

2023 Business Travel Index™ Outlook

Annual Global Report & Forecast



August 2023

[Prospects for Global
Business Travel 2023-2027]

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The 2023 GBTA BTI™ Outlook – Annual Global Report and Forecast is an exhaustive study of business travel spending and growth covering 72 countries across 44 industries. Now in its 15th edition, the report and companion database have become a critical planning tool throughout the industry.

Access to the full GBTA Business Travel Index Report is an exclusive benefit of GBTA membership. This report is not otherwise to be broadly quoted, shared, distributed or posted. Questions? Contact research@gbta.org.



Introduction

Research Challenge

Business travel is a term that encompasses many activities executed in support of a number of business objectives: sales, training, customer support, incentives, professional development, team building, conferences, and operations to name a few. Depending upon the organization, business travel can also have many perspectives. For example, travel suppliers might see it as a significant source of revenue and a primary market segment. Corporate management can view business travel as both a critical business investment and a controllable expense. Travel managers see it as a resource optimization and duty of care challenge. Policymakers might perceive travel as a generator of jobs, income, economic development and tax revenue. Finally, business travelers may feel it is a perk, logistical drudgery, or, at a minimum, an important part of their jobs.

To better understand the value of a business function, it needs to be measured. But the activity of business travel in the past 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 analysis of business travel spending, productivity, and growth — the GBTA Business Travel Index (BTI™) — that currently covers 72 countries across 44 industries going back to the year 2000 and includes a forward-looking five-year forecast. The analysis has been enhanced and updated each year since then. The 2023 BTI™ marks the 15th consecutive global business travel outlook.

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

What determines and drives global business travel?

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

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

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Approach and Data Sources

Rockport Analytics' research focuses on the demand side of the business travel market. Our comprehensive definition of business travel includes all kinds of trips and trip purposes, as well as all categories of trip spending – not just those reimbursed by the sponsoring organization. Most readily available measures of business travel typically emanate from the supply side, such as airline, hotel, or rental car data. None are comprehensive nor can they easily distinguish between business and leisure activity.

The nature and detail of the business travel metrics contained in this report, and its accompanying database, are largely dictated by available data from both primary and secondary sources. Supplier-based information from airlines, hotels, and rental car companies has been reconciled with demand-side sources from governments, traveler research panels, and travel management companies, all 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.

For the purposes of this study, business travel spending is defined as both domestic and international outbound spending. It is an origin view of 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 72 countries over a period of more than 20 years. By modeling trends of the level of business travel spending per dollar of industry sales (a measure of business travel productivity) over time, we are able to extend these factors into the future. The combination of industry sales (macroeconomic environment), projections, and trends in business travel spending per dollar (business travel intensity and productivity) are key factors in generating the resulting forecasts of business travel spending.

In 2023, GBTA surveyed more than 4,700 business travelers from four of our main regions to gain insight on travel frequency, expenses, and corporate credit card use, to name a few.

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

Business Travel Spending Forecast

- Spending on global business surged 47% in 2022, finishing the year at \$1.03 trillion.** Gains were fueled by pent-up demand from the Covid downturn in 2020 and 2021 — as well as inflationary conditions driving up prices. Spending advanced significantly more than what was projected in last year’s forecast as the global economy performed better than expected with most major economies avoiding the economic calamity that many were projecting for the second half of 2022. In aggregate, the global business travel industry has gained back roughly \$366 billion of the \$770 billion lost in 2020. Recovery ended 2022 at 72% of the pre-pandemic high \$1.430T.
- We expect global business travel to recover to its pre-pandemic total of \$1.4 trillion in 2024 and grow to nearly \$1.8 trillion by the end of 2027.** The projected recovery is two years earlier than we forecasted in last year’s BTI, as more favorable economic conditions in 2022 and 2023 have lifted the baseline of our expectations moving forward.
- For the first time since 2020, the Covid-19 pandemic is no longer the key determinant of business travel activity.** While we are not out of the woods in terms of the recovery, we have progressed to a point where the pandemic’s overall influence on the direction of business travel is less important than other drivers like the macroeconomic, sustainability initiatives and shifts in workplace trends.
- Most economic drivers of business travel suggest continued progress in the long recovery from the depths of the pandemic.** The broader economy, as measured by Real GDP, continues to stabilize and build upon the rebound that began in 2021. World GDP grew by 6.1% and 3.3% in 2021 and 2022, respectively. Moving into 2023, most markets have lost some of their post-pandemic momentum. However, most managed to maintain positive growth rates despite the challenges posed by central banks tightening fiscal policies, supply chain challenges and the continuation of the war in Ukraine.
- We continue to monitor several key underlying trends that will influence the long-term forecast for our industry.** These include an increased focus on sustainability initiatives among stakeholders throughout the business travel ecosystem, the wide-spread adoption of meeting technologies, rapid growth in the remote workforce, and increases in the volume of blended travel. These trends could impact the productivity of business travel and how much companies invest in business travel as a percentage of revenues.

Total Business Travel Spending (BTS): Top 15 Markets (2023)

Country	Total BTS (\$Millions USD.)	Annual Growth in BTS
China 	\$360,756	39%
United States 	\$329,123	25%
Germany 	\$69,900	38%
Japan 	\$65,418	69%
United Kingdom 	\$43,513	43%
France 	\$41,867	28%
Italy 	\$34,339	43%
South Korea 	\$32,737	44%
India 	\$32,295	25%
Brazil 	\$28,134	20%
Spain 	\$24,698	19%
Australia 	\$23,519	27%
Netherlands 	\$23,404	23%
Canada 	\$22,785	27%
Indonesia 	\$16,763	37%
TOP 15	\$1,149,250	34%
TOTAL	\$1,356,567	32%

Regional and Sector Differences

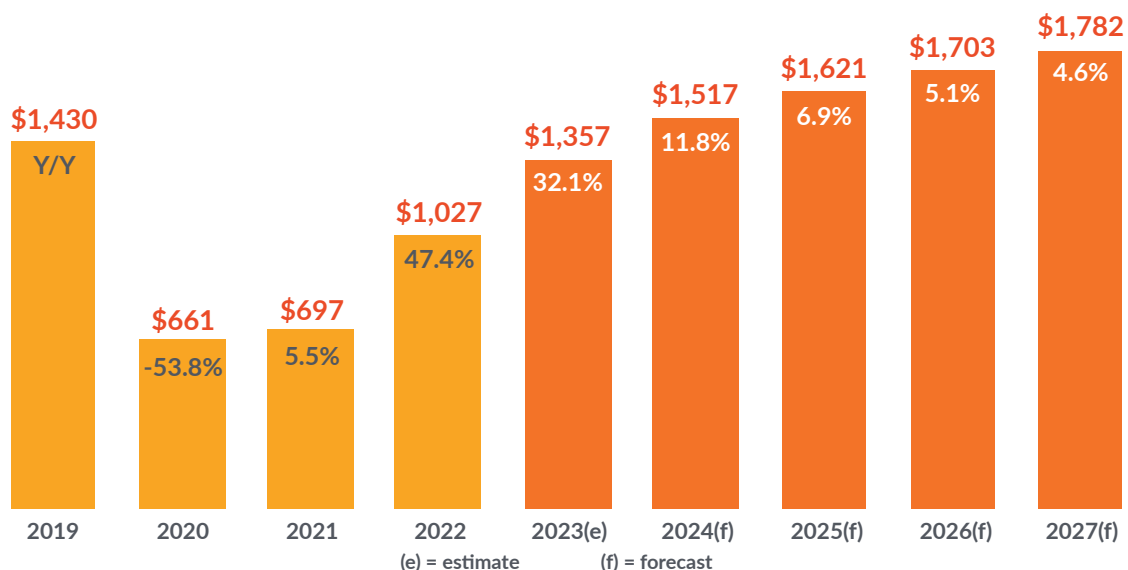
- The timing and trajectory of the recovery in business travel also continues to vary by region.** Western Europe was the fastest growing region (109%) in the world in 2022, following an anemic recovery year in 2021. North America (73%) and Latin America (63%) both built on their strong recovery trends, with spending growth accelerating significantly in 2022. Emerging Europe (25%) continues to lag in its recovery, plagued by the war in the Ukraine; Asia Pacific (15%) was the slowest growing region in the world last year as the economic shutdown in China acted as a major headwind to performance in the region.
- We continue to see business travel spending recover at a different pace based on industry,** with construction, education, and professional, scientific & technical activities showing the most resiliency through the recovery.

The Business Traveler's View

- Responses from our survey of global business travelers echo much of what we see in the global business travel performance data:** Growth in business travel spending is outpacing travel frequency (volume) due to inflation. Business travelers are making different choices in air class and hotel types, and working from home and blended travel are both on the rise. On average, travelers spent \$1,018 per person per business trip.
- Business travelers widely have corporate credit cards – but are not always “mandated” to use them.** The survey of global business travelers also sheds light on travel payment. Globally, two-thirds of business travelers (66%) are provided a corporate credit card by their company. However, only about one-third (37%) say their company provides a corporate card and mandates that they use it.

In addition, mobile payment continues to quickly gain traction in business travel. Of the business travelers that are provided a corporate card, two-thirds (64%) have uploaded their card to a mobile wallet (e.g., Apple Pay, Google Pay, or Samsung Pay). Of these travelers, almost nine in 10 (87%) use the mobile wallet for at least 10% of their business transactions. However, only one-third (33%) use the mobile wallet for at least 20% of their business transactions.

Global Business Travel Spend (Billions US \$)



Source: GBTA, Rockport Analytics

Global Business Travel Outlook

The Recovery in Global Business Travel Spending Outperforms Expectations in 2022 and Maintains Strength in Early-2023

A total of \$1.03 trillion was spent on business travel around the globe in 2022, significantly exceeding our expectations from July of last year when we projected \$933 billion in annual expenditures. Outsized growth was fueled by persistent inflation along with a release of the pent-up demand built-up over the previous 2+ years when many companies and business travelers halted all but the most essential trips. We have witnessed substantial follow-through in 2023 with business travel activity sustaining its pace through the first half of this year.

A key factor fueling the acceleration of business travel recovery has been the remarkable stability in the global economy. Many advanced economies were projected to weaken significantly, if not fall into recession in 2023, but this has not been the case. Over the last two years, we highlighted the pandemic-induced challenges for policymakers around the world. Record levels of stimulus in 2020, both fiscal and monetary, were necessary to stave off a global economic collapse. This stimulus, exacerbated by other factors such as supply chain issues and labor shortages, led to soaring and persistent levels of inflation. To battle this inflation, central bankers reversed course and tightened monetary policy at a record pace. In the US, the Federal Reserve raised policy rates an unprecedented 500 basis points over a period of 14 months.

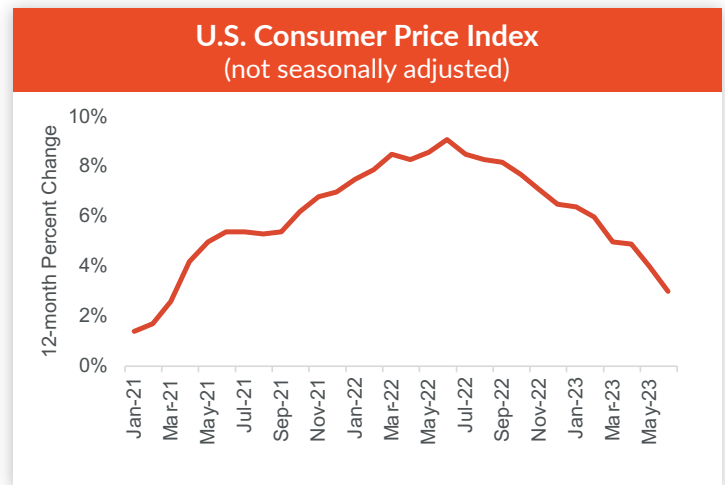
Many market prognosticators feared that the rapid rise in interest rates would force many major economies into

recession. This has not been the case. While this tightening cycle has led to slowing economic growth, we have yet to see broad deterioration in global economies. In fact, many advanced economies including those in the EU and the US, currently sit at record employment levels, and corporate profits refuse to retreat, even after hitting record levels in 2022. Consumers have also held up extraordinarily well given the economic uncertainty. Meanwhile, the latest inflation reports clearly demonstrate stabilizing price growth. Bottom line: while we are not out of the woods, the odds of normalization of the global economy have significantly increased over our expectations from last year.

While the past year has progressed much more favorably than expected, numerous economic, geopolitical and environmental challenges remain. Many of these challenges will be addressed in more detail later in this report. They include cost of living crises, capital outflows from emerging markets, continued war in Ukraine, growing pressure from climate change impacts and the need to ensure a sustainable future for the business travel industry and the planet. Further, while technology has brought us all closer, a counter-globalization movement, with many nations becoming more insular, threatens to pull us apart ideologically. Sorting out the net effects of these macro shifts is complicated. But what is clear is that these challenges — and how we deal with them — will shape the underlying foundation of the global business travel industry for decades to come.

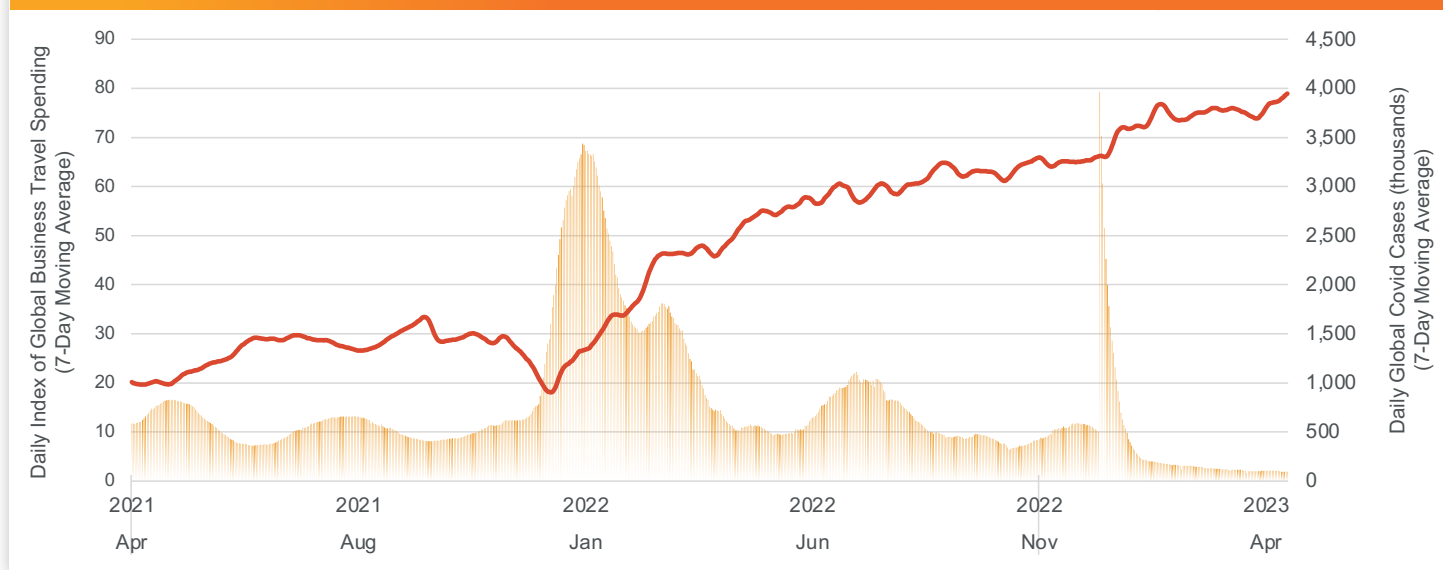


Source: GBTA Business Traveler Survey, Rockport Analytics



Source: GBTA Business Traveler Survey, Rockport Analytics

Recovery In Global Business Travel Correlation of Daily BTS & New Covid Cases (7-Day Moving Average)



Source: GBTA Business Traveler Survey, Rockport Analytics

Business Travel Has Turned the Corner on the Covid-19 Pandemic

The most important factor driving the pace of global business travel's recovery is the progress made fighting the Covid-19 pandemic. For the last three years, GBTA has focused on numerous factors that have shaped the trajectory of the industry's recovery. These included the global vaccination effort, normalization of corporate travel policy, national travel policy and the state of business traveler sentiment. These Covid-related headwinds have subsided significantly over the past year as Covid-19 case numbers and fatalities have trailed off. In fact, we have moved on from the period in which Covid-19 case levels were the primary influencer of business travel activity. The chart above illustrates the tremendous strength in the recovery ever since the Omicron setbacks in early-2022. Even as we have seen a few spikes in global cases, we have not seen any of these spikes slow business travel's recovery. Following the spike in cases in January 2023 due to the XBB.1.5 coronavirus variant, cases have significantly tapered off and business travel continues to normalize. While we certainly can't rule out future Covid-related setbacks to the recovery, it appears we have finally turned the corner on the pandemic, with the trend in viral activity no longer the primary driver of our industry outlook.

The two biggest drivers of business travel growth over the last six months have been the rapid return of in-person meetings and events and the recovery of international business travel volumes. The latter has been driven by the re-opening of borders around the world. Since early 2020 through late 2022/early 2023, many key business travel markets had travel restrictions in place, complicating the ability for firms to send their employees abroad. As of this publication (August

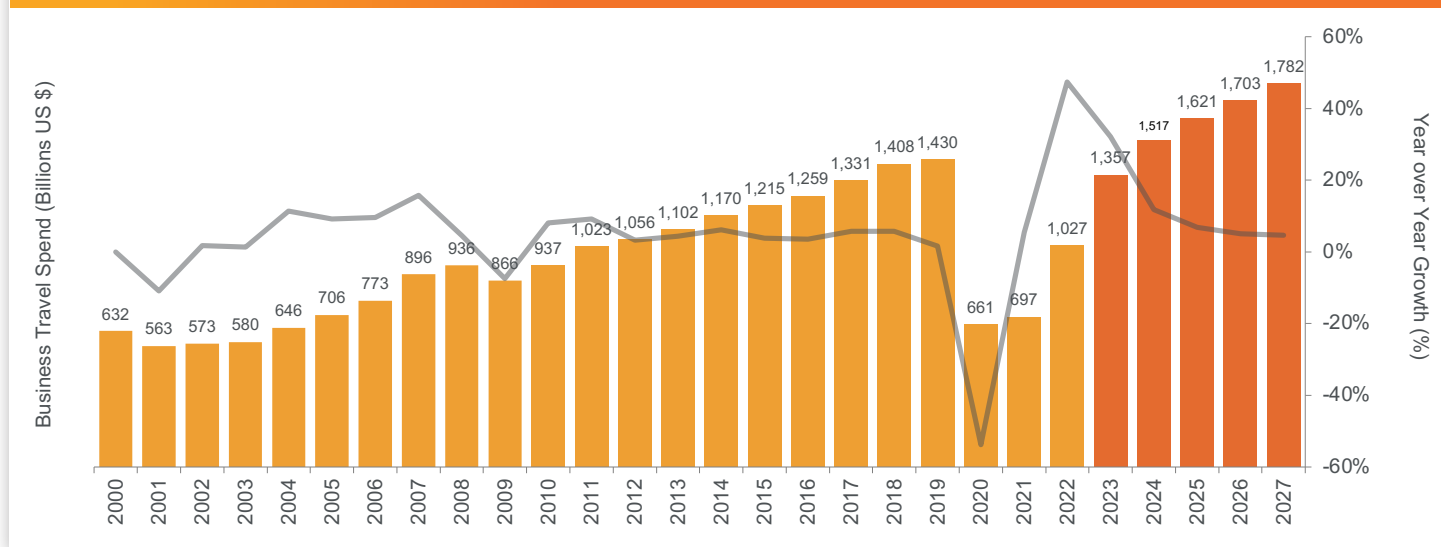
2023), 206 of the 213 covered countries (see next page) have completely opened their borders. The only major business market with any restrictions is China, which still has negative Covid test entry requirements in place.

Pricing is a story onto itself. Travel commodities have not been immune to the soaring inflation we have witnessed around the world in 2021 and 2022. In fact, the surge in demand from both leisure and business travel has pushed travel price increases beyond the rate of core inflation. Last year brought about a 29.8% rise in global lodging prices, a 72.2% rise in global airfares and a 9.8% rise in global ground.¹ While these price increases have been a headwind to the recovery, the tailwind from steady demand has been a much stronger force.

The chart on the following page highlights our revised forecast for global business travel spending over the next five years. As noted, the overall trajectory of the forecast has been significantly upgraded from last year's outlook. Our final tally for 2022 revealed global spending totaled over \$1 trillion in 2022, recovering to 72% of its 2019 high. We expect global business travel expenditures to recover an additional 32% this year, hitting \$1.36 trillion before eclipsing the pre-pandemic high of \$1.4 trillion by the end of 2024. This projected recovery is two years earlier than forecasted in our 2022 BTI™ Outlook. We expect that by the end of the forecast horizon (2027) global business travel expenditures will total nearly \$1.8 trillion. It is important to note these figures have not been adjusted for inflation and a full recovery in business travel spending does not imply a full recovery to pre-pandemic levels of business travel volume.

¹ GBTA Global Business Travel Price Forecast, August 2023, <https://hub.gbta.org/files/4044>

Global Business Travel Spending and Growth Trend (2001-2027, Billions US \$)



Source: GBTA Business Traveler Survey, Rockport Analytics

Regional Performance Remains Mixed

Emerging Europe and APAC Lag Significantly in 2022

The timing, trajectory and recovery pace in business travel continues to vary significantly from one region of the world to the next. Macroeconomic and geopolitical conditions, Covid policies and other market factors have led to some regions pacing towards a much faster recovery to pre-pandemic levels of business travel expenditures than others. While globally business travel expenditures grew by 47% last year, the pace of recovery varied greatly from one region to the next. Western Europe led the way in the recovery in 2022 with 109% growth over the previous year, driven largely by an unleashing of pent-up demand. Regional laggards included Asia Pacific and Emerging Europe.² And the latter continues to be hampered by the war in the Ukraine, with regional travel volumes only picking up by 26% over 2021 levels.

Asia Pacific had a few notable performers including Japan and South Korea, but China has been a big drag on regional growth. Zero Covid policies and a delayed reopening of the Chinese economy took a heavy toll on the recovery in regional business travel last year. While the recovery remains delayed, the reopening is fueling growth in 2023 and we expect that China will recover to the #1 business travel market in the world by the end of the year. This is critical for the overall recovery, as China has been the largest contributor to the growth of business travel market over the last two decades – accounting for 57% of the total growth in global business travel spending since 2000.

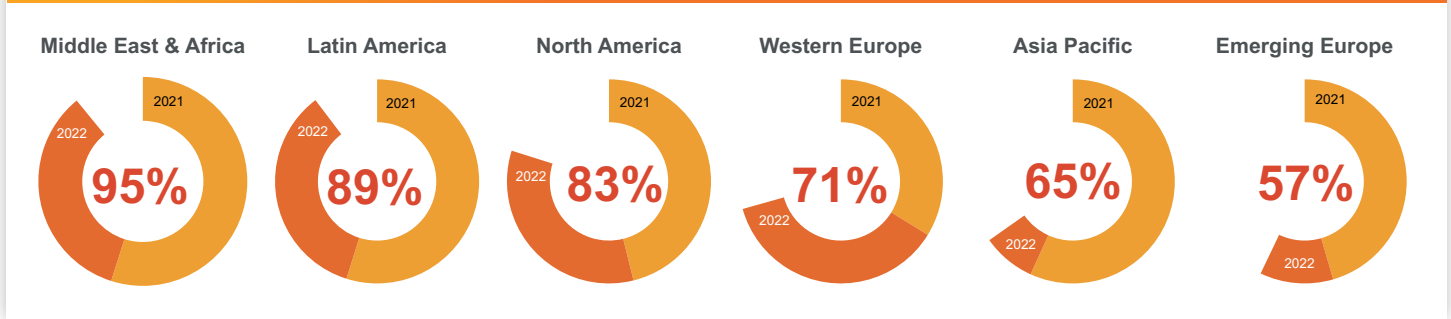
Market Leaders Change in Rank and Spend

Country	2022 Rank	Change from 2021 Rank	Total BTS (\$ Billions)	BTS Change from 2021
United States	1	+1 ↑	\$262.3	\$111.9
China	2	-1 ↓	\$259.1	-\$12.5
Germany	3	0	\$50.8	\$26.8
Japan	4	0	\$38.7	\$18.8
France	5	0	\$32.8	\$16.3
United Kingdom	6	0	\$30.4	\$15.3
India	7	0	\$25.9	\$11.2
Italy	8	+2 ↑	\$24.1	\$13.0
Brazil	9	0	\$23.4	\$10.2
South Korea	10	-2 ↓	\$22.7	\$9.0
Spain	11	+2 ↑	\$20.7	\$10.7
Netherlands	12	+4 ↑	\$19.0	\$10.4
Australia	13	-2 ↓	\$18.5	\$8.1
Canada	14	-2 ↓	\$17.9	\$7.5
Turkey	15	-1 ↓	\$12.7	\$3.3
Global Total			\$1,027.3	\$330.2

Source: GBTA Business Traveler Survey, Rockport Analytics

² Emerging Europe includes Ukraine, Turkey, Slovakia, Russia, Romania, Poland, Hungary, Czech Republic, and Bulgaria.

2022 Percent Recovery Toward 2019 Business Travel Spending Levels

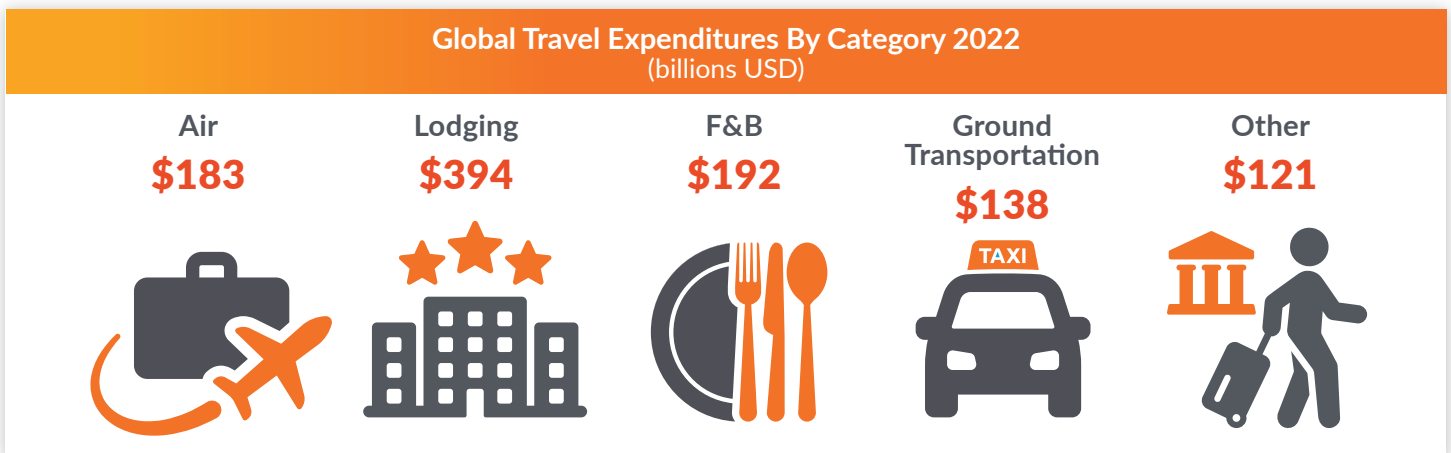


Source: GBTA Business Traveler Survey, Rockport Analytics

As illustrated above, the Middle East and Africa (MEA) accounts for only 2% of global spending and recovered to 95% of pre-pandemic business travel spending by the end of last year. Emerging Europe still has a long way to go in its recovery – totaling only 57% of 2019 spending levels by the end of last year. However, we expect every region to fully recover to pre-pandemic levels of business travel spending by 2024, except for Emerging Europe, which is not expected to recover until after 2027.

The Distribution of Categorical Business Travel Expenditures Shows Relative Consistency from One Region to the Next

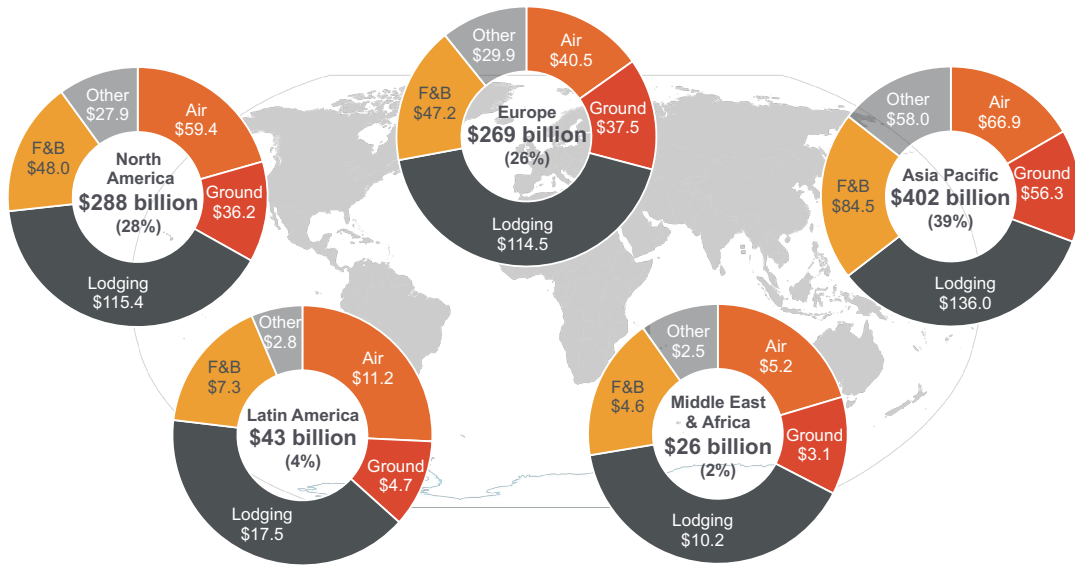
The infographic below highlights how the 2022 \$1.03 trillion in global business travel spending was allocated across various travel components. These estimates were made based on GBTA's recent business traveler survey (more details later in the report). The data includes a broad cross-section of all business travelers, whether or not their company has a managed travel program, and all trip types (day trips, overnights, long-haul, short-haul). Lodging accounted for the highest proportion of global spending at an estimated \$394 billion, followed by air spend with a total of \$183 billion. Food and beverage, ground transportation and other spending comprised the remainder of global business travel spend at \$192 billion, \$138 billion, and \$121 billion, respectively. The distribution of spend by category is consistent with measures from previous studies that have been conducted by GBTA. For example, the last published edition of the Quarterly GBTA BTITM Outlook for the United States (2016 Q4) indicated that lodging accounted for 22% of total business travel spending in the US and air comprised 18% of total spend.



Source: GBTA Business Traveler Survey, Rockport Analytics

The infographic below highlights the estimated expenditures across business travel regions. The reported spending is accounted for based on the origin of the trip. For example, expenditures from an international business trip to France that originated in the US, would be accounted for in North America. The distribution of spend is consistent from one region to the next with the largest expenditures on lodging, followed by air. In 2022, Asia Pacific held 39% of the global total at \$402 billion, followed by North America at \$288 billion (28%). Europe comprised 26% with \$269 billion in business travel spending. The smaller regions include Latin America (4%) at \$43 billion and the Middle East & Africa (2%) at \$26 billion.

2022 Regional Business Travel Spending By Category



Source: GBTA Business Traveler Survey, Rockport Analytics

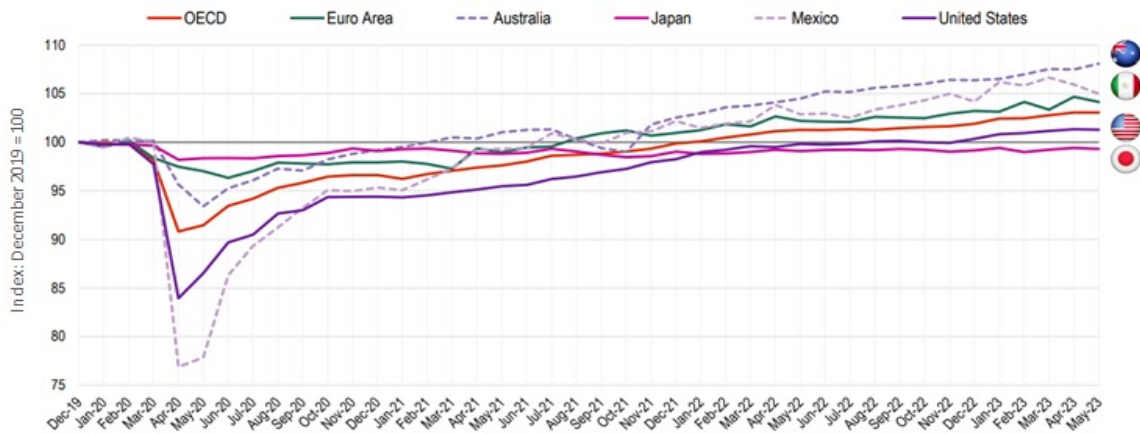
An Improving Macroeconomic Environment Has Supported the Recovery in Global Business Travel

Macroeconomic Factors Are Reasserting Their Influence on Business Travel Performance

The macroeconomic environment remains one of the most important drivers of business travel performance across the globe. Basic barometers of economic health such as GDP growth, employment, business revenue and profitability, trade activity, productivity and travel prices measure the conditions under which business travel can either flourish or flounder. Specifically, we have found strong and reliable statistical correlations between business travel activity and spending and measures such as corporate profits, employment levels, GDP, business confidence, oil prices, and exchange rates.

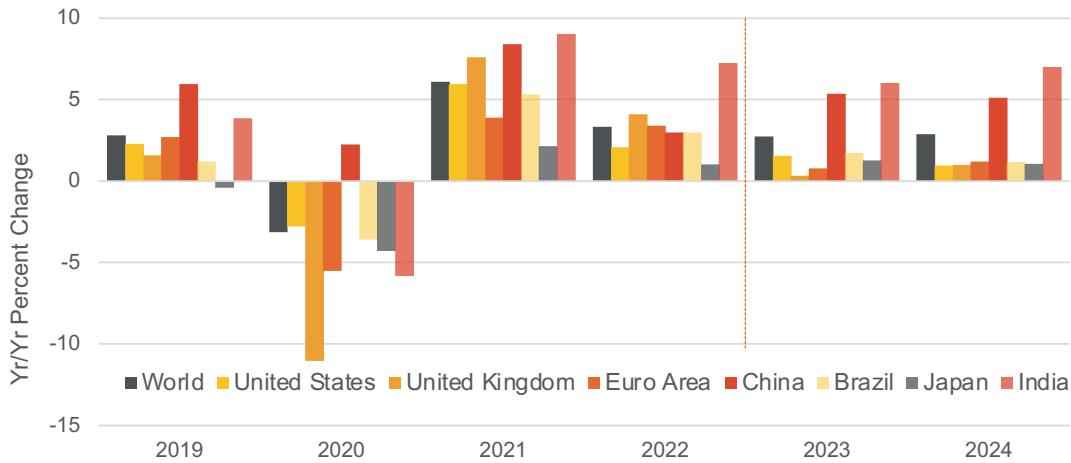
At this writing, global economic developments continue to improve from the external shocks of the pandemic and the war in Ukraine. China is rebounding after reopening its economy. Moreover, the degree to which the simultaneous tightening of monetary policy by most central banks to stem inflation has been internalized without recession (i.e., a “hard landing”), so far. This is a welcome surprise and has been accompanied by improving inflation outturns, particularly in energy and food. In sum, economic conditions for continued improvement in business travel activity appear to be bright, albeit not without risks.

Employment Recovery Remains a Positive for Business Travel



Source: OECD, Rockport Analytics

Real GDP Growth



However, risks remain in the forecast. Core inflation, a measure that subtracts the impact of energy and food prices, has proven to be persistent, a persistence that could require further and longer monetary tightening. The impact of higher interest rates around the world is also just beginning to be felt in real estate and financial markets. Signs of stress have started to appear in the banking sector as credit conditions have tightened. Recent regional bank failures in the U.S. and the takeover of Credit Suisse have raised fears that these vulnerabilities may spread to the broader financial sector. Finally, rising household and corporate debt-service burdens caused by higher rates could begin to choke off consumer and capital spending and further stress credit markets. Emerging market economies are particularly vulnerable to rising debt servicing costs, capital outflows, and reduced access to credit.

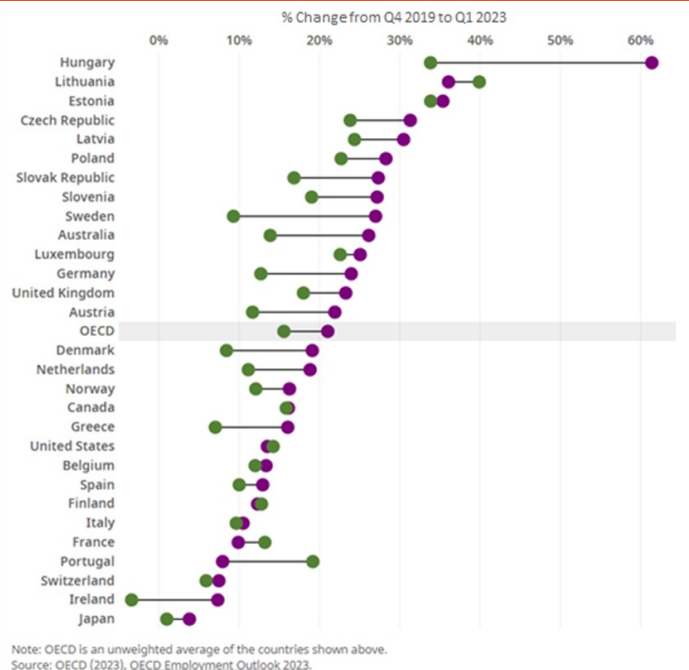
Key Economic Drivers of Business Travel

Most economic drivers of business travel suggest continued progress in the long recovery from the depths of the pandemic. The broader economy, as measured by Real GDP, which is an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year, continues to stabilize and build upon the rebound that began in 2021. World GDP grew by 6.1% and 3.3% in 2021 and 2022, respectively. Among major business travel markets, India and China led the advance, registering 9.4% and 8.1% in the initial recovery year. Unfortunately, China shut down once again in 2022 due to a surge in the Omicron variant and recorded only 3% growth. This situation is already improving with reopening. Meanwhile, India was able to sustain their positive momentum to expand 7.2% in 2022. The U.S. and Europe were likewise able to recover and stabilize during 2021–22. Moving into 2023, most markets have lost some of their unprecedented post-pandemic momentum. Still, most have managed to maintain positive rates of growth despite the challenges posed by central bank tightening and the continuation of the war in Ukraine.

In lockstep with rising GDP, job growth has also been a benefit to business travel's quest to recover from the pandemic. All else equal, more jobs mean more people working and traveling. The chart below indexing employment levels against the end of 2019 clearly shows the pace and duration of the recovery. At mid-year 2023, the velocity in job growth has decelerated but remains resilient.

Yet another important economic driver of business travel, corporate profit growth continues to signal better news ahead. Profit growth improved more than originally expected in most markets during 2022 and the first half of 2023. This is an artifact of strong demand and inflationary pricing power. Moreover, profit growth has outpaced wage growth in most markets (see chart), a condition helping to keep travel budgets

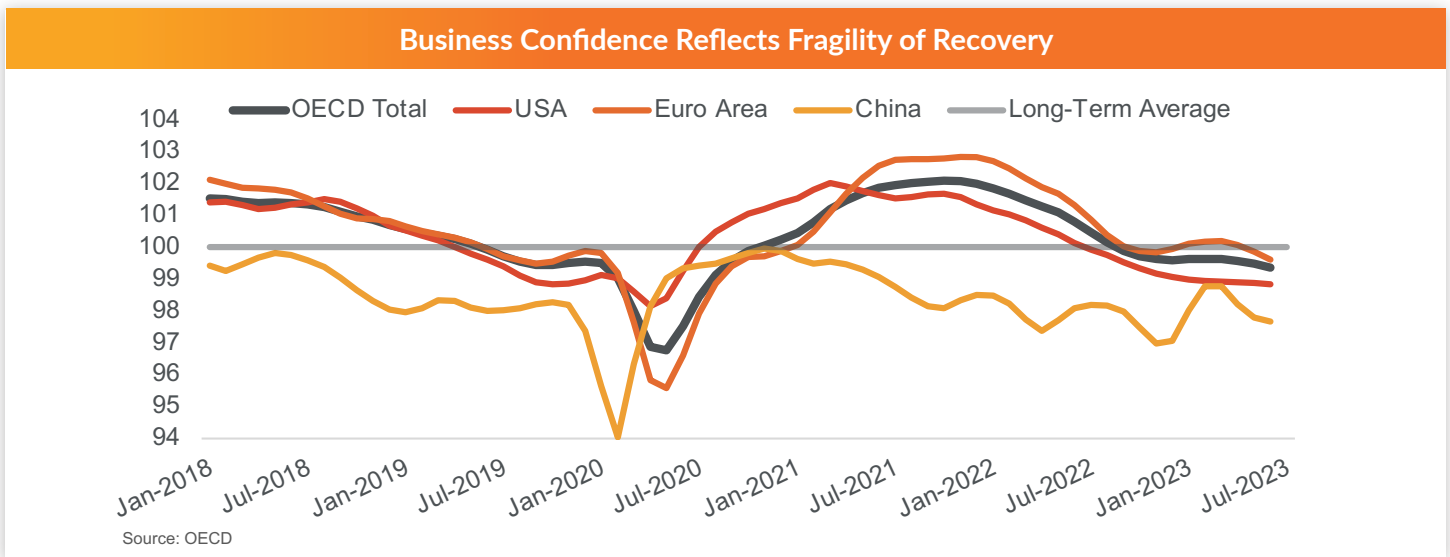
Profit Growth Outpacing Labor Cost Increases



robust. Profit growth is expected to slow from its recent torrid pace but, barring any external shocks, should continue to help push business travel past its 2019 peak sooner than we earlier anticipated.

Business travel has also proven to be highly correlated with various measures of economic sentiment, most notably business confidence. When confidence is high around both profits and revenue, travel is more loosely managed. The opposite is true when management becomes less certain about near-term prospects. Business travel quickly becomes a controllable cost.

At this writing and throughout the first half of 2023, business confidence has been moving sideways to slightly negative after strong economic output in the previous two years. Business confidence in virtually all major business travel markets is running below long-term averages (see chart below). This is reflective of the rising uncertainty associated with the global recovery, persistent inflation, and the fallout from elevated interest rates. Waning confidence is clearly a headwind for business travel.



Global Economic Outlook: Tepid Progress Marked by Volatility and Mostly Downside Risks

It is increasingly unlikely that economic growth will return to the pace of 2022. Five hundred days after Russia’s invasion of Ukraine, the war’s impact on energy, food, and financial markets remains palpable, and the outbreak of more contagious COVID-19 variants (such as the XBB.1.5 variant) have many economies still searching for their footing. The road ahead is marked with a continuation of these challenges and more.

Having said this, the soft landing hoped for by policy makers around the world is, thus far, holding. Central banks and fiscal authorities have deftly managed to blunt inflation without plunging the largest economies into recession. Consumers and businesses are still spending, and labor markets remain tenacious in most of the world. Inflation is far from tamed, however, and the effects of higher interest rates are propagating through real estate, credit and financial markets. Credit is becoming less available and more expensive, bank balance sheets are strained, and elevated public and private debt levels are weighing on the recovery. However, most economists believe that we are nearing the end of significant rate hikes. Following a brief holding period beginning in the second half of the year, rates will begin to fall, particularly if inflation improves and growth begins to falter.

That said, global GDP growth is projected to further moderate from 3.3% in 2022 to 2.7% in 2023, before edging up to 2.9% in 2024. The longer-term outlook for 2025-2028 calls for a continuation of tepid growth with real GDP growth expected to average only 3% during that period. Restrictive monetary policy will constrain demand growth for some time to come, with the full effects from policy tightening in 2022 only appearing later this year or in the early part of 2024. Consumer price inflation in the G20 economies is projected to decline from 7.8% in 2022 to 6.1% in 2023 and 4.7% in 2024, aided by lower energy and food prices, moderating demand, manageable wage gains, and fewer supply bottlenecks.

For advanced economies, GDP growth is expected to reach only 1.3% in 2023, after registering 2.7% last year. The effects of monetary tightening are clearly being felt on the real side of these economies. This slowdown in growth will bring with it higher unemployment, slower consumer spending, and more caution on the part of businesses. For emerging market economies, economic prospects are somewhat brighter. Growth in 2022 of 4.0% will be followed by a forecasted 3.9% and 4.2% in 2023 and 2024, respectively. Many emerging market central banks are poised to begin monetary easing at this writing. Longer-term prospects are also better than advanced economies, with GDP growth expected to average 4.0% from 2025-2028.

Economic Outlook	Average 2015-2019	2021	2022	2023	2024	Average 2015-2019
	% Change from Previous Year					
Real GDP						
World	3.4	6.1	3.3	2.7	2.9	3.0
Advanced Economies	3.5	5.4	2.7	1.3	1.4	1.8
United States	2.4	5.9	2.1	1.6	1.0	2.1
Euro Area	1.9	5.4	3.5	0.8	1.4	1.4
Japan	0.8	2.2	1.0	1.3	1.1	0.4
Emerging Markets	4.4	6.9	4.0	3.9	4.2	4.0
China	6.8	8.4	3.0	5.4	4.5	3.5
India	6.8	9.1	6.8	6.0	6.3	6.0
Brazil	-0.4	5.0	2.9	1.7	1.5	2.0
Employment Growth						
Advanced Economies	1.4	1.7	2.6	0.5	0.2	0.5
United States	1.5	3.2	3.7	0.7	-0.2	0.8
Euro Area	1.3	1.4	2.3	0.3	0.2	0.4
Japan	1.1	0.0	0.2	0.5	-0.1	0.3
Consumer Price Inflation						
Advanced Economies	1.2	3.1	5.4	3.9	2.5	1.8
United States	1.5	4.7	8.0	4.5	2.3	2.1
Euro Area	1.0	2.6	8.4	5.3	2.9	1.9
Emerging Markets	4.7	5.9	9.8	8.6	6.5	4.4
Japan	0.5	-0.2	2.5	2.7	2.2	1.5

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

Economic Risks are Many

The global outlook comes with considerable risk, almost all to the downside. More persistent inflation will result in even tighter financial conditions which, in turn, will slow growth further, perhaps even triggering a recession. Meanwhile, geopolitical conditions also pose a significant threat. Finally, both private and public debt pressure is mounting. Policy makers have their work cut out for them. We see a number of risks that should be closely monitored.

- 1. More Severe Tightening in Financial Conditions** – With inflation remaining elevated, central banks may need to keep interest rates higher for longer. Both banks and nonbank financial institutions would pay a price. Bank balance sheet fragilities could further constrain bank lending in the United States and other advanced economies. Household and business confidence would likely further deteriorate, leading to higher savings and lower investment. This contagion would soon spill over to the rest of the world via lower demand for imports and many falling commodity prices.
- 2. More Aggressive Monetary Policy Amid High Debt Levels** – Rising real interest rates amid historically high corporate and household debt is another source of downside risk. Rising debt servicing costs combined with weaker income growth can lead to lower-than-expected consumer and investment spending, higher unemployment, and bankruptcies.
- 3. More Persistent Inflation** – The decline in both core and headline inflation could stall before settling back at or near target levels, particularly in an environment of tight labor

markets and corresponding rising wage levels. Central banks would become even more aggressive leading to more negative effects on growth and financial stability.

- 4. Further Escalation in the War in Ukraine** – The invasion of Ukraine is now in its second year with no immediate prospects for a negotiated settlement. Further escalation could trigger yet another energy crisis, particularly in Europe, even as countries continue to find alternative sources. Moreover, in late July 2023, Russia backed out of the grain deal that allowed shipment of Ukrainian grain through the Black Sea. Aside from the potential food security impact on struggling lower income economies, this could quickly reverse some of the progress made on food price inflation over the past year.
- 5. A Retrenchment of Growth in China** – China is a major supplier of many advanced and developing economies, particularly in Asia. A weaker-than-expected China would starve commodity exporters and tourism-dependent economies. Moreover, weakness in the Chinese real estate market would both pose a further drag on growth and shake financial markets.

6. More Rapid Retrenchment of Global Economic Integration

— Trade barriers have been rising over the past decade, recently exacerbated by the pandemic and the war in Ukraine. Export bans, local content requirements, “onshoring”, and trade restrictions on semiconductors are all aimed at preventing the transfer of technology and protecting domestic supply. Further balkanization risks more efficient flows of goods, capital, and labor, a recipe for slower growth. It is also essential to global progress on climate and future pandemics. More restrictions translate into lower growth.

7. Impacts of Climate Change are Far Reaching

— There is tremendous uncertainty in the battle against climate change and the role it will have in reshaping our economy and the global business travel environment. The direction of policy and decision-making at the corporate and individual levels has huge implications on our outlook.

Longer Term Implications of the Covid-19 Pandemic: Reshaping the Global Business Travel Industry

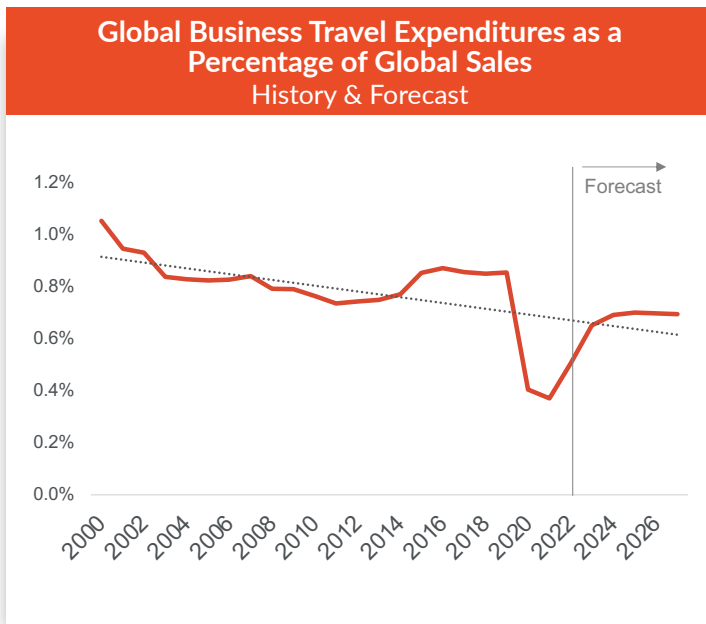
Business Travel Remains a Key Input to Company Performance

As highlighted in the two charts below, global sales are highly correlated with global business travel expenditures over time. There is a two-way causality in this relationship: As global sales grow, more business travel is needed to support those sales. Conversely, business travel investment supports the growth of sales among organizations sending their employees out on the road. In fact, every dollar invested in business travel returns around \$20 in sales revenue.³

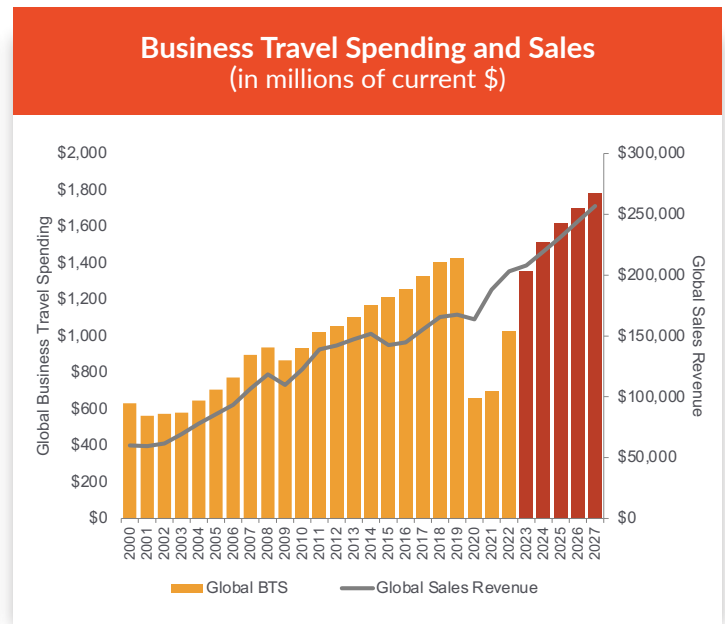
As illustrated in the chart at bottom left, the level of business travel needed to support each dollar of sales has declined over time. This trend highlights the ever-increasing productivity of business travel, as companies find ways to do more with less over time. For example, just over one cent of every dollar of global sales was invested in business travel in 2000. This amount declined to .08 cents of every dollar by 2019. Covid-induced travel disruption obviously upset this correlation over the last few years, with business travel investment falling to an all-time low of 0.04 cents for every dollar of global sales in 2021. It rose slightly to 0.05 cents in 2022. While we expect this correlation to recover over the next few years, it may not rebound back to pre-pandemic levels given a multitude of secular shifts that have occurred in the wake of the Covid-19 pandemic.

GBTA Research Highlights Sustainability's Center-Stage Role in the Reshaping of the Global Business Travel Industry

In an era where sustainability is increasingly recognized as a critical concern, the business travel industry finds itself at a crossroads. As organizations strive to align their operations with environmental goals and social responsibility, the impact of their decisions affects our longer-term forecast. The rising importance of sustainability, including recent laws enacted by the European Union, demand a reevaluation of traditional business travel practices for both travel managers and travel suppliers. In some organizations, travel managers must cut business travel budgets, or at least measure their Scope 3 emissions. Managers may have to balance travel restrictions against potential sales implications. Simultaneously, travel suppliers face their own challenges of mounting pressure to achieve ambitious sustainability-related targets within short timeframes.



Source: GBTA Business Traveler Survey, Rockport Analytics



Source: GBTA Business Traveler Survey, Rockport Analytics

³ GBTA, ROI Refresh: Travel as a Competitive Advantage, 2011

Among GBTA's member base,⁴ the commitment to prioritizing sustainability measures has increased from 89% last year to 92% this year, indicating the industry's recognition of the importance of sustainability improvements. Both travel managers (81%) and travel suppliers (86%) are actively integrating these measures into their respective travel programs and commercial objectives, underscoring the collective commitment to sustainability.

GBTA's research also highlights the key drivers behind climate action, with reputation management (84%) and a genuine desire to make a positive impact on the planet (82%) being the main motivating factors for buyers and suppliers. Tracking business travel emissions emerges as a primary measure adopted by companies, allowing them to monitor progress over time and make necessary adjustments.

Notably, the top corporate travel policy adjustments related to sustainability include mandating economy class travel for employees and encouraging a shift from air travel to rail when feasible.³

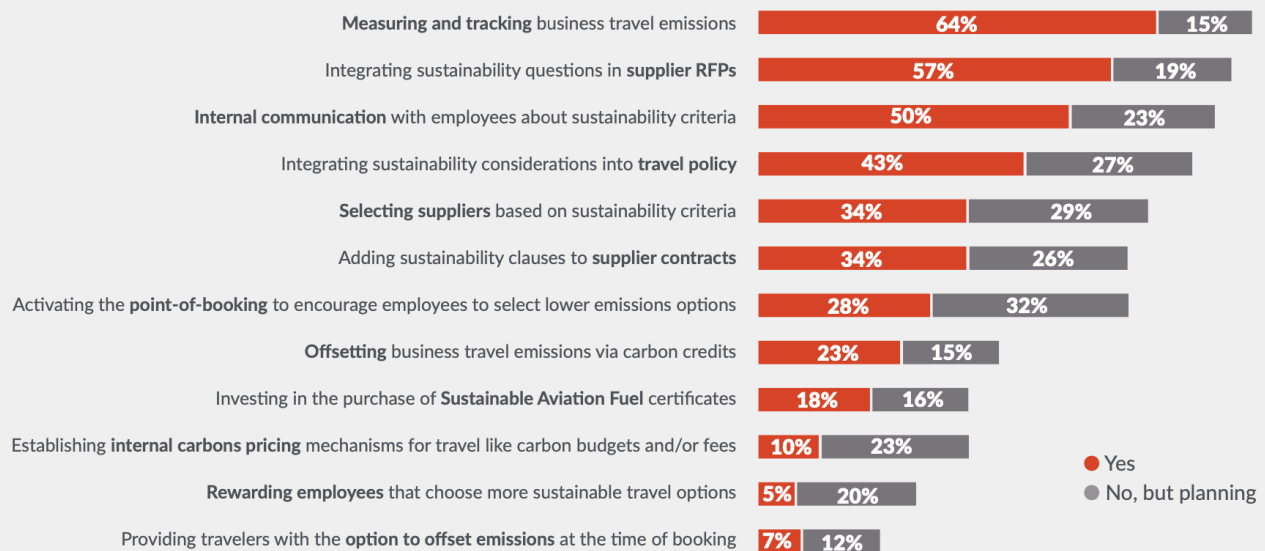
On the supplier side, airlines and hotels are actively pursuing sustainability initiatives. Airlines are implementing various measures to reduce their environmental impact from upgrading their fleets with energy-efficient plane designs to adopting sustainable aviation fuels (SAF) and transitioning to electric-powered ground services equipment. Airlines are also working on optimizing flight routes in collaboration with airspace management and partnering with others to develop hydrogen- or electric-powered aircraft.

Hotels demonstrate a strong commitment to sustainability, with over 50,000 establishments worldwide actively participating in the Sustainable Hospitality Alliance.⁵ This global alliance is dedicated to addressing key sustainability challenges in the industry. Recognizing that hotels rank among the most energy-intensive structures on a global scale, the adoption of renewable energy sources becomes paramount. By embracing renewable energy, hotels strive to minimize their carbon footprint and contribute significantly to a more sustainable future.

The sustainability issues facing the business travel industry have been pushed to the forefront over the last couple of years. The actions taken by industry stakeholders now will give us the best opportunity to ensure the health of global business travel and its component sectors for years to come. Lower travel volumes could ultimately be the cost of these initiatives in some cases, but these initiatives are also likely to force more productivity and a higher ROI from the time that travelers spend on the road. While this is not something that is yet measurable in reported data, it is clearly a trend that is reshaping our industry and one that we will continue to track as more and more data is created and collected.

Main measures implemented to manage business travel emissions (travel buyers only (n=341))

Q: Is your company currently doing any of the following to manage business travel more sustainably?



Source: GBTA Business Traveler Survey, Rockport Analytics

⁴ GBTA, *The State of Climate Action in Business Travel - Industry Barometer, 2023*

⁵ Retrieved July 19, 2023, <https://sustainablehospitalityalliance.org/>

⁶ American Express 2023-Global-Meetings-and-Events-Forecast-opt.pdf

⁷ Research by Hilton, Retrieved July 19, 2023, <https://www.washingtonpost.com/sf/brand-connect/hilton/the-science-of-being-there/>

Accelerating Technological Advancements and Their Implications for Business Travel

Another factor impacting the longer-term forecast for business travel is the rapid advancement in (and adoption of) meeting technology. As organizations aim for efficiency, cost reduction, and sustainability, integrating technology into travel management strategies is crucial. For example, American Express predicts the majority of meetings and events to be in-person in 2023.⁶ Additionally, more than eight in ten executives prefer in-person meetings to virtual contact, according to research by Hilton.⁷ Nevertheless, for most firms, it is no longer a question of in-person versus virtual, but how the two best work together to support a variety of business objectives.

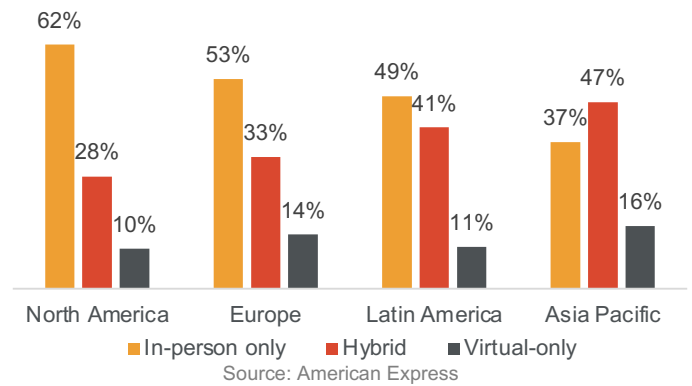
Advancements in emulating in-person meetings, such as augmented and virtual reality, allow individuals to collaborate on projects and seamlessly exchange virtual documents. Additionally, the integration of artificial intelligence (AI) into virtual meeting platforms empowers users to outline, summarize and even transcribe recorded meetings, resulting in significant time savings. Improved connectivity speeds and reduced latency advancements also now mitigate some of the connectivity challenges associated with virtual meetings. In this evolving landscape, businesses must navigate technological advancements, remote work policies, and the need for in-person connections to ensure that meetings remain effective, foster collaboration, and allow for the building of meaningful business relationships and overall corporate culture.

Remote & Hybrid Work is Here to Stay

The need to socially distance coupled with the rapid adoption in meeting technology led to the acceleration of hybrid and remote work during the pandemic. Many companies used this opportunity to reduce their office footprint and eliminate or lower rent expenses. A recent study published by Forbes⁸ measures the proportion of hybrid workers at 28%.

This is another seismic shift coming out of the pandemic that will impact the underlying landscape of business travel. In 2022, Robert Half, a global recruitment firm, reported that 50% of professionals who began a work-from-home job would resign if they were required to return to the office full-time.⁴ More recent 2023 research indicates an escalation on this measure to 57%.⁹ Additionally, 51% of remote workers⁵ expressed their desire for employers to allocate the cost savings resulting from remote work toward organizing workplace retreats, a version of “return-to-base” travel, to bond with their team and build cohesion among colleagues. Conversely, many companies and sectors are requiring their teams to return to the office on a more full-time basis. For example, JP Morgan Chase has recently abandoned their hybrid work policy; tech giants

2023 Prediction of Meeting & Event Formats



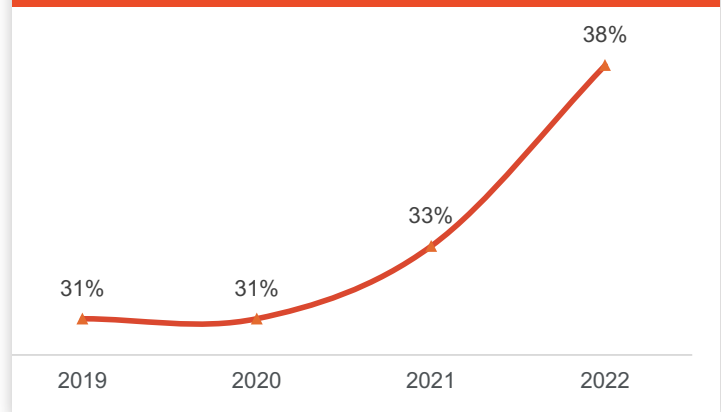
Amazon and Apple have also recently required employees to report back to the office at least three days per week.

On net, we expect relatively more hybrid and remote work arrangements than what existed prior to the pandemic. These agreements will, undoubtedly, increase demand for internal company meetings that facilitate the gathering of employees, either “back-to-base” or at another mutual location, to build cohesion among teams.

Blended Travel and its Role in Shaping the Business Travel Outlook

Blended travel (sometimes referred as “bleisure”) is another element impacting our outlook. As the lines between business travel and leisure travel lose their clarity, the measurement of business travel becomes more obscure. If all travel containing a business component should be considered a business trip, there remains the question of how much of that spending is allocated toward business travel.

Business Trips Containing a Weekend

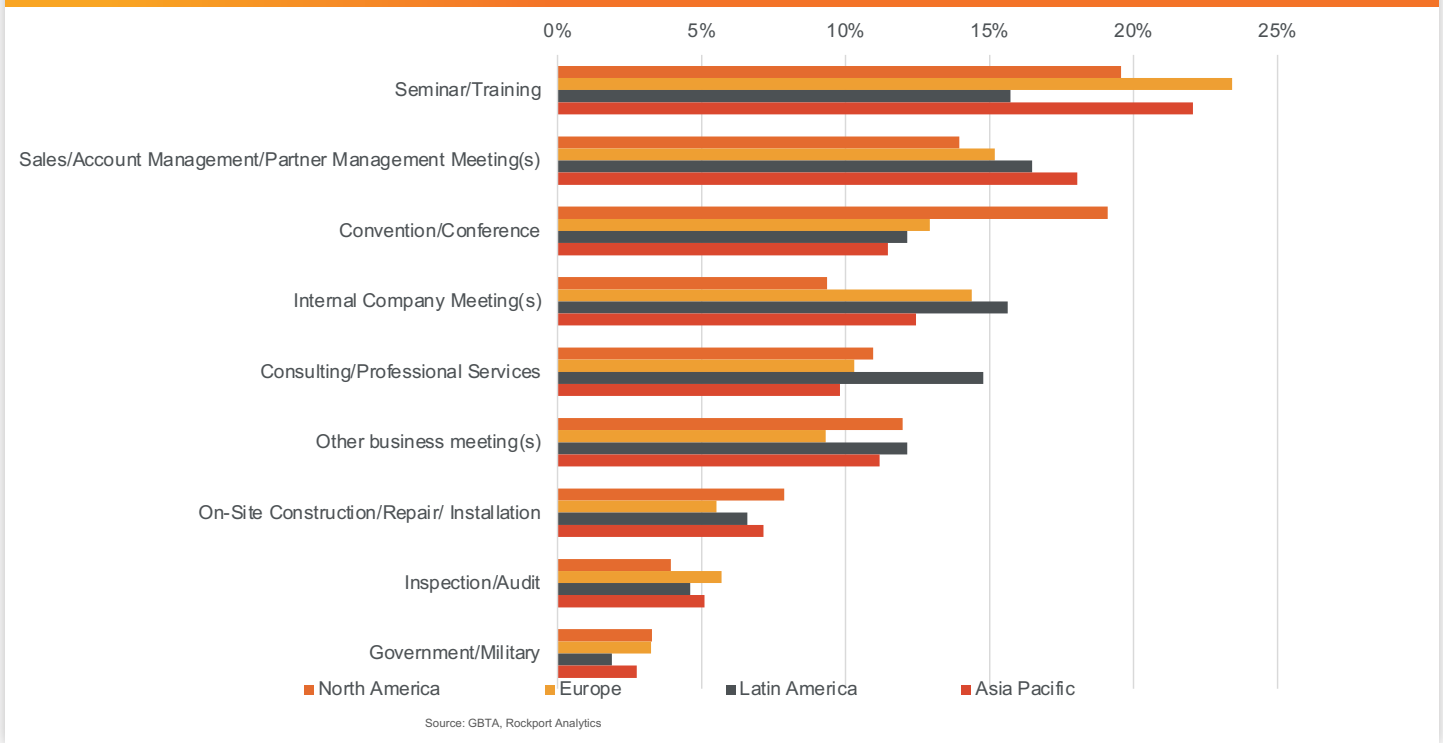


Source: GBTA Business Traveler Survey, Rockport Analytics

⁸ Kathy Haan, Kelly Main, Forbes.com, June 12, 2023, <https://www.forbes.com/advisor/business/remote-work-statistics/#:~:text=As%20of%202023%2C%2012.7%25%20of,to%20a%20hybrid%20work%20model>.

⁹ Robynne Trueman, thetravel.com, Jan. 3, 2023 <https://www.thetravel.com/travel-trends-for-2023/?ssp=1&darkschemeovr=1&setlang=en-US&safe-search=moderate#nostalgic-getaways-will-be-the-most-popular-holiday-type>

Primary Purpose of Last Business Trip

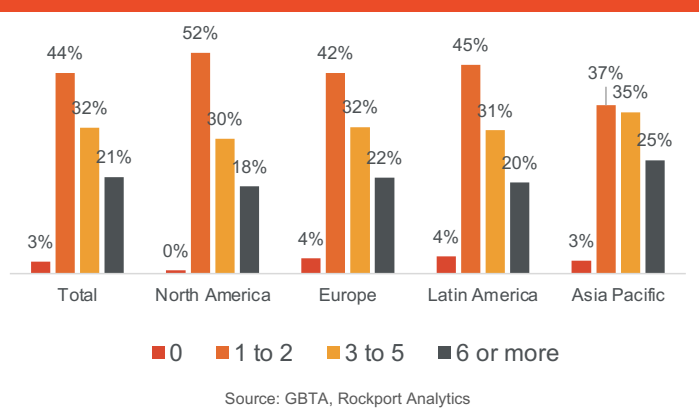


Before the pandemic, business travelers predominantly opted for air travel on weekdays, occasionally returning on the same day and often with minimal luggage. On the other hand, leisure travelers frequently incorporated weekends into their trips due to their non-working days. However, the boundaries between these two categories became less distinct during the pandemic as evidenced by a long-term shift in travel patterns, including strong growth of blended travel. These shifts are indicated by a more dispersed distribution of bookings and an increase in business trips that encompass weekend stays, as highlighted in the chart on previous page. While we expect the share of blended trips to fall from their pandemic highs in 2022, they are likely to remain elevated above 2019 levels as hybrid and remote work remain more predominant — and a mix of generations that is comfortable traveling with laptops and mobile devices figure out how to do their work from anywhere, including a vacation.

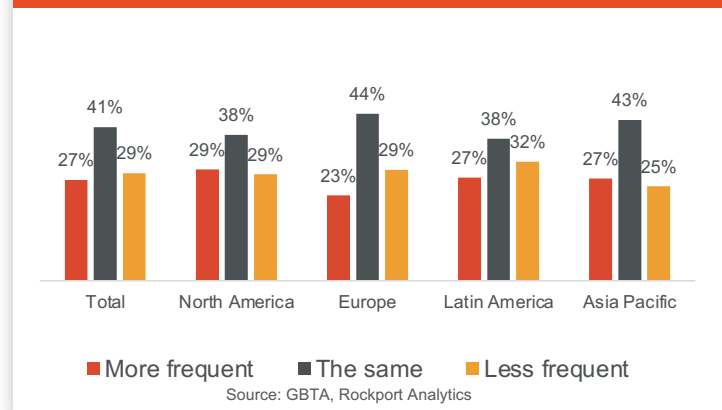
Business Traveler Insights: Purpose, Preferences, and Sustainable Shifts in a Post-Pandemic Era

To gain a deeper understanding of post-pandemic business travel behavior and its effects on business travel expenditures, GBTA conducted a comprehensive survey of global business travelers in June 2023. The survey included all business travelers, whether or not their company has a managed travel program. A total of 4,700 respondents from 22 different countries participated, with roughly equal representation across the four major business travel regions of North America, Europe, Latin America, and Asia Pacific. Overall, these survey findings shed light on the current state of post-pandemic business travel behavior, emphasizing the resilience of the industry and the evolving preferences and practices of business travelers worldwide.

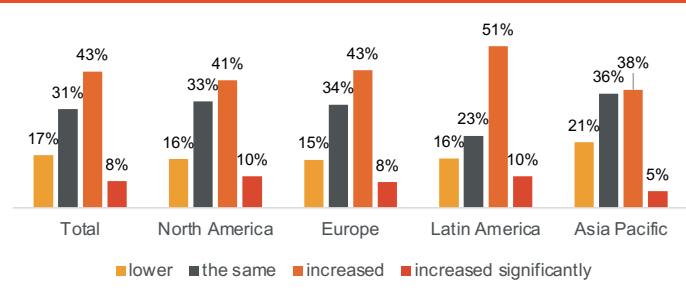
Number of Overnight Business Trips in the Past Year



Travel Frequency Compared to 2019

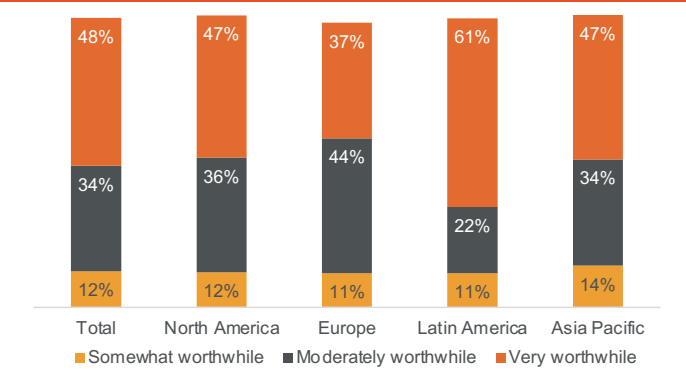


Credit Card Spend Since 2019



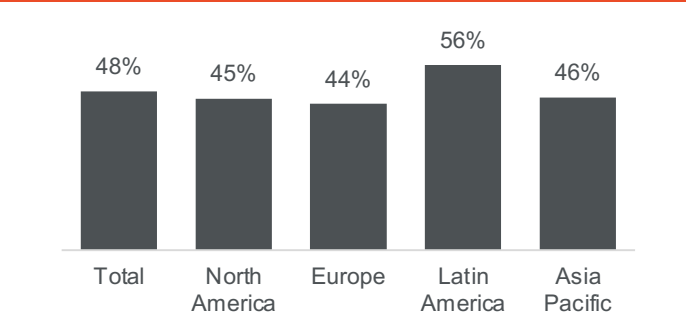
Source: GBTA Business Traveler Survey, Rockport Analytics

Value of Trip in Achieving of Business Objectives



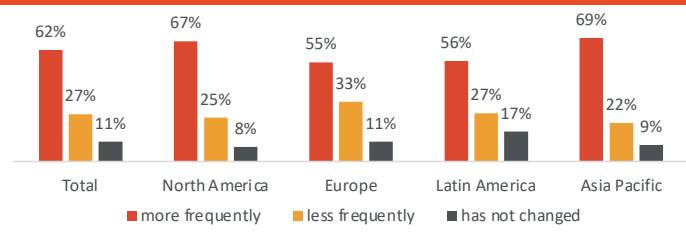
Source: GBTA Business Traveler Survey, Rockport Analytics

Worked away from home or office for > 2-week period



Source: GBTA Business Traveler Survey, Rockport Analytics

Frequency of Combining Business and Personal Travel Since 2019



Source: GBTA Business Traveler Survey, Rockport Analytics

Considering the remarkable 47% surge in global business travel expenditures in 2022, a pertinent question arises regarding the factors driving these trips. Overall, 20% of trips were taken for seminars or training, and this purpose is consistently ranked at the top across all four regions. As previously observed, sales and account management are important reasons for business trips. Research reveals that face-to-face requests are 34 times more effective than emailed requests⁵, indicating the increased likelihood of advancing and closing deals when meeting in-person.

When asked about current business travel behavior, a significant majority of business travelers (96%) responded that they'd stayed overnight on their last business trip. Among the overnight stays, the prevailing lengths were 2 nights (28%) and 3 nights (22%). The global average was 3.5 nights. Among those who took overnight trips, 44% took 1-2 trips in the past year and another 32% took 3-5 trips. Regional differences are evident. North Americans average fewer overnight trips compared to Asia Pacific travelers.

Globally, 41% of travelers are traveling at the same frequency as in 2019, with 27% traveling more frequently. Regionally, North Americans tend to travel more frequently (29%), which when combined with the data above, indicates North Americans travel more often, but stay for shorter durations. Business travelers in companies employing 250 or more individuals are traveling more compared to those in smaller companies. The finance and insurance sector, for example, stands out as the only industry reporting a higher percentage of individuals traveling 'more frequently' than 'about the same.'

Corporate credit card spending outpaced the increase in business travel frequency, with the majority (52%) of global travelers reporting increased credit card spending between 2019 and 2023 (compared with 27% report that they're traveling more frequently than in 2019). This trend can likely be attributed to the effect of inflation increasing travel prices. Regionally, Latin Americans stand out with 61% charging more on their corporate cards. This fact correlates with the recovery monitors presented earlier where we see that LATAM has recovered 89% of their pre-pandemic levels of business travel spending, the second highest recovery percentage among regions. Conversely, Asia Pacific travelers were most likely to report decreased credit card spend (21%), not surprising considering their comparatively delayed return to regular business travel activities.

Achieving objectives during a business trip is vital for ensuring a favorable return on investment. Ninety-four percent of global business travelers affirmed that their most recent trip yielded tangible worth, with 82% specifically indicating it as "moderately or very worthwhile." It is worth noting the variations across regions, as Latin Americans emerged as the group most likely to rate their trip as highly valuable (61%), while two in five Europeans described their experiences as moderately worthwhile (44%).

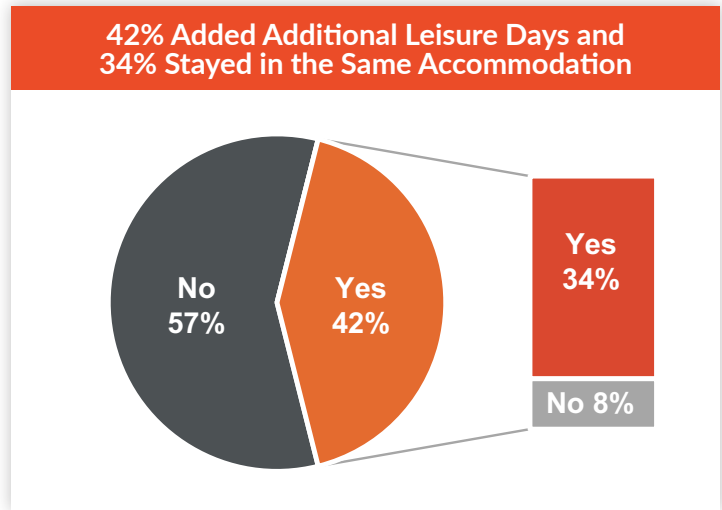
¹⁰ GBTA, Business Travel Recovery Poll, October 2022

The traditional norm of most employees working together in a centralized office changed drastically during and since the pandemic. In this post-pandemic era, companies continue to embrace new work options, including hybrid arrangements (splitting time between the office and remote work, or fully remote work setups). According to this recent GBTA survey of business travelers, within the last 18 months, 48% of respondents worked away from their regular office or away from home (coined “digital nomads”) for a duration exceeding two weeks.

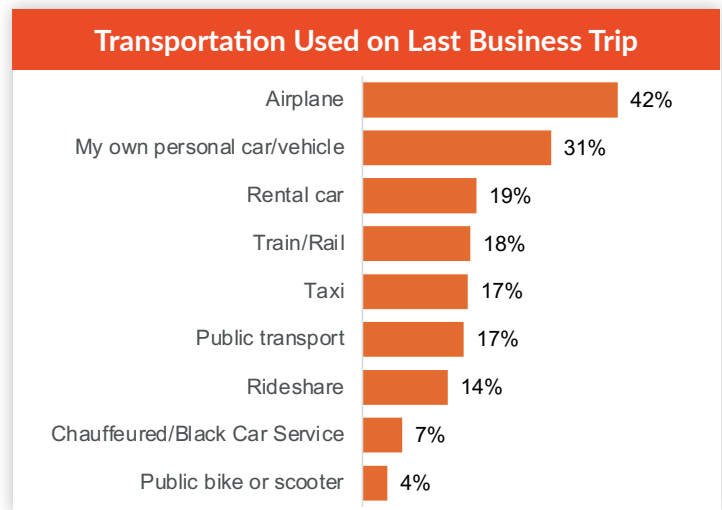
As mentioned earlier, blended travel has increased since the pandemic. This pattern has been witnessed by travel managers, 41% of whom note the rise in employees requesting blended travel options.¹⁰ In the recent GBTA business traveler survey, 62% of respondents reported an increased frequency since 2019 of combining business travel with personal or vacation activities. This trend is particularly pronounced among Asia Pacific (69%) and North American (69%) business travelers indicating a higher inclination toward blended travel experiences.

The same survey finds that 42% of business travelers added additional leisure days to their business trip. To gain a deeper understanding of travelers’ accommodation preferences during the leisure portion of their trip, GBTA posed a follow-up question, and the findings indicate that among these 42%, more than three-quarters chose to stay in the same accommodations for the leisure portion of their trip, totaling 34% of all travelers.

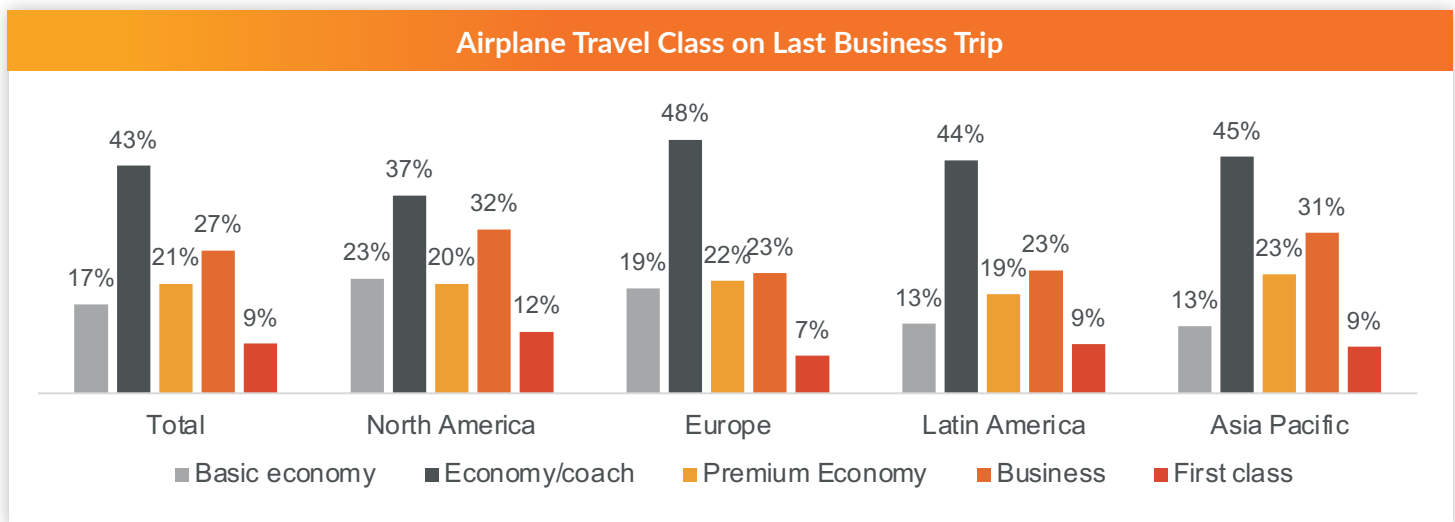
Sustainability remains a key consideration in business travel, and business transportation choices play a crucial role in reducing carbon emissions. (Survey respondents were asked to list all their transportation modes on their most recent business trip). As the airline industry strives to become more sustainable, in many regions there are few or no viable alternatives for business travelers needing to travel long distances. Air travel’s indispensability is evident in the fact that 42% of business travelers flew on their most recent trip.



Source: GBTA Business Traveler Survey, Rockport Analytics

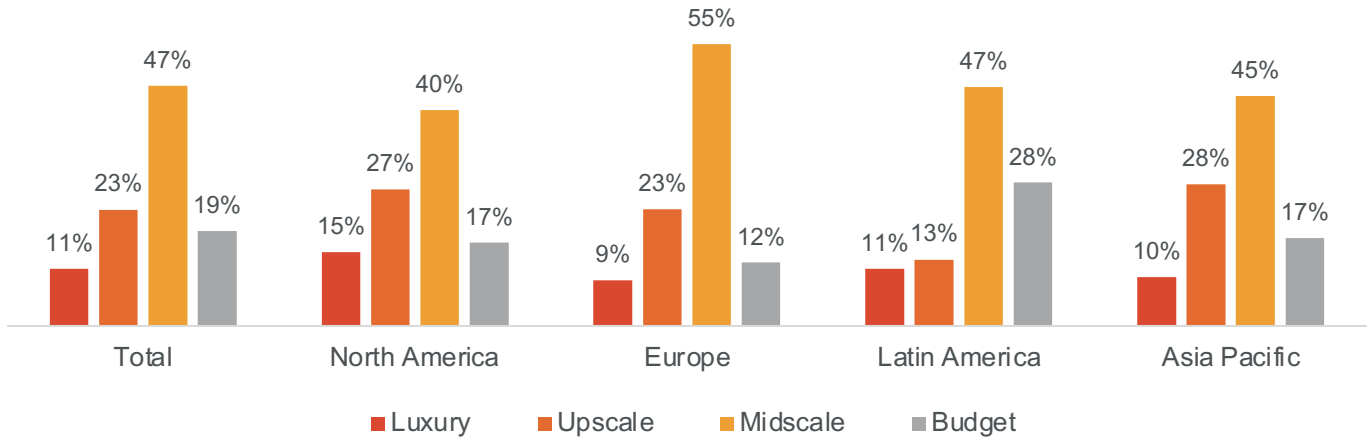


Source: GBTA Business Traveler Survey, Rockport Analytics



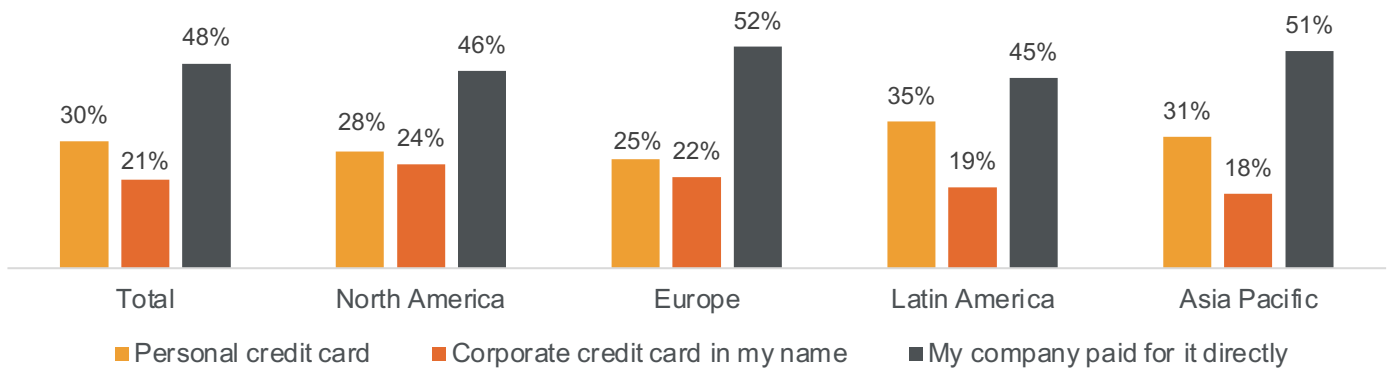
Source: GBTA Business Traveler Survey, Rockport Analytics

Hotel Type on Last Business Trip



Source: GBTA Business Traveler Survey, Rockport Analytics

Method of Payment for Air Travel



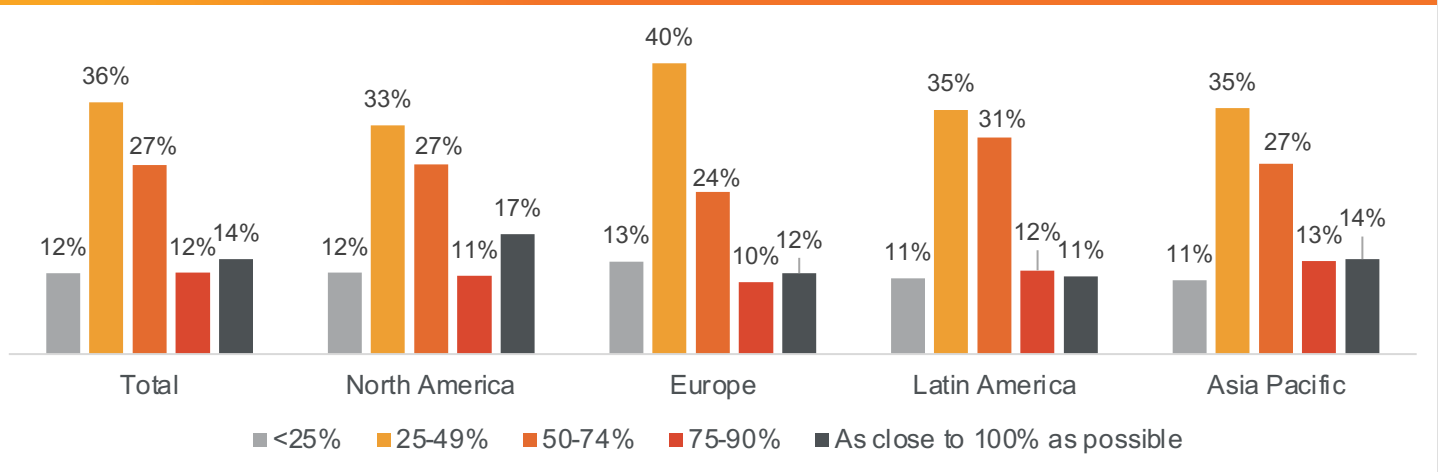
Source: GBTA Business Traveler Survey, Rockport Analytics

Sustainability shifts and inflationary pressures also impact flight and hotel choices. Previously, it was commonly assumed that first and business class air bookings were associated with corporate travelers opting to fly in the front of the plane. The recent GBTA business traveler survey reveals two in five of business travelers (43%) now opt for economy/coach class on their flights. However, business class remains the second most preferred booking type, accounting for 27% of overall preferences. Travel suppliers are adjusting their offerings as well; for example, American Airlines will phase out first class seats in 2024 on international flights due to the shift in travelers' preferences (and their companies' travel policies).

We see a similar trend in hotel accommodations, where a majority of business travelers (65%) are choosing midscale or budget hotels, as opposed to upscale or luxury options. This trend holds true across all regions, albeit with varying percentages.

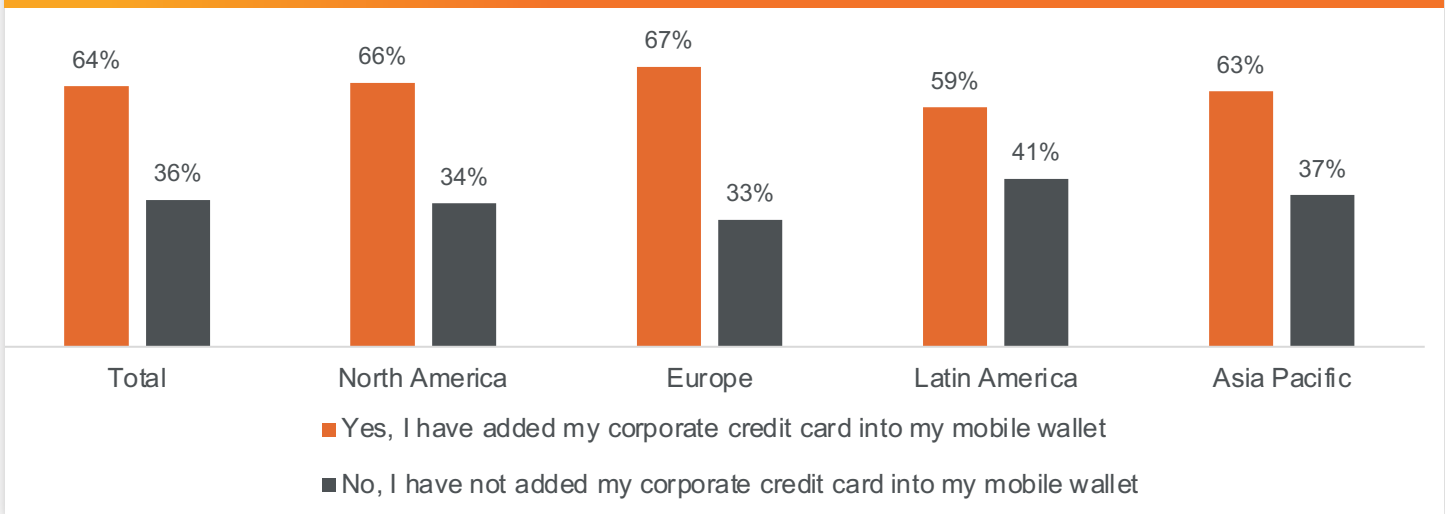
The 2023 GBTA business traveler survey also addressed the topic of payments and corporate credit card spending. The results shed light on the differences in corporate credit card and mobile wallet usage across regions.

Percentage of Travel Charged to Corporate Cards



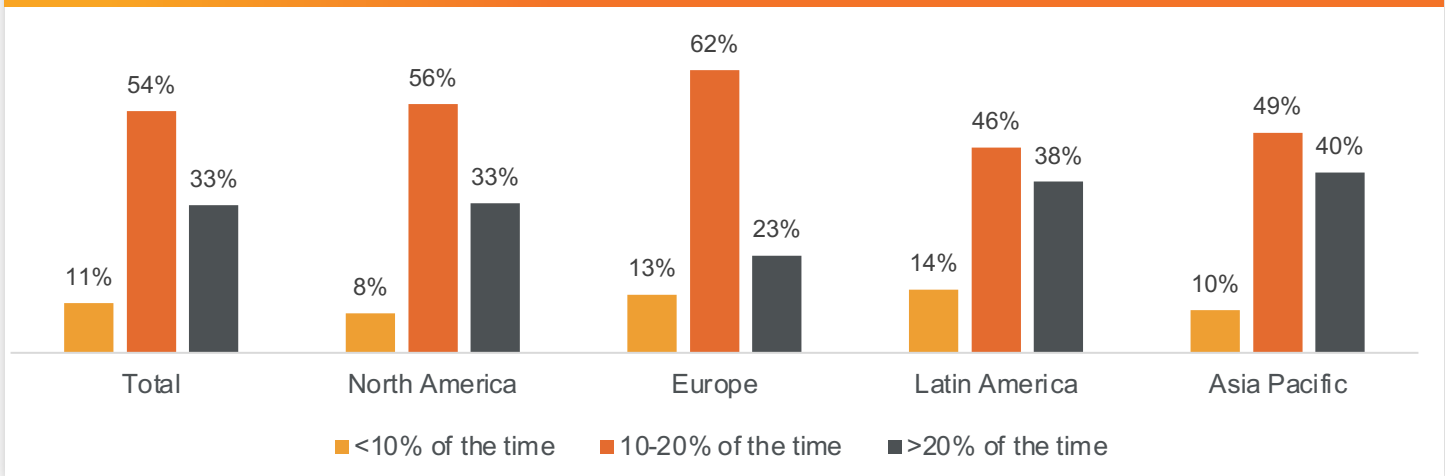
Source: GBTA Business Traveler Survey, Rockport Analytics

Added Corporate Card to Mobile Wallet



Source: GBTA Business Traveler Survey, Rockport Analytics

Percentage of Purchases Using Mobile Wallet for Business Transactions



Source: GBTA Business Traveler Survey, Rockport Analytics

Air travel was paid for directly by the company in 48% of cases. Globally, 21% used a corporate card in their name, and 30% of business travelers used their personal credit card to book their air travel.

The majority (66%) of business travelers have a corporate card, but one-in-five (19%) state their company does not have a corporate credit card program in place.

Among business travelers who have a corporate card, 36% charged between one-quarter to one-half of their business expenses on the corporate card, and another 27% charged between one-half and three-quarters of expenses on their card.

In addition, two-thirds (64%) of travelers have added their corporate credit card to a mobile wallet (e.g., Apple Pay, Google, Pay, or Samsung Pay).

For those who use a mobile wallet for business transactions, 54% use it for 10-20% of their purchases, while another 33% use it more than 20% of the time.

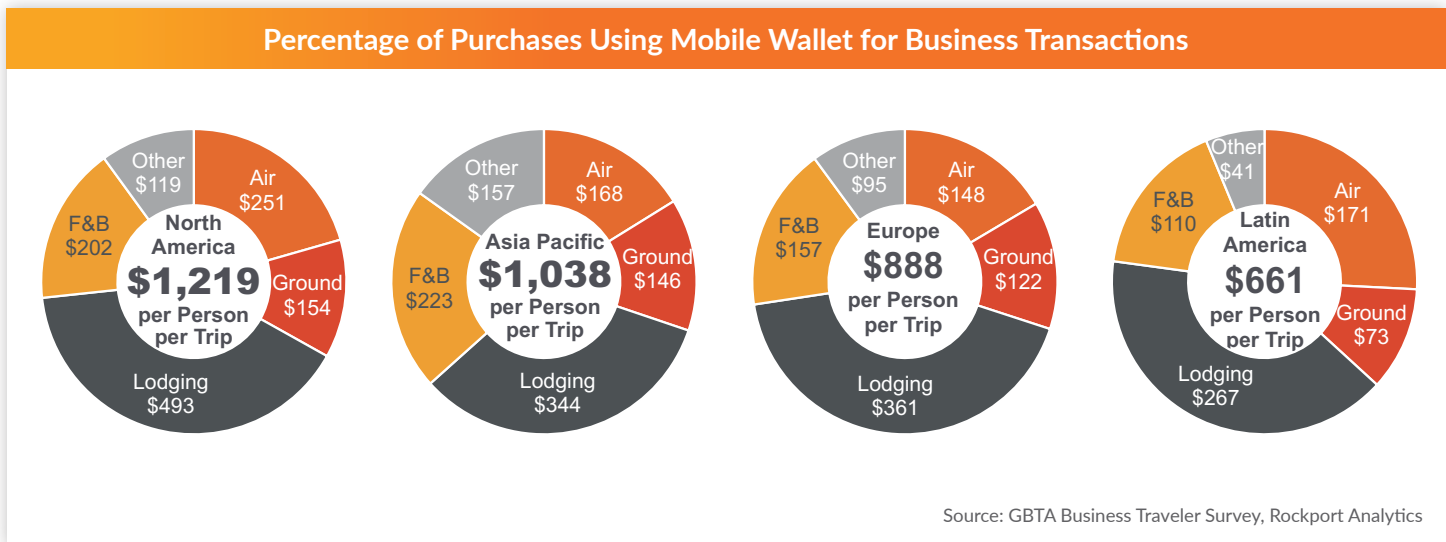
Globally, average business travel spending amounted to \$1,018 per person per trip. Lodging accounted for \$391 of each trip on average and food and beverage reached \$190 per person per trip. Air averaged \$181 while ground transportation (\$137)

and miscellaneous expenses (\$120) rounded out the total. The distribution of spend by category is consistent with measures from previous studies that have been conducted by GBTA.

For example, the last published edition of the Quarterly GBTA BTITM Outlook for the United States (2016 Q4) indicated that lodging accounted for 22% of total business travel spending in the US and air comprised 18% of total spend. When accounting for all business trips (in companies with or without managed travel programs) and all trip types (day trips, long-haul, short-haul), on average, lodging accounts for a highest proportion of business travel spend. Air would be higher, except not all business trips include air travel (only 42% of global business travelers' most recent trip included a flight) which drives down the global average.

North America posted the highest average trip spend among our four main regions (\$1,219). Asia Pacific's average trip spend averaged \$1,038.

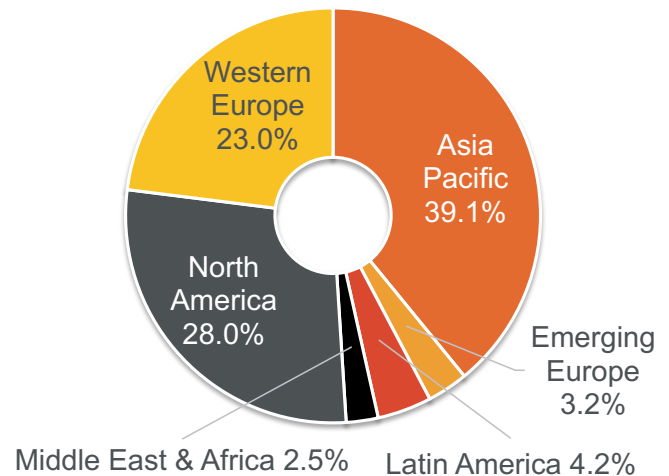
Within this region, Singapore had a significantly higher average of \$2,884. Europe's regional average was \$888 per person per trip. The Netherlands posted the highest average in Europe at \$983. Trip spend in Latin America averaged \$661, with Brazil, the largest economy in the region, averaging \$706.



Region-By-Region Performance

Departing from the GBTA survey data and returning to our econometric data analysis, spending on global business travel activity totaled \$1.03 trillion in 2022. Expenditures in Asia Pacific, North America, and Western Europe totaled \$926 billion, while the remaining \$102 billion spent in Latin America, Emerging Europe, the Middle East and Africa. Several regional allocations experienced significant shifts compared to the previous year, primarily attributable to China's restrictive travel policies. Asia Pacific's share dropped from 50.1% in 2021 to 39.1% in 2022, whereas North America and Western Europe observed corresponding increases, from 23.8% to 28.0% and from 16.2% to 23.0%, respectively. Emerging Europe witnessed a decrease in its share, dropping from 3.7% to 3.2%, largely due to the impact of the conflict between Russia and Ukraine.

Business Travel Spending Percent by Region in 2022
Domestic Plus Outbound International



Source: GBTA Business Traveler Survey, Rockport Analytics



North America

Business travelers in North America spent \$288 billion in 2022, a 73% surge over 2021 levels. U.S. business travelers accounted for 91% of the regional spending total. Canada and Mexico made up the remaining 9% of spending, totaling a combined \$25 billion. North America remains the second largest business travel region in the world with nearly 28% of 2022 global spend. This represents a significant rise from last year as the number one region in the world – Asia Pacific – failed to keep pace. We expect North American business travel spending to climb 25% this year, recovering to \$360 billion and eclipsing pre-pandemic spending levels. Rising interest rates and waning manufacturing sectors are offset by record levels of employment and strong consumer spending, which should continue to bolster the recovery.



Western Europe

Western Europe's business travel market had the strongest recovery in the world last year, surging 109% to \$236 billion. The gains reflect a rebound from 2021 when business travel in the regions suffered its second consecutive year of declines, bottoming at \$113 billion in spending. Six countries – Germany, France, Italy, Netherlands, Spain, and the UK – made up three-quarters of business travel expenditures in the region last year. Western Europe remains the third largest business travel region in the world with 23% of global spend in 2022. We expect Western European business travel spending to climb another 33% this year, recovering to \$314 billion, or 94% of pre-pandemic spending levels. Overall, the Western European economy has performed better than we expected in last year's forecast and despite soaring inflation, the war in Ukraine, an influx of refugees, and the energy crisis exacerbated by Russia's control of much of the region's natural gas supply, the region has mostly been able to stave off recession, except in Germany, which entered a technical recession in early 2023.



Asia Pacific

The Asia Pacific region continued to account for the largest share of global business travel spend in 2022, totaling \$402 billion or 39% of global total. This is down significantly from the region's 50% share of global spending 2021, however. While business travel spending in the rest of the world grew at a rate of 80% in 2022, APAC's spending increased only 15% from 2021 levels. The underperformance was fueled by the economic shutdown in China and the subsequent decline of 4.6% in Chinese business travel spending last year. We expect a significant rebound in the region this year with business travel spending gaining 41% to \$567 billion. China's reopening will be a big catalyst for the growth fueled by robust demand for domestic consumption rather than demand for investment goods. We have also witnessed a solid rebound in other major economies in the region — Japan, South Korea, and Australia — in 2023. Likewise, the return of international business travel has fueled markets like Singapore, Hong Kong and Malaysia. We expect the Asia Pacific region to reach 92% of its 2019 business travel spending (which was \$616 billion).



Latin America

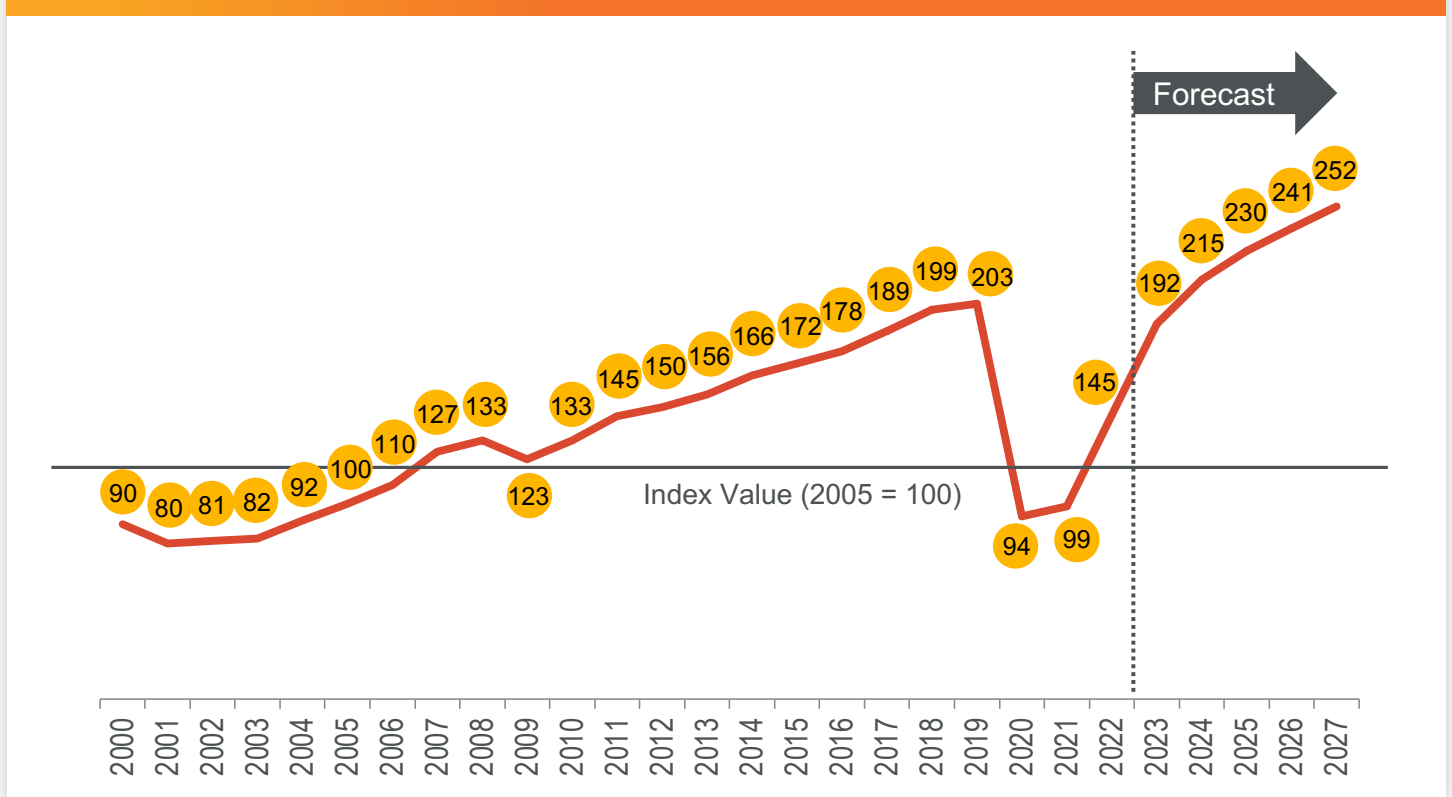
Business travel spending in Latin America witnessed its second consecutive year of robust growth in 2022, picking up 63% after a 7.5% gain in 2021. As of the end of last year, Latin America had recovered 89% of pre-pandemic spending levels. We expect the recovery to expand to 99.5% of pre-pandemic levels by the end of 2023. While these gains have been partially fueled by soaring levels of inflation, there has also been a strong recovery in business travel volume in key markets like Brazil and Argentina. We expect business travel spending growth to slow significantly over the next couple years as economic headwinds begin to overtake the tailwinds created by the Covid-19 recovery. These headwinds include structural challenges along with the continued cyclical challenges of tighter global financial conditions, weaker external demand, and persistent inflation. Business travel spending in the region is projected to moderate to 6.4% on a compound annual growth basis between 2023 and 2027.



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™ is indexed on a base year of 2005 and is derived from total business travel spending. Each year of business travel spending is divided by global spending in 2005 and multiplied by 100 to establish that year's index value. In 2019, the global BTI was 203, meaning that business travel spending was slightly more than double global spending in 2005.

GBTA Global BTI™ Trend & Forecast: 2000 – 2027



Source: GBTA Business Traveler Survey, Rockport Analytics

The table below shows the BTI performance for the leading business travel markets, including country level forecasts through 2027. Excluding China, the highest post-pandemic growth rate achieved by each country occurred in 2022. We anticipate China will attain its most substantial post-pandemic growth rate in 2023.

	Rank 2022	2019	2020	2021	2022	2023	2024	2025	2026	2027
China	1	689	404	490	467	651	733	803	861	906
% Growth		0.9%	-41.4%	21.3%	-4.6%	39.2%	12.6%	9.6%	7.2%	5.2%
United States	2	134	52	64	112	141	154	159	164	170
% Growth		2.7%	-61.1%	23.4%	74.4%	25.5%	9.2%	3.4%	3.2%	3.4%
Germany	3	200	77	61	130	178	202	222	230	238
% Growth		1.1%	-61.6%	-20.2%	111.5%	37.6%	13.3%	9.9%	3.4%	3.5%
Japan	4	114	49	35	68	115	133	142	150	160
% Growth		-0.4%	-57.2%	-28.8%	95.0%	69.2%	16.0%	7.0%	5.6%	6.7%
United Kingdom	5	145	58	42	83	119	142	156	164	173
% Growth		2.1%	-60.0%	-28.4%	100.8%	42.9%	19.0%	10.2%	4.7%	5.4%
France	6	159	69	60	120	153	166	174	180	185
% Growth		2.0%	-56.6%	-12.7%	99.4%	27.8%	8.0%	5.3%	3.1%	3.1%
Italy	7	124	47	39	84	120	133	138	142	146
% Growth		-1.3%	-62.3%	-17.2%	116.6%	42.7%	10.9%	3.5%	3.2%	3.0%
South Korea	8	177	70	64	107	154	194	211	219	227
% Growth		-1.3%	-60.5%	-7.4%	65.6%	44.2%	26.2%	8.8%	3.6%	3.7%
India	9	452	188	161	283	353	418	456	496	542
% Growth		4.8%	-58.5%	-14.4%	76.2%	24.7%	18.3%	9.2%	8.8%	9.1%
Brazil	10	249	111	110	194	233	257	267	281	297
% Growth		2.1%	-55.5%	-1.2%	77.0%	20.2%	10.3%	4.1%	5.2%	5.7%
Spain	11	165	71	69	142	170	172	177	186	193
% Growth		0.9%	-57.3%	-2.7%	106.8%	19.5%	1.4%	2.9%	4.9%	4.0%
Australia	12	184	72	80	143	181	211	215	218	226
% Growth		1.1%	-60.8%	11.2%	78.0%	26.9%	16.4%	2.1%	1.4%	3.6%
Netherlands	13	153	73	61	133	164	168	172	179	186
% Growth		3.0%	-52.4%	-16.6%	120.0%	23.0%	2.5%	2.2%	4.4%	3.5%
Canada	14	164	75	66	114	145	165	190	198	204
% Growth		0.3%	-54.5%	-11.4%	72.8%	27.3%	13.5%	15.4%	4.1%	3.2%
Indonesia	15	374	165	120	245	336	379	410	443	484
% Growth		4.5%	-55.7%	-27.2%	103.5%	37.2%	12.8%	8.2%	8.0%	9.3%
GBTA Global BTI™		203	94	99	145	192	215	230	241	252
% Growth		1.6%	-53.8%	5.5%	47.4%	32.1%	11.8%	6.9%	5.1%	4.6%
Global Sales Index		195	191	219	237	243	256	270	285	300

Global Business Travel Spending by Industry Sector

Estimating global business travel spending by industry remains a key element of GBTA's business travel outlook. This industry performance analysis serves to categorize industries based on their business travel potential. For travel managers, it facilitates a comparison of their industry's recovery from the pandemic with that of other industries. Additionally, it enables travel managers to assess their company's travel expenditure in relation to the average of all companies within their sector. For travel suppliers, this data assists in effectively allocating marketing resources toward industry segments that are anticipated to demonstrate stronger performance over the next five years.

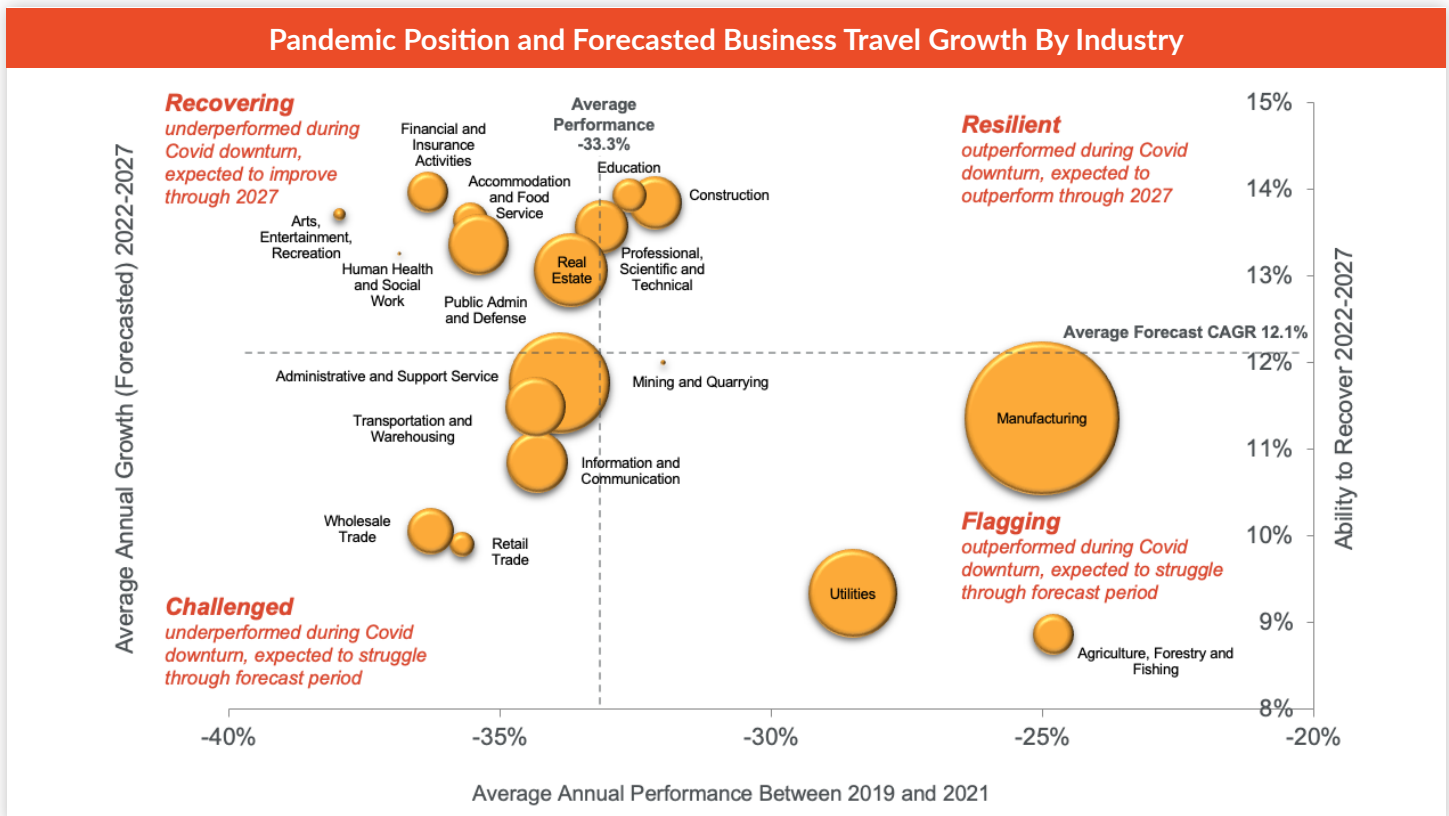
The following chart illustrates the levels of business travel spending spanning the pandemic period (2019-2021) juxtaposed with post-pandemic growth (2022-2027). The size of each bubble corresponds to the estimated business travel spending of the respective industry in 2023, with larger bubbles denoting higher amounts of business travel expenditure. These industries are classified into four distinct segments: Recovering, Resilient, Flagging, or Challenged, each explained in further detail below.

Among the four segments, the recovering quadrant (top left) comprises the highest number of industries. While business travel within these industries experienced underperformance during the pandemic, we anticipate significant improvement throughout this year's forecast. Notably, the arts, entertainment and recreation sector, as well as the accommodation and food services sector, demonstrated the highest year-over-year growth among all industries in 2022, standing at 95% and 85%, respectively. This recovery is significant, although somewhat

expected given the profound impact of COVID-19 shutdowns on these sectors. Real estate remains within this segment, facing increased challenges due to inflationary pressures.

Moving to the top right quadrant, we encounter resilient industries such as construction, education, and professional, scientific, and technical activities. These sectors have shown better-than-average performance between 2019 and 2021, and they are expected to continue outperforming through 2027. Industries in this category consistently exhibit above-average sales in comparison to other sectors. The professional, scientific, and technical sector witnessed a growth of 59% in 2022, education grew by 57%, and construction experienced a 55% increase. Education and construction have emerged as rising stars, transitioning from the flagging segment to the resilient quadrant in this year's forecast.

The bottom right quadrant encompasses flagging industries, including mining & quarrying, manufacturing, utilities, and



Source: GBTA Business Traveler Survey, Rockport Analytics

agriculture, forestry & fishing. While business travel in these sectors outperformed during the pandemic compared to other sectors, they are expected to underperform throughout the forecast period. None of these industries have changed position since last year's forecast, although mining & quarrying recorded a significant year-over-year growth of 71% in 2022. Mining & quarrying remains in the flagging quadrant due to its slightly below-average compound annual growth rate for 2022–2027. Manufacturing, with the largest expenditures in business travel, exhibited the lowest growth percentage among all industries in 2022, standing at only 24%. The manufacturing sector experienced a consecutive eight-month decline in economic activity through June 2023.

Finally, the bottom left quadrant represents challenged industries. Business travel in these sectors exhibited slower growth during the pandemic, and we anticipate them to underperform compared to other industries through 2027. However, it is important to note that underperforming does not imply a lack of improvement. Each of these industries experienced growth of more than 55% in 2022, indicating an impressive recovery post-COVID.

The table below provides insights into the size of each industry in terms of sales and business travel spending. It also illustrates the economic decline observed during the pandemic from 2019 to 2021, as well as the expected growth for this year (2023/2022) and the forecast period.

Profile of Sales and Business Travel Spending by Industry

Industry	Total Sales	Business Travel Spending			BTS Growth Outlook		Industry Status
	2023 Sales (bn US\$)	2023 BTS (mn US\$)	2023 BTS % of Total	2019-2021 BTS CAGR*	2023-2022 % change	2022-2027 CAGR*	
Accommodation and Food Service Activities	\$5,369	\$22,230	1.6%	-35.5%	37.4%	13.6%	Recovering
Administrative and Support Service Activities	\$5,958	\$191,605	14.1%	-33.9%	32.4%	11.8%	Challenged
Agriculture, Forestry and Fishing	\$6,931	\$30,404	2.2%	-24.8%	23.2%	8.9%	Flagging
Arts, Entertainment and Recreation	\$1,857	\$2,726	0.2%	-38.0%	35.8%	13.7%	Recovering
Construction	\$15,156	\$52,779	3.9%	-32.1%	33.9%	13.9%	Resilient
Education	\$6,274	\$20,994	1.5%	-32.6%	37.7%	13.9%	Resilient
Financial and Insurance Activities	\$10,470	\$29,434	2.2%	-36.3%	31.0%	14.0%	Recovering
Human Health and Social Work Activities	\$8,401	\$191	0.0%	-36.9%	33.5%	13.3%	Recovering
Information and Communication	\$8,328	\$69,918	5.2%	-34.3%	32.6%	10.9%	Challenged
Manufacturing	\$62,753	\$448,232	33.0%	-25.0%	31.3%	11.4%	Flagging
Mining and Quarrying	\$5,002	\$408	0.0%	-32.0%	28.4%	12.0%	Flagging
Professional, Scientific and Technical	\$9,951	\$54,103	4.0%	-33.1%	35.6%	13.6%	Resilient
Public Admin and Defense, Other Services	\$13,091	\$68,501	5.0%	-35.4%	34.4%	13.4%	Recovering
Real Estate Activities	\$12,763	\$102,063	7.5%	-33.7%	35.5%	13.1%	Recovering
Retail Trade	\$8,784	\$10,994	0.8%	-35.7%	29.1%	9.9%	Challenged
Transportation & Warehousing	\$9,418	\$66,775	4.9%	-34.3%	29.3%	11.5%	Challenged
Utilities	\$7,485	\$146,513	10.8%	-28.5%	31.6%	9.3%	Flagging
Wholesale Trade	\$10,127	\$38,696	2.9%	-36.3%	28.1%	10.1%	Challenged
Grand Total	\$208,116	\$1,356,567	100.0%	-28.5%	47.4%	11.6%	

*Compound Annual Growth (CAGR)

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

The growth in business travel expenditures in 2022 surpassed our projections from last year. During the first half of 2022, considerable uncertainty loomed over the possibility of worldwide recessions, influenced by diverse factors. However, the global economy demonstrated unexpected resilience throughout this period. The persistence of inflationary pressures continued to push prices upward but pent-up demand among both companies and workers ready to return to the road was little slowed by higher prices. China was one major exception to this trend as prolonged shutdowns that resulted from Zero-Covid policy put the business travel recovery on pause.

This out-performance in most of the world led to us missing the market to the low side on our projections for 2022 business travel spending in most markets. This is highlighted below with the projected (from the 2022 BTI™) and actual 2022 business travel spending of the top-15 business travel markets in the world. The countries are arranged from left to right based on the size of each business travel market (ranked on 2022 spend).



Source: GBTA Business Traveler Survey, Rockport Analytics

Appendix I

Summary of Spending Growth by Country

	Business Travel Spend (Annual Growth 2022)	Business Travel Spend (Annual Growth 2023)	Business Travel Spend (CAGR 2000 - 2019)	Business Travel Spend (CAGR 2019 - 2021)	Business Travel Spend (CAGR 2022 - 2027)
Western Europe Total	109.1%	32.8%	3.7%	-41.9%	11.2%
United Kingdom	100.8%	42.9%	2.8%	-46.5%	15.6%
Switzerland	105.5%	27.8%	3.0%	-37.7%	7.0%
Sweden	104.6%	27.8%	3.5%	-40.3%	12.1%
Spain	106.8%	19.5%	5.1%	-35.5%	6.4%
Portugal	121.1%	34.6%	2.8%	-41.5%	10.6%
Norway	114.1%	21.0%	4.8%	-39.0%	11.4%
Netherlands	120.0%	23.0%	3.4%	-37.0%	6.9%
Italy	116.6%	42.7%	2.5%	-44.1%	11.7%
Ireland	140.8%	39.4%	4.5%	-48.1%	12.4%
Greece	111.6%	34.2%	1.9%	-37.8%	10.9%
Germany	111.5%	37.6%	4.7%	-44.7%	12.9%
France	99.4%	27.8%	3.7%	-38.5%	9.1%
Finland	115.2%	45.7%	4.1%	-46.8%	15.3%
Denmark	98.2%	24.1%	3.4%	-36.2%	7.2%
Belgium	112.3%	32.4%	3.3%	-41.4%	11.4%
Austria	111.8%	29.0%	4.5%	-38.6%	9.8%
North America Total	73.1%	25.2%	1.6%	-30.8%	8.7%
United States	74.4%	25.5%	1.5%	-30.7%	8.6%
Mexico	36.6%	11.5%	2.8%	-18.2%	1.9%
Canada	72.8%	27.3%	3.5%	-36.5%	12.3%
Middle East & Africa Total	62.2%	12.3%	5.3%	-23.5%	7.3%
Tunisia	89.0%	22.9%	3.2%	-43.6%	10.3%
South Africa	88.7%	13.2%	5.9%	-29.3%	6.3%
Senegal	23.1%	20.3%	6.4%	-14.3%	8.5%
Saudi Arabia	48.6%	12.6%	3.4%	-16.0%	6.7%
Qatar	50.5%	7.1%	13.3%	-9.0%	5.0%
Nigeria	48.5%	7.2%	8.7%	-20.7%	8.4%
Morocco	41.3%	26.1%	4.4%	-28.8%	12.2%
Kuwait	106.2%	23.3%	7.5%	-37.0%	9.9%
Kenya	35.4%	4.3%	7.1%	-21.3%	3.2%
Jordan	56.6%	4.7%	6.4%	-17.3%	2.2%
Israel	88.7%	4.3%	4.3%	-18.4%	3.9%
Iran	40.0%	6.1%	6.7%	-14.9%	13.4%
United Arab Emirates	74.6%	30.0%	6.7%	-32.5%	9.3%
Egypt	13.1%	4.5%	1.2%	-16.4%	10.2%
Cameroon	21.8%	18.4%	5.7%	-20.5%	5.8%

Latin America Total	63.4%	11.5%	5.1%	-26.1%	6.4%
Uruguay	90.9%	5.1%	4.9%	-21.3%	3.1%
Peru	68.5%	3.4%	7.0%	-18.7%	4.6%
Panama	52.8%	6.5%	6.4%	-16.2%	4.5%
Honduras	26.6%	2.8%	4.2%	-3.2%	3.2%
Ecuador	16.5%	4.9%	3.6%	-0.8%	5.1%
Costa Rica	32.9%	17.7%	6.0%	-14.1%	7.5%
Colombia	39.3%	-12.3%	5.7%	-3.8%	-2.5%
Chile	39.4%	10.0%	6.2%	-24.5%	6.7%
Brazil	77.0%	20.2%	5.5%	-33.7%	8.9%
Bolivia	33.0%	4.4%	5.8%	-5.0%	4.0%
Argentina	80.1%	8.1%	0.0%	-24.3%	4.0%
Emerging Europe Total	25.5%	17.5%	7.2%	-32.6%	8.3%
Ukraine	-59.7%	-22.8%	9.1%	-29.3%	11.2%
Turkey	34.9%	19.3%	5.6%	-21.8%	8.6%
Slovakia	142.4%	77.6%	7.6%	-58.1%	23.8%
Russia	-31.9%	-7.6%	8.9%	-33.9%	2.4%
Romania	114.9%	10.7%	9.3%	-39.4%	3.9%
Poland	81.3%	22.3%	6.5%	-32.7%	9.0%
Hungary	79.6%	27.2%	5.0%	-35.6%	7.5%
Czechia	134.5%	50.0%	6.3%	-52.7%	15.6%
Bulgaria	101.4%	53.6%	7.0%	-52.3%	17.4%
Asia Pacific Total	14.9%	41.2%	7.3%	-24.6%	14.8%
Vietnam	44.8%	30.5%	10.4%	-33.6%	13.6%
Thailand	144.8%	76.6%	5.2%	-63.5%	26.4%
Taiwan	100.7%	110.7%	2.0%	-61.6%	33.6%
Sri Lanka	25.9%	38.9%	7.3%	-43.3%	7.7%
South Korea	65.6%	44.2%	4.3%	-39.6%	16.3%
Singapore	202.6%	82.7%	4.3%	-64.4%	24.6%
Philippines	175.7%	18.3%	5.9%	-46.8%	10.1%
Pakistan	13.7%	15.1%	5.2%	-26.3%	5.6%
New Zealand	85.5%	76.4%	4.9%	-54.1%	24.4%
Malaysia	176.4%	36.2%	5.6%	-54.0%	14.5%
Japan	95.0%	69.2%	-0.7%	-44.8%	18.8%
Indonesia	103.5%	37.2%	8.8%	-43.2%	14.6%
India	76.2%	24.7%	9.9%	-40.4%	13.8%
Hong Kong Special Administrative District	185.2%	146.3%	1.8%	-68.1%	32.9%
China	-4.6%	39.2%	13.9%	-15.6%	14.2%
Bangladesh	18.8%	-3.2%	7.3%	3.1%	4.4%
Australia	78.0%	26.9%	5.0%	-34.0%	9.6%
Grand Total	47.4%	32.1%	4.4%	-30.2%	11.6%

Appendix II

Business Travel by Detailed Industry Sector

Industry	Top Line Performance			Business Travel Spending (BTS)		
	2022 Industry Sales (billions)	% of Sales Total	2022-2027 Output CAGR	2022 BTS (billions)	% of BTS Total	2022-2027 BTSCAGR
Administrative and Support Service	\$5,653	2.8%	4.9%	\$144.7	14.1%	11.8%
Rubber, Plastics, and Mineral	\$4,768	2.3%	5.4%	\$73.1	7.1%	12.8%
Electricity, Gas, Steam, Air Cond	\$6,187	3.0%	1.6%	\$93.6	9.1%	8.3%
Real Estate Activities	\$11,999	5.9%	5.9%	\$75.3	7.3%	13.1%
Food and Beverages	\$8,218	4.0%	5.3%	\$66.9	6.5%	9.5%
Public Admin and Defense	\$12,272	6.0%	6.4%	\$51.0	5.0%	13.4%
Transport Equipment	\$6,698	3.3%	4.8%	\$38.8	3.8%	12.4%
Professional, Scientific & Technical	\$9,371	4.6%	6.4%	\$39.9	3.9%	13.6%
Construction	\$14,424	7.1%	6.9%	\$39.4	3.8%	13.9%
Wholesale Trade	\$9,874	4.9%	3.6%	\$30.2	2.9%	10.1%
Manufacture of Computer & Electronic	\$5,275	2.6%	3.4%	\$26.5	2.6%	11.7%
Agriculture, Forestry and Fishing	\$7,055	3.5%	3.5%	\$24.7	2.4%	8.9%
Manufacture of Electrical Equipment	\$3,667	1.8%	7.4%	\$19.9	1.9%	15.1%
IT and Information Services	\$3,524	1.7%	2.9%	\$23.9	2.3%	9.7%
Manufacture of Coke & Petroleum	\$5,077	2.5%	-1.2%	\$21.8	2.1%	5.2%
Financial and Insurance Activities	\$10,030	4.9%	6.9%	\$22.5	2.2%	14.0%
Land Transport & Pipelines	\$4,030	2.0%	4.1%	\$21.6	2.1%	10.8%
Warehousing and Transportation	\$2,237	1.1%	3.2%	\$17.9	1.7%	10.2%
Manufacture of Paper	\$1,187	0.6%	2.1%	\$15.9	1.5%	10.1%
Water Supply, Waste Management	\$1,102	0.5%	7.0%	\$17.7	1.7%	14.4%
Telecommunications	\$2,709	1.3%	3.8%	\$17.3	1.7%	10.7%
Manufacture of Textiles	\$1,428	0.7%	5.1%	\$13.3	1.3%	13.5%
Accommodation and Food Service	\$4,950	2.4%	6.5%	\$16.2	1.6%	13.6%
Manufacture of Machinery	\$5,177	2.5%	6.2%	\$13.1	1.3%	14.2%
Chemical and Pharmaceuticals	\$8,061	4.0%	3.5%	\$13.8	1.3%	10.8%
Education	\$5,847	2.9%	6.6%	\$15.2	1.5%	13.9%
Manufacture of Fabricated Metal	\$2,776	1.4%	2.5%	\$11.6	1.1%	9.5%
Manufacture of Basic Metals	\$4,780	2.4%	1.7%	\$8.4	0.8%	9.3%
Manufacture of Wood	\$826	0.4%	2.6%	\$8.1	0.8%	10.2%
Retail Trade incl Motor Vehicles	\$8,586	4.2%	3.1%	\$8.5	0.8%	9.9%
Postal and Courier Activities	\$923	0.5%	8.3%	\$7.2	0.7%	15.3%
Publishing Activities	\$992	0.5%	4.3%	\$6.7	0.7%	11.1%
Audiovisual and Broadcasting	\$734	0.4%	8.6%	\$4.8	0.5%	16.1%
Air Transport	\$1,209	0.6%	6.3%	\$3.9	0.4%	13.6%
Manufacture of Tobacco Products	\$403	0.2%	9.4%	\$3.2	0.3%	13.9%
Manufacture of Wearing Apparel	\$808	0.4%	6.5%	\$2.4	0.2%	12.5%
Printing & Reproduction of Media	\$480	0.2%	0.6%	\$2.1	0.2%	7.7%
Arts, Entertainment and Recreation	\$1,729	0.9%	6.4%	\$2.0	0.2%	13.7%
Furniture, Other Durables	\$2,096	1.0%	6.2%	\$1.4	0.1%	12.9%
Manufacture of Leather & Related	\$421	0.2%	6.9%	\$1.2	0.1%	13.7%
Water Transport	\$841	0.4%	3.5%	\$1.1	0.1%	9.9%
Mining of Metals and Stone	\$1,553	0.8%	4.6%	\$0.3	0.0%	12.0%
Human Health and Social Work	\$8,020	3.9%	6.0%	\$0.1	0.0%	13.3%
Energy Mining	\$5,075	2.5%	-3.0%	\$0.0	0.0%	2.2%

Appendix III

Survey Questions Of Business Travelers for 2023 BTI

QUALIFIERS:

1. In which of the following countries are you based?

[DROP-DOWN- United States, Canada, United Kingdom, France, Germany, Spain, Italy, Netherlands, Poland, Norway, Denmark, Sweden, Finland, Austria, Brazil, Mexico, Colombia, Argentina, Chile, Ecuador, Panama, Australia, China, Japan, South Korea, Singapore, Indonesia, India]

2. By which gender do you identify?

- a. Male
- b. Female
- c. Other/diverse
- d. Prefer not to answer

3. Please select the appropriate age category for yourself.

- a. 18 to 24 years
- b. 25 to 34 years
- c. 35 to 44 years
- d. 45 to 54 years
- e. 55 to 64 years
- f. 65+ years

4. Which of the following best describes your employment status?

- a. Employed full-time
- b. Employed part-time
- c. Self-employed full-time
- d. Self-employed part-time
- e. Not employed, looking for work [TERMINATE]
- f. Student, not working [TERMINATE]
- g. Retired, not working [TERMINATE]
- h. Other [TERMINATE]

5. Approximately how many overnight business trips have you taken in the past 12 months where you traveled at least 80 kilometers (50 miles) from your home? Your best estimate is fine.

Your best estimate is fine. [FORCE]

- a. 0 trips [TERMINATE]
- b. 1 to 2 trips
- c. 3 to 5 trips
- d. 6 to 11 trips
- e. 12 to 24 trips
- f. 25 or more trips
- g. Not sure [TERMINATE]

QUESTIONS:

6. Thinking about your last business trip where you traveled at least 50 miles (or 80 km.), how many nights did you spend at your destination? [DROP DOWN]

- a. It was a day trip, and I did not stay overnight
- b. One night
- c. Two nights
- d. Three nights
- e. Four nights
- f. Five nights
- g. Six nights
- h. Seven nights
- i. Eight nights
- j. Nine nights
- k. Ten nights
- l. 11-15 nights
- m. 15-20 nights
- n. 21 or more nights
- o. Don't know

7. What was the month of your last business trip? [DROP DOWN]

- a. January
- b. February
- c. March
- d. April
- e. May
- f. June
- g. July
- h. August
- i. September
- j. October
- k. November
- l. December

8. What best describes the primary purpose of your last business trip?

- a. Sales/Account Management/ Partner Management Meeting(s)
- b. Seminar/Training
- c. Convention/Conference
- d. Internal Company Meeting(s)
- e. Consulting/Professional Services
- f. On-Site Construction/Repair/ Installation
- g. Government/Military
- h. Inspection/Audit
- i. Other business meeting(s)

9. Thinking about your last business trip, which of the following modes of transportation did you use? SELECT ALL THAT APPLY

- a. Airplane
- b. Train/Rail
- c. My own personal car/vehicle
- d. Rental car
- e. Public bike or scooter
- f. Taxi
- g. Rideshare (e.g. Uber, FREE NOW, Gett or Didi)
- h. Chauffeured/Black Car Service
- i. Public transport
- j. Other, please specify
- k. Not sure – SINGLE SELECT

10. [DISPLAY IF Q6 ≠ SAME DAY TRIP OR DON'T KNOW] You mentioned you stayed overnight on your last business trip, which of the following types of lodging did you stay in? Please select all that apply:

- a. Hotel
- b. Guest house
- c. Stayed with a friend/colleague/ relative
- d. Corporate apartment/extended stay apartment
- e. Home rental (e.g., Airbnb or Vrbo)
- f. Company housing (apartments or lodging owned by my company)
- g. Other, please specify_____

11. [DISPLAY IF Q10 = HOTEL] How did you book your hotel for your last business trip?

- a. Directly with the hotel (phone/ websites/mobile apps)
- b. Corporate online booking tool (OBT. provided by my company (e.g., SAP Concur, Amadeus Cytric, etc).
- c. Phone/email with my company's contracted corporate travel agency (e.g., American Express Global Business Travel, BCD Travel, CWT, etc).
- d. Retail website such as an online travel agency (OTA) or metasearch engine that I can access without my company having a special contract/relationship (e.g., Expedia, Booking.com, Ctrip, HRS, eDreams ODIEGO, Kayak, Google Flights)
- e. Someone at your company made

- the hotel reservation for you
- f. Other (please specify)_____
- g. Not sure
- h. None of the above

12. [DISPLAY IF Q9 = AIRPLANE] How did you book your air transportation for your last business trip?

- a. Directly with the airline (phone/websites/mobile apps)
- b. Corporate online booking tool (OBT) provided by my company (e.g., SAP Concur, Amadeus Cytric, etc).
- c. Phone/email with my company's contracted corporate travel agency (e.g., American Express Global Business Travel, BCD Travel, CWT, etc).
- d. Retail website such as an online travel agency (OTA) or metasearch engine that I can access without my company having a special contract/relationship (e.g., Expedia, Booking.com, Ctrip, HRS, eDreams ODIEGO, Kayak, Google Flights)
- e. Someone at your company made your air transportation reservation for you
- f. Other (please specify)_____
- g. Not sure
- h. None of the above

13. [DISPLAY IF Q9 = AIRPLANE] How did you pay for your air travel:

- a. Personal credit card
- b. Corporate credit card in my name
- c. My company paid for it directly
- d. Other (please specify)_____

14. How has your credit card spend in business trips changed from 2019 (pre-Covid) to now (2023)

- a. The total cost of the trip is lower
- b. The total cost of the trip is the same
- c. The total cost of trip has increased
- d. The total cost of trip has increased significantly

15. Does your company provide you with a corporate credit card for your business travel expenses?

- a. Yes – they provide me with a corporate card and mandate I use it for all business spend
- b. Yes – they provide me with a corporate card, but do not mandate that I use it (it is up to me.

- c. No – my company does not provide me with a corporate card because I do not travel enough
- d. No – my company does not have a corporate card program in place

16. [IF Q15 =YES (a or b)] If you have a corporate credit card, what percentage of your total business travel spend do you use it for?

- a. <25%
- b. 25 - 50%
- c. 50 - 75%
- d. 75-90%
- e. As close to 100% as possible

17. [IF Q15 =YES (a or b)] Have you added your corporate credit card into a mobile wallet (e.g. Apple Pay, Google Pay, or Samsung Pay.

- a. Yes, I have added my corporate credit card into my mobile wallet
- b. No, I have not added my corporate credit card into my mobile wallet

18. [IF Q17 = YES] How often do you use your mobile wallet to conduct your business spend transactions?

- a. <10% of the time
- b. 10 – 20% of the time
- c. >20% of the time
- d. Rarely - I prefer to use my physical card or other payment methods

19. What is your national currency?

[DROP DOWN OF CURRENCIES:
US Dollar (USD), Canadian Dollar (CAD), Australian Dollar (AUD), Euro, British Pound (GBP), Meico Peso (MXN), Brazilian Real (BRL), Colombian Peso (COP., Chilean Peso (CLP), Argentine Peso (ARS), Singapore Dollar (SGD), Japanese Yen (JPY., India Rupee (INR), South Korean Won (KRW), Chinese Yuan (CNY)]

20. Thinking about your last business trip, approximately how much money did you spend in [PIPE IN CURRENCY FROM Q13] on each of the following. Your best estimate is fine. If you do not remember, please enter "don't know" and if you didn't spend anything on a particular category, please enter 0.

- a. Lodging: hotel, guesthouse, or home rental (such as Airbnb or Vrbo) [DISPLAY IF Q6 ≠ SAME DAY TRIP OR DON'T KNOW]
- b. Airplane [PIPE IN IF SELECTED IN Q9]

- c. Train/Rail [PIPE IN IF SELECTED IN Q9]
- d. Gasoline/petrol for my own personal car/vehicle [PIPE IN IF SELECTED IN Q9]
- e. Rental car [PIPE IN IF SELECTED IN Q9]
- f. Taxi [PIPE IN IF SELECTED IN Q9]
- g. Rideshare (e.g., Uber, FREE NOW, Gett or Didi) [PIPE IN IF SELECTED IN Q9]
- h. Chauffeured/Black Car Service [PIPE IN IF SELECTED IN Q9]
- i. Public transport [PIPE IN IF SELECTED IN Q9]
- j. Meals (including clients/colleagues)
- k. Incidentals/Entertainment (not including meals)
- l. Other, please specify_____

21. [DISPLAY IF Q9=AIRPLANE] You mentioned you took an airplane on your last business trip. Which of the following classes of service did you fly? Please select all that apply.

- a. Basic economy (similar to economy but with additional restrictions which might include restricting you from using overhead bin space)
- b. Economy/coach class
- c. Premium Economy class
- d. Business class
- e. First class
- f. Not sure

22. [DISPLAY IF Q10=HOTEL] You mentioned you stayed at a hotel on your last business trip. Which type of hotel did you stay at?

- a. Luxury
- b. Upscale
- c. Midscale
- d. Budget
- e. Other, please specify
- f. Don't know

23. Thinking about your business trips in 2022 and in 2023, did you add on any additional day(s) for leisure/personal vacation time while you were traveling for business?

- a. Yes
- b. No
- c. Don't know

- 24.[IF Q23 =YES] How has your frequency of combining business travel with personal travel/vacation changed since 2019?
- a. I am combining travel for business and leisure more frequently than I was in 2019
 - b. I am combining travel for business and leisure less frequently than I was in 2019
 - c. My frequency of combining travel for business and leisure has not changed

- 25.[IF Q23 =YES] Did you stay in the same hotel/accommodation for your additional personal trip as you did for the business travel portion?
- a. Yes
 - b. No
 - c. Don't know

26. Did you work away from home or your regular office location for longer than a 2-week period at any time in 2022 or 2023 (e.g., as a digital nomad)?
- a. Yes
 - b. No
 - c. Don't Know

27.[MATRIX] How would you characterize the following types of business travel you take today compared to your business travel in 2019? SELECT ONE PER TRAVEL TYPE

	More frequent	About the same	Less frequent	Not sure/not applicable	I've never done this type of business travel
Overall business travel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
International business travel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Domestic business travel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Group business travel with colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- 28.In general, would you say the typical length of your business trips is...?
- a. Longer than it was in 2019
 - b. About the same length as in 2019
 - c. Shorter than in 2019
 - d. N/A - I did not travel for business in 2019
 - e. Not sure

- 29.On a scale of 1-10, how would you rate your achievement of your business objectives on your last business trip?
- a. 10 = My trip was completely worthwhile – I achieved great results/accomplished all of my objectives
 - b. 9
 - c. 8
 - d. 7
 - e. 6
 - f. 5 = My trip was somewhat worthwhile/I partially achieved some business results
 - g. 4
 - h. 3
 - i. 2
 - j. 1 = My trip was not worthwhile/ I did not achieve my business objectives

- 30.Which of the following best describes your position?
- a. Administrative/Support Staff
 - b. Sales/Account Management/
 - c. Consultant/Professional Services
 - d. Middle Management
 - e. Upper Management
 - f. C-level
 - g. Other, please specify

- 31.Please select your company's total number of employees from the following list.
- a. 1 Employee
 - b. 2 to 5 Employees
 - c. 6 to 9 Employees
 - d. 10 to 49 Employees
 - e. 50 to 99 Employees
 - f. 100 to 249 Employees
 - g. 250 to 499 Employees
 - h. 500 to 999 Employees
 - i. 1,000 to 2,499 Employees
 - j. 2,500 to 4,999 Employees
 - k. 5,000 to 9,999 Employees
 - l. 10,000 or more (please specify number of employees).

- 32.Which of the following industries best describes your organization?
- a. Accommodation and Food Services
 - b. Agriculture and Food Production
 - c. Arts, Entertainment and Recreation
 - d. Higher Education
 - e. Finance and Insurance
 - f. Healthcare
 - g. Media, Information and Communications
 - h. Manufacturing and Industrial
 - i. Mining, Oil and Gas Extraction and Utilities
 - j. Non-profit, Association and Foundation
 - k. Pharmaceuticals, Medical Devices and Biotechnology
 - l. Technology, IT and Software
 - m. Professional Services (Legal, Consulting, Employment.
 - n. Public Administration
 - o. Retail/Wholesale Trade
 - p. Transportation and Warehousing
 - q. Travel and Meetings Management
 - r. Other (please specify)_____

Appendix IV

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 the first-ever definitive and comprehensive measure of its kind. This process must obviously produce defensible results – results consistent with both the foundation data sources and any reputable aggregate or crosscheck measures published by other recognized sources.

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

Principal Data Sources

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

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

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

Principal sources include:

- › D.K. Shifflet & Associates Travel Panel – TRAVEL PERFORMANCE/Monitor SM
- › Visa corporate card transactional data across merchant categories showing the volume and momentum of spending behavior by market
- › The US Bureau of Economic Analysis
- › Airline Reporting Corporation (ARC)
- › International Air Transport Association (IATA)
- › ADARA Travel Trends Tracking
- › The US Department of Commerce's National Travel & Tourism Office
- › The US Department of Transportation – BTS Statistics
- › STR Global
- › German National Tourist Board
- › IPK International
- › Boeing (BCA)
- › United Nations/World Tourism Organization (UNWTO)
- › National Input/Output Accounts for 48 of the 73 countries analyzed in the study (Source: typically, Ministry of Commerce or Statistics)
- › Various international government sources, including Ministries of Transportation, Tourism, & Commerce
- › IHS Markit's Global Macroeconomic data, analysis, and forecasts
- › Rockport Analytics travel industry expertise
- › GBTA survey of global business travelers covering 24 key business travel markets

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 (72) 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 (2000-2022), 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. Note, in 2023, Venezuela was dropped from our dataset and analysis due to lack of coverage.

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

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

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

In 2023, GBTA conducted a survey of 4,700 business travelers from North America, Latin America, Europe and Asia Pacific.

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 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.

The Global Business Travel Association (GBTA) is the world's premier business travel and meetings trade organization headquartered in the Washington, D.C. area serving stakeholders across six continents. GBTA and its 8,000+ members represent and advocate for the \$1.357 trillion global business travel and meetings industry.

The GBTA and the GBTA Foundation deliver world-class education, events, research, advocacy, and media to a growing global network of more than 28,000 travel professionals and 125,000 active contacts.

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

For media inquiries, contact press@gbta.org.



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