

*We're All In This TOGETHER*



# GBTA Canada Town Hall

Tuesday, December 14, 2021 @ 2pm EST

Connecting the people that connect the world.™





## **Nancy Tudorache**

Regional Vice President, Canada  
GBTA

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# Town Hall Agenda

- **GBTA Canada – A look back at 2021 and look ahead to 2022**
- **GBTA 2021 Global BTI™ & Outlook for Canadian Business Travel**

Jon Gray, Principle, Rockport Analytics

- **GBTA's Canadian Pricing Forecast**

Christopher Ely, Research Director, GBTA

# GBTA Canada Town Halls are Recorded and available on our website [gbta.org/canada](https://gbta.org/canada)



*For assistance during the town hall, please e-mail  
Swati Ettrick, Program Manager, GBTA Canada:  
[settrick@gbta.org](mailto:settrick@gbta.org)*

## Do you have a Question?

Please submit questions to the dedicated **Q&A box** on Zoom.

Questions will be answered only if time permitting.

# 2021

Loading.....



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# READY. SAFE. TRAVEL. TRAINING



4-week Training Program Completed in May 2021

Over 700 Global Participants successfully completed the program and became ***Ready. Safe. Travel. Specialists***

[CLICK HERE](#) to see GBTA's ***Ready. Safe. Travel. Specialists*** around the world!



# 2021

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# READY. SAFE. TRAVEL.

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## Vancouver – October 19



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## Montreal – October 26





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## Toronto – October 28



# READY. SAFE. TRAVEL. Canada Workshop Series

## Stakeholder Collaboration = The Policy of the Future

### Per City Results:

- 20 Supplier Spotlights
- 6 Workshop Sessions
- 17 Policy Takeaways

### AND We:

- Returned to Meetings
- Returned to Networking
- Returned to Business Travel

**MISSION:  
ACCOMPLISHED**



# READY. SAFE. TRAVEL.

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## Calgary – January 26

### **The Best Western Premier Calgary Plaza Hotel and Conference Centre**

1316 33 Street NE, Calgary, Alberta T2A 6B6

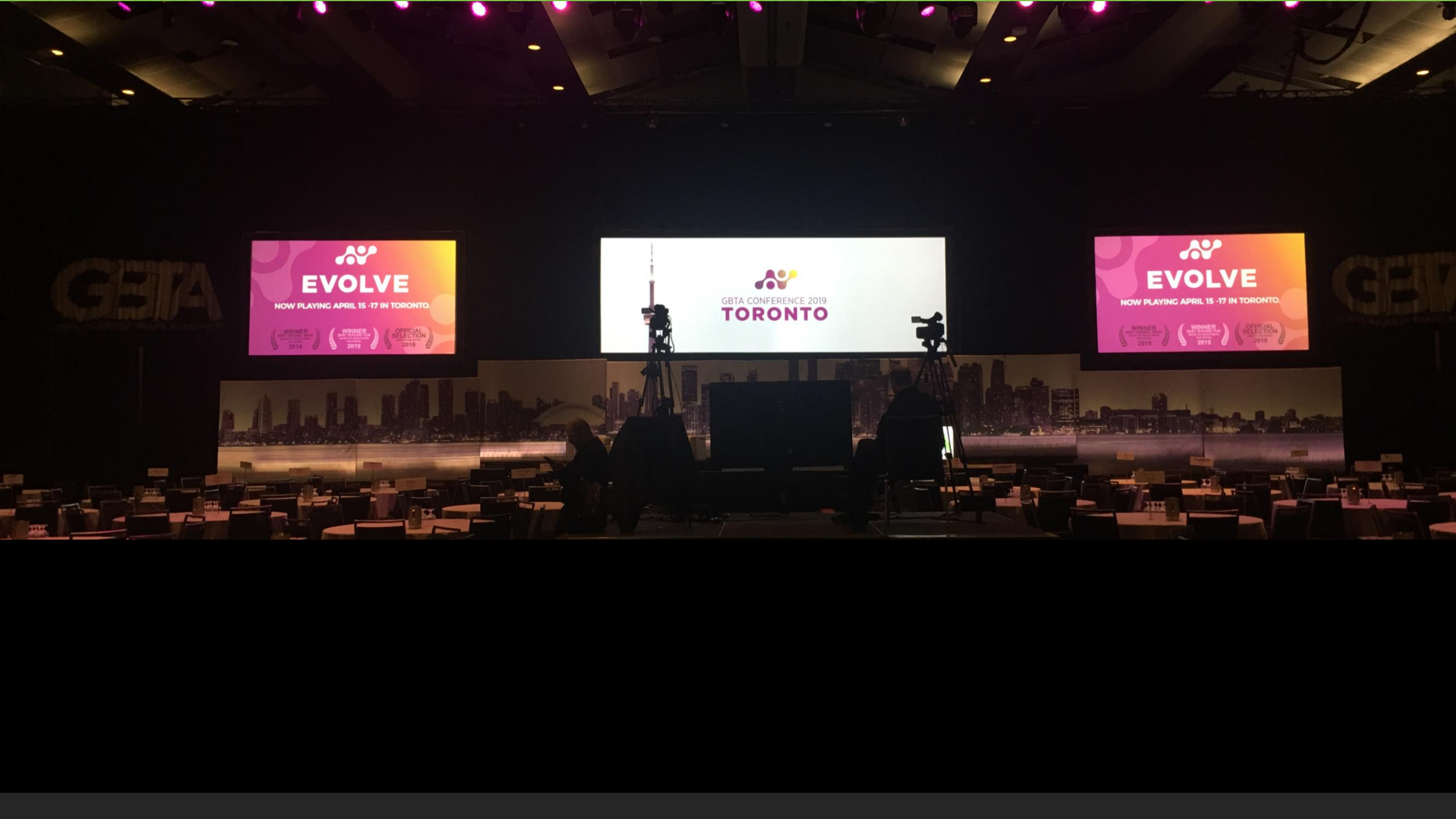
+1 403 248 8888





# 2022

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## GBTA Conference 2022 – Toronto, March 28 & 29 Pre-Registration Offer Valid until Dec 20, 2021

Join GBTA Canada on March 28 & 29, 2022 and be prepared to **(Re)Connect** with industry colleagues, travel suppliers and travel buyers. **(Re)Imagine** and devise new strategies and innovations to evolve our collective future. And **(Re)Create** what's next for our Canadian and global business travel and meetings industry, travellers and association.

### ***New for 2022: membership-inclusive conference registration pricing!***

GBTA wants to ensure that YOU have access to all the tools, resources and benefits of GBTA membership to help you navigate through the years ahead. If you are a current member, your conference registration will add an extra 12-months onto your membership. If you are not a current GBTA member, you will receive 12 months of GBTA membership with your conference registration.

### ***Save NOW with Pre-Registration Offer of \$200 OFF valid until Dec 20, 2021!***

Act quick to lock your pre-registration savings for GBTA Conference 2022 – Toronto, Canada's largest gathering place for business travel and meetings management professionals.

**Pre-Register Today**



**Direct Member  
(Buyer)**

**\$299**  
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Includes One Year  
GBTA Membership



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(Supplier)**

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[ntudorache@gbta.org](mailto:ntudorache@gbta.org)

# 2022

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## GBTA Canada Powered by Volunteers

- GBTA Canada Advisory Board
- GBTA Canada Accommodations Committee
- GBTA Canada Technology Committee
- GBTA Canada Transportation Committee
- GBTA Canada Risk Committee
- GBTA Canada Meetings Committee

Interested in volunteering? E-mail

[ntudorache@gbta.org](mailto:ntudorache@gbta.org)





# 2021 Global BTI™ & Outlook for Canadian Business Travel

**Jon Gray**

Principal

Rockport Analytics

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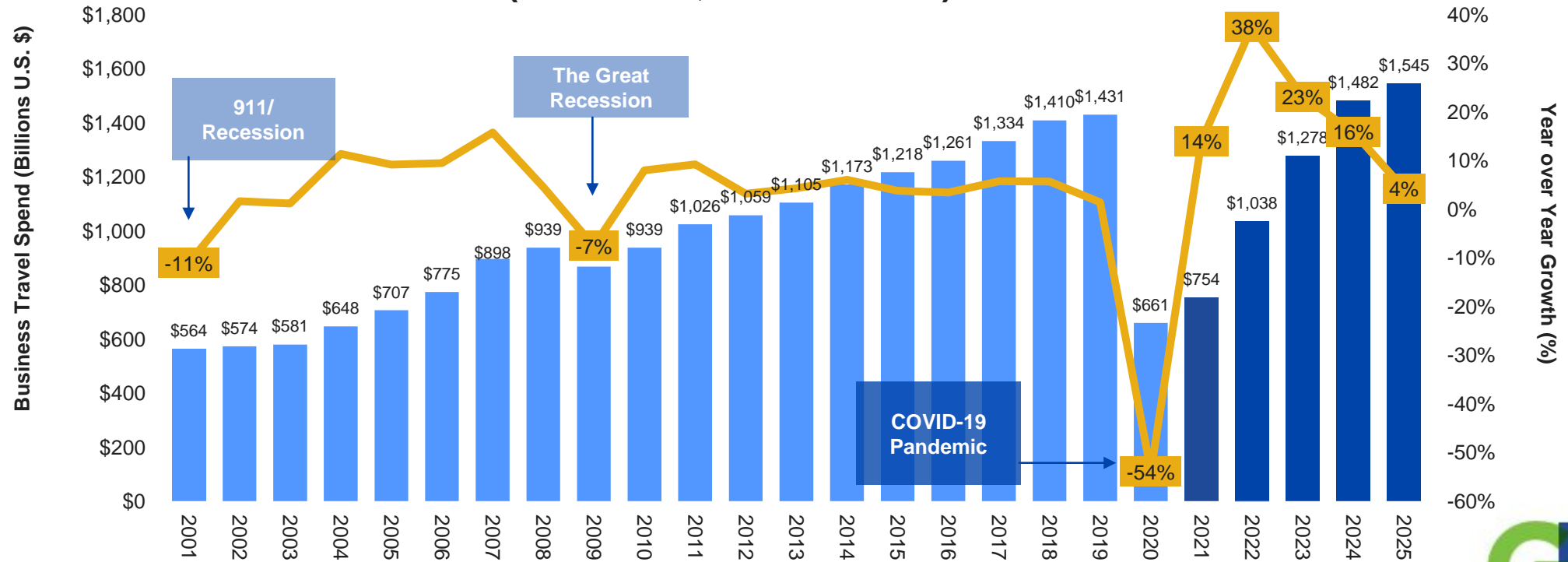
# What is the Global BTI™ ?

- The 2021 study is our 13<sup>th</sup> consecutive annual GBTA Global BTI™ study
- Demand-side measurements of business travel -all types of business trips and all spending while on a trip
- Input/output approach puts T&E on par with labor, material, and other business inputs
- Travel spend is a function of industry sales & sector travel intensity
- Projections driven by global economy, travel productivity, travel supply capacity, travel pricing, relevant policy issues, and pandemic dynamics
- 73 countries by 44 industries historic trends and projections –the GBTA BTI™ Global “Datacube”
- Additional perspective from surveys of global business travelers and global financial executives

# Global Business Travel Recovers Slower Than Expected in 2021



**Global Business Travel Spending and Growth  
(2001-2021, Billions USD)**



# Tremendous Divergence in Business Travel Performance in 2021

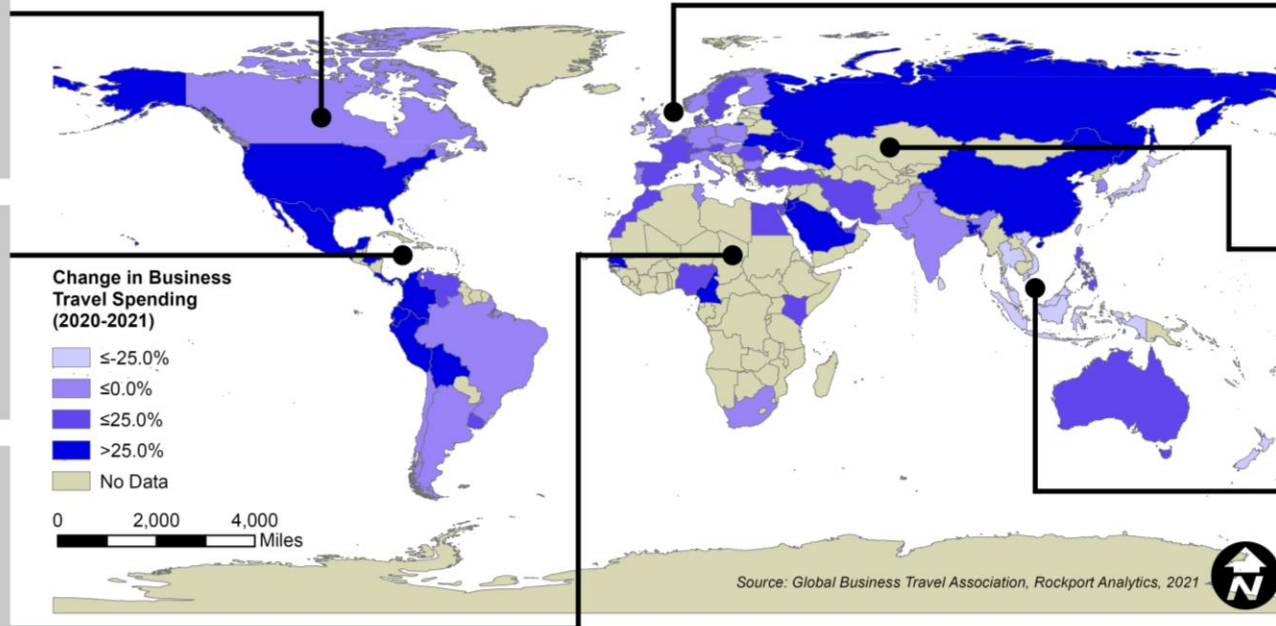


Percent Change in Business Travel Spending Between 2020 and 2021

North America (Billions)			
2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
\$174.9	-60.3%	26.9%	2024

Latin America (Billions)			
2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
\$29.5	-50.1%	18.4%	2025

Middle East & Africa (Billions)			
2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
\$17.6	-44.9%	18.5%	2024



Emerging Europe (Billions)			
2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
\$30.7	-51.2%	10.1%	After 2025

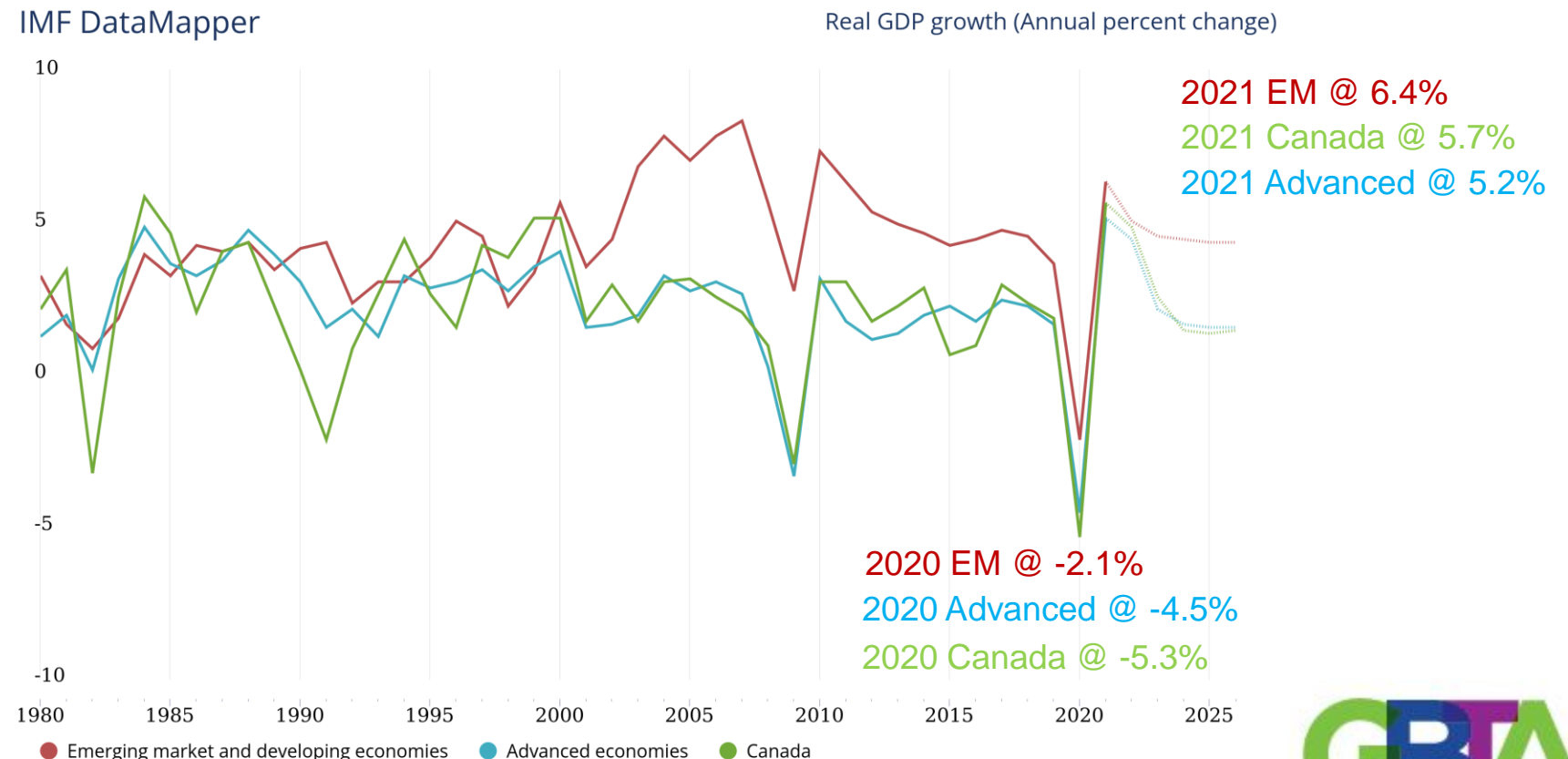
Western Europe (Billions)			
2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
\$131.2	-59.2%	-3.8%	2024

Asia Pacific (Billions)			
2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
\$370.1	-48.2%	15.9%	2024



# Canadian Economic Performance Lagged Other Advanced Economies in 2020

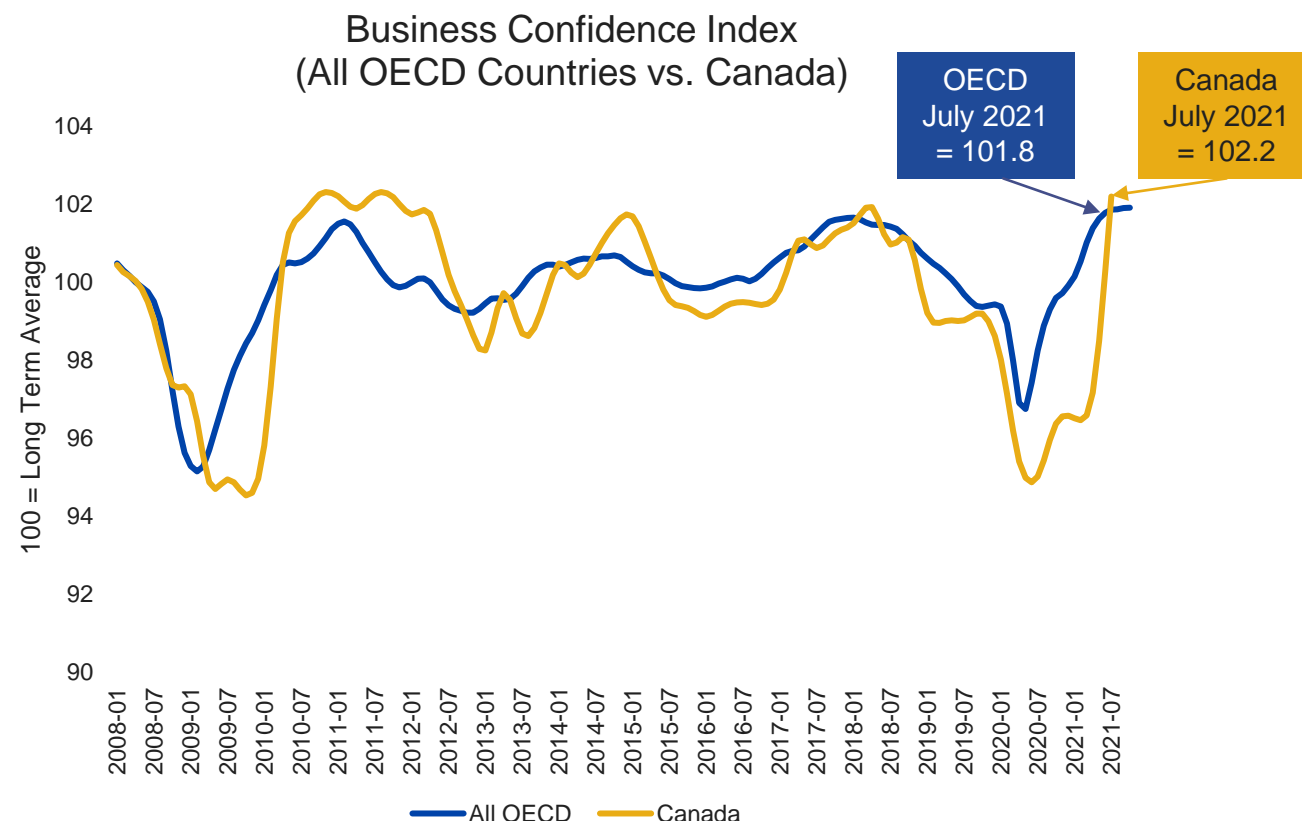
- Economic growth lagged advanced economies in 2020 but recovered strongly in 2021
- Government stimulus should continue to fuel growth in 2022 and 2023
- Key downside risks includes further COVID setbacks, labour shortages, inflation



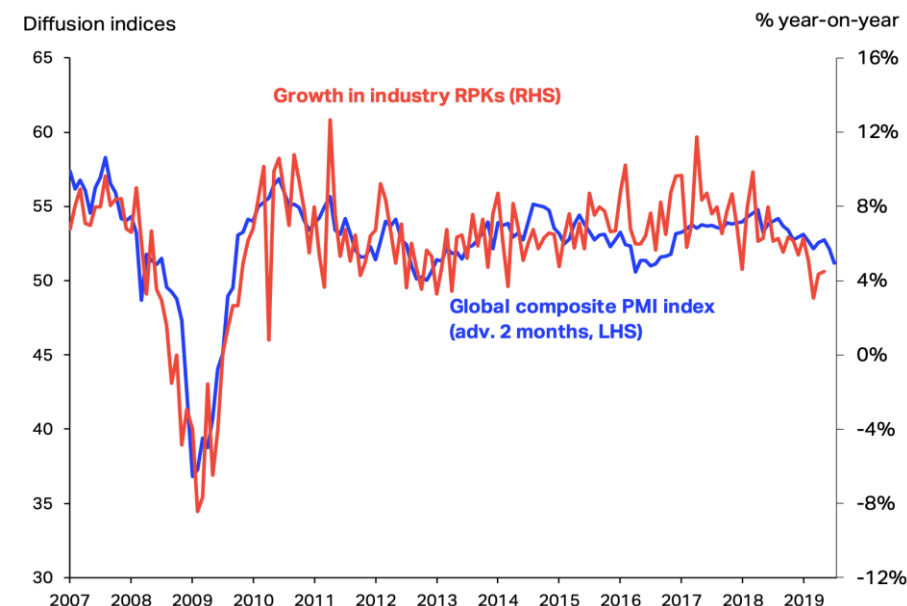




# Canadian Business Confidence Also Lagged in 2020 But Recovered Sharply in 2021

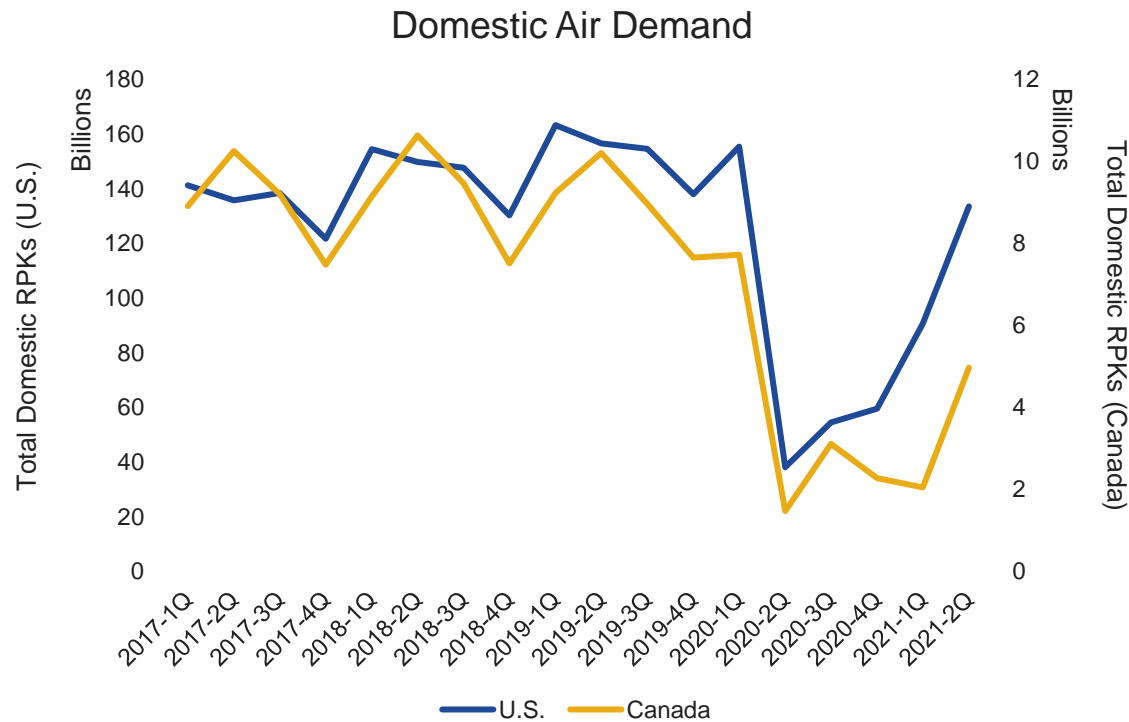


**Chart 2 – RPK growth and global business confidence**

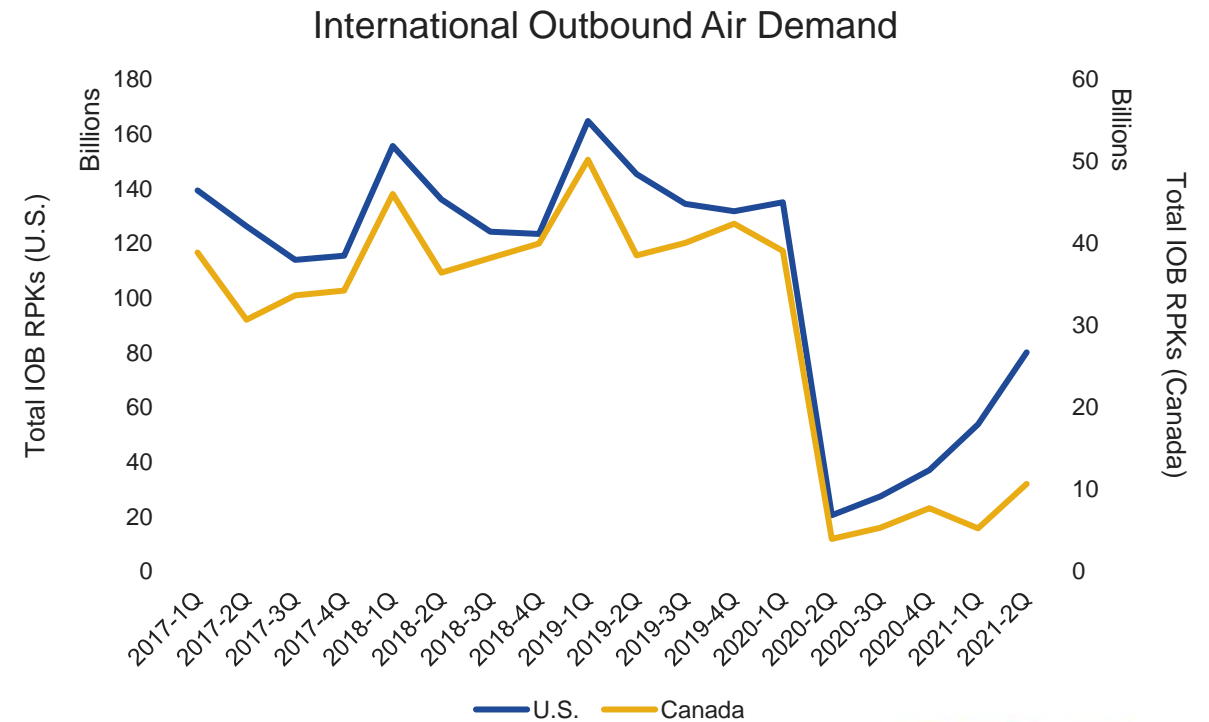


Sources: IATA Economics, IATA Monthly Statistics, Markit

# Air Demand in Canada Significantly Lagging the US Through the Recovery



Source: ARC, IATA

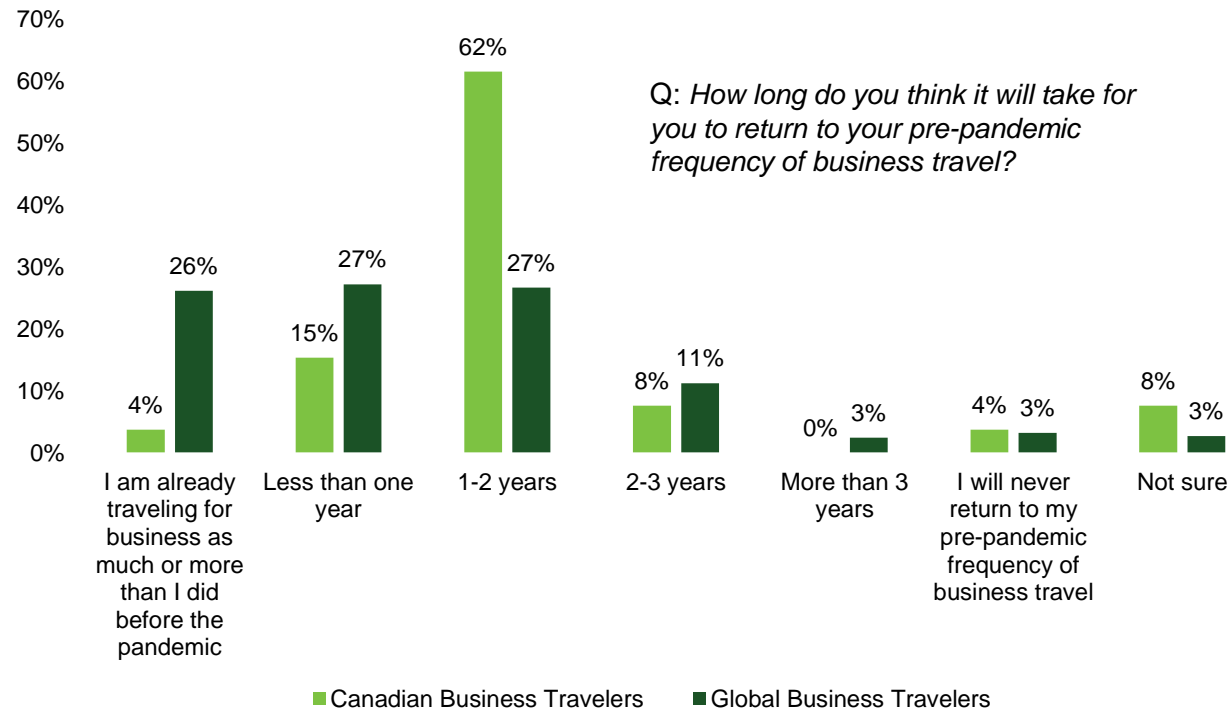


Source: ARC, IATA



# Canada's International Business Travel Recovery Likely to Continue to Lag

## Expectations For Recovery Amongst Business Travelers



How would you feel about traveling domestically for business in the next 3 months?

	Concerned or Very concerned	Neither comfortable nor concerned	Comfortable or Very comfortable
Canadian Business Travelers	8%	12%	81%
Global Business Travelers	12%	10%	78%

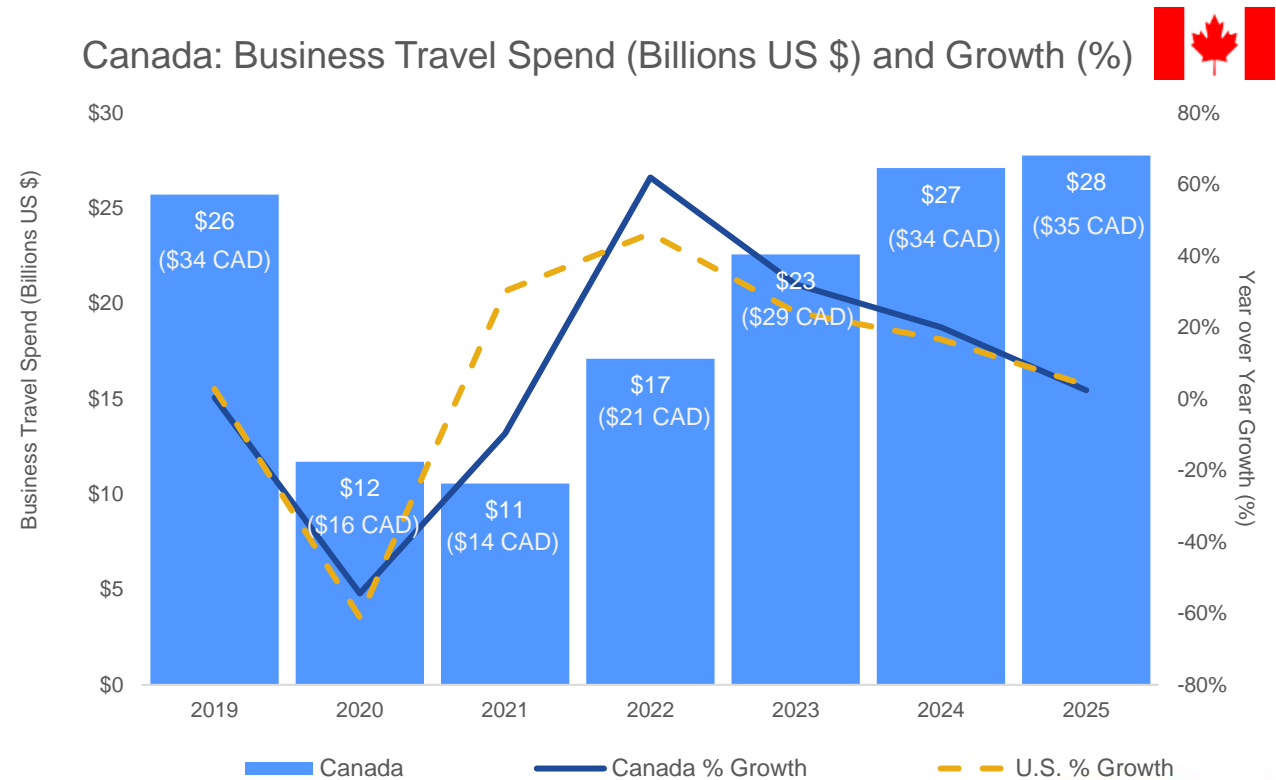
How would you feel about traveling internationally for business in the next 3 months?

	Concerned or Very concerned	Neither comfortable nor concerned	Comfortable or Very comfortable
Canadian Business Travelers	39%	27%	35%
Global Business Travelers	31%	13%	56%



# Business Travel Spending Expected to Decline Further in 2021, Poised for Growth in 2022

- Canadian business travel expenditures expected to fall another 9.8% this year but steep recovery expected in 2022
- Significantly underperformed the US in 2021, primarily due to stringent travel restrictions
- New travel guidelines based on the proliferation of Omicron variant: 10 countries restricted, on-arrival test and quarantine reintroduced for all except US



# Thank You

**Jon Gray**

Principal

Rockport Analytics

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# Global Business Price Forecast: What's Next?

**Chris Ely**

Research Director

GBTA

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# Global View

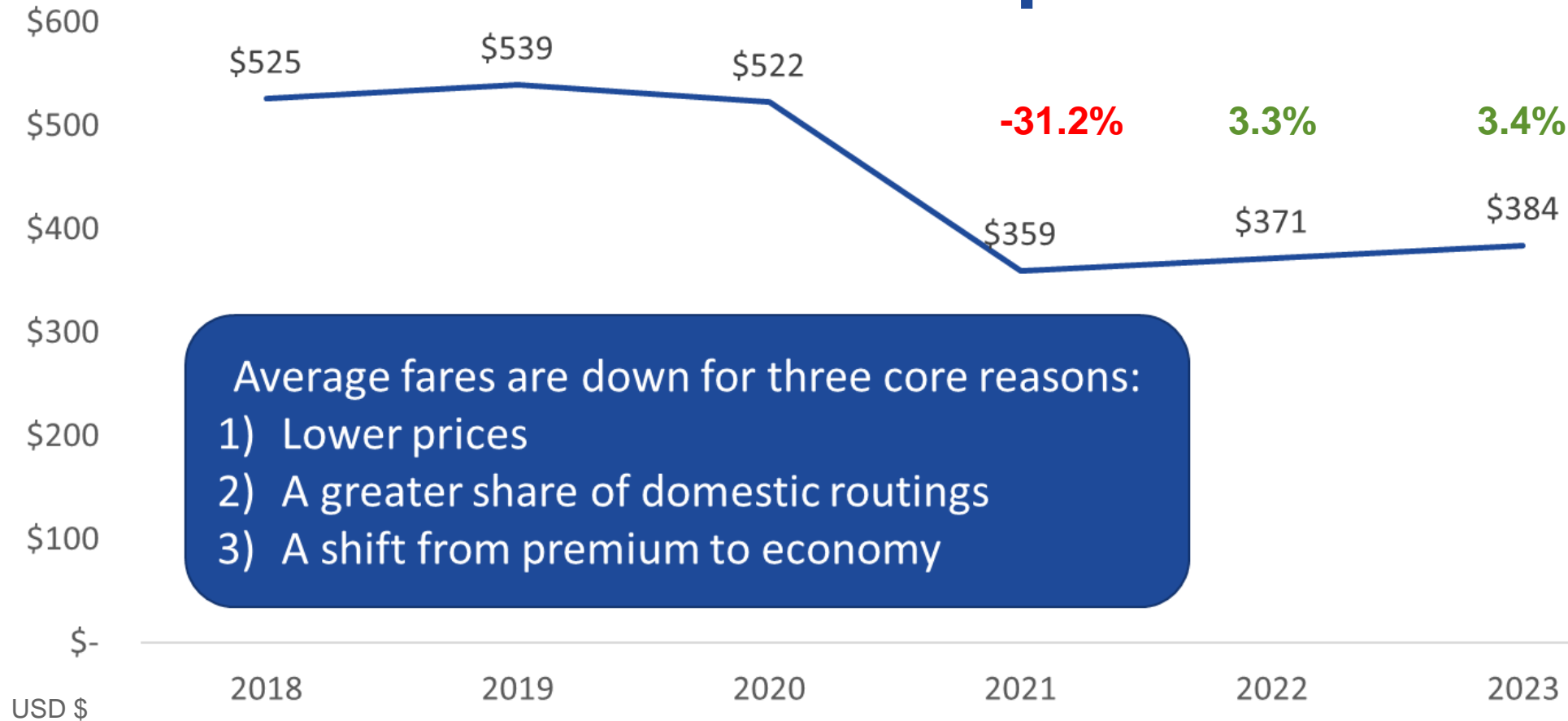


## Domestic Air Spend Up



	2018	2019	2020	2021
Domestic Share of Premium Tickets	34%	33%	33%	55%
Domestic Share of Total Premium Spend	10%	9%	9%	17%
Domestic Share of Total Spend	61%	60%	57%	71%

# Global Air Fares Took a Drop in 2021



Source: CWT, GBTA



## Air: Seat Capacity by Region



Region	Available Seats (Nov21 vs. Nov19)
Africa	-25%
Asia	-34%
Europe	-26%
Latin America	-17%
Middle East	-32%
North America	-13%
Southwest Pacific	-64%
Global	-27%

# Air: Average Economy Fares

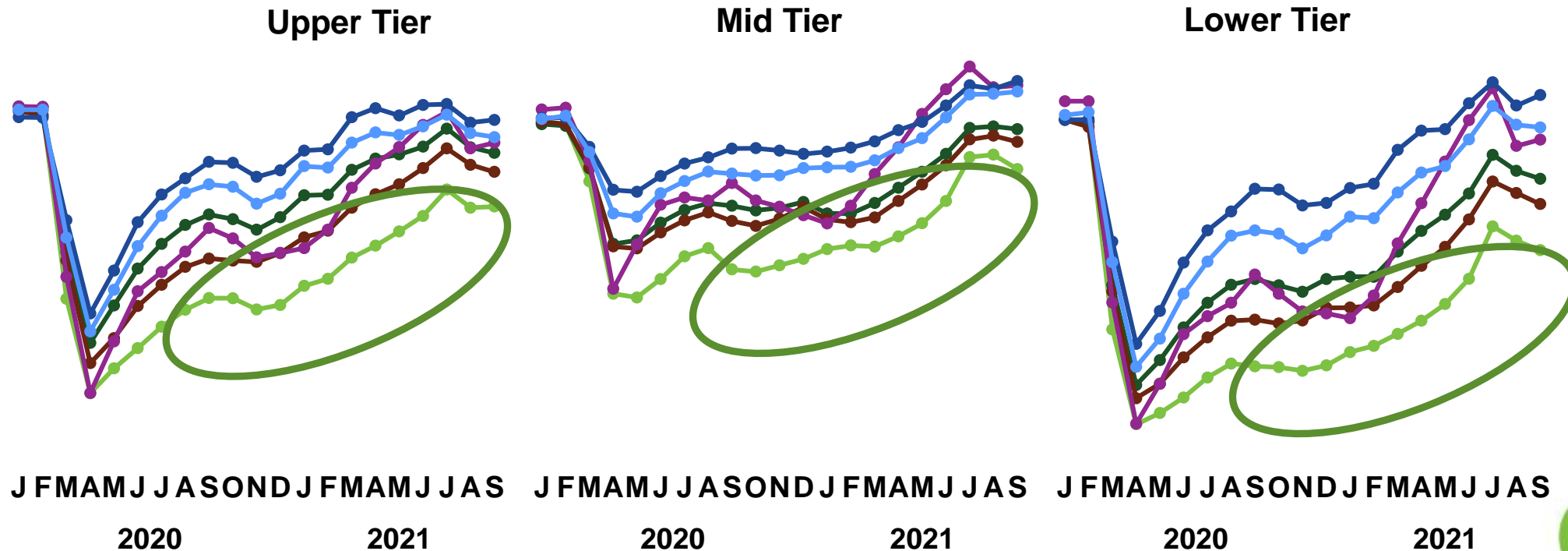


Region	2018-2019	2021	2022
Africa	\$658	\$725	\$718
Australia	\$475	\$500	\$509
Europe	\$448	\$499	\$514
Asia	\$288	\$180	\$185
Middle East	\$667	\$615	\$633
North America	\$509	\$433	\$453
South America	\$401	\$338	\$349

# Hotels: Urban Area Recovery Remains Subdued



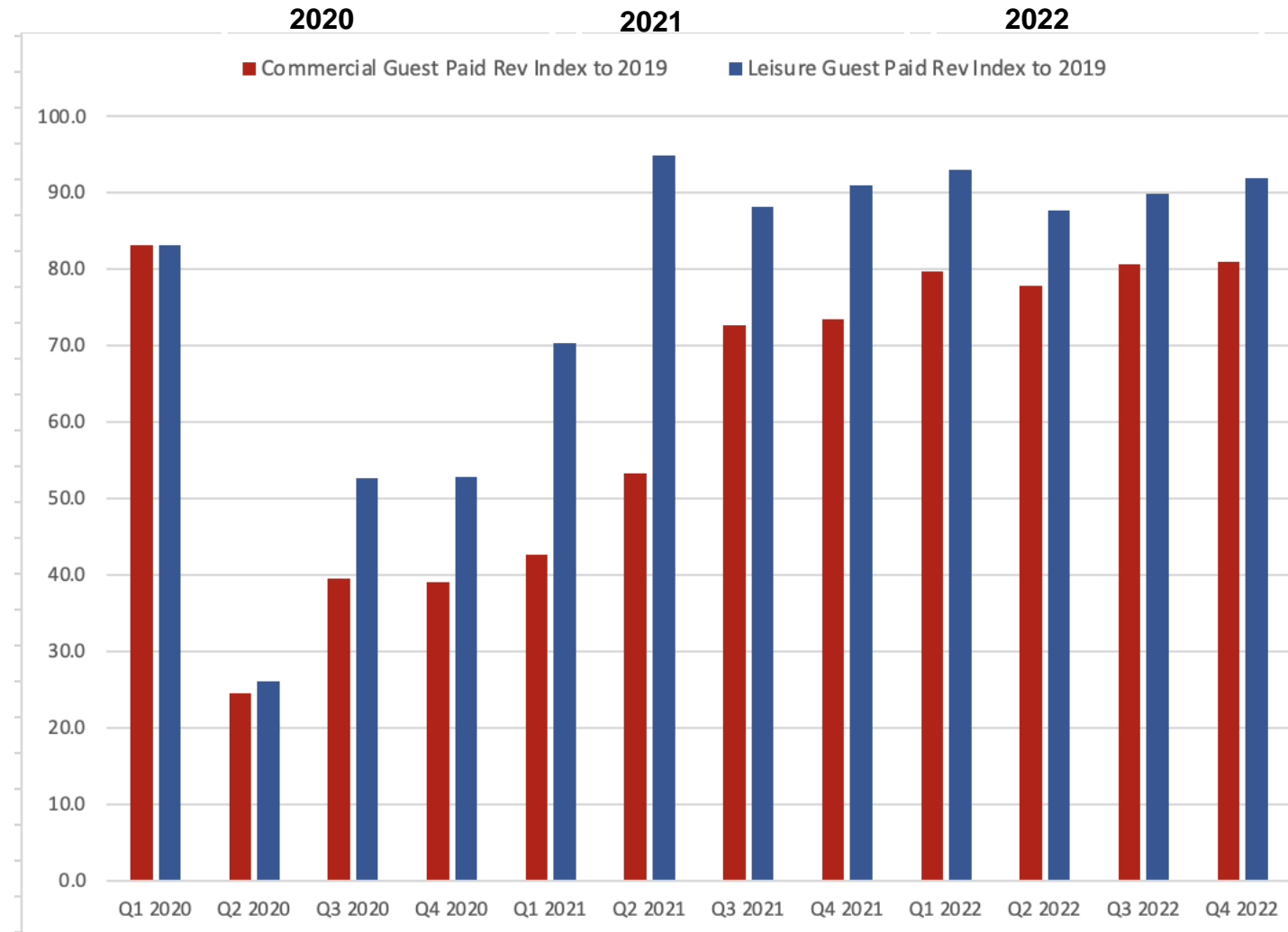
- Urban
- Suburban
- Airport
- Resort / Destination
- Rural Area / Interstate
- Small City / Town



# Hotels: Commercial vs. Leisure



Leisure revenue is approaching 2019 levels, but commercial bookings remains 20% below



Source: Kalibri Labs

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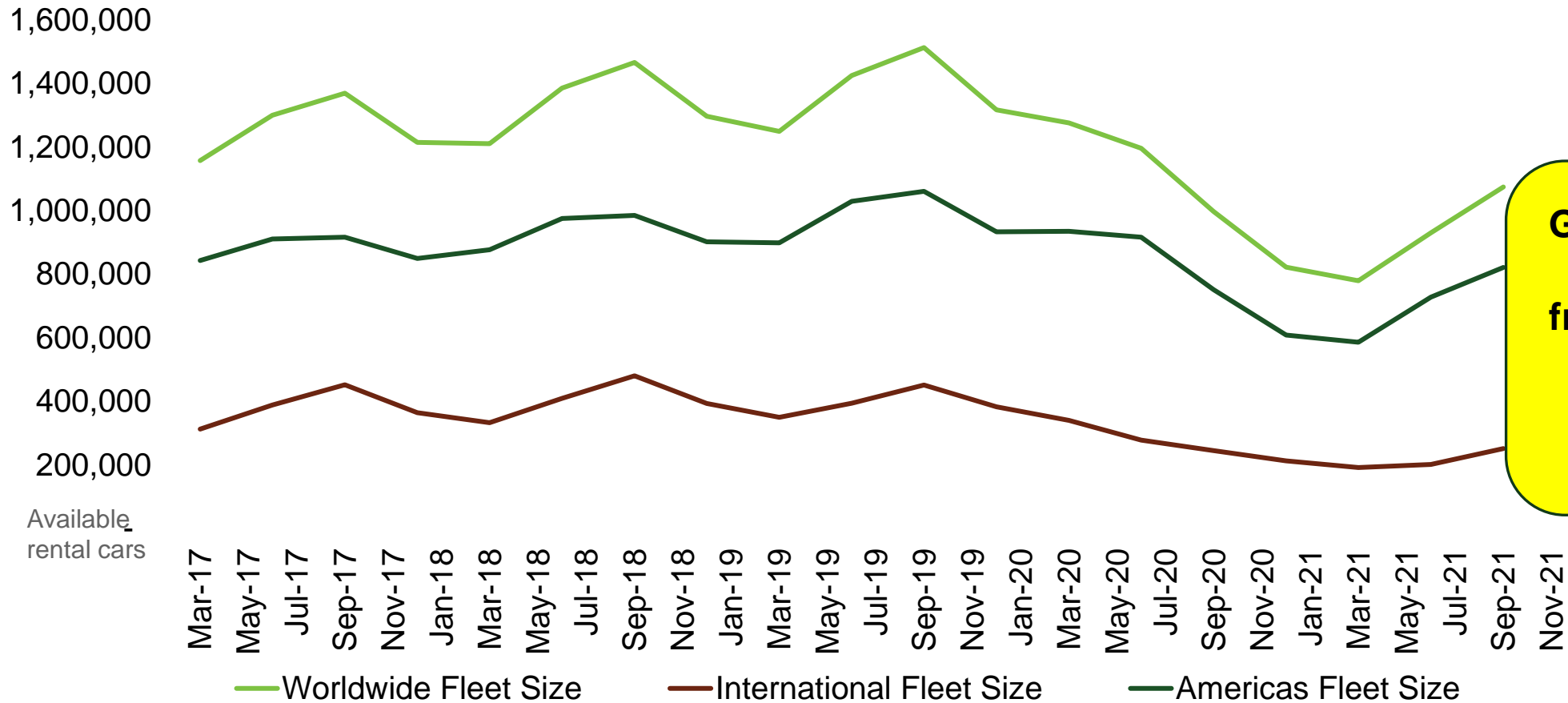
# Hotel Rates Surpass 2019 Levels by 2022



Upscale rates were down 20.2% in 2021,  
while midscale rates were off 11.4%

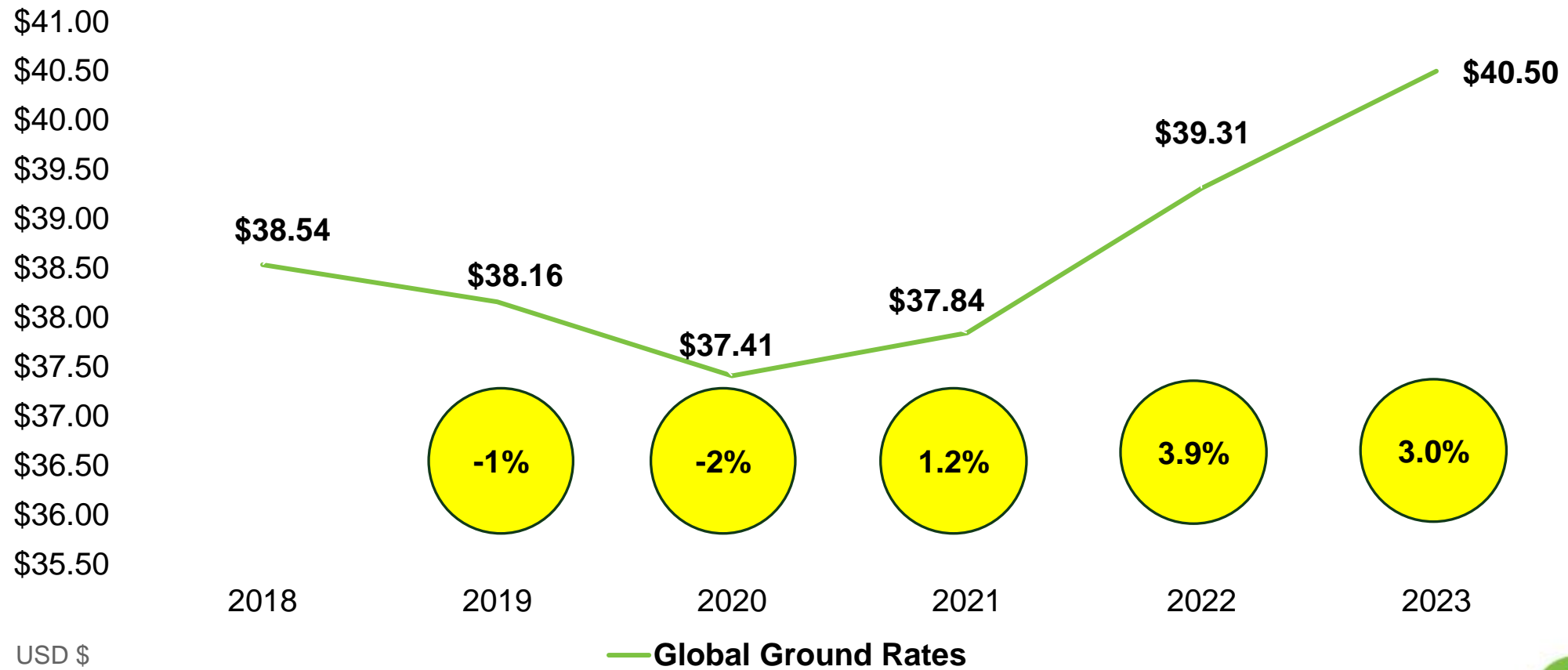
— Upscale — Midscale

# Ground: Fleet Sizes Remain Constrained



**Global fleet sizes are down nearly 30% from 3Q19. Americas down nearly 23%, international down 44%**

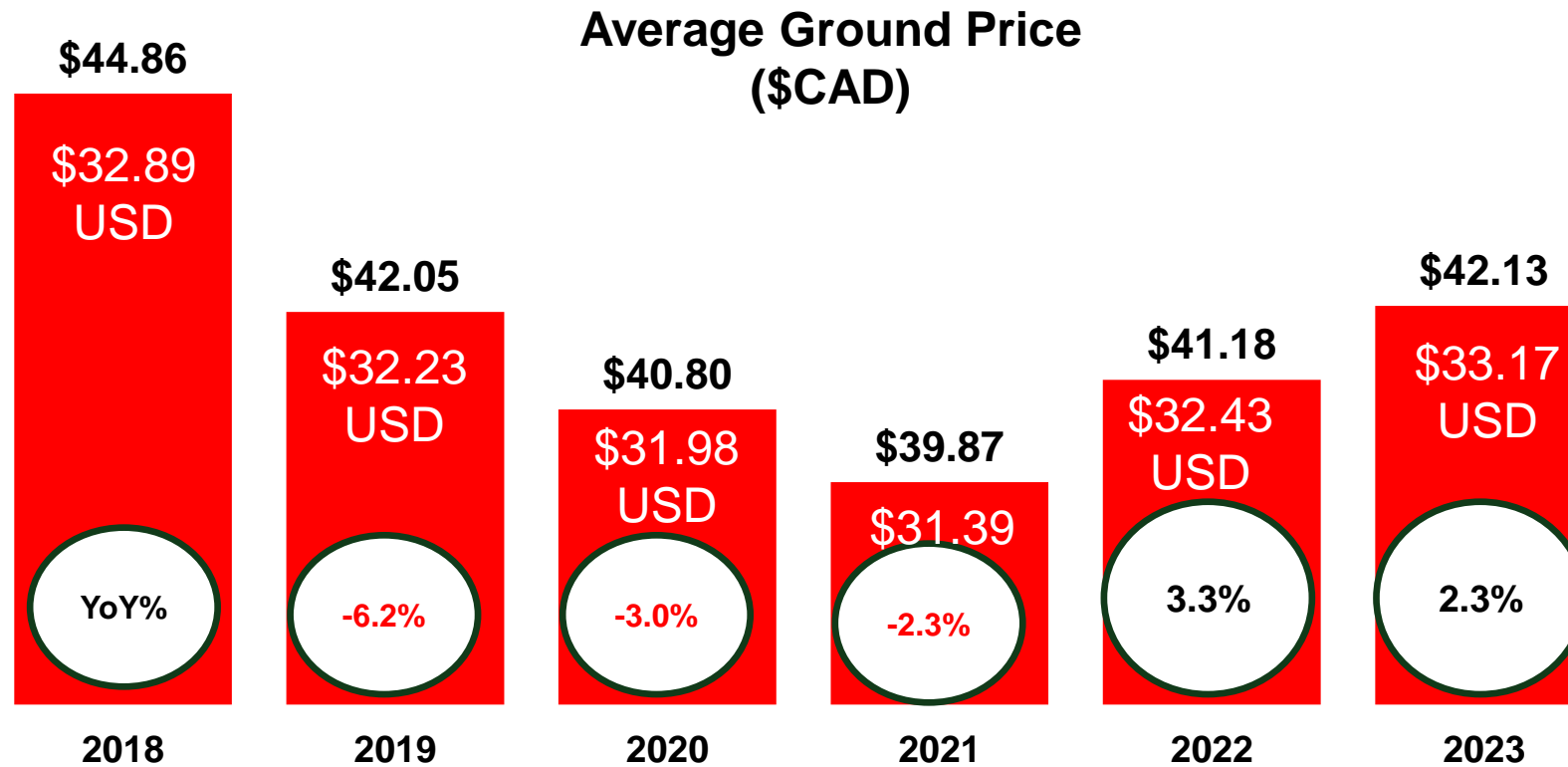
# Ground Rates Expected to Rise



# Canada View



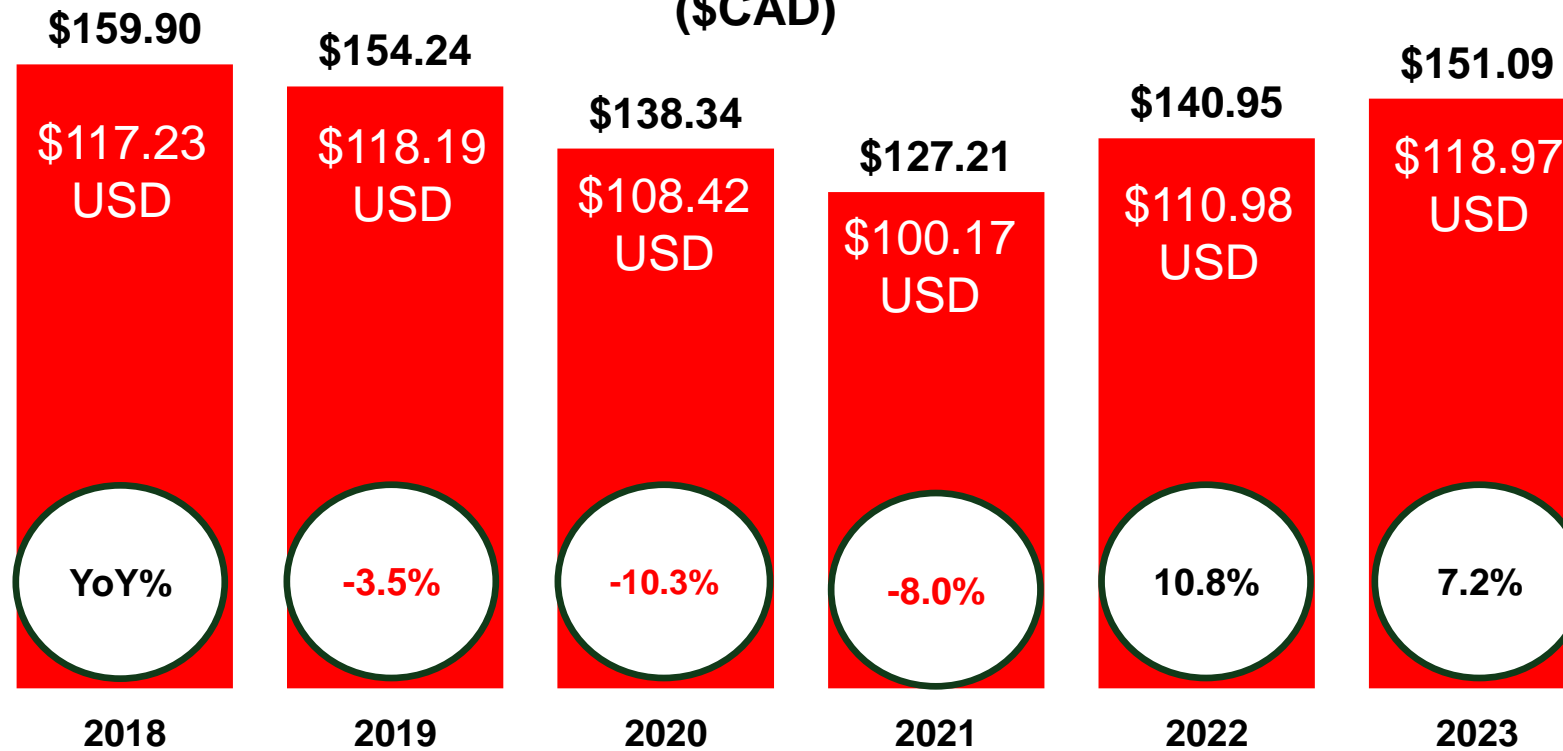




Note: Prices converted to Canadian dollars (at both historical and current rates). Canadian dollar was weaker against US dollar in 2018 and 2019



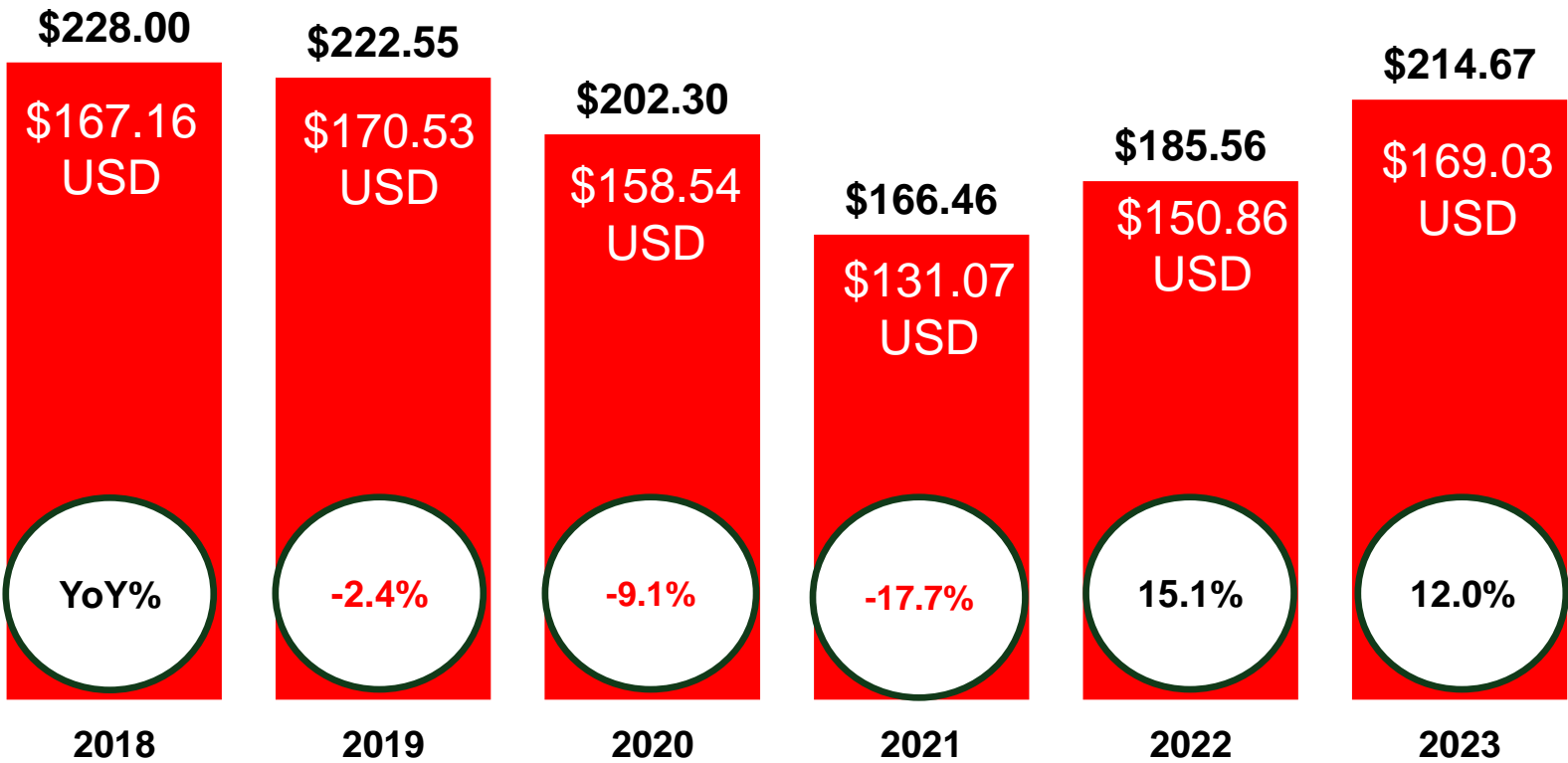
### Average Hotel Price: Midscale (\$CAD)



Note: Prices converted to Canadian dollars (at both historical and current rates). Canadian dollar was weaker against US dollar in 2018 and 2019



**Average Hotel Price: Upscale**  
**(\$CAD)**

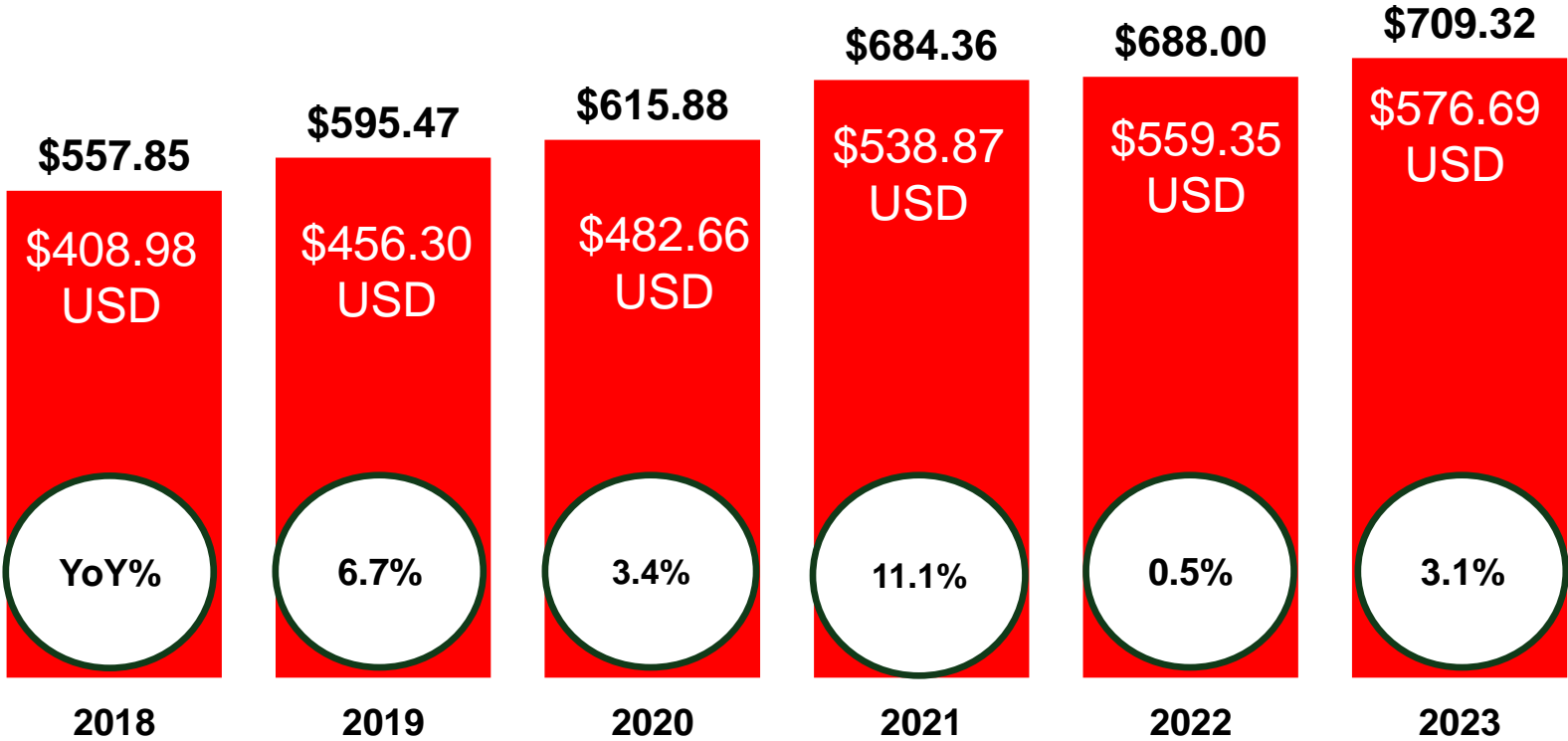


Note: Prices converted to Canadian dollars (at both historical and current rates). Canadian dollar was weaker against US dollar in 2018 and 2019

Source: Avrio Institute



Average Air Price: Domestic Economy (\$CAD)



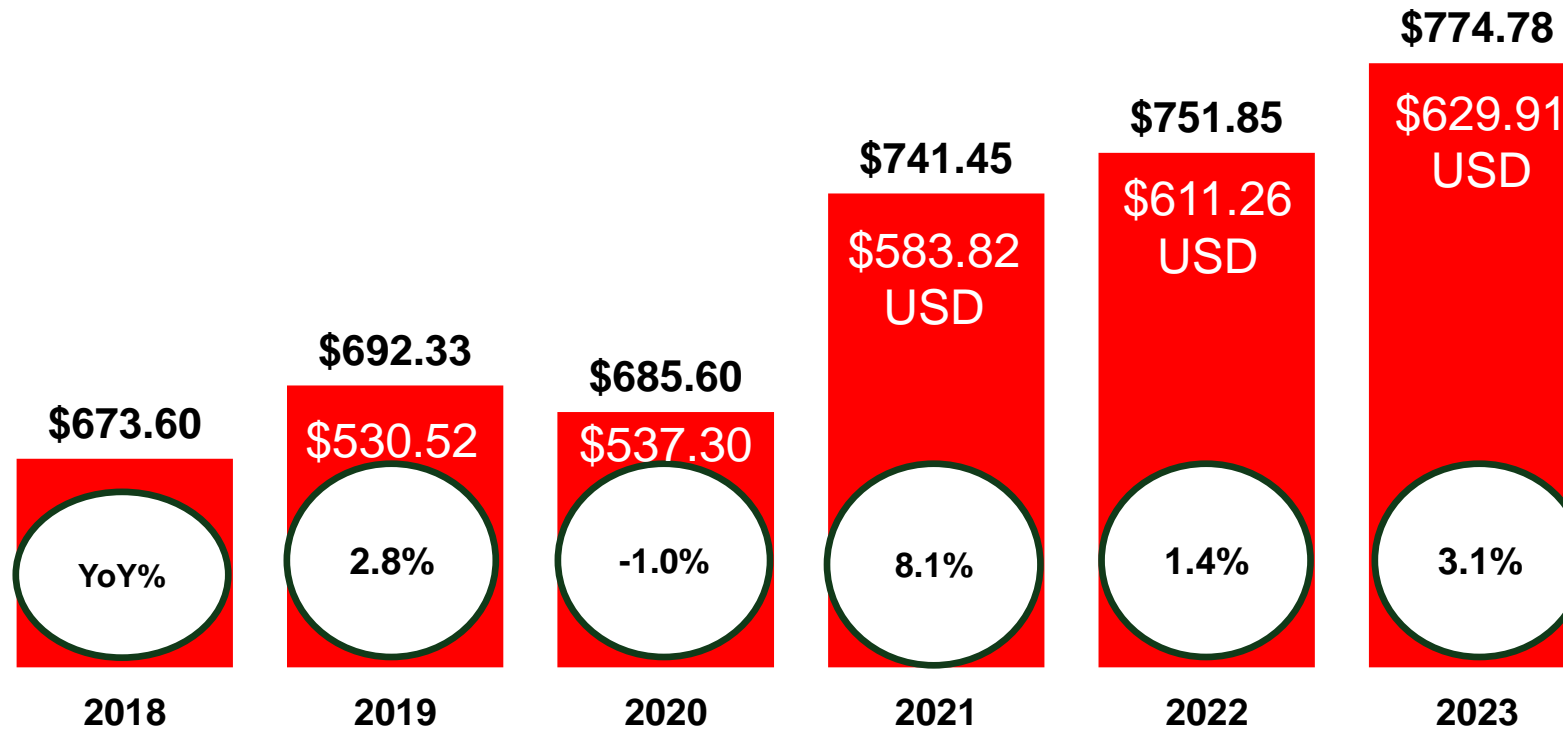
Note: Prices converted to Canadian dollars (at both historical and current rates). Canadian dollar was weaker against US dollar in 2018 and 2019

Source: Avrio Institute





### Average Air Price: Aggregate Canada (Domestic + International Economy; \$CAD)



Note: Prices converted to Canadian dollars (at both historical and current rates). Canadian dollar was weaker against US dollar in 2018 and 2019

Source: Avrio Institute

# Post-Pandemic Strategies

- **Domestic flights are a larger share of travel which could help extend travel budgets**
- **Urban destinations and airport hotels have seen the weakest recovery which could represent an opportunity for small events, team meetings, and greater negotiating power**
- **Likewise, the premium between upscale and midscale hotel rates shrunk in 2021 and could represent an opportunity for 2022**
- **Ground transportation capacity is severely constrained and will likely remain so throughout 2022, which will put upward pressure on prices**

# Thank You. Merci.

**Chris Ely**

Research Director

GBTA

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# Questions?

## Please enter into the Q&A Box



# Happy Holidays



*We're All In This TOGETHER*



**Thank You for Joining Our  
GBTA Canada Town Hall**

**See YOU in 2022!**

Connecting the people that connect the world.™

