one of the presenters of

the findings of the study, told Capital that the two facilities are the major centers for events in the city but they were inactive for over a year because they are assigned to help fight the pandemic as one being a treatment center and the other used for mobilizing resources. “The virus will not stop in the foreseeable future and due to that the government should shift the current activities to health centers and return the MICE facilities back to their normal service on the aim to boost the economic benefit from the industry,” he explained.

He added that it is difficult to put value estimation in relation with the effect of COVID 19 because of lack of access to the required data. According to the study, the networking and event organizing companies are very concerned of the COVID 19 outbreak and its impact on their business, since travel restrictions made most of the in person meetings cancelled.

Companies in the MICE industry are also highly impacted and are struggling financially or forced to completely close their business. Companies with strong financial source, such as the Great Ethiopia Run, are impacted financially but are able to endure the storm.

The study also revealed that the outbreak of COVID 19 in March 2020 followed by the lock down announcement by the government forced the MICE industry to cancel 5 to 20 booked events on average which led to decrease in sales and loss of more than 5 million birr of revenue. As a result of COVID-19, the Networking and Event Organizing companies have experienced 50 percent decrease in revenue for 2020 compared to 2019. They also faced 50 percent to 75 percent decrease in profits in 2020 and few even incurred loss, according to the study.

The study indicated that international arrivals, which may have different forms like leisure and holiday, business or conference in Ethiopia have been growing steadily with little ups and downs over the past four prior-COVID years.

As of March 2020, international arrivals decreased by 35.5 percent year-on-year to 118,950 mainly due to decreased or cancelled flights that follow the outbreak of COVID 19. In 2019 the tourism sector contributed 9 percent for GDP, while 812,000 tourists visited Ethiopia and provided 2.2 million jobs, or 8.3 percent total employment. Before the pandemic hit, the Ministry of Tourism and Culture expected this to increase even further and predicted it to be 2.5 million arrivals

per year by 2020. The MICE industry is highly reliant and contributes to the leisure and hospitality sectors.

In its recommendation the study applaud the opening up of the networking and event organizing sector with companies to use prevention methods of the spread of COVID 19, “trade fairs and exhibitions should strictly follow the COVID19 preventive protocol.”