

STUDY: BUSINESS TOURISM TO GROW IN ASIA



The National Business Travel Association (NBTA) and Egencia released the latest information from a study by IHS Global Insight on global business travel spending. The researchers studied the current situation in 72 countries all around the world.

According to a recent study by IHS Global Insight North America, Western Europe and Asia Pacific represent approximately 30 per cent of the global business travel market each. The overall value of the market was estimated at \$929 billion in 2008. The United States is definitely the leader in business travel spending but according to the study, **business travel as such will grow faster in Japan and China over the next five years.** In the U.S. on the other hand the sector is expected to stagnate. According to the study, businesses spend an average of about 1.1 cents of every sales dollar on business travel although there are considerable differences between various industries. The study states that business tourism will seriously decline this year due to the global crisis. **Researchers claim the sector will drop by some 15 per cent when compared to 2008.** IHS Global Insight expects a recovery to come in 2010 although the process will be rather slow. Asia and smaller Latin American countries should be the fastest growing business travel markets through 2013. Others like e.g. larger Latin American countries and many Western European states will see a decline in business tourism spending over the same period. The fastest growing market should be Iran with a 9 percent growth expected in the five years from 2008. Business tourism spending in Russia on the other hand is likely to fall 4 percent during the period. Most sectors are expected to lower their business travel spending because of the global economic crisis. The steepest reduction in travel budget (20.6 per cent) is expected to appear in chemicals and chemical products industry. Also companies dealing with communication equipment and paper products are expected to reduce their spending on business travel by 19.7 per cent and 18.3 per cent respectively. The only sector that, according to the researchers, will see a growth in business tourism spending is education with a projection of a 2.2 per cent rise.

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