



TCG GLOBAL INSIGHTS

Q1-2024 Global Corporate Travel Industry Trends and Forecast

Industry Updates through Q1-2024
(January thru March)



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Overview

Demand for corporate business trips is still high with a significant focus on revenue-generating travel. Elevated costs look set to stay in the year ahead, but with muted increases going forward.

Global Air Trends and Forecasts

North America

- ✓ A growing number of airlines are reducing the value of corporate contracts by lowering discounts, declining to engage with market share targeting or removing fixed fares from any deals.
- ✓ Price growth is expected to be moderate in 2024 for North America with ATPs expected to rise by 0.6% to 1.8% driven by higher economy fares for both regional and intercontinental travel.

Latin America

- ✓ With moderate economic growth forecasts and returning capacity, fares are expected to decrease by more than 2% in Latin America.

Europe/Middle East/Africa

- ✓ With strong GDP growth forecasts driving demand, prices are expected to rise for flights between destinations in the Middle East.
- ✓ In Europe, fares are expected to decrease by more than 2%. Expect lower fares on some long-haul routes.
- ✓ Higher average airfares are likely in Africa, but the increase in ATPs looks set to be less than 1%.

Asia/Pacific

- ✓ Asia has seen rapid air recovery driven by pent-up demand. Flights within Asia are expected to be more expensive in 2024.
- ✓ An increase in international capacity should mean lower long-haul fares.



Global Hotel Trends and Forecasts

North America

- ✓ Across North America, the cost of hotel accommodation is expected to increase from 3.3% to 4.7% in 2024.
- ✓ Anticipate rate movements to be restrained in the U.S., while Canada will continue its current pricing momentum.
- ✓ Hotels continue to outperform rate expectations due to strong demand and limited new supply.

Latin America

- ✓ ADR movements across Latin America is expected to average 8.2% in 2024, largely reflecting rate increases of 5% to 10% in most markets.
- ✓ Brazil and Colombia are likely to see the largest ADR increases.

Europe/Middle East/Africa

- ✓ Average daily rates across Europe are expected to increase from 3% to 7% in 2024, with the strongest rises most likely in Europe's Southern and Western regions.
- ✓ Forecast for the Middle East is much higher at 14.4%, inflated by the large increase expected in Turkey. The figure drops to 5.2% if excluding this market.
- ✓ Room rates in Africa are expected to increase on average by 5.2% in 2024.

Asia/Pacific

- ✓ ADRs in Asia are expected to increase by 3.5% to 6.3% in 2024. Price movements in Southwest Pacific are much lower, averaging 3.1%.
- ✓ India can expect one of the biggest rate increases in 2024 by as much as 10%.



Global Ground Transportation Trends and Forecasts

North America

- ✓ Strong demand for rental cars is expected to continue along with ongoing supply challenges.
- ✓ In the US and Canada, a 5% increase in car rental rates to March 2024 is predicted.
- ✓ Pricing for trips with ride-hailing services, such as Uber and Lyft, will continue to increase alongside taxi rates in 2024.
- ✓ Black car rates will also continue to increase.

Latin America

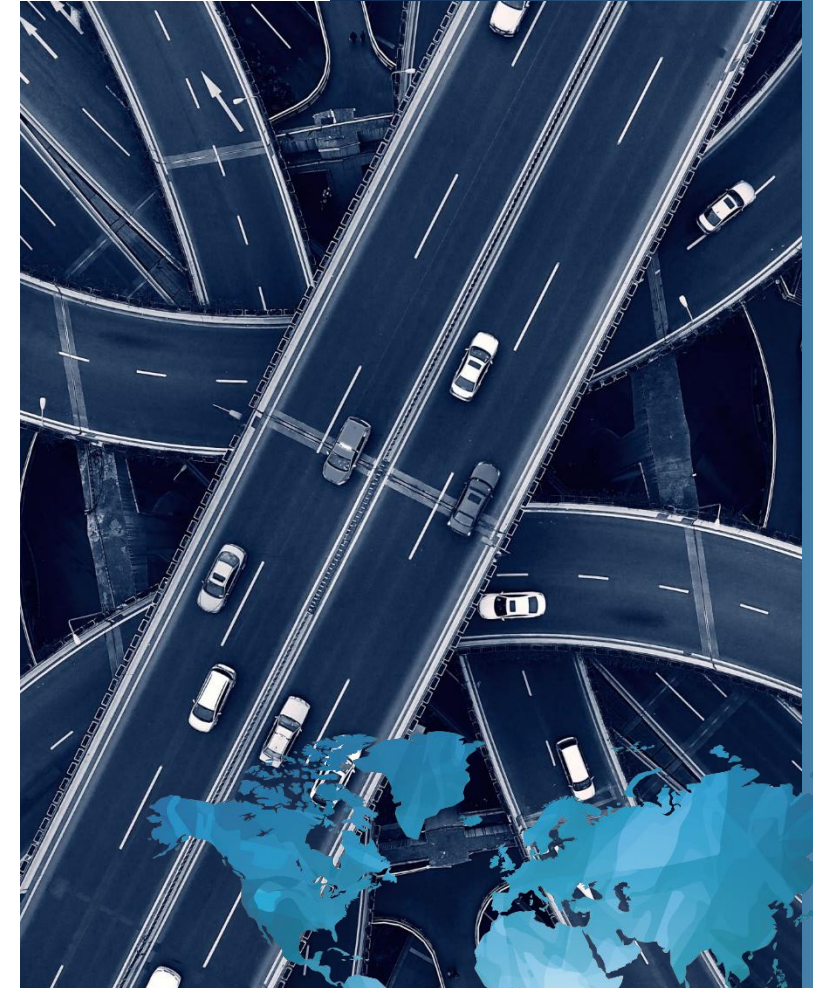
- ✓ In Latin America, buyers in Argentina and Brazil can expect to see prices rise 5.5% to 6%, with significantly lower forecasts for Chile (1%) and Mexico (0%).
- ✓ Price hikes align with greater inflation in the region's countries.

Europe/Middle East/Africa

- ✓ In Europe, car rental rates are due to rise in many key business destinations, ranging from 5% in France to 6.5% in the UK and 7% in Germany.
- ✓ The Nordics and Benelux are forecast to face smaller rises of 1% and 3% respectively.

Asia/Pacific

- ✓ Car rental prices are expected to decrease by an average 1.9% in APAC.
- ✓ Forecast of 2% rise for Australia, but prices will vary significantly across the country, with logistics and restricted supply pushing rates higher in remote locations.



Global Meetings and Events Trends and Forecasts

North America

- ✓ Overall meeting spend is expected to be up by 4.2% in North America, an increase from 2023 (3.8%).
- ✓ Corporations continue to value internal meetings and expect to allocate substantial spend on travel and accommodation to bring their teams together.
- ✓ Sustainability and DE&I considerations will remain strongly adopted in their Meetings programs.

Latin America

- ✓ Latin America has the highest predicted increase of all regions in overall meeting spend, with budgets to be up by 4.3%, much higher than the 2.6% increase predicted in 2023.

Europe/Middle East/Africa

- ✓ European meeting professionals expect modest increases in activity in 2024. Overall meeting spend is expected to rise by a modest 2.8% in the region, down from 3.2% in 2023.
- ✓ Strategic meeting programs are becoming more common in Europe.

Asia/Pacific

- ✓ Meeting professionals in Asia Pacific expect a steady increase in activity in 2024. They are optimistic about the health of the meetings and events industry.
- ✓ Overall meeting spend in Asia Pacific is expected to increase by 4.3% in 2024, compared to 2.7% in 2023.



Global Payment and Expense Trends and Forecasts

Emerging Technologies

- ✓ AI automation and analytics will help business leaders adapt to change, improve risk management, and make forecasting faster and more accurate.
- ✓ More predictive analytics tools will be used to analyze data and derive insights that inform and improve business operations.
- ✓ The challenge is still the accuracy of data. Even if the analytics infrastructure is upgraded, it will only deliver value if fed with robust and accurate information.

Virtual Payments

- ✓ Finance leaders are finally adopting this virtual tool, and they're getting greater control over costs, more visibility into spending, and increased efficiency as a result.

Sustainability and NDC

- ✓ There will be a greater shift from awareness to action on sustainability, making it a more tangible part of travel programs and policies.
- ✓ Expect a continued and growing focus on diversity, equity, and inclusion (DEI) initiatives under the sustainability umbrella.
- ✓ NDC, combined with reduced supplier payments to TMCs, may create growing pains and put pressure on existing industry economic arrangements. TMCs will continue to look for more efficiencies and alternate sources of revenue, which may also lead to continued consolidation.

Cost-cutting Measures

- ✓ Another year of budgetary caution will become a source of rising tension with employees.
- ✓ Doing more with less means more scrutiny when determining which trips are necessary.





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