

BUSINESS TRAVEL IN INDIA EXPECTED TO GROW



India is likely to become world leader in business travel. This is the result of a report by Global Business Travel Association (GBTA). BTI Outlook India is the third semi-annual analysis, which compares the current economic events locally and abroad with the impacts they have on the business travel industry in India.

The report, which is sponsored by Visa, Inc., also contains the business travel's spending index called the BTI, which serves to track the performance of the market over time.

According to the executive director of GBTA, Michael McCormick, **India is set to sustain "economic harmony," because the area has experienced strong growth recently.** He also states that the region is poised for long-term success as long as its current growth continues, suggesting that it will soon become a world leader as far as business travel goes for many decades in the foreseeable future.

Some of the report's important highlights are as follows:

GBTA has upgraded their forecast again, this being the second time, predicting that the total business travel spending in India will grow roughly 9.8 percent this year, and 10.9 percent in 2016, which marks the first year that India will sustain double-digit gains in spending in several years - with the last being 2011.

India's Gross Domestic Product experienced growth of 7.5 percent in 2014's fourth quarter, which resulted in yearly 7.4 percent growth over the previous year, 2013.

Their consumer sector trended upward during most months in the last two years. Their growing middle class, raise in job creation, increasing incomes and the consumer confidence boost after an election, which World Bank has been calling the "Modi dividend," have all aided in the advancement of spending.

Surprising was the moderation, and trend reversal, of India's inflation in the year 2014. Consumer inflation plummeted to an impressive low, dropping to 4.4 percent from their year-over-year high of over 11 percent during November 2013.

GBTA predicts India's domestic business travel to achieve growth in the double digits both in 2015 and in 2016, rising 10.1 percent for 2015 and 11.3 percent for 2016.

International out-bound travel (IOB) leaving India is far more volatile, and China's slow growth has applied negative pressure on India's IOB growth during the last couple of years. GBTA forecasts IOB spending will raise 7.9 percent in 2015, and around 7.3 percent the following year.

Infrastructure is one of India's challenges, but the Prime Minister has turned infrastructure development into the main point in the public policy. India recently announced that their new tourist policy, launching in May, will probably focus on tourism infrastructure.

Government reform, a stronger economic sentiment, and a growing middle class have made for high

business travel demand. Electronic payment makes it simpler for companies to study travel spending, and far more convenient for all employees to manage spending abroad so they can reconcile expenses upon return.

Date: 2015-04-27

Article link: <http://www.tourism-review.com/india-business-travel-growing-fast-news4532>