

## Carlson Wagonlit Travel Releases 2012 Global Travel Forecast

*CWT estimates pricing and rate information for airlines, hotels, ground transportation providers, and meetings and events spend*

**AMSTERDAM, October 17, 2011**— Carlson Wagonlit Travel (CWT), a global leader specialized in business travel and meetings and events management, today released its 2012 Travel Price Forecast, which projects supplier prices for airlines, hotels, ground transportation providers, and meetings and events (M&E) spend.

CWT's 2012 forecast provides projections for every region of the world, as well as country-level expectations for those markets to which CWT clients most frequently travel. CWT's analysis<sup>1</sup> confirms that prices in most geographic areas and for most categories of spend are expected to rise in 2012, with the most substantial increases to occur in the booming Latin America region.

"Travel buyers in most parts of the world are facing tough negotiations as the landscape increases in complexity. At the same time, economic uncertainty continues in some parts of the world and has resurfaced in others, prompting increasing questions on exactly what 2012 holds in store for organizations and, by extension, for business travel," said Nick Vournakis, vice president, *CWT Solutions Group*. "CWT will keep a close eye on the evolving situation with supplier pricing, and will advise our clients accordingly on how to navigate the challenges and opportunities they're presented with as 2011 concludes and 2012 begins."

Vournakis added, "CWT is committed to assisting clients worldwide in negotiating and managing their supplier relationships and will continue monitoring the many developments that impact travel, updating forecast projections as necessary to ensure that our clients have the most up-to-date information possible."

### ***Latin America growing rapidly, creating substantial price increases***

Latin America (LATAM) will experience some of the most substantial price increases of any region across the main areas of travel spend, although a closer look reveals disparate conditions by country, with some local economies prospering and others suffering from political uncertainty and economic instability.

- CWT forecasts airline pricing to **increase by about 5.8%** in 2012, with increases in Colombia topping the charts at 7.9-11.4%. This is primarily due to rapidly increasing demand and limited supply in the region.
- Average daily hotel rates during the first half of 2012 are expected to **increase by 9-11.8%**, and **increase by 10.1-12.2%** during the second half of the year. Brazil could see increases of more than 24% in the first half of 2012 and up to a 34% increase during the second half of 2012.

#### **<sup>1</sup> Forecast methodology**

CWT's global 2012 price projections were formed from the combination of a.) a statistical model that evaluates historical price behavior and forecasts future price references; and b.) the market-specific expertise of CWT personnel worldwide. Macro-economic information and forecasts used were sourced from IHS Global Insight, the International Monetary Fund Research Department, and the United Nations. All projections reflect year-over-year anticipated price changes.

### ***Asia Pacific continues to flourish; prices to increase***

The Asia Pacific (APAC) market is thriving, leading the way in many economic indicators and correspondingly, in business travel volumes. However, APAC travel prices will be flatter in 2012 on a quarter-over-quarter basis, given that the region was not as affected by the economic downturn as other parts of the world, and has already been experiencing strong growth rates throughout 2011.

- CWT forecasts airline pricing in APAC to **increase by 3.1-3.8%** in 2012 as a dynamic mix of legacy airlines and a growing group of low-cost carriers compete for travelers, holding down fares in the region.
- Average daily hotel rates in APAC will range from a **1.9% decrease to a 2.1% increase** in the first half of 2012, and a **0.9 decrease to remaining flat** for the second half of the year. APAC's business hubs currently boast the highest occupancy rates in the world, which will present travelers with continued challenges in securing available rooms. Even so, strong supply growth across APAC will keep overall ADR growth in the region more modest than one might expect.
- Car rental rates in APAC will remain relatively flat, ranging **from a decrease of 1.7 to an increase of 3.9%** in 2012 in Australia and New Zealand, two of the primary rental car markets in the region.

### ***North American conditions uncertain, price increases still expected***

In 2012, the United States will continue to struggle with high unemployment rates and ongoing effects of the housing crisis that originated during the economic downturn, while Canada's economy has been and is expected to remain relatively stable.

- CWT forecasts airline pricing in NORAM to **increase by 3.5-4.1%** in 2012, due to suppliers' disciplined efforts to manage capacity even in the face of demand, ultimately resulting in fuller planes and rising prices overall.
- Average daily hotel rates in the U.S. will modestly increase in 2012, with very limited growth in Canada. As always, rates will vary widely across both countries based on geography and property type. Overall, CWT forecasts a **2.4-3.1% increase** in the first half of 2012 for the NORAM region, and a **2.6-3.4% increase** during the second half of the year.
- Car rental in NORAM is highly consolidated with intense competition for the business traveler, which forces suppliers to reduce or keep prices flat to retain corporate clients. Given this, CWT forecasts pricing to range from a **1% decrease to a 2.5% increase** for 2012.
- M&E will continue its steady recovery throughout 2012, with a **1-4% increase** in average group size for all meeting types, and a **5.5-6.5% increase** in cost per attendee per day, due to strong demand and limited supply in related travel categories.

### ***Europe, Middle East and Africa expect flatter overall pricing***

A tenuous economy throughout Europe, the Middle East, and Africa (EMEA) is resulting in much flatter overall pricing expectations across the main areas of travel spend for 2012 in this region versus any other.

- CWT forecasts airline pricing in EMEA to **increase by 2.1-3.7%** in 2012, attributing the modest increase to ongoing economic challenges.
- Average daily hotel rates in EMEA will increase slightly in 2012, with a **0.2-0.9% increase** in the first half of the year and a **0.1-0.8% increase** during the

#### **<sup>1</sup> Forecast methodology**

CWT's global 2012 price projections were formed from the combination of a.) a statistical model that evaluates historical price behavior and forecasts future price references; and b.) the market-specific expertise of CWT personnel worldwide. Macro-economic information and forecasts used were sourced from IHS Global Insight, the International Monetary Fund Research Department, and the United Nations. All projections reflect year-over-year anticipated price changes.

second half. Rates will vary by market depending on local demand and occupancy rates.

- Car rental and high-speed rail are both viable ground transportation options in EMEA. CWT anticipates rail pricing to **increase 3.6-4.2%** in 2012, and car rental pricing to fluctuate by carrier due to a high level of competition, with the average ranging from a **decrease of 1.9%** to an **increase of 2.9%**.
- For M&E, CWT estimates the cost per attendee per day will **decrease by 5-6%** as more meetings are held domestically rather than internationally, reducing overall costs for attendees. Average group sizes will remain **flat or down by as much as 3%** for the region.

Please [click here](#) to view CWT's 2012 Travel Price Forecast in its entirety.

### **About Carlson Wagonlit Travel**

Carlson Wagonlit Travel (CWT) is a global leader specialized in managing business travel and meetings and events. CWT serves companies, government institutions and non-governmental organizations of all sizes in more than 150 countries and territories. By leveraging both the expertise of its people and leading-edge technology, CWT helps clients derive the greatest value from their travel program in terms of savings, service, security and sustainability. The company is also committed to providing best-in-class service and assistance to travelers. CWT services and solutions comprise Traveler & Transaction Services, Program Optimization, Safety & Security, Meetings & Events and Energy Services. In 2010, sales volume for wholly owned operations and joint ventures totaled US\$24.3 billion. Carlson Wagonlit Travel supports the global healthcare initiative known as MASSIVEGOOD, which enables travelers to make a "micro-contribution" when they purchase travel services. For more information about CWT, please visit our global website at [www.carlsonwagonlit.com](http://www.carlsonwagonlit.com). Follow us on Twitter [@CarlsonWagonlit](#) and [@CWTNorthAmerica](#).

### **Media Contact**

Tom X. Scott  
Senior Director, Public Relations  
Carlson Wagonlit Travel  
phone +33 (0)1 41 33 67 57  
mobile +33 (0)6 04 51 90 14

### **<sup>1</sup> Forecast methodology**

CWT's global 2012 price projections were formed from the combination of a.) a statistical model that evaluates historical price behavior and forecasts future price references; and b.) the market-specific expertise of CWT personnel worldwide. Macro-economic information and forecasts used were sourced from IHS Global Insight, the International Monetary Fund Research Department, and the United Nations. All projections reflect year-over-year anticipated price changes.