



Travel Market Report

March 2026

Produced by Research & Intelligence

NEGATIVE PRESSURE
RELIEF VENT

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 a summary of the International Air Transport Association's (IATA) latest update on the performance of the global airline industry, identifying which regions are doing well, and which are weighing on growth.

Sticking with airlines (and IATA), we present the headlines on airline safety in 2025.

The escalation of military action in the Middle East has seen oil prices rise sharply. We look at what this could mean for airline profits.

We've recently published the third in a series of reports exploring how travelers may expect to pay for their daily needs when visiting a foreign country. This edition focuses on Northeast Asia. We've included a summary of our main findings and recommendations for business travelers when visiting China, Hong Kong, Japan and South Korea.

We've conducted two surveys on travel risk management among travelers and travel buyers. In the traveler survey, we explore how business travelers perceive travel risks, focusing on their experiences on the road and the safety support measures provided by their employers. The travel buyer survey investigates travel risk management from a different perspective, looking at how duty of care programs are evolving to meet the demands of a changing environment. We finish this report with the main highlights from both surveys.

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NEGATIVE PRESSURE
BREATHE NORMALLY

Update on global airline traffic

North America weighing on global growth, although latest numbers more positive

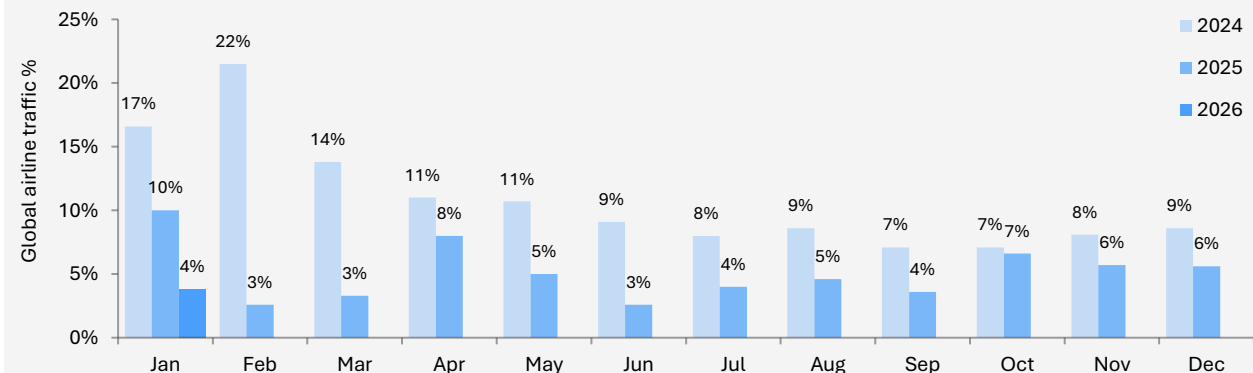
During 2025, global airline traffic expanded by 5.3%, slowing down rapidly from the 10.4% recorded in 2024, a year in which demand had been supported by the residual effects of the post-pandemic recovery. Growth had been much weaker throughout 2025, but it picked up to average 6-7% in the final quarter.

The market lost some momentum going into 2026, with IATA (International Air Transport Association) recording a slowdown in year-over-year traffic growth to 3.8% for January, its weakest performance since September 2025. Some of this was due to the later timing in 2026 of the Lunar New Year. Both the international and domestic passenger segments experienced a marked slowdown in growth. Domestic traffic was particularly weak, delivering no growth year-over-year. This left it to international travel to drive any growth in airline traffic.

Many regions still did well in January, and Africa particularly so, posting growth of 18%, continuing a six-month run of strong expansion. Europe, Latin America and the Middle East also delivered solid growth, sitting broadly in a 6-8% range. Two regions dragged the global average down: Asia Pacific and North America.

Passenger traffic for Asia Pacific increased by just 1.4%, much lower than December's 6.3%. This was driven largely by the shift in the Lunar New Year, and a rebound in growth may be anticipated for February. While North America reversed December's 0.1% decline, growth in January was still modest at just 0.8%. This was driven entirely by a 3.4% expansion in international traffic, offsetting the effects of a 0.7% contraction in the U.S. domestic market.

Global air travel year-over-year ¹



(1) IATA, Monthly Passenger Analysis reports

Regional perspective in 2025

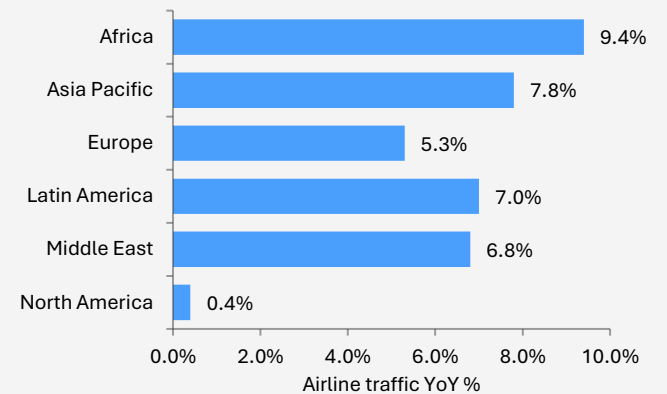
North America weighed on global growth in 2025. All other regions delivered growth at or above the global average. Emerging markets led the way with growth of 8-9% in Africa and Asia Pacific.

While Europe and North America are both mature travel markets, the latter's weak 0.4% growth contrasted with the 5.3% delivered by European aviation.

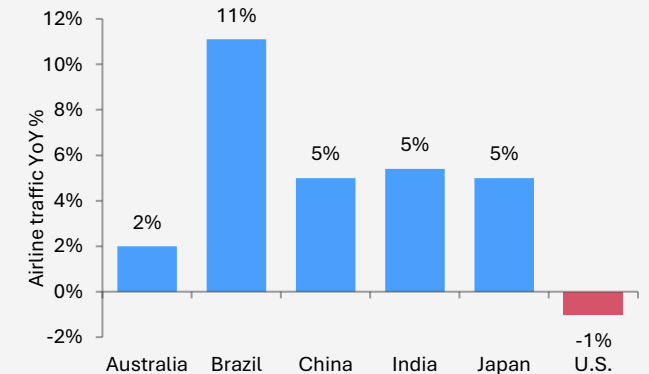
Analysis of demand in some of the world's largest domestic air travel markets reveals the cause of North American weakness.

While most markets expanded by around 5% in 2025, demand in the U.S. contracted by close to 1%. It finished the year with a 2.3% contraction. A further 0.7% decline followed in January 2026. Since August 2025, U.S. domestic air travel demand has decreased in every month except October.

Regional growth in 2025 ¹



Domestic growth in 2025 ¹



Airline safety in 2025

Gradual improvement in safety, even as fatalities rise

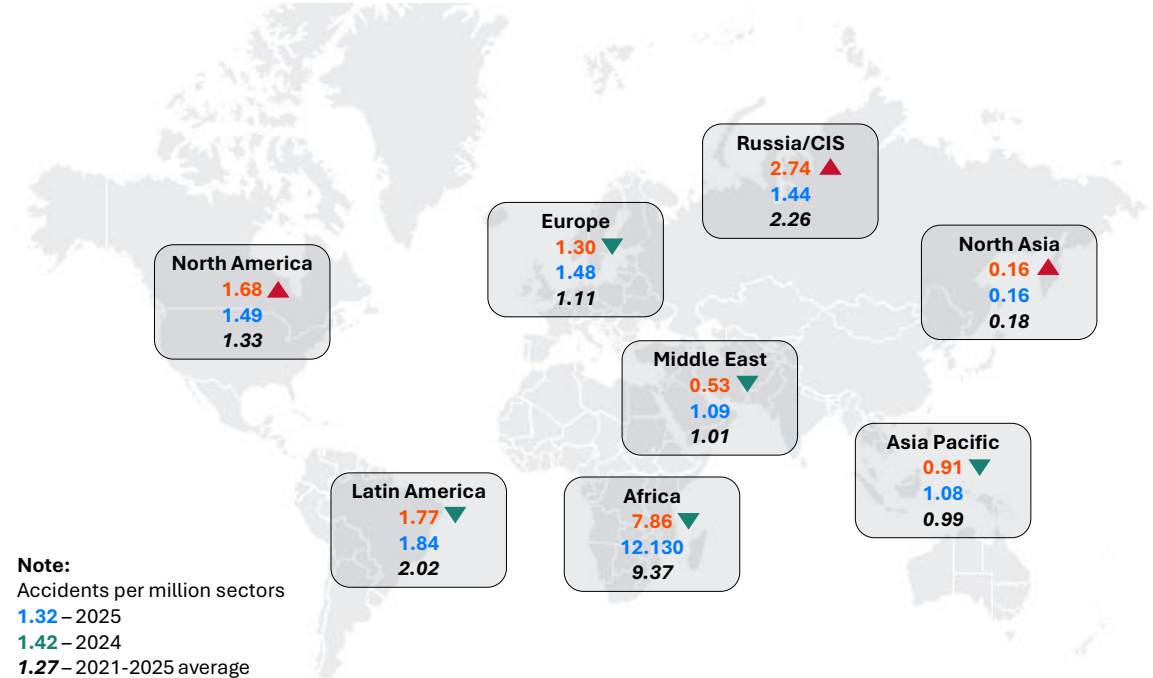
According to data released by the International Air Transport Association (IATA), the global airline industry delivered a slight improvement in its accident rate in 2025. Across 38.7 million flights carrying almost 5 billion passengers, airlines recorded **51 accidents**, down from **54** a year earlier. Based on qualifying flights, that equates to an accident every 1.32 million sectors, **7% fewer** than in 2024. As a result, the five-year moving average accident rate continued its gradual improvement, declining from 1.31 to 1.27.

Eight of the reported accidents involved fatalities, comprising 394 onboard and 35 on the ground, marking the highest total annual fatality count since 2018. Two catastrophic events accounted for more than half of all onboard losses: a mid-air collision in Washington DC and a crash during takeoff from Ahmedabad, India. The latter was the deadliest commercial aviation incident in nearly 11 years. But such events remain statistically rare relative to the vast number of flights operated annually.

Year-over-year (YoY), accident rates in 2025 deteriorated in just three of the eight regions covered by IATA. At **90%**, the CIS (Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Uzbekistan) experienced the fastest rise in its accident rate, heading above the region's five-year average. For a seventh consecutive year, Africa posted the weakest performance, with its airlines suffering almost **eight** accidents per million flights, although this was **35%** lower YoY. Four other regions posted improved accident rates, with the Middle East leading the way with **51% fewer** accidents per million sectors.

While accidents were recorded in all regions, the same cannot be said of fatalities. The fatality rate in the Middle East has remained at **zero** since 2019. Europe and North Asia also recorded **zero** fatalities in 2025. While Africa was not the only region to see its fatality rate rise, its rise was the most dramatic, increasing from zero to **2.19** per million sectors. No other region recorded a level above **0.7** (CIS).

Accident rate in 2025 by Region of operating Airline ²



Key safety insights

- **Jets vs turboprops:** While the accident rate for jet aircraft fell by 16% in 2025, it rose by more than a quarter for turboprop operations.
- **Most common accidents:** for a second consecutive year, tail strikes, runway excursions and issues with landing gear were the most frequently reported incidents.
- **Airlines on the registry of IOSA** (IATA Operational Safety Audit) had an all-accident rate of 0.98 per million flights, compared to 2.55 recorded by non-IOSA airlines.

Airline fuel costs and profitability

Sudden hike in fuel cost presents margin shock for airlines

Jet fuel competes with labor as airlines' most significant operating cost. For some airlines, including IAG, Japan Airlines (JAL) and Singapore Airlines (SIA), fuel can equate to a quarter or more of their costs. Among the major airlines, Delta Air Lines is one of the least exposed to fuel price fluctuations, largely due to the operation of its own oil refinery.

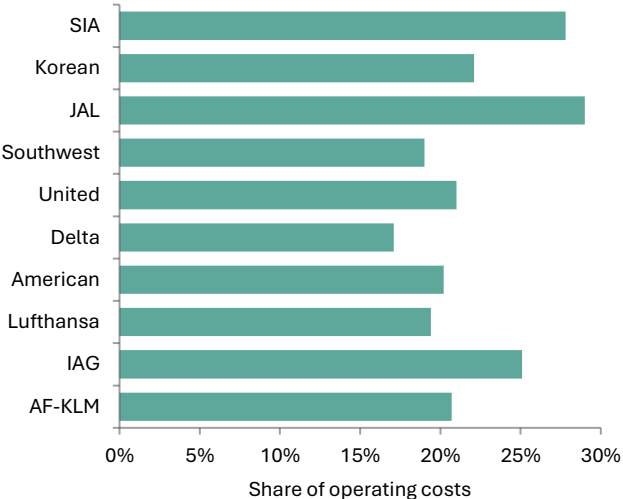
Given this cost exposure, the recent fluctuations in oil and jet fuel prices associated with the conflict in the Middle East will inevitably impact airline profitability. According to IATA (International Air Transport Association), however, it's not so much the price but the speed at which it changes that matters most. Rapid changes in one of their key costs amount to shocks and airlines find these hard to adjust to.

This is best illustrated by two periods in recent aviation history. Between 2011 and 2014, airlines faced a period of jet fuel prices sustained at their highest ever level. Over the four years, fuel prices averaged \$124 per barrel. The global airline industry averaged an operating margin of 3% during this period. While it was still a reasonable performance, it was much lower than the 7% average achieved between 2015 and 2019, when fuel prices were at a lower level. To remain profitable in 2011-2014, airlines adapted to high fuel prices through higher fares, efficiency gains, capacity optimization and more effective procurement.

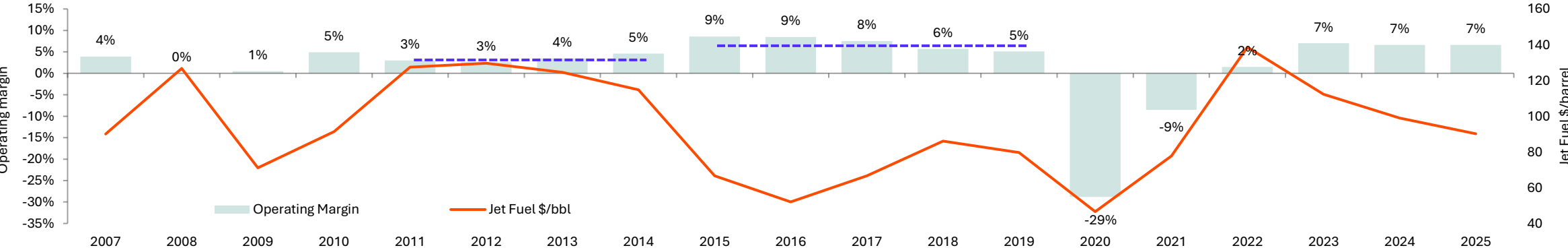
The most damaging episodes have occurred when fuel prices have risen rapidly, giving airlines little time to adapt. In 2008, jet fuel prices jumped by 40%; airline margins slumped from 4% to 0%. Airlines were unable to pass through such a rapid increase quickly enough; margins suffered.

When fuel prices rise but remain stable at an elevated level, airlines can adjust revenue and cost to operate profitability, albeit with weaker margins. Sudden fuel price shocks push costs higher than revenues can adjust, and so the risk of margin erosion is much higher.

Airline fuel costs ³



Airline operating margins vs jet fuel prices ⁴



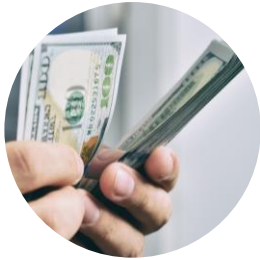
(3) BCD analysis of airline results; (4) IATA, March 13, 2026



Paying in Northeast Asia – At a Glance

We recently published a report exploring how travelers can expect to pay for everyday items when taking a trip to four countries in Northeast Asia. In the table below, we've rounded up some of the key takeaways about payment in China, Hong Kong, Japan and South Korea.

CHINA



- QR code-based mobile phone apps have become the most popular form of payment. Alipay and WeChat Pay have become more accessible to foreign travelers.
- International card payments may attract a surcharge.
- Cash is still needed, but some banknotes may not be accepted, or change may not be offered.
- DiDi is China's answer to Uber. Taxis are not recommended.



HONG KONG

- Card payment is possible nearly everywhere in Hong Kong.
- If making repeat or long trips to Hong Kong, a pre-paid Octopus card may be useful for paying for public transportation and for spending in shops and restaurants.
- Carry some cash for the few places that don't accept card payment.
- Credit/debit cards can be used to tap in/out of the MTR metro system.

JAPAN

- Having a plastic card is a necessity.
- Cash should be carried as a back-up.
- Having an IC card is the essential choice if using public transportation. More than one may be required.
- Go Taxi is Japan's answer to Uber, which is more limited in the country.
- Expect to pay by cash or IC card in smaller restaurants.
- Never give a tip.

SOUTH KOREA

- South Korea is mainly a cash-free country. Foreign-issued cards may sometimes be refused, however.
- Samsung Pay is widely used, and acceptance of Apple Pay is growing.
- Travelers from other Asian countries may pay using ZeroPay.
- Download the Kakao T and buy a T-money card if planning to use taxis and public transportation.
- Do not tip for service, ever.

Want to know more about payment?

Check out our [Principles of Payment](#) education series to learn more about global payment options and how to best equip your travelers to cover expenses on the road.

[Exploring Payment Options](#) provides information on how to create the ideal payment mix.

[Virtual Payments](#) dives deeper into the newest form of payment available for travel programs.

Want more ways to ensure payment acceptance in your travel program?

Here are some tips for working with your suppliers:

- Communicate your preferred methods of payment and ensure suppliers are ready to accept them in the markets where your travelers do business
- Understand how foreign transaction fees are managed to reduce unanticipated fees
- Use the power of your program to influence supplier acceptance policies

Travel Risk Management: traveler survey

Business travelers share their key risk concerns on the road and talk about the safety resources they rely on

In this survey, we explore how business travelers perceive travel risks, focusing on their experiences on the road and the safety support measures provided by their employers. The results are based on an online survey of 1,284 business travelers worldwide. We conducted the survey in November 2025.

Our findings, at a glance

Risks that concern business travelers

Transportation accidents top the list of travelers' risk concerns, closely followed by health emergencies: Both are cited by over **one-third** of respondents. Crime and natural disasters also represent significant worries. Political unrest, visa issues, terrorist attacks and cybersecurity risks are mentioned less often, **while 21%** of travelers reporting no concerns.

Over the past year, **8%** of travelers experienced an incident requiring company support. Severe weather conditions was mentioned as the most frequent reason for these incidents.

Booking safe travel

Most travelers trust their company's booking channels and never go outside of them for safety reasons. However, a notable **45%** admit doing so with varying frequency: 31% say they rarely book outside official channels, 12% admit doing so sometimes and 2% often.

if their company booked an unsafe travel option, **two-thirds** say they feel empowered to make alternate arrangements, even if it means additional costs. Meanwhile, 9% would proceed with the original booking, and 5% would make their own arrangements and pay out of their own pockets.

Access to safety information

Most travelers feel equipped when it comes to finding safety information. Over **two-thirds** know where to locate it, while 13% say the opposite. 19% are unsure how to access safety information.

Access to information is not always seamless. Over a **quarter** of travelers reported using alternative channels.

Hesitation to seek help is uncommon, though **18%** of business travelers hesitated to ask for help because they were unsure if the situation was serious enough.

Enhancing safety measures

Collected data highlights what companies need to improve in traveler safety. While nearly **one-quarter** of travelers believe no improvements are needed, an equal share call for more clear communication. Safer hotels and transportation options rank close behind. Operational enhancements such as better tools and improved crisis response protocols are also key priorities highlighted by **one-fifth**.

More inclusive policies are least mentioned, and 16% remain unsure about what changes are necessary, if any.

Find out more

Download the [full report](#) to discover:

- The key risk concerns raised by travelers
- How travelers rate the safety of airlines, hotels and other suppliers
- Which employer provided safety resources they rely on
- The types of risk incidents travelers encounter and how they assess the company support
- Where travelers see gaps in current safety measures
- How BCD can help organizations strengthen their risk management programs



Travel Risk Management: travel buyer survey

Travel buyers share their experiences when managing travel risks

In this survey, we explore the topic of travel risk management (TRM) focusing on how duty of care programs are evolving to meet the demands of a changing environment. The results are based on an online survey of survey of 88 travel buyers conducted in December 2025.

Our findings, at a glance

TRM programs

While most organizations have a formal TRM program, **20%** implement some travel safety initiatives and 8% have no formal measures at all.

Approaches to TRM vary widely. Nearly **eight in 10** adopt proactive strategies to prevent and mitigate travel risks; a similar share align TRM approach across multiple departments. **Seven in 10** have a dedicated budget and are traveler-centric. **Six in 10** outsource TRM to third-parties, while the rest handle it internally.

Three-quarters of TRM programs are adequately or fully resourced. While **71%** expect no changes to TRM budgets in the coming year, about **one-quarter** anticipate a moderate increase in funding.

TRM tools

Incident alerts and traveler tracking are the most widely used features implemented by **nine out of 10**. They are followed closely by mobile apps for travelers (81%) and destination intelligence (71%). Automated risk assessments are used by **55%** of respondents, while AI-powered analytics have a lower adoption rate of 21%.

Experienced risk incidents

Travel buyers report their companies' exposure to risk incidents, with **49%** having experienced at least one incident in the past 12 months, while 29% are unsure and 22% report no incidents.

Among those affected, the most common incidents relate to natural disasters or severe weather (**72%**), followed by political or social unrest (**61%**) and health emergencies (**58%**). Crime and transportation accidents are reported by nearly three in 10.

Company incident response is viewed positively overall, with **73%** rating their organization's response as very or extremely effective, though nearly a quarter describe the response as slightly effective or less.

Areas to be enhanced

Travel buyers identified key areas of risk management that require improvement. About **one-third** point to governance and policy, traveler communication and supplier programs as priorities. Internal barriers include lack of budget and expertise as the top two challenges, followed by unclear ownership and competing priorities. Externally, **half** of travel buyers cite rapidly changing geopolitical and environmental conditions as the leading obstacle, with disconnected systems and tools also posing significant challenges.

Find out more

Download the [full report](#) to discover:

- How organizations design and manage TRM programs
- Which tools, processes and incident response protocols are currently used
- What internal barriers and external challenges limit TRM effectiveness
- How companies use AI to manage travel risks
- How travel policies address supplier safety and traveler risk factors
- How BCD can help organizations strengthen their risk management programs





Share your thoughts

Do you have any questions or comments regarding this report? Please email [Mike Eggleton](mailto:mike.eggleton@bcdtravel.com) to share your thoughts.

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