GLOBAL SALES

Regional Market Updates

REGIONAL MARKET UPDATES

ASIA PACIFIC

Southeast Asia/Singapore:

- Reduction in travel due to political situation and uncertain outlook
- Careful approach to travel to the USA; concerns for staff of Chinese nationality

South Korea:

- Increased corporate travel to Vietnam, Japan, and the USA
- Small & medium corporations book via travel agents or OTAs

Australia:

- Downgrading profit expectations due to uncertain trading conditions
- Businesses trimming expenditure by 15-20% to offset downturn in profits

Japan:

- Weak Yen making international travel expensive
- Predicted steady increase in travel in 2025 and 2026
- Stronger indicators of mandating travel programs

REGIONAL MARKET UPDATES

CHINA

Market Recovery and Growth:

- Largest market, accounting for 25% of global spending
- Domestic business travel spending grew by 8.8% in 2024
- Chinese companies (software and IT services, automotive, commercial services, and wholesale trade) are expanding to more markets worldwide

Technological Shifts:

- Mobile booking rates reached 83% by 2024
- Full digitalization became standard; Virtual Credit Card Payment still a priority

Regional Insights:

- Domestic travel focused on client visits; international trips prioritized exhibitions/conferences
- Top destination cities and countries for Chinese companies going global

Top 10 destination cities for Chinese companies going global (2024)

- Singapore, Bangkok, Tokyo, Kuala Lumpur, Seoul, Hanoi, Ho Chi Minh City, Dubai, Jakarta, Paris

Top 10 destination countries for Chinese companies going global (2024)

- USA, Japan, Singapore, Thailand, Vietnam, Indonesia, Malaysia, Germany, South Korea, France

(excerpts sourced from Trip.Biz Corporate Travel Management White Paper)

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REGIONAL MARKET UPDATES

INDIA, MIDDLE EAST & AFRICA

India:

- Expected to reach pre-2019 spending levels by 2025 *(source: GBTA)*
- Blending business travel with leisure gaining momentum
- Increasing women solo travelers for business purposes

Middle East:

- Growth expected at 10.2% in 2025
- Strong desire to spend and travel post-pandemic
- Bleisure travel popular among Gen X and Gen Z

Africa:

- Growing corporate outbound travel to global hubs (UK, Europe, North America, Singapore, Australia and UAE)
- Executive travel into Africa rising as multinational companies explore growth opportunities
- Key industries driving travel trends (e.g. Oil & Gas, Mining, Agriculture, Telecommunication and FinTech)

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REGIONAL MARKET UPDATES

EUROPE

Business Cautions Continue:

- Majority of global and regional corporates continue despite geopolitical challenges
- Q1 dips in transient volume based on budgets and cost-saving measures

Top Cities:

- London, Stockholm, Copenhagen among top booked cities

Business Travel Growth:

- Driven by real estate activities and arts, entertainment, and recreation sector
- Hybrid work driving demand for in-person meetings and conferences

Sustainability and Bleisure Travel:

- Gaining momentum among younger professionals
- Technology and AI trends enhancing travel programs

Argentina:

- Economic rebound extending into 2025
- Strong travel forecast with top destinations including Cancun, Madrid, New York City, Las Vegas, Italy, and Miami.

Brazil:

- Slight decrease in transactions due to delayed Carnival and global economic uncertainty
- Impact of currency devaluation on outbound travel costs

Agriculture Sector:

- Key role in Brazil's economy; fluctuations in demand or trade conditions impacting travel

REGIONAL MARKET UPDATES

SOUTH AMERICA

REGIONAL MARKET UPDATES

CANADA & MEXICO

Canada:

- Steady growth in business travel driven by technology adoption and sustainability goals
- Industries such as automotive and manufacturing companies are shifting travel destinations due to trade tensions
- Air Canada adjusting routes to focus more on Europe (Edinburgh, Paris and Rome)

Mexico:

- Long-term investments driving increased business and media travel (e.g. Alibaba, Santander and Netflix)
- Automotive industry delaying final decisions on travel programs and policies due to tariffs

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REGIONAL MARKET UPDATES

UNITED STATES OF AMERICA

- **Geopolitical and Economic Uncertainty**: Major U.S. corporations are maintaining business as usual but are cost-conscious due to potential recession
- **Global Travel Managers**: Adopting a wait-and-see approach with no immediate changes to hotel programs or travel restrictions
- **Airlines**: American, Delta, and Southwest have withdrawn 2025 financial forecasts due to reduced bookings, influenced by trade tensions and tariffs
- **AI and Digital Tools**: Streamlining business travel with personalized planning, real-time itinerary adjustments, and expense management
- **Biometric Technology**: Adoption for seamless check-ins and security processes
- **Sustainability and Personalization**: Emphasis on eco-friendly travel options and personalized travel experiences using AI and data analytics
- **Bleisure Travel**: Growth in blending business and leisure travel, enhancing employee satisfaction and work-life balance

Off-Cycle RFPs:

- Corporations negotiating more aggressively , using economic uncertainty as leverage for hotel concessions.

Segment Performance – Q1 2025:

- **Financial and Legal**: Strong year-over-year growth for firms like J.P. Morgan, Citi, Morgan Stanley, Deutsche Bank, Wells Fargo, Bank of America, and Ovation (Law).
- **Entertainment**: Significant YOY gains for companies like Sony, Disney, and Netflix.
- **Government**: Sharp decline in travel spending due to federal policy changes and budget cuts.
- **Technology**: YOY decline for major players like Amazon, Google, Apple, and Microsoft.
- **Professional Services**: Mixed performance; gains for BCG and EY, declines for McKinsey and Deloitte.
- **Luxury Goods**: YOY decline for major retailers like LVMH and Kering.
- **SMEs**: Increasing business travel at a faster pace than global accounts.
- **Defense Contractors**: Minimal immediate impact from tariffs for companies like Lockheed Martin, RTX, Northrop Grumman, General Dynamics, and Boeing. Potential added costs in commercial aerospace market due to tariffs.

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REGIONAL MARKET UPDATES

UNITED STATES OF AMERICA