



Global

# Quarterly Trend Report



Q3-2024

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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 July to September 2024 (Q3-2024). The report uses Cirium aviation schedule data as of 20 October 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. STR hotel content is quoted as of 7 November 2024.*

*Unless otherwise stated, all fares and rates are reported in US dollars.*

# CORPORATE

## Need to Know

**In August 2024, global airline passenger load factors reached a high of 86.2% as both corporate and leisure demand peaked over the northern hemisphere summer.**

Calendar year to date ending August 2024, economy class fares across 380+ city pairs were a combined average of **\$507, ↓\$16** on the same period 2023. The average global hotel average room rate (ARR) across 100+ cities for calendar year ending September 2024 was **\$186, ↓\$1** on the same period last year.

This Q3-2024 report represents nine months of travel industry highs in 2024 and a glimpse of the year ahead. We expect to see airlines further grow their services and schedules to meet on-going demand growth in 2025.



### 2025 AIR GROWTH

The year ahead signals growth off the back of a stable 2024.



### TRAVEL TRENDS

Online adoption continues to climb, with many finding this an easier option.



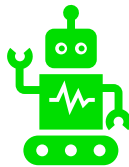
### GLOBAL ECONOMY

Economic uncertainty remains for the H1-2025 forecast.



### TRAVELLERS 1-2-3

The finetuned travellers with extraordinary trips.



### THE FUTURE OF AI

Automation supporting the journey.



### AIRLINE ANCILLARIES

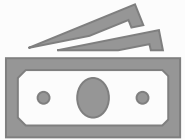
32.5% revenue growth in 2023. Baggage and seats are hot items.



# CORPORATE TRAVEL

## Key Macro Indicators Q3-2024

1



### INFLATION

Inflation eases for another quarter. The average of all consolidated G20 markets report as a variation was **↓0.42** for the period ending September 2024.



2



### PMI

The Purchase Manager's Index (PMI) is showing a decline in September 2024 compared to the previous quarter. For the G20 markets, the average variation ratio is **↓0.02**.



3



### GDP & UNEMPLOYMENT

From December 2023 data, GDP increased by a variation ratio of **↑0.05** for the average of all G20 markets, with a few countries showing negative trends.

Unemployment ratios are showing a positive outcome with some exceptions. Variation average of G20 markets **↓0.14**.

4



### FUEL

Jet fuel \$97 - \$93 for the quarter



For more information relating to the G20 Macro Economic results, refer to the last page of this report.

^ IATA Fuel Monitor reported the week ending 21 October 2024



# CORPORATE TRAVEL

## Key Takeaways Q3-2024

1



### AI CONSIDERED

Chatting to **AI** (Artificial Intelligence) assistants for help can make travel bookings and changes a breeze. Using AI to suggest flight options or help with check-in is a dream come true!

Using data and machine learning will be the biggest levers of change transformation in 2025 for corporate procurement teams. In travel, we will see the booking flow speed up once more and allow travellers to digest based on policy and preferences.

2



### GLOBAL BOOKING TRENDS

Constant corporate booking volumes were observed in **Q3-2024**. Travellers remain focused budgets and booking more of their itinerary online.

DOMESTIC BOOKING TRENDS	Q3-2024	Var. to Q3-2023
ONLINE ADOPTION	75%	↑ 2.0
ADV. BOOKING DAYS	18.9	↓ 0.6
AVG. DAYS AWAY	3.1	↑ 0.1

3



### TRAVELLERS 1-2-3

The average business traveller takes 4-6 trips per annum spending \$800-900 per trip. To take your **compliance** and **savings** to the next level we recommend segmenting your travel communications three ways:

- 1.Casual Traveller**, 46% of your travellers, low miles, simple itineraries.
- 2.Business Traveller**, 27% of your travellers, middle management and independent.
- 3.Road Warrior** – 17% of travellers, know travel better than you and rarely at home!



# AVIATION

## Key Takeaways Q3-2024

1



### ANCILLARY INCOME

In 2023, airlines globally recorded the highest combined ancillary income revenue ever at **\$918B\*** (↑32.5% on 2022). Areas generating the most revenue were baggage and seat allocation.

Top airlines generating revenue were;  
By spend **United Airlines \$9.5M** (↑20.9%),  
**Delta \$9.3M** (↑17.2%), and **American Airlines \$8.4M** (↑9.2%).  
By percentage of revenue **Sprint 56.4%**,  
**Frontier 56.2%** and **Breeze 51.3%**.

2



### FARE SHIFT

Year to date up to **August 2024** saw a decline in average paid tickets in economy class **↓\$16 (-3%)** and business class rose **↑\$137 (+6%)** versus the 2023.

YTD-2024 vs 2023	ECONOMY	BUSINESS
APAC	↓ 4%	↑ 4%
EUROPE	↓ 2%	↑ 6%
LATAM	↓ 1%	↓ 6%
MEA	↓ 4%	↑ 8%
NAM	↓ 2%	↑ 7%

3



### PASSENGER DEMAND

Global passenger demand, as reported by IATA^, was up **↑8.6%** in August 2024 compared to the same month in 2023.

**International** passenger demand saw the largest growth of **↑10.6%** and passenger load factors were **85.7%**, an increase of **↑ 10.1%** year on year.

**Domestic** passenger demand was **↑5.6%**, and passenger load factors were **86.9%** an increase of **↑3.6%** year on year.

\* As reported by CarTrawler in the 2024 Annual Year book of airline revenue.

^ IATA Passenger Demand, October 2024



# AVIATION

## SEATS OFFERED SHOWS POSITIVE GROWTH INTO 2025

Total seats offered for calendar year 2024 is up **↑5.79% (+321M)** on 2023.

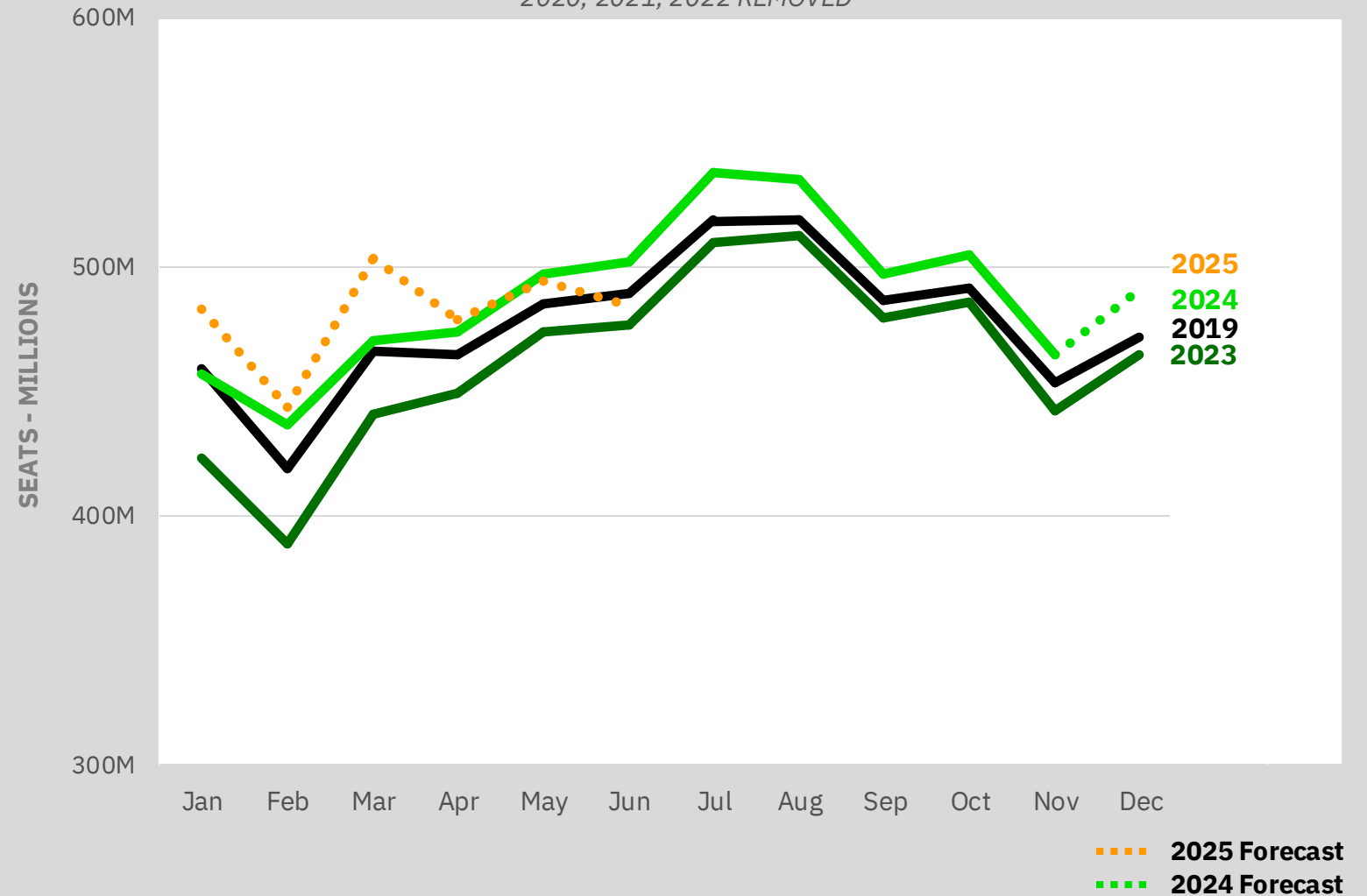
Early forecasts indicate H1-2025 will offer **↑ 1.8% (+51.4M)** more seats than 2024, same period.

Q1-2025 schedules are forecast to increase above all recent years.

H1-2025 vs H1-2024	SEATS	FLIGHTS
LATAM	↑ 4.4%	↑ 3.3%
EUROPE	↑ 2.2%	↑ 1.9%
AFRICA	↑ 2.1%	↑ 2.0%
APAC	↑ 2.1%	↑ 2.0%
NORTH AMERICA	↑ 1.3%	↑ 2.0%
MIDDLE EAST	↓ 0.9%	↓ 3.6%

## GLOBAL SEATS

2020, 2021, 2022 REMOVED



# GLOBAL AIRLINES

## FORECAST SEATS OFFERED IN H1-2025 VS H1-2024 SET TO CLIMB NEW HEIGHTS

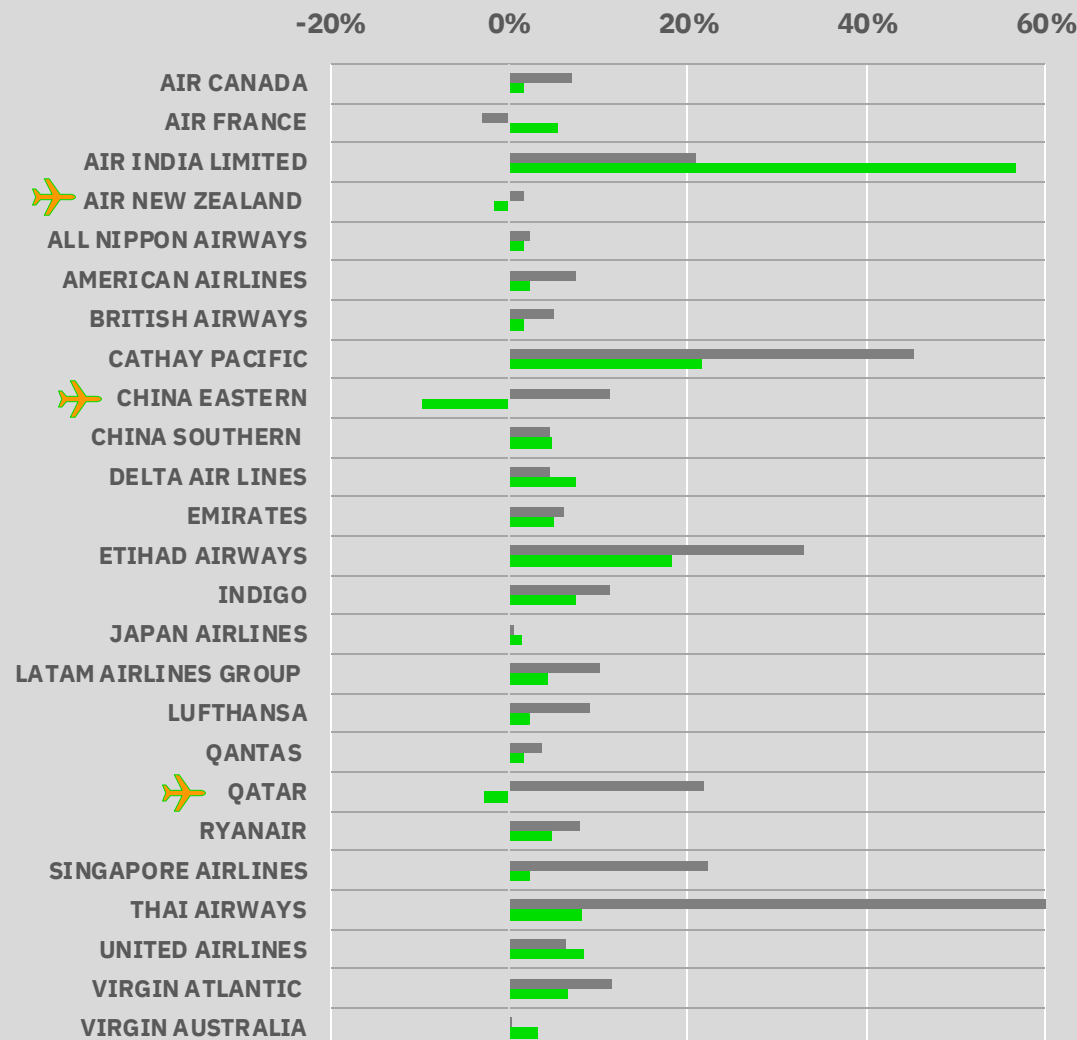
The forecast seats offered across the top corporate global airlines in H1-2025 is set to be **↑5%** above H1-2024 and **↑9%** on H1-2019.

In comparison, seats offered in H1-2023 were **↓3%** below 2019 levels.

✈️ Only two airlines, China Eastern and Air New Zealand, are forecast to remain below their 2024 seats offered in H1-2025.

### TOP GLOBAL CORPORATE AIRLINES

Top global corporate airlines (by seats). Chart shows % of seats offered in 2025 and 2024 as a percentage growth on previous year.



2025 seats vs 2024



2024 seats vs 2023





# ECONOMY CLASS AND BUSINESS CLASS FARES STABILISE

Across 380 city pairs, economy class airfares are up but remain lower than they were a year ago **↓\$16 (-3%)**, while business class **↑\$126 (+6%)**. Fares are rightsizing themselves after 2023.

Purchased airfare % change YTD August 2024 vs 2023 same period

## NORTH AMERICA

	ECONOMY	BUSINESS
BOS-PVG	↓ 5%	↑ 8%
EWK-ORD	↓ 18%	↑ 16%
FRA-JFK	↑ 4%	↑ 4%
JFK-LAX	↓ 32%	↑ 12%
JFK-YYC	↑ 5%	↑ 5%

## EUROPE

	ECONOMY	BUSINESS
DUB-LHR	↓ 25%	↓ 1%
FRA-MAD	↓ 2%	↑ 12%
JFK-LHR	↑ 1%	↑ 6%
LHR-MAD	↓ 8%	↑ 7%
LHR-PVG	↓ 1%	↑ 11%

## ASIA

	ECONOMY	BUSINESS
SHA-SIN	↓ 18%	↓ 1%
BOM-DEL	↓ 23%	↓ 4%
BOM-LHR	↓ 5%	↑ 7%
PVG-SIN	↓ 15%	= 0%
LAX-PEK	↓ 2%	↑ 12%

## LATIN AMERICA

	ECONOMY	BUSINESS
CGH-JFK	↑ 9%	NA
CGH-LHR	↑ 4%	NA
EWK-SDU	↑ 7%	↓ 29%
FRA-SDU	↑ 2%	↑ 11%
SDU-YYZ	↓ 1%	NA

## MIDDLE EAST/AFRICA

	ECONOMY	BUSINESS
CPT-DXB	↑ 4%	↑ 6%
DXB-FRA	↓ 5%	↑ 2%
DXB-SYD	↓ 3%	↑ 3%
FRA-JNB	↑ 1%	↑ 7%
JNB-LHR	↓ 1%	↑ 8%

## AUSTRALIA/NEW ZEALAND

	ECONOMY	BUSINESS
AKL-JFK	↓ 6%	= 0%
AKL-SYD	↓ 9%	↓ 48%
MEL-SYD	↓ 27%	↓ 33%
SIN-SYD	↓ 7%	↓ 3%
LAX-SYD	↓ 2%	↑ 9%





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# ACCOMMODATION

## Key Takeaways Q3-2024

1



### THE YEAR AHEAD

Global inflation rates\* look to fall from **5.8 in 2024** to **4.3 in 2025**. However, global hotel ARR in 2025 is set to remain high due to operating costs and demand.

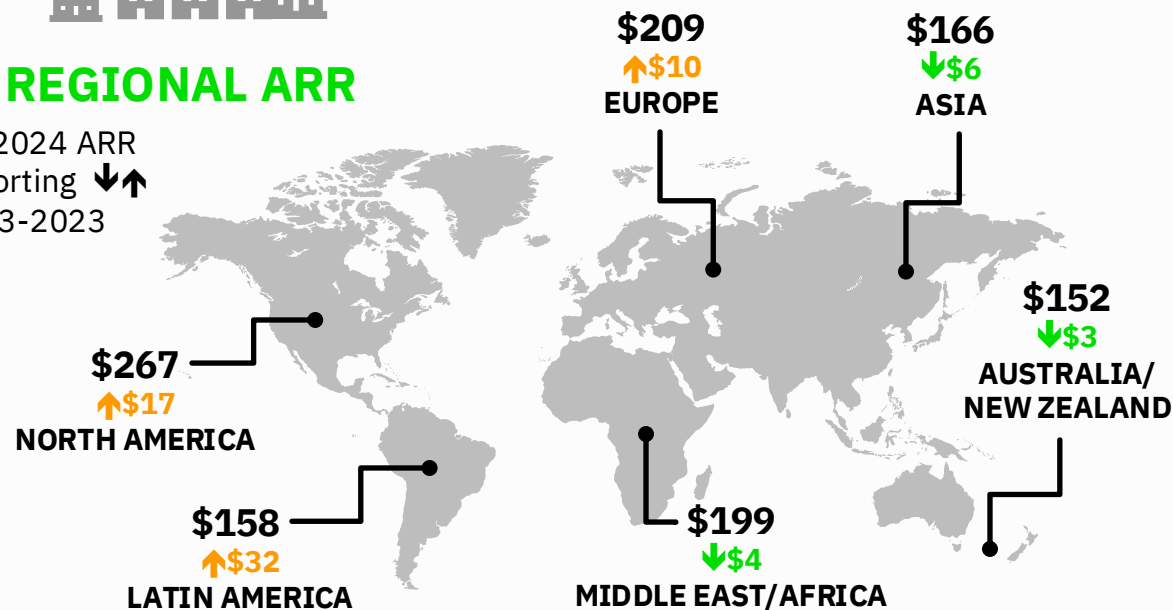
Key capital cities with high occupancy, as reported by STR^, will see ARR continue to rise due to demand. Overall, global hotel ARR is anticipated **increase 2-4% in 2025**. Hotel occupancy reported by Amadeus^^ for November 2024 indicated Asia and South Pacific were above 2023 levels, however all regions globally were below 2019 levels.

2



### REGIONAL ARR

Q3-2024 ARR Reporting ↓↑ vs Q3-2023 ARR



\* Reported by IMF

^ STR Report 7 November 2024

^^ Amadeus Hospitality Market Insight Worldwide November 2024

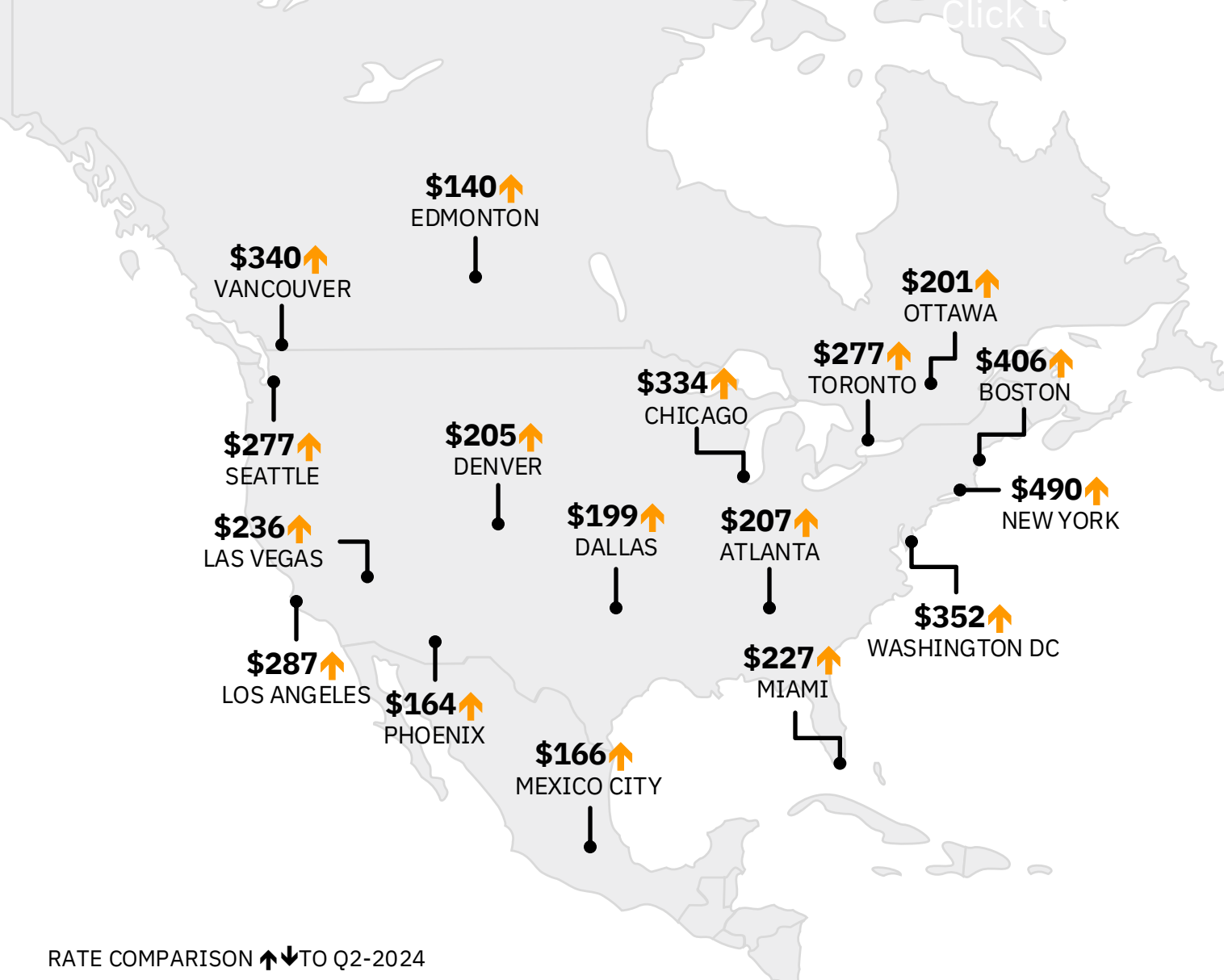


# GATEWAY CITY HOTELS MORE THAN HALF FULL

*Occupancy, September 2024 YTD*







RATE COMPARISON ↑↓ TO Q2-2024

Corporate Travel  
Average Rate Paid % Var.

	Q2-2024	Q3-2024 vs Q3-2023
	↑ 17%	↑ 16%



\$USD

# NORTH AMERICA

## Accommodation Q3-2024

**NORTHERN SUMMER PUSHED RATES TO AN ALL TIME HIGH ACROSS THE REGION ↑\$36 VS Q3-2023.**

### RATE COMPARISON TO Q2-2024

- CHICAGO ↑ 36%
- LOS ANGELES ↑ 16%
- NEW YORK ↑ 15%
- MEXICO CITY ↑ 5%
- VANCOUVER ↑ 55%



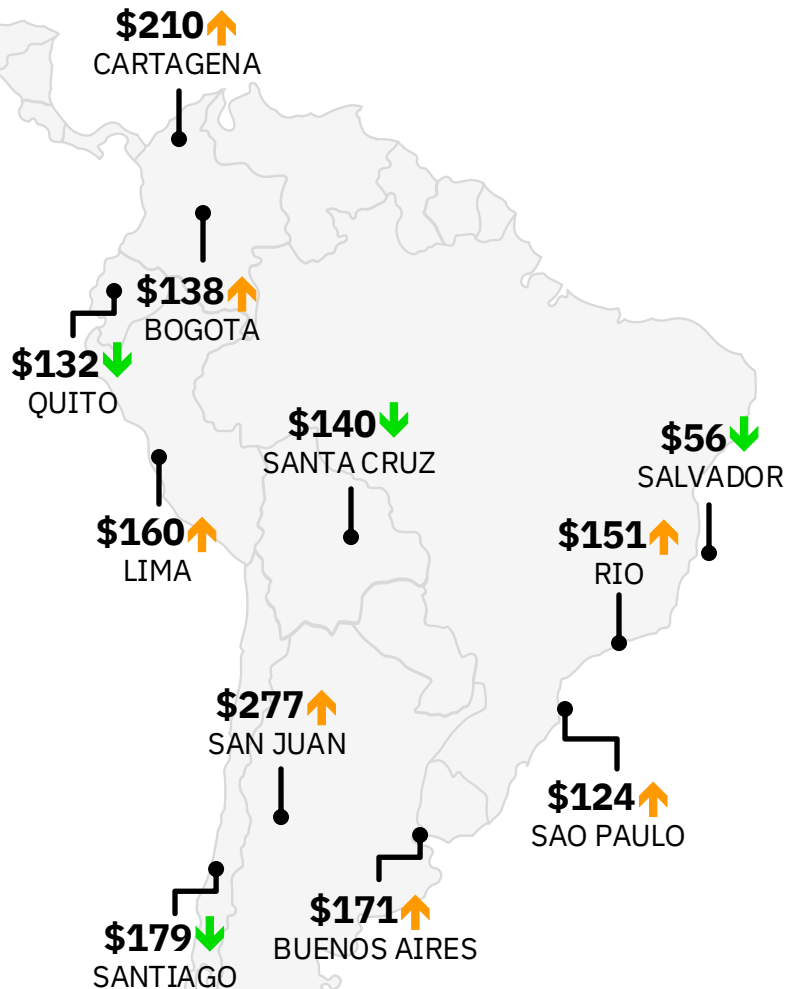
# LATIN AMERICA

## Accommodation Q3-2024

WHILST RATE SHIFTS  
VARIED ACROSS THE REGION  
FROM Q2-2024, RATES WERE  
↑\$34 VS Q3-2023.

### RATE COMPARISON TO Q2-2024

- BUENOS AIRES ↑ 12%
- LIMA ↑ 26%
- RIO ↑ 32%
- SANTIAGO ↓ 13%
- SAO PAULO ↑ 2%



RATE COMPARISON ↑↓ TO Q2-2024

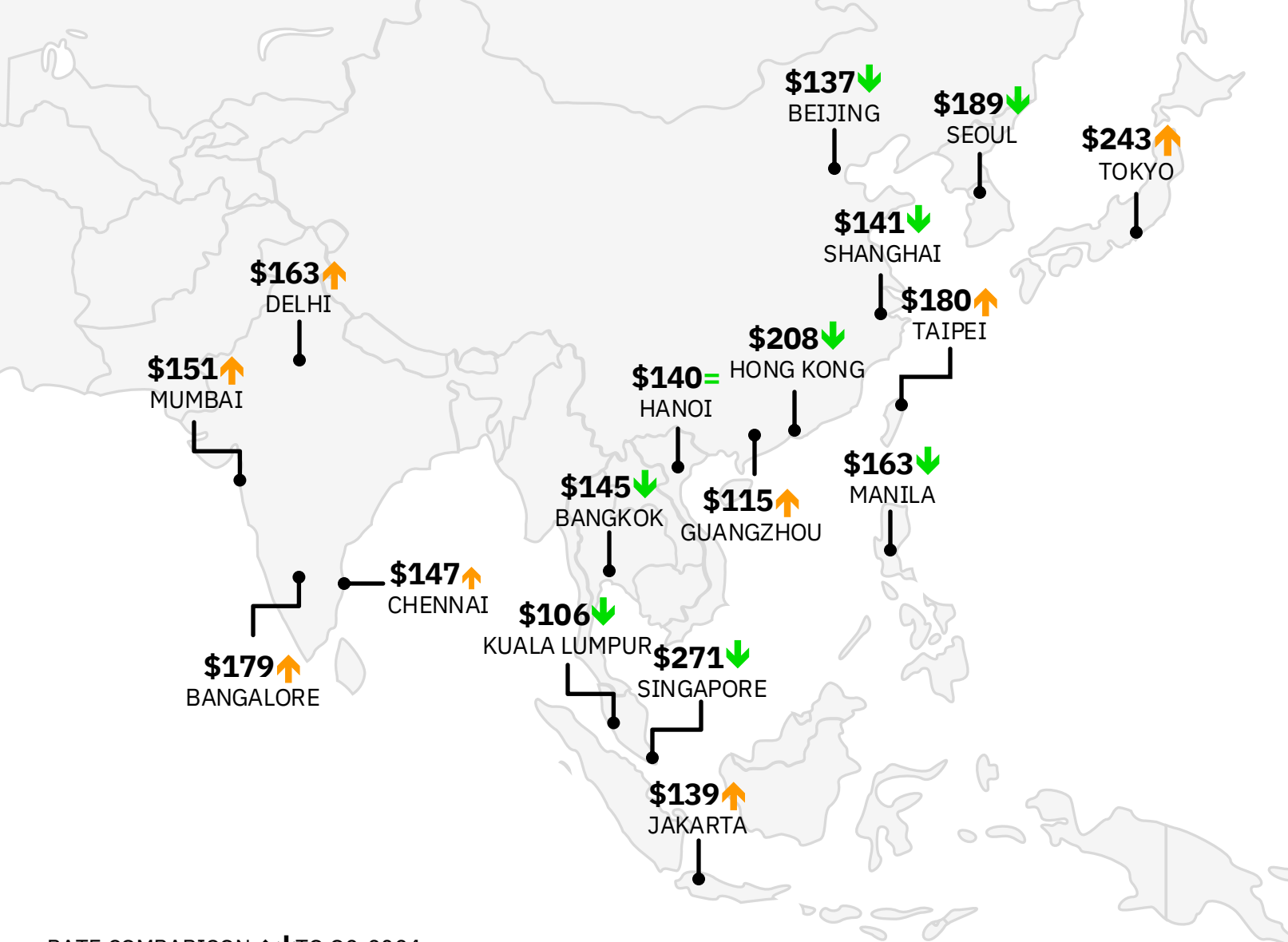
Corporate Travel  
Average Rate Paid % Var.

**Q3-2024 vs** Q2-2024 = 0%  
Q3-2023 ↑ 28%



\$USD





RATE COMPARISON ↑↓ TO Q2-2024

Corporate Travel  
Average Rate Paid % Var.

**Q3-2024 vs Q3-2023** ↑ 15%

Q2-2024 ↓ 1%



\$USD

# ASIA

## Accommodation Q3-2024

**REGIONAL ARR FOR Q3 ↑\$22  
VS Q3-2023. SLIGHT  
SEASONAL RATE CHANGES  
OBSERVED FROM Q2-2024.**

### RATE COMPARISON TO Q2-2024

- CHENNAI ↑ 39%
- JAKARTA ↑ 2%
- MANILA ↓ 16%
- KUALA LUMPUR ↓ 11%
- SHANGHAI ↓ 3%
- SINGAPORE ↓ 9%



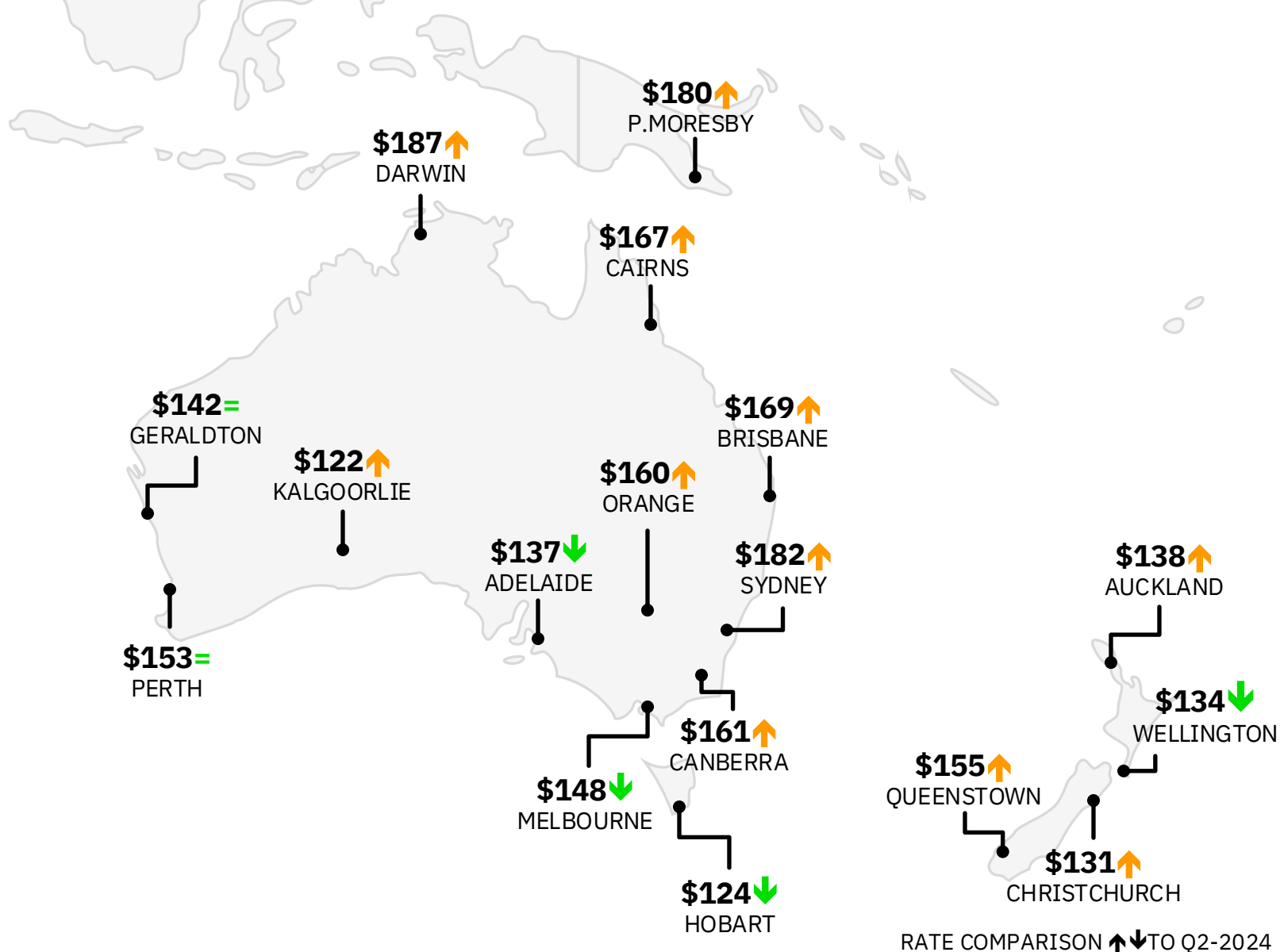
# AUSTRALIA & NEW ZEALAND

## Accommodation Q3-2024

WINTER SLOWED DEMAND IN  
SELECT CAPITAL CITIES,  
CAUSING A MINOR ARR RISE  
OF \$6 FROM Q2 TO Q3-2024.

### RATE COMPARISON TO Q2-2024

- ADELAIDE ↓ 7%
- AUCKLAND ↑ 10%
- MELBOURNE ↓ 5%
- SYDNEY ↑ 3%
- WELLINGTON ↓ 4%



Corporate Travel  
Average Rate Paid % Var.

Q3-2024 vs

Q2-2024 ↑ 4%

Q3-2023 ↓ 8%



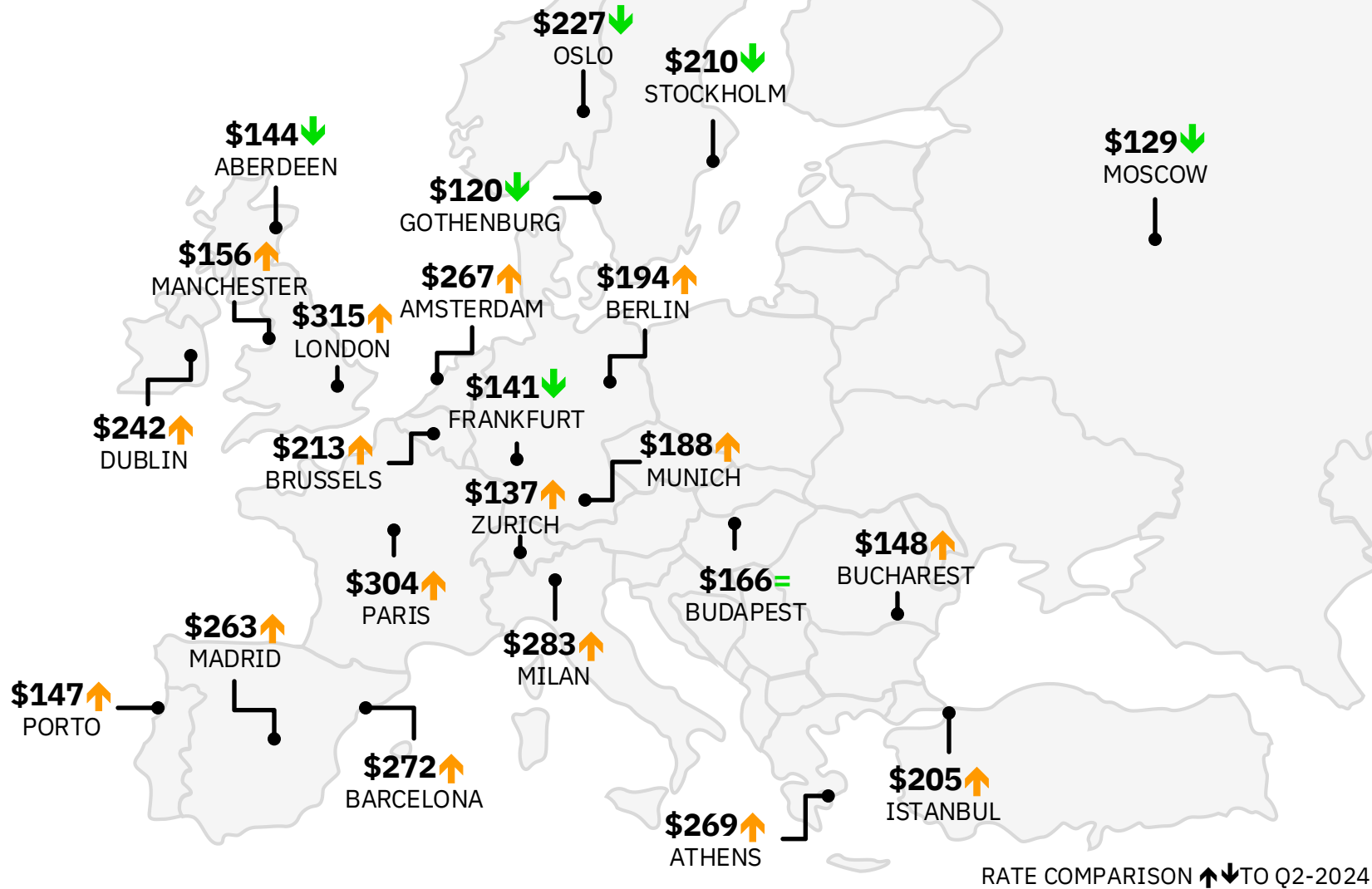
# EUROPE

## Accommodation Q3-2024

CONTINUED RISE IN THE  
REGIONAL ARR WAS  
FUELLED BY OLYMPICS AND  
SUMMER TRAVEL DEMAND.

### RATE COMPARISON TO Q2-2024

- BERLIN ↑ 11%
- DUBLIN ↑ 27%
- FRANKFURT ↓ 7%
- LONDON ↑ 29%
- MADRID ↑ 58%



Corporate Travel  
Average Rate Paid % Var.

**Q3-2024 vs**

Q2-2024 ↑ 10%

Q3-2023 ↑ 26%



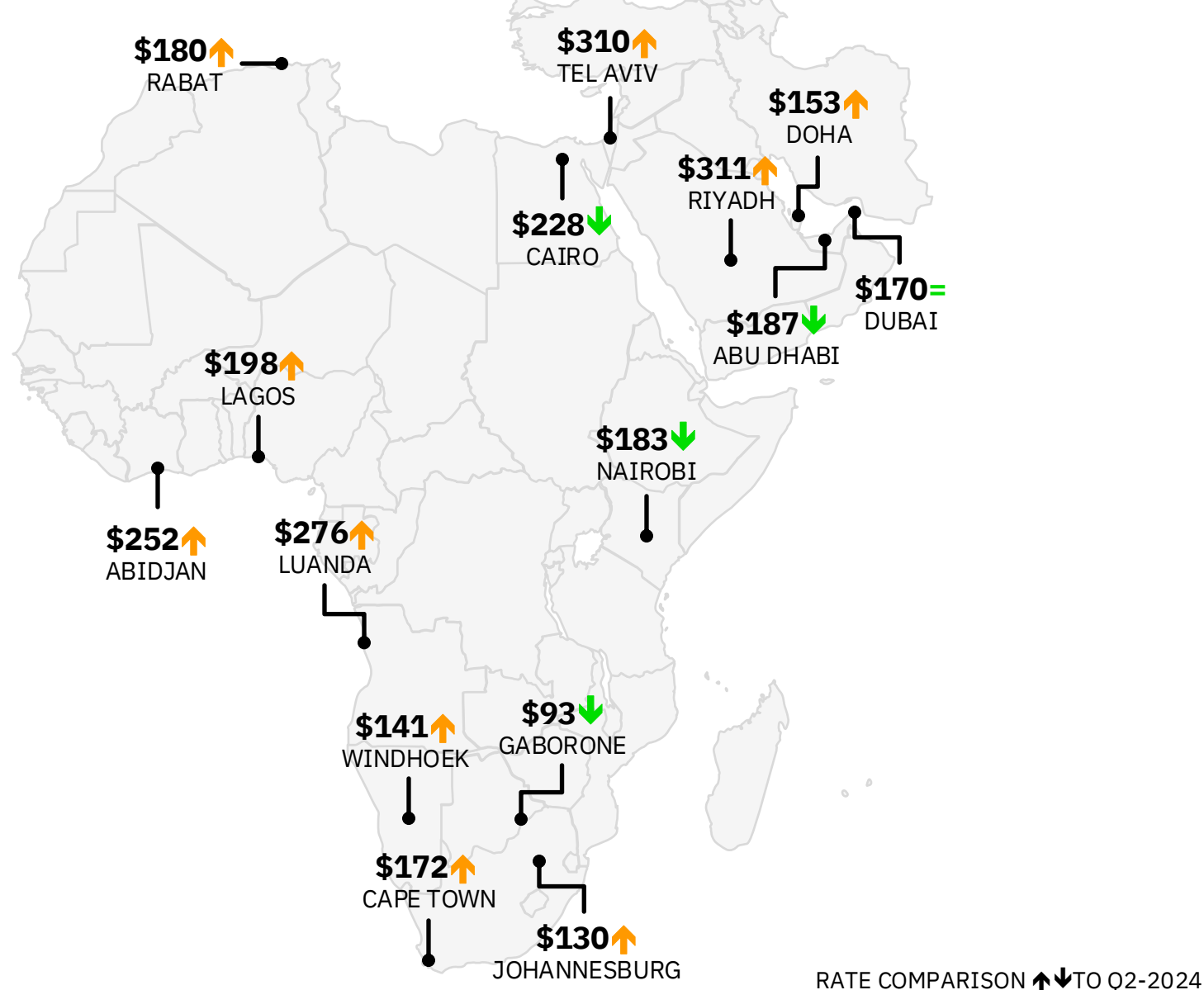
# MIDDLE EAST AND AFRICA

## Accommodation Q3-2024

THE OVERALL REGIONAL  
ARR OF \$200 REMAINED  
HIGH FOR A 5TH QUARTER,  
DESPITE CITY ARR SHIFTS.

### RATE COMPARISON TO Q2-2024

- CAIRO ↓ 3%
- CAPE TOWN ↑ 29%
- DUBAI = FLAT
- JOHANNESBURG ↑ 14%



Corporate Travel  
Average Rate Paid % Var.

Q2-2024 ↑ 1%  
Q3-2024 vs Q3-2023 ↑ 35%



# Mobility

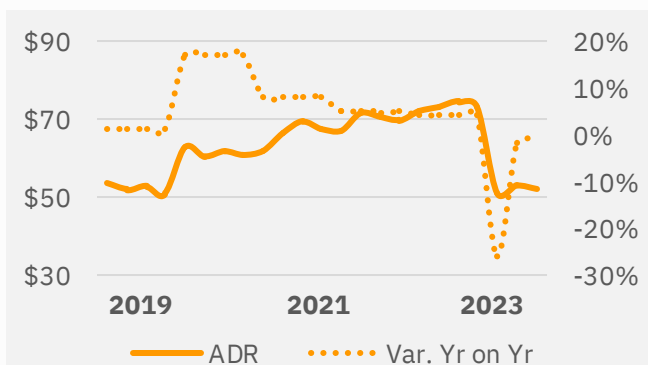
## Key Takeaways Q3-2024

1



### Q3-2024 CAR HIRE

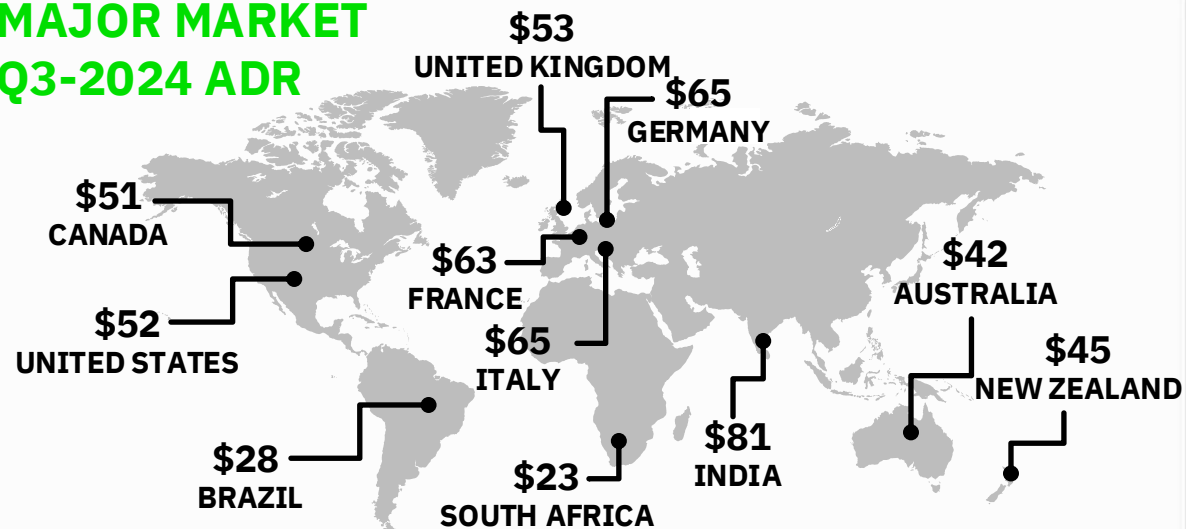
The Q3-2024 global average daily rate was **\$52, -30%** compared to Q3-2023.



2



### MAJOR MARKET Q3-2024 ADR



^ ADR = Average Daily Rate Booked



# Our Team

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*Senior Consultant - Aviation*





# G20 GLOBAL ECONOMY

## Key Macro Indicators Q3-2024

**Increased geopolitical instability in the Middle East has resulted in some corporations banning travel within the adjacent affected countries.**

- The metrics show the Euro Area is declining from previous quarters, especially its key markets Germany and France, with a decrease in manufacturing and service indicators. Some Asian markets have moved into the -50 range.
- Inflation, in general, is moving to 2% range, however, countries such as Australia, Brazil, Saudi and India have increased inflationary rate.
- Unemployment rates remain high in key markets.
- Jet fuel prices after the initial instability in the Middle East have returned to previous downward trending, averaging between US\$97 and \$93 a barrel over the past quarter.
- Recent interest rate cuts by the Federal Reserve Bank and the European Central Bank, and potential further reductions, should encourage investment in the medium term.

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 include **geopolitical instability, weather and natural disaster impacts, seasonality, government elections, holiday periods, large-scale events, e.g., the 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.

\* Manufacturing PMI only

COUNTRY/REGION (G20)	PMI <sup>^</sup> COMPOSITE		UNEMPLOYMENT		INFLATION	
	Last (Sep-24)	Variation from previous month	Last (Aug/Sep-24)	Variation from previous	Last (Sep-24)	Variation from previous month
INDIA	58.3	-0.04	7.80	-0.70	5.49	1.84
SAUDI ARABIA*	56.3	0.03	3.30	-0.20	1.70	0.10
RUSSIA	49.4	-0.05	2.40	0.00	8.60	-0.50
BRAZIL	55.2	0.04	6.60	-0.20	4.42	0.18
SPAIN	56.3	0.05	11.27	-1.02	1.50	-0.80
SOUTH KOREA*	48.3	-0.07	2.50	0.10	1.60	-0.40
CHINA	50.3	-0.02	5.10	-0.20	0.40	-0.20
UNITED KINGDOM	52.6	-0.02	4.00	-0.10	1.70	-0.50
MEXICO*	47.3	-0.02	3.00	0.10	4.58	-0.41
INDONESIA*	49.2	0.01	4.82	-0.50	1.84	-0.28
NETHERLANDS*	48.2	0.01	3.70	0.00	3.50	-0.10
SINGAPORE	56.6	-0.02	2.00	-0.10	2.20	-0.20
UNITED STATES	54.0	-0.01	4.10	-0.10	2.40	-0.10
CANADA	47.0	-0.02	6.50	-0.10	1.60	-0.40
JAPAN	52.0	-0.02	2.50	-0.20	2.50	-0.50
TURKEY*	44.3	-0.07	8.50	-0.30	49.38	-2.59
AUSTRALIA	49.6	-0.04	4.10	0.00	3.80	0.20
ITALY	49.7	-0.02	6.20	-0.20	0.70	-0.40
SOUTH AFRICA	51.0	0.01	33.50	0.60	4.40	-0.20
EURO AREA	49.6	-0.03	6.40	0.00	1.70	-0.50
FRANCE	48.6	-0.08	7.30	-0.20	1.10	-0.70
SWITZERLAND	49.9	0.02	2.50	0.10	0.80	-0.30
GERMANY	47.5	-0.02	6.00	0.00	1.60	-0.30



# GLOBAL ECONOMY



**Purchasing Managers Index (PMI)** is 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 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 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** is a percentage of people in the labour force who are unemployed or not employed. 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** is a percentage measure in which prices will rise, typically, the rate at 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

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