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By RAI Amsterdam / Posted: July 08, 2020

RAI AMSTERDAM ANNOUNCES REORGANISATION

COVID-19 outbreak has major impact on operations

RAI Amsterdam has today submitted a request for advice to the works council for a reorganisation. The goal is to make the RAI financially healthy. The reorganisation is required due to the major impact of the COVID-19 outbreak on the convention centre's operations.

RAI Amsterdam has been closed for exhibitions, conferences and events since the Dutch government's measures were announced on 16 March. The RAI normally welcomes some 1.5 million visitors a year to around 500 events and hopes were high that 2020 would be its busiest year to date. The reality has been very different indeed.

This newly proposed reorganisation is aimed at ensuring the continuity of RAI Amsterdam and the related jobs. The RAI is looking at a loss of 20 million euros this year, and the expectations for 2021 are uncertain. Despite the more lenient measures implemented by the government on 1 July, to continue its activities the RAI depends on the ability and willingness of visitors, exhibitors, organisers and partners to travel. Other challenges include the hesitancy regarding event size, frequency and public capacity, never mind the risk of additional government measures should there be a second wave of coronavirus.

Reorganisation

To restore RAI Amsterdam's financial health, the company needs to make cuts to the tune of € 25 million. This is expected to involve the loss of approximately 125 jobs. RAI Amsterdam currently employs 483 people and compulsory redundancies cannot be avoided. Together with the works council, the RAI hopes to establish a social plan. As the turnover for 2020 will drop significantly, the Board and employees will not receive any bonuses or variable remunerations.

"The outbreak of the COVID-19 has had an enormous impact on our operations," comments RAI Amsterdam CEO Paul Riemens. "A reorganisation is an extremely painful decision to have to take but is crucial in order to make the company financially healthy again. We must act now in the interest of the future of the RAI. The coronacrisis has significantly affected our reserves, and it is essential that we return to a financially healthy state as soon as possible. That will require us to go forward as a leaner organisation and that will also reduce our risk if a new crisis should arise."

RAI boosts economy in Amsterdam region

The importance of a healthy business operation extends well beyond the RAI, adds Riemens. "Every euro spent at the RAI equals around seven euros spent in Amsterdam on hotel accommodations and hospitality venues, museums and shops. In other words, our events stimulate turnover and employment."

The events that take place in the RAI convention centre boost the economy in Amsterdam and the surrounding area. Over the past year it processed over 31,500 hotel reservations, representing around 105,000 overnight stays. In addition to hotels, other hospitality venues, the cultural sector and retail outlets benefit too.

In compliance with the regulations set by the authorities and its own protocol, the RAI can again host and facilitate live events as of 1 July. While physical meetings and events will certainly continue, the RAI expects the balance between physical meetings and virtual/digital meetings to shift. Virtual meetings can also be the catalyst for a physical meeting. "There were fears in the aviation industry that the arrival of the internet might mean the end of travel," explains Riemens. "The opposite proved true – the internet actually encouraged people to meet one another in person."

Masterplan

The RAI is aiming to realise its long term strategic masterplan designed to make the exhibition and conference centre ready for the future. This includes implementing a new logistics system as part of the sustainable area development in which the RAI will become a green, multifunctional location for business, leisure, public hospitality venues and neighbourhood functions. To realise this plan - which is currently on hold - the RAI maintains meetings with external financiers.

About RAI Amsterdam

RAI Amsterdam is an international exhibition and conference centre that organises events in the Netherlands and abroad, and operates the RAI Convention Centre in the Zuidas business district in Amsterdam. RAI Amsterdam welcomes some 1.5 million visitors a year to around 500 events, including exhibitions, conferences, corporate and other events. It also supplies event-related services to organisers, exhibitors and visitors.