



Global

Quarterly Trend Report

Q1-2024

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→ About the Report

This FCM Consulting quarterly trend report draws on global data sourced from FCM Travel and Flight Centre Travel Group corporate booking data for travel from January to March 2024 (Q1-2024). The report uses Cirium aviation schedule data as of 16 April 2024. Airfare pricing variations exclude all taxes.

*The hotel Average Room Rate (ARR) quoted is the average booked rate using FCM Travel and Flight Centre Travel Group corporate booking data. Variations in rates booked are a reflection of seasonality, supply and demand, booking lead times and variations in exchange rates.
Unless otherwise stated, all fares and rates are reported in US dollars.*

CORPORATE

Need to Know

Q1-2024 business travel has seen gradual, consistent growth in trips, which is forecast to continue into Q2-2024.

- With the economic outlook being somewhat positive for the remaining year, corporate budgets are increasing with confidence and enabling steady business travel trends. Pricing will remain strong in most locations as demand grows throughout the year.
- Travel programs come under the spotlight as they prepare for mandatory Scope 3 emissions reporting.

This edition of FCM Consulting's Quarterly Trend Report of Q1-2024 shares changes across the industry that are gaining momentum.



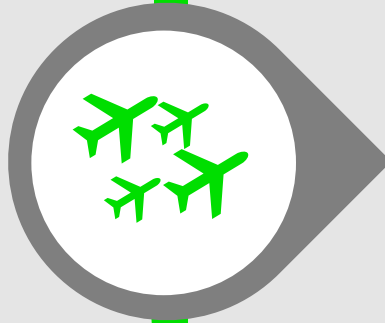
GROUND

The rise and fall of ground transport costs call for a price check.



GLOBAL ECONOMY

Overall, a positive outlook for 2024, however, geopolitical events create uncertainty.



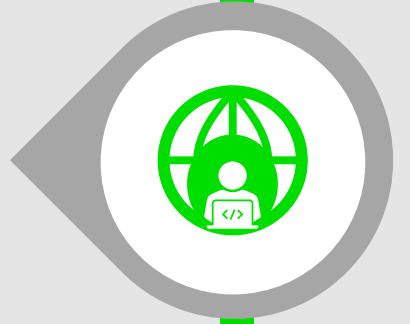
LOW-COST CARRIERS

Offering 31% of seats in 2024 and making 50% of revenue from ancillary services.



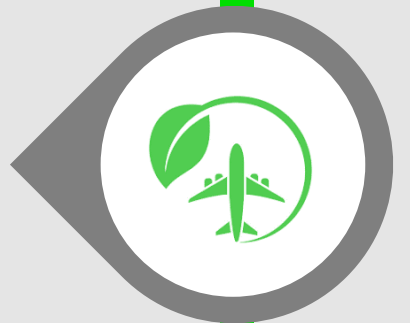
AIRLINE FARES & DISTRIBUTION

NDC content grows and others upgrade subscription models.



GLOBAL TRENDS

Traveller trends stabilised from H2-2023 and Q1-2024 signals longer trips ahead.



SUSTAINABLE AVIATION FUEL

EU targets set to help drive supply into 2050.

CORPORATE TRAVEL

Key Takeaways Q1-2024

1



ECONOMIC REVIEW

Global Inflation is estimated to be **5.9%**[^] in 2024, unemployment rates are trending lower, and consumer confidence is returning once again. Overall, the global economy has been resilient against increases in interest rate. These signs indicate that the economic conditions for 2024 look positive. Several geopolitical conflicts will continue to bring a level of uncertainty to the global economy. Pricing for travel remains strong as demand incrementally grows in 2024.

2



GLOBAL BOOKING TRENDS

With steady booking volumes in **Q1-2024** corporate travel demand is steady. Travellers continue to tightly manage budgets for the remainder of the year with early bookings and more days away.

DOMESTIC BOOKING TRENDS	Q1-2024	Var. to Q1-2023
ONLINE ADOPTION	72%	SAME
ADV. BOOKING DAYS	23.3	↑ 1.5
AVG. DAYS AWAY	4.4	↑ 0.3

3



AIRLINE SUBSCRIPTIONS

Alaska Airlines and AirAsia recently upgraded their subscription plans, adding more destinations and benefits. Paying a monthly or annual subscription, travellers can use funds towards flights on select networks.

- **Alaska Airlines**, Flight Pass is \$49/month, for flights across 15 USA destinations.
- **AirAsia**, Super+ Lite is \$187 or Premium \$520p/annum flying to 10-16 markets.

It's too early to call it a trend, however, it's a pricing model being explored across travel.

[^]International Monetary Fund, World Economic Outcome, 16 April 2024.

G20 GLOBAL ECONOMY

Variations of the report for Q1-2024 are minor when comparing PMI[^] and Inflation, signalling that travel prices will remain high.

Q1-2024 saw the average purchase price for global economy class fares were up **↑\$45**, and hotel night rates up **↑\$18** during the same period in 2019. Whilst jet fuel price trends were stable at **US\$110**, recent geopolitical events may push prices up.

OBSERVATIONS

- Lower unemployment rates indicate conditions are improving and consumer confidence in spending is returning once more.
- The metrics in the table (in order of PMI movement) show the Euro Area is still weak, specifically in key markets of Germany and France, with decreases in manufacturing and service indicators.
- The rest of the G20 countries are showing a positive trend, with the exception of inflation, which has increased slightly from the previous analysis.

*FCM Consulting shares a sampling of the key metrics to understand future economics on corporate travel budgets: **PMI**, **Unemployment** and **Inflation**. Other influences that impact the cost of travel such as geopolitical instability, impacts of weather and natural disasters, seasonality, government elections, holiday periods, and large-scale events i.e., Olympics. and others not mentioned here.*

[^]PMI – Purchasing Managers Index

More details on PMI, Unemployment and Inflation can be found at the end of the report.

COUNTRY/REGION (G20)	PMI [^] COMPOSITE		UNEMPLOYMENT		INFLATION	
	Last (Feb/Mar-24)	Variation from previous month	Last (Dec-23-Mar-24)	Variation from previous	Last (Feb/Mar-24)	Variation from previous month
SAUDI ARABIA*	57.0	0.00	4.40	-0.70	1.80	0.20
INDIA	61.8	0.02	7.64	-0.37	5.09	-0.01
RUSSIA	52.7	0.01	2.80	-0.10	7.70	0.30
INDONESIA*	54.2	0.03	5.32	-0.13	3.05	0.30
MEXICO*	52.2	0.00	2.50	-0.40	4.42	0.02
CHINA	52.7	0.00	5.30	0.10	0.70	1.50
SINGAPORE	55.7	-0.02	2.00	0.00	3.40	0.50
SOUTH KOREA*	49.8	-0.02	2.60	-0.40	3.10	0.00
BRAZIL	55.1	0.00	7.80	0.20	4.50	-0.01
SOUTH AFRICA	48.4	-0.05	32.10	0.20	5.60	0.30
UNITED STATES	52.1	-0.01	3.80	-0.10	3.20	0.10
JAPAN	51.7	0.02	2.60	0.20	2.80	0.60
AUSTRALIA	53.3	0.02	3.70	-0.40	4.10	-1.30
TURKEY*	50.0	0.00	9.10	0.20	68.50	1.43
SPAIN	55.3	0.03	11.76	-0.08	3.20	0.40
UNITED KINGDOM	52.8	0.00	3.90	0.10	3.40	-0.60
CANADA	47.0	0.00	6.10	0.30	2.80	-0.10
NETHERLANDS*	49.7	0.01	3.70	0.10	3.10	0.30
ITALY	53.5	0.05	7.50	0.20	1.26	0.51
EURO AREA	50.3	0.02	6.50	0.00	2.40	-0.20
GERMANY	47.7	0.03	5.90	0.00	2.20	-0.30
FRANCE	48.3	0.00	7.50	0.00	2.30	-0.70
SWITZERLAND*	45.2	0.03	2.40	0.00	1.00	-0.20

* Manufacturing PMI only

THE FUTURE TARGETS SUSTAINABLE TRAVEL

No longer an optional report, Scope 3 emissions reporting for business travel programs will become mandatory in the EU for large organisations.

And, as the aviation industry moves to decarbonise by 2050, the EU and UK have approved SAF blending targets to ensure supply increases, encouraging demand and a more sustainable travel future.

^CSRD – Corporate Sustainability Reporting Directive.

*ESRS – European Sustainability Reporting Standards.

^^double materiality criteria – as quoted by EFRAG, European Financial Reporting Advisory Group

1



CORP. SUSTAINABILITY REPORTING DIRECTIVE

Scope 3 emissions reporting is no longer optional in Europe as the **CSRD**[^] came into effect at the start of 2024. Whilst delayed, the **ESRS**^{*} overarching reporting criteria for organisations remain.

Whilst the CSRD has broader requirements beyond business travel, the most notable fact for **travel program owners** is mandatory reporting and **double materiality criteria**^{^^}. International reporting requirements also remain effective from 2026.

California, the fifth largest economy globally, has also passed a similar law (SB253), which determines organisations with >\$1B revenue to report emissions, including scopes 1, 2 & 3 from 2026.

2



SUSTAINABLE AVIATION FUEL (SAF)

In 2023, the EU and UK have both approved blending targets for SAF usage, which set the standards for the SAF amounts airlines will need to include for commercial flights.

YEAR	MIN % EU	MIN % UK
2025	2%	2%
2030	6%	10%
2035	20%	10%
2040	34%	22%
2045	42%	22%
2050	70%	22%

From 2026, Singapore Changi Airport will charge a 1% SAF levy on tickets for departing flights to support SAF development.

**Need help or more insights into sustainability travel strategies and reporting?
Contact: Glenn Thorsen at FCM Consulting: glenn.thorsen@fcmtravel.dk**

AVIATION

Key Takeaways Q1-2024

1



FARE SHAKE UPS

January 2024 saw a rise in the average paid ticket price in economy class **↑\$45 (+11%)** and business class **↑\$224 (+12%)** compared to **2019** same period.

YTD-2024 vs 2019	ECONOMY	BUSINESS
APAC	+ 11%	+ 13%
EUROPE	+ 12%	+ 2%
LATAM	+ 9%	- 14%
MEA	+ 14%	+ 17%
NAM	+ 15%	+ 9%

2



NDC NEWS

Here is a glance at the airlines that made significant announcements in Q1:

- **Avianca, Copa** and **SAS** increase their EDIFACT GDS surcharge, whilst **LOT** introduces a new surcharge.
- **SAS** announces content removal.
- **AC** to reach NDC sales share of 20%.
- **LH** offers continuous pricing in regions.
- **MH, QF** and **UL** launch agent NDC portals.
- **AA** to launch the preferred agency concept in Q2-2024 requiring 30% content adoption in June 2024, 50% in October 2024 and 70% in April 2025.

3



RE-SHOPPING

The flight is booked and ticketed. **Should you re-shop for a better fare?**

- Here are our points to consider if your airline allows a fare re-shop:
- Overall change fee cost vs lower fare.
 - Refundability of original fare.
 - Credit of residual value for future use.
 - Losing possible seat upgrade, advanced seat allocation and any other ancillary product in the original fare.
 - Itinerary changes such as travel time.

For more insights into NDC, contact Florian Mueller at FCM Consulting: florian.mueller@us.fcm.travel

AVIATION

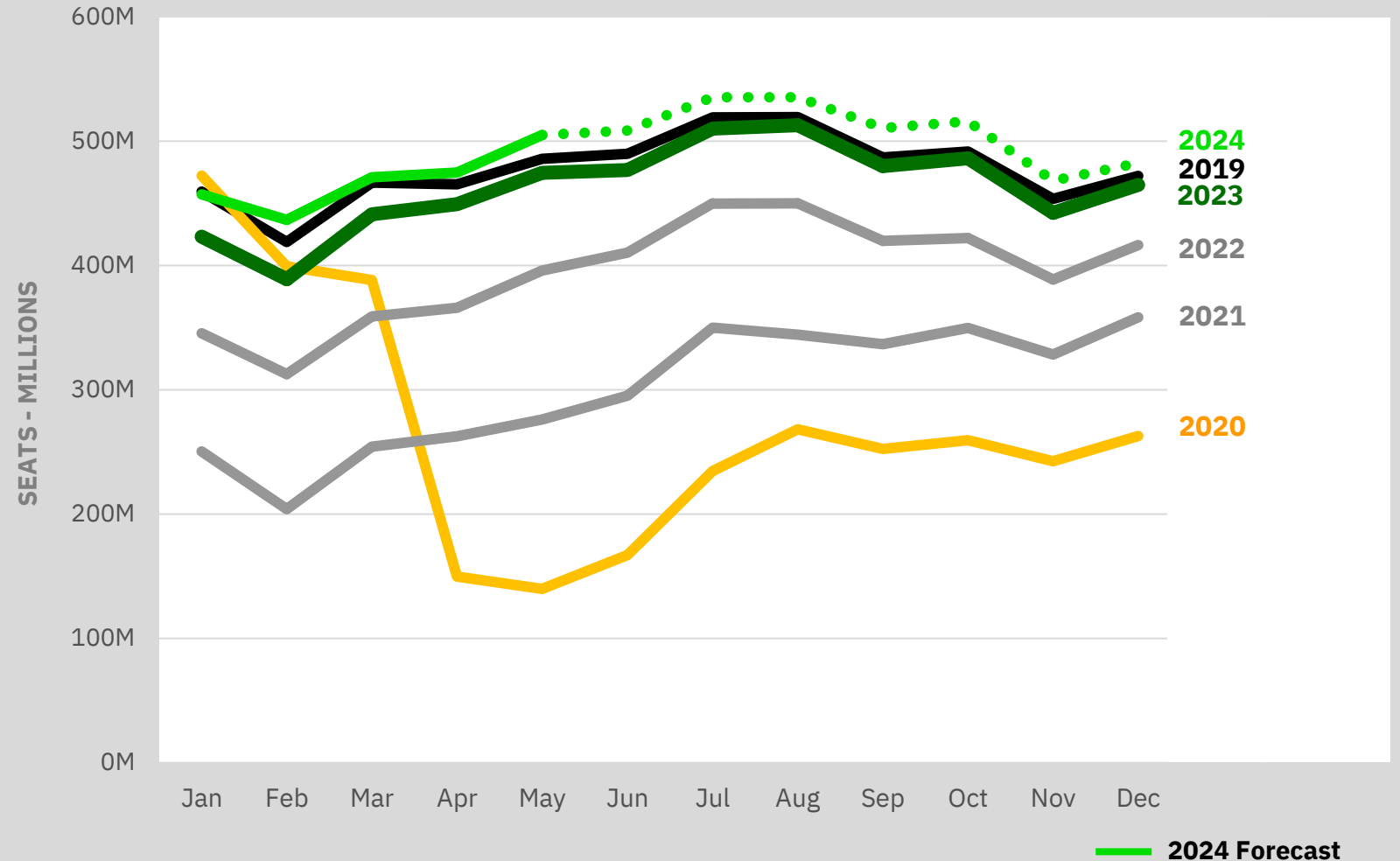
MONTHLY SEATS OFFERED SET HIGH FOR THE REMAINDER OF 2024

Monthly seats offered from May to December 2024 has been forecasted to an average of **+3.6% (+17.8M)** above the 2019 monthly averages.

2024 scheduling continues to signal supply confidence across five of the seven global regions, as reported below.

2024 vs 2019	SEATS	FLIGHTS
NORTH AMERICA	↑ 9%	↓ 7%
AFRICA	↑ 9%	↑ 4%
MIDDLE EAST	↑ 6%	↑ 3%
LATAM	↑ 5%	↓ 2%
ASIA	↑ 2%	= 0%
EUROPE	= 0%	↓ 6%
AUSTRALASIA	↓ 1%	↓ 4%

GLOBAL SEATS



Long range aviation forecasts are subject to change. Therefore, we recommend only observing schedules 4-6 weeks ahead.

GLOBAL AIRLINES

SEATS AND FLIGHTS OFFERED IN 2024 COMPARED TO 2019

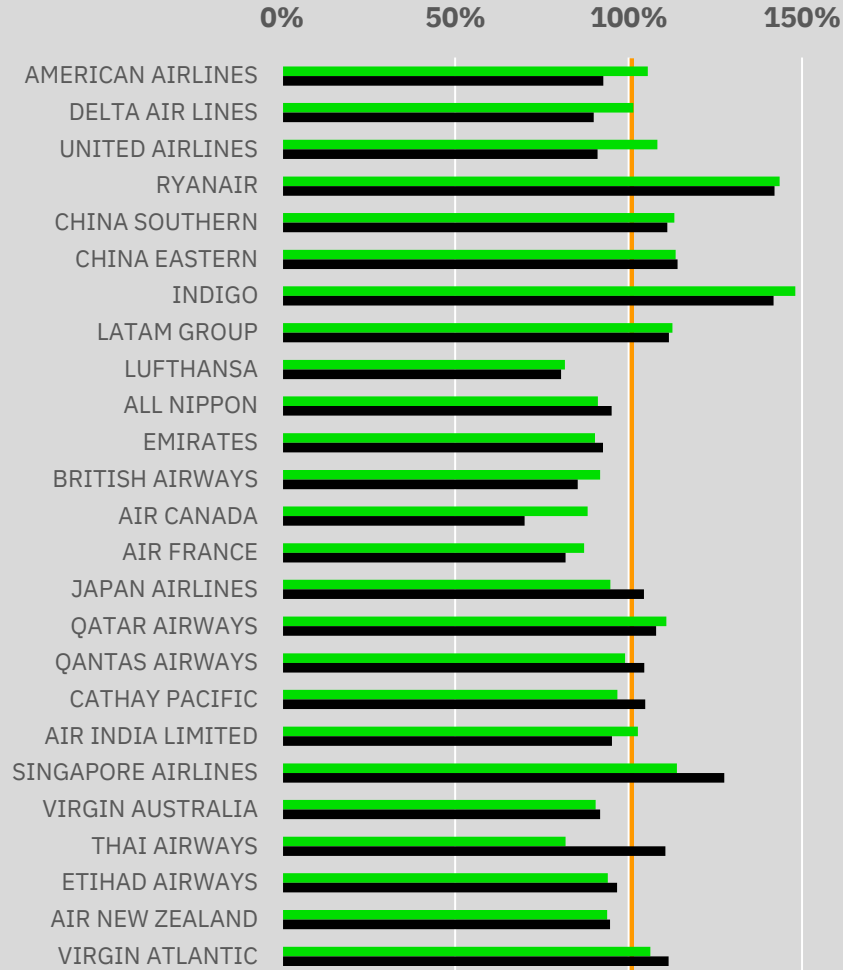
The forecast of seats offered across top corporate global airlines in 2024 is set to be **+6%** above 2019, and flights offered **-1%**.

The top corporate airlines globally show that LCCs are performing well.

Nine of the top airlines are forecast not to return to 2019 levels during 2024.

TOP GLOBAL CORPORATE AIRLINES

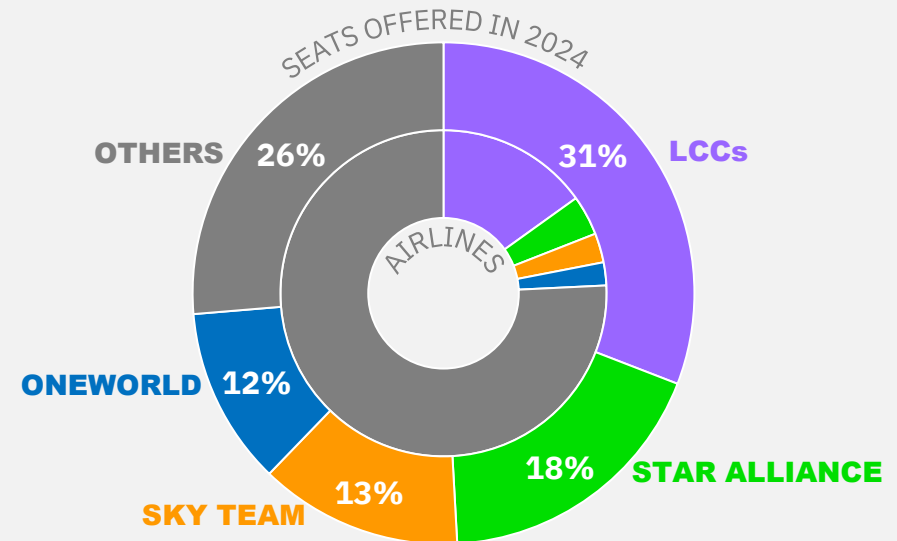
Top global corporate airlines (by seats). Chart shows % of seats and % of flights offered in 2024 compared to 2019.



LOW-COST CARRIERS (LCCs)

REPRESENT over 31% of global seats offered in 2024.
OFFER low fares, single cabin configuration, no loyalty plan.
FLIGHTS are point-to-point, short-haul travel.
OPERATE lean and agile business models allow LCCs to shift flights as demand changes, or lower fares to tease more demand.
TRAVELLER TYPE predominantly leisure travellers providing short-haul travel saving options.
REVENUE sales of up to 50% can be generated through ancillary services (seating, meals, bags, entertainment, etc).

Purchasing airfare and ancillary services can push the total trip cost to the equivalent, or more, than a non-LCC ticket. Travellers need to bundle their total trip cost and then compare fares.



FCM Consulting Analytics as at 16 April 2024
 Source Data: Cirium Air Seats

ECONOMY CLASS FARES FLY HIGH

Across 380 city pairs, economy class airfares are up **↑\$45 (+11%)** and business class recedes in some markets.

Purchased airfare % change YTD January 2024 vs 2019 same period

NORTH AMERICA

	ECONOMY	BUSINESS
BOS-PVG	↑ 21%	↓ 3%
EWR-ORD	↓ 14%	↓ 5%
FRA-JFK	↑ 15%	↓ 10%
JFK-LAX	↑ 31%	↓ 8%
JFK-YYC	↑ 11%	↓ 3%

EUROPE

	ECONOMY	BUSINESS
DUB-LHR	↑ 51%	↑ 66%
FRA-MAD	↑ 24%	↓ 11%
JFK-LHR	↑ 14%	↓ 9%
LHR-MAD	↑ 23%	↓ 6%
LHR-PVG	↑ 12%	↑ 2%

ASIA

	ECONOMY	BUSINESS
SHA-SIN	↑ 1%	↓ 38%
BOM-DEL	↑ 1%	↑ 7%
BOM-LHR	↑ 22%	↑ 16%
PVG-SIN	↑ 2%	↑ 2%
LAX-PEK	↑ 14%	↑ 17%

LATIN AMERICA

	ECONOMY	BUSINESS
CGH-JFK	↑ 15%	NA
CGH-LHR	↑ 8%	NA
EWR-SDU	↓ 3%	NA
FRA-SDU	↑ 9%	NA
SDU-YYZ	↑ 12%	NA

MIDDLE EAST/AFRICA

	ECONOMY	BUSINESS
CPT-DXB	↑ 5%	↑ 35%
DXB-FRA	↑ 17%	↑ 15%
DXB-SYD	↑ 13%	↑ 31%
FRA-JNB	↑ 17%	↑ 14%
JNB-LHR	↑ 13%	↑ 7%

AUSTRALIA/NEW ZEALAND

	ECONOMY	BUSINESS
AKL-JFK	↑ 17%	↑ 27%
AKL-SYD	↑ 20%	↓ 61%
MEL-SYD	↑ 3%	↑ 25%
SIN-SYD	↑ 5%	↓ 3%
LAX-SYD	↑ 1%	↑ 26%

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ACCOMMODATION

Key Takeaways Q1-2024

1



NEGOTIATED VS BAR Q1

When is it time to negotiate a contracted hotel rate for your business?

- When room volumes are 100+ nights[^]
- Travel patterns to a city are consistent
- Travellers are happy to book and stay

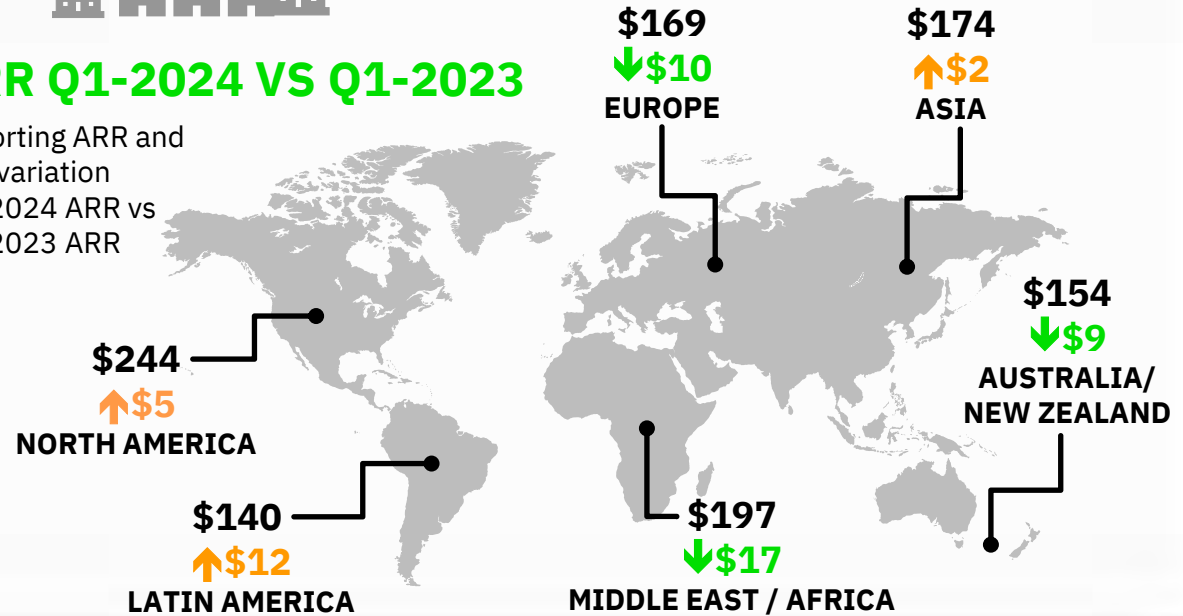
When comparing contracted hotel rates and BAR[^] prices for 2024, current corporate negotiated rates are an average **-35.1%** lower. These results are based on FCM Consulting clients booking through FCM Travel, Corporate Traveller and other third party TMCs globally.

2

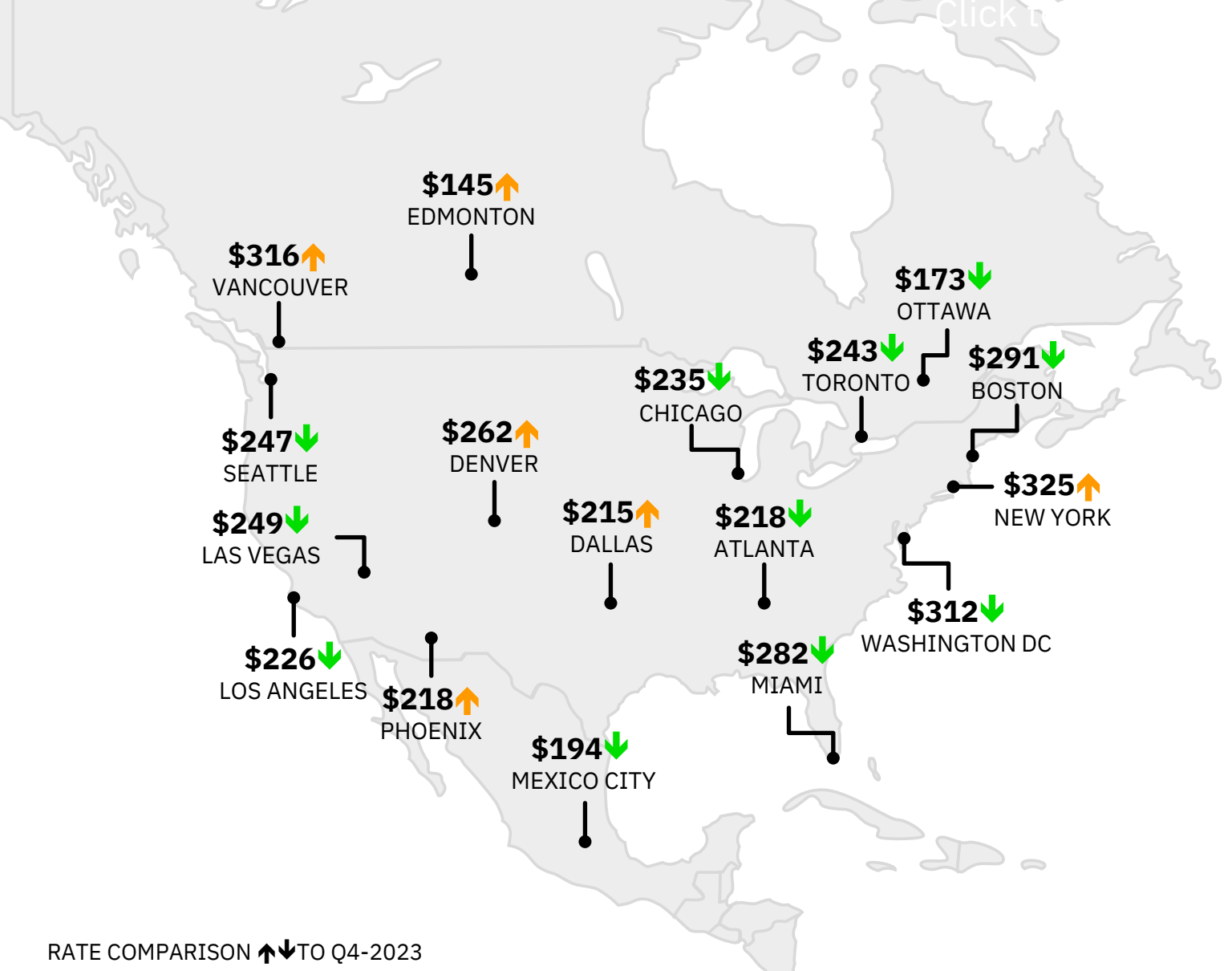


ARR Q1-2024 VS Q1-2023

Reporting ARR and
↓↑ variation
Q1-2024 ARR vs
Q1-2023 ARR



[^] BAR = Best Available Rate offered to the public. Nightly rate will vary, usually includes Wi-Fi and offer some flexibility for changes or cancellations.



NORTH AMERICA

Accommodation Q1-2024

Q1-2024 ARR ROSE ↑\$5 (↑ 2%) COMPARED TO Q1-2023. PHOENIX AND DENVER SAW DOUBLE DIGIT RISES FOR THE SAME PERIOD.

RATE COMPARISON TO Q4-2024

- CHICAGO ↓ 3%
- LOS ANGELES ↓ 28%
- NEW YORK ↑ 3%
- MEXICO CITY ↓ 21%
- VANCOUVER ↑ 41%

RATE COMPARISON ↑↓ TO Q4-2023

Corporate Travel
Average Rate Paid % Var. Q4-2023 ↓ 3%
Q1-2024 vs Q1-2023 ↑ 2%



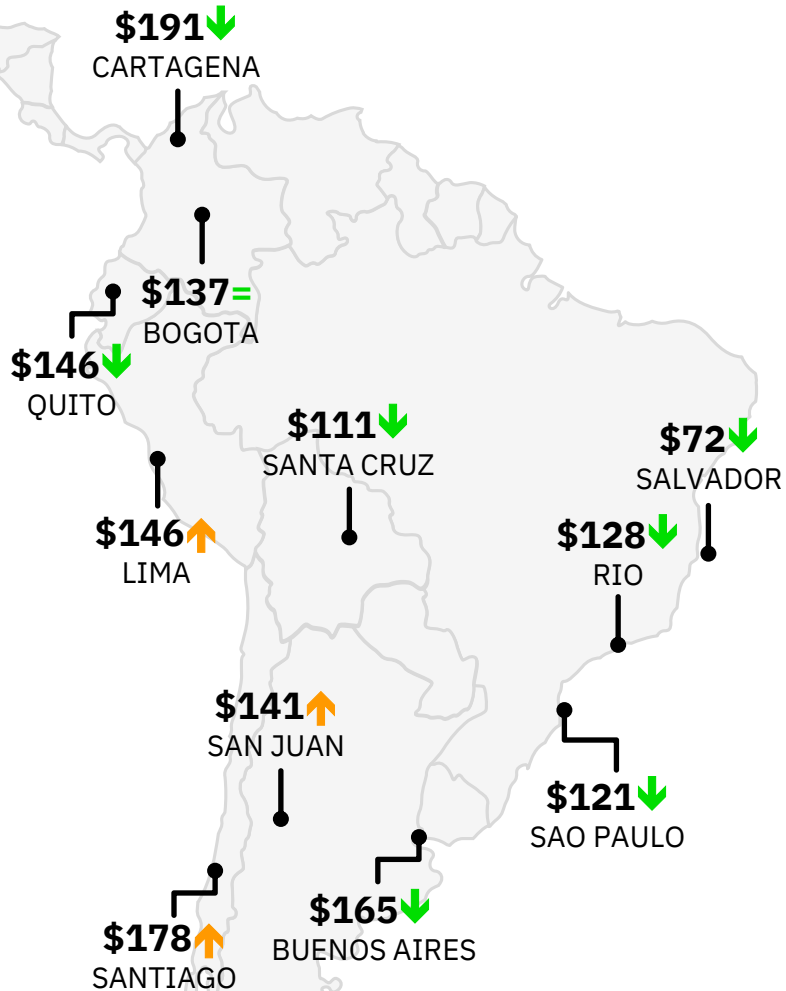
LATIN AMERICA

Accommodation Q1-2024

ACROSS THE REGION ARR ROSE AN AVERAGE OF **↑\$12** COMPARED TO Q1-2023.

RATE COMPARISON TO Q4-2023

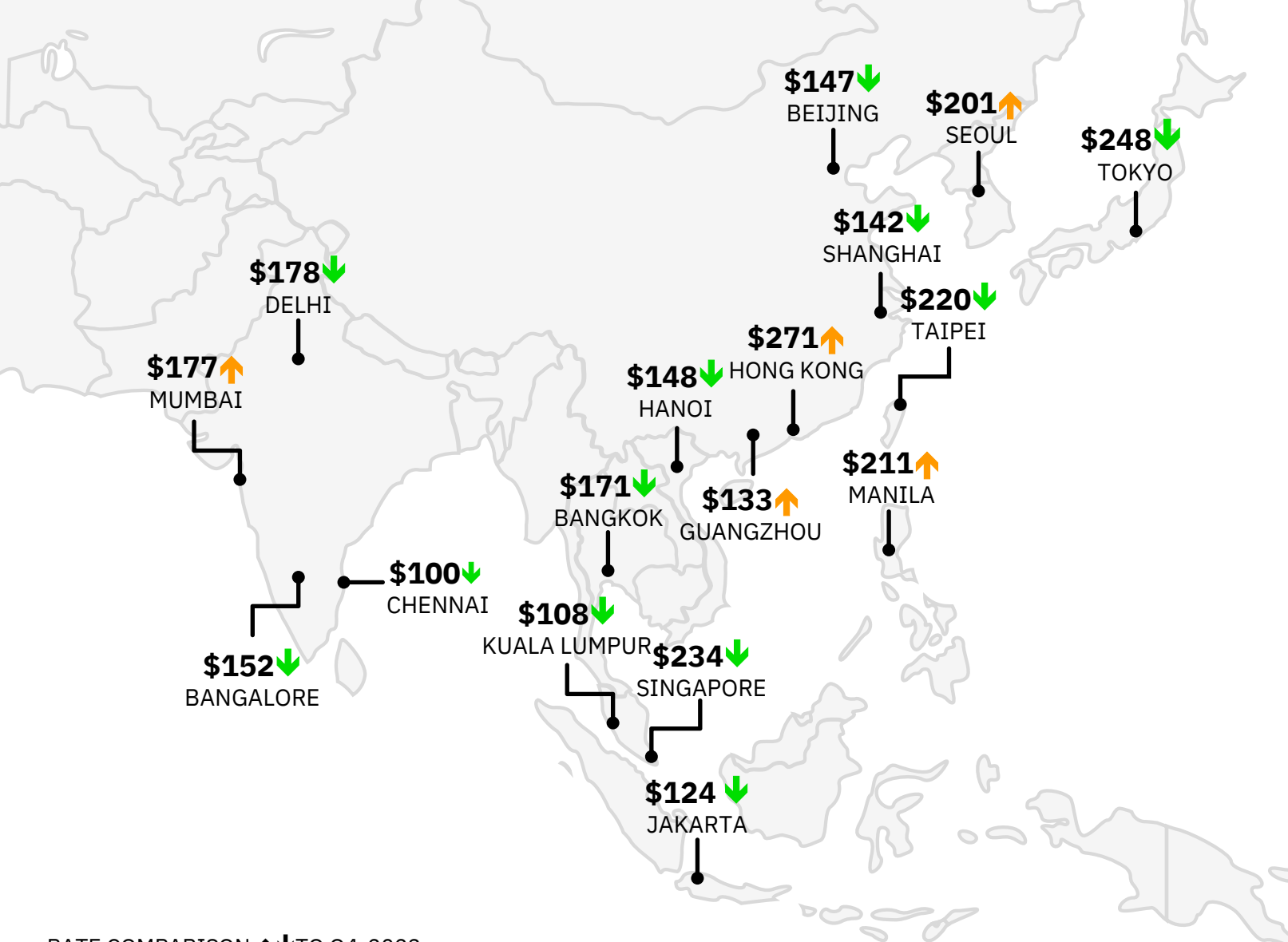
- BUENOS AIRES **↓ 12%**
- LIMA **↑ 9%**
- RIO **↓ 46%**
- SANTIAGO **↑ 17%**
- SAO PAULO **↓ 19%**



RATE COMPARISON **↑↓** TO Q4-2023

Corporate Travel
Average Rate Paid % Var. Q4-2023 **↓ 16%**
Q1-2024 vs Q1-2023 **↑ 9%**





ASIA

Accommodation Q1-2024

Q1-2024 ARR RESET ↓\$23 AFTER THE Q4-2023 SPIKE. CONSISTENT WITH OTHER REGIONS, Q1-2024 ARR IS ↑\$2 ON Q1-2023.

RATE COMPARISON TO Q4-2023

- CHENNAI ↓ 23%
- JAKARTA ↓ 20%
- MANILA ↑ 21%
- KUALA LUMPUR ↓ 25%
- SHANGHAI ↓ 19%
- SINGAPORE ↓ 21%

RATE COMPARISON ↑↓ TO Q4-2023

Corporate Travel
Average Rate Paid % Var. Q4-2023 ↓ 11%
Q1-2024 vs Q1-2023 ↑ 1%



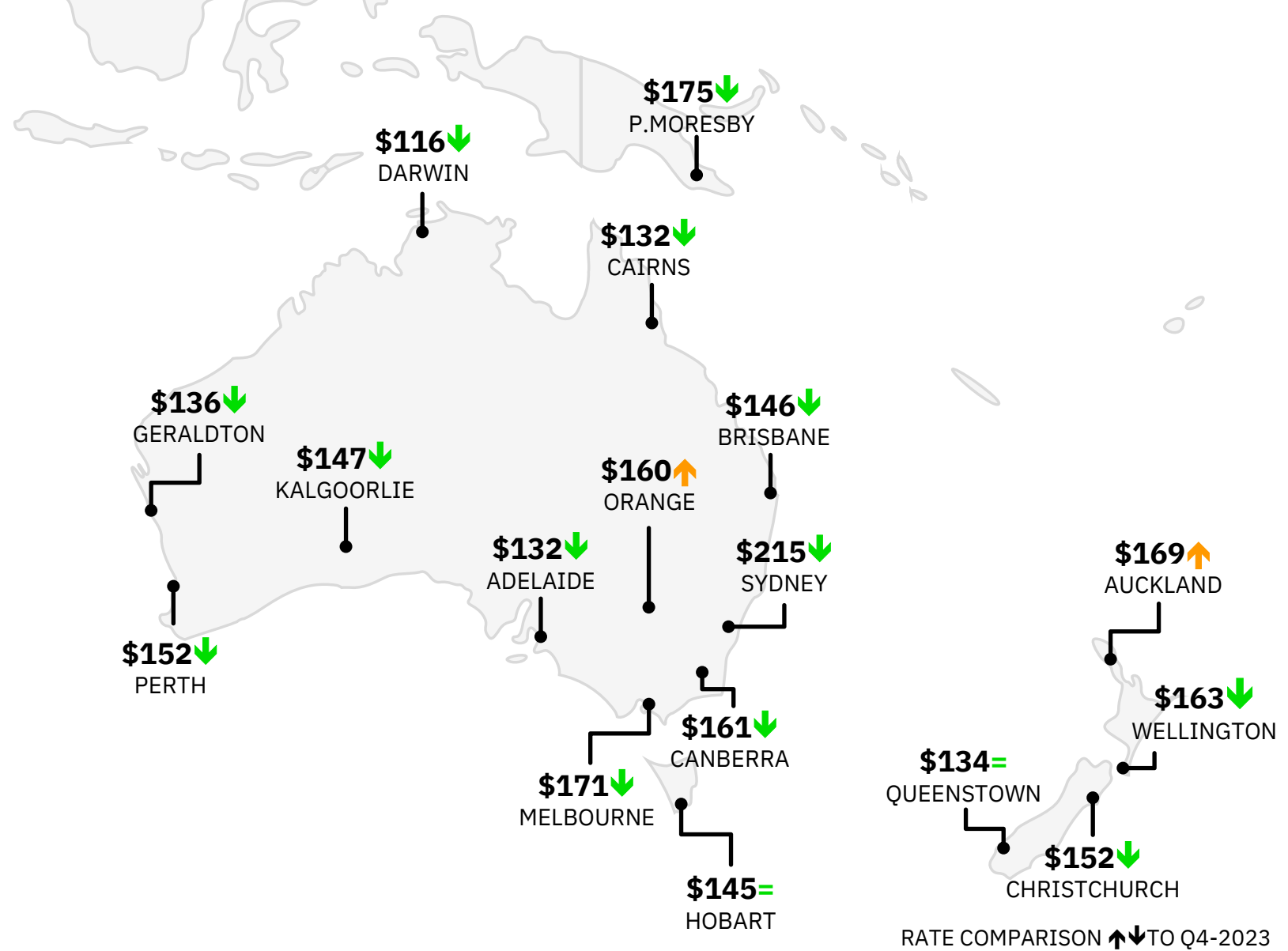
AUSTRALIA & NEW ZEALAND

Accommodation Q1-2024

SIMILAR TO THE ASIA REGION, THE AU/NZ ARR RESET ↓\$20 IN Q1-2024 AFTER Q4-2023.

RATE COMPARISON TO Q4-2023

- ADELAIDE ↓ 23%
- AUCKLAND ↑ 4%
- MELBOURNE ↓ 16%
- SYDNEY ↓ 16%
- WELLINGTON ↓ 5%



Corporate Travel
Average Rate Paid % Var. Q4-2023 ↓ 12%
Q1-2024 vs Q1-2023 ↓ 5%

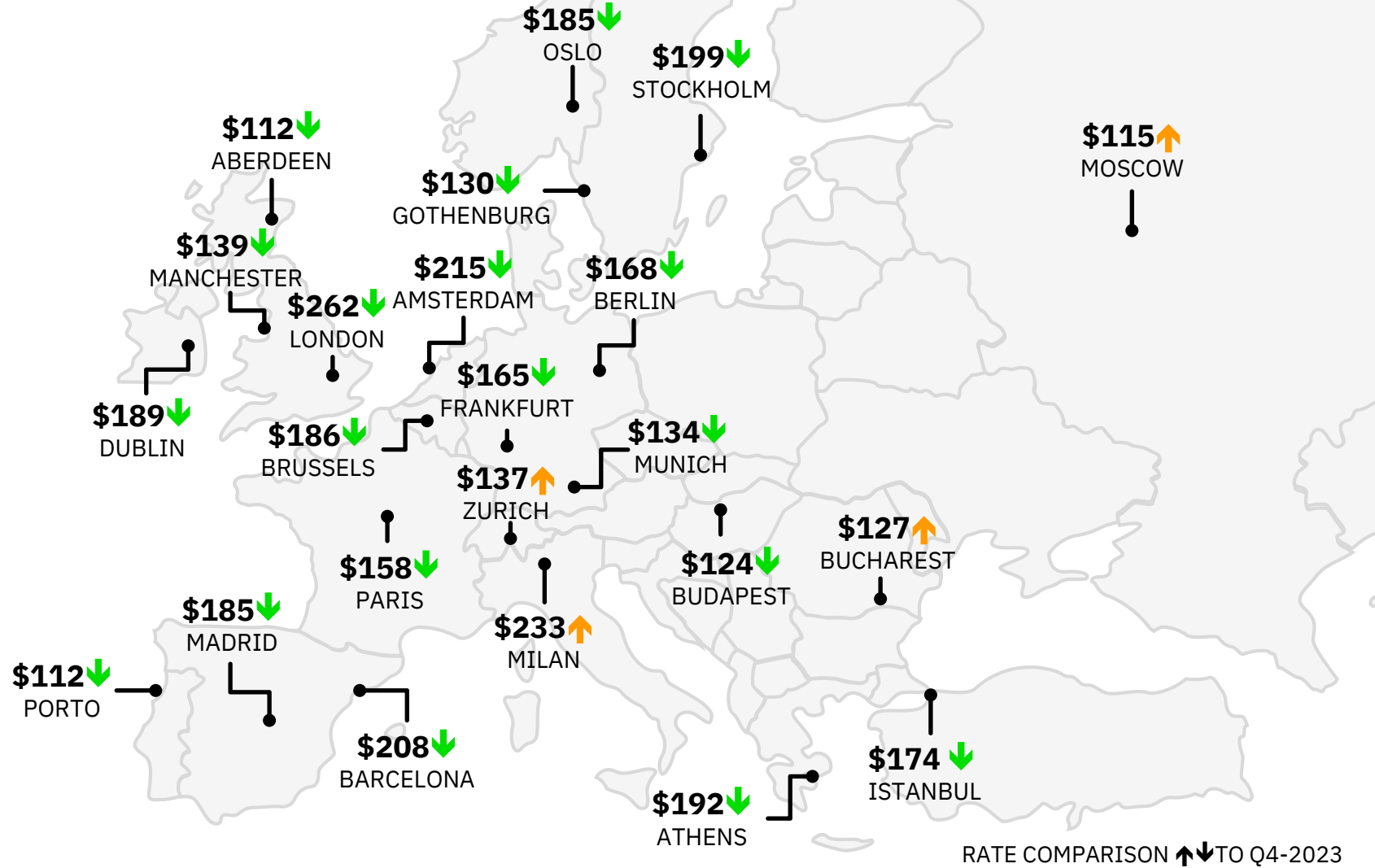
EUROPE

Accommodation Q1-2024

ACROSS EUROPE THE ARR
DECLINED \downarrow \$26 DURING
Q1-2024 COMPARED TO
Q4-2023.

RATE COMPARISON TO Q4-2023

- BERLIN \downarrow 18%
- DUBLIN \downarrow 15%
- FRANKFURT \downarrow 13%
- LONDON \downarrow 11%
- MADRID \downarrow 9%



Corporate Travel
Average Rate Paid % Var.

Q1-2024 vs

Q4-2023 \downarrow 13%

Q1-2023 \downarrow 6%

RATE COMPARISON \uparrow \downarrow TO Q4-2023

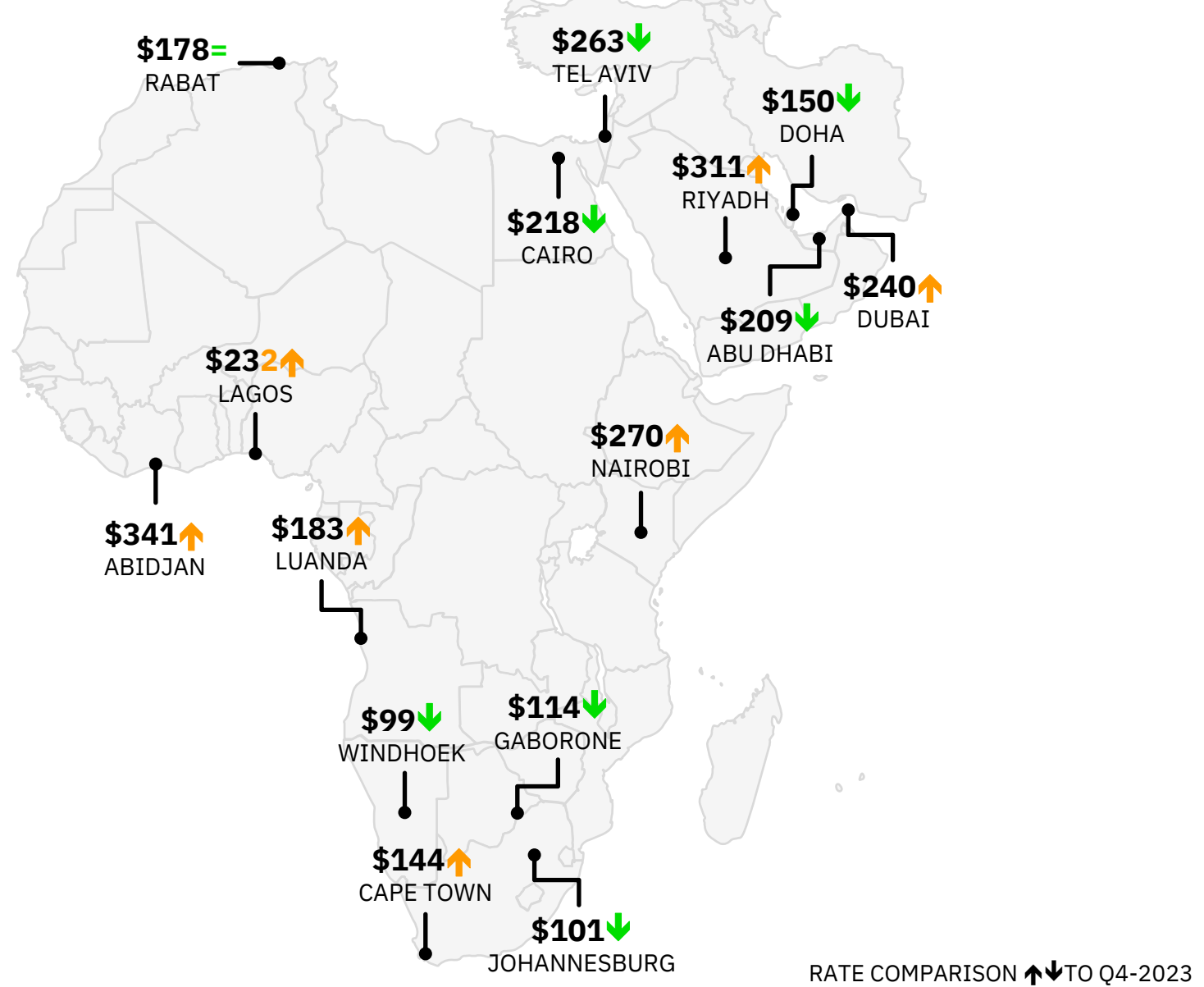
MIDDLE EAST AND AFRICA

Accommodation Q1-2024

THE REGIONAL ARR IN Q1 REMAINED FLAT AT **↑\$1** COMPARED TO Q1-2023

RATE COMPARISON TO Q4-2023

- ABU DHABI **↓ 24%**
- CAIRO **↓ 6%**
- CAPE TOWN **↑ 4%**
- DUBAI **↑ 10%**
- JOHANNESBURG **↓ 5%**
- RIYADH **↑ 18%**



Corporate Travel
Average Rate Paid % Var. Q4-2023 **↓ 2%**
Q1-2024 vs Q1-2023 **↑ 1%**

Mobility

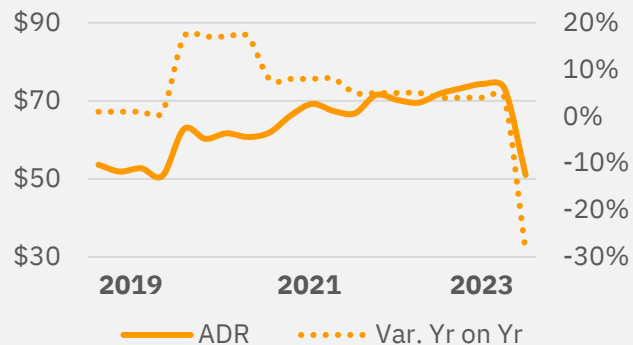
Key Takeaways Q1-2024

1



Q1-2024 CAR RENTAL

The Q1-2024 global ADR was **\$51**, **↓\$22** on the 2023 ADR. Rate reductions have been observed to stimulate demand in Q1-2024.



2



HAILING CABS

Taxis and ride-hailing costs are often overlooked in travel budgets. Over the past two years fares have seen an upward tick. In 2022, New York taxi fares rose **↑23%**, in 2024 London Black Cab taxi fares **↑8.9%**, and US ride-hailing up **↑41%** 2019-2022.

We recommend corporations consolidate their expenditure and set guidelines on transport use and options. Travellers need to choose the best local options, based on cost, convenience and emissions.

3



FUTURE OF CAR RENTAL

There are very few travel suppliers that have not changed their product or service in recent years. Car rental companies have made the most notable milestone change through the rapid introduction of **hybrid** and **EV** vehicles to reduce fleet emissions.

So where to next in car rental services?

- **Fleet innovation** will continue.
- Adoption of new **ridesharing**.
- **Subscription-based** access.
- **Technology** to remove customer friction.

^ ADR = Average Daily Rate Booked

Our Team

Jo Lloyd
*Global Leader
FCM Consulting*



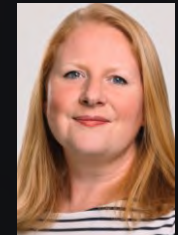
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Americas*



Eve Smith
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and Communications Lead*



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EMEA*



Glenn Thorsen
Global Sustainability Lead



GLOBAL ECONOMY



Purchasing Managers Index (PMI) - a measure of the prevailing direction of economic trends in manufacturing and services. PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity. A composite PMI™ is the weighted average of manufacturing and service sector PMIs for a given geography or economy, produced by S&P Global. The headline PMI is a number from 0 to 100, meaning a PMI >50 represents an expansion compared to the prior month. A PMI <50 is a contraction and 50 indicates no change.

Unemployment Rate - a percentage of people in the labour force who are unemployed. The labour force includes people who are either employed or unemployed. The unemployment rate is a lagging percentage indicator that rises when the economy is in poor shape and jobs are scarce. High unemployment also reduces the amount of disposable income of households and can diminish economic output.

Inflation - a percentage measure at which prices will rise. Typically, the rate in which goods and services will increase. It is interpreted to mean that a unit of currency effectively buys less than it did in prior periods. It is often reported as a percentage increase. Inflation can be contrasted with deflation, which occurs when prices decline and purchasing power increases.

More Information

FCM Consulting

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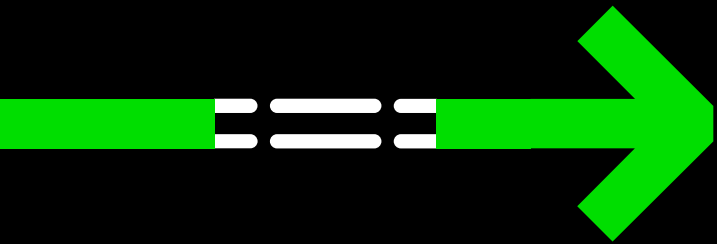
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