GBTA | ALTOUR

2027 GLOBAL BUSINESS TRAVEL FORECAST

Reading the market clearly, into 2027.



Cutting through the noise.



“What buyers need most in a market like this is not reassurance. It is clarity”.

The forces shaping business travel in the second half of 2026 are not the ones we were planning around a year ago. Energy prices have moved sharply, labor costs have settled at a structurally higher level, aircraft supply remains constrained, and currency swings continue to reshape how global travel budgets hold up against local realities. These pressures do not stay abstract. They surface in fare availability, hotel negotiations, traveler behavior, supplier terms, and the daily trade-offs travel managers are asked to make with incomplete information.

What buyers need most in a market like this is not reassurance. It is clarity. Clarity about why prices are rising, where the pressure is most durable, where relief is genuinely likely, and how to tell a temporary shock apart from a structural shift. That is what this forecast is built to give you. We have set out the cost forces ahead as plainly as we can, including the parts that are hard to hear. Where we are confident, we say so; where the picture is genuinely unclear, we say that too. A forecast is only as useful as it is honest.

The acute shock of 2026 is beginning to ease, but the market is not returning to where it was before. Buyers should expect some relief in 2027, not a full reset. The environment ahead looks more manageable but still expensive, more predictable but still exposed to geopolitical, labor, sustainability, and capacity risk. Category-level thinking will matter more than headline inflation numbers, and regional detail more than global averages.

Business travel remains one of the clearest measures of a company's confidence in its own future. The organizations that navigate the next two years best will be the ones that treat travel not as a cost line to be compressed, but as an investment to be governed with care, good data, and a clear-eyed view of the forces at work. This forecast is offered in that spirit: an honest read of a complicated market, shared so you can plan with confidence.

MIKE BOULT

Chief Commercial Officer, ALTOUR



“Business travel is a measure of confidence.”

Business travel is a measure of confidence. When companies invest in travel, they are investing in products and expansion, customers and, teams, partnerships and growth. They are making the decision that connection has value, and that value often extends well beyond a single trip. But confidence depends on clarity. In a period of cost volatility, clarity becomes essential.

The global business travel industry has spent the past several years rebuilding from disruption, adapting to new patterns of work, and proving again that travel remains central to how organizations operate and, literally, meet their business demands. That said, the challenge now is different. Demand has returned, but the operating environment has become more complicated. Energy shocks, AI investments, labor shortages, sustainability requirements, aircraft constraints, hotel development cycles, and shifting currency conditions are all influencing the cost of travel at the same time.

This year’s GBTA pricing forecast reflects that complexity. It shows a market where costs remain elevated in 2026, but where some pressures begin to ease in 2027. It also shows why relief will be uneven. Fuel prices may come down from crisis levels, but sustainability mandates and refining constraints keep a floor under aviation costs. Hotel supply growth can moderate rates in some markets, while labor scarcity and regional demand keep pressure on others. Currency can temporarily help U.S.-based buyers, but exchange-rate support is never guaranteed.

For buyers, the next two years will call for more nuanced planning. Category-level assumptions will matter more than broad inflation assumptions. Regional differences will matter more than global averages. The distinction between short-term shocks and long-term cost floors will matter more than ever. For suppliers, the same environment creates a responsibility to be transparent, responsive, and realistic about the pressures shaping pricing and capacity.

Business travel has always been about more than moving people from one place to another. It is about building relationships, advancing ideas, and connecting people to opportunity through meetings. The industry’s responsibility is to make that possible in a way that is efficient and resilient.

The GBTA pricing forecast contributes to that work by giving travel leaders a clearer view of the cost forces ahead. The path into 2027 is a move into a more mature, more disciplined travel environment. The organizations that understand that shift will be better prepared to manage cost, support travelers, and preserve the value of business travel in a changing world.

SUZANNE NEUFANG

Chief Executive Officer, Global Business Travel Association





INTRODUCTION

The market finds its footing.

From calm, to shock, to uneven normalization.

For most of 2025, the cost of business travel was relatively subdued. Airfares were flat, hotel rates were stable, and car rental prices fell. That calm ended in early 2026 when a geopolitical shock in the Middle East disrupted global energy markets, and its effects moved downstream into every line of the travel budget.

Business travel costs are entering a period of elevated but moderating pressure. The first half of 2026 was defined by a sharp external shock: the closure of the Strait of Hormuz, the resulting spike in crude oil and jet fuel prices, and the knock-on effects across airline capacity, carrier margins, and traveler behavior. The outlook for the remainder of 2026 and all of 2027 will be defined by uneven normalization.

The result is a business travel pricing environment that remains firm, but less explosive than it appeared at the height of the 2026 disruption. Airfares carry the most direct exposure to fuel, aircraft shortages, and premium-cabin constraints. Hotel rates are supported by steady demand but capped by a large construction pipeline. Ground transportation is shaped more by fleet discipline and vehicle costs than by broad demand swings. Across categories, the common pattern is clear: prices rise in 2026, but the rate of increase slows in 2027.

For travel buyers, the central planning challenge is not whether costs will rise, but how much of the 2026 shock becomes permanent. Some pressure, especially from fuel, should ease as supply normalizes. Some, especially from labor and sustainability mandates, will remain built into the cost base. The 2027 outlook will see some relief in pricing pressure, but not a full reversal of the forces that have driven prices higher.

2025 - CALM

EARLY 2026 - HORMUZ SHOCK

H2 2026 - EASING



2027 - NORMALIZATION

Fuel

EASING FROM PEAK

Fuel costs are easing from their peak as refining capacity recovers and the initial supply shock fades from crude and jet fuel markets.

Labor

STILL PRESSURING

Labor costs continue to pressure costs across airlines, hotels, ground transportation, and airport services, holding a structurally higher floor.

Currency

SHIFTING

Currency effects are also shifting, with the dollar's 2026 rebound temporarily softening the translated cost of overseas travel for U.S. buyers, even as the dollar is likely to weaken again once the energy shock fades.

ECONOMIC DRIVERS

The forces underpinning business travel costs.

Business travel pricing is shaped by a set of broader economic forces that influence the cost of moving people, operating assets, and delivering service across markets. Some of these forces move quickly, such as energy prices and exchange rates. Others build more gradually, such as labor costs, capacity constraints, and regulatory requirements. Together, they form the underlying cost environment that determines how much pressure suppliers face and how much of that pressure ultimately flows through to travel buyers.

These drivers do not affect every travel category in the same way. Airlines are more directly exposed to fuel prices, aircraft availability, and crew costs. Hotels are more sensitive to labor, development pipelines, and local demand conditions. Ground transportation is shaped by fleet costs, vehicle supply, utilization, and airport-market dynamics.





Currency movements add another layer, especially for global travel programs, by changing the reported cost of international travel even when local prices are relatively stable.

The outlook for 2026 and 2027 depends not only on demand, but also on how these cost pressures evolve. Some may ease as temporary disruptions fade. Others are likely to remain embedded in supplier cost structures for longer. Understanding the difference between short-term volatility and more durable structural pressure is essential for interpreting the forecast that follows.







ECONOMIC DRIVERS - ENERGY

Where the shock began.

The business travel pricing outlook for the remainder of 2026 and all of 2027 is, at its core, partly a story about energy pricing. The 2026 Iran conflict and the closure of the Strait of Hormuz on February 28, 2026, produced the largest oil supply disruption on record, driving Brent crude to a peak near $138 per barrel and jet fuel above $230 per barrel before a mid-year de-escalation drove prices back toward pre-conflict levels. As of late June 2026, Brent was trading near $72 per barrel and West Texas Intermediate near $69.

At the peak, the disruption shut in more than 11 million barrels per day of Middle East production, choking a waterway that normally carries about 20% to 25% of seaborne oil trade. Following a U.S. and Iran interim framework signed in June 2026 that reopened the strait, oil flows recovered from a May low near 9.6 million barrels per day toward 12 million by early June, though full normalization is not expected until early 2027.[1]

Disruption to Middle East oil production impacted jet fuel pricing more than crude oil and gasoline pricing. Gulf refineries supply a disproportionate share of middle distillates, and about 40% of Europe's jet fuel imports originate in the Gulf. Moreover, several major U.S. refinery closures and conversions since 2019 removed over 1.2 million barrels per day of capacity, more than 6.5% of U.S. distillation. U.S. jet fuel days of supply fell toward a 60-year low near 21 days during the Spring 2026 disruption.

The jet fuel crack spread, the premium refiners earn turning crude oil into jet fuel, rose to historic levels during the supply disruption. The spread is typically $20 to $35 a barrel; in April, it reached as high as $95 per barrel. For all of 2026, the spread is likely to hover close to $50 per barrel and enter 2027 at a premium to historic levels. The crack spread will compress over time toward the longer-range norm of $25 to $35 as Atlantic Basin throughput recovers, but lower overall global capacity means the spread is likely to settle above its pre-2022 norm and keep jet fuel prices elevated.

Additionally, the EU's ReFuelEU Aviation mandate requires 2% sustainable aviation fuel (SAF) blending starting in 2025 and rising to 6% by 2030 and 20% by 2035. SAF will cost airlines an incremental $4.3 billion in 2026 for just 0.8% of aviation fuel use.[2] U.S. jet fuel is forecast to ease from $3.37 per gallon in 2026 to $2.86 in 2027, still well above the pre-war baseline of $1.95 per gallon.

Higher fuel prices were not simply passed on to business travelers through higher fares, however. Airlines have been absorbing higher operating costs through compressed margins. IATA cut its 2026 industry net profit forecast to $23 billion from $45 billion in 2025, with net margin falling from 4.2% to 2% and net profit per passenger dropping from $9.10 to $4.50. Revenues are expected to rise 9.4% to $1.165 trillion, but operating costs are expected to rise 13%, and fuel costs are expected to jump from 25.4% of operating costs to 31.4%. Even with record load factors, industry profitability remains compressed because of higher operating costs.[3]

Easing crude supply and an emerging oil glut could bring meaningful fuel cost relief across 2027, but capacity constraints, a weaker dollar, and sustainable aviation fuel mandates keep a firm floor under business travel pricing. Buyers should budget for elevated but easing costs through the back half of 2026, and plan for relief rather than a full return to 2025 levels in 2027, while geopolitical risks remain and could drive future spikes in jet fuel prices.

$3.37

2026 U.S. jet fuel per gallon, easing to $2.86 in 2027 - still well above the $1.95 pre-war baseline

$4.3bn

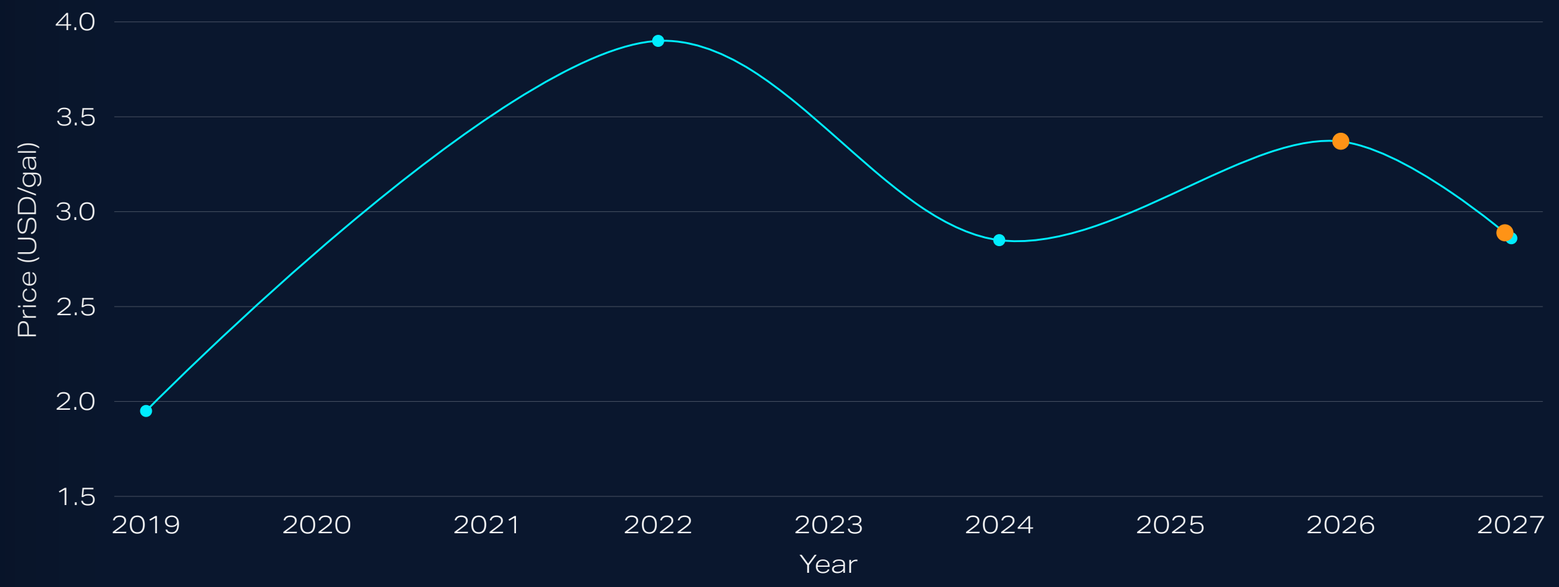
Incremental SAF cost to airlines in 2026 under the EU ReFuelEU mandate, for just 0.8% of fuel use

TRAVEL MANAGER STRATEGIES

With oil price premiums de-escalating, now is a good time to lock in multi-year carrier agreements and fare-flexibility tools. The same surcharges that are receding would likely re-inflate if oil prices were to re-escalate again.

JET FUEL PRICE PATH, 2019–2027

Post-shock spike, a second climb through 2026, then easing into 2027 - but not topre-war levels.





[1] International Energy Agency, "Oil Market Report — June 2026," June 2026, https://www.iea.org/reports/oil-market-report-june-2026
[2] International Air Transport Association, "Fuel Fact Sheet," June 2026, https://www.iata.org/en/iata-repository/pressroom/fact-sheets/fact-sheet-fuel/
[3] International Air Transport Association, "Middle East Disruptions and High Fuel Prices Halve Airline Industry Profitability," June 7, 2026, https://www.iata.org/en/pressroom/2026-releases/06-07-middle-east-disruptions-high-fuel-prices-halve-airline-industry-profitability/



ECONOMIC DRIVERS - LABOR

Built into the base.

Travel-sector labor costs continue to rise across every major region, and unlike fuel, most of that increase is written into multi-year contracts and statutory wage floors that do not unwind when energy prices fall. Multi-year pilot contracts and statutory minimum-wage floors are driving labor costs across air carriers. For example, Lufthansa pilots are under an 18% cumulative raise staged through January 2026,[4] British Airways pilots are under a roughly 15.5% cumulative raise through January 2027,[5] and Qantas short-haul pilots are under about a 25% raise over a five-year term.[6] Ryanair, Europe's largest carrier, has also signed a five-year deal that moves it off its historic low-cost labor model.[7]

The same pressure runs through the Gulf and Latin America. Emirates has committed to hiring more than 1,500 pilots across 2025 and 2026 to staff its widebody expansion, competing for crews with tax-free packages that pull pilots away from European and Asian carriers.[8] The pressure reaches beyond the cockpit, with cabin crew and ground handlers pressing similar claims through strikes and pay disputes across several European and Latin American carriers.

Statutory wage floors add a second layer. The EU Adequate Minimum Wages Directive, upheld by the European Court of Justice in November 2025, requires regular upward revisions, and 2026 minimum-wage increases are exceeding inflation in nearly all member states. The UK National Living Wage rises to £12.71 an hour in April 2026 and is up roughly 22% since 2024. In Latin America, minimum wages rise automatically with inflation, so the 2026 and 2027 increases are likely to be large, including over 6% in Brazil, about 13% in Mexico, and 24% in Colombia. In Japan, annual spring wage talks have produced raises above 5% three years running, the first stretch like that in three decades, and even the stricter measure of base pay is up nearly 4% in 2026.

660k

New commercial pilots needed worldwide through 2044 (Boeing)

+22%

UK National Living Wage rise since 2024 - a statutory floor that does not unwind



Labor cost pressure is compounded by a labor shortage that is most acute for air carriers. Boeing projects 660,000 new commercial pilots are needed worldwide through 2044, with Asia-Pacific accounting for roughly a third of that demand and China alone needing more than 130,000.[9] Oliver Wyman estimates the peak North American gap reaches about 24,000 pilots in 2026, against roughly 38,000 unfilled positions globally, with more than 16,000 European pilots set to retire within five years.[10] The Middle East is the one region where Oliver Wyman expects demand to significantly outstrip supply for the rest of the decade, needing an additional 10,300 pilots by 2030. New flight-duty rules that became effective in India in November 2025 have raised the number of pilots needed further.

Hotel labor is similarly constrained. The Asia-Pacific development pipeline outside China exceeded 2,200 projects and 430,000 rooms by late 2025, and Hilton says it must fill at least 30,000 new roles in Asia over the next four to five years. In Singapore, the Ministry of Manpower counted 11,200 unfilled positions across accommodation and food services in 2025, with nearly half of blue-collar vacancies open for more than six months. Saudi Arabia's Vision 2030 projects travel and tourism employment reached 2.7 million in 2025, with NEOM and the Red Sea Project alone needing more than 100,000 hotel staff. Ground transportation and car rental inherit the same pressure rather than setting their own, rising with the broad wage floor in the metro and airport markets where fleets concentrate.

Together, rising pay and tight supply make labor the dominant non-fuel cost driver. Unlike a fuel spike that can correct overtime, labor costs are often supported by contractual and statutory floors.

[4] Lufthansa Group, "Lufthansa Group and Vereinigung Cockpit conclude long-term collective agreement," news release, October 10, 2023, https://newsroom.lufthansagroup.com/en/lufthansa-group-and-vereinigung-cockpit-conclude-long-term-collective-agreement/. The agreement provides salary increases of more than 18% (7% December 2023, 5% January 2025, 5% January 2026); the remuneration agreement runs to December 31, 2026, and the terms-of-employment agreement to December 31, 2027.
[5] AeroTime, "British Airways pilots set to vote on improved pay offer," October 6, 2023, https://www.aerotime.aero/articles/british-airways-pilots-union-pay
[6] Australian Aviation, "Qantas pilots approve new short-haul pay deal," February 25, 2025, https://australianaviation.com.au/2025/02/qantas-pilots-approve-new-short-haul-pay-deal/.
[7] Aviation Job Search, "Ryanair Signs New Five-Year Pay Deal with Pilots," July 18, 2025, https://www.aviationjobsearch.com/career-hub/articles/insights/industry-news/ryanair-signs-new-five-year-pay-deal-with-pilots.
[8] AirSpace Economy, "Emirates Pilot Recruitment 2026: Airline Plans Major Hiring Drive Through Next Year," November 26, 2025, https://airspaceeconomy.com/emirates-pilot-recruitment-2026-hiring-roadshow/
[9] Boeing, Pilot and Technician Outlook 2025 to 2044 (660,000 new commercial pilots worldwide), as reported in Brookfield Aviation, "Global Pilot Shortage 2026," May 14, 2026, https://www.brookfieldav.com/single-post/global-pilot-shortage-2026-aviation-industry-impact. Regional shares
[10] Oliver Wyman, "North American Pilot Shortage Shows 23% Smaller Gap in 2032," October 2023, https://www.oliverwyman.com/our-expertise/insights/2023/oct/north-american-pilot-shortage-shows-smaller-gap.html

ECONOMIC DRIVERS - DOLLAR CYCLE

A temporary tailwind.



The value of the U.S. dollar fell 9.37% in 2025, its worst performance since 2017, driven by several factors including slowing US growth, rising fiscal deficits, tariff policy uncertainty, concerns over Fed independence, and hedging of US asset exposure by foreign investors. But the decline was reversed in 2026, as the Dollar Index climbed from 98.28 to 101 by mid-year. Capital rotated back into the dollar as inflation rose following the energy shock. Headline inflation moved to 4.2% in May, and a hawkish Fed under new Chair Kevin Warsh held rates steady while pointing to higher rates before year-end.

When the dollar is weak, a foreign hotel rate that is flat in local currency still translates into a higher USD figure. The 2026 dollar rebound compresses that premium. EUR/USD has come down from near 1.20 to about 1.14, a move that relieves part of the translated cost of European travel for US buyers.

Interest rate differentials will likely keep the dollar stronger through 2026. The Federal Reserve is holding its rate at 3.50 to 3.75% and hinting it could raise it further. The European Central Bank raised rates in June, its first hike since 2023, to 2.25%. EUR/USD fell anyway, from near 1.20 to about 1.14, as the Fed's hawkish tone and wider rate advantage outweighed the ECB's own move. The Bank of Japan raised its rate too, to 1.00%, a 31-year high, and the yen still weakened to a four-decade low against the dollar.

The dollar is likely to weaken in 2027 once the energy shock fades and inflation cools. As energy-driven inflation recedes, the Fed gains room to cut instead of hold, and that removes the rate advantage propping up the dollar today.

TRAVEL MANAGER STRATEGIES

- Organizations with euro or sterling commitments in 2027 should plan around a weaker-dollar baseline.
- A weaker dollar raises the cost of overseas travel billed in local currency. Where billing currency allows, time non-US sourcing and contracting to the dollar’s strength.

ECONOMIC DRIVERS - RISKS

The wildcards remain.

A number of economic risks weigh on this forecast. Re-closure of the Strait of Hormuz likely remains the largest single risk. A renewed shutdown would re-inflate both crude and the jet fuel crack spread, pushing prices back toward the February peak and delaying the return toward the $2.86-per-gallon jet fuel forecast for 2027. And while a re-closure of the Strait of Hormuz remains the most consequential risk, it is not the only one.

Airlines have been absorbing higher fuel and labor costs through compressed margins rather than passing them fully to fares, but margin compression is not indefinitely sustainable. Airline margin has now fallen from 4.2% to 2%, with net profit per passenger dropping from $9.10 to $4.50. If margins stay thin, carriers face two options: pass more cost through to fares, or pull back capacity on marginal routes. Either would push prices higher.

The EU's ReFuelEU blending requirement rises from 2% today to 6% by 2030 and 20% by 2035, and it is already costing airlines $4.3 billion in 2026 for just 0.8% of aviation fuel use. Each step up in the mandate multiplies that cost base before SAF production is likely to scale to meet demand, adding a rising, semi-fixed cost on top of the fuel dynamics already in this forecast.

Aircraft delivery delays would tighten capacity beyond what is already assumed. The industry's effective shortage of roughly 3,170 aircraft against an 18,100-unit backlog is priced into this forecast, but further delays would concentrate additional pressure in major markets.

Currency risk is not confined to the dollar. The Fed's path under new Chair Kevin Warsh is not yet fully established, and it is not the only central bank mid-cycle: the ECB's June move was its first hike since 2023, and the Bank of Japan's rate hike to a 31-year high of 1.00% has not yet stemmed the yen's slide to a four-decade low. Any of the three moving faster or slower than assumed could drive currency volatility.

Taken together, none of these risks are positioned to derail the broader trajectory of easing cost pressures into 2027. But this forecast's improvement depends on 2026 shocks unwinding headed into 2027.



One forecast, four categories, uneven pressure.

The macroeconomic backdrop translates into a travel pricing forecast that is elevated in 2026 and more moderate in 2027. Across air, hotel, ground transportation, and meetings and events, the sharpest pressure falls in 2026 as the market absorbs higher fuel prices, constrained capacity, rising labor costs, and uneven regional demand. By 2027, the pace of increase slows as energy prices ease, supply conditions improve in some categories, and buyers adjust behavior.

The pattern is not uniform across travel segments. Air travel carries the greatest exposure to fuel, aircraft shortages, and premium-cabin constraints, making it the most volatile part of the forecast. Hotels face steady demand, but new supply holds global rate growth below broader inflation. Ground transportation remains comparatively stable, with car rental rates shaped less by demand shocks than by fleet discipline, vehicle acquisition costs, and used-car market conditions.

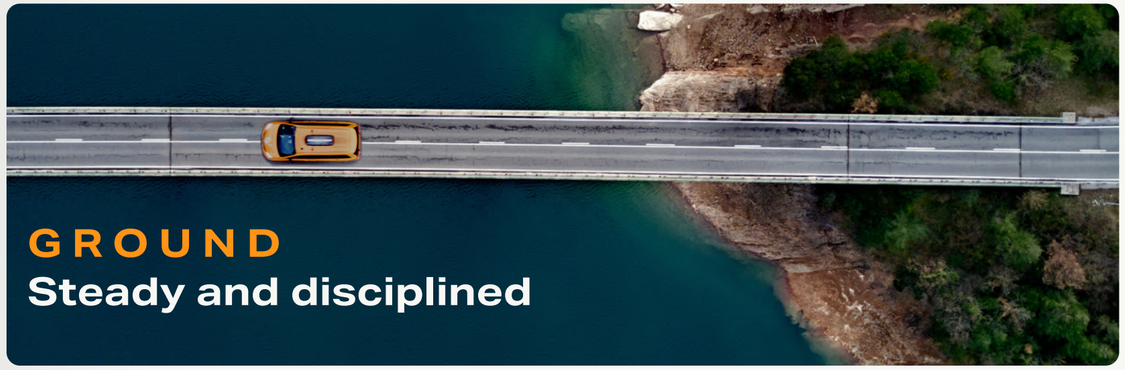




Every region sees some 2026 price pressure — but the pace and source of that pressure differ sharply by category.

Meetings and events face rising per-attendee costs, driven by venue demand, food-and-beverage inflation, and higher labor and production expenses, even as organizers become more selective about format and location.

Regional differences are also material. NORAM and EMEA are most exposed to capacity constraints and fuel-driven airline cost pressure. APAC sees strong fare and hotel growth as demand continues to recover against tight supply. LATAM shows some of the strongest hotel rate growth, but more moderate air pricing because capacity is expanding alongside demand. The result is a forecast in which every region sees some 2026 price pressure, but the pace and source of that pressure differ sharply by category.





AIR

Where fuel meets constraint.

THE DEMAND CONTRADICTION

In April 2026, IATA recorded the first contraction in global passenger demand since the pandemic, dropping 3.4% year-over-year. Middle East carriers, at the center of the disruption, saw traffic fall nearly 48%. However, outside of the Middle East, business travel demand remains strong. Overall global demand excluding Middle East travel remains up 1.2% and long-haul demand outside the Middle East grew 1.9% in April, both indications that the impact of the shock has largely been concentrated in the Middle East, at least for now. But the region's carriers move enough global traffic that their collapse was still severe enough to drag the full-year outlook down with it. IATA cut full-year traffic growth to 2.1%, down from the 4.9% it expected in December 2025.

THE TWO FORCES PUSHING FARES UP:

Beyond generally solid demand providing a floor, two forces are pushing fares higher. First, capacity is structurally constrained — the global aircraft order backlog stood near 18,100 in May 2026, roughly 60% of the active fleet, with an effective shortage of about 3,170 aircraft absorbed through higher utilization. Second, input costs have spiked, as set out in the previous section.

THE STEEP 2026 RISE:

The result is a steep rise in fares through the first half of 2026. In the U.S., airline fares rose 14.9% in March, 20.7% in April, and 26.7% in May. Even so, US fares sit only 17.3% above 2019 levels — well below the 30.8% rise in broader CPI over the same period.



26.7%
US FARES RISE IN MAY 2026

~60%
ORDER BACKLOG AS A SHARE OF THE ACTIVE FLEET

AVERAGE TICKET PRICE

2025	2026	2027
$722	$756	$767
0.14% ▲	4.71% ▲	1.46% ▲

In cost terms, it is the sharpest move since the 2022 reopening.

TRAVEL MANAGER INSIGHTS

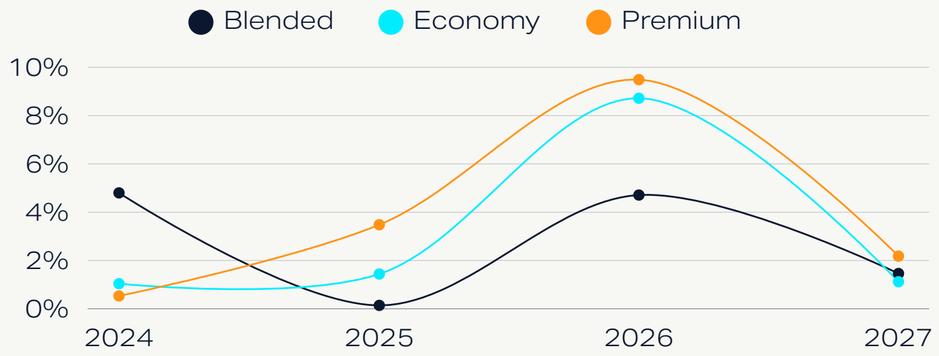
Travel Manager Insights: Global blended airfares are forecast to rise 4.7% in 2026 while premium fares rise nearly twice as fast, which means travel budgets built on 2025 rates will undershoot actual air spend, particularly for programs with heavy long-haul or Middle East exposure.

Where the increases land

In 2026, the global blended fare is forecast to reach $756, up 4.7%, with economy up 8.7% to $536 and premium up 9.5% to $4,488. Both cabin classes are rising faster than the blended average itself, an indication that ticket mix has shifted toward economy even as fares in every cabin climb. Business travelers are trading down as fares rise and travel managers work to extend constrained travel budgets. If the 2025 mix were held constant, the global blended fare would be closer to $787, not $756.

Airfare pricing growth is expected to decelerate in 2027 to 1.5% for overall airfares, 1.1% for economy fares, and 2.2% for premium. Fuel is part of that story. As jet fuel prices ease off their 2026 peak, carriers pass some of that relief through to fares.

Year on Year Airfare Variance



	2025	2026	2027
ECONOMY TICKET PRICE	$493	$536	$542
	▲ 1.44%	▲ 8.72%	▲ 1.12%

	2025	2026	2027
PREMIUM TICKET PRICE	$4,099	$4,488	$4,586
	▲ 3.48%	▲ 9.49%	▲ 2.18%



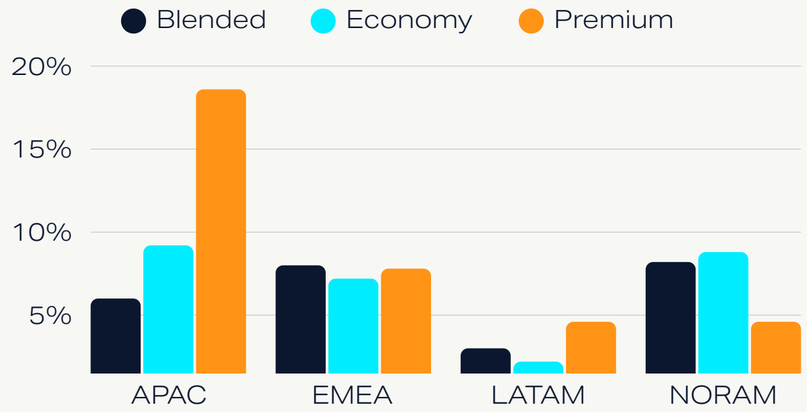
All four regions are expected to record higher airfares in 2026. NORAM leads on average growth at 8.2%, EMEA follows close behind at 8%, APAC is more moderate at 6%, and LATAM is the calmest region in the forecast at 3%. Price increases track capacity shifts and market dynamics. NORAM posted flat passenger demand in April 2026 yet is expected to see strong year-over-year price changes, a sign that fare growth is being driven by tight supply, the Spirit shutdown and US-concentrated delivery delays. LATAM is recording some of the strongest demand growth of any region, but it is also experiencing capacity growth, so upward pressure is lifting volume rather than price.

APAC is expected to see the fastest economy fare growth in 2026 at 9.2%, followed by NORAM at 8.8%, EMEA at 7.2%, and LATAM at 2.2%. Growth decelerates sharply in 2027 for most regions. APAC eases to 2.5%, NORAM to 2.1%, and EMEA to 1.8%, while LATAM holds roughly flat at 2.4%. The pressure on economy fares is largely a supply story. In NORAM, the Spirit shutdown pulled low-cost capacity out of the US market and lifted average fares, while in APAC economy demand is rising faster than fleet capacity. LATAM is the exception, where capacity is growing alongside demand and keeping the low end of the market in check.

APAC is expected to see the fastest premium fare growth in 2026 at 18.6%, more than double any other region, followed by EMEA at 7.8%, and NORAM and LATAM at 4.6% each. Growth decelerates sharply in 2027. APAC eases to 2.4%, NORAM to 2%, EMEA to 1.5%, and LATAM holds at 4.5%. APAC's outsized jump reflects strong long-haul demand pressing against a constrained supply of widebody aircraft.

The 2026 air market is absorbing a real shock. In cost terms it is the sharpest move since the 2022 reopening, though the pressure is already easing moving into the backhalf of 2026 and into 2027. For travel programs, this is not a permanent step up in the cost curve. Over the next two years, tight capacity and high fuel costs will keep upward pressure on fares, with the largest increases falling on premium and long-haul routes.

2026 Airfare Variance by Region



TRAVEL MANAGER STRATEGIES

Carriers have the most pricing power on premium-heavy and corporate-heavy routes, and they are passing fuel through most aggressively there. Lock air capacity and rates early on those routes, and look for relative value where supply is returning faster than demand on routes such as transatlantic economy.

HOTEL

Demand meets new supply.

THE DEMAND SURGE

Hotel rates were nearly flat in 2025, up just 0.6% globally, but demand has risen strongly into 2026. CoStar reported U.S. hotel room demand up more than 8 million room nights through the first four months of 2026, with first-quarter demand setting a record. The global average daily rate is now expected to rise 3.7% in 2026, before easing to 1.8% in 2027.

THE SUPPLY COUNTERWEIGHT

Where constrained capacity is pushing airfares higher, abundant new supply is holding room rates down. The global construction pipeline hit an all-time high in late 2025 — 15,922 projects and roughly 2.4 million rooms, with the US alone accounting for 39% of the total. Lodging Econometrics projects about 2,600 new hotels opening in each of 2026 and 2027. That new capacity is why ADR, the primary growth driver in both years, is rising below inflation.

TAILWINDS AND HEADWINDS

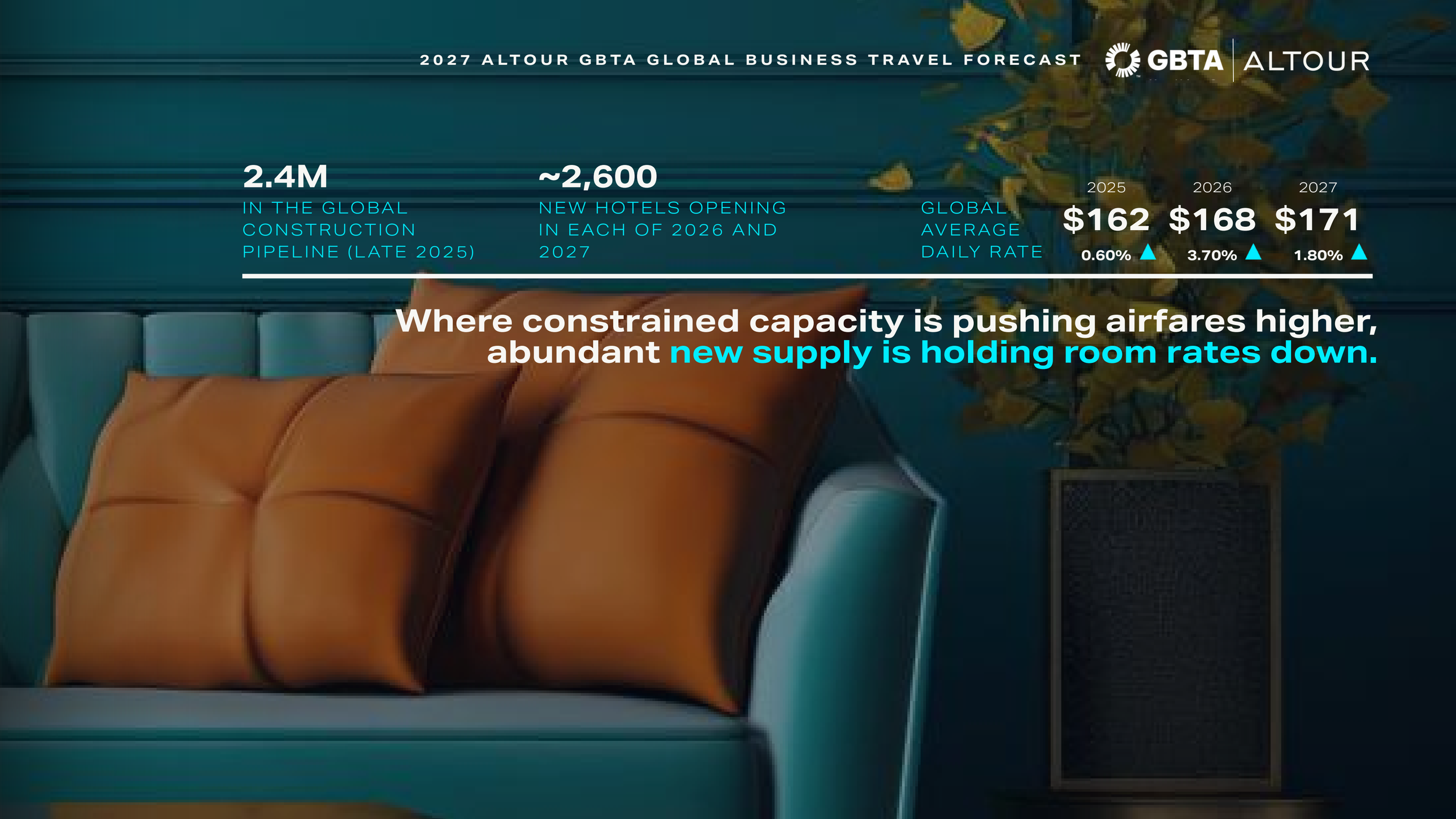
Demand is carried by several tailwinds — the 2026 FIFA World Cup, strong group demand, and resilient leisure. The headwinds are more concentrated: the Middle East conflict drags on regional and global performance, while soft international inbound travel to the US and a weak government segment weigh on the top line. Corporate and business-transient demand is recovering, but shallowly — rates are rising, but corporate lodging is climbing more slowly than the leisure and group demand carrying the broader market.

2.4M
IN THE GLOBAL CONSTRUCTION PIPELINE (LATE 2025)

~2,600
NEW HOTELS OPENING IN EACH OF 2026 AND 2027

GLOBAL AVERAGE DAILY RATE

2025	2026	2027
$162	$168	$171
0.60% ▲	3.70% ▲	1.80% ▲

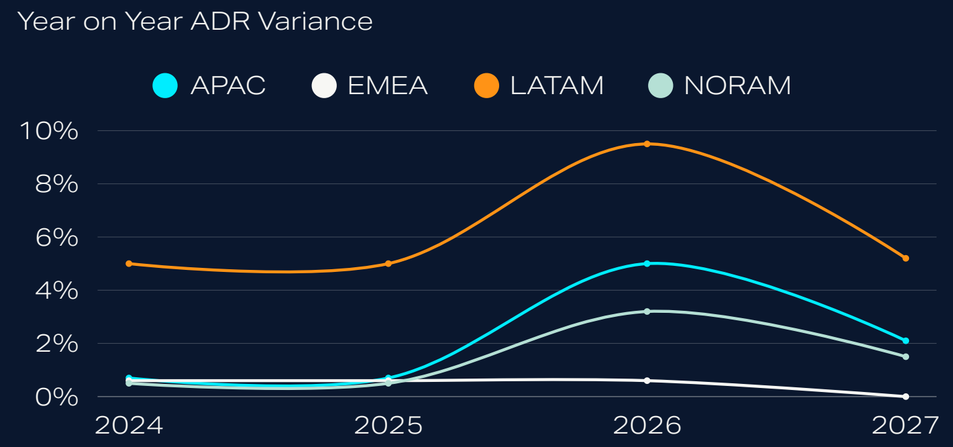


Where constrained capacity is pushing airfares higher, abundant new supply is holding room rates down.

BUSINESS TRAVEL FORECAST 2027 - HOTEL

A widening regional gap.

The global average daily rate is forecast to rise 3.7% to $168 in 2026, and a further 1.8% to $171 in 2027. But the global figure masks sharp regional divergence.



All four global regions post higher rates in 2026. LATAM leads at 9.5%, followed by APAC at 5%, NORAM at 3.2%, and EMEA at just 0.6%. Hotel rate growth eases in 2027 to 5.2% in LATAM, 2.1% in APAC, and 1.5% in NORAM, while EMEA flattens entirely at 0%.

LATAM rates climb fastest because demand is running ahead of a thin pipeline, the same demand strength visible on the air side. EMEA sits at the bottom, anchored by soft European demand and rate growth.

Over the next two years, a record construction pipeline and disciplined US supply growth will keep hotel rate increases below inflation even as demand stays firm. LATAM and APAC see the fastest rate growth while EMEA sees almost none, and business-transient demand recovers more slowly than the leisure and group segments carrying the market.

	2025	2026	2027
APAC AVERAGE DAILY RATE	$139 ▲ 0.70%	$146 ▲ 5.00%	$149 ▲ 2.10%
EMEA AVERAGE DAILY RATE	$158 ▲ 0.60%	$159 ▲ 0.60%	$159 ▲ 0.00%
LATAM AVERAGE DAILY RATE	$105 ▲ 5.00%	$115 ▲ 9.50%	$121 ▲ 5.20%
NORAM AVERAGE DAILY RATE	$189 ▲ 0.50%	$195 ▲ 3.20%	$198 ▲ 1.50%



GROUND

Calm in a volatile market.

THE FLEET-DISCIPLINE MODEL

The car rental segment is largely governed by fleet decisions rather than large demand swings. After the pandemic-era vehicle shortage that sent rates up sharply, operators have held to a strategy of fleet discipline — declining to expand fleets even as demand grows. The result is a market that keeps utilization high and rates firm without chasing volume.

THE TWO FORCES

Two forces drive the modest 2026 increase and the expected moderation in 2027. First, fleet costs are normalizing: a wave of off-lease vehicles is returning to the used market in 2026, reversing years of scarcity since 2022, which lowers the cost of acquiring fleet and softens rates into 2027. Second, tariffs on imported vehicles and parts raise the cost of new fleet — but they also lift the resale value of vehicles operators already own, turning fleet into an appreciating asset. That combination supports the small 2026 rate rise while letting operators hold leaner, more profitable fleets rather than passing the full cost through to renters.

+3.6%
GLOBAL RATE RISE IN 2026, RESTRAINED BY FLEET DISCIPLINE

Since 2022
OFF-LEASE VEHICLES FINALLY RETURNING TO THE USED MARKET, EASING FLEET COSTS

GLOBAL AVERAGE DAILY RATE

2025	2026	2027
$44.9	$46.5	$46.1
-1.10% ▼	3.60% ▲	-0.90% ▼

Governed by fleet decisions, not demand swings.

DEMAND AND THE AIRPORT-PICKUP RISK

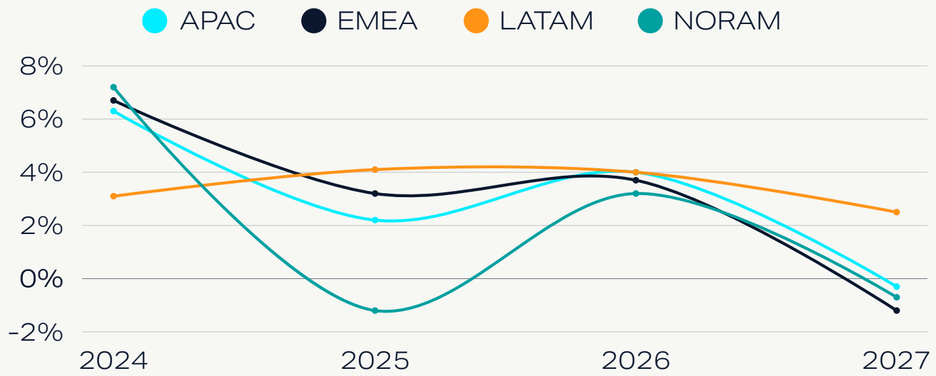
Demand for car rentals remains steady. Leisure travel is expected to outperform business travel in 2026, and total miles driven remain near record levels. But as airlines raise fares and trim capacity, fewer flyers could mean fewer airport pickups — the highest-margin channel in the business.

Small moves, both directions.

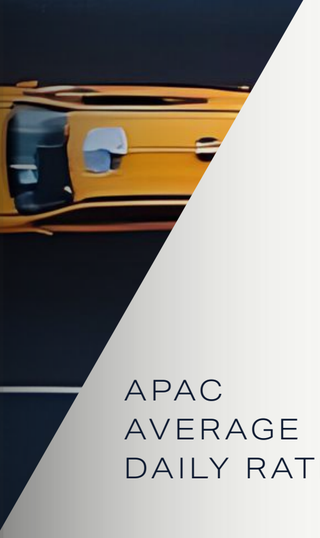


Car rental, the largest component of managed ground spend, saw rates fall in 2025, with the global average daily rate down 1.1% to $44.90. Rates are expected to increase 3.6% in 2026 to $46.50, then slip 0.9% in 2027 to $46.10.

Year on Year ADR Variance



All four regions are expected to post higher car rental rates in 2026. APAC is the most expensive at $57.70 per day, up 4%, followed by EMEA at $56.20, up 3.7%. NORAM sits at $42.40, up 3.2%, and LATAM at $39.40, up 4%. In 2027, car rental rates fall in three of the four regions, down 1.2% in EMEA to $55.50, 0.7% in NORAM to $42.10, and 0.3% in APAC to $57.50. LATAM is expected to rise, up 2.5% to $40.40.



	2025	2026	2027
APAC AVERAGE DAILY RATE	$55.5	$57.7	$57.5
	▲ 2.20%	▲ 4.00%	▼ -0.30%
EMEA AVERAGE DAILY RATE	$54.2	$56.2	$55.5
	▲ 3.20%	▲ 3.70%	▼ -1.20%
LATAM AVERAGE DAILY RATE	$37.9	$39.4	$40.4
	▲ 4.10%	▲ 4.00%	▲ 2.50%
NORAM AVERAGE DAILY RATE	$41.1	$42.4	$42.1
	▼ -1.20%	▲ 3.20%	▼ -0.70%



MEETINGS & EVENTS

The Meetings Math: Bigger Budgets, Sharper Choices.

MEETING DEMAND IS RISING, AND BUDGETS ARE RISING WITH IT

Meeting demand is rising, and budgets are rising with it, but costs are climbing just as fast. The multi-year shift toward smaller meetings is reversing, with planners seeking larger room blocks for larger events. Budget increases are widespread, but because event costs have outpaced inflation, the additional money maintains quality rather than expanding programs. The daily average cost per delegate (DACD) is growing modestly, even as a growing share of total budget flows to the largest, most production-heavy programs. The typical meeting is not getting materially more expensive; the events organizations invest in most are simply absorbing more of the budget.

Group room rates remain contained, consistent with the hotel forecast, while costs inside the ballroom are rising faster. Food and beverage (F&B) costs within managed programs are increasing mid-to-high single digits, ahead of the 3.5% year-over-year rise in the food-away-from-home index, and production and labor costs are climbing at a similar pace, extending the labor pressures documented in the airline and hotel sections. Because F&B and production are the two largest lines in most program budgets, inflation there moves total spending more than anywhere else.

Under the base case, which assumes stable demand, typical attendance, and current cost drivers, DCAD should grow 3% in 2026 and 1.5% in 2027. That sits at the lower end of industry projections, and depends on negotiated group rates and event optimization continuing to offset most of the F&B and production inflation. Meetings differ from the other categories in this forecast in one important way: a much larger share of the spend is discretionary. Companies absorb airfares and room rates, but they choose their meetings portfolio. Over the next two years, per-attendee meeting costs should rise modestly while total program spend continues to climb with scale and ambition.

63%
OF PLANNERS REPORT ENGAGEMENT IS THEIR PRIMARY SUCCESS METRIC

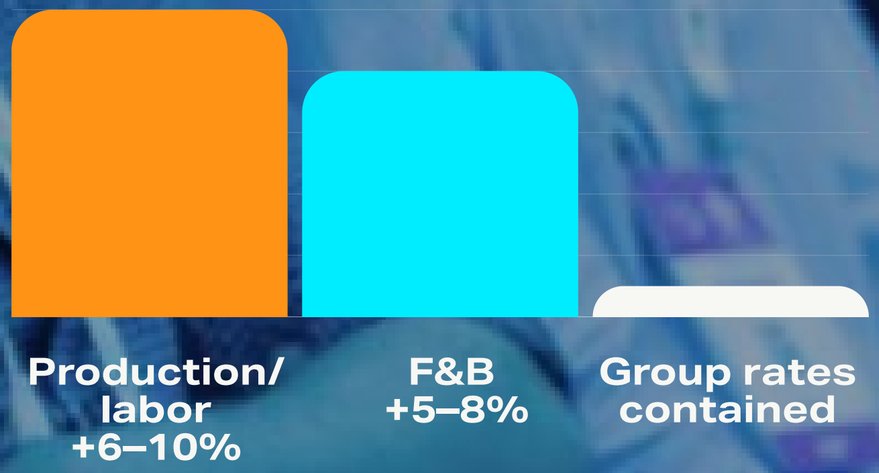
72%
OF PLANNERS EXPECT COST PRESSURES IN THE YEAR AHEAD

DAILY AVERAGE COST PER DELEGATE (DACD)

2025	2026	2027
$255	$263	$267

"Cost growth in this category is a function of event mix and scale more than unit price inflation."

Where the cost pressure sits:



F&B inflation runs ahead of the 3.5% YoY food-away-from-home index.

BUYER STRATEGIES

Lock multi-year agreements while hotel supply growth holds group rates below inflation. Shift volume toward secondary and resort markets to avoid top-tier city premiums.

FINAL THOUGHTS

The shock fades. The cost ba

The outlook for the rest of 2026 and all of 2027 is one of normalization — not reversal. The first half of 2026 brought a severe energy shock: a jet-fuel spike and broad pressure on airline operating costs. That shock is now easing. Fuel prices are falling, oil flows are recovering, and airfare growth should decelerate in 2027.

But the market is not returning to its pre-shock cost structure. Labor costs are rising across the sector, held up by multi-year contracts, statutory wage floors, and persistent shortages. Aircraft delivery delays keep capacity tight. SAF mandates add a growing fixed cost. Hotel supply is expanding, which contains room rates, but staffing stays constrained. Car rental operators keep managing fleets for utilization and profit over volume.
Treat 2026 as a high-cost year. Treat 2027 as partial relief — not a return to 2025.

WHAT THIS MEANS FOR YOUR PROGRAM:

LOCK IN WHILE COSTS ARE RECEDING

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Treat 2026 as a high-cost year. Treat 2027 as partial relief — not a return to 2025.

PLAN AROUND A WEAKER-DOLLAR 2027

Plan 2027 around a weaker-dollar baseline. A softer dollar raises the cost of overseas travel billed in local currency, so organizations with euro or sterling commitments should budget accordingly. Where billing currency allows, time non-US sourcing and contracting to the dollar's current strength.

REBASE BUDGETS TO THE NEW FARE REALITY

Global blended airfares rise 4.7% in 2026, with premium climbing nearly twice as fast. Budgets built on 2025 rates will undershoot actual air spend — especially for programs with heavy long-haul or Middle East exposure. Rebase now.

se doesn't.



Plan for a market that is easing but still expensive. The opportunity in 2027 is not a return to 2025 pricing — it is a more manageable environment where the pace of increase slows and category-level planning becomes predictable again. The next two years will reward the buyers who distinguish temporary shock costs from structural cost floors.

WATCH LIST: WHAT COULD PUSH COSTS ABOVE BASELINE

- Renewed closure of the Strait of Hormuz
- Another spike in jet fuel
- Further aircraft delivery delays
- Faster-than-expected SAF cost escalation
- Renewed currency volatility

Absent these, the direction of travel is clear: cost pressure remains, but the worst of the 2026 spike is expected to fade.



FORECAST DETAILS

Methodology.

The 2027 Global Business Travel Forecast, produced by the Global Business Travel Association (GBTA) in partnership with ALTOUR, combines anonymized business-travel transaction data supplied by ALTOUR with GBTA research and publicly available economic and industry data.

ALTOUR's transaction data provide insight into the prices paid by managed business travelers for air travel, hotel accommodations, and ground transportation. The data are standardized and aggregated to develop historical pricing measures for major markets and regions while protecting client and traveler confidentiality. The analysis focuses on average ticket prices for air travel, average daily rates for hotels, and average daily rental rates for ground transportation.

Forecasts are developed by Avrio Institute using econometric and statistical techniques, including autoregressive integrated moving average, or ARIMA, models. Separate models are developed for each travel category and geographic market, allowing the forecasts to reflect differences in historical pricing patterns, market conditions, and regional economic performance.

The modeling incorporates historical price movements and evaluates the economic and industry forces likely to influence future prices. These include:

Economic growth and business activity
Consumer and corporate travel demand
Inflation and labor costs
Currency movements
Airline capacity and fuel costs
Hotel occupancy and room-supply growth
Vehicle availability and rental-fleet conditions
Geopolitical developments and public-policy changes

The statistical forecasts are reviewed alongside current market intelligence and expert analysis from ALTOUR, GBTA, and Avrio Institute. This process helps identify structural changes, unusual disruptions, and emerging conditions that may not yet be fully reflected in historical data.

The meetings and events outlook incorporates available program and transaction data, the air and hotel forecasts, inflation expectations, and industry intelligence concerning venue availability, food and beverage prices, labor and production expenses, event size, destination mix, and changing attendee expectations.

All forecasts represent expected market-level changes rather than guaranteed outcomes for an individual travel program. Actual prices will vary based on destination mix, booking behavior, negotiated supplier agreements, cabin and hotel class, trip duration, seasonality, and program composition.



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ALTOUR

ALTOUR is a globally recognized leader in corporate travel management dedicated to managing the complexities of connecting people so they can represent their brands in the most impactful way possible. With a presence in over 90 countries, ALTOUR's approach is defined by the belief that there's a "better way" to handle travel – smarter, faster, easier and more tailored to each client's needs. As part of the Internova Travel Group, the highest-ranking American corporate travel management company according to Business Travel News, ALTOUR combines global reach with local insights to maximize the value of every business interaction. For more information, please visit our website at altour.com or follow us on LinkedIn.

GBTA

The Global Business Travel Association (GBTA) is the world's premiere business travel and meetings trade organization headquartered in the Washington, D.C. area and serving stakeholders across six continents. GBTA and its 8,000+ members represent and advocate for the $1.48 trillion global travel business and meetings industry. GBTA and the GBTA Foundation deliver world-class education, events, research, advocacy and media to a growing global network of more than 28,000 travel professionals and 125,000 active contacts.

AVRIO INSTITUTE

Avrio Institute is an economic research and advisory firm that helps CxOs and global executive teams quantify how technological and economic shifts will reshape their industries, companies, and business models. Grounded in econometric modeling, forecasting, and primary data, the firm produces market forecasts, economic impact studies, and applied research for clients ranging from start-ups to Fortune 100 companies across the technology, financial services, entertainment, healthcare, industrial, media, and advertising sectors. Avrio Institute is led by Dr. Shawn DuBravac, economist, futurist, and New York Times bestselling author.