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India is World's Fastest Growing Major Business Travel Market in 2016, Despite Demonitization Fears

India Poised to Move Up from 10th Largest Global Business Travel Market to 6th By 2019

Delhi/Mumbai (February 1, 2017) - The Global Business Travel Association (GBTA) Foundation, the voice of the global business travel industry, today announced the results of its latest *GBTA BTI™ Outlook - India* report, a semi-annual analysis that relates unfolding economic events at home and abroad to their resulting impacts on India's business travel market. The report reveals continued double digit business travel spending growth for India, despite fears of fallout from the country's demonitization efforts.

In November, Prime Minister Modi surprised domestic and international markets with his announcement that 500 and 1,000 rupee notes would no longer be considered legal tender, effective immediately. While these larger denomination notes fuelled corruption, the shadow economy and counterfeiting, there was also fear that the move could dislocate legitimate economic activity, especially in the short-term.

"India continues to position itself to become a world leader in business travel for decades to come," said Gaurav Sundaram, President ProKonsul & GBTA India regional director. "Despite fears surrounding the demonitization efforts, India saw a 10.9 percent growth in year-over-year business travel spending for the second quarter of 2016 - even higher than our last report projected."

The GBTA Foundation report forecasts 11.4 percent growth in business travel spending in 2016, followed by another 11.6 percent in 2017 - both increases over our previous forecast - reaching \$36.8 billion USD. India continues to climb the world rankings of business travel markets, moving up five spots during the early 2000s to become the 10th largest global business travel market at the end of 2015. Forecasts predicted India would pass Brazil last year and will likely surpass both South Korea and Italy in the coming year. GBTA projects India will become the 6th largest business travel market in the world by the end of 2019.

Additional highlights of the report include:

- With 7.3 percent year-over-year growth in 2016 Q3 GDP, India remains the fastest major growing economy in the world.
- Currently the WEC's Global Competitiveness Report ranks India 74 out of 140 countries for infrastructure, but we expect India's ranking to continue to improve as the country continues to invest in its infrastructure.
- Hotels are an important part of the infrastructure for business travel. The construction of new hotels has been burdened by high rates of taxation and long approval processes, but the situation is improving. It remains to be seen if reforms can move fast enough to keep up with the rising demand for hotel rooms.
- GBTA forecasts domestic business travel spending will continue to grow at consistently high rates, 12 percent this year and 11.8 percent in 2017, reaching \$33.8 billion USD.
- India's international outbound (IOB) business travel spending has shown subdued growth in the 5-6 percent per year range. Our IOB forecast for 2016 has been revised upward from 3.1 percent projected previously to 5.4 percent. It seems commodity prices may have finally found their footing and bottomed out, and the brightening prospects for increased trade activity, especially with the oil-rich MENA region, should help to push IOB spending forward by 9 percent in 2017.

The *GBTA BTI™ Outlook - India* is free of charge to all GBTA Members by [clicking here](#). Non-members may purchase the report through the GBTA Foundation by emailing pyachnes@gbtafoundation.org.

About the GBTA Foundation

The GBTA Foundation is the education and research foundation of the Global Business Travel Association (GBTA), the world's premier business travel and meetings trade organization headquartered in the Washington, D.C. area with operations on six continents. Collectively, GBTA's 9,000-plus members manage more than \$345 billion of global business travel and meetings expenditures annually. GBTA provides its growing network of more than 28,000 travel professionals and 125,000 active contacts with world-class education, events, research, advocacy and media. The Foundation was established in 1997 to support GBTA's members and the industry as a whole. As the leading education and research foundation in the business travel industry, the GBTA Foundation seeks to fund initiatives to advance the business travel profession. The GBTA Foundation is a 501(c)(3) nonprofit organization. For more information, see gbta.org and gbta.org/foundation.