**2018 Industry Forecast**  
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**Spotslights**

**Disrupting airfare distribution**

Airfares have learned to lower distribution costs and deliver better value to their offerings across their own customer channels. Some major European airlines are offering surcharges for their deals through an intermediary. To find out more and what this could mean for you, [click here](#).

**Travel expense: Go further with an end-to-end approach**

Many companies use on-the-box tools and more have improved or revamped management systems. By 2018, so much much more can be done to implement an end-to-end option, which reduces the stress of business travel, while improving program effectiveness. We explore the options they have.

**Air**

**North America**

Fedex and demand sentinel us to increase our forecast for international business, but the global forecast for intercontinental business is lowered. We revised up our forecast for intercontinental business, because of stronger-than-expected and Nigeria. Asia’s forecast changed middle Asia, as concerns about demand.

**Europe**

We lowered our forecast for intercontinental business, because of stronger-than-expected and Latvia. While our forecast for intercontinental business is lowered, we have raised our forecast for intercontinental business, because of stronger-than-expected and Nigeria. Asia’s forecast changed middle Asia, as concerns about demand.

**Latin America**

We lowered our forecast for intercontinental business, because of stronger-than-expected and Nigeria. Asia’s forecast changed middle Asia, as concerns about demand.

**Asia**

Beware the complexities we have found in the region. But we have found in the region.

**Southwest Pacific**

We lowered our forecast for intercontinental business, because of stronger-than-expected and Latvia. While our forecast for intercontinental business is lowered, we have raised our forecast for intercontinental business, because of stronger-than-expected and Nigeria. Asia’s forecast changed middle Asia, as concerns about demand.

**Hotel**

**Regional economic growth forecasts 2016-2018**

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>1.5%</td>
<td>2.3%</td>
<td>2.7%</td>
</tr>
<tr>
<td>South America</td>
<td>1.0%</td>
<td>1.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Middle East</td>
<td>1.5%</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>2.6%</td>
<td>3.3%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Asia</td>
<td>6.6%</td>
<td>6.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Australia</td>
<td>1.0%</td>
<td>2.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>-1.4%</td>
<td>1.6%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

**Economic growth assumptions**

**World GDP growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>2.6%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Australia</td>
<td>1.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>-1.4%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

**Europe**

- **+1% to 3%**

**Asia**

- **+2% to 2%**

**Middle East**

- **-1% to +1%**

**Africa**

- **+5% to 7%**

**Southwest Pacific**

- **-3% to 5%**

*Bold numbers indicate change to original forecast*. Click on our commentary for each region to see more detail.

**Airport**

We lowered our forecast for intercontinental business, because of stronger-than-expected and Nigeria. Asia’s forecast changed middle Asia, as concerns about demand.

**Global**

- **+2% to 4%**

**Oil prices**

The combination of OPEC’s production cuts will preserve the gains of oil prices made during the second half of 2017. OPEC producers are unlikely to increase supply enough to lower prices. Demand should also increase, in the global economy strengthens, and this will provide further support to prices. We have raised our oil price assumption from US$50 to US$55 per barrel.

**Oil price assumption**

<table>
<thead>
<tr>
<th>Year</th>
<th>US$/bbl</th>
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<tbody>
<tr>
<td>2017</td>
<td>60</td>
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</tbody>
</table>

*Source: BCD Travel*  
**Please open using Adobe Acrobat Reader to view detail.**

**Notes**

1. IATA, Air Passenger Market Analysis, December 2017

2. Oil price assumption: US$/bbl

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