Travel Market Report

September 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* starts with a high-level overview of the risks facing the global economy, and what scenarios for the future Oxford Economics believes these are driving.

Then we share an update on the state of global airline traffic so far in 2026. The International Air Transport Association's (IATA) data up to July demonstrates how the conflict in the Middle East continues to impact demand.

IATA is also the source of some analysis we summarize on the delays to air travel in the U.S. caused by air traffic control (ATC) delays.

Sticking with IATA, it's recently published its *Global Passenger Survey for 2025*. We look at general trends in airline passenger satisfaction and explore the aspects of air travel with which they are most satisfied and most dissatisfied.

Over the last quarter, we conducted two surveys among travelers and travel buyers on sustainability. In the travel buyer survey, we explore the role of environmental sustainability in travel programs and look at travel policies, efforts to reduce emissions and the measures organizations are taking to encourage more sustainable travel. In the traveler survey, we examine traveler behaviors, motivations and attitudes toward sustainable travel choices, helping identify opportunities for improvement. We conclude this quarter's *Travel Market Report* with the main highlights from both surveys.

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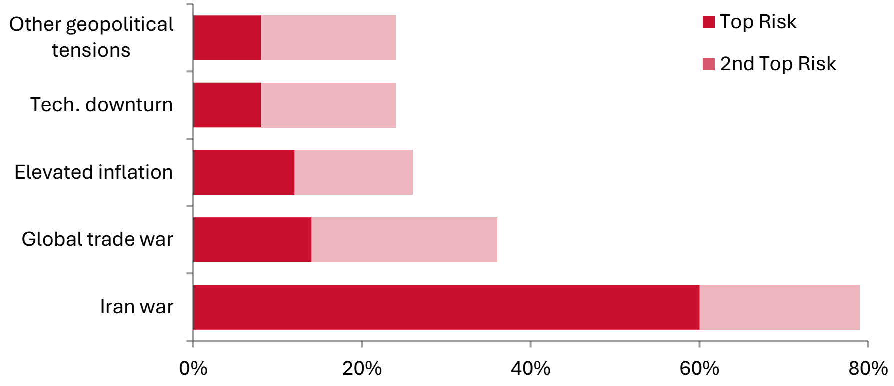
Risks to the global economic outlook

Iran war the biggest to the outlook

We live in volatile times and there are significant risks to both the global economic and travel outlook. While the Iran war tops the near-term downside risks, it's not the only issue of concern. In its latest *Global Scenarios Service* report, Oxford Economics highlights four other issues, which survey respondents indicated as bring either their top or second top risk. But the Iran conflict is the dominant risk, with citations by almost 80% of survey respondents making it by far the top risk. It forms the basis for two of Oxford Economics' six scenarios describing the economic outlook. The first assumes that the Iran war intensifies, leading to more severe near-term disruption. The second assumes that disruption will be sustained, with energy prices remaining elevated until the reliance on the Strait of Hormuz is materially reduced through the construction of alternative export routes. At the time of creating its scenarios, battlefield success by the Houthis had yet to add the suspension of Saudi Arabia's East-West pipeline and the risk of the closure of the Bab el-Mandeb Strait to Oxford Economics' analysis and assumptions.

In addition to its baseline forecast, to which it assigns a 40% probability, Oxford Economics has developed five other scenarios for the global economy. As well as the two Iran-based scenarios, these include two related to AI (artificial intelligence). Oxford Economics is hedging its bets on AI, assigning a 15% probability to both its AI boom and AI bust scenarios. Its final scenario relates to concerns about rising levels of public debt.

Key near-term downside risks [1]



Oxford Economics' latest scenarios

Baseline (40%)	Iran war intensifies (5%)	Sustained disruption (15%)	Fiscal crisis (10%)	Tech downturn (15%)	AI boom (15%)
Global economy rebounds in the second half of 2026, avoiding a major downturn.	Global growth slows sharply in late 2026 amid severe, but brief energy market disruption.	Strait of Hormuz remains closed and energy prices elevated until reliance on the Strait is materially reduced.	Japanese fiscal concerns spread, promoting government action to tackle rising public debt levels.	AI boom turns to bust, with global growth slowing sharply under the weight of falls in stock prices and investment.	Global economy is bolstered by buoyant U.S. tech investment and stock prices as rapid AI adoption fuels productivity gains.

(1) Oxford Economics, Global Scenarios Service, September 2026

Update on global airline traffic

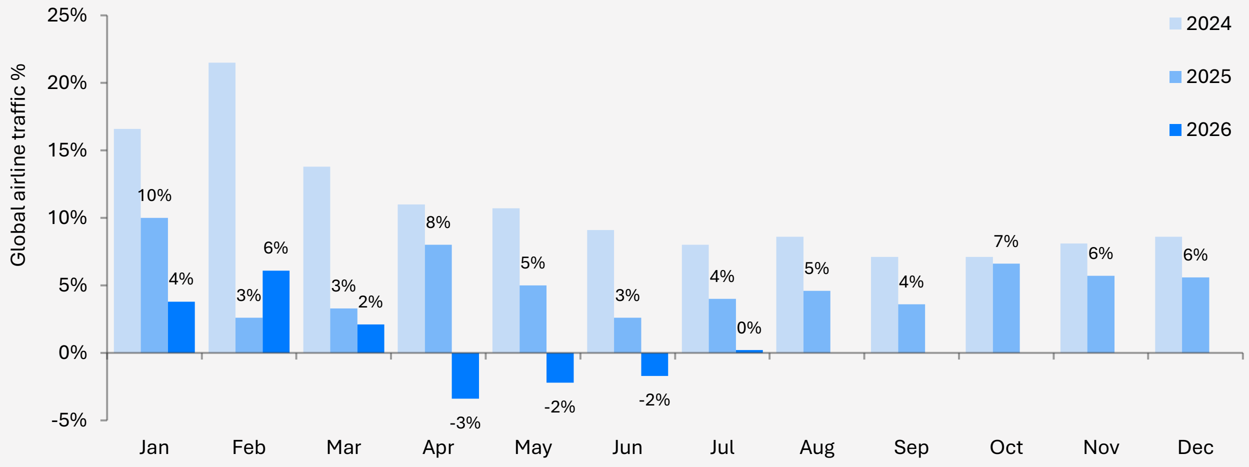
Global traffic returns to growth, just

The most damaging effects of the conflict in the Middle East were clear over the April-June period. In each month, global airline traffic decreased by 2-3%. But the worst may now possibly be behind us, with July's numbers proving a little more encouraging. Year-over-year growth has returned, albeit at a minimal level of just 0.2%. Year-to-date, growth has averaged little better at 0.6%. Excluding Middle Eastern carriers, IATA (International Air Transport Association) estimates that global passenger traffic grew by 1.2% in July, although this was still weaker than growth during the first three months of 2026.

The pace at which traffic among Middle Eastern carriers is declining has also moderated, easing from 14% to 10% between June and July.

International air travel contracted by 0.1% in July and expanded by just 0.4% over the first seven months. Domestic demand has proven to be more resilient, growing by 0.6% in July and by 1.0% so far in 2026. But performance has been mixed across major domestic markets. While Brazil and China recorded 5-6% growth, air travel within India declined by 6%, while Australia and the U.S. saw air traffic shrink by 0.5%.

Global air travel year-over-year [2]



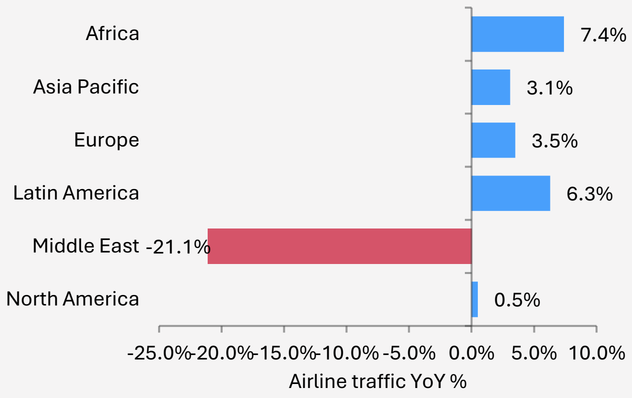
Regional perspective so far in 2026

During the first seven months of 2026, a reduction in traffic of more than a fifth among Middle Eastern carriers is the clear headline. But weakness remains among North American airlines. While other regions posted growth of 3-7%, North America fell short of 1%, as traffic declined year-over-year in every month since April. All other regions posted improved growth in July vs. June.

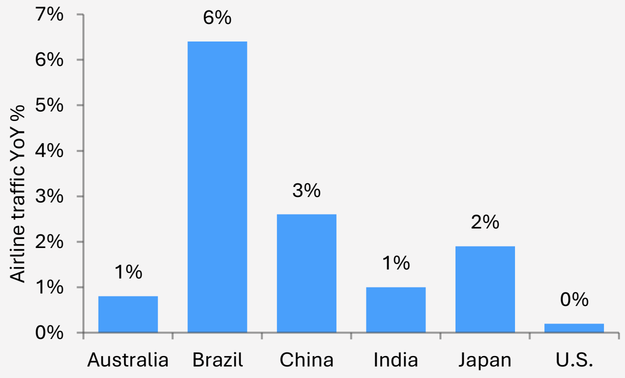
The U.S. domestic market is an issue. Even among a group of markets that have generally performed poorly so far this year, the U.S. stands out with no growth. But it's not alone, with Australia and India doing little better with 1% growth.

U.S. domestic demand has contracted for four months in a row, although July's 0.5% decrease was a small improvement on June's 1.2% contraction.

Regional growth year to date in 2026 [2]



Domestic growth year to date in 2026 [2]



(2) IATA, Monthly Passenger Analysis reports

Air traffic control as a source of delays in the U.S.

Surge in ATC delays over the last two years

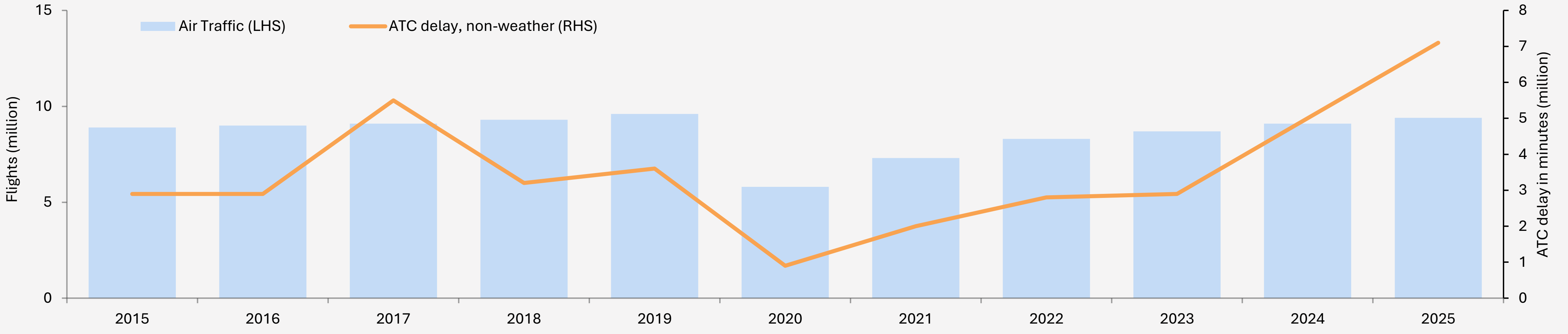
Recent analysis by IATA (International Air Transport Association) has found that the growth in delays caused by air traffic control (ATC) related issues in the U.S. has far exceeded the growth in air traffic over the same period.

Between 2015 and 2025, the number of scheduled passenger flights in the U.S. increased by only 4.9%. Bu the non-weather ATC delays that airlines faced surged by 143%. IATA believes that the escalation in ATC delays owes much to underlying capacity and operational challenges. These have grown markedly in the wake of the COVID-19 pandemic. Over the last two years, ATC delays have soared by 145%.

Such delays matter to airlines, as they can be costly through increased fuel burn, crew costs, reduced aircraft utilization, higher maintenance costs and general disruption across networks and schedules. Delays are also inconvenient for travelers, who themselves bear substantial direct costs and opportunity costs through the time lost. IATA estimates that FAA-related (Federal Aviation Administration) delays added almost $11 billion to airlines' and passengers' costs between 2015 and 2025.

Beyond the direct burden to airlines and passengers, persistent delays can reduce the productivity of the wider economy. Air transport not only supports business travel, it's also important for trade, tourism and time-sensitive cargo.

Air traffic and non-weather ATC delays in the U.S., 2015-2025 [3]



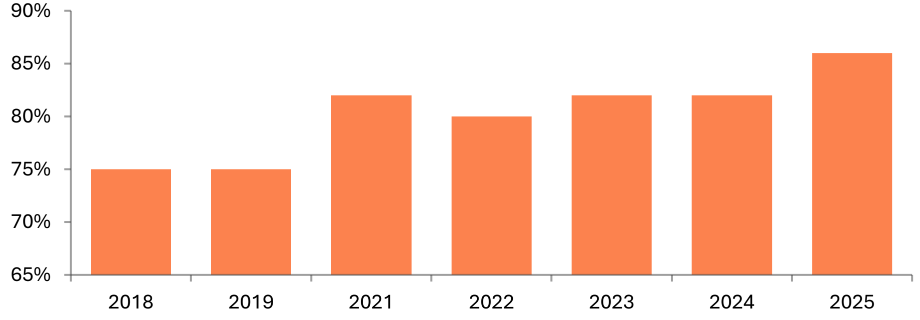
(3) IATA, Chart of the Week, August 21, 2026

Airline passenger satisfaction

Passenger satisfaction at an all-time high

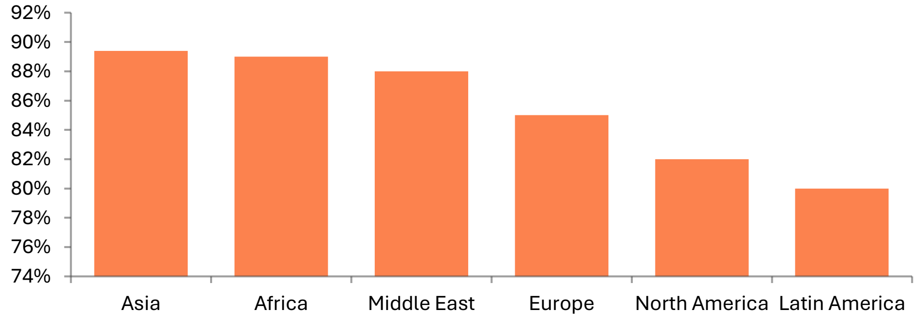
Passenger satisfaction with air travel improved from 82% to 86% between 2024 and 2025. According to IATA (International Air Transport Association), this represents an all-time high for the percentage of passengers who are either very or somewhat satisfied with the experience when flying.

Satisfied travelers [4]



There are clear regional differences in passenger satisfaction levels. Travelers based in Asia Pacific and Africa tend to be the most satisfied, averaging 89% satisfaction. Travelers in the Americas are harder to please, with 82% satisfied in North America and 80% in Latin America.

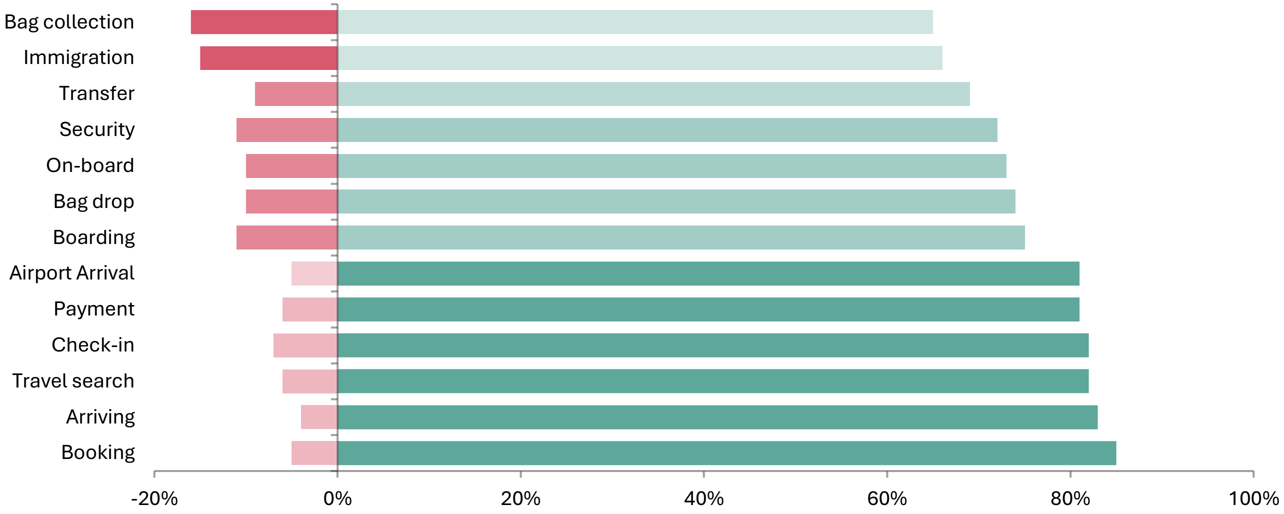
Satisfied travelers by region [4]



Levels of passenger satisfaction (and dissatisfaction) varies across the different aspects of air travel.

While passengers are highly satisfied with the arrival at their destination, with 83% expressing a positive view, their most common pian points actually occur after they've landed. At 15-16%, passengers are most dissatisfied with baggage collection and border control/immigration. Other concerns include aircraft boarding and security, both noted by 11% of travelers.

Passenger satisfaction in more detail [4]



Passenger's increased adoption of technology may at least be able to reduce some of the pain surrounding baggage collection. Among passengers, IATA reports 88% would be more confident traveling with checked-in luggage, if they were able to track it in real time. Since 2024, the share of travelers using an airline app to track the location of their luggage has increased from 35% to 42%. And the proportion of travelers using a bag tag has seen a similar seven-point increase, rising from 28% to 35%.

Increased adoption of biometrics may also ease the pain of security and border control. Almost three-quarters of travelers are willing to use biometrics, while 86% are currently satisfied with its use.

(4) IATA, Global Passenger Survey, 2025 Highlights

Sustainable business travel: travel buyer survey

Travel buyers value sustainability, but cost and limited engagement constrain action.

In this survey, we explore the role of environmental sustainability in travel programs and look at the travel policies, efforts to reduce emissions and the measures organizations are taking to encourage more sustainable traveler behavior. The results are based on an online survey of 73 travel buyers conducted in July 2026.

Our findings, at a glance

Sustainability as a travel program priority

Sustainability remains a meaningful travel program priority with 50% of travel buyers rating it very or extremely important. Almost half say the importance of sustainability has increased over past two years, but a similar share believe it hasn't changed.

The additional cost of sustainable travel options is the biggest obstacle to advancing sustainability initiatives, followed by educating travelers.

Sustainability priorities related to travel

Reporting compliance is currently the top sustainability priority with seven in 10 travel buyers mentioning it as extremely or very important, followed by supporting company sustainability goals. Satisfying traveler demand for sustainable travel is the lowest on the list of priorities.

Sustainability goals

While sustainability is widely embedded at the corporate level, many organizations have yet to translate broader goals into specific travel program targets. While 86% of companies have sustainability goals in place, travel-specific sustainability goals are far less common, with only 46% reporting them and 47% saying their organization has none.

Sustainable travel program

While nearly half of travel buyers (46%) believe their program encourages sustainable business travel, 20% say the opposite.

Sustainable travel policies are present in many programs, but implementation remains focused on straightforward, behavior-based actions. Reducing the number of trips is encouraged most often, cited by 55% of travel buyers, followed by flying direct (42%), shifting to rail where possible (41%) and combining several trips into one (39%). More advanced measures tied to emissions data, accommodation standards or stronger travel restrictions appear less widely adopted.

Communication on sustainability

Travel buyers report moderate engagement with sustainability stakeholders. 31% communicate with their sustainability team monthly or weekly, but 18% never engage and 11% lack a dedicated sustainability team altogether.

Sustainability communication to travelers is sporadic. While 59% share sustainability information with travelers never or rarely, only 11% of organizations do so often or very often. Online booking tool messaging is the most common communication channel, used by 50% of organizations. Traditional communication methods include email/newsletters, sustainability reports and intranet articles.

Factors impacting sustainable travel

The future impact on sustainable business travel is mostly expected from environmental, social and governance (ESG) pressure (62%), better technology and OBT capabilities (56%), as well as improved emissions data (51%).

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 that will be shortly available on www.bcdtravel.com.

Source: BCD Travel survey, July 2026

Sustainable business travel: traveler survey

Travelers adopt simple sustainable habits, but few change how they travel.

In this survey, we explore environmental sustainability in business travel and examine traveler behaviors, motivations and attitudes toward sustainable travel choices. The results are based on an online survey of 748 business travelers worldwide, conducted in July 2026.

Our findings, at a glance

Encouraging sustainable travel

Half of travelers (51%) say their company's travel program encourages sustainable travel, while only 10% feel it doesn’t promote sustainable choices. This marks a slight decline from 2023, when 55% reported that their program encouraged sustainable travel choices.

Sustainable travel practices

Travelers report their employers encourage sustainable travel by reducing overall travel demand and improving trip efficiency, while lower-emission transport and accommodation choices receive less emphasis.

- Reducing the number of trips is the leading measure, reported by 46% of travelers, well ahead of all other options.
- Companies also focus on making necessary travel more efficient, encouraging car sharing (28%), combining several trips into one (27%) and limiting the number of employees traveling on the same trip (27%).
- Air travel measures remain prominent, with 26% encouraged to choose direct flights and 21% to fly economy rather than business class.
- Switching to lower-emission transport is less common, with 19% encouraged to take the train instead of flying and 16% to use public transport rather than a taxi.

Sustainable traveler behaviors

Travelers demonstrate strong adoption of everyday sustainable practices, with simple, low-effort behaviors being the most common. Two-thirds travel paperless (66%), 63% avoid unnecessary towel changes, 60% reduce housekeeping frequency during hotel stays and 57% choose to walk where possible at business destinations. More than half also support local communities and resource conservation by using local vendors, recycling and respecting local cultural norms.

Behaviors that require greater changes to travel arrangements are less common. Only 22% report taking the train instead of flying, while 16% choose economy class when business class is permitted.

Communication on sustainability

Travelers admit that communication about sustainable travel is limited. Nearly six in 10 never or rarely receive sustainability communications from their employer, while only 13% do so often or very often. Travel buyers report a similarly low level of communication, with 59% communicating rarely or never and only 11% doing so often or very often.

Email campaigns are the most frequently recalled channel among travelers (42%), followed by intranet articles (32%) and leadership communication (31%).

Carbon emissions

Emissions data visibility is largely restricted to air travel, with 40% of travelers reporting access to flight-related emissions data. Meanwhile, 35% do not know whether such data is available, and 22% have no access to emissions data at the time of booking.

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 that will be shortly available on www.bcdtravel.com.

Share your thoughts

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

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