GBTA
GLOBAL BUSINESS TRAVEL ASSOCIATION

2021 BTI™ Outlook Annual Global Report & Forecast

Prospects for Global Business Travel 2021 – 2025

November 2021

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Table of Contents

TABLE OF CONTENTS **1**

INTRODUCTION **2**

RESEARCH CHALLENGE 2
APPROACH AND DATA SOURCES 2
ABOUT ROCKPORT ANALYTICS 4
CONTACT 4

EXECUTIVE SUMMARY **5**

THE GLOBAL ECONOMIC OVERVIEW **8**

GLOBAL RECOVERY WILL CONTINUE BUT AT A SLOWER, MORE CAUTIONARY PACE 9

BUSINESS TRAVEL OUTLOOK: THE INDUSTRY BEGINS ITS CLIMB FROM THE DEPTHS OF THE PANDEMIC **10**

OVERVIEW 10
DELTA VARIANT SLOWS THE RECOVERY IN GLOBAL BUSINESS TRAVEL 10
NORTH AMERICA LEADS THE RECOVERY, EUROPE LAGS 12
DIVERGENCE IN RECOVERY BETWEEN THE GLOBE'S TOP BUSINESS TRAVEL MARKETS 13

GBTA BTI™ **14**

EXAMINING THE CONDITIONS NECESSARY FOR A FULL RECOVERY IN GLOBAL BUSINESS TRAVEL 16
MONITORING SECULAR SHIFTS IN CORPORATE TRAVEL BEHAVIOR 23

REGION-BY-REGION PERFORMANCE **26**

NORTH AMERICA 27
WESTERN EUROPE 28
ASIA PACIFIC 29
LATIN AMERICA 29
TRAVEL BY INDUSTRY SECTOR 30

GLOBAL RECOVERY DECELERATING AMID LINGERING PANDEMIC CHALLENGES, WEAKER CHINA **33**

A LOOK BACK AT LAST YEAR'S GLOBAL GBTA BTI™ OUTLOOK: HOW DID WE DO? **39**

COUNTRY PROFILES 40
BUSINESS TRAVEL SPENDING IN THE WORLD'S TOP MARKETS 40

APPENDIX I -SUMMARY OF SPENDING GROWTH BY COUNTRY **53**

APPENDIX II **55**

BUSINESS TRAVEL BY DETAILED INDUSTRY SECTOR 55
APPENDIX III 56
APPROACH, METHODOLOGY, DATA SOURCES, AND DEFINITIONS 56
PRINCIPAL DATA SOURCES 56
METHODOLOGY & APPROACH 57
DEFINITIONS 58

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The 2021 GBTA BTI™ Outlook – Annual Global Report and Forecast is an exhaustive study of business travel spending and growth covering 73 countries across 44 industries. Now in its 13th edition, the report and companion database have become a critical planning tool throughout the industry.

Introduction

Research Challenge

Business travel is a term that encompasses many activities executed in support of any number of business objectives: sales, training, customer support, incentives, professional development and operations to name a few. Depending upon the type of organization, business travel can have many perspectives. For example, travel suppliers see it as a significant source of revenue and a primary market segment. Corporate management sees business travel as both a critical business investment and a controllable expense. Travel managers view it as a resource optimization and duty of care challenge. Policymakers see travel as a generator of jobs, income, and tax revenue. Finally, veteran road warriors see it as an important part of their jobs.

To better understand the value of a business function, it needs to be measured. But the activity of *business travel* lacked a comprehensive global description and a set of metrics from which travel managers, suppliers, and facilitators could plan for the future. In 2009, the Global Business Travel Association (GBTA) embraced this challenge by producing the first-ever study of global business travel activity. The result was an exhaustive analysis of business travel spending, productivity, and growth that currently covers 73 countries across 44 industries going back to the year 2000 and includes a forward-looking five-year forecast. The analysis has been enhanced and updated each year since then. The 2021 BTI™ is the thirteenth consecutive global business travel outlook.

Understanding the direction of global business travel activity and the prospects for recovery over the coming years is more important than ever. The COVID-19 pandemic continues to impact the global business travel industry that was responsible for $1.4 trillion dollars in direct spending prior to the pandemic. This year has taken a high frequency view of recovery in different parts of the world – analyzing monthly travel demand data – and conducted a deep-dive analysis on the status of all of the necessary conditions needed for a full business travel recovery. The result is the most comprehensive planning tool available for our industry.

Approach and Data Sources

Rockport Analytics' research has focused on the *demand* side of the business travel market. Our comprehensive definition of business travel includes all kinds of trips and trip purposes, as well as all categories of trip spending - not just those reimbursed by the sponsoring organization. Most readily available measures of business travel typically emanate from the supply side, such as airline, hotel, or rental car data. None are comprehensive nor can they easily distinguish between business and leisure activity.

The nature and detail of the business travel metrics contained in this report and its accompanying database are largely dictated by available data from both secondary and primary sources. Supplier-based information from airlines, hotels, and rental car companies has been reconciled with demand-side sources from governments, traveler research panels, and travel management companies, all in an effort to create the most comprehensive view of business travel. For a complete list of data sources, please see the appendix at the end of this document.

What determines and drives business travel? There are eight distinguishing characteristics that influence the level and rate of growth of business travel in our analysis:

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- *Size of the economy* - The level of general economic activity is paramount.
- *Land mass, population, and business dispersion* - larger countries with widely dispersed populations require more travel to facilitate economic and business development.
- *Industry mix* - countries whose economies are dominated by sectors that are more travel-intense by nature will have greater amounts of business travel relative to jobs, output, or population.
- *Technology and the productivity of business travel* - Business travel is a material/service input to virtually every industry. Like other inputs, it is subject to gains/losses in productivity.
- *Degree of export dominance* - countries with large trade sectors (e.g., Brazil, Germany, Japan, and Indonesia) will tend to engage in more international business travel. Countries where economic activity is dominated by consumption (e.g., U.S. and India) will be more prone to domestic business travel.
- *Physical location* - Countries that are far from their markets or suppliers will require relatively more business travel to succeed.
- *Infrastructure development* - Is the transportation and hospitality infrastructure sufficient for business travel to flourish?
- *Environmental, tax, security, health, and regulatory policy* - Do governments help or hinder business travel?

Our view of the contribution of business travel to each country-sector combination has been established by analyzing trends in the business travel "purchasing" behavior of 44 sectors across 73 countries over a period of more than 20 years. By modeling trends of the level of business travel spending per dollar of industry sales (a measure of business travel productivity) over time, we are able to extend these factors into the future. The combination of industry sales (macroeconomic environment), projections, and trends in business travel spending per dollar (business travel intensity and productivity) are key factors in generating the resulting forecasts of business travel spending.

Business travel spending within the study includes both domestic and international outbound spending. It is an origin view of business travel. For example, if a business traveler from a German company travels to France for business and spends money on a hotel room, that spending would be accounted for in Germany.

We want to extend a huge thank you to our data partners at ARC and STR for their support. The challenges associated with forecasting business travel during such a volatile and uncertain period cannot be overstated. The ability to analyze high frequency data on the direction of air and hotel demand across markets and that demand's relationship with other major economic and epidemiological data was critical to this year's work.

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About Rockport Analytics

Rockport Analytics, LLC (www.rockportanalytics.com) is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. Rockport's focus is on creative and actionable research in the travel and tourism market. We provide fast, nimble service in a transparent environment.

Rockport Analytics' capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools
- Project Feasibility Assessment
- Primary Research and Secondary Research Synthesis
- Stakeholder Surveys - internal and external

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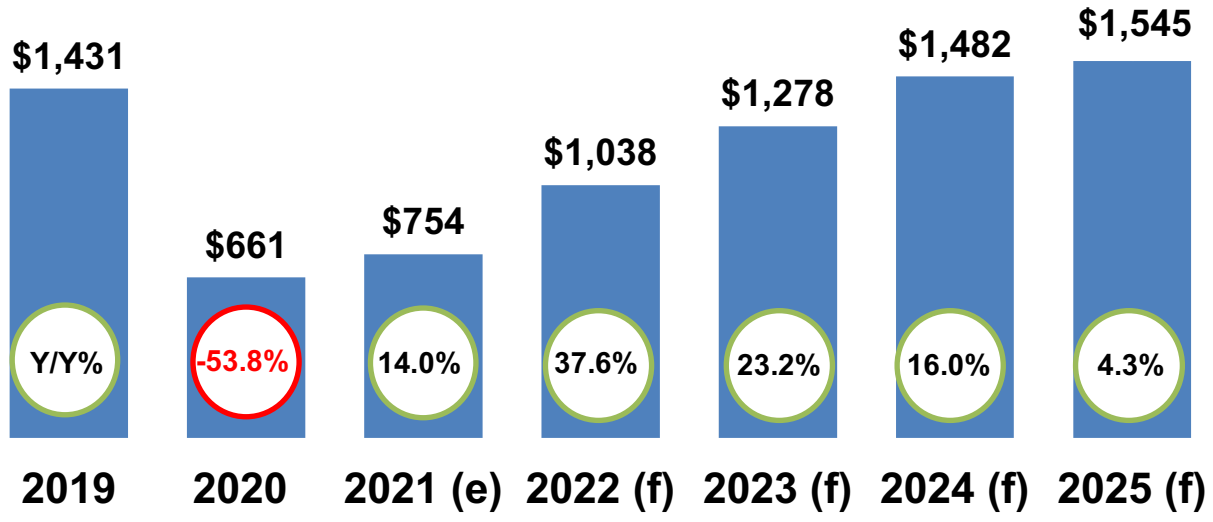
Executive Summary

- Global business travel activity has begun its rebound from the sharp downturn brought about by the COVID-19 pandemic. After declining 53.8% in 2020 to $661 billion, we expect global expenditures to rebound 14% in 2021 to $754 billion.
- The recovery in business travel activity remains strongly tethered to the direction of the COVID-19 pandemic. The recovery has been slightly less robust than we anticipated earlier this year. The global spike in COVID-19 infections brought about by the Delta variant has led to delays in reopening national borders, more reticence by both companies and business travelers to resume their normal travel activities and more large-scale meetings and events canceled or converted to online or hybrid events. These headwinds grew through the second and third quarters of 2021 and we expect to finish the year with global business travel spending recovering only 14% from 2020 levels.
- The global economy continues to face an array of challenges. Persistent COVID-related disruptions have weighed on consumer spending, job growth, and supply chains. Meanwhile, regulatory changes and property sector challenges have slowed China's economy. Unfortunately, with the coming of winter in the northern half of the globe, another wave of COVID infections is a distinct possibility and China's debt and policy issues will not go away quickly. Against this backdrop, the outlook for the global economy has softened with forecast risks clearly tilted to the downside.
- Inflation has been rising in the United States and other developed economies, as well as many emerging markets. In most cases, this has been due to pandemic-related supply-demand mismatches and higher commodity prices. Meanwhile, aggressive monetary policy to fight the pandemic-driven global recession by central banks has provided the economic bandwidth for prices to rise. Most analysts expect price pressures to subside in 2022, although some emerging markets will see inflation persist because of higher food prices, rising oil prices, and the impact of falling currencies on import prices.

Business Travel Spend (Billions U.S. $)
Forecast and Year Over Year Growth (%)



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- The business travel recovery has been extremely divergent, depending on each individual country's containment of outbreaks, their position of national travel policy and the relative dependence on international business travel. North America led the recovery, the US in particular, rebounding 27% in 2021. Business travel markets in Latin America, Middle East and Africa (MEA) and Asia-Pacific (APAC) all picked up 15% to 20% growth in 2021. European markets have lagged in 2021 – with Emerging Europe expected to gain only 10% and Western Europe business travel expenditures expected to fall 3.8% from 2020 levels.
- Business travel in Western European markets lagged in early 2021 but is picking up steam at the end of this year because of loosening travel restrictions, rising vaccination rates and pent-up demand. We expect a robust recovery in 2022, which is supported by relatively strong sentiment among business travelers and travel managers.

Total Business Travel Spending (BTS): Top 15 Markets (2021)

Country	Total BTS ($ Millions USD)	Annual Growth in BTS
China	$294,734	32%
United States	$158,639	30%
Germany	$27,864	-7%
France	$19,063	1%
Japan	$17,634	-37%
United Kingdom	$17,585	-17%
India	$14,728	-14%
Brazil	$13,074	-2%
Italy	$12,891	-4%
South Korea	$12,854	-13%
Spain	$11,598	13%
Turkey	$10,879	7%
Canada	$10,560	-10%
Australia	$10,442	11%
Russia	$10,101	30%
Top 15	$642,646	16%
Global Total	$754,014	14%

Source: GBTA, Rockport Analytics

- We expect a slower recovery in APAC due to lagging border re-openings and a high degree of dependence on international business travel in many Asian markets. This sentiment is reflected in a recent GBTA survey[1] where 29% of APAC business travelers expect the recovery to take two years or more, compared to only 13% of business travelers in other regions. China's expected growth in the forecast period was downgraded from last year due to challenges with unsustainable debt and property conglomerate Evergrande, who is facing serious financial issues which could signal larger risks for the rest of China's previously robust real estate sector.
- Business travel in Latin America is performing relatively better, boosted by fewer government restrictions and travelers' desire and confidence on the return to business travel. Underlying conditions of rising public debt, declining credit ratings, potential rising interest rates, and lower vaccination rates pose risks for Latin American business travel over the next few years, however.
- GBTA has been surveying travel managers since February 2020[2]. In their October 2021 survey, 51% reported that their company has already resumed domestic business travel, and 17% have resumed international travel. Within the next 3 months, 46% plan to resume domestic travel, and 28% plan to resume international travel. The traveler managers also reported that most companies have resumed at least some non-essential business trips, both domestically and internationally.
- The necessary conditions for full recovery in global business travel include the global vaccination effort, national travel policy, business traveler sentiment, and corporate travel management policy: (1) As of early November 2021, only 39% of the global population has been fully vaccinated, and the percentages vary significantly by country. (2) The very restrictive border controls of some countries challenge the return of international business travel which comprises almost 25% of global expenditures. (3) Though many road warriors are comfortable

[1] *GBTA Survey of International Business Travelers*, October 2021

[2] *GBTA Survey of Traveler Managers*, October 2021

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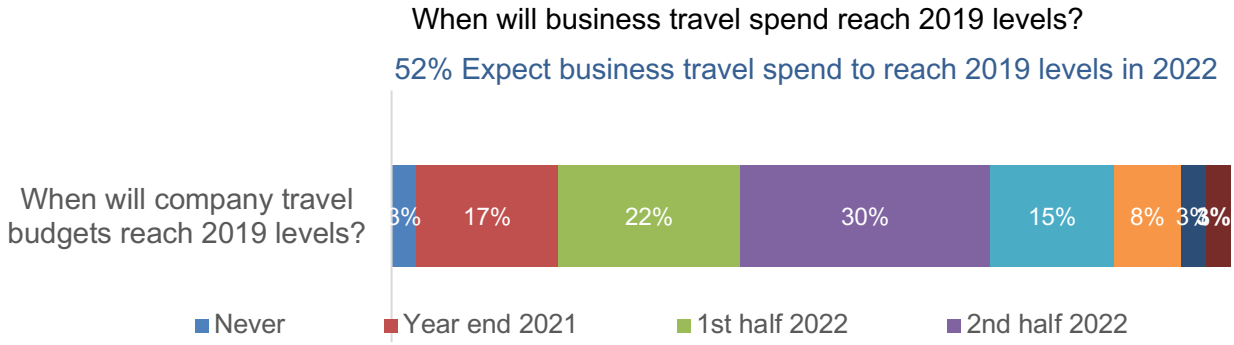
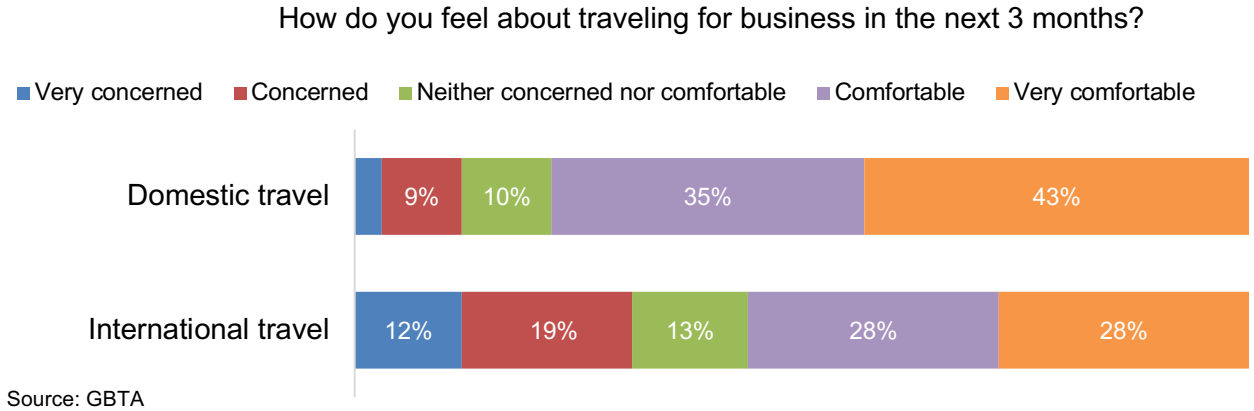
traveling domestically, that percentage drops significantly for international travel. (4) Travel managers face the challenge of juggling duty of care with rising costs, growing sustainability concerns, and new considerations on the ROI of business travel.

- In October, GBTA interviewed dozens of global CFOs and other executives[3] about their expectations for corporate travel. When asked their reasons for business travel from an ROI perspective, sales and business development was the top justification. Nearly half reported that government restrictions hurt the company bottom line a little/somewhat and more than another third said it hurt the bottom line a lot. Most expect the domestic economy to improve next year, and that business travel spend will return to 2019 levels eventually.
- Recovery in business travel continues to vary by industry. Business travel spending within a number of industries such as professional & business services and real estate have been resilient, while others like wholesale trade have been challenged. The industries of accommodation and food services, arts, entertainment and recreation, and retail trade, which were significantly impacted during the pandemic, are expected to recover sharply over the forecast period.



Source: GBTA

- GBTA fielded a survey to 400 business travelers in October 2021. Fifty-four percent of them miss traveling and hope to travel more often in the future, and 86% feel they need to travel to succeed in their jobs. Responding to questions about business travel in 2022, 66% believe domestic travel frequency will increase, compared to only 49% that believe international travel frequency will increase. Most respondents are comfortable traveling for business in the next 3 months.



Source: GBTA

[3] *GBTA Interviews of Chief Financial Officers*, October 2021

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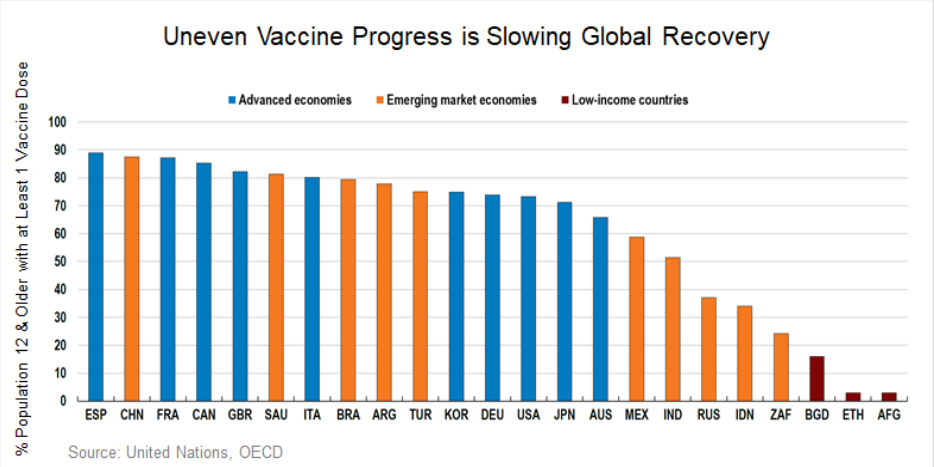
The global pandemic and its health, policy, and travel outcomes continue to plague economic progress. The recovery that began in early 2021 has slowed and become more asymmetric. Specific country prospects are dependent upon vaccine availability and the speed of propagation.

The Global Economic Overview

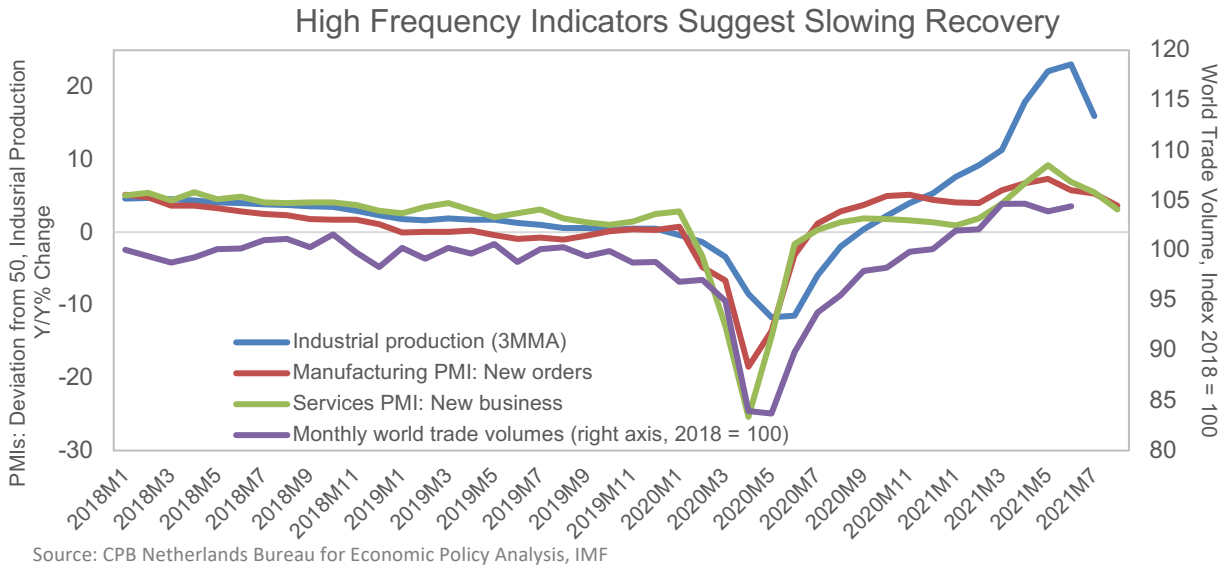
Global Recovery Decelerating Amid Lingering Pandemic Challenges

Recovery Asymmetric and Dependent Upon Local COVID Conditions

- The post-pandemic global economic recovery continues, although progress has been asymmetric, but the pace appears to be decelerating. The primary culprit has been the unpredictable path of COVID and the resulting policy decisions necessary to address new variants and outbreaks. Moreover, while vaccinations have proven to be the key to recovery, unequal access, vaccine hesitancy, and higher variant transmissibility have driven new waves of COVID cases.



- The world remains far from the goal of herd immunity and the global economy continues to pay the price of resulting travel restrictions, uneven vaccination rates, supply challenges, labor market hesitancy, inflationary pressures, and fiscal imbalances. As long as significant differences in vaccine access and acceptance exist, the global recovery will remain divergent with haves and have-nots with respect to a return to "normal life" and economic growth. If these huge differences in vaccine access continue, the disparities in health and economic outcomes



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will increase, continuing to bifurcate markets into two groups - those that can expect continuing recovery (most advanced economies) and those that will struggle. The path of economic recovery going forward will remain highly localized and lockstep with progress against the pandemic.

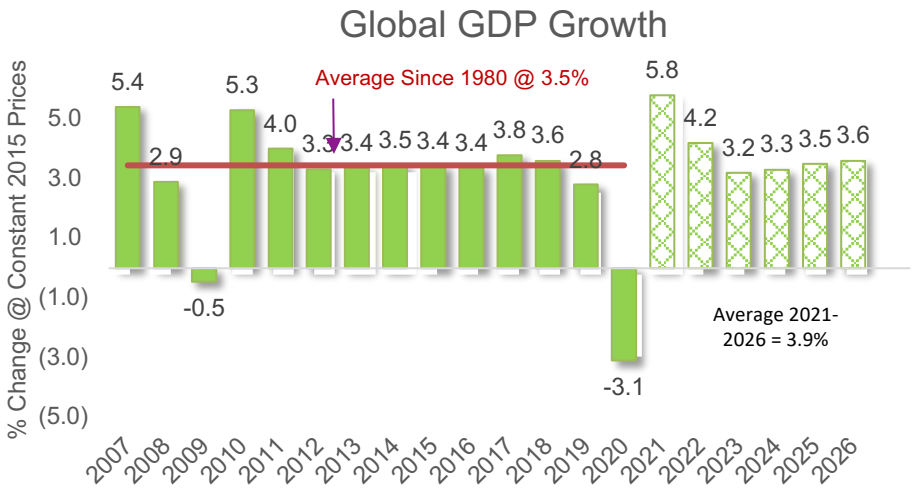
- GDP growth in most economies was generally tracking according to our expectations during the first half of 2021. With pandemic restrictions being relaxed and aggressive economic policy stances, the first and, to a lesser degree, second quarter performance were arguably stronger than many expected. Momentum has begun to wane, however, weighed down by new outbreaks across major developed and emerging economies, the partial re-imposition of government restrictions, and reactive voluntary restraints on travel and consumer spending.
- No sector of the economy has been immune to the ongoing struggle with a persistent pandemic. Supply chain and labor market challenges have given way to setbacks in manufacturing, transportation, services, and international trade.

Global Recovery Will Continue But at a Slower, More Cautionary Pace

Recent Pandemic Surges, Uneven Vaccination Rates, and Mounting Supply Chain Challenges Point Towards a Downshift in Growth Expectations

Despite prospects for slower global growth, inflation expectations are on the rise. Supply chain disruptions, rising commodity prices, and wage growth in advanced economies are applying upward pressure to prices across the economic spectrum. This is expected to push central banks around the world toward monetary tightening. Examples include the Bank of England (BoE), which has announced a rate hike cycle at its November meeting. Additionally, the U.S. Fed began tapering bond purchases this same month. Finally, the Brazilian Central Bank is also expected to begin taking a more aggressive stance on monetary policy as inflation rises and the real further devalues. The fear is that more of this is in the offing and that central banks may move too quickly and go too far, further slowing the global recovery.

Another downside risk is the potential for a significant energy shortage. Should this materialize, global manufacturing, notably Chinese manufacturing, could experience yet another setback. Moreover, in combination with other downside risks, domestic and international travel, particularly business travel, would also be disrupted and delayed yet again.



Source: IMF, Wells Fargo Securities, OECD, Rockport Analytics

Considering all of this, we expect global GDP growth to reach 5.8% this year and 4.2% in 2022, both slower than earlier expectations but above long-term trend. Should another wave of COVID materialize, China further decelerates, and/or an energy shortage intensify, more downward revisions may be necessary.

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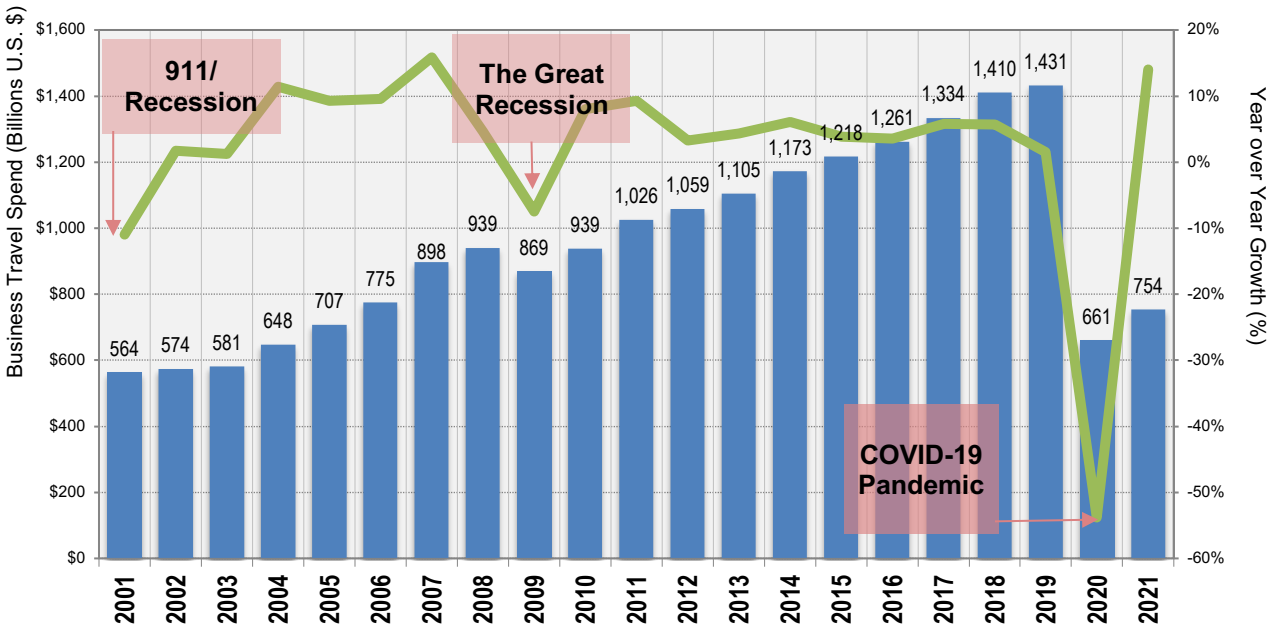
The global business travel recovery that began in late 2020 has been highly divergent in 2021. The recovery remains highly dependent on the vaccine rollout, employees return to the office, and a normalization of travel policies on both the national and corporate levels.

Business Travel Outlook: The Industry Begins its Climb from the Depths of the Pandemic

Overview

Global business travel activity has begun its rebound from the sharp downturn brought about by the COVID-19 pandemic. After declining 53.8% in 2020 to $661 billion, we expect global expenditures to rebound 14% this year to $754 billion. The chart below puts the magnitude of the COVID-19 spending decline in perspective percentage declines in spending five times greater than those in 2001 following 9/11 and seven times greater than those witnessed at the trough of the Great Recession.

Global Business Travel Spending and Growth Trend (2001-2021)
(Billions US$)



Source: GBTA, Rockport Analytics

Delta Variant Slows the Recovery in Global Business Travel

The recovery in business travel activity remains strongly tethered to the direction of the COVID-19 pandemic. Over the last year we began to see recovery in business travel volume and spending. However, this recovery has been slightly less robust than what we anticipated earlier this year. The global spike in COVID-19 infections brought about by the Delta variant mutation has led to delays in reopening of national borders, more reticence by both companies and business travelers to resume their normal travel activities and more large-scale meetings and events canceled or converted to online or hybrid events. These headwinds grew through the second and third quarter of 2021, and

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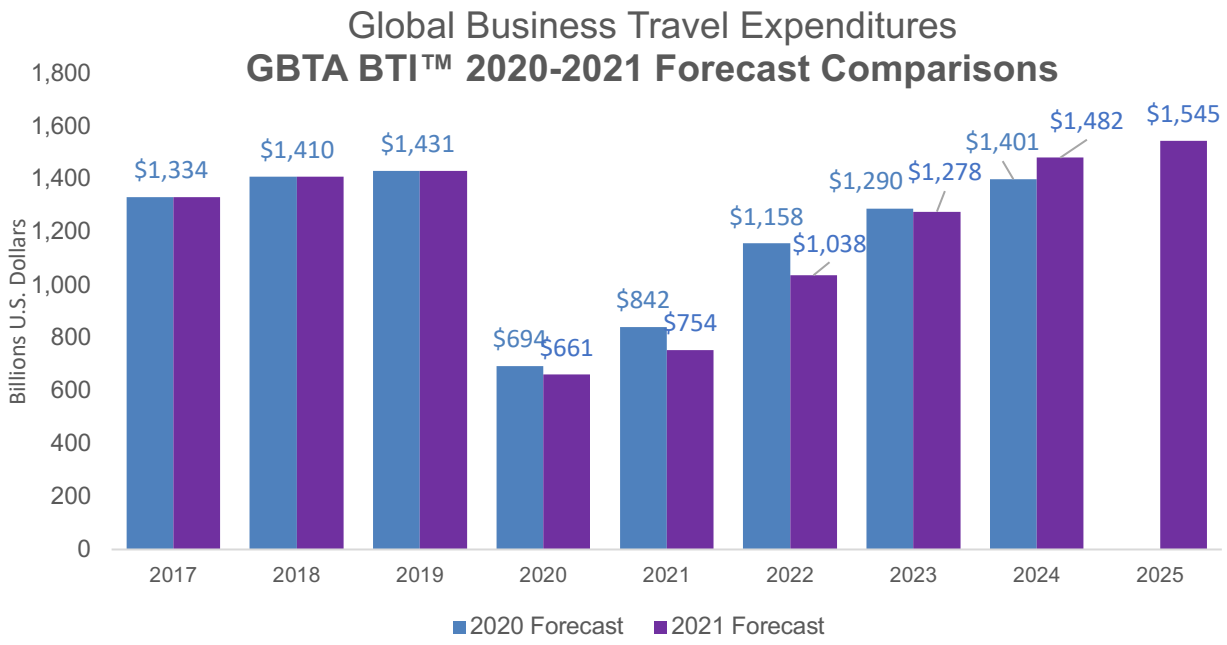
we expect to finish the year with global business travel spending recovering 14% from 2020 levels. This compares to a previously expected recovery of 21% in last year's outlook.

Despite the slowdown in business travel volume and spending, we have seen momentum start to build towards the end of 2021. This building momentum is being fueled by plummeting COVID cases in many parts of the world, coupled with relatively healthy corporate balance sheets and a pent-up demand for the resumption of business travel. The resurgence is being led mainly by domestic and transient activity and is highly divergent between regions of the globe with some countries experiencing a fairly robust recovery and others still waiting to jump out of the starting blocks. These differences are based on numerous factors including the pace of vaccination uptake, national travel policy, the health of the travel supply chain and pricing dynamics and each country's specific reliance on international travel.



Source: GBTA, Rockport Analytics

We do expect some downside risks in the near-term, most notably, the path of the COVID-19 pandemic. Our baseline assumption is that vaccination rates will continue to climb, but if 2021 taught us anything it is to expect the unexpected and that setbacks in the recovery can happen at any time. Variant risk and regional outbreaks will remain on our radar until the number of new cases falls into a manageable range. Another near-term risk is supply chain shortages and rising input prices along the travel supply chain (labor, oil, construction materials, autos) that will likely be passed on to companies and business travelers in the form of higher prices.

Despite the setback in the business travel recovery in 2021, we expect a surge of 38% in 2022 as the recovery kicks into a higher gear, bringing global business travel spending back over $1 trillion. The recovery will continue in 2023 with global spending rising 23% as even more international and group travel comes back online. In 2024, we expect global business travel will have made a full recovery, ending the year above the pre-pandemic spend of $1.4 trillion. In 2025, we expect global business travel growth will slow to 4.3%, just below its long-term average growth rate, ending the year at $1.5 trillion.

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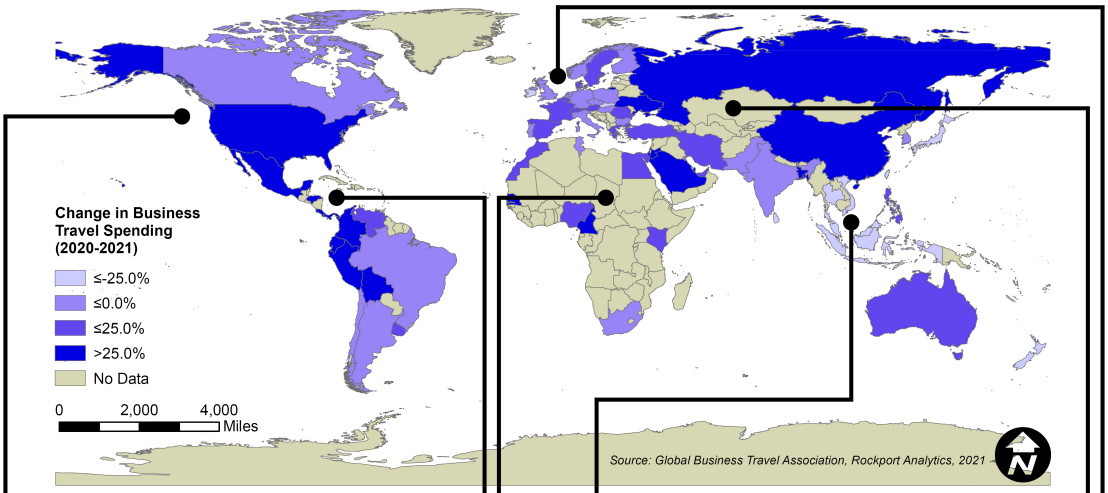
North America Leads the Recovery, Europe Lags

The recovery in 2021 was varied around the globe with some regions recovering much more significantly than others. In 2020, business travel declined across the globe with all six major regions (as highlighted below) losing between 45% and 60% in travel expenditures from the previous year. While these declines came in lockstep in 2020, the recovery in 2021 has been more sporadic with regions recovering at varied times and speeds. This variance is a function of each region's business travel dynamics, the availability and uptake in COVID-19 vaccinations, the national travel policies of each country and ability to control COVID-19 outbreaks. North America led the recovery, the US in particular, rebounding 27% in 2021. Business travel markets in Latin America, MEA and APAC all picked up 15% to 20% growth in 2021. European markets have lagged in 2021 – with Emerging Europe expected to gain only 10% and Western Europe business travel expenditures expected to fall 3.8% from 2020 levels.

Percent Change in Business Travel Spending Between 2020 and 2021



North America (Billions)

2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
$174,935	-60.3%	26.9%	2024

Latin America (Billions)

2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
$29,521	-50.1%	18.4%	2025

Middle East & Africa (Billions)

2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
$17,572	-44.9%	18.5%	2024

Emerging Europe (Billions)

2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
$30,742	-51.2%	10.1%	After 2025

Western Europe (Billions)

2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
$131,173	-59.2%	-3.8%	2024

Asia Pacific (Billions)

2021 BTS	2019-20 % CNG	2020-21 % CNG	Expected Yr Recovery
$370,072	-48.2%	15.9%	2024

Source: GBTA, Rockport Analytics

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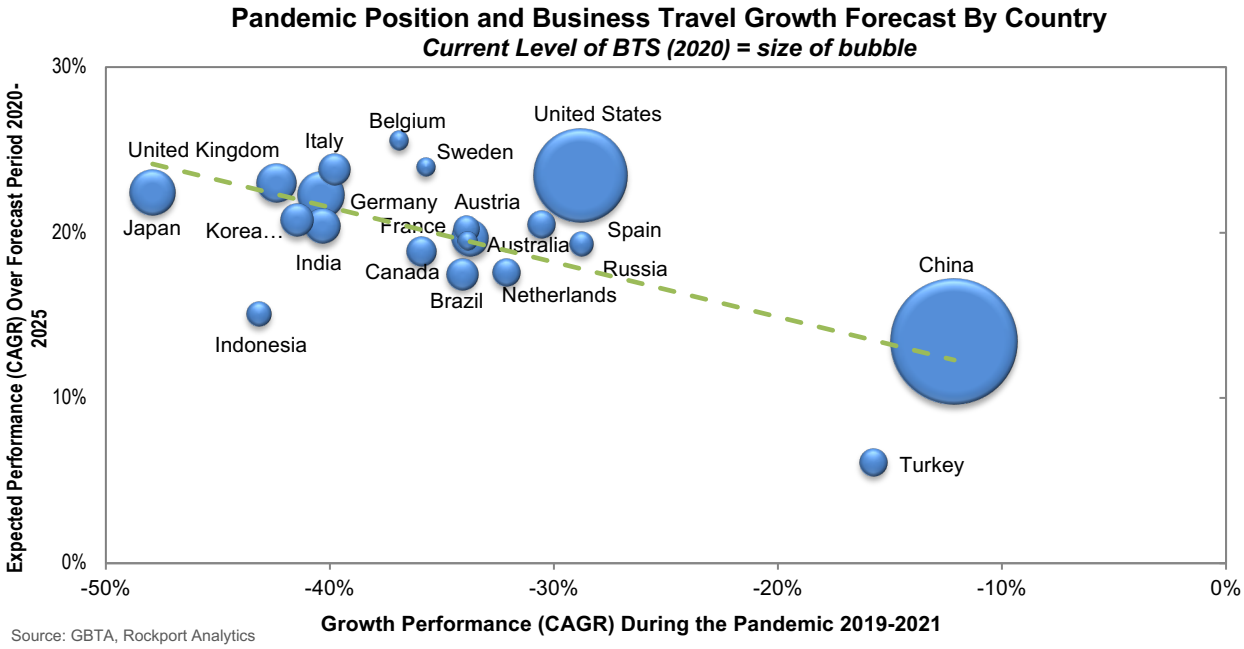
Divergence in Recovery Between the Globe's Top Business Travel Markets

The regional divergence in the recovery is even more apparent when drilling down to individual business travel markets. The chart below highlights our top 20 business travel markets (according to spending levels in 2020). These markets are plotted across two dimensions: the horizontal axis shows the average expected annual decline between 2019 and the end of 2021. The vertical axis shows the expected annual growth in business travel spending from 2021 through 2025 – the end of the forecast horizon.



A few key takeaways on the top-20 markets:

- European markets have been the hardest hit through the pandemic, but high vaccination rates and loosening travel restrictions have the markets like the UK, Belgium, France, Germany, Sweden, and Italy poised for a strong recovery in 2022 and 2023.
- Turkey and China have performed much better than the rest of the top-20 through the pandemic. China's expected growth over the forecast horizon, however, has been significantly downgraded over last year's forecast given challenges with unsustainable debt and the possibility that Evergrande's financial struggles are a canary in the coal mine for the rest of China's real estate sector. Due to the pandemic and rising costs in China, some European manufacturers shifted business to Turkey, giving Turkey's business travel market a boost in 2021.
- Domestically focused markets have fared relatively better than those more dependent on foreign trade- the US led the charge in 2021 and the recovery should accelerate in 2022 as workers return to the office in larger numbers, key economic trading partners open up their economies and vaccination rates rise.
- Canada has managed to control the virus better than the US, but Canadian business travel has been hamstrung by highly restrictive bans on travel.

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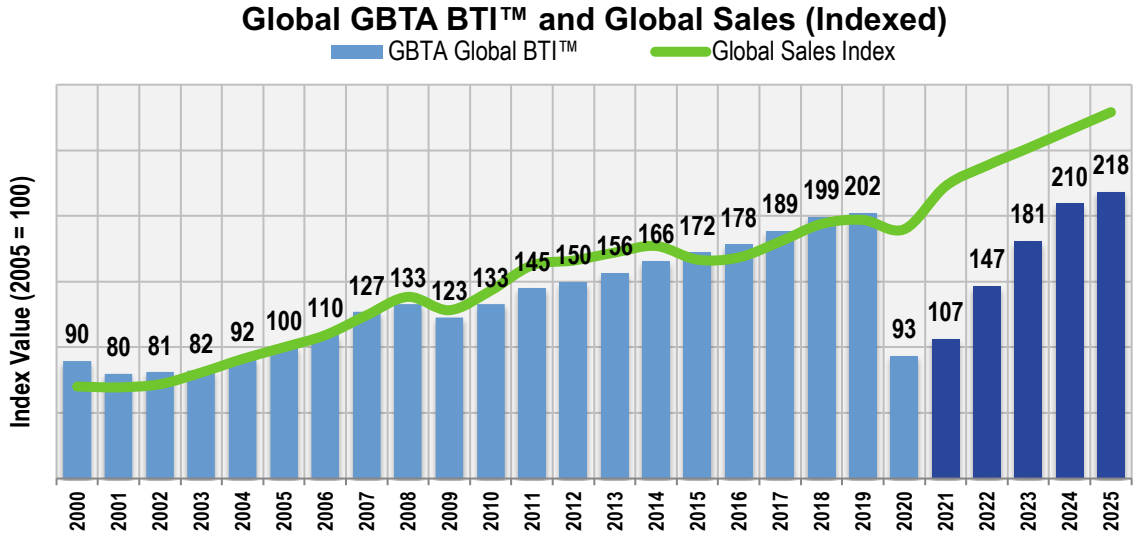
- Australia's business travel market has also suffered from draconian travel restrictions. In March 2020, Australia introduced some of the strongest border restrictions in the world and only began to relax those in late October 2021. The Australian federal and state governments' strict border decisions have resulted in big social and economic costs and have been a major drag on business travel performance in 2021.
- Japan was lauded for containment of COVID early in the pandemic, but cases have surged in the second half of 2021 which has slowed the recovery; the vaccine rollout started slowly but has significantly picked up the pace. We expect compound annual growth in Japanese business travel to average 22% through 2025.
- Vaccination rates in Russia, Brazil, and India have lagged those of more developed markets which will weaken their rebound prospects in 2022.
- Indonesia's dependence on foreign trade and international business travel has really taken a toll on travel volumes. Business travel spending in Indonesia will decline at a compounded annual growth rate of 43% over 2020 and 2021. We expect that the rebound will lag in Indonesia as well given the lagging vaccination rates and the heavy dependence on international outbound business travel.

GBTA BTI™

GBTA's headline measure of the current and projected level of business travel is the GBTA BTI™ (Business Travel Index™). This index of business travel activity has been created for total global business travel as well as for every major business travel market in the world. The GBTA BTI™ is indexed on a base year of 2005 and is derived from total business travel spending.

The COVID-19 pandemic led to a sharp decline in the Global GBTA BTI™ with the index falling from 202 in 2019 to 93 in 2020, below its 2005 base level of 100. While we expect a snapback in the index in 2021 and beyond, we do not expect the index to fully recover until 2024. The graph below demonstrates the clear positive correlation between the Global BTI™ and Global Output. Generally speaking, business travel activity rises and falls with global output. However, there is a notable break in the trend in 2020 as the pandemic has impacted business travel to a much greater extent than overall economic activity.



Source: GBTA, Rockport Analytics

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The table below highlights the BTI™ performance among the top-15 business travel markets in the world along with country-level forecasts of BTI™ for each market. Some markets are expected to rebound in 2021 but similar to a key theme mentioned earlier, the rebound varies. Some countries will drop even further in 2021 and then experience a sharper snapback in 2022. The expected business travel recovery to 2019 pre-pandemic levels varies by country as well with nine countries recovering in 2024, two in 2025, and four countries not recovering until after the forecast period.

GBTA BTS: Top 15 Business Travel Markets

	Rank 2021	2019	2020	2021	2022	2023	2024	2025
China	1	689	404	532	608	669	723	757
% Growth		0.9%	-41.4%	31.7%	14.4%	10.0%	8.0%	4.8%
United States	2	134	52	68	99	123	144	149
% Growth		2.7%	-61.1%	30.2%	46.3%	24.3%	16.6%	3.8%
Germany	3	200	77	71	125	169	205	210
% Growth		1.1%	-61.6%	-7.4%	75.9%	35.3%	21.5%	2.2%
France	4	159	69	70	108	139	164	169
% Growth		2.0%	-56.6%	1.3%	55.3%	28.3%	18.0%	2.9%
Japan	5	114	49	31	65	98	130	134
% Growth		-0.4%	-57.2%	-36.7%	109.9%	51.4%	32.0%	3.4%
United Kingdom	6	145	58	48	89	125	156	163
% Growth		2.1%	-60.0%	-17.0%	85.7%	40.0%	24.9%	4.4%
India	7	452	188	161	252	343	426	474
% Growth		4.8%	-58.5%	-14.2%	56.4%	36.0%	24.2%	11.5%
Brazil	8	249	111	108	150	199	236	248
% Growth		2.1%	-55.5%	-2.4%	38.3%	33.0%	18.4%	5.2%
Italy	9	124	47	45	79	108	133	136
% Growth		-1.3%	-62.3%	-3.9%	74.9%	36.9%	23.5%	2.4%
South Korea	10	177	70	60	104	141	173	179
% Growth		-1.3%	-60.5%	-13.2%	72.1%	35.8%	22.7%	3.0%
Spain	11	165	71	80	119	149	173	179
% Growth		0.9%	-57.3%	12.9%	49.2%	25.3%	16.0%	3.6%
Turkey	12	199	132	141	155	165	170	177
% Growth		4.5%	-33.6%	6.9%	9.8%	6.7%	3.1%	4.2%
Canada	13	164	75	67	109	144	173	177
% Growth		0.3%	-54.5%	-9.8%	61.9%	32.0%	20.1%	2.4%
Australia	14	184	72	80	119	154	179	181
% Growth		1.1%	-60.8%	11.4%	48.4%	29.1%	16.1%	1.4%
Russia	15	221	87	112	142	174	200	209
% Growth		2.0%	-60.9%	29.6%	26.3%	23.0%	14.6%	4.7%
GBTA Global BTI™		202	93	107	147	181	210	218
% Growth		1.5%	-53.8%	14.0%	37.6%	23.2%	16.0%	4.3%
Global Sales Index		197	190	223	238	252	265	279

Source: GBTA, Rockport Analytics

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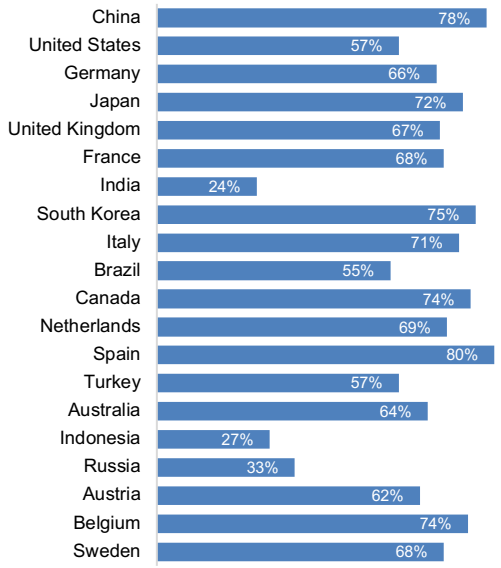
Examining the Conditions Necessary for A Full Recovery in Global Business Travel

Condition #1: The Global Vaccination Effort

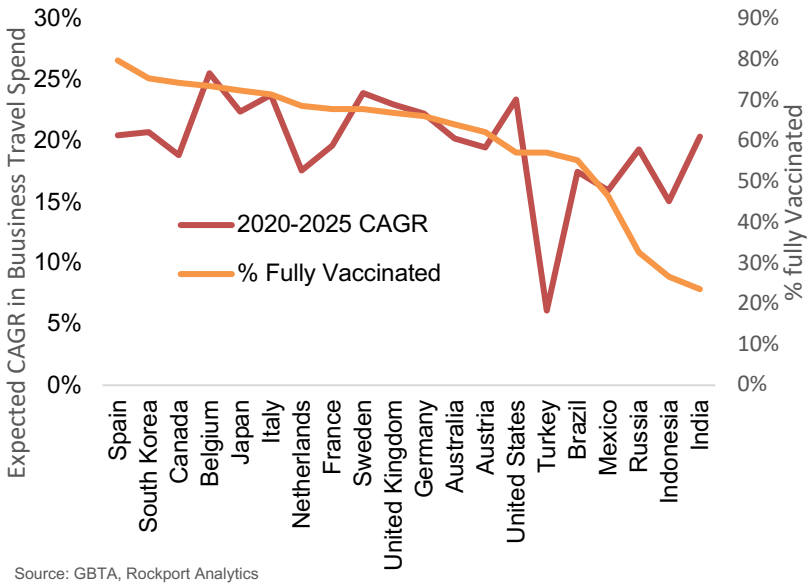
Vaccination Rates in Top-20 Business Travel Markets [2020 BTS] (% fully vaccinated)



Source: Our World in Data; South China Morning Post

Far and away the largest determinant of the pace and direction of the business travel recovery remains the effort to vaccinate the global population. As of early November 2021, 39% of the global population has been fully vaccinated and an additional 7% is partially vaccinated, awaiting a second shot. These vaccination rates are not uniform across the global with vaccination rates in more developed countries far outpacing those in emerging and low-income economies. As a region, Europe leads the race towards vaccination with 55% of its population fully vaccinated against COVID-19. Europe is followed closely by North America and Latin America at 52% and 51% fully vaccinated, respectively. Asia has vaccinated around 43% of its population and Oceania around 48% with a huge difference in uptake between more developed nations and emerging markets in those regions. Africa has only a 5.8% vaccination rate. The Middle East ranges from 0.5% in Yemen to 86.8% in United Arab Emirates with an average of 41.5%.

Correlation Between Vaccination Rates & Expected Business Travel Performance



Source: GBTA, Rockport Analytics

Examining vaccination rates in the top-20 business travel markets in the world reveals a similar divergence in vaccination rates between developed and emerging economies. Markets like the US, France, Germany, the UK, Japan, South Korea and Australia all have vaccination rates above 55% while most emerging markets are below that threshold, some like Indonesia, India and Russia, far below that threshold. This will certainly have an impact on the pace of recovery in these markets. The chart to the left shows our expectation for the recovery in business travel over the next five years (left axis) correlated with the vaccination rate in each country (right axis). Not surprisingly, except where specific markets are strongly influenced by other factors, there is a positive relationship between these two metrics.

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Condition #2: National Travel Policy

The second major condition necessary for a full recovery in business travel is the loosening of national travel bans to allow people to safely move throughout their countries and across borders. This is particularly important for the recovery in international business travel which, prior to the pandemic, comprised nearly a quarter of global business travel expenditures. The various national travel restrictions range in severity from random testing of entrants to completely closing borders to foreign visitors.

In the table to the right, we have scored the top 15 business travel markets in the world based on their current (November 2021) level of national travel restriction. Very restrictive countries are allowing few people to enter. Restrictive countries only allow vaccinated travelers. The least restrictive countries have options in place for both vaccinated and unvaccinated travelers.

Travel Restrictions By Country

Top 15 Markets 2020 BTS

Country	Rank	Restrictions
China	1	Very Restrictive
United States	2	Restrictive
Germany	3	Less Restrictive
Japan	4	Very Restrictive
United Kingdom	5	Less Restrictive
France	6	Less Restrictive
India	7	Less Restrictive
South Korea	8	Less Restrictive
Italy	9	Restrictive
Brazil	10	Less Restrictive
Canada	11	Restrictive
Netherlands	12	Restrictive
Spain	13	Less Restrictive
Turkey	14	Less Restrictive
Australia	15	Restrictive

Source: Rockport Analytics, government sources

Notably, two of the most restrictive policies come from APAC with China and Japan. China currently allows foreign nationals with valid residence permits and visas to enter the country under certain very limited conditions. In early November 2021, the government of Japan relaxed its very strict policies so that business travelers can actually enter; however, they are still required to quarantine. Foreign residents with a reentry permit are generally allowed to reenter Japan but must also comply with strict pre- and post- travel testing requirements and quarantine upon arrival.

In North America, both the U.S. and Canada allow foreign citizens to enter as long as they are fully vaccinated and have a negative Covid test. Canada's entrance requirements were very restrictive until a few months ago. In the last four months, step-by-step they eased a mandatory two-week quarantine for their own citizens who had traveled abroad, opened entrance for fully vaccinated U.S. citizens, began allowing vaccinated international travelers, except from India, and then eventually lifted a ban on flights from India.

The European Union (EU) Member States adopted a coordinated approach to the pandemic. Their approach points to what needs to be done to recover their European way of life in a safe and sustainable way with control over the virus. In late October 2021, the European Commission recommended member states to gradually lift the in-place restrictions they had on non-essential travelers from some of the Latin American and African countries. Individually, European countries still choose their entrance requirements regarding vaccines, testing, and requirements to quarantine.

Latin America is the least restrictive region in the world with many borders completely open. Mexico is open to travelers with no need to provide a negative Covid test nor to quarantine upon arrival. Brazil only requires a negative Covid or antigen test, and they include exceptions for people who consistently test positive months after contracting the virus. Land borders are still closed to most foreigners, but they provide some exceptions there, too.

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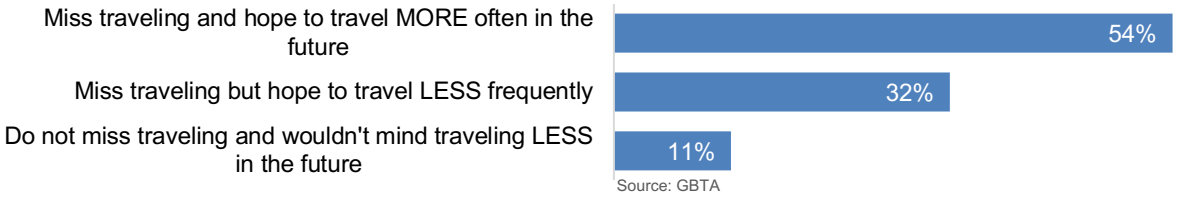
Condition #3: Business Traveler Sentiment

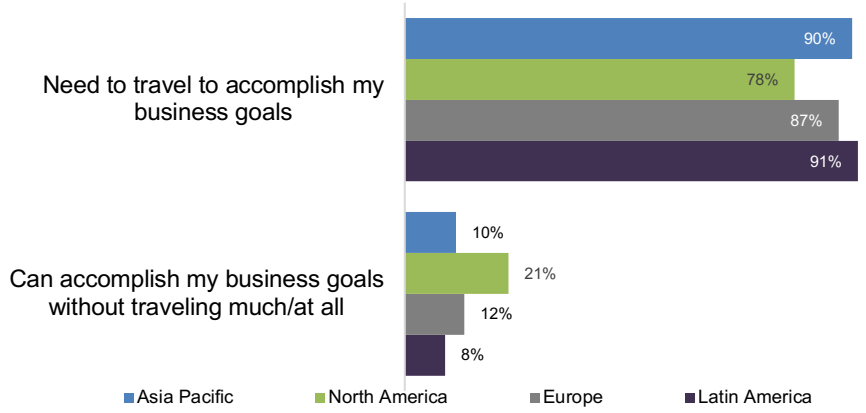
The third necessary condition for a "return to normal" in global business travel is the sentiment of business travelers. Until travelers are ready and willing to return to pre-pandemic levels of travel, we are unlikely to experience a full recovery. In order to gauge current sentiment, GBTA fielded a survey to 400 business travelers from around the globe. The survey was fielded in October 2021 and response quotas were set for North America, Europe, Latin America, and Asia Pacific. In order to qualify for the survey, respondents had to travel at least 3 times per year prior to the pandemic.

Globally, business travelers are by-and-large ready to return to the road: 54% of frequent business travelers miss traveling and hope to travel more often in the future. Another 32% miss travel but hope to travel less than they did before the pandemic. And only 11% reported that they don't miss traveling and wouldn't mind travelling less in the future.

Current Travel Sentiment Compared to Before the Start of the Pandemic



Regional Need to Travel to Accomplish Business Goals



Source: GBTA

- Clearly travelers see a business need to get back on the road. Overall, 86% report that they need travel to accomplish their business goals. These results are consistent across regions.

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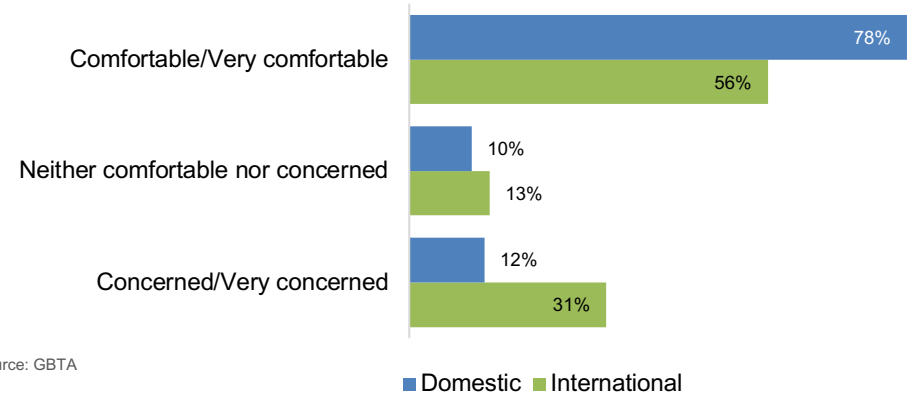
Business travelers are clearly more comfortable travelling domestically than internationally in the near-term:

- 78% report feeling 'comfortable' or 'very comfortable' traveling for business domestically over the next three months, compared to only 56% feeling 'comfortable' or 'very comfortable' with traveling internationally in that timeframe
- Only 12% of business travelers feel 'concerned' or 'very concerned' with domestic travel over the next three months, compared to 31% who feel concerned about traveling internationally over that period

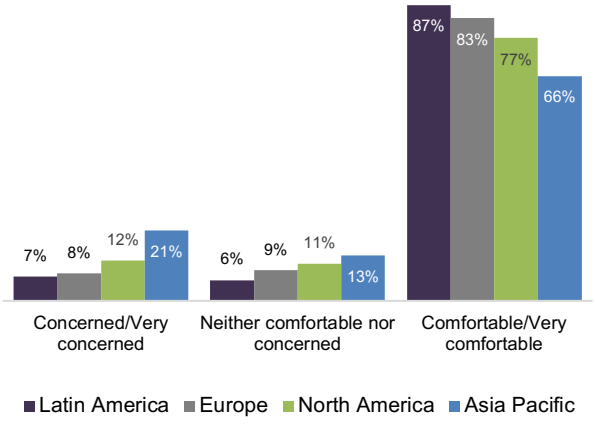
Comfort Level With Travelling for Business Over the Next Three Months



Source: GBTA

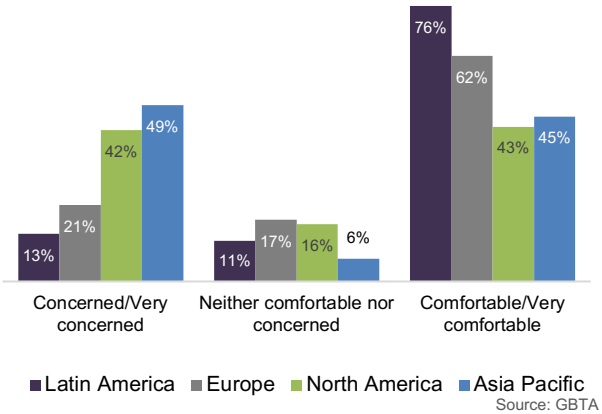
Latin Americans are much more comfortable traveling for business over the next few months than those in other regions with 87% reporting they are comfortable or very comfortable traveling domestically and 76% reporting they are comfortable of very comfortable traveling internationally. Europe follows closely with 83% comfortable/very comfortable with domestic travel and 62% comfortable/very comfortable with international travel.

Comfort Level With **Domestic** Business Travel Over the Next Three Months



Source: GBTA

Comfort Level With **International** Business Travel Over the Next Three Months



Source: GBTA

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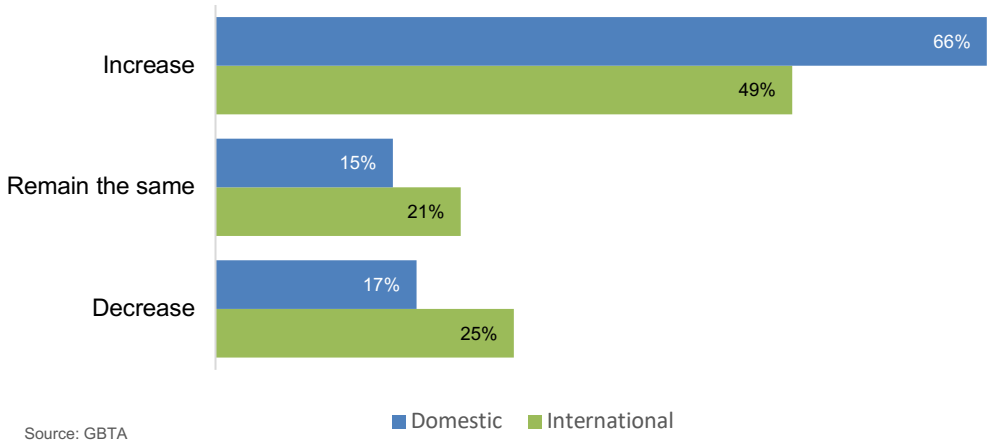
- Two-thirds of business travelers believe that their volume of domestic business travel will be greater in 2022 than it was prior to the pandemic. Nearly half expect that their international volumes will exceed pre-pandemic levels. A full quarter of business travelers expect international travel volumes in 2022 to decrease compared to prior to the pandemic, and 21% expect international travel volume to be on par with pre-pandemic levels

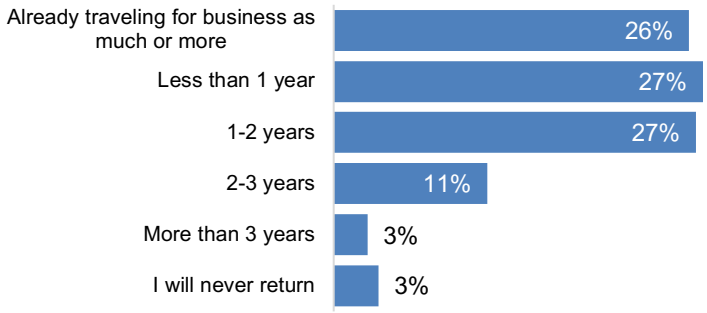
Expectation of Business Travel Volume in 2022 Compared to Pre-Pandemic



Source: GBTA

- Business traveler sentiment around the return to normal levels of business travel volume closely follows our forecast for the return of pre-pandemic levels of business travel spending with over 50% expecting to be back to pre-pandemic levels over the next year and another 27% in the following year.
- Few (3%) say they will never return to pre-pandemic levels of business travel.

How Long to Return to Pre-Pandemic Levels of Travel Volume



Source: GBTA

Regional expectations closely align with the recovery dynamics in different parts of the world: Latin American business travelers are much more likely to be back to their pre-pandemic levels of business travel than other regions- reflective of the lack of travel impediments in many of those countries. Business travelers in Asia Pacific are much more pessimistic about the recovery with nearly 30% not expecting full recovery for two years or more. European business travelers are slightly more optimistic than those in North America with 54% expecting recovery in less than a year compared to 45% of North Americans. Interestingly, European and North American business

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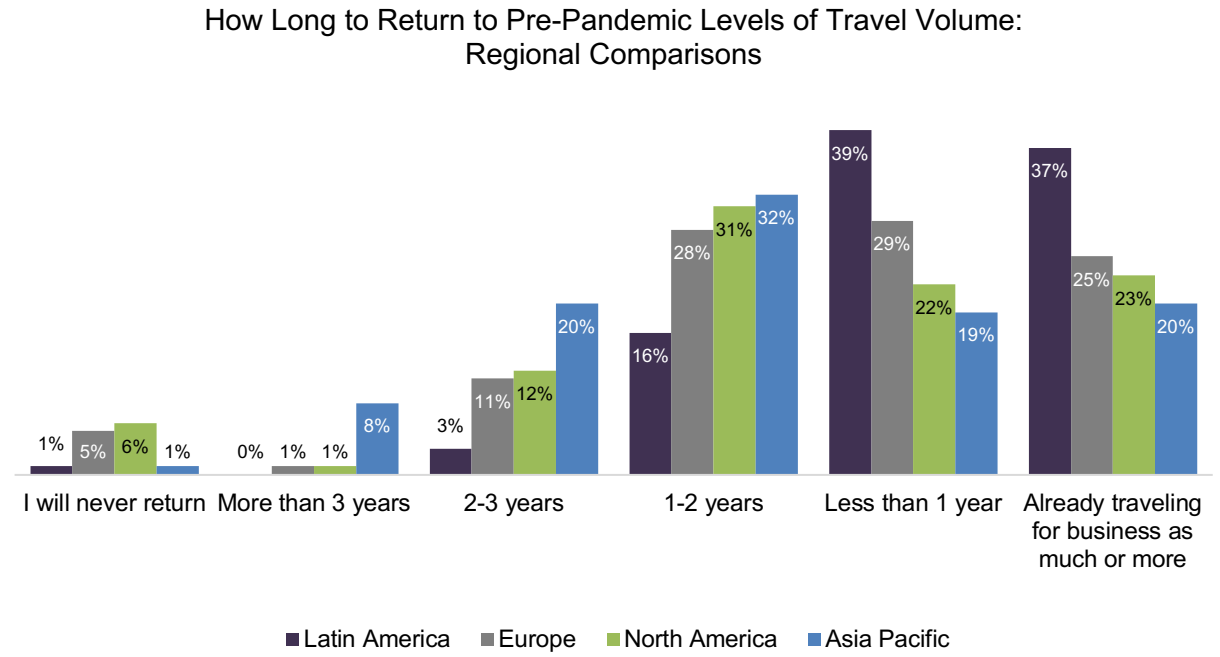
travelers are significantly more likely than APAC or LATAM business travelers to feel their business travel frequency will never return to its pre-pandemic level, but still a very low percentage.



Source: GBTA

Condition #4: Travel Management Policy and Chief Financial Officers Perspective

The other major variable influencing the recovery in global business travel is the direction of travel management policy. There has never been a more challenging time for travel managers. Duty of care and the health and well-being of employees has been heightened given the inherently riskier travel environment. Travel managers have been tasked with following the ever-changing complexity around global travel policy and making sure that employees feel valued and secure while traveling. Travel managers also need to weigh the costs and risk to travel against the ROI produced across a multitude of trip purposes. And this is all done against a backdrop of rising travel prices due to rising wages, supply chain shortages, increases in energy prices and reduced capacity in the air and ground segments. To control costs and manage risks, a lot of bookings that were outsourced in the past have shifted in-house.

GBTA has been surveying global travel managers monthly since February 2020 about the impact of the pandemic on their programs. According to the October 2021 poll, 51% of companies have already resumed domestic business travel, while only 17% have resumed international travel. While national travel policy is one of the biggest impediments to the re-start of international business travel, there is also increased risk of allowing employees to cross borders and concerns about

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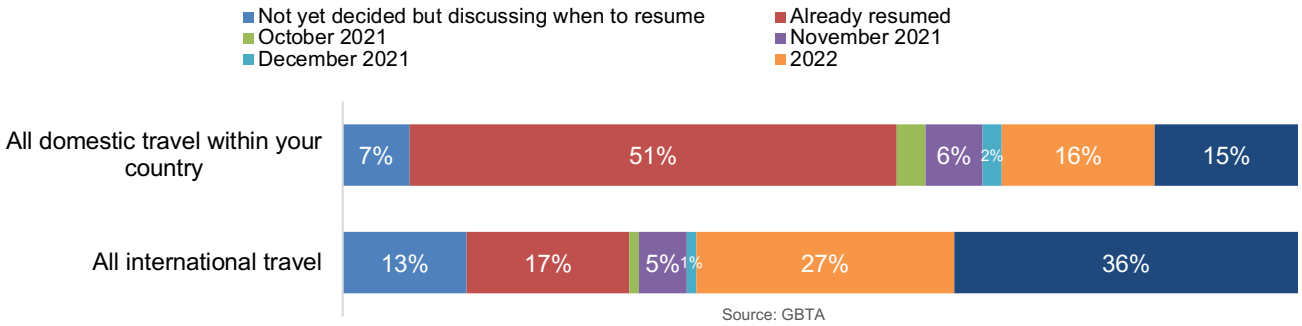
passport and visa delays.

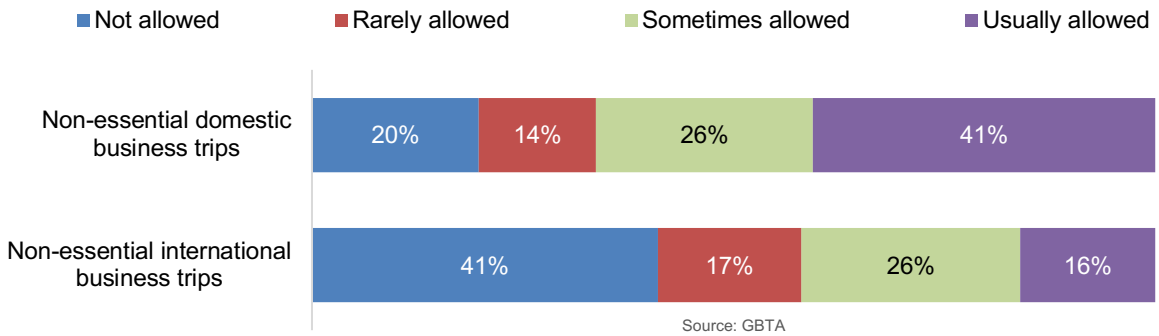
When do companies specifically plan to resume business travel?



Within the next 3 months, 46% report their company plans to resume domestic travel, and 28% plan to resume international travel. Most say their company will not require vaccines for business travel, yet 90% of them are fully vaccinated. There was strong support among travel managers in October for the new policy to open U.S. borders for international visitors; that policy took effect in early November. When asked what would accelerate the return of business travel at their company, more than three-quarters said the overall reduction in COVID-19 transmission rates at places where they hold or attend meetings. Sixty-seven percent report that employees still have significant work-from-home flexibility.

Travel managers must also set policy around essential and non-essential business trips. In GBTA's October 2021 poll, Travel managers reported that 41% of non-essential domestic trips are usually allowed but this falls to only 16% when asked about non-essential international travel.

Company's current position on employees traveling for business



As for the policy issue of company costs, travel managers and company leaders must justify the return on investment (ROI) of business trips.

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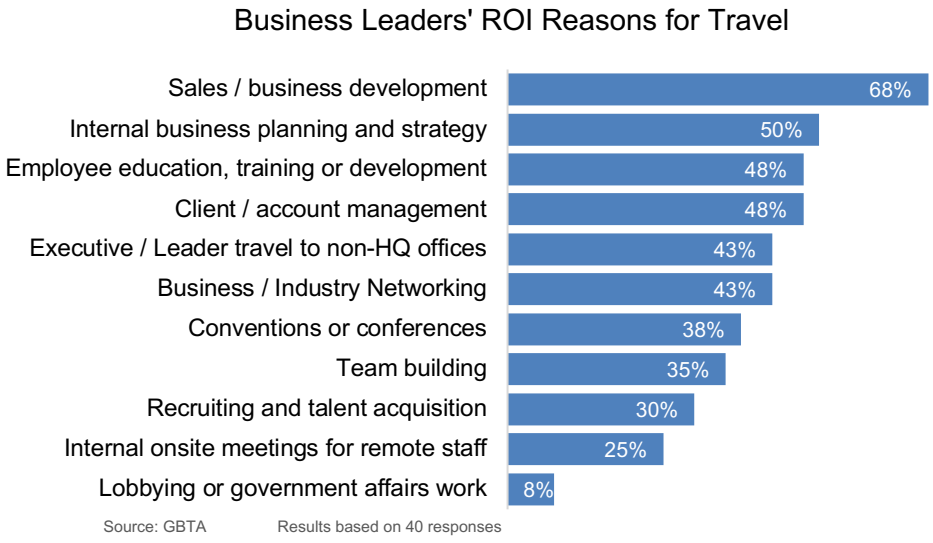
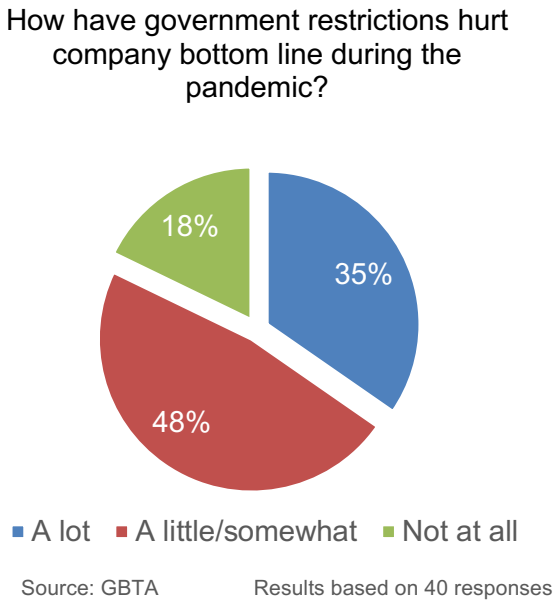
GBTA interviewed dozens of chief financial officers (CFOs) and executives with financial oversight in October 2021. Though we can't make strong inferences from the data based on the relatively few number of responses, we can anecdotally see how CFOs view the recovery from the pandemic. When asked their reasons for business travel from an ROI perspective, sales and business development was the top justification chosen by 27 of 40 respondents (68%), followed by internal business planning and strategy (50%). Business leaders were allowed to pick 5 reasons from the list, but conventions and conferences didn't make the top 5 even though pre-pandemic they accounted for a significant volume of business trips.



In light of the forced reconsideration of business travel due to The Great Lockdown and the ensuing travel restrictions, technology was quickly implemented to fill the gap. This topic now becomes an unavoidable consideration for return on investment. When are business trips necessary, and when can a less expensive video call replace the travel that was previously just assumed as being needed?

Most CFOs expect the domestic economy to improve next year, and that business travel spend will return to 2019 levels eventually. Nearly half reported that government restrictions hurt the company bottom line a little/somewhat and more than another third said it hurt the bottom line a lot.



Monitoring Secular Shifts in Corporate Travel Behavior

Accelerated Adoption of Meeting Technology

The short-term impacts of the pandemic on global business travel have clearly been dramatic. As reviewed in the previous section of the report, the return to a "normal" level of activity is dependent on a number of key factors – the global vaccination effort, the lifting of national travel bans, a return of business traveler sentiment and a rethink of travel management policy. But outside of the industry's more immediate recovery, it is important for us to analyze the longer-term shifts that may

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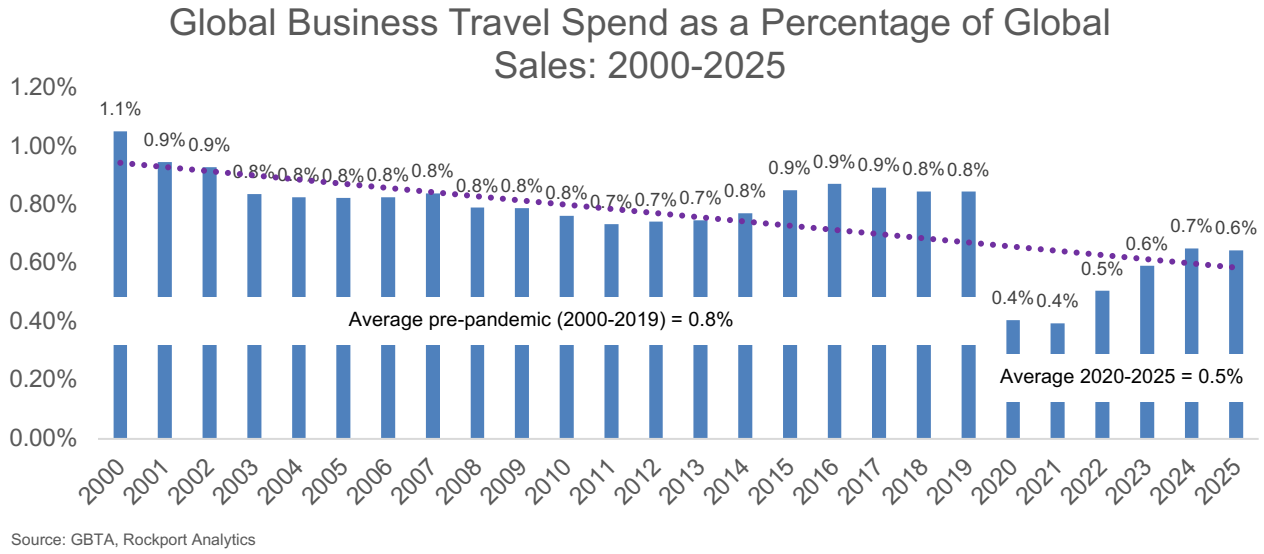
be taking place as a result of the indelible impact of the pandemic. With such a seminal event, we expect there to be some accelerated evolution in the shaping of the global business travel industry.

The first potential shift could come from the rapid adoption of meeting technologies. While these technologies aren't new and have been around and widely used for decades, the incremental improvement over the last few years, coupled with their broader utilization across industries, is likely to have some long-standing impact on business travel. As we look towards a time when we can put the COVID-19 pandemic behind us, firms will need to examine the cost and benefit of their investment in business travel and how technology plays a role. As GBTA showed in landmark research coming out of the Great Recession, business travel was underutilized as a recovery tool, and well-managed travel programs were able to generate a return to top-line revenue of 20:1 against incremental travel expenditures[4].

Corporate travel managers surveyed by Morgan Stanley in July 2021, reported they expected virtual meetings would replace about 22% of travel expenditures in 2022. It's important to note business travel has continued to grow at a healthy pace (4.4% on a compound annual growth rate basis) over the past twenty years – a period when meeting technologies have evolved, and broader adoption has come online. While productivity has grown over the period – likely in part driven by advancements in technology – it has not hindered the growth in global business travel expenditures. The chart below shows the decline over time in the ratio of global business travel spending to global output, indicating that it takes less business travel to generate the same level of sales in 2019 than it did in 2000 – partially the result of technological innovation and the ability to do more with each business trip.



Source: GBTA, Rockport Analytics

The value of this ratio obviously declined sharply into the pandemic as spending on business travel fell at a much higher rate than total economic output. We expect this ratio to recover back to 76% of its pre-pandemic level by the end of the forecast horizon. It is important to note, that spending as a percentage of total sales does not need to return to pre-pandemic levels to realize a full recovery in total expenditures. In other words, broader adoption of meeting technologies could impact travel volume at the margin but still not hinder the full recovery in travel spend. Firms that invest in business travel for networking, employee development, education, team building and driving

[4] Business Travel ROI and the Search for the "Right" Amount of T&E, NBTA Foundation, 2010

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revenue will clearly have a competitive advantage as we come out of the pandemic and economies and borders reopen.

Positioning Business Travel for a Sustainable Future

Another secular shift that has been brought about by the pandemic is the intensified focus on sustainability among travel suppliers, travel managers and business travelers. Sustainability and resilience efforts have gained traction over the last ten years, but the pandemic has shifted these efforts into hyperdrive. According to an April 2021 IBM Institute for Business Value (IBV) survey of over 14,000 consumers in 9 countries, the pandemic has increased consumers' focus on sustainability, with many reporting they are willing to change how they do things like shop, travel and choose an employer.

Corporate travel sits at the center of the sustainability initiatives. While these efforts are likely to raise costs for stakeholders throughout the industry, they are necessary for the long-term viability of the industry and a healthy global environment. And there is significant evidence that stakeholders across the industry are willing to take part:

- A GBTA survey of travel managers[5] in the U.S. and Canada shows that 48% of companies expect to focus more on the social and environmental impact of their business travel programs after the pandemic.
- Spring 2021 brought commitments from both the U.S. and Canadian airlines regarding reaching carbon neutrality in the airline industry. In March, Air Canada committed to net-zero emissions by 2050. In April in the U.S., 11 airlines signed onto the Airlines for America (A4A) industry trade organization's goal to achieve the same also by 2050. The nearer-term A4A goal is to reach 2 billion gallons of sustainable aviation fuel (SAF) by 2030. In October, Aeromexico echoed the commitment to reach net-zero emissions by 2050.
- Across the spectrum of major hotel brands, ambitious sustainability initiatives have been set that include reducing energy and water use and a focus towards eliminating greenhouse gas and carbon emissions.
- In early November 2021, the Sustainable Hospitality Alliance, which unites about 30% of the hospitality industry, announced, with the support of the World Travel & Tourism Council (WTTC), the development of a Pathway to Net Positive Hospitality for the planet.
- Among ground transportation companies, Europcar Mobility Group set sustainable performance targets in fall 2021 to both reduce carbon emissions and to have a fleet of 20% green vehicles by the end of 2024. In late October, Hertz and Tesla made a deal for 100,000 vehicles, sending a signal to the U.S. market of the future of electrical vehicle (EV) expectations as part of the rental fleet.
- A report from the IBV survey indicates that 82% of their global consumers would choose a more environmentally friendly mode of transportation even if it costs more.

More can be done- according to a GBTA report, 60% of companies have a sustainability policy, but only half of those include business travel in their policy. As the focus on sustainability efforts intensifies, it will be critical to incentivize firms and individuals to make the most responsible choices

[5] *GBTA Survey of Traveler Managers*, October 2021

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while making sure that the cost burdens are born by all beneficiaries of a healthier more sustainable business travel sector and a significantly reduced global carbon footprint.

Region-By-Region Performance

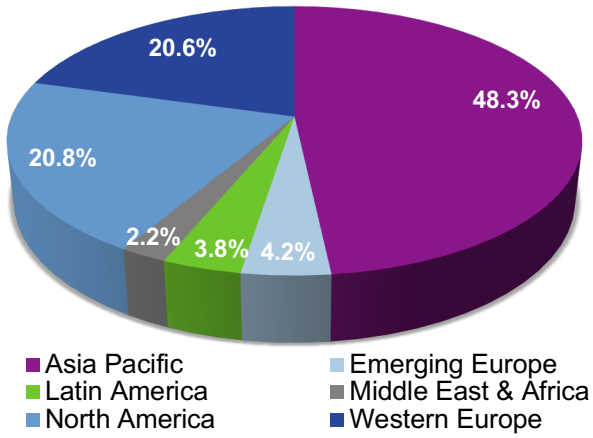
Global business travel spending totaled $661 billion in 2020, declining nearly 54% from 2019 levels ($1.43 trillion). The Asia Pacific region generates the largest share of business travel in the world at 48%, followed by North America (20.8%) and Western Europe (20.6%). Even after the declines, these three regions continue to account for 90% of global business travel activity in 2020.

While there were declines in business travel expenditures in every country around the globe in 2020, this year there has been much more divergence between business travel markets – some continuing to decline, while others began to recover. In total, global business travel spending is expected to gain 14% this year.

Our baseline forecast projects that we will regain pre-pandemic levels of global business travel spend by 2024, with individual regions and countries jumping that hurdle earlier or later.

We expect that over the next five years (including 2020's decline), global business travel will increase by an annual average of 18.5%. North America and Western Europe, the two regions hit hardest by the pandemic, are expected to experience the sharpest recoveries with compound annual growth increases of 22.9% and 21.4%, respectively by 2025.

Business Travel Spending Percent by Region in 2020
Domestic Plus Outbound International



Source: GBTA, Rockport Analytics

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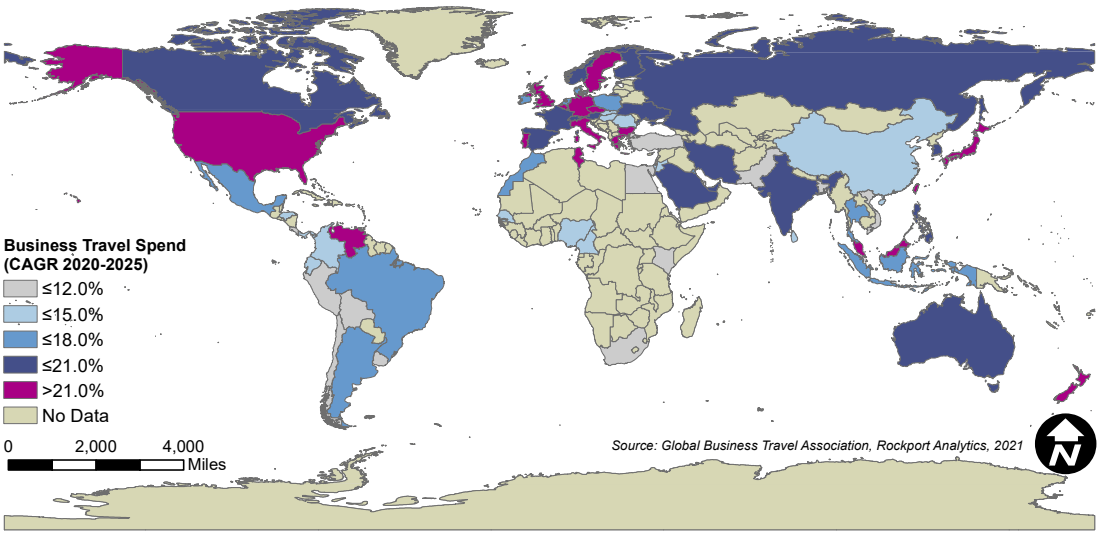
GBTA BTI™ Outlook:
Annual Growth in Business Travel Spend (CAGR 2020-2025)

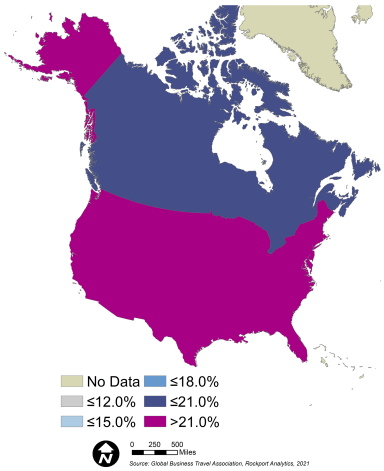


North America

Business travel spending in North America fell to $137.8 billion in 2020, a 60% decrease from 2019. U.S. business travelers accounted for 88% of the regional spending total. Canada and Mexico made up the remaining 12% of spending, totaling a combined $15.9 billion. North America remains the second largest business travel market in the world with nearly 21% of global spend in 2020, which is expected to climb to 23% by the end of this year.

North America was the hardest hit region in the world in 2020 but is experiencing the sharpest recovery in 2021 with spending expected to increase by 27%. Mexico will be a key contributor to growth as a relatively open economy and recovery from its recession has helped to prop up business travel growth. The recovery in the US has also been admirable, given a return to some level of domestic transient activity in 2021. Canadian business travel, on the other hand, has continued to decline in 2021 as draconian travel bans have eliminated all but the most critical of business travel. The Canadian government recently lightened restrictions which should help aid the recovery in 2022.

GBTA BTI™ Outlook:
Compound Annual Growth in Business Travel Spend 2020 - 2025



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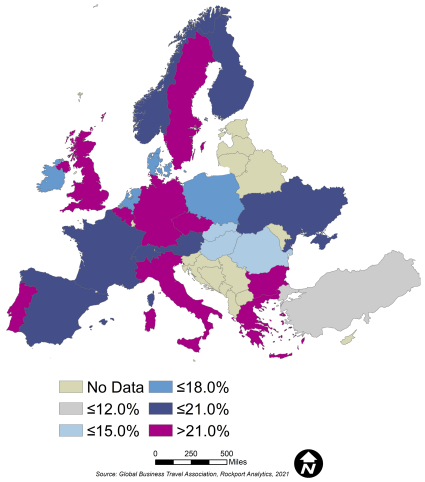
Economic challenges in the United States include supply chain concerns which continue to plague the market since they became an issue during the pandemic. The expectation is the supply chain will begin to normalize as early as the second half of 2022. Until then, shortages will fuel inflation and provide a hindrance to economic growth. Labor shortages have also been a headwind as businesses struggle to fill vacancies. Underlying issues include many who still fear the risk of COVID-19 infection in the workplace, childcare challenges, or skills mismatch. On the upside, economic fundamentals remain strong. Due to the influx of stimulus money, household and business balance sheets are in good shape, and consumers have stocked away savings. The U.S. is experiencing strong growth in productivity and corporate profits have hit record highs. The strong underlying economic fundamentals, coupled with continued progress on controlling the COVID-19 caseloads, will help to propel the growth in business travel spending by more than 21% annually through 2025.

Western Europe

Business travel in Western European countries fell in lockstep in 2020, with each major market losing between 50% and 65% of pre-pandemic spending levels. Given these steep declines, Western Europe's share of global travel spending fell from 23% in 2019 down to 20% in 2020.

Unfortunately, the spending declines continue to mount in 2021. Europe was hit hard by the Delta variant which stopped the recovery in its tracks before it could get started. We expect another 3.8% decline in Western European business travel spending this year. We do however, see a number of green shoots in Western Europe's business travel market: travel volumes have recently picked up as international restrictions are lifted and COVID cases decline. Business traveler sentiment has also been very strong with 54%[6] of European business travelers expecting to be back to their pre-pandemic levels of travel over the next year.

GBTA BTI™ Outlook:
Compound Annual Growth in Business Travel Spend 2020 - 2025



We expect that pent-up demand for business travel will help to fuel significant growth in Western European markets in 2022 and 2023, leading to a full recovery to pre-pandemic levels of spending by 2024. There will be some divergence in the pace of the recovery – the UK, Italy and Sweden will lead the way with strong growth prospects in Germany, France, Norway and Finland as well. Laggards will include Ireland – whose tourism-based economy has been deeply scarred by the COVID downturn.

[6] *GBTA Survey of International Business Travelers*, October 2021

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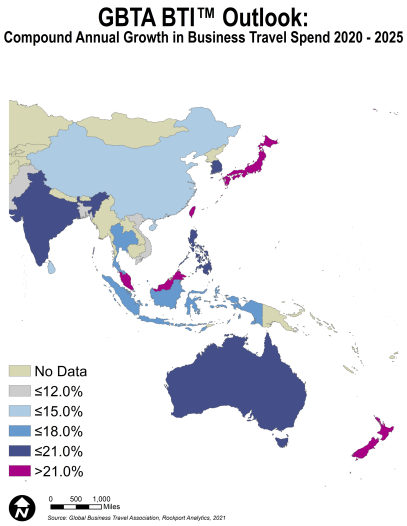
Asia Pacific

The Asia Pacific region continues to account for the largest share of business travel spend in the world. In fact, the proportion of spending generated in APAC jumped from 43% in 2019 to 48% in 2020. The increase was the result of China's business travel market performing well in 2020 relative to other major economies around the world. Spending on business travel in China fell only 41%, compared to a 54% decline globally. China benefitted from being able to curb COVID cases very early in the pandemic, which allowed officials to avoid the large-scale shutdowns that many other major business travel markets witnessed in 2020. China also benefits from a large domestic business travel market (comprising roughly 95% of total travel expenditures) so was less impacted by border closings.



On a year-over-year growth basis Asia Pacific has not performed as well as some other parts of the world in 2021. While China's domestically focused business travel market has performed relatively well, business travel in other parts of the region continues to struggle. Stringent travel bans and a heavy reliance on international travel has continued to take its toll on business travel in markets like Japan, Hong Kong, Singapore, Indonesia, Thailand and South Korea.

We do expect many markets in the region to recover over the forecast horizon, but the recovery is likely to lag the one in Europe, North America and Latin America as border reopening and the re-start of international business travel will be critical to business travel volumes in the region. We expect the spending recovery growth to average 26% in APAC in 2022 and 19% 2023, compared to 38% and 23% globally. This expected lag is further supported by business traveler sentiment. In GBTA's business traveler survey, 29% of APAC business travelers expect the recovery in business travel volumes to take two years or more, compared with 13% of business travelers in other regions.

Latin America

Business travel spending in Latin America declined 50% in 2020 to $24.9 billion, accounting for 3.8% of global expenditures. Brazilian business travel spending, which accounts for 54% of spending in the region, fell 56% in 2020 as the COVID-19 pandemic took its toll.

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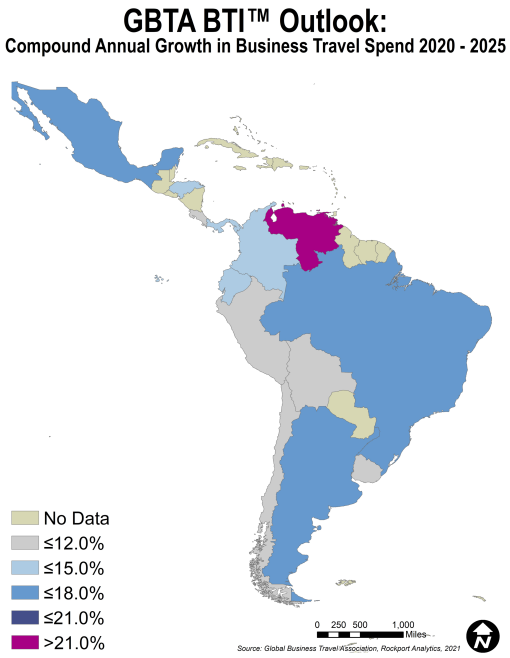
Business travel spending is expected to recover 18.4% to $29.5 billion in 2021 and the recovery continues to be fueled by relatively fewer government restrictions in some countries and more of a willingness to travel than other regions: 76% of Latin American business travelers reported they are comfortable or very comfortable traveling for business over the next three months. Latin American business travelers are also significantly more likely than travelers from other regions to feel travel is needed to accomplish their business goals (91% vs 85%).

Unfortunately, vaccination rates continue to lag in many countries in the region and the variance is large, ranging from a less than 1% vaccination rate in Haiti to 79% in Chile. And the underlying economic conditions for a full recovery in business travel don't currently exist with a number of structural issues that will hinder the recovery. Rising public debt, deteriorating credit ratings, and the threat of rising interest rates could further deteriorate Latin America's fiscal standing. We expect total business travel spending in the region to recover to $52 billion annually by 2025 just surpassing its pre-pandemic peak of $50 billion.



Travel by Industry Sector

Business travel is a critical input to virtually every industry and business, even as some industries travel much more intensely than others. As business travel and the global economy recover, it is important to put the industry impacts on business travel in perspective as well. The industry performance analysis can give travel managers information to better understand how their organization's business travel spending differs from the average of all firms in their sector. It can also illustrate how their sector fared during the 2020 downturn compared to other sectors and how quickly they might expect a rebound in travel demand. Lastly, the data can help travel suppliers to better allocate their marketing resources by targeting industry segments that have relatively better prospects over the next five years.

The chart below illustrates business travel spending sector performance through the pandemic along with the expected performance of each sector over the next five years. Each sector is segmented into one of four segments:

Resilient: Industries that outperformed through the pandemic downturn and are expected to continue to outperform over the next five years

Flagging: Industries that outperformed through the pandemic downturn but are expected to struggle to keep pace over the next five years

Recovering: The industries that were hit hard through the pandemic downturn but are expected to recover sharply over the next five years

Challenged: Industries that were hit hard through the pandemic downturn and will struggle to get back on their feet over the next five years

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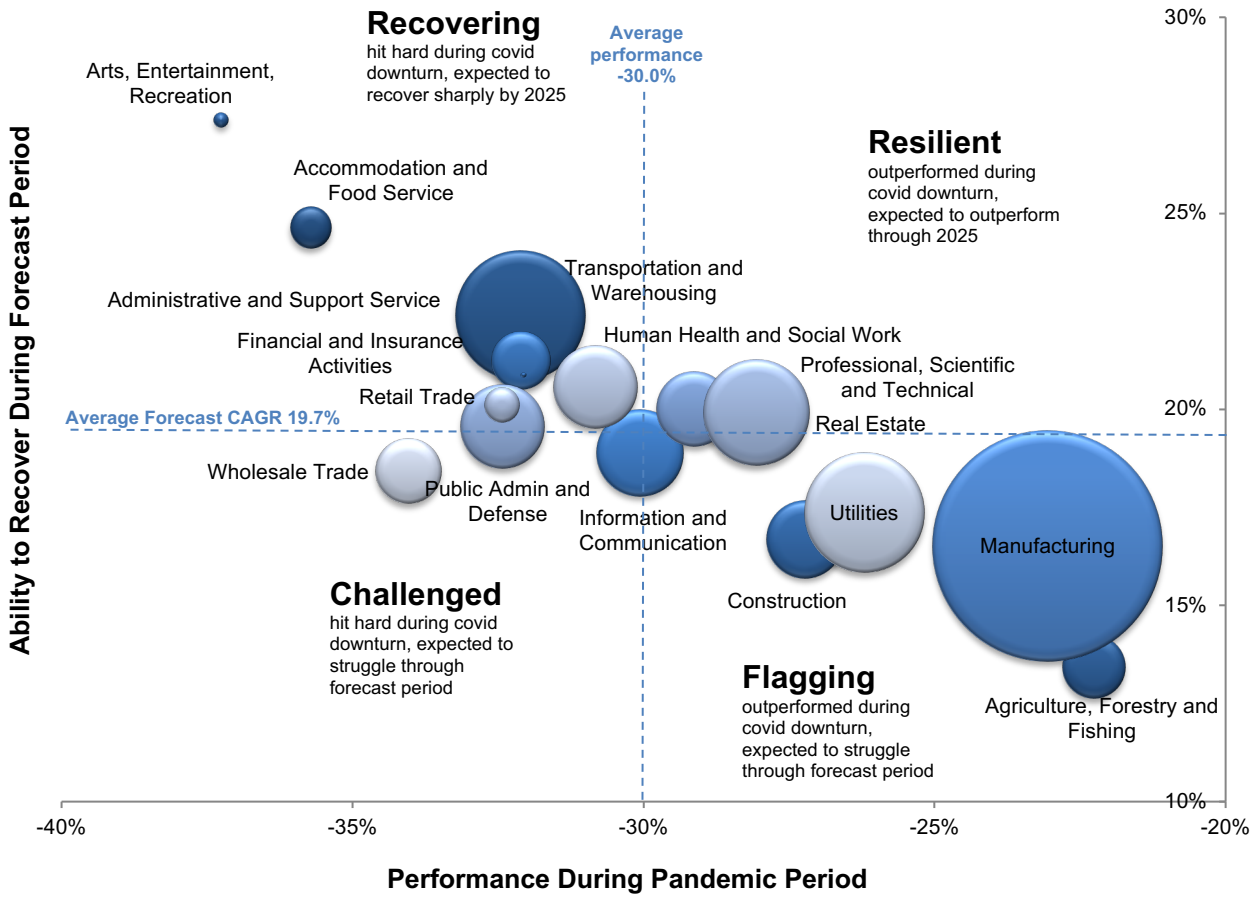
Pandemic Position and Business Travel Growth Forecast By Industry



Source: GBTA, Rockport Analytics

Both professional services and real estate have been classified as **resilient**- they performed relatively well through the pandemic and will continue to outperform over the next five years. Real estate has been fueled by low interest rates and will continue to benefit from the growth in new household formation over the next five years. Many professional services firms performed relatively well through the pandemic as companies shifted to remote work and utilized technology to keep workflows intact as office spaces shut down.

The **flagging** industries in the bottom right quadrant include agriculture, construction, education, manufacturing, and mining & quarrying. These sectors performed relatively well through the pandemic as many of businesses in these sectors were deemed essential and able to continue operating during economic lockdowns.

The top left quadrant illustrates the **recovering** industries – those who were hit hard through the pandemic but are expected to snapback over the next few years. These include many of the sectors at the epicenter of the COVID pandemic like accommodation & food services, administrative & support services, entertainment & recreation, retail trade, and transportation & warehousing.

The bottom left quadrant contains the three **challenged** industries: information & communication, public administration & defense, and wholesale trade. These sectors were hit hard through the pandemic and will recover relatively slower over the next five years.

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Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	**2020 Sales (bn US$)**	**2020 BTS (mn US$)**	**2020 BTS % of Total**	**2000-2019 BTS CAGR**	**2019-2021 BTS CAGR**	**2021-2020 % ch**	**2020-2025 CAGR**	**Industry Status**
Accommodation and Food Service Activities	$3,114	$7,468	1.1%	3.3%	-35.7%	17.3%	24.6%	Recovering
Administrative and Support Service Activities	$4,439	$76,418	11.6%	2.8%	-32.1%	13.0%	22.4%	Recovering
Agriculture, Forestry and Fishing	$5,687	$17,771	2.7%	4.6%	-22.3%	13.2%	13.4%	Flagging
Arts, Entertainment and Recreation	$1,113	$908	0.1%	2.7%	-37.3%	15.9%	27.4%	Recovering
Construction	$11,820	$26,933	4.1%	5.2%	-27.2%	8.4%	16.7%	Flagging
Education	$4,943	$9,902	1.5%	8.6%	-28.2%	11.9%	19.4%	Flagging
Financial and Insurance Activities	$9,189	$15,441	2.3%	2.6%	-32.1%	5.8%	21.2%	Recovering
Human Health and Social Work Activities	$7,313	$94	0.0%	-1.7%	-32.1%	7.8%	20.9%	Recovering
Information and Communication	$7,131	$34,390	5.2%	4.1%	-30.1%	8.8%	18.9%	Challenged
Manufacturing	$48,614	$242,389	36.7%	5.7%	-23.1%	19.5%	16.5%	Flagging
Mining and Quarrying	$3,401	$188	0.0%	13.5%	-26.7%	14.6%	16.3%	Flagging
Professional, Scientific and Technical Activities	$7,691	$25,367	3.8%	2.2%	-29.1%	11.3%	20.0%	Resilient
Public Admin and Defense, Other Services	$10,306	$31,982	4.8%	3.2%	-32.4%	5.3%	19.6%	Challenged
Real Estate Activities	$11,043	$51,020	7.7%	5.8%	-28.1%	9.8%	19.9%	Resilient
Retail Trade	$7,357	$5,373	0.8%	2.9%	-32.4%	8.6%	20.1%	Recovering
Transportation & Warehousing	$6,881	$31,349	4.7%	4.8%	-30.8%	16.6%	20.6%	Recovering
Utilities	$5,067	$65,115	9.8%	4.8%	-26.2%	12.4%	17.4%	Flagging
Wholesale Trade	$7,984	$19,029	2.9%	1.8%	-34.0%	5.9%	18.4%	Challenged
Grand Total ►	**$163,092**	**$661,137**	**100.0%**	**4.4%**	**-27.4%**	**14.0%**	**18.5%**	

Source: GBTA, Rockport Analytics

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Global Recovery Decelerating Amid Lingering Pandemic Challenges, Weaker China

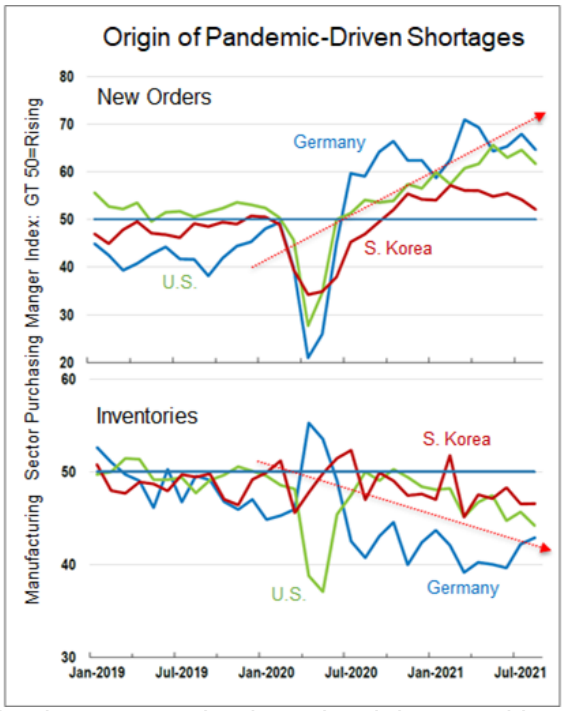
China's Growth Deceleration Comes at a Bad Time

Compounding COVID-related disruptions, growth prospects in China have diminished over the past few months in reaction to President Xi Jinping's goal for common prosperity. A severe regulatory crackdown in several industry sectors has resulted in a sell-off in Chinese equity markets. This, in turn, hurt investor confidence and helped to raise concerns about the fragility of the Chinese real estate sector. China's real estate sector has experienced a notable slowdown of late. This is an industry that is directly and indirectly responsible for almost a third of China's economy.

Financial problems at China's Evergrande, the world's most debt-saddled property developer, have also weighed on investor confidence, household wealth, and the banking sector. A lack of confidence in the property sector has contributed to a slow-down in the Chinese economy. Waning confidence in property markets could reduce home prices and household wealth. Moreover, this could also rock global financial markets and limit Chinese companies' access to foreign capital to finance expansion.

COVID challenges and China's recent issues are not expected to abate quickly. For one, the winter and upcoming holiday season in the Northern Hemisphere will push people indoors once again, raising the possibility of yet another wave of the virus. There are also lingering supply challenges across many industries, including now the energy sector. Should these conditions persist, Chinese manufacturing, construction, and exports could all experience another round of setbacks. In turn, domestic and international travel's recovery would also likely be postponed once again.

Inflation Rising Due to Supply Constraints, Rising Commodity Prices, and Aggressive Monetary Stance



Inflation has been rising across the globe. In most cases, this has been due to pandemic-related supply-demand mismatches and higher commodity prices. Meanwhile, aggressive monetary policy to fight the pandemic-driven global recession by central banks has provided the economic bandwidth for prices to rise. Most analysts expect price pressures to subside in 2022, although some emerging markets will see inflation persist because of higher food prices, rising oil prices, and the impact of falling currencies on import prices. However, the time it will take for inflation to subside throughout most of the world will be dependent on the evolution of the pandemic, resulting supply disruptions and labor shortages. The speed at which central banks begin to normalize monetary policy and raise interest rates will also play a role.

The chart to the left highlights the rapid rise in new orders coupled with the rapid decline in inventories, meaning that demand has been growing but businesses are having a hard time stocking the shelves.

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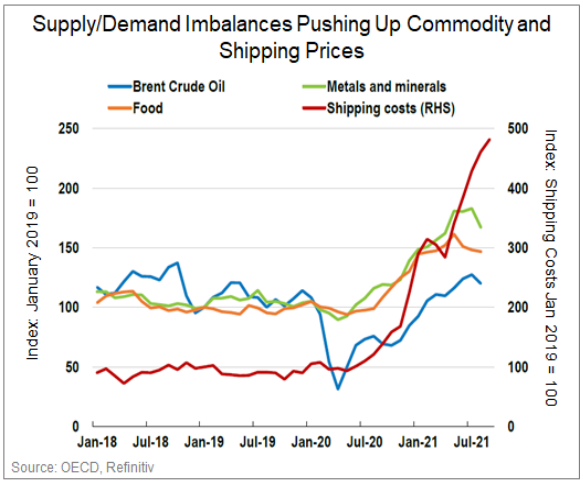
Supply disruptions have been both a source of slowing growth and inflationary pressures. Developed economies and emerging markets alike have experienced a period of imbalance brought on by the pandemic's shutdown of manufacturing, mining and trade. Demand began to outstrip supply in the early stages of recovery and inventories plummeted. Shortages became self-fulfilling as well, as buyers began to search for new sources of supply, place multiple orders, and compete for scarce shipping resources also threatened by COVID.

The result has been rising prices for metals, food, energy, construction materials, and shipping rates. Commodity prices have been on an upward tear since the beginning of the pandemic recovery. Oil prices are expected to finish the year up nearly 60% above their 2020 low points. Oil and jet fuel are critical inputs to the operating expenses of airlines and carriers without an energy hedge in place will face tightening margins, rising airfares, and challenged competitiveness. Meanwhile, non-oil commodity prices are expected to rise almost 30% above 2020 levels with metals and food leading the way. Unfortunately, food price increases have been highest in places where food insecurity is soaring, putting greater stress on poorer households.



Finally, aggressive monetary policy, deployed to combat falling pandemic-driven demand, particularly in emerging markets, has also contributed to inflation in many of those countries. Currency depreciation relative to the U.S. dollar and other benchmarks has pushed up import prices.

Job Growth Slower Than Expected Given Lower Participation Rates, Skills Mismatches

Labor markets in much of the world are still recovering from the devastating impact of the pandemic. According to the International Labour Organization[7], the decline in hours worked due to the pandemic was equivalent to 255 million full-time jobs lost. To put that into perspective, consider that total full-time employment in the United States was 130 million in 2019. Global employment remains below pre-pandemic levels and the of recovery is very uneven across countries and sectors. The reasons are many including: (1) fears of infection, (2) childcare challenges, (3) automation advancement in certain sectors, (4) rolling furloughs, job sharing, and other income maintenance schemes, (5) stimulus payments and unemployment benefits, and (6) skills mismatches, especially in sectors that have begun to recover earlier.

While labor market performance differences among economies can be traced to the local intensity of the pandemic and progress in fighting it, within those markets, employment of youth and lower-skilled workers remains weaker than those of older and higher-skilled workers. Moreover, female workers have been hit much harder than men. Some of these differences are sectoral, reflecting the tendency for younger and lower-skilled workers to be employed in more contact-intensive industries and those more susceptible to automation. Gender differences have also been exacerbated by childcare constraints.

[7] https://www.ilo.org/global/lang--en/index.htm

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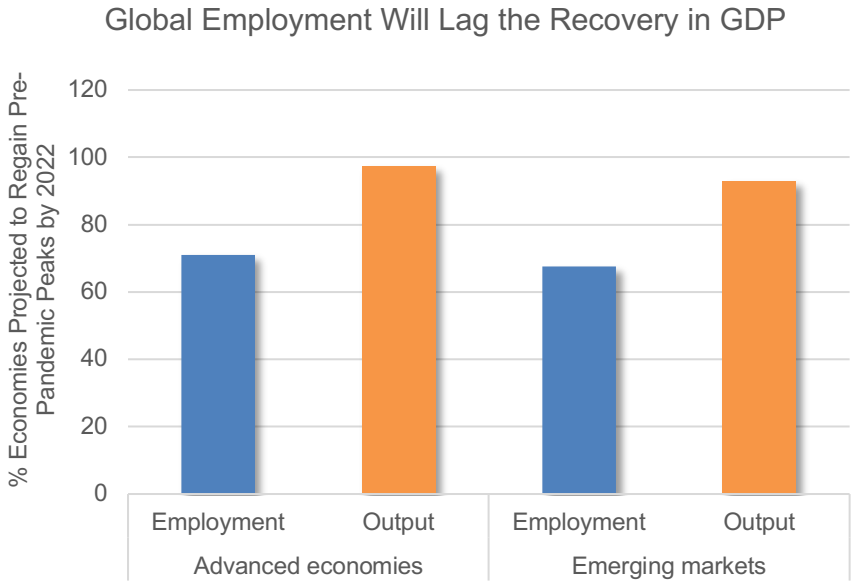
On the supply side of labor markets, participation is significantly lower than pre-pandemic levels, particularly among these same troubled sectors and cohorts. As the recovery continues, gaps between the demand for workers and willing job candidates could impede progress and exacerbate inequalities across worker cohorts. Moreover, if labor participation does not rebound in consort with demand and firms cannot substitute with automation, greater upward pressure on wages and prices will occur.

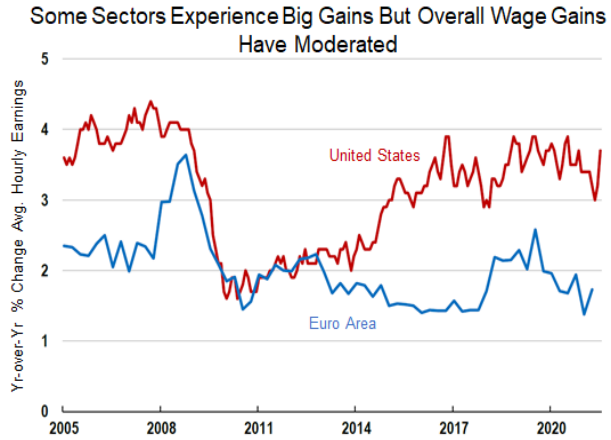
We expect job growth to lag the global recovery for at least the next year, as indicated in the chart to the right that shows the percentage recovery expected by 2022 in both employment and output in advanced and emerging economies. Across both advanced economies and emerging markets, the employment recovery significantly lags the one in economic output. This reflects lingering COVID concerns, continuing stimulus and income maintenance programs, and, where possible, an accelerated shift to automation. Advanced economies are expected to claw back their pre-pandemic GDP levels by the end of next year, but only about two-thirds are expected to regain their earlier employment peaks. Emerging markets will exhibit a similar pattern but the degree of resulting structural shifts in income inequality may give rise to social tensions in some of these economies.



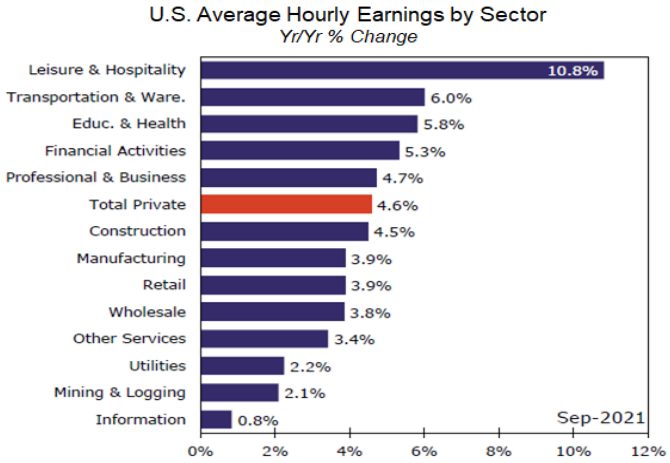
Source: IMF Rockport Analytics

Wage Growth Has Responded to Tighter Labor Markets

Tighter labor markets are translating into greater difficulty for employers seeking to fill open positions quickly. Job openings in the U.S., for example, are roughly the same as the number of unemployed workers, a relatively rare labor market condition. This is leading to higher wage growth,



Source: U.S. Bureau of Labor Statistics, OECD, Rockport Analytics



Source: U.S. Bureau of Labor Statistics, Wells Fargo Securities

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particularly in sectors most negatively impacted by the pandemic such as travel, hospitality, retail, and transportation.

As mentioned earlier, labor supply continues to be hindered by childcare challenges, the Delta variant wave, and extended unemployment benefits and rent subsidies. The Delta variant disrupted the return to school and the office that many expected for Q3. Even as consumer demand fell back from its torrid pace, wage pressure continued to build. Hourly earnings in industries such as hospitality, retail, and transportation & warehousing rose at double digit rates through much of the summer. The pace has fallen back since then, but year-over-year comparisons are still solidly up. Having said all of this, wages in sectors less affected by the pandemic have risen at much lower rates, if at all. Consequently, overall wage gains have moderated, particularly in advanced economies, relieving some wage-push pressure on inflation.

Economic Policy Options for Addressing Pandemic-Led Recession are Being Squeezed by Conflicting Priorities

Both fiscal and monetary policy have been all in with respect to combating the pandemic and its economic fallout. Aggressive fiscal measures have been used to provide COVID vaccines and other therapeutics, maintain incomes and stave off evictions, support sub-national government activity, and fund regular government programs amid falling tax receipts. Meanwhile, monetary policy continued to keep interest rates low and stabilize financial markets.

Things are beginning to transition, however, as advanced economies are concerned over spiking inflation and emerging markets are suffering from debt excesses, currency depreciation, and rising import prices. Many of the advanced economy central banks will likely leave policy rates unchanged until late 2020 but some have begun to scale back asset purchase programs, a method to directly inject liquidity into the economy by buying financial assets. This tapering is underway in Canada and Australia and the U.S. is likely next. Meanwhile, emerging market central banks in Mexico, Brazil, Russia and others have already shifted to less accommodative stances to address inflation, excessive debt accumulation, and currency devaluation. Other emerging markets are expected to follow suit in the coming quarters. The fear is that this shift in policy towards inflation fighting will take too much momentum out of the global recovery and postpone a return to normal.

United States: Retrenchment of the Delta Variant Replaced by New Concerns over Supply Chain Shortages

The U.S. economy has been recovering in fits and starts over the past 3-4 quarters. When one challenge begins to fade, it has been immediately replaced by worsening conditions on some other front. The spike in COVID cases caused by the Delta variant and corresponding policy restrictions has sapped some of the recovery momentum built up in the early going of this year.

With Delta cases now falling aside and activity beginning to recover again, the U.S. economy has now been presented with critical supply chain and shipping challenges that threaten to once again sap momentum. Supply chain issues have been with us since the beginning of the pandemic, as early as March 2020, but in recent weeks, supply chains have shifted from merely a major headache to an outright crisis. Moreover, COVID cases hampered activities at major ports around the world resulting in goods failing to get to market and raw materials failing to arrive at factories -a self-fulfilling cycle of delays. If nothing else, these shortages of commodities and finished goods prove the interdependencies of global markets and the importance of international trade to businesses of every size and ordinary consumers.

Shortages and longer wait times are resulting in both higher consumer and producer prices. Recent outturns on headline inflation support the view that the sharpest price hikes are over, but inflation

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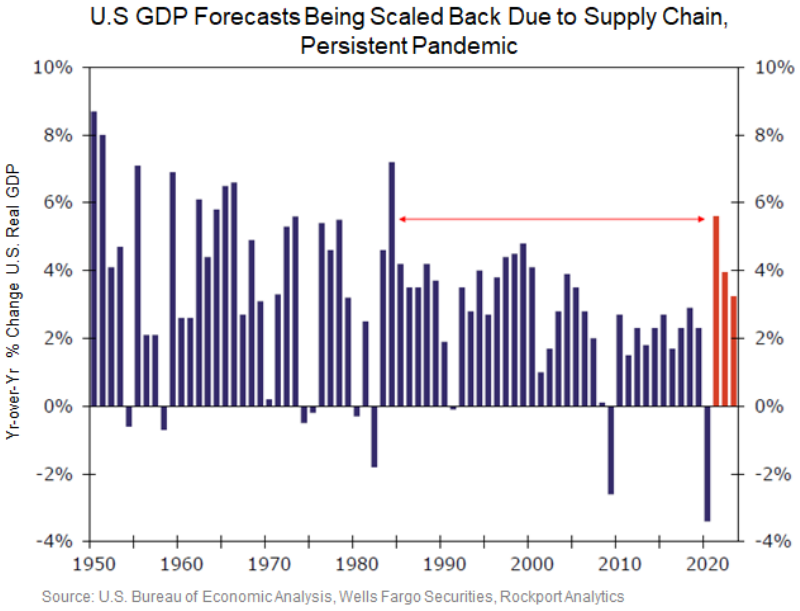
will not fade quickly. For one, energy prices have been on the rise with oil and natural gas reaching seven-year highs in November. Meanwhile, supply chain bottlenecks continue to put pressure on the goods sector, all of which will likely last well into 2022.

Goods are not the only thing in short supply in the U.S. economy, labor shortages are also slowing potential growth. Business surveys report workers are hard to find, and consumers say jobs are plentiful. The issue is not demand but rather a supply side challenge. Many workers remain afraid of COVID in the workplace, cannot find or afford childcare, or are simply unwilling to do the jobs available today at prevailing wage/benefit rates. Still, better economic growth ahead is expected to result in solid job growth in coming months. The unemployment rate, currently at 4.8%, will continue to trend downward over the forecast horizon.

Expect fiscal and monetary policy to remain accommodative, but the Fed is watching inflation more closely. Policy rates are not expected to increase until the latter half of 2023 as the U.S. economy finally approaches the Fed's "maximum employment" level – the highest level of employment possible while maintaining a stable inflation rate. They will begin to accelerate the tapering of bond purchases later this month, however. On the fiscal front, many pandemic stimulus programs are drawing to a close just as the prospects for passage of the Infrastructure Bill have improved markedly - the net remaining as a positive catalyst for growth over the forecast horizon.



Global Market Haves and Have-Nots Will Continue to be Separated Based Upon Vaccine Access

Vaccine availability and acceptance remains the principal determinant of the participation and pace of the global recovery. Countries with higher vaccine rates will fair better than those that lack access. Many advanced economies have seen significant progress on this front since April 2021. At this writing, about 58 percent of the population in advanced economies has been fully vaccinated. Unfortunately, many emerging markets have experienced a slower rollout due to a lack of availability or outright export restrictions. The vaccination rate among emerging markets has reached only 36% at this time.

For advanced economies, the growth outlook for 2021 has been downgraded primarily on weaker prospects in the United States, Germany, and Japan. Inventory draw-downs and slower consumer spending are the culprits in the U.S., while Germany is suffering from supply disruptions. Japan's downgrade is primarily a function of a pandemic that defies efforts to contain cases. The US outlook does incorporate the positive effects of the recent infrastructure bill particularly in 2022 and beyond.

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Meanwhile, the EU will feel the benefits of the Next Generation European Union (EU) grants and loans beginning next year.

Emerging market and developing economies show a more mixed outlook based, again, on vaccine progress and the degree of interdependence with a weakening China. As previously mentioned, China's prospects for 2021 and 2022 are softening given the scaling back of public investment and housing. Other Asian emerging and developing economies are again struggling with a resurrgent pandemic. Meanwhile, prospects in some emerging markets have improved on rising commodity exports and better-than-anticipated domestic demand.

Asymmetric Global Growth Tied to Vaccine Availability and Propagation								
% change in Real GDP	2019	2020	2021e[8]	2022f[9]	2023f	2024f	2025f	2026f
World	**2.8**	**-3.1**	**5.8**	**4.2**	**3.2**	**3.3**	**3.5**	**3.6**
Advanced (elephants)	1.7	-4.5	5.2	4.5	2.2	1.7	1.6	1.6
Eurozone	1.9	-5.9	5.1	4.4	2.3	1.9	1.7	1.7
Japan	0.0	-4.6	2.4	**3.2**	1.4	0.8	0.6	0.5
United Kingdom	1.4	-9.8	6.8	**5.0**	1.9	1.6	1.5	1.5
United States	2.3	-3.4	6.0	**5.6**	4.0	3.2	2.6	2.6
Emerging Markets (gazelles)	3.7	-2.1	6.4	5.1	4.6	4.5	4.4	4.4
Brazil	1.4	-4.1	5.2	1.5	2.0	2.1	2.1	2.1
China	6.0	2.3	8.0	5.6	5.3	5.2	5.1	4.9
India	4.0	-7.3	9.5	8.5	6.6	6.3	6.2	6.1
Russia	2.0	-3.0	4.7	2.9	2.0	1.8	1.7	1.6
Source: IMF, IHS Markit, OECD, World Bank, Rockport Analytics								

[8] e = estimate

[9] F = forecast

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A Look Back at Last Year's Global GBTA BTI™ Outlook: How Did We Do?

Any econometric forecast can be inaccurate for several reasons including shifting trends and external shocks to the forecast model (i.e., unforeseen circumstances that impact business travel activity). Given the potential to "miss" on our forecasts, and to improve our forecasting capabilities in future years, we feel it is important to look at how our model for assessing the future of global business travel is holding up against reality.

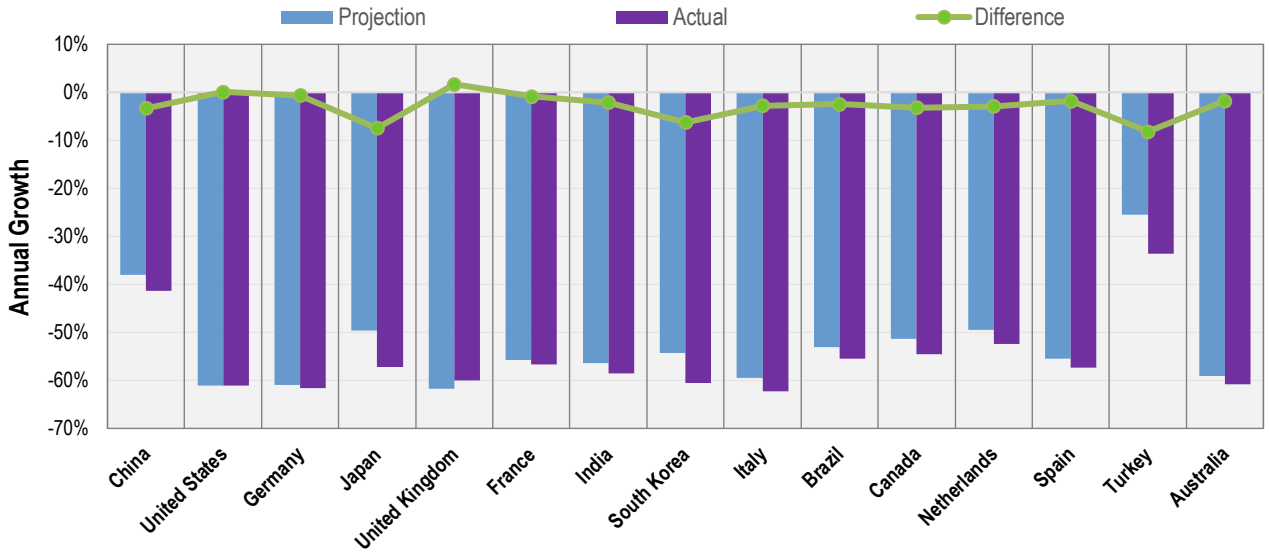
The graph below highlights the GBTA BTI™ Outlook for the top-15 2020 business travel markets in the world. It also compares *last year's forecast* for 2020 business travel growth with the *actual 2020 growth rates* reported in this year's study. In aggregate, we overestimated total business travel spending growth by 2.3 percentage points in 2020. The range of our misses for the top-15 markets were from -8% (Turkey) to +1.7% (United Kingdom).

2020 Business Travel Spending Annual Growth

Top 15 Markets	2020 Actual Rank	2020 GBT Report - 2020 Growth Projection	2021 GBT Report - 2020 Actual Growth	Difference
China	1	-38.0%	-41.4%	-3.3%
United States	2	-61.1%	-61.1%	0.1%
Germany	3	-60.9%	-61.6%	-0.7%
Japan	4	-49.7%	-57.2%	-7.5%
UK	5	-61.7%	-60.0%	1.7%
France	6	-55.8%	-56.6%	-0.9%
India	7	-56.4%	-58.5%	-2.1%
South Korea	8	-54.3%	-60.5%	-6.2%
Italy	9	-59.5%	-62.3%	-2.8%
Brazil	10	-53.1%	-55.5%	-2.5%
Canada	11	-51.3%	-54.5%	-3.2%
Netherlands	12	-49.5%	-52.4%	-2.9%
Spain	13	-55.5%	-57.3%	-1.8%
Turkey	14	-25.4%	-33.6%	-8.2%
Australia	15	-59.0%	-60.8%	-1.8%
Grand Total		-51.5%	-53.8%	-2.3%

Source: GBTA, Rockport Analytics

2020 Business Travel Spending Annual Growth



Source: GBTA, Rockport Analytics

Country and Rank Order, from Left to Right

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Country Profiles

Business Travel Spending in the World's Top Markets

Using the master data cube created during the *Global GBTA BTI™ Outlook 2021 - 2025*, we developed a profile of the top business travel markets around the world. We present current levels of business travel spending, past trends, and our outlook through 2025 on one page for each country. We also break out travel spend by aggregate industry segments, to help identify which sectors drive business travel activity in each market. In the industry table, we also categorize each sector by "status," a way to group industries according to business travel opportunity. As with the global industry table similar to the following, this year's industry status considers the pandemic CAGR (2019-2021) and the forecast CAGR (2020-2025). Finally, the 2020 GBTA BTI™ for each country is highlighted along with our expectation of where that index will be in five years' time.

Definition of Industry Status Groupings	Outperformed 2019-2021 CAGR	Underperformed 2019-2021 CAGR
High Projected 2020-2025 CAGR	**Resilient**	**Recovering**
Lower Projected 2020-2025 CAGR	**Flagging**	**Challenged**

What is Included in the Country Profile Tables?

Source: GBTA, Rockport Analytics

GBTA BTI™
2020 | **93**
2025 | **218**

The most current business travel index figure and our expectation for the final year of our forecast.

Total Business Travel Spending (BTS) by Industry

Forecasted compound annual growth in BTS over the forecast period

Aggregate Industry Sectors

Industry performance segment defined in the table above

Industry	(bn US$)	(mn US$)	% of Total	2000-2019 BTS CAGR		%	2020-2025 CAGR	Status
Manufacturing	$48,614	$242,389	36.7%	5.7%		5%	16.5%	Flagging
Administrative and Support Serv	$4,439	$76,418	11.6%	2.8%	-32.1%	13.0%	22.4%	Recovering
Utilities	$5,067	$65,115	9.8%	4.8%	-26.2%	12.4%	17.4%	Flagging
Real Estate Activities	$11,043	$51,020	7.7%	5.8%	-28.1%	9.8%	19.9%	Resilient
Information and Communication	$7,131	$34,390	5.2%	4.1%	-30.1%	8.8%	18.9%	
Public Admin and Defense, Other Services	$10,306	$31,982	4.8%	3.2%	-32.4%	5.3%	19.6%	
Transportation & Warehousing	$6,881	$31,349	4.7%	4.8%	-30.8%	16.6%	20.6%	
Construction	$11,820	$26,933	4.1%	5.2%	-27.2%	8.4%	16.7%	
Professional, Scientific and Technical Activities	$7,691	$25,367	3.8%	2.2%	-29.1%	11.3%	20.0%	
Wholesale Trade	$7,984	$19,029	2.9%	1.8%	-34.0%	5.9%	18.4%	
Agriculture, Forestry and Fishing	$5,687	$17,771	2.7%	4.6%	-22.3%	13.2%	13.4%	Flagging
Financial and Insurance Activities	$9,189	$15,441	2.3%	2.6%	-32.1%	5.8%	21.2%	Recovering
Education	$4,943	$9,902	1.5%	8.6%	-28.2%	11.9%	19.4%	Flagging
Accommodation and Food Service Activities	$3,114	$7,468	1.1%	3.3%	-35.7%	17.3%	24.6%	Recovering
Retail Trade	$7,357	$5,373	0.8%	2.9%	-32.4%	8.6%	20.1%	Recovering
Arts, Entertainment and Recreation	$1,113	$908	0.1%	2.7%	-37.3%	15.9%	27.4%	Recovering
Mining and Quarrying	$3,401	$188	0.0%	13.5%	-26.7%	14.6%	16.3%	Flagging
Human Health and Social Work Activities	$7,313	$94	0.0%	-1.7%	-32.1%	7.8%	20.9%	Recovering
Grand Total ►	**$163,092**	**$661,137**	**100.0%**	**4.4%**	**-27.4%**	**14.0%**	**18.5%**	

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World

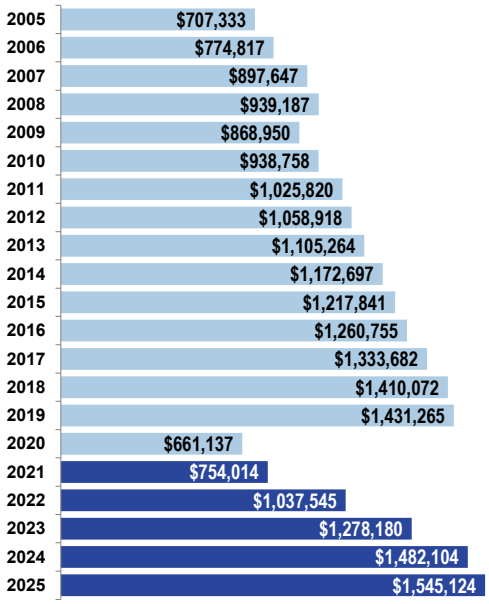
GBTA BTI™

2020: **93** | 2025: **218**

Global business travel spending totaled $661 billion in 2020, declining 53.8% from 2019 levels. We expect global spending on business travel to increase by 14% in 2021 to $754 billion. The recovery is tied to the COVID-19 pandemic, vaccination rates, national travel policy, business traveler sentiment, and travel management policy. Our baseline forecast anticipates travel spending to reach $1.48 trillion in 2024, surpassing the 2019 peak of $1.43 trillion. We then project $1.55 trillion in travel expenditures in 2025.

Every industry in the world has been impacted by the pandemic, but business travel in certain sectors has fared better or worse than others. Across the globe, arts, entertainment & recreation is expected to experience the largest decline in compound annual growth rate between 2019 and 2021 with a 37.3% retraction, while agriculture, forestry & fishing is anticipated to be the most resilient, declining 22.3% over the same period. Some of the differences resulted from The Great Lockdown in which non-essential businesses were shut down, whereas essential businesses fared slightly better.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$48,614	$242,389	36.7%	5.7%	-23.1%	19.5%	16.5%	Flagging
Administrative and Support Service Activities	$4,439	$76,418	11.6%	2.8%	-32.1%	13.0%	22.4%	Recovering
Utilities	$5,067	$65,115	9.8%	4.8%	-26.2%	12.4%	17.4%	Flagging
Real Estate Activities	$11,043	$51,020	7.7%	5.8%	-28.1%	9.8%	19.9%	Resilient
Information and Communication	$7,131	$34,390	5.2%	4.1%	-30.1%	8.8%	18.9%	Challenged
Public Admin and Defense, Other Services	$10,306	$31,982	4.8%	3.2%	-32.4%	5.3%	19.6%	Challenged
Transportation & Warehousing	$6,881	$31,349	4.7%	4.8%	-30.8%	16.6%	20.6%	Recovering
Construction	$11,820	$26,933	4.1%	5.2%	-27.2%	8.4%	16.7%	Flagging
Professional, Scientific and Technical Activities	$7,691	$25,367	3.8%	2.2%	-29.1%	11.3%	20.0%	Resilient
Wholesale Trade	$7,984	$19,029	2.9%	1.8%	-34.0%	5.9%	18.4%	Challenged
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Grand Total ►	**$163,092**	**$661,137**	**100.0%**	**4.4%**	**-27.4%**	**14.0%**	**18.5%**	

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China

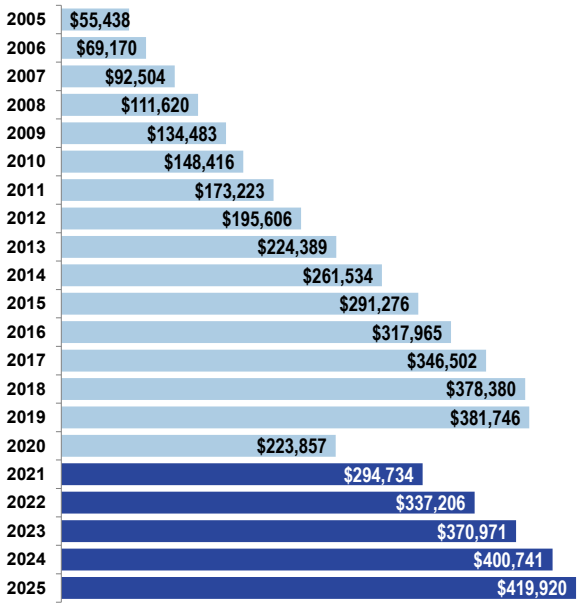
GBTA BTI™

2020: **404** | 2025: **757**

Chinese spending on business travel approached $224 billion in 2020, a decrease of only 41.4% from 2019. In comparison, the average decline globally was 52.5%. Business travel in China was more resilient than most countries through the pandemic because of their vast domestic business travel as well as government measures and cultural factors which led to better control of COVID-19 than many other parts of the world. China has vaccinated 78% of their population, one of the highest rates in the world. We forecast 31.7% growth in 2021, more than 2 times the global growth for 2021. We expect that China's business travel market will surpass pre-pandemic levels in 2024 totaling more than $400 billion in business travel spending.

Industries in China have been more resilient than other countries with double the number of resilient industries compared to worldwide. China's 4 resilient industries are education, human health & social work, real estate, and transportation & warehousing. There are very few industries with 2019-2021 negative compound annual growth that are in the single digits, but China has 3 of those: education (-9.9%); agriculture, forestry & fishing (-7.5%); and transportation & warehousing (-3.8%).

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$21,709	$127,357	56.9%	18.2%	-12.2%	33.0%	13.1%	Flagging
Utilities	$1,557	$24,045	10.7%	16.3%	-11.3%	32.4%	12.7%	Flagging
Construction	$3,861	$10,598	4.7%	16.8%	-12.6%	23.5%	12.5%	Flagging
Real Estate Activities	$1,642	$10,092	4.5%	12.2%	-10.6%	32.3%	15.2%	Resilient
Transportation & Warehousing	$1,511	$8,479	3.8%	10.0%	-3.8%	43.0%	16.7%	Resilient
Professional, Scientific and Technical Activities	$1,826	$7,543	3.4%	8.4%	-17.2%	24.5%	14.0%	Challenged
Agriculture, Forestry and Fishing	$1,851	$6,891	3.1%	8.1%	-7.5%	33.8%	11.0%	Flagging
Public Admin and Defense, Other Services	$1,398	$5,816	2.6%	9.4%	-16.0%	22.9%	15.7%	Recovering
Information and Communication	$858	$5,544	2.5%	9.8%	-10.5%	32.1%	13.2%	Flagging
Wholesale Trade	$1,753	$5,431	2.4%	6.2%	-17.3%	21.6%	12.6%	Challenged
Financial and Insurance Activities	$1,695	$3,774	1.7%	10.2%	-18.0%	18.4%	15.0%	Recovering
Administrative and Support Service Activities	$158	$3,760	1.7%	7.6%	-17.4%	28.5%	13.3%	Challenged
Education	$919	$2,334	1.0%	16.3%	-9.9%	29.8%	15.3%	Resilient
Accommodation and Food Service Activities	$464	$1,466	0.7%	7.7%	-13.8%	37.4%	17.8%	Recovering
Retail Trade	$607	$601	0.3%	10.1%	-10.7%	33.0%	13.9%	Flagging
Mining and Quarrying	$994	$72	0.0%	26.6%	-17.9%	22.6%	12.5%	Challenged
Arts, Entertainment and Recreation	$40	$44	0.0%	13.4%	-13.8%	26.3%	15.6%	Recovering
Human Health and Social Work Activities	$811	$14	0.0%	5.9%	-12.9%	24.8%	14.9%	Resilient
Grand Total ►	**$43,653**	**$223,857**	**100.0%**	**13.9%**	**-12.1%**	**31.7%**	**13.4%**	

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United States

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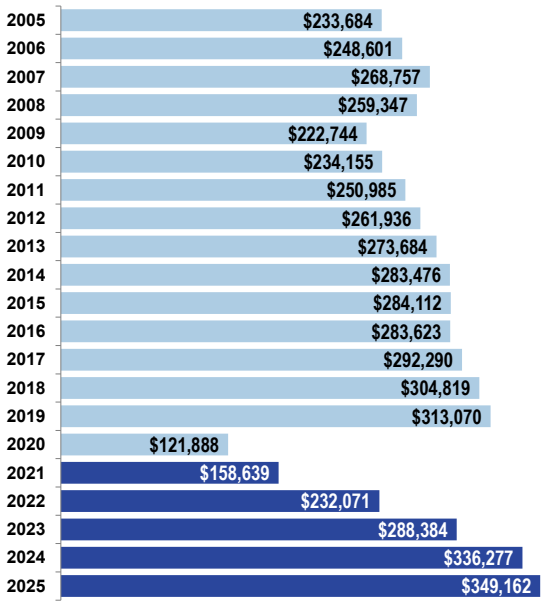
2020: **52** | 2025: **149**

Annual business travel spending in the U.S. approached $122 billion in 2020, decreasing by 61.1% from 2019 levels. This decline was significantly greater than the global decline of 53.8%. We expect a turn-around in business travel in 2021 with spending expected to grow by 30.2% which is more than double the expected growth of 14% globally. We anticipate expenditures to surpass the pre-pandemic 2019 level by 2024 totaling $336 billion.

Through the pandemic, the industry with the largest expected business travel spending declines in the US is arts, entertainment & recreation industry, which is set to fall 38.3% on average over the period. The industry will recover sharply over the coming years as the travel and tourism industry rebounds. Across all industries, we expect a 23.4% compound annual growth rate in US business travel spending through 2025.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Administrative and Support Service Activities	$2,119	$31,923	26.2%	1.7%	-26.7%	32.2%	24.7%	Resilient
Manufacturing	$5,794	$21,800	17.9%	0.7%	-29.2%	35.4%	22.7%	Flagging
Real Estate Activities	$3,893	$15,150	12.4%	4.6%	-28.5%	24.4%	22.3%	Flagging
Information and Communication	$2,334	$9,548	7.8%	2.2%	-27.5%	31.2%	23.0%	Flagging
Public Admin and Defense, Other Services	$3,278	$8,634	7.1%	1.5%	-32.5%	21.6%	21.9%	Challenged
Utilities	$684	$6,681	5.5%	-0.2%	-30.7%	23.3%	20.5%	Challenged
Professional, Scientific and Technical Activities	$1,887	$4,934	4.0%	-0.3%	-30.1%	32.1%	24.0%	Challenged
Transportation & Warehousing	$1,216	$4,620	3.8%	1.8%	-28.9%	36.9%	25.5%	Resilient
Financial and Insurance Activities	$3,266	$4,603	3.8%	0.8%	-31.6%	21.5%	24.3%	Challenged
Wholesale Trade	$2,005	$3,933	3.2%	-0.2%	-30.6%	26.9%	23.7%	Challenged
Construction	$1,762	$3,062	2.5%	1.0%	-27.0%	25.0%	20.2%	Flagging
Education	$1,432	$2,302	1.9%	6.0%	-28.3%	28.9%	23.9%	Flagging
Accommodation and Food Service Activities	$932	$1,866	1.5%	2.1%	-32.5%	49.0%	30.5%	Recovering
Retail Trade	$2,362	$1,480	1.2%	1.2%	-26.3%	33.2%	24.5%	Resilient
Agriculture, Forestry and Fishing	$454	$1,070	0.9%	1.3%	-29.1%	31.2%	20.3%	Flagging
Arts, Entertainment and Recreation	$350	$245	0.2%	1.6%	-38.3%	57.9%	36.4%	Recovering
Human Health and Social Work Activities	$2,560	$28	0.0%	-3.1%	-30.1%	29.3%	25.1%	Recovering
Mining and Quarrying	$409	$10	0.0%	7.2%	-26.6%	38.9%	24.2%	Flagging
Grand Total ▶	**$36,737**	**$121,888**	**100.0%**	**1.5%**	**-28.8%**	**30.2%**	**23.4%**	

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Germany

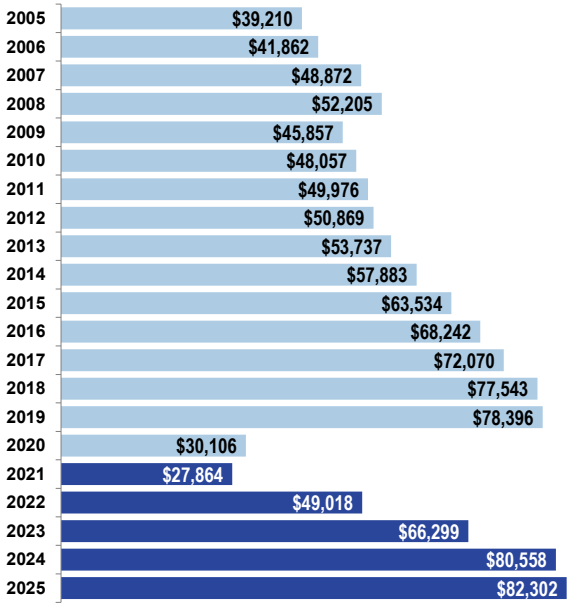
GBTA BTI™

2020: **77** | 2025: **210**

Total business travel spending in Germany fell 61.6% in 2020 to $30 billion. This decline is slightly greater than Western Europe's 59.2% drop. We anticipate spending to fall again this year by another 7.4%. German business travel has been restrained with only 31% of German companies reporting that they were allowing business travel in September compared to 51% of companies globally. We expect as policies loosen in 2022 that German business travel will experience a relatively robust recovery, exceeding pre-pandemic levels of business travel spend by 2024.

Accommodation & food services will be the most impacted industry in Germany between 2019 and 2021 with a drop of 47.3% compound annual growth rate; however, the industry will recover sharply through the forecast period (30.9%).

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$1,913	$8,666	28.8%	4.2%	-38.7%	-2.4%	23.0%	Resilient
Administrative and Support Service Activities	$273	$5,325	17.7%	5.2%	-43.9%	-7.2%	24.2%	Recovering
Utilities	$232	$2,936	9.8%	5.5%	-39.9%	-5.6%	22.1%	Resilient
Real Estate Activities	$489	$2,459	8.2%	5.4%	-38.7%	-12.8%	20.2%	Flagging
Transportation & Warehousing	$405	$2,120	7.0%	6.7%	-42.3%	-6.3%	23.1%	Recovering
Information and Communication	$353	$1,865	6.2%	5.5%	-38.7%	-9.6%	19.4%	Flagging
Public Admin and Defense, Other Services	$491	$1,672	5.6%	4.0%	-42.3%	-17.9%	19.0%	Challenged
Professional, Scientific and Technical Activities	$463	$1,565	5.2%	2.4%	-36.5%	-9.0%	22.2%	Resilient
Construction	$440	$989	3.3%	4.0%	-36.8%	-12.9%	21.4%	Flagging
Wholesale Trade	$299	$759	2.5%	2.5%	-41.6%	-13.6%	21.6%	Challenged
Financial and Insurance Activities	$292	$533	1.8%	2.6%	-44.8%	-17.6%	20.2%	Challenged
Education	$212	$441	1.5%	9.5%	-39.9%	-11.7%	19.0%	Flagging
Retail Trade	$319	$259	0.9%	3.2%	-40.0%	-10.5%	21.5%	Flagging
Agriculture, Forestry and Fishing	$76	$232	0.8%	3.4%	-34.1%	-5.1%	19.5%	Flagging
Accommodation and Food Service Activities	$82	$212	0.7%	4.2%	-47.3%	-0.8%	30.9%	Recovering
Arts, Entertainment and Recreation	$71	$64	0.2%	4.8%	-43.6%	-8.6%	24.3%	Recovering
Human Health and Social Work Activities	$433	$6	0.0%	-0.5%	-40.7%	-10.7%	21.3%	Challenged
Mining and Quarrying	$10	$1	0.0%	5.6%	-36.2%	-8.6%	20.9%	Flagging
Grand Total ►	**$6,853**	**$30,106**	**100.0%**	**4.7%**	**-40.4%**	**-7.4%**	**22.3%**	

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Japan

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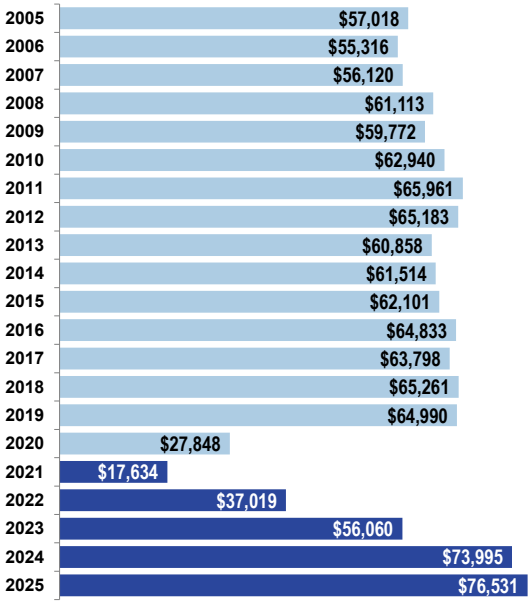
2020: **49** | 2025: **134**

Business travel spending in Japan dropped 57% in 2020 to $28 billion. We expect spending in Japan to fall another 36.7% in 2021. Japanese officials have banned new entrants to the country through most of the pandemic. The Japanese government took the first step in a phased re-opening in November which starts with business travelers and drops a 10-day quarantine period down to 3 days. These changes should start to allow for a rebound in Japanese business travel, which is highly dependent on international volume. We expect business travel to grow 109.9% in 2022 and surpass 2019 pre-pandemic levels by 2024 with spending of nearly $74 billion.

Accommodation & food services is expected to have the largest decline among all industries in Japan from 2019 to 2021 at 59.7%. Business travel spending in other challenged industries dropped steeply as well: wholesale trade (-54.7%), transportation & warehousing (-54.1%), and administrative and support services (-50.5%). Spending growth in the arts, entertainment & recreation industry is expected to have the most robust growth over the forecast horizon averaging 28.7% on a compound annual basis.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$2,712	$9,419	33.8%	-0.3%	-45.4%	-32.6%	23.2%	Resilient
Administrative and Support Service Activities	$212	$3,110	11.2%	-1.5%	-50.5%	-35.2%	23.8%	Recovering
Utilities	$313	$2,982	10.7%	-0.7%	-46.4%	-35.3%	24.0%	Resilient
Real Estate Activities	$732	$2,778	10.0%	1.6%	-46.8%	-39.2%	21.0%	Flagging
Information and Communication	$483	$1,928	6.9%	0.4%	-48.6%	-39.5%	18.7%	Flagging
Public Admin and Defense, Other Services	$611	$1,570	5.6%	-1.4%	-45.1%	-41.3%	21.7%	Flagging
Transportation & Warehousing	$376	$1,261	4.5%	0.0%	-54.1%	-42.6%	21.5%	Challenged
Construction	$609	$1,032	3.7%	-1.8%	-48.4%	-40.5%	21.1%	Flagging
Wholesale Trade	$522	$999	3.6%	-2.4%	-54.7%	-43.0%	20.3%	Challenged
Professional, Scientific and Technical Activities	$344	$878	3.2%	-3.3%	-48.1%	-37.3%	22.9%	Resilient
Financial and Insurance Activities	$338	$464	1.7%	-2.7%	-49.5%	-41.7%	23.1%	Recovering
Accommodation and Food Service Activities	$235	$458	1.6%	-1.6%	-59.7%	-51.5%	20.0%	Challenged
Education	$216	$338	1.2%	3.8%	-49.0%	-37.7%	21.9%	Flagging
Retail Trade	$503	$307	1.1%	-0.7%	-47.7%	-39.8%	20.9%	Flagging
Agriculture, Forestry and Fishing	$106	$244	0.9%	-1.7%	-48.9%	-33.8%	20.2%	Flagging
Arts, Entertainment and Recreation	$106	$72	0.3%	-1.6%	-47.3%	-31.7%	28.7%	Resilient
Human Health and Social Work Activities	$628	$7	0.0%	-5.0%	-49.8%	-39.6%	21.5%	Challenged
Mining and Quarrying	$7	$1	0.0%	-0.2%	-45.6%	-30.0%	23.5%	Resilient
Grand Total ►	**$9,050**	**$27,848**	**100.0%**	**-0.7%**	**-47.9%**	**-36.7%**	**22.4%**	

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United Kingdom

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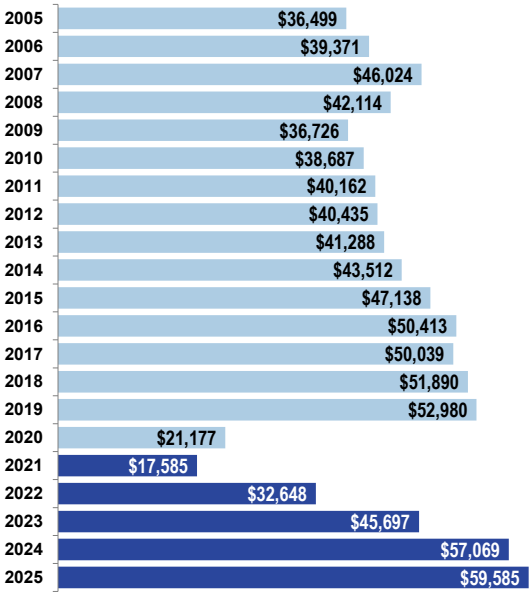
2020: **58** | 2025: **163**

Total business travel spending in 2020 in the UK decreased to $21 billion from $53 billion in 2019, a 60% decline. We expect spending on business travel to fall by another 17% in 2021, representing one of the largest declines on the continent. We expect the UK to surpass pre-pandemic 2019 levels in 2024 with $57 billion in spending.

There are four resilient industries in the UK: administrative & support services; arts, entertainment & recreation; mining & quarrying; and professional, scientific & technical services. We expect wholesale trade to experience the largest year-over-year loss in 2021 with a 24.3% decline, followed closely by financial and insurance activities which will drop 24.1%.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Administrative and Support Service Activities	$227	$4,650	22.0%	3.1%	-41.6%	-14.3%	24.4%	Resilient
Manufacturing	$653	$3,342	15.8%	1.4%	-42.2%	-17.5%	20.9%	Flagging
Utilities	$211	$2,805	13.2%	3.3%	-39.3%	-16.1%	21.9%	Flagging
Real Estate Activities	$432	$2,288	10.8%	4.3%	-40.5%	-20.5%	22.1%	Flagging
Information and Communication	$326	$1,813	8.6%	3.8%	-40.0%	-18.6%	20.9%	Flagging
Professional, Scientific and Technical Activities	$335	$1,193	5.6%	2.2%	-42.4%	-15.1%	24.3%	Resilient
Transportation & Warehousing	$201	$1,034	4.9%	3.4%	-47.9%	-12.6%	27.3%	Recovering
Public Admin and Defense, Other Services	$256	$919	4.3%	2.1%	-45.0%	-18.2%	22.6%	Challenged
Construction	$361	$855	4.0%	3.5%	-44.1%	-19.0%	23.6%	Challenged
Financial and Insurance Activities	$341	$655	3.1%	1.4%	-43.4%	-24.1%	23.0%	Challenged
Wholesale Trade	$187	$500	2.4%	-0.2%	-47.7%	-24.3%	21.9%	Challenged
Education	$196	$428	2.0%	8.3%	-43.2%	-17.9%	21.1%	Challenged
Retail Trade	$296	$253	1.2%	3.3%	-48.2%	-19.4%	22.3%	Challenged
Accommodation and Food Service Activities	$82	$223	1.1%	3.2%	-55.7%	-6.5%	36.4%	Recovering
Agriculture, Forestry and Fishing	$44	$141	0.7%	1.4%	-35.4%	-13.0%	20.1%	Flagging
Arts, Entertainment and Recreation	$75	$72	0.3%	2.8%	-36.2%	-11.0%	26.9%	Resilient
Human Health and Social Work Activities	$332	$5	0.0%	-1.2%	-42.0%	-17.6%	21.7%	Flagging
Mining and Quarrying	$49	$2	0.0%	5.7%	-33.8%	-14.1%	23.6%	Resilient
Grand Total ►	**$4,605**	**$21,177**	**100.0%**	**2.8%**	**-42.4%**	**-17.0%**	**23.0%**	

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France

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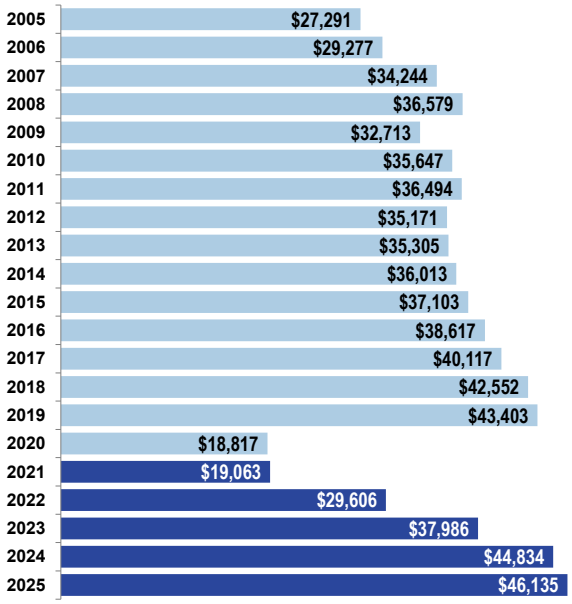
2020: **69** | 2025: **169**

Annual business travel spending in France fell from $43 billion in 2019 to $18.8 billion in 2020. Overnight stays were hit particularly hard in 2020, falling to a low of 800,000 nights in April – a loss of 3 million from the same month in 2019. We expect spending will eke out a 1.3% gain this year, before picking up the pace in 2022. We expect France will surpass pre-pandemic business travel spending in the year 2024 with expenditures of $44.8 billion, eventually reaching $46 billion in 2025.

Business travel spending in wholesale trade will be hit the hardest among all aggregate industries in France (43.6%). Public administration & defense will also remain challenged over the forecast period. Arts, entertainment & recreation and accommodation & food services are the two industries expected to recover the quickest over the forecast period.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Administrative and Support Service Activities	$232	$4,249	22.6%	4.0%	-34.4%	1.7%	20.1%	Resilient
Manufacturing	$756	$3,410	18.1%	1.8%	-31.9%	3.8%	19.2%	Flagging
Utilities	$178	$2,116	11.2%	5.3%	-31.5%	3.2%	20.3%	Resilient
Real Estate Activities	$371	$1,752	9.3%	6.0%	-31.7%	-2.3%	19.0%	Flagging
Professional, Scientific and Technical Activities	$428	$1,360	7.2%	3.3%	-33.3%	2.4%	21.2%	Resilient
Information and Communication	$263	$1,307	6.9%	4.9%	-31.8%	-0.3%	17.9%	Flagging
Public Admin and Defense, Other Services	$309	$987	5.2%	3.3%	-36.5%	-3.8%	17.9%	Challenged
Transportation & Warehousing	$217	$945	5.0%	4.6%	-38.1%	4.1%	20.6%	Recovering
Construction	$302	$637	3.4%	4.1%	-34.0%	0.5%	19.3%	Flagging
Wholesale Trade	$209	$498	2.6%	1.8%	-43.6%	-5.8%	18.4%	Challenged
Financial and Insurance Activities	$258	$442	2.3%	2.4%	-33.4%	-6.1%	20.3%	Resilient
Education	$165	$323	1.7%	8.6%	-30.3%	5.4%	19.1%	Flagging
Agriculture, Forestry and Fishing	$97	$277	1.5%	2.6%	-33.1%	5.8%	16.7%	Flagging
Accommodation and Food Service Activities	$113	$274	1.5%	4.8%	-38.8%	2.7%	23.7%	Recovering
Retail Trade	$248	$189	1.0%	3.9%	-33.7%	-0.6%	18.9%	Flagging
Arts, Entertainment and Recreation	$55	$47	0.2%	5.3%	-37.2%	3.5%	24.0%	Recovering
Human Health and Social Work Activities	$308	$4	0.0%	-0.9%	-32.6%	2.3%	19.4%	Flagging
Mining and Quarrying	$5	$1	0.0%	7.8%	-41.8%	2.5%	20.1%	Recovering
Grand Total ►	**$4,514**	**$18,817**	**100.0%**	**3.7%**	**-33.7%**	**1.3%**	**19.6%**	

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India

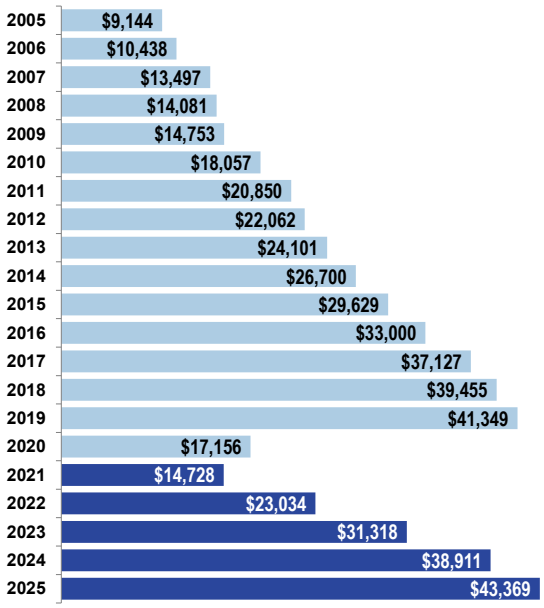
GBTA BTI™

2020: **188** | 2025: **474**

India's business travel spending dropped 58.5% from $41 billion in 2019 to $17 billion in 2020. We project another 14.2% drop in 2021. India resumed the entrance of business visa holders in late March 2021 after they had been suspended for a full year. By late June, only 4% of the population had been vaccinated due to logistical problems, supply bottlenecks, vaccine hesitancy, and a debilitating second wave of COVID-19. India has now vaccinated about 30% of the eligible population with the goal of reaching all eligible people by the end of 2021. We anticipate that India won't gain pre-pandemic business travel activity until 2025 reaching $43.4 billion.

A number of industries will decline more than 50% per year from 2019 to 2021. These include: mining & quarrying (-55.5%), accommodation & food services (-53.5%), transportation & warehousing (-52.6%), and information & communication (-50.4%). While information & communication and mining & quarrying will continue to be challenged over the forecast horizon – growing slower than the average industry in India, both accommodation & food services and transportation are set to rebound strongly over the next couple years.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$1,312	$6,051	35.3%	9.4%	-35.1%	-9.2%	20.5%	Flagging
Agriculture, Forestry and Fishing	$641	$1,923	11.2%	8.1%	-33.9%	-16.1%	15.1%	Flagging
Utilities	$133	$1,656	9.7%	8.0%	-46.3%	-16.4%	21.2%	Recovering
Real Estate Activities	$276	$1,368	8.0%	14.2%	-32.7%	-18.2%	20.8%	Flagging
Public Admin and Defense, Other Services	$306	$1,026	6.0%	10.7%	-45.0%	-19.3%	22.3%	Recovering
Construction	$447	$990	5.8%	11.0%	-44.3%	-18.2%	20.5%	Challenged
Information and Communication	$172	$898	5.2%	11.9%	-50.4%	-16.7%	18.7%	Challenged
Transportation & Warehousing	$192	$842	4.9%	10.3%	-52.6%	-11.4%	22.2%	Recovering
Professional, Scientific and Technical Activities	$235	$783	4.6%	13.3%	-25.2%	-15.8%	22.6%	Resilient
Financial and Insurance Activities	$249	$447	2.6%	10.7%	-42.2%	-20.5%	22.9%	Resilient
Wholesale Trade	$156	$390	2.3%	10.2%	-48.8%	-21.3%	19.7%	Challenged
Education	$138	$283	1.6%	16.4%	-41.5%	-14.2%	21.3%	Resilient
Administrative and Support Service Activities	$14	$275	1.6%	12.6%	-44.3%	-14.9%	22.1%	Recovering
Accommodation and Food Service Activities	$45	$114	0.7%	11.0%	-53.5%	-14.3%	24.3%	Recovering
Retail Trade	$121	$97	0.6%	10.9%	-46.1%	-16.7%	20.0%	Challenged
Arts, Entertainment and Recreation	$11	$10	0.1%	3.5%	-45.8%	-16.2%	23.2%	Recovering
Mining and Quarrying	$74	$3	0.0%	19.2%	-55.5%	-15.3%	20.1%	Challenged
Human Health and Social Work Activities	$80	$1	0.0%	6.3%	-40.4%	-16.3%	21.5%	Resilient
Grand Total ►	**$4,603**	**$17,156**	**100.0%**	**9.9%**	**-40.3%**	**-14.2%**	**20.4%**	

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South Korea

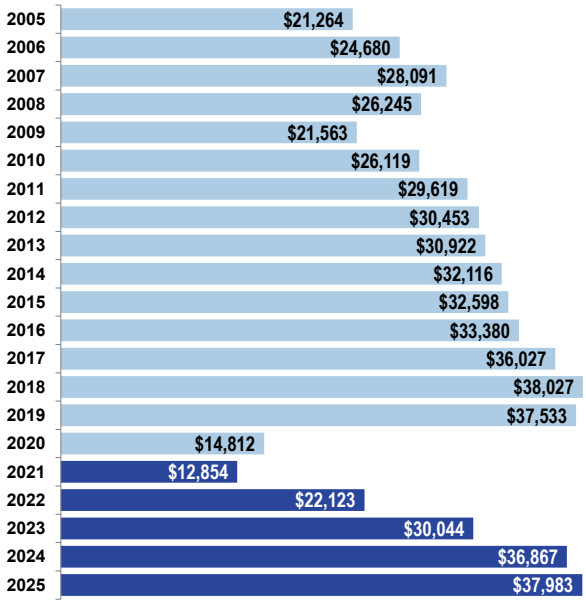
GBTA BTI™

2020: **70** | 2025: **179**

Business travel in South Korea reached $14.8 billion in 2020, a 60.5% decline from 2019. We expect spending to decline again in 2021, falling 13.2% to $12.9 billion. South Korea is still requiring a mandatory 10-day quarantine upon arrival, which inhibits most business travel. While we expect policy will loosen in 2022, it will still take longer than average for the South Korean business travel market to recover. We don't expect spending to regain 2019 pre-pandemic levels until 2025.

We expect the slowest growing industry over the 2020-2025 period will be agriculture, forestry & fishing. This is the third most impacted industry during the pandemic and is one of South Korea's 4 challenged industries; others include construction, manufacturing, and wholesale trade. Arts, entertainment & recreation is the industry that we expect to experience the largest turn-around. While spending in the sector has declined at an average annual rate of 45.6% since the beginning of the downturn, we are expecting growth to average 28.3% from 2020-2025.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$1,358	$6,328	42.7%	4.9%	-44.6%	-10.4%	19.7%	Challenged
Utilities	$118	$1,541	10.4%	4.5%	-39.1%	-11.0%	20.6%	Flagging
Administrative and Support Service Activities	$71	$1,421	9.6%	5.2%	-34.2%	-15.1%	22.5%	Resilient
Real Estate Activities	$187	$966	6.5%	3.9%	-30.0%	-17.1%	20.9%	Flagging
Information and Communication	$137	$747	5.0%	3.0%	-36.4%	-16.8%	20.0%	Flagging
Professional, Scientific and Technical Activities	$204	$708	4.8%	3.4%	-28.5%	-14.0%	23.5%	Resilient
Public Admin and Defense, Other Services	$192	$674	4.5%	3.8%	-44.7%	-18.2%	22.1%	Recovering
Transportation & Warehousing	$121	$534	3.6%	4.1%	-48.5%	-13.2%	21.7%	Recovering
Construction	$218	$505	3.4%	3.4%	-42.7%	-17.7%	19.2%	Challenged
Financial and Insurance Activities	$180	$338	2.3%	2.4%	-38.8%	-17.7%	24.3%	Resilient
Accommodation and Food Service Activities	$106	$281	1.9%	2.9%	-37.3%	-18.5%	22.9%	Resilient
Education	$114	$243	1.6%	8.3%	-38.5%	-15.4%	19.9%	Flagging
Wholesale Trade	$90	$236	1.6%	1.1%	-50.9%	-19.8%	20.7%	Challenged
Agriculture, Forestry and Fishing	$48	$149	1.0%	0.5%	-45.6%	-14.7%	17.7%	Challenged
Retail Trade	$139	$116	0.8%	3.1%	-38.2%	-17.9%	20.0%	Flagging
Arts, Entertainment and Recreation	$24	$22	0.2%	4.6%	-44.8%	-11.9%	28.3%	Recovering
Human Health and Social Work Activities	$154	$2	0.0%	1.3%	-41.7%	-16.4%	22.4%	Recovering
Mining and Quarrying	$4	$1	0.0%	7.0%	-43.3%	-10.8%	22.1%	Recovering
Grand Total ►	**$3,465**	**$14,812**	**100.0%**	**4.3%**	**-41.5%**	**-13.2%**	**20.7%**	

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Italy

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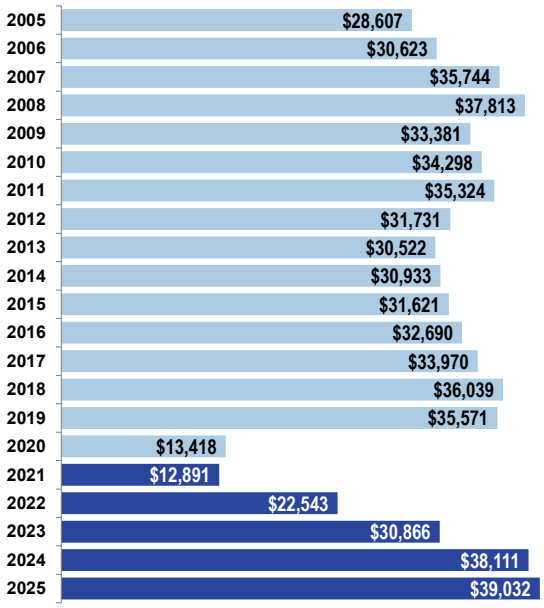
2020: **47** | 2025: **136**

Spending on business travel in Italy totaled $13.4 billion in 2020, down 62.3% from 2019 levels. We anticipate another 3.9% decline in 2021. While Italy's borders are currently open to the European Union, U.S. and Canada, business travelers from other markets like China and Mexico are currently banned through mid-December. We expect Italy's business travel market will surpass pre-pandemic levels in 2024, reaching $38 billion.

Business travel in a number of industries was significantly impacted in 2020 as many parts of the Italian economy were shut down. Declines in spending have continued to mount in 2021 with the most significant impacts in construction – as many projects continue to be delayed, and wholesale trade – which has been impacted by supply chain shortages. We expect Italian business travel across sectors to recover at the rate of 24% per year between 2020-2025. The fastest recovering industries will include accommodation & food services, finance & insurance and transportation & warehousing.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$946	$3,959	29.5%	2.1%	-38.1%	-1.9%	23.4%	Flagging
Administrative and Support Service Activities	$107	$1,881	14.0%	2.6%	-40.6%	-4.4%	24.1%	Recovering
Utilities	$140	$1,608	12.0%	4.0%	-44.0%	-5.4%	23.7%	Challenged
Real Estate Activities	$270	$1,232	9.2%	5.8%	-38.0%	-6.3%	24.0%	Flagging
Transportation & Warehousing	$197	$874	6.5%	3.4%	-41.2%	1.3%	25.0%	Recovering
Public Admin and Defense, Other Services	$241	$743	5.5%	2.0%	-35.5%	-5.8%	23.2%	Flagging
Information and Communication	$148	$709	5.3%	2.2%	-34.5%	-3.0%	22.2%	Flagging
Professional, Scientific and Technical Activities	$191	$587	4.4%	-0.5%	-37.7%	-4.0%	24.9%	Resilient
Construction	$202	$411	3.1%	1.1%	-42.6%	-11.2%	23.3%	Challenged
Wholesale Trade	$170	$391	2.9%	0.4%	-49.6%	-10.3%	23.0%	Challenged
Financial and Insurance Activities	$153	$253	1.9%	0.9%	-37.4%	-9.5%	25.3%	Resilient
Accommodation and Food Service Activities	$103	$241	1.8%	3.2%	-44.6%	0.1%	29.9%	Recovering
Agriculture, Forestry and Fishing	$64	$175	1.3%	1.2%	-37.4%	-5.1%	20.0%	Flagging
Education	$91	$171	1.3%	6.4%	-34.5%	-0.2%	23.0%	Flagging
Retail Trade	$195	$144	1.1%	2.2%	-41.1%	-6.2%	23.2%	Challenged
Arts, Entertainment and Recreation	$44	$36	0.3%	3.6%	-43.6%	-4.6%	26.3%	Recovering
Human Health and Social Work Activities	$190	$2	0.0%	-2.3%	-36.8%	-4.0%	22.6%	Flagging
Mining and Quarrying	$8	$1	0.0%	4.5%	-33.0%	-5.5%	24.8%	Resilient
Grand Total ►	**$3,460**	**$13,418**	**100.0%**	**2.5%**	**-39.8%**	**-3.9%**	**23.8%**	

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Brazil

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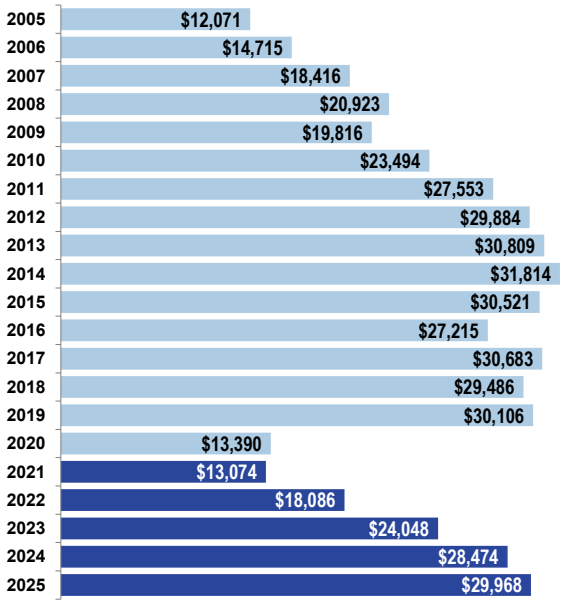
2020: **111** | 2025: **248**

Total spending in Brazil dropped 55.5% from $30 billion in 2019 to $13 billion in 2020. We anticipate another 2.4% decline in 2021. Rising vaccination rates and increasing commodity prices have provided a boost to both business and consumer optimism over the last few months. While these trends will set up for a stronger 2022, underlying structural issues will continue to challenge the recovery. Total business travel spending in Brazil is not likely to recover to pre-pandemic levels until after 2025.

There are significantly more challenged industries in Brazil when compared to the global average: ten vs. three. A few industries faired relatively well through the pandemic, but we are expecting a flagging recovery. These include agriculture, construction, manufacturing, and utilities. We expect overall growth in business travel spending will average 17.5% from 2020 to 2025.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$1,078	$5,908	44.1%	6.1%	-22.3%	2.1%	17.4%	Flagging
Utilities	$131	$1,803	13.5%	5.4%	-25.0%	-4.5%	17.7%	Flagging
Administrative and Support Service Activities	$41	$870	6.5%	4.7%	-52.4%	-7.0%	16.8%	Challenged
Wholesale Trade	$271	$751	5.6%	5.4%	-47.0%	-9.9%	16.8%	Challenged
Public Admin and Defense, Other Services	$174	$646	4.8%	4.5%	-45.6%	-9.4%	17.8%	Challenged
Real Estate Activities	$112	$615	4.6%	6.0%	-42.4%	-6.5%	17.5%	Challenged
Agriculture, Forestry and Fishing	$183	$609	4.6%	5.8%	-23.5%	-1.0%	17.3%	Flagging
Transportation & Warehousing	$85	$424	3.2%	6.8%	-43.0%	1.7%	20.3%	Recovering
Construction	$157	$385	2.9%	4.6%	-32.4%	-14.6%	16.5%	Flagging
Information and Communication	$65	$375	2.8%	4.5%	-42.5%	-7.5%	14.2%	Challenged
Retail Trade	$317	$280	2.1%	5.8%	-44.6%	-6.4%	16.6%	Challenged
Education	$98	$221	1.7%	11.4%	-41.9%	-3.4%	17.7%	Challenged
Financial and Insurance Activities	$111	$221	1.6%	3.5%	-44.5%	-11.3%	18.0%	Challenged
Professional, Scientific and Technical Activities	$50	$186	1.4%	3.3%	-51.5%	-4.2%	17.8%	Challenged
Accommodation and Food Service Activities	$30	$85	0.6%	4.8%	-45.8%	21.6%	29.9%	Recovering
Mining and Quarrying	$53	$7	0.1%	13.5%	-29.0%	2.8%	17.7%	Flagging
Arts, Entertainment and Recreation	$4	$4	0.0%	4.6%	-50.6%	0.4%	22.4%	Recovering
Human Health and Social Work Activities	$80	$1	0.0%	-0.4%	-44.2%	-7.0%	16.7%	Challenged
Grand Total ►	**$3,038**	**$13,390**	**100.0%**	**5.5%**	**-34.1%**	**-2.4%**	**17.5%**	

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Canada

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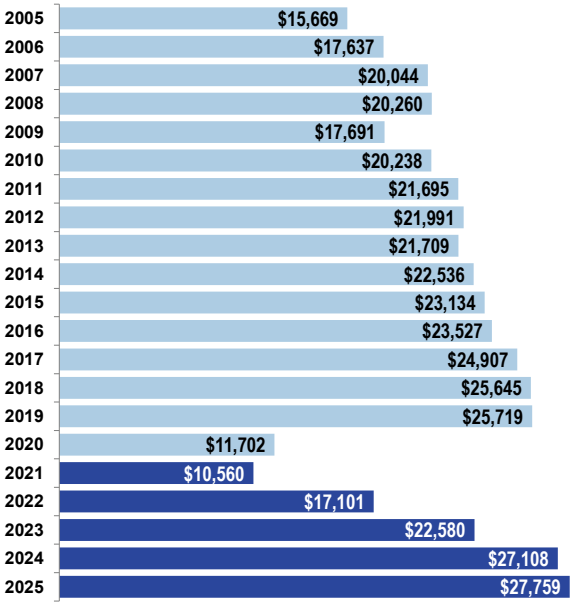
2020: **75** | 2025: **177**

Annual spending on Canadian business travel fell 54.5% in 2020 to $11.7 billion. We expect another 9.8% drop in 2021 to $10.6 billion. The Canadian market has been hampered by restrictive national travel bans and the inability for Canadian citizens to get into the US. These restrictions have eased which should help to propel the recovery toward the end of the year and into 2022. GBTA research shows that 81% of Canadian business travelers feel comfortable traveling domestically while only 45% are comfortable with international travel. We expect Canadian business travel to recover to pre-pandemic levels of spending by 2024.

Construction, professional, scientific & technical activities, and real estate have all been resilient business travel industries in Canada. We expect at least 20% compound annual growth in spending over the forecast period. Accommodation & food services has been the most impacted industry during the pandemic, declining 43.8% per year on average between 2019 and 2021. We expect spending in the sector will rebound sharply over the next few years – growing an average of 21% from 2020 to 2025.

Business Travel Spending
in millions of current $



Profile of Sales and Business Travel Spending by Industry

	Total Sales	Business Travel Spending				BTS Growth Outlook		
Industry	2020 Sales (bn US$)	2020 BTS (mn US$)	2020 BTS % of Total	2000-19 BTS CAGR	2019-21 BTS CAGR	2021-20 % ch	2020-25 CAGR	Industry Status
Manufacturing	$490	$2,800	23.9%	1.4%	-34.6%	-7.4%	17.5%	Flagging
Real Estate Activities	$276	$1,515	12.9%	6.8%	-34.2%	-9.0%	20.6%	Resilient
Administrative and Support Service Activities	$70	$1,489	12.7%	3.3%	-36.9%	-11.7%	18.6%	Challenged
Public Admin and Defense, Other Services	$245	$910	7.8%	4.4%	-37.3%	-11.7%	19.0%	Challenged
Information and Communication	$144	$833	7.1%	5.1%	-33.7%	-10.5%	17.3%	Flagging
Utilities	$59	$818	7.0%	2.9%	-33.6%	-9.8%	18.1%	Flagging
Transportation & Warehousing	$130	$683	5.8%	5.7%	-42.4%	-9.3%	20.8%	Recovering
Construction	$248	$609	5.2%	6.0%	-35.2%	-8.2%	20.1%	Resilient
Financial and Insurance Activities	$230	$459	3.9%	3.7%	-38.9%	-12.3%	22.2%	Recovering
Professional, Scientific and Technical Activities	$102	$377	3.2%	1.3%	-33.5%	-8.9%	20.0%	Resilient
Wholesale Trade	$123	$340	2.9%	1.9%	-39.7%	-17.1%	18.1%	Challenged
Agriculture, Forestry and Fishing	$83	$276	2.4%	2.9%	-28.8%	-9.0%	14.3%	Flagging
Education	$112	$254	2.2%	9.4%	-36.3%	-8.2%	18.8%	Flagging
Accommodation and Food Service Activities	$60	$171	1.5%	4.2%	-43.8%	-11.8%	21.2%	Recovering
Retail Trade	$156	$138	1.2%	3.9%	-36.5%	-11.1%	18.3%	Flagging
Arts, Entertainment and Recreation	$21	$21	0.2%	3.5%	-41.6%	-14.9%	22.1%	Recovering
Mining and Quarrying	$115	$5	0.0%	10.2%	-37.8%	-14.5%	17.6%	Challenged
Human Health and Social Work Activities	$177	$3	0.0%	-0.8%	-38.7%	-11.5%	18.5%	Challenged
Grand Total ►	**$2,843**	**$11,702**	**100.0%**	**3.5%**	**-35.9%**	**-9.8%**	**18.9%**	

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Appendix I -Summary of Spending Growth by Country

Summary of Spending Growth by Country

	Business Travel Spend (Annual Growth 2020)	Business Travel Spend (Annual Growth 2021)	Business Travel Spend (CAGR 2000 - 2019)	Business Travel Spend (CAGR 2019-2021)	Business Travel Spend (CAGR 2020 - 2025)
Western Europe Total	**-59.2%**	**-3.8%**	**-3.8%**	**-37.4%**	**21.4%**
United Kingdom	-60.0%	-17.0%	2.8%	-42.4%	23.0%
Switzerland	-56.9%	4.5%	3.0%	-32.9%	19.1%
Sweden	-63.6%	13.3%	3.5%	-35.7%	23.9%
Spain	-57.3%	12.9%	5.1%	-30.6%	20.5%
Portugal	-58.8%	-3.7%	2.8%	-37.0%	22.2%
Norway	-52.5%	-9.0%	4.8%	-34.3%	19.1%
Netherlands	-52.4%	-3.2%	3.4%	-32.1%	17.6%
Italy	-62.3%	-3.9%	2.5%	-39.8%	23.8%
Ireland	-56.2%	-28.5%	4.5%	-44.1%	17.7%
Greece	-61.1%	15.2%	1.9%	-33.0%	24.3%
Germany	-61.6%	-7.4%	4.7%	-40.4%	22.3%
France	-56.6%	1.3%	3.7%	-33.7%	19.6%
Finland	-57.5%	-22.9%	4.1%	-42.7%	20.3%
Denmark	-53.7%	2.2%	3.4%	-31.2%	17.7%
Belgium	-65.2%	14.5%	3.3%	-36.9%	25.6%
Austria	-56.9%	1.6%	4.5%	-33.8%	19.5%
North America Total	**-60.3%**	**26.9%**	**1.6%**	**-29.0%**	**22.9%**
United States	-61.1%	30.2%	1.5%	-28.8%	23.4%
Mexico	-47.4%	35.9%	2.8%	-15.5%	16.0%
Canada	-54.5%	-9.8%	3.5%	-35.9%	18.9%
Middle East & Africa Total	**-44.9%**	**18.5%**	**5.3%**	**-19.2%**	**14.4%**
Tunisia	-61.7%	-11.4%	3.2%	-41.7%	21.3%
South Africa	-41.8%	-8.3%	5.9%	-26.9%	11.4%
Senegal	-42.7%	36.8%	6.4%	-11.4%	14.2%
Saudi Arabia	-44.9%	36.9%	3.4%	-13.2%	18.6%
Qatar	-35.2%	36.4%	13.3%	-6.0%	8.6%
Nigeria	-41.9%	15.6%	8.7%	-18.1%	12.3%
Morocco	-50.4%	9.2%	4.4%	-26.4%	16.9%
Kuwait	-48.7%	-17.2%	7.5%	-34.8%	17.0%
Kenya	-45.1%	20.6%	7.1%	-18.6%	9.6%
Jordan	-47.1%	38.2%	6.4%	-14.5%	12.8%
Israel	-47.4%	78.0%	4.3%	-3.3%	14.0%
Iran	-31.7%	13.3%	6.7%	-12.0%	18.4%
United Arab Emirates	-57.4%	14.4%	6.7%	-30.2%	19.5%
Egypt	-35.8%	16.4%	1.2%	-13.6%	11.3%
Cameroon	-47.0%	27.3%	5.7%	-17.8%	14.1%
Bahrain	-48.0%	24.9%	7.3%	-19.4%	14.4%

Source: GBTA, Rockport Analytics

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	Business Travel Spend (Annual Growth 2020)	Business Travel Spend (Annual Growth 2021)	Business Travel Spend (CAGR 2000 - 2019)	Business Travel Spend (CAGR 2019-2021)	Business Travel Spend (CAGR 2020 - 2025)
Latin America Total	**-50.1%**	**18.4%**	**4.8%**	**-23.1%**	**15.8%**
Venezuela	-82.0%	23.8%	-0.9%	-52.8%	48.3%
Uruguay	-36.0%	17.7%	4.9%	-13.2%	9.9%
Peru	-40.6%	69.2%	7.0%	0.2%	12.0%
Panama	-40.9%	55.9%	6.4%	-4.0%	13.4%
Honduras	-36.5%	57.6%	4.2%	0.1%	12.4%
Ecuador	-36.4%	65.3%	3.6%	2.5%	13.1%
Costa Rica	-35.4%	75.5%	6.0%	6.4%	8.9%
Colombia	-38.5%	82.0%	5.7%	5.8%	12.7%
Chile	-36.6%	-4.1%	6.2%	-22.0%	11.0%
Brazil	-55.5%	-2.4%	5.5%	-34.1%	17.5%
Bolivia	-37.3%	54.0%	5.8%	-1.8%	9.7%
Argentina	-43.5%	-13.9%	0.0%	-30.2%	17.1%
Emerging Europe Total	**-51.2%**	**10.1%**	**7.2%**	**-26.7%**	**14.7%**
Ukraine	-53.9%	25.7%	9.1%	-23.9%	19.6%
Turkey	-33.6%	6.9%	5.6%	-15.7%	6.1%
Slovakia	-61.0%	-47.8%	7.6%	-54.9%	13.1%
Russia	-60.9%	29.6%	8.9%	-28.8%	19.3%
Romania	-50.0%	8.5%	9.3%	-26.4%	12.4%
Poland	-44.9%	-4.7%	6.5%	-27.5%	16.5%
Hungary	-46.6%	-9.8%	5.0%	-30.6%	14.4%
Czech Republic	-72.1%	-6.9%	6.3%	-49.1%	31.5%
Bulgaria	-73.6%	-0.3%	7.0%	-48.6%	30.2%
Asia Pacific Total	**-48.2%**	**15.9%**	**7.3%**	**-22.5%**	**15.7%**
Vietnam	-33.6%	-33.4%	10.4%	-33.5%	8.7%
Thailand	-74.9%	-47.0%	5.2%	-63.5%	15.9%
Taiwan	-71.8%	-47.5%	2.0%	-61.5%	22.0%
Sri Lanka	-49.2%	-36.6%	7.3%	-43.2%	14.9%
Korea, South	-60.5%	-13.2%	4.3%	-41.5%	20.7%
Singapore	-81.2%	-32.4%	4.3%	-64.3%	41.6%
Philippines	-64.1%	1.3%	5.9%	-39.7%	20.5%
Pakistan	-41.7%	-6.5%	5.2%	-26.2%	9.1%
New Zealand	-62.5%	-43.7%	4.9%	-54.0%	21.7%
Malaysia	-56.9%	-50.7%	5.6%	-53.9%	22.5%
Japan	-57.2%	-36.7%	-0.7%	-47.9%	22.4%
Indonesia	-55.7%	-27.1%	8.8%	-43.2%	15.1%
India	-58.5%	-14.2%	9.9%	-40.3%	20.4%
Hong Kong	-83.8%	-37.0%	1.8%	-68.1%	47.9%
China	-41.4%	31.7%	13.9%	-12.1%	13.4%
Bangladesh	-40.2%	78.3%	7.3%	3.2%	9.9%
Australia	-60.8%	11.4%	5.0%	-33.9%	20.2%
Grand Total	**-53.8%**	**14.0%**	**4.4%**	**-27.4%**	**18.5%**

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Appendix II

Business Travel by Detailed Industry Sector

Source: GBTA, Rockport Analytics

Business Travel by Detailed Industry Sector						
	Top Line Performance			Business Travel Spending		
Industry	2021 Industry Sales (billions)	% of Sales Total	2019-2025 CAGR	2021 BTS (billions)	% of BTS Total	2019-2025 BTS CAGR
Administrative and Support Service Activities	$5,069	2.7%	4.7%	$86	11.5%	1.9%
Rubber, Plastics, and Mineral	$4,612	2.4%	7.0%	$65	8.6%	1.4%
Electricity, Gas, Steam and Air Conditioning Supply	$4,809	2.5%	5.6%	$60	8.0%	0.8%
Real Estate Activities	$12,179	6.4%	6.1%	$56	7.4%	2.6%
Food and Beverages	$7,740	4.0%	5.9%	$53	7.0%	-1.5%
Public Admin and Defense, Other Services	$11,283	5.9%	5.3%	$34	4.5%	1.0%
Transport Equipment	$6,849	3.6%	5.1%	$32	4.3%	0.9%
Construction	$13,330	7.0%	6.1%	$29	3.9%	0.9%
Professional, Scientific and Technical Activities	$8,825	4.6%	6.3%	$28	3.7%	2.0%
Manufacture of Computer, Electronic and Optical	$5,203	2.7%	7.2%	$25	3.3%	1.4%
Wholesale Trade	$9,215	4.8%	5.4%	$20	2.7%	-0.7%
Agriculture, Forestry and Fishing	$6,800	3.6%	6.5%	$20	2.7%	0.0%
Manufacture of Electrical Equipment	$3,470	1.8%	9.9%	$18	2.4%	3.6%
IT and Information Services	$3,736	2.0%	6.2%	$17	2.3%	1.9%
Financial and Insurance Activities	$10,353	5.4%	7.6%	$16	2.2%	2.2%
Land Transport and Transport Via Pipelines	$3,415	1.8%	4.5%	$14	1.8%	0.1%
Manufacture of Coke and Refined Petroleum	$3,803	2.0%	5.1%	$13	1.8%	2.2%
Manufacture of Textiles	$1,464	0.8%	6.5%	$13	1.8%	0.8%
Water Supply, Sewerage, Waste Management	$1,202	0.6%	7.3%	$13	1.7%	2.9%
Telecommunications	$2,757	1.4%	3.2%	$13	1.7%	-0.9%
Warehousing and Transportation	$2,196	1.1%	5.4%	$13	1.7%	-0.3%
Manufacture of Paper and Paper Products	$1,158	0.6%	6.0%	$12	1.6%	2.5%
Manufacture of Machinery and Equipment	$4,916	2.6%	7.9%	$11	1.5%	2.7%
Education	$5,517	2.9%	5.6%	$11	1.5%	1.9%
Chemical and Pharmaceuticals	$7,259	3.8%	7.7%	$11	1.4%	3.1%
Manufacture of Basic Metals	$5,630	2.9%	5.8%	$9	1.2%	1.9%
Manufacture of Fabricated Metal Products	$2,679	1.4%	4.8%	$9	1.2%	-0.2%
Manufacture of Wood and of Products of Wood	$1,071	0.6%	7.9%	$9	1.2%	3.9%
Accommodation and Food Service Activities	$3,749	2.0%	5.3%	$9	1.2%	1.0%
Postal and Courier Activities	$1,078	0.6%	12.2%	$7	0.9%	6.0%
Retail Trade incl Motor Vehicles	$8,425	4.4%	5.0%	$6	0.8%	0.8%
Publishing Activities	$953	0.5%	5.2%	$4	0.6%	1.8%
Audiovisual and Broadcasting	$720	0.4%	7.2%	$3	0.4%	3.3%
Manufacture of Tobacco Products	$415	0.2%	8.1%	$3	0.4%	0.8%
Air Transport	$937	0.5%	4.3%	$2	0.3%	-0.8%
Manufacture of Wearing Apparel	$726	0.4%	5.0%	$2	0.3%	-1.6%
Printing and Reproduction of Recorded Media	$438	0.2%	2.4%	$2	0.2%	-2.1%
Manufacture of Leather and Related Products	$440	0.2%	6.2%	$1	0.2%	-0.3%
Arts, Entertainment and Recreation	$1,381	0.7%	5.2%	$1	0.1%	2.2%
Furniture, Other Durables	$1,925	1.0%	6.1%	$1	0.1%	0.4%
Water Transport	$707	0.4%	3.9%	$1	0.1%	-2.3%
Mining of Metals and Stone	$1,254	0.7%	5.5%	$0	0.0%	-0.1%
Human Health and Social Work Activities	$8,193	4.3%	5.6%	$0	0.0%	1.7%
Energy Mining	$3,380	1.8%	2.6%	$0	0.0%	-0.8%

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Appendix III

Approach, Methodology, Data Sources, and Definitions

The overriding objective of this research initiative has been to create a process for developing credible estimates of the size, growth, and contribution of business travel to companies, industries, and countries around the world. This analysis was first completed in 2009, yielding a first-ever definitive and comprehensive measure of its kind. This process must obviously produce defensible results — results consistent with both the foundation data sources and any reputable aggregate or crosscheck measures published by other recognized sources.

This second measure (growth) is critical and gives us an important look at the changes to business travel over time. A continual updating of the analysis will help us understand how macroeconomic events, economic development, and other factors affect business travel. The key is to build a process that is both credible and repeatable, utilizing all appropriate data. Updating the estimates of business travel activity requires re-executing this established process to reflect updates of the integral data sources.

Principal Data Sources

Measuring the size, growth and contribution of business travel is neither a simple nor precise task. For one, data inputs are relatively scarce, particularly outside the United States and certain Western European countries. Moreover, each data source tends to tell only a portion of the business travel story. Detailed searches have uncovered no comprehensive view of business travel volume or spending. Even in cases where travel metrics were available, they tended to cover either total travel or leisure travel only.

Much of the supply-side data that we assembled during the initial stages of the research did not make the trip purpose distinction either. For example, revenue and/or capacity metrics from hotels or airlines generally do not distinguish a business traveler from a leisure traveler. The same is true for rental cars and restaurants. This type of supply-side data provided many important sanity checks but was insufficient to provide specific detailed insight that was additive towards a comprehensive view of business travel activity.

The second most critical data sourcing problem was the inconsistency of definitions across sources. Promising datasets that appeared to be ideal later proved to be less useful because of definitional inconsistencies surrounding industries, geography, or what constituted business travel itself. Indeed, something as simple as a different definition of a business trip sometimes thwarted attempts to use an otherwise robust data input. Obviously, the reconciliation of seemingly similar sources was paramount in compiling our final estimates.

Principal sources include:

- D.K. Shifflet & Associates Travel Panel – *TRAVEL PERFORMANCE/Monitor* SM
- A 2009 bespoke survey of financial management (CFOs & Controllers) from a representative sample of US public and private companies. Over 500 completed interviews captured information regarding travel and entertainment (T&E spending, as well as the commitment to travel management programs, policies, and personnel).
- The US Bureau of Economic Analysis
- Airline Reporting Corporation (ARC)

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- International Air Transport Association (IATA)
- ADARA Travel Trends Tracking
- The US Department of Commerce's National Travel & Tourism Office
- The US Department of Transportation – BTS Statistics
- STR Global
- German National Tourist Board
- IPK International
- Boeing (BCA)
- United Nations/World Tourism Organization (UNWTO)
- National Input/Output Accounts for 48 of the 73 countries analyzed in the study (Source: typically, Ministry of Commerce or Statistics)
- Various international government sources, including Ministries of Transportation, Tourism, & Commerce
- IHS Markit's Global Macroeconomic data, analysis, and forecasts
- Rockport Analytics travel industry expertise
- GBTA surveys of global business travelers, CFOs, and travel managers

Methodology & Approach

We have assembled an extensive data repository from which to build estimates of global business travel activity. The inventory of sources included many of the private and public datasets that are commonly used to describe economic and travel industry performance in many contexts. Moreover, a comprehensive literature search provided a list of related research efforts that helped guide the final development of our methodology in each phase of the project. Each phase began with an effort to understand and reconcile the differences between and among the pertinent data sources.

The development of our global database of business travel spending by country (73) and industry (44) required that we build a "sources and uses" view of the industries that both buy and sell travel services. That is, Rockport put together a four-dimensional sectoral matrix: travel suppliers/sellers (rows), travel buyers (columns), time (2000-2020), and country. The values within each cell describe the sales of a seller's services (e.g., hotels) to each buying industry (e.g., utilities). For example, airlines constitute one of the critical seller rows. Across the airline row, each one of the 44 buying industries' total purchases of airline tickets is compiled.

The derivation of our initial estimates of business travel spending required that we apply the business travel purchase matrixes to published levels of total sales for each (buying) sector in each country. The total sales database was once again sourced from IHS Markit. The final estimates of business travel spending by country and sector required that Rockport fold in other data inputs covering total travel volume and spending in each country, where available. Countries such as the US, UK, Germany, and others were compared and adjusted according to sources such as the UNWTO, DK Shifflet & Associates, WTTC and IPK International. Moreover, the Ministries of Tourism for some of the countries provide estimates of overall travel, sometimes separated into leisure and business purposes. Where available and consistent, these sources were used as critical cross-checks. A major revision was made to the industry measurements in the 2019 study as the industry classifications in

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the source data were converted from the United Nations' ISIC Rev. 3.1 to ISIC Rev. 4.[10] While this did not impact the overall levels of business travel spend it did require mapping all industries included in the data matrix to the new ISIC rev. 4 sectors. This also led to different measurements of spend for some sectors as the new totals are reflective of the current industry definitions published by the United Nations.

Typically, our business travel spending projections are created using a three-step approach. First, the business travel purchase coefficients for each sector/country pair were forecasted from 2020 using a time series approach that considers trends in travel intensity, productivity, and the impact of business cycles. Next, a projection of industry sales in each country was sourced from IHS Global Insight. Combining these two inputs resulted in an initial forecast of business travel spending. The final step required reconciliation with other forecasts of business travel activity from sources such as IATA, STR, Boeing, UNWTO, American Express, IPK International and others. Changes in the initial forecasts were made where Rockport deemed appropriate, all towards a final set of reconciled projections.

Last year we added a fourth step to the forecast methodology as we had to account for the extraordinary losses to business travel activity due to the pandemic that would not be directly accounted for using the traditional methodology. This step included collecting data on country-level air and hotel bookings from ADARA, OAG, ARC, IATA, and STR. These data sources were reconciled against one another in order to assess the country-by-county declines in business travel activity since the start of the COVID-19 pandemic. The declines were then overlaid onto the modeled values and adjusted on a country-by-country basis.

Definitions

The resulting global travel database, forecasts, and report created from this research effort can be used to inform many strategic and tactical decisions. Users among the travel manager, buyer and supplier community should, however, be certain to consider what the estimates do and do not include, particularly when comparing the findings to other external or internal measures.

The first definition is that of business travel itself. Our objective was to be as comprehensive as possible, resulting in the inclusion of all kinds of business trips and trip spending, including trips booked within and outside managed travel programs:

- Day trips and overnight trips
- Domestic and outbound international trips (an "origin" perspective of business travel)
- Trips on behalf of sales, operations, training, conventions/meetings, maintenance/repair, incentives, and customer service
- Trip spending included all categories -air, hotel, rental car, other ground transportation, personal vehicles, food and beverage, entertainment, and miscellaneous expenses

Another important definitional note revolves around the use of US dollars to represent business travel spending. Comparisons across countries required that local currencies be converted to US dollars using prevailing exchange rates. Moreover, all dollar values are expressed in current or nominal terms. This means the effects of inflation are included in both the estimates of industry sales and business travel spending.

[10] https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf

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