

Business travel spend to reach 2/3 of pre-pandemic levels by 2022 : WTTC

A Monitor Report

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London : Worldwide business travel spending looks set to rise by more than a quarter this year and reach two thirds of pre-pandemic levels by 2022, according to the World Travel and Tourism Council (WTTC).

The forecast comes in a major new WTTC report in collaboration with McKinsey and Company called 'Adapting to Endemic Covid-19: The Outlook for Business Travel'. It draws on research, analysis and in-depth interviews with Travel & Tourism business leaders to enable organisations to prepare for corporate travel in the post-pandemic world.

Business travel was disproportionately affected by Covid-19 and has been slower to resume. Given that business travel is vital for many sectors of the global economy, it is important that all stakeholders join forces to find solutions to aid its recovery.

According to the new report, the modest boost for business travel with global business travel spend rising 26 per cent this year will be followed by a further rise of 34 per cent in 2022. But this comes in the wake of a 61 per cent collapse in business travel spend in 2020, following the imposition of extensive travel restrictions with considerable regional differences in the bounce back around the world.

To speed up the recovery of business travel, the report recommends businesses

adjust their revenue models, expand geographic focus, and improve digital services. The shared challenge of restoring business travel will also depend on ongoing collaboration and partnerships across the private and public sectors and nurturing new relationships.

Julia Simpson, WTTC CEO and President, said, "Business travel is starting to pick up. We expect to see two thirds back by the end of 2022. Business travel has been seriously hit but our research shows room for optimism with Asia Pacific and Middle East first off the starting blocks."

Considering this year and next, WTTC data shows which regions around the world are leading the revival in business travel, led by the Middle East:

Middle East - Business spending is set to rise by 49 per cent this year, stronger than leisure spending at 36 per cent, followed by a 32 per cent rise next year.

Asia-Pacific - Business spending is set to rise by 32 per cent this year, and 41 per cent next year.

Europe - Set to rise by 36 per cent this year, stronger than leisure spending at 26 per cent, followed by a 28 per cent rise next year.

Africa - Spending is set to rise by 36 per cent this year, slightly stronger than leisure spending at 35 per cent, followed by a 23 per cent rise next year.

Americas - Business spending is expected to rise by 14 per cent this year, and by 35 per cent in 2022.

Demand for business travel has been slower to recover than leisure and corporate policies continue to influence business travel demand according to national travel restrictions.

WTTC believes while business travel will return, its uneven recovery will have important implications across the global Travel and Tourism sector, making private public partnerships even more important in the months and years ahead.