

BUSINESS TRAVEL COSTS TO INCREASE CONSIDERABLY



Business tourism is arguably, along with youth tourism, the fastest growing field of all worldwide tourism. Businesses are sending their employees greater distances to meet colleagues and customers and teleconferencing has not yet properly taken off. The blooming nature of current business tourism is not all good news for businesses, as prices have been and will increase at an almost alarming rate.

Such a trend is almost inevitable as those providing services and accommodation realise that business tourism is generally worth a lot more than leisure tourism. It has even been stated in some quarters that expenditure amongst businessmen can treble that of regular holiday makers.

Recently published statistics have suggested that all elements of business travel are going to be exploited next year, in keeping with the trends of recent years. First of all, airfares are expected to increase by around 4%. Although a certain amount of corporate discounts threaten to lower some costs, the general increase in seats in the business-class areas of planes is set to be overwhelming.

Furthermore, businesses can expect to be paying more for hotel rates in 2008. The level of increase is set to be around 6-9%. Some hotel rates are expected to even hit double digit increases. Many meetings tend to be held in hotels and, unsurprisingly, the rates for renting conference rooms and meeting rooms are set to rocket too. Group room rates may even increase by as much as 10% next year. As businessmen are hardly likely to sleep outside and meet in the pub, or take the bus abroad, such costs are going to be unavoidable. Car rental rates should increase by 5-7% and rail tickets should follow suit. It shall be interesting to discover whether the hotels and airlines will be the long-term winners of these new trends or if businesses shall be forced to turn to technology to communicate with distant cooperators.

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