

# Global Quarterly Trend Report

**Q1-2024**

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# About the report

This FCM Consulting quarterly report draws on global data sourced from FCM Travel and Flight Centre Travel Group corporate booking data, for travel during January to March 2024 (Q1-2024). The report uses Cirium aviation schedule data as at 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.

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

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.



#### Global economy

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



#### Ground

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



#### Low-cost Carriers

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



#### SAF

EU Sustainable Aviation Fuel targets set to help drive supply into 2050.



#### Traveler trends

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



#### Air distribution

NDC content grows and others upgrade subscription models.

# Corporate Travel - Key takeaways Q1-2024

1



## Economic review

**Global inflation** is estimated to be **5.9%**<sup>^</sup> 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 traveler trends

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

| DOMESTIC 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 \$49/month, for flights across 15 USA destinations.
- **AirAsia**, Super+ Lite \$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.

<sup>^</sup>International Monetary Fund, World Economic Outcome, 16 April 2024

# Corporate Travel - Key takeaways Q1-2024

4



## 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. Travelers need to choose the best local options, based on cost, convenience and emissions.

5



## NDC

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.

6



## 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 airport will charge a 1% SAF levy on tickets for departing flights to support SAF development.

# Aviation

## Key takeaways Q1-2024

1



### Fair 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

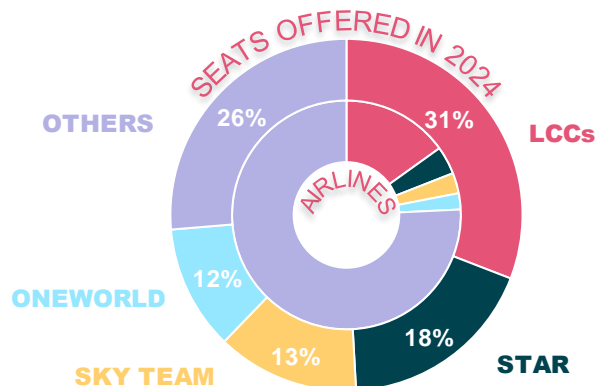


### Low-cost carriers to alliances

- **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 allowing LCCs to shift flights as demand changes, or lower fares to tease more demand.
- **TRAVELER TYPE** predominantly **leisure travelers** 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 + 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.



# Aviation global

## Travel 2024 outlook

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 offered

Africa **↑ 9%**

North America **↑ 9%**

Middle East **↑ 6%**

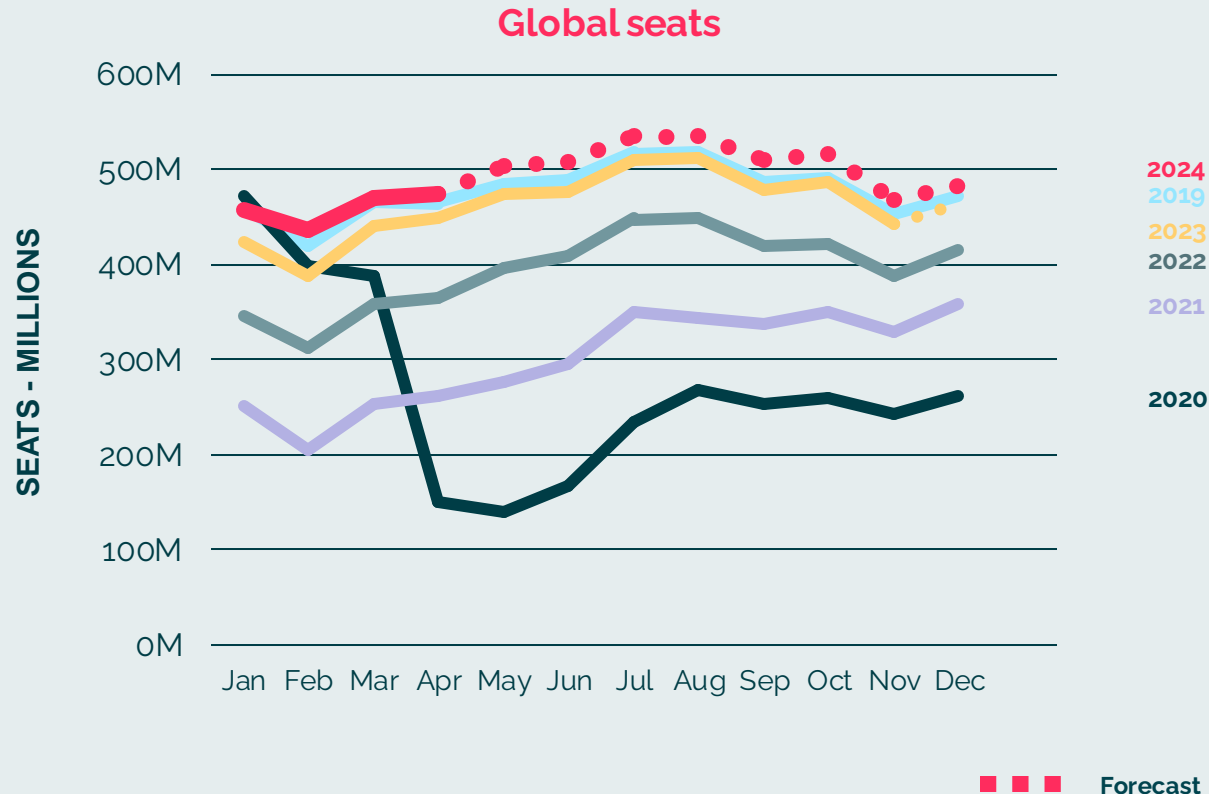
LATAM **↑ 5%**

Asia **↑ 2%**

Europe **= %**

Australasia **↓ 1%**

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



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

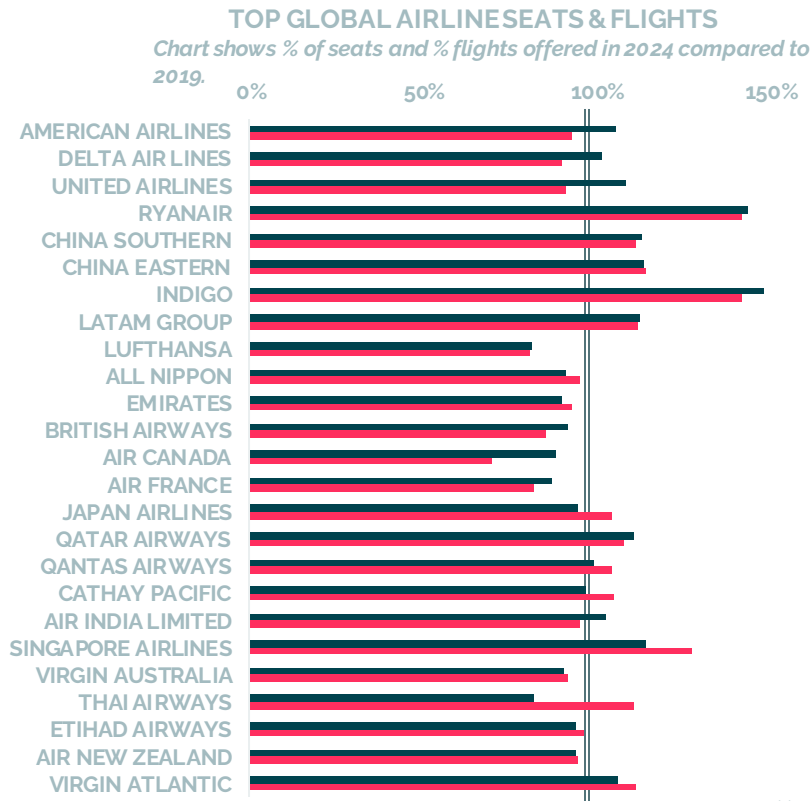
# Airline seat & flight forecast 2024

## SEATS AND FLIGHTS OFFERED IN 2024 COMPARED TO 2019

The forecast 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 LCC's are performing well.

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





# Economy class fares fly high in 2024

Across 380 city pairs, economy airfares 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%     |
| EWY-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       |
| EWY-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%    |

# Accommodation - Key takeaways Q1-2024

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## Negotiated vs BAR

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
- Travelers are happy to book and stay

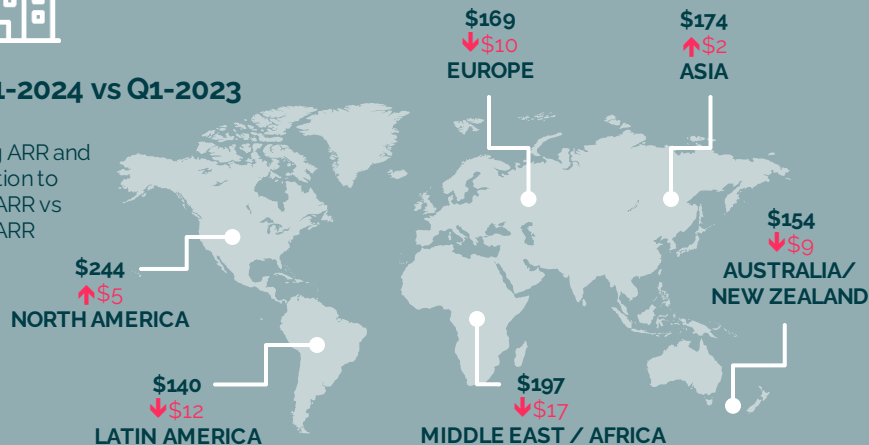
When comparing contracted hotel rates and BAR^ prices for 2024, current corporate negotiated rates are an average **-35.1%** lower. These results are based on FCM Consulting clients booking through FCM Travel, Corporate Traveller and other third party TMC's globally.

2



## ARR Q1-2024 vs Q1-2023

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



ARR - Average Room Rate booked across key corporate city locations for the period January to March 2024 vs same period 2022

# North America

## Accommodation Q1-2024

**Q1-2024 ARR ROSE +\$5 (+2%) COMPARED TO Q1-2023.**

RATE COMPARISON TO Q4-2023

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

Rate comparison ↑ ↓ to Q4-2023

Corporate Rates  
Average Rate Paid % Var.

**Q1-2024 vs**

Q4-2023 ↓ 3%

Q1-2023 ↑ 2%



\$USD



# Latin America

## Accommodation Q1-2024

**REGIONAL ARR ROSE AN AVERAGE +\$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 Rates  
Average Rate Paid % Var.

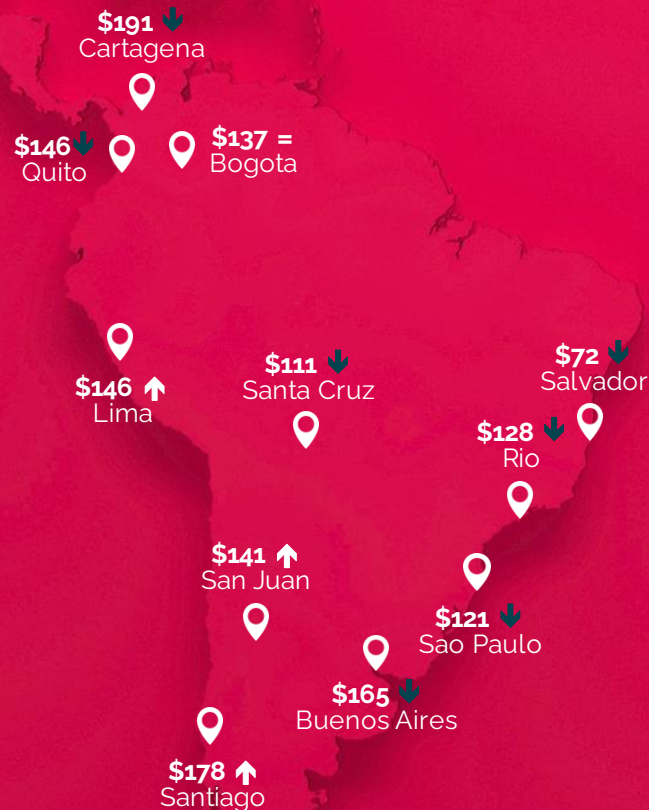
**Q1-2024 vs**

Q4-2023 ↓ 16%

Q1-2023 ↑ 9%



\$USD





# Asia

## Accommodation Q1-2024

**Q1-2024 ARR RESET - \$23 AFTER THE Q4-2023 SPIKE ACROSS THE REGION.**

RATE COMPARISON TO Q4-2023

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

Rate comparison ↑ ↓ to Q4-2023

Corporate Rates  
Average Rate Paid % Var.

**Q1-2024 vs**

Q4-2023 ↓ 11%

Q1-2023 ↑ 1%



\$USD



# Australia & New Zealand

## Accommodation Q1-2024

**AKIN TO THE ASIA REGION, THE AU/NZ ARR REST -\$20 IN Q1-2024 AFTER THE HIGH OF Q4-2023.**

### RATE COMPARISON TO Q4-2023

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

Rate comparison ↑ ↓ to Q4-2023

**Corporate Rates**  
Average Rate Paid % Var.

**Q1-2024 vs**

Q4-2023 ↓ 12%  
Q1-2023 ↓ 5%



**\$USD**





# Europe

## Accommodation Q1-2024

**THE EUROPEAN ARR DECLINED -\$26  
DURING Q1-2024 COMPARED TO Q4-2023.**

RATE COMPARISON TO Q4-2023

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

Rate comparison ↑ ↓ to Q4-2023

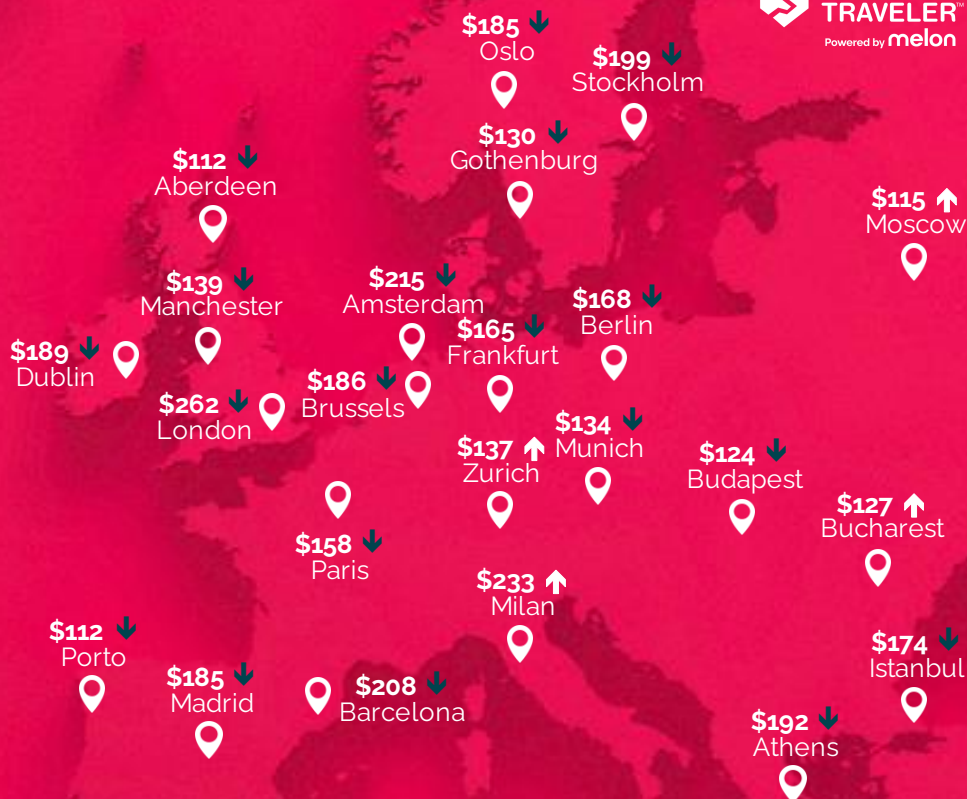
**Corporate Rates**  
**Average Rate Paid % Var.**

**Q1-2024 vs**

Q4-2023 ↓ 13%  
Q1-2023 ↓ 6%



**\$USD**



# Middle East & 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%

Rate comparison ↑ ↓ to Q4-2023

**Corporate Rates**  
Average Rate Paid % Var.

**Q1-2024 vs**

Q4-2023 ↓ 2%  
Q1-2023 ↑ 1%



**\$USD**





# More Information

## FCM Consulting

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