

SURVEY: TRAVEL EXPENSES IN CHINA GROWING



China, the big market of our days is a subject that needs a constant research if you want to stay competitive. American Express Business Travel knows that and so they have conducted the 2008 China Business Travel Survey also known as "the Barometer". The results of the survey were unveiled at the fourth annual American Express China Business Travel Forum in Shanghai.

The researchers surveyed 265 companies in Shanghai, Beijing and Guangzhou. Their goal was to identify the current travel and entertainment (T&E) management practices and the outlook of the market for 2009 in China.

The survey shows growth in T&E expenses within the Chinese market with 42 per cent of the surveyed companies claiming that they have increased their T&E budget over the last 12 months and they also expect it to rise continuously in future. Almost sixty per cent of surveyed foreign companies in China increased their spending on T&E. Here it is important to mention that the majority of the T&E money is spent on domestic travel within China. Companies regard T&E as an investment because its main goal is to develop or maintain business.

It is obvious that T&E is important but it also costs money and as the financial crisis shakes the world's economies it is vital to be cautious with money. For that reason companies in China improve their T&E management. The survey identifies T&E as the second largest controllable cost for companies within China. According to the Barometer, 70 per cent of the surveyed subjects have a formal T&E policy and even more of them (76 per cent) have procedures to control T&E expenditures.

The Barometer also informs about the rising importance of the Internet for companies operating in China as 80 per cent of the respondents consider online booking a common practice. The survey also gives an important piece of information about the payment methods in the region. It says that these methods still remain cash orientated.

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