

GBTA: BUSINESS TRAVEL IN 2014 AT GREAT RISK



According to the Final GBTA BTI's Outlook of the Year, there will be rising momentum in the business travel industry. However, there might be some serious obstacles related to business travel professionals. It was expected that 2014 would be a robust year for business travel spending. A major improvement in U.S. economy and increasing business investment would have resulted in steady profits. But the potential default and ongoing shutdown could easily derail progress. In fact, the impact can already be felt.

Business Travel has always been one of the key drivers of the United States economy. In 2014, it was looking at a strong rebound year. The current potential default and government shutdown couldn't have come at a worse time. **GBTA has been urging Congress to recognize and rectify the damage that has been caused by unnecessary disruptions to U.S. business travel.** GBTA wants the government to keep the country open for business.

Until now, 40% of respondents in a survey stated that the shutdown has already started impacting them, their employees and business organization. Of all the reported effects, the top three were:

- Cancelled business opportunities or meetings in USA - 57%
- Increasing uncertainty about the U.S. economy - 57%
- Cancelled Bookings - 50%

Currently, GBTA still expects 2014 to be a positive year for different categories of business travel. According to GBTA, there will be an increase of 12.4% in international outbound spending. It will reach \$36.6 billion. Also, there will be an increase of 7.2% in group travel. It will reach \$124.1 billion.

GBTA believes that if the U.S. economy stays on track, there would be robust international outbound growth around the world in emerging markets like Asia, Latin America and Middle East. As businesses make longer-lead spending decisions when they're confident about an economy, outlook for meetings will also be positive. According to GBTA, in 2014, both meetings and international outbound travel will be strongest since 2011. United States is the world's largest business travel market. Since growth has been forecasted for 2014, it comes as great news for travel industry suppliers and buyers.

GBTA BTI is a proprietary index related to business travel activity. In the first two quarters of 2013, the index continued to rise. **GBTA believes that BTI will gain momentum throughout the forecasted period.** In fact, it is expected to reach 127 by the end of 2013. Some gain in business travel in 2013 has been caused by the price growth in airfares and hotel costs. However, in 2014, GBTA expects a lot more real travel spending. It believes BTI will reach 136 by the end of 2014.

Here are some examples of the shutdown impact:

Lost Employees - Many companies were forced to direct administrative and support employees to take leave. Some of these employees were even government contractors who were directly issued a

stop work order. Therefore, they won't be paid when they get back.

Cancelled Bookings - Due to cancelled meetings and famous attractions being closed, there has been loss of revenue from hotel rooms.

Cancelled Meetings - Since government orders have been temporarily stopped, meetings have been cancelled.

Passport and Visa Delays - Shutdown may also have a major impact on a company's ability to acquire passports and visas for international travelers.

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<http://www.tourism-review.com/usa-business-travel-impacted-by-economical-problems-news3890>