

GBTA BTI™ OUTLOOK ANNUAL GLOBAL REPORT & FORECAST

PROSPECTS FOR GLOBAL BUSINESS TRAVEL 2019 – 2023

AUGUST 2019



August 2019

The 2019 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 eleventh year, 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, and operations, to name but 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 everyday jobs.

To better understand the value of a business function, you need to measure it. 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. The result was an exhaustive study of business travel spending, productivity, and growth that originally covered 75 countries across 48 industries over fifteen years, including a rolling 5-year projection. The analysis has been enhanced and updated each year since then.

GBTA has once again updated the study for 2019, as well as its projections and companion database. Given the significant global economic, market, and policy challenges that remain a decade after the Great Recession, tracking economic progress and keeping a watchful eye on business travel performance remains paramount.

Approach and Data Sources

Rockport Analytics' research has focused on the *demand* side of the business travel market. Measures such as industry sales, business travel spending, and travel productivity have been developed from the business traveler backwards to the corporate sponsor and travel supplier. Moreover, our comprehensive definition of business travel includes all kinds of trips and trip purposes, as well as all categories of trip spending, not just those reimbursed by the organization. Most measures of business travel available in the market typically emanate from the supply side and cannot easily distinguish between business and leisure trips. Moreover, they typically do not cover unreimbursed expenditures.

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 in an effort to create the most comprehensive view of business travel. For a complete list of data sources, please see the appendix at the end of this document.

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

- *Size of the economy* - The level of general economic activity is paramount.
- *Land mass, population, and business dispersion* - Larger countries with widely dispersed populations require more travel to facilitate economic and business development.
- *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.
- *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.
- *Degree of export dominance* - countries with large trade sectors (Brazil, Germany, Japan, and Indonesia) will tend to engage in more international business travel. Countries where economic activity is dominated by consumption (US, India) will be more prone to domestic business travel.
- *Physical location* - Countries that are far from their markets or suppliers will require relatively more business travel to succeed.
- *Infrastructure development* - Is the transportation and hospitality infrastructure sufficient for business travel to flourish?
- *Environmental, tax, security, and regulatory policy* - Do governments help or hinder business travel?

Our view of the contribution of business travel 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 15 years. By modeling trends at 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.

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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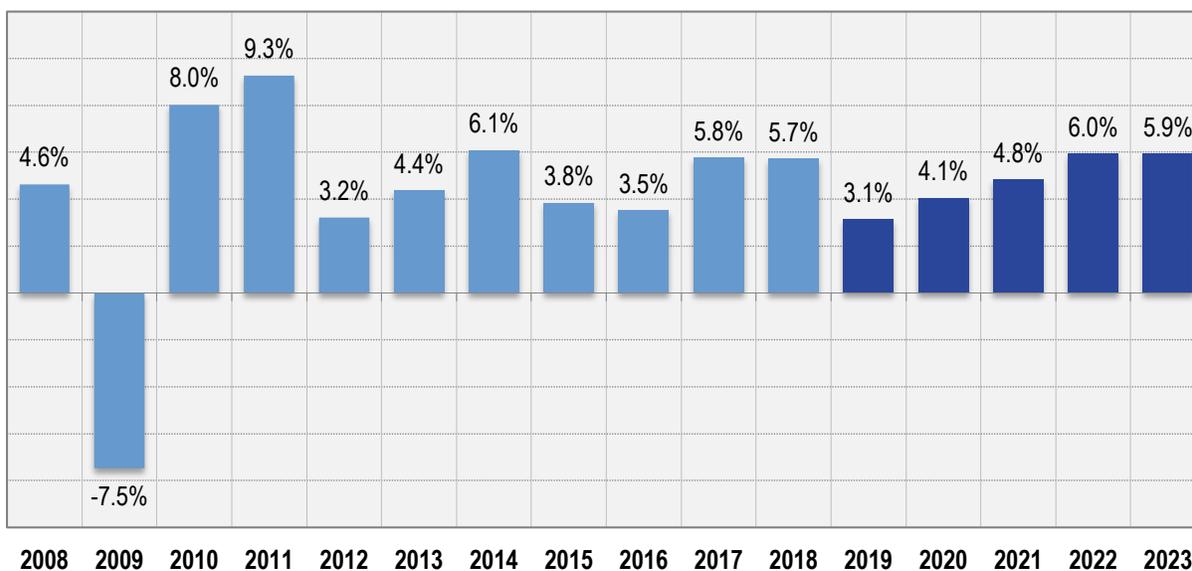
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Executive Summary

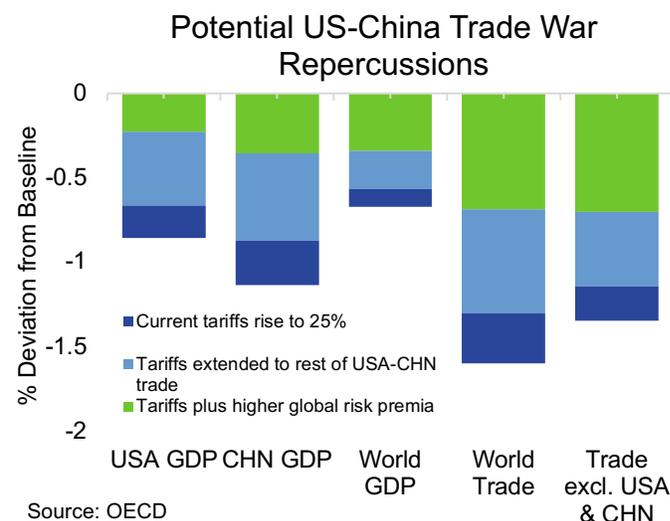
- Spending on business travel activity totaled \$1.41 trillion in 2018, up 5.7% from 2017. Last year represented the second consecutive year of above average growth in business travel spending, building on the 5.8% gains of 2017. These gains were fueled by synchronous global growth and a number of other factors including recovery in major emerging markets, rising levels of global business confidence, record lows in unemployment, a continuation of easy monetary policy in many major business travel markets, and fiscal stimulus in the US under the Trump tax plan.
- Despite two years of above average growth, business travel failed to break out of the Era of Uncertainty which has persisted since 2012 and has been defined by range-bound growth in spending between 3% and 6% per annum. In fact, just as the global economy was picking up steam in 2017 and early 2018, additional measures of uncertainty permeated our rosy outlook.
- The economic headwinds that began to build in the second half of 2018 have only grown stronger in early 2019. We expect these challenges and heightened risks will conspire to keep business travel trapped in its moderate growth range over the forecast horizon. In fact, we expect spending to grow only 3.1% in 2019 – the lowest rate of growth since the Great Recession.
- In last year’s outlook we showcased that the direction of trade policy was the biggest wild card that could impact our forecast for global business travel. Unfortunately, this has since played out in a very negative way for the global business travel industry. Early impacts of enacted tariffs and heightened rhetoric around trade include, slowing global commerce, declining business, and building headwinds for business travel in 2019.

Global Business Travel Spending Growth: Trend & Forecast (2008 - 2023)



Source: GBTA, Rockport Analytics

- Global growth has slowed sharply since this time last year. Persistent trade tensions, a downside risk emphasized in last year’s report, and weaker manufacturing outturns have given way to declining business and consumer confidence in many markets. Meanwhile, policy uncertainty, rising debt levels, and geopolitical tensions have lead to weaker investment. In the latter half of 2018 and first quarter of this year, world GDP growth declined to around 2.6%. While some improvement is expected in the second half of this year, it will not be enough to claw back to 2018 performance levels.



- Global trade growth is the key driver of this reduction in growth, slowing from around 5.5% in 2018 to only 0.8% in the first half of this year. New tariffs and retaliatory counter-measures are having a negative impact on production, via reduced trade flows, and incomes, via rising prices. And early indications for the second half of 2019 do not bode well for improvement - global export orders are still weak, global industrial production growth continues to slide, and world freight traffic has been weakening throughout 2019.

- For the global economy, recent performance and the realization of certain key risks both point toward more subdued growth through the remainder of 2019 and in to 2020. Global GDP growth will reach 2.7% in 2019, well below trend, and rebound to only 2.8% next year.

- Growth in advanced economies (elephants) will slow to 1.8% in 2019 and 1.7% in 2020. The moderation reflects the negative impacts of US tariff increases, the exhaustion of the sugar high created by US tax cuts and fiscal spending stimulus, and late-stage business cycle effects. Meanwhile, emerging economies will also see growth moderation, with GDP growth falling from 4.5% in 2018 to 4.4% in 2019, rebounding to 4.8% in 2020. This reflects lower growth in China, recessions in Turkey and Argentina, and flat commodity prices (including oil). Interdependencies with advanced economy trading partners will also drag growth down in many export-oriented emerging economies.

**Total Business Travel Spending (BTS):
Top 15 Markets (2018)**

	Total BTS (\$ Millions USD)	Annual Growth in BTS
China	\$378,380	9.2%
United States	\$304,819	4.3%
Germany	\$77,543	7.6%
Japan	\$65,261	2.3%
United Kingdom	\$51,890	3.7%
France	\$42,552	6.1%
India	\$39,455	6.3%
Korea, South	\$38,027	5.6%
Italy	\$36,039	6.1%
Brazil	\$29,486	-3.9%
Canada	\$25,645	3.0%
Spain	\$23,837	8.0%
Australia	\$23,630	0.7%
Netherlands	\$21,138	9.4%
Russia	\$19,515	1.7%
Global Total	\$1,410,072	5.7%

Source: GBTA, Rockport Analytics

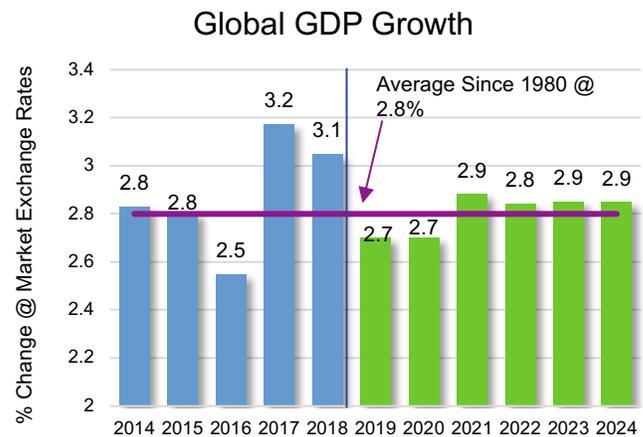
Global growth has begun to slow as weakness in trade, manufacturing, and investment has spread through advanced and emerging markets. Barring further trade war escalation or other policy missteps, global growth will begin to moderate in 2020.

The Global Economy

Global Growth Begins to Downshift on Weaker Trade, Investment, and Manufacturing

Global growth has slowed sharply since this time last year. Persistent trade tensions, a downside risk emphasized in last year's report, and weaker manufacturing outturns have given way to declines in business and consumer confidence. Meanwhile, policy uncertainty, rising debt levels, and geopolitical tensions have led to weaker investment.

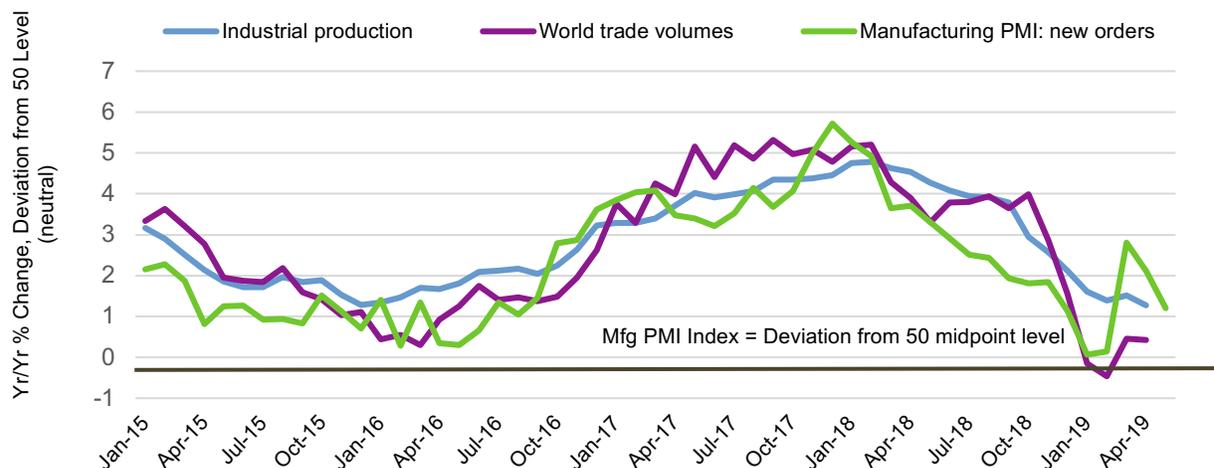
In the latter half of 2018 and first quarter of this year, world GDP growth declined to around 2.6%. While some improvement is expected in the second half of this year, it will not be enough to claw back to 2018 performance levels. Global GDP advanced 3.2% in 2017, 3.1% in 2018, and is on track to reach only 2.7% in the current year. This would be the slowest showing since 2016.



Source: IMF, Wells Fargo Securities, OECD, Rockport Analytics

Global trade growth, a key driver of global economic performance, has slowed abruptly, from around 5.5% in 2018 to only 0.8% in the first half of this year. New tariffs and retaliatory countermeasures are having a negative impact on production, via reduced trade flows, and incomes, via rising prices.

Weakness in Manufacturing and Trade Hurting Global Prospects



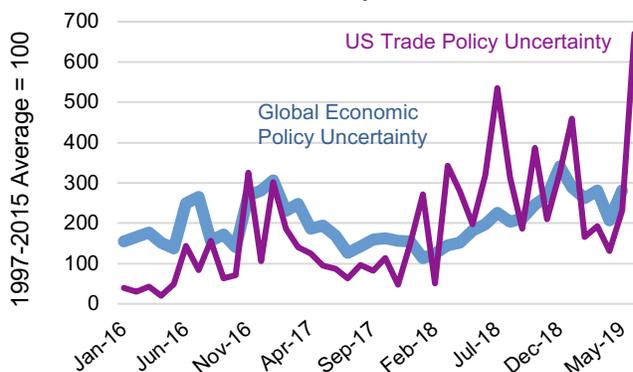
Source: CPB Netherlands Bureau for Economic Policy Analysis, Markit Economics, Rockport Analytics

Early indications for the second half of 2019 do not bode well for trade improvement. US-China trade talks continue in fits and starts. At the G-20 Summit in late June, the Trump Administration agreed to postpone the tariffs threatened on an additional \$300 billion in Chinese products and allow US businesses to sell some components to Huawei Technologies in exchange for China’s commitment to buy more US agricultural commodities. The proverbial can has been kicked down the road. Meanwhile, global export orders are still weak, particularly in Europe. Global industrial production growth continues to slide, and world freight traffic has been weakening throughout 2019. Add in other trade policy uncertainty (e.g. Brexit, USMCA) and it is no surprise to see waning business confidence levels and lagging investment activity.

Rising uncertainty is reflected in the chart to the right. The Global Economic Policy Uncertainty Index (GEPU) was created by Baker, Bloom, and Davis by monitoring daily news media mentions that use keywords associated with economic uncertainty. This is measured by country and then weighted by GDP into an overall index.

The GEPU has been on the rise since early 2018 given the breakdown in Brexit negotiations, the meltdown in Venezuela, Iran sanctions, and the evolving US-China trade war. It is the latter that is illustrated by the purple line above. Volatile US trade policy, particularly since early 2018, has driven the frenetic pattern in this index, which is indicative of rising risk in real trade activity. A June 2019 reading of 670 is reflective of the breakdown in talks before the June 28th G-20 Summit.

Global Uncertainty Trending Up Since Early 2018



Source: Baker, Bloom, Davis

The degree to which the slowdown in trade and manufacturing are impacting the advanced economies is a function of the size and influence of exports in their respective economies. For advanced economies, things are very mixed at this writing. The Eurozone is slowing and Japan has begun to lose momentum, even while the US has held up relatively well.



Source: OECD, IMF, IHS Markit, Rockport Analytics

The Eurozone economy continues in the doldrums with growth neither fast enough to build confidence among policymakers or slow enough to spur the European Central Bank (ECB) into stimulative action. Europe’s manufacturing sector has been weak, particularly Germany’s auto sector. The slowdown in global and intra-European trade, and the change in German emissions standards have recently taken their toll.

Meanwhile, the Eurozone service sector has done relatively well on the strength of a resilient labor market. Unemployment rates are down

across the region and job growth continues to shine. This has helped to support consumer spending.

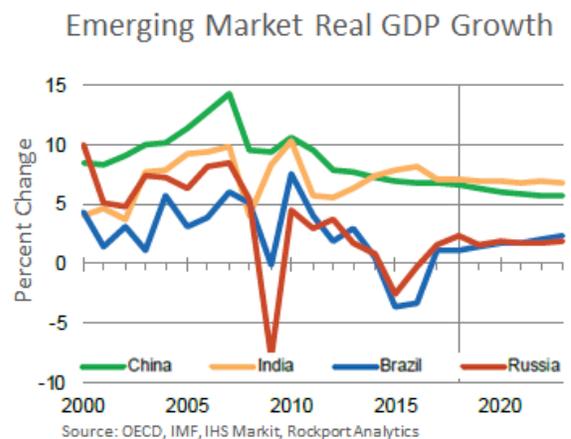
Japan's economy has begun to backtrack beginning in the second half of 2018 and on through the first two quarters of the current year. There has been a sawtooth pattern in GDP growth from which the Japanese economy cannot seem to break out. Private machinery orders weakened in 2018H2 and have recovered only partially in the first four months of 2019 – a signal of weaker export demand and domestic capital spending. Weak 2019Q1 outturns for real household expenditures also suggest softer consumer spending. And recent business sentiment surveys are pointing towards near-term contraction in the manufacturing sector. Japanese consumer spending will likely rise in advance of the scheduled October sales tax hike and then drop back into a slower pattern more in line with Japan's external and manufacturing sectors.

The United States economy has been performing well over the last six quarters, although growth rates have begun to deteriorate over the most recent six months. After reaching 3.8% in the middle two quarters of 2018, GDP growth has waned in the last two: 2.2% in 2018Q4 and 3% in the first quarter of 2019. Strength has come from consumption, public spending, inventory building, and some tax reduction-fueled investment. The sugar high from these earlier tax cuts has largely run its course, however, and, like other advanced economies, investment, manufacturing, and exports have begun to weaken. Moreover, inventory reductions are expected to be a drag on growth in the second half of 2019.

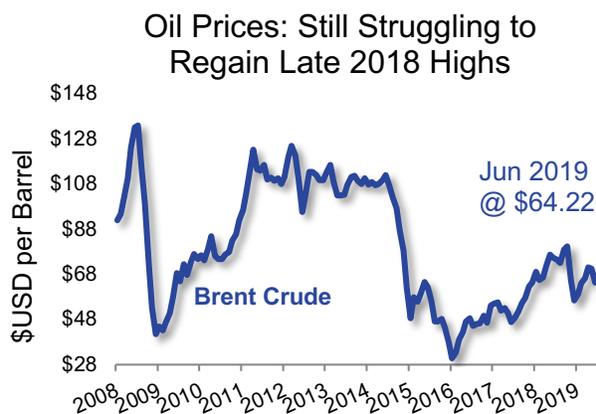
Growth prospects in the emerging market economies are generally expected to remain steady, albeit at slightly lower rates. Throughout much of 2018, emerging markets were navigating a number of adverse challenges. First, were US trade actions which damaged global trade. Second, the US Federal Reserve and other central banks raised interest rates, ratcheting up emerging market interest rates and putting downward pressure on their currencies. Third, China's industrial sector suffered a mini-recession, reducing its imports of raw materials from emerging market partners and driving down global commodity prices.

The good news is that growth has recently begun to stabilize, but remains tenuous and non-uniform across emerging economies. The suspension of US rate hikes and lower oil prices have reduced risks, but struggling global trade, weak commodity prices, and high debt levels continue to hinder growth in many emerging countries.

Export-dependent economies have struggled with the indirect fallout of the US-China trade dust up, although some have actually benefited from supply chains shifting away from China (e.g. Vietnam, Mexico, Eurozone). Meanwhile, oil-centric economies are once again struggling with declining oil prices. In response, OPEC and Russia have recently agreed to a deal to extend by 6-9 months existing production cuts in the wake of rising US supplies.



GDP growth in China is expected to continue its moderation as import, investment, and credit growth have slowed in recent quarters. Declining auto sales (vehicle sales were down -16.4% y/y in June, marking the 12th straight month of y/y declines) and rising trade tensions are ramping up near-term uncertainty as well.



Source: Energy Information Administration

Chinese authorities have implemented fiscal and monetary measures aimed at softening the impact of these headwinds, however. For example, local infrastructure bond quotas have recently been relaxed and a 3% value-added tax cut on vehicle sales was implemented in April. Authorities must walk a fine line; however, in order to mitigate the risk of high corporate indebtedness and sudden deleveraging.

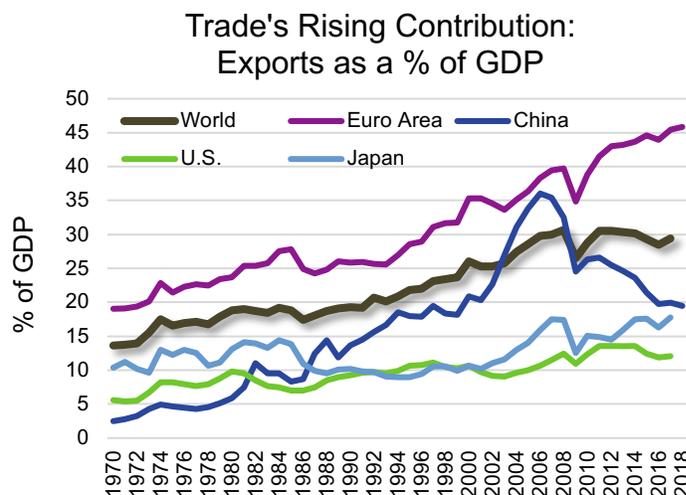
Early indications are that these policies are working. Real GDP increased 6.4% in the first quarter and recent monthly data are showing signs of strength. Industrial production, for example, has maintained year over year growth rates above 5% through May of 2019, even surging to 8.5% in March. Retail sales growth has also remained steady. Still, trade negotiation progress will be needed to further bolster growth moderation.

Global Trade Remains a Significant Risk to Continued Growth

Global trade is a significant contributor to world economic growth. Globally, roughly 30% of GDP comes from exports. Across more than 200 countries, it ranges from essentially all of GDP to nearly nothing. Yet, the world's largest economies are becoming increasingly dependent upon trade for growth (see chart to the right).

This is precisely why trade uncertainty has become such a palpable risk. The lack of clarity regarding the US-China trade war, the unratified agreement to replace NAFTA (USMCA), and a potential no-deal Brexit, among other agreements, have all slowed global trade. Higher trade restrictions reduce living standards for consumers and add to production costs for businesses. Moreover, the spillover effects of this uncertainty on business confidence, business travel, job growth, inflation, and investment magnify its potential impact.

Using their global economic model, the Organization for Economic Co-operation and Development (OECD) has tested the impact of newly-announced tariff measures and possible further extensions on global output and trade growth. The chart below illustrates the impact on GDP and trade growth from



Source: World Bank

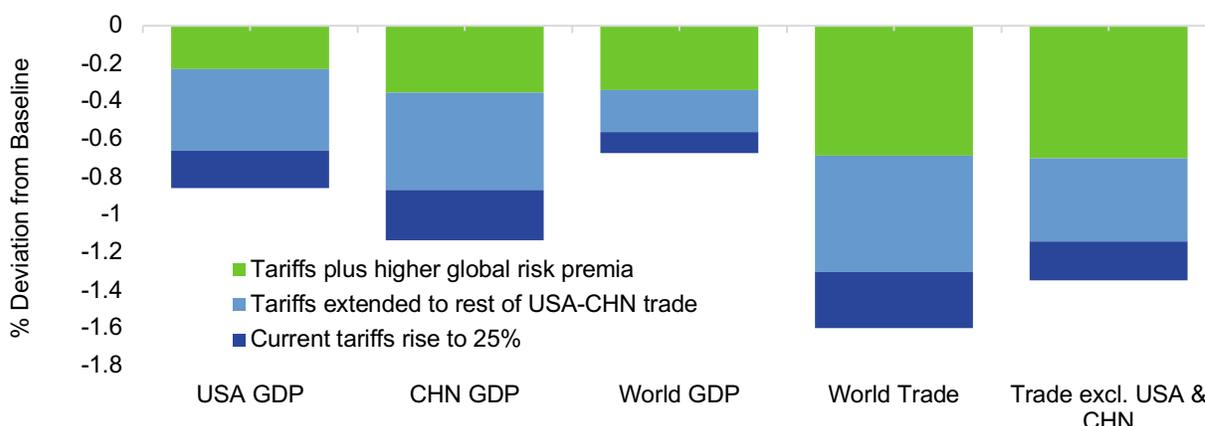
three evolving scenarios. The first scenario shows the impact of the US raising tariffs on \$200 billion USD of imports from China from 10% to 25%. The second scenario shows the additional impact if tariffs of 25% are imposed on all remaining bilateral non-commodity trade between China and the US beginning in July 2019. The final scenario adds in the impact from an associated global rise in investment risk that is assumed to linger for a period of three years.

The results are concerning:

- If all three scenarios progress as tested, US and China GDP growth would fall by 0.8 to 1.1% on average by 2021 and 2022. World GDP would fall by 0.6%.
- Given market interdependencies, world trade growth would fall by about 1.6%.
- US consumer prices would rise by an estimated 0.3% in 2020.

The good news is that the negotiations that took place at the G-20 Summit in late June did at least postpone the tariffs threatened on all non-commodity goods and service imports from China. Moreover, the USMCA was signed last November, but has yet to be ratified by all three trading partners. The Trump administration’s deal to end steel and aluminum tariffs on Canada and Mexico cleared a major hurdle towards ratification in both countries. The US Congress has yet to take up the USMCA, however, and Democrats are seeking tougher labor and environmental enforcement provisions. Officials are optimistic that a consensus can be reached.

Potential US-China Trade War Repercussions



Source: OECD

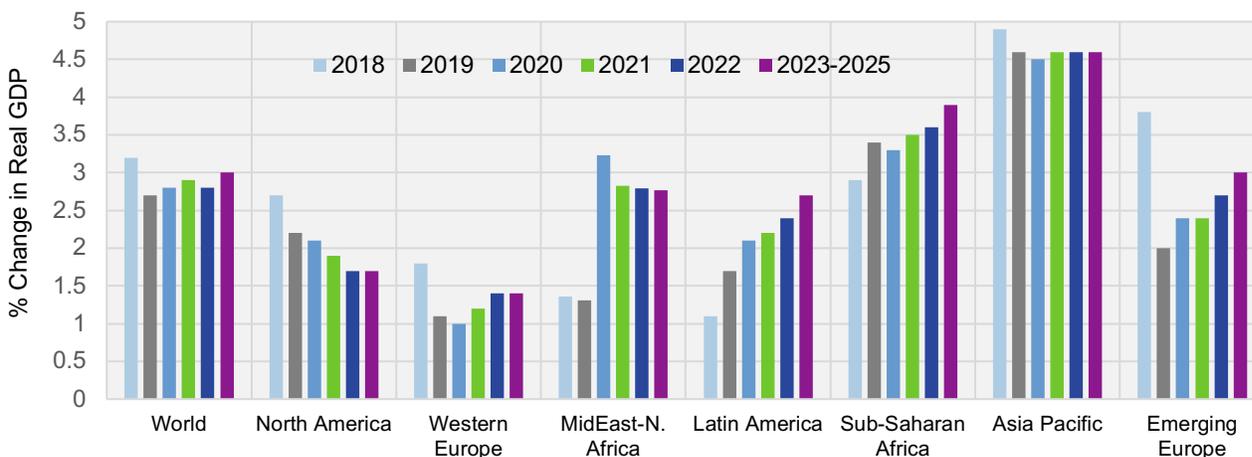
Global Outlook to 2023: Near-Term Moderation Then a Modest Pickup

For the global economy, recent performance and the realization of certain key risks both point toward more subdued growth through the remainder of 2019 and in to 2020. Global GDP growth will reach 2.7% in 2019, well below trend, and rebound to only 2.8% the following year. The extent and duration of the growth slowdown will depend upon:

1. Evolving trade negotiations between the US and China and the potential for additional trade policy upheaval,
2. Continued strength in consumer spending, particularly in the advanced economies,

3. The speed at which recessions in certain emerging-market economies (e.g. Turkey, Argentina, Venezuela) begin to recover,
4. The degree to which more policy uncertainty and weakening confidence cut into investment gains and further slow productivity growth, and
5. Central bank policy, credit growth, and the remaining bandwidth for fiscal policy support.

Asia Pacific, Africa Continue to Pace Global Growth



Source: IMF, Wells Fargo Securities, OECD, Rockport Analytics

Growth in advanced economies is projected to slow from 2.2% in 2018 to 1.8% in 2019, and 1.7% in 2020. The moderation reflects the negative impacts of US tariff increases enacted in 2018 and 2019, as well as the exhaustion of the sugar high created by US tax cuts and fiscal spending stimulus. Moreover, it is late in the current expansion and cyclical forces will naturally begin to reduce growth potential.

Global Growth Moderates After Trade-Challenged 2019-2020							
% change in Real GDP	2017	2018	2019	2020	2021	2022	2023-2025
World	3.3	3.2	2.7	2.8	2.9	2.8	3.0
Advanced (elephants)	2.4	2.2	1.8	1.7	1.7	1.6	1.6
Eurozone	2.5	1.9	1.1	1.0	1.2	1.3	1.4
Japan	1.9	0.8	0.6	0.5	0.7	0.8	0.9
United Kingdom	1.8	1.4	0.8	0.9	1.4	1.5	1.6
United States	2.2	2.9	2.3	2.1	1.9	1.7	1.6
Emerging Markets (gazelles)	4.8	4.5	4.4	4.8	4.9	4.8	4.9
Brazil	1.1	1.1	1.4	1.7	1.7	2.0	2.4
China	6.7	6.6	6.3	6.0	5.9	5.8	5.7
India	7.2	7.1	7.0	6.9	6.8	7.0	6.8
Russia	1.6	2.3	1.6	1.7	1.7	1.6	1.6

Source: IMF, IHS Markit, OECD, World Bank, Rockport Analytics

Global growth in 2019 and 2020 will also be challenged by emerging economies, with growth expected to fall from 4.5% in 2018 to 4.4% in 2019 and then rebounding to 4.8% in 2020. This reflects lower growth in China, recessions in Turkey and Argentina, and flat commodity prices (including oil). Interdependencies with advanced economy trading partners will also drag growth down in many export-oriented emerging economies.

For the longer-term, growth prospects will depend upon: (a) rebounding trade and investment, (b) continued gains in jobs and wages supporting retail sales, housing, and the auto sector, (c) moderating oil prices, and (d) progress in deleveraging and managing rising corporate, household, and government debt. As mentioned earlier, near-term central bank policies will also play a key role in helping growth rebound in 2020 and beyond. The ramp-up in global growth that occurred in 2017 led some central banks to begin to slowly retract the punch bowl, albeit at a measured and steady rate. The US Federal Reserve, the Bank of Canada, and the Bank of England led the way in beginning to tighten monetary policy via small rate hikes and reductions in asset buying. Other central banks in countries such as Brazil, India, Indonesia, and Russia quickly followed.

This policy of slowly tightening continued through mid-2018. However, as growth began to weaken and inflation remained in check, central banks reversed course. The Fed suspended rate increases and slowed balance sheet reductions. The European Central Bank halted its bond purchases and announced new long-term loans to banks. The People's Bank of China and the Reserve Bank of India will likely follow, leaving interest rates on hold for a while. In net, monetary policy should be neutral-to-supportive of real economic growth in the near-term.

Forecast Risks Lean to the Negative

1. **Trade Policy** - Global trade, investment, and output remain under threat from ongoing trade tensions. The signing of the USMCA and agreement to suspend further tariffs at the G-20 Summit are good starts, but work remains to be done. **Failure to resolve differences and reduce the threat of more tariffs would lead to higher costs of imported intermediate and capital goods and higher final goods prices for consumers. This would derail assumptions for growth moderation, derail business confidence and investment, and fuel inflation.**
2. **No-Deal Brexit** - the rising possibility of a no-deal Brexit and European Parliamentary election outcomes that delay or reverse progress on strengthening the Euro area could give rise to broader risk-aversion behavior. **Moreover, a no-deal Brexit could significantly disrupt supply chains and raise trade costs causing a larger and extended negative impact on the U.K. and EU. This would further slow global trade and investment.**
3. **Policy and Geopolitical Risks** - a host of other factors add downside risk for global investment and growth. Policy uncertainty, tensions in the Middle East and East Asia, and tighter monetary and fiscal positions. **In isolation, these are unlikely to pull the global economy under, but in sequence they could have outsize effects on global growth.**

Following two years of above trend growth, business travel is on track for a sub-par year in 2019 with global spending on goods and services by business travelers projected to grow by only 3.1% this year. We expect slightly better performance in follow-on years as global headwinds begin to subside.

Business Travel Outlook: Uncertainty Continues to Weigh on Global Performance

Overview

Spending on business travel activity totaled \$1.41 trillion in 2018, up 5.7% from 2017. Our study aims to be all-inclusive, covering roughly 98% of business travel activity around the globe. Our definition of business travel expenditures includes spending on both group and transient trips taken for a variety of purposes. Measured activity includes both reimbursable and non-reimbursable expenditures made by business travelers on goods and services including hotel rooms, air and ground transportation, restaurant purchases, and entertainment. All currency figures presented in subsequent pages of this document are in US Dollars (USD).

2018 represented the second consecutive year of above average growth in business travel spending, building on the 5.8% gains of 2017. These gains were fueled by synchronous global growth and a number of other factors including recovery in major emerging markets, rising levels of global business confidence, record lows in unemployment, a continuation of easy monetary policy in many major business travel markets, and fiscal stimulus in the US under the Trump tax plan. In 2017, 15 out of the top-20 business travel markets grew above trend – outpacing their average growth over the previous five years. This number remained elevated in 2018 with 14 of the top-20 growing above trend.

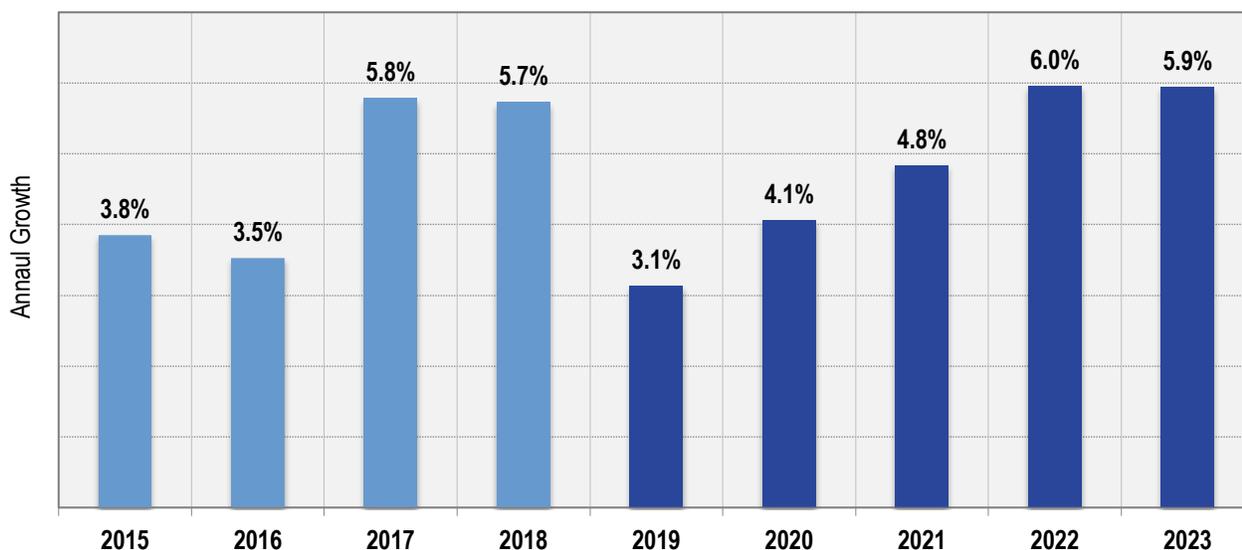


Source: GBTA, Rockport Analytics

Despite two years of above average growth, business travel failed to break out of the Era of Uncertainty, which has been defined by range-bound growth in spending between 3% and 6% per annum and has persisted since 2012. In fact, just as the global economy was picking up steam, additional measures of uncertainty permeated our rosy outlook. In the second half of 2018, many emerging markets faced the dual headwinds of falling commodity prices and the devaluation of dollar-denominated debt. These coincided with continued tightening by the Federal Reserve and rising uncertainty around Brexit and the health of many European economies, in particular Germany and Italy. Australia, who had a strong start to the year – posting 2.7% in growth in H1 – was challenged by volatile real estate prices in both Sydney and Melbourne. This prompted economic growth to slow to only 0.7% in H2. And, lastly, trade wars in various forms have raised uncertainty and have begun to penalize both business confidence and investment in business travel activity.

We expect all of these factors will conspire to keep business travel trapped in its moderate growth range over the forecast horizon. In fact, we expect spending to grow only 3.1% in 2019 – the lowest rate of growth since the Great Recession. We do, however, expect that the most likely scenario is a resolution to trade wars leading to a gradual improving environment for business travel as we move through the forecast horizon. Spending growth is likely to hit its cyclical peak again in 2022 but there are significantly more downside risks to our forecast than we’ve seen over the last two years: (1) The risk of recession is heightened in many major global economies – trade uncertainty and slowdown in manufacturing threaten to derail the US economy. (2) Germany is feeling the strain of rising unemployment and slowing industrial production. (3) Japan, already suffering from waning exports is highly susceptible to further slowdown in China and trade war escalation between the US and China. And (4) emerging markets are on firmer footing than a few years ago but still remain exposed to the potential for rising rates in the US, unfavorable exchange rate conditions, and falling commodity prices. Bottom line, the rising global uncertainty over the past year has led to rising uncertainty in our forecast for business travel over the next few years.

Global Business Travel Spending Growth: Trend & Forecast (2015-2023)



Source: GBTA, Rockport Analytics

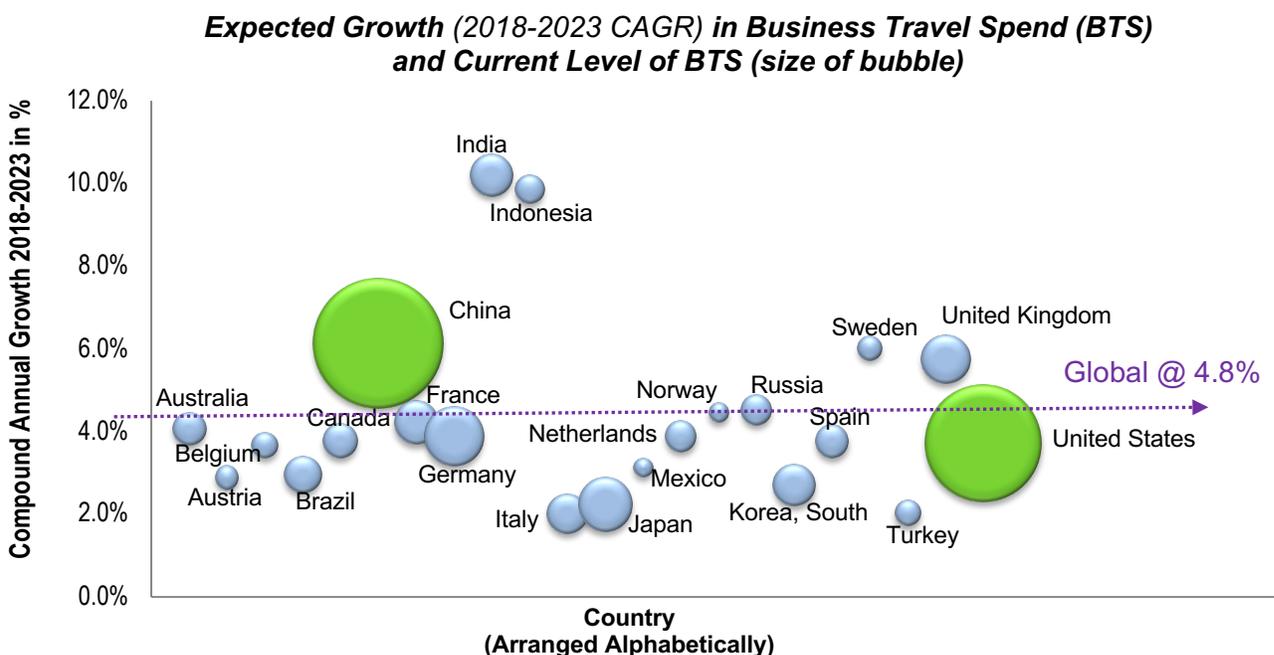
What Do Escalating Trade Wars Mean for Global Business Travel Performance?

In last year’s outlook we showcased that the direction of trade policy was the biggest wild card that could impact our forecast for global business travel. Unfortunately, this risk has since played out in a very negative way for the global business travel industry. Early impacts of enacted tariffs and heightened rhetoric around trade include slowing global commerce, declining business confidence, and building headwinds for business travel in 2019. Global business travel is tightly tied to the volume of global trade. In fact, this is the single most important performance indicator we follow when analyzing the outlook for global business travel. Our analysis shows that nearly 60% of the variability in global business travel spend can be explained by the changes in global trade volumes. Intuitively this makes sense as the movement of goods and services necessitates people (i.e., business travelers) to support global commerce.

While we expect that the most likely scenario is that there is US-China trade resolution. Further, we expect no significant escalation of trade wars between the US and Europe, Mexico, or other key trading partners. There is too much at stake on all sides for this to take place. However, the risk of further deterioration is certainly heightened and this is something for business travel managers and global travel suppliers to keep a keen eye on in the coming months.

Expected Growth in the World’s Top Business Travel Markets

Global business travel spending will balloon to an annual total of \$1.8 trillion by 2023. The bubble chart below illustrates the current size of the top-20 global business travel markets as well as our growth expectations in each of those markets over the next five years. We expect the growth rate in global business travel spending over the next five years to average 4.8%. Given the outlined global economic headwinds our expectations for growth in most major markets has been downgraded from last year’s analysis.



Only five of our top-20 markets will be growing faster than the average with the rest growing annually between 2 and 4.5%. Of the five largest markets, India and Indonesia are the only ones expected to grow by more than five percentage points above the average. These markets continue to show significant growth potential and since 2000 they have grown at annual compound rates of 10.2 and 9.9% respectively. Nevertheless, these countries are not immune to the potential global economic slowdown resulting from trade disputes. India's manufacturing sector shows mild signs of demand decreases and the IMF, the Asian Development Bank (ADB), and the Reserve Bank of India (RBI) have all downgraded their GDP growth forecasts for India. Indonesia also faces risks to growth in the years to follow as they continue to modernize their infrastructure and become less reliant on agricultural exports.

Volatility driven by political and economic challenges have led to shifting business travel growth patterns in key emerging markets. Business travel in developed markets, while slightly more stable, has been susceptible to currency fluctuations, uncertainty around trade policy, and a slowdown in manufacturing.

The next fastest growing major business travel markets will be the Nordic countries. In 2018, Finland grew 8.9%, Norway 8.0%, and Denmark 5.1%, all rates that surpassed 2017 increases. We expect these countries to remain growth leaders and to outperform the forecast for Western Europe. The Developed countries, which have historically dominated the business travel market, are reaching maturity or slowing economically and will struggle to grow at annual rates above 4%. We expect Western Europe to experience moderate and steady growth over the forecast horizon with Germany, France, Spain, and Belgium all growing their business travel markets in the range of 3.7% to 4.2%. The biggest downside risk in the region comes from the British business travel market as economic uncertainty around the direction of Brexit continues.

Emerging countries that had previously showed signs of accelerated growth such as Turkey, Russia, and Brazil are all expected to grow below the 4.8% average at rates of 2%, 4.5%, and 3% respectively over the forecast horizon. Brazil and Turkey have both experienced political challenges and threats to their economy resulting from currency instability. Despite the decreases in economic growth in China, the Chinese business travel market is poised to be the 3rd fastest growing major market in the world over the next five years, picking up more than \$131 billion in annual business travel spend by 2023. This represents more than 35% of the expected global gain in business travel spending over the period. China remains the largest business travel market in the world and will continue to distance itself from the rest of the world over the next five years.

We expect the US business travel market will grow below the global average over the next five years at an annual rate of 3.7%. Although 3.7% is below the global average, this is an improvement over the 1.4% growth rate witnessed from 2000 to 2018 in the US. The US market continues to perform at a healthy pace as unemployment reaches new lows and consumers

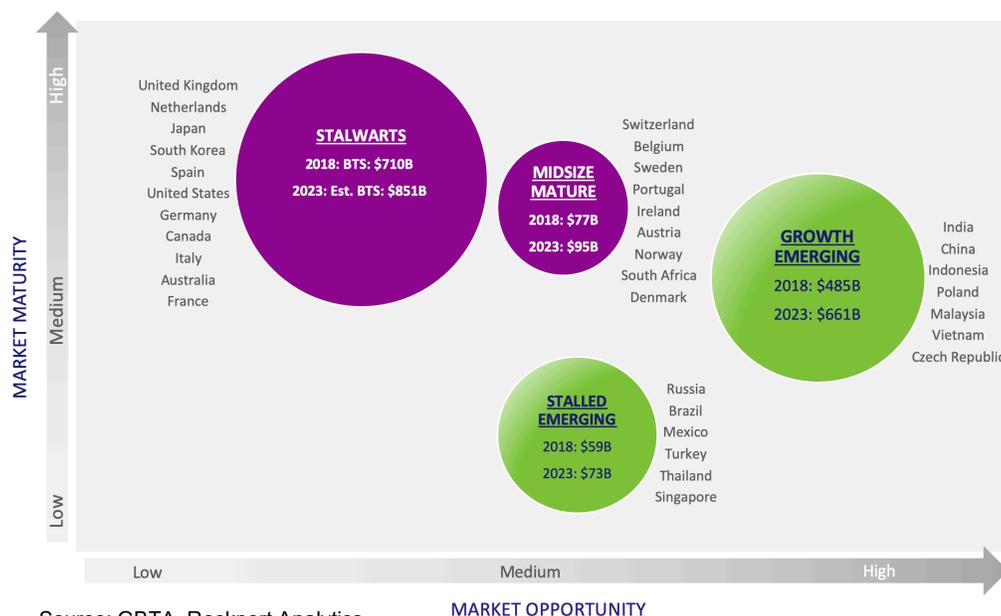
continue to spend. However, business performance and confidence are starting to degrade as the global trade disputes escalate and the stimulus provided by the 2017 tax cuts fades.

Segmenting the World’s Major Business Travel Markets

In order to help identify emerging opportunities in the global business travel market we clustered all of the world’s major business travel markets into four key segments: **(1) The Stalwarts, (2) Midsize Matures, (3) The Stalled Emerging, and (4) The Growth Emerging.** These four segments are based on the current size of each business travel market and their potential for growth over the next five to ten years. Due to significant shifts in growth patterns, we were forced to make some changes to the segments this year. Traditionally, emerging markets have grown their business travel sectors at a pace much faster than more established business travel markets like the *Stalwarts* and *Midsize Matures*. However, political and economic challenges have led us to significantly lower our expectations for many of these markets over the next few years and split emerging markets into two distinct segments: *The Growth Emerging* and the *Stalled Emerging*.

The *Stalwarts* make up roughly half of the global business travel market totaling \$710.4 billion in business travel spending in 2018. The *Stalwarts* are comprised of many of the world’s major economies and this segment includes: (1) the dominant markets in Europe including Germany, the U.K., France, and the Netherlands, (2) all of North America, and (3) developed markets in Asia-Pacific including Japan, South Korea, and Australia. Over the next five years, the growth of the *Stalwarts* will be moderate ranging from 2% to 5.7%. By 2023, this segment will grow by another \$140.4 billion to cap at \$850.7 billion.

The next largest segment is the *Growth Emerging* which includes India, China, and Indonesia. This segment represents a total market opportunity of \$458.2 billion and over the next five years it will grow at annual average rate of 6.7% to top \$624 billion. All the countries in this segment are growing at compound annual rates that are greater than 5%. Over the forecast horizon, the *Growth Emerging* markets will continue to pick up ground on the *Stalwarts* closing the spending gap and gaining \$218 billion.



Source: GBTA, Rockport Analytics

The third global business travel segment in terms of size is the *Stalled Emerging*. The largest and most established markets in this segment are Russia and Brazil. The remaining countries are much smaller in size and include Thailand, Singapore, Mexico, and Turkey. We expect the *Stalled Emerging* will be the markets of the future, but this segment will see lots of volatility over the next couple decades. Currently all four markets are facing significant challenges. Thailand, Singapore, and Mexico are directly impacted by the trade dispute between the US and China. Turkey continues to experience political uncertainty and during the first two quarters of 2019 it entered into recessionary territory. Business travel spending in Russia is expected to grow at an annual rate of 4.5% and in Brazil at a rate of 3%, this is significantly slower than the consistent high-single digit growth rates both markets experienced 5-10 years ago.

The fourth global business travel segment is the *Midsized Matures*. These are well-established business travel markets with spending between \$5 and \$14 billion. These markets are more mature and will not be able to keep pace with the *Growth Emerging* segment. These will also struggle to pace the *Stalled Emerging* segment over the long. This segment is primarily made up of countries located in Western Europe. In total, this segment accounted for \$76.8 billion in business travel spending in 2018. We expect these countries to grow at an average annual rate of 4.2% over the next five years and increase their annual spending to \$94.7 billion.

Global Travel Infrastructure Continues to Show Slow but Steady Improvement

Another essential aspect of business travel performance is the quality of travel infrastructure. It is crucial for business travelers to move easily from one country to another in order to reduce costs for their firms and enjoy greater satisfaction while traveling. Travel markets with robust travel infrastructures have an edge over competitors and can realize greater economic growth and overall prosperity. Strong global investment in travel infrastructure provides a host of positive benefits for both travelers doing business in these markets and for those who reside in them.

We have updated the report with the latest findings from the World Economic Forum's Global Competitiveness Report (2018-19) on the state of infrastructure in our top-20 global business travel markets. These key measures of infrastructure include the health of travel infrastructure – the quality of roads, railways, ports, and air transportation. The table on the following page highlights the infrastructure rankings of the top-20 (ranked by total 2018 business travel spending) business travel markets in the world.

According to the World Economic Forum's 2018-19 *Global Competitiveness Report*, most top business travel markets around the globe continue to make strides in improving their travel infrastructure – a key to maintaining their business travel sector's long-term viability and competitiveness.

Overall Infrastructure

Seven of the top-20 business travel markets – the US, Germany, Japan, France, South Korea, Spain, and the Netherlands – rank within the top-10 for the quality of overall infrastructure. Compared to 2017, this list grew by one country with Spain cracking the top-10 and the U.K. falling to 11. Most emerging markets have less developed infrastructure than mature economies, but those in our top-20 have showed significant improvement since 2015.

Travel Infrastructure Ranking Among the Top 20 Global Business Travel Markets

Country / Economy	BTS Rank	Overall	Roads	Railroad	Port	Air Transport	Rank Difference Between 2010-2011 And 2018-2019
China	1	29	42	25	48	63	21 ▲
United States	2	9	11	6	5	8	6 ▲
Germany	3	7	19	9	16	16	-5 ▼
Japan	4	5	6	2	8	6	6 ▲
United Kingdom	5	11	26	22	15	15	-3 ▼
France	6	8	7	14	25	22	-4 ▼
India	7	63	51	26	40	53	23 ▲
Korea, South	8	6	12	4	14	9	12 ▲
Italy	9	21	54	49	47	57	10 ▲
Brazil	10	81	112	97	105	73	-19 ▼
Canada	11	25	25	38	24	30	-16 ▼
Spain	12	10	13	10	20	18	4 ▲
Australia	13	31	35	36	34	32	-9 ▼
Netherlands	14	4	3	7	2	3	3 ▲
Russia	15	51	104	15	45	52	-4 ▼
Indonesia	16	71	75	19	61	49	11 ▲
Turkey	17	50	33	66	50	35	6 ▲
Belgium	18	13	52	41	10	17	8 ▲
Sweden	19	17	15	30	12	11	-7 ▼
Austria	20	12	10	12	87	45	8 ▲
Average		26	35	26	33	31	

Source: World Economic Forum's Global Competitiveness Report (2018-19)

Nine countries in our top-20 list also rank amongst the top-20 in terms of Air Transport. This is not surprising given the level of air demand that is naturally associated with primary business travel markets. The Netherlands, Japan, South Korea, and the US rank in the first 10 spots of both lists. Six countries in our top-20 business travel market ranking are also ranked amongst the top-10 in terms of their quality of Rail. The top-20 business travel markets rank relatively high in the quality of rail infrastructure, averaging a rank of 26. However, they receive relatively less favorable rankings in the quality of Roads, Ports, and Air Transportation, averaging rankings of 35, 33, and 31, respectively. These averages are slightly better than the average rankings from last year.

Infrastructure Improvement in Emerging Markets

Another aspect to examine is how infrastructure may or may not be improving in many of these markets. This is particularly true in rapidly developing emerging markets. Based on data from the 2010-2011 and the 2018-2019 reports, China rose from 50 to 29, India from 86 to 63, and Indonesia from 82 to 71. Meanwhile, some mature countries such as Canada, Germany, the U.K, and France have all declined in their infrastructure ranking. Of our top-20, twelve have improved over the last eight years while eight have deteriorated. As expected, most of the emerging markets on the list are trending in the right direction as investment pours into infrastructure to help support economic growth. China, India, Turkey, and Indonesia have all witnessed significant improvements in their infrastructure over the last eight years. Brazil and Russia have been major exceptions falling 19 and 4 spots respectively. Continued investment in travel infrastructure will support the health of global commerce and business travel activity.

China Continues to Make Strides in its Belt & Road Initiative

In 2013 the Chinese government embarked on the “Belt and Road” program; an ambitious initiative to improve China’s infrastructure and connectivity within China and with other regional trading partners. This has significant long run implications for the health and direction of China’s business travel market. These improvements are clearly reflected in China’s rise of 21 places in travel infrastructure rankings since 2010. The initiative will also help to establish key trade routes and, thus, will lead to shifts in business travel patterns along these favored routes. The “belt” in this context refers to road and rail infrastructure while the “road” refers to key shipping routes, following the silk road routes. The map below highlights these belt and road initiatives that are rapidly transforming the condition of China’s roads, rails, and ports.

The Scale of Planned Infrastructure in China’s Belt & Road Initiative



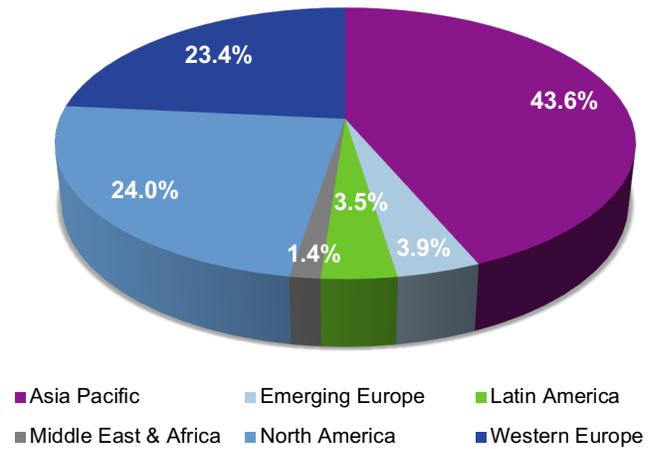
Source: T. Rowe Price Report, Spring 2019

Business Travel Around the Globe

Spending on global business travel activity totaled \$1.4 trillion in 2018. A total of \$1.3 trillion was spent in Asia Pacific, North America, and Western Europe. The remaining \$126 billion was spent between Latin America, Emerging Europe, and the Middle East and Africa (MEA).

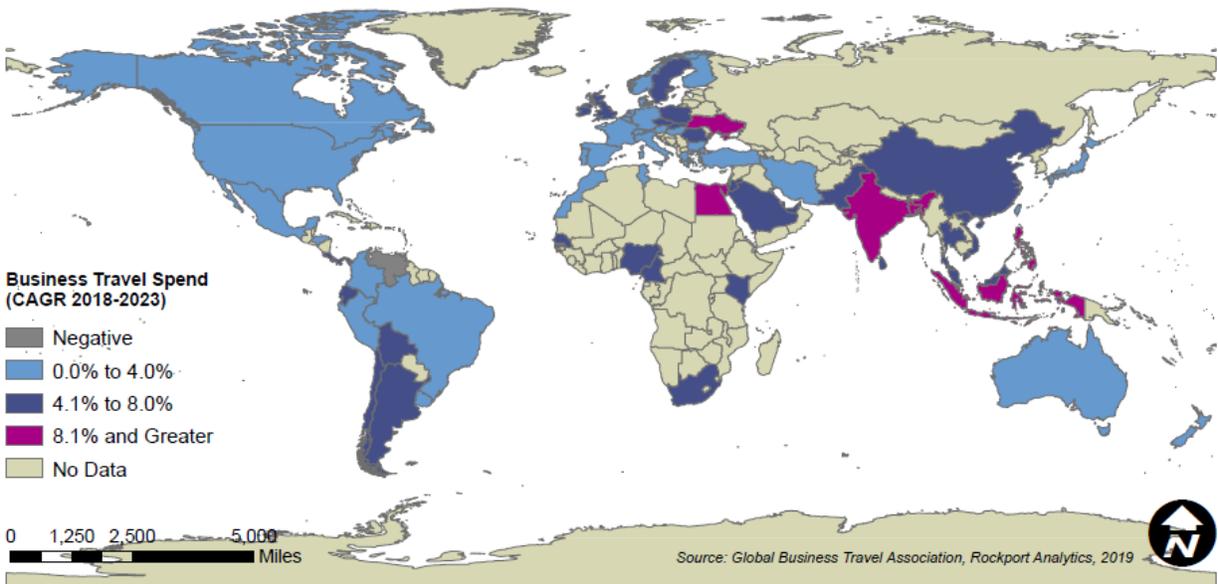
The regional share of global business travel shifted only slightly since last year's outlook with Asia Pacific picking up 0.6% of market share and North America along with Latin America both losing about 0.3%. The market shares for Western Europe and the Middle East and Africa regions remained relatively unchanged. We expect the Asia Pacific region to gain another 2.2% market share by 2023 while North America is expected to lose about 1.2% of global share.

**Business Travel Spending
Percent by Region 2018**
Domestic Plus Outbound International



Source: GBTA, Rockport

GBTA BTI™ Outlook: Annual Growth in Business Travel Spend (CAGR 2018-2023)



North America

Travelers in North America spent \$338.3 billion on business travel in 2018. The United States generates the bulk of business travel spending in the region (90.1%) with Mexico and Canada generating the remaining 9.9%. North American business travel spending grew by 4.2% last year, far exceeding its historical annual average of 1.6%.

Business travel in the US is dominated by domestic trips but international outbound has played an increasingly important role throughout the years. Policies by the current administration that hinder free trade pose a threat to the health of businesses in the US and around the globe. We see the persistent uncertainty resulting from trade disputes and disjointed foreign policies as the biggest risk to our forecast for the US and its major trading partners as we move through 2019.

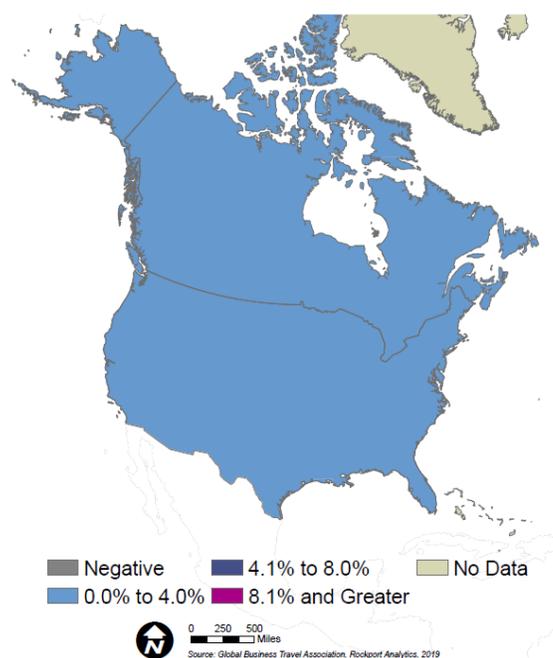
The consequences of the trade disputes can also be evidenced by a slowdown in Canadian business travel which grew 3% last year compared to 5.9% in 2017. Business travel spending in Mexico was also impacted by the policies of the US and is forecasted to fall into negative territory (-0.8%) in 2019. We continue to expect that the Mexican economy will face many challenges over the next few years and experience slower growth at an annual average of 3.1%.

The lack of clear and consistent trade policies will continue to have detrimental consequences on the North American continent until a new trade agreement is reached. A re-negotiated US-Mexico-Canada Agreement (USMCA) has been signed by the leaders of the three countries, but it is yet to be ratified by the Canadian and the US governments.

Western Europe

Business travelers in Western Europe generated \$330.3 billion in total business travel spending in 2018. Business travel activity in the region is highly fragmented with 15 countries spending at least \$5 billion on business travel last year. The largest business travel markets on the continent include Germany, the U.K., France, Italy, Spain, and the Netherlands. These countries accounted for a combined \$253 billion in business travel spending in 2018, growing 6.5% over 2017 levels.

GBTA BTI™ Outlook:
Compound Annual Growth in Business Travel Spend 2018 - 2023

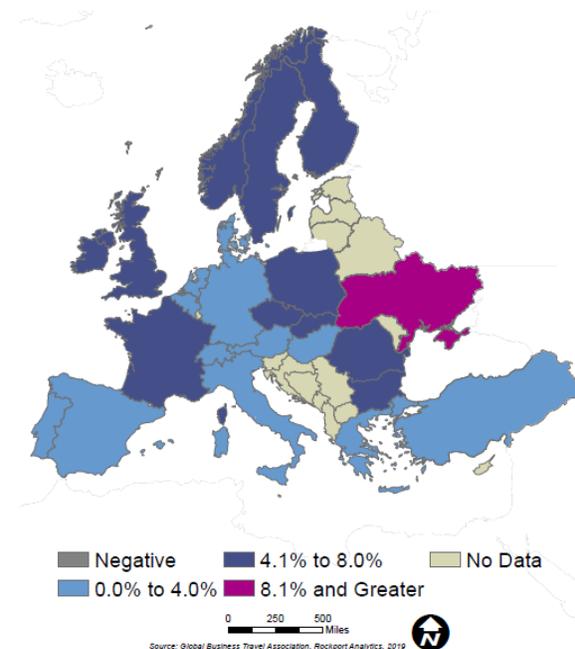


Economic growth in the Euro Area slowed to only 1.8% in 2018 but spending in many key European economies continued to perform well given favorable currency dynamics and some tailwinds from the surprising economic growth in 2017. The countries with the largest gains include Austria 9.7%, Ireland 9.6%, and the Netherlands 9.4%. Business travel in the U.K rebounded in 2018 but this was primarily a cyclical snapback from the decline of -0.7% in 2017, which was driven by the immediate fallout from the Brexit vote; nevertheless, this year's growth of 3.7% is weak in comparison to the other countries in this region. The decline in Britain has been driven by the Brexit stalemate, a weakening pound, increased inflation, and a divided government leading to the resignation of Prime Minister Theresa May.

Business travel growth in the Nordic countries picked up the pace with Finland growing 8.9%, Norway 8.0%, and Denmark 5.1%, all rates that surpassed 2017 increases. We expect these countries to remain business travel growth leaders through 2023, significantly outperforming the rest of the region.

Total growth in Western Europe business travel spending is expected to average 4.1% over the forecast horizon. Key downside risks include the uncertainty around Brexit as well the potential for continued weakening in the region's largest economy, Germany, which can be attributed to declines in manufacturing and a significant slowdown in export volume.

GBTA BTI™ Outlook:
Compound Annual Growth in Business Travel Spend 2018 - 2023



Asia Pacific

The Asia Pacific region is the largest region in the world, comprising 43.6% of global business travel. Business travel spending in this region totaled \$615.4 billion in 2018 and it has been growing by 7.6% on a compound average basis since 2000, more than tripling in size. We expect that business travel spending in the region will continue to moderate over the next five years, growing at a projected annual average growth rate of 5.8%.

Annual business travel spending in China has increased from \$32 billion in 2000 to an estimated \$378.4 billion in 2018, growing at an astounding 14.7% average annual rate. Business travel spending is expected to reach \$509.6 billion by 2023, growing at a compound average rate of 6.1% over the next five years. This rate could continue to moderate even further should trade relations with the US fail to improve. In 2018, China's market represented more than 61% of regional spending and slightly over a quarter of global spending, up dramatically from its 5.1% share in 2000.

Japan, at \$65.3 billion in business travel spending in 2018, remains the fourth largest business travel market in the world. In 2015, Germany replaced Japan as the third largest market, and we expect that in the next decade India will bump Japan to number five. Japan's business travel market represented more than 45% of business travel activity in the region in 2000 and by 2018

that share has fallen to only 10.6%. Over the next five years, we expect the slow growth trend to continue as Japan's business travel sector gains an annual average of only 2.2%.

The size of Japan's economy guarantees that the country will remain one of the most important business travel markets in the region over the next five years but the slowdown in China and the impact of US-China trade disputes are taking their toll on performance. The Japanese manufacturing sector is slowing significantly as demand for the country's exports weakens.

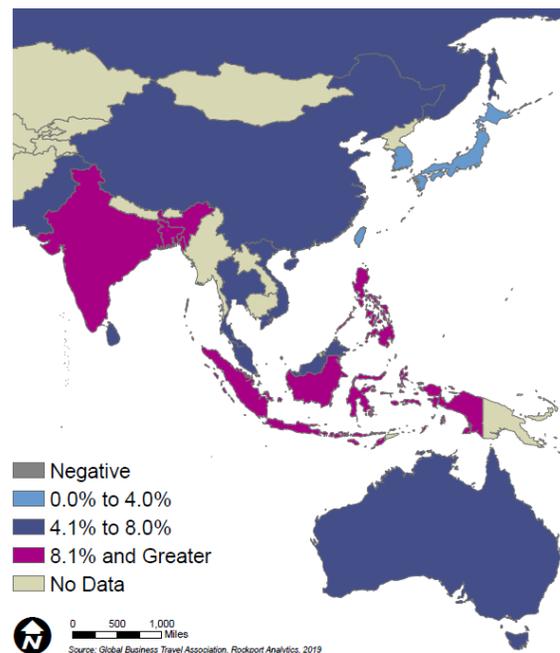
In the Asia Pacific Region, India and Indonesia remain the two fastest growing business travel markets. Over the last eighteen years, India has climbed the rankings to become the 7th largest business travel market in the world (15th in 2000), climbing 3 spots between 2015 and 2017. Business travel spending generated by India business travelers reached \$39.5 billion in 2018, representing 6.3% growth over 2017. We expect spending gains will remain strong over the next five years averaging 10.2% per year and reaching \$64.1 billion by 2023. Travel spending in Indonesia reached \$17.8 billion in 2018, an increase of 3.3% over 2017. Indonesia is now the 16th largest business travel market in the world (21st in 2000) and we expect it to reach \$28.5 billion by 2023, averaging an annual growth rate of 9.9%.

The four Asian Tigers – South Korea, Singapore, Hong Kong, and Taiwan – spent a combined \$51.6 billion on business travel in 2018, accounting for 8.4% of the region. During the early 2000's these markets experienced tremendous growth, but they have slowed significantly in recent years. We expect the four Tigers to grow at a combined annual average rate of only 2.8% over the next five years. The fate of the four tigers is tied to healthy export markets that will be challenged by slowing growth in China and elsewhere around the globe.

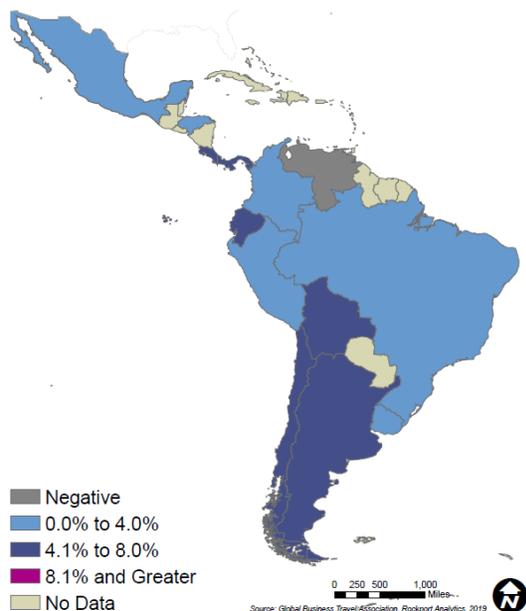
Latin America

Economic instability and a chaotic election cycle in Latin America led to a decline in business travel spending of -2.9% in 2018. The region's global share of business travel has declined from 4.1% in 2015 to 3.5% in 2018. Last year, business travel spending reached \$49.9 billion, a decline of nearly \$1.5 billion from 2017. Countries with significant declines in 2018 included Argentina (-8.8%), Brazil (-3.9%), and Venezuela (-26.8%). We expect tepid business travel spending growth in the region over the next five years with average annual growth of only 3.1%.

GBTA BTI™ Outlook:
Compound Annual Growth in Business Travel Spend 2018 - 2023



GBTA BTI™ Outlook:
Compound Annual Growth in Business Travel Spend 2018 - 2023



Brazilian business travelers spent an estimated \$29.5 billion in 2018, the 10th highest total in the world. The Brazilian business travel market dominates Latin America, generating nearly 60% of total business travel spending in the region. Brazil has continued to be a drag on regional performance but should start to slowly get back on its feet over the next five years. Latin American business travel markets that contributed positively to regional growth in 2018 include Bolivia (7.4%), Panama (6.7%), Chile (5.4%), and Colombia (5.4%).

The Middle East, Emerging Europe & Africa

This was the second consecutive year of positive performance for the MEA region following two years of spending declines. In 2018, business travel spending in the Middle East and Africa grew by 7.0% reaching \$20.4 billion. Spending in the region is expected to continue in an upward trajectory through

2023 and grow at an average annual rate of 6.0%. Business travel activity was strong, and several countries saw double digit growth including Qatar (12.4%), Kuwait (12.0%), Bahrain (10.8%), and the UAE (10.6%). Many countries in Africa also experienced accelerated growth in 2018 with Nigeria and Cameroon both seeing double digit growth rates of 10.5% and 12.2% respectively. Business travel in Emerging Europe has increased rapidly from 2000 to 2015 as former Soviet Bloc countries transitioned into market-based economies. The compound annual growth rate of 7.4% from 2000 to 2018 is no longer a reality in this region and we predict much more modest annual growth of 4.8% through 2023. In 2017, business travel in the region witnessed a significant bounce back, gaining about 10% over 2016 levels but backslid in 2018, growing only 2.6%. The health of the Russian economy has dictated the direction of business travel activity in the region. Spending by Russian business travelers grew by only 1.7% last year. Several of the second-tier regional markets grew at double digit rates last year including Romania (10.8%), Poland (11.6%), Ukraine (19.4%), and the Czech Republic (10.6%). We expect these second-tier markets to continue to outperform Russia over the next five years.

Share of Regional Business Travel Spend by Country

Share of Regional Business Travel Spend by Country						% Point Change 2000-2023
Region / Country	BTS 2018 (million US\$)	% of Region 2000	% of Region 2018	% of Region 2019	% of Region 2023	
Asia Pacific	\$615,358	100.0%	100.0%	100.0%	100.0%	
China	\$378,380	19.4%	61.5%	62.2%	62.5%	43.1%
Japan	\$65,261	45.2%	10.6%	10.2%	8.9%	-36.3%
South Korea	\$38,027	10.3%	6.2%	6.0%	5.3%	-4.9%
India	\$39,455	4.2%	6.4%	6.5%	7.9%	3.7%
Other	\$94,235	20.9%	15.3%	15.2%	15.4%	-5.5%
North America	\$338,326	100.0%	100.0%	100.0%	100.0%	
United States	\$304,819	92.9%	90.1%	90.3%	90.1%	-2.8%
Other	\$33,507	7.1%	9.9%	9.7%	9.9%	2.8%
Western Europe	\$330,390	100.0%	100.0%	100.0%	100.0%	
United Kingdom	\$51,890	18.6%	15.7%	15.9%	17.0%	-1.6%
Italy	\$36,039	13.2%	10.9%	10.6%	9.9%	-3.4%
Germany	\$77,543	19.6%	23.5%	23.8%	23.3%	3.7%
France	\$42,552	12.9%	12.9%	13.1%	13.0%	0.1%
Spain	\$23,837	5.6%	7.2%	7.2%	7.1%	1.5%
Netherlands	\$21,138	6.9%	6.4%	6.3%	6.3%	-0.5%
Other	\$77,391	23.3%	23.4%	23.1%	23.5%	0.2%
Emerging Europe	\$55,693	100.0%	100.0%	100.0%	100.0%	
Russia	\$19,515	25.6%	35.0%	34.8%	34.5%	8.9%
Turkey	\$14,664	35.8%	26.3%	25.2%	23.0%	-12.9%
Poland	\$6,772	13.4%	12.2%	12.3%	13.5%	0.1%
Czech Republic	\$3,937	8.2%	7.1%	7.4%	7.7%	-0.5%
Other	\$10,804	17.0%	19.4%	20.3%	21.3%	4.3%
Latin America	\$49,949	100.0%	100.0%	100.0%	100.0%	
Brazil	\$29,486	53.9%	59.0%	59.7%	58.6%	4.7%
Colombia	\$4,469	7.7%	8.9%	8.9%	9.0%	1.4%
Chile	\$3,732	6.0%	7.5%	7.8%	8.7%	2.8%
Peru	\$3,768	5.2%	7.5%	7.6%	7.3%	2.1%
Venezuela	\$2,009	7.7%	4.0%	2.8%	2.3%	-5.4%
Argentina	\$2,559	12.0%	5.1%	5.0%	5.5%	-6.5%
Other	\$3,925	7.6%	7.9%	8.2%	8.5%	1.0%
Middle East & Africa	\$20,357	100.0%	100.0%	100.0%	100.0%	
South Africa	\$5,846	1.2%	0.9%	1.0%	1.0%	-0.3%
Saudi Arabia	\$2,571	17.1%	12.6%	12.8%	12.6%	-4.4%
Israel	\$3,145	18.3%	15.5%	15.5%	15.6%	-2.7%
Egypt	\$1,589	17.8%	7.8%	8.3%	9.6%	-8.2%
United Arab Emirates	\$2,370	8.6%	11.6%	11.9%	11.7%	3.1%
Other	\$4,836	37.0%	51.5%	50.6%	49.5%	12.5%

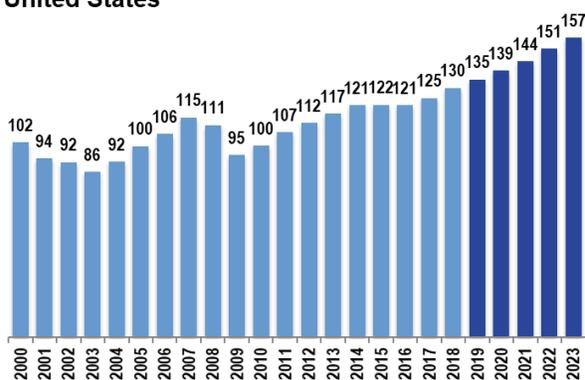
Source: GBTA, Rockport Analytics

GBTA BTI™

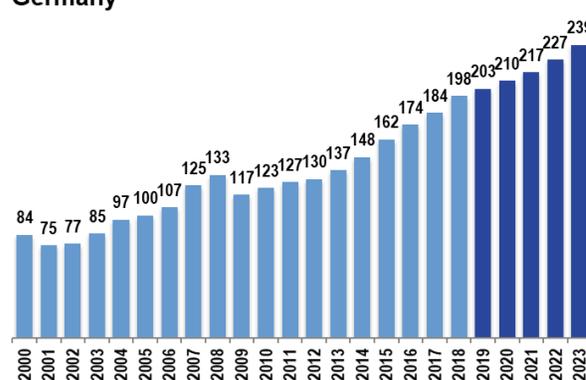
GBTA’s headline measure of the current and projected level of business travel is the GBTA BTI™ (Business Travel Index™). This index of business travel activity has been created for total global business travel as well as for every major business travel market in the world. The GBTA BTI™, indexed on a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

The GBTA BTI™ trends show sharp differences between countries. The graphs below show the GBTA BTI™ of four key business travel markets – China, the US, India, and Germany. Both the US and Germany have experienced relatively modest growth in business travel. Since the base year of 2005, the US has increased by 30 points to 130 and Germany by 98 points to 198.

United States



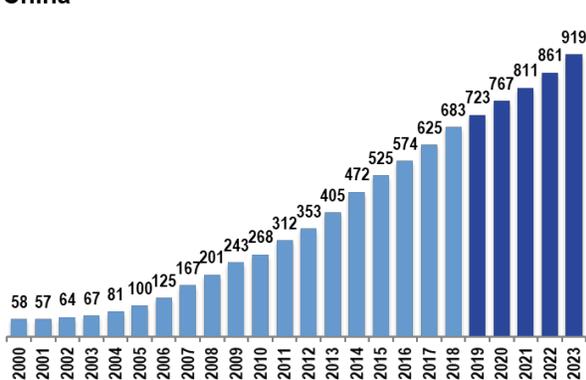
Germany



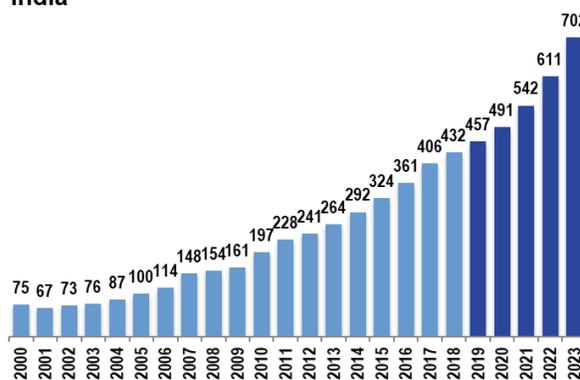
Source: GBTA, Rockport Analytics

China, on the other hand, has been the fastest growing business travel market in the world over the same period. China’s business travel index is nearly seven times its 2005 base value of 100 and we expect it to be nine times its base value by 2023. India’s business travel market has been on the fast-track over the last ten to fifteen years. Since the base year of 2005, this country’s BTI™ has doubled twice. Over the next five years, we expect India’s BTI™ to pick up 270 points, growing 63% over the period and outpacing all other major global markets.

China



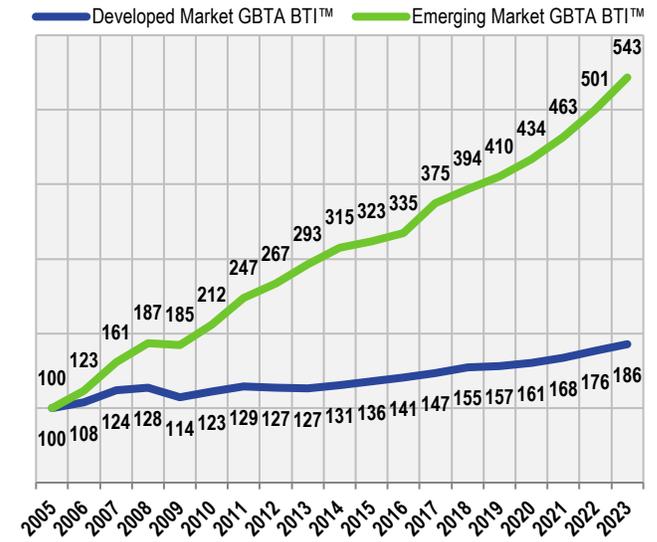
India



Source: GBTA, Rockport Analytics

Over the last fifteen years, the performance in emerging markets has played a significant role in the overall health of the global business travel environment. The contribution made by markets like China, India, Brazil, and Russia has been key in driving (or not driving) growth in the global spending trend. The growth in these four markets averaged 14.4% from 2000 to 2008. In the period immediately following the Great Recession (2010 and 2011) growth remained robust but flattened between 2012 and 2015. Emerging Market BTI™ is expected to jump from 394 in 2018 to 543 by the end of our forecast horizon. Developed Market BTI™, not surprisingly has exhibited much flatter but somewhat less volatile growth since 2005. We expect the trend in slow and steady growth to continue through 2023. However, downside risks are on the rise as trade headwinds begin to build and US and Western European economies all face growing uncertainty.

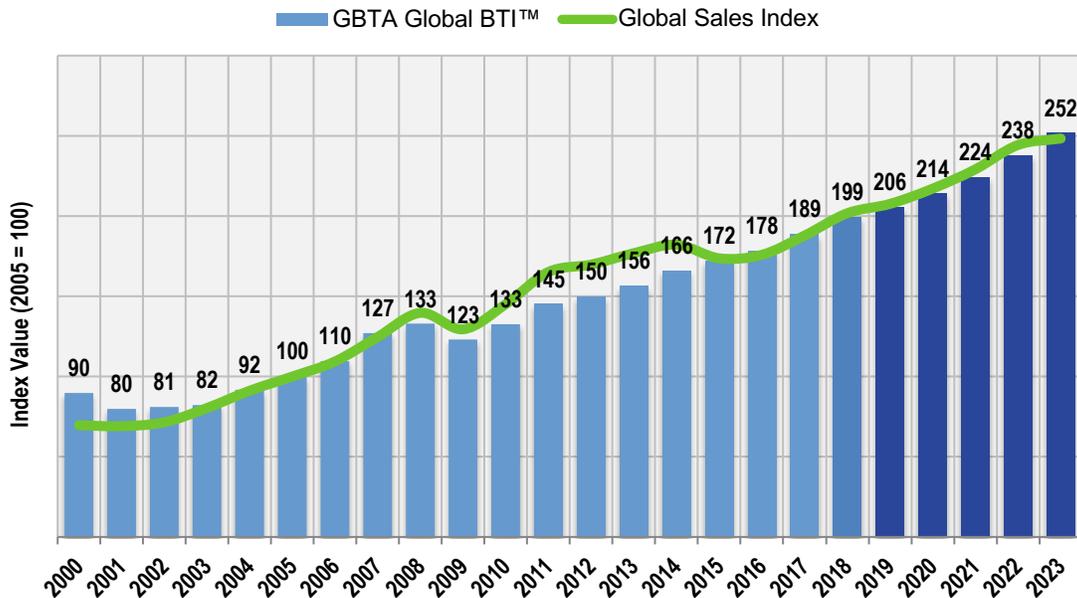
GBTA BTI™: Growth in Emerging & Developed Markets



Source: GBTA, Rockport Analytics

Global GBTA BTI™ jumped 11 points in 2018 to 199. We expect growth in the index to moderate this year increasing only 6 points. Growth in the index should kick into a higher gear in the out years of our forecast picking up an average of 12 points from 2019 to 2023. The graph below demonstrates the clear positive correlation between the Global BTI™ and Global Output. Notably, global sales grew at a slightly higher rate than business travel through the Great Recession, as the latter became more productive (i.e., as time increases, it takes less business travel to generate the same level of global sales).

Global GBTA BTI™ and Global Sales (Indexed)



Source: GBTA, Rockport Analytics

Productivity growth has slowed over the last few years, leading to a more uniform increase between the two indexes. There is also a notable break in this correlation in 2015 as the US dollar rapidly appreciated against most major currencies. This trend leads to a drop in global sales when reported in US dollars (e.g., a relatively weaker euro leads to a smaller per euro value of Global Output reported, once converted to USD). Our business travel spending forecast does not suffer the same fate as we adjust values to better reflect business travel as it happens on the ground, which helps to mute the impact of currency fluctuations.

GBTA BTI™ Outlook: Top 15 Business Travel Markets

	Rank	2018	2019	2020	2021	2022	2023	GBTA BTI™ Total Percent Change (2018-2023)	Compound Annual % Change (2018-2023)
China	1	683	723	767	811	861	919	34.7%	6.6%
% Growth		9.2%	5.9%	6.2%	5.7%	6.1%	6.8%		
United States	2	130	135	139	144	151	157	20.1%	3.8%
% Growth		4.3%	3.4%	3.4%	3.5%	4.6%	3.7%		
Germany	3	198	203	210	217	227	239	21.0%	4.5%
% Growth		7.6%	2.8%	3.3%	3.1%	4.8%	5.4%		
Japan	4	114	115	116	119	124	128	11.7%	2.2%
% Growth		2.3%	0.6%	1.2%	2.3%	3.8%	3.4%		
United Kingdom	5	142	146	154	165	176	188	32.2%	5.4%
% Growth		3.7%	2.8%	5.2%	7.1%	6.6%	7.1%		
France	6	156	161	165	171	181	192	23.0%	4.5%
% Growth		6.1%	3.1%	2.4%	3.8%	6.1%	5.8%		
India	7	432	457	491	542	611	702	62.6%	9.6%
% Growth		6.3%	5.9%	7.4%	10.4%	12.7%	14.9%		
Korea, South	8	179	181	184	190	197	204	14.3%	3.2%
% Growth		5.6%	1.1%	1.6%	3.4%	3.8%	3.6%		
Italy	9	126	124	123	126	132	139	10.5%	2.7%
% Growth		6.1%	-1.8%	-0.6%	2.8%	4.6%	5.3%		
Brazil	10	244	247	250	257	271	283	15.8%	1.8%
% Growth		-3.9%	1.0%	1.4%	2.9%	5.1%	4.5%		
Canada	11	164	165	171	180	190	197	20.3%	3.6%
% Growth		3.0%	1.1%	3.4%	5.2%	5.6%	3.7%		
Spain	12	164	165	169	176	186	197	20.2%	4.5%
% Growth		8.0%	0.8%	2.6%	3.9%	5.6%	6.0%		
Australia	13	182	181	190	201	211	222	22.1%	3.5%
% Growth		0.7%	-0.7%	4.9%	5.9%	5.0%	5.4%		
Netherlands	14	148	147	148	154	167	179	21.1%	4.9%
% Growth		9.4%	-1.0%	1.0%	4.2%	8.1%	7.5%		
Russia	15	217	215	227	243	260	270	24.8%	4.1%
% Growth		1.7%	-0.6%	5.5%	7.1%	7.1%	3.8%		
GBTA Global BTI™		199	206	214	224	238	252	26.3%	4.9%
% Growth		5.7%	3.1%	4.1%	4.8%	6.0%	5.9%		
Global Sales Index		202	208	217	229	244	248	23.1%	

Source: GBTA, Rockport Analytics

Business Travel by Industry Sector

Another important element of GBTA's business travel database is our estimate of global travel spending by industry. Business travel is a critical input to virtually every industry and business, and some industries use travel much more intensely than others. This section of the report focuses on industry performance in 2018 and provides projections for 2019 through 2023. Industry top-line revenue/sales are compared to business travel spending in absolute terms. We have also compared sectors on a relative basis to identify those industries that are more travel intensive.

The two tables in this section present the level and growth of business travel spending by industry as well as how industries compare with respect to their utilization of business travel. This information can be used to help travel suppliers target segments and better allocate resources. Travel management can use this information to better understand how their organization's business travel spending differs from the average of all firms in their sector and how they compare in terms of travel utilization. The first table itemizes the performance of both global industry sales and global business travel spending in 2018 by industry sector, along with our projections for growth through 2023. The industries are ranked by the level of their 2018 travel spending in US dollars.

Manufacturing is the largest aggregate business travel sector in the world with spending totaling \$490.6 billion in 2018. Manufacturing makes up roughly 35% business travel spending in 2018. The three largest individual business travel sectors in the world include; Administrative and Support Service Activities (12.6%), Utilities (9.6%), and Real Estate Activities (7.5%). All three of these sectors are fueled by high travel intensity and on a per-dollar of sales basis, they require relatively more business travel on average. Our definition of business travel includes installation, maintenance, and customer service trips by employees. We expect sector growth over the next five years in business travel spending to be led by Education, Human Health and Social Work Activities, and Mining and Quarrying, all growing between 7% and 8% annually. These sectors are followed by 6% to 7% growth in Transportation & Warehousing, and Professional, Scientific and Technical Activities.

Business Travel Productivity

Business Travel Productivity Growth identifies the relative growth of business travel spending versus the industry's expected top-line sales growth. Sectors with negative productivity growth rates have rising business travel productivity, they are becoming relatively less business travel intense. That is, over time they will require less business travel spending to support the same level of industry sales. More mature industries, dominated by advanced economies, should be expected to see travel productivity improvement (declining growth rates). This is, in part, a function of the rising adoption and effectiveness of travel management programs.

The second table examines the question of relative travel intensity by industry. Those that show travel intensity indexes above 100 identify industries that use business travel more intensely than the global average of all sectors. Administrative and Support Service Activities, and Utilities led the list in 2018 due to their heightened use of installation, maintenance, and customer service-oriented business travel. On the other hand, industries such as Mining and Quarrying, and Human Health and Social Work Activities look to business travel as a less important input relative to their top-line sales. Note that a lower Travel Intensity score does not imply that business travel spending is insignificant. For example, Wholesale Trade has a relatively low index score but produced \$47.2 billion in business travel spend last year.

Business Travel by Industry Sector							
Industry	Top Line Performance			Business Travel Spending (BTS)			Business Travel Productivity Growth 2018-2023
	2018 Industry Sales (billions)	% of Sales Total	2018-2023 CAGR	2018 BTS (billions)	% of BTS Total	2018-2023 CAGR	
Administrative and Support Service Activities	\$4,594.3	2.6%	5.8%	\$177.5	12.6%	5.5%	0.7%
Electricity, Gas, Steam and Air Conditioning	\$3,886.2	2.2%	5.6%	\$108.0	7.7%	2.8%	-1.3%
Real Estate Activities	\$10,405.5	6.0%	6.6%	\$106.3	7.5%	5.4%	0.1%
Food and Beverages	\$6,999.6	4.0%	6.0%	\$102.7	7.3%	2.8%	-1.5%
Rubber, Plastics, and Mineral	\$3,981.9	2.3%	7.0%	\$102.5	7.3%	6.5%	0.7%
Public Admin and Defense, Other Services	\$10,406.0	6.0%	7.0%	\$71.9	5.1%	5.0%	-0.5%
Transport Equipment	\$6,051.2	3.5%	5.1%	\$62.3	4.4%	3.4%	-0.6%
Construction	\$11,748.4	6.7%	7.0%	\$55.7	3.9%	4.8%	-0.6%
Professional, Scientific and Technical Activities	\$7,553.3	4.3%	8.2%	\$53.6	3.8%	6.2%	-0.2%
Wholesale Trade, except of Motor Vehicles	\$14,615.9	8.4%	-7.0%	\$47.2	3.3%	2.7%	7.3%
Manufacture of Computer, Electronic and Optical	\$4,165.3	2.4%	4.9%	\$38.7	2.7%	4.2%	0.3%
Financial and Insurance Activities	\$8,630.2	4.9%	8.5%	\$36.2	2.6%	3.7%	-2.4%
Agriculture, Forestry and Fishing	\$5,562.3	3.2%	4.9%	\$34.1	2.4%	2.9%	-0.8%
IT and Information Services	\$2,756.8	1.6%	11.3%	\$34.1	2.4%	6.2%	-2.1%
Land Transport and Transport Via Pipelines	\$3,240.2	1.9%	9.5%	\$28.5	2.0%	7.5%	0.0%
Telecommunications	\$2,728.6	1.6%	4.0%	\$27.7	2.0%	3.6%	0.3%
Water Supply, Sewerage, Waste Management	\$1,123.1	0.6%	6.4%	\$27.2	1.9%	6.4%	1.0%
Warehousing and Support Activities	\$1,825.5	1.0%	8.7%	\$25.9	1.8%	5.2%	-1.3%
Manufacture of Electrical Equipment	\$2,618.0	1.5%	9.6%	\$25.0	1.8%	7.9%	0.3%
Manufacture of Coke and Refined Petroleum	\$3,170.4	1.8%	2.7%	\$22.8	1.6%	2.6%	0.4%
Manufacture of Paper and Paper Products	\$1,048.6	0.6%	3.6%	\$21.9	1.6%	4.6%	1.4%
Manufacture of Textiles	\$1,353.8	0.8%	6.1%	\$21.3	1.5%	6.0%	0.9%
Accommodation and Food Service Activities	\$3,833.7	2.2%	7.1%	\$20.4	1.4%	5.1%	-0.4%
Education	\$5,002.0	2.9%	8.3%	\$20.1	1.4%	8.2%	1.3%
Chemical and Pharmaceuticals	\$6,206.6	3.6%	6.0%	\$17.7	1.3%	5.3%	0.4%
Manufacture of Machinery and Equipment	\$4,085.6	2.3%	4.4%	\$17.4	1.2%	4.2%	0.6%
Manufacture of Fabricated Metal Product	\$2,287.9	1.3%	5.2%	\$16.4	1.2%	4.0%	-0.1%
Manufacture of Basic Metals	\$4,879.5	2.8%	1.2%	\$13.3	0.9%	3.7%	2.2%
Retail Trade incl Motor Vehicles	\$9,340.9	5.4%	0.1%	\$12.4	0.9%	3.7%	3.0%
Manufacture of Wood and of Products of Wood	\$781.6	0.4%	3.3%	\$12.3	0.9%	4.3%	1.4%
Postal and Courier Activities	\$705.9	0.4%	10.2%	\$9.5	0.7%	7.3%	-0.6%
Audiovisual and Broadcasting	\$580.5	0.3%	6.6%	\$6.8	0.5%	3.8%	-1.2%
Publishing Activities	\$505.9	0.3%	4.9%	\$5.9	0.4%	2.8%	-0.9%
Air Transport	\$1,041.1	0.6%	9.6%	\$5.6	0.4%	7.4%	-0.1%
Manufacture of Tobacco Products	\$340.9	0.2%	3.5%	\$5.2	0.4%	0.6%	-1.8%
Manufacture of Wearing Apparel	\$725.9	0.4%	5.9%	\$3.5	0.2%	4.4%	-0.2%
Printing and Reproduction of Recorded Media	\$421.3	0.2%	2.3%	\$3.2	0.2%	1.4%	-0.4%
Arts, Entertainment and Recreation	\$1,377.1	0.8%	5.0%	\$2.6	0.2%	3.3%	-0.5%
Furniture, Other Durables, Repair and Installation	\$1,756.8	1.0%	6.3%	\$2.3	0.2%	2.5%	-2.0%
Manufacture of Leather and Related Products	\$399.1	0.2%	6.8%	\$2.0	0.1%	4.9%	-0.4%
Water Transport	\$721.8	0.4%	7.0%	\$1.7	0.1%	4.0%	-1.2%
Mining of Metals and Stone	\$1,190.0	0.7%	7.5%	\$0.4	0.0%	7.1%	0.9%
Human Health and Social Work Activities	\$7,285.4	4.2%	9.4%	\$0.2	0.0%	7.5%	0.1%
Energy Mining	\$2,546.3	1.5%	5.0%	\$0.0	0.0%	1.4%	-2.1%
Grand Total	\$174,480.6	100.0%	5.3%	\$1,410.1	100.0%	4.8%	0.4%

Source: GBTA, Rockport Analytics

Industry	2018 BTS in Billions USD	Percent of Total	2018-2023 CAGR	2019 Travel Intensity Index
Administrative and Support Service Activities	\$177.5	12.6%	5.5%	482
Utilities	\$135.2	9.6%	3.6%	331
Information and Communication	\$74.4	5.3%	4.8%	140
Real Estate Activities	\$106.3	7.5%	5.4%	128
Manufacturing	\$490.6	34.8%	4.5%	120
Transportation & Warehousing	\$71.1	5.0%	6.6%	117
Professional, Scientific and Technical	\$53.6	3.8%	6.2%	89
Public Admin and Defense, Other Services	\$71.9	5.1%	5.0%	85
Agriculture, Forestry and Fishing	\$34.1	2.4%	2.9%	76
Accommodation and Food Service Activities	\$20.4	1.4%	5.1%	66
Construction	\$55.7	3.9%	4.8%	58
Education	\$20.1	1.4%	8.2%	52
Financial and Insurance Activities	\$36.2	2.6%	3.7%	50
Wholesale Trade	\$47.2	3.3%	2.7%	37
Arts, Entertainment and Recreation	\$2.6	0.2%	3.3%	23
Retail Trade	\$12.4	0.9%	3.7%	16
Mining and Quarrying	\$0.4	0.0%	7.1%	1
Human Health and Social Work Activities	\$0.2	0.0%	7.5%	0
Grand Total	\$1,410	100.0%	4.8%	100

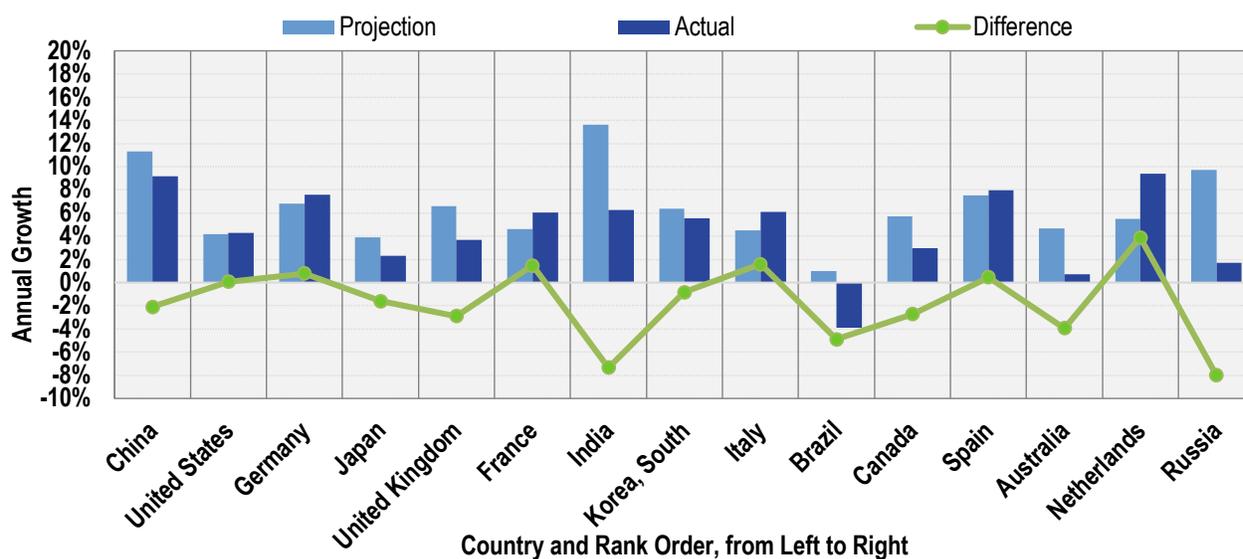
Source: GBTA, Rockport Analytics

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

Our business travel forecasts can be inaccurate for several reasons including (1) not having enough data to analyze, (2) analyzing the wrong data, (3) unexpected changes in the metrics used to better understand business travel, and (4) external shocks to the model (i.e., unforeseen circumstances that impact business travel activity). Given the potential to “miss” on our forecasts, and to improve our forecasting capabilities in future years, we feel it is important to look at how our model for assessing the future of global business travel is holding up against reality.

The graph below highlights the GBTA BTI™ Outlook for the top-15 business travel markets in the world. It also compares *last year's forecast* for 2018 business travel growth with the *actual 2018 growth rates* reported in this year's study. In aggregate, we overestimated total business travel spending growth by 1.4 percentage points. We forecasted 7.1% growth in business travel spending and 5.7% growth was achieved. The range of our misses for the top-15 markets were from -8% (Russia) to +3.9% (Netherlands). One of our biggest misses was India, which did not continue to grow at the accelerated annual rate of 13.6% we had anticipated. We expected Russia to also continue its upward trajectory as a result of the strong recovery it experienced the previous year, instead, it only achieved a growth of 1.7%. Markets that performed better than projected included the US and the developed nations of Western Europe (Germany, Italy, Spain, the Netherlands). Markets that performed worse than projected included several countries in the Asia Pacific Region (China, Japan, South Korea, Australia), Canada, and the U.K. It is evident that Brexit, the US-China trade war, and the termination of NAFTA has negatively impacted business in these regions and consequently business travel.

2018 Business Travel Spending Annual Growth



Source: GBTA, Rockport Analytics

Country Profiles

Business Travel Spending in the World’s Top Markets

Using the master data cube created during the *Global GBTA BTI™ Outlook 2019 - 2023*, we developed a profile of the top business travel markets around the world. We present current levels of business travel spending, past trends, and our outlook through 2023 on one page for each country. We also break out travel spend by aggregate industry segments, to help identify which sectors drive business travel activity in each market. In the industry table, we also categorize each sector by “status,” a way to group industries according to business travel opportunity. Finally, the 2018 GBTA BTI™ for each country is highlighted along with our expectation of where that index will be in five years’ time.

The Industry Status groupings are determined as follows:

	Large Industry	Small Industry
High Projected GBTA BTI™ Growth	Star	Emerging
Lower Projected GBTA BTI™ Growth	Mature	Low Priority

World

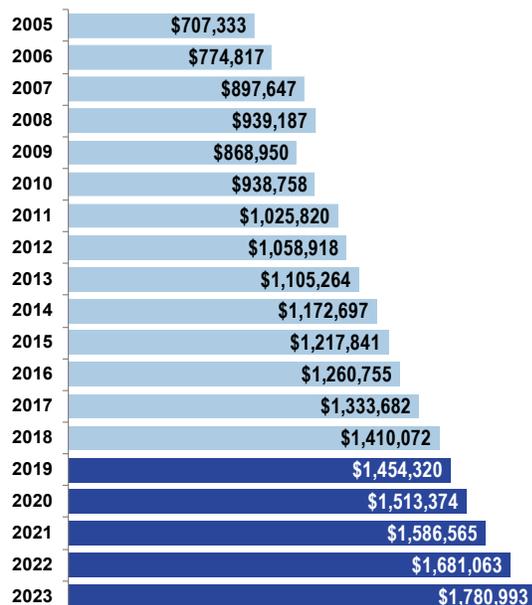
GBTA BTI™

2018: **199** | 2023: **252**

Total spending on global business travel reached \$1.4 trillion USD in 2018. We expect the global economy will continue its growth trajectory through 2023, pushing business travel spending to an annual total of \$1.8 trillion.

The greatest gains in business travel spending over the next five years will likely come from Education, Human Health and Social Work Activities, and Mining and Quarrying. We expect these sectors to grow on average between 7 and 8% annually. Transportation & Warehousing, and Professional, Scientific and Technical Activities are both expected to grow between 6 and 7%. Industries expected to grow between 5 and 6% include: Administrative and Support Service Activities, Real Estate Activities, Accommodation and Food Service Activities, and Public Admin and Defense Services.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$51,274	\$490,565	34.8%	6.1%	3.5%	4.5%	Mature
Administrative and Support Service Activities	\$4,594	\$177,524	12.6%	2.7%	4.5%	5.5%	Star
Utilities	\$5,009	\$135,238	9.6%	5.1%	-0.2%	3.6%	Mature
Real Estate Activities	\$10,405	\$106,328	7.5%	6.0%	4.7%	5.4%	Star
Information and Communication	\$6,572	\$74,430	5.3%	4.1%	4.1%	4.8%	Low Priority
Public Admin and Defense, Other Services	\$10,406	\$71,877	5.1%	3.2%	3.0%	5.0%	Low Priority
Transportation & Warehousing	\$7,535	\$71,097	5.0%	4.6%	4.9%	6.6%	Emerging
Construction	\$11,748	\$55,658	3.9%	5.6%	2.1%	4.8%	Low Priority
Professional, Scientific and Technical Activities	\$7,553	\$53,629	3.8%	2.1%	5.1%	6.2%	Emerging
Wholesale Trade	\$14,616	\$47,203	3.3%	2.0%	-0.9%	2.7%	Low Priority
Financial and Insurance Activities	\$8,630	\$36,249	2.6%	2.9%	-0.1%	3.7%	Low Priority
Agriculture, Forestry and Fishing	\$5,562	\$34,148	2.4%	5.1%	-0.9%	2.9%	Low Priority
Accommodation and Food Service Activities	\$3,834	\$20,443	1.4%	3.3%	3.1%	5.1%	Emerging
Education	\$5,002	\$20,050	1.4%	8.7%	8.5%	8.2%	Emerging
Retail Trade	\$9,341	\$12,444	0.9%	2.9%	2.2%	3.7%	Low Priority
Arts, Entertainment and Recreation	\$1,377	\$2,600	0.2%	2.7%	1.0%	3.3%	Low Priority
Mining and Quarrying	\$3,736	\$378	0.0%	14.0%	8.6%	7.1%	Emerging
Human Health and Social Work Activities	\$7,285	\$210	0.0%	-2.0%	6.0%	7.5%	Emerging
Grand Total ▶	\$174,481	\$1,410,072	100.0%	4.5%	3.1%	4.8%	Mature

August 2019



China

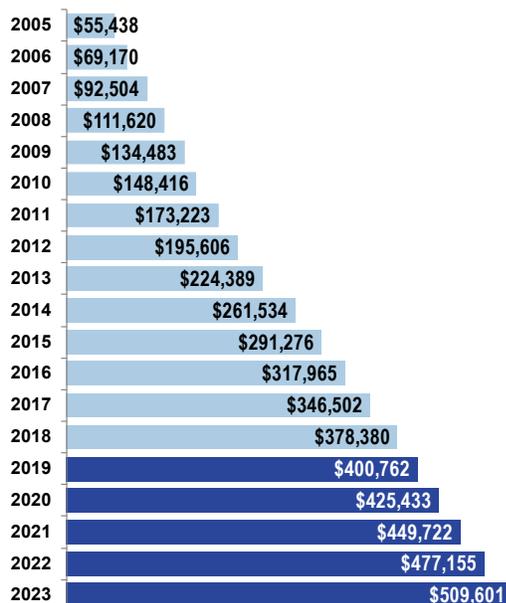
GBTA BTI™

2018: **683** | 2023: **919**

China's business travel market hit \$378.4 billion in 2018. China's business travel is expected to experience healthy annual gains over the next five years, growing at an average annual rate of 6.1% and reaching \$509.6 billion by 2023.

Business travel growth over the next five years will be led by, Human Health and Social Work Activities, Education, Public Admin and Defense, Other Services, and Arts, Entertainment and Recreation which will all grow between 10 and 15%. The following sectors will all see a growth rate between 7 and 10% annually over the next five years: Transportation & Warehousing, Mining and Quarrying, Information and Communication, Professional, Scientific and Technical Activities, Accommodation and Food Service Activities, Administrative and Support Service Activities, and Real Estate Activities.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$21,113	\$217,227	57.4%	19.3%	6.3%	6.0%	Mature
Utilities	\$1,474	\$40,703	10.8%	17.3%	1.2%	3.2%	Mature
Construction	\$3,554	\$17,867	4.7%	18.1%	3.8%	5.3%	Low Priority
Real Estate Activities	\$1,542	\$16,445	4.3%	12.9%	7.6%	7.6%	Low Priority
Professional, Scientific and Technical Activities	\$1,784	\$12,814	3.4%	8.5%	9.3%	8.7%	Emerging
Transportation & Warehousing	\$1,283	\$12,088	3.2%	10.0%	10.6%	9.7%	Emerging
Agriculture, Forestry and Fishing	\$1,808	\$11,686	3.1%	9.1%	-4.3%	1.2%	Low Priority
Information and Communication	\$856	\$9,786	2.6%	10.8%	14.3%	8.8%	Emerging
Wholesale Trade	\$7,881	\$9,734	2.6%	6.6%	2.4%	4.4%	Low Priority
Public Admin and Defense, Other Services	\$1,279	\$9,623	2.5%	9.7%	12.1%	10.6%	Emerging
Financial and Insurance Activities	\$1,576	\$6,654	1.8%	10.8%	2.9%	5.5%	Low Priority
Administrative and Support Service Activities	\$156	\$6,554	1.7%	7.6%	8.1%	7.7%	Low Priority
Education	\$796	\$3,356	0.9%	16.6%	15.9%	13.1%	Emerging
Accommodation and Food Service Activities	\$467	\$2,632	0.7%	7.9%	7.6%	7.9%	Emerging
Retail Trade	\$2,440	\$1,000	0.3%	10.7%	5.0%	5.8%	Low Priority
Mining and Quarrying	\$959	\$119	0.0%	27.6%	9.3%	8.8%	Emerging
Arts, Entertainment and Recreation	\$36	\$71	0.0%	13.9%	10.4%	10.4%	Emerging
Human Health and Social Work Activities	\$710	\$21	0.0%	5.8%	15.2%	15.3%	Emerging
Grand Total ▶	\$49,717	\$378,380	100.0%	14.7%	5.9%	6.1%	Mature

August 2019



United States

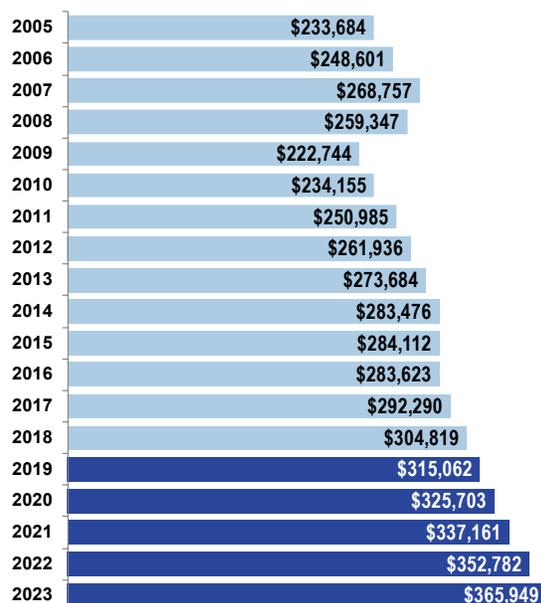
GBTA BTI™

2018: 135 | 2023: 157

Total spending on business travel in the U.S. reached \$304.8 billion in 2018. We expect spending to reach \$365.9 billion by 2023, averaging a 3.7% annual growth rate over the next five years.

Business travel growth over the next five years will be led by, Human Health and Social Work Activities, and Education, both with annual averages above 6.5%. Administrative and Support Service Activities, and Transportation & Warehousing will both average an annual growth rate of 5% or greater over the next five years.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Administrative and Support Service Activities	\$2,047	\$73,677	24.2%	1.4%	6.1%	5.3%	Star
Manufacturing	\$6,298	\$59,275	19.4%	0.8%	1.2%	2.1%	Mature
Real Estate Activities	\$3,372	\$35,037	11.5%	4.6%	5.5%	4.5%	Star
Information and Communication	\$1,979	\$22,815	7.5%	2.1%	3.9%	3.6%	Mature
Public Admin and Defense, Other Services	\$3,136	\$22,040	7.2%	1.3%	2.1%	3.1%	Mature
Utilities	\$600	\$18,540	6.1%	0.2%	-1.9%	1.9%	Mature
Professional, Scientific and Technical Activities	\$1,849	\$12,720	4.2%	-0.6%	4.7%	4.4%	Emerging
Transportation & Warehousing	\$1,241	\$12,151	4.0%	1.7%	5.0%	4.8%	Emerging
Financial and Insurance Activities	\$2,595	\$11,552	3.8%	0.6%	-0.4%	2.2%	Low Priority
Wholesale Trade	\$1,798	\$10,845	3.6%	0.1%	0.1%	1.7%	Low Priority
Construction	\$1,566	\$7,339	2.4%	1.2%	1.6%	2.9%	Low Priority
Accommodation and Food Service Activities	\$1,091	\$5,822	1.9%	2.0%	4.6%	4.5%	Emerging
Education	\$1,475	\$5,595	1.8%	6.1%	8.1%	6.5%	Emerging
Retail Trade	\$2,002	\$3,570	1.2%	1.2%	3.6%	3.6%	Low Priority
Agriculture, Forestry and Fishing	\$422	\$2,778	0.9%	1.4%	-1.3%	2.3%	Low Priority
Arts, Entertainment and Recreation	\$540	\$968	0.3%	1.4%	2.6%	3.1%	Low Priority
Human Health and Social Work Activities	\$2,630	\$72	0.0%	-3.3%	7.3%	7.1%	Emerging
Mining and Quarrying	\$465	\$24	0.0%	7.5%	5.4%	3.1%	Low Priority
Grand Total ▶	\$35,104	\$304,819	100.0%	1.4%	3.4%	3.7%	Star

August 2019



Germany

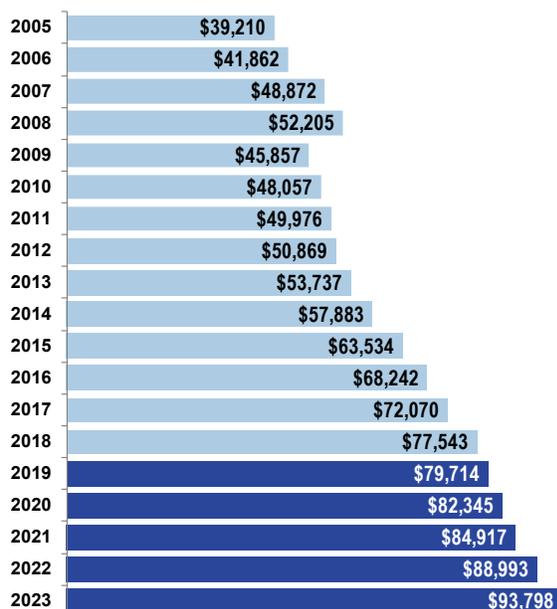
GBTA BTI™

2018: 198 | 2023: 239

Germany's business travel spending reached \$77.5 billion in 2018. Germany's business travel market is expected to experience annual gains over the next five years of 3.9%, reaching \$93.8 billion by 2023.

Much of this projected growth will come from: Education, Human Health and Social Work Activities, Professional, Scientific and Technical Activities, Transportation & Warehousing, and Administrative and Support Service Activities. These sectors are each expected to grow at an annual rate of 5% or greater over the next five years.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$2,324	\$23,734	30.6%	4.8%	2.1%	3.1%	Mature
Administrative and Support Service Activities	\$300	\$14,554	18.8%	5.1%	4.1%	5.0%	Star
Utilities	\$239	\$7,544	9.7%	5.8%	0.5%	3.1%	Mature
Real Estate Activities	\$496	\$5,959	7.7%	6.0%	4.6%	4.7%	Star
Transportation & Warehousing	\$429	\$5,442	7.0%	6.5%	4.2%	5.0%	Star
Information and Communication	\$337	\$4,408	5.7%	5.7%	2.5%	3.3%	Mature
Public Admin and Defense, Other Services	\$462	\$3,948	5.1%	4.0%	2.0%	3.4%	Low Priority
Professional, Scientific and Technical Activities	\$395	\$3,276	4.2%	2.1%	4.4%	5.2%	Emerging
Wholesale Trade	\$286	\$2,014	2.6%	2.9%	-1.8%	1.8%	Low Priority
Construction	\$366	\$2,009	2.6%	3.8%	6.0%	4.8%	Emerging
Financial and Insurance Activities	\$322	\$1,584	2.0%	3.3%	-0.8%	2.5%	Low Priority
Education	\$209	\$1,002	1.3%	9.6%	6.9%	5.9%	Emerging
Accommodation and Food Service Activities	\$114	\$725	0.9%	4.1%	3.0%	4.2%	Emerging
Retail Trade	\$303	\$630	0.8%	3.3%	1.9%	2.8%	Low Priority
Agriculture, Forestry and Fishing	\$60	\$522	0.7%	3.8%	3.5%	2.6%	Low Priority
Arts, Entertainment and Recreation	\$76	\$175	0.2%	4.7%	1.3%	3.0%	Low Priority
Human Health and Social Work Activities	\$404	\$14	0.0%	-1.1%	4.7%	5.5%	Emerging
Mining and Quarrying	\$11	\$3	0.0%	5.9%	7.0%	2.9%	Low Priority
Grand Total ▶	\$7,133	\$77,543	100.0%	4.9%	2.8%	3.9%	Star

August 2019



Japan

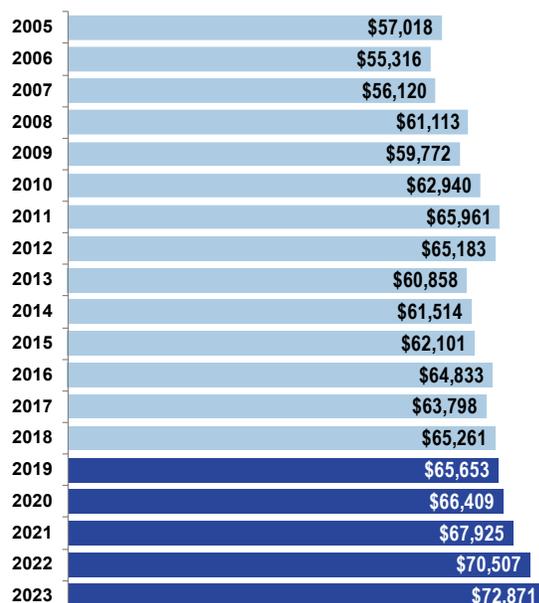
GBTA BTI™

2018: 144 | 2023: 128

Business travel in Japan increased to \$65.3 billion in 2018, despite last year's rebound from the -1.6% decline in 2017. We expect business travel spending over the next five years to be sluggish, with a 2% annual growth and reach \$72.9 billion by 2023.

Key sectors that will help drive Japanese business travel spend through 2023 include Education, and Human Health and Social Work Activities, which are expected to grow between 4 and 5%. Transportation & Warehousing, Administrative and Support Service Activities, Professional, Scientific and Technical Activities, Real Estate Activities, Mining and Quarrying, and Construction are all expected to experience annual average growth rates between 3 and 4%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$3,055	\$21,145	32.4%	-0.4%	0.3%	1.2%	Mature
Administrative and Support Service Activities	\$239	\$7,996	12.3%	-1.7%	2.6%	3.8%	Star
Utilities	\$305	\$6,887	10.6%	-0.6%	-1.3%	2.2%	Mature
Real Estate Activities	\$709	\$6,044	9.3%	1.8%	2.0%	3.2%	Star
Information and Communication	\$460	\$4,362	6.7%	0.4%	-0.7%	1.3%	Mature
Public Admin and Defense, Other Services	\$577	\$3,693	5.7%	-0.4%	-0.4%	2.0%	Mature
Transportation & Warehousing	\$419	\$3,282	5.0%	-0.3%	2.3%	3.9%	Emerging
Wholesale Trade	\$576	\$2,851	4.4%	-2.3%	-4.5%	0.2%	Low Priority
Construction	\$613	\$2,259	3.5%	-2.0%	4.8%	3.0%	Emerging
Professional, Scientific and Technical Activities	\$335	\$1,975	3.0%	-3.7%	2.0%	3.6%	Emerging
Accommodation and Food Service Activities	\$302	\$1,362	2.1%	-1.7%	0.3%	2.9%	Emerging
Financial and Insurance Activities	\$333	\$1,151	1.8%	-2.4%	-1.5%	1.9%	Low Priority
Education	\$222	\$762	1.2%	3.6%	4.8%	5.2%	Emerging
Retail Trade	\$462	\$672	1.0%	-0.7%	0.3%	1.2%	Low Priority
Agriculture, Forestry and Fishing	\$130	\$626	1.0%	-1.7%	1.4%	1.5%	Low Priority
Arts, Entertainment and Recreation	\$109	\$178	0.3%	-1.7%	-1.2%	0.9%	Low Priority
Human Health and Social Work Activities	\$607	\$15	0.0%	-5.6%	2.6%	4.4%	Emerging
Mining and Quarrying	\$8	\$2	0.0%	0.2%	5.9%	3.0%	Emerging
Grand Total ▶	\$9,460	\$65,261	100.0%	-0.7%	0.6%	2.2%	Mature

August 2019



United Kingdom

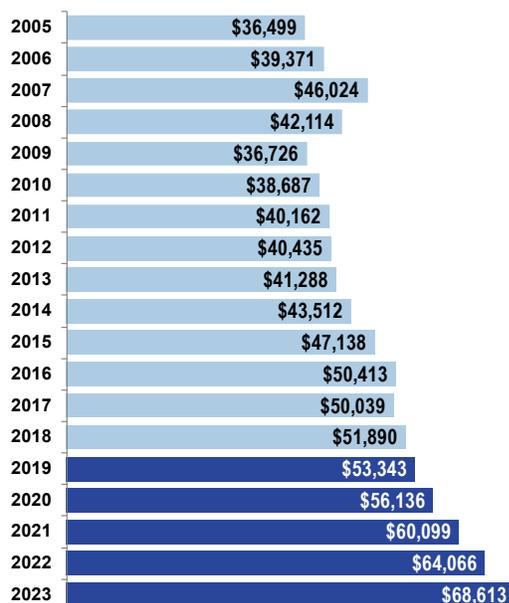
GBTA BTI™

2018: 142 | 2023: 188

Total spending on business travel in the U.K. grew to \$51.9 billion in 2018. This growth indicates that business travel spending is back on track after the -0.7% decline experienced in 2017.

Over the next five years, we expect the following industries to grow by more than 7% annually: Professional, Scientific and Technical Activities, Education, Administrative and Support Service Activities, and Human Health and Social Work Activities. Spending is expected to reach \$68.6 billion in 2023, growing at an annual rate of 5.7%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Administrative and Support Service Activities	\$221	\$10,968	21.1%	3.0%	5.0%	7.3%	Star
Manufacturing	\$736	\$8,497	16.4%	1.7%	2.1%	4.3%	Mature
Utilities	\$215	\$6,538	12.6%	3.6%	0.3%	5.1%	Mature
Real Estate Activities	\$438	\$5,546	10.7%	4.9%	4.2%	6.2%	Star
Information and Communication	\$271	\$3,842	7.4%	3.6%	3.3%	5.3%	Mature
Transportation & Warehousing	\$245	\$3,009	5.8%	3.1%	4.0%	6.4%	Star
Professional, Scientific and Technical Activities	\$326	\$2,853	5.5%	2.0%	5.1%	7.4%	Emerging
Public Admin and Defense, Other Services	\$303	\$2,231	4.3%	1.7%	2.3%	5.0%	Low Priority
Construction	\$400	\$2,170	4.2%	3.6%	-1.2%	4.7%	Low Priority
Financial and Insurance Activities	\$355	\$1,806	3.5%	2.3%	-1.5%	4.1%	Low Priority
Wholesale Trade	\$180	\$1,348	2.6%	-0.4%	-1.7%	3.3%	Low Priority
Accommodation and Food Service Activities	\$149	\$996	1.9%	3.1%	2.7%	5.6%	Emerging
Education	\$189	\$954	1.8%	8.0%	6.7%	7.4%	Emerging
Retail Trade	\$322	\$691	1.3%	2.9%	2.0%	4.3%	Low Priority
Agriculture, Forestry and Fishing	\$35	\$272	0.5%	1.1%	0.3%	3.6%	Low Priority
Arts, Entertainment and Recreation	\$61	\$155	0.3%	2.9%	0.5%	3.8%	Low Priority
Human Health and Social Work Activities	\$309	\$11	0.0%	-1.8%	4.6%	7.2%	Emerging
Mining and Quarrying	\$60	\$4	0.0%	5.9%	6.8%	3.8%	Low Priority
Grand Total ▶	\$4,815	\$51,890	100.0%	2.8%	2.8%	5.7%	Star

August 2019



France

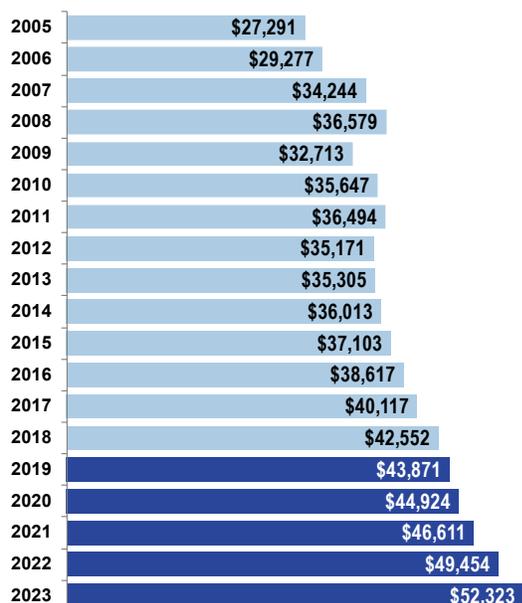
GBTA BTI™

2018: **165** | 2023: **192**

Business travel in France reached \$42.5 billion in 2018. We expect business travel growth in France to accelerate slightly over the next five years to an annual growth rate of 4.2%, reaching \$52.3 billion by 2023.

The largest gains in business travel spending will come from the following industries: Professional, Scientific and Technical Activities, and Education, each increasing at an annual rate of 6% or more. Human Health and Social Work Activities, Mining and Quarrying, Administrative and Support Service Activities, Transportation & Warehousing, and Real Estate Activities are all expected to grow at an annual rate between 5% and 6% over the next five years.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Administrative and Support Service Activities	\$238	\$9,310	21.9%	3.8%	4.9%	5.4%	Star
Manufacturing	\$925	\$8,149	19.2%	2.3%	2.0%	3.0%	Mature
Utilities	\$175	\$4,602	10.8%	5.5%	0.3%	3.0%	Mature
Real Estate Activities	\$383	\$3,776	8.9%	6.5%	4.7%	5.1%	Star
Professional, Scientific and Technical Activities	\$427	\$2,924	6.9%	3.0%	5.7%	6.1%	Star
Information and Communication	\$235	\$2,627	6.2%	4.8%	2.5%	3.6%	Mature
Transportation & Warehousing	\$242	\$2,371	5.6%	4.4%	4.8%	5.3%	Star
Public Admin and Defense, Other Services	\$324	\$2,280	5.4%	3.3%	2.2%	3.8%	Low Priority
Wholesale Trade	\$270	\$1,499	3.5%	2.0%	-1.2%	1.8%	Low Priority
Construction	\$336	\$1,438	3.4%	4.2%	3.4%	4.0%	Low Priority
Financial and Insurance Activities	\$263	\$1,050	2.5%	3.2%	-1.3%	2.5%	Low Priority
Accommodation and Food Service Activities	\$135	\$718	1.7%	4.9%	3.1%	4.5%	Emerging
Education	\$163	\$643	1.5%	8.6%	6.5%	6.0%	Emerging
Agriculture, Forestry and Fishing	\$105	\$625	1.5%	2.5%	4.3%	3.2%	Low Priority
Retail Trade	\$229	\$409	1.0%	3.9%	2.3%	3.0%	Low Priority
Arts, Entertainment and Recreation	\$65	\$120	0.3%	5.5%	1.5%	3.3%	Low Priority
Human Health and Social Work Activities	\$306	\$9	0.0%	-1.3%	4.9%	5.7%	Emerging
Mining and Quarrying	\$6	\$2	0.0%	7.5%	13.0%	5.7%	Emerging
Grand Total ▶	\$4,827	\$42,552	100.0%	3.8%	3.1%	4.2%	Star

August 2019



India

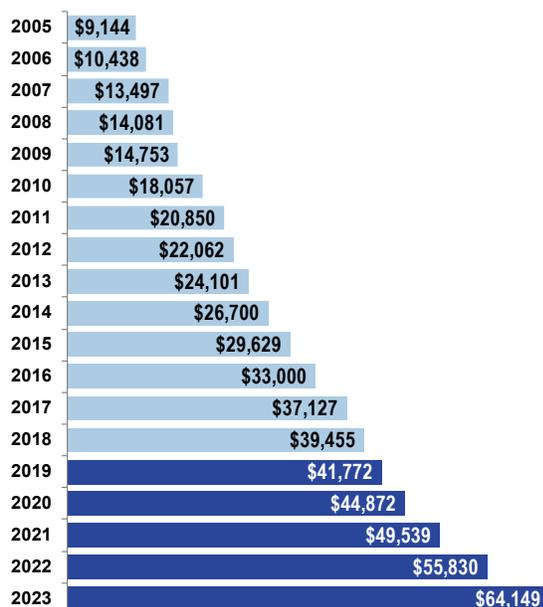
GBTA BTI™

2018: **432** | 2023: **702**

India's business travel market reached \$39.4 billion in 2018. Over the next five years, we anticipate an accelerated growth of 10.2%, likely surpassing the annual spending growth in France over the period. By 2023, annual business travel spending in India will reach \$64.1 billion.

The largest gains in business travel spending will come from the following industries, which are growing at a rate above 13%: Education, Human Health and Social Work Activities, and Real Estate Activities. We expect these industries to grow between 12 and 13%: Professional, Scientific and Technical Activities, Transportation & Warehousing, Public Admin and Defense, Other Services, Administrative and Support Service Activities, and Information and Communication.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$1,403	\$12,986	32.9%	9.9%	4.9%	8.9%	Mature
Utilities	\$179	\$4,501	11.4%	8.0%	4.3%	10.4%	Mature
Agriculture, Forestry and Fishing	\$505	\$3,679	9.3%	8.5%	0.7%	5.5%	Mature
Information and Communication	\$230	\$2,994	7.6%	12.5%	9.1%	12.0%	Star
Transportation & Warehousing	\$299	\$2,808	7.1%	9.9%	9.9%	12.7%	Star
Construction	\$503	\$2,429	6.2%	11.2%	3.3%	9.7%	Mature
Public Admin and Defense, Other Services	\$322	\$2,334	5.9%	10.3%	8.0%	12.6%	Star
Real Estate Activities	\$250	\$2,325	5.9%	14.7%	11.6%	13.2%	Star
Wholesale Trade	\$200	\$1,196	3.0%	10.9%	1.6%	8.2%	Low Priority
Professional, Scientific and Technical Activities	\$138	\$1,118	2.8%	13.7%	9.3%	12.8%	Emerging
Financial and Insurance Activities	\$211	\$1,056	2.7%	11.3%	5.8%	10.8%	Low Priority
Administrative and Support Service Activities	\$16	\$712	1.8%	13.0%	9.5%	12.6%	Emerging
Education	\$125	\$578	1.5%	16.1%	12.8%	14.9%	Emerging
Accommodation and Food Service Activities	\$80	\$431	1.1%	11.4%	7.9%	11.8%	Emerging
Retail Trade	\$152	\$269	0.7%	11.3%	6.0%	9.6%	Low Priority
Arts, Entertainment and Recreation	\$12	\$26	0.1%	3.0%	4.8%	9.0%	Low Priority
Mining and Quarrying	\$82	\$11	0.0%	19.6%	12.1%	8.8%	Low Priority
Human Health and Social Work Activities	\$66	\$2	0.0%	5.7%	11.4%	13.8%	Emerging
Grand Total ▶	\$4,774	\$39,455	100.0%	10.2%	5.9%	10.2%	Mature

August 2019



Korea, South

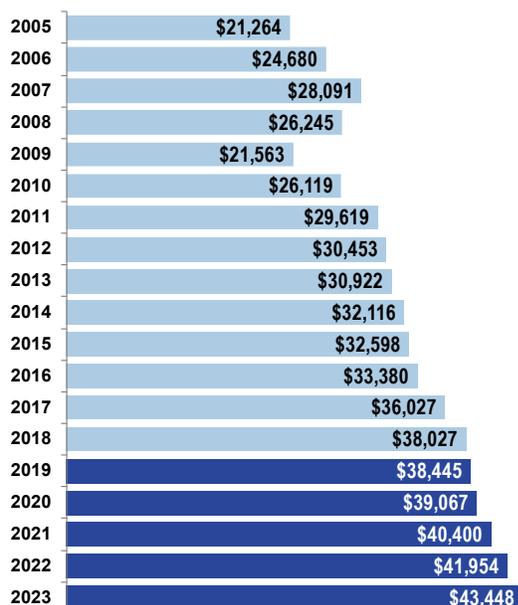
GBTA BTI™

2018: 179 | 2023: 204

South Korea's business travel market hit \$38 billion in 2018. This is a decline compared to the 7.9% growth experienced the previous year and we expect growth to continue to slow down reaching 2.7% annually over the next five years.

Business travel growth over the next five years will be driven by 5 to 9% growth in the following industries: Human Health and Social Work Activities, Administrative and Support Service Activities, Education, and Professional, Scientific and Technical Activities. Business travel spending in most other sectors will grow between 1 and 4%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$1,653	\$18,899	49.7%	5.3%	0.3%	1.6%	Mature
Utilities	\$123	\$3,887	10.2%	5.1%	0.3%	3.4%	Mature
Administrative and Support Service Activities	\$60	\$2,765	7.3%	5.5%	5.0%	5.7%	Star
Public Admin and Defense, Other Services	\$202	\$1,776	4.7%	4.0%	2.4%	3.7%	Emerging
Transportation & Warehousing	\$156	\$1,709	4.5%	4.2%	2.3%	4.0%	Emerging
Real Estate Activities	\$144	\$1,588	4.2%	4.0%	2.1%	3.6%	Low Priority
Information and Communication	\$121	\$1,529	4.0%	3.2%	0.8%	2.8%	Low Priority
Construction	\$227	\$1,257	3.3%	3.6%	-0.3%	1.0%	Low Priority
Professional, Scientific and Technical Activities	\$137	\$1,158	3.0%	3.4%	3.7%	5.1%	Emerging
Wholesale Trade	\$124	\$829	2.2%	1.5%	-1.9%	1.8%	Low Priority
Financial and Insurance Activities	\$165	\$746	2.0%	2.6%	0.4%	3.7%	Emerging
Accommodation and Food Service Activities	\$94	\$593	1.6%	3.1%	1.4%	3.4%	Low Priority
Education	\$116	\$535	1.4%	8.7%	5.9%	5.2%	Emerging
Agriculture, Forestry and Fishing	\$56	\$432	1.1%	0.5%	3.7%	2.9%	Low Priority
Retail Trade	\$129	\$251	0.7%	3.3%	0.8%	2.0%	Low Priority
Arts, Entertainment and Recreation	\$31	\$65	0.2%	4.9%	1.1%	3.5%	Low Priority
Human Health and Social Work Activities	\$160	\$5	0.0%	1.0%	8.7%	8.4%	Emerging
Mining and Quarrying	\$5	\$2	0.0%	7.2%	5.9%	3.6%	Low Priority
Grand Total ▶	\$3,703	\$38,027	100.0%	4.6%	1.1%	2.7%	Mature

August 2019



Italy

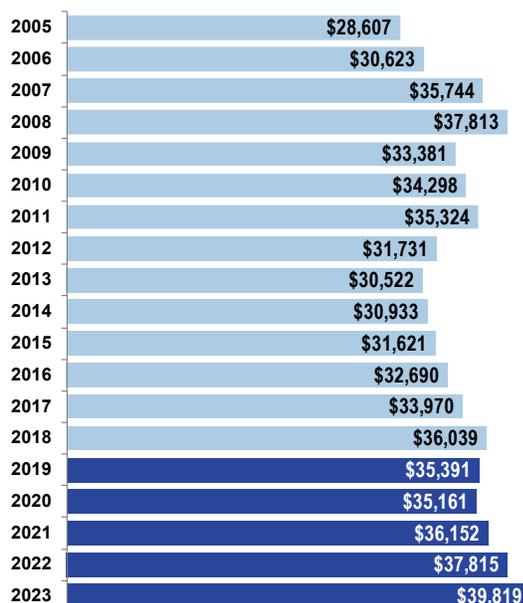
GBTA BTI™

2018: 126 | 2023: 139

Business travel in Italy reached \$36 billion in 2018. This is an improvement over the 3.9% growth exhibited last year and we expect stable growth to continue through the next five years. Business travel spend is projected to reach \$39.8 billion by 2023.

Business travel growth over the next five years will be supported by, Education, Transportation & Warehousing, Human Health and Social Work Activities, and Real Estate Activities, which will grow between 3 and 4% annually. Business travel spending in most other sectors will grow between 1 and 3%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$1,138	\$10,476	29.1%	2.4%	-1.9%	1.5%	Mature
Administrative and Support Service Activities	\$121	\$5,000	13.9%	2.6%	-1.0%	2.7%	Star
Utilities	\$177	\$4,947	13.7%	4.3%	-2.7%	2.2%	Star
Real Estate Activities	\$297	\$3,133	8.7%	6.4%	0.3%	3.0%	Star
Transportation & Warehousing	\$237	\$2,520	7.0%	3.4%	-0.1%	3.2%	Star
Public Admin and Defense, Other Services	\$228	\$1,706	4.7%	2.2%	-2.2%	1.5%	Low Priority
Information and Communication	\$136	\$1,618	4.5%	2.3%	-3.8%	0.5%	Low Priority
Professional, Scientific and Technical Activities	\$202	\$1,471	4.1%	-0.4%	-1.1%	2.8%	Emerging
Wholesale Trade	\$206	\$1,258	3.5%	-0.1%	-5.6%	0.1%	Low Priority
Construction	\$238	\$1,103	3.1%	1.1%	-1.4%	2.1%	Emerging
Accommodation and Food Service Activities	\$140	\$791	2.2%	3.4%	-1.9%	2.6%	Emerging
Financial and Insurance Activities	\$165	\$725	2.0%	2.2%	-5.8%	0.2%	Low Priority
Agriculture, Forestry and Fishing	\$64	\$439	1.2%	1.5%	-1.9%	1.2%	Low Priority
Education	\$90	\$381	1.1%	6.5%	2.3%	4.4%	Emerging
Retail Trade	\$197	\$359	1.0%	1.8%	-2.2%	1.2%	Low Priority
Arts, Entertainment and Recreation	\$54	\$106	0.3%	3.7%	-3.2%	1.2%	Low Priority
Human Health and Social Work Activities	\$189	\$6	0.0%	-2.4%	-0.3%	3.2%	Emerging
Mining and Quarrying	\$10	\$1	0.0%	3.9%	4.2%	2.4%	Emerging
Grand Total ▶	\$3,889	\$36,039	100.0%	2.7%	-1.8%	2.0%	Star

August 2019



Brazil

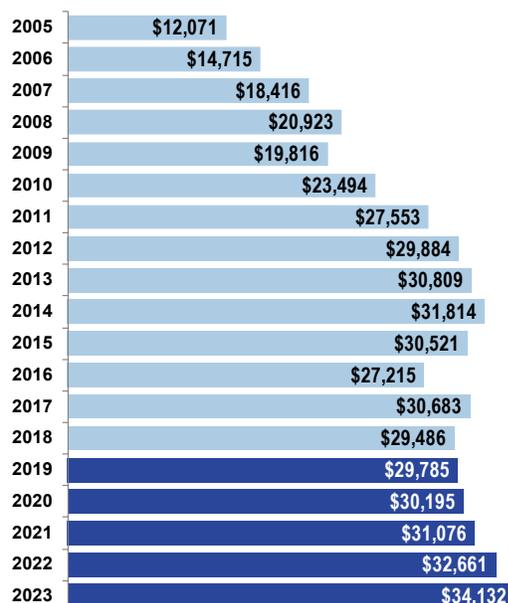
GBTA BTI™

2018: **244** | 2023: **283**

Brazil's business travel market reached \$29.5 billion in 2018. Total spending in Brazil declined compared to the 12.7% growth that resulted from the country's economic recovery in 2017. In the next five years, we expect improved growth averaging an annual rate of 3%.

Over the next five years, business travel spending will be supported by: Mining and Quarrying, Education, Transportation & Warehousing, and Real Estate Activities, which will grow between 5 and 7% annually. Human Health and Social Work Activities, Administrative and Support Service Activities, and Professional, and Scientific and Technical Activities will reach annual growth rates between 4 and 5%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$1,255	\$8,534	28.9%	5.5%	0.9%	2.1%	Mature
Administrative and Support Service Activities	\$129	\$4,148	14.1%	5.8%	2.9%	4.2%	Star
Utilities	\$154	\$2,736	9.3%	5.1%	-1.8%	2.7%	Mature
Wholesale Trade	\$602	\$2,553	8.7%	6.1%	-2.3%	1.1%	Mature
Public Admin and Defense, Other Services	\$396	\$2,091	7.1%	5.1%	0.5%	2.8%	Mature
Real Estate Activities	\$238	\$1,753	5.9%	6.4%	5.1%	5.1%	Star
Transportation & Warehousing	\$189	\$1,357	4.6%	7.3%	4.0%	5.3%	Emerging
Information and Communication	\$133	\$1,092	3.7%	5.0%	0.1%	1.8%	Low Priority
Agriculture, Forestry and Fishing	\$207	\$1,003	3.4%	5.9%	0.0%	2.7%	Low Priority
Professional, Scientific and Technical Activities	\$158	\$889	3.0%	4.4%	2.7%	4.2%	Emerging
Retail Trade	\$695	\$874	3.0%	6.2%	1.1%	2.2%	Low Priority
Financial and Insurance Activities	\$234	\$690	2.3%	4.2%	-1.9%	1.8%	Low Priority
Construction	\$229	\$682	2.3%	4.6%	-1.8%	3.3%	Low Priority
Education	\$214	\$633	2.1%	12.1%	5.6%	5.7%	Emerging
Accommodation and Food Service Activities	\$97	\$416	1.4%	6.1%	1.8%	3.5%	Emerging
Arts, Entertainment and Recreation	\$12	\$18	0.1%	5.8%	0.0%	2.2%	Low Priority
Mining and Quarrying	\$65	\$13	0.0%	13.9%	8.1%	6.7%	Emerging
Human Health and Social Work Activities	\$179	\$4	0.0%	-0.2%	3.0%	4.4%	Emerging
Grand Total ▶	\$5,185	\$29,486	100.0%	5.6%	1.0%	3.0%	Mature

August 2019



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Canada

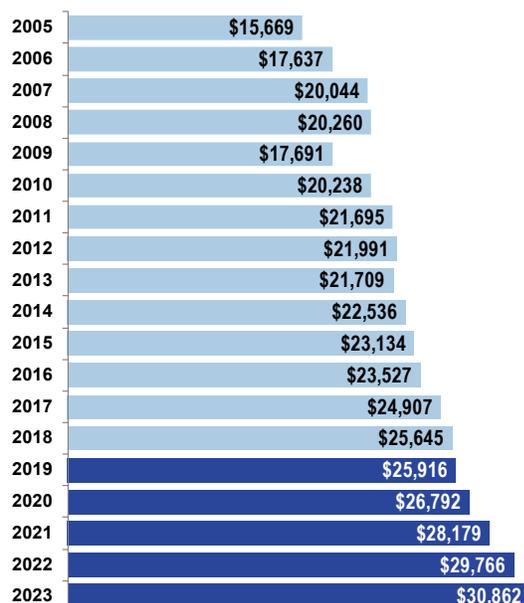
GBTA BTI™

2018: 164 | 2023: 197

Canada's business travel market hit \$25.6 billion in 2018. Looking ahead, we expect relatively modest growth over the next five years, averaging a rate of 3.8% annually and topping out at \$30.9 billion in 2023.

Business travel growth over the next five years in the Canadian market will be driven by annual increases of 6.8% in the following industries: Human Health and Social Work Activities, and Education. Real Estate Activities, and Administrative and Support Service Activities will grow at around 5% annually.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$553	\$6,205	24.2%	1.7%	0.4%	2.5%	Mature
Administrative and Support Service Activities	\$74	\$3,293	12.8%	3.4%	2.8%	5.1%	Star
Real Estate Activities	\$265	\$3,043	11.9%	6.9%	3.5%	5.2%	Star
Public Admin and Defense, Other Services	\$242	\$2,002	7.8%	4.6%	1.3%	4.2%	Star
Transportation & Warehousing	\$161	\$1,789	7.0%	5.7%	2.6%	4.9%	Star
Utilities	\$55	\$1,684	6.6%	3.1%	-1.5%	2.7%	Mature
Information and Communication	\$126	\$1,631	6.4%	5.1%	0.5%	2.8%	Mature
Construction	\$273	\$1,406	5.5%	6.7%	-3.3%	3.1%	Low Priority
Financial and Insurance Activities	\$237	\$1,115	4.3%	4.1%	-1.3%	3.4%	Low Priority
Wholesale Trade	\$131	\$821	3.2%	2.4%	-2.9%	1.7%	Low Priority
Professional, Scientific and Technical Activities	\$99	\$772	3.0%	1.3%	2.6%	4.9%	Emerging
Education	\$118	\$545	2.1%	9.6%	6.4%	6.8%	Emerging
Agriculture, Forestry and Fishing	\$67	\$496	1.9%	3.0%	1.8%	3.0%	Low Priority
Accommodation and Food Service Activities	\$75	\$472	1.8%	4.3%	1.7%	4.4%	Emerging
Retail Trade	\$156	\$300	1.2%	4.1%	0.9%	3.0%	Low Priority
Arts, Entertainment and Recreation	\$26	\$52	0.2%	3.7%	-0.2%	2.9%	Low Priority
Mining and Quarrying	\$195	\$13	0.0%	11.1%	6.3%	4.6%	Emerging
Human Health and Social Work Activities	\$188	\$6	0.0%	-1.1%	5.1%	6.8%	Emerging
Grand Total ▶	\$3,041	\$25,645	100.0%	3.7%	1.1%	3.8%	Mature

August 2019



Spain

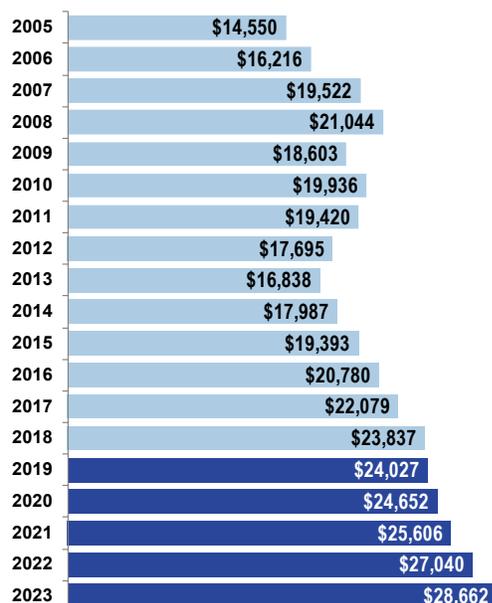
GBTA BTI™

2018: **164** | 2023: **197**

Business travel in Spain reached \$23.8 billion in 2018. We expect business travel to continue to grow at a moderate rate of 3.8% over the next five years, pushing business travel spending to an annual total of \$28.7 billion by 2023.

Growth will be led by the following industries: Education, Human Health and Social Work Activities, Professional, Scientific and Technical Activities, and Administrative and Support Service Activities, all expected to grow at an annual rate between 6 and 8% over the next five years. Transportation & Warehousing, Real Estate Activities, Construction, and Accommodation and Food Service Activities will see annual growth rates between 4 and 5%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$725	\$6,874	28.8%	4.5%	-0.5%	2.2%	Mature
Administrative and Support Service Activities	\$89	\$3,376	14.2%	6.0%	4.1%	5.7%	Star
Utilities	\$154	\$3,337	14.0%	7.2%	-1.2%	3.4%	Mature
Transportation & Warehousing	\$162	\$1,615	6.8%	6.3%	2.2%	4.9%	Star
Real Estate Activities	\$162	\$1,580	6.6%	9.3%	2.1%	4.7%	Star
Information and Communication	\$112	\$1,189	5.0%	5.4%	0.5%	2.9%	Low Priority
Public Admin and Defense, Other Services	\$155	\$1,072	4.5%	4.9%	0.1%	3.9%	Low Priority
Professional, Scientific and Technical Activities	\$134	\$880	3.7%	4.1%	4.8%	6.0%	Emerging
Construction	\$200	\$870	3.7%	2.2%	1.9%	4.5%	Emerging
Wholesale Trade	\$146	\$829	3.5%	5.0%	-3.0%	1.9%	Low Priority
Accommodation and Food Service Activities	\$156	\$821	3.4%	4.5%	1.2%	4.3%	Emerging
Agriculture, Forestry and Fishing	\$63	\$385	1.6%	3.0%	-2.8%	1.6%	Low Priority
Financial and Insurance Activities	\$84	\$347	1.5%	3.3%	-2.1%	2.8%	Low Priority
Education	\$89	\$339	1.4%	10.0%	7.0%	7.6%	Emerging
Retail Trade	\$144	\$242	1.0%	4.4%	0.2%	2.7%	Low Priority
Arts, Entertainment and Recreation	\$39	\$73	0.3%	5.7%	-0.3%	3.3%	Low Priority
Human Health and Social Work Activities	\$130	\$4	0.0%	-0.2%	4.0%	6.1%	Emerging
Mining and Quarrying	\$6	\$2	0.0%	8.6%	7.5%	3.2%	Low Priority
Grand Total ▶	\$2,750	\$23,837	100.0%	5.3%	0.8%	3.8%	Mature

August 2019



Australia

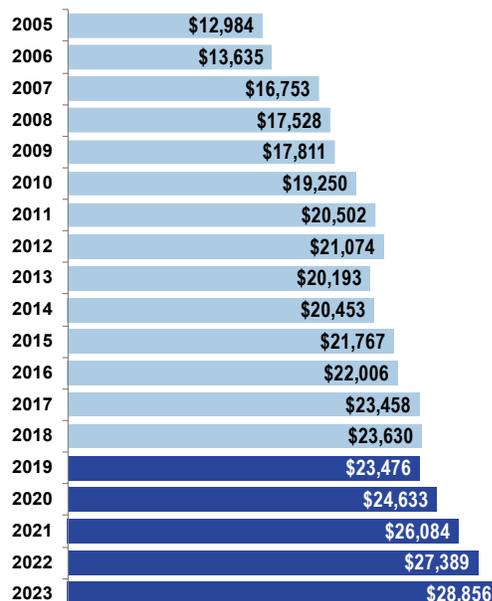
GBTA BTI™

2018: 182 | 2023: 222

Business travel in Australia reached \$23.6 billion in 2018. We expect business travel in Australia to grow at a steady rate of 4.1%, reaching an annual total of \$28.9 billion in 2023.

In the next five years, gains in business travel spending will continue to be driven by, Mining and Quarrying, Human Health and Social Work Activities, and Education, all of which will grow between 7 and 8% annually. Other industries leading the growth include: Administrative and Support Service Activities, Transportation & Warehousing, and Real Estate Activities, which will see increases between 5 to 6% annually.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Administrative and Support Service Activities	\$101	\$4,088	17.3%	5.4%	1.8%	5.7%	Star
Manufacturing	\$283	\$3,647	15.4%	3.0%	-1.3%	2.8%	Mature
Real Estate Activities	\$235	\$2,619	11.1%	8.7%	1.3%	5.0%	Star
Utilities	\$78	\$2,560	10.8%	6.3%	-2.4%	3.6%	Mature
Construction	\$346	\$1,930	8.2%	8.6%	-2.5%	3.2%	Mature
Transportation & Warehousing	\$147	\$1,509	6.4%	6.0%	0.5%	5.1%	Star
Information and Communication	\$117	\$1,476	6.2%	4.7%	-1.3%	3.0%	Mature
Public Admin and Defense, Other Services	\$174	\$1,288	5.4%	4.1%	-0.6%	4.1%	Low Priority
Professional, Scientific and Technical Activities	\$158	\$1,223	5.2%	3.8%	-1.1%	3.4%	Low Priority
Financial and Insurance Activities	\$211	\$936	4.0%	6.0%	-2.6%	4.0%	Low Priority
Wholesale Trade	\$100	\$655	2.8%	2.2%	-4.8%	2.2%	Low Priority
Agriculture, Forestry and Fishing	\$82	\$529	2.2%	3.3%	-6.7%	2.0%	Low Priority
Education	\$95	\$448	1.9%	11.1%	3.9%	6.7%	Emerging
Accommodation and Food Service Activities	\$69	\$399	1.7%	3.9%	-0.2%	4.6%	Emerging
Retail Trade	\$113	\$211	0.9%	3.6%	-0.9%	3.2%	Low Priority
Arts, Entertainment and Recreation	\$30	\$63	0.3%	4.4%	-1.9%	3.3%	Low Priority
Mining and Quarrying	\$220	\$45	0.2%	16.9%	9.8%	8.1%	Emerging
Human Health and Social Work Activities	\$149	\$5	0.0%	1.7%	3.2%	7.4%	Emerging
Grand Total ▶	\$2,708	\$23,630	100.0%	5.2%	-0.7%	4.1%	Mature

August 2019



Netherlands

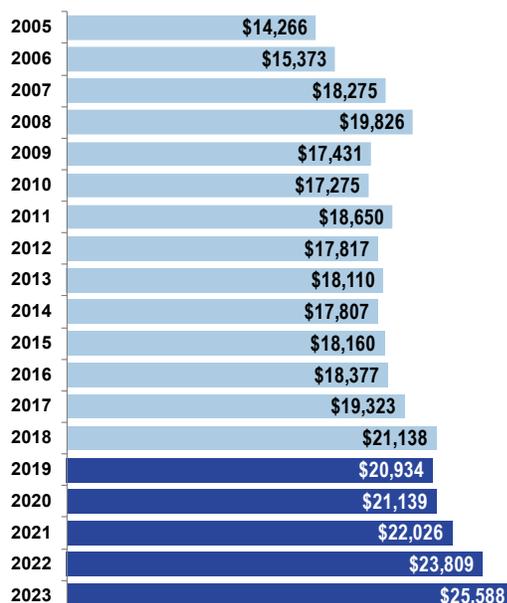
GBTA BTI™

2018: 148 | 2023: 179

Total business travel spending in the Netherlands reached in \$21.1 billion in 2018. Over the next five years, we expect business travel to grow more modestly, at an annual rate of 3.9%, pushing business travel spending to a total of \$25.6 billion by 2023.

The largest growing industries will increase at an annual rate between 5 and 6%, and include: Education, Administrative and Support Service Activities, Professional, Scientific and Technical Activities, and Human Health and Social Work Activities. Real Estate Activities, Transportation & Warehousing, Mining and Quarrying, and Utilities will all experience growth rates between 4 and 5%.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$395	\$5,177	24.5%	3.6%	-2.1%	2.3%	Mature
Administrative and Support Service Activities	\$88	\$4,949	23.4%	4.1%	1.2%	5.5%	Star
Real Estate Activities	\$103	\$1,428	6.8%	5.8%	0.9%	4.9%	Star
Transportation & Warehousing	\$99	\$1,299	6.1%	4.0%	0.5%	4.9%	Star
Professional, Scientific and Technical Activities	\$132	\$1,260	6.0%	0.9%	1.4%	5.5%	Star
Utilities	\$33	\$1,228	5.8%	2.7%	-3.8%	4.0%	Star
Information and Communication	\$78	\$1,226	5.8%	4.0%	-1.6%	3.1%	Mature
Public Admin and Defense, Other Services	\$110	\$1,119	5.3%	3.0%	-2.1%	3.4%	Low Priority
Wholesale Trade	\$126	\$1,044	4.9%	1.9%	-5.4%	1.7%	Low Priority
Construction	\$124	\$822	3.9%	3.2%	-0.9%	3.2%	Low Priority
Financial and Insurance Activities	\$88	\$510	2.4%	1.6%	-5.7%	2.1%	Low Priority
Agriculture, Forestry and Fishing	\$35	\$312	1.5%	2.1%	-2.9%	2.4%	Low Priority
Education	\$51	\$292	1.4%	8.3%	2.7%	5.7%	Emerging
Accommodation and Food Service Activities	\$33	\$241	1.1%	2.8%	-1.5%	3.7%	Emerging
Retail Trade	\$71	\$173	0.8%	2.0%	-2.0%	2.4%	Low Priority
Arts, Entertainment and Recreation	\$20	\$53	0.3%	3.7%	-3.2%	2.3%	Low Priority
Human Health and Social Work Activities	\$105	\$4	0.0%	-1.6%	0.6%	5.1%	Emerging
Mining and Quarrying	\$12	\$0	0.0%	4.5%	5.2%	4.0%	Emerging
Grand Total ▶	\$1,704	\$21,138	100.0%	3.4%	-1.0%	3.9%	Star

August 2019



Russia

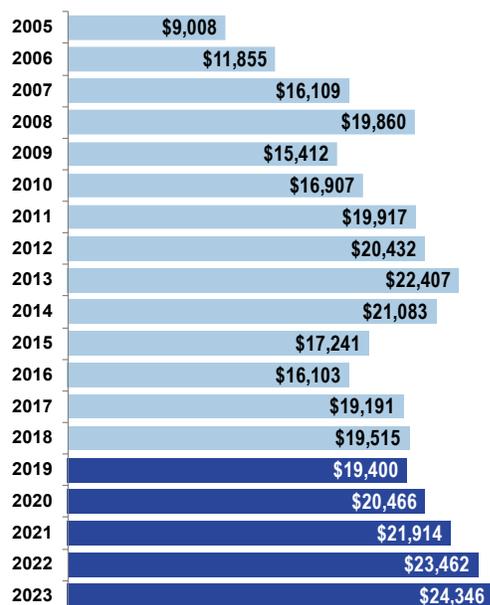
GBTA BTI™

2018: 217 | 2023: 270

Business travel spending in Russia, reached \$19.5 billion in 2018. This is a significant slowdown compared to last year's 19.2% increase, which was fueled by pent-up growth after several years of sluggish spending activity. We expect Russia's economy to continue its recovery over the forecast horizon, growing at a healthy annual pace of 4.5%.

Over the next five years, business travel spending will be fueled by, Transportation & Warehousing, and Education which will both grow at an annual rate between 7 and 8% percent. Industries where spending will grow at an annual rate between 5 and 6% include: Human Health and Social Work Activities, Professional, Scientific and Technical Activities, Administrative and Support Service Activities, Mining and Quarrying, Accommodation and Food Service Activities, and Real Estate Activities.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$627	\$4,742	24.3%	7.5%	-1.1%	3.7%	Mature
Utilities	\$151	\$3,647	18.7%	10.4%	-2.6%	3.4%	Mature
Administrative and Support Service Activities	\$53	\$1,851	9.5%	11.7%	1.7%	5.8%	Star
Transportation & Warehousing	\$211	\$1,803	9.2%	11.0%	3.5%	7.9%	Star
Public Admin and Defense, Other Services	\$208	\$1,347	6.9%	11.6%	-1.0%	3.9%	Mature
Real Estate Activities	\$124	\$1,120	5.7%	13.1%	1.4%	5.6%	Star
Wholesale Trade	\$196	\$1,013	5.2%	4.7%	-3.1%	3.1%	Low Priority
Construction	\$192	\$998	5.1%	11.2%	-5.2%	4.2%	Low Priority
Information and Communication	\$74	\$722	3.7%	11.5%	-1.3%	3.0%	Low Priority
Agriculture, Forestry and Fishing	\$114	\$613	3.1%	6.8%	3.5%	4.6%	Low Priority
Professional, Scientific and Technical Activities	\$90	\$542	2.8%	6.9%	1.2%	5.8%	Emerging
Financial and Insurance Activities	\$130	\$474	2.4%	18.0%	-2.0%	4.6%	Low Priority
Education	\$73	\$259	1.3%	15.5%	3.8%	6.7%	Emerging
Retail Trade	\$153	\$227	1.2%	8.6%	-0.7%	3.5%	Low Priority
Accommodation and Food Service Activities	\$23	\$109	0.6%	10.3%	0.7%	5.6%	Emerging
Arts, Entertainment and Recreation	\$17	\$28	0.1%	15.4%	-1.8%	3.4%	Low Priority
Mining and Quarrying	\$170	\$16	0.1%	15.1%	7.7%	5.7%	Emerging
Human Health and Social Work Activities	\$99	\$3	0.0%	6.6%	1.4%	5.9%	Emerging
Grand Total ▶	\$2,706	\$19,515	100.0%	9.3%	-0.6%	4.5%	Mature

August 2019



Mexico

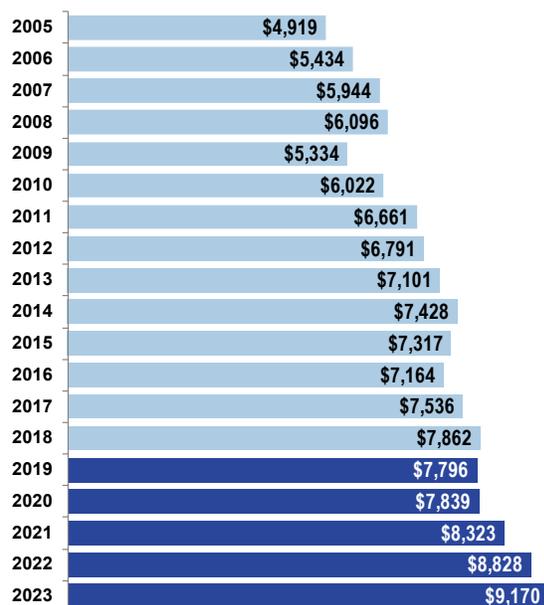
GBTA BTI™

2018: 160 | 2023: 186

Business travel in Mexico reached \$7.9 billion in 2018. We expect growth in spending to decelerate to an annual rate of 3.1% over the forecast horizon reaching \$9.2 billion by 2023.

Increases in business travel spending are led by the following industries, which will all grow at an annual rate of about 5% or greater: Education, Human Health and Social Work Activities and Transportation & Warehousing. The following industries are expected to only grow at an annual rate between 4% and 5%: Mining and Quarrying, Administrative and Support Service Activities, Public Admin and Defense, Other Services, Professional, Scientific and Technical Activities, Real Estate Activities, and Accommodation and Food Service Activities.

Business Travel Spending in millions of current \$



Profile of Sales and Business Travel Spending by Industry							
Industry	Total Sales	Business Travel Spending				BTS Growth Outlook	
	2018 Sales (bn US\$)	2018 BTS (mn US\$)	2018 BTS % of Total	2000-2018 BTS CAGR	2019 % ch	2018-2023 CAGR	Industry Status
Manufacturing	\$734	\$3,396	43.2%	3.2%	-1.0%	2.1%	Mature
Administrative and Support Service Activities	\$63	\$940	12.0%	0.5%	0.1%	4.2%	Star
Real Estate Activities	\$130	\$609	7.7%	4.0%	0.8%	4.0%	Star
Transportation & Warehousing	\$126	\$581	7.4%	3.7%	1.7%	5.5%	Star
Wholesale Trade	\$131	\$376	4.8%	2.4%	-4.6%	1.8%	Low Priority
Utilities	\$31	\$374	4.8%	2.2%	-3.3%	3.1%	Low Priority
Construction	\$145	\$315	4.0%	2.5%	-2.5%	3.7%	Low Priority
Public Admin and Defense, Other Services	\$96	\$313	4.0%	3.2%	-0.8%	4.1%	Emerging
Information and Communication	\$34	\$186	2.4%	3.8%	-2.3%	1.9%	Low Priority
Agriculture, Forestry and Fishing	\$63	\$184	2.3%	3.2%	-0.9%	3.5%	Low Priority
Financial and Insurance Activities	\$71	\$134	1.7%	6.1%	-2.1%	3.7%	Low Priority
Professional, Scientific and Technical Activities	\$29	\$127	1.6%	1.8%	0.1%	4.1%	Emerging
Retail Trade	\$139	\$115	1.5%	2.6%	-1.2%	2.9%	Low Priority
Accommodation and Food Service Activities	\$41	\$101	1.3%	1.3%	-0.8%	4.0%	Emerging
Education	\$52	\$100	1.3%	8.3%	3.2%	6.3%	Emerging
Arts, Entertainment and Recreation	\$11	\$7	0.1%	0.6%	-2.9%	2.1%	Low Priority
Mining and Quarrying	\$56	\$3	0.0%	8.7%	4.1%	4.7%	Emerging
Human Health and Social Work Activities	\$42	\$1	0.0%	-2.2%	1.5%	5.8%	Emerging
Grand Total ▶	\$1,997	\$7,862	100.0%	2.8%	-0.8%	3.1%	Mature

August 2019



Appendix I -Summary of Spending Growth by Country

Summary of Spending Growth by Country

	Business Travel Spend (Annual Growth 2018)	Business Travel Spend (Annual Growth 2019)	Business Travel Spend (CAGR 2000-2018)	Business Travel Spend (CAGR 2018-2023)
Western Europe Total	6.5%	1.2%	3.8%	4.1%
United Kingdom	3.7%	2.8%	2.8%	5.7%
Switzerland	3.4%	-2.0%	3.2%	1.7%
Sweden	3.1%	-1.1%	3.6%	6.0%
Spain	8.0%	0.8%	5.3%	3.8%
Portugal	7.2%	-2.6%	3.0%	2.9%
Norway	8.0%	-3.1%	5.0%	4.5%
Netherlands	9.4%	-1.0%	3.4%	3.9%
Italy	6.1%	-1.8%	2.7%	2.0%
Ireland	9.6%	6.0%	4.4%	6.4%
Greece	6.9%	-3.3%	2.0%	2.2%
Germany	7.6%	2.8%	4.9%	3.9%
France	6.1%	3.1%	3.8%	4.2%
Finland	8.9%	2.6%	4.3%	4.2%
Denmark	5.1%	1.5%	3.5%	3.8%
Belgium	6.8%	0.9%	3.4%	3.7%
Austria	9.7%	-2.4%	4.7%	2.9%
North America Total	4.2%	3.1%	1.6%	3.7%
United States	4.3%	3.4%	1.4%	3.7%
Mexico	4.3%	-0.8%	2.8%	3.1%
Canada	3.0%	1.1%	3.7%	3.6%
Middle East & Africa Total	7.0%	3.9%	5.3%	6.0%
Tunisia	1.2%	-4.7%	3.5%	1.1%
South Africa	6.6%	5.1%	6.0%	6.0%
Senegal	9.8%	6.7%	6.7%	7.8%
Saudi Arabia	9.5%	5.3%	3.5%	6.1%
Qatar	12.4%	7.5%	14.3%	6.5%
Nigeria	10.5%	6.7%	8.7%	8.3%
Morocco	8.3%	1.4%	4.6%	4.4%
Kuwait	12.0%	4.3%	8.2%	3.8%
Kenya	9.5%	6.6%	7.1%	7.1%
Jordan	-1.5%	4.3%	6.7%	4.8%
Israel	3.7%	4.2%	4.3%	6.2%
Iran	-9.0%	-12.0%	7.3%	3.0%
United Arab Emirates	10.6%	5.9%	7.0%	6.2%
Egypt	8.9%	10.6%	0.6%	10.4%
Cameroon	12.2%	1.6%	5.9%	7.0%
Bahrain	10.8%	3.8%	8.0%	3.6%

GBTA BTI™ Outlook—Annual Global Report & Forecast

	Business Travel Spend (Annual Growth 2017)	Business Travel Spend (Annual Growth 2018)	Business Travel Spend (CAGR 2000-2017)	Business Travel Spend (CAGR 2018-2023)
Latin America Total	-2.9%	-0.1%	5.1%	3.1%
Venezuela	-26.8%	-30.5%	1.4%	-8.0%
Uruguay	0.2%	1.8%	5.1%	3.4%
Peru	4.2%	0.5%	7.3%	2.5%
Panama	6.7%	8.6%	6.6%	5.9%
Honduras	4.4%	3.7%	4.2%	3.8%
Ecuador	2.2%	3.2%	4.1%	5.3%
Costa Rica	2.5%	3.3%	6.2%	5.0%
Colombia	5.4%	-0.2%	6.0%	3.3%
Chile	5.4%	3.6%	6.4%	6.4%
Brazil	-3.9%	1.0%	5.6%	3.0%
Bolivia	7.4%	8.0%	6.0%	5.7%
Argentina	-8.8%	-2.7%	0.3%	4.5%
Emerging Europe Total	2.6%	0.1%	7.4%	4.8%
Ukraine	19.4%	12.7%	9.1%	11.5%
Turkey	-7.4%	-4.1%	5.6%	2.0%
Slovakia	9.4%	1.0%	7.9%	5.1%
Russia	1.7%	-0.6%	9.3%	4.5%
Romania	10.8%	5.8%	9.6%	6.5%
Poland	11.6%	1.5%	6.9%	7.1%
Hungary	9.3%	-1.4%	5.1%	3.5%
Czech Republic	10.6%	4.2%	6.6%	6.7%
Bulgaria	9.9%	0.6%	7.3%	4.7%
Asia Pacific Total	7.2%	4.7%	7.6%	5.8%
Vietnam	6.4%	4.1%	10.9%	5.8%
Thailand	10.1%	6.9%	5.5%	4.9%
Taiwan	2.3%	-0.4%	2.1%	2.5%
Sri Lanka	-0.8%	-4.3%	7.6%	5.2%
Korea, South	5.6%	1.1%	4.6%	2.7%
Singapore	6.9%	0.1%	4.6%	3.2%
Philippines	4.4%	8.0%	5.9%	8.9%
Pakistan	2.6%	1.7%	5.4%	5.7%
New Zealand	-0.1%	1.1%	5.2%	3.0%
Malaysia	7.6%	5.0%	5.8%	5.9%
Japan	2.3%	0.6%	-0.7%	2.2%
Indonesia	3.3%	8.4%	9.1%	9.9%
India	6.3%	5.9%	10.2%	10.2%
Hong Kong	3.5%	3.4%	1.9%	4.2%
China	9.2%	5.9%	14.7%	6.1%
Bangladesh	10.2%	11.5%	7.1%	8.4%
Australia	0.7%	-0.7%	5.2%	4.1%
Grand Total	5.7%	3.1%	4.5%	4.8%

Appendix II

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 — ones that are 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.

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
- International Air Transport Association (IATA)
- 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

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. That is, Rockport put together a four-dimensional sectoral matrix: travel suppliers/sellers (rows), travel buyers (columns), time (2000-2018), 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 fold in other data inputs covering total travel volume and spending in each country, where available. Countries such as the US, U.K., Germany, and others were compared and adjusted according to sources such as the UNWTO, DK Shifflet & Associates, WTTC, 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 last year's 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 of the 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.

Business travel spending projections (2019-2023) were created using a three-step approach. First, the business travel purchase coefficients for each sector/country pair were forecasted from 2018 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.

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.

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