

STATEMENT OF
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HEARING ON “REVIVING CONVENTIONS AND TOURISM THROUGH
INTERNATIONAL TRAVEL,”
SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION’S
TOURISM, TRADE, AND EXPORT PROMOTION SUBCOMMITTEE

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Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee: my name is Suzanne Neufang, and I am Chief Executive Officer of the Global Business Travel Association (GBTA). Thank you for the opportunity to testify regarding the state of reviving international travel to the U.S. for trade shows, conventions, and state and local economies that are heavily reliant on travel and tourism.

It is my pleasure to again address this Committee on behalf of the business travel industry to share insights on the challenges and opportunities in navigating its continued recovery. As the world’s premier business travel and meetings trade organization, the return of events, conferences and conventions are central to the industry’s return and an area of ongoing focus for GBTA.

GBTA serves a global network of more than 28,000 corporate travel professionals and 125,000 active constituents within our industry. We are headquartered in the Washington, D.C. area with global operations as well as 37 local chapters across the U.S. Our mission is to foster connections among people around the world through work-related travel to enable businesses, economies and democracies to grow.

The onset of COVID-19 stopped global business travel in its tracks – it caused the \$1.4 trillion industry to decline by 53.8% and post losses of \$737 billion USD in business travel spend. According to GBTA’s latest Business Travel Index, global expenditures are forecast to have rebounded 14% to \$754 billion for 2021 and continue to rise in 2022 to bring business travel spending back to over \$1 trillion.

Over the past few months, we’ve seen increased evidence of positive signs of recovery. Our April 2022 GBTA Business Travel Recovery poll found 90% of U.S.-based respondents report their company now allows non-essential domestic business travel, a 13-percentage point increase since January. International travel, however, has still been slower to recover – only 74% reported that their company currently allows non-essential international business travel. This can be attributed to the barriers remaining that are blocking the robust return of international travel, trade shows and conferences in the U.S.

Today, most countries that the U.S. considers contemporaries which are also the largest business travel origins and destinations – such as the UK, Canada, Germany, and France

– have waived testing requirements for entry for vaccinated travelers. Yet, the U.S. still requires all travelers to be tested one day prior to entering the country or show proof of recovery within 90 days.

In a January GBTA survey, 43% of respondents said the single greatest barrier to resuming business travel is government policies that restrict travel or make it difficult. The testing requirement is impacting people’s willingness to travel and puts the U.S. at risk of falling behind other countries as a travel and business meetings destination. It is because these meetings often get planned months and even a year or two in advance – that now the U.S. is at a great disadvantage.

For those needing to depart the U.S. for work travel, many are unwilling to take the chance of not being able to return to the U.S. at the end of their business trip or vacation. For those of us who do travel internationally, we know personally what a burden the test creates and the additional stress throughout the trip awaiting that final test result to “allow” us to go home.

This is depressing inbound international travel and is also hurting the U.S. conference industry. According to GBTA research, in 2019 companies reported 18% of their travel spend was allocated for conferences, trade shows and industry events.

At GBTA, we know firsthand the challenges of getting back to pre-pandemic attendance levels for events.

In our peak year of 2019, we welcomed over 7,100 attendees from 80 countries to Chicago for our annual GBTA Convention. Due to COVID-19, we didn’t host our next GBTA Convention until November 2021 where we attracted 3,500 attendees to Orlando from just 20 countries. At the time, a sizable number of attendees and exhibitors from outside the U.S. were still unable or unwilling to attend due to COVID and uncertainty about U.S. entry policies. Recall as well that the U.S. didn’t open for non-resident in-bound travel until the beginning of November 2021.

For 2022, the GBTA Convention will take place August 14-17 in San Diego. And although many pandemic in-bound travel restrictions have been lifted across most countries in the world, we are still conservatively forecasting a 70% return in attendee volume versus our 2019 levels. While we are pleased with current registration rates for August, they are predictably lagging, compared to 2019 “normal” measures – and only 10% of currently registered attendees are from outside the U.S. Much of the gap to getting back to “normal” is the continued hesitancy from non-U.S. based attendees and exhibitors to commit to travel to the U.S.

As recently as two weeks ago, I heard directly from our constituents about the main barrier they see for attending conferences and events in the U.S., but also for travel to the U.S. in general. While I was traveling in Europe for business, in every discussion – from our GBTA partners to meetings with European policy makers – the same question came up: “When will the U.S. testing requirement go away?!” The Europeans with whom I spoke all wanted to visit for work – and play – and the ongoing U.S. inbound testing requirement is a huge

barrier for groups planning meetings and conferences, or families wanting to plan a U.S. vacation.

It's at these in-person events that we connect, learn, collaborate, and conduct business in purposeful ways and for profitable outcomes that can never be accomplished through virtual meetings. In addition, people traveling to the U.S. to attend trade shows and conferences create an important economic halo on local tourism. You might hear this referred to as "bleisure" or workcations – and at GBTA, we call it blended travel. But more simply put – it's when a traveler comes for business and adds a few extra days for leisure or family time. Recent GBTA research finds 75% of respondents said as business travel resumes, they are as likely or much more likely to combine their business trips with a vacation. This adds an additional boost to local economies and provides exposure and interest for future return vacations to the region.

It is vital to recovery that we continue to show that America is open for business. And business travel recovery is also facing other headwinds including rising inflation, staffing shortages and supply chain delays. Therefore, it is clear that we must remove the asymmetric barriers that remain such as inbound testing and create a safe and easy path forward for international businesspeople to return to attending tradeshows and conventions in the U.S.

We've made progress in returning to life and business and cannot afford to go backwards. Business travel is not just a transaction – it's about making and strengthening connections, growing businesses, economies, diplomacy, and careers. We must continue to keep our borders open, lessen restrictions, enable pent-up business travel demand, and continue to get business, companies and economies moving again. People need to connect face to face, and it is so important that government and business work together to achieve this. We need healthy conferences and conventions back as economic and business development drivers.

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