



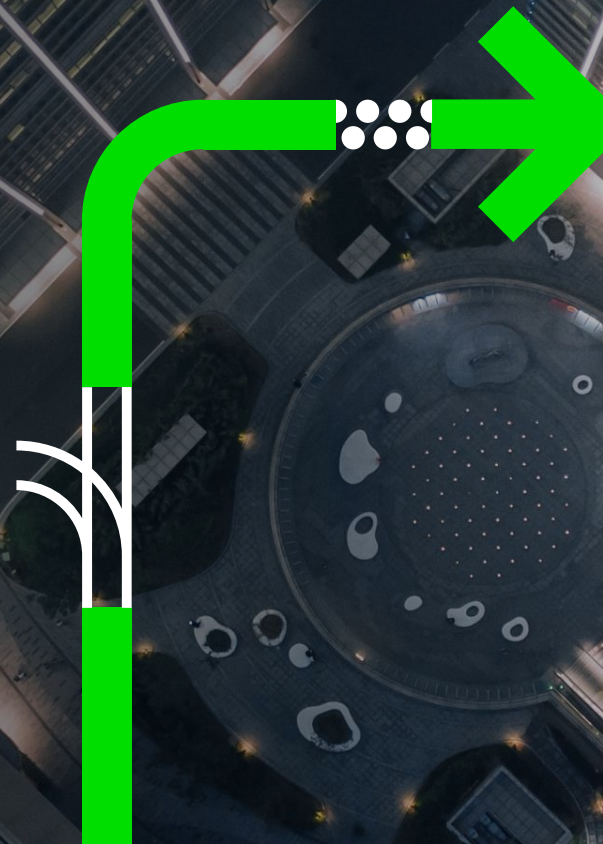
AMERICAS

Quarterly Trend Report

Q4-2021

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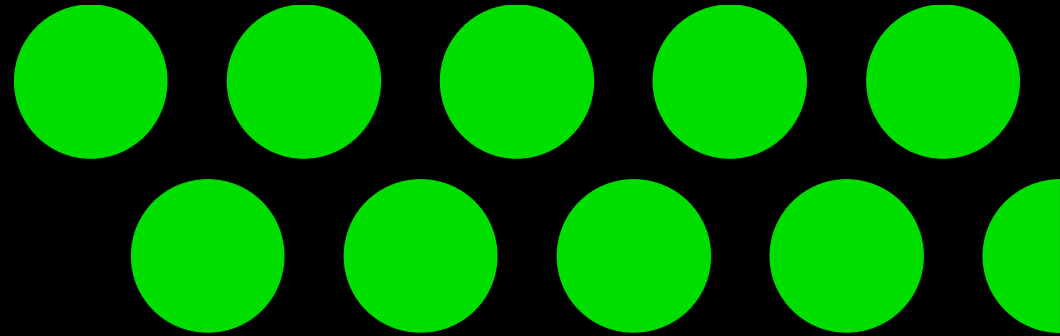
About the Report

This FCM Consulting quarterly report uses global data sourced from FCM corporate bookings for travel during October–December 2021 (Q4-2021), Cirium aviation data as of January 18, 2022, and vaccine data sourced through Our World In Data as of January 25, 2022.

The average room rates (ARR) quoted for accommodation are the average booked rates. Variations in rates booked are a reflection of border restrictions, supply and demand, corporate booking lead times, and subtle variations in exchange rates. Unless otherwise stated, USD (\$) is used.

Q4

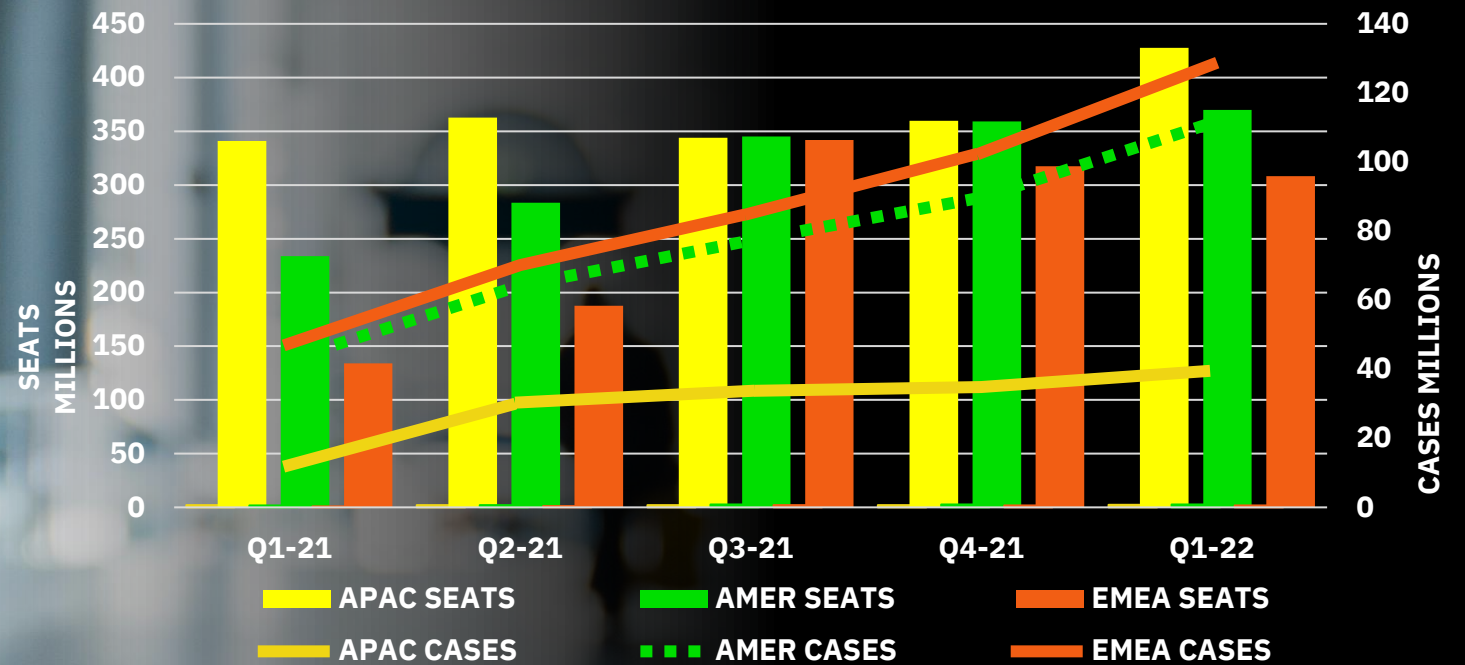
AMERICAS Accommodation, Aviation, & Ground Transport



Optimism, from pandemic to *endemic*

[The Harvard Gazette, 20th January 2022]

2021 RECOVERY: SEATS OFFERED & CASES





*Macroeconomic trends for **Corporate** in 2022*

- **Oil Prices** increased 74% from last year and have been a major driver of inflation.
- **Inflation** hit 30-year high.
- **Labor shortages** have resulted from post-pandemic behavioral changes and effects of isolation due to COVID-19.
- **Supply chain** bottlenecks are beginning to ease.
- **Monetary policies** have shifted due to changing interest rates and currency volatility in certain markets.



AMERICAS - Accommodation Q4-2021

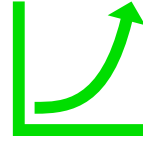


RECOVERY

Q4-2021 saw 58% occupancy in **US** hotels, 49% in **Canada**, and 79% in **Latin America**. While strong, the occupancy levels are trending -18% lower than 2019 for US and Canada, while Latin America is starting to reach 2019 pre-pandemic levels.

Chile and Brazil are driving the occupancy increases with 90% occupancy, surpassing 2019 levels by 6.4%

Ontario has the highest occupancy levels in Canada with 53% which was 19% below 2019 occupancy. Calgary had the lowest occupancy rate with 39%. ¹



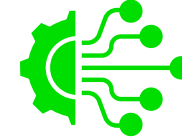
RATE GROWTH

Hotel profits reached 52% of pre-pandemic level in 2021. ¹

Hotel rates are predicted to grow 13% in 2022 and an additional 10% in 2023, bringing the ARR closer to the 2019 rates.

ARR increased 16% from 2020, with an anticipated full recovery by end of 2023.

In Q4, Phoenix saw an ARR increase of +37%, Miami +15%, and San Diego a close third with +12.5%. In Tier 1 markets (NYC, Boston, San Francisco) rates in Q4 were very close to those of 2019. ²



RETURN TO TRAVEL

Domestic travel has been on an increase since 2020, but international travel levels are also starting to pick up, with an estimated growth of 228% in international spending in 2022.

Looking forward, business travel should make up 43% of the hotel business in 2022 (with leisure travel at 57%), compared to 53% in 2019. Business travel is likely to remain more than 20% lower than 2019 levels into 2022. ³

With leisure demand leading the way, and the normalized idea of working from anywhere, the concept of [*bleisure*](#) travel exploded in 2021 and is anticipated to continue into 2022.

¹ STR Inc

² FCM Consulting Accommodation Survey & Analytics

³ ALHA 2022 State of the Industry Report



USD

Click to

NORTH AMERICA Accommodation Q4-2021

Corporate Rates

Average Rate Paid % Var.

Q4-2021 vs

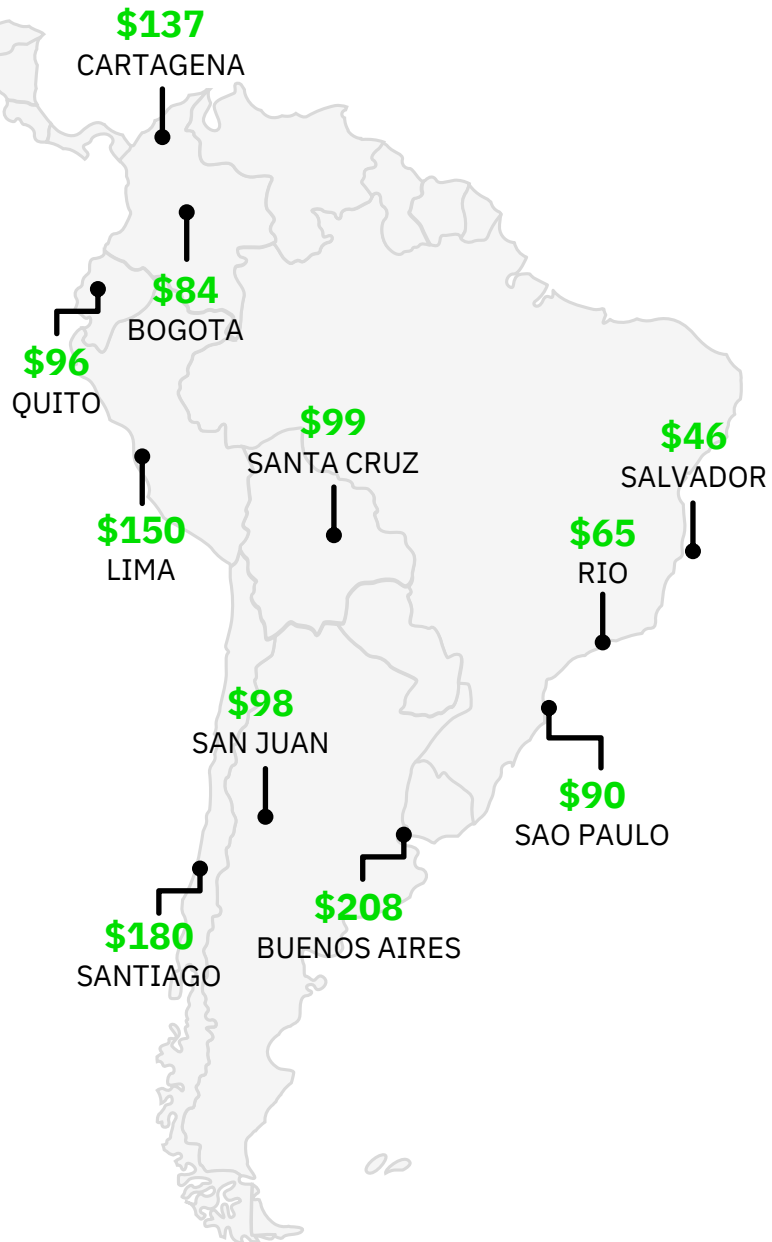
Q3-2021 ↑ 3.9%
Q4-2019 ↓ 7.4%

Q4-2021
vs Q4-2019

BOSTON ↑ 3.5%
LOS ANGELES ↓ 1.7%
NEW YORK ↓ 0.5%
SEATTLE ↓ 9.5%
TORONTO ↓ 14.9%
VANCOUVER ↓ 7.8%



USD



LATAM Accommodation Q4-2021

Corporate Rates

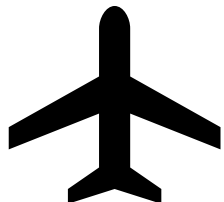
Average Rate Paid % Var.

Q4-2021 vs

Q3-2021 ↑ 20.2%
Q4-2019 ↓ 6.7%

Q4-2021
vs Q4-2019

BOGOTA ↓ 31.8%
BUENOS AIRES ↑ 44.3%
LIMA ↓ 10.4%
RIO DE JANEIRO ↓ 33.5%
SANTIAGO ↑ 3.1%
SAO PAULO ↓ 20.4%



AMERICAS - Aviation Q4-2021



CAPACITY GROWTH

Even though travel restrictions first eased and then tightened up again, **overall capacity development** is still trending upward.

From Q3 to Q4-2021 seat volumes grew across the board: **Caribbean** +14%, **North America** +1%, **Central America** +11%, **South America** +21%.

Between Q3 and Q4, biggest growth per airline came from LATAM +26%, Avianca +25%, and Gol +22%. **United** +7% and **American** +4% added seats with **Delta** staying flat and **Southwest** -3% taking capacity out.

Q2 2022 capacity is expected to grow about 16% vs Q1 2022 across the region **exceeding Q2 2019 capacity**.



INCREASING DEMAND

FCM Americas data shows an 8.7% increase in business travelers in Q4-2021 compared to Q3-2021, with most gains attributed to domestic growth in the **US, Canada, Brazil, and Mexico**.

Q4 airline earnings revealed **Delta** domestic **corporate demand** at around 60% of pre-pandemic levels. **JetBlue** says around 50% of corporate travel has returned. **American** stated about 80% of SME and 40% of larger corporate travel has recovered. **Southwest** expects Q1 2022 corporate revenues down 45-55%. ¹

United reports corporate demand “down substantially” even though it had improved “quite a bit”. ¹



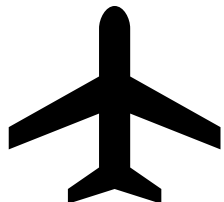
MISCELLANEOUS

Airlines in North America are expected to return to **profitability in 2022**. Latin American airlines are expected to have a \$3.7 billion net loss in 2022. ²

COVID vaccination rates continue to rise, and the now prevalent COVID-19 Omicron variant affects demand and restrictions.

North America **airline stock prices** are down -28.7% vs Dec 2019. Jet fuel prices increased to their highest level since late 2018. ²

Air France and KLM have introduced a surcharge of up to €12 on departures from France and the Netherlands to fund investment in **Sustainable Aviation Fuel**.



AMERICAS - Aviation Q4-2021



CORPORATE TRAVEL

ARC reports an increase in weekly tickets sold by US travel agencies in recent weeks. The business travel segment is -55% below 2019, trending upwards. ¹

Q4-2021 Airfares ⁴

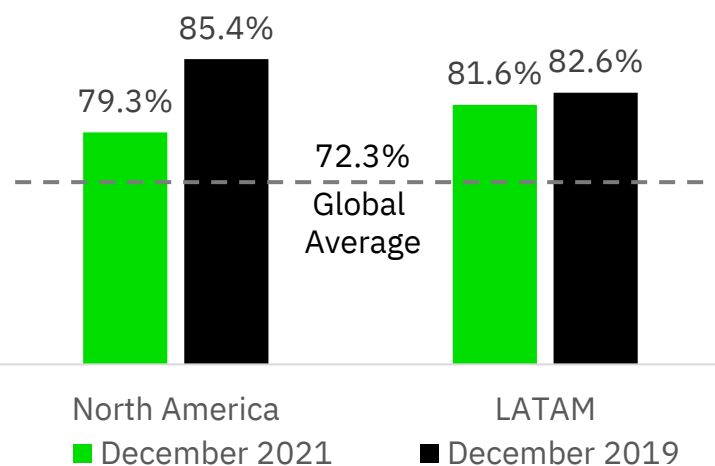
- Domestic -5.0% vs Q4 2019
- International +12.9% vs Q4 2019

We Forecast **2019 Pricing Returns** ⁴

- Q1-2022 for Domestic
- Q4-2021 for International



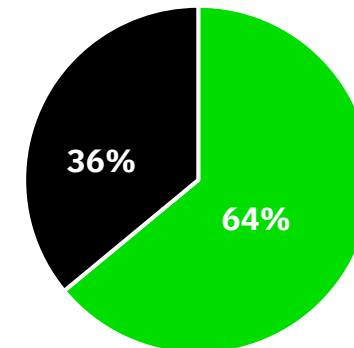
SEAT LOAD FACTOR²



Flights remain relatively full even with significant capacity being added. On average domestic flights, load factors are 6.8% higher than international ones.



EMPLOYEES WILLINGNESS FOR BUSINESS TRAVEL³



■ Very Willing or Willing ■ Other

January's "willingness to travel" score is down 14% from last October's poll. ³

¹ A4A / ARC / NY Times

² IATA

³ GBTA Global January 2022 member poll & corporate booking technology report

⁴ FCM Consulting data (market dependent)

AMERICAS Aviation Q4-2021



NORTH AMERICA

Seats offered where North America is the destination

Q4-2019 338M

Q4-2021 292M



**Q1-2022
287M**

↓ -1.5% on
Q4-2021

LATAM

Seats offered where LATAM is the destination

Q4-2019 87.7M

Q4-2021 67.4M

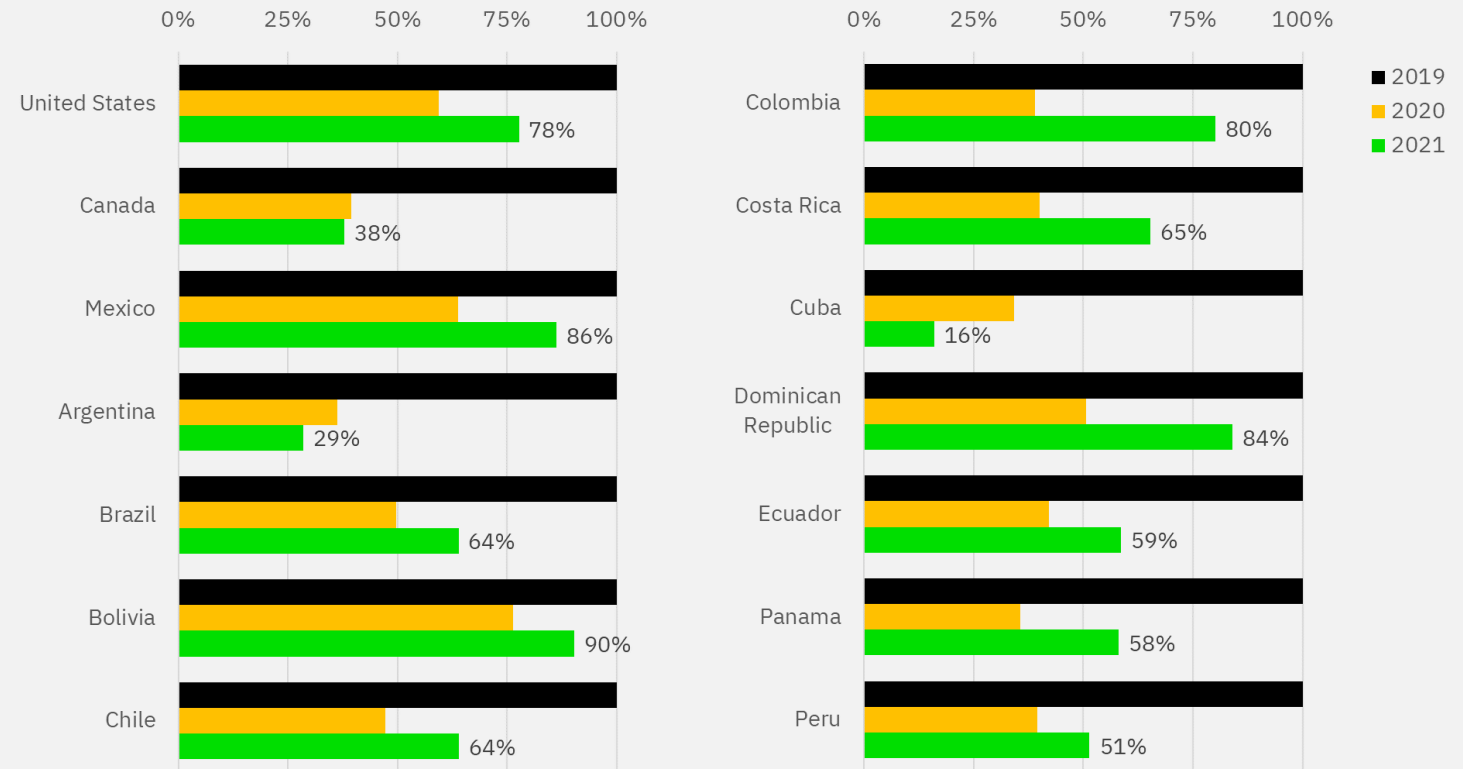


**Q1-2022
72.8M**

↑ 8% on
Q4-2021

RETURN TO TRAVEL

Top Destination Travel in Region by Seats Offered



FCM Consulting Analytics

^ Source Data – Cirium as of 1 February 2022. Long range aviation forecasts subject to change

AMERICAS Aviation Q4-2021



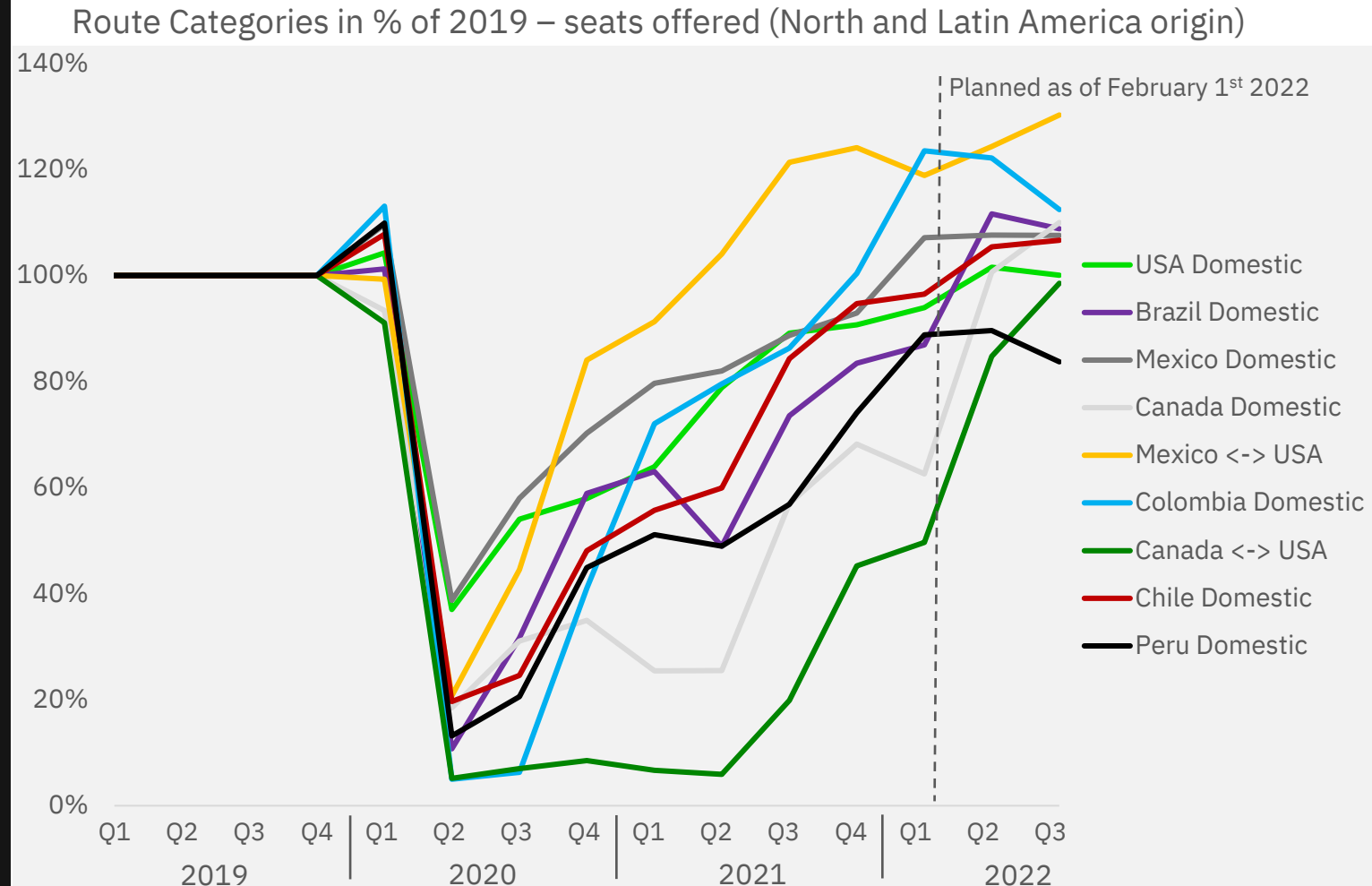
TOP CORPORATE DESTINATIONS

Seats & Flights offered

Within the US, major corporate markets see capacity increases to the highest levels since the onset of COVID-19. This is driven by the easing of travel restrictions and business travel confidence increasing.

Q4 2021 seat capacity between the US and Mexico and also within Colombia are above 2019 levels, driven by leisure travel demand.

The outlook is encouraging, with further increases planned for 2022, and all top Country Pairs either on or above 2019 capacity levels as early as Q3 2022.



FCM Consulting Analytics

^ Source Data – Cirium as of 1 February 2022. Long range aviation forecasts subject to change



AMERICAS – Ground Transport Q4-2021



INDUSTRY ³

The average length of car rental bookings has increased as business travelers avoid air and rail travel. ²

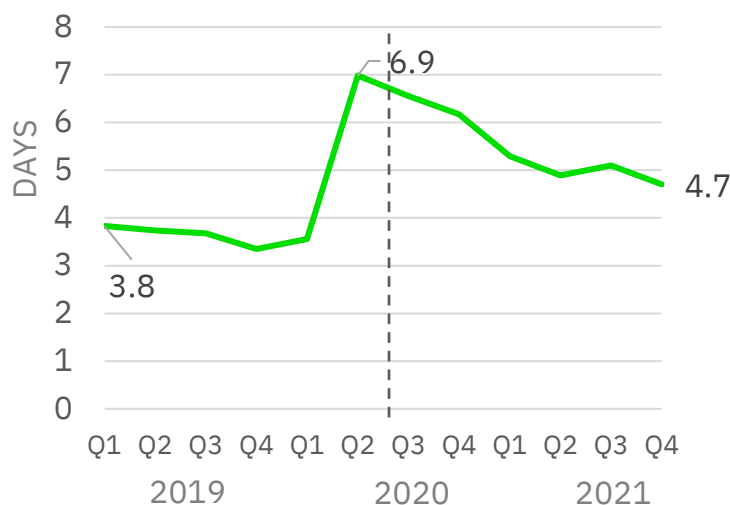
The U.S. car rental industry achieved overall revenues of \$28.1 billion in 2021 – a 21% gain over the pandemic year of 2020, after a 28% fall the previous year, according to data collected by Auto Rental News.

The U.S. car rental industry reached this revenue on only 1.8 million cars in service, which produced a record average revenue per unit, per month (RPU) of \$1,320. This is 11% more than 2019's RPU.

Sales to car rental were expected to be only 811,000 units in 2021 – the lowest in 20 years and the result of the global supply chain crisis provoked by the extreme shortage of semiconductor chips. ³



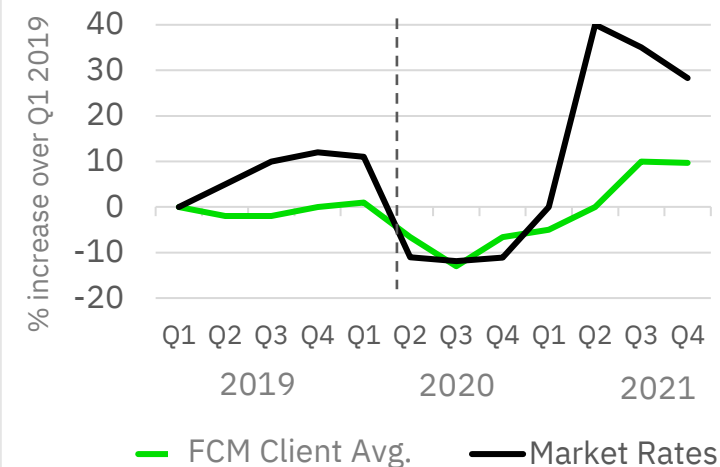
LENGTH OF RENTAL ²



The average length of rental has declined 32% from its Q2 2020 peak, yet remains above pre-pandemic levels.



FCM CLIENTS v. MARKET ¹



Contracts with preferred suppliers have insulated companies from extreme market increases. However, low availability from preferred suppliers result in higher overall ADR, even for companies with contracts.



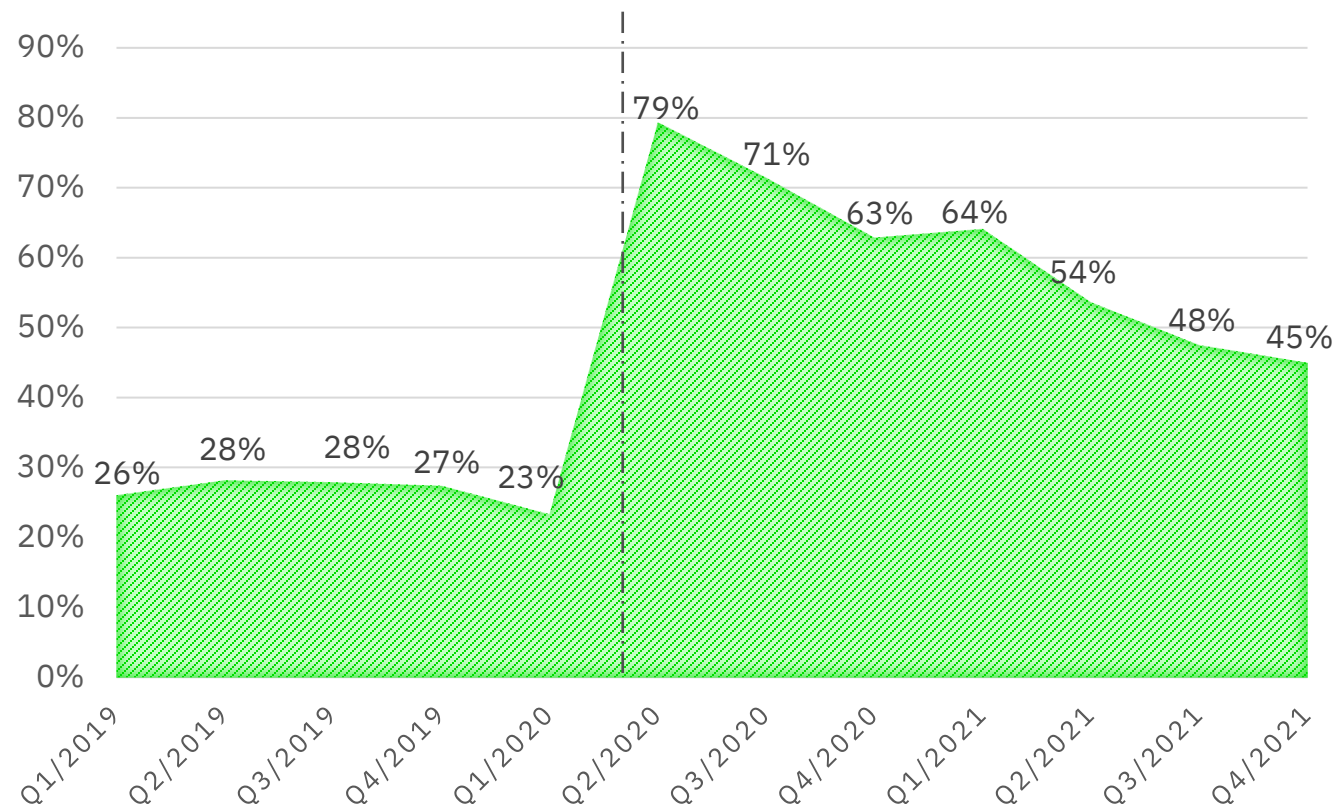
AMERICAS – Ground Transport Q4-2021

DRIVING INSTEAD OF FLYING

Traditionally, the number of car rental bookings through FCM represented about a quarter of the number of airline bookings (one car booking for every four air bookings). Once the pandemic struck, flight bookings dropped precipitously while car rental bookings dipped less severely. This volume of car bookings, when combined with longer average rental periods, clearly indicated that travelers were choosing to drive rather than fly.

As travel rebounds, we are seeing the number of flight bookings increase, driving the ratio of car rental-to-airline bookings from a peak of 79% in Q2 2020 down to 45% in Q4 2021. However, this remains close to double the pre-pandemic rate, and is projected to remain above traditional levels for up to another year.

CAR BOOKINGS AS % OF AIR TICKETS



^ Source Data – FCM reservation data

More Information

FCM Consulting

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