

AMERICAN EXPRESS SAYS TRAVEL COSTS RISE



American Express Global Business Travel Forecast says that airfares worldwide will increase in 2007. However, the growth will be slower than it was in 2006. The hotel and car rental rates are also expected to grow.

The Forecast says that the price of an average domestic North American business trip, including airfare, car rental and hotel stay will rise by 4.5 percent in 2007. An average international trip should cost 4.6 percent more.

Since the demand for hotels grows and the supply does not coop with the trend, the hotels rates are expected to grow. The above concerns all regions in the world.

Hotel rates in New York and other “global cities” are estimated to increase by 18 percent. Prices in Boston, Philadelphia and San Francisco rates are expected to be 5 to 7 percent higher at mid-range properties and 8 to 10 percent higher at upper-range properties. In Hong Kong and cities in Australia the growth is expected to be even higher.

There is an expectation of a 3 to 5 percent increase in domestic economy fares globally. Business-class international fares are expected to grow from 3 to 7 percent.

The highest price growth in car rental market is expected to take place in the USA. The rates are estimated to rise 4 to 6 percent. In Europe the prices will probably go up no more then 3 percent. Latin America, the Caribbean and Asia-Pacific Car rental rates are also expected to grow 1 to 3 percent on a year-over-year basis.

It is expected that companies will decrease number of meetings to save money. And it is also expected that companies will more closely watch their employees’ spending while on a business trip.

Date: 2006-12-12

Article link: <https://www.tourism-review.com/american-express-says-travel-costs-rise-news88>