

NEWS RELEASE

BCD Travel Industry Forecast predicts a 1% rise in airfares, and hotel rate increases of 2-4%

UTRECHT, The Netherlands, March 19, 2018 – Airfare prices are slowly climbing in markets with the strongest demand, according to [BCD Travel's](#) midyear [update](#) to the 2018 Industry Forecast. Meanwhile, the outlook for global hotel rates in 2018 remains unchanged with a 2-4% increase predicted over last year.

BCD's airfare forecasts have increased in a number of markets compared to predictions when the [2018 Industry Forecast](#) was originally issued in September 2017. As the economic outlook improves, strong global air travel demand and rising oil prices are helping to push up fares. In response to supply constraint and increasing demand, BCD raised its oil price assumption from US\$50 per barrel to US\$60.

"Our initial forecasts for 2018 remain largely on target. Intercontinental economy airfares will increase slightly more than our original forecast as the global economy continues to strengthen," says Charuta Fadnis, BCD Travel's senior director of research and analytics.

The forecast reviews airfares in seven major regions for regional and intercontinental flights in business and economy classes, as well as projections for average daily hotel rates and economic growth assumptions. Midyear adjustments to the forecast with details by market are available in the [full update](#). Previously published by Advito, BCD's consulting group, the forecast is now being produced by BCD Travel's Research & Intelligence team.

The BCD Travel 2018 Industry Forecast update also takes a closer look at some emerging trends of interest to travel managers, including:

- The impact of surcharges resulting from airlines' efforts to lower their distribution costs
- The benefits of integrating travel and expense management, and the options for extending this to other activities in an end-to-end solution.

Disrupting Airline Distribution

Airlines are eager to lower distribution costs and develop better ways of marketing their offerings across their own sales channels. Some major European-based airline groups, such as Lufthansa Group and two IAG airlines (British Airways and Iberia), have started to levy surcharges for tickets bought through non-direct channels. Air France-KLM will follow suit soon. This has led to increased costs for customers buying tickets through third-party channels, like global distribution systems (GDS). The report further explores the implications and impact of this development.

Travel and Expense: Go Further with an End-to-End Approach

Approximately 60% of companies surveyed by BCD Travel use an online booking tool (OBT) and the same proportion have introduced an expense management system (EMS). Surprisingly, less than a third of those companies have integrated the two. Implementing an end-to-end system helps reduce the stress of business travel, while improving travel program effectiveness. The update further delves into options and advantages.

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About BCD Travel

BCD Travel helps companies make the most of what they spend on travel. For travelers, this means keeping them safe and productive, and equipping them to make good choices on the road. For travel and procurement managers, it means advising them on how to grow the value of their travel program. In short, we help our clients travel smart and achieve more. We make this happen in 108 countries with almost 13,000 creative, committed and experienced people. And it's how we maintain the industry's most consistent client retention rate (95% over the past 10 years), with 2016 sales of US\$24.6 billion. For more information, visit www.bcdtravel.com.

About BCD Group

BCD Group is a market leader in the travel industry. The privately-owned company was founded in 1975 by John Fentener van Vlissingen and consists of BCD Travel (global corporate travel management), Travix (online travel: CheapTickets, Vliegwinkel, BudgetAir, Flugladen and Vayama), Park 'N Fly (off-airport parking), Airtrade Holland (consolidation and fulfillment) and joint venture Parkmobile International (mobile parking applications). BCD Group employs over 14,000 people and operates in 108 countries with total sales of US\$26.4 billion, including US\$10.4 billion partner sales. For more information, visit www.bcdgroup.com.