

2022 BUSINESS TRAVEL INDEX™ OUTLOOK

Annual Global Report & Forecast

[Prospects for Global Business Travel 2022–2026]



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Table of Contents

| | |
|--|-----------|
| Introduction | 3 |
| RESEARCH CHALLENGE | 3 |
| APPROACH AND DATA SOURCES | 4 |
| ABOUT ROCKPORT ANALYTICS | 4 |
| CONTACT | 4 |
| Executive Summary | 5 |
| Global Business Travel Outlook | 7 |
| GLOBAL BUSINESS TRAVEL SPENDING ADVANCES 5.5% IN 2021, POISED FOR SIGNIFICANTLY SHARPER REBOUND IN 2022 | 7 |
| THE DIVERGENT RECOVERY IN GLOBAL BUSINESS TRAVEL CONTINUES | 8 |
| THE OMICRON VARIANT & SURGING COVID CASES LED TO A BRIEF PAUSE IN THE GLOBAL BUSINESS TRAVEL RECOVERY IN EARLY 2022 | 9 |
| MACROECONOMIC & GEOPOLITICAL FACTORS ARE BACK IN FOCUS AS KEY DETERMINANTS OF THE BUSINESS TRAVEL RECOVERY | 11 |
| Revisiting the Necessary Conditions for Global Business Travel Recovery | 11 |
| Macroeconomic Headwinds Building Across Global Markets | 11 |
| Sustainability Initiatives and Trends in Technology Adoption Will Increasingly Impact the New Corporate Travel Landscape | 12 |
| Workplace Dynamics Also Making Their Mark on Business Travel..... | 13 |
| Business Traveler Sentiment Highlights the Challenges & Opportunities Presented by the Current Global Business Travel Environment | 15 |
| REGION-BY-REGION PERFORMANCE | 17 |
| NORTH AMERICA | 17 |
| WESTERN EUROPE | 17 |
| ASIA PACIFIC | 17 |
| LATIN AMERICA | 17 |
| GBTA BTI™ versus Global Sales Index | 18 |
| Travel by Industry Sector | 20 |
| A Look Back at Last Year’s Global GBTA BTI™ Outlook: How Did We Do? | 22 |
| Appendix I -Summary of Spending Growth by Country | 23 |
| Appendix II | 25 |
| Appendix III | 26 |

The 2022 GBTA BTI™ Outlook – Annual Global Report and Forecast is an exhaustive study of business travel spending and growth covering 73 countries across 44 industries. Now in its 14th edition, the report and companion database have become a critical planning tool throughout the industry.



Introduction

RESEARCH CHALLENGE

Business travel is a term that encompasses many activities executed in support of any number of business objectives: sales, training, customer support, incentives, professional development, organizational culture, and operations to name a few. Depending upon the type of organization, business travel can have many perspectives. For example, travel suppliers see it as a significant source of revenue and a primary market segment. Corporate management sees business travel as both a critical business investment and a controllable expense. Travel managers view it as a resource optimization and duty of care challenge. Policymakers see travel as a generator of jobs, income, and tax revenue. Finally, veteran road warriors see it as an important part of their ability to do their job.

To better understand the value of a business function, it needs to be measured. But the activity of business travel lacked a comprehensive global description and a set of metrics from which travel managers, suppliers, and facilitators could plan for the future. In 2009, the Global Business Travel Association (GBTA) embraced this challenge by producing the first-ever study of global business travel activity and forecasts. The result was an exhaustive analysis of business travel spending, productivity, and growth that currently covers 73 countries across 44 industries going back to the year 2000 and includes a forward-looking five-year forecast. The analysis is enhanced and updated each year. This 2022 BTI™ is the 14th consecutive global business travel outlook to be published.

Understanding the direction of global business travel activity and the prospects for recovery over the coming years is more important than ever. The COVID-19 pandemic continues to impact the global business travel industry that was responsible for US \$1.4 trillion in direct spending prior to the pandemic. The BTI in its current form includes an analysis of the momentum of the recovery across markets combined with an analysis of the trends in macro-level drivers of the recovery. The result is the most comprehensive planning tool available for the business travel sector.

What determines and drives global business travel?

There are eight distinguishing characteristics that influence the level and rate of growth of business travel in our analysis:

- 1. Size of the economy**—The level of general economic activity is paramount.
- 2. Land mass, population, and business dispersion**—Larger countries with widely dispersed populations require more travel to facilitate economic and business development.
- 3. Industry mix**—Countries whose economies are dominated by sectors that are more travel-intense by nature will have greater amounts of business travel relative to jobs, output, or population.
- 4. Technology and the productivity of business travel**—Business travel is a material/service input to virtually every industry. Like other inputs, it is subject to gains/losses in productivity.
- 5. Degree of export dominance**—Countries with large trade sectors (e.g., Brazil, Germany, Japan, and Indonesia) will tend to engage in more international business travel. Countries where economic activity is dominated by consumption (e.g., U.S. and India) will be more prone to domestic business travel.
- 6. Physical location**—Countries that are far from their markets or suppliers will require relatively more business travel to succeed.
- 7. Infrastructure development**—Is the transportation and hospitality infrastructure sufficient for business travel to flourish?
- 8. Environmental, tax, security, health, and regulatory policy**—Do governments help or hinder business travel?

APPROACH AND DATA SOURCES

Rockport Analytics' research focuses on the demand side of the business travel market. Our comprehensive definition of business travel includes all kinds of trips and trip purposes, as well as all categories of trip spending. Most readily available measures of business travel typically emanate from the supply side, such as airline, hotel, or rental car data but may also include meals, taxis/ride sharing and entertainment. None are comprehensive nor can they easily distinguish between business and leisure activity.

The nature and detail of the business travel metrics contained in this report and its accompanying database are largely dictated by available data from both secondary and primary sources. Supplier-based information from airlines, hotels, and rental car companies has been reconciled with demand-side sources from governments, traveler research panels, and travel management companies, all in an effort to create the most comprehensive view of business travel. For a list of data sources, please see the appendix at the end of this report. Our view of the contribution to each country-sector combination has been established by analyzing trends in the business travel "purchasing" behavior of 44 sectors across 73 countries over a period of more than 20 years. By modeling trends of the level of business travel spending per dollar of industry sales (a measure of business travel productivity) over time, we are able to extend these factors into the future. The combination of industry sales (macroeconomic environment), projections, and trends in business travel spending per dollar (business travel intensity and productivity) are key factors in generating the resulting forecasts of business travel spending.

Business travel spending within the study includes both domestic and international outbound spending. It is an origin view of business travel. For example, if a business traveler from a German company travels to France for business and spends money on a hotel room, that spending would be accounted for in Germany's business travel spend.

ABOUT ROCKPORT ANALYTICS

Rockport Analytics, LLC (www.rockportanalytics.com) is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. Rockport's focus is on creative and actionable research in the travel and tourism market. We provide fast, nimble service in a transparent environment.

Rockport Analytics' capabilities include:

- › Market Analysis and Forecasting
- › Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- › Market Modeling and Decision Support Tools
- › Project Feasibility Assessment
- › Primary Research and Secondary Research Synthesis
- › Stakeholder Surveys—internal and external

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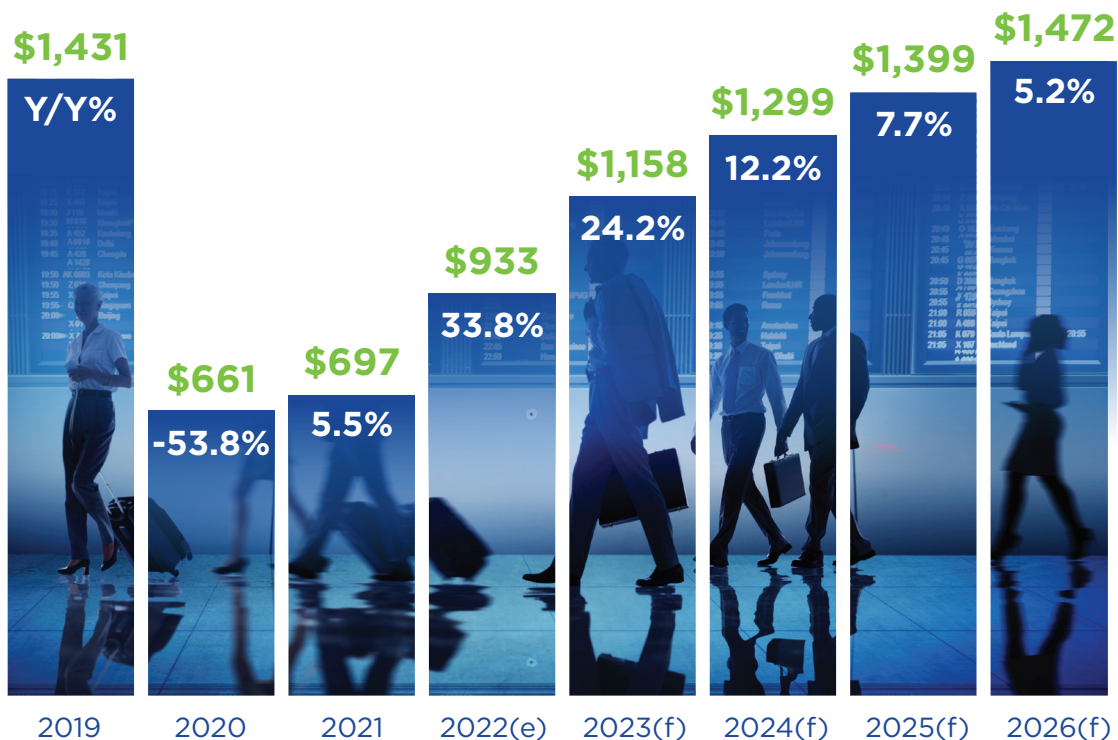
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Executive Summary

- › **Total spending on global business travel reached \$697 billion in 2021, 5.5% above the pandemic-era lows of 2020.** Last year was nearly as challenging as 2020 for the global business travel industry as business leaders, corporate executives, travel managers, road warriors, and policy makers all worked to carve out a new normal following the Covid-19 pandemic. The global business travel industry gained back roughly \$36 billion of the \$770 billion that was lost in 2020.
- › **The global business travel recovery was short-circuited by the Omicron variant and associated spike in global Covid cases in late 2021 and early 2022.** As new case numbers began to retreat in February and March 2022, global business travel surged, led by developed economies in North America and Western Europe. However, we expect global business travel in 2022 to significantly outpace last year's growth with spending projected to advance 34% over 2021 levels to \$933 billion. By the end of the year, we expect that the global business travel industry will have recovered 65% of pre-pandemic levels of spending.
- › **The acceleration of the recovery in 2022 has in large part been driven by improvement in the four factors of global business travel recovery that we identified in last year's analysis:** the global vaccination effort, national travel policy, business traveler sentiment and travel management policy. Conditions across all four factors have improved significantly over the last six months (*see page 10 for more detail*).

Global Business Travel Spend (Billions US \$)



(e) = estimate

(f) = forecast

- ▶ **However, deteriorating economic conditions and shifting secular trends in 2022 has slowed global recovery.** Global business travel will get close to pre-pandemic levels in 2025 reaching \$1.39 trillion. But spending is not expected to make it back to the \$1.4 trillion dollar mark until mid-2026, when it is forecast to reach \$1.47 trillion dollars. This adds another 18 months to the industry’s recovery than was forecast last year.
- ▶ Just as many of these Covid-recovery conditions have improved, **macroeconomic conditions have deteriorated rapidly.** Persistent inflation, severe supply chain challenges, labor shortages and a significant economic slowdown in China prompted by Zero-Covid-Policy-related shutdowns have all conspired to create a much more challenging environment for companies around the globe. **These challenges coupled with increasingly tighter monetary policy is taking its toll on global business.**
- ▶ Key trends including the adoption of ever-important sustainability initiatives, the rapid growth in the penetration of meeting technology, the rise of the remote workforce, and increases in blended (i.e., “bleisure”) travel are making an impact on the landscape of global business travel activity. **The direction of these trends has enormous implications for the volume and composition of global business travel activity in the coming years.**
- ▶ **The sentiment of business travelers and corporate financial executives reflects the current environment for the global business travel recovery,** with a shift in focus to more macroeconomic factors as we make global progress in battling the Covid-19 pandemic. Most business travelers and finance executives anticipate acceleration in the global business travel recovery, but key differences exist from one region to the next.
- ▶ **The timing, trajectory, and pace of the recovery in business travel .has varied significantly among regions.** Macroeconomic and geopolitical conditions, COVID policy and other market factors have led to some regions pacing towards a much faster recovery to pre-pandemic levels of business travel expenditures than others (see page 8).

| Total Business Travel Spending (BTS): Top 15 Markets (2022) | | | |
|--|---|-------------------------------|----------------------------|
| Country | | Total BTS (\$Millions USD) | Annual Growth in BTS |
| China |  | \$286,895 | 6% |
| United States |  | \$213,381 | 42% |
| Germany |  | \$41,128 | 71% |
| France |  | \$33,544 | 69% |
| Japan |  | \$27,257 | 80% |
| United Kingdom |  | \$26,815 | 63% |
| India |  | \$23,045 | 57% |
| Brazil |  | \$20,127 | 52% |
| Italy |  | \$19,203 | 73% |
| South Korea |  | \$18,075 | 32% |
| Spain |  | \$16,689 | 67% |
| Turkey |  | \$15,460 | 79% |
| Canada |  | \$15,217 | 47% |
| Australia |  | \$13,472 | 29% |
| Russia |  | \$13,353 | 42% |
| TOTAL | | \$932,793 | 34% |

Global Business Travel Outlook

GLOBAL BUSINESS TRAVEL SPENDING ADVANCED 5.5% IN 2021, POISED FOR SIGNIFICANTLY SHARPER REBOUND IN 2022

A total of \$697 billion was spent on business travel around the globe in 2021 as global business travel recovery began in earnest. Last year was nearly as challenging as 2020 for the global business travel industry as business leaders, corporate executives, road warriors, travel managers and policy makers all worked to carve out a new normal following the Covid-19 pandemic. This challenge was punctuated by rapidly changing policy that followed the path of the virus and a diversity of viewpoints on how to handle the uncertainty presented by the pandemic.

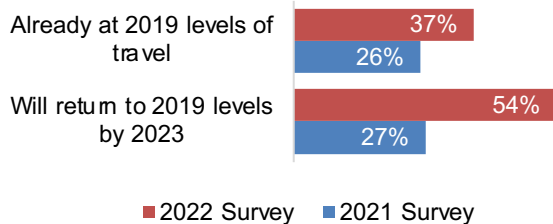
Progress against the virus allowed the business travel sector to take a more aggressive path towards recovery in 2022. Industry participants are attempting to return to some semblance of a “normal” work life, but significant obstacles remain. These include not only epidemiological challenges, but economic, geopolitical, and social challenges as well. Just as we have begun to make progress on many of the necessary conditions for

a full recovery in global business travel, we are met with new economic headwinds. We are also learning what the new landscape for corporate travel will look like. How will secular shifts brought about by the pandemic change the trajectory of travel patterns, trip purpose, and overall travel volumes?

The chart below highlights our revised forecast for global business travel spending over the next five years. The overall trajectory of the forecast is in line with last year’s projection, with significant acceleration in annual growth in 2022 (34%) and 2023 (24%) before trailing off towards more modest growth in 2024 (12%), 2025 (7.7%) and 2026 (5.2%). We expect by the end of 2022 the global business travel market will have recovered approximately two-thirds of pre-pandemic business travel expenditures. Our revised forecast projects that we will fully recover to 2019 levels by 2026, or about 18 months later than was projected in our 2021 BTI Outlook.

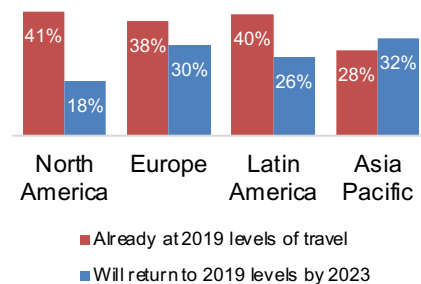
When Do You Expect Your Travel Volume to Return to 2019 Levels?

ALL RESPONDENTS - COMPARISON OF 2022 AND 2021 SURVEYS



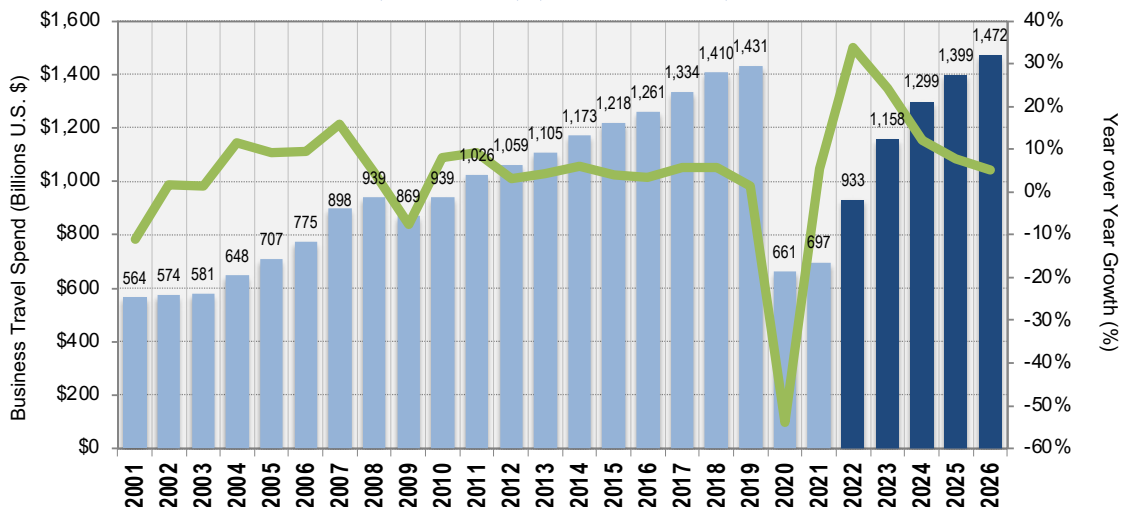
Source: GBTA Business Traveler Survey, Rockport Analytics

2022 SURVEY BY REGION



Source: GBTA Business Traveler Survey, Rockport Analytics

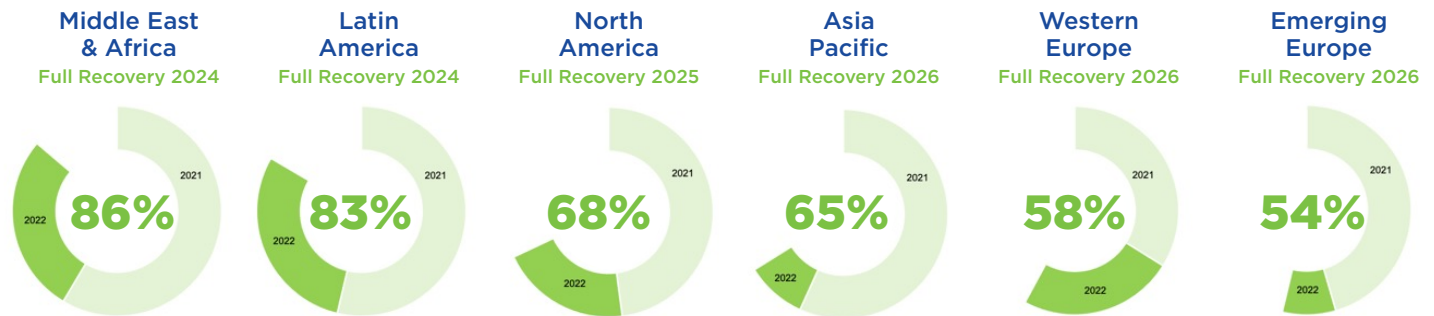
GLOBAL BUSINESS TRAVEL SPENDING AND GROWTH TREND (2001-2026) (BILLIONS US \$)



Source: GBTA, Rockport Analytics

THE DIVERGENT RECOVERY IN GLOBAL BUSINESS TRAVEL CONTINUES

The timing, trajectory, and pace of the recovery in business travel has varied significantly from one region of the world to the next. Macroeconomic and geopolitical conditions, COVID policy and other market factors have led to some regions pacing towards a much faster recovery to pre-pandemic levels of business travel expenditures than others.



Asia Pacific

2021 ↑ Business travel in APAC helped to lead the industry out of the depth of the pandemic in late 2020 and through most of 2021. China fared well through the initial surges of COVID given the early control of the pandemic. A lot of domestic business travel carried on while the rest of the world was on lockdown. This trend reversed in 2022, however, as Covid cases rose and China's Zero-Covid policy led to wide-scale lockdowns across the country. Other countries in the region including Australia, South Korea and Japan have also maintained very strict travel and entry policies. We expect APAC will only regain another 16.5% toward pre-pandemic levels in 2022.

2022 ↓

Emerging Europe

2021 ← Business travel in Emerging Europe fared better than the more developed markets in Western Europe in 2021. This trend quickly reversed itself with the Russian invasion of Ukraine in 2022, however. Prior to the pandemic, Russia made up 35% of regional business travel expenditures. We expect that to shrink to only 16.2% in 2022. All commercial airfare has been grounded in the Ukraine and only the most essential of business trips are occurring. Business travel to and within Russia has been hampered by sanctions on leased aircraft.

2022 ↓

North America

2021 ← The recovery in North America has been steady since mid-2021 as the Covid vaccination campaign ramped up. The growth in US business travel gained momentum through 2021 and took only a brief pause with the rise in Omicron cases in early 2022, before resurging in February and March. This resurgence was also supported by easing of border restrictions in Canada. We expect momentum to cool a bit in the back half of the year given less-favorable economic conditions.

2022 ↑

Latin America

2021 ↑ Latin American business travel has outpaced most other regions in the world in both 2021 and 2022. Performance in 2021 was driven by fewer travel management restrictions and relatively less reticence to travel by Latin American business travelers. In 2022, there has been slightly less outperformance in Latin America relative to Western Europe and North America, but the recovery continues, and the vaccination efforts have been very strong, particularly in Brazil, the largest business travel market in the region, which has fully vaccinated around 80% of its population.

2022 ↑

Western Europe

2021 ↓ In 2021, Western European business travel struggled to regain footing more than any other region in the world. Following the retreat of Omicron cases in early 2022, European business travel has jumped into a much higher gear as significant pent-up demand led to a surge in business travel volume across the region. Despite this resurgence, the direct impact of the war in Ukraine, soaring inflation and an impending energy crisis all threaten to derail progress in the back half of the year and into 2023.

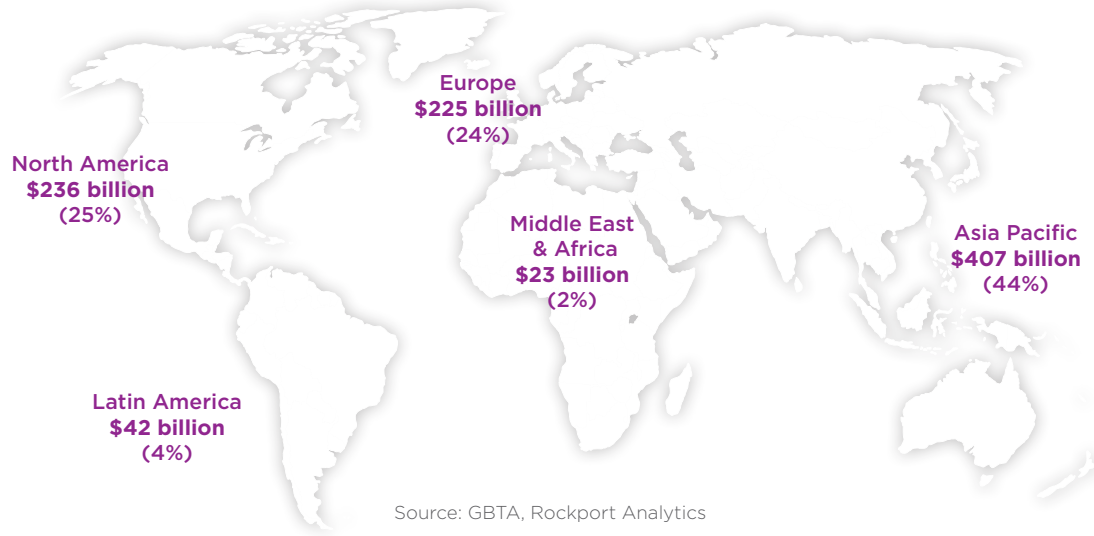
2022 ↑

Middle East & Africa

2021 ↑ Early Covid inoculation efforts in key business travel markets like the UAE and Israel helped in the early stages of recovery in the region. Fairly few travel restrictions across African nations also supported some outperformance in the business travel recovery in 2021. In 2022, the recovery has mainly been fueled by increased economic activity through the oil-producing countries of the Middle East and North Africa as the price of crude has risen sharply.

2022 ↑

GLOBAL SPENDING PUSHING TOWARDS \$1 TRILLION IN 2022
2022 Business Travel Spending by Region



THE OMICRON VARIANT AND SURGING COVID CASES LED TO A BRIEF PAUSE IN THE GLOBAL BUSINESS TRAVEL RECOVERY IN EARLY 2022

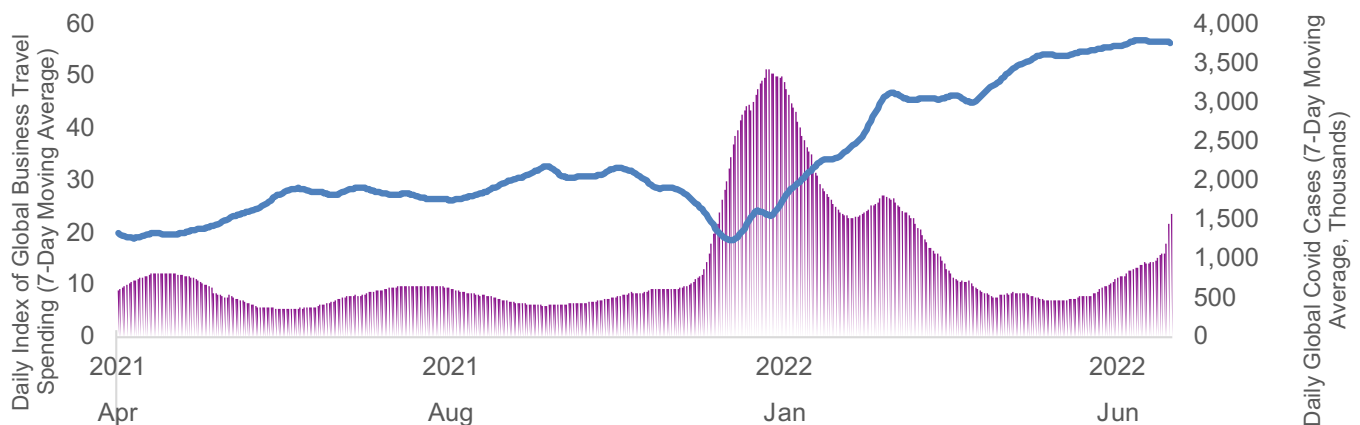
The recovery in global business travel activity began in 2021, coinciding with the global vaccination effort. Employees began to tiptoe back into the office and, slowly but surely, return to planes, trains and automobiles. These trends can be seen in the blue line on the chart below, which represents an index of estimated daily business travel spending. The recovery began to ramp up in late 2021 as vaccination rates reached critical mass in key global business travel markets in North America, Europe, and Asia Pacific.

Unfortunately, progress was stopped in its tracks as the Omicron variant spurred a significant rise in Covid cases around the world. Exacerbating the impact of the variant, the surge in cases was the greatest in business travel markets, particularly those in Western Europe,

that were just getting back on their feet. The chart below highlights the impact that Omicron had on the recovery. We estimate that this set back the recovery by nearly two quarters.

In 2022, as Omicron cases subsided and the global vaccination effort progressed, the recovery has jumped into a significantly higher gear. Improving conditions have led to progress in domestic business travel recovery but also a return to international travel. While the lodging category led other travel-related sectors in the early innings of the recovery, air transportation has taken the reins in 2022 as more business trips focused on long-haul, conferences, conventions and international travel enter the mix.

OMICRON BRIEFLY DISRUPTS THE RECOVERY IN GLOBAL BUSINESS TRAVEL
Correlation of Daily BTS & New Covid Cases (7-Day Moving Average)



Source: Johns Hopkins University, GBTA, Rockport Analytics

MACROECONOMIC & GEOPOLITICAL FACTORS ARE BACK IN FOCUS AS KEY DETERMINANTS OF THE BUSINESS TRAVEL RECOVERY

Revisiting the Necessary Conditions for Global Business Travel Recovery

Business travel is a necessary input to the operations and success of companies in every sector of the global economy. There is an inextricable link between business travel activity and the generation of top-line revenue. Historically, business travel has been driven by key economic factors like the level of employment, the growth in corporate profits and GDP, oil and gas prices, business confidence, exchange rates and a variety of other economic factors. However, since the start of the pandemic the recovery has been dictated primarily by four key factors: the global vaccination effort, national travel policy, business traveler sentiment and travel management policy.

While, clearly, we are a long way from a full recovery to pre-pandemic levels of business travel, there has been significant progress made across the four conditions we identified for recovery in the November 2021 BTI™:

- 1. The Global Vaccination Effort:** As of July 17, 2022, nearly 70% of the global population has been fully vaccinated. This compares to a rate of only 26% in July 2021. As noted in last year's analysis, this is by far the biggest factor in a "return to normal" for the business travel sector and has helped to foster the recovery in business travel volume in 2022.
- 2. National Travel Policies:** National travel policies have begun to normalize around the globe. Most national governments have dropped all entrance restrictions for vaccinated travelers, which as noted above comprises the lion's share of the global population. Asia Pacific remains the one region with significant restrictions on the entry of foreign nationals with the two largest business travel markets in the region – China and Japan – retaining the strictest policies in the world. In China, for example, all incoming travelers are screened upon arrival and subject to a 14-day quarantine. Japan requires a negative COVID test to enter and may require isolation (*at the time of writing*).
- 3. Business Traveler Sentiment:** Business travelers around the world anticipate an acceleration in the recovery. In GBTA's recent business travel recovery poll, 79% of GBTA stakeholders responding expect to travel more or much more for business next year. That compares to last year when 57% expected their travel to increase the following year. The percentage of business travelers who are already traveling as much as they did before the pandemic is 37% in this year's survey compared to 26% in last year's survey.
- 4. Travel Management Policy:** Travel management policy is also loosening up around the globe. Findings from the June 2022 poll of GBTA members finds 83% of companies currently allow some level of domestic business travel and 63% permit some level of international business travel. These are both up significantly from our last BTI™ release in November 2021 when only 61% of companies allowed domestic and 21% allowed international travel.

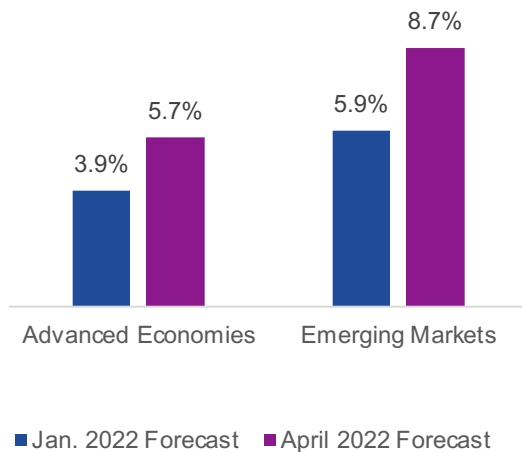
Macroeconomic Headwinds Building Across Global Markets

As noted in our report last year, the economic underpinnings of the recovery in business travel have been very strong. Rising corporate profits and soaring business and consumer confidence fueled by both fiscal and monetary stimulus around the globe combined to help support the recovery in global business travel. These economic conditions coupled with improvement in the four necessary recovery conditions as described above led to a surge in business travel activity beginning in February and March of 2022.

Unfortunately, just as a more robust recovery in corporate travel has taken shape, global economic headwinds have begun to mount and many of the cracks brought to bear by the pandemic have begun to widen:

- 1. Inflation** stoked by supply chain challenges and stimulus-fueled demand turned out to be much more persistent and severe than many suspected in the early-days of the pandemic.
- 2. Global supply chains remain extremely stressed.** The seemingly endless wave of shortages in various commodities and manufacturing inputs have left companies in a state of persistent unpredictability.
- 3. Shutdowns related to Zero-Covid policy in China have led to significant economic slowdowns in the world's largest business travel market.** This is also having spillover effects on many major economies that are dependent on Chinese domestic demand. This is particularly true for countries like Germany and South Korea who export a significant volume of manufactured goods to China.
- Layered on top of all those challenges is the **significant impact of the Russian War in Ukraine.** The war has led to further disruption of global supply chains, fueled inflation, and disrupted the recovery from Covid-19. This is particularly true across the European continent where a tremendous influx of refugees and an already fragile energy market is being held hostage by Russian supplies of natural gas. And an already bad inflation problem has been made much worse.

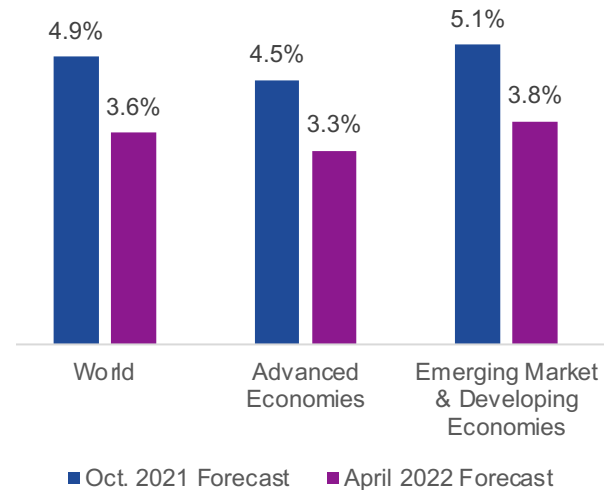
2022 INFLATION EXPECTATIONS HAVE RAMPED UP VERY QUICKLY



Source: IMF, Rockport Analytics

MEANWHILE, THE OUTLOOK FOR GLOBAL GDP HAS DETERIORATED SIGNIFICANTLY

Real GDP Forecast (2022), annual % change

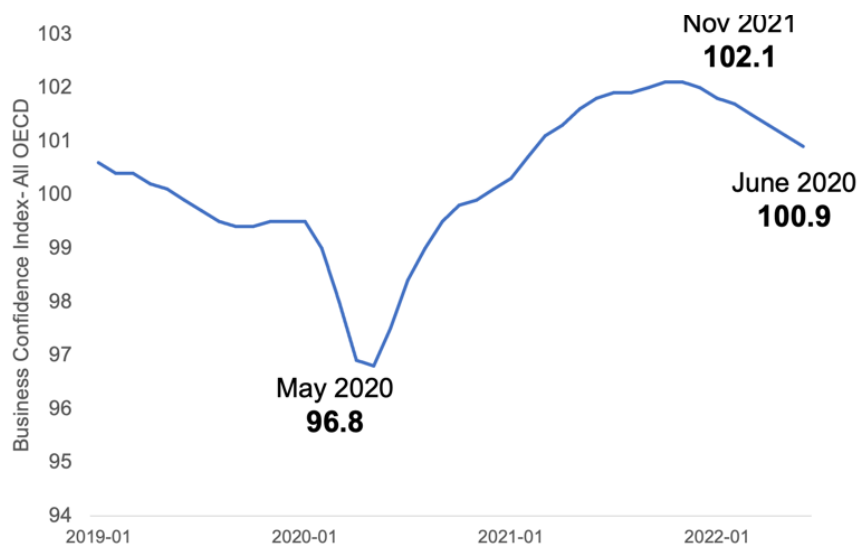


Source: IMF, Rockport Analytics

To counter inflation and overheated economies, central bankers in many developed countries have entered an aggressive tightening cycle — raising interest rates, which will ultimately slow economic growth (See charts on previous page). If not done skillfully, however, the aggressive tightening cycle could drive many developed economies into recession. Risks of dreaded stagflation — a period of high inflation and low rates of economic growth — have risen significantly in Europe and the US. These economic conditions have led to a deterioration in global business confidence in 2022. This is detrimental to the recovery in business travel spending as business confidence is one of the strongest drivers of business travel growth.

Just as many companies were again looking to invest in sending employees back on the road in early 2022, many firms are taking a more defensive posture which is likely to slow momentum. In fact, GBTA's polling highlights the fact that concerns among travel managers have shifted from those directly related to the pandemic to more economic-related concerns. While Covid concerns remain in the top three, the current issues impacting travel programs are staffing shortages and government policies and restrictions. Many of these other headline issues are weighing in including inflation, oil prices, the risk of recession and the crisis in Ukraine.

Global Business Confidence Soars Post-Covid But Beginning To Wane



Source: OECD, Rockport Analytics

Sustainability Initiatives and Trends in Technology Adoption Will Increasingly Impact the New Corporate Travel Landscape

Sustainability initiatives are a key element to the future of business travel. It is important to consider best practices for conserving resources now so those resources will continue to be available in the future to preserve long-term business travel opportunities. Essentially, sustainability has pushed business leaders to balance the tradeoff between business travel's inherent contribution to productivity and the rising costs associated with travel's role in climate change and other environmental challenges.

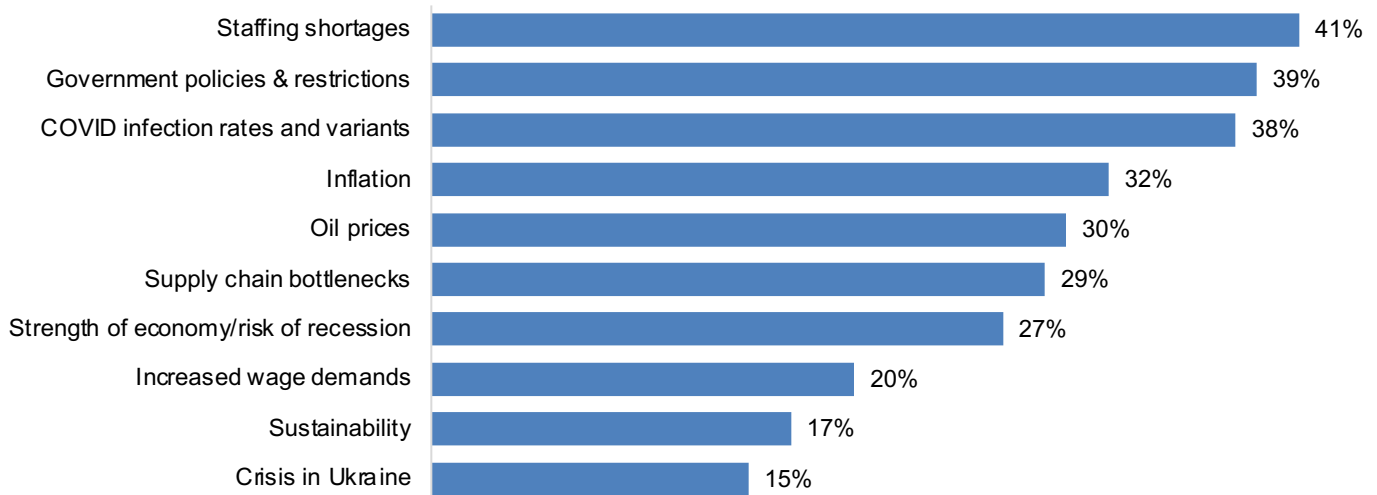
Few would argue that face-to-face meetings continue to be critical for sales, operations, education/training/professional development, and customer support. However, the rising costs of climate mitigation, regardless of how it is monetized, in combination with improving technological alternatives to travel will continue to change the calculus of when, where, and how often to travel. Sustainability is already exerting an influence. In GBTA's April 2022 "The State of Sustainability in the Global Business Travel Sector" report, 89% of those industry professionals surveyed say that sustainability is already a priority for their company. And GBTA's June 2022 survey of travel managers reveals that 17% of travel suppliers and 18% of travel buyers feel that sustainability has already had a significant impact on their company's travel program. Those percentages were lower than other macroeconomic and geopolitical issues, but they are expected to rise moving forward. Sustainability will play an increasingly important role in the volume and nature of trips and the future growth of business travel.

Another underlying trend to watch is the development and adoption of technology that can be used to replace certain types of travel. Availability and use of collaboration tools and video conference capabilities had already been rising for a decade or more, although their impact on business travel was relatively low. Along came the pandemic and with travel essentially halted, technology became the only way for employees, customers, and vendors to safely collaborate. These technologies existed prior to the pandemic, but lockdowns and health concerns highlighted the benefits of adoption into the corporate mainstream.

At the same time, increased demand has led to rapid improvement in the capabilities of these tools. As the fallout from the pandemic wanes and more normal conditions return, the question will be how permanent the replacement of certain types of travel will be.

Technology, in conjunction with rising sustainability initiatives, will remain an important trend to watch in both the short-term recovery from the pandemic and longer-term trends in business travel growth. Considered together, we expect sustainability initiatives and technology adoption to result in underlying headwinds for corporate travel volume. Business travel spending, however, is another story given that sustainability and other inflationary pressures will result in increased travel prices. While the usual macroeconomic, industry and financial drivers will continue to dominate the outlook for business travel, these secular trends are poised to increase their influence.

What Factor's Are Having a Significant Impact on your Company's Travel Program?



Source: June 2022 GBTA Member Poll, Rockport Analytics

Workplace Dynamics Also Making Their Mark on Business Travel

Remote Work is Here to Stay

When the pandemic shut down stores, offices, and other businesses across the globe, employees suddenly found themselves working from home. After the initial shock and confusion, companies and workers had to quickly adjust. Technology infrastructure, workflow, attitudes, and policies were rapidly altered to facilitate continuing operations. Fast forward to 2022 with the pandemic waning, and we see many companies have created a new normal that incorporates more flexible work hours and locations.

Workplace flexibility has gained significant acceptance since the pandemic. Many companies now offer employees options regarding working remotely versus working in a company office. Employees have quickly adapted to the benefits of remote work and are increasingly demanding this option in very tight labor markets. A recent survey of American workers by McKinsey and Ipsos found when people have the chance to work flexibly, 87% of them take it.

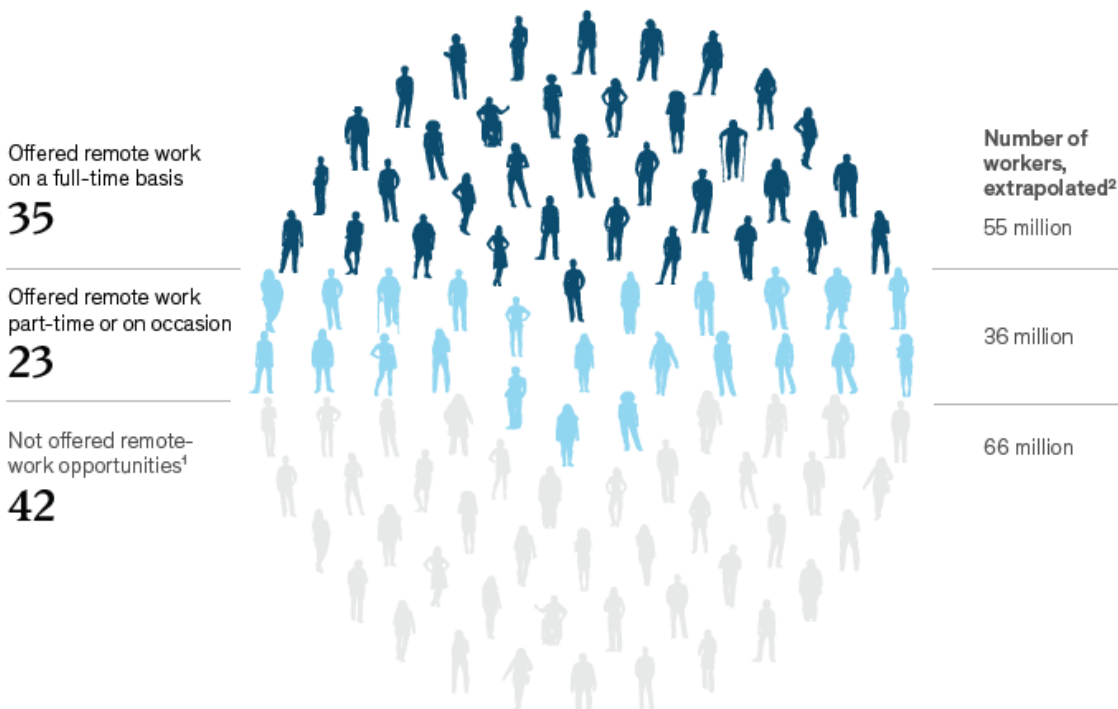
At mid-year 2020, 58% of the U.S. labor force, or about 92 million workers, reported having the opportunity to work from home at least one day a week, 35% had that option for five days a week. Importantly, these respondents included workers across all kinds of industries and in all kinds of occupations, even those

traditionally thought of as blue collar who would be expected to work almost exclusively on-site.

As an illustration of the staying power of remote work, consider the current motivations for American workers leaving their jobs. In the same McKinsey survey respondents were asked about what motivates them to search for new jobs. The availability of flexible working arrangements ranked third among principal motivators (see chart page 14). In a labor market as tight as this one, this benefit is even more critical to operational continuity.

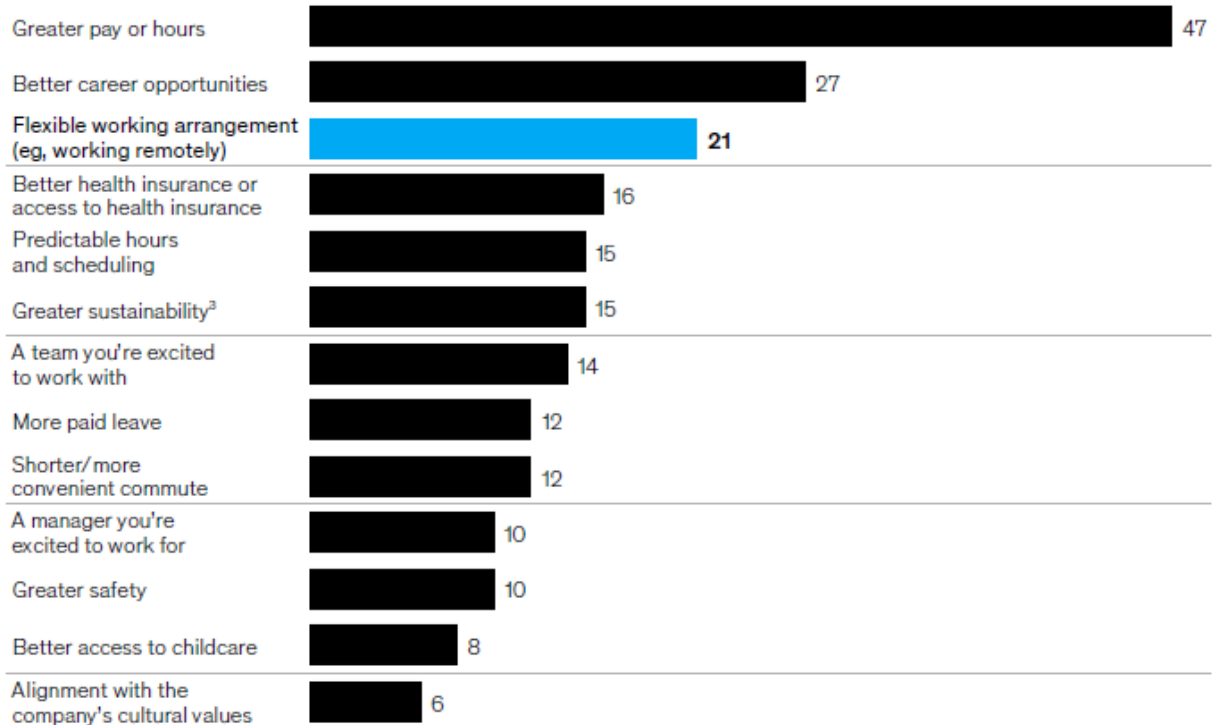
With some degree of remote work as a permanent condition, the question is what it means for business travel. The definitive answer remains unknown. Some believe remote work and the new types of team collaboration made easier by newer technology could result in more travel once COVID risks and restrictions are less of a factor. New remote teams will have to get together from time to time to synchronize their work and foster connection and culture, a situation that was less necessary when teams were local and located on-site. There is also the “return to base” argument, where remote workers are compelled to come into the office on some recurring schedule in order to counter the disadvantages of isolation.

Nearly 92 Million Workers Or 58% Of The US Labor Force Say They Can Work Remotely At Least Part Of The Time



Note: Figures may not sum, because of rounding.
¹Includes respondents who answered "I don't know" (7%).
²Of 158,105,000 employed people; US Bureau of Labor Statistics, Apr 2022.
Source: McKinsey American Opportunity Survey Spring 2022

Motivations For Seeking A New Job



Source: McKinsey & Company, McKinsey American Opportunity Survey, Spring 2022

Bleisure Travel is On the Rise

“Bleisure (or blended travel) is a term used to describe travel that combines elements of business and leisure and typically involves tacking leisure days onto an existing business trip and/or bringing friends or family along. Future Market Insights estimates this industry will reach \$497 billion U.S. dollars by the end of 2022 and continue to increase at a compound annual rate of 19.5% over the next decade. While not a new phenomenon, blended travel was turbocharged by the pandemic as workers sought more flexible work/life balance opportunities in a remote work environment.

Since the leisure component of a blended trip would not be strictly counted as business travel, the more important issues are if blended travel is seen as an extension of remote work and whether the possibility creates more business trips. The jury remains out on that front, but blended travel clearly offers benefits. For travel suppliers, it offers longer lengths of stay and additional spending. Hoteliers are already offering new services to appeal to working professionals looking for a change in scenery, including the provision of alternative workspaces to attract more remote workers. For workers, the work/life balance benefit of this type of trip is expected to improve job satisfaction and may incent workers to take more business trips. For businesses, it offers improved productivity, worker attraction and retention benefits, and a general morale booster.

BLEISURE TRAVEL SPENDING EXPECTED TO REACH ALMOST \$3 BILLION BY 2032



Source: Future Market Insights, April 2022

Business Traveler and Financial Executive Sentiment Highlight the Challenges and Opportunities Presented by the Current Global Business Travel Environment

GBTA surveyed frequent business travelers and financial executives (including CFOs, SVPs of Finance...) from the four regions of North America, Europe, Latin America and Asia Pacific to provide additional perspective on the outlook for global business travel. The survey was fielded in July 2022 and resulted in responses from 416 business travelers and 44 financial executives across the four regions.

Survey respondents expect business travel to return to pre-pandemic levels. Compared to last year, a higher percentage of business travelers are either already traveling as much as they did in 2019 or expecting to travel more in the next year.

However, they are also acutely aware of many new challenges on the horizon. Some looming macroeconomic challenges have risen above Covid concerns, and technology adoption threatens to displace some business travel. And following the projections in our forecast, business travelers in Asia Pacific have the lowest expectations for a rapid return to pre-pandemic levels of business travel volume.

Business traveler sentiment confirms the trend of Covid concerns taking a back seat to current macroeconomic and geopolitical issues. Inflation/rising prices and the threat of economic recession both ranked higher than

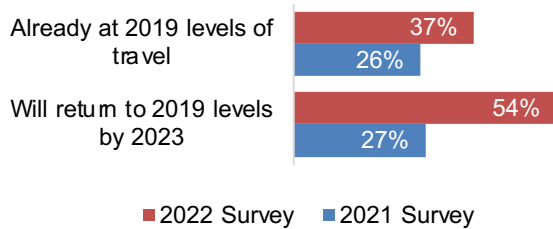
Covid infection rates and variants:

- ▶ **73%** of business travelers and 38 of 44 financial executives agree that inflation/rising prices will impact travel volumes.
- ▶ **69%** of business travelers and 33 of 44 executives are concerned that recession will impact travel.
- ▶ **68%** of business travelers and 36 of 44 executives expect Covid infection rates and variants to have an impact on their travel. We see Asia Pacific having a greater concern about Covid rates (77%) because many governments in the region are more likely to quickly change national travel policies when caseloads rise.

The expected impact of sustainability on business travel reveals some interesting differences by region. Most respondents (59%) chose to both “limit/reduce costs for their company” and “limit/reduce carbon emissions even if the costs are higher”. However, Europeans, who have historically placed more emphasis on environmental issues, feel limiting carbon emissions is more important than cutting costs. Conversely, when given the choice, Asian Pacific business travelers would rather reduce costs for their companies.

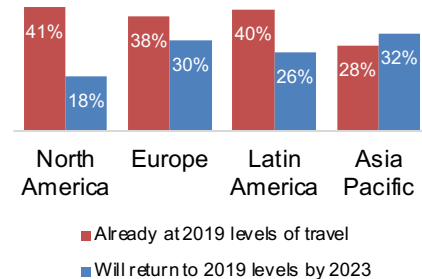
When Do You Expect Your Travel Volume to Return to 2019 Levels?

ALL RESPONDENTS - COMPARISON OF 2022 AND 2021 SURVEYS



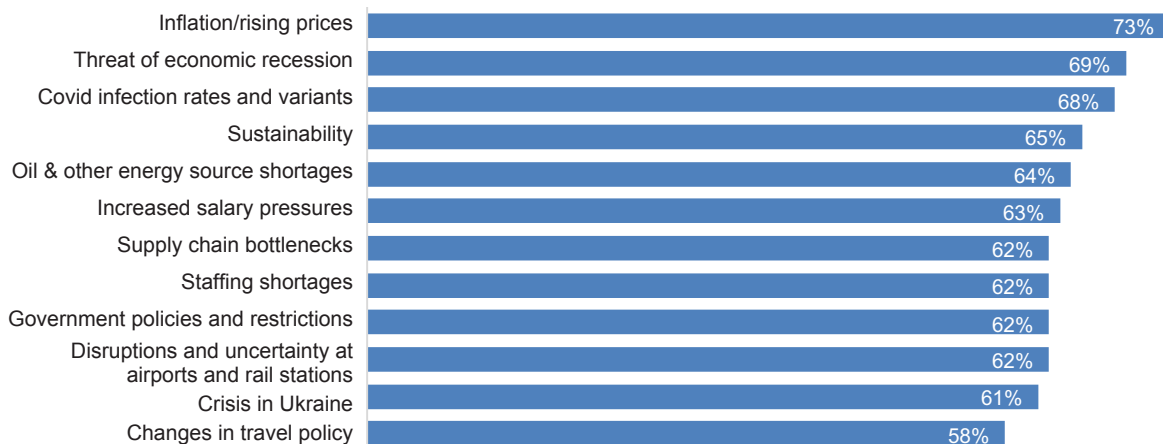
Source: GBTA Business Traveler Survey, Rockport Analytics

2022 SURVEY BY REGION



Source: GBTA Business Traveler Survey, Rockport Analytics

Percent who agree/strongly agree on factors impacting business travel



Source: GBTA Business Traveler Survey, Rockport Analytics

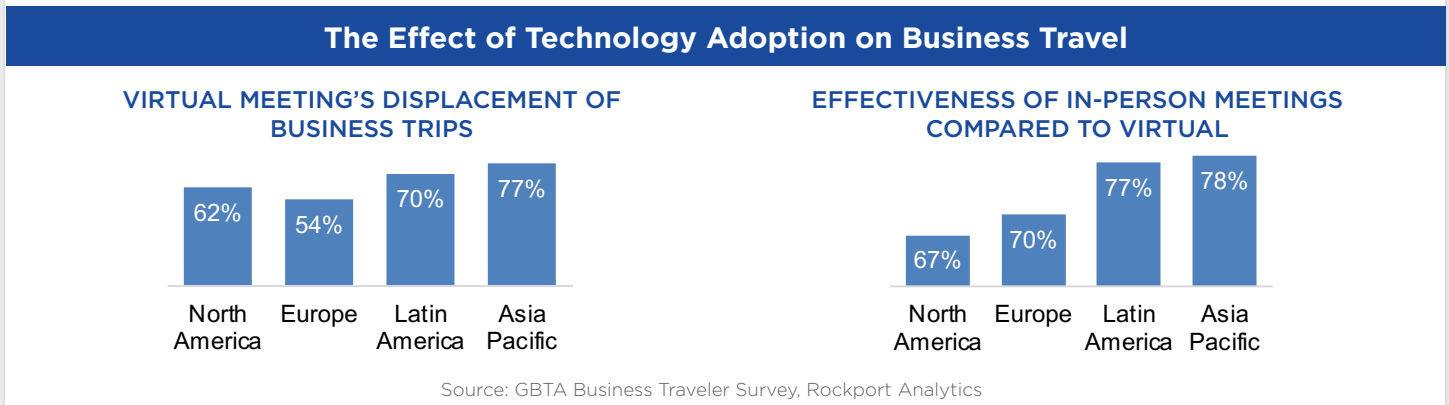
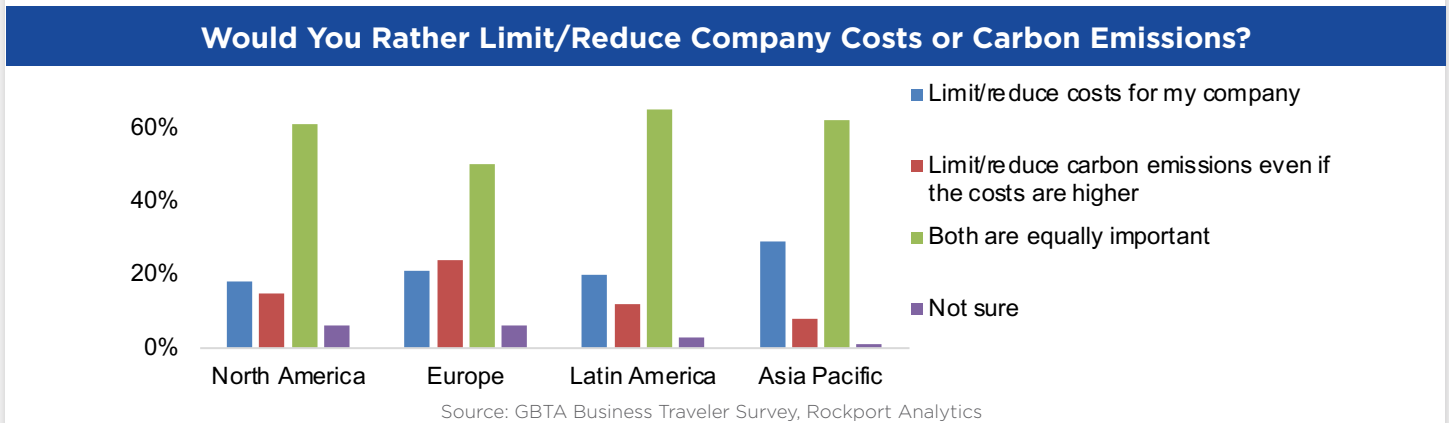
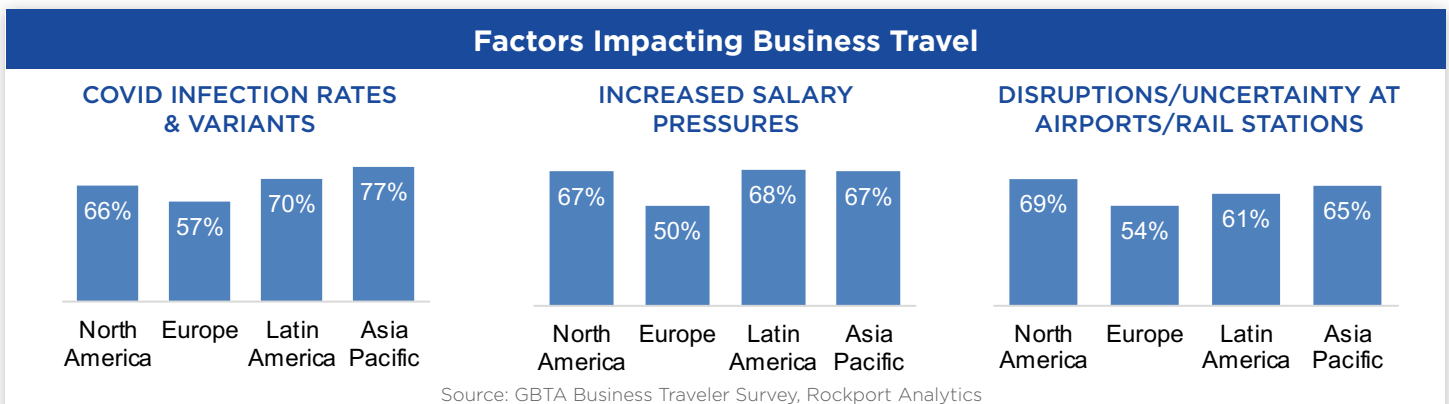
European business travelers and finance executives respond differently than those in other regions on the topic of increased salary pressures. This fact follows the conclusion of a YouGov survey that found Europeans are least likely to ask for pay raises, despite rising costs, thus putting less pressure on salary.

Another interesting finding is the higher percentage of North Americans (69%) vs. Europeans (54%) who see disruptions at airports or rail stations impacting travel. While both regions recently experienced cancelled flights due to airline staff shortages, Europeans were able to use their reliable and well-developed rail system as an alternative mode of transportation.

In-person meetings are considered more effective by nearly three-quarters of business travelers and 37 of 44 finance executives. Here we see evidence of cultural differences, where those from Latin America (77%) and Asia Pacific (78%) place greater value on meeting face-to-face. However, 66% of business travelers report virtual meetings have permanently replaced a moderate/large percentage of their business trips. This is only confirmed by 23 of 44 finance executives, indicating that these executives are not experiencing the same level of displacement or are unaware.

“Creating relationships is a key component in business. Having virtual meetings does not develop these relationships.”

BUSINESS TRAVELER FROM NORTH AMERICA



REGION-BY-REGION PERFORMANCE

Global business travel spending totaled \$697 billion in 2021, increasing more than 5% from 2020 levels (\$661 billion). In 2021 business travel recovered in all but two regions: Western Europe and Emerging Europe. North America and Asia Pacific led the recovery in 2021. Global business travel spending is expected to gain 33% this year and we expect pre-pandemic levels of global business travel spend by 2026, with individual regions and countries regaining earlier or later than 2026. Western Europe and North America, the two regions hit hardest by the pandemic, are expected to experience the sharpest recoveries with compound annual growth increases of 23.4% and 16.9%, respectively by 2026.

North America

Business travel spending in North America grew to \$166.1 billion in 2021, a 20.5% increase from 2020's \$137.8 billion. U.S. business travelers accounted for 90% of the regional spending total. Canada and Mexico made up the remaining 10% of spending, totaling a combined \$15.7 billion. North America remains the second largest business travel region in the world with nearly 22% of global spend in 2021. We expect North American business travel spending to climb 23% this year, recovering to \$236 billion, 68% of pre-pandemic spending levels. Both Canada and the US have opened their borders to fully vaccinated business travelers. Rocketing inflation, rapidly rising interest rates and the potential of economic recession are all weighing heavily on corporate planning heading towards 2023.

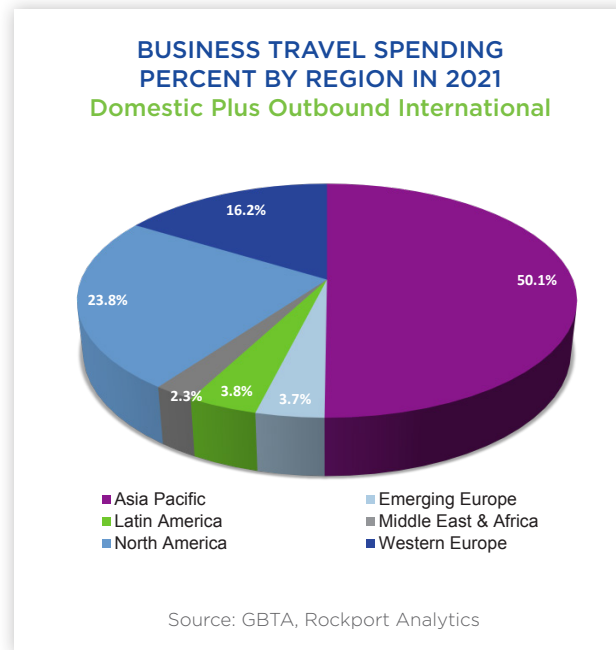
Western Europe

Business travel spending in Western Europe declined to \$113 billion in 2021, a 17% decrease from 2020. Western Europe was the one region to witness spending declines last year as the Covid-19 pandemic and associated lockdowns and travel bans ravished the European business travel market. Six countries — Germany, France, Italy, the Netherlands, Spain, and the UK — made up three-quarters of business travel expenditures in the region last year. Western Europe remains the third largest business travel region in the world with nearly 22% of global spend in 2021. We expect Western European business travel spending to climb 23% this year, recovering to \$194 billion, 68% of pre-pandemic spending levels. While business travel activity in the region has surged over the last few months, there are significant headwinds in the region: the war in Ukraine, the influx of refugees, an ongoing energy crisis exacerbated by Russia's control of much of the region's natural gas supply, soaring inflation, and a weakening Euro — all of which will play a major role in the region moving into 2023.

Asia Pacific

The Asia Pacific region continues to account for the largest share of business travel spend in the world, totaling \$350 billion in business travel spend last year. The proportion of spending generated in APAC jumped from 48% in 2020 to 50% in 2021, as China's business travel market outperformed relative to other

major economies around the world. Spending on business travel in China increased by 21%, compared to a 5.5% increase globally. This trend has reversed, significantly, however in 2022. As business travel in much of the rest of the world rapidly recovers, Covid-related shutdowns have put the brakes on business travel growth in China. More restrictive policy in Japan and South Korea is also impacting the recovery in 2022. Australia, which had some of the most stringent policies in the world, opened back up to vaccinated travelers in February. We expect a modest increase of 16.5% in business travel spending in APAC in 2022 (5.6% in China), with the region recovering to 65% of pre-pandemic levels.



Latin America

Business travel spending in Latin America grew a modest 7.5% in 2021 to \$26.8 billion, accounting for 3.8% of global expenditures. Brazilian business travel spending, which accounts for 49% of spending in the region, fell 1% in 2021 as the vaccination effort got off to a slow start. The vaccination campaign really ramped up in late 2021 and into 2022 with 80% of Brazilians now fully vaccinated. The vaccination effort coupled with relatively few travel restrictions is helping to fuel the business travel recovery in 2022. We expect another 55% growth in business travel spending in Latin America this year as business travel recovers to 83% of pre-pandemic totals. There will be economic headwinds over the next couple years including, slacking demand from the US and China, rising inflation, tighter financial conditions, and slowing GDP growth. Despite these headwinds, we expect Latin America to have fully recovered to pre-pandemic levels of business travel spending by 2024.

“New clients are being developed to expand our portfolio. All this to expand our market. Hence the need to increase travel.”

FINANCIAL EXECUTIVE FROM MEXICO

GBTA BTI™ versus Global Sales Index

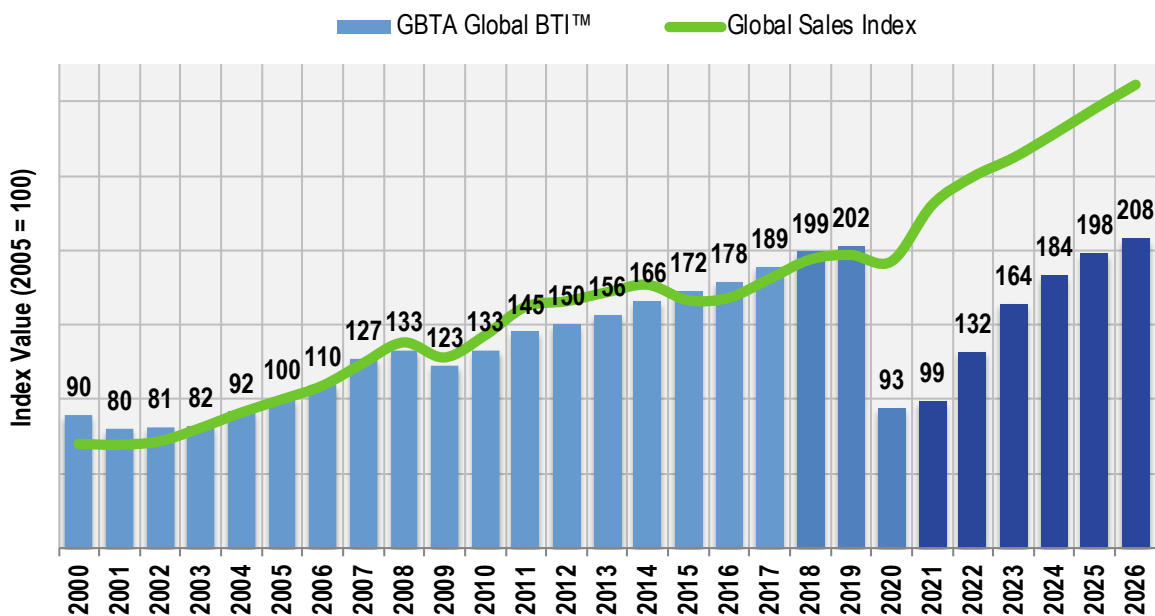
GBTA's headline measure of the current and projected level of business travel is the GBTA BTI™ (Business Travel Index™). This index of business travel activity has been created for total global business travel as well as for every major business travel market in the world. The GBTA BTI™ is indexed on a base year of 2005 and is derived from total business travel spending.

It is interesting to note the gap between the global sales index and the GBTA global BTITM, a gap that has surfaced since the pandemic in 2020. Global sales took a dip in 2020 but is growing at the pace it was on before the pandemic. The fact that the BTI™ hasn't caught up indicates the greater extent to which business travel was impacted compared to overall economic activity.

The following table highlights the BTITM performance for the 2022 top-15 business travel markets, including country level forecasts through 2026. For most of these top-15, we expect the largest bounce-back to happen over 2022 and 2023 with growth tapering off over the rest of the forecast period.



GLOBAL GBTA BTI™ AND GLOBAL SALES (INDEXED)



Source: GBTA, Rockport Analytics

GBTA BTS: TOP 15 BUSINESS TRAVEL MARKETS

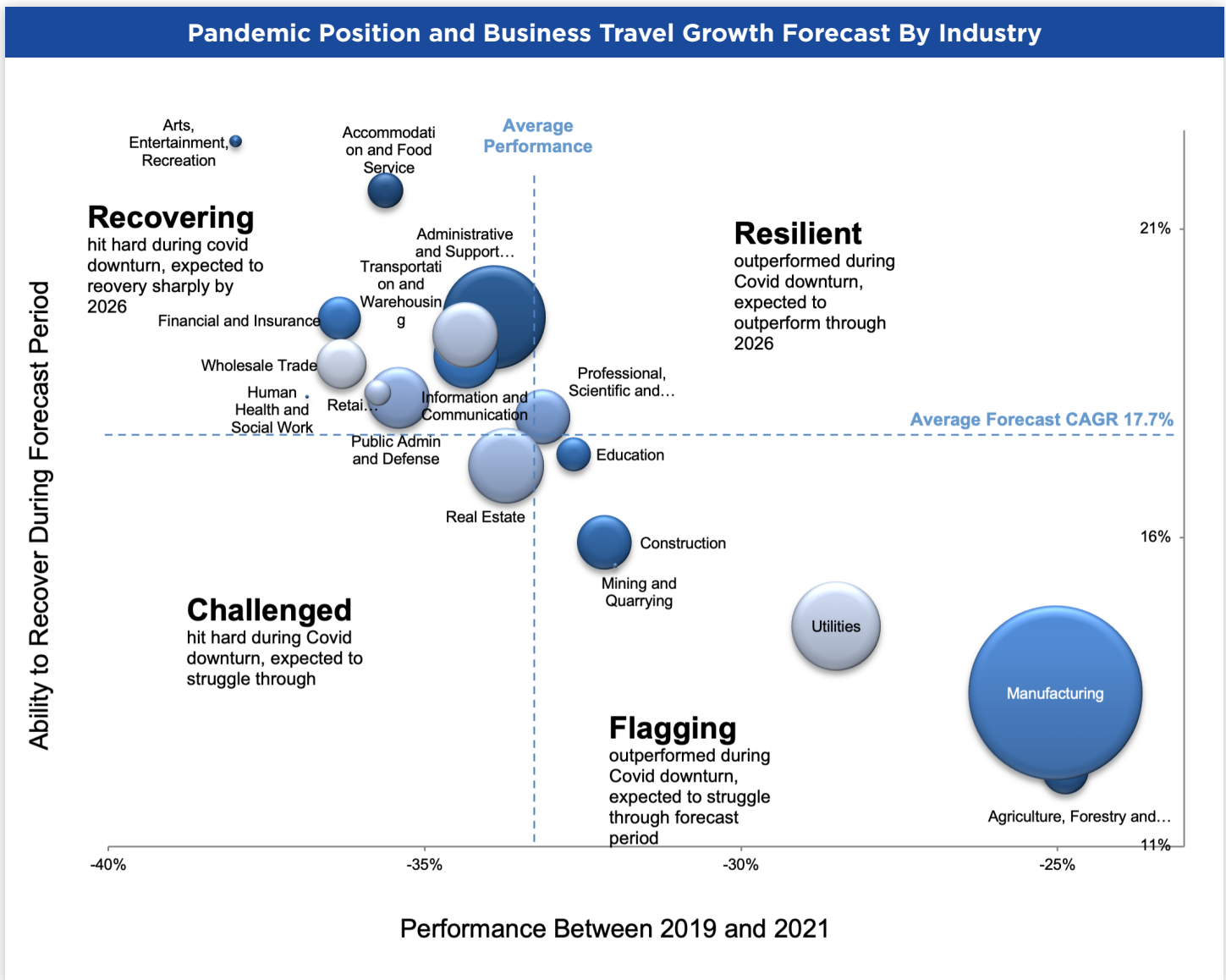
| | Rank 2022 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
| China | 1 | 689 | 404 | 490 | 518 | 615 | 674 | 734 | 778 |
| % Growth | | 0.9% | -41.4% | 21.3% | 5.6% | 18.9% | 9.6% | 8.8% | 6.1% |
| United States | 2 | 134 | 52 | 64 | 91 | 114 | 128 | 135 | 141 |
| % Growth | | 2.7% | -61.1% | 23.4% | 41.9% | 25.2% | 12.2% | 5.3% | 4.3% |
| Germany | 3 | 200 | 77 | 61 | 105 | 138 | 162 | 184 | 192 |
| % Growth | | 1.1% | -61.6% | -20.2% | 71.3% | 32.0% | 16.7% | 13.7% | 4.7% |
| Japan | 4 | 114 | 49 | 35 | 59 | 87 | 106 | 109 | 114 |
| % Growth | | -0.4% | -57.2% | -28.8% | 69.3% | 47.2% | 22.4% | 2.9% | 4.8% |
| United Kingdom | 5 | 145 | 58 | 42 | 75 | 101 | 121 | 136 | 143 |
| % Growth | | 2.1% | -60.0% | -28.4% | 79.8% | 35.9% | 18.9% | 12.7% | 5.1% |
| France | 6 | 159 | 69 | 60 | 98 | 121 | 135 | 147 | 153 |
| % Growth | | 2.0% | -56.6% | -12.7% | 63.2% | 23.5% | 11.3% | 9.0% | 4.3% |
| India | 7 | 452 | 188 | 161 | 252 | 325 | 368 | 400 | 443 |
| % Growth | | 4.8% | -58.5% | -14.4% | 56.9% | 29.1% | 13.1% | 8.7% | 10.6% |
| Brazil | 8 | 249 | 111 | 110 | 167 | 212 | 237 | 246 | 258 |
| % Growth | | 2.1% | -55.5% | -1.2% | 52.2% | 27.0% | 11.8% | 3.8% | 4.8% |
| Italy | 9 | 124 | 47 | 39 | 67 | 89 | 104 | 113 | 118 |
| % Growth | | -1.3% | -62.3% | -17.2% | 72.8% | 32.7% | 17.1% | 8.4% | 4.2% |
| South Korea | 10 | 177 | 70 | 64 | 85 | 120 | 144 | 163 | 167 |
| % Growth | | -1.3% | -60.5% | -7.4% | 31.8% | 41.4% | 19.7% | 13.5% | 2.5% |
| Spain | 11 | 165 | 71 | 69 | 115 | 136 | 146 | 156 | 163 |
| % Growth | | 0.9% | -57.3% | -2.7% | 67.0% | 18.5% | 7.7% | 6.5% | 4.7% |
| Netherlands | 12 | 153 | 73 | 61 | 108 | 127 | 135 | 142 | 148 |
| % Growth | | 3.0% | -52.4% | -16.6% | 78.8% | 16.8% | 6.4% | 5.2% | 4.6% |
| Canada | 13 | 164 | 75 | 66 | 97 | 129 | 149 | 167 | 169 |
| % Growth | | 0.3% | -54.5% | -11.4% | 46.8% | 32.4% | 16.2% | 11.9% | 1.4% |
| Australia | 14 | 184 | 72 | 80 | 104 | 135 | 154 | 159 | 168 |
| % Growth | | 1.1% | -60.8% | 11.2% | 29.3% | 30.3% | 13.8% | 3.3% | 5.9% |
| Turkey | 15 | 199 | 132 | 122 | 173 | 185 | 194 | 204 | 214 |
| % Growth | | 4.5% | -33.6% | -7.8% | 42.4% | 6.8% | 5.2% | 5.0% | 4.8% |
| GBTA Global BTI™ | | 202 | 93 | 99 | 132 | 164 | 184 | 198 | 208 |
| % Growth | | 1.5% | -53.8% | 5.5% | 33.8% | 24.2% | 12.2% | 7.7% | 5.2% |
| Global Sales Index | | 197 | 193 | 231 | 250 | 263 | 279 | 296 | 312 |

Source: GBTA, Rockport Analytics

Travel by Industry Sector

A key element of GBTA's business travel outlook is an estimate of global business spending by industry. Some industries use relatively more travel than others as a percentage of revenue, but it is still a critical input to nearly every industry and business. The analysis of industry performance allows travel managers to gauge their company's travel spending compared to the average of all firms in their sector. It also allows a comparison of how their industry is recovering from the pandemic compared to other industries. Finally, the goal is that this data will help travel suppliers to wisely allocate marketing resources toward industry segments that are expected to perform better over the next five years.

The chart below illustrates business travel spending sector performance from 2019 through 2021 and the expected performance of each sector from 2021 through 2026. Each sector is categorized into one of the four segments: Recovering, Resilient, Challenged or Flagging.



Source: GBTA, Rockport Analytics

Recovering: These industries are shown in the top left quadrant. They were hit hard between 2019 and 2021 but are projected to rebound over the next few years. Two sectors of those in this group — arts, entertainment & recreation and accommodations and food services were at the epicenter of the pandemic but are expected to recover sharply over the forecast period. The expected year-over-year growth for these two industries in 2022 is 58% and 59%, respectively. We have a positive outlook for recovery in the wholesale and retail trade industries as well as orders for durable goods rose in April 2022, indicating strong demand in both of these sectors.

Resilient: The top right quadrant displays resilient industries. Business travel in the professional, scientific & technical sector was above average between 2019 and 2021 and is expected to continue to outperform over the next five years. This is a healthy sector which includes a variety of services provided to businesses, households, and government entities such as accounting, bookkeeping, legal, architectural, and engineering services. This sector experiences above-average sales growth compared to other industries.

Flagging: The industries in the bottom right quadrant are sectors in which business travel performed relatively well in the early days of the pandemic because they were allowed to remain open when other businesses were in forced lockdowns. That included sectors such as education, manufacturing and utilities. Construction was booming in 2020 until lumber prices soared and then supply chain derailments left some building projects at a stand-still. We project these flagging sectors to grow relatively slower over the next five years and supply chain issues will continue to plague the manufacturing and construction sectors into 2023.

Challenged: The bottom left quadrant represents sectors that were hit harder than other sectors during the pandemic and are expected to improve at a slower pace over the next five years. With rising interest rates and a tight housing market, it's not surprising to see real estate in this challenged category. This sector also includes passenger car rentals where supply chain issues have caused fleet shortages and rising prices.

Profile of Sales and Business Travel Spending by Industry

| Industry | Total Sales | | Business Travel Spending | | | BTS Growth Outlook | | | 2022 Industry Status |
|----------------------------------|-------------------------|-----------------------|--------------------------|---------------------------|---------------------------|------------------------|-----------------------|------------|----------------------|
| | 2022 Sales (bn US\$) | 2022 BTS (mn US\$) | 2022 BTS % of Total | 2000- 2019 BTS CAGR | 2019- 2021 BTS CAGR | 2022- 2021 % chg | 2021- 2026 CAGR | | |
| Accommodation & Food Service | \$5,061 | \$13,951 | 1.5% | 3.3% | -35.6% | 58.7% | 21.6% | Recovering | |
| Administrative and Support | \$5,590 | \$120,301 | 12.9% | 2.8% | -33.9% | 47.0% | 19.6% | Recovering | |
| Agriculture, Forestry & Fishing | \$7,716 | \$24,025 | 2.6% | 4.6% | -24.9% | 27.9% | 12.2% | Flagging | |
| Arts, Entertainment & Recreation | \$1,665 | \$1,621 | 0.2% | 2.7% | -38.0% | 57.7% | 22.4% | Recovering | |
| Construction | \$13,910 | \$33,317 | 3.6% | 5.2% | -32.2% | 31.3% | 15.9% | Flagging | |
| Education | \$5,798 | \$13,011 | 1.4% | 8.6% | -32.6% | 33.4% | 17.4% | Flagging | |
| Financial & Insurance | \$10,720 | \$20,552 | 2.2% | 2.6% | -36.4% | 43.2% | 19.6% | Recovering | |
| Human Health & Social Work | \$8,093 | \$122 | 0.0% | -1.7% | -36.9% | 39.2% | 18.3% | Recovering | |
| Information & Communication | \$8,321 | \$46,877 | 5.0% | 4.1% | -34.4% | 42.1% | 18.9% | Recovering | |
| Manufacturing | \$71,379 | \$343,207 | 36.8% | 5.7% | -25.0% | 24.8% | 13.5% | Flagging | |
| Mining and Quarrying | \$6,741 | \$253 | 0.0% | 13.5% | -32.0% | 36.4% | 15.5% | Flagging | |
| Professional, Scientific & Tech. | \$9,271 | \$33,926 | 3.6% | 2.2% | -33.1% | 35.0% | 18.0% | Resilient | |
| Public Admin and Defense | \$12,119 | \$43,117 | 4.6% | 3.2% | -35.4% | 40.2% | 18.3% | Recovering | |
| Real Estate Activities | \$12,000 | \$64,210 | 6.9% | 5.8% | -33.7% | 34.9% | 17.2% | Challenged | |
| Retail Trade | \$9,136 | \$7,856 | 0.8% | 2.9% | -35.7% | 48.9% | 18.4% | Recovering | |
| Transportation & Warehousing | \$9,744 | \$48,354 | 5.2% | 4.8% | -34.4% | 46.9% | 19.3% | Recovering | |
| Utilities | \$6,686 | \$89,695 | 9.6% | 4.8% | -28.5% | 30.5% | 14.6% | Flagging | |
| Wholesale Trade | \$10,634 | \$28,398 | 3.0% | 1.8% | -36.3% | 51.2% | 18.8% | Recovering | |
| Grand Total | \$214,582 | \$932,793 | 100.0% | 4.4% | -30.2% | 33.8% | 16.1% | | |

Source: GBTA, Rockport Analytics

A Look Back at Last Year's Global GBTA BTI™ Outlook: How Did We Do?

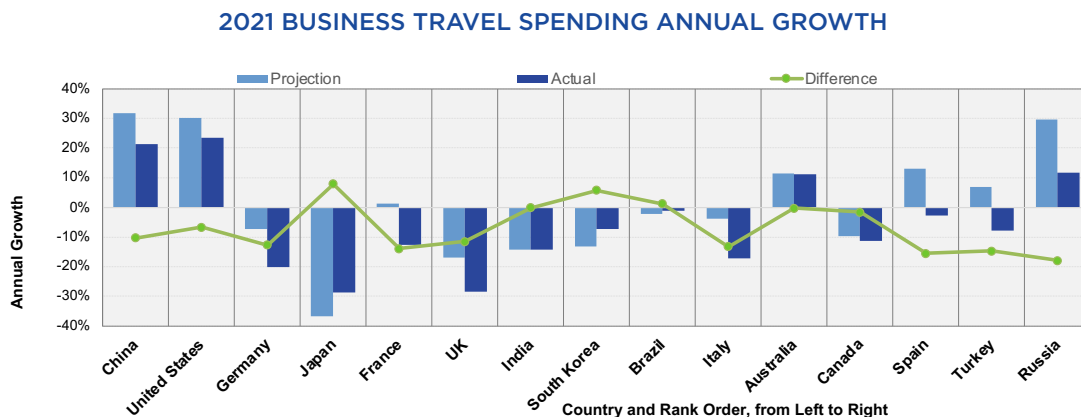
The tremendous uncertainty created by the pandemic has increased the challenge of forecasting business travel above and beyond the normal challenge of any forecast. However, we always aim to improve our forecasting capabilities, so it is still important to look at how our model holds up to reality.

The table and graph below display the GBTA BTI™ ranking of the 2021 top-15 business travel markets in the world. These tools also compare last year's forecast for 2021 business travel growth with actual 2021 growth rates reported in this year's study. In aggregate, we overestimated total business travel spending growth by 8.6 percentage points in 2021. The key driver was Omicron in late November and early December. We overestimated growth in Russia, forecasting 29.6% when growth was only 11.7%. We underestimated Japan, expecting a decline of 36.7%, but the decline was limited to 28.6%.

| 2021 Business Travel Spending Annual Growth | | | | |
|---|------------------|--|------------------------------------|--------------|
| Top 15 Markets | 2021 Actual Rank | 2021 GBT Report—2021 Growth Projection | 2022 GBT Report—2021 Actual Growth | Difference |
| China | 1 | 31.7% | 21.3% | -10.3% |
| United States | 2 | 30.2% | 23.4% | -6.8% |
| Germany | 3 | -7.4% | -20.2% | -12.8% |
| Japan | 4 | -36.7% | -28.8% | 7.8% |
| France | 5 | 1.3% | -12.7% | -14.0% |
| UK | 6 | -17.0% | -28.4% | -11.5% |
| India | 7 | -14.2% | -14.4% | -0.2% |
| South Korea | 8 | -13.2% | -7.4% | 5.8% |
| Brazil | 9 | -2.4% | -1.2% | 1.1% |
| Italy | 10 | -3.9% | -17.2% | -13.3% |
| Australia | 11 | 11.4% | 11.2% | -0.3% |
| Canada | 12 | -9.8% | -11.4% | -1.7% |
| Spain | 13 | 12.9% | -2.7% | -15.6% |
| Turkey | 14 | 6.9% | -7.8% | -14.8% |
| Russia | 15 | 29.6% | 11.7% | -17.9% |
| Grand Total | | 14.0% | 5.5% | -8.6% |

Source: GBTA, Rockport Analytics

The graph below allows a visual display of last year's projected values, the actual values reported this year, and the difference. The top-15 countries are listed by highest rank left to right. Many of the countries we overestimated were those in Western Europe where Omicron took a significant toll in December 2021.



Source: GBTA, Rockport Analytics

Appendix I

Summary of Spending Growth by Country

| | Business Travel Spend (Annual Growth 2021) | Business Travel Spend (Annual Growth 2022) | Business Travel Spend (CAGR 2000–2019) | Business Travel Spend (CAGR 2019–2021) | Business Travel Spend (CAGR 2021–2026) |
|---------------------------------------|--|--|--|--|--|
| Western Europe Total | -17.1% | 71.7% | 3.7% | -41.9% | 23.4% |
| United Kingdom | -28.4% | 79.8% | 2.8% | -46.5% | 28.0% |
| Switzerland | -10.0% | 69.5% | 3.0% | -37.7% | 18.5% |
| Sweden | -2.3% | 65.9% | 3.5% | -40.3% | 21.9% |
| Spain | -2.7% | 67.0% | 5.1% | -35.5% | 18.9% |
| Portugal | -17.0% | 77.9% | 2.8% | -41.5% | 23.9% |
| Norway | -21.6% | 69.4% | 4.8% | -39.0% | 22.3% |
| Netherlands | -16.6% | 78.8% | 3.4% | -37.0% | 19.6% |
| Italy | -17.2% | 72.8% | 2.5% | -44.1% | 24.9% |
| Ireland | -38.4% | 93.4% | 4.5% | -48.1% | 26.8% |
| Greece | -0.7% | 67.3% | 1.9% | -37.8% | 21.8% |
| Germany | -20.2% | 71.3% | 4.7% | -44.7% | 25.7% |
| France | -12.7% | 63.2% | 3.7% | -38.5% | 20.6% |
| Finland | -33.5% | 80.5% | 4.1% | -46.8% | 28.0% |
| Denmark | -11.9% | 64.5% | 3.4% | -36.2% | 18.4% |
| Belgium | -1.3% | 74.5% | 3.3% | -41.4% | 22.8% |
| Austria | -12.4% | 69.0% | 4.5% | -38.6% | 21.5% |
| North America Total | 20.5% | 42.0% | 1.6% | -30.8% | 17.0% |
| United States | 23.4% | 41.9% | 1.5% | -30.7% | 17.0% |
| Mexico | 27.2% | 35.8% | 2.8% | -18.2% | 8.5% |
| Canada | -11.4% | 46.8% | 3.5% | -36.5% | 20.7% |
| Middle East & Africa Total | 6.2% | 47.2% | 5.3% | -23.5% | 14.7% |
| Tunisia | -17.1% | 84.6% | 3.2% | -43.6% | 23.6% |
| South Africa | -14.2% | 35.1% | 5.9% | -29.3% | 13.1% |
| Senegal | 28.0% | 12.4% | 6.4% | -14.3% | 9.5% |
| Saudi Arabia | 28.1% | 44.9% | 3.4% | -16.0% | 13.9% |
| Qatar | 27.6% | 34.7% | 13.3% | -9.0% | 10.9% |
| Nigeria | 8.2% | 39.3% | 8.7% | -20.7% | 14.0% |
| Morocco | 2.2% | 44.8% | 4.4% | -28.8% | 18.3% |
| Kuwait | -22.5% | 72.6% | 7.5% | -37.0% | 22.3% |
| Kenya | 12.9% | 24.2% | 7.1% | -21.3% | 7.8% |
| Jordan | 29.3% | 38.7% | 6.4% | -17.3% | 9.0% |
| Israel | 26.6% | 88.0% | 4.3% | -18.4% | 18.0% |
| Iran | 6.0% | 52.9% | 6.7% | -14.9% | 16.1% |
| United Arab Emirates | 7.1% | 53.1% | 6.7% | -32.5% | 16.1% |
| Egypt | 8.9% | 21.3% | 1.2% | -16.4% | 11.3% |
| Cameroon | 19.1% | 14.3% | 5.7% | -20.5% | 8.6% |
| Bahrain | 16.9% | 40.2% | 7.3% | -22.0% | 12.1% |

Source: GBTA, Rockport Analytics

| | Business Travel Spend (Annual Growth 2021) | Business Travel Spend (Annual Growth 2022) | Business Travel Spend (CAGR 2000—2019) | Business Travel Spend (CAGR 2019—2021) | Business Travel Spend (CAGR 2021—2026) |
|------------------------------|--|--|--|--|--|
| Latin America Total | 7.5% | 55.3% | 4.8% | -26.7% | 16.5% |
| Venezuela | 15.8% | 54.4% | -0.9% | -54.3% | 38.7% |
| Uruguay | -3.1% | 105.4% | 4.9% | -21.3% | 19.3% |
| Peru | 11.3% | 85.5% | 7.0% | -18.7% | 19.1% |
| Panama | 18.9% | 55.6% | 6.4% | -16.2% | 15.0% |
| Honduras | 47.5% | 22.5% | 4.2% | -3.2% | 8.3% |
| Ecuador | 54.7% | 26.3% | 3.6% | -0.8% | 11.8% |
| Costa Rica | 14.2% | 76.3% | 6.0% | -14.1% | 19.1% |
| Colombia | 50.4% | 48.1% | 5.7% | -3.8% | 4.9% |
| Chile | -10.2% | 43.1% | 6.2% | -24.5% | 13.9% |
| Brazil | -1.2% | 52.2% | 5.5% | -33.7% | 18.7% |
| Bolivia | 44.1% | 26.2% | 5.8% | -5.0% | 8.9% |
| Argentina | 1.4% | 70.3% | 0.0% | -24.3% | 18.9% |
| Emerging Europe Total | -6.8% | 18.2% | 7.2% | -32.6% | 10.9% |
| Ukraine | 8.4% | -76.7% | 9.1% | -29.3% | -17.1% |
| Turkey | -7.8% | 42.4% | 5.6% | -21.8% | 12.0% |
| Slovakia | -55.0% | 78.3% | 7.6% | -58.1% | 33.0% |
| Russia | 11.7% | -42.7% | 8.9% | -33.9% | -3.6% |
| Romania | -26.5% | 93.6% | 9.3% | -39.4% | 19.5% |
| Poland | -17.9% | 61.1% | 6.5% | -32.7% | 20.5% |
| Hungary | -22.3% | 63.6% | 5.0% | -35.6% | 19.2% |
| Czechia | -19.7% | 114.5% | 6.3% | -52.7% | 33.8% |
| Bulgaria | -14.0% | 90.0% | 7.0% | -52.3% | 32.9% |
| Asia Pacific Total | 9.5% | 16.5% | 7.3% | -24.6% | 13.3% |
| Vietnam | -33.5% | 12.4% | 10.4% | -33.6% | 15.6% |
| Thailand | -47.1% | 65.6% | 5.2% | -63.5% | 36.2% |
| Taiwan | -47.6% | 60.9% | 2.0% | -61.6% | 37.2% |
| Sri Lanka | -36.7% | 21.0% | 7.3% | -43.3% | 9.1% |
| South Korea | -7.4% | 31.8% | 4.3% | -39.6% | 21.0% |
| Singapore | -32.5% | 173.9% | 4.3% | -64.4% | 42.0% |
| Philippines | -21.1% | 156.0% | 5.9% | -46.8% | 25.3% |
| Pakistan | -6.7% | 7.8% | 5.2% | -26.3% | 7.4% |
| New Zealand | -43.8% | 73.0% | 4.9% | -54.1% | 36.1% |
| Malaysia | -50.9% | 154.8% | 5.6% | -54.0% | 37.8% |
| Japan | -28.8% | 69.3% | -0.7% | -44.8% | 26.9% |
| Indonesia | -27.2% | 74.5% | 8.8% | -43.2% | 21.6% |
| India | -14.4% | 56.9% | 9.9% | -40.4% | 22.5% |
| Hong Kong | -37.1% | 169.3% | 1.8% | -68.1% | 62.0% |
| China | 21.3% | 5.6% | 13.9% | -15.6% | 9.7% |
| Bangladesh | 77.8% | 15.0% | 7.3% | 3.1% | 4.6% |
| Australia | 11.2% | 29.3% | 5.0% | -34.0% | 16.0% |
| Grand Total | 5.5% | 33.8% | 4.4% | -30.2% | 16.1% |

Source: GBTA, Rockport Analytics

Appendix II

Business Travel by Detailed Industry Sector

| Business Travel by Industry Sector | | | | | | |
|--------------------------------------|--|---------------------|-------------------|--------------------------------|-------------------|-------------------|
| Industry | Top Line Performance | | | Business Travel Spending (BTS) | | |
| | 2022 Industry Sales (billions US\$) | % of Sales Total | 2021-2026 CAGR | 2022 BTS (billions) | % of BTS Total | 2021-2026 CAGR |
| Administrative and Support Service | \$5,590 | 2.6% | 5.9% | \$120.3 | 12.9% | 19.6% |
| Rubber, Plastics, and Mineral | \$5,534 | 2.6% | 6.6% | \$76.0 | 8.1% | 13.4% |
| Electricity, Gas, Steam, Air Cond. | \$5,563 | 2.6% | 4.4% | \$74.4 | 8.0% | 13.3% |
| Real Estate Activities | \$12,000 | 5.6% | 5.7% | \$64.2 | 6.9% | 17.2% |
| Food and Beverages | \$8,780 | 4.1% | 6.2% | \$62.8 | 6.7% | 12.6% |
| Public Admin and Defense | \$12,119 | 5.6% | 6.4% | \$43.1 | 4.6% | 18.3% |
| Transport Equipment | \$6,933 | 3.2% | 6.1% | \$34.9 | 3.7% | 15.3% |
| Professional, Scientific & Technical | \$9,271 | 4.3% | 6.7% | \$33.9 | 3.6% | 18.0% |
| Construction | \$13,910 | 6.5% | 6.2% | \$33.3 | 3.6% | 15.9% |
| Wholesale Trade | \$10,634 | 5.0% | 6.8% | \$28.4 | 3.0% | 18.8% |
| Manufacture of Computer & Electronic | \$6,084 | 2.8% | 7.3% | \$27.5 | 2.9% | 14.4% |
| Agriculture, Forestry and Fishing | \$7,716 | 3.6% | 5.5% | \$24.0 | 2.6% | 12.2% |
| Manufacture of Electrical Equipment | \$4,572 | 2.1% | 9.1% | \$22.3 | 2.4% | 14.8% |
| IT and Information Services | \$3,826 | 1.8% | 6.3% | \$21.9 | 2.3% | 19.5% |
| Manufacture of Coke & Petroleum | \$5,680 | 2.6% | 1.0% | \$21.4 | 2.3% | 9.8% |
| Financial and Insurance Activities | \$10,720 | 5.0% | 6.9% | \$20.6 | 2.2% | 19.6% |
| Land Transport & Pipelines | \$4,048 | 1.9% | 6.0% | \$19.0 | 2.0% | 17.6% |
| Warehousing and Transportation | \$2,579 | 1.2% | 7.9% | \$17.6 | 1.9% | 21.1% |
| Manufacture of Paper | \$1,358 | 0.6% | 5.5% | \$15.8 | 1.7% | 16.4% |
| Water Supply, Waste Management | \$1,124 | 0.5% | 7.1% | \$15.3 | 1.6% | 20.7% |
| Telecommunications | \$2,715 | 1.3% | 5.0% | \$14.9 | 1.6% | 16.8% |
| Manufacture of Textiles | \$1,698 | 0.8% | 5.9% | \$14.4 | 1.5% | 12.3% |
| Accommodation and Food Service | \$5,061 | 2.4% | 8.8% | \$14.0 | 1.5% | 21.6% |
| Manufacture of Machinery | \$6,041 | 2.8% | 8.6% | \$13.4 | 1.4% | 16.5% |
| Chemical and Pharmaceuticals | \$8,736 | 4.1% | 6.0% | \$13.2 | 1.4% | 13.9% |
| Education | \$5,798 | 2.7% | 6.6% | \$13.0 | 1.4% | 17.4% |
| Manufacture of Fabricated Metal | \$3,301 | 1.5% | 5.2% | \$12.1 | 1.3% | 14.5% |
| Manufacture of Basic Metals | \$7,112 | 3.3% | 2.1% | \$11.1 | 1.2% | 8.3% |
| Manufacture of Wood | \$992 | 0.5% | 2.6% | \$8.6 | 0.9% | 11.7% |
| Retail Trade incl Motor Vehicles | \$9,136 | 4.3% | 5.4% | \$7.9 | 0.8% | 18.4% |
| Postal and Courier Activities | \$1,112 | 0.5% | 9.2% | \$7.5 | 0.8% | 18.0% |
| Publishing Activities | \$990 | 0.5% | 6.1% | \$5.6 | 0.6% | 19.8% |
| Audiovisual and Broadcasting | \$790 | 0.4% | 8.5% | \$4.4 | 0.5% | 22.3% |
| Air Transport | \$1,190 | 0.6% | 10.5% | \$3.3 | 0.4% | 22.2% |
| Manufacture of Tobacco Products | \$435 | 0.2% | 7.0% | \$3.0 | 0.3% | 11.6% |
| Manufacture of Wearing Apparel | \$861 | 0.4% | 7.0% | \$2.3 | 0.2% | 12.6% |
| Printing & Reproduction of Media | \$496 | 0.2% | 2.9% | \$1.9 | 0.2% | 12.7% |
| Arts, Entertainment and Recreation | \$1,665 | 0.8% | 7.5% | \$1.6 | 0.2% | 22.4% |
| Furniture, Other Durables | \$2,285 | 1.1% | 6.9% | \$1.4 | 0.1% | 18.2% |
| Manufacture of Leather & Related | \$480 | 0.2% | 8.2% | \$1.2 | 0.1% | 13.9% |
| Water Transport | \$815 | 0.4% | 6.6% | \$0.9 | 0.1% | 19.1% |
| Mining of Metals and Stone | \$1,399 | 0.7% | 6.2% | \$0.3 | 0.0% | 15.5% |
| Human Health and Social Work | \$8,093 | 3.8% | 5.5% | \$0.1 | 0.0% | 18.3% |
| Energy Mining | \$5,342 | 2.5% | 8.2% | \$0.0 | 0.0% | 15.6% |
| Grand Total | \$214,582 | 100.0% | 6.2% | \$933 | 100.0% | 16.1% |

Source: GBTA, Rockport Analytics

Appendix III

Approach, Methodology, Data Sources, and Definitions

The overriding objective of this research initiative has been to create a process for developing credible estimates of the size, growth, and contribution of business travel to companies, industries, and countries around the world. This analysis was first completed in 2009, yielding a first-ever definitive and comprehensive measure of its kind. This process must obviously produce defensible results — results consistent with both the foundation data sources and any reputable aggregate or crosscheck measures published by other recognized sources.

This second measure (growth) is critical and gives us an important look at the changes to business travel over time. A continual updating of the analysis will help us understand how macroeconomic events, economic development, and other factors affect business travel. The key is to build a process that is both credible and repeatable, utilizing all appropriate data. Updating the estimates of business travel activity requires re-executing this established process to reflect updates of the integral data sources.

Principal Data Sources

Measuring the size, growth and contribution of business travel is neither a simple nor precise task. For one, data inputs are relatively scarce, particularly outside the United States and certain Western European countries. Moreover, each data source tends to tell only a portion of the business travel story. Detailed searches have uncovered no comprehensive view of business travel volume or spending. Even in cases where travel metrics were available, they tended to cover either total travel or leisure travel only.

Much of the supply-side data that we assembled during the initial stages of the research did not make the trip purpose distinction either. For example, revenue and/or capacity metrics from hotels or airlines generally do not distinguish a business traveler from a leisure traveler. The same is true for rental cars and restaurants. This type of supply-side data provided many important sanity checks but was insufficient to provide specific detailed insight that was additive towards a comprehensive view of business travel activity.

The second most critical data sourcing problem was the inconsistency of definitions across sources. Promising datasets that appeared to be ideal later proved to be less useful because of definitional inconsistencies surrounding industries, geography, or what constituted business travel itself. Indeed, something as simple as a different definition of a business trip sometimes thwarted attempts to use an otherwise robust data input. Obviously, the reconciliation of seemingly similar sources was paramount in compiling our final estimates.

Methodology & Approach

We have assembled an extensive data repository from which to build estimates of global business travel activity. The inventory of sources included many of the private and public datasets that are commonly used to describe economic and travel industry performance in many contexts. Moreover, a comprehensive literature search provided a list of related research efforts that helped guide the final development of our methodology in each phase of the project. Each phase began with an effort to understand and reconcile the differences between and among the pertinent data sources.

The development of our global database of business travel spending by country (73) and industry (44) required that we build a “sources and uses” view of the industries that both buy and sell travel services.

Principal sources include:

- › D.K. Shifflet & Associates Travel Panel – TRAVEL PERFORMANCE/Monitor SM
- › A 2009 bespoke survey of financial management (CFOs & Controllers) from a representative sample of US public and private companies. Over 500 completed interviews captured information regarding travel and entertainment (T&E spending, as well as the commitment to travel management programs, policies, and personnel).
- › The US Bureau of Economic Analysis
- › Airline Reporting Corporation (ARC)
- › International Air Transport Association (IATA)
- › ADARA Travel Trends Tracking
- › TRIPBAM’s corporate travel bookings
- › The US Department of Commerce’s National Travel & Tourism Office
- › The US Department of Transportation – BTS Statistics
- › STR Global
- › German National Tourist Board
- › IPK International
- › Boeing (BCA)
- › United Nations/World Tourism Organization (UNWTO)
- › National Input/Output Accounts for 48 of the 73 countries analyzed in the study (Source: typically, Ministry of Commerce or Statistics)
- › Various international government sources, including Ministries of Transportation, Tourism, & Commerce
- › IHS Markit’s Global Macroeconomic data, analysis, and forecasts
- › Rockport Analytics travel industry expertise
- › GBTA surveys of global business travelers, CFOs, and travel managers

“There’s nothing like face to face meetings.”

FINANCIAL EXECUTIVE FROM UK

That is, Rockport put together a four-dimensional sectoral matrix: travel suppliers/sellers (rows), travel buyers (columns), time (2000-2021), and country. The values within each cell describe the sales of a seller’s services (e.g., hotels) to each buying industry (e.g., utilities). For example, airlines constitute one of the critical seller rows. Across the airline row, each one of the 44 buying industries’ total purchases of airline tickets is compiled.

The derivation of our initial estimates of business travel spending required that we apply the business travel purchase matrixes to published levels of total sales for each (buying) sector in each country. The total sales database was once again sourced from IHS Markit. The final estimates of business travel spending by country and sector required that Rockport incorporate other data inputs covering total travel volume and spending in each country, where available. Countries such as the US, UK, Germany, and others were compared and adjusted according to sources such as the UNWTO, DK Shifflet & Associates, WTTTC and IPK International. Moreover, the Ministries of Tourism for some of the countries provide estimates of overall travel, sometimes separated into leisure and business purposes. Where available and consistent, these sources were used as critical cross-checks. A major revision was made to the industry measurements in the 2019 study as the industry classifications in the source data were converted from the United Nations’ ISIC Rev. 3.1 to ISIC Rev. 4.¹ While this did not impact the overall levels of business travel spend it did require mapping all industries included in the data matrix to the new ISIC rev. 4 sectors. This also led to different measurements of spend for some sectors as the new totals are reflective of the current industry definitions published by the United Nations.

Typically, our business travel spending projections are created using a three-step approach. First, the business travel purchase coefficients for each sector/country pair were forecasted from 2020 using a time series approach that considers trends in travel intensity, productivity, and the impact of business cycles. Next, a projection of industry sales in each country was sourced from IHS Global Insight. Combining these two inputs resulted in an initial forecast of business travel spending. The final step required reconciliation with other forecasts of business travel activity from sources such as IATA, STR, Boeing, UNWTO, American Express, IPK International and others. Changes in the initial forecasts were made where Rockport deemed appropriate, all towards a final set of reconciled projections.

In 2020, we added a fourth step to the forecast methodology as we had to account for the extraordinary losses to business travel activity due to the pandemic that would not be directly accounted for using the traditional methodology. This step included collecting higher-frequency data on country-level air and hotel bookings from ADARA, OAG, ARC, IATA, TRIPBAM and STR. These data sources were reconciled against one another in order to assess the country-by-country declines in business travel activity since the start of the COVID-19 pandemic. The declines were then overlaid onto the modeled values and adjusted on a country-by-country basis.



¹ https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf

“Although customer trends may have changed from before the pandemic, I think there are cases where face-to-face visits involving business trips are more meaningful.”

BUSINESS TRAVELER FROM JAPAN

Definitions

The resulting global travel database, forecasts, and report created from this research effort can be used to inform many strategic and tactical decisions. Users among the travel manager, buyer and supplier community should, however, be certain to consider what the estimates do and do not include, particularly when comparing the findings to other external or internal measures.

The first definition is that of business travel itself. Our objective was to be as comprehensive as possible, resulting in the inclusion of all kinds of business trips and trip spending, including trips booked within and outside managed travel programs:

- › Day trips and overnight trips
- › Domestic and outbound international trips (an “origin” perspective of business travel)
- › Trips on behalf of sales, operations, training, conventions/meetings, maintenance/repair, incentives, and customer service
- › Trip spending included all categories -air, hotel, rental car, other ground transportation, personal vehicles, food and beverage, entertainment, and miscellaneous expenses

Another important definitional note revolves around the use of US dollars to represent business travel spending. Comparisons across countries required that local currencies be converted to US dollars using prevailing exchange rates. Moreover, all dollar values are expressed in current or nominal terms. This means the effects of inflation are included in both the estimates of industry sales and business travel spending.

For more information about the Global Business Travel Association, visit www.gbta.org or email info@gbta.org.

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