

BUSINESS TRAVEL IN EUROPE EXPECTED TO IMPROVE



GBTA expects that the business travel in Europe can get ready for bright future.

The GBTA (Global Business Travel Association) released its most recent semi-annual series of GBTA-BTI forecast for Western Europe. Here are the highlights of GBTA-BTI report:

-Germany will have the highest growth rate at 5% on its business travel expenditures. UK, on the other hand, shall have 1.9%.

-Western economies are expecting continuous decline; Spain will fall by -6.2%, Italy by -2.9% and France by -1.4%.

-In 2014, GBTA outlooks recovery for business travel among the top five largest business travel markets: France, Germany, Italy, Spain and UK.

- Regional Director for GBTA Europe, Catherine McGavock said that spending on the business travel in Western Europe is generally positive for 2013, with Germany and UK to expect growth.

-Tad Fordyce, Head of Visa Global Commercial Solutions, strongly believed that travel is the key towards economic growth. In fact, the Global Tourism Council estimates 9% of Global GDP from the world's tourism industry.

The GBTA report shows that the key factor for a better tourism industry in Western Europe is nothing else than domestic travel. The significance of this factor is due to the fact that the countries forecasted to experience improvements have established strong domestic travel growth. For example, Germany's domestic total travel expenditure is expected to set 5.7% growth rate as its international outbound expenditure will also have 2% increase.

International outbound travel is said to be the key for recovery. If there shall be major improvements in this sector, Western European countries will certainly have the highest growth rate worldwide. By the year 2014, GBTA foresees a total of \$184 billion generated by the five largest European markets.

Germany

Germany's business travel total expenditure is expected to have 5% increase or \$53 billion this year. In 2014, the figure is projected to have another 5% increase. The country's domestic travel spending, however, is expected to spur by 5.7% this year and 6% in 2014. Its international travels will have 2% growth rate.

United Kingdom

UK's business travel total expenditure will increase by 1.9% this year. Domestic travels will surpass international outbound travels. UK's spending will accelerate next year with 3% increase in its

international outbound travels and 4.4% in domestic travels.

France

France shall demonstrate slow down with total expenditure forecast to decrease by -1.4% this year. As France's major trading partners in Europe, Italy and Spain, are currently experiencing declines, the country's international outbound travel is expected to decrease by -4.6%, as domestic travel remains stagnant at 0.5%.

Spain

Spain still struggles to recover with an expected fall of -6.2% this year. Spain's domestic travels will decrease by -5.4%, while international outbound travels will fall by -9.4%. Domestic travel is forecasted to bounce back by 2.2% next year.

Italy

Due to extensive economic uncertainties, Italy is expected to have -2.9% drop this year. Its domestic travels will fall by -2.8%, while international travels will drop by -3.8%. Conversely, 2014 is a better year for the country with 1.4% increase in domestic travel and 1.9% in terms of its international outbound travels.

The main challenge for the Western European economies is the domino effect. France is highly dependent upon its partner markets, Spain and Italy, which are unfortunately experiencing declines and slow-paced growth. Nonetheless, these three countries are expected to gradually recover in the following years.

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