

## Press Release

### Amadeus unveils first in-depth look at the Chinese Corporate Travel Market

*More than 80% of companies use paper forms within their travel management processes*

**Madrid, Spain, 3 February 2009:** Amadeus, a leading global technology and distribution partner to the travel industry, and travel research authority PhoCusWright today unveiled a report that sheds light for the first time on corporate travel in the world's fastest growing economy. Entitled ***Corporate Travel Management and Practices in China***, the report, which is based on interviews with 112 corporate executives in China, paints a picture of the huge opportunities available for the travel and tourism industry in the market. At the same time, it highlights the significant challenges facing companies operating in the country, whether they be multinational corporations with a presence in China, private domestic companies or state owned enterprises.

**David Brett, President of Amadeus Asia Pacific, said,** "Our objective in undertaking this report was to foster a better understanding of the travel management industry in China – an area about which little is known despite being widely recognised as a potentially important economic driver. The research findings clearly reveal both the size of the opportunity and the scale of the challenge facing the travel management industry in China."

The key findings of the report are:

#### **Use of IT remains limited**

A lack of IT penetration is a key challenge for those companies working in China. The report reveals that use of automated IT systems remains limited, with more than 80% of companies interviewed continuing to use paper forms to some extent within their travel management processes<sup>1</sup>. Similarly corporate credit cards are not widely used and cash remains the

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<sup>1</sup> The slow rate of IT adoption is in part created by Government requirements for companies to retain all travel vouchers for 15 years, which generates a significant number of manual tracking devices and a great deal of paper work.

dominant form of payment; more than 90% of respondents give employees cash advances to cover travel expenses.

### **Travel defined by government**

A key issue facing any corporation operating in China today is the role of the State. The study reveals that travel management is highly complex and defined by the government, translating to the need for corporations to have a detailed understanding of the domestic regulatory environment. Indeed, a strong working relationship with Travelsky, China's sole Government approved computer reservation system (CRS) provider, is a prerequisite for all travel management companies in the country.

### **Localised processes are a must**

Localized processes, operations and technology capabilities are all also indispensable. Due to the insular nature of much of the national industry, it has been necessary for travel management companies to create bespoke systems in order to interface with domestic technology. Such systems are rarely compatible with existing global technologies and are subject to complex licensing processes. All systems must also be built to interface in double byte Chinese characters.

In addition to these findings, the report suggests that change is forthcoming. It points out that domestic corporate travel market has expanded significantly over the last two decades and will continue to increase exponentially. IT penetration is also expected to proliferate, driven by the growth of credit card adoption and the spread of broadband infrastructure into the regions. The rapid enlargement of the technologically savvy under-35 generation is expected to further increase use of technology.

**Ram Badrinathan, General Manager of PhoCusWright Asia Pacific commented,** "This report makes clear that a detailed understanding of the market is an absolute pre-requisite for any company that is either operating in China or is planning to do so in the future. It shows the unique conditions that they must navigate and confirms that those businesses which simply attempt to translate their global systems across are destined to be unsuccessful. Policies and programmes which have been tailored to the local environment are essential."

**David Brett, President of Amadeus Asia Pacific added,** "It is obvious that there is huge potential for the travel industry in China to improve efficiency and that as the market continues to expand more and more opportunities will become available. While we await the

industry's ongoing liberalisation, Amadeus is committed to building on its longstanding presence, ensuring that its clients have the knowledge necessary to succeed and are in the best place to do so."

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N.B. To see the full report, please go to: <http://www.amadeus.com/corporations/chinareport>

**Note to the editors:**

**Amadeus** is the chosen technology partner for providers, sellers, and buyers of travel. The company provides distribution, IT and point-of-sale solutions to help its customers adapt, grow and succeed in the fast changing travel industry. Customer groups include **travel providers** (airlines, hotels, car rental companies, railway companies, ferry lines, cruise lines, insurance companies and tour operators), **travel sellers** (travel agencies) and **travel buyers** (corporations and travellers). Solutions are grouped in four solution categories – **Distribution & Content**, **Sales & e-Commerce**, **Business Management** and **Services & Consulting**.

**Solutions for corporations**

Amadeus' vision is to provide next generation travel technology that encourages collaboration amongst all players within the travel industry. To realise this we are investing in technology that will allow the seamless integration of content, data and systems whether they are part of Amadeus or whether they are from third party suppliers. Over the coming years, Amadeus will expand its unique approach to Corporate Travel. By providing the technology solutions that span before, during and after all travel steps, the existing Online Booking tool is evolving beyond trip booking to provide the Total Trip Experience for Corporate Travellers. The move towards mobile technology is an integral part of the vision of what the travel experience should be.

Amadeus' corporate travel solution, Amadeus e-Travel Management, helps corporations manage their global travel programmes more efficiently and cost-effectively. The solution helps business travellers plan, personalise and purchase their trip while remaining compliant with the global travel policy. Over 2,500 corporations worldwide with more than one million active users utilise Amadeus e-Travel Management to integrate all the elements of their programmes into one intuitive and easy-to-administer solution. Customers include Altría, Cemex, Daimler, Ericsson, Huntsman, Nestlé, Total and Thales.

More information about Amadeus is available at: <http://www.amadeus.com/corporations>

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