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VDR Business Travel Report 2023

21st edition



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Less can be more

Last year began with the prospect of conditions normalising, with the expectation being that society and the global economy would finally recover after the pandemic-induced collapse. But then came the Russian attack on Ukraine in February 2022, causing both unimaginable human suffering as well as damaging the global economy.¹

The costs of war replaced investment in a better world. The energy crisis brought about the highest inflation rate seen in the country since German reunification. Public and private investment stalled. A negative spiral was created, with supply bottlenecks driving up energy prices. As a result, consumer prices have risen, purchasing power is dwindling and supply chain issues abound – especially in developing countries.

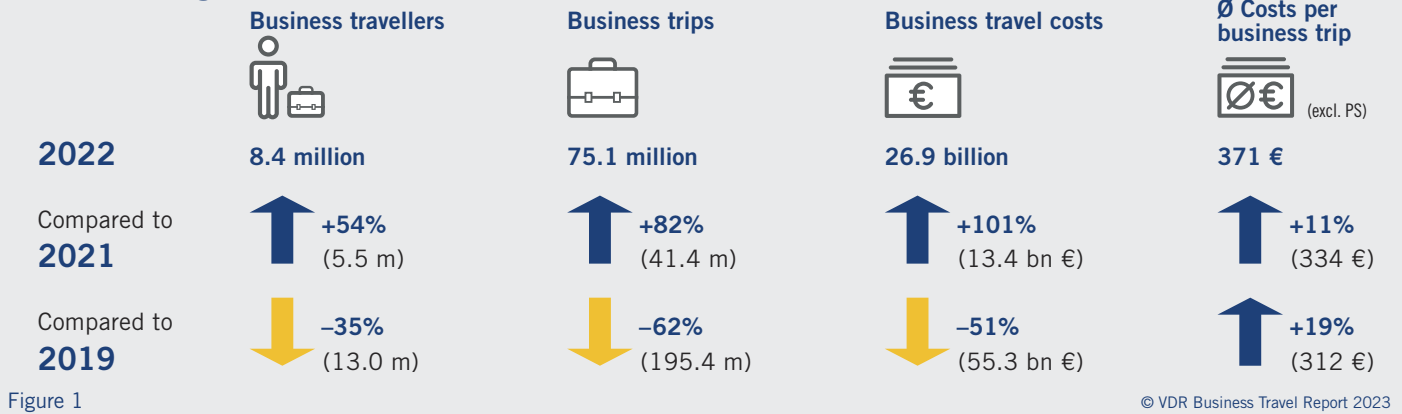
This negative spiral is affecting the entire German economy. And it is not just due to crises that there will be a long-term decline in business travel – it is also happening in response to global demands for more sustainability in all areas. So less is more – since in addition to companies making cost savings, less carbon dioxide is produced. Employees who are no longer constantly on the road, frequently changing time zones, have a greater chance of achieving a decent work/life balance.

What measures are companies taking towards more sustainability? And what's happening around mobility management? What helps combat price increases? And which business destinations are currently the most popular? The 21st VDR Business Travel Report addresses a range of currently relevant topics in addition to its annually surveyed facts and figures. As Germany's largest network for modern mobility management, VDR represents the interests of its members on both the national and international levels. In daily dialogue with its stakeholders and with the help of market research as well as events, VDR tracks the topics relevant to mobility management and offers responsible and reliable orientation for the future. We look forward with you to enjoying the current report and would appreciate your feedback regarding future topics.

¹See <https://www.iwd.de/artikel/ukraine-krieg-kostet-die-welt-billionen-578968/>

1 Key figures at a glance

Facts and figures



No sign of calmer waters ahead

The prospect of navigating into calmer waters and of societal and economic recovery after the pandemic years did not materialise in 2022. The year was marked by the effects of the war in Ukraine as well as by the continuing pandemic, which tapered off only slowly. The work of travel managers continued to become more difficult due to new challenges such as supply bottlenecks, price increases and a shortage of skilled workers ... But there was both an urgent need and the possibility for business travel to pick up again. In total, business trips increased by 82 % to 75.1 million in 2022 and expenditure doubled to €26.9 billion compared to 2021. However, both figures remain far below the pre-crisis level in 2019. (Figures 2 and 4, page 7 f.)

Combatting price increases

All interviewees, without exception, felt the effects of the highest inflation rate ever experienced since German reunification – an average of 7.9 % in 2022 compared to 2021. To counteract this, in-person meetings are being replaced by telephone and video conferences and reasons for going on business trips are being assessed more strictly.

Although it means that the duration of stays increases, merging two or more business trips can optimise transport costs. Lower service categories are being booked by about a third of companies to save costs. (Figure 10, Page 12)

Continuing trend towards longer trips – foreign destinations benefit

For years the trend leaned towards shorter business trips. But the countertrend brought about by the pandemic continued and became even stronger in 2022, with the average duration of business trips rising again across all company sizes, reaching 2.4 days on average. The longest business trips were taken at companies with over 1,500 employees, with a quarter lasting four days or more. The proportional increase in the duration of business trips abroad can also be seen in the strong rise in the number of overnight stays, which more than doubled compared to the previous year. Domestic hosts also reported a strong increase in business-related overnight stays.

(Figures 6, 11 and 12, Pages 9 and 13)

A measured reduction

Even though there is not as much agreement with the question about long-term reduction in business travel volume as in the previous two years, the fundamental forecast is that business trips will see a lasting decrease compared to 2019. Over half of respondents expect this to happen. The energy crisis, inflation and the demand for sustainability have replaced lockdowns, travel bans and supply bottlenecks as reasons in this regard.

(Figure 24, Page 25)

“Non-word” of the year

The “Fachkräftemangel”, or shortage of skilled workers is not a new topic in Germany. Back in 2015 it was voted “non-word of the year”. So this problem has been waiting for a solution since well before the pandemic. But during the pandemic, huge numbers of employees were lost in all travel-related sectors. In the business travel sector, the effects of the labour scarcity were clearly felt in service bottlenecks, delayed or cancelled flights and train connections, closed restaurants and scaled-down operations at hotels. The majority of respondents noticed this in their daily work.

(Figure 16, Page 17)

Sustainability as a key topic

The number of companies actively working towards more sustainability in the business travel sector increased again in 2022. This can be seen in the way various measures are being planned and deployed. The first step is to assess whether a business trip is absolutely necessary. “Reduction” is the preferred approach, both at companies and in the public sector. Nine out of ten companies are already taking or are planning to take this approach. Sustainable offerings for employees are still on the rise. In 2021, 67 % of companies had such offerings in place; currently this figure is at 83 %. Sustainability reporting on mobility is being used much more frequently at SMEs than just one year ago, with an increase from 31 % to 42 %. By contrast, the public sector remained quite reticent last year in this regard. But the page is turning

there too, with 66 % of the organisations surveyed stating that they already report or are planning to report on sustainability in the area of mobility within the next one to two years.

(Figures 19-21, Page 20 ff.)

Digital transformation as part of the solution – and of the problem

Digital transformation in communications and in cooperation accelerated in 82 % of companies due to the pandemic. Online communications are now a permanent fixture and can act as an alternative to business trips in terms of overcoming the climate crisis – but they are also part of the problem. If the internet were a country it would be the sixth largest energy consumer. A number of studies estimate the share of global digital carbon emissions as being equal to that of the entire aviation industry. Currently, just 10 % of companies have this on their radar. However, with the explosion of online communications it's time to initiate change in this area too.

(Figure 22, Page 22)

Shift in main business travel destinations

92 % of respondent companies and 86 % of public sector organisations engage in business travel abroad. Neighbouring countries Switzerland and Austria have seen more business travel from Germany while the US and China have moved down in the business travel ranking. The pandemic-related closing of China's borders as well as restrictions on entering the US left their mark. And the UK, too, after leaving the EU at the end of January 2020, is likely to have noticed the decline in business and business travellers from Germany, in particular from larger German corporations. India has moved up in importance as a destination. Russia, on the other hand, has disappeared from these statistics completely.

(Figure 26, Page 26)

2 Business travel: Facts and figures

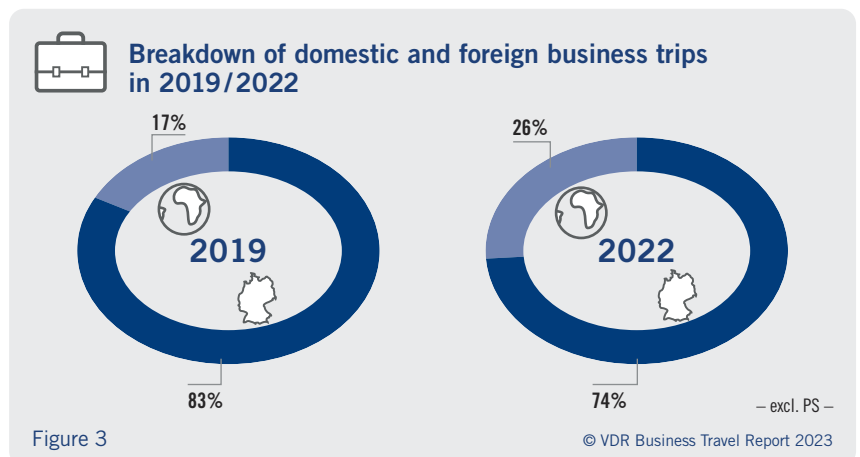
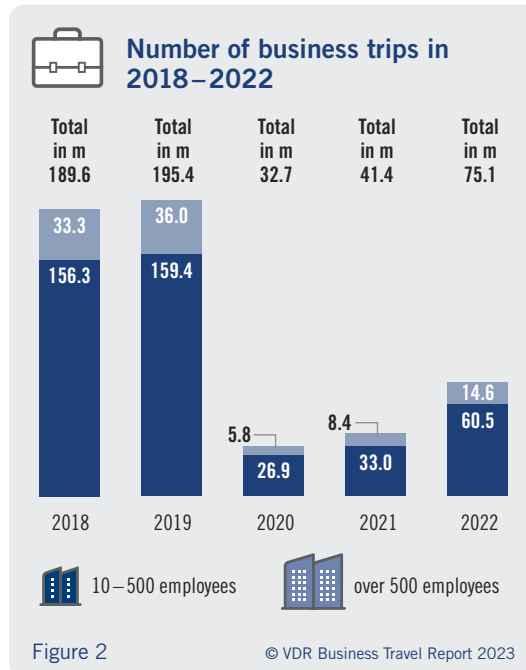
Quantity

“ How many business trips were taken in 2022? ”

In spite of difficult prevailing conditions, the German economy recovered slightly in the course of 2022. Price-adjusted gross domestic product (GDP) was up 1.9 % on the previous year.² However, from February onwards, the year was dominated by the many effects of the war in Ukraine and the ongoing pandemic, which only slowly tapered off as the year progressed. This is reflected in the number of business trips, which saw an increase of 82 % to 75.1 million. However, this figure is still 62 % lower than in the record year 2019. Public sector employees were on the road to an above-average degree, with the increase here amounting to 99 % (not illustrated).

The majority of all business trips have always been within Germany. But since 2018, there has been a steady increase in foreign travel, resulting in around a quarter of business trips (26 %) being to destinations abroad in 2022. Post-pandemic catch-up effects are also reflected in these figures.

The German trade fair and congress sector struggled last year again as a reason to engage in business travel. After over 70 % of planned trade fairs had been cancelled in 2021, at least 100 of the 390 trade fairs planned for 2022 were either postponed to later months or to 2023 due to bans and increased restrictions.³ Many business trips to trade fairs and congresses therefore remained on companies' wish lists.



² See press release no. 020 of the Federal Statistics Office, Wiesbaden, 13 January 2023.

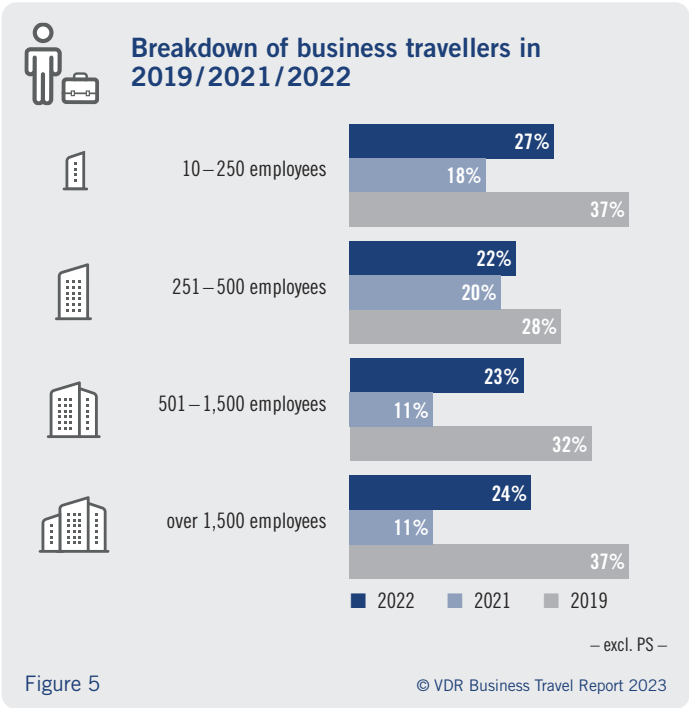
³ See <https://www.auma.de/de/medien/meldungen/100-messen-verschoben-oder-abgesagt> as well as <https://www.auma.de/de/medien/meldungen/presse-2022-01>



Costs

How high was total business travel spend in 2022?

Spending on business travel increased faster than travel volume. Changing travel behaviour, extreme rises in energy prices, tightening material and supply bottlenecks, the lack of skilled workers and huge increases in service provider prices contributed towards total business travel spending rising by 101% to €26.9 billion. SMEs with 10-500 employees spent proportionally more than larger companies.



Business travellers

How many business travellers were there?

The number of business travellers continues to increase. In 2021, 5.5 million people went on urgently required in-person business trips; this figure rose again in 2022 to 8.4 million. At larger companies in particular, the increase was spread across more shoulders again than in 2021, with the number of business travellers more than doubling last year. But even this key figure remains well below the highs seen in the record year 2019, when there were 13 million business travellers.

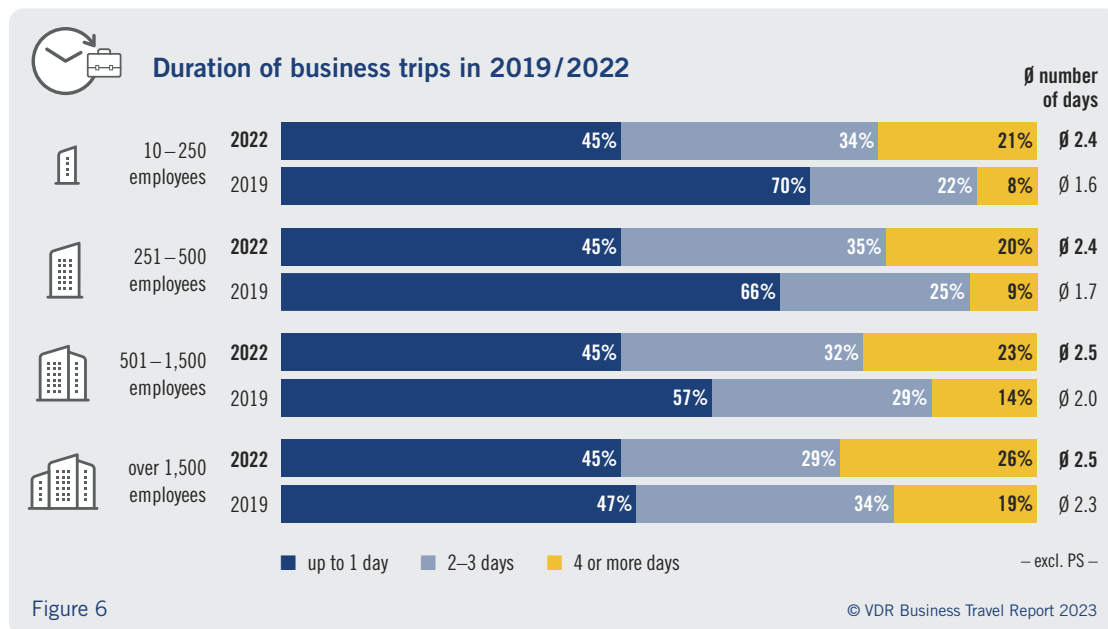
The number of business travellers in the public sector is increasing more slowly. In 2021, 16 % of public sector employees were on the road; last year this figure was 23 %. Before the pandemic (2019) every second public sector employee travelled on business at least once. (not illustrated)

Duration

“ How long do business trips take? ”

For years, there was a trend towards shorter business trips. But the countertrend triggered by the pandemic continued in 2022 and became even stronger. The average duration of business trips continued to rise across all company size categories, amounting to an overall average of 2.4 days. While the share of one-day trips at SMEs reached its peak in 2019 at 70%, this figure fell to 45 %

across all company size categories in 2022. The longest business trips were taken at companies with over 1,500 employees, with a quarter lasting four days or more, up from one fifth in the previous year (not illustrated). In the public sector too, there was a clear shift towards longer business trips. While in 2019 6 % of business trips took four days or more, in 2022 this figure had risen to 22 % (not illustrated).



Any work-related trip that is recorded on the basis of individual expense reports counts in this study as a business trip. The duration, purpose, distance and destination of the journey and the professional status of the travellers are insignificant here. As soon as expenditures are charged to the company or organisation as business travel expenses, they are counted in these figures. Business travellers are employees of a company or public-sector organisation who take at least one business or official trip per year.

For further definitions of the terms used here, please see the VDR Glossary: www.vdr-service.de/glossar (in German only).

Due to the differences between the private sector (“businesses”/“companies”) and the public sector, most results are presented separately. The corresponding data basis is made clear in the respective passages: When reference is made to businesses or companies, the public sector is excluded (marked with “– excl. PS –” in the figures). When reference is made to organisations, this means both companies/businesses and institutions in the public sector. The category SMEs = Small and medium-sized enterprises refers to companies with 10–250 employees. When we speak of “smaller businesses” in this report, we mean companies with 10–500 employees.

3 Structure of business travel costs

Average cost per business trip in 2018–2022. Daily expenditures for business vs. holiday travel in 2018–2022⁴

	Average cost per business trip	Expenditure per person per day	
		Business trips	Holiday travel
2022	371 €	154 €	95 €
2021	334 €	147 €	83 €
2020	323 €	161 €	82 €
2019	312 €	162 €	83 €
2018	310 €	162 €	81 €

⁴ Our own calculations, in conjunction with FUR, Kiel: Initial results of the 2019-2023 travel reports. Business travel expenditure per person and per day: companies only, not the public sector. Holiday trips of 5 days or longer.

Table 1

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Average costs

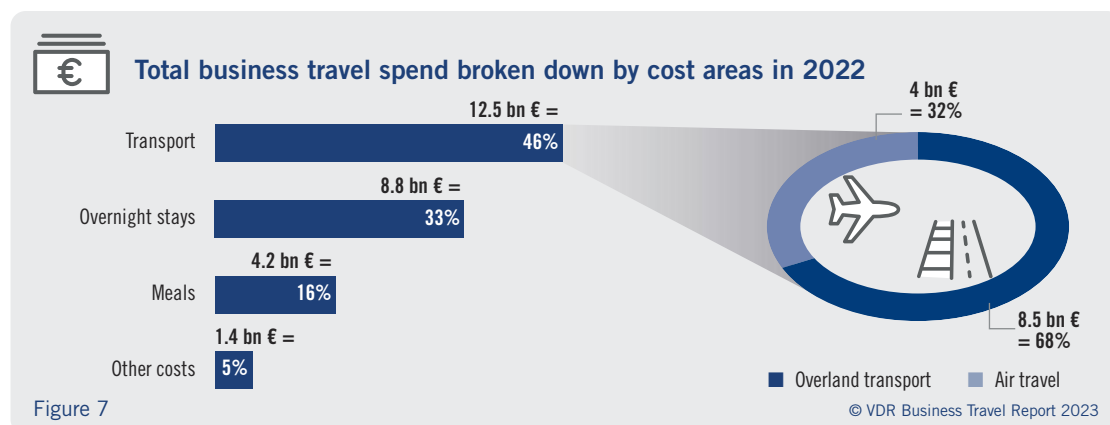
Average costs per business trip rose compared to the previous year by 11% to €371. This was both due to price increases as well as the further increase in the average duration of trips in 2022. In addition, more business class tickets were booked for flights, for instance, than in 2019.⁵ Expenditure per person and day of travel increased from €147 to €154. €95 euros were spent per day on vacation travel – the highest level ever recorded.⁶

Cost areas

“What was the expenditure in the different cost areas in your company/organisation?”

The total costs for business travel rose between 2021 and 2022 by €13.5 billion euros (101%). However, there was hardly any change in the percentage spread across different cost areas compared to the previous years. With the exception of “Other costs”, expenditure in the individual blocks doubled.

Within transport costs, proportional expenditure on overland modes of transport decreased in favour of air travel. While in the main pandemic years 79% and 72% of expenditure went to business travel other than air travel respectively, in 2022 this decreased to just 68%, which comes close to the situation in 2019, when this figure was 62%. The main reason for this was the strong demand for business trips abroad.



⁵ See <https://www.airplus.com/corporate/de/media-relations/presse/pressemitteilungen/2022/btm-trends-2022-08-15.html>


⁶ See Forschungsgemeinschaft Urlaub und Reisen e.V. (FUR), Kiel: Erste Ergebnisse der Reiseanalyse 2023.

“ How important is it for your company to have a complete, transparent breakdown of overland transport costs? ”

(not including flights but including rail, taxi, car rental, public transport)

This breakdown is “important” to “very important” for the majority of travel managers. The figures for the public sector are similar (not illustrated). One quarter of SMEs consider having a complete, transparent breakdown of overland transport costs “less important” or “not important at all”. These tend to be companies that also do not have a travel policy and thus lack this fundamental tool.

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Complete, transparent breakdown of overland transport costs



10 – 500 employees

37%

37%

17%

9%



over 500 employees

53%

30%

14%

3%

■ Very important ■ Somewhat important ■ Not so important ■ Not important at all

– excl. PS –
– Overland transport costs exclude flights but include rail, taxi, car rental, public transport –

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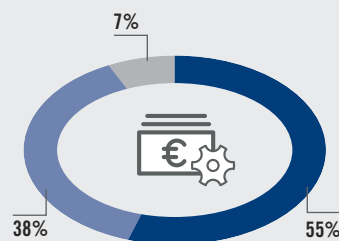
Figure 8

“ How high do you expect your company's travel expenditure to be in 2023? ”⁷

(as at the end of the first half of the year)

Due to the many uncertainties in the past three years, it was difficult to impossible for most travel managers to design reliable budgets. This year, 63 % of respondents were able to state their expenditure in 2022 and to make cost estimates for 2023. In 2022, just 33 % were able to provide these figures. There is now more certainty, with 55 % of interviewees expecting business travel expenditure to increase.

Estimated development of business travel costs in 2023



■ Travel costs will increase
■ Travel costs will remain the same
■ Travel costs will decrease

– excl. PS –
– Respondents who stated their travel costs for 2022 and who are able to estimate the development in travel costs in 2023 (63 %) –

Figure 9

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⁷ Note: Excluding costs for company cars, car fleet. Only costs that are reimbursed after expense reports have been submitted by the traveller, as well as all costs that are invoiced to the company directly.

Reactions to increasing prices

“ How do you react to the increasing prices in the business travel sector ”

2022 saw the highest inflation rate in the history of Germany since reunification. Consumer prices rose on average in 2022 by 7.9% compared to 2021. The peak was reached in October 2022 at 10.4%.⁸ Increasing costs for energy, food and labour in both the hotel and the transport sectors were passed on to business travellers. Both due to fuel prices as well as the after-effects of the pandemic, including scarcity of capacity, airlines

raised some of their ticket prices by more than the inflation rate in 2022. Further increases are to be expected.

These trends were felt by all respondents without exception, and they introduced measures to counteract them. The most frequently used measure was to replace in-person meetings by telephone and video conferences. Another way of reacting to increasing prices, used by larger companies in particular, is to assess the reasons to travel. Although merging two or more business trips means they become longer, transport costs can be optimised by doing this, and this trend is also reflected in the longer duration of business trips. About one third of companies are booking lower service categories to save costs.

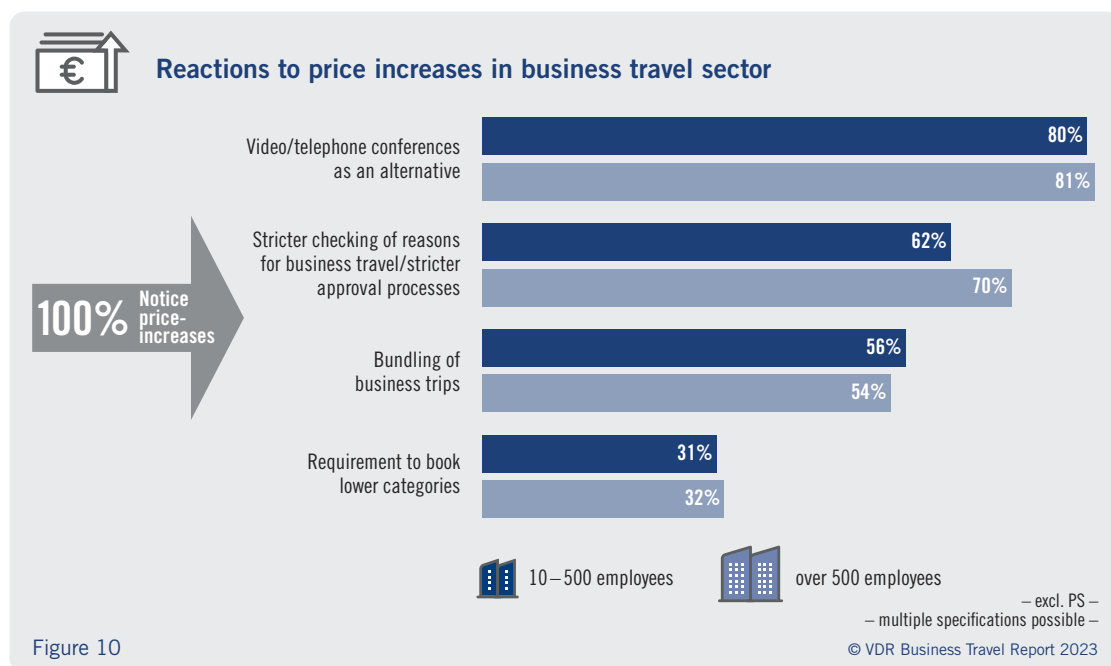


Figure 10

⁸ See press release no. 022 of the Federal Statistics Office, Wiesbaden, 17 January, 2023.

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4 General trends in overnight stays

“ How many overnight stays did the business trips taken by the employees in your company/organisation include ”⁹

“ What was the distribution of overnight stays between domestic and foreign accommodations? ”

After the initial rather moderate recovery in 2021, overnight stays by German business travellers increased strongly last year, almost doubling to 47.6 million (+97%). This trend was seen to

a similar extent across all company size categories.

The proportional increase in business trips is reflected not just in the longer duration of trips but also in the strong rise in the number of overnight stays, which rose from 5.5 million to 13.2 million. Domestic hosts also noticed the difference, with almost double the number of overnight stays booked for business travel. The sector's confidence began to grow again slowly after two pandemic-impacted years.



⁹ Number of overnight stays = room nights.

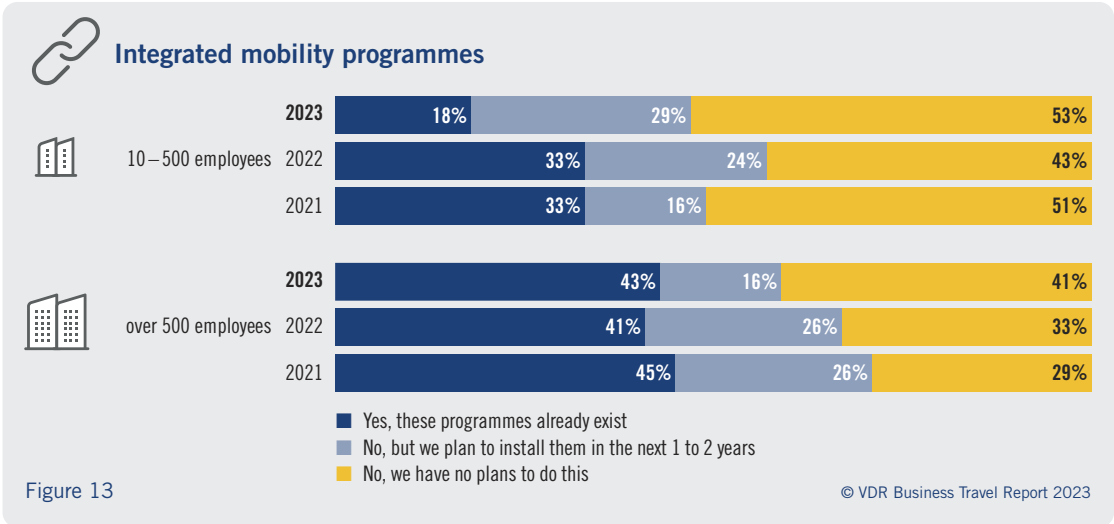
5 Current trends in Travel Management

Integrated mobility management

“ Does your company take an integrated approach to mobility that is the responsibility of one department? ”

In addition to business trips, company mobility strategies also include commuting, travel between subsidiaries as well as privately used mobility offerings subsidised by the company. The related costs, processes and climate footprints also need to be tracked. Bundling the many responsibilities around corporate mobility is considered important by 59 % of larger and 47 % of smaller companies, but the overall trend is declining.

One reason for this in practice could be that merging responsibilities is often more complex than expected. There is often still a lack of focus on integrated approaches, and they are lost sight of, especially when costs are involved. Capacity scarcity also means that the main priority is getting travellers to their destinations. As a result, the logical restructuring of responsibilities and processes is often pushed into the future. At smaller companies in particular, the available financial and labour capacity has already been used up due to rising costs in many areas.



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Company travel policy

“ Does your company have a travel policy? ”

At SMEs the use of travel policies has declined over the years, while the large majority of companies with over 250 employees as well as the public sector (78%, not illustrated) have one in place. Transparency and efficiency are the main advantages of regulating planning through to administrative tasks. The following points should be considered, among others, when designing a travel policy: business and sustainability targets, travellers' needs, budgets, booking channels and invoicing processes.



Figure 14

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“ How important were the following aspects when selecting service providers as part of your travel policy? ”

The travel policy is also important when it comes to selecting the right service providers. The most important aspects here are quality aspects around safety (95 %) and service (94 %). The option to control the process is also rated highly, with 48 % of business managers responding that this is “very important”. Sustainability of the service offered is

“very important” for 36 % and “somewhat important” for 43 %. It is already being ranked higher than the “lowest price”. 28 % of respondents rated the lowest price as being the decisive factor and 48% rated it as “somewhat important”, but not necessarily essential.

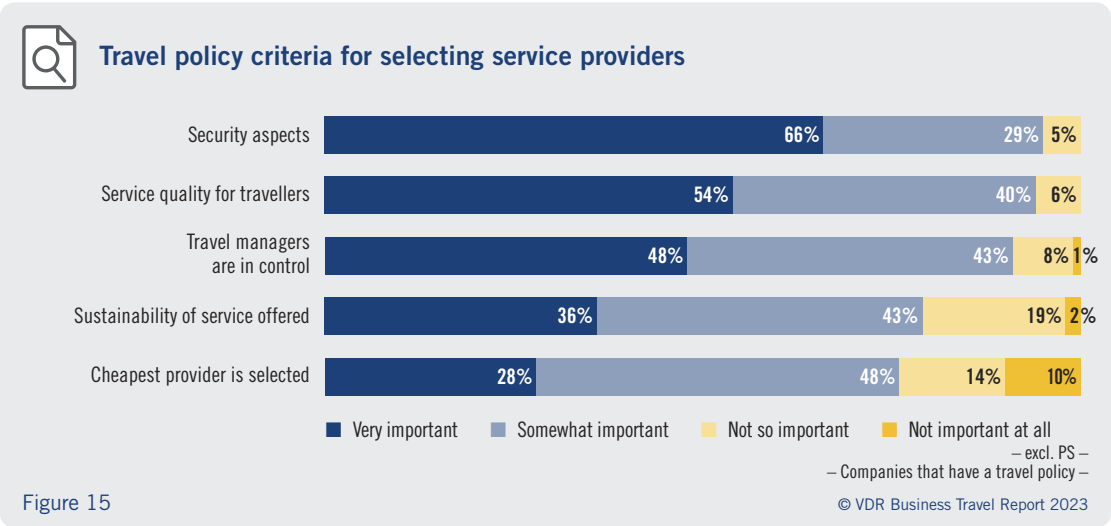


Figure 15

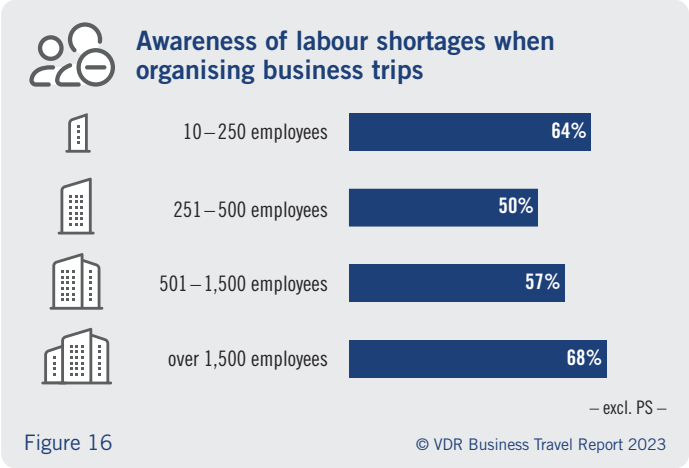


Shortage of skilled workers

“ Do you notice the shortage of skilled workers when organising business trips? ”

Germany’s “non-word” of the year in 2015 “Fachkräftemangel” (shortage of skilled workers) continues to be relevant. When the pandemic made the economy and the entire travel sector temporarily shudder to a halt, many employees were let go or decided to rethink their careers.¹⁰ The impact of the labour shortage became noticeable as service bottlenecks emerged in many areas, with flight and train connections delayed or cancelled entirely, restaurants closed and hotels operating only partially. The majority of respondents noticed this in their daily work, in particular at larger companies (68 %) and SMEs (64 %). In the public sector 58 % of respondents noticed the shortage of skilled workers when organising business travel (not illustrated).

The impact on business operations was particularly serious when many employees were away on business trips and waiting for problems to be solved so that they could get their actual business done at their destinations. The shortage of skilled workers in the service chain can therefore trigger a cascade of negative effects such as the loss of



new business as well as delays in all kinds of appointments. And it can also result in the costly rebooking of entire business trips, along with problems for employees in their personal lives and demotivation.

¹⁰ Example: DEHOGA confirmed in April 2022 that the hotel sector had lost about 100,000 employees subject to social security contributions, see https://www.bundestag.de/resource/blob/888954/b3e97b7092a399ced16ffe8d18fe54d2/Stellungnahme_DEHOGA-data.pdf





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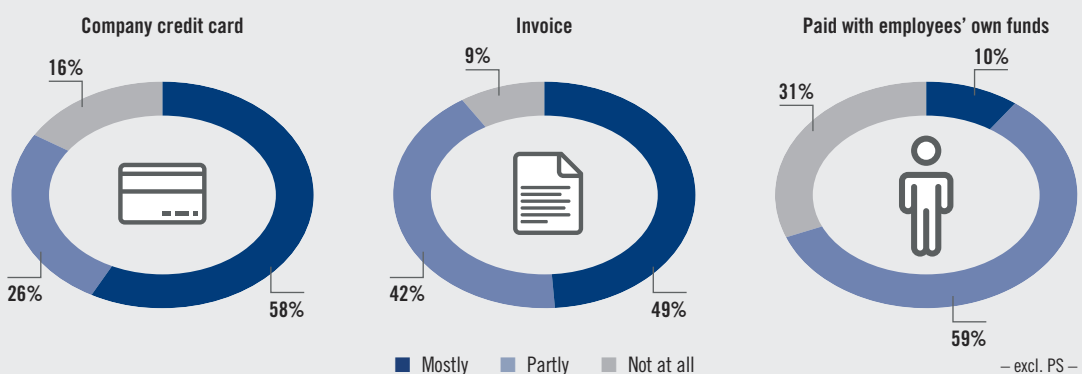
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6 Paying for business trips

“ How are business trips paid for at your company? ”

Corporate credit cards have become¹¹ the most popular payment method. They are “mostly” used by 58 % of companies. Paying by invoice is also popular at 49 %, and is “partly” used as a method

Payment of business trips



¹¹ Here, both travel office cards as well as corporate cards are considered corporate credit cards.

of payment by 42 %. 31% of companies do not expect employees to pay anything out of their own wallets. This pattern is seen both in SMEs and at larger companies. In the few cases where other methods of payment are mentioned, it is usually cash from the company purse. The public sector uses corporate credit cards to a somewhat lesser degree than private industry. 48 % of public sector organisations stated that they “mainly” use them (not illustrated).

Travel managers at larger companies with over 500 employees state that the main reasons for not using corporate credit cards are: too much internal administrative work (60 %) and satisfaction with the current method of payment (48 %). Only smaller companies say that “too few business trips” are a reason (18 %). (not illustrated)

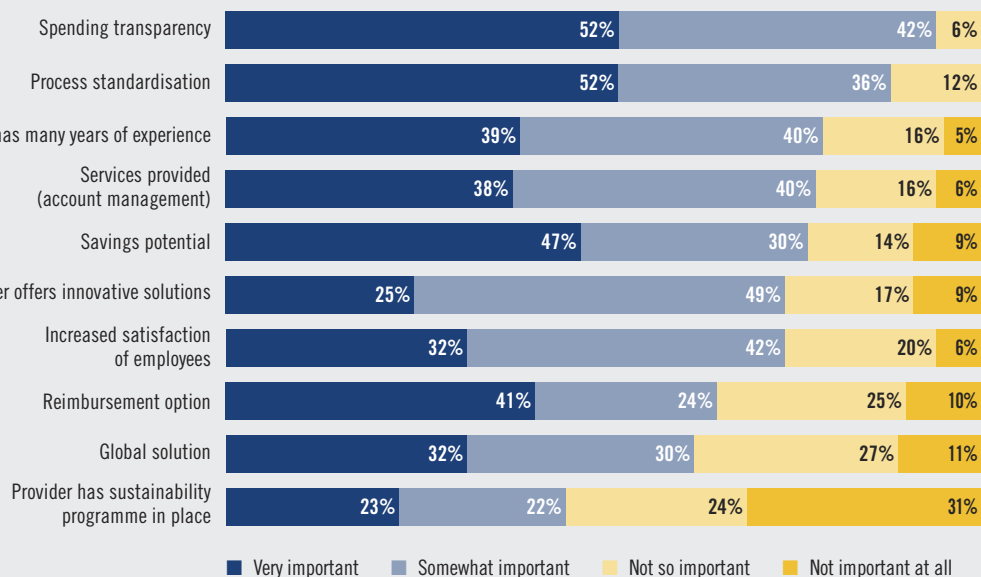
“ How important were the following aspects when deciding whether to procure a corporate credit card? ”

Companies that use corporate credit cards state the main reasons as being transparency of spending and standardisation of processes. The next most common reasons are provider-related aspects, such as experience and service quality, which are given similar importance. Savings potential offered

by the procurement of a corporate credit card is “very important” for almost half of respondents (47 %). The sustainability programme plays the smallest role in the listed criteria, but it is “very important” for 23 % of users and “somewhat important” for 22 %.



Considerations when deciding to use a corporate credit card



■ Very important ■ Somewhat important ■ Not so important ■ Not important at all
 – excl. PS –
 – Companies that use corporate credit cards –

Figure 18

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7 Climate protection and sustainability

Reporting

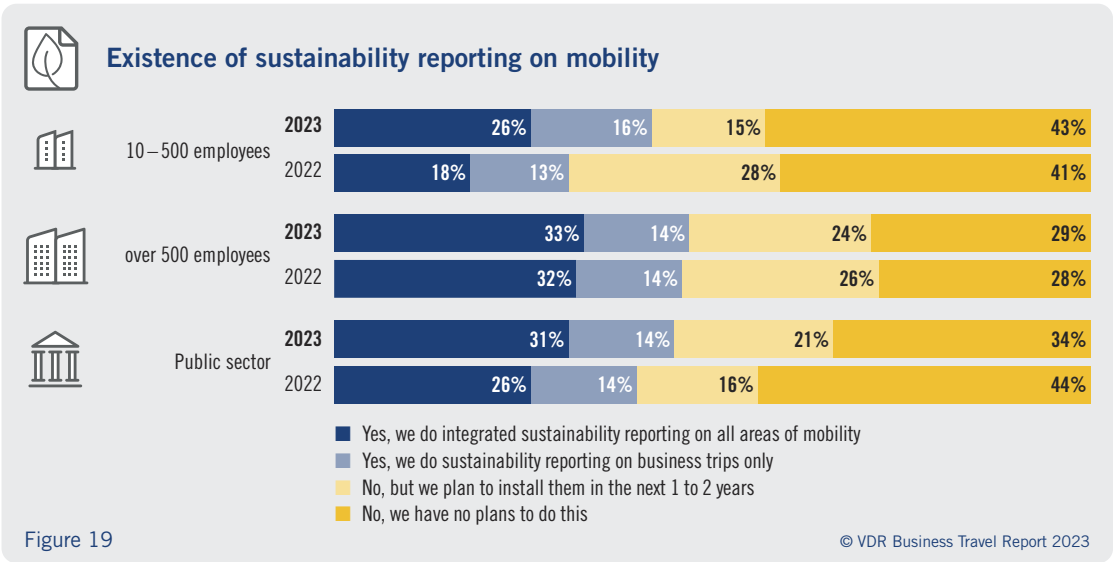
“ Does your company/organisation carry out reporting ”

“ If yes, are overland modes of transport (excluding air travel) included in your sustainability reporting? ”

The Corporate Sustainability Reporting Directive (CSRD), which extends the duty to carry out sustainability reporting, has been in force in the EU since 5 January 2023. This new directive updates and intensifies the regulations around the information companies have to report on the areas of environment, society and corporate governance. A broad spectrum of large companies as well as stock-market-listed SMEs will be obliged to carry out sustainability reporting. The first companies have to apply the new rules in fiscal 2024 for the reports to be published in 2025.¹²

Therefore, the share of companies with over 500 employees that still respond with “we have no plans to do this” is still quite high (29%). On the positive side, however, SME's are now carrying out sustainability reporting in the area of mobility much more frequently than just one year ago, with the percentage having risen from 31% to 42%. While last year 44 % of organisations in the public sector held back on this question, the page has turned for them too. This year, 66 % of public sector organisations stated that they already carry out sustainability reporting in the area of mobility (45%) or that they are planning to do so in the next one to two years (21%).

The large majority of companies – 73 % of smaller and 83 % of larger companies – that carry out sustainability reporting responded yes to the question whether overland modes of transport for business travel are included in their reports (not illustrated).



¹² All large companies and all companies listed on the stock markets of regulated markets (excluding very small listed companies), see https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_de

Improvement measures

“What measures do you use or plan to use in the areas of business travel and employee mobility to promote sustainability?”

Sustainability as a topic has now reached all parts of society. The number of companies actively working towards more sustainability in the business travel sector has increased again. This can be seen in the application and planning of different measures. A decision is made about whether a business trip is absolutely necessary as soon as planning begins. Both at companies and in the public sector, reduction is thus top priority in terms of measures taken. Nine out of ten companies are already reducing or planning to reduce the amount of business travel they engage in.

There is a continuous increase in sustainable offerings for employees. In 2021, they were in use or planned by 67% of companies, today that number has risen to 83% (see figures 20 and 21) – the situation is similar in the public sector (not illustrated). Sustainable mobility budgets, which are used or are planned to be used by 66% of companies, could be an effective measure in this regard.

Once again, four out of five companies stated that they use e-mobility options. The popularity of carbon compensation has also stagnated. In 2023, 42% of respondents are paying to balance the carbon footprint of their business travellers and 27% are considering doing so. But to achieve the Paris Agreement targets overall, companies would have to be enabled to turn net-zero commitments into action by investing in emission reduction projects (instead of compensation schemes) that will have the greatest impact. Because achieving net zero requires that companies balance the volume of greenhouse gases they emit by the volume they are having removed elsewhere.¹³

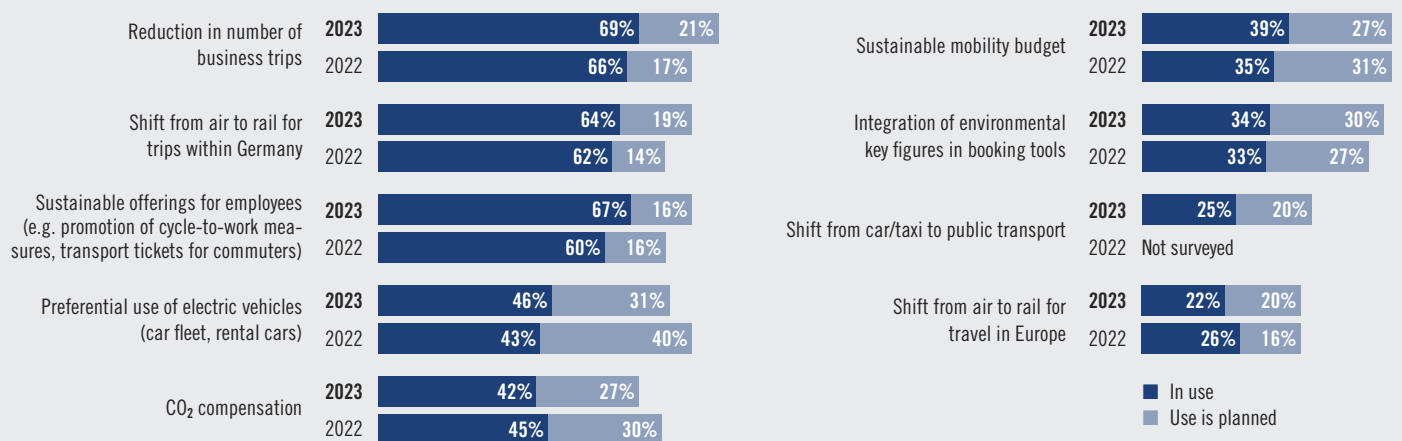
It is generally only possible to manage what can be measured. 34% of companies have environmental indicators integrated in their booking tools and 30% are planning to.

In the first year of the pandemic (2020), many had no choice but to shift from air travel to train travel (91%, not illustrated). Shifting from air travel on domestic routes within Germany remains the second most popular measure to promote sustainability (83%). It remains to be seen whether the Germany-wide “Deutschland-Ticket” introduced in May will also drive the shift from cars/taxis to public transport.

¹³ See <https://www.iif.com/tsvcm> und <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/> as well as <https://newclimate.org/resources/publications/corporate-climate-responsibility-monitor-2023>



(Planned) measures to promote sustainability



– excl. PS –

Figure 20

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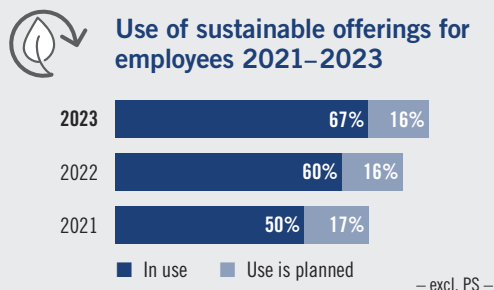


Figure 21

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Things are happening in European cross-border rail transport, with the EU announcing its support at the end of January 2023 for ten pilot projects to establish new cross-border rail connections and to improve existing ones. The selected projects will primarily install additional train connections between cities such as Paris, Amsterdam, Barcelona, Munich, Milan and Rome.¹⁴ In order to be a good alternative for more business travellers, transparent, easy-to-book (day and night) offers with price transparency and reliability are needed until more companies than at present also switch to rail for European transport. Currently 22 % of companies do this and 20 % plan to.

Reporting on digital carbon footprint

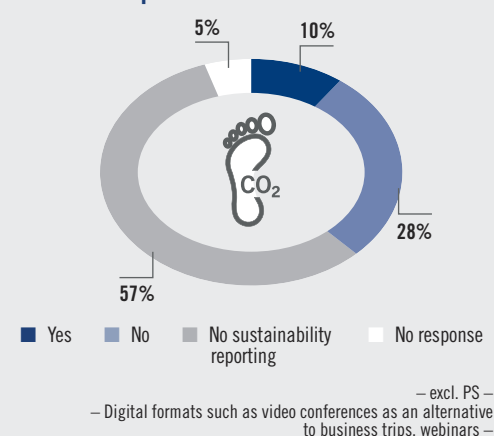


Figure 22

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Digital formats

“ Does your company also track its digital carbon footprint (e.g. if using video conferences as an alternative to business travel) ”

Last year digital transformation in communications and cooperation accelerated in 82 % of companies.¹⁵ As an alternative to business travel it can contribute towards overcoming the climate crisis – but at the same time it is a considerable part of the problem. If the internet were a country, it would rank sixth in terms of energy consumption.¹⁶ In addition, the worldwide data volume is forecast to increase from around 33 zettabytes (ZB) in 2018 to 175 ZB in 2025 – that is a rise of around 27 % per year.¹⁷

Global cloud computing, i.e. all the billions of videos streamed, all websites, searches and posts that are sent out worldwide for both professional and private purposes, increases energy consumption and thus carbon emissions. A number of studies estimate that the share of digital carbon emissions globally is 2.3 to 3.7%, equivalent to the

¹⁴ See <https://www.lok-report.de/news/europa/item/38749-europaeische-union-10-eu-pilotprojekte-zur-foerderung-des-grenzueberschreitenden-schiennenverkehrs.html>

¹⁵ See VDR-Geschäftsreiseanalyse 2022, Chapter 7, “Digital transformation and work models”, page 24.

¹⁶ See Greenpeace – Clicking Clean: Wie Unternehmen ein umweltfreundliches Internet erschaffen (Zusammenfassung) Hamburg, 2014.

¹⁷ See <https://www.iwd.de/artikel/datenmenge-explodiert-431851/>

emissions of the entire aviation industry.¹⁸ With its large data volumes, video streaming represents the greatest share of this digital carbon footprint. Thus online meetings as an alternative to business travel are not without impact on the climate either and it is certainly interesting to analyse this with a view to making good decisions.

Since 57% of respondents do not yet carry out sustainability reporting, it is no wonder that so far just 10 % of companies and 9 % of public sector organisations have this topic on their radar. But with the explosion in online communications, with web-based conferences, education, collaboration tools, the development of new digital business models etc., it is time to leverage all opportunities for transformation.

Incentivisation

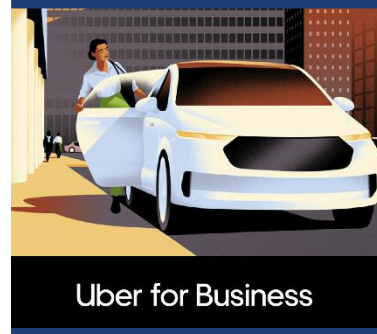
“Do you incentivise your business travellers to travel sustainably? If so, how?”

Companies that provide additional motivation to business travellers to travel sustainably remain in the minority. Such incentives can now be found more frequently in smaller companies (5%), but they are planned more frequently in larger companies (20%). There is a broad range of incentive ideas, such as subscriptions and extra time off.

Incentives include vouchers for organic supermarkets, organic products and fruit, sports, wellness and free-time activities. And public transport tickets, discounts on booking city bikes or e-scooters as well as the possibility to extend a business trip to spend private time at the destination were further incentives named to reward sustainable travel behaviour.

The VDR Sustainability Competence Team was established under the motto “Creating transparency, raising awareness, supporting implementation”. This is a committee made up of voluntary experts who have been addressing climate-relevant questions since 2021 with the aim of sustaining corporate mobility while reaching sustainability targets. The

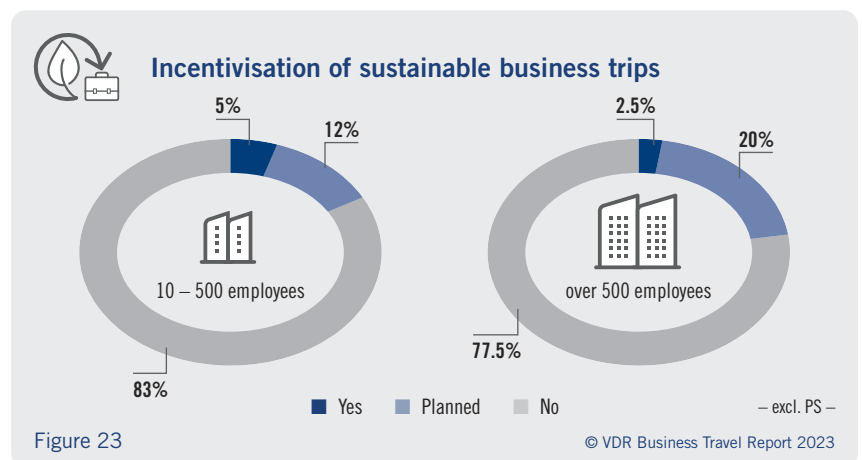
ADVERTISING



Take control of your carbon footprint

Uber for Business helps you manage your team's business travel from one single dashboard: Create custom travel programs, simplify expense reports with platform integrations, and achieve your sustainability goals with actionable insights.

- Location and energy sources of servers
- Storing and processing data in the cloud
- Sustainable lifecycle management of devices
- Efficient operation of applications
- Responsible corporate governance, responsible employees.¹⁹



results and recommendations provide concrete implementation aids for travel and mobility managers.²⁰

The VDR Akademie offers a range of seminars to anyone who wants to expand their knowledge around measures for more sustainability in the area of corporate mobility. Modern methods and dialogue among participants are the focus of these seminars.²¹

¹⁸ See https://theshiftproject.org/wp-content/uploads/2019/03/Lean-ICT-Report_The-Shift-Project_2019.pdf

¹⁹ For more on this topic, including simple ways to reduce emissions in day-to-day online communications, see <https://www.myclimate.org/de/informieren/faq/faq-detail/was-ist-ein-digitaler-co2-fussabdruck/> as well as <https://petricore.eco/2021/07/15/was-bedeutet-klimaneutral-und-warum-heute-klimapositiv-angesagt-ist/>

²⁰ See <https://www.vdr-service.de/nachhaltigkeit>

²¹ The current training courses on the topic of “Sustainability in travel management” are listed at www.vdr-akademie.de/themen. Demand is high and the courses are quickly booked out.



VDR Vice President and Travel Manager at DATEV eG

Do we need to motivate business travellers to travel more sustainably, Ms Pirner?

The responses to the VDR Business Travel Report's questions indicate that there are positive trends in practice in terms of companies engaging in more climate-aware planning and action. The corresponding measures have become established within the companies, starting with the "reduction in business travel" right through to sustainability reporting, which will soon, however, become mandatory at many companies. I'm happy that the stats are showing a continuous rise in sustainable offerings for employees, with over 80 percent of companies now using them or planning to do so.

But what we are also seeing in practice is that there is a gap between what companies want to happen and the action taken by travellers. The larger the organisation, the more likely it is for employees to expect their company to take the initiative and lay down rules.²² But if it is up to the travellers themselves, incentives can direct them towards making more sustainable decisions. As our results show, there are already ways to motivate travellers to act more sustainably, for instance with a selection of vouchers or even by subsidising free-time activities! There is almost no limit to creativity in this area and good ideas are essential. Innovative and targeted concepts need to be created to further harmonise necessary business travel and the achievement of the climate goals going forward.

Inge Pirner, VDR Vice President

Supporters of sustainable corporate mobility at VDR for 2023



²² See http://reiseanalyse.de/wp-content/uploads/2023/01/UBA_Nachhaltigkeit_bei_Urlandsreisen_Bericht2022-1.pdf, Seite 68

8 Outlook

Travel volume

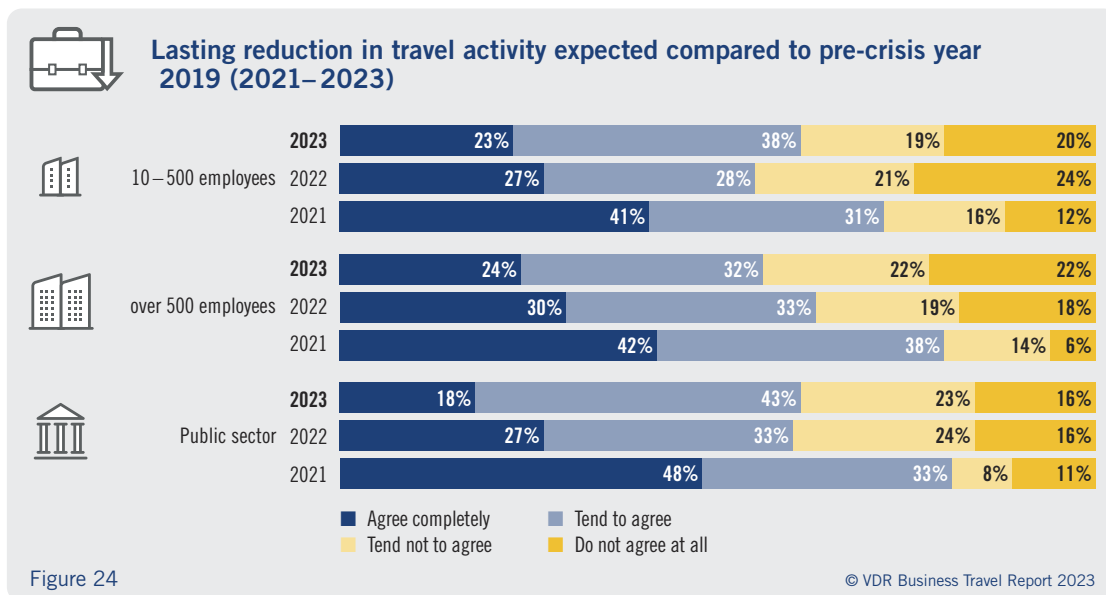
“ To what extent do you agree with the following statement? In the next three to five years we expect a lasting reduction in travel activity compared to the pre-crisis year 2019 ”

“ If you agree, what are the reasons for this? ”

Although in the third year after the breakout of the pandemic, agreement with this question is no longer as strong, the fundamental forecast remains

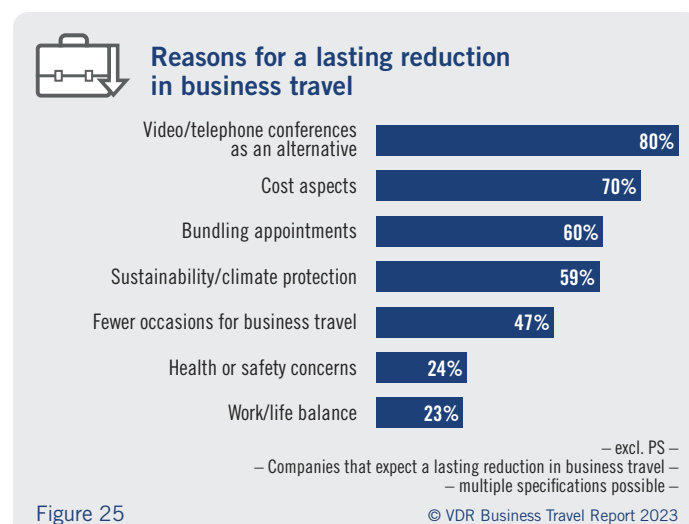
that business travel will remain below the pre-pandemic level for the long term. Over half of respondents expect this to be the case. The very high level of agreement in 2021 was mainly due to the reality of conditions at the time. Society and the economy had to completely redefine themselves in the face of lockdowns, travel bans and furlough arrangements, and business trips were simply impossible in most cases.

But today, at companies that expect a lasting reduction in business trips, the decrease is intentionally designed, with online options offering good alternatives for 80 % of respondents when



in-person meetings are not considered urgently necessary. The second most important reason is cost savings.

47% of companies see fewer reasons to travel, and smart bundling of appointments also plays a role here (60%). Reducing the number of business trips was already ranked number one among measures to combat the climate crisis and create more sustainability (Chapter 7, figure 20). This also includes social considerations and work/life balance. About one quarter of companies now name safety or health concerns in this context.



International travel destinations 2023

“ Which countries outside of Germany will be the most important business destinations for your company in 2023? ”

Here, travel managers were asked to name the three most important destinations. The illustration shows the results from companies that engage in business travel to foreign destinations at all, i.e. 92 % of companies and 86 % of public sector organisations surveyed.

There have been considerable shifts since 2015, when a similar question was asked. Neighbouring countries Switzerland and Austria have increased in importance, while the top two by far at the time, the US and China, have moved down in the ranking. China closed its borders for three years to combat the coronavirus pandemic.²³

Hoping to ramp up its struggling economy and tourist industry, the country opened up again at the beginning of 2023, abandoning visa restrictions as well as mandatory quarantine. After its exit from the EU in January 2020, the UK is also likely to be noticing the decline in business and business travel, in particular from the larger German companies. In the case of the US, much depends on how the energy crisis as well as economic and industrial policy develop on both sides of the Atlantic, especially in terms of promoting climate-friendly technologies.²⁴

The rising significance of India as a business travel destination is due to the over 1,700 German companies that are present in India, around 1,000 of which are wholly owned subsidiaries. Overall, Germany is India's largest trading partner in Europe.²⁵ By contrast, Russia has disappeared from these statistics. In 2015 it ranked tenth as a destination for German business travel, but the self-inflicted consequences of the war of aggression on Ukraine brought on a collapse since the first quarter of 2022. Although the revenues from the oil and gas business, primarily from the European Union, continue to flow into Russia's state coffers,²⁶ sanctions, logistics and financing problems as well as the exit of many German companies from the country are leaving their mark.²⁷

²³ See <https://www.tagesschau.de/ausland/asien/china-oeffnet-wieder-101.html>

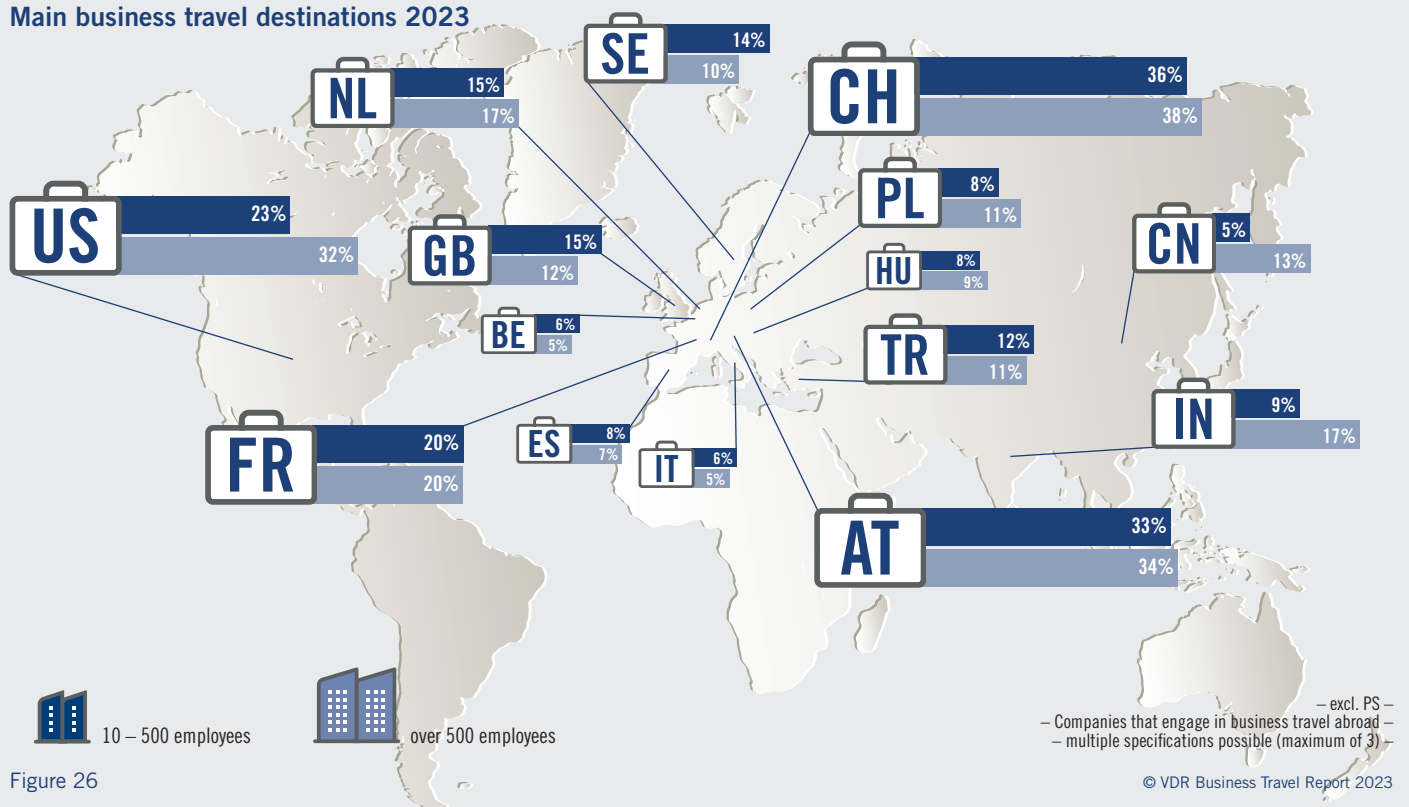
²⁴ See <https://www.dw.com/de/ann%C3%A4herung-im-subventionsstreit-zwischen-eu-und-usa/a-64953407>

²⁵ See <https://india.diplo.de/in-de/themen/wirtschaft/-/2423002>

²⁶ See Wie geht es Russlands Wirtschaft wirklich? | Podcast Wirtschaft | DW | 07.09.2022

²⁷ See <https://www.ost-ausschuss.de/de/laender/russische-federation>

Main business travel destinations 2023



Business travel in times of change

New technologies and changing working conditions have led to a situation in which many companies are rethinking their work and mobility policies. There are now many alternatives such as video conferences and online tools that enable virtual meetings. This saves time and money and allows employees to work more flexibly, and in some cases more efficiently. On the other hand, too much screen time with non-stop video calls can become exhausting over time and in-person meetings can be more productive.

In addition, many companies have changed their travel policy to bring it in line with the wishes and needs of their employees. Flexibility, work/life balance and sustainability play an increasingly important role in this regard. For example, companies are increasingly offering the option to book longer stays at a destination, with the possibility

to take family members along for the trip. And the choice of modes of transport and accommodation is increasingly based on environmental considerations. The COVID-19-pandemic only accelerated this trend. The topic of health and safety in business travel continues to play a role even after the official end of the pandemic as of 5 May 2023.²⁸ But the current crisis has led to a renewed focus on finances, with cost-savings becoming more important once again.

Increasing online communications and changing working conditions have opened up new possibilities in terms of managing business trips, but they have also created new challenges. Companies that react to these changes flexibly will continue to be successful going forward.

²⁸ See [https://www.who.int/news/item/05-05-2023-statement-on-the-fifteenth-meeting-of-the-international-health-regulations-\(2005\)-emergency-committee-regarding-the-coronavirus-disease-\(covid-19\)-pandemic](https://www.who.int/news/item/05-05-2023-statement-on-the-fifteenth-meeting-of-the-international-health-regulations-(2005)-emergency-committee-regarding-the-coronavirus-disease-(covid-19)-pandemic)



**Michael Theurer,
Parliamentary State Secretary
to the Federal Minister for
Digital and Transport**



To whom it may concern,

Mobility is freedom, both in the private and business spheres. During the Covid pandemic, many people became painfully aware of just how restricted business freedom can become when mobility is limited. On the other hand, European integration has also made cross-border freedom of travel much easier.

The German government is committed to this concept of freedom. We want to achieve a new beginning in the transport sector and are already setting the course with significantly higher investment. The VDR Business Travel Report confirms that business travellers are increasingly travelling by rail rather than taking domestic flights or using company cars. We are coming close to the pre-Covid level in this regard. In the long run, the prerequisite here is attractive rail travel offerings.

We are taking a number of specific steps to make this vision a reality. In addition to the more long-term new-build and expansion projects, for which we are increasing the investment funding on an ongoing basis, shorter-term capacity-raising measures also play a key role. We use digital capacity management to optimise the use of the existing network. Further digitalisation of signalling and safety technology is the basis for tapping into new capacity in the existing system.

Modernisation is urgently required as in many areas the system is already running almost to capacity. In addition, many platforms, switches, bridges and signal boxes are old. This combination of age and high capacity utilisation means that they are vulnerable to disruption. For rail passengers this means late arrivals and less convenient journeys overall. A total overhaul of strongly frequented routes is required so that they can be used with fewer limitations and to allow for even more trains to run on them in future.

As the German government's commissioner for rail transport my focus is of course on increasing rail travel. At the same time it is clear to me that the future of mobility is intermodal, it lies in the smart interconnection of modes of transport. That's why we will also be proposing draft legislation for a mobility data act that will secure free accessibility of transport data. This will enable the development of more customer-friendly opportunities for intermodal travel – for example in the form of new or improved apps.

I would like to thank VDR for this informative report and look forward to further dialogue around our mutual interest in giving German and Europa a bit more freedom through mobility.

*With best regards,
your*

Michael Theurer

Methodology and credits

Methodology

As in previous years, the statistical universe for the study is constituted by all businesses that have their headquarters in Germany – including those that have operations abroad – and organisations in the public sector with ten or more employees. On the basis of these features, the four different sectors – manufacturing/construction, services, trade and the public sector (PS) – are equally represented. The same weight is given to the four different size categories. Due to the differences between the private sector (“businesses”/“companies”) and the public sector, most results are presented separately. The corresponding data basis is made clear in the respective passages:

- When reference is made to businesses or companies, the public sector is excluded (“– excl. PS –”).
- When reference is made to organisations, this includes both companies/businesses and institutions in the public sector

Number of organisations in Germany and their employees according to size categories (NACE 2003)										
	Organisational size categories (organisations with ... employees)									
	10–250		251–500		501–1,500		über 1,500		Total	
	Organisation	Employees	Organisation	Employees	Organisation	Employees	Organisation	Employees	Organisation	Employees
Total	478,799	17,088,796	9,942	3,438,316	4,874	3,876,090	1,436	4,213,591	495,051	28,616,793

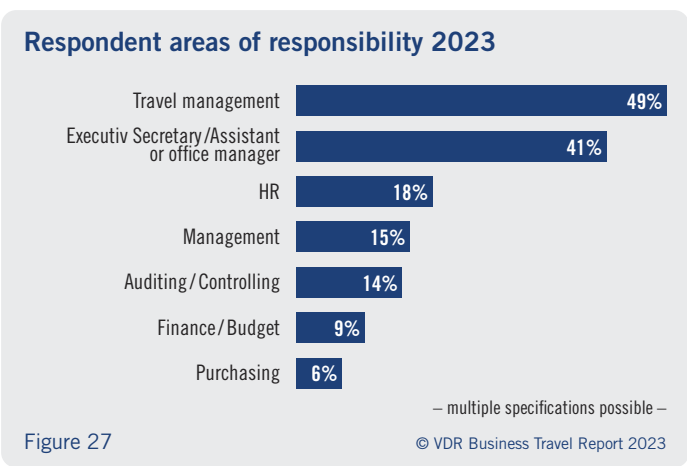
Source: Our own calculations, in conjunction with statistics from the Federal Employment Agency, Data Centre, Nuremberg. Calculation based on NACE 08 (2020 and 2021) and NACE 03

Table 2

– As at: 2022 –
– excluding organisations with 1 – 9 employees –

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A random sample was taken from the above-mentioned statistical universe. Between January and April 2023, 800 computer-assisted telephone and online interviews were conducted with persons who are responsible for managing business travel or who are authorized by their organisations to provide the relevant data. The responses to qualitative questions reflect the situation at the time of the survey, while all others are based on the 2022 figures. All extrapolations without reference to secondary sources are based on a special evaluation of statistics from the German Federal Employment Agency (see Table 2).



Exact figures are used when calculating percentage changes (for example total annual expenditure on business trips). This explains why calculations using the rounded figures shown in the texts and charts sometimes lead to slightly different results after the decimal point.

The following organisation size categories have been defined for this analysis:

- Organisations with 10–250 employees
- Organisations with 251–500 employees
- Organisations with 501–1,500 employees
- Organisations with over 1,500 employees

Respondent sectors of industry 2023

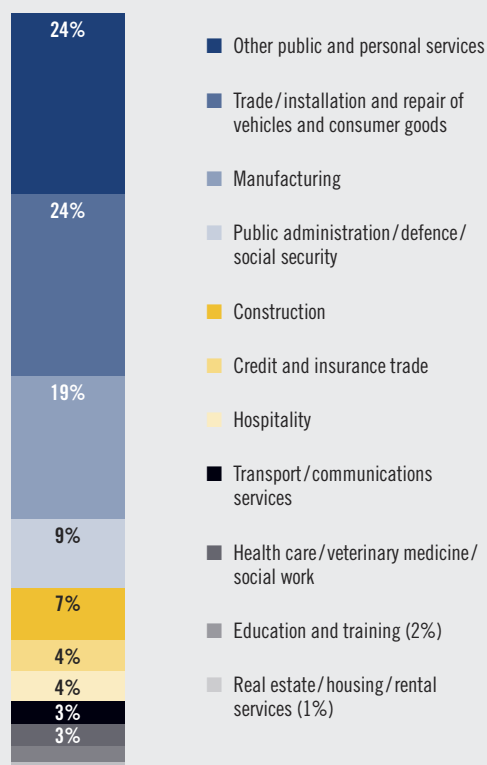


Figure 28

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The research team

VDR, the publisher of this report, has since 2003 defined the basic structure of the analysis in consultation with its members and each year selects topical questions to be examined, some of them suggested by readers. Research for Future AG is responsible for the field work and scientific evaluation of the primary data, which is gathered by ARIS-Umfrageforschung Markt-, Media- und Sozialforschungsges. mbH. Antje Adam, Sandra Waldinger (VDR) and Claudia Mock (Research for Future) work with project manager Kirsi Hyvaerinen (HYVÄ Coaching & Consulting) on the expert analysis, reporting and organisational supervision of this study. Volunteers also contribute their expert knowledge to each year's report, including Inge Pirner and Olaf Lehmann from the Presidential Committee of VDR, as well as leaders of VDR expert committees as appropriate for each specific topic.

VDR – The German Business Travel Association e.V.

VDR – The German Business Travel Association e.V. is the leading business travel association in Germany with over 560 member companies. It represents the interests of the German economy regarding the framework and competitive conditions for business travel and mobility. VDR advocates for sustainable, efficient, cost-effective, secure, unhindered, and global travel options for businesses.

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