



## **ASSOCIATION NEWS — Meeting organisation costs set to keep rising**

2022-08-26

**According to the *Global Business Travel Forecast 2023* report, published on 10 August by [CWT](#) and the [Global Business Travel Association](#), global travel and meeting prices will continue to soar through 2022 and 2023, with rising fuel prices, labour shortages, and raw material costs cited as the primary drivers of the expected price growth.**

‘Demand for business travel and meetings is back with a vengeance, of that there is absolutely no doubt’, said Patrick Andersen, CWT’s chief executive officer, adding that all of the cited factors are driving the sharp price hikes, resulting in prices that should be – in general – on par with 2019.

### **Meeting costs on the rise**

As the meeting and event organisers are painfully aware, prices are on the rise globally thanks to pent-up demand, the re-emerging need for in-person meetings and uncertain economic forecasts. According to estimates, this year the average cost per participant will grow by 25 percent compared to 2019, and it is set to grow by an additional 7 percent in 2023.

The demand for conference venues remains high, while corporate meetings are competing for space with numerous events that have been postponed since 2020. What is more, the authors of the report note that many companies that had decided to give up their office spaces over the course of the past two years need to book meeting spaces to get their employees to come back together.

The projections also point to shorter lead times as one of the factors that is driving up costs, with the average lead time ranging from one to three months, as opposed to the six to twelve months observed before.

### **Hotel rates on the rise due to group and business travels**

Strong demand for leisure travel has contributed to record-high average daily rates over the past year. The report notes that flights and group business travel are likely to drive them even higher. According to the presented estimates, global rates are going to increase by 18.5 percent this year compared to 2021, followed by another 8.2-percent rise in 2023. To date, rates grew by 22 percent in North America and 31.8 percent in Europe, the Middle East and Africa, surpassing 2019 prices. According to the forecast, hotel prices are set to exceed 2019 rates in 2023.