

Key Issues for a key industry

Geopolitical & Trade Policy Uncertainty

The EU–US trade relationship remains volatile: e.g. in mid-2025, the U.S. imposed **50% tariffs on steel imports** (up from 25%).

Sluggish Economic Outlook

The EC projects Eurozone GDP growth at just **0.9% in 2025**, with Germany narrowly avoiding recession — pushing companies to cut discretionary spending and apply stricter ROI rules on travel.

Duty-of-Care & Traveler Safety

Example: Heightened security checks and random device searches at U.S. borders. Risk of political hostages taken by China and other authoritarian countries.

Rising Administrative Burdens

Example: New non-visa border entry systems are adding cost and friction: UK's **ETA is £16** (live), the EU's **ETIAS will be €20** (from 2025), and the U.S. has raised the **ESTA fee to \$40**.

Sustainable Travel Imperatives

Uncertainty around CSRD, CountEmissionEU and many other measures make greener business travel uncertain

2025 – commercially a difficult year for business travel

Snapshots

- UK <-> North America
business travel dropped 26%
in H1 2025
- AmexGBT growth +4% in Q1,
+1% in Q2
- Hotels in 22 European cities:
50% experienced a decline in
average room rates YTD July
2024/25



THE 2025 OUTLOOK

EU Legislation on business travel

Look out for

- Sustainability: CSRD & CountEmissionEU
Hotel CO2 Reporting?
- Crossborder Rail
- Online Booking Engines
- A1
- EU Tourism Strategy



Opportunities and Challenges for Hotels & Business Travel



Corporate
Booking Declines



Rising Operating
Costs



RevPAR Growth
Slowing



AI & Digital
Transformation



Sustainability &
(CSRD) Reporting



Staffing & Service
Quality



Hotels vs.
booking.com



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