

REPORT: U.S. BUSINESS TRAVEL RISING



Business travel related spending in the U.S. is expected to continue rising through the year 2013. This is mainly the result of increased domestic travel spending which went down in the previous years when business firms had to look for opportunities abroad thanks to the sagging economy. Signs of the economy picking up coupled with steady job gains and higher consumer confidence continues to encourage companies to increase their investment in domestic travel.

Generally, according to GBTA BTI - Outlook United States 2013 Q2, business travel spending this year is expected to surpass the \$273.3 billion mark. This translates to a 4.3% increase when compared to the total spending in 2012. With the country's economy gradually shifting towards becoming more stable, companies have begun seizing opportunities closer to where they operate from.

In fact, Michael W. McCormick, the executive director and COO of Global Business Travel Association, who released the report sponsored by Visa, Inc., said that **the rise in domestic business travel spending serves as a positive sign for increased business confidence** and plays well for all future employment growth.

What is interesting is that solid growth being witnessed in business travel at the moment is not only being driven by rising prices alone. The GBTA report indicates that "real" travel expenses continue to rise per trip and are estimated to stand at 1.3% at the moment as opposed to 0.3% in 2012.

Tad Fordyce, the head of Global Commercial Solutions at Visa Inc., said that it is encouraging to see the return of domestic business travels. He also commented saying that the increases being witnessed at the moment served as positive reinforcements that most travelers were once again confident in the economy while re-investing in their businesses.

International outbound business travel spending is expected to rise by at least 3.0% to \$33.1 billion this year alone. This compared to the last quarter's projection of \$33.3 billion represents a slight decline. The decline however has been found to be as a result of the softening of the economies of the main U.S. export markets e.g. the Euro Zone and China.

Group travel spending on the other hand continues to grow recording a rise of up to 5.3% to \$117.1 billion. The GBTA also maintains it stand that group travel volume is likely to fall by a slight margin of 0.3% in the year 2013 to \$166 million person-trips as a result of constant corporate constrains particularly on meetings actions.

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