

Trip.Biz

2023-2024

**Corporate Travel Management
Market White Paper**

**Weather the storm and
embrace new opportunities**

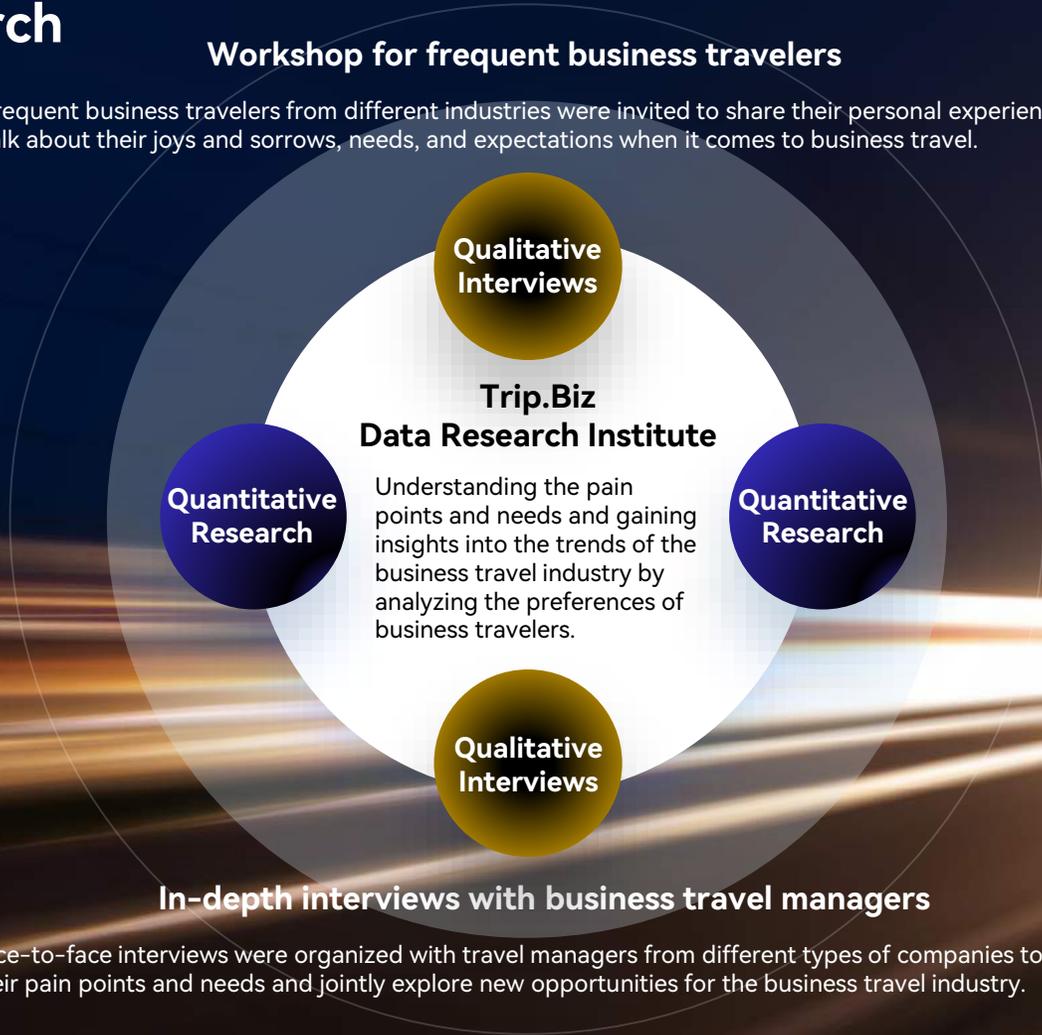
White Paper Research

Workshop for frequent business travelers

Frequent business travelers from different industries were invited to share their personal experiences and talk about their joys and sorrows, needs, and expectations when it comes to business travel.

Travel Managers Online Survey

Surveys were disseminated through Trip.Biz channels to collect data from administrative and finance personnel and other direct business travel managers from different companies across different industries.



Frequent Business Travelers Online Survey

Online surveys were conducted by CTR Market Research CO., Ltd., covering frequent business travelers from tier 1-4 cities in China.

In-depth interviews with business travel managers

Face-to-face interviews were organized with travel managers from different types of companies to understand their pain points and needs and jointly explore new opportunities for the business travel industry.

Partners



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More open, more integrated

Trip.Biz

2023-2024
Corporate Travel Management
Market White Paper

Chapter I

Say hello to a new beginning

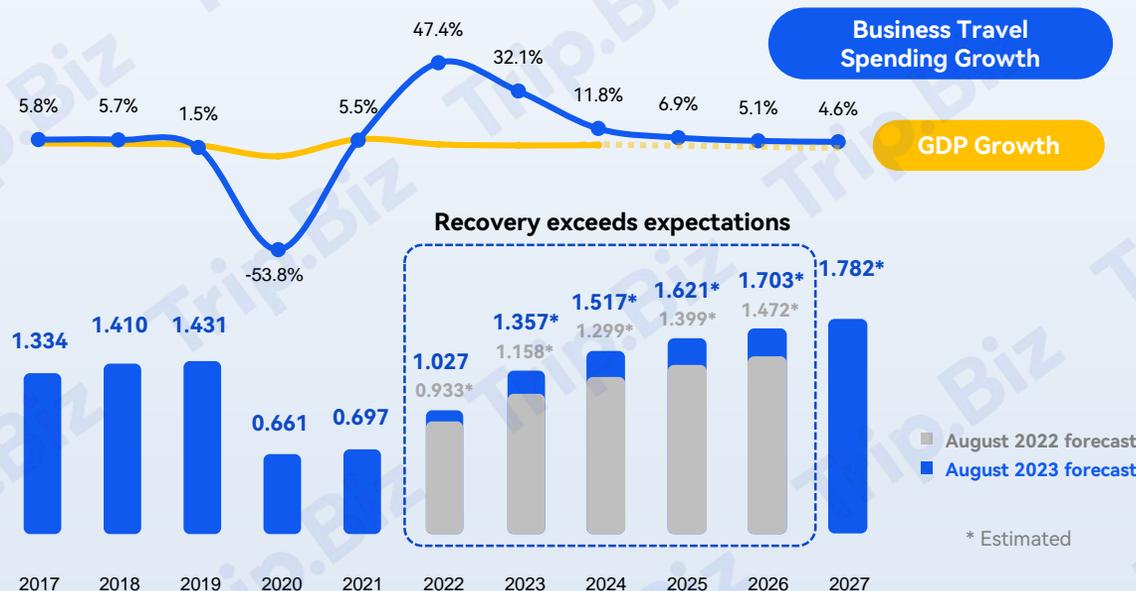
The business travel market grew strongly in 2023. According to a report published by the Global Business Travel Association (GBTA) in August 2023, global business travel spending maintained strong growth in the first half of 2023 and is expected to recover to US\$1.5 trillion by 2024.

China's business travel market recovered at a rate of 39.2% in 2023, and the market is expected to recover to 2019 levels in 2024.

Global business travel market: Recovery is exceeding expectations, expected to hit US\$1.5 trillion by 2024

- According to a report published by the Global Business Travel Association (GBTA) in August 2023, global business travel spending maintained strong growth in the first half of 2023 and is expected to recover to US\$1.5 trillion by 2024, which will exceed the pre-pandemic levels in 2019.
- With the easing of cross-border controls in the Asia Pacific region, especially China, the region's business travel spending grew at a rate of 41.2% in 2023 (higher than the rest of the world). Middle East & Africa were still the regions with better recovery compared to 2019.

Global Business Travel Spending 2017-2027 (US\$ trillion)



Note: The Global Business Travel Association (GBTA) has adjusted certain past data to reflect market changes. As shown in the figure, GBTA has adjusted global business travel spending in 2020 from 0.694 to 0.661 (US\$ trillion).

Business Travel Spending Growth by Region



Business Travel Spending Recovery by Region* (compared to 2019)



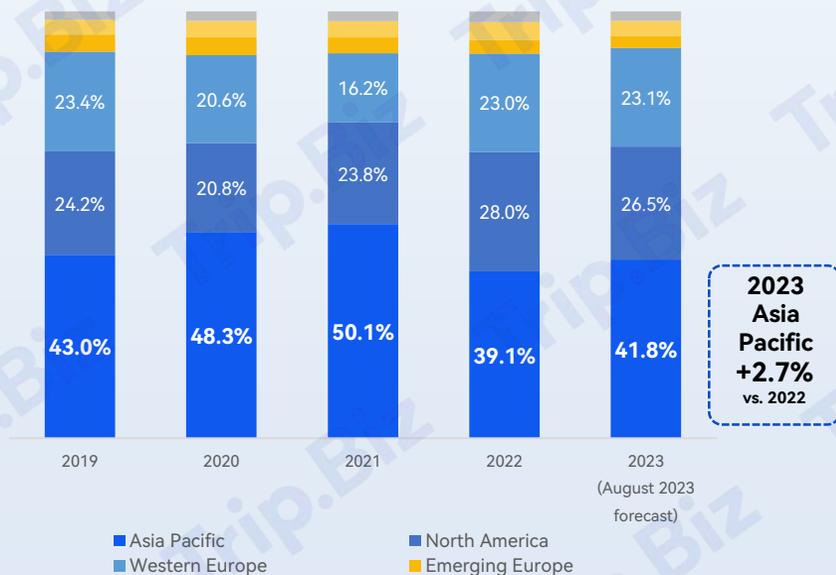
Source: GBTA Business Travel Index™ Outlook (August 2023)



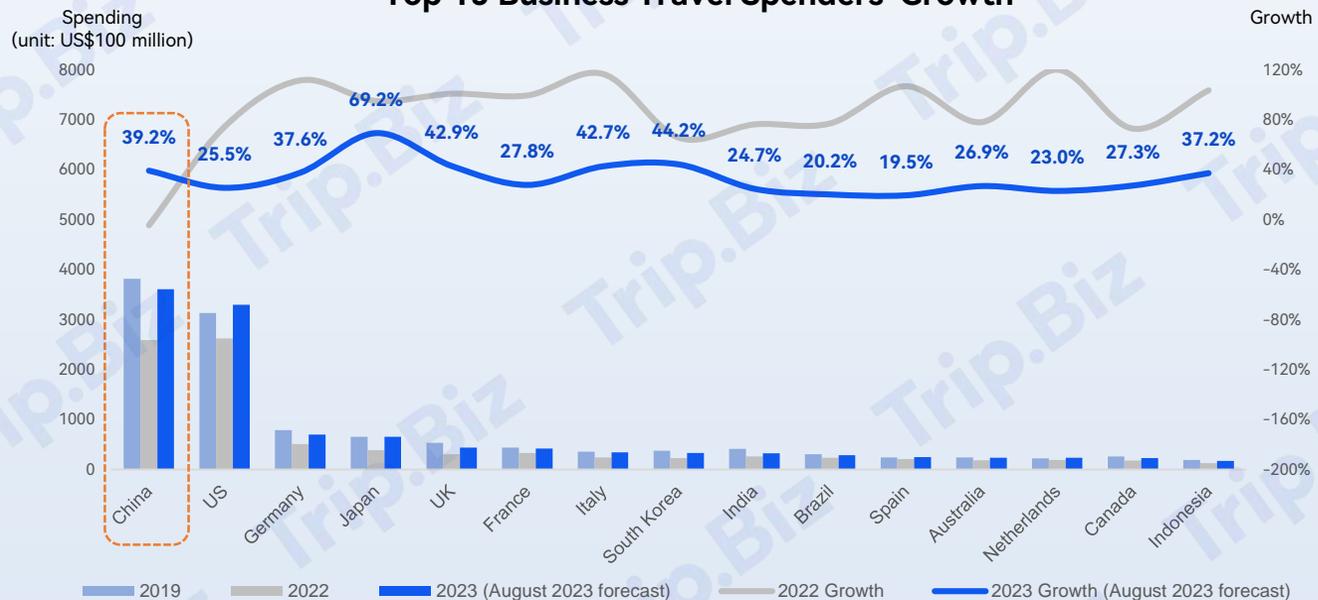
Regional business travel market: Asia Pacific has the biggest share, rapid recovery in business travel spending

- According to GBTA's forecast, Asia Pacific's business travel spending is expected to recover to US\$567 billion, which is 92% of the level in 2019. The region still accounts for the biggest share of global business travel spending. The easing of China's travel policies was an important catalyst for the region's growth.
- Among the top 15 countries in terms of business travel spending, China is the biggest market and grew by 39.2% in 2023. Japan, South Korea, UK, Italy registered the highest growth. Business travel spending in the US, Japan, Spain, and Netherlands has already exceeded 2019 levels. Except for India, the other top 15 countries have also basically recovered to at least 80% of 2019 levels. Among the top 15, 6 are Asia Pacific countries, and Indonesia became one of the top 15 in 2023.

Business Travel Spending by Region



Top 15 Business Travel Spenders' Growth

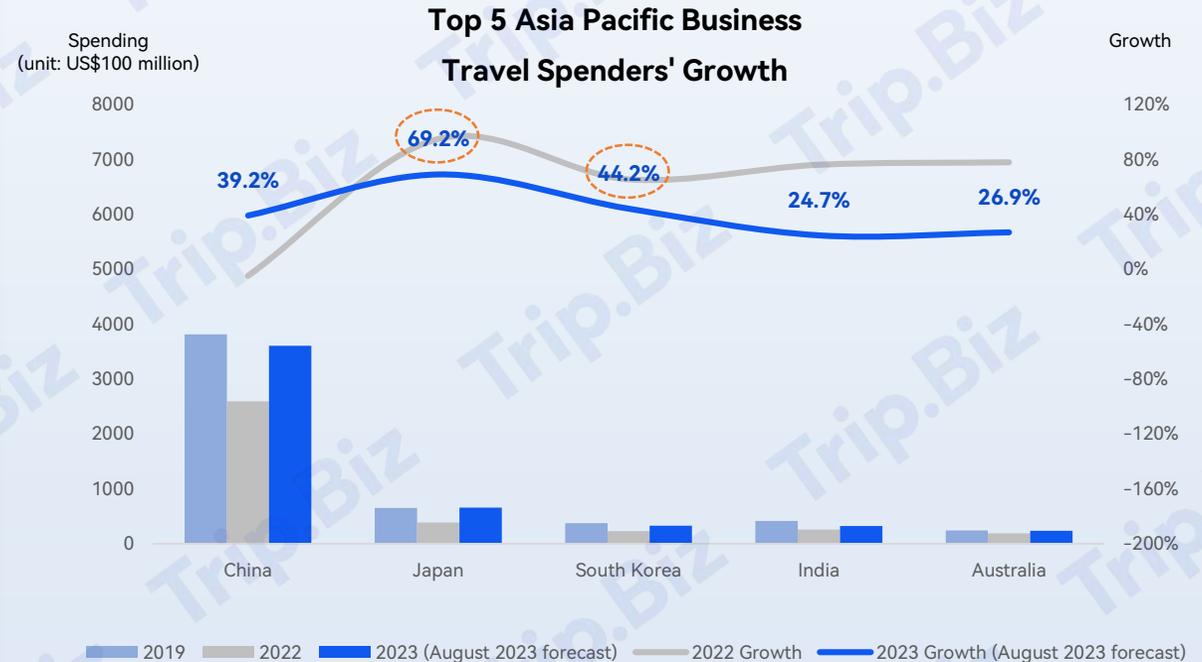


Source: GBTA Business Travel Index™ Outlook (August 2023)

Asia Pacific business travel market: China remains the largest business travel market, rapid recovery in Japan and South Korea

- GBTA data showed that in 2023, business travel spending in Singapore, Thailand, and New Zealand will reach a growth rate of more than 75%, ranking top three in the Asia Pacific region. From the five top business travel spenders in Asia Pacific region, Japan and South Korea are growing rapidly.
- Trip.Biz is keeping pace with the internationalization trend: In 2022, Trip.Biz reached a cooperation with Japan's TMC to create a one-stop international business travel solution; in 2023, Trip.Biz's Singapore POS was established, and other country POS, such as Malaysia, Thailand, Indonesia, Vietnam, and South Korea, are currently in the pipeline.

Asia Pacific Growth by Country		
Country	2022 Growth	2023 Growth (August 2023 forecast)
Singapore	202.6%	82.7%
Thailand	144.8%	76.6%
New Zealand	85.5%	76.4%
Japan	95.0%	69.2%
South Korea	65.6%	44.2%
China	-4.6%	39.2%
Sri Lanka	25.9%	38.9%
Indonesia	103.5%	37.2%
Malaysia	176.4%	36.2%
Vietnam	44.8%	30.5%
Australia	78.0%	26.9%
India	76.2%	24.7%
Philippines	175.7%	18.3%
Pakistan	13.7%	15.1%
Bangladesh	18.8%	-3.2%

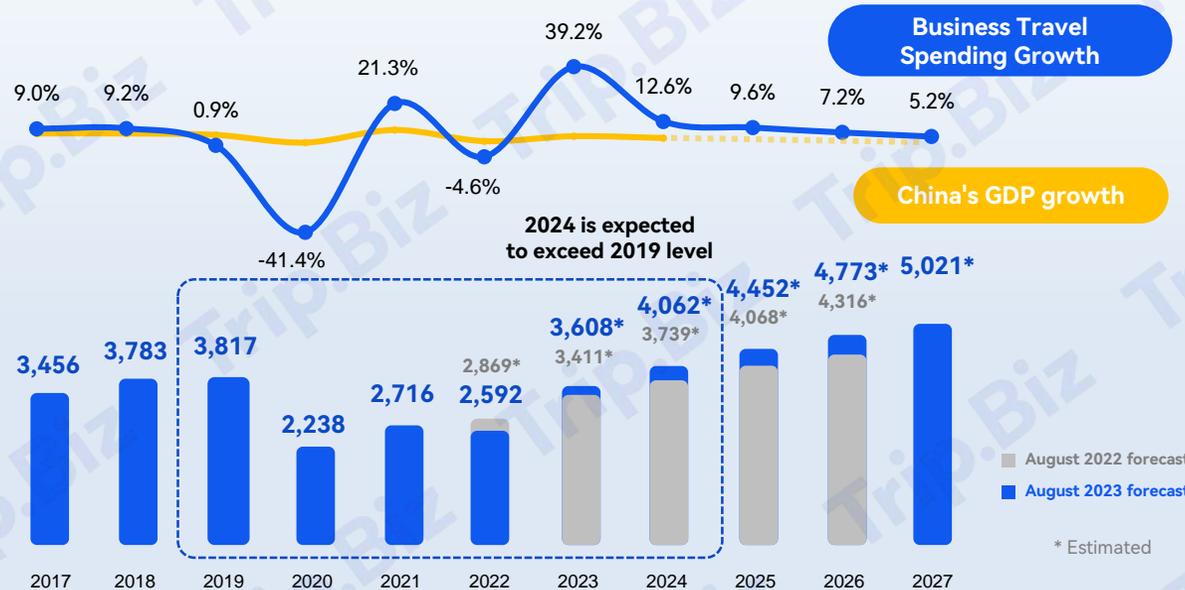


Source: GBTA Business Travel Index™ Outlook (August 2023)

China's business travel market: "Revenge business travel" fueled growth in 2023

- Since the start of 2023, with further relaxation of China's travel policies, "revenge" business travel drove strong market recovery. According to GBTA, **China has been the largest contributor to the growth of the global business travel market over the last two decades.** China's recovery is vital to the world.
- GBTA predicted that China's business travel market would recover at a growth of 39.2% in 2023. **China's market size is expected to reach US\$406.2 billion by 2024 (exceeding 2019 level) and exceed US\$500 billion by 2027.**

China's Business Travel Spending 2017-2027 (US\$100 million)

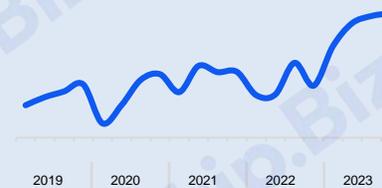


Note: The Global Business Travel Association (GBTA) has adjusted certain past data to reflect market changes. For example, the original business travel spending in 2019 of US\$400.7 billion was adjusted by GBTA to US\$381.7 billion.

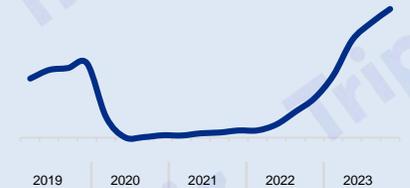
Many countries have announced visa-free travel policies for Chinese citizens

- Malaysia: From December 1, 2023 to December 31, 2024, 30-day visa-free stay will be granted to Chinese citizens.
- Singapore: From February 9, 2024, ordinary passport holders from both countries can enter the respective countries without any visa for tourism, family visits, business, and other personal purposes for up to 30 days.
- Thailand: On March 1, 2024, the visa-free agreement for ordinary passport holders between China and Thailand officially came into effect. Chinese citizens holding ordinary business or personal passports may enter Thailand without a visa for a stay of up to 30 days each time.

China's business travel bookings



International business travel bookings

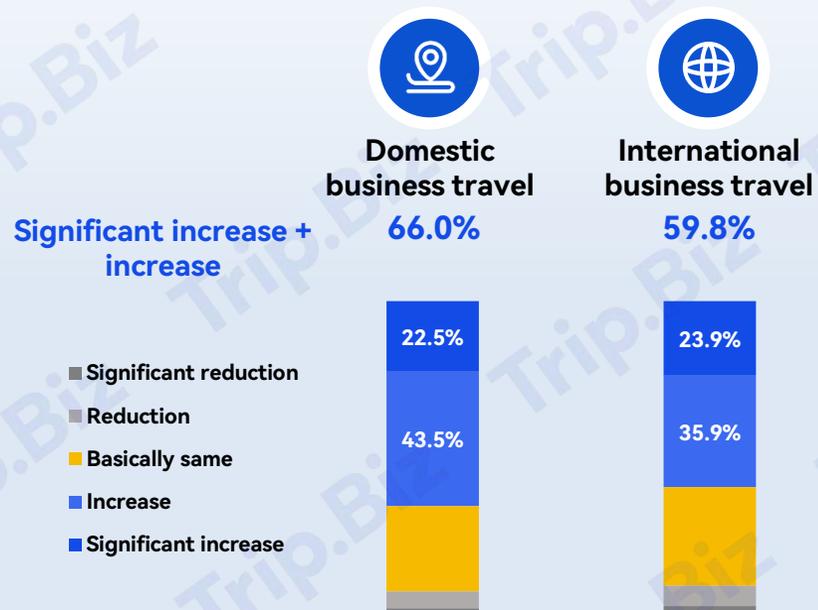


Source: GBTA Business Travel Index™ Outlook (August 2023), Trip.Biz Data Research Institute

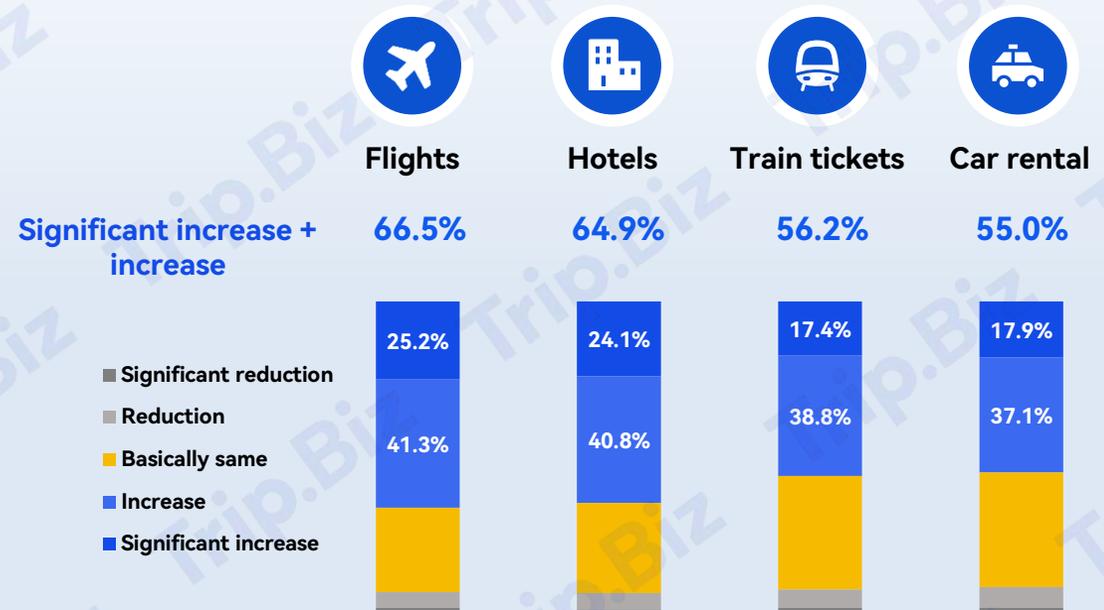
Business travel budget: Around 60% of Chinese companies will increase their domestic and international business travel budgets in 2024

- Our survey data showed that 66.0% of business travel manager said their companies' domestic travel budget will increase in 2024, and 59.8% of them said their companies' international travel budget will increase. This reflects companies' confidence in the recovery of business travel.
- Among the different types of business travel products, more companies plan to increase their travel budgets for flight tickets and hotels in 2024. In addition, more than half of them indicated that they will be increasing their budget for ground transportation (train, car rental).

2024 Business Travel Budget Changes



2024 Business Travel Budget Changes by Product

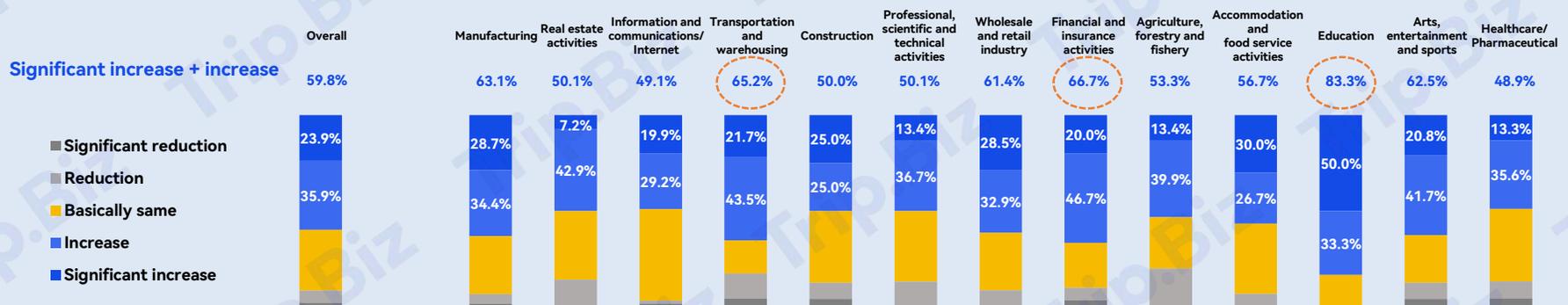
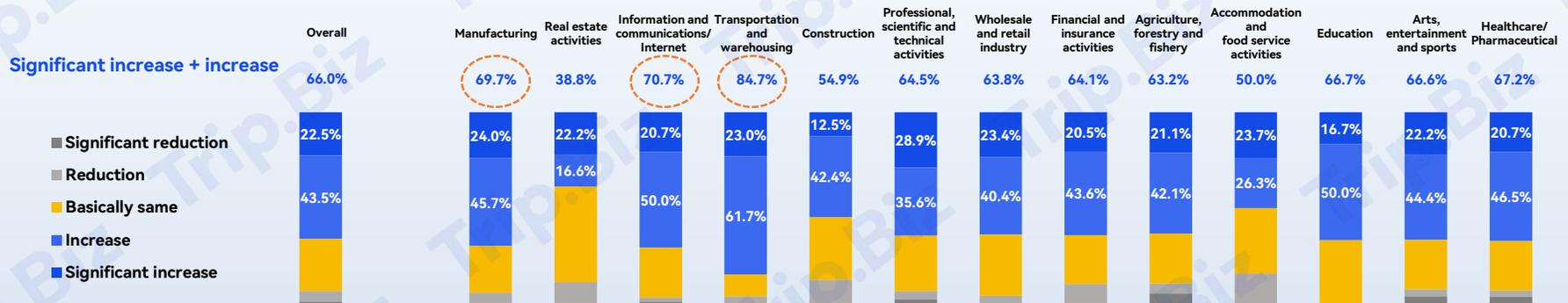


Source: Travel Managers Online Survey

Business travel budget: Education, financial and insurance, transportation and warehousing industries are more focused on international business travel

- Across the different industries, companies in the **transportation and warehousing, information and communications, and manufacturing industries** are more focused on domestic business travel; companies in the **education, financial and insurance, and transportation and warehousing industries** are more focused on international business travel. Overall, companies in the transportation and warehousing industry are more optimistic about the growth in their domestic and international business travel budgets.

2024 Business Travel Budget Changes



Source: Travel Managers Online Survey



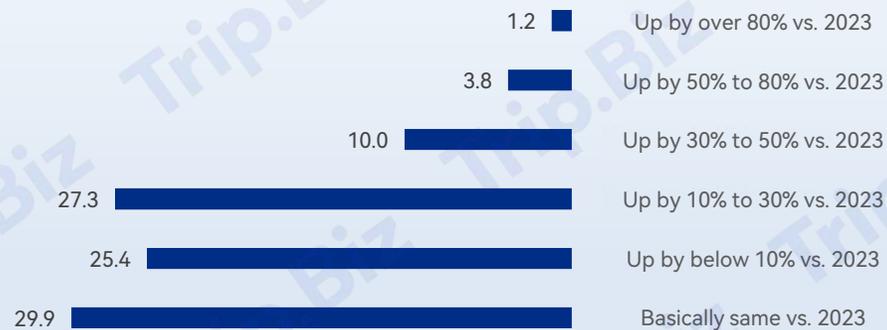
Business travel momentum: Around 67% of companies will increase their domestic and international business travel frequencies in 2024

- According to the survey, over 67% of businesses will increase the frequency of domestic and international business travels in 2024. In addition, around 29% of businesses expect basically the same business travel frequency in 2024 compared to 2023.
- The survey shows that for those expecting their business travel frequency to increase by at least 30%, the majority of the increase will come from domestic business travel.

2024 vs. 2023 International Business

Travel Frequency (%)

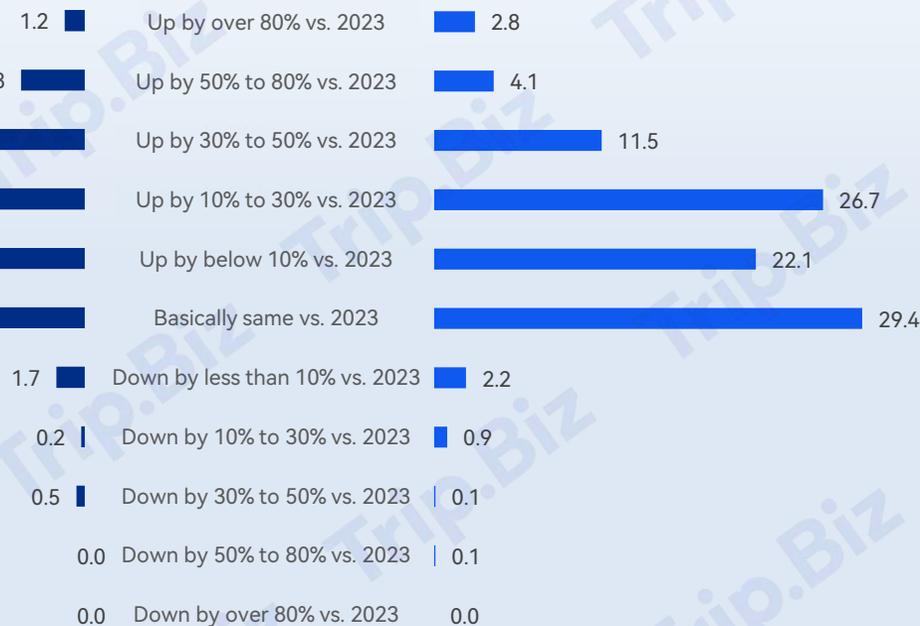
67.7%
International
business travel
frequency will
increase



2024 vs. 2023 Domestic Business

Travel Frequency (%)

67.2%
Domestic
business travel
frequency will
increase



Source: Travel Managers Online Survey

Chapter II

Embracing the "new normal" --
Globalization

Amidst the new wave of globalization, many Chinese businesses are expanding their reach to the rest of the world. Overseas expansion is no longer "optional" but a "mandatory" strategy for certain businesses. At the same time, we are faced with complex and ever-changing external environments, such as different countries' policies, regulations, talent management, business environments, and other factors. This makes it vital to adapt to local conditions. How can business travel meet the need for localization? The answer is more localized solutions in areas such as language, currency, and services.

Globalization: Achieving globalization through internal and external drive

The stages of globalization of Chinese enterprises (reference)



A series of policies that promote cross-border trade and global expansion of businesses

- Since the 18th National Congress of the Communist Party of China, the number of free trade agreements executed by China has increased from 10 to 22, while the number of free trade partners has increased from 18 to 29. On January 1, 2022, the Regional Comprehensive Economic Partnership Agreement (RCEP) officially came into force. Currently, China is pushing for inclusion in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Digital Economy Partnership Agreement (DEPA).
- The Belt and Road Initiative has achieved remarkable results. 2023 marked the 10th anniversary of the Belt and Road Initiative. From 2013 to 2022, the total value of goods traded between China and partner countries reached US\$19.1 trillion, with an average annual growth of 6.4%; total bilateral investment exceeded US\$380 billion, and the total turnover of contracted projects hit US\$1.3 trillion. A number of major landmark projects, such as the China-Laos Railway and the Jakarta-Bandung High-speed Railway, have been completed, and a batch of "small and beautiful" projects have been implemented.



Source: public information

Globalization: Accelerated recovery in inbound and outbound travel, cross-border investments in full swing

Growth in inbound and outbound travels and cross-border investments

- In 2023, Chinese travelers completed 4.89 billion domestic trips, a YoY growth of 93.3%. Total spending of domestic tourists was CNY4.9133 trillion, an increase of 140.3%. China welcomed 82.03 million inbound tourists, including 13.78 million foreigners. Total spending of inbound tourists was US\$53 billion. Chinese travelers completed 100.96 million outbound trips, including 96.84 million trips made for personal reasons.
- Data from the Ministry of Commerce show that in 2023, foreign investors invested in 53,766 new foreign-funded enterprises in China, a YoY increase of 39.7%. MNCs are still optimistic about the prospects of China. Investments in high-tech industries were 37.3%, hitting a record high.
- According to statistics from the Ministry of Commerce and State Administration of Foreign Exchange, from January to November 2023, China's overseas direct investments across all industries were CNY954.17 billion, a YoY increase of 8.2%. Of them, domestic investors in China made direct non-financial investments in 7,149 foreign companies across 154 countries and regions, with a total value of CNY814.54 billion, a YoY increase of 18.4%.



Biz Travel has also launched a series of guides for inbound and outbound business travel

Trip.com Group initiates inbound tourism revitalization plan

- In October 2023, Trip.com Group announced the initiation of an inbound tourism revitalization plan at the global partner conference held in Singapore. This was closely followed by the new national tourism marketing campaign "Nihao! China" that was launched at the China International Travel Fair in November. Once again, Trip.com Group's inbound tourism revitalization plan resonated with the national tourism strategy.
- During the same period, Trip.com Group also launched a series of "combo campaigns" to drive the development of the inbound tourism industry. These included the signing of a strategic framework agreement with the China International Culture Association to present "Nihao! China" globally, building an inbound tourism service platform, and working with Ant Group, China Tourism Group, and other companies to establish an inbound tourism collaboration alliance.

Source: public information



Global business travel: As international exchanges resume, Chinese businesses fight for overseas markets

- Since the start of 2023, with the optimization and adjustment of cross-border policies, international business exchanges have gradually resumed, and Chinese businesses started venturing abroad to fight for overseas markets.

Proportion of International Business Trips to the Total Business Travel Volume



Top 3 purposes for international business travel

1	Training programs/Study tours
2	Industrial/Professional seminars
3	Sales/Customer visits

Ranking Top 5 industries of international business travel

1	Manufacturing
2	Information and communications
3	Financial and insurance activities
4	Agriculture, forestry and fishery
5	Wholesale and retail industry

2023 Outbound Business Trips



2023 Inbound Business Trips



Source: Travel Managers Online Survey, Trip.Biz Data Research Institute

Outbound business travel of China: Southeast Asia is the main destination

- From the survey results, Asia Pacific and Europe remain the main outbound business travel destinations for Chinese businesses, with Southeast Asia accounting for the biggest share.
- Since the second half of 2023, many Southeast Asian countries have successively announced visa-free travel policies for Chinese tourists in order to facilitate cross-border business exchanges.
- Among the top 10 most popular outbound business travel destinations, the ranking of Singapore, Thailand, Vietnam, Malaysia has improved significantly.

Distribution of international business travel destinations



Trip.com Group “Report on Inbound and Outbound Travel Consumption Trends”:

- By the end of February 2024, 23 countries have established comprehensive mutual visa exemption arrangements with China.
- Besides, China has executed mutual visa exemption agreements covering different passport types with 157 countries and finalized agreements or arrangements with 44 countries to simplify the visa procedures.

Top 10 Outbound Business Travel Destinations

Ranking	2023
1	Japan
2	Singapore ↑ 2
3	South Korea
4	Thailand ↑ 2
5	Vietnam ↑ 2
6	Germany ↑ 2
7	Malaysia ↑ 3
8	UAE NEW
9	US
10	Indonesia

Top 10 Outbound Business Travel Routes

Ranking	2023
1	Shanghai—Tokyo
2	Shanghai—Singapore ↑ 1
3	Shanghai—Seoul
4	Beijing—Singapore ↑ 5
5	Shanghai—Bangkok ↑ 2
6	Shanghai—Frankfurt
7	Shanghai—Paris
8	Beijing—Tokyo
9	Shanghai—Osaka
10	Shenzhen—Hanoi NEW

↑ xx vs. 2019

Source: Travel Managers Online Survey, Trip.Biz Data Research Institute

Outbound business travel of China: Employees face pain points such as visa application and transportation

- For outbound business travelers, long exhausting journeys as well as cultural and language barriers are two main pain points. **In terms of travel resources, visa and transportation are the two most mentioned pain points. These include complicated visa application processes, the need for international transfer, and unsure of local car rental situation.**

Pain points faced by outbound business travelers



Here are what some travel managers and travelers have to say...

Flight/car rental

- Our company is headquartered in the US, but **there are very few direct flights from Shanghai to the city because travel has yet to fully recover.** I had no choice but to take a transfer flight, which resulted in an additional 1-1.5 days of travel.*
- I usually rent a car during my business trips and I'm **not used to driving on the right side in countries like Japan.** However, it would be more expensive if I hail a car instead.*

Visa application

- I need to prepare a lot of materials for my visa application, so time is quite tight. Some countries even require a visa interview, making it hard to gauge how much time I need.*

Accommodation

- With the recovery of international business travel, more employees are going abroad for meetings. **Although the budget of the travel policy has been raised, it is still lower than local hotel rates.***

Source: Travel Managers Online Survey



Outbound business travel of China: Businesses want suppliers to provide more travel security guarantees

- For businesses, **business travel security guarantees are the support they most wanted from suppliers**. This is followed by more competitive travel resources and assistance for visa application.
- What is worth highlighting is that nearly 30% of the businesses wish suppliers can provide a one-stop business travel booking and management system. During in-depth interviews, some travel managers said that the current travel systems do not provide coverage of overseas transportation and accommodation. As a result, employees have to ask for reimbursement after their trips, making it hard to control cost. In addition, price differences may arise due to changes in exchange rates. They hope that suppliers can provide solutions to address these.

Support businesses want from suppliers/supply chain for outbound business travel



Trip.Biz safeguards outbound business travel for businesses

- **Security guarantees:** Trip.Biz has set up multiple POS globally and is able to provide alerts via email, messages, etc. In case of emergencies, we update businesses of the status of their employees through booking records and provide timely reminders and assistance to employees who may, will, or have traveled to high risk areas.
- **Travel resources:** Trip.Biz is a partner of nearly 50 airlines. With a coverage of over 230 countries and regions, nearly 2 million hotels and support for train ticket booking and car rental in multiple destinations, the platform provides businesses with a wide range of options for a more accessible business travel experience.
- **Travel system:** Trip.Biz provides a one-stop business travel booking and management system. We have made more than 120 technical improvements in 2023, including system optimization and function upgrades, making the business travel experience better.
- **Payment solution:** Trip.Biz provides custom solutions that are specific to customers' hotel, flight, and transportation needs before, during, and after travels.

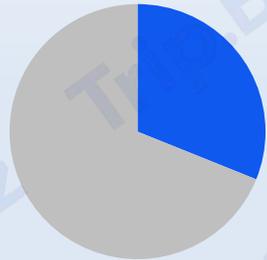
Source: Travel Managers Online Survey



Inbound business travel of China: FIEs and large enterprises have greater inbound business travel needs

- The survey data show that **over 30% of the businesses have inbound travel needs**. In terms of business type and scale, **sino-foreign equity joint ventures (EJVs), wholly foreign-owned enterprises (WFOEs), and large enterprises have greater business travel needs**.
- According to our data, in 2023, East Asia and Southeast Asia were the top sources of inbound travel, followed by Europe and Middle East. Tier-1 cities (including Shanghai, Beijing, Guangzhou and Shenzhen) were the top destinations.

31.1%
of the businesses have
inbound business
travel needs



SOEs	15.4%
Private enterprises	22.7%
EJVs	44.3%
WFOEs	58.1%
Small enterprises	27.6%
Medium-sized enterprises	29.0%
Large enterprises	47.0%

Top 10 Sources

Ranking	2023
1	Singapore ↑ 2
2	Tokyo
3	Seoul
4	Bangkok
5	Frankfurt ↑ 3
6	Hanoi ↑ 4
7	Dubai New
8	Kuala Lumpur ↑ 1
9	Paris
10	Osaka

↑ xx vs. 2019

Top 10 Destinations

Ranking	2023
1	Shanghai
2	Beijing
3	Guangzhou
4	Shenzhen
5	Hangzhou ↑ 2
6	Chengdu
7	Xiamen
8	Nanjing ↑ 1
9	Wuxi New
10	Qingdao New

Source: Travel Managers Online Survey, Trip.Biz Data Research Institute



Inbound business travel: China introducing more optimized visa application policies to promote cross-border travel

- For inbound business travel, flight booking, visa application/consultation, and hotel booking are the most requested services by businesses.
- China has taken a series of measures to optimize the visa application process to facilitate cross-border travel. Specifically, France, Germany, Italy, the Netherlands, Spain, and Malaysia are some of the countries for which **unilateral visa-free policies** have been introduced on a trial basis. **Five measures have been officially implemented to simplify the process for foreign nationals looking to visit China** for business and education.

Support businesses want from suppliers/supply chain for inbound business travel



China continues to introduce visa policies to facilitate inbound travel

- On March 14, 2023, the Department of Consular Affairs of the Ministry of Foreign Affairs issued a notice on further adjustment of visa and entry policies for foreigners visiting China. One adjustment was restoring the validity of multi-year multi-entry visas issued before March 28, 2020 by Chinese authorities abroad.
- With effect from July 26, 2023, the Chinese government resumes the 15-day visa-free arrangement for Singapore citizens holding ordinary passports who are entering China for business, tourism, family visits, and transit purposes.
- On December 24, 2023, China started the trial of a unilateral visa-free policy for ordinary passport holders from France, Germany, Italy, the Netherlands, Spain, and Malaysia.
- On January 11, 2024, the National Immigration Administration officially implemented five measures to facilitate inbound travel.
- Between March 14, 2024 and November 30, 2024, ordinary passport holders from six additional countries, namely, Switzerland, Ireland, Hungary, Austria, Belgium, and Luxembourg can enter China without a visa.

Source: Travel Managers Online Survey

Reference International Business Development Roadmap

Deeper integration, build a sustainable global operations system



Key takeaways:

- ESG: China began to embrace the environmental, social, and governance (ESG) concept later than Western countries in European and America. While driving global expansion, businesses have to accelerating the construction of ESG systems that are better aligned with the international standards.
- Win-win cooperation: While venturing into overseas markets, businesses need to use their tech or financial leverage to establish strong ties with local ecosystem partners that are mutually beneficial and promote the sharing of the relevant risks.
- Compliance system: The biggest challenge that businesses face in the global market is staying informed about the relevant laws and regulations of the target country or region and ensuring legal compliance.
- Talent development: Businesses should devise a human resource strategy based on their strategic planning and implement effective talent recruitment, cultivation, assessment measures, and offer competitive incentives to ensure the organizational structure can sustain their long-term development goals.
- Brand building: Businesses should build a strong brand image in international markets to earn local consumers' trust and recognition.
- Technical capability: Competent technical and implementation capabilities are the key to success on the global stage. Businesses should have a full understanding of local consumer needs and continue to upgrade and update their products to stay competitive.
- Building of digital and management systems: The application of digital technologies is pivotal for enabling a **more localized, globally connected multinational management system, systematic management, and smoother cross-border exchange and travel. This lays the foundation for international business development.**

Chapter II

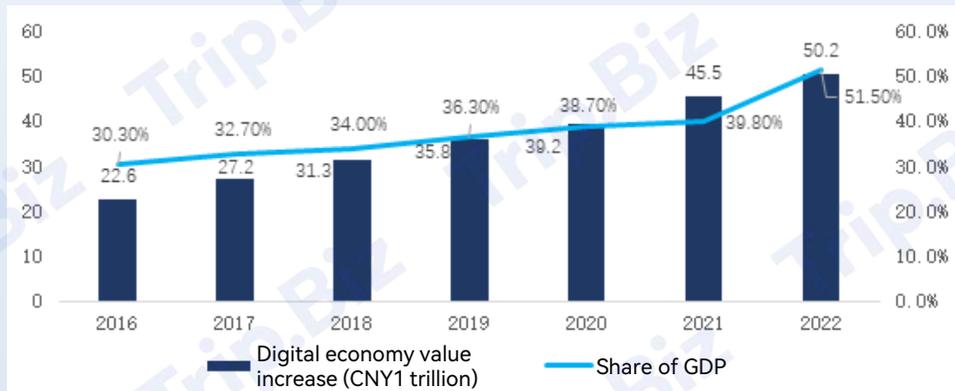
Embracing the "new normal" --
Digital Technologies and AI

As technologies like cloud computing, AI, big data, and 5G find wider applications, the digital transformation of businesses worldwide is now at a stage of sustainable development. As a result, businesses are increasing their investments in digital transformation, leading to a market boom.



Digital technologies and AI: Digital economy thriving worldwide

- China Academy of Information and Communications Technology (CAICT) data shows that **the size of China's digital economy grew from CNY16.2 trillion in 2014 to CNY50.2 trillion in 2022, while its share in the country's GDP rose from 25.1% to 41.5%.**
- **Based on preliminary estimates, the size of China's digital economy is projected to reach CNY56.1 trillion in 2023 and its share of the GDP is expected to exceed 44%.** With fast-evolving digital technologies, deeper integration of digital and real economies, accelerated development of higher-level digital intelligence, and emerging digital industry clusters, the digital economy will become the driver of China's economy, the foundation of industrial innovation, and the forefront of new production capability development.



Source: China Academy of Information and Communications Technology

China's AI policies

- From 2022 to 2023, China's provincial governments rolled out a series of policies to promote the development of the AI industry.
- The Cyberspace Administration of China (CAC) and the National Development and Reform Commission, Ministry of Education of the People's Republic of China, Ministry of Science of the People's Republic of China, Ministry of Industry and Information Technology of the People's Republic of China, Ministry of Public Security, and National Radio and Television Administration released the Interim Measures for the Administration of Generative Artificial Intelligence Services ("Interim Measures"), which took effect on August 15, 2023. CAC officials said that the Interim Measures are intended to promote the healthy development and compliant applications of generative AI to safeguard national security and public interests, as well as protect the legal rights of the people, legal persons, and other organizations.
- The 2024 government work report proposed that greater efforts be made to modernize industrial systems and accelerate the development of new production capabilities. In terms of promoting innovative development of the digital economy, the government pledged to step up R&D and application of big data and AI with the "AI+" initiative, and build digital industry clusters that are competitive on the international stage.

Source: public information

Digital technologies and AI: Travel and office application scenarios

Travel

Since early 2023, Trip.com Group has tested multiple "AI + tourism" apps. Trip.Biz also made similar attempts using AI technologies in the hope of combining AI and business travel to provide its customers with services of even higher quality.

Trip.com Group announced the integration of Baidu's AI ERNIE Bot into "AI + tourism" apps

In February 2023, Trip.com Group announced it has become part of the first batch of Baidu's ERNIE Bot ecosystem partners. This marked the integration of the ChatGPT-style language model technology into online tourism services in China for the first time ever.

Trip.com Group unveiled its tourism-oriented large language model "Wendao"

In July 2023, Trip.com Group launched the first vertical large language model for the tourism industry: Wendao. The model can perform and continuously upgrade two major functions. One of which is providing recommendations to users before they know what they want. Wendao can recommend travel destinations, hotels, attractions, itineraries, and real-time promotions by region, theme, and other dimensions based on users' initial concept. On the other hand, the system also provides intelligent search results based on specific needs of the users. The model allows users to search for flights and hotels with complicated conditions by typing out the requirements or saying them in their natural language.

Office

The paperless office is a new workplace model using digital network technology that aims to boost work efficiency while saving resources. Its economical, eco-friendly, and efficient nature allows businesses to minimize paper consumption and aligns with the basic requirements of building a resource-conserving and environment-friendly society. In addition, more sophisticated functions, such as online check-in/out, instant messaging, document editing, financial reimbursement, and mobile approval, enable a seamless connection between employees and their companies for better synergy and innovation at work. That also helps drive the transition towards a greener office model.

Source: China Academy of Information and Communications Technology

Trip.Biz AI chatbot

We created an AI-based business travel data lake to quickly respond to common queries to give customers more professional services.



In what ways can we be integrated into customer systems?

We can be integrated into customer systems in the following ways:

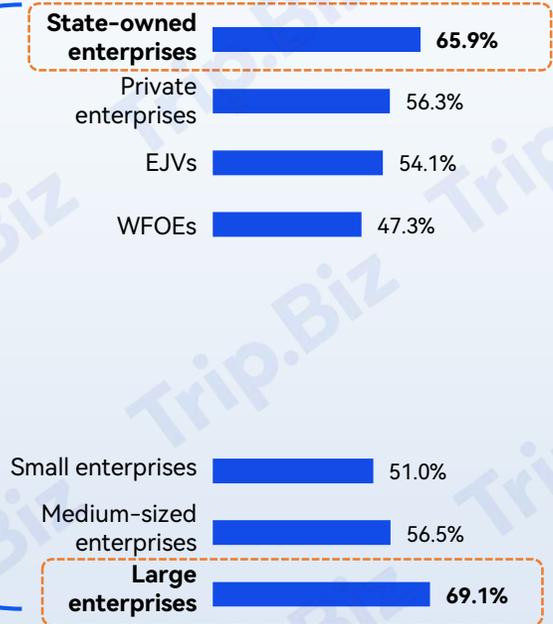
1. **HR system integration:** After entering the company's HR system, employees can register for a business travel account.
2. **Approval integration:** When the company's management approves a request, the approval result will be pushed to business travel system.
3. **Data integration:** Employees' spending on business travel system will be feedback to the systems of their companies.

...

AI trend: Over 50% of businesses said they are highly likely to adopt AI technologies

- In 2023, AI technologies started gaining momentum worldwide, spearheaded by the emergence of ChatGPT, and became an instant sensation across different sectors. Since then, businesses in China have begun exploring the use of AI technologies.
- Our survey data shows that **55.1% of businesses said they are highly likely to adopt AI technologies. Among them, state-owned and large enterprises are more optimistic about the outlook of AI technologies.**
- Businesses, mostly from the transportation and warehousing, arts and entertainment, and sports industries, expect that AI technologies will have an impact on their future development.

55.1%
of enterprises said they are highly likely to adopt AI technologies
8 and above (0-10)



Transportation and warehousing applications:

- Automatic sorting and categorizing of goods
- Smart logistics, UAV delivery, etc.

Arts, entertainment and sports industries applications:

- AI-generated content (AIGC)
- AI writing, drawing, music creation, etc.

Source: Travel Managers Online Survey



AI trend: Some emerging trends in 2024

An analysis published on The Paper highlighted five emerging AI trends in 2024:

1. Generative AI will continue to develop quickly

In the second half of 2022, AI text-to-image software sparked a huge public interest in generative AI, and that interest culminated with the launch of ChatGPT.

2. AI models will transition from unimodal to multimodal

Traditional AI models are designed to process unimodal information. But now, through multimodal deep learning, AI models can be trained to identify the relationship of different modal information. That means AI models will be able to "translate" text into images or generate videos using images and audio using text.

3. AI will have a deeper work integration in different industries

Many people might have gone accustomed to opening AI tools such as ChatGPT to assist their work. They are treating these tools as their personal assistants.

4. AI will amplify and reinforce personalization

Over the years, users have increasingly felt the charm of personalized push content. From social media to video websites, more complicated algorithms always seem to know what users want to see, and they are adept at displaying the right content at the right time. AI is transforming media from being for the "masses" to being "differentiated" at a faster pace with the ultimate goal of achieving 1v1 interactions.

5. AI regulation will be a concern

It may not be a surprise that 2024 will be a crucial year for the regulation of AI. Increasingly powerful AI poses many new challenges to regulatory authorities. Just as how iconic Marvel superhero Spider-Man puts it: "With great power comes great responsibility."

The EU has taken the lead in AI regulation. It is reported that delegates from the European Parliament and the EU countries reached an agreement on AI regulation in December last year. In the future, AI systems will be categorized into different risk groups: the higher the potential risks of an AI app, the more rigorous the requirements will be. The EU hopes that these rules can be replicated around the world.

Reference AI Application Path



Chapter II

Embracing the "new normal" --
ESG

With the proposal of achieving a carbon peak by 2030 and carbon neutrality by 2060, environmental, social, and governance (ESG) has gradually become a focus for businesses and investors. ESG incorporates social welfare into business value systems and internalizes the social and business development's environmental impact. It has great significance in guiding energy structural adjustment, driving industrial upgrading, and enhancing resource utilization efficiency.

ESG: ESG is gaining more attention and added to the regulatory process

ESG, which stands for environmental, social, and governance, includes three components: information disclosure, assessment and rating, and investment guidance. It is an investment concept and business assessment standard that focuses on the environment, society, and corporate governance. The United Nations Global Compact first proposed the ESG concept in June 2004 in its report titled "Who Cares Wins", advocating businesses to integrate environmental, social, and governance considerations into their operations. Through joint efforts by international organizations, ESG has gradually become a comprehensive system for assessing sustainability performance.

- **Environmental:** refers to the consideration of a business' environmental impact, including environmental protection policies, low-carbon and eco-friendly initiatives, employees' of environmental protection awareness, waste management and emission, and other measures taken to mitigate such impact.

- **Social:** refers to the consideration of a business' social impact, including social relationships, employee well-being, and gender equality in the workplace.

- **Governance:** refers to the consideration of a business' corporate governance, including internal governance structure, supervision effectiveness of the management, and risk management.

Global:

- In June 2023, the International Sustainability Standards Board (ISSB) issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. These marked a new milestone for the disclosure of sustainability-related information. Together, they constitute the major infrastructure for achieving the transition to a green, low-carbon economy and social justice, which are significant for promoting sustainable economic, social, and environmental development.
- In July 2023, the EU formally adopted the first set of European Sustainability Reporting Standards (ESRS). Complementary to the Corporate Sustainability Reporting Directive (CSRD), ESRS defines rules and requirements for businesses to report sustainability-related impact, opportunities, and risks.

China:

- In June 2023, the IFRS Foundation opened an ISSB office in Beijing. The office will help China better engage in drafting international financial and sustainability reporting standards.
- In July 2023, the SASAC General Office issued the "Notice on Forwarding the Research on ESG Report Compilation for Listed Companies Owned by State-owned Enterprises" to centrally-administered and local state-owned enterprises with an aim to make sure all listed companies owned by state-owned enterprises disclose their ESG reports compliantly by 2023.
- In February 2024, under the unified deployment of CSRC, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, and the Beijing Stock Exchange released their guidelines on ESG-related disclosure and solicited public opinions from the market.

Source: public information

ESG: Travel and accommodation application scenarios

Trip.com Group

In 2023, Trip.com Group's ESG report showed that we had inspired more than 16 million users to opt for low-carbon travel in 2022, 90% of which are new users. In terms of accommodation, more than 1,000 hotels across over 100 cities in China have been selected as low-carbon hotels. In addition, our resort farms saw an increase of over CNY40,000 in local per capita annual income, creating more job opportunities for local residents. According to the report, Trip.com Group has indirectly created over 10 million jobs, improving the quality of life of our industry peers. We are committed to being environment-friendly, family-friendly, community-friendly, and stakeholder-friendly.

In Trip.com Group's ESG strategies, "environment-friendliness" is the utmost priority. Trip.com Group launched the "Low Carbon Hotel Standard" in 2023, an industrial innovation reflecting its commitment to working with hotel partners to jointly implement low carbon and environmental protection standards. Currently, more than 1,500 hotels have been certified as low-carbon hotels. The first batch of low-carbon hotels saw their bookings went up by 43% year-on-year, showing that being environmental has a great potential to boost profitability. In our low-carbon system, over 16 million users worldwide have chosen low-carbon travel, with 90% of them being new users. At the same time, Trip.com Group has set the goal of achieving carbon neutrality by 2050 based on China's dual carbon goals and its own carbon reduction experiences.

Trip.Biz

- In 2022, we became the first to publish flight carbon emission data and, later in 2023, added the carbon emission data of hotels, trains, and cars, as well as corporate carbon emission credit accounts. This has been recognized by an increasing number of business clients. Other initiatives like paperless approval and reimbursement have also contributed to greener offices and business travel.



Trip.Biz: Insights Into Industry Trends Empower Green Travel Efforts



From Jan-Dec 2023, **29,000+** businesses chose low-carbon flights

with a carbon emission reduction of **12 million** kg



From Aug-Dec 2023, **40,000+** businesses chose low-carbon trains

with a carbon emission reduction of **4 million** kg

Reduced flight carbon emissions = Median carbon emissions of similar flights – Carbon emissions of the flight
 Reduced train carbon emissions = Median carbon emissions of similar trains – Carbon emissions of the train

A customer said:

"I can see the entire carbon footprint of my business trip, as well as the carbon footprint and carbon reduction data of all the employees in our company. This provides companies and individuals with quantifiable and verifiable data, and the group with tangible data to work towards carbon neutrality. Our low-carbon business travel booking has increased by more than 30% year-on-year."

Low-carbon bookings: Top 10 industries

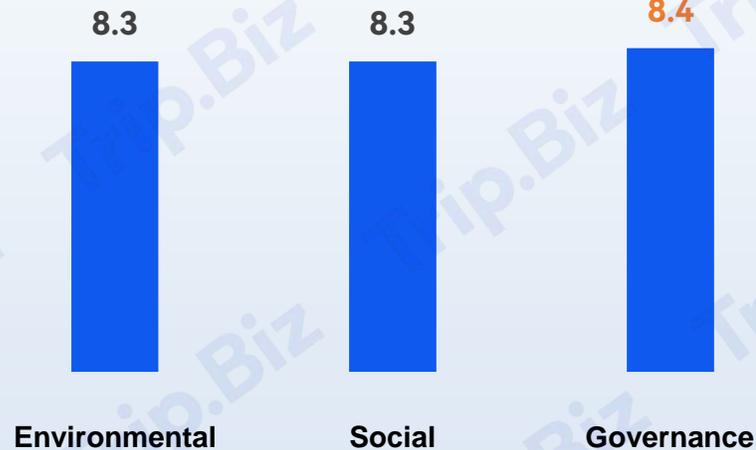
1	Accommodation and food service activities
2	Wholesale trade
3	Construction
4	Public utilities
5	Information and communications
6	Professional, scientific and technical activities
7	Education
8	Agriculture, forestry and fishery
9	Financial and insurance activities
10	Real estate activities

ESG trend: Businesses give ESG a score of 8 or more

- In recent years, as China's economy transits from rapid growth to high-quality development, the society has imposed increasingly higher requirements for businesses to practice ESG. Institutions such as SASAC and CSRC have rolled out related policies, and the different industries have intensified efforts to issue new relevant standards.
- **Our survey data shows that Chinese businesses give an average score or above 8 when it comes to ESG, with EJVs and large enterprises faring even better.** During the interviews with travel managers, Chinese businesses said they are subject to not only domestic policies and industry standards, but also local regulations in some developed countries when they venture into overseas markets.

Importance of ESG

Average score (0-10; the higher, the more important)



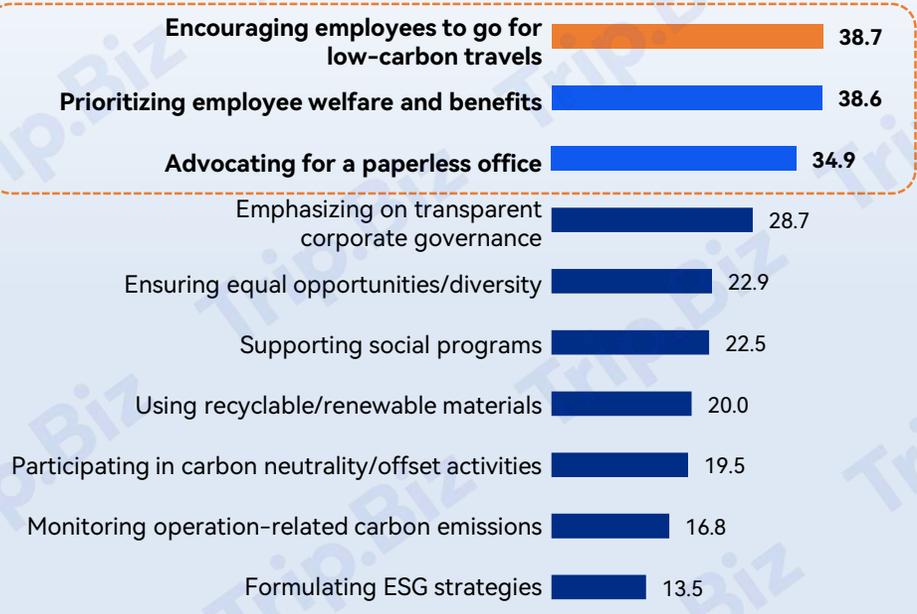
	Environmental	Social	Governance
State-owned enterprises	8.4	8.5	8.5
Private enterprises	8.2	8.2	8.4
EJVs	8.7	8.6	8.7
WFOEs	8.3	8.3	8.4
Small enterprises	8.1	8.2	8.3
Medium-sized enterprises	8.4	8.4	8.5
Large enterprises	8.7	8.7	8.7

Source: Travel Managers Online Survey

ESG exploration and practice: Businesses encourage employees to go for low-carbon travel

- Businesses are putting their ESG concepts into practice by **taking measures such as encouraging employees to go for low-carbon travel, prioritizing employee welfare and benefits, and advocating for a paperless office.**
- Measures taken by businesses of different kinds and sizes vary. Most state-owned enterprises and large enterprises choose to support social programs; more EJVs and medium-sized enterprises participate in carbon neutrality/offset activities.

Businesses' ESG measures (%)



(Multiple choice)

	State-owned enterprises	Private enterprises	EJVs	Wholly foreign-owned enterprises	Small enterprises	Medium-sized enterprises	Large enterprises
Encouraging employees to go for low-carbon travels	37.8	39.2	29.5	40.7	41.5	29.2	36.7
Prioritizing employee welfare and benefits	35.6	37.8	34.4	42.9	39.6	38.5	34.7
Advocating for a paperless office	30.0	37.2	32.8	31.9	37.1	36.2	25.9
Emphasizing on transparent corporate governance	30.0	29.9	23.0	26.9	30.5	28.5	21.8
Ensuring equal opportunities/diversity	16.7	23.8	21.3	24.2	23.5	21.5	21.8
Supporting social programs	32.2	19.7	13.1	28.6	18.9	29.2	29.9
Using recyclable/renewable materials	13.3	20.7	14.8	23.1	20.4	20.0	18.4
Participating in carbon neutrality/offset activities	20.0	17.3	29.5	22.0	16.5	26.9	23.8
Monitoring operation-related carbon emissions	15.6	16.1	21.3	18.1	15.8	18.5	19.0
Formulating ESG strategies	13.3	11.8	21.3	15.9	10.5	16.9	21.8

Source: Travel Managers Online Survey

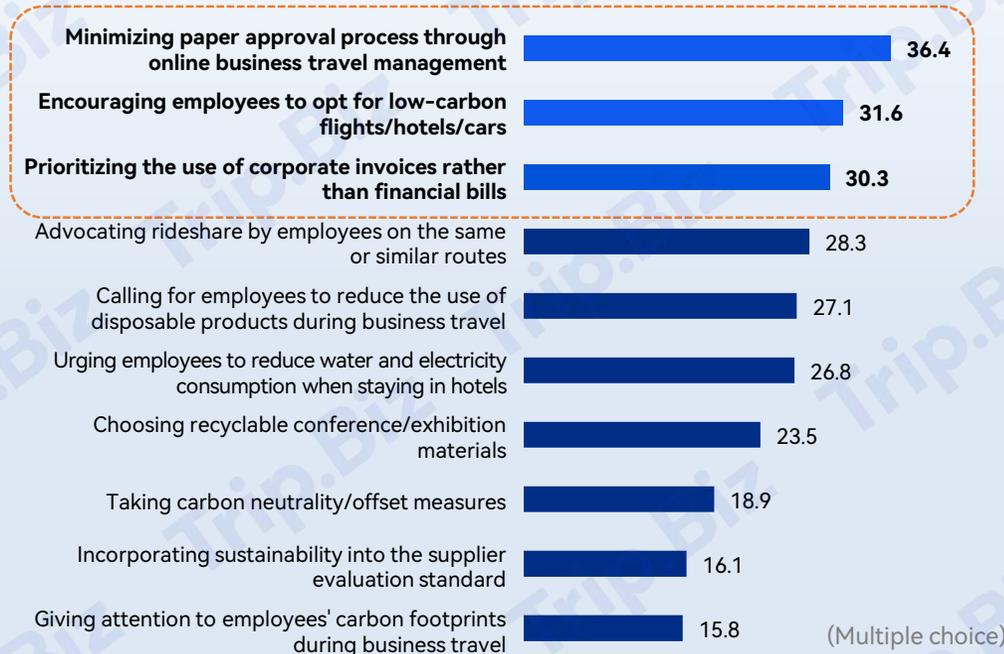
Sustainable business travel: Businesses embracing online management to minimize paper approval processes

- Our survey data shows that businesses give an average score of 7.9 when it comes to sustainable business travel, with EJVs and large enterprises faring even better. Most businesses switch to online management to minimize paper approval processes and encourage employees to go for low-carbon travel.

Importance of sustainable business travel

0-10 The higher, the more important	Average
Overall	7.9
State-owned enterprises	7.9
Private enterprises	7.9
EJVs	8.4
WFOEs	7.8
Small enterprises	7.9
Medium-sized enterprises	7.8
Large enterprises	8.2

Businesses' sustainable business travel measures (%)



Here are what travel managers have to say...

"We encourage our people to use email rather than paper documents for business travel or daily work approval to reduce paper consumption."

—Procurement department of a private enterprise

"We don't have any mandatory measures. Instead, we urge our people, for example, to go for new energy cabs whenever possible or not waste food so as to reduce their carbon footprints during business travel."

—Finance department of a state-owned enterprise

Source: Travel Managers Online Survey

How can companies integrate business travel and ESG?

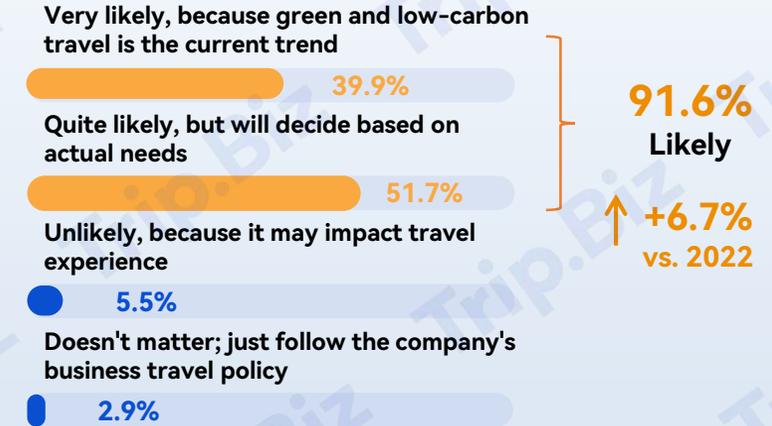
1. Environmental: Making green, low carbon, and sustainability part of the business travel management

- **Paperless business travel process:** Complete business travel requests, approval, booking, and reimbursement online to reduce paper consumption.
- **Supplier recruitment:** Include sustainability assessment standards in the framework agreement with suppliers to specify, for example, whether the supplier can provide green, low-carbon travel resources, monitor carbon emissions during business travel, or has EcoVadis ratings.
- **Booking and business travel:** Provide general guidance or suggestions, for example, encouraging employees to choose low-carbon flights/hotels/trains, travel by direct flights, or use less disposables in the hotel.
- **Data review:** Conduct regular reviews based on carbon emission data provided by suppliers to gain insights into how much carbon emission is reduced from the employee, departments, and other dimensions. Incentivize employees who stick to low-carbon travel to reinforce their commitment to sustainability.

2. Social and governance measures also matter

- **Prioritizing employees' travel safety and experience:** Communicate with employees to learn the challenges they face in business travel requests, booking, travel, reimbursement, and other processes and come up with solutions accordingly. Provide employees with safety insurance coverage (e.g., commercial insurance).
- **Ensuring travel transparency and compliance:** Businesses can ask employees to book on designated platforms so that all business travel spending will be monitored in the system, and paying suppliers using a corporate account helps to avoid excess claims at employees' discretion.

Business travelers are more likely to choose low-carbon flights/green hotels



Here are what business travelers have to say...

- "I don't care so much about carbon emissions normally, but I'd like to stick to *low-carbon travel*."
- "If airlines provide *rewards* such as bonus mileage, airport transfer promo codes, or seat selection promo codes to travelers who choose *low-carbon flights*, *low-carbon travel* would be more attractive to me."

Source: Frequent Business Travelers Online Survey

Chapter III

Breaking the "Shackles"

—Optimize costs to reduce costs, optimize efficiency to increase efficiency

"Ice" and "fire": Against certainties and uncertainties, emerging trends will bring new opportunities



Opportunities amidst "ice" and "fire": Recovery in business travel takes first place, directly proportional to business development

- According to the survey, as business travel continues to recover and grow, the biggest opportunity for businesses in 2023 will be "smoother business expansion and communication driven by the recovery of business travel." The top three opportunities also include good business operations and growth in the domestic market.
- However, businesses also faced different challenges, which were mainly centered around high pressure from competition, pressure to increase cost efficiency, and the global macroeconomic environment.

Opportunities for businesses



Challenges for businesses



Source: Travel Managers Online Survey



Business travel challenges: Rising prices a major concern, cost control remains the main target

- The business survey shows that with the recovery of business travel, rising prices of flights, hotels, and other travel resources were a major concern in 2023. This also led to issues such as employee complaints over upfront payment and difficulty in controlling cost. At the same time, as the market recovers and travel resources can gradually meet the demand, how to strike a balance between improving employee satisfaction and dealing with mounting workload of expense approval due to rising prices remains a main concern.
- In 2024, tightening cost control, reducing upfront payment, and lowering hidden costs are going to remain high on the agenda.

Challenges Faced by Business Travel Managers



2024 Business Travel Management Targets



Source: Travel Managers Online Survey



Business travel challenges: Travel managers in different departments have different concerns

- In addition to common factors like rising prices and costs, travel managers from different departments have other unique concerns. For administrative managers, the tedious agent booking process and employee satisfaction are something they care about, while financial managers focus more on resources, compliance, and employee satisfaction. Procurement managers are particularly concerned about factors such as process optimization, integrated management of service providers, and resources.

Top 3 Business Travel Manager Concerns

HR/Administration

- 1 Rising flight, hotel, and other [travel resource prices](#)
- 2 Tedious, time-consuming [agent booking](#)
- 3 Out-of-policy spending, hard to [control cost](#)

Finance

- 1 Rising flight, hotel, and other [travel resource prices](#)
- 2 [Limited transportation/accommodation resources](#)
- 3 Difficulty in ensuring business travel [compliance](#)

Procurement

- 1 Rising flight, hotel, and other [travel resource prices](#)
- 2 [Limited transportation/accommodation resources](#)
- 3 Tedious [reimbursement process](#)

"Our focus in 2024 is employees' business travel spending on transportation, accommodation, etc. We want to [stay within our budget](#) without [affecting employees' travel experience](#)."

—Travel manager (Finance)

"We aim to improve efficiency and wish to have a system that allows [more efficient ways](#) for flight and train booking, review, and reconciliation."

—Travel manager (Procurement)

Top 3 Business Travel Management Targets in 2024

HR/Administration

- 1 Imposing [strict control over travel spending](#)
- 2 [Reducing upfront payment by employees](#)
- 3 Enhancing [employee satisfaction for business travel](#)

Finance

- 1 Imposing [strict control over travel spending](#)
- 2 Enhancing [employee satisfaction for business travel](#)
- 3 Ensuring business travel [compliance](#)

Procurement

- 1 [Optimizing](#) the business travel approval - booking - reimbursement [process](#)
- 2 Working with a sole business travel [service provider](#)
- 3 [Reducing upfront payment by employees](#)

"We don't want our employees to make upfront payments during business travel. Instead, we want them to [pay with corporate accounts](#) so they can go on a business trips without worrying about money."

—Travel manager (HR/Administration)

Source: Travel Managers Online Survey

Average flight prices: Higher in 2023 as business travel recovers

- With the steady growth of business travel, average airfares in China have gradually recovered to 2019.
- Flight booking prices in the accommodation, catering, education, information and communications, real estate, professional, scientific and technical, and other industries have been on an upward trend in 2023 than a year ago.

Average prices (one-way; CNY)

Domestic flight ticket



International flight ticket



Source: Trip.Biz Data Research Institute

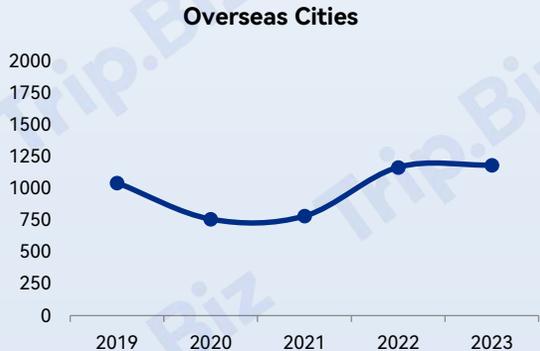
Average Flight Prices by Industry (one-way; CNY)	Domestic flights		International flights
	2022	2023	2023
Financial and insurance activities	1,200 - 1,500	1,200 - 1,500	3,500 - 4,000
Arts, entertainment and sports	1,200 - 1,500	1,200 - 1,500	3,500 - 4,000
Administrative and support services	1,200 - 1,500	1,200 - 1,500	2,500 - 3,000
Accommodation and food service activities	1,000 - 1,200	1,200 - 1,500	3,000 - 3,500
Education	1,000 - 1,200	1,200 - 1,500	4,000 - 4,500
Information and communications/Internet	1,000 - 1,200	1,200 - 1,500	4,000 - 4,500
Real estate	1,000 - 1,200	1,200 - 1,500	4,000 - 4,500
Professional, scientific and technical activities	1,000 - 1,200	1,200 - 1,500	3,000 - 3,500
Public utilities	1,000 - 1,200	1,000 - 1,200	3,000 - 3,500
Wholesale and retail	1,000 - 1,200	1,000 - 1,200	3,500 - 4,000
Transportation and warehousing	1,000 - 1,200	1,000 - 1,200	3,000 - 3,500
Healthcare/pharmaceutical	1,000 - 1,200	1,000 - 1,200	4,000 - 4,500
Manufacturing	1,000 - 1,200	1,000 - 1,200	3,000 - 3,500
Construction	1,000 - 1,200	1,000 - 1,200	2,500 - 3,000
Agriculture, forestry and fishery	1,000 - 1,200	1,000 - 1,200	2,500 - 3,000



Average hotel prices: Bounce back to 2019 levels

- Similar to flight prices, the average hotel prices also gradually recovered to 2019 level and even beyond in the lower market and overseas hotel segments.
- At industry level, we analyze the data further by city tiers. Overall, average hotel prices in tier 1 cities were mostly around CNY500-600, CNY300-400 in new tier 1 and tier 2 cities, and CNY200-300 in tier 3 cities and below. Of which, the financial industry stayed at the top when it comes to average hotel prices.

Average prices (per room night; CNY)



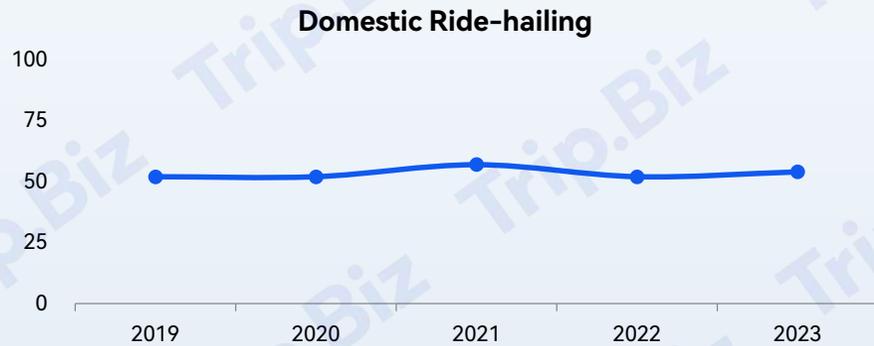
Average Hotel Prices by Industry (per room night; CNY)	2023			2023
	Tier 1 cities	New tier 1 and tier 2 cities	Tier 3-5 cities	Overseas cities
Financial and insurance activities	600 - 700	400 - 500	300 - 400	1,500 - 2,000
Administrative and support services	600 - 700	300 - 400	200 - 300	1,500 - 2,000
Real estate	500 - 600	300 - 400	200 - 300	1,500 - 2,000
Arts, entertainment and sports	500 - 600	300 - 400	200 - 300	1,500 - 2,000
Information and communications/Internet	500 - 600	300 - 400	200 - 300	1,000 - 1,500
Public utilities	500 - 600	300 - 400	200 - 300	800 - 1,000
Healthcare/ pharmaceutical	500 - 600	300 - 400	200 - 300	1,000 - 1,500
Agriculture, forestry and fishery	500 - 600	300 - 400	200 - 300	1,000 - 1,500
Education	500 - 600	300 - 400	200 - 300	1,000 - 1,500
Wholesale and retail	500 - 600	300 - 400	200 - 300	1,000 - 1,500
Professional, scientific and technical activities	400 - 500	300 - 400	200 - 300	800 - 1,000
Transportation and warehousing	400 - 500	300 - 400	200 - 300	800 - 1,000
Accommodation and food service activities	400 - 500	200 - 300	200 - 300	1,500 - 2,000
Construction	400 - 500	300 - 400	200 - 300	1,000 - 1,500
Manufacturing	400 - 500	300 - 400	200 - 300	800 - 1,000

Source: Trip.Biz Data Research Institute

Average car rental prices: Relatively stable average ride-hailing prices

- In 2023, average ride-hailing and airport transfer prices was relatively flat, with the latter dipping slightly compared with 2019.
- In terms of industries, the average car rental prices for industries, such as administrative and support services, education, agriculture, forestry, husbandry and fishery, professional, scientific and technical activities, and transportation, and warehousing, were higher compared with 2022.

Average prices (one-way; CNY)



Car Rental by Industry Average prices (one-way; CNY)	Domestic Ride-hailing		Domestic Airport Transfer	
	2022	2023	2022	2023
Administrative and support services	50 - 75	75 - 100	100 - 150	100 - 150
Education	50 - 75	50 - 75	100 - 150	100 - 150
Agriculture, forestry and fishery	25 - 50	50 - 75	100 - 150	100 - 150
Professional, scientific and technical activities	25 - 50	50 - 75	100 - 150	100 - 150
Transportation and warehousing	25 - 50	50 - 75	75 - 100	75 - 100
Arts, entertainment and sports	50 - 75	50 - 75	100 - 150	100 - 150
Information and communications/Internet	50 - 75	50 - 75	100 - 150	100 - 150
Financial and insurance activities	50 - 75	50 - 75	75 - 100	75 - 100
Manufacturing	50 - 75	50 - 75	100 - 150	100 - 150
Healthcare/pharmaceutical	50 - 75	50 - 75	75 - 100	75 - 100
Real estate	50 - 75	50 - 75	75 - 100	75 - 100
Public utilities	25 - 50	25 - 50	75 - 100	100 - 150
Construction	25 - 50	25 - 50	75 - 100	75 - 100
Accommodation and food service activities	25 - 50	25 - 50	75 - 100	75 - 100
Wholesale and retail	25 - 50	25 - 50	75 - 100	75 - 100

Source: Trip.Biz Data Research Institute

Business travel spending: Higher in 2023, more refined controls needed

- About 80% of businesses saw a rise in their domestic business travel spending in 2023 compared to the year before. More than 60% of businesses saw a rise in their international travel spending. Overall, business travel spending increased in 2023, so there is a need for more refined cost control measures.
- More businesses in the agriculture, forestry and fishery, and transportation and warehousing industries spent more on domestic business travel, while those in the education and accommodation and food services industries spent more on international business travel.

2023 VS. 2022 DOMESTIC AND INTERNATIONAL BUSINESS TRAVEL SPENDING



Domestic Business Travel Spending by Industry (%)

	Manufacturing activities	Real estate	Information and communications/ Internet	Transportation and warehousing	Construction	Professional, scientific and technical activities	Wholesale and retail	Financial and insurance activities	Agriculture, forestry, husbandry and fishery	Accommodation and food service activities	Education and sports	Arts, entertainment and sports	Healthcare/ Pharmaceutical
Up	79.3	66.7	74.4	88.5	72.5	77.8	82.7	61.5	89.5	66.7	77.7	77.8	77.6
Flat	13.0	22.3	21.3	7.7	15.0	15.6	10.7	20.5	10.5	20.5	16.7	18.5	19.0
Down	7.7	11.1	4.3	3.8	12.5	6.6	6.5	18.0	0.0	12.8	5.6	3.7	3.4

International Business Travel Spending by Industry (%)

	Manufacturing activities	Real estate	Information and communications/ Internet	Transportation and warehousing	Construction	Professional, scientific and technical activities	Wholesale and retail	Financial and insurance activities	Agriculture, forestry, husbandry and fishery	Accommodation and food service activities	Education and sports	Arts, entertainment and sports	Healthcare/ Pharmaceutical
Up	66.0	53.8	56.2	68.2	62.8	71.0	71.0	42.4	33.3	76.7	76.9	60.9	51.2
Flat	25.8	23.0	34.4	18.2	22.2	16.2	21.7	42.4	33.3	13.3	23.1	21.7	39.9
Down	8.2	23.2	9.4	13.5	14.9	12.8	7.3	15.1	33.4	10.0	0.0	17.4	8.9

Source: Travel Managers Online Survey

Greater cost-cutting efficiency: About 80% of businesses took measures to control travel cost

- Amid market recovery and price rebound, about 80% of businesses have taken measures to control business travel costs, including encouraging employees to choose more economical transportation or hotels, assigning staff to book flights and hotels for business travelers, and introducing tougher measures to ensure only necessary business travels are approved.
- The business travelers survey results show a similar story with businesses tend to resort to tougher approval and reimbursement procedures as well as advance booking for better cost control. Multiple surveys **show that businesses are more likely to make travel approval and reimbursement stricter to control costs, but this may result in more tedious processes. Therefore, systemic and integrated management to streamline the processes is vital.**

79.1% of businesses have taken travel cost control measures

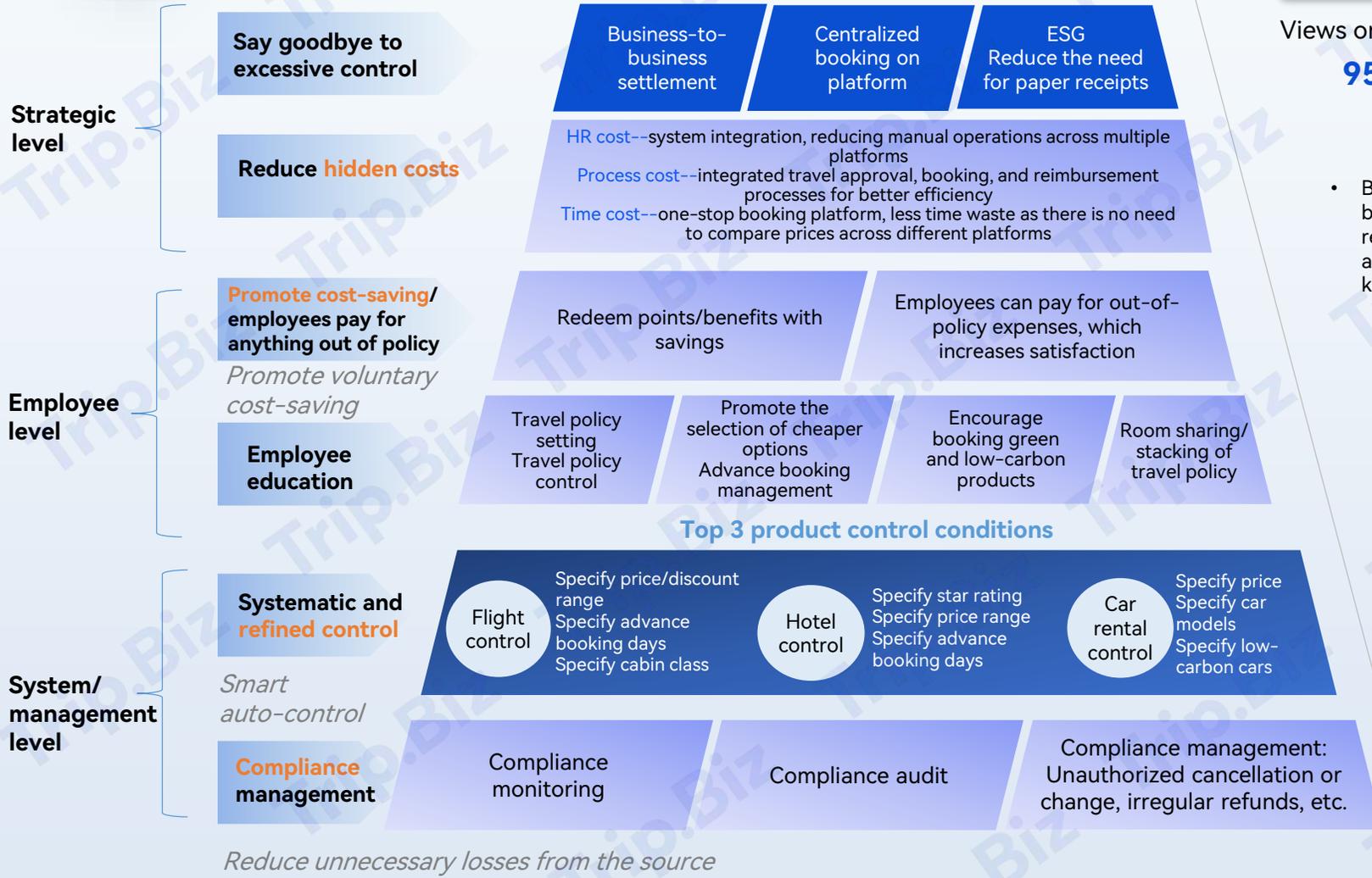


87.0% of business travelers experienced stricter cost control measures



Source: Travel Managers Online Survey, Frequent Business Travelers Online Survey

Optimize costs to reduce costs Optimize efficiency to increase efficiency



How to balance between control and employee satisfaction

Views on mechanisms that encourage cost savings through rebates:

95.3% of business travelers agree

73.6% of business travel managers support the idea

- Biz Travel introduced Trip Coins in 2023. When an employee decides to book flights, hotels, or other products at lower prices, their company can return a portion of the saved travel expenses to the employees' personal account in the form of Trip Coins. This promotes cost-saving while keeping employees satisfied.

Compliance management—hidden costs cannot be ignored

Business travel compliance control: scenarios to take note of



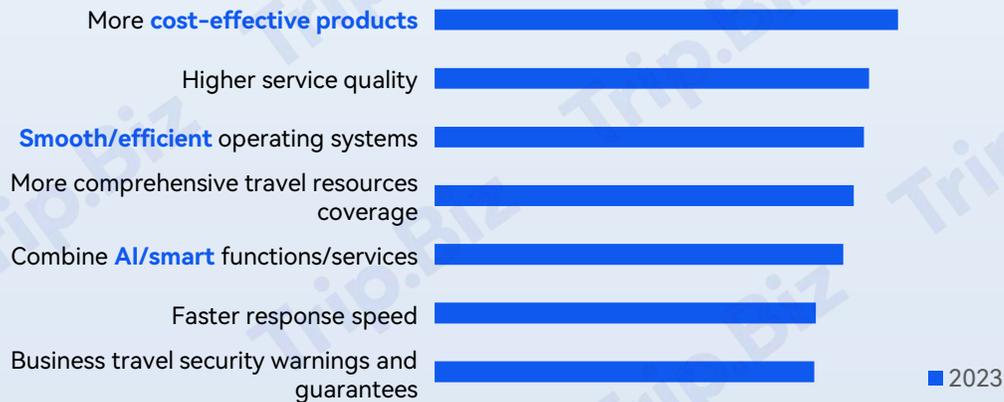
- In response to the pain points relating to corporate business travel compliance, we developed Business Travel Compliance Audit Platform to better help businesses establish comprehensive travel compliance control processes and systems.

Business travel suppliers: Businesses require cost-effective products, smoother systems, and smarter functions

- In terms of business travel management satisfaction, most employees rated their satisfaction at 8-9, while most business travel managers rate 8 and above.
- In terms of the support they expect from suppliers, the most commonly mentioned items are cost-effective products, process systems, and smart functions. Most employees expect that they would not need to make any upfront payments for their business travel. This is followed by process efficiency improvement and more friendly travel management, which is consistent with the conclusion that businesses need to balance employee satisfaction.



Support employees expect from suppliers



Employees' expectations on business travel management



Source: Travel Managers Online Survey, Frequent Business Travelers Online Survey

Business travel supplier selection: system integration has become one of key considerations

- In 2023, businesses paid more attention to **24-hour customer support** and **ease of financial settlement** when selecting travel suppliers. At the same time, **integrated business travel expense control** has become one of the key considerations as well.
- Between businesses of different types/sizes, in addition to the general concerns, state-owned enterprises, sino-foreign equity joint ventures, large and medium-sized enterprises also paid attention to professional business travel management suggestions and service customization capabilities.

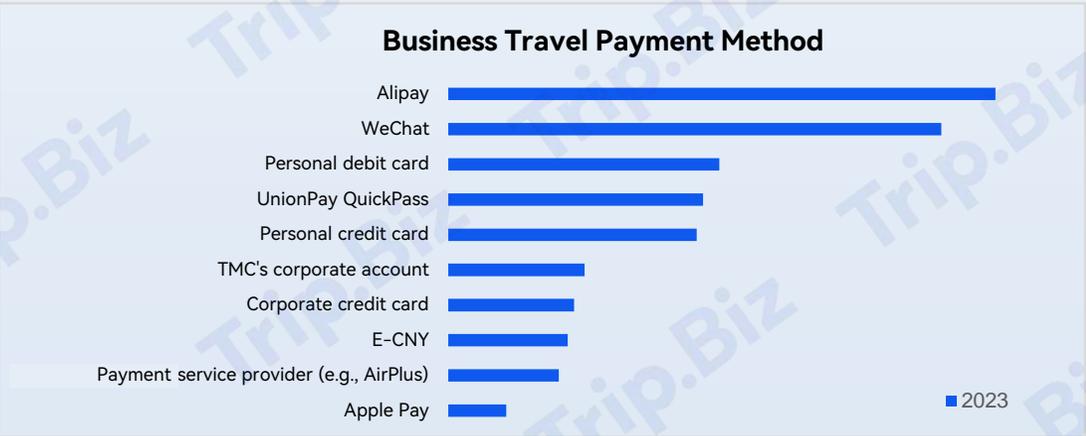
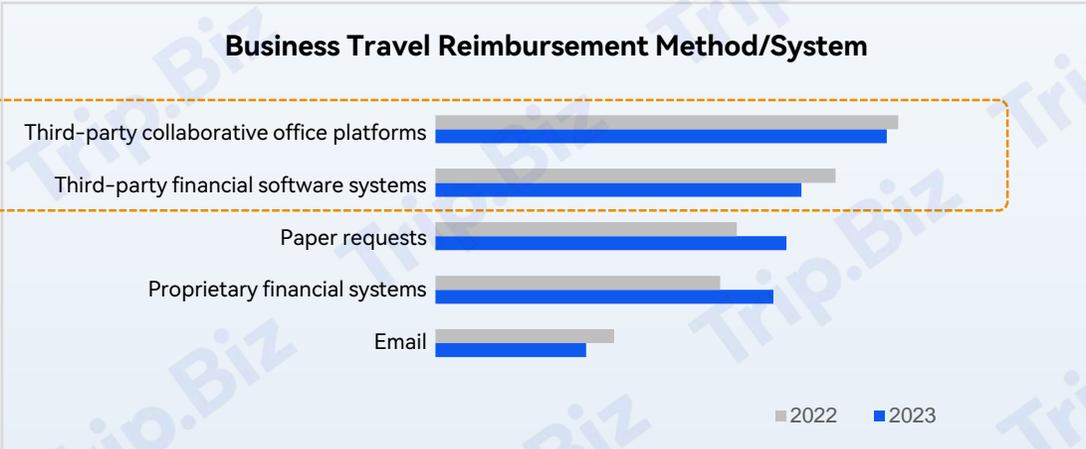
Considerations for Selecting Business Travel Suppliers (%)



Source: Travel Managers Online Survey

Approval, reimbursement methods: More businesses use TMC and third-party OA and financial systems

- A preliminary survey shows that businesses are paying more attention to improving the efficiency of their approval and reimbursement processes. The following survey shows that businesses' approval and reimbursement systems mainly include third-party collaborative office platforms, TMC's own approval functions, and third-party OA/financial systems.
- **The higher proportion of paper requests is also a key constraint. How to connect business travel systems with businesses' own management software is the key to improving efficiency.** Trip.Biz is currently working with many solution providers to help businesses achieve integrated system upgrades, such as travel expense control. In terms of payment and booking methods, mobile devices remain a major trend.

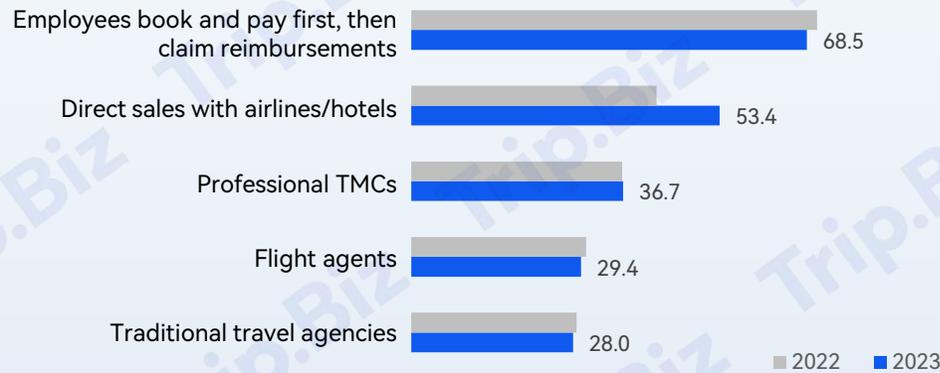


Source: Frequent Business Travelers Online Survey

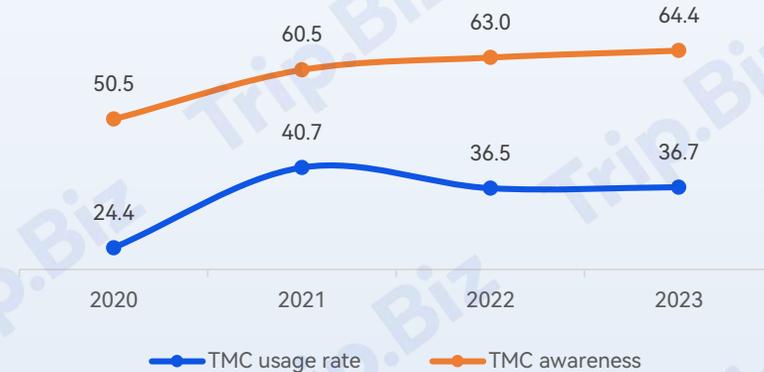
Management market overview: TMC awareness and usage increased, management awareness building

- In terms of business travel and booking patterns, the proportion of businesses choosing direct sales cooperation with airlines and hotels or cooperation with professional travel management companies (TMC) increased in 2023. In terms of industry and business types, **more software and IT services, utilities, wholesale and retail industries, sino-foreign equity joint ventures, and large enterprises worked with TMCs.**
- TMC awareness and usage rate have improved slightly as well and professional business travel management awareness continued to grow in China.

Business Travel Management Cooperation (%)



TMC Awareness and Usage Rate (%)



Business Travel Management Cooperation (%)

	Manufacturing	Real estate	Software and IT service	Internet	Transportation, warehousing and postal	Construction	Scientific research and technical services	Wholesale and retail	Finance	Agriculture, forestry and fishery	Accommodation and food service	Education	Public utilities	Medical and healthcare	Culture, sports and entertainment	Film and television/publishing/advertising media	Residential and other services	SOEs	Private enterprises	EJVs	WFOEs	Small enterprises	Medium-sized enterprises	Large enterprises
Professional TMCs	39.6	38.7	62.7	36.6	58.2	28.9	31	47.9	33.3	24.5	34.3	32.9	51.4	18.1	42.4	15.8	23.9	41.2	28.9	43.9	41.3	30.1	38.2	50.6
Direct sales with airlines/hotels	53.8	61.3	48	60.6	74.6	51.3	45.2	52.1	60	52.8	55.7	51.8	54.2	51.8	45.9	45.6	41.8	51.7	46.7	62.1	62.0	51.1	53.8	58.6
Flight agents	30.8	21	34.7	32.4	22.4	28.9	28.6	23.3	38.9	43.4	25.7	25.9	29.2	26.5	29.4	38.6	32.8	28.2	30.6	30.9	23.3	25.3	33.8	22.2
Traditional travel agencies	27.5	27.4	26.7	23.9	44.8	30.3	19	30.1	40	39.6	27.1	32.9	34.7	15.7	22.4	24.6	19.4	27.6	26.5	31.4	26.7	26.7	28.9	28.4
Employees book and pay first, then claim reimbursements	69.2	74.2	64	69	73.1	77.6	73.8	63	61.1	66	68.6	65.9	70.8	67.5	62.4	86	65.7	67.0	72.1	66.1	62.7	74.5	65.6	62.3

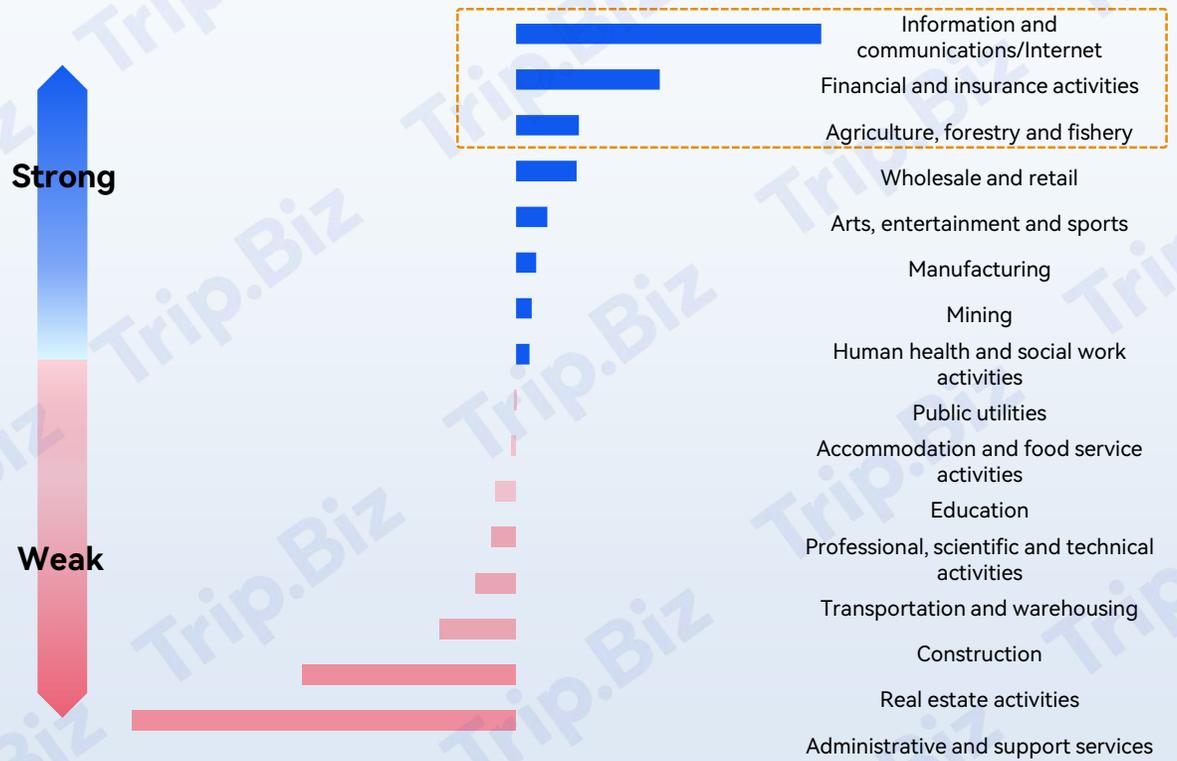
Source: Travel Managers Online Survey

Business travel management and control maturity: Manufacturing, information and communications, and finance industries improve further

- In 2023, the comparison between the business travel expenses and total business travel expenses of the different industries in the management market shows that the **information and communications, finance and insurance activities, and agriculture, forestry, husbandry, and fishery industries are the top 3 in terms of management maturity.**
- By comparing the data of the past two years, **the weight of the manufacturing, information and communications, and finance and insurance activities industries in the business travel management market has increased, and their management awareness has grown as well.**
- However, **it is worth mentioning that the manufacturing industry accounts for a higher proportion of the business travel management market than the overall business travel market**, and its business travel management maturity has continued to grow. In addition, although the accommodation and catering, education, and administrative and support services industries account for a smaller proportion of the management market, they have grown slightly and have a lot more room for improvement.

	Travel Management Market 2022	Travel Management Market 2023		Overall Business Travel Market 2023*
Manufacturing	33.2%	33.9%	↑ >	33.0%
Information and communications/Internet	20.5%	22.3%	↑ >	5.2%
Public utilities	12.6%	10.2%	↓ <	10.8%
Financial and insurance activities	9.7%	11.7%	↑ >	2.2%
Wholesale and retail	6.2%	5.5%	↓ >	3.7%
Agriculture, forestry and fishery	6.0%	5.6%	↓ >	2.2%
Professional, scientific and technical activities	2.8%	2.6%	↓ <	4.0%
Transportation and warehousing	2.2%	2.2%	↓ <	4.9%
Real estate activities	2.0%	1.1%	↓ <	7.5%
Construction	1.6%	1.1%	↓ <	3.9%
Arts, entertainment and sports	1.3%	1.3%	↓ >	0.2%
Accommodation and food service activities	0.7%	0.9%	↑ <	1.6%
Education	0.3%	0.6%	↑ <	1.5%
Administrative and support services	0.3%	0.5%	↑ <	14.1%
Mining	0.2%	0.2%	↓ >	0.0%
Human health and social work activities	0.1%	0.1%	↓ >	0.0%

Business Travel Management Maturity by Industry (2023)



(Maturity: proportion of business travel management market - proportion of overall business travel market)

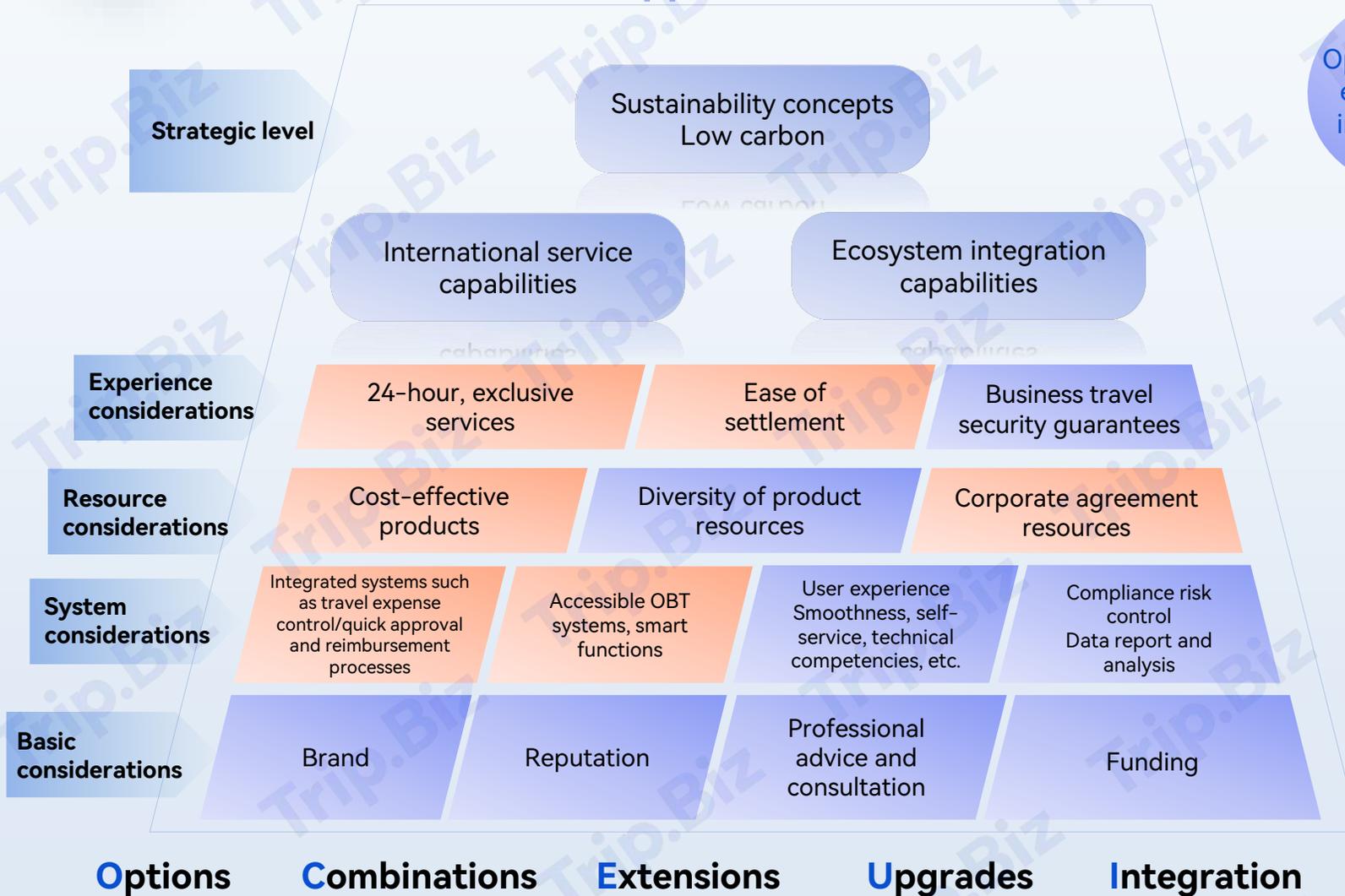
Source: GBTA BTI Outlook (August 2023), Trip.Biz Data Research Institute

* GBTA 2023 forecast



Business travel 5.0: What kind of supplier services are needed?

Reference supplier assessment model



Openness for ecosystem integration

Diversity of product resources

More ultimate user experience

Trip.Biz strives to create more “ultimate experiences” for users, in terms of smoothness, self-service, search results, etc. through extensive investment in digital intelligence technologies.

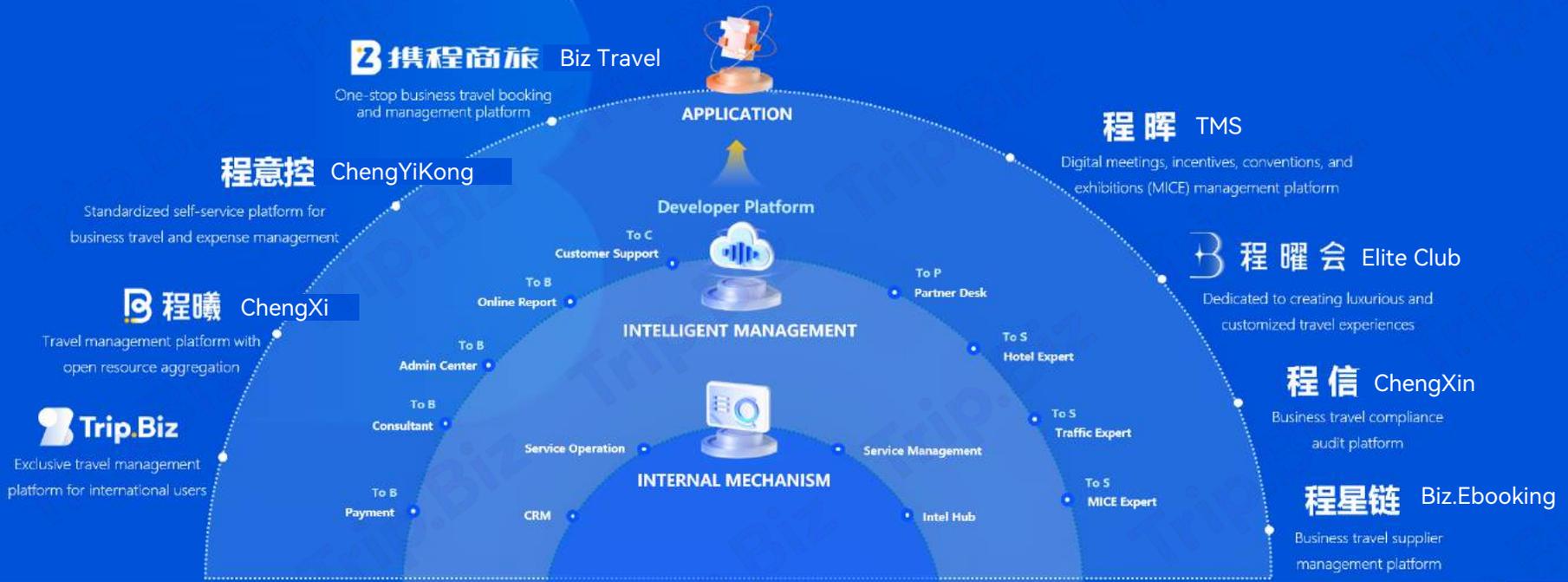


Business travel 5.0: Continuous optimization based on customer needs

As customer needs continue to evolve, we continue to enrich its product capabilities in terms of expense control, services, system integration, compliance management, and international travel.

Offering Products Across All Scenarios

"customizable, flexible, expandable, iterative, and fusible"
customer needs can be realized through different product combinations



Chapter IV

Acceleration in Global Travel

What are the different considerations for domestic and international business travel?



Travel frequency: Significant increase in domestic and international travel frequency in 2023

- Domestic and international business travel accelerated in 2023, with the frequency of both increasing by nearly 70% compared to 2022.
- In terms of industry, more businesses in manufacturing, scientific research and technical services, and software and IT services saw a higher international business travel frequency, while the agriculture, forestry, animal husbandry, fishery, wholesale and retail, and construction industries saw a higher domestic travel frequency.

DOMESTIC AND INTERNATIONAL BUSINESS TRAVEL FREQUENCY (2022 VS. 2023)



Domestic business travel frequency by industry (%)

International business travel frequency by industry (%)

Domestic business travel frequency by industry	Manufacturing	Real estate	Software and IT service	Internet	Transportation, warehousing and postal services	Construction	Scientific research and technical services	Wholesale and retail	Finance	Agriculture, forestry, animal husbandry and fishery	Accommodation and food service	Education	Utilities	Medical and healthcare	Culture, sports and entertainment	International business travel frequency by industry	Manufacturing	Real estate	Software and IT service	Internet	Transportation, warehousing and postal services	Construction	Scientific research and technical services	Wholesale and retail	Finance	Agriculture, forestry, animal husbandry and fishery	Accommodation and food service	Education	Utilities	Medical and healthcare	Culture, sports and entertainment
	Higher	77.0	77.1	74.6	63.3	67.7	78.9	60.4	84.7	68.1	85.0	75.3	73.0	48.7	65.9		69.3	Higher	86.3	57.2	78.5	58	58.8	59.5	83.3	76.4	64	76.4	74	73.8	50
Same	17.6	19.3	21.3	33.8	29.2	19.7	32.1	11.1	30.7	11.3	20.3	22.4	41.7	30.5	29.5	Same	9.1	42.9	17.9	35.5	35.3	37.5	11.1	20.6	36	17.6	14.8	26.1	36.7	19	25
Lower	5.5	3.5	4.0	2.8	3.1	1.3	7.4	4.2	1.1	3.8	4.3	4.8	9.8	3.6	1.3	Lower	4.5	0	3.6	6.4	5.9	3.1	5.6	2.9	0	5.9	11.1	0	13.3	4.8	4.2

Source: Frequent Business Travelers Online Survey

Popular domestic business travel destinations: Shenzhen and Xi'an rise up the ranks

- In 2023, the most popular domestic business travel destinations are still mainly tier 1 and new tier 1 cities, with Shanghai, Beijing, Guangzhou, Shenzhen, and Chengdu occupying the top five spots. Shenzhen and Xi'an saw their ranking improved.
- In terms of provinces/municipalities, Sichuan and Chongqing rose up the rankings, while Shaanxi and Liaoning made it into the top 10.

Top 10 Domestic Business Travel Destination Cities

Rank	City
1	Shanghai
2	Beijing
3	Shenzhen ↑ 1
4	Guangzhou ↓ 1
5	Chengdu
6	Hangzhou
7	Xi'an ↑ 3
8	Chongqing ↓ 1
9	Wuhan ↓ 1
10	Nanjing ↓ 1

Top 10 Domestic Business Travel Destination Provinces/Municipalities

Rank	Province/Municipality
1	Guangdong
2	Shanghai
3	Beijing
4	Sichuan ↑ 2
5	Zhejiang ↓ 1
6	Jiangsu ↓ 1
7	Shaanxi New
8	Shandong ↓ 1
9	Chongqing ↑ 1
10	Liaoning New

↑ x vs. 2022

Top 5 Destination Cities by Tier in 2023

Tier 1 Cities		New Tier 1 Cities		Tier 2 Cities	
1	Shanghai	1	Chengdu	1	Jinan
2	Beijing	2	Hangzhou	2	Hefei
3	Shenzhen	3	Xi'an	3	Xiamen
4	Guangzhou	4	Chongqing	4	Wuxi
		5	Wuhan	5	Nanning

Tier 3 Cities		Tier 4 Cities		Tier 5 Cities	
1	Urumqi	1	Xining	1	Changsha
2	Hohhot	2	Yibin	2	Kunshan
3	Yinchuan	3	Yulin	3	Yiwu
4	Sanya	4	Lhasa	4	Dali
5	Wuhu	5	Ordos	5	Cixi

Popular domestic arrival airports and train stations: Beijing, Shanghai Pudong, Zhengzhou saw a significant increase in popularity

- In terms of popular arrival airports/train stations, Shanghai Hongqiao International Airport and Shanghai Hongqiao Railway Station remained the most popular. At the same time, the popularity of Beijing Capital International Airport, Beijing Daxing International Airport, and Beijing South Railway Station increased significantly.
- The most popular flight routes are mainly round-trips between Beijing, Shanghai, Guangzhou, and Shenzhen. Of them, round-trips between Beijing and Shenzhen and Beijing and Chengdu returned to the top 10. Among the popular train routes, round-trips between Beijing and Shanghai and Beijing and Tianjin also returned to the top 10.

Top 10 Domestic Arrival Airports

Rank	2023
1	Shanghai Hongqiao International Airport
2	Beijing Capital International Airport ↑ 2
3	Shenzhen Baoan International airport
4	Guangzhou Baiyun International Airport ↓ 2
5	Chengdu Shuangliu International Airport ↑ 1
6	Shanghai Pudong International Airport ↑ 3
7	Beijing Daxing International Airport New
8	Xi'an Xianyang International Airport
9	Hangzhou International Airport ↓ 4
10	Chongqing Jiangbei International Airport ↓ 3

↑ x vs. 2022

Top 10 Domestic Flight Routes

Rank	2023
1	Shanghai—Beijing
2	Beijing—Shanghai
3	Shanghai—Shenzhen
4	Shenzhen—Shanghai
5	Shanghai—Guangzhou
6	Guangzhou—Shanghai
7	Shenzhen—Beijing New
8	Beijing—Shenzhen New
9	Beijing—Chengdu New
10	Chengdu—Beijing New

Top 10 Domestic Arrival Train Stations

Rank	2023
1	Shanghai Hongqiao
2	Hangzhou East
3	Beijing South ↑ 2
4	Nanjing South ↓ 1
5	Zhengzhou East ↑ 4
6	Guangzhou South ↓ 2
7	Hefei South New
8	Chengdu East
9	Shenzhen North ↓ 2
10	Changsha South ↓ 4

↑ x vs. 2022

Top 10 Domestic Train Routes

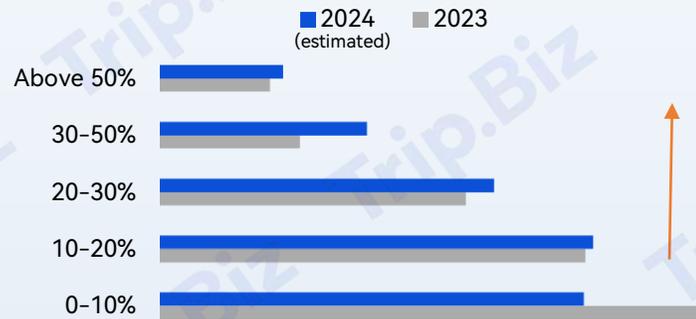
Rank	2023
1	Shanghai—Hangzhou
2	Hangzhou—Shanghai
3	Shanghai—Nanjing
4	Nanjing—Shanghai
5	Shenzhen—Guangzhou
6	Guangzhou—Shenzhen
7	Beijing—Shanghai New
8	Shanghai—Beijing New
9	Tianjin—Beijing New
10	Beijing—Tianjin New

Source: Trip.Biz Data Research Institute

Lower-tier cities market: Business travel to lower-tier cities market expected to increase in 2024

- In 2024, businesses are expected to significantly increase travel to the lower-tier cities market. In terms of industries and business types, those whose travel to the lower-tier cities market account for 20% or more are mainly state-owned enterprises, large and medium-sized enterprises and the agriculture, forestry, animal husbandry, fishery, education, and other industries. Tier 4 and 5 cities became the "dark horses" among domestic business travel destinations and had the highest growth rates.

Proportion of Business Trips to Lower-tier Cities



Top 5 "Dark House" Domestic Business Travel Destinations

*Cities with the highest YoY growth in 2023

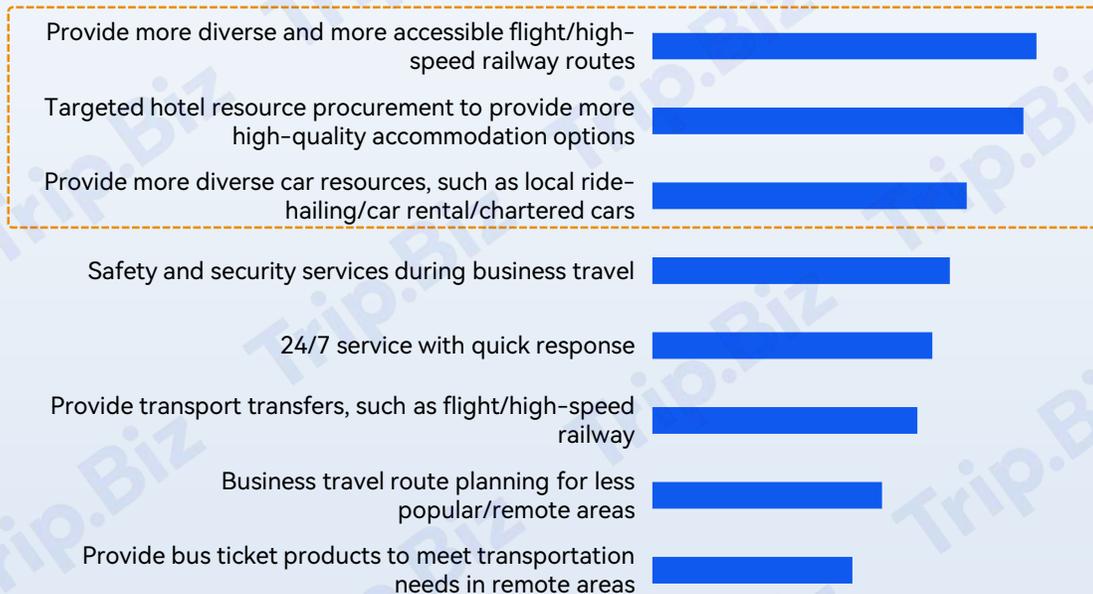
Ranking	2023	
1	Jiuquan	Tier 5
2	Puyang	Tier 5
3	Dandong	Tier 4
4	Guyuan	Tier 5
5	Turpan	Tier 5

2024 (estimated)	Manufacturing	Real estate activities	Information and communications/ Internet	Transportation and warehousing	Construction	Professional, scientific and technical activities	Wholesale and retail	Financial and insurance activities	Agriculture, forestry and fishery	Accommodation and food service activities	Education	Arts, entertainment and sports	Healthcare/ Pharmaceutical	SOEs	Private enterprises	EJVs	WFOEs	Small enterprises	Medium-sized enterprises	Large enterprises
Above 20%	36.8	21.1	29.8	26.9	30.9	42.2	43.2	30.8	68.5	35	44.5	33.3	32.7	40.7	36.4	29.5	32.8	32	42.8	42.9
Above 50%	8.5	5.3	4.3	0	7.1	6.7	6.3	7.7	21.1	5	0	0	8.6	5.5	7.2	4.9	5.9	6.5	3.8	9.4
30-50%	10.8	0	7.4	15.4	14.3	13.3	13.7	12.8	21.1	15	16.7	11.1	10.3	14.3	10.7	6.6	12.4	8.8	21.4	10.7
20-30%	17.5	15.8	18.1	11.5	9.5	22.2	23.2	10.3	26.3	15	27.8	22.2	13.8	20.9	18.5	18	14.5	16.7	17.6	22.8
10-20%	23.8	31.6	20.2	38.5	19	17.8	16.8	25.6	10.5	25	22.2	25.9	27.6	20.9	26.2	16.4	18.8	24.2	19.8	22.1
0-10%	19.7	21.1	22.3	30.8	31	28.9	21.1	23.1	5.3	25	16.7	22.2	20.7	20.9	20.9	36.1	23.7	24.8	18.3	18.8
No business travel to lower tier cities market	19.7	26.3	27.7	3.8	19	11.1	18.9	20.5	15.8	15	16.7	18.5	19	17.6	16.5	18	24.7	19	19.1	16.1

Lower-tier cities market pain points: Resource quality and availability, upfront payment, safety, etc.

- From the survey data, the main pain points for business travelers to the lower-tier cities market are quality of accommodation, availability of transport resources, and need for upfront payments. In terms of the support they would like from suppliers, the top 3 are all resource-related, such as flight routes, high-speed railway routes, customized resource procurement, better accommodation options, and more diverse car resources.

Lower Tier Cities Market – Expected Support from Suppliers



Source: Frequent Business Travelers Online Survey

Top 3 Accommodation Challenges



Top 3 Transport Challenges



Greater Needs...



Domestic and international business trips: What are the similarities and differences?

- According to our survey results: International business trips pay more attention to flexibility and efficiency, quiet environment and safety; Domestic business trips have gradually placed more emphasis on quality requirements such as experience, value-added rights, and services.

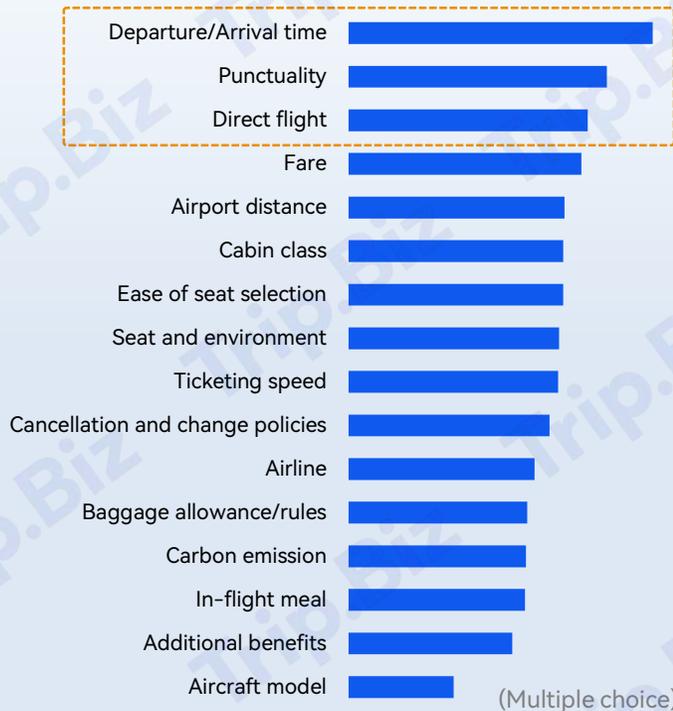


Source: Frequent Business Travelers Online Survey

Flights - booking: Domestic business travelers more particular about departure and arrival time, international travelers prefer direct flights

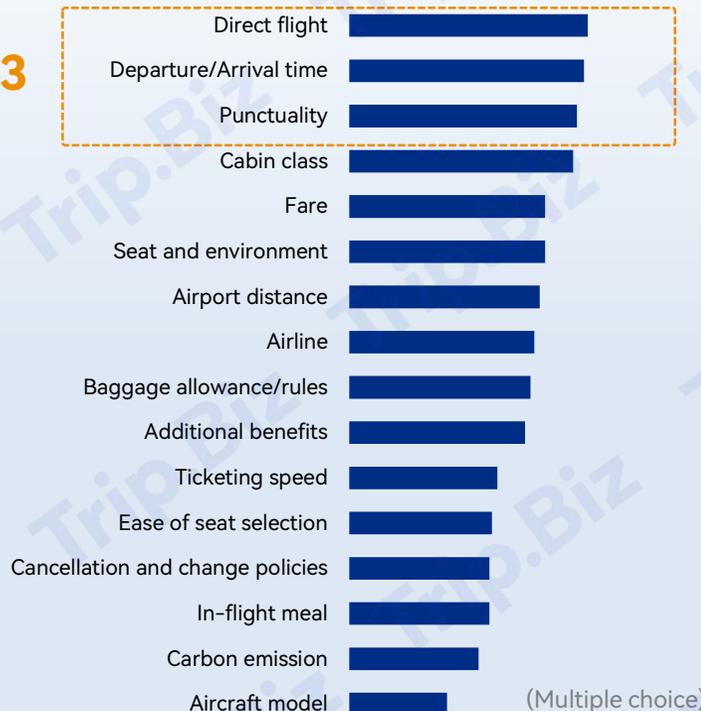
- When booking domestic or international flights, the main factors that business travelers consider are **departure/arrival time, availability of direct flights, and punctuality of the flights.**
- When booking international flights, business travelers prefer direct flights. In comparison, when booking domestic flights, business travelers are more particular about departure/arrival time, the distance to the airport and the convenience of seat selection.

Flight Booking - Domestic



Top 3

Flight Booking - International



Here are what business travelers have to say...

- "I will consider the flight *time* and *punctuality*. Some flights often get delayed."
- "For me, *distance of the airport* is quite important. For example, I prefer the Capital Airport or Daxing Airport in Beijing."
- "When I am traveling overseas, I look at the *airline*. Some airlines have better *food* and more advanced *facilities*."

Source: Frequent Business Travelers Online Survey

Flights - airport area: International business travelers pay more attention to ease of baggage check-in

- At the airport area, the **service of airport staff** is a very important consideration for both domestic and international business travelers, and has a great impact on satisfaction.
- In comparison, domestic business travelers are more concerned about **airport infrastructure**, such as signboards and transport access to the city, while international business travelers pay more attention to the **experience**, such as ease of baggage check-in and comfort of the waiting area.



Experiences that impressed business travelers...

- "Once I left my tablet at the security checkpoint, and when I went to board the plane, the crew was waiting for me at the boarding gate with my tablet."
- "Once, I was rushing for my flight and arrived at the airport late. The airport staff carried my baggage for me and led me to my flight so that I didn't miss it."

Source: Frequent Business Travelers Online Survey

Flights - in-flight experience: International business travelers value in-flight environment and service quality

- While onboard the aircraft, both domestic and international business travelers value **the stability and safety of the flight**.
- In comparison, domestic business travelers are more particular about the comfort of the seat and flight punctuality, while international business travelers pay more attention to the in-flight environment and service quality.

In-flight Experience - Domestic



Top 3

In-flight Experience - International

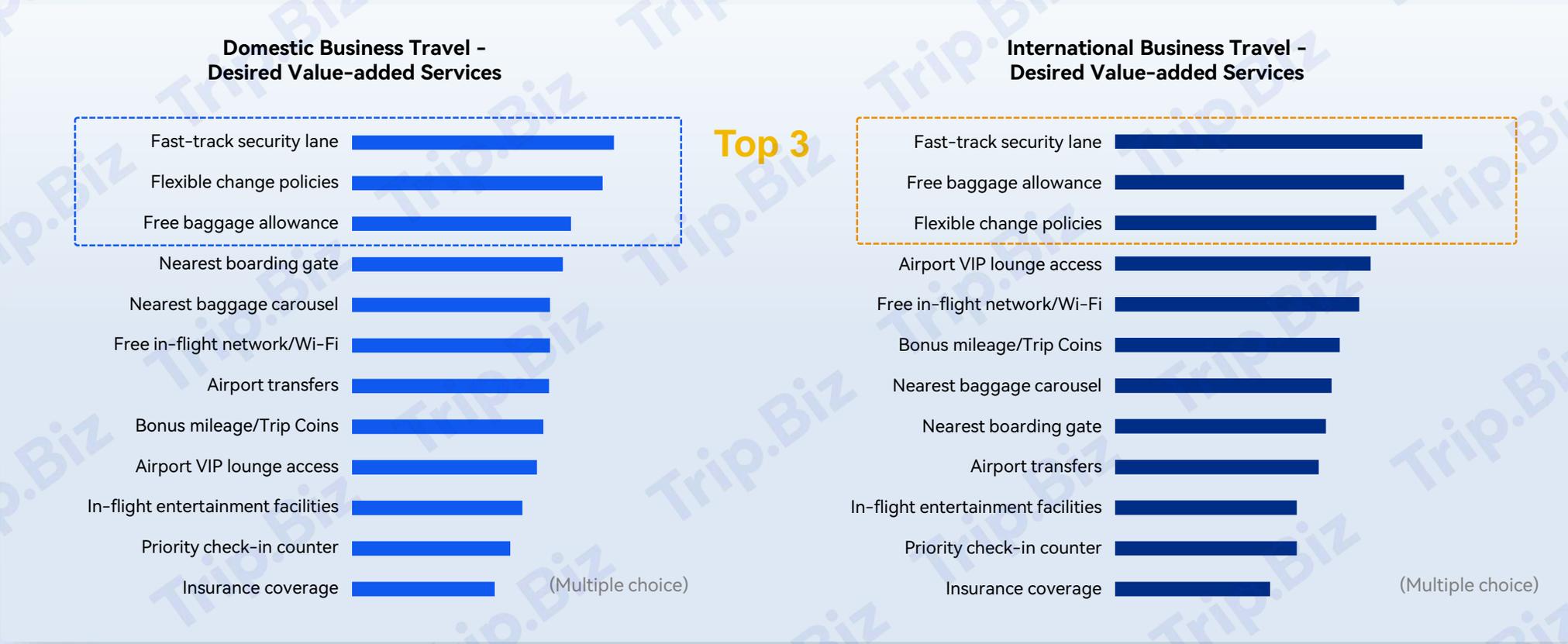


- *Seats in the middle of the aircraft or near the wings are closer to the center of gravity of the aircraft and are less affected by turbulence.*
- *After booking a flight on Biz Travel, use the [Check-in and Seat Selection](#) function to secure your preferred seat in advance for a better travel experience.*

Source: Frequent Business Travelers Online Survey

Flights - value-added services: Flyers want fast security check, free baggage allowance and flexible change policies

- In terms of the value-added services that business travelers expect from the airlines, survey data show that the most important ones for both domestic and international business travelers is fast security check, followed by baggage allowance and flexibility of cancellation and change policies. In addition, domestic business travelers also want closer boarding gates, closer baggage carousels, etc., while international business travelers value VIP lounge access, Wi-Fi, bonus miles/points, etc.



Source: Frequent Business Travelers Online Survey

Industry Experts | Turkish Airlines

1. Considering the pain points business travel, does your company provide any special service or global deployment for business travelers?

Turkish Airlines is the national flag carrier of Türkiye and flies to more countries in the world. With newly added destination Melbourne, our operation is expanded to 6 continents, and 348 destinations in 130 countries. Our modern fleet reaches 453 aircrafts. Turkish Airlines' hub is in Istanbul which is in the central location of the world. Through Istanbul, passengers can reach 80 destinations in 37 countries within 3-hour transfer time. Turkish Airlines has the strong network in Europe, Africa, North and South America, Middle East and Far East.

In 2023, Turkish Airlines transport 83.4 million passengers. According to the report of IATA, compared with 2019, the overall capacity of global international airlines was decreased by 12% in 2023, while the international capacity of Turkish Airlines was increased by 27%. In July of 2023, Turkish Airlines already completely resumed China routes comparing 2019. We have daily flight to Shanghai/Beijing/Guangzhou from Istanbul, 21 flights per week. Because of the rapid capacity recovery and growth, we can meet corporate travelers' demands better. Turkish Airlines pay more attention to corporate travelers. We provide corporate club programme to our customers with all kinds of different benefits. Chinese companies have invested a lot on the "Belt and Road Initiative". Turkish Airlines has strong network in the BRI area so that we will utilize our strength to serve corporate clients much more efficiency.

2. How does your company provide customers with more competitive products?

We have Turkish Airlines Corporate Club programme to corporate clients, with up-front discount, flexible reissue and refund policy and extra luggage allowance. For small and medium companies, we are working with TMCs like Trip.Biz to provide SME programme, which help company to save travel cost. We can do tailor-made for different demands. We also provide Corporate Club card to special corporate clients, clients can access to Turkish Airlines Business class lounge at Istanbul airport, use business class check-in counter and fast track with the card, which can improve travelers' experience.

We provide exclusive corporate help desk to our corporate clients and TMCs in China, to provide better sales and after-sales service.

In additional, Turkish Airlines provide transfer/stopover products in Istanbul. If travelers would like to spend his/her own time during the trip with company's approval, Turkish airlines can provide free Istanbul tour with international transfer time during 6-24 hours or free hotel with international transfer time over 20 hours. It can also be considered as another extra benefit for the employees.

3. How does your company react to current hot trends, such as ESG?

Turkish Airlines has paid lots of efforts on sustainability. We have started to use sustainable aircraft fuel -SAF- first time at 2022 and In line with our commitment to being a "Carbon neutral Airline in 2050" we expanded the use of SAF in many routes.

Since 2008 our company has taken on more than 100 operational optimization projects to reduce its carbon footprint. Last year we saved more than 60000 tons of fuel preventing more than 200,000 tons of greenhouse gas from being emitted into the atmosphere.

We are targeting to save more than 700,000 tons of fuel with operational improvements until 2033. In addition, the SAF usage, we are expanding our fleet with next generation fuel efficient aircraft which emit 15%-20% less carbon. With the sustainability initiatives, we built solar energy panels in some of our working areas, we are the first airline to direct obtain the stage 2 certificate of IATA Environmental Assessment. Also with paperless ticket, reduction of all plastic covers from travel sets, offering wooden toys made by "FOREST Stewardship Council" certified products.

Digitalization of in-flight magazine "SKY LIFE" decreased both the aircraft weight and GHG emissions. Also, the use of tablets instead of paper inside the cabin decreased both aircraft weight and CO2 emissions.



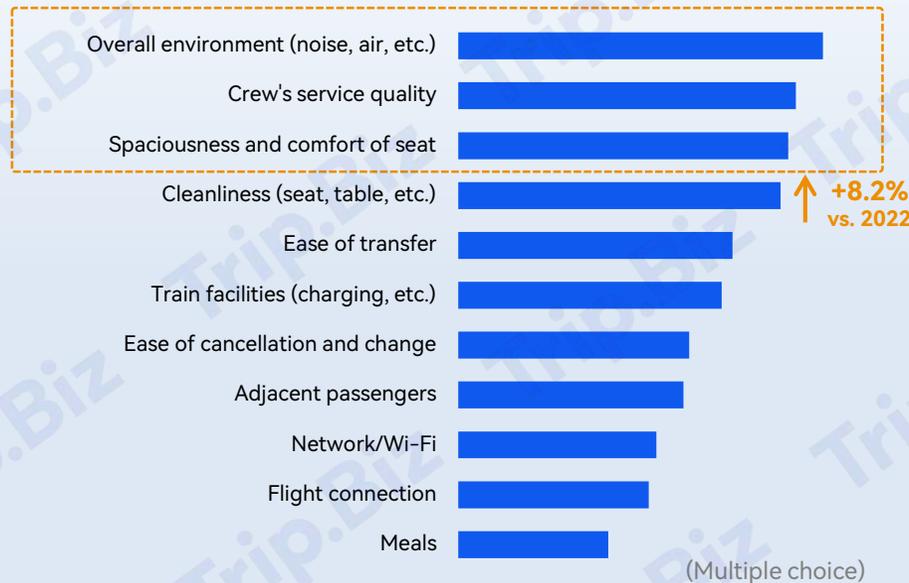
TURKISH AIRLINES
土耳其航空公司

Ibrahim Orhanli
General Manager, Eastern China,
Turkish Airlines

Ground transport - train/high-speed railway satisfaction: Overall environment is an important factor

- When traveling by train/high-speed railway, business travelers pay the most attention to the **overall environment**, including noise and odor.
- Compared to international business travelers, domestic business travelers are more particular about **the service quality of the crew and the spaciousness and comfort of the seats**. International business travelers attach greater importance to cleanliness and facilities.
- Biz Travel launched the **Train Seat Selection** function in 2024, allowing travelers to select the carriage or seat (aisle or window) that they want for a better travel experience.

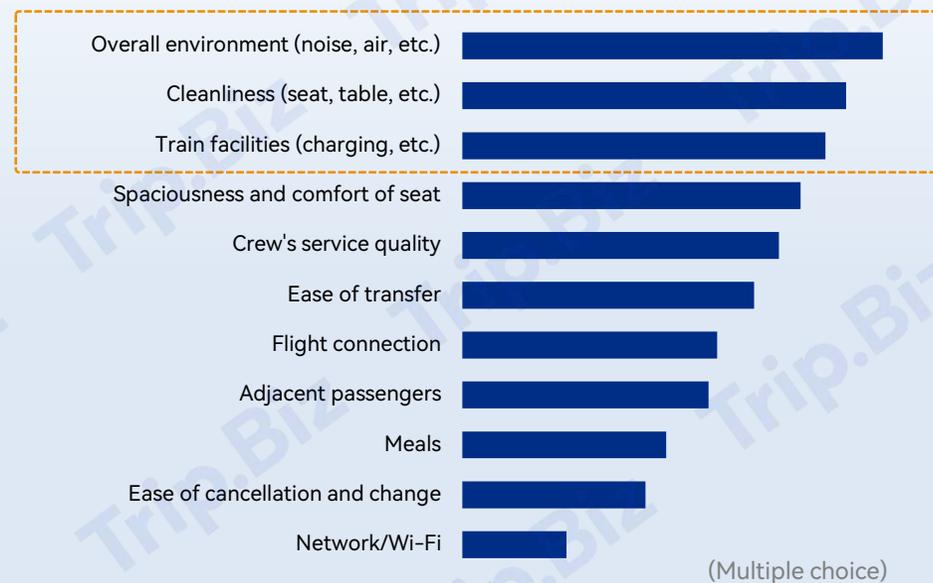
Factors Affecting Satisfaction of Train Travel - Domestic



Top 3

↑ +8.2% vs. 2022

Factors Affecting Satisfaction of Train Travel - International



Source: Frequent Business Travelers Online Survey

Ground transport – car use satisfaction: International business travelers more concerned about safety

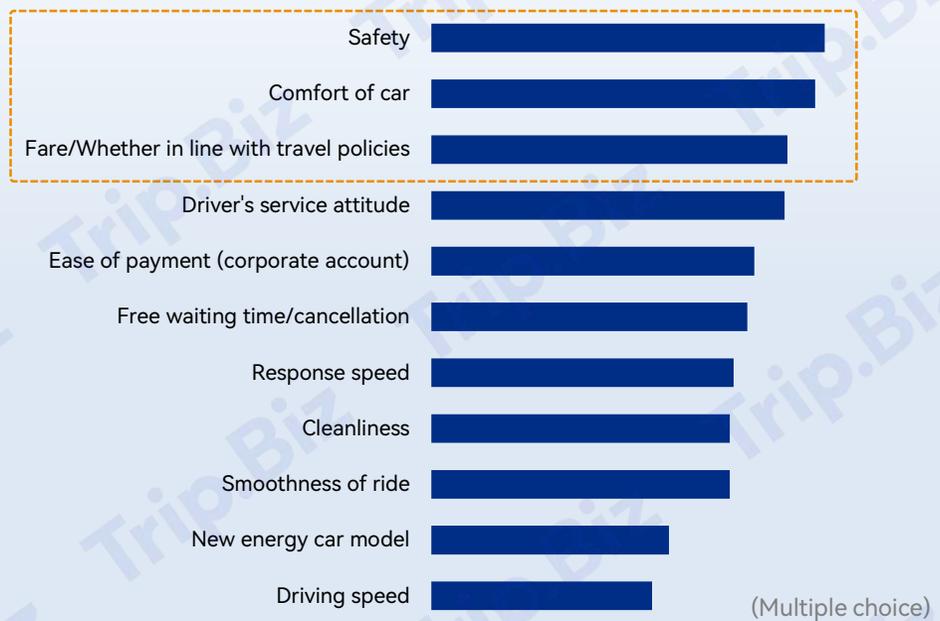
- When using online car-hailing/airport shuttle services, domestic business travelers look at the **comfort of the cars**, while international business travelers are more concerned about **safety**. During the interviews, many travelers mentioned that their company's business travel platform does not provide overseas car booking, so they have to rely on local software to hail a ride and file for claims later. They also mentioned that the fares in certain countries/regions are comparatively higher.
- Biz Travel successively introduced the "**Overseas Ride-hailing**" and "**Overseas Car Rental**" services in 2023 and 2024 that bring together high-quality suppliers from different parts of the world to meet the need for overseas car use of business travelers.

Factors Affecting Car Use (Online Booking/Airport Shuttle) Satisfaction - Domestic



Top 3

Factors Affecting Car Use (Online Booking/Airport Shuttle) Satisfaction - International

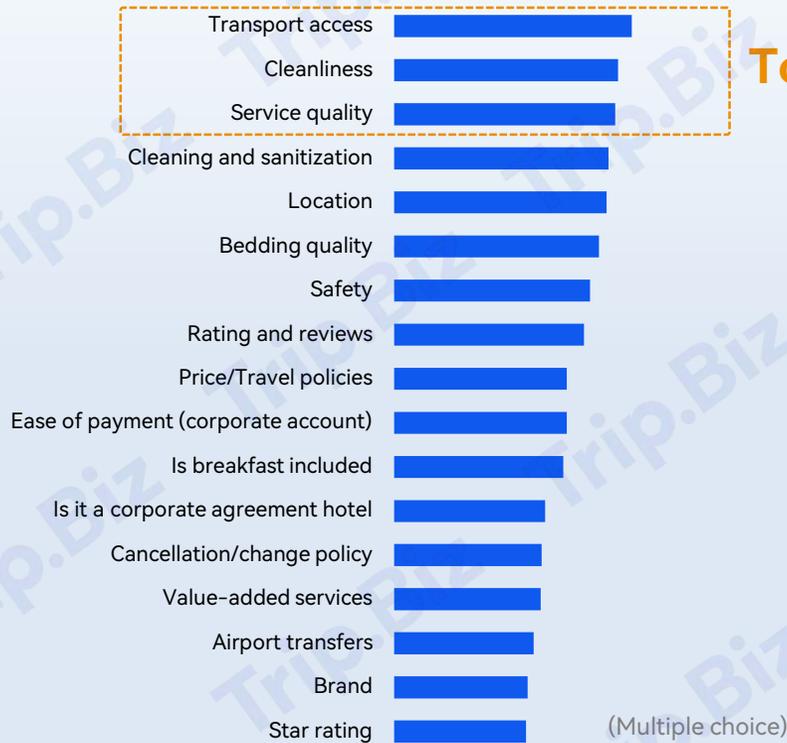


Source: Frequent Business Travelers Online Survey

Hotel - booking: International business travelers pay more attention to safety and ease of payment

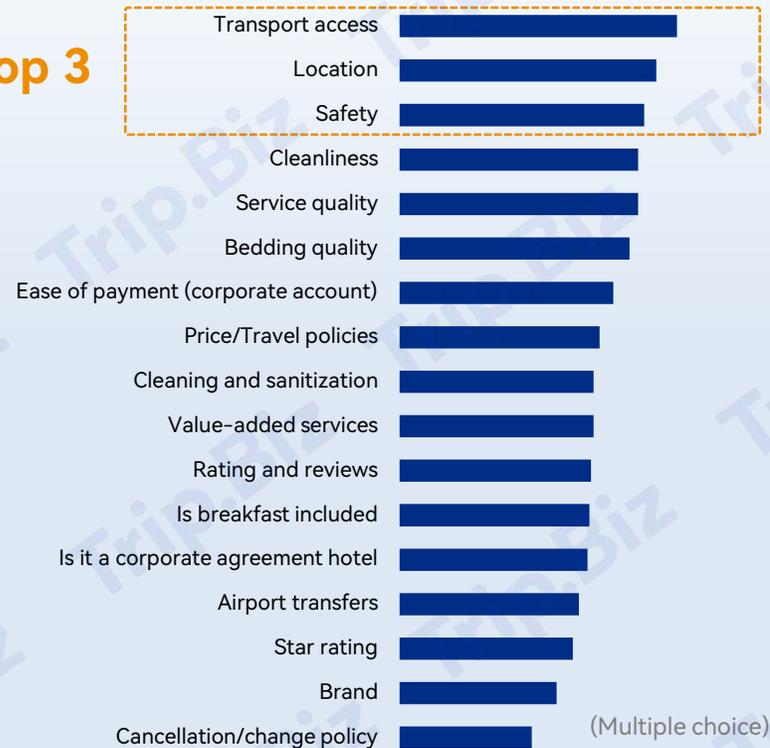
- When booking a hotel, both domestic and international business travelers are **most concerned** about **transport access**.
- However, domestic business travelers are more particular about the hotel's **cleanliness and service quality**, while international business travelers pay more attention to the hotel's **location and safety**, as well as ease of payment and value-added services.
- The qualitative interviews show that international business travelers are more inclined towards international hotel chains because of safety, followed by more standardized services and facilities.

Hotel Booking - Domestic



Top 3

Hotel Booking - International



Here are what business travelers have to say...

- "I am more particular about *cleanliness and whether the facilities are old*. I usually look for hotels that have undergone renovation in the past two years."
- "I just need the hotel to be *clean*. I will use a wet tissue to sanitize anything I touch."
- "I prefer *hotel chains* because they offer greater security, especially for women."
- "When overseas, I will choose an *international hotel chain*. Firstly, it is safer and secondly, its facilities and cleanliness are better."

Source: Frequent Business Travelers Online Survey

Hotel - stay: International business travelers more concerned about soundproofing

- The most common problems faced by business travelers are **poor hotel environment and cleanliness**, followed by **falling sick or lack of sleep**.
- Therefore, both domestic and international business travelers are more particular about a hotel's **bedding** and **soundproofing** as these affect the quality of their sleep. In comparison, international business travelers attach greater importance to this.

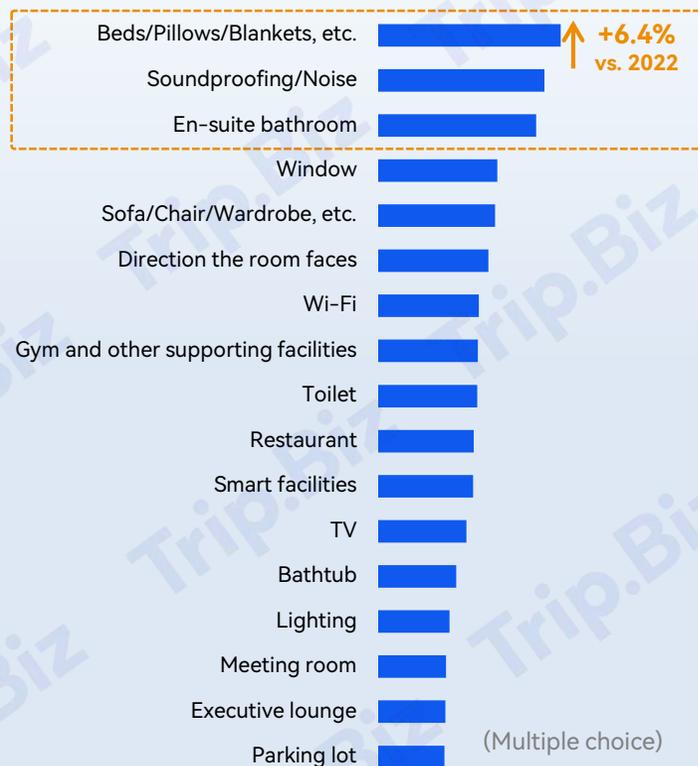
Top 3 Business Travel Concerns

1	Poor hotel environment and cleanliness
2	Falling sick, lack of sleep
3	Inaccessible, long travel time

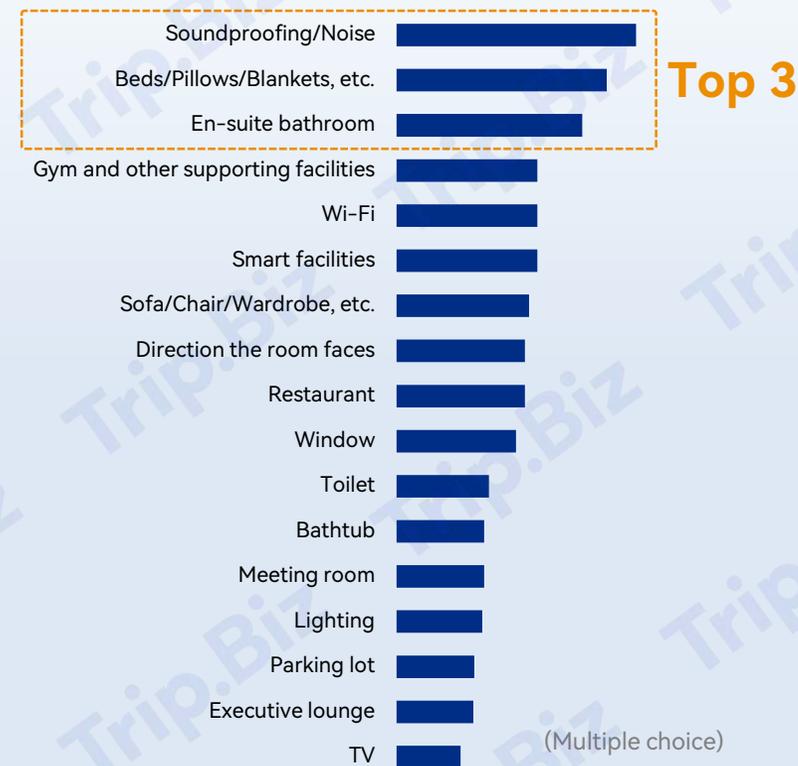
Here are what business travelers have to say...

- "While on business trips, we have calls and meetings until quite late at night. If the **soundproofing** is not good enough, then we will be awoken by noise at around six or seven in the morning."
- "I want the hotel's **pillows and blankets** to be clean and comfortable. It would be best if they can change the pillows."

Stay - Domestic



Stay - International

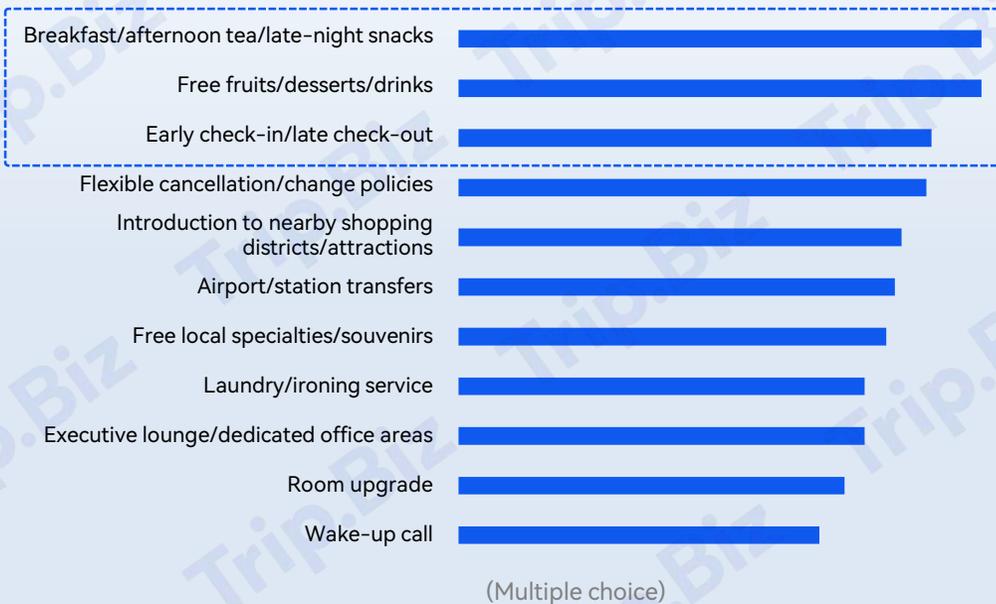


Source: Frequent Business Travelers Online Survey

Hotel - value-added privileges: International business travelers want flexible cancellation and change policies; domestic travelers look at dining services

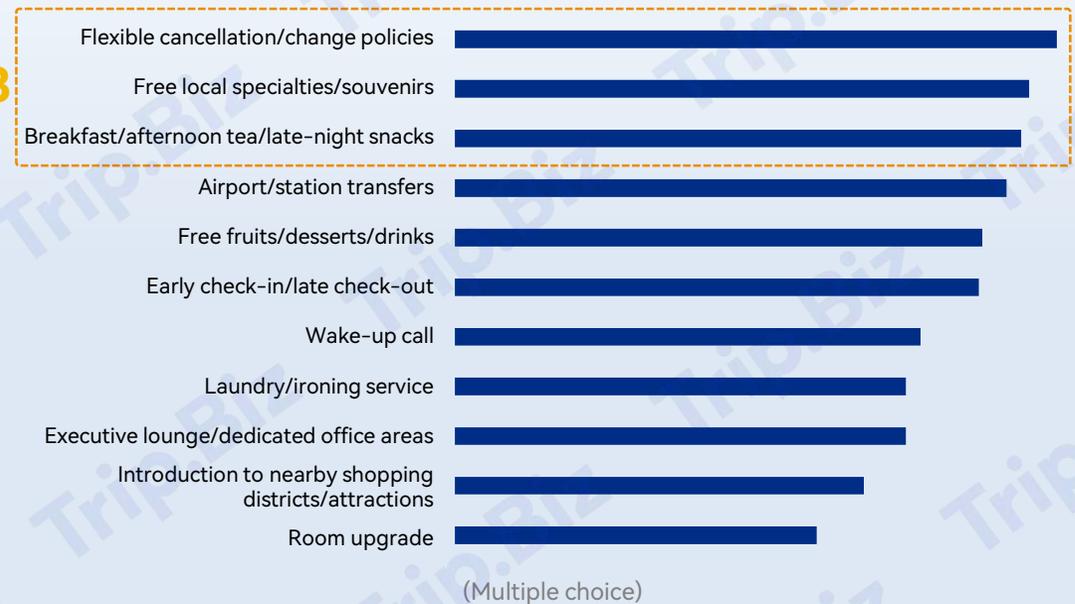
- Value-added privileges have always been one of the most important things that business travelers look at. The survey data shows that domestic business travelers are more concerned about the provision of breakfast/afternoon tea/night snacks, complimentary fruits/desserts, early check-in, and late check-out, while international business travelers want flexible cancellation and change policies, souvenirs, and breakfast/afternoon tea.
- In addition, domestic business travelers also look at services such as guides for business districts and attractions, while international business travelers pay more attention to airport transfer and wake-up call service.

**Domestic Business Travelers –
Desired Value-added Privileges**



Top 3

**International Business Travelers –
Desired Value-added Privileges**



Source: Frequent Business Travelers Online Survey

Hotel preferences: International business travelers prefer mid-range to high-end hotels

- In terms of hotel preferences, both domestic and international business travelers prefer mid-range hotels. In comparison, slightly more international business travelers choose high-end hotels, while more domestic travelers choose budget hotels.
- When it comes to star rating, most international business travelers prefer 4 or 5-star hotels, while more domestic business travelers pick 3 to 4-star hotels.



Source: Trip.Biz Data Research Institute

Industry Experts | IHG Hotels & Resorts

1. Considering the different pain points of domestic and international business travel, does your company provide any special service for business travellers?

Global deployment + local sales network: As of December 31, 2023, IHG Hotels & Resorts, one of the leading international hotel groups, has more than 6,300 open hotels in over 100 countries, and a development pipeline of over 2,000 properties. IHG has over 1,200 hotels open or in the pipeline in Greater China, totalling nearly 180,000 rooms. IHG has established 8 major sales offices across Greater China, enhancing procurement services' efficiency for customers and bolstering the growth of the business travel channel.

Refine and innovate products to meet market demands continuously: IHG has 19 brands global-wide and has launched 12 brands in the Greater China market covering Luxury & Lifestyle, Premium, and Essentials segments. IHG continues to upgrade its product offerings to meet the diversified needs of business travellers:

- The revamp of the **Regent Hotels & Resorts** brand reinterprets the brand's unique hallmarks, design philosophy, service concept and new visual image to refine excellence. The brand is committed to creating a secluded haven for guests, away from the hustle and bustle, to escape the pressures of daily life, relax body and mind, rediscover oneself, and appreciate the beauty of the world.
- With the emergence of "Bleisure," **Crowne Plaza Hotels and Resorts** brand has also been upgraded to meet the needs of modern travellers who seek a balance between work and life during their trips, providing a high-quality and efficient business travel experience.
- **EVEN Hotels**, IHG's premium brand, is aimed at helping travellers find balance in their business trips and healthy living in their way. The unique layout of dual-period multi-functional facilities ensures that the diverse needs of business travellers are fully satisfied.
- The launch of **Holiday Inn Express 3.0** at the end of 2022 revitalises the brand's 'simple and smart travel experiences' for guests. From the dynamic space of interactive technology to the safe and comfortable accommodation environment, IHG creates a brand-new lodging experience. Guests can start a wonderful and fulfilling day with a delicious and hearty breakfast.

Provide diversified solutions for business travel abroad: As domestic and international policies have spurred overseas expansion, there has been a surge in demand for business travel, increasing the need for corporate travel management. Utilising its extensive global network, IHG seamlessly integrates its offerings with Travel Management Companies (TMC), establishing direct connections that provide comprehensive business travel solutions. IHG has introduced overseas hotel display features on the 'IHG Corporate Travel Portal' WeChat mini-program, optimizing the international business travel booking experience.



IHG[®]
HOTELS & RESORTS

Rita Jiang
Vice President,
Commercial, Greater China, IHG

Industry Experts | IHG Hotels & Resorts

2. How does your company provide customers with more competitive products, a more convenient travel booking experience?

Diversified pricing system: Whether it is a global corporation or a domestic small and medium-sized enterprise customer, guests can find a hotel that meets their travel budget. For example, 'IHG Business Edge' provides tailored global travel discounts and rich benefits for small and medium-sized companies. IHG Business Awards offers generous benefits and rewards for individual travellers and event organisers.

Mature system integration: In addition to direct connections with GDS, to realise a complete booking flow, IHG also developed a mature direct API connection technology (covering 90% of the commonly used domestic TMC channels) to ensure that customers can view and book in real-time regardless of the platform they use, achieve integrated changes and cancellations.

Complete payment solutions: By optimising internal processes and collaborating with third-party payment companies, IHG can offer corporate payment and unified invoicing that meet customer needs in various payment scenarios.

Advanced booking system: In addition to using TMC, IHG provides direct booking channels for corporate clients, including the corporate travel mini program, app, official websites and other booking systems, to help clients use their negotiated corporate rates to make a reservation. At the same time, the system supports different forms of embedding and H5 redirection, making it easier for companies to integrate functions into their internal systems.

Real-time customer support: Our 24/7 customer service team provides companies with real-time response, attentive support and assistance to meet their different needs and create an excellent service experience.

3. How does your company react to current hot trends, such as ESG?

Embracing ESG: With a growing focus on green and low-carbon solutions for business guests, IHG has integrated its commitment to sustainable development into every facet of the guest experience. IHG has launched the "Meeting for Good" program at its hotels, providing guidelines for hosting sustainable meetings and events. These guidelines include eliminating single-use items, reducing food waste, and implementing energy-saving strategies. In partnership with Ant Forest, IHG further advocates environmental protection awareness and encourages low-carbon accommodation thereby fostering "Responsible Travel."

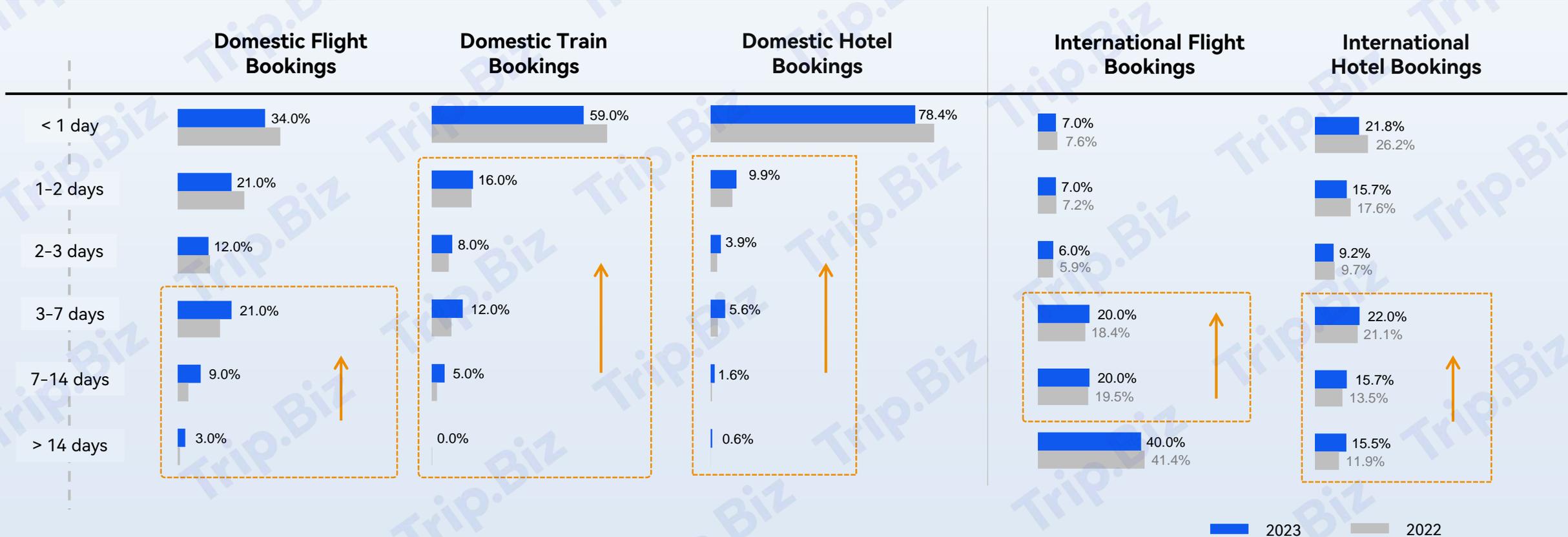


IHG
HOTELS & RESORTS

Rita Jiang
Vice President,
Commercial, Greater China, IHG

"Special forces" business travel: Less last-minute bookings, more international business travelers prefer to book in advance

- In 2023, when it comes to how far in advance a booking is made, the number of last-minute bookings (< 1 day before arrival) dropped for both domestic and international business travelers. Travelers were inclined towards making transport and accommodation arrangements in advance.
- Especially for international business travel: the ratio of international flight ticket bookings made more than 14 days in advance remained the highest, showing a tendency to plan early, while the amount of hotel bookings made more than 14 days in advance also increased significantly.



Source: Trip.Biz Data Research Institute

"Special forces" business travel: Arrive at the airport at least 1.5 hours in advance, longer flight time

- For flights, domestic and international business travelers usually arrive at the airport at least 1.5 hours before departure time. International business travelers tend to arrive earlier so that there is sufficient time to process baggage check-in and clear security and customs checks.
- In terms of flight time, in 2023, the percentage of domestic flights that take 2-5 hours and international flights of more than 2 hours showed an increase. As more long-distance routes resume, business travelers are also going further.

Arrival at Airport before Departure (%)



Flight Time (%)



2023 2022

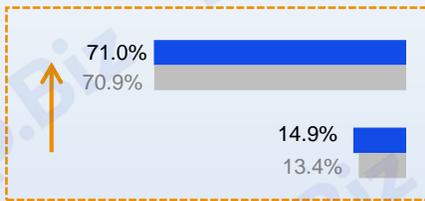
Source: Trip.Biz Data Research Institute

"Special forces" business travel: Shorter stay, tighter itinerary

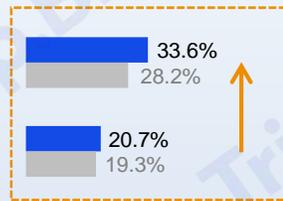
- In 2023, business travelers spent their trips moving between cities. From the hotel stay duration, we can see an increase in stays of just 1-2 days.
- In terms of check-in/check-out time, most business travelers check in at around 19:00 and check out at 8:00. Business travelers arrive later and leave earlier, so their itinerary is much tighter.

Hotel Stay

Length of Stay - Domestic



Length of Stay - International



6.2%
6.3%

3 days

14.5%
14.5%

3.1%
3.2%

4 days

9.6%
9.8%

1.8%
2.0%

5 days

6.4%
6.7%

0.9%
1.0%

6 days

4.3%
5.0%

2.2%
3.2%

≥ 7 days

10.9%
16.5%

2023

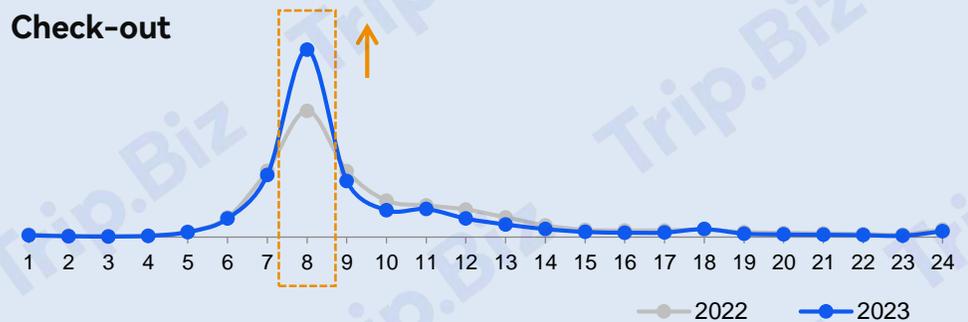
2022

Check-in/Check-out Time (Domestic; Beijing Time)

Check-in



Check-out



Source: Trip.Biz Data Research Institute

What Frustrates Business Travelers: Pre-trip Approvals & Post-trip Reimbursement

- From the survey data, we can see that among the concerns of business travelers, the tedious application process and price comparison across multiple channels before travel are becoming more important factors. This has a certain correlation with the rebound in prices and cost control by businesses.
- Most of the business travel concerns during travel are linked to transport and accommodation, for example, the condition of the hotel, lack of sleep, long transport time, and traffic jams.
- As for post-travel concerns, proof for reimbursement ranked first, while the time-consuming receipts pasting and reimbursement claiming also rose up the ranks.

Concerns Before Travel



Concerns During Travel



Concerns After Travel

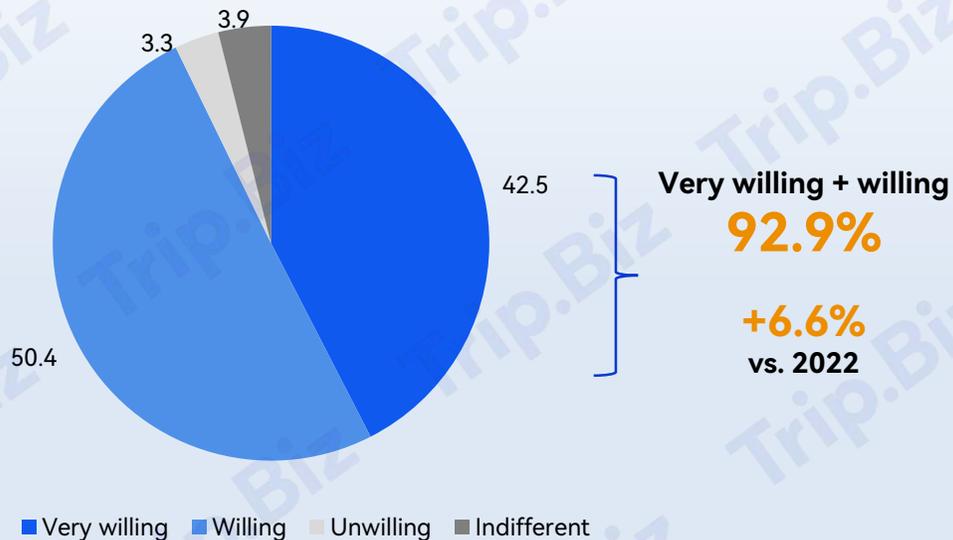


Source: Frequent Business Travelers Online Survey

Business travel expectations: Business travelers much more willing to travel compared to previous years

- The survey data shows that 92.9% of business travelers were willing to go on a business trip in 2023, which marks a significant increase compared with previous years.
- During the interviews, business travelers said they hope business travel procedures can be simpler in the future. For example, AI technology can be used to perform automatic itinerary matching and make bookings accordingly. This will help eliminate the tedious ticketing and reimbursement process.

Business Travel Attitude (%)



Business travelers' expectations in 2024...

"I hope business travel can become *smarter*, for example, *matching transport options based on travel policy and choosing the most comfortable one that is within policy.*"

"I hope business travel can be *100% paperless*, so that I don't need to sort out the physical receipts."

"I hope the *travel policy can be more reasonable*. At the moment, it is too low, making the trips unenjoyable."

"I hope I can have some time to tour around during business travel and *go to more places that I have never been to before.*"

Source: Frequent Business Travelers Online Survey

Happiest domestic business travel destinations: Sanya, Shanghai and Beijing are the top 3

- In 2023, Sanya, Shanghai, and Beijing were chosen by travelers as the happiest domestic business travel destinations. Sanya and Shanghai were joint top, followed by Beijing. Generally, business travelers are happiest when they are in cities with a relatively developed economy and good natural and cultural landscapes.



TOP1&2: Sanya & Shanghai
(joint top) ↑ Shanghai +2



#3: Beijing ↑ +1



#4: Chengdu



#5: Guangzhou ↑ +1



#6: Hangzhou

Rank	City
7	Xiamen
8	Chongqing
9	Qingdao
10	Shenzhen
11	Changsha
12	Kunming
13	Xi'an
14	Nanjing
15	Suzhou

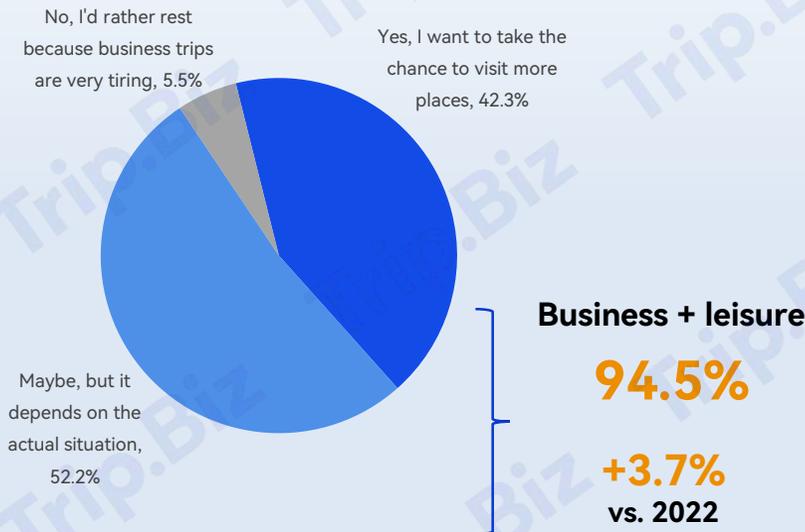
Note: The arrows and numbers show the city's performance compared to 2022.

Source: Frequent Business Travelers Online Survey

Leisure during business travel: Around 95% of business travelers willing to go on recreational tours

- In 2023, around 95% of business travelers said they are willing to go on recreational tours during their business trips, an increase of 3.7% compared to 2022.
- During the interviews, most business travelers also said they hope to combine business with leisure. They want to recharge and broaden their horizons during their free time while on business trips.
- Survey data shows that business travelers are more willing to spend the weekends before and after a business trip to visit the local or nearby cities. In addition, they are more careful with their hotel selection and would choose flights that depart early/return late to meet the needs of business and leisure.

Business Travelers: Will You Go on a Recreational Tour During Business Trips?



I will spend the weekends/holidays before and after my business trip to tour the local or surrounding area



I will choose a hotel that can meet the requirements of business + leisure



I will choose flights/trains that depart early/return late, so that I can maximize my time



I will take annual leave before and after my business trip to tour the local or surrounding area



I will bring my family with me on my business trip to tour the local area together

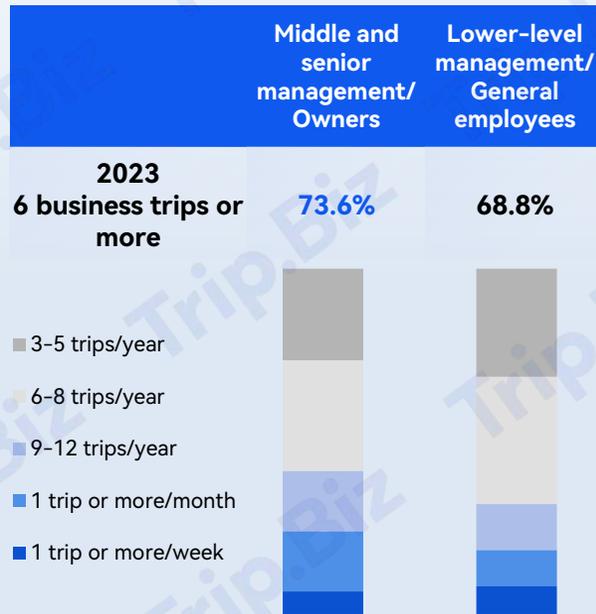


Source: Frequent Business Travelers Online Survey

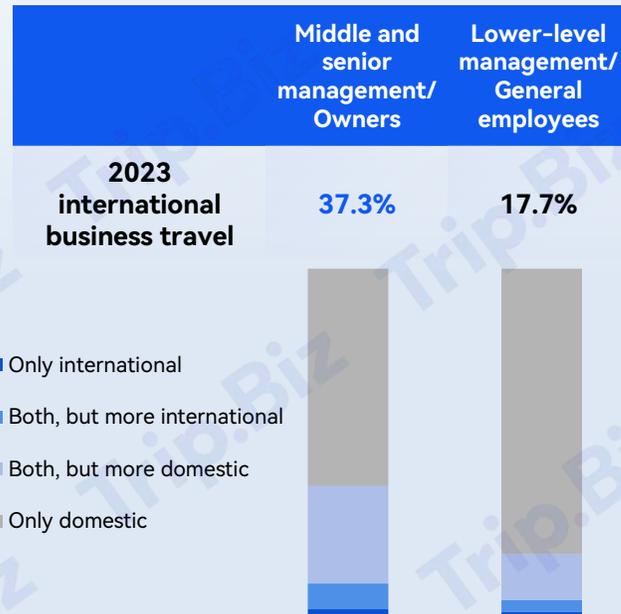
Business traveler profile: Higher frequency for middle and senior management due to international business expansion

- The travel frequency of middle and senior managers is relatively higher. In 2023, this group constituted 73.6% of all business travelers who have gone on 6 trips or more, and 24.3% of them have to travel every month or week.
- In addition, compared with lower-level managers and general employees, more middle and senior managers travel abroad due to international business expansion.

Frequency



Destinations



Elite Club:

Committed to creating a luxury, personalized travel experience for elite business travelers

Exclusive Experience

Extensive Resources, Meticulous Services

- Pre-travel Planning, Requirements Identification
- Travel Guidance, Details Reminders
- Post-travel Support, Follow-up Care

Dedicated Service

Dedicated Support That Ensures Efficient Communication and Builds Trust

- Dedicated Service Teams
- Dedicated Communication Channels
- Dedicated Management and Planning

Custom Plans

Customized Services "Ready to Meet Customer Needs"

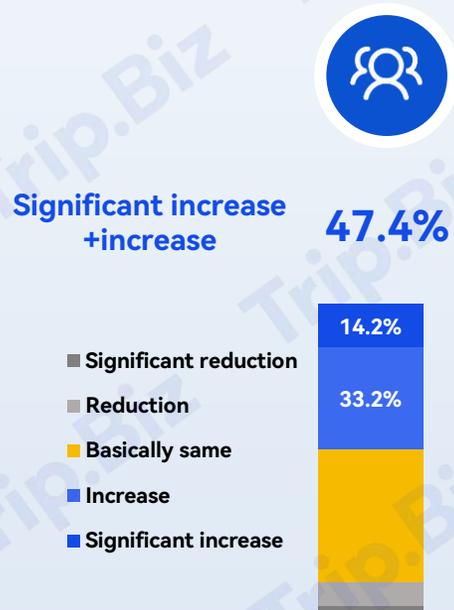
- Extensive Resources, Global Coverage
- Full-process Monitoring, Real-time Response
- Standardized, Striving for Excellence

Source: Frequent Business Travelers Online Survey

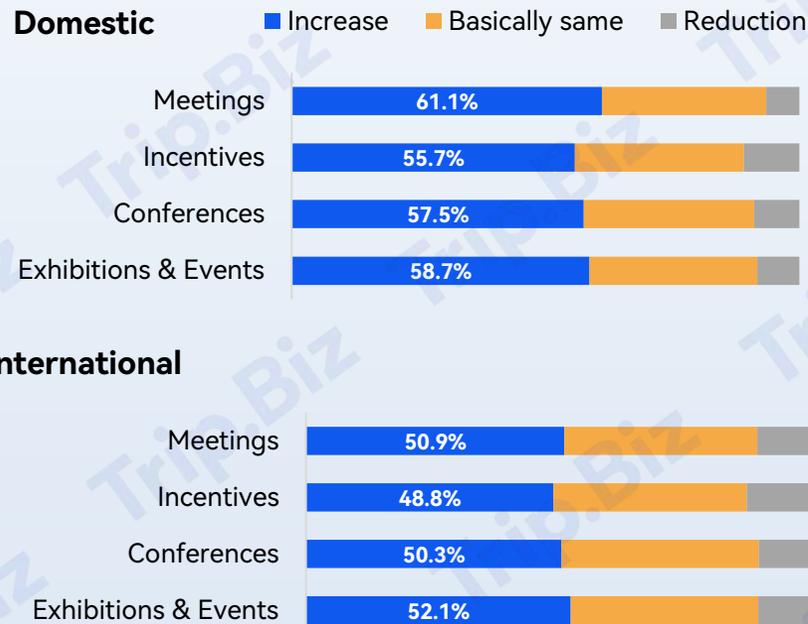
MICE: The budget and frequency of MICE events are expected to increase in 2024

- According to a survey, nearly 50% of companies expect an increase in MICE event budget in 2024. From a domestic perspective, the proportion of increase in meetings is relatively higher; from the perspective of international MICE event frequency, the proportion of increase in exhibitions is relatively higher.

2024 MICE event budget (estimated)



2024 MICE event frequency (estimated)



2023 popular cities for MICE events

Ranking	City
1	Shanghai
2	Beijing
3	Guangzhou
4	Chengdu
5	Hangzhou
6	Changsha
7	Suzhou
8	Nanjing
9	Xi'an
10	Chongqing

Source: Travel Managers Online Survey



MICE: Companies prioritize overall cost-effectiveness when choosing suppliers

- When companies choose MICE suppliers, they prioritize the **overall cost-effectiveness** of the project, followed by customized service and execution/implementation capabilities. Besides, most companies believe online and offline integration, combination of business and team building trips will be future trends.

MICE Supplier Selection Considerations (%)



MICE Trends



We launched **TMS**, a digital conference and event booking management platform that is dedicated to helping businesses overcome various pain points in traditional event planning.

Source: Travel Managers Online Survey

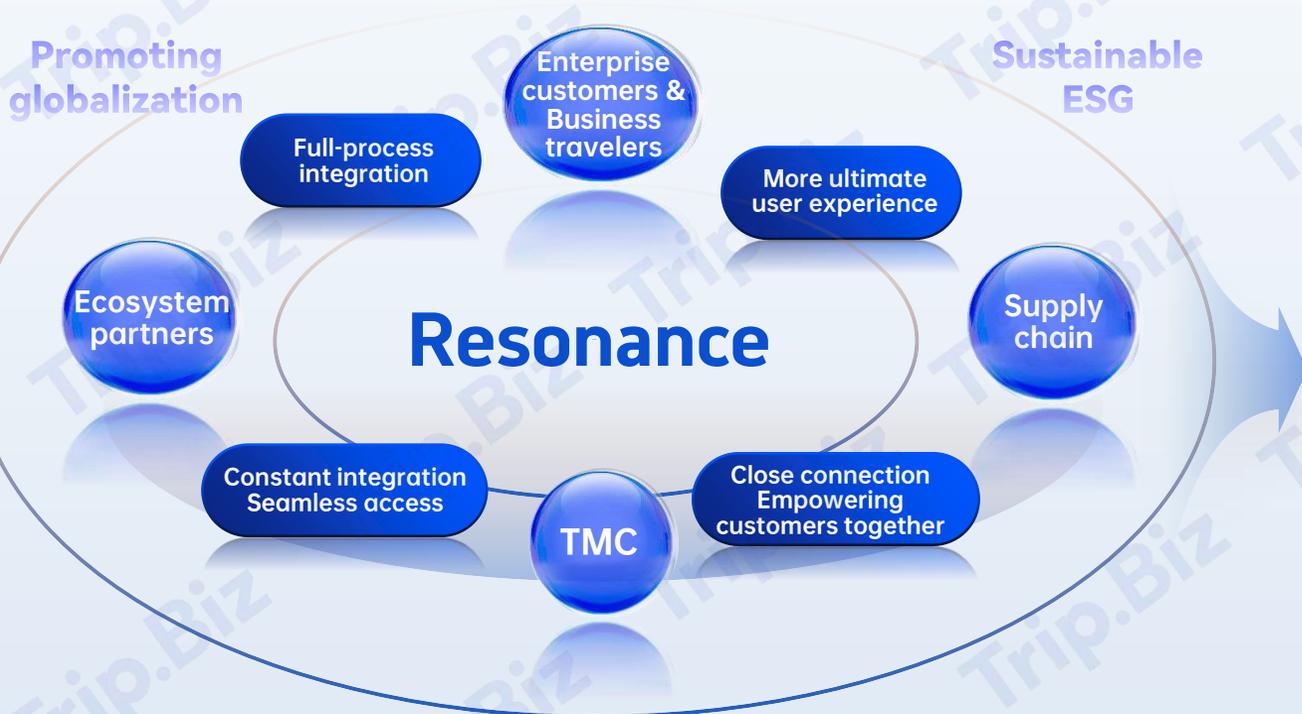


Business Travel 5.0

More ultimate, more open, more possibilities

Promoting globalization

Sustainable ESG



Embracing a digital future

Empower digital management and efficient travel

Value	Improved Quality and Efficiency	Compliance and Transparency	Coordination and Sharing	Sustainability	Ultimate Experience
Resource & Service	Flight Booking	Car Services	Train Booking	Visa Services VIP Services Bus VIP Ticketing	
	Hotel Booking		MICE		
System	Online Booking Tools		Conference Management System	Smart Management Back Office	
	Automated Settlement System		Digital Intelligence Management Report	Compliance and Risk Control Dashboard	
Product	ChengYiKong	ChengXi	Elite Club	ChengXin	Biz.Ebooking
	Trip.Biz	TMS	Continuous optimization...		
Connection	Connection with customers, ecosystem, supply chain				
	OA	ERP	Finance	HR	Supply chain...

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