

CHAMBER CEO SURVEY

FIRST QUARTER 2009



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First Quarter, 2009

In February 2009, the World Chambers Federation (WCF) launched its first Chamber CEO Survey to measure the impact of the economic crisis on chambers of commerce.

This survey was inspired from similar research undertaken by the American Society of Association Executives (ASAE) and The Center in mapping the first impact on the economic crisis on the association sector in the USA.

Chamber leaders from over 60 countries took part in the survey. Responses were received from key metropolitan chambers, regional and national chambers, as well as public and private law chamber structures (i.e. mandatory and voluntary membership systems).

The result of the survey confirms the discrepancy between facts and fears that are often linked to global dealings.

Impact on Membership

The majority of chambers of commerce around the world are private law chambers, i.e. operating with a voluntary membership system for companies. This means that in times of economic difficulties they are more sensitive to member loss than public law chambers.

The survey highlighted that there are numerous cases of decreasing membership affecting chambers around the world. For those chambers who have experienced reductions in membership during the first quarter of 2009, membership decreased on average by 4.1%.

However a qualified majority of the respondents have seen an increase in membership. One of the reasons cited for the increase is that due to job losses, there has been an increase in new business start-ups. These entrepreneurs are turning to their local chambers for basic assistance and support. In addition, chambers said they were more “aggressive” in recruiting and marketing, presenting value-added membership proposals and reacting quickly by introducing new services and programs.

“In light of the crisis, companies are turning to chambers for assistance and direction,” respondent from Serbia.

Education and Training

Education and training are not offered by all chambers of commerce. However, those who do offer these services have seen a slight increase both in participants and the courses/programmes offered. As a direct result, the income related to these services has increased. Most chambers stipulated that this service is on a break-even-basis and see this as an added value to their members.

“We have added new training services during the last year, in partnership with membership companies, which account for most of the change. We have kept the prices as low as possible concentrating on added value for members,” respondent from Belgium.

Business inquiries and advocacy

As anticipated, the number of inquiries from companies seeking assistance during the economic crisis has increased significantly. Only 12% of the respondents have had a decrease while a majority (63%) has had an increase in inquiries. The most frequent types of inquiries dealt with by the chambers are: start-up businesses; available government grants and loan programmes; cooperation possibilities; education and services offered by chambers; legal advice; no-cost ideas, and management.

“We have a lot of entrepreneurs and SME’s which are looking at new opportunities,” respondent from Thailand.

An interesting result of the survey is the sudden increase (17%) in chambers’ advocacy and role in shaping government policy. In response to their business communities’ concerns, chambers have expressed that they have better, more pro-active, and reciprocal relationships with their government’s policy decision makers. Local, regional and national policy makers are consulting chambers not only in areas such as labour, tax, education and trade policy, but also data gathering, studies and other administrative work linked to the current challenges within their economies.

Trade Documentation services

Not all chambers of commerce have an international focus, providing trade facilitation and documentation services like the ATA Carnet and certificates of origin. For those who do, many countries have experienced a drop in the demand for these services by over 18%.

However, a few countries experienced an increase of more than 10% during the first quarter. These economies include Lebanon, the United Kingdom, and New Zealand.

Corporate support

Over 60% of responding chambers have seen a decrease in revenue from advertising in chamber magazines, publication sales and corporate sponsorship.

Budget adjustments and operational changes

Over 63% of chambers have made adjustments to their budgets. These major adjustments have been operational, with the key changes in staff reductions and affiliations. Travel and conference attendance budgets also saw significant adjustments. Similar findings were also found in the ASAE study. However, within the ASAE study it was reported that respondents were “willing to travel farther in 2009 but might skip the local meetings to save funds for the more distant events” (ASAE, In Touch, 18/02/09).

The only budget increase in chamber operations dealt with member services.

Those chambers that have not made any budget adjustments sighted that irrespective of the economic downturn, they operated with an existing tight budget.

However, all respondents noted that the situation will continue to be monitored and the necessary precautions will be taken later this year.

*“Our chamber has undertaken reduced and renegotiated our fixed and variable costs. We have increased programmes and services to provide additional information and education to members on how to deal with the current financial crisis,”
respondent from United States of America.*

A majority of the chambers reported that at this stage there has not been a change to the level of attendance at their board meetings.

Biggest impact due to the economic crisis

With the media reporting daily on retrenchments and companies closing down, it is understandable that many chambers see and feel the negative impact of the current economic situation on their business communities.

It was expressed that a persisting fear and negativity in the economy could continue to lead to important decreases in membership, sponsorship, attendance in programmes/seminars as well as overall income.

These negative responses far outnumbered those who believe that the economic crisis will have a positive outcome and is an opportunity to consolidate the role of the chambers.

“Businesses will get frustrated by economic conditions and transfer that frustration to other organizations such as chambers,” respondent from Canada.

However there are a few chambers who see the silver lining amongst the gloom.

“We think the crisis is a great opportunity to improve the chambers image among businessmen,” respondent from Mexico.

Finally there are those that will continue to adapt to the daily challenges and remain apprehensive and optimistic, hoping for the best.

“With shortened hours, I can’t see how all the work will be completed. Our Chamber and Economic Development Corporation are in the process of merging in order to eliminate duplication of services, to share overhead expenses, and share staffing responsibilities,” respondent from United States of America.



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