



GBTA Global Business
Travel Association

Many Voices. One Purpose.

EXECUTIVE SUMMARY

2023 Business Travel Index™ Outlook

Annual Global Report & Forecast



August 2023

[Prospects for Global
Business Travel 2023–2027]

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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.

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 complete 2023 GBTA Business Travel Index Report is an exclusive benefit of GBTA membership. The full report is not to be broadly quoted, shared, distributed or posted. Questions? Contact research@gbta.org.

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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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. Visit gbta.org for more information.

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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

Executive Summary

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%

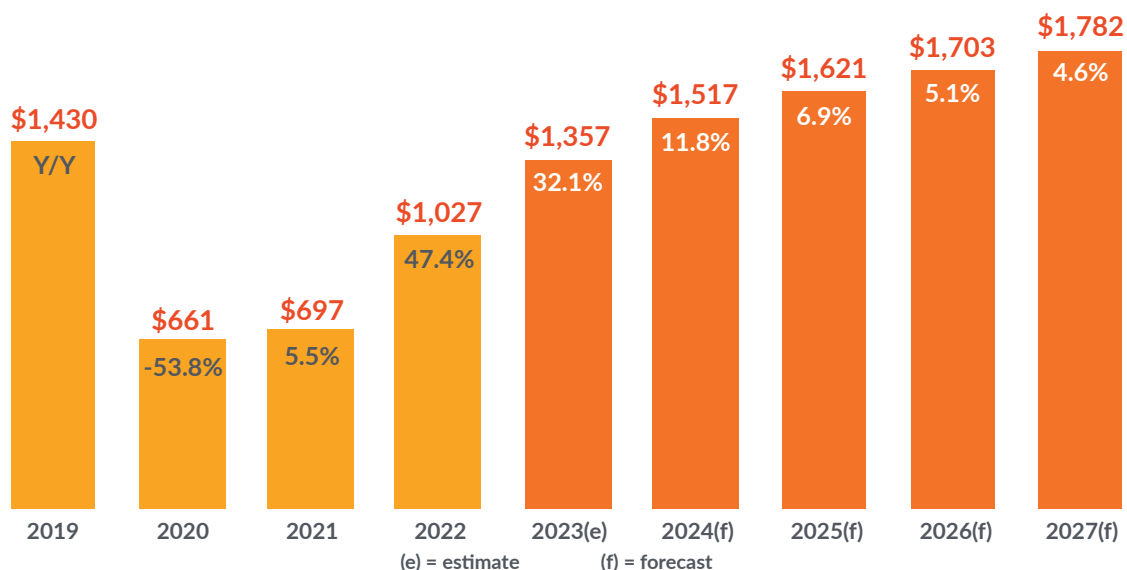
Regional and Sector Differences

- **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. 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.

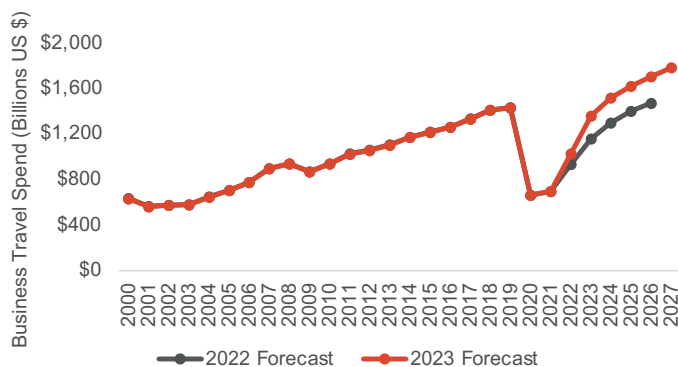
A key factor fueling the acceleration of business travel recovery has been the remarkable stability in the global economy. Many advanced economies were projected to weaken significantly, if not fall into recession in 2023, but this has not been the case. Over the last two years, we highlighted the pandemic-induced 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.

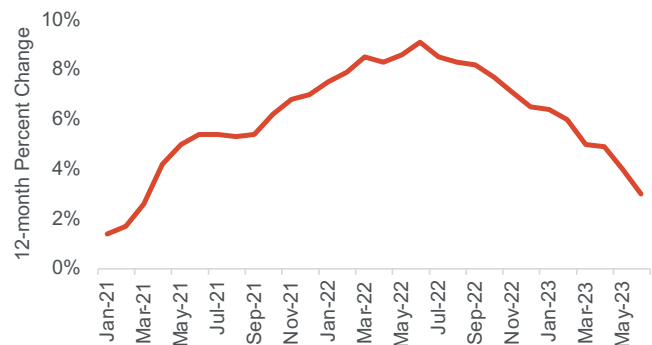
While the past year has progressed much more favorably than expected, numerous economic, geopolitical and environmental challenges remain. Many of these challenges will be addressed in more detail later in this report. They include cost of living crises, capital outflows from emerging markets, continued 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.

Global Business Travel Expenditures
2022 Forecast vs 2023 Forecast



Source: GBTA Business Traveler Survey, Rockport Analytics

U.S. Consumer Price Index
(not seasonally adjusted)



Source: GBTA Business Traveler Survey, Rockport Analytics