

Business Travel Poised to Surpass Pre-Pandemic Levels in 2024

Posted on August 15, 2023 by Business Editor



As the world emerged from the COVID-19 pandemic, leisure travel was much faster to recover than business travel.

With remote work suddenly being the norm and many companies hesitant to put employees on a plane for travel that wasn't absolutely essential, business related trips plummeted in 2020 and 2021. Come 2022 however, the corporate travel industry began to recover. But then it was hit with another challenge—amid a softening economy, many businesses tightened their belts and held off on a great deal of travel, yet again.

Now, a new report from the Global Business Travel Association (GBTA) is projecting that the business travel industry will actually surpass 2019 levels of travel in 2024. That's two years sooner than the organization had previously forecast. The projection was made in the GBTA's latest Business Travel Index Outlook report, which was published at the organization's yearly convention today.

Specific details in the report show:

Spending on business travel worldwide increased 47 percent year-on-year in 2022 reaching more than \$1 trillion.

In 2023, spending in the sector is expected to grow an additional 32 percent.

Having “rebounded at a more accelerated rate than expected just a year ago,” business travel spend is now anticipated to approach a staggering \$1.4 trillion in 2024. And by 2027, that figure will approach \$1.8 trillion, the publication BTN—Business Travel News reported.

These figures are a marked departure from last year’s GBTA report. At that point the organization said inflation and supply chain challenges were impacting real recovery of the business travel sector and the expectation was that it would take until 2026 before meaningful improvement would be achieved.

So what’s caused the shift in fortunes?

The organization’s report attributes the strong turnaround in business travel to pent-up demand, more favorable economic conditions worldwide, and receding fears about a recession.

“The headwinds that were anticipated to impact the rebound of global business travel over the past year didn’t materialize and that is good news,” said GBTA CEO Suzanne Neufang. “This latest forecast now indicates an accelerated return to pre-pandemic spending levels sooner than anticipated as well as growth ahead in the coming years. Business travel spending is a key indicator, but how travel volumes will continue to rebound is yet to be seen.”

Still, it may not all be smooth sailing moving forward. Issues remain that could dampen future growth. This includes a growing focus globally on sustainability and increasing use of virtual meeting platforms. And remote work continues to be a factor impacting the need for business travel, said Neufang.

Additional highlights of the report include:

Air travel accounted for \$183 billion (18 per cent) of 2022 business travel spending

Accommodation spending amounted to \$395 billion (38 per cent)

Food and beverage spending totaled \$191 billion (19 per cent)

Ground transport cost \$138 billion (13 per cent)

Other travel expenses were \$121 billion

