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## Executives Forecast More Flights, Bigger Budgets, Survey Shows

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By Steve Rothwell

March 1 (Bloomberg) -- Executives will fly more frequently this year and spend more on flights, providing a boon for airlines, according to a survey of corporate travelers by Ascend, an aviation consultant.

The survey of 250 business travelers showed that 35 percent expect their companies to increase trips, while only 10 percent forecast a decrease. Last year, almost half the respondents predicted that corporate travel would shrink, with 10 percent expecting a gain, Ascend said today.

"It has to be seen as a significant turnaround, but we're not getting carried away," Peter Morris, chief economist at London-based Ascend, said in a telephone interview. "Corporate travel is on the recovery path, but it's muted."

British Airways Plc and AMR Corp.'s American Airlines are among carriers that rely on business passengers to bolster profits, charging higher fares for seats with more leg room, and for more flexible tickets. The International Air Transport Association estimates that the global airline industry lost \$11 billion last year and will be unprofitable this year.

More than a quarter of those questioned predict an increase in air travel budgets, compared with 9 percent last year, according to Ascend. The poll also showed that North American business passengers are more optimistic, with 9 percent expecting to see fewer flights by their workers this year, compared with 16 percent in Europe.

Airlines will also benefit even if a trend persists for business travelers to fly in coach class, rather than in premium seats, Morris said. Business passengers typically pay more to travel in economy than leisure passengers, as they are tied to specific flight times and book with shorter notice, according to the analyst.

Economy-class travel rose 5 percent in December even as consumer confidence leveled off, suggesting that demand from corporate travelers is bolstering sales in coach cabins, the International Air Transport Association said Feb. 16 in a report.

Executives said they are more likely to use travel agencies for bookings and less likely to seek tickets using the Internet to find cheaper fares this year, according to Ascend.

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