

Global Travel Driving Global Growth.



A positive outlook on the horizon.

The Great Recession caused dramatic changes in business travel — tighter travel and entertainment (T&E) budgets, fewer trips, and reduced expenditures. In recent years, overall spend has tightened, but 2010 saw growth of 8.4% in business travel spend (BTS) and projections for 2011 continue this upward trend. Interestingly, the differently paced economic recovery in emerging markets and developed countries is mirrored in BTS, as well. However, a number of economic risks have made the global travel market recovery potentially fragile.

This executive summary of the 2011 Global Business Travel Association (GBTA) Global Business Travel Outlook, sponsored by Visa, provides a broad view of current business travel market trends, highlights important changes from recent years, and makes projections through 2015. This annual study (started in 2010) integrates supplier-based data from airlines, hotels and rental car companies with demand-side sources from governments, traveler research panels and travel management companies to deliver a comprehensive view of business travel. As a result, this research provides credible, comprehensive and repeatable measures for business travel activity by industry, country and year.



Study Highlights:

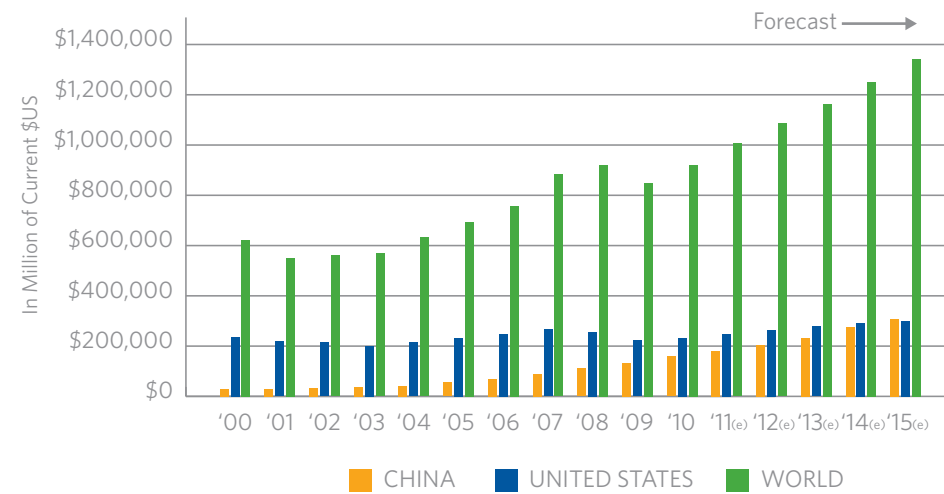
- \$924 billion was spent globally on business travel in 2010, up 8.4% from 2009.
- The dual tracks of economic recovery are mirrored in global business travel - developing markets are recovering and spending slower than emerging markets. In 2008, 30% of business travel was attributed to the U.S., alone. That percentage fell to 25% in 2009.
- Leading the charge in business travel growth is China, which is expected to surpass the U.S. in business travel spend by as early as 2015.
- Premium travel has shown 18 months of continued growth.
- The industries driving business travel have changed — service industries have cut T&E budgets, while industrial sectors are showing gains.
- Key economic risks could make the recovery fragile, including potential spikes in oil prices, the European debt crisis, slow growth in employment, and inflationary risk in the developing world.
- Higher oil prices keep airfare high, as well, which increases business travel spend, but not profits.

Key Findings:

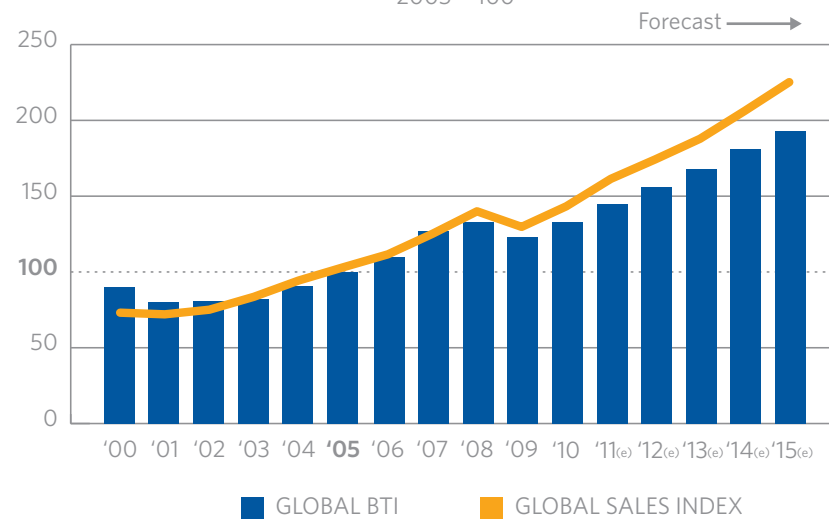
Watch for growth.

During the economic downturn of 2009, business travel slowed in many developed countries that had previously led in business travel spend. This resulted in an overall global decrease. However, current projections show travel on the rise. In fact, from 2009 to 2010, business travel increased by 8.4% and is expected to gain further momentum by gaining an estimated 9% in 2011.

World and U.S. Business Travel Spending
Domestic Plus Outbound International



Global BTI & Sales
2005 = 100



GBTA developed the Business Travel Index or BTI™ to measure current and projected business travel. The BTI is derived from total business travel spend and indexed with 2005 as the base year.

Growth stems from emerging markets.

In past years, the lion's share of business travel has come from developed economies such as the U.S., Western Europe and Japan. Economic challenges, debt issues, and natural disaster have resulted in greater financial cautiousness which has drastically slowed business travel in these areas. In emerging markets like China, India and parts of South America, the Great Recession was fairly mild. By mid-2011, many of these economies have already regained their previous peaks. Exports of goods and services have advanced tremendously and consumer spending is up, as well. This robust economic activity leads to increased travel for business.

New leaders in business travel.

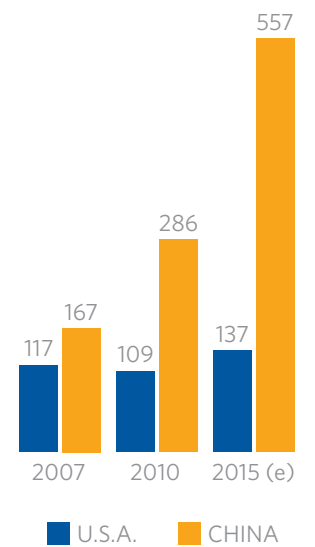
China is expected to surpass the U.S. in overall business travel spend by 2015. In developed economies like the U.S., businesses are consolidating trips, doing more with less travel, and increasing use of teleconferencing, which has slowed the travel growth rate. In contrast, as emerging markets evolve and grow, they require more travel to be productive.



In Millions of US \$

Country	BTS 2010	BTS 2015 (e)	2010-2015 (e) CAGR	Change in BTS 2010-2015 (e)	Rank
China	\$158,556.0	\$309,000.2	11.8%	\$150,444.3	1
India	\$18,057.4	\$33,377.5	10.8%	\$15,320.1	2
Brazil	\$25,371.1	\$41,477.3	8.5%	\$16,106.2	3
Russia	\$16,907.2	\$27,083.9	8.2%	\$10,176.8	4
Indonesia	\$11,994.5	\$18,891.5	7.9%	\$6,896.9	5
South Korea	\$26,119.1	\$40,227.0	7.5%	\$14,108.0	6
United Kingdom	\$34,756.7	\$49,420.6	6.0%	\$14,664.0	7
Canada	\$20,238.2	\$28,664.3	6.0%	\$8,426.1	8
Spain	\$17,878.3	\$24,443.7	5.4%	\$6,565.3	9
Australia	\$19,250.4	\$25,391.1	4.7%	\$6,140.7	10
United States	\$234,154.5	\$301,309.5	4.3%	\$67,154.9	11
Germany	\$32,380.3	\$40,229.9	3.7%	\$7,849.6	12
France	\$31,951.7	\$39,504.4	3.6%	\$7,552.7	13
Japan	\$62,939.7	\$77,149.2	3.5%	\$14,209.5	14
Italy	\$32,846.8	\$38,069.9	2.5%	\$5,223.1	15
World	\$924,294.2	\$1,345,439.9	6.5%	\$421,145.7	

The emerging markets are the clear leaders in BTS growth. While the U.S. is projected to retain the second largest BTS in 2015, this is primarily due to the size of the economy and the population.



The Business Travel Index showcases China's dramatic business travel growth.

Key Findings:

The changing face of business travel.

With spend volume shifting to emerging markets, travel by industry is changing, as well. Service industries, which are dominant in the developed world, are investing less in travel, while trade industries such as manufacturing, machinery, and others prevalent in emerging markets show significant growth.

Industry	2010 BTS	Cumulative % of Total	2010-2015 (e) CAGR	Global Travel Intensity Index*	Concentration Index**
Utilities	\$95,730.0	10.4%	6.9%	320	93
Food Processing and Services	\$79,215.2	8.6%	6.2%	187	91
Professional & Business Services	\$62,477.0	6.8%	2.6%	115	164
Real Estate	\$58,791.7	6.4%	7.7%	101	161
Government	\$51,931.8	5.6%	4.3%	88	165
Social & Personal Services	\$49,279.5	5.3%	5.8%	163	135
Wholesale Trade	\$47,024.9	5.1%	3.9%	89	86
Transportation Services	\$44,303.5	4.8%	7.8%	97	55
Banking & Finance	\$38,281.7	4.1%	4.3%	62	157
Construction	\$38,252.3	4.1%	7.8%	56	81
Communications Services	\$34,683.4	3.8%	5.7%	128	95
Equipment Rental & Leasing	\$29,913.3	3.2%	5.2%	380	206
Agriculture, Hunting, Forestry, Fishing	\$29,834.5	3.2%	4.3%	74	96
Rubber & Plastic Manufacturing	\$27,157.7	2.9%	10.0%	240	109
Petroleum Refining	\$20,584.6	2.2%	8.7%	81	100
Grand Total	\$924,294.2	100.0%	6.5%	100	100

*A measure of the importance of travel to the top-line revenue of a given industry relative to average

**A measure of how geographically concentrated an industry is across countries

Conclusion:

Opportunities are emerging

The 2011 Global Business Travel Outlook highlighted the increased importance of emerging markets for this category. There is also good news for developed markets, as global business travel in these areas of the world has advanced faster and farther than expected a year ago. With healthier corporate balance sheets and pent up travel demand as a result of overly aggressive cuts in previous years, there is increased opportunity for business travel in all areas.

Enhancing knowledge: Survey methodology and scope.

As part of our ongoing commitment to thought-leadership and the advancement of knowledge in business travel, Visa has sponsored the GBTA's Global Business Travel Spending Outlook for the past two years. Conducted by Vantage Strategy, this study was designed to understand the impact of economic and social changes on business travel in 75 countries and 48 industries around the world. These measures have been designed to be refreshed on an annual basis to facilitate ongoing business travel market monitoring.

For more information on business travel and how you can use the findings of this study, contact Visa Commercial Solutions at cs@visa.com.



