Travel Market Report

June 2026

Produced by Research & Intelligence

Travel Market Report

Welcome to the latest edition of the *Travel Market Report*, brought to you by BCD Travel's Research & Intelligence team.

This quarter's *Travel Market Report* begins with an update on the state of global airline traffic so far in 2026. It reveals some of the early impacts of events in the Middle East. We follow this with some analysis revealing how these events are impacting travel choices around the world.

As well as the here and now, what's been happening in the Middle East has impacted the future as well. We take a closer look at the changes the International Air Transport Association (IATA) has made in its June *Global Outlook for Air Transport* since publishing the previous edition at the end of 2025.

Amid the disruption and a sharp rise in their fuel costs, how have airlines actually been performing? Using data from OAG (Official Airlines Guide), we review the on-time performance of more than 100 airlines around the world.

Over the last quarter, we conducted two of our own surveys among travelers and travel buyers on the subject of online bookings tools (OBTs). In the travel buyer survey, we explore the role of OBTs today: How well they support the traveler experience and program goals, and what travel buyers need from an OBT going forward. The goal of the traveler survey is to better understand if today's booking solutions meet traveler needs and to identify opportunities for improvement. We finish this quarter's *Travel Market Report* with the main highlights from both surveys.

The Research & Intelligence team

Mike Eggleton

Director, Research & Intelligence

Natalia Tretyakevich

Senior Manager,
Research & Intelligence

Melina Sibaja

Travel Insights Analyst

Update on global airline traffic

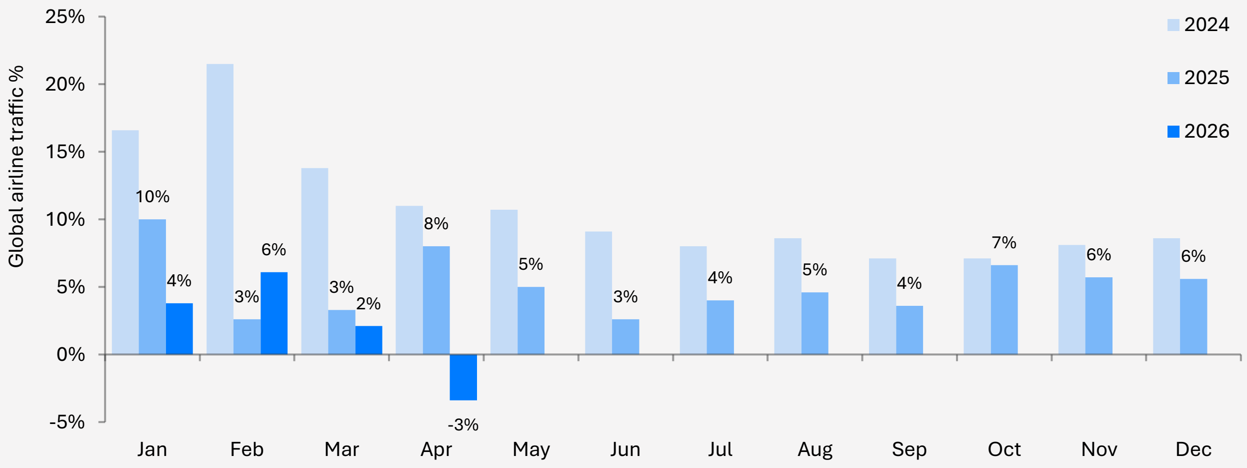
Global traffic contracts for first time in five years

Events in the Middle East finally had a clear, material impact on global air travel in April, when airline traffic contracted by 3.4%. This was the world's first year-over-year decline in demand since March 2021, when the COVID-19 pandemic had been at its height. Growth rates had already been easing throughout 2025, and this slowdown had continued into 2026, although there were signs of a moderation. During the first three months, growth had only slowed to 4% from 5% in the equivalent period in 2025.

April's weak numbers may be largely attributed to Middle Eastern carriers, whose traffic contracted by 46.6%, a modest improvement on March's 59% decrease. Airlines from most other regions saw their growth momentum moderate. Only those in North America recorded weaker demand vs. the same month in 2025, albeit with traffic shrinking by just 0.3%.

The international segment has been the source of the global weakness. After shrinking by 0.6% in March, international traffic declined by 5.3% in April and recorded expansion of just 1.5% year-to-date. But global domestic passenger traffic is now being impacted too. After growing by more than 6% in both February and March, it slipped slightly into negative territory in April, as demand contracted in Australia, India and the U.S.

Global air travel year-over-year [1]



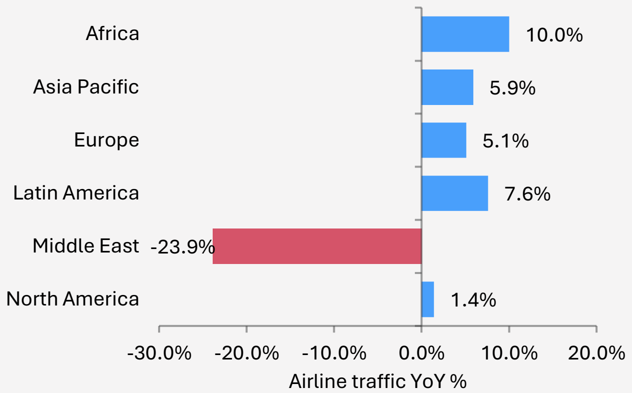
Regional perspective so far in 2026

During the first four months of 2026, a reduction in traffic of almost a quarter among Middle Eastern carriers is the headline. But continued weakness among North American airlines is also worthy of note. While other regions posted strong growth of 5-10%, North America only just surpassed 1%. The recovery-implied growth of 2-3% in February and March ended with April's 0.3% decline in traffic.

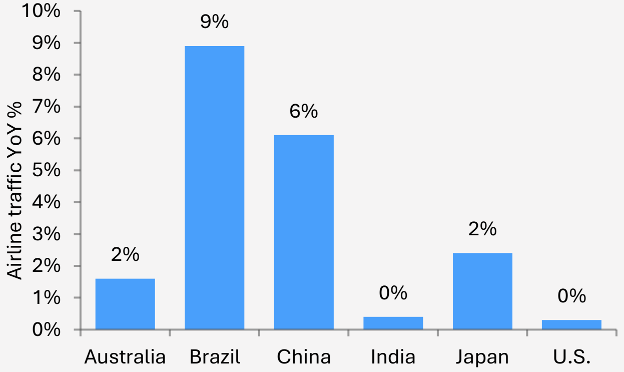
The U.S. domestic market remains an issue. So far in 2026, traffic has grown by just 0.3%, and in April it contracted by 0.6%. This should be seen in a wider context, with all major domestic markets seeing their performance deteriorate between March and April.

That said, U.S. demand has contracted in four of the last six months.

Regional growth year to date in 2026 [1]



Domestic growth year to date in 2026 [1]



(1) IATA, Monthly Passenger Analysis reports

Changing air travel patterns

Travelers choosing trips closer to home this summer

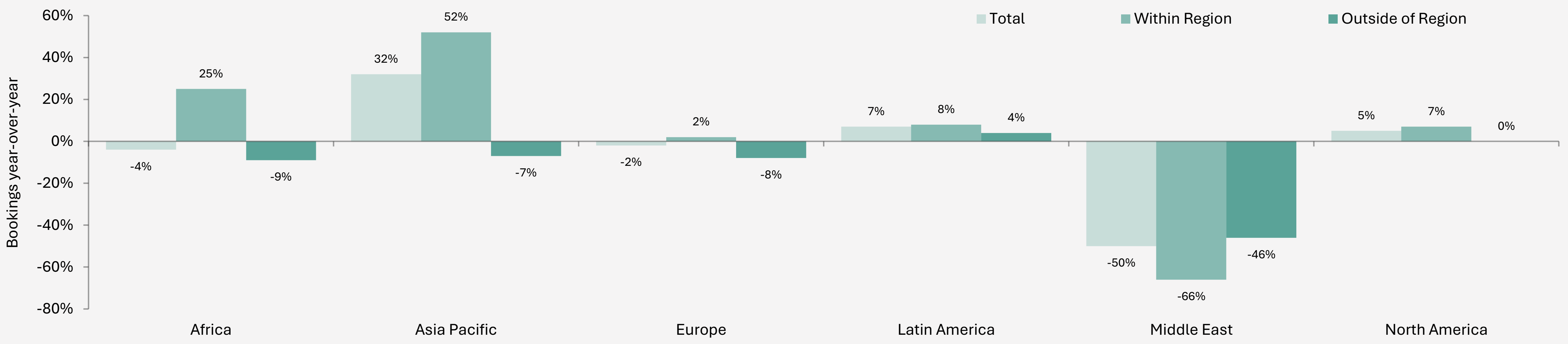
Defying IATA's weak April numbers for global air travel, airline passenger ticket bookings for travel between June and September rose by 6% year-over-year in March and April.[2] Travelers don't seem to have been put off by the major disruption caused by the Iran conflict or by sharply elevated jet fuel prices. But they are changing their destination choices.

Asia Pacific posted the biggest increase, with total bookings almost one-third higher year-over-year (YoY). Unsurprisingly, bookings by travelers in the Middle East were half what they were in 2025. With the exception of the Middle East, passengers in all other regions showed a greater inclination for travel to destinations within their region than outside of it. Travel to destinations closer to home seems more appealing.

In North America, bookings for travel to other regions increased by 7% but were flat for travel within the region. Europeans have cut reservations for intercontinental travel by 8% YoY, but they've increased them by a modest 2% for trips within Europe.

Asia Pacific demonstrates the two extremes. There's clearly a strong desire for travel, with bookings for flights within the region up by more than 50%. And yet bookings to other regions fell by 7%. Events in the Middle East will have been a factor, with Gulf hubs offering useful connections between Asia Pacific and both Europe and Africa. The geopolitical disruption will also have caused a change to booking patterns, with airlines reporting travelers increasingly delaying flight bookings until closer to their travel date. Should the situation in the Middle East improve materially, then there's every chance of confidence in inter-regional travel being restored.

March-April bookings for June-Sept. travel year-over-year [2]



(2) IATA, Chart of the Week, May 22, 2026

Latest outlook for global air transport

Middle East conflict hits outlook for demand, cost and airline profitability

War-related disruptions in the Middle East and rising fuel costs have shifted the outlook for airlines to the worse. That's the view expressed by Willie Walsh, director general of IATA (International Air Transport Association), as the organization delivered its latest *Global Outlook for Air Transport*.[3]

The closure of the Strait of Hormuz has delivered an oil production and refining shock without recent precedent, cutting oil supply by an equivalent of around 10% of global consumption. Jet fuel availability is threatened, with the price roughly doubling since the end of February. The jump in crack spreads to record levels of $80 in April highlights the disproportionate impact on jet fuel. One-fifth of its global trade is Hormuz-linked. Competition for limited supply has intensified, raising risks of localized shortages alongside higher costs.

As the energy shock feeds through to inflation, weighing on real incomes and consumption, a slowdown in global economic growth seems inevitable, with the risks skewed to the downside. Oxford Economics currently forecasts the pace of global economic expansion will slow from 3.0% last year to 2.4% in 2026, its weakest performance (excluding 2020) since 2009.

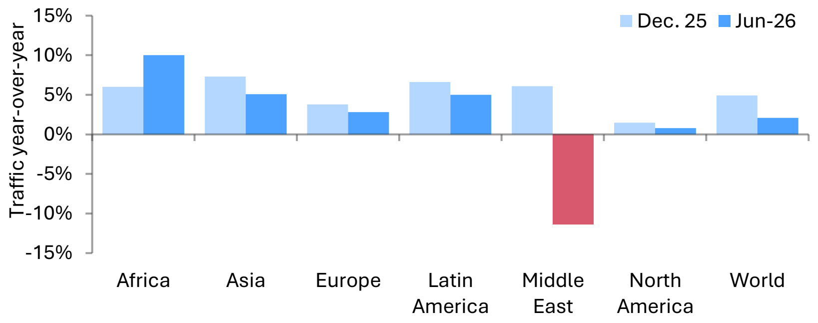
While global passenger demand is adjusting to the realities of higher costs, airspace disruption and longer flight routings, IATA notes only a moderation, and not a collapse, in the underlying willingness to travel. Growth in passenger traffic (revenue passenger kilometers – RPKs) is now expected to slow from 5.3% in 2025 to 2.1%. Just six months ago, IATA was predicting growth in 2026 to hold broadly steady at 4.9%. There's a pronounced regional divergence in the changes to the travel outlook. The Middle East should see a deep 11% contraction in travel, instead of the 6% growth previously forecasted. But it's not bad news for all regions. Most have seen only modest reductions in their growth prospects, while African airlines may expect even stronger growth, as travelers avoid Middle East connections and fly direct to/from Africa.

At an aggregate level, airlines should remain profitable in 2026, but margins will come under increased pressure from the fuel cost shock and the limited scope for efficiency gains to act as an offset. Higher yields will support a 9.4% growth in global airline revenues, and yet the global net profit is expected to fall by 49% year-over-year to $23 billion. This should cut airlines' net margin from 4.2% to 2.0%. IATA's previous forecast had expected global airline net profits to increase by 3.8% to $41 billion, delivering a net margin of 3.9%.

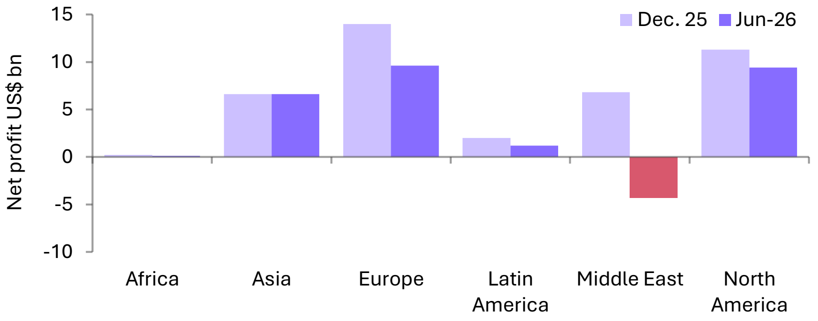
Once again, there's clear regional variation. The profit outlook for Asia's airlines is unchanged. The change in prospects for airlines in the Middle East has unsurprisingly been the most pronounced. Instead of generating profits close to $7 million, they're now more likely to be lossmaking to the tune of more than $4 million. Profits among Europe's airlines are likely to be 31% lower than previously forecasted. North America's airlines seem more insulated. Forecasted net profits have been reduced by 17% to $9.4 billion, 25% lower than in 2025.

As airlines will find it difficult to fully pass through increased costs to passengers, profitability becomes more exposed in the event of prolonged fuel market disruption and a further deterioration in economic conditions.

Changing outlook for air traffic growth in 2026 [3]



Changing outlook for airline net profits in 2026 [3]



(3) IATA, Global Outlook for Air Transport, June 2026

Airline on-time performance

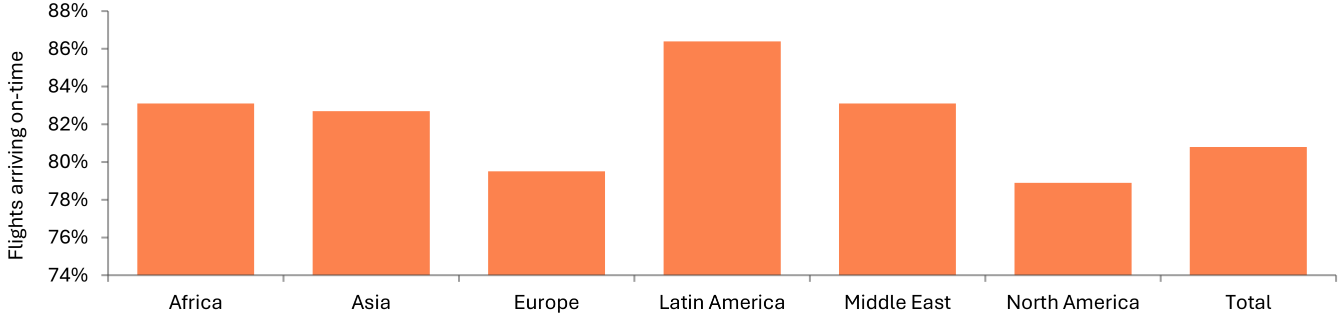
On-time performance was stable in May, with Latin America's carriers leading the way

Each month, OAG (Official Airlines Guide) surveys more than 100 airlines around the world (the number varies by month) to assess their on-time performance. It's measuring the percentage of flights that have arrived at the gate on-time, i.e., within 15 minutes of the schedule.

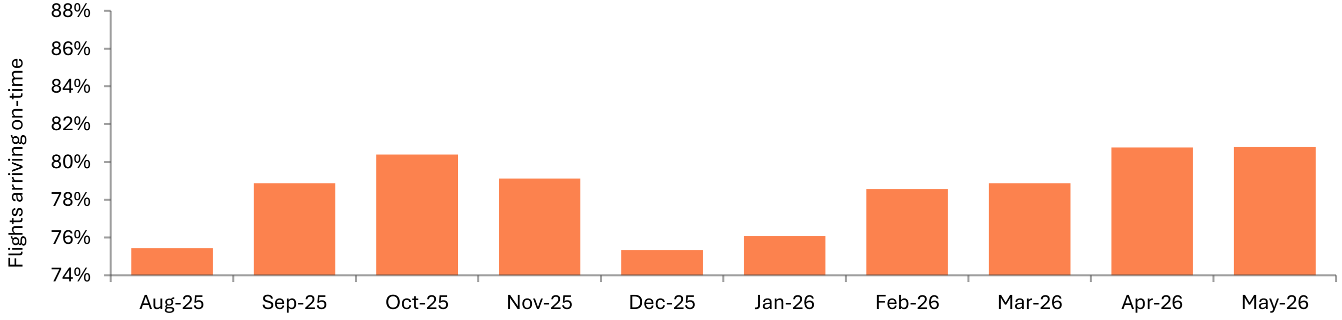
Across a sample of 140 airlines, 80.8% arrived on-time in May 2026, matching April's numbers, which had largely excluded Middle Eastern airlines, as they were operating too few flights. On-time performance has improved as 2026 has progressed, although there are likely to be some seasonal effects in the numbers.

Latin America's airlines performed well, with 86.4% of flights arriving on-time, contrasting to around 79% among airlines in Europe and North America.

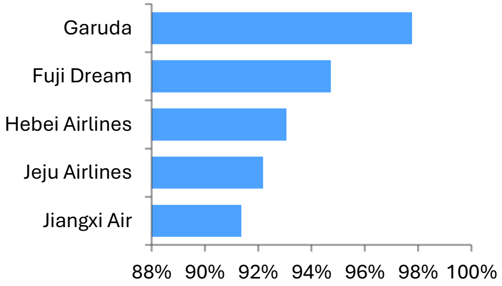
Airline on-time performance by Region: May 2026 [4]



Global airline on-time performance [4]

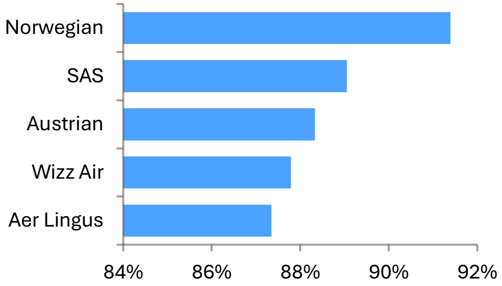


Top five airlines: Asia Pacific [4]



Asia Pacific's best-performing airlines far outdid the region's 82.7% average for May. Garuda Indonesia led the way, with 98% of its flights operating on-time. Its Citilink low-cost division ranked highly in 7th place with 91%.

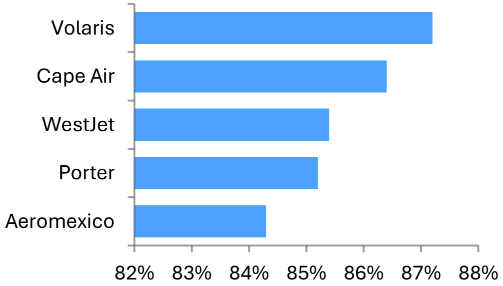
Top five airlines: Europe [4]



Europe's top five comprised a mix of low-cost carriers and second-tier full-service airlines.

Among the majors, Air France, KLM and Lufthansa all achieved 81% on-time arrivals, ahead of British Airways at 77%, a similar result to EasyJet and Ryanair.

Top five airlines: North America [4]



While failing to make the top five, U.S. major airlines Delta Air Lines (81.7%), United Airlines (79.6%) and American Airlines (78.5%) still delivered respectable numbers.

Southwest trailed behind with just 71.4% of flights arriving on-time.

(4) OAG, On-time performance data

Online Booking Tools: travel buyer survey

Travel buyers share their views on OBTs

In this survey, we explore the role of online booking tools (OBTs) today: How well they support the traveler experience and program goals, and what travel buyers need from an OBT going forward. The results are based on an online survey of 154 travel buyers conducted in April 2026.

Our findings, at a glance

OBT adoption across companies

The vast majority of travel buyers (95%) have OBTs in place, with a quarter using more than one tool across their organization. While slightly over half say their OBT is primarily designed to empower travelers, 46% view the main role of booking tools as protecting the company.

OBT priorities

Travel buyers identified several key objectives related to OBTs, with improving visibility and control emerging as the top priority mentioned by six in 10. This is closely followed by reducing travel costs (58%), improving policy compliance (55%) and increasing traveler adoption (55%).

OBT adoption by travelers

OBT adoption remains a key indicator of travel program effectiveness. While half of travel buyers report that OBT adoption is in line with their program goals, more than a third indicate that traveler adoption falls short of expectations. Only a small minority (3%) say that adoption exceeds their target.

Nearly half of travel buyers report that their companies mandate OBT use, making it the most widespread approach used to increase adoption.

Satisfaction with OBTs

While more than half of travel buyers (58%) report being somewhat or extremely satisfied with their booking tools, nearly a quarter (24%) express dissatisfaction with them.

The most common shortcomings relate to content availability and quality, as well as the pace of innovation and introduction of new features, each cited by over half of respondents. Nearly four in 10 also highlight issues with usability, fare competitiveness and mobile experience. Other concerns include consistency across countries, provider support and technical performance. In contrast, compliance control generates the fewest complaints (11%), and 5% of travel buyers report no gaps at all.

OBT improvements

Here's the improvements travel buyers seek from OBTs:

- Smarter assistance (AI + personalization)
- Broader, high-quality content
- A simpler, consumer-like user experience
- Fare competitiveness and price visibility
- Servicing improvements, e.g., changes or cancellations
- Reliability / fewer errors
- Integration of rail and ground transportation
- Payment and expense integration
- Better traveler communication

OBT plans

Seven in 10 travel buyers expect to continue using their current tool - 41% without changes and 32% with some reconfiguration. Meanwhile, 15% plan to switch to a different OBT, and 8% remain undecided.

The primary drivers of OBT change are the need for better content and a more user-friendly experience, each cited by around two-thirds of buyers.

Find out more

These are just a few of the key findings from our survey. You can find out much more detail in the full report.

Online Booking Tools: traveler survey

Business travelers share their key OBT concerns and talk about the improvements that would benefit them

In this survey, we examine the tools that travelers use to book business trips. The goal is to better understand how well today's booking solutions meet traveler needs and identify opportunities for improvement. The results are based on an online survey of 833 business travelers worldwide, conducted in April 2026.

Our findings, at a glance

OBT adoption by travelers

OBTs represent the primary booking channel, with 90% of business travelers using employer-provided platforms. Among these, nearly four in 10 travelers rely exclusively on OBTs. Alternative booking methods remain relevant: Almost a quarter of travelers use travel agents, 29% book directly via airline or hotel websites and apps, and 13% turn to consumer travel aggregators. For around one in 10 employees, bookings are handled by an assistant or colleague.

Nine in 10 business travelers report that OBT use is mandated by their employers: Nearly two in 10 must always book through company-approved OBTs, while almost three-quarters have to use them in certain situations when arranging business trips.

Bypassing the OBT

While a third of traveling employees report using their company's OBT every time they book business travel, adoption is not universal.

Changes or disruptions, along with the need to book complex itineraries, are the most frequently cited reasons for bypassing OBTs. These are mentioned by 23% and 19% of travelers, respectively.

Traveler satisfaction with OBTs

Overall, satisfaction is high: Over three-quarters of traveling employees are largely satisfied with their company's OBT. In contrast, roughly one in 10 express dissatisfaction, while a similar share remain neutral.

Eight in 10 agree they can book everything they need within the tool, yet two in 10 still go outside the OBT for certain providers. Nearly two-thirds describe the booking experience as quick, intuitive and aligned with their expectations. At the same time, about one-third find the process time-consuming and inconvenient, and a similar share view their OBT as outdated.

OBT gaps

Travelers highlight several key limitations of OBTs, with poor search results, limited options and non-competitive prices cited by nearly one-third. Over one in five report difficulty comparing options, complex changes, lengthy booking processes and trouble finding in-policy choices.

Among potential OBT improvements, over half of travelers point to the ability to save their favorite hotels for easy rebooking and simpler flight comparison. Around a quarter would value peer hotel recommendations and a dashboard summarizing their past booking activity.

AI use for travel booking

Today, 22% of travelers use artificial intelligence (AI) to plan or book their business trips, at least occasionally. Three-quarters rely on company-approved AI tools, while slightly over a quarter use external tools of their own choice.

The most common use cases include searching for and comparing travel options (59%) and planning itineraries (58%).

Find out more

These are just some survey findings. You can find out more in the full report.

Source: BCD Travel survey, April 2026

Share your thoughts

Do you have any questions or comments regarding this report? Please email Mike Eggleton to share your thoughts.

We have carefully researched and checked the information contained in this report. However, we do not guarantee or warrant the correctness, completeness or topicality of this report and do not accept any liability for any damages or loss as a result of the use of the information contained in it.

About BCD Travel

BCD Travel creates connections that move people and ideas forward. Through open technology and trusted human expertise, we help companies and people navigate change, simplify complexity and make confident decisions about how and when they travel. Our intuitive digital experiences for every stakeholder power journeys that fuel success and drive progress. With 15,000+ dedicated team members serving clients in 170+ countries, BCD is shaping a more sustainable future for business travel. Industry-leading meetings and events management and a global consultancy complete our suite of solutions and services. In 2025, BCD achieved $24.4 billion in sales. For more information, visit www.bcdtravel.com.