Nancy Tudorache
Regional Vice President, Canada
GBTA

Phone: 416-840-6128   E-mail: ntudorache@gbta.org
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

For assistance during the town hall, please e-mail Swati Ettrick, Program Manager, GBTA Canada: 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.
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!
Vancouver – October 19
Montreal – October 26
Toronto – October 28
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
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
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.

Visit:
gbta.org/canada
ntudorache@gbta.org

Pre-Register Today
GBTA Canada
Powered by Volunteers

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- 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
2021 Global BTI™ & Outlook for Canadian Business Travel

Jon Gray
Principal
Rockport Analytics
Jon.gray@rockportanalytics.com
What is the Global BTI™?

• The 2021 study is our 13th 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)

- 911/Recession
- The Great Recession
- COVID-19 Pandemic

Year over Year Growth (%)

Business Travel Spend (Billions U.S.)

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# Tremendous Divergence in Business Travel Performance in 2021

## Percent Change in Business Travel Spending Between 2020 and 2021

<table>
<thead>
<tr>
<th>Region</th>
<th>2021 (Billions)</th>
<th>2019-20</th>
<th>2020-21</th>
<th>Expected Yr Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North America</strong></td>
<td>$174.9</td>
<td>-60.3%</td>
<td>26.9%</td>
<td>2024</td>
</tr>
<tr>
<td><strong>Latin America</strong></td>
<td>$29.5</td>
<td>-50.1%</td>
<td>18.4%</td>
<td>2025</td>
</tr>
<tr>
<td><strong>Middle East &amp; Africa</strong></td>
<td>$17.6</td>
<td>-44.9%</td>
<td>18.5%</td>
<td>2024</td>
</tr>
</tbody>
</table>

**Emerging Europe**

<table>
<thead>
<tr>
<th>Region</th>
<th>2021 (Billions)</th>
<th>2019-20</th>
<th>2020-21</th>
<th>Expected Yr Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emerging Europe</strong></td>
<td>$30.7</td>
<td>-51.2%</td>
<td>10.1%</td>
<td>After 2025</td>
</tr>
</tbody>
</table>

**Western Europe**

<table>
<thead>
<tr>
<th>Region</th>
<th>2021 (Billions)</th>
<th>2019-20</th>
<th>2020-21</th>
<th>Expected Yr Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Western Europe</strong></td>
<td>$131.2</td>
<td>-59.2%</td>
<td>-3.8%</td>
<td>2024</td>
</tr>
</tbody>
</table>

**Asia Pacific**

<table>
<thead>
<tr>
<th>Region</th>
<th>2021 (Billions)</th>
<th>2019-20</th>
<th>2020-21</th>
<th>Expected Yr Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asia Pacific</strong></td>
<td>$370.1</td>
<td>-48.2%</td>
<td>15.9%</td>
<td>2024</td>
</tr>
</tbody>
</table>

**Source:** Global Business Travel Association, Rockport Analytics, 2021
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

©IMF, 2021, Source: World Economic Outlook (October 2021)
Canadian Business Confidence Also Lagged in 2020 But Recovered Sharply in 2021

Business Confidence Index
(All OECD Countries vs. Canada)

OECD
July 2021 = 101.8
Canada
July 2021 = 102.2

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
Canada’s International Business Travel Recovery Likely to Continue to Lag

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

<table>
<thead>
<tr>
<th></th>
<th>Concerned or Very Concerned</th>
<th>Neither Comfortable nor Concerned</th>
<th>Comfortable or Very Comfortable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Business Travelers</td>
<td>8%</td>
<td>12%</td>
<td>81%</td>
</tr>
<tr>
<td>Global Business Travelers</td>
<td>12%</td>
<td>10%</td>
<td>78%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Concerned or Very Concerned</th>
<th>Neither Comfortable nor Concerned</th>
<th>Comfortable or Very Comfortable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Business Travelers</td>
<td>39%</td>
<td>27%</td>
<td>35%</td>
</tr>
<tr>
<td>Global Business Travelers</td>
<td>31%</td>
<td>13%</td>
<td>56%</td>
</tr>
</tbody>
</table>
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
Jon.gray@rockportanalytics.com
Global Business Price Forecast: What’s Next?

Chris Ely
Research Director
GBTA
cely@gbta.org
Global View
## Domestic Air Spend Up

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Share of Premium Tickets</td>
<td>34%</td>
<td>33%</td>
<td>33%</td>
<td>55%</td>
</tr>
<tr>
<td>Domestic Share of Total Premium Spend</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>17%</td>
</tr>
<tr>
<td>Domestic Share of Total Spend</td>
<td>61%</td>
<td>60%</td>
<td>57%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Source: CWT, GBTA, Avrio Institute
Global Air Fares Took a Drop in 2021

Average fares are down for three core reasons:

1) Lower prices
2) A greater share of domestic routings
3) A shift from premium to economy

Source: CWT, GBTA

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## Air: Seat Capacity by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Available Seats (Nov21 vs. Nov19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>-25%</td>
</tr>
<tr>
<td>Asia</td>
<td>-34%</td>
</tr>
<tr>
<td>Europe</td>
<td>-26%</td>
</tr>
<tr>
<td>Latin America</td>
<td>-17%</td>
</tr>
<tr>
<td>Middle East</td>
<td>-32%</td>
</tr>
<tr>
<td>North America</td>
<td>-13%</td>
</tr>
<tr>
<td>Southwest Pacific</td>
<td>-64%</td>
</tr>
<tr>
<td>Global</td>
<td>-27%</td>
</tr>
</tbody>
</table>

Source: OAG, Avrio Institute
## Air: Average Economy Fares

<table>
<thead>
<tr>
<th>Region</th>
<th>2018-2019</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>$658</td>
<td>$725</td>
<td>$718</td>
</tr>
<tr>
<td>Australia</td>
<td>$475</td>
<td>$500</td>
<td>$509</td>
</tr>
<tr>
<td>Europe</td>
<td>$448</td>
<td>$499</td>
<td>$514</td>
</tr>
<tr>
<td>Asia</td>
<td>$288</td>
<td>$180</td>
<td>$185</td>
</tr>
<tr>
<td>Middle East</td>
<td>$667</td>
<td>$615</td>
<td>$633</td>
</tr>
<tr>
<td>North America</td>
<td>$509</td>
<td>$433</td>
<td>$453</td>
</tr>
<tr>
<td>South America</td>
<td>$401</td>
<td>$338</td>
<td>$349</td>
</tr>
</tbody>
</table>

Source: CWT, GBTA, Avrio Institute

Amounts shown in USD $
Hotels: Urban Area Recovery Remains Subdued

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

Upper Tier

Mid Tier

Lower Tier

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Source: Kalibri Labs
Leisure revenue is approaching 2019 levels, but commercial bookings remains 20% below

Source: Kalibri Labs
Hotel Rates Surpass 2019 Levels by 2022

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

Source: CWT, GBTA
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

USD $  

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Ground Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$38.54, -1%</td>
</tr>
<tr>
<td>2019</td>
<td>$38.16, -2%</td>
</tr>
<tr>
<td>2020</td>
<td>$37.41, 1.2%</td>
</tr>
<tr>
<td>2021</td>
<td>$37.84, 3.9%</td>
</tr>
<tr>
<td>2022</td>
<td>$39.31, 3.0%</td>
</tr>
<tr>
<td>2023</td>
<td>$40.50,</td>
</tr>
</tbody>
</table>

Source: Avrio Institute
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

Source: Avrio Institute
Average Hotel Price: **Midscale**

($CAD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Price ($CAD)</th>
<th>Average Price ($USD)</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$159.90</td>
<td>$117.23 USD</td>
<td>-3.5%</td>
</tr>
<tr>
<td>2019</td>
<td>$154.24</td>
<td>$118.19 USD</td>
<td>-10.3%</td>
</tr>
<tr>
<td>2020</td>
<td>$138.34</td>
<td>$108.42 USD</td>
<td>-8.0%</td>
</tr>
<tr>
<td>2021</td>
<td>$127.21</td>
<td>$100.17 USD</td>
<td>10.8%</td>
</tr>
<tr>
<td>2022</td>
<td>$140.95</td>
<td>$110.98 USD</td>
<td>7.2%</td>
</tr>
<tr>
<td>2023</td>
<td>$151.09</td>
<td>$118.97 USD</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Price ($USD)</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$167.16</td>
<td>-2.4%</td>
</tr>
<tr>
<td>2019</td>
<td>$170.53</td>
<td>-9.1%</td>
</tr>
<tr>
<td>2020</td>
<td>$158.54</td>
<td>-17.7%</td>
</tr>
<tr>
<td>2021</td>
<td>$166.46</td>
<td>15.1%</td>
</tr>
<tr>
<td>2022</td>
<td>$185.56</td>
<td>12.0%</td>
</tr>
<tr>
<td>2023</td>
<td>$169.03</td>
<td></td>
</tr>
</tbody>
</table>

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
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)

- **2018**: $673.60
- **2019**: $692.33 (2.8% YoY)
- **2020**: $685.60 (-1.0%)
- **2021**: $741.45 (8.1%)
- **2022**: $751.85 (1.4%)
- **2023**: $774.78 (3.1%)

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
cely@gbta.org
Questions?

Please enter into the Q&A Box
Happy Holidays
to you
Thank You for Joining Our GBTA Canada Town Hall

See YOU in 2022!