

# GBTA STUDY: BUSINESS TRAVEL SPENDING WILL GROW GLOBALLY



Spending on business travel is set to rise globally for the following few years, according to the most recent GBTA BTI™ Outlook- the Annual Global Report and Forecast. It is expected to go up to \$1.12 trillion this year, an increase of 5.4 percent from 2012. Travel expenditure will also stabilize after the political uncertainty and economic instability faced in recent times.

The report details travel spending, top industries and the economic characteristics and factors influencing business travel. The developing world (especially Latin America and Asia Pacific) is likely according to Global Business Travel Association (GBTA) to permanently alter the business travel industry.

According to Michael W. McCormick, the GBTA COO and Executive Director, travel is vital to the global economy. He went on to state that **the report showed that new opportunities have been opening up in global markets for firms looking to invest in global business travel.** The report also serves as another call for Europe and the United States to improve their infrastructure, stabilize their financial position and remain competitive because the developing world is refocusing on meeting the dynamic business travel needs.

## A Dynamic Global Order

Growing markets like Brazil, India and China are likely to play a greater role in business travel. This is according to the Global Commercial Solutions head at Visa Inc., Tad Fordyce.

Latin America, India and China are increasingly becoming major global business travel markets. For instance, India has surpassed countries like Canada to rank as the 10th largest market for business travel globally.

Due to economic reforms, GBTA expects other countries, including Mexico, to experience expansions in business travel spending over the coming 5 years. This is especially so if economic reforms are instituted to help the economy grow faster than her northern neighbors. For instance, total spending on business travel in Mexico rose to \$6.8 billion in 2012. This year, the spending has been projected to grow by a further 9.8 percent, to rise up to \$7 billion.

## Business Travel in Developed Economies vs. BRICs

The shaky economic recovery in the U.S. and Western Europe has seen a reduction in this spending. **What is clear, however, is that global business travel spending will grow.** Still, BRIC nations are likely to see stronger growth compared to such established markets as Western Europe and the U.S.

For instance, business travelers within Western European countries actually spent over \$260 billion in 2012. Although business travel in these countries was hampered severely in the past few years, the GBTA predicts that Europe will see good times again. In the next five years, therefore, it is likely that there will be an increase in business travel spending among the major markets of Western Europe.

## **Top Fifteen Business Travel Markets**

The report also identified the leading business travel markets. These were ranked according to the 2012 spending.

1. USA
2. China
3. Japan
4. Germany
5. United Kingdom
6. France
7. Italy
8. South Korea
9. Brazil
10. India
11. Canada
12. Australia
13. Russia
14. Spain
15. Netherlands

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