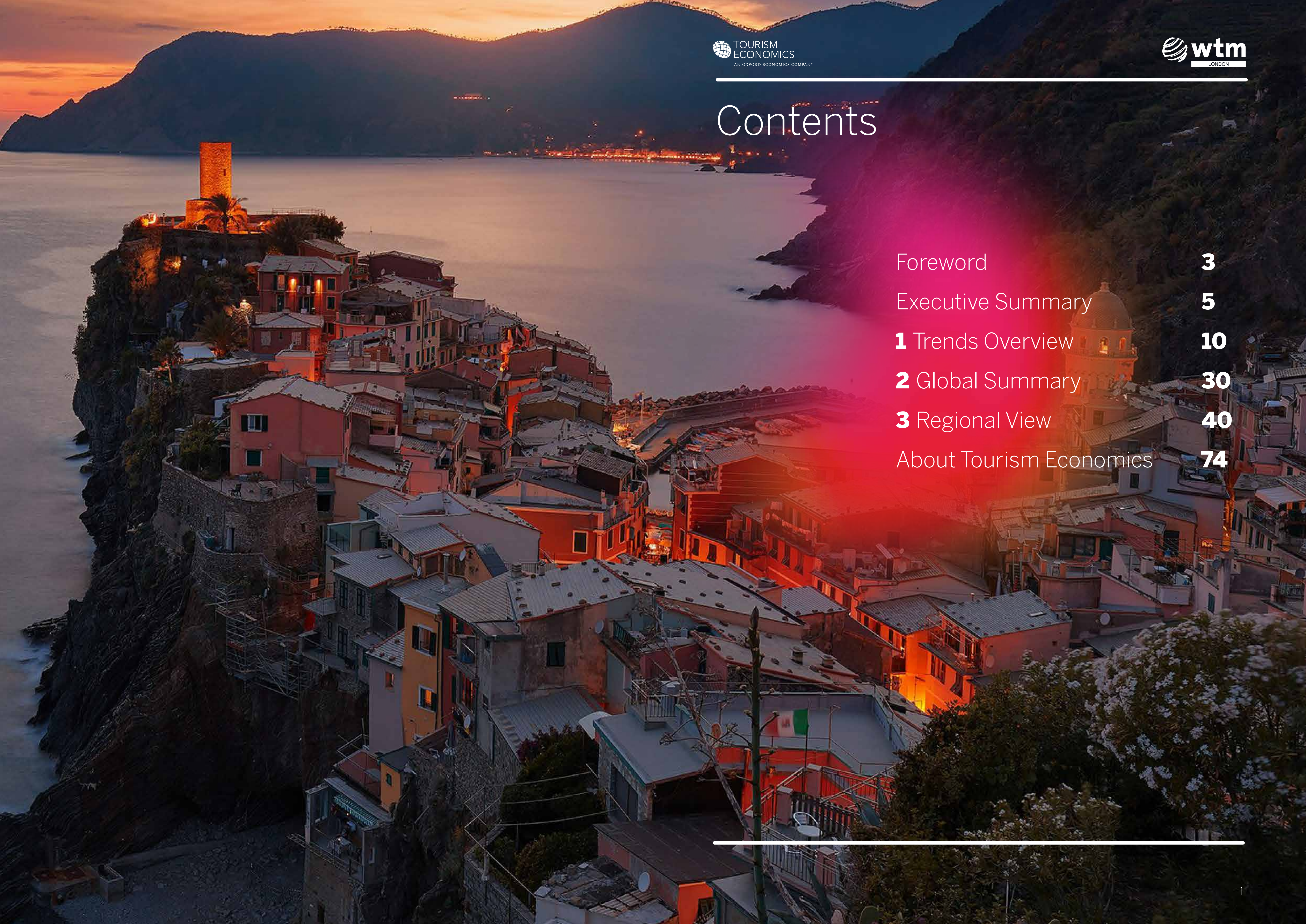
WTM Global Travel Report 2025

In association with
Tourism Economics

LONDON
4-6 November 2025



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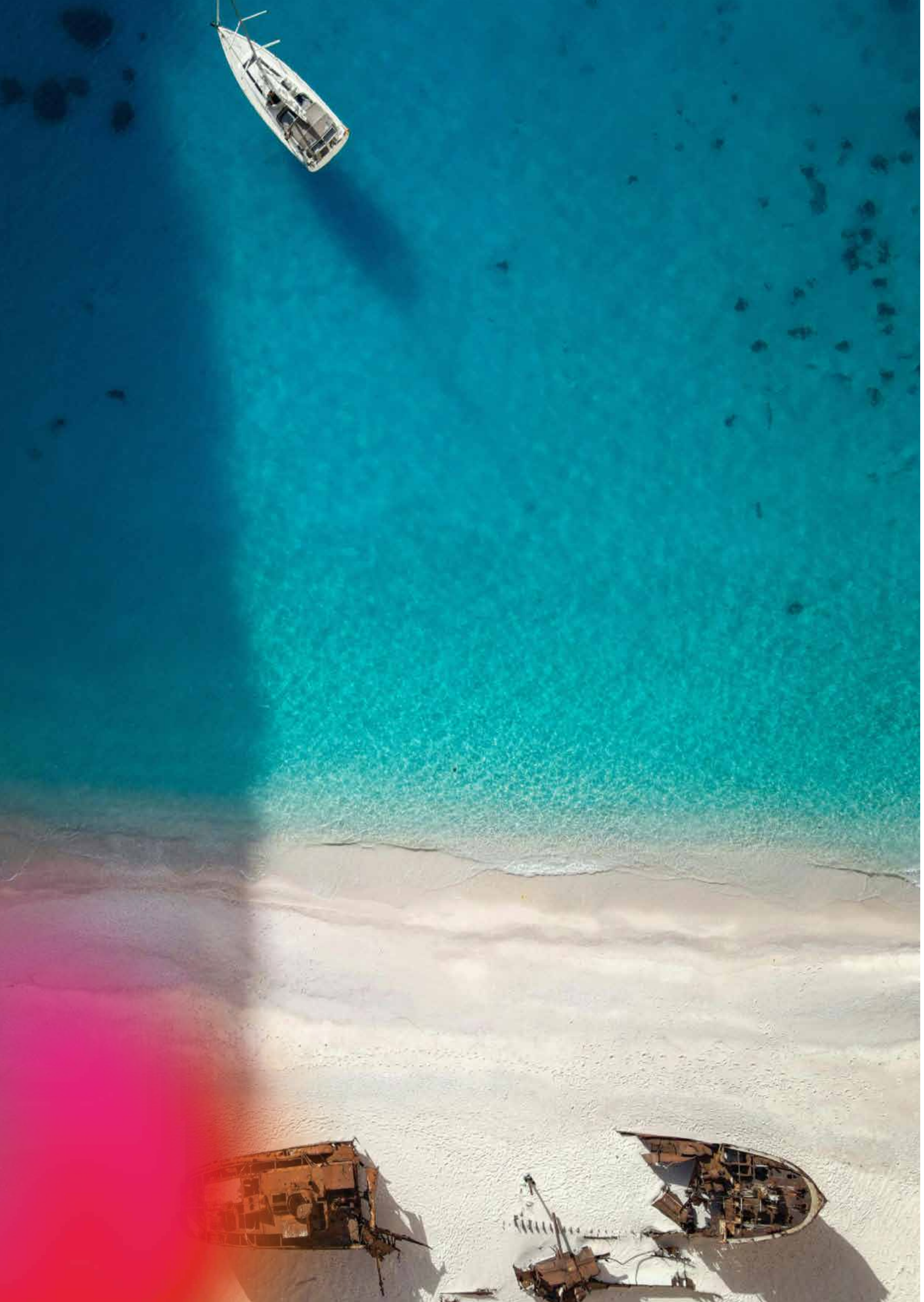
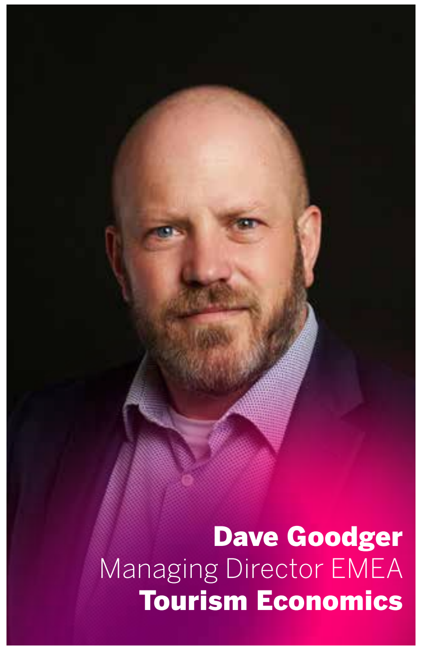


Foreword

Introducing WTM Global Travel Report

As the world's most influential travel and tourism event, World Travel Market London connects the global leisure travel community, providing inspiration, networking, and sourcing opportunities for professionals seeking to build unbeatable travel experiences.

The rate of change in travel is accelerating, and it's our mission to support industry professionals to navigate the evolution of the industry and prepare for the year ahead. The annual WTM Global Travel Report underscores our commitment to delivering authoritative insights and data on the trends shaping global travel. Covering more than 185 countries and key tourism flows worldwide, it offers a comprehensive outlook of the industry.

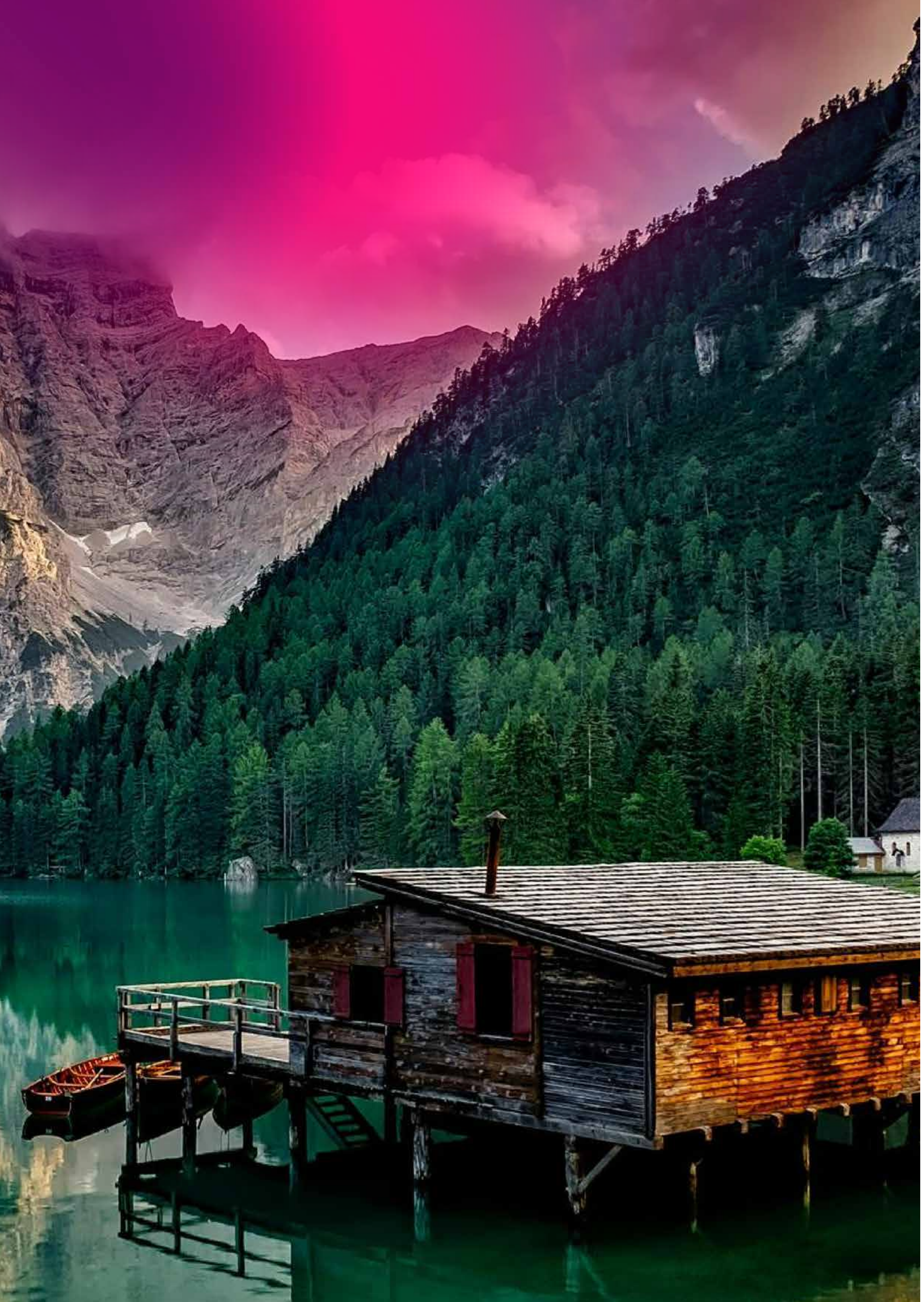


Introducing Tourism Economics

Tourism Economics, an Oxford Economics company, is a leading global economic forecaster and provider of quantitative analysis—built on decades of experience and world-class datasets. We specialise in the intersection of tourism expertise and rigorous economics, and our work helps hundreds of companies worldwide to navigate uncertainty and make smarter marketing, investment, and policy decisions.

Data and insights are critical in helping travel businesses and destinations navigate an evolving landscape, especially amid increased price sensitivity and shifting perceptions of destinations driven by geopolitics and other world events. Rapid expansion continues over the next five years as more of the global population than ever before seek out travel experiences. Modern consumers' seemingly insatiable appetite for travel presents huge opportunities for the industry.

Our latest WTM Global Travel Report provides an important manual for the industry to understand and capitalise on the ever-changing dynamics of global travel.



Executive Summary

Global travel landscape

The travel industry is set to grow at a faster pace than the global economy overall over the next 10 years. Increasing international share will be an important feature of this growth, with international leisure nights on track to expand three times faster than the domestic rate in 2025 and 2026.

Longer-haul travel will spearhead much of this growth as inter-regional—travel to other global regions rather than within a region—should capture a greater share of the overall market. This will be buoyed by a range of factors, including expanding air connectivity and increased visa liberalisation, making global destinations more accessible than ever before. Continued economic growth in emerging markets, especially in Asia Pacific and most notably China and India, will also help to fuel more travel activity, leading to growing domestic and international travel spend in the coming years.

More broadly, for consumers in both advanced economies and emerging markets, travel spend is prioritised and remains a high share of overall spend, despite increasing living costs in many parts of the world.

Consumer behaviour is also shifting in ways which present new opportunities for travel. The growth in the experience economy means people are prioritising experiences over materialistic goods, with a heightened demand to see and interact with people and places. Accordingly, today's travellers are increasingly seeking more unique experiences and authentic engagement with local communities. This is also causing other shifts in behaviour as more travellers pursue less crowded destinations, with shifts in seasonality in some parts of the world.

Annual GDP growth rates (2025-35)

Travel & tourism:
3.5%

Global average:
2.5%

Source: WTTC & Oxford Economics, 2025

International nights vs. domestic nights
(annual global growth rates):

2025:
5.1% vs. **1.4%**

2026:
9.0% vs. **2.7%**

Source: Tourism Economics, 2025

Source: Tourism Economics, 2025

56%

of travellers are more interested in going to new destinations compared with two years ago, with Gen Z and millennials most interested in discovering new destinations.

Source: Tourism Economics, 2025

As travellers look for new, more memorable experiences, and are increasingly swayed by value for money, alternative destinations are also gaining prominence, especially for short-haul travel where value is increasingly sought. This includes countries such as Albania and others in Central and Eastern Europe, as well as some countries in Central America, including El Salvador, which have seen rapid growth in recent years and are set to continue luring more international travellers in the years to come.

However, bucket list destinations are set to remain popular too as iconic and must-see places continue to benefit from powerful social media exposure. This is evident when looking at travel flows to major cities across the globe which remain popular among first-time travellers from emerging markets. The top 50 urban destinations are poised for a 20% growth premium in international arrivals relative to the wider country over the next five years. Dubai and Bangkok are expected to lead the charge, achieving growth of 50% or more in leisure arrivals through 2030.

Another feature helping to propel international travel is growing average length of stay as many travellers opt to extend their stays, reversing the prior trend of taking more, but shorter, trips. Technology is playing an increasingly important role, helping consumers curate more memorable travel experiences. According to Tourism Economics' latest Travel Trends Survey (TTS), nearly 80% of travellers accessed digital platforms when planning and booking their last international trip, with social media and virtual assistants considered to be influential by around 90% of travellers in shaping their travel itineraries. Digital solutions are also helping to improve in-visit experiences as apps and instant messaging solutions, along with other emerging areas such as Augmented Reality (AR), Virtual Reality (VR) and Mixed Reality (MR), help to provide localised and timely information to guests in new and immersive ways.

While the outlook for travel is strong, economic and geopolitical headwinds are an immediate concern. New trade tariffs announced by the Trump administration are adding to business costs and are now passing through into higher consumer inflation, which is undermining income and spending power. Ongoing uncertainty about the level of tariffs being imposed poses headaches for the industry in the near-term. This is especially so for front-line businesses reliant on international travellers coming into the United States, as volumes have dropped significantly so far in 2025. There are further risks in destination perceptions which can negatively shift bilateral travel flows.

Cost pressures in general are the largest challenge for the travel outlook. While undertaking travel remains a key priority for many households, thrifty modern consumers are increasingly seeking ways to minimise and optimise their travel spend, especially on short-haul international trips. Technology is helping with this as new AI-powered tools provide suggestions about when to purchase travel to save money, which potentially may lower yields in some sectors. Increasingly price sensitive consumers are gravitating towards more value-driven offerings, which may squeeze the industry further alongside increasing operational and staffing costs.

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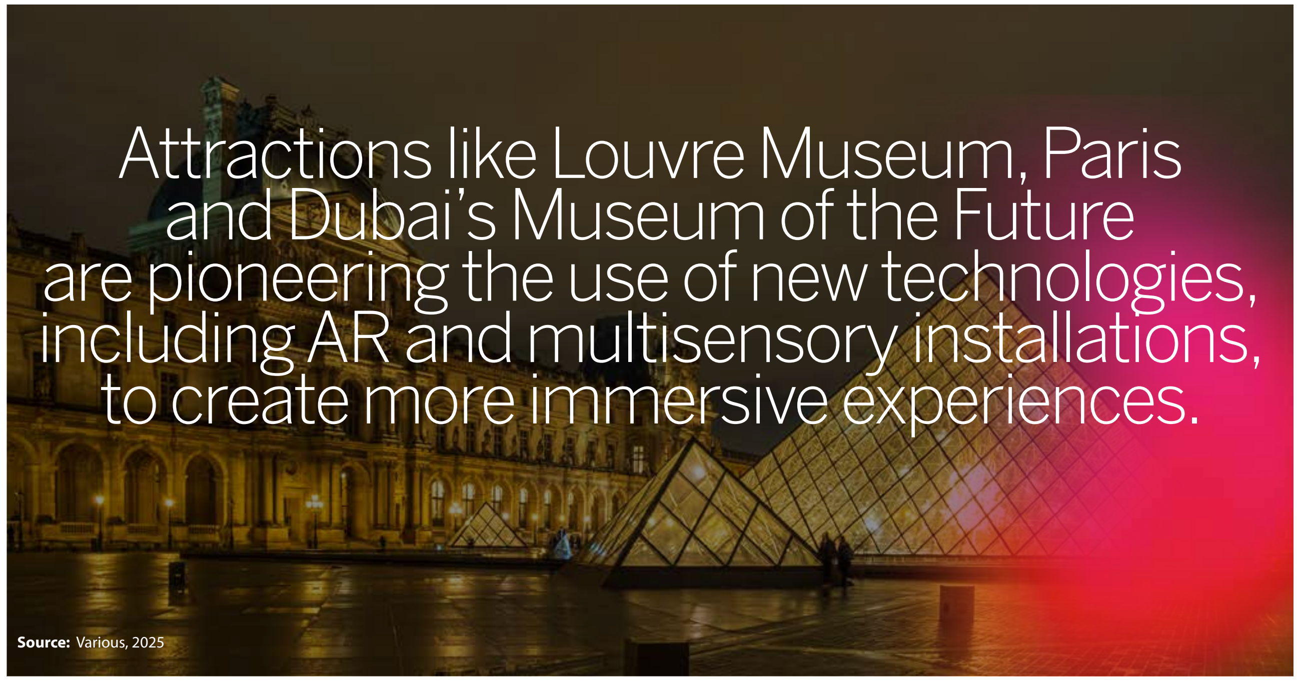


Source: Various, 2025

Just over

40%

of travellers are more interested in visiting iconic destinations now compared to two years ago.

Among Chinese travellers, this is even higher at nearly

70%

Source: Tourism Economics, 2025

Increasing business costs were mentioned by nearly

50%

of tourism experts as a key barrier for tourism growth

Source: Tourism Economics, 2025

Regional picture

Although representing a relatively small share of global travel, the Middle East stands out as an outperforming region and will continue to outpace other destinations, despite some regional geopolitical instability. Major investments in tourism promotion, capacity and infrastructure in Gulf Cooperation Council (GCC) countries, especially the United Arab Emirates, Saudi Arabia and Qatar, are key to this success and diversification away from fossil fuel industries. Having hosted many major sporting and music events in recent years and with flagship world events scheduled, such as the FIFA World Cup 2034, set to be the first ever 48-team tournament in a single host country, events are also playing a big role raising the region's profile.

The outlook is also particularly strong in Asia, although this is partly due to remaining pent-up demand following slower than expected growth in recent years from China. By 2030, outbound leisure spend by Chinese travellers is set to increase 93% from 2025, with much of this set to benefit nearby countries such as Vietnam and Thailand. Strong economic growth in India is also set to bring benefits for the region with some 70 million additional Indian households expected to be defined as travelling class, with sufficient income to undertake leisure travel, over the next 10 years.

Meanwhile, in Europe, solid but slower growth is expected over the near-term, reflecting the size and maturity of the sector in the region. Aided by strong connectivity and seamless travel policies, the region benefits from more intraregional activity, compared with other parts of the world, accounting for around 80% of international leisure nights in 2025. Central European locations are fast growing as price price-conscious, crowd-shy travellers increasingly look for alternatives. However, established destinations such as Spain continue to maintain momentum, even during peak periods despite overtourism and extreme heat concerns.

The immediate outlook in North America, however, is less optimistic, with inbound arrivals to the United States set to decrease 6% in 2025, meaning that 2019 peak levels are unlikely to be regained until 2029. The impact of tariffs and other policies is causing uncertainty which weighs on the economy as well as the decision making of would-be travellers. However, domestic travel in the US is well-positioned to grow strongly. Beyond the short-term risks, the region is set to benefit from increased exposure in the coming years, hosting the FIFA World Cup 2026 and LA 2028 Olympics.

Central American countries are expected to record the strongest growth within the Latin America and Caribbean region in the coming years, supported by improved connectivity and growing demand for value-driven experiences. The Caribbean stands to benefit from strong ongoing cruise demand, especially among US consumers, with deployment in the region set to expand significantly.

Countries in Oceania are also on track to see impressive growth over the next five years, with domestic and, more so, international travel spend on track to grow robustly. The latter is expected to increase by over 10% per year until 2030. China remains a key market and will drive growth alongside a broader trend of increased long-haul travel.

For Africa, there is a mixed picture overall as the region is set to see below average growth in the coming years, influenced by economic and geopolitical volatility, while limited connectivity and tourism infrastructure are barriers to travel. However, North African nations are posting stronger travel growth, in part linked to better connectivity with nearby European countries. Meanwhile, south of the Sahara, Tanzania is poised for a period of continued travel growth with nature tourism a key ingredient of this success.

Regional Summary: **Regional Travel Spend Growth**

(domestic & international, 2025-30 (CAGR))

& **Fast Growing Markets Travel Spend**

(domestic & international, 2025-30 (CAGR))

Europe
6%

Slovak Republic
10%

Iceland
10%

Poland
9%

Asia
10%

China
12%

Thailand
11%

India
11%

North America
4%

Canada
6%

United States
4%

Mexico
4%

Latin America
5%

Dominica
12%

Bermuda
9%

Bolivia
8%

Middle East
10%

Qatar
16%

Saudi Arabia
10%

United Arab Emirates
4%

Oceania
8%

New Zealand
10%

Australia
8%

Fiji
6%

Africa
5%

Mozambique
11%

Madagascar
10%

Cape Verde
7%

Source: Tourism Economics, 2025

1 Trends Overview

The future's bright

Consumers in major markets continue to prioritise travel despite increased living costs and squeezed household budgets. The share of consumer spending on leisure travel remains above the long-run average in most major advanced economies and is continuing to increase in large developing markets.

The travel industry is projected to outpace the global economy over the near-term, outperforming many other major industries. Over the next decade, the industry is on track to post annual growth of 3.5%, surpassing global economic growth of 2.5% per year over the same period. As a result, by 2035, the travel industry is expected to generate over $16 trillion globally, representing nearly 12% of global GDP, according to WTTC's 2025 economic impact research, conducted in collaboration with Oxford Economics.

Growth is notable in Asia Pacific, driven by rapid expansion of the middle class in emerging markets, which is creating a new cohort of consumers interested in travel. Over the next five years, an extra 150 million households globally are expected to be defined as travelling class, with sufficient disposable income to undertake international leisure travel. Almost 110 million of these households are expected to be in Asia Pacific with 40% expected to emerge in China. Despite the slower economic outlook with a maturing economy, Chinese travellers are still expected to account for 27% of the increase in international travel spending worldwide by 2030. This underscores the significant opportunities in targeting visitors from this fast-growing and quickly-evolving market. Strong growth is expected in other emerging markets, which also present opportunities, but from a lower starting position in terms of international travel demand.

Travel spend share of total household expenditure
8.4%
(Global average, 2025-2030)

Source: Tourism Economics, 2025

Travel & tourism is expected to contribute around **$16.5 tr** to the global economy by 2035, supporting approximately one in eight jobs globally.

Source: WTTC & Oxford Economics, 2025

By 2030, nearly **1.1 billion** households globally are predicted to be defined as travelling class, meaning that **40%** of the global population should have sufficient income for travel.

Source: Tourism Economics, 2025

However, other key drivers and mega-trends have emerged which are supporting ongoing growth beyond the pandemic recovery.

Growing demand for experiences

The tourism sector is well-positioned to capitalise on the opportunity presented by the growing experience economy, with ongoing innovation in tourism products. Consumers are increasingly seeking opportunities to interact with people and places in new ways. Mastercard's latest research into the experience economy, conducted in February 2025, found that nearly 90% of European consumers were actively looking to undertake more travel and tourism experiences in 2025 compared with 2024.

Source: Tourism Economics, 2025

Leisure events continue to perform

Events are playing a more potent role in driving travel decisions, linked to a growing interest in live experiences and in-person interactions. Over half of respondents in Tourism Economics' Q3 2025 Travel Industry Monitor, a quarterly survey among tourism professionals, cited leisure events as an important industry opportunity.

Live events, including sport and music events, feature prominently within this growth area. According to Allied Market Research, the live events industry is set to grow by nearly 6% per year over the next five years, outstripping expected industry-wide growth. Destinations are actively encouraging major touring artists to host events in their cities following the successes of a series of high-profile concerts, including Taylor Swift's Eras Tour, which was attended by over 10 million people, and Oasis' Live '25 Tour, which is set to attract nearly two million fans across 13 countries in 2025.

Source: Allied Market Research, 2023

In 2025, travel and tourism is the most sought-after type of experience among Europeans with

89%

keen to undertake more travel compared with 2024.

Source: Mastercard, 2025

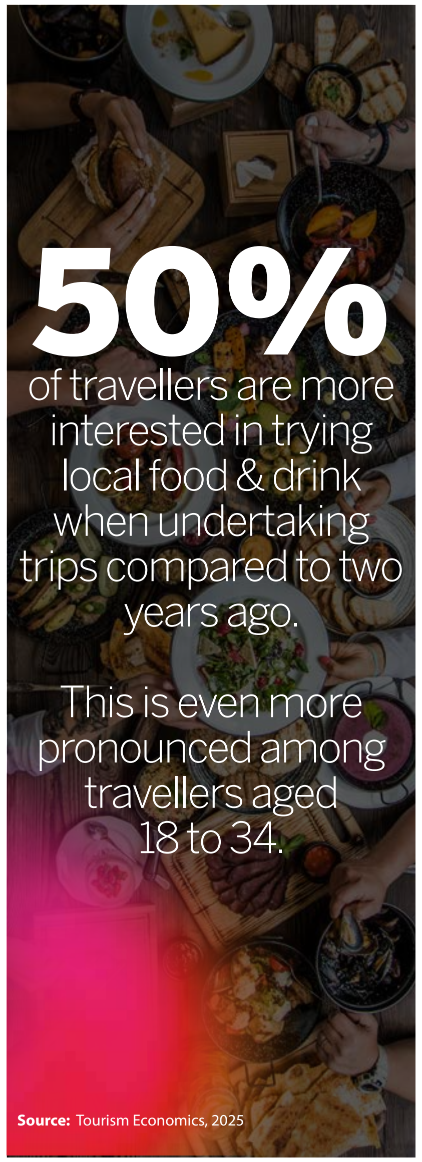
New normal: increased authenticity and personalisation

With increased prioritisation of experiences, preferences are evolving fast as travellers pursue increasingly novel, personalised and culturally-rich offerings. This is causing the industry to rethink and reshape its operations, focusing more on engaging with local communities and putting greater emphasis on handcrafted experiences and storytelling. The availability of a wider range of authentic experiences is allowing travellers to engage with destinations in different ways and curate a more personalised trip.

Travellers are more interested in interacting with local features in destinations, according to results from Tourism Economics' 2025 Travel Trends Survey (TTS), conducted in September 2025. This includes activities such as sampling food and drink, meeting locals, and learning about local culture.

The same survey also revealed elevated interest in visiting new, offbeat destinations, which underscores the importance travellers are placing on more unique and memorable experiences.

Source: Future Market Insights Inc., 2025



Source: Tourism Economics, 2025

56%

of travellers are more interested in visiting new destinations compared to two years ago.

Among higher-income households there is increased interest in discovering new destinations.

Source: Tourism Economics, 2025

Travel-tech enhancing experiences

Technology is integral to all stages of travel decisions and is increasingly instrumental in addressing the need for more personalised and meaningful travel experiences. Instant messaging platforms, such as Messenger, WhatsApp and WeChat, are helping businesses provide customised and localised information to travellers before, during and after their visit.

Travel apps are also gaining prominence, providing evermore streamlined and immersive services. Digital platforms will play a more powerful role in influencing the travel ecosystem at all stages of the visitor journey, from dreaming, planning and booking, to the in-destination experiences and subsequent sharing.

AI tools will also become more important in providing trusted information to travellers and supporting personalised experiences. As adoption of the technology gathers increased momentum, AI is set to become more embedded in all types of digital services.

In transport hubs, increased digital automation is improving passenger experiences by creating more seamless processes. The adoption of biometrics and smart security systems is helping to reduce time spent at checkpoints. Findings from our TTS research show that most travellers, across all age groups, are in favour of these solutions if they can improve passport control processes. Additionally, over 60% support expanded use of facial recognition if it delivers tangible benefits like shorter wait times at airports or hotels.

Technology is also fundamentally reshaping how travellers experience attractions and destinations. Virtual Reality (VR), Mixed Reality (MR) and Augmented Reality (AR) are creating immersive experiences which enable travellers to explore in simulated or mixed-reality environments. Companies like 360 Stories allow users to join live guided tours in over 30 cities virtually. This helps tour providers sell more activities online and also inspires would-be visitors to these destinations. Meanwhile, more apps are incorporating AR gamified features to make sightseeing more educational and entertaining. For example, the app, 'In the Footsteps of Kings', lets users explore historical sites in Scotland, interacting with characters and engaging in location-based activities tailored to each site. Other examples highlighting novel use of newer technologies include the Louvre's VR exhibits, which allow users to explore artworks and galleries in immersive 3D, and Dubai's Museum of the Future which creates futuristic environments using advanced audiovisual and multisensory installations.

According to Sinch, a communications platform provider, **25%** of all customer communication in the tourism industry happens on instant messaging apps.

Source: Sinch, 2025

70% of younger travellers aged 18 to 34 want to access more travel-related services on their mobile.

Source: Tourism Economics, 2025

Over **60%** of travellers support the use of biometrics for improving passport control processes and reducing waiting times.

Source: Tourism Economics, 2025

More seamless travel

Continued development by businesses and governments will remain crucial to realise the opportunities presented by shifting consumer preferences. This includes physical development, such as expanding tourism capacity and better connectivity, which helps to make destinations more accessible. Destinations which introduce more facilitative visa policies also outperform competitors.

Visa policies are advancing in ways which are facilitating increased traveller mobility. According to the 2025 Henley Global Mobility Report, global travellers can access on average over 110 international destinations without requiring a visa, this is almost double the level from 2006.

Another exciting development is unified visa systems, creating shared travel zones closely modelled on the existing European Schengen system. Currently being considered in multiple parts of the world, including among ASEAN (Association of Southeast Asian Nations), and set to be launched in GCC (Gulf Cooperation Council) countries later in 2025, these initiatives could significantly boost tourism, enabling more seamless travel between neighbouring countries and, in doing so, generating increased spending.

Improved visa policy can lead to a typical uplift in arrivals of more than **15%** for destinations.

Source: Tourism Economics, 2025

The average global traveller can access over **110** destinations visa-free in 2025, compared with only **58** in 2006.

Source: Henley Passport Index, 2025

The GCC Unified Visa will be launched in late 2025 allowing non-GCC nationals to visit all six Gulf Cooperation Council countries with a single visa, generating an estimated uplift of around **5 million** extra travellers per year.

Source: Tourism Economics, 2025

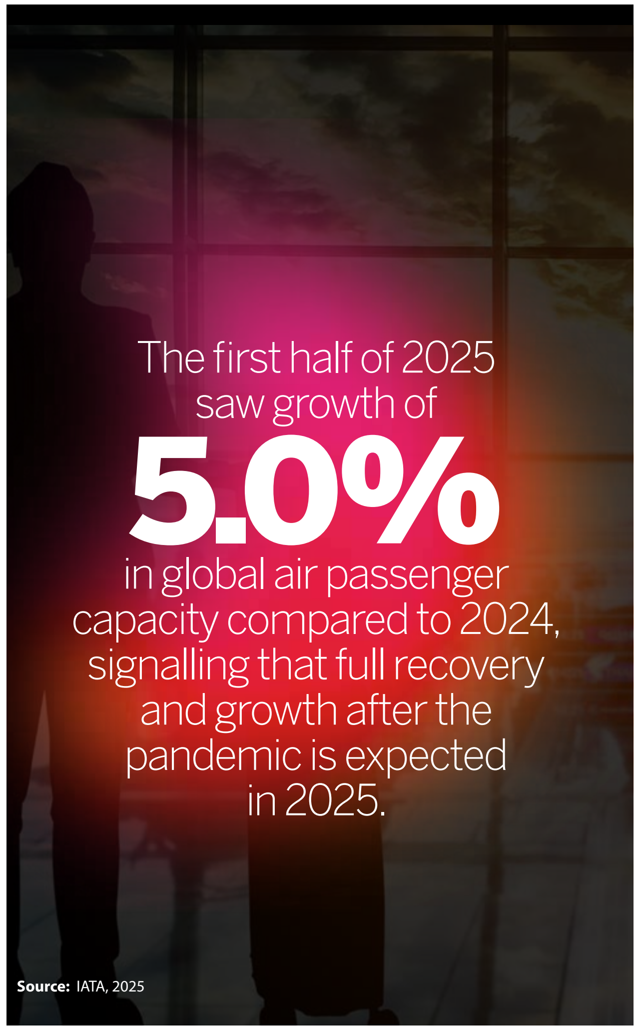
Increasing capacity fuelling growth

Airline expansion has continued at pace in recent years, illustrating a broader trend of growing industry capacity. According to International Air Transport Association (IATA), global available seat kilometres (ASKs), a measure of air passenger capacity, increased during the first half of 2025 by nearly 5% compared with the same period in 2024, a year which posted impressive growth versus 2023. Increasing international air capacity was the key driver of growth in 2025, highlighting emerging opportunities linked to international travel.

Airline expansion is set to continue with over 15,000 new aircraft on the orderbooks with Boeing and Airbus. Delivery of all of these would increase global capacity by over a third before accounting for retirements or leases. This will facilitate expected growth in demand as passenger numbers are on track to increase 28% over the next five years. The outstanding orderbook points to expansion in all regions worldwide but is particularly notable in the Middle East.

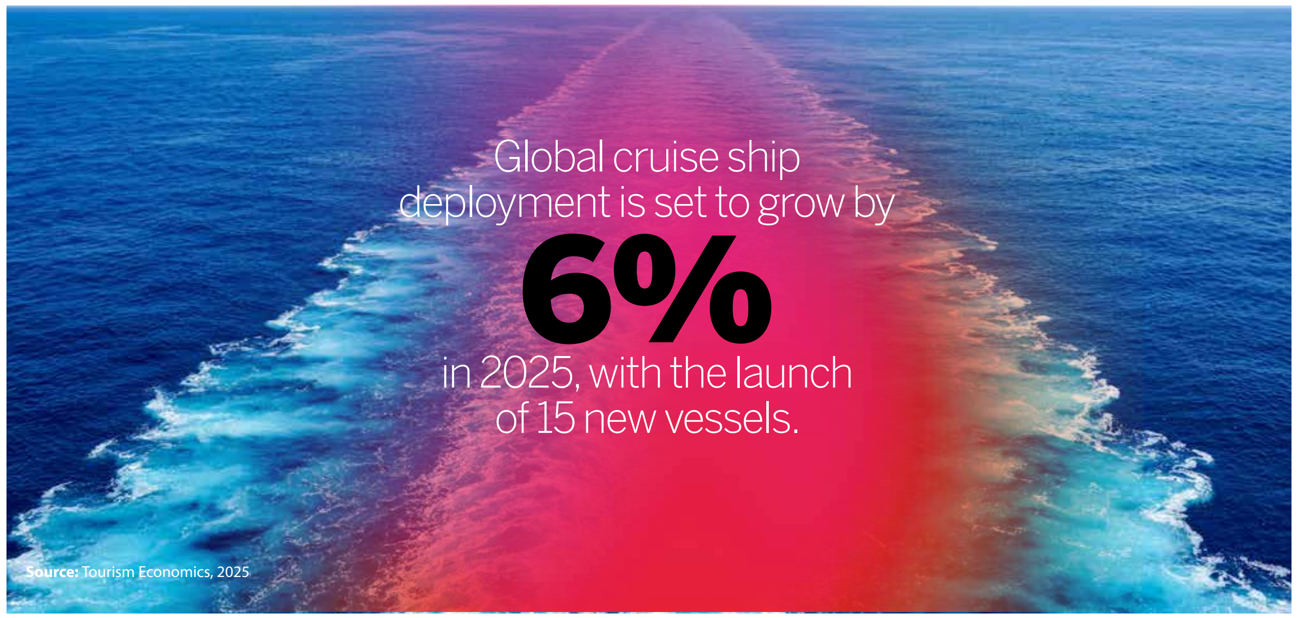
Other sectors are seeing expansion which is further growing the travel ecosystem.

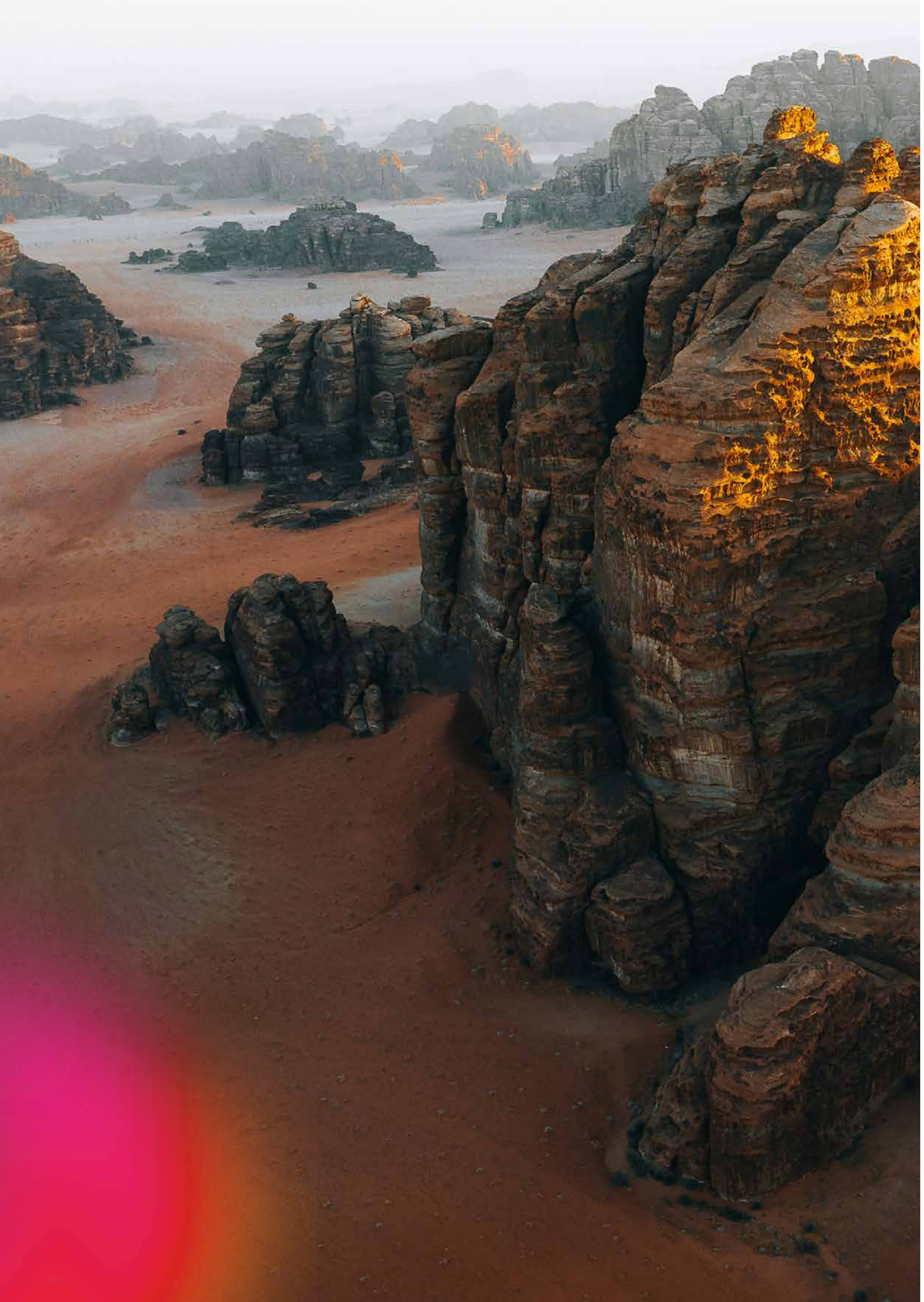
The cruise industry has posted rapid growth since the end of the pandemic with global cruise passengers set to surpass 38 million in 2025, based on Tourism Economics' latest global cruise industry forecast. This advance is being spawned as the global fleet of cruise ships continues to grow. With 15 new vessels, representing an additional 35,000 passenger capacity, expected to be launched by the end of the year, global deployment is on track to increase by almost 6% in 2025. New brands are also entering the market, including AROYA Cruises, the first dedicated cruise line for the Arabian market.



Meanwhile, in the lodgings sector, 2025 is set to be another strong year of expansion too. According to CoStar, a real estate marketplace and analytics provider, over 500,000 new hotel rooms across the globe are expected to open during the year with a further one million rooms under construction.

Alternative accommodations are also continuing to grow. This is highlighting rising demand across the board for overnight accommodation offerings. Illustrative of this trend, Airbnb bookings reached a new record high in 2024 with nearly 500 million trips booked on the platform among its eight million plus listings.





Economic headwinds pose risks for growth in the near-term

While the industry is on a positive long-run trajectory, economic uncertainties pose risks and challenges for travel in the near-term. Inflationary pressures have eased but remain elevated in many countries, with some upward impact on costs from new tariffs. This is, at least, delaying the anticipated interest rate cuts in key markets which would have otherwise boosted disposable income and spending power.

Elevated living costs continue to affect households across the globe, which is shaping travel decisions. Based on findings from our latest TTS, costs are the biggest barrier when considering destinations, mentioned by over 40% of travellers.

The same survey identified that around half of travellers actively limit their spending when undertaking trips. These findings illustrate the growing influence of value and price consciousness among many of today's consumers. Indeed, the research revealed that better value travel deals and all-inclusive options were significantly more appealing now than two years ago, reinforcing the importance of perceptions of value.

At the same time, in a backdrop of heightened price sensitivity, tourism businesses face mounting cost pressures which create operational and profitability headaches. Increasing labour and supplier costs and higher tax burdens are particularly acute challenges which the industry continues to grapple with.

There is limited scope for businesses to absorb additional costs while they are also concerned about passing these on to final consumers. However, ultimately, travellers will need to pay more due to these pressures.

Expense is the **number one deterrent for travellers** when considering destinations.

Source: Tourism Economics, 2025

50%
and
42%
of travellers stated they are more interested in discounted and all-inclusive experiences, respectively, now compared to two years ago.

Source: Tourism Economics, 2025

Mentioned by
45%,
increasing business costs is considered a key barrier to growth by tourism professionals.

Source: Tourism Economics, 2025

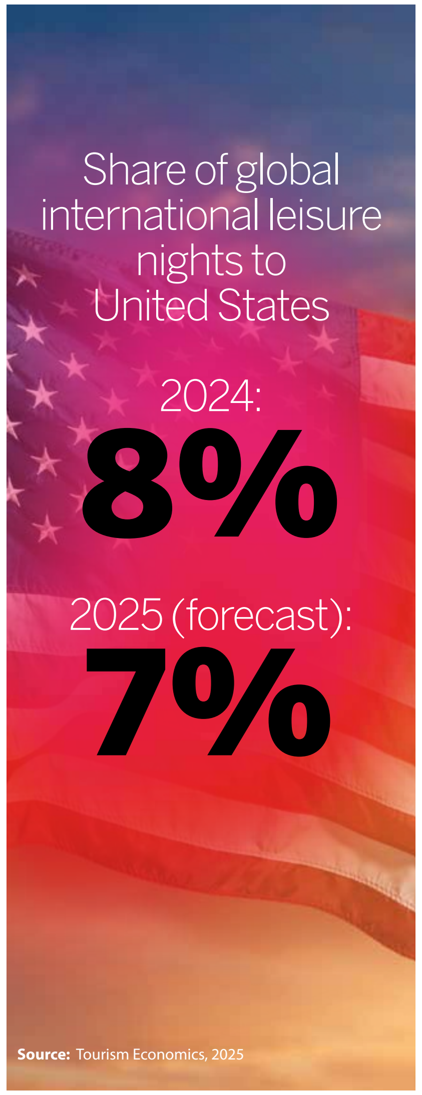
Geopolitical implications: slower growth and negative perceptions

As the Trump administration heralds a new era of protectionism, geopolitics has also emerged as a greater risk on the travel outlook in 2025. Trade tariffs, in particular, are seen as a destabilising influence on global travel, even beyond the impacts of rising costs and prices which will negatively impact growth. Trade and other policy announcements may damage sentiment between countries, leading to changes in bilateral travel flows.

Sentiment impacts are notable for travel to the US, with a particularly large impact on travel from Canada which is over 20% in 2025. Chinese and European outbound travel is also affected as the share of outbound travel to the United States has fallen, with an increase in travel to other destinations.

Negative effects on business sentiment due to trade and foreign policy shifts is also recognised by the industry as a major threat. In Tourism Economics' latest Travel Industry Monitor, conducted in September 2025, around 40% of professionals thought sentiment effects due to policy announcements represented a barrier to travel growth. Meanwhile, in an earlier survey, conducted in May 2025, aligning with a period of heightened uncertainty due to US-imposed trade tariffs, the issue was considered an even greater concern, mentioned by over 50% of respondents.

The negative influence of reactionary, tit-for-tat measures have also played out in a more subtle way in recent months. Following updates to travel polices in the United States, aimed to crackdown on illegal immigration, some countries have responded by amending their advice for citizens travelling to or through the United States. These policy changes are contributing to heightened uncertainty and further shifts in destination perceptions.

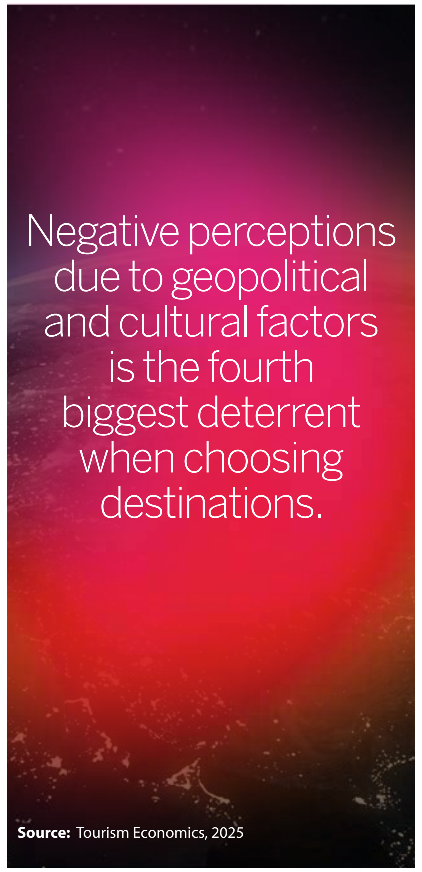


Shifts in sentiment due to trade or foreign policy changes is considered a key risk for tourism growth, mentioned by around

50%

of tourism professionals in recent surveys.

Source: Tourism Economics, 2025



People's business

Alongside economic and geopolitical headwinds, the travel industry faces ongoing labour challenges which threaten growth. While labour shortages have alleviated since the pandemic, which led to an unprecedented number of workers leaving the sector, there are still severe shortages affecting many travel positions which are limiting capacity.

Tightening immigration laws in some countries, including in the United States and the United Kingdom, are exacerbating this issue. This coupled with a demographic trend of aging populations and fewer younger people entering the workforce is resulting in a long-term drag on labour supply, which impacts tourism capacity. The industry also faces a skills shortage which has implications for the quality of experiences offered by travel companies and destinations.

According to the 2025 European Accommodation Barometer conducted by Booking.com and Statista, a survey of over a thousand hospitality executives in Europe, nearly half (47%) stated they struggle to find and hire staff with the right skillset or experience. The same survey highlighted that the biggest barriers for hiring qualified staff were high salary expectations and perceptions of unsuitable hours or a poor work-life balance.

Environmental factors reshaping travel

With raised awareness of net-zero targets, travel's perceived impact on the environment will become increasingly scrutinised by consumers and government alike over time. This could spell a period of increased change and disruption for the industry to adapt and respond to sustainability goals. For travel businesses to maintain appeal among more eco-conscious consumers, this may require additional, potentially costly efforts to modernise and implement greener practices.

While this shifting landscape offers new opportunities for proactive travel businesses embracing greener and more sustainable practices, it presents a broader threat. According to our latest TTS research, around six in 10 consumers associate travel with having negative impacts on the environment. In this context, there is increased need for travel companies and destinations to be perceived as sustainable and responsive to the needs of the environment. However, the same survey also suggests that willingness to pay for these changes is limited and a lengthy period of transition seems likely.

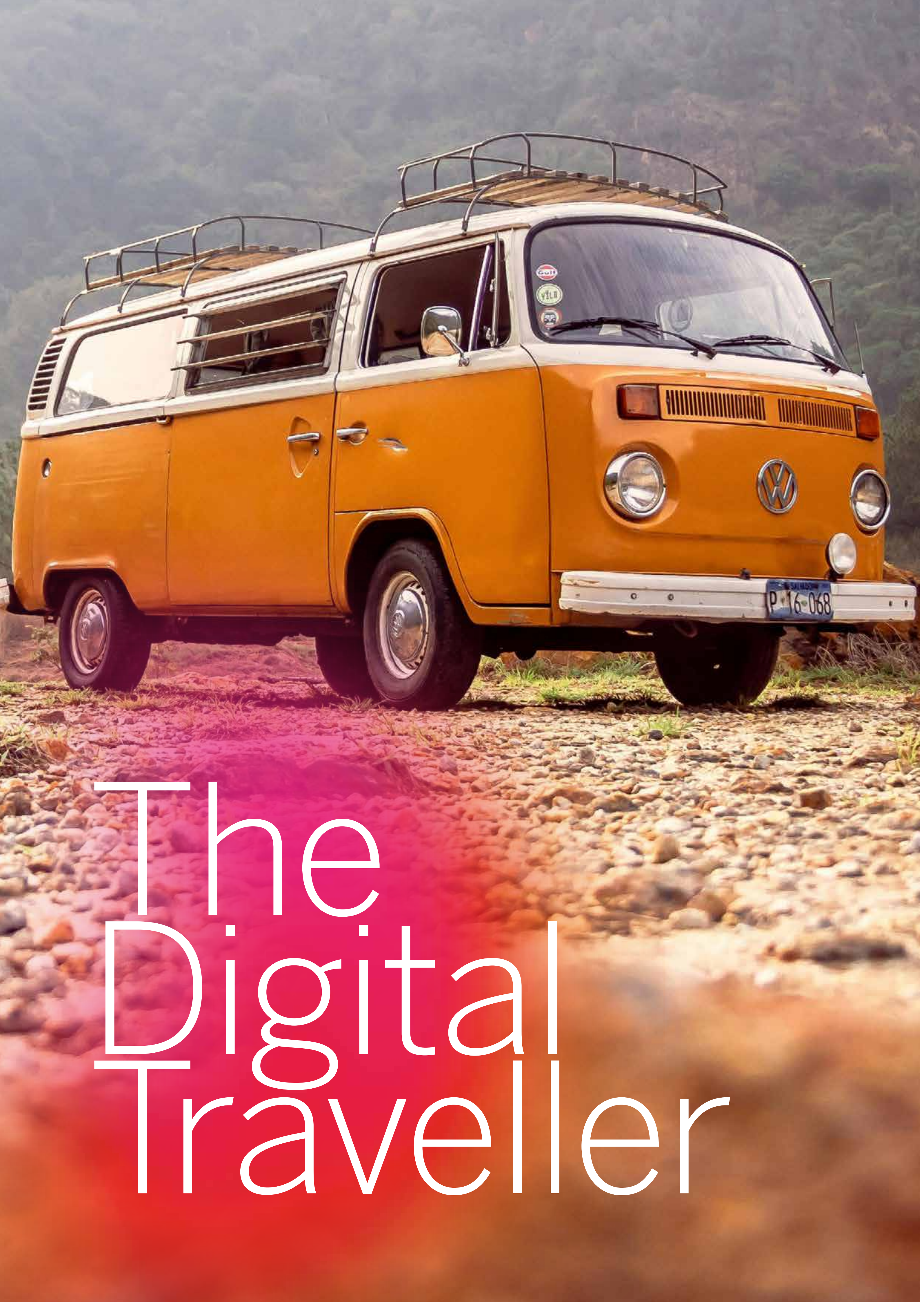
A more immediate implication of environmental change is playing out as consumers reevaluate where and when to travel due to climate considerations, in particular, concerns about extreme weather and climate events such as excessive heat and wildfires. For some destinations in the Northern Hemisphere, this poses upsides as well as downsides with an emerging trend of shifting demand from the peak summer season to shoulder or off-season periods. This is notable in Spain, one of the largest destinations in Europe, which has also experienced some extreme heat in summer months. Foreign travel here rose by 7% in the first five months of the year but by less than 2% in the peak summer months.

Destination choice is also affected as cooler destinations are also being sought. For example, within Europe, travel to some Nordic countries—Sweden, Norway and Finland—is expected to grow by 9% in 2025, outpacing more traditional summer destinations, with growth of around 5% to Mediterranean European countries anticipated this year.

However, while some destinations stand to benefit from shifts in travel activity due to weather considerations, the broader trend of increasing global temperatures and degradation of natural assets is destined to become a more formidable challenge for the travel industry in the years to come.

More than **nine out of 10** global travellers stated they want to make more sustainable travel choices in 2025.

Source: Booking.com, 2025



Tech's role transforming travel planning and booking

Technology is influencing and shaping travel in new previously unimaginable ways. According to Amadeus' latest Travel Technology Investment Trends report, in 2024 the industry was poised to increase technology investment by nearly 15%. The same study found that the main motivation for technological investment was improving the customer experience, mentioned by 53% of the travel technology company senior leaders polled in the research. In this section, we explore how new digital tools and technologies, including AI-powered solutions, are helping to drive increased travel activity.

Digital platforms are an essential companion inspiring and enabling travel experiences. Social media information, travel review websites, online travel agents along with new AI-powered tools such as virtual assistants are increasingly relied upon by modern-day consumers during the travel planning and booking cycle. According to our TTS 2025 research, these tools were used by over 75% of travellers on recent international leisure trips, underscoring their growing significance influencing the travel ecosystem.

1. Online travel agents

- **Used by 50% of travellers planning or booking international trips**

Source: Tourism Economics, 2025

- As well as providing increasingly streamlined and seamless booking experiences and travel search capabilities, online travel agencies (OTAs) are evolving in new ways, using generative AI to provide simpler and better solutions for trip planning. This includes Booking.com's new AI-powered Smart filter which enables customised natural-language searches for accommodation, making it easier and quicker for travellers to find their ideal property.

- Increased integration of services is helping online travel businesses grow market share. So-called 'super apps' are evolving which are consolidating a range of offerings within one platform to meet growing consumer needs for convenience and simplicity. For example, Uber Safari lets travellers book wildlife experiences directly through the app in South Africa and Kenya, while hosts can offer tours and activities alongside accommodation on Airbnb Experiences, empowering travellers to create more integrated trips within one platform.

Global online travel agency gross bookings have grown by an estimated **50%** between 2019 and 2025.

Source: Skift Research, 2024

97% of travellers are looking for one-stop apps to streamline their travel experiences.

Source: Accenture, 2024

2. Review sites

- **Used by 37% of travellers planning or booking international trips**

Source: Tourism Economics, 2025

- Review sites are also an important source helping to inform travel decisions. According to ReviewTrackers, Google reviews dominate consumer purchasing decisions with over 60% likely to check reviews on Google before visiting a business. Google's zero-click search capability means that consumers can evaluate businesses directly when searching, increasing the visibility and importance of online reviews. Tripadvisor is particularly important in travel hosting reviews for around 8 million accommodations, airlines, experiences, and restaurants. According to ReviewTrackers, around a quarter of would-be travellers check the site before visiting tourism-related businesses.
- Online review and reputation systems are gaining traction, helping travel businesses manage and optimise the benefits of customer reviews.

Guest reviews and ratings were the second most important factor influencing the choice of hotel or resort behind rooms and amenities.

Source: Accor, 2024

Video time on Instagram and Facebook was up by more than **20%** year on year in the United States

Source: Meta, 2025

3. Social media informations

- **Used by 31% of travellers planning or booking international trips**

Source: Tourism Economics, 2025

- Social media is playing an increasingly important role inspiring and activating travel decisions. According to our 2025 TTS research, over 90% of those who used social media during the travel planning and booking cycle stated it was influential in inspiring their choice of destination and activities undertaken. Short-form videos typically lasting under 90 seconds, such as Facebook's Reels, are gaining increased prominence.
- The impact of social media marketing is being further amplified by AI-powered tools, such as those within Meta's Advantage+, which help to optimise campaigns enabling the creation and targeting of more effective information.

4. AI-powered virtual assistants

- **Used by 18% of travellers planning or booking international trips**

Source: Tourism Economics, 2025

- AI-powered virtual assistants or chatbots are emerging as increasingly powerful travel planning tools. These include general services such as ChatGPT, Google Gemini, and Microsoft Copilot, as well as travel specific offerings such as Layla, Kayak.ai, and Mindtrip, which enable the creation of customised itineraries akin to the services provided by a traditional travel agent.
- Based on findings from our Travel Trends Survey, using tools such as Deepseek and Ernie Bot, Chinese travellers are particularly embracing these new capabilities. American travellers also demonstrated above average usage compared with other markets surveyed.

Chinese travellers are more than twice as likely to use AI chatbots or virtual assistants when planning travel compared to other major travel markets.

Source: Tourism Economics, 2025

5. Other AI-powered tools shaping travel planning and booking

- Many other AI-powered tools are emerging as standalone services or integrated into existing digital platforms which are providing new capabilities for travellers planning and booking their next trip. One such example is Hopper, which uses AI to analyse billions of flight and hotel prices and identify price trends, enabling customers to optimise bookings. Google Flights and Skyscanner are also using AI to track prices and provide predictive analytics, including predictions regarding flight delays and cancellations.
- These technologies are also being used in innovative ways by travel businesses to increase booking conversions. This includes helping the industry better understand customers preferences and behaviours which enables the creation of more compelling and personalised marketing content, leading to increased bookings. Examples include AI-powered customer relationship management (CRM) or customer data platform (CDP) tools, such as Revinate and Optimove, which leverage guest data to create more effective direct marketing.
- AI is also being used by travel firms, such as online travel agents like Expedia, to understand business and marketplace trends, which helps to empower the industry with better information to optimise their offerings. AI also sits behind improved search functionality such as Booking.com's Smart filter system.

Three times as many travel professionals think AI tools will help to increase, rather than decrease, overall travel spend.

Source: Tourism Economics, 2025

Expedia's AI-powered system, **Scout,** which makes recommendations to partner hotels based on market trends and traveller behaviour, resulted in **10% incremental transactions.**

Source: Expedia, 2025

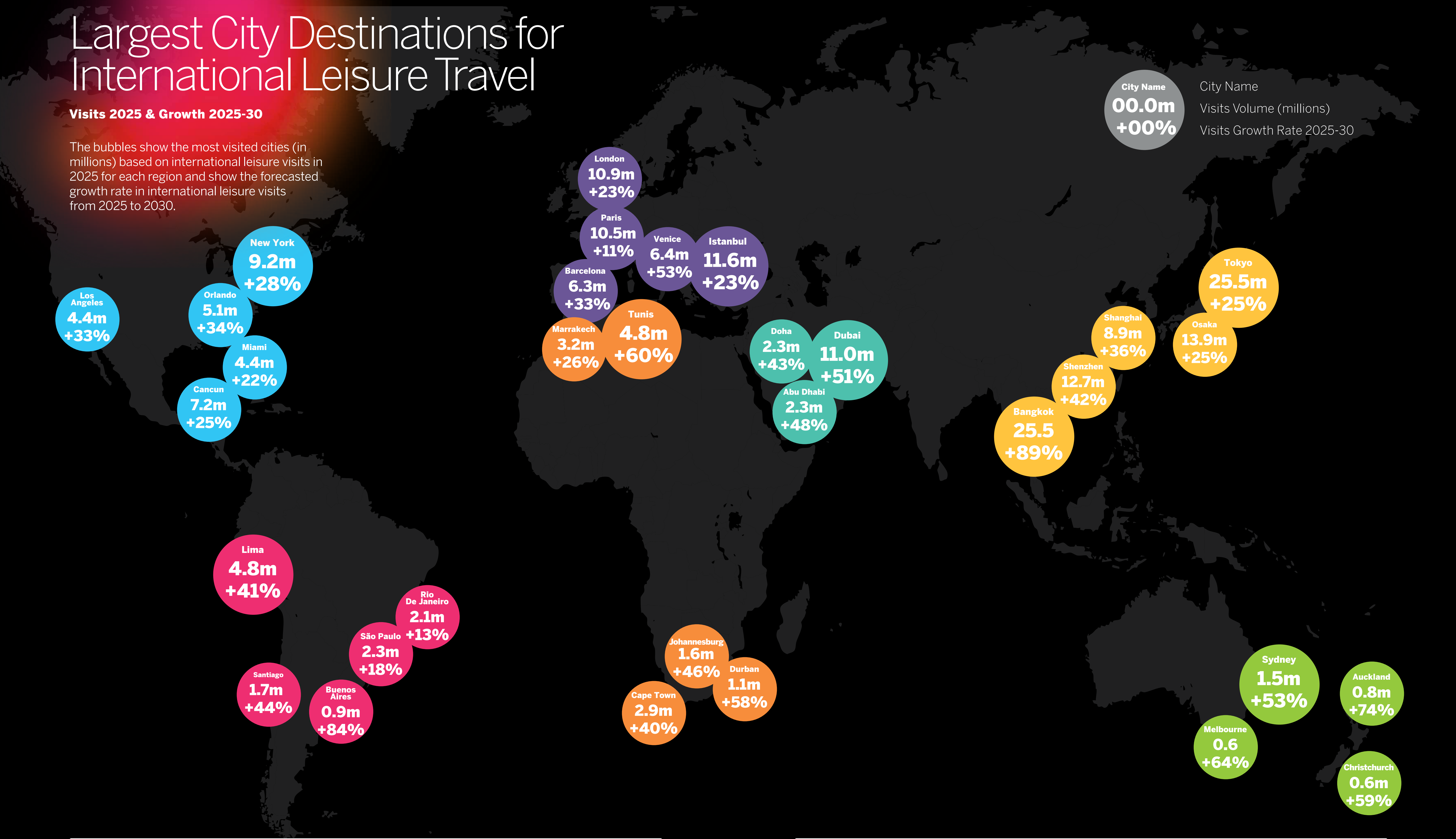
AI's role in global tourism is expected to be worth over **$13 bn** in 2030, increasing at a rate of nearly 30% per year between 2024 and 2030.

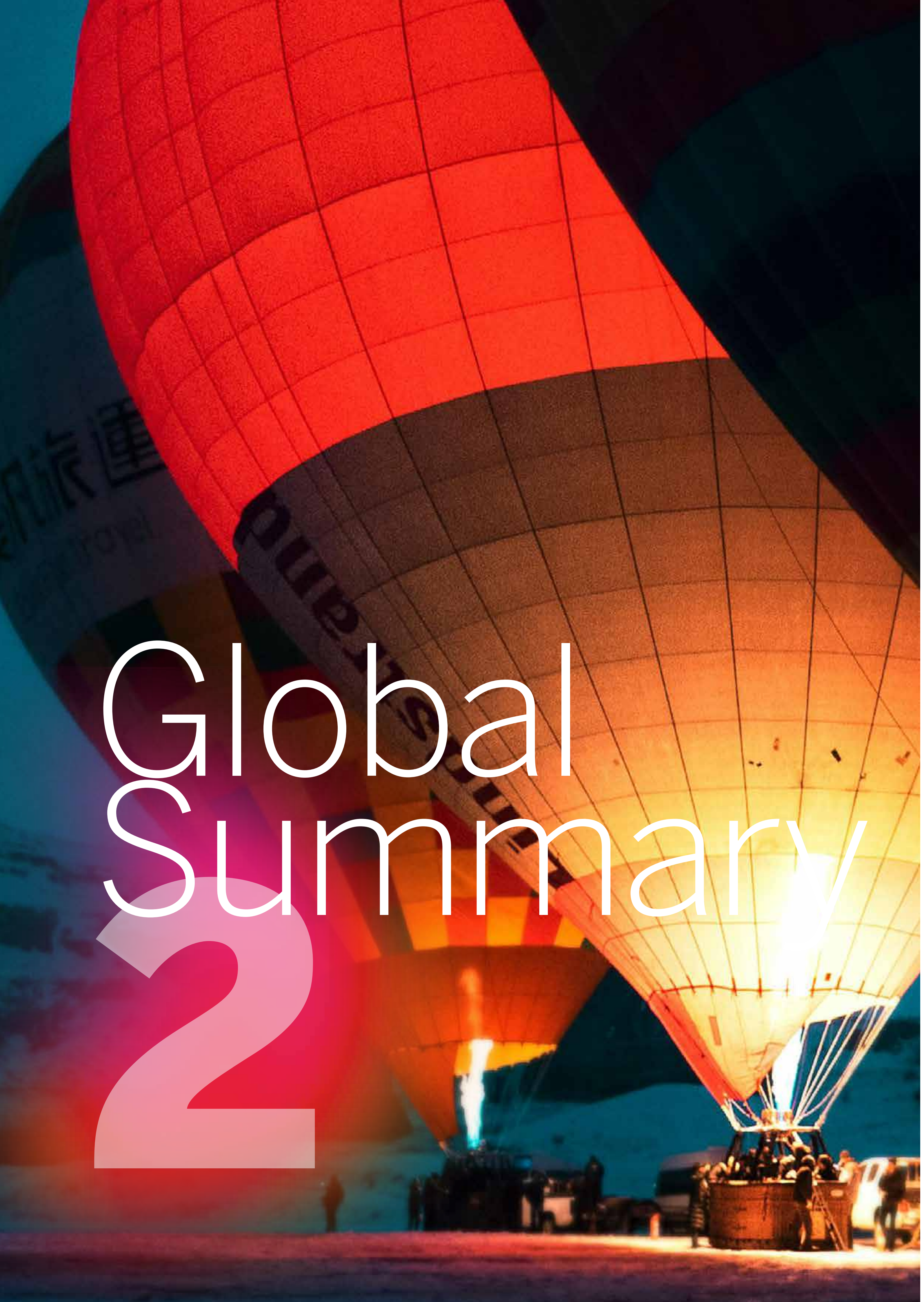
Source: MarketsandMarkets, 2025

Largest City Destinations for International Leisure Travel

Visits 2025 & Growth 2025-30

The bubbles show the most visited cities (in millions) based on international leisure visits in 2025 for each region and show the forecasted growth rate in international leisure visits from 2025 to 2030.





2 Global Summary

Travel growth opportunities remain clear

Global travel has continued to grow, reaching new record levels in 2025 on all key metrics. International arrivals are set to increase to more than 1.5 billion this year, surpassing the previous record achieved in 2019. This follows some slowdown in travel growth and increased uncertainty beginning in late 2024, alongside enhanced economic volatility and weakening of consumer sentiment, but future growth opportunities remain clear. Domestic travel volumes are also set to grow beyond the new high recorded last year.

Slower economic growth may constrain activity

GDP growth has slowed this year, especially for developed markets, and will remain subdued in 2026. This is linked to the US-led imposition of tariffs on various trading partners, with the lack of clarity on timing, magnitude and impacted products creating uncertainty in the global economy.

The weaker outlook for the global economy, with GDP growth predicted to decline from 3% this year to 2.4% in 2026, may have wide-ranging impacts for travel. Both advanced economies, such as those in Europe and North America, and developing markets, including India and China, will be impacted. China is set to see notably weaker growth than pre-pandemic. This partly reflects a maturing of the Chinese economy and, although growth is still expected to be well above that of advanced economies, this outlook suggests less robust activity for destinations reliant on Chinese outbound travellers.

While economic conditions and consumer confidence may face increased challenges in the next few years, tourism continues to be prioritised as the experience economy elevates the importance of travel. Indeed, travel spending as a share of all consumer spending remains above the pre-pandemic average, and is projected to rise further.

Longer stays benefitting the industry

Aligning with growing interest in travel, the volume of nights stayed in paid accommodation is set to exceed 2019 levels by 17% in 2025. This expansion is larger than the growth in visits as average length of stay (ALOS) remains above pre-pandemic levels, which marks a reversal of the trend in the 2010s when shorter trips gained popularity. The trend of longer trips fits with continued prioritisation of travel and more immersive experiences. ALOS is expected to remain high – and in most regions, increase further – in the coming years.

This shift is particularly notable in the Middle East where trip lengths have increased by around two-thirds compared to 2019. This is influenced by the increased prominence of Saudi Arabia within the region and additional increases in the already elevated typical length of stay. Growing numbers of pilgrims has had an upward effect but longer stays are also evident for holiday travel, which highlights initial returns on significant investment in tourism infrastructure, as leisure visitors are finding more reasons to stay longer.

Global international arrivals are set to reach a new record high in 2025 of more than **1.5bn** overnight visits.

Source: Tourism Economics, 2025

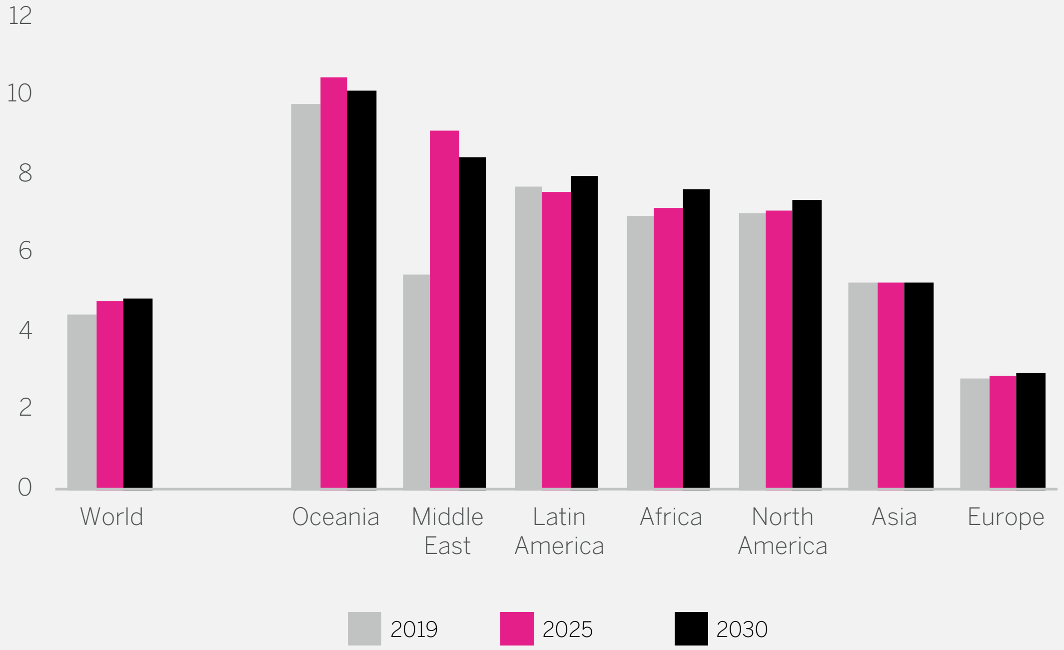
Around **three-quarters** of consumers agree that undertaking leisure travel is an important priority each year.

Source: Tourism Economics, 2025

Source: Tourism Economics, 2025

Average Length of Stay Among International Visitors

Nights in all paid accomodation per visit



Source: Tourism Economics, 2025

TOURISM ECONOMICS AN OXFORD ECONOMICS COMPANY
wtm LONDON

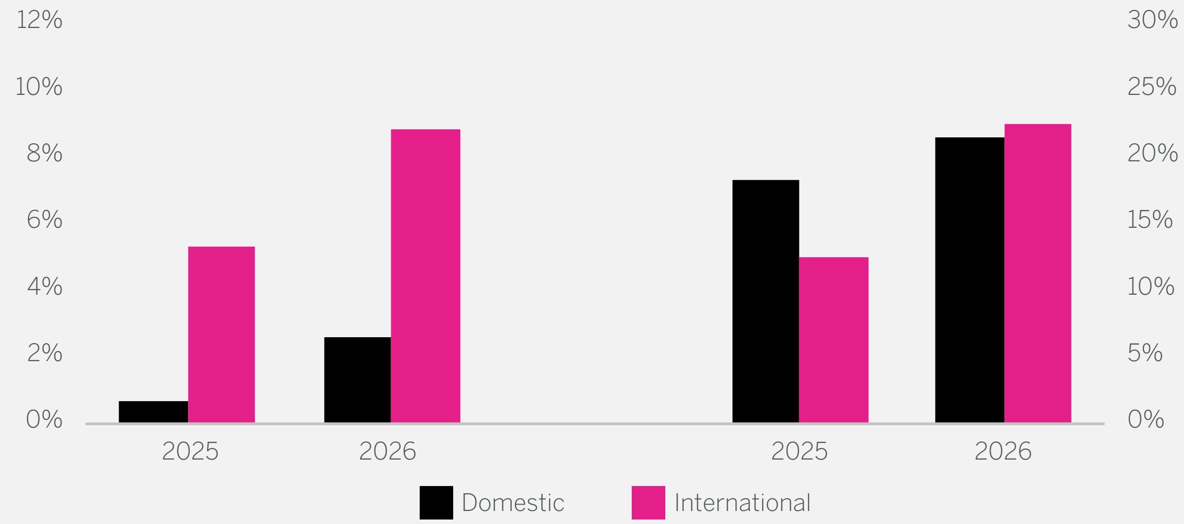
International travel growth outpacing domestic

International travel demand is now growing at a faster pace than domestic travel. Nights spent in paid accommodation by international visitors globally are set to increase at an annual rate more than three times that of domestic – both this year and in 2026. In the near-term, this is a 'catching-up' from an initially slower recovery from the pandemic, but more generally reflects the continuation of a long-run trend where international travel is preferred, spawning faster growth.

By 2026, international volumes are expected to have grown by more, relative to 2019, than domestic travel. Alongside this, the international share of global travel will return to its pre-pandemic level of around 32% and increase further in subsequent years. Despite international travel outperforming in terms of growth, domestic tourism volumes will remain much larger for most regions, particularly in Asia, the Americas and Africa.

Growth in Domestic & International Travel

2025-2026, change on previous year and relative to 2019



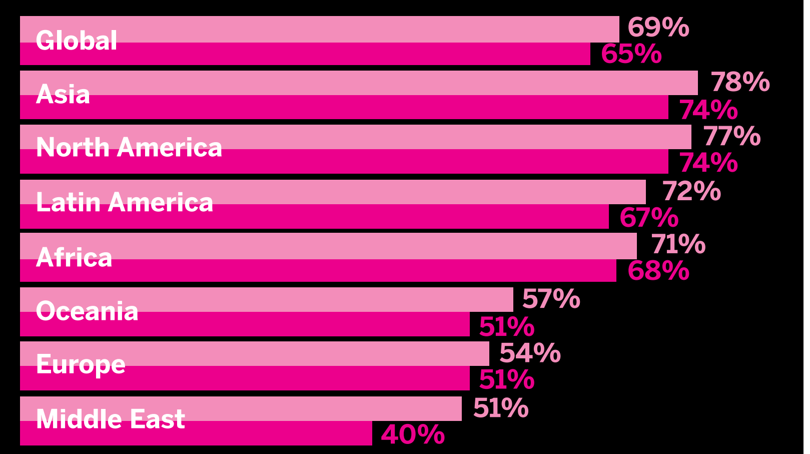
Source: Tourism Economics, 2025

International travel is expected to grow around **three times faster** than domestic travel in 2025 and 2026.

Source: Tourism Economics, 2025

Domestic Travel Share of Visitor Nights

(in 2025 & 2030)



Source: Tourism Economics, 2025

Most global regions welcoming more international visitors compared to 2019

The rebound – and stronger growth – in international tourism is taking place across the world. Destinations in many emerging markets are progressing beyond their initially slow recovery and are expected to outpace many advanced destinations in coming years.

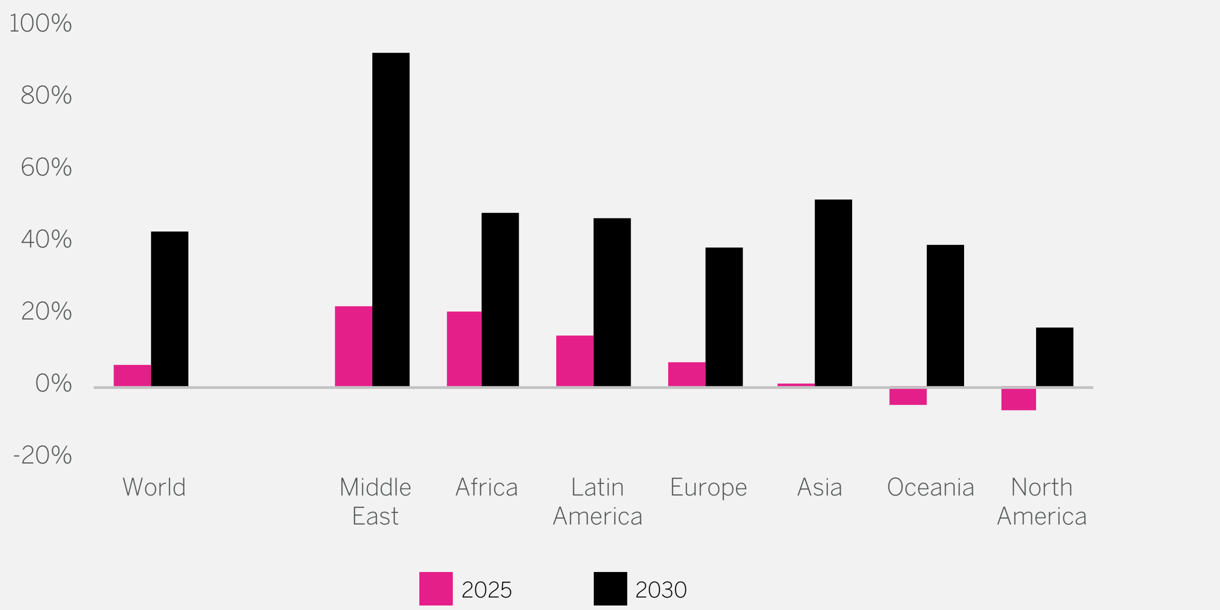
Asian destinations, which initially recorded a fairly muted pace of recovery, are now seeing relatively quick growth in international visitors. This is aided by continuing improvement in the recovery of Chinese outbound travel, though this progress has plateaued in the past year.

The Middle East has by far seen the strongest growth in international visits relative to pre-pandemic, aided by improved connectivity and significant investment in destination promotion and tourism infrastructure. Some of the new infrastructure has also supported domestic travel activity, while the connectivity and facilitative border policies have boosted inbound travel to the region.

Europe – a large and relatively mature tourism region – also experienced a quick rebound, helped by facilitative market access, short distances and transport infrastructure.

North America is now weighing on the global recovery in international tourism, reflecting economic uncertainty in the US and the associated impact on consumer sentiment in their key source markets.

International Visits for Different Regions
% relative to 2019



Source: Tourism Economics, 2025

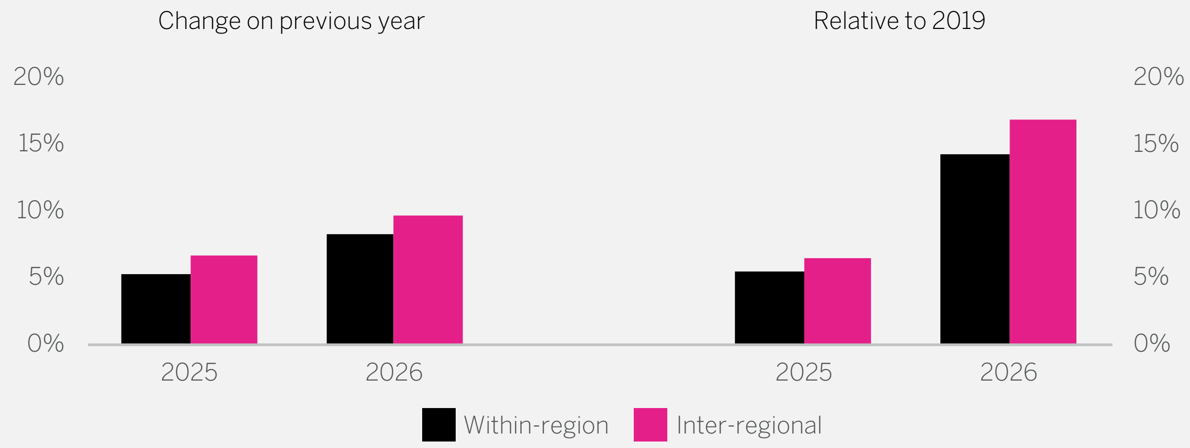
Inter-regional demand to outperform as travellers venture further

The variation across regions in the typical length of trip among visitors reflects their composition of source markets and geographic position. Oceania and the Middle East both rely heavily on inter-regional visitors, those from source markets in other regions, and these trips are typically longer in duration. On the other hand, the bulk of arrivals to Europe and Asia are within-region and shorter trips are relatively common.

However, the overall trend is that travellers are increasingly venturing further afield. This is evident as the recovery of inter-regional travel is set to outpace that of intra-regional visits, those by travellers from source markets within the same region.

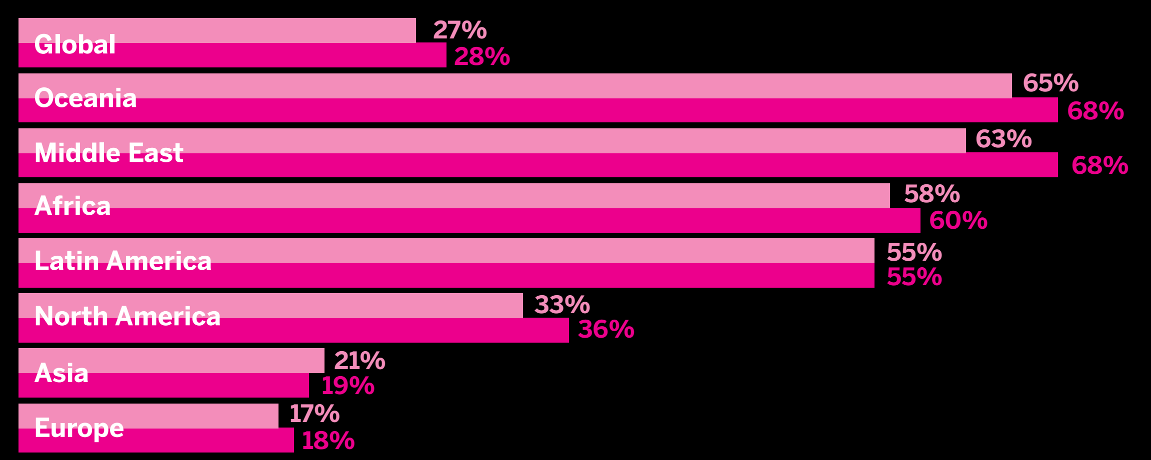
By the end of 2026, projections are for inter-regional visits to exceed 2019 volumes by 17%, compared to around 15% for intra-regional trips. While this partly reflects a normalisation after a post-pandemic lull in longer-haul trips, there is also a longer-run trend for growth in inter-regional trips to outpace others. By 2030, inter-regional arrivals will account for 28% of all international visits, up from around one-quarter for much of the 2010s.

Growth in Within- & Inter-Regional Visits
2025-2026, change on previous year and relative to 2019



Source: Tourism Economics, 2025

Inter-Regional Share of International Visits
(in 2025 & 2030)



Source: Tourism Economics, 2025

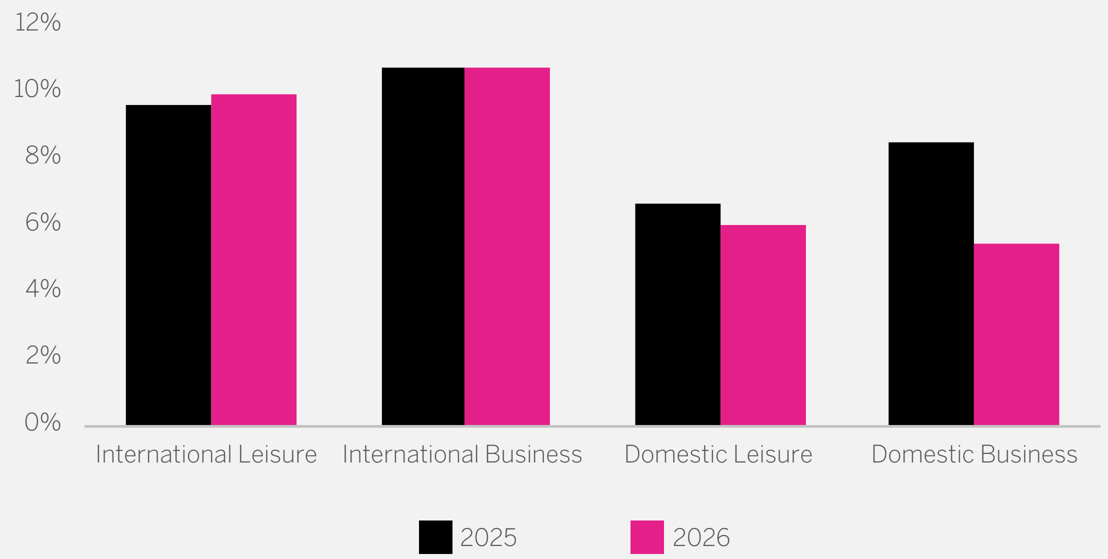
Leisure will remain the dominant travel segment

Business travel has been more resilient than initially expected in the face of virtual alternatives and technological advances, and is slowly catching up to the recovery pace of global leisure travel. International business spend is expected to grow slightly more quickly than that for leisure both this year and next, with 'blended' travel (combining business and leisure activities) and that for business events seen as opportunities for growth in the industry.

Nevertheless, consumers continue to prioritise leisure travel in their spending decisions, with domestic and international activity comfortably above 2019 volumes. Leisure travel also remains the much larger segment globally, accounting for around 85% of international travel spending and 78% of domestic spending. This prominence is fairly consistent across regions, though leisure is particularly important in Asia and Latin America, while a little less dominant in North America.

The Middle East has seen the strongest growth in leisure spending relative to 2019 – for both international and domestic tourism. Europe has also seen a relatively quick rebound, consistent with their relatively strong recovery in all tourism volumes and spend. Asia's recovery to-date has been somewhat muted, but will pick-up in coming years alongside the return of Chinese outbound travel. North America has recorded the weakest recovery for international leisure spend, largely reflecting a decline in arrivals to the US in the past year. This has been mostly driven by a collapse in Canadian visits to the US, as consumer and traveller sentiment towards their southern neighbour has deteriorated.

Annual Growth in Business & Leisure Travel Spend
2025-2026, change on previous year



Source: Tourism Economics, 2025

Leisure travel accounts for **85%** of global international in-destination spending.

Source: Tourism Economics 2025

Five years away from 2 billion visits

There are clear growth opportunities within the international leisure tourism industry as global arrivals are projected to increase from around 1.5 billion this year to more than 2 billion by 2030.

Europe will remain the most popular destination region by far but will lose share of the global market. Asia and the Middle East are both set to gain prominence as destinations for international travellers. This is consistent with trends of increasing connectivity, as well as long-run demographic and economic development growth trends. The propensity to travel continues to increase among populations of large countries in the developing world, and destinations within their own region are increasingly accessible. Traveller preferences for new experiences and locations will remain important, as emerging destinations continue to gain attention from leisure visitors.

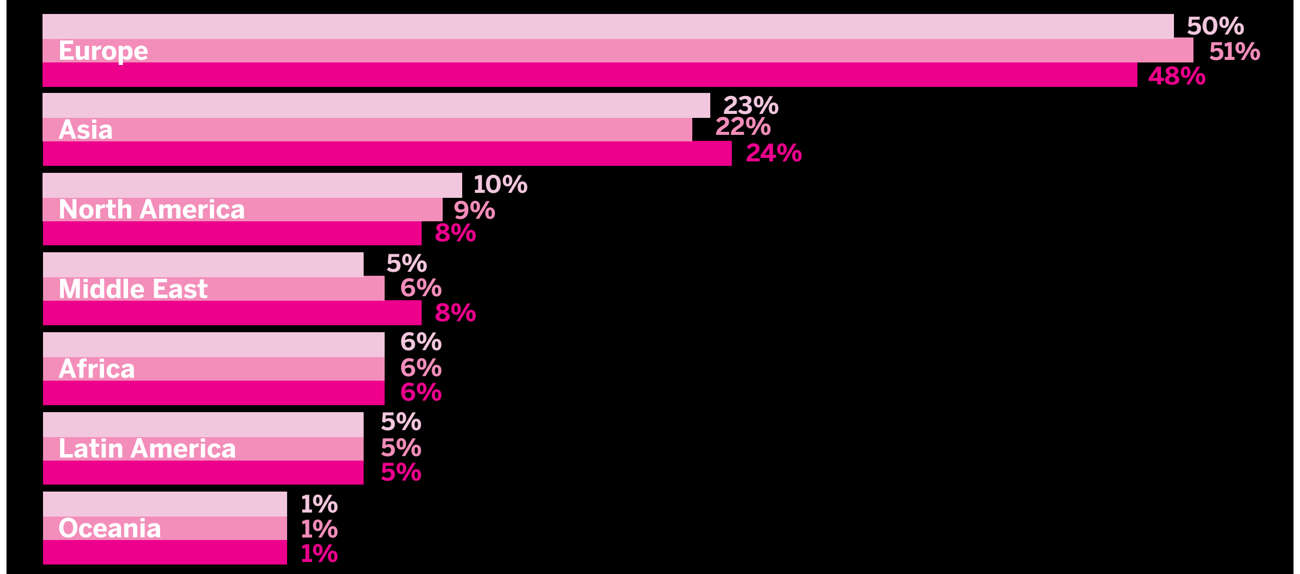
By 2030, **US$ 2.5 trillion** in-destination spending is anticipated by global international tourists.

Source: Tourism Economics, 2025

Asia is expected to grow at almost twice the pace of Europe for international travel over the next five years.

Source: Tourism Economics, 2025

Share of Global Arrivals by Region
(in 2019, 2025 & 2030)

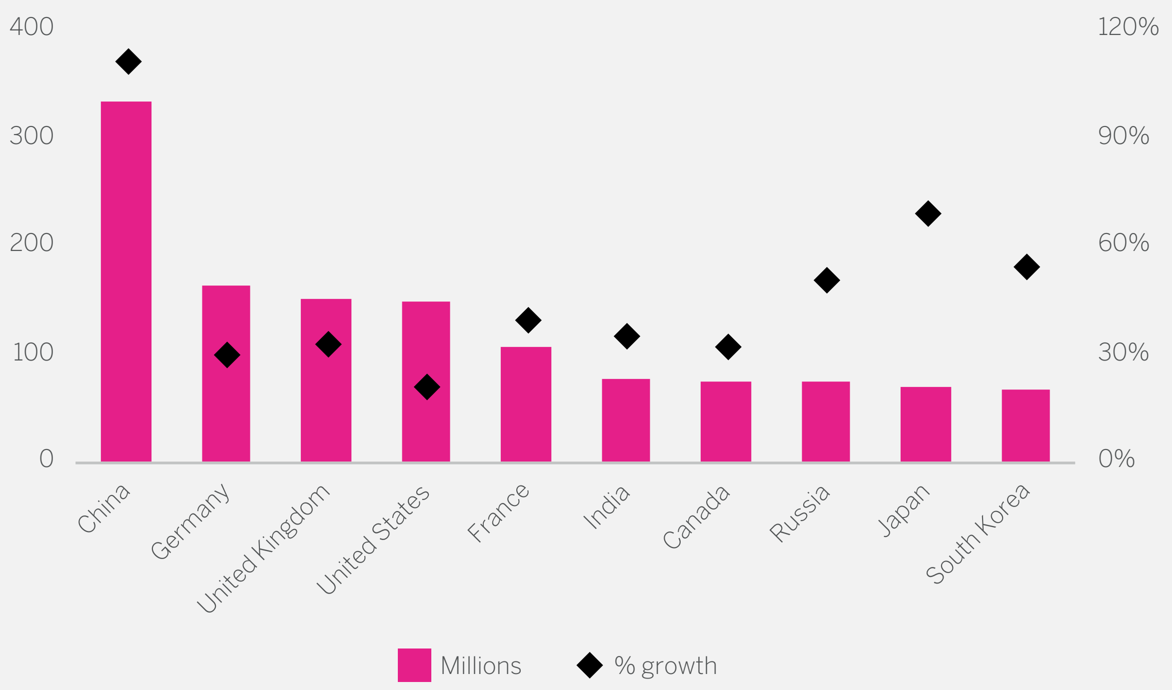


Source: Tourism Economics, 2025

Among the world's large outbound markets, China and India are expected to see strong growth to the end of the decade and beyond, while Japan and South Korea will also see large increases by 2030. In terms of volumes, China, Germany, the United Kingdom, and the United States will account for the largest increase in visitor nights between 2025 and 2030.

Outbound Growth Markets: 2025-2030

Incease of number of nights spent on outbound trips



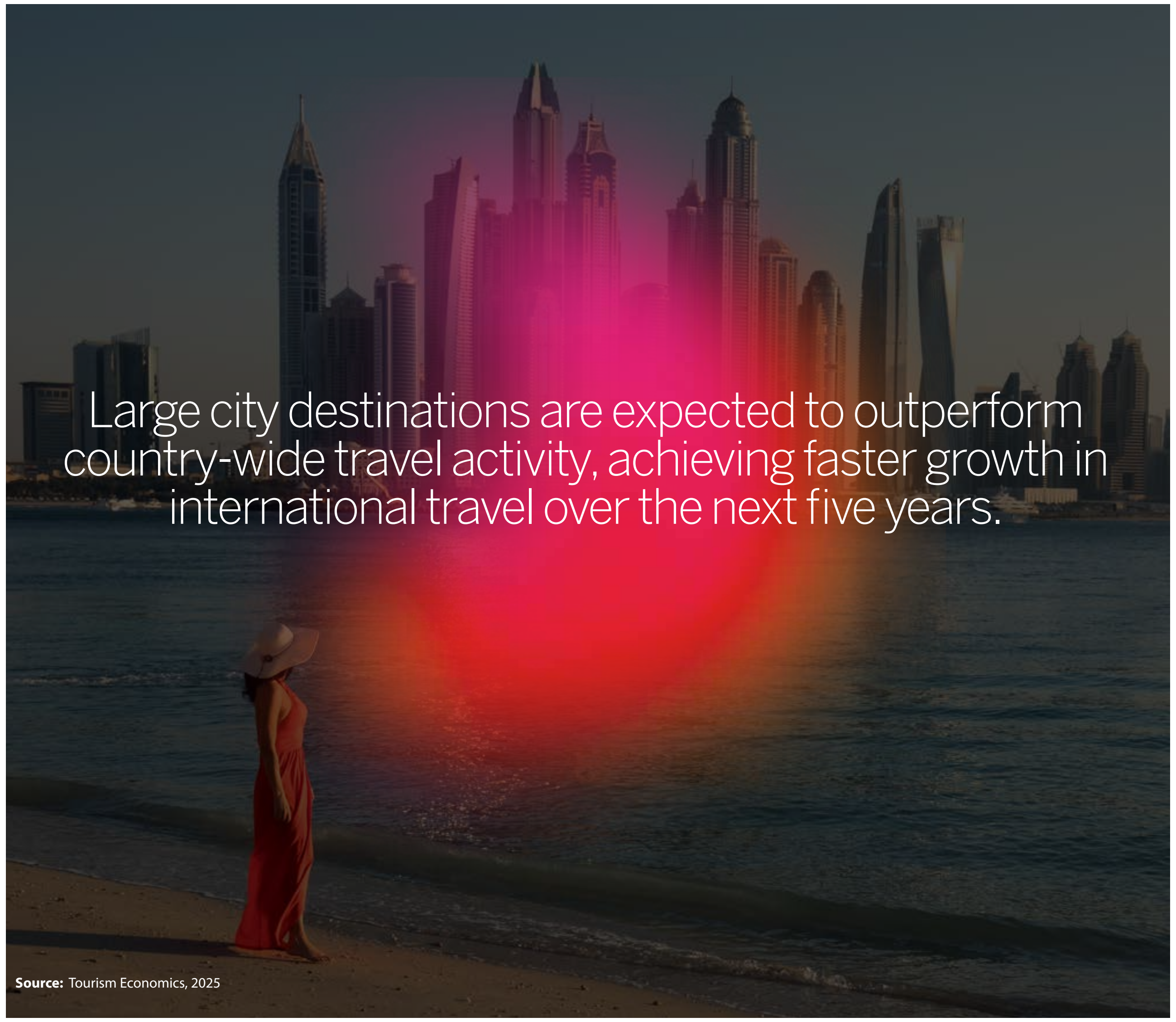
Source: Tourism Economics, 2025

Cities seeing renewed strength for international travel demand

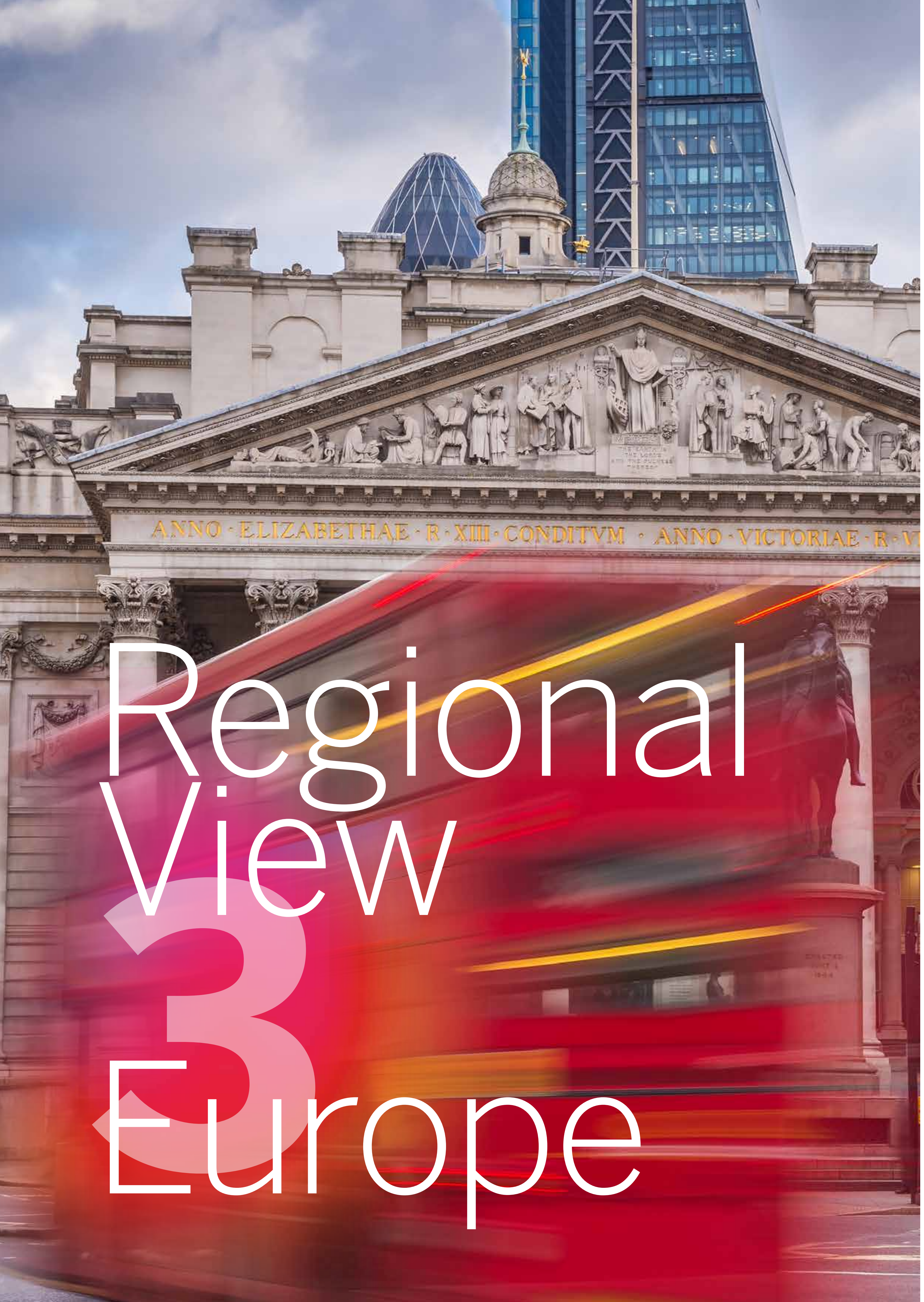
Global city destinations are experiencing particularly strong growth for international tourism. This reverses a shift away from cities and towards rural destinations during and immediately after the pandemic. This reflects a combination of the recovery in business travel (which is typically concentrated in urban areas), renewed interest among global leisure travellers in cultural tourism and events, as well as ever improving connectivity with urban destinations.

The world's 50 largest city destinations will see international visits this year exceed 2019 volumes by almost one-quarter. This compares to growth of 5% for all country destinations. This outperformance extends to the world's 100 largest city destinations and is expected to continue through to the end of the decade.

The strong growth for international travel to cities will continue in coming years – the top 50 will see more than 40% additional arrivals in 2030 than this year, while global country destinations are expected to record an increase of one-third. Business travel will be a key driver of this, but many large city leisure destinations will also perform strongly, despite growth being a greater challenge for larger markets. Dubai and Bangkok are both expected to see growth of 50% or more in leisure arrivals in the next 5 years, New York and Los Angeles around 30%, London, Istanbul and Tokyo 20% or more. This is also true for several smaller—but important regional— urban centres, including Tunis and Sydney (both +50%), and Lima and Cape Town (both +40%).



Source: Tourism Economics, 2025



3 Regional View

EUROPE: FAST RECOVERY BUT SLOWER LONG-RUN GROWTH PROSPECTS

European travel has continued to grow in 2025 despite some slower economic activity. Spending by international leisure travellers this year will exceed 2019 levels by almost 40% and domestic visitor spend will be nearly 30% higher. The strong rebound in international leisure travel has been aided by excellent connectivity and a high share of intra-regional travel, with much of the continent's international trips being as short or accessible as domestic trips in many other regions.

Solid growth will continue through to the end of the decade, but at a slower pace than in most other regions. This reflects the size and maturity of Europe as a tourism destination, with larger percentage gains harder to achieve. Nevertheless, Europe will remain the largest international leisure region through to 2030 in terms of visits, nights, and spending. While intra-regional travel will continue to be dominant, arrivals from outside of Europe will grow more quickly, supported by increases in global long-haul travel and outbound travel from several large and emerging source markets in Asia. For example, travel to iconic destinations including many European cities and historic attractions are a key driver for Chinese travellers.

Europe relies more on intra-regional source markets for leisure visitors than any other global region as travellers from within the region account for

83%

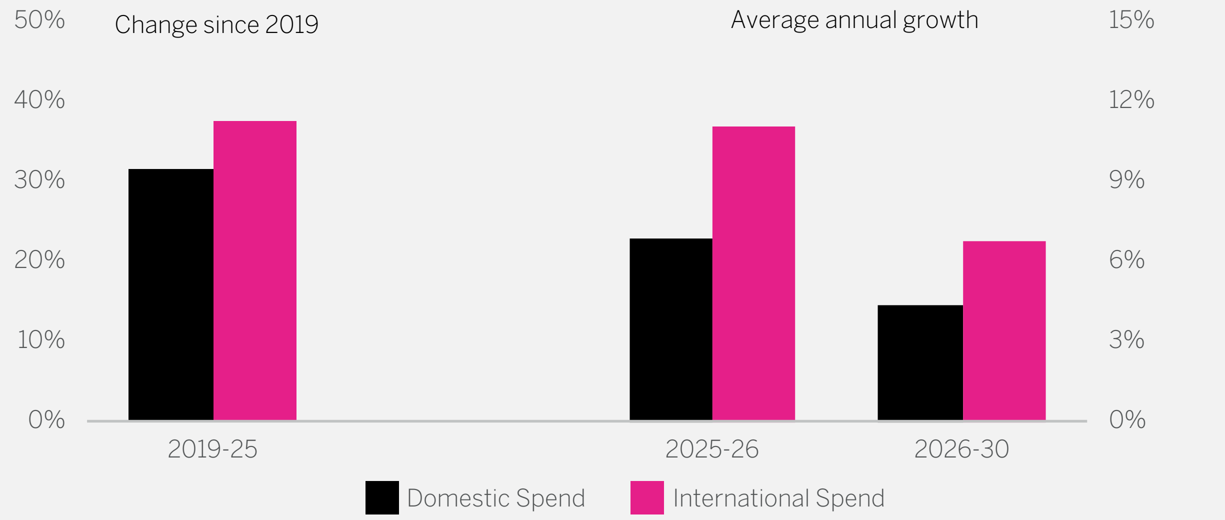
of all inbound leisure travel for Europe.

Source: Tourism Economics, 2025

Source: Tourism Economics, 2025

Europe: 2025 Leisure Travel Summary

% growth



Source: Tourism Economics, 2025

Many emerging market destinations – notably in Central and Eastern Europe – have seen particularly strong demand from international leisure visitors. This reflects consumers' ongoing search for value-for-money in their travel, as well as seeking new and less-crowded experiences away from the typical tourism 'hotspots'. Albania, Serbia, Türkiye and Romania are among the countries to have achieved exceptionally strong growth in leisure spending, with further outperformance in emerging European markets expected in coming years. Connectivity improvements via the introduction of new air routes with Asia and within-Europe will help to support this growth.

Among the large and mature destinations in Western Europe, Spain has seen particularly strong growth in leisure spending, aided by an increase of almost 15% in international leisure visitors relative to 2019 – well above the rest of the region.

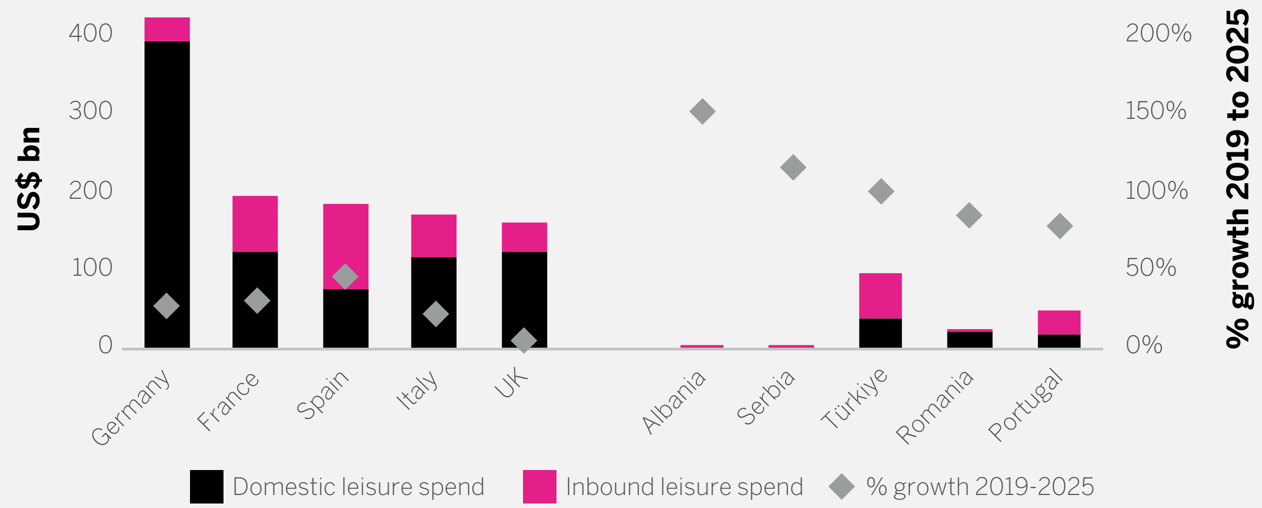
> Emerging European destinations will continue gaining share of leisure travel to the region and are set to account for more than **35%** of international leisure visitors in Europe by 2030.
>
> **Source:** Tourism Economics, 2025

Destinations are increasingly looking to extend their tourism seasons beyond the traditional summer period. In some popular cities and towns, there has been a concerted effort to reduce overcrowding in peak season as tourism intensity (overnights per capita) continues to increase and concerns about overtourism remain prevalent. This intensity has reached new peaks in several locations, and across a wide variety of destinations. This is exemplified by large cities such as Barcelona, smaller ones such as Venice, and, most notably, island destinations including Santorini.

Boosting off-peak tourism represents an opportunity to maintain, or even increase, volumes and to maximise the economic impact of tourism to local economies. Some lower costs are typically evident during shoulder- or off-peak months, which could provide an incentive for travellers seeking greater value-for-money. Increased concern about temperature anomalies would also be alleviated by greater promotion of shoulder season offers.

Europe: Largest and Fastest Growing Leisure Destinations

2025 market size & growth since 2019



Source: Tourism Economics, 2025

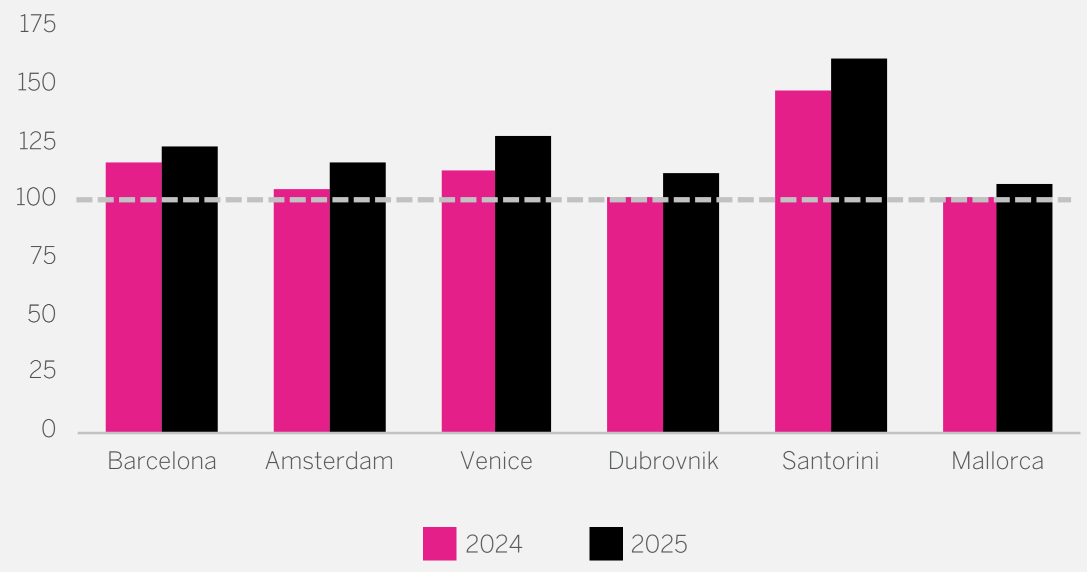
While traditional 'honeypot' destinations are seeking to reduce crowds and better manage social impacts associated with high tourism intensity, less popular destinations and attractions are actively targeting more visitors and tourism revenue. Increased incentives to visit alternative, sometimes referred to as detour, destinations will help to alleviate some pressure on hotspots and diversify tourism impacts.

Holidays related to wellness and authentic cultural experiences remain popular among travellers, as well as activities focussed on the natural environment. While costs are more of a focus, they are not the only driver of traveller decisions and there remains a willingness to pay for more luxurious experiences as long as they provide recognisable value. The 'affordable luxury' segment has continued to expand in the region. For instance, Scandinavian destinations, including Norway and Sweden, have seen relatively strong growth in recent years, due to their offering of nature-based and wellness experiences, as well as fitting with the 'cool-cations' trend, despite being more expensive than many other destinations across Europe.

> Avoiding crowds, saving money, and steering clear of extreme weather were the top three reasons among travellers planning trips on different months compared to previous years.
>
> **Source:** Tourism Economics, 2025

Europe: Tourism Intensity by Selected European Location

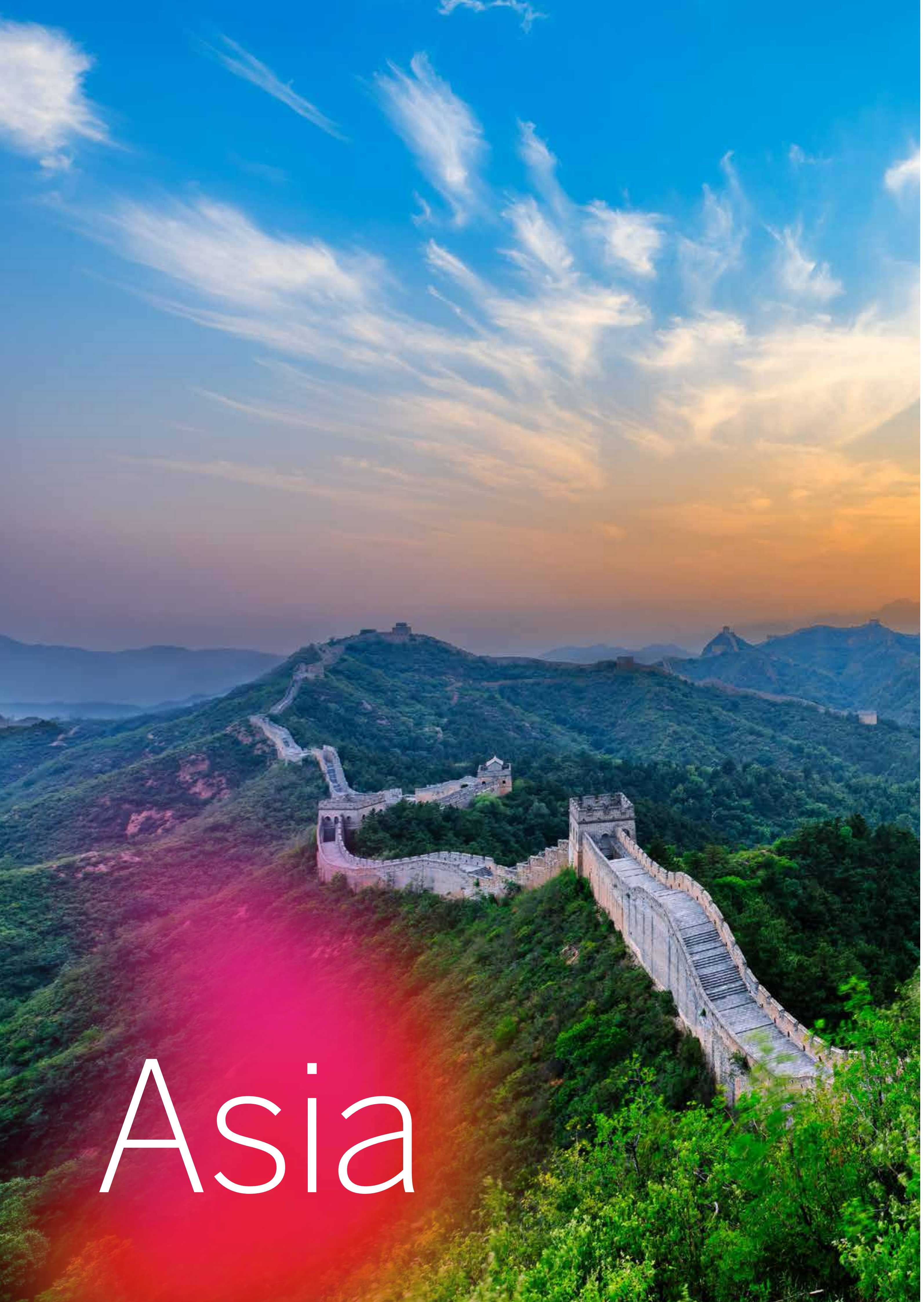
2019 = 100 visitor nights per capita



Source: Tourism Economics, 2025

Around
six in 10
consumers said they were likely to visit a detour destination on their next trip

Source: Expedia, 2024



ASIA: CHINA WEIGHING ON RECOVERY ALTHOUGH STRONG FUNDAMENTALS REMAIN

International travel to Asia has been lagging the global recovery in recent years. This is driven largely by a slower-than-expected return in outbound travel from China – by far the largest source of international travellers for Asia as a destination region. Visits from China in 2025 are set to remain around one-fifth below 2019 levels, while those from all other source markets are slightly higher than pre-pandemic. Nevertheless, Asia's recovery is ramping up, and the region is set to continue gaining share of global travel, a trend observed prior to the pandemic.

Asia remains the largest global region for domestic tourism, being home to several large domestic markets such as China and India. The size of these markets offers significant potential for destinations in the region: conversion from domestic to outbound travel typically occurs as economic development accelerates, and Asia relies heavily on within-region travel. Travel continues to be highly prioritised within consumers' consumption baskets in Asia. In China the share of consumer spending accounted for by leisure travel is recovering and on the path to return to pre-pandemic levels, while in other developing markets, and most notably in India, a new peak has been achieved.

While domestic travel volumes have recovered more quickly from the pandemic than international, spend improvements among domestic visitors have been less marked, alongside an increase focus on cost-savings, including some short stays and low-cost options. In fact, spending by international leisure visitors has grown more quickly than domestic leisure travellers in Asia. This suggests international holidaymakers have been more willing to spend on experiences and quality products than domestic travellers, though this trend is expected to be reversed in coming years.

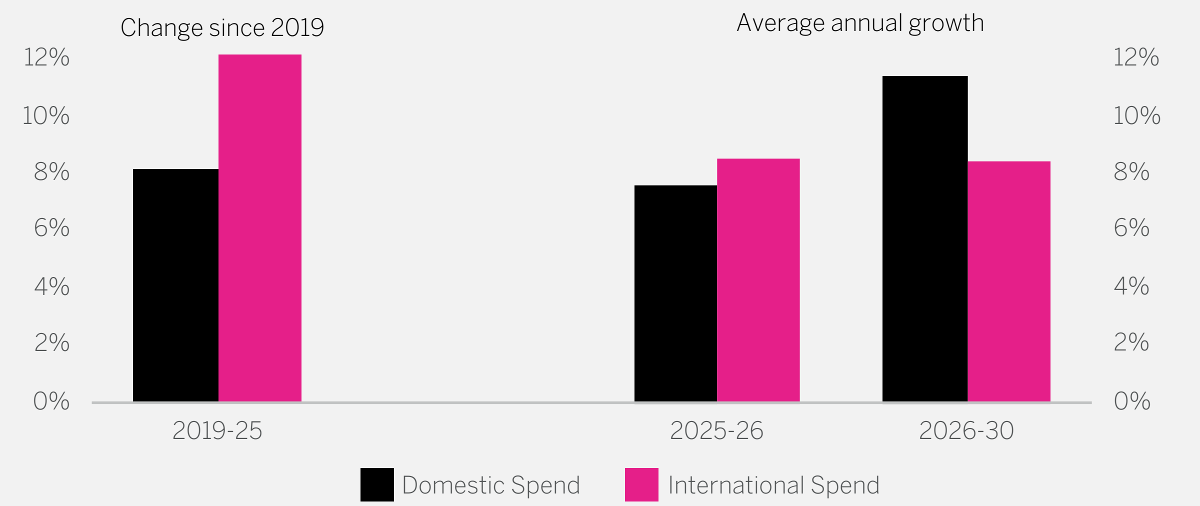
80%

of leisure arrivals in Asia are from within the region—the highest share of any region outside Europe.

Source: Tourism Economics 2025

Asia: 2025 Leisure Travel Summary

% growth



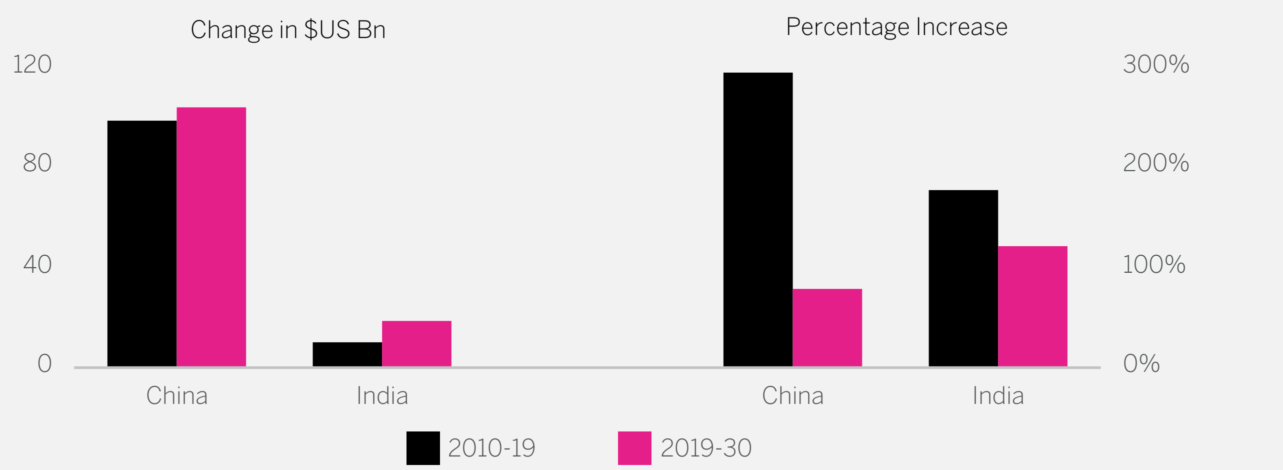
Source: Tourism Economics, 2025

The recovery in Chinese outbound travel continues to progress, but at a slower rate than initially hoped. This reflects some weakening in the Chinese economy and associated deterioration in consumer sentiment. Current expectations are for Chinese visits to all destinations to recover pre-pandemic levels in 2027, though economic uncertainty and the associated impact on sentiment remains a downside risk to the outlook. The accessibility of destinations, including connectivity, ease-of-entry, language barriers and the availability of Chinese payment platforms, along with perceptions of crowding, safety and security are important considerations for Chinese visitors.

Nevertheless, the potential for destinations in Asia from Chinese outbound travel is significant. By 2030, spending on international trips by Chinese leisure visitors is projected to reach $US235 billion – an increase of $100 billion relative to 2019. China will shortly become the largest outbound leisure market in the world in terms of spending, though growth is slowing relative to pre-pandemic as the market matures. Chinese outbound travellers also spend the most on an average nightly basis than all other large markets, and by a considerable margin. Growth among Indian leisure visitors is ramping up, albeit from a much smaller base, with leisure spend among these travellers to more than double by 2030 relative to 2019.

China & India: Outbound Leisure Travel Spending

Increase over 2010-2019 & 2019-2030, US$bn and %



Source: Tourism Economics, 2025

Overcrowding, language barriers and negative perceptions of friendliness are bigger deterrents for Chinese travellers when considering destinations compared to other global travellers.

Source: Tourism Economics 2025

Through 2030 leisure spend by Indian travellers will grow at a faster rate than those from China, but China will remain the much larger market.

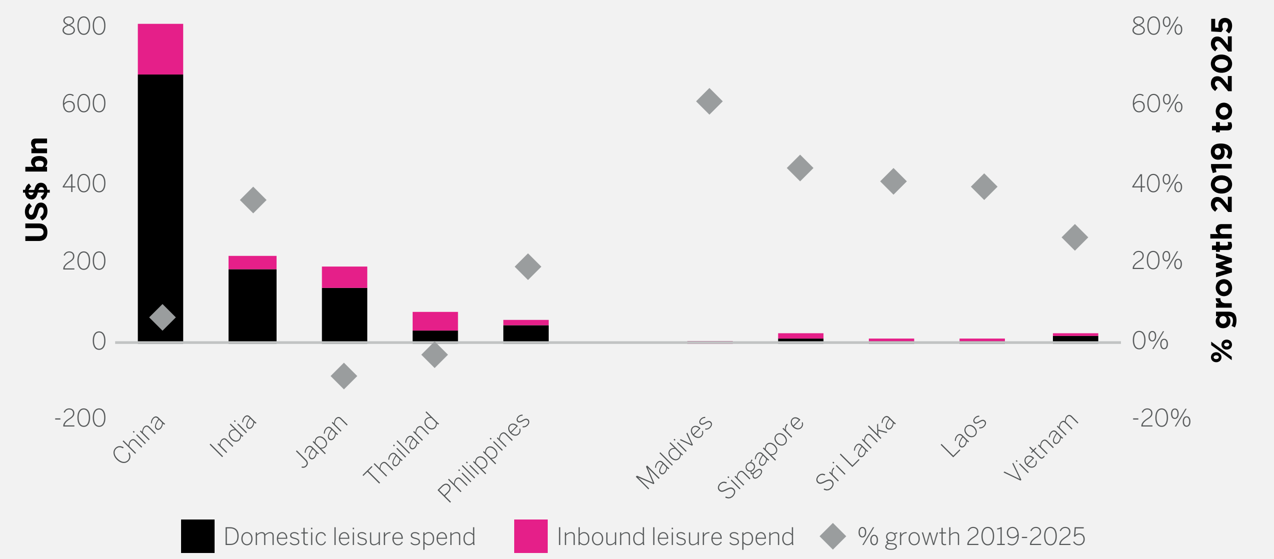
Source: Tourism Economics 2025

Many destinations heavily reliant on Chinese visitors have seen relatively slow recoveries. This includes Thailand, the Philippines and South Korea. But this will improve as Chinese outbound travel recovers. Japan – the region's third largest leisure market this year in terms of spending – has seen a particularly strong recovery for international visits. This has reflected visitor preferences for authentic travel experiences, as well as a weaker yen, making travel relatively cheaper for foreign visitors). However, that exchange rate depreciation has driven a weak recovery for spending in nominal US dollar terms.

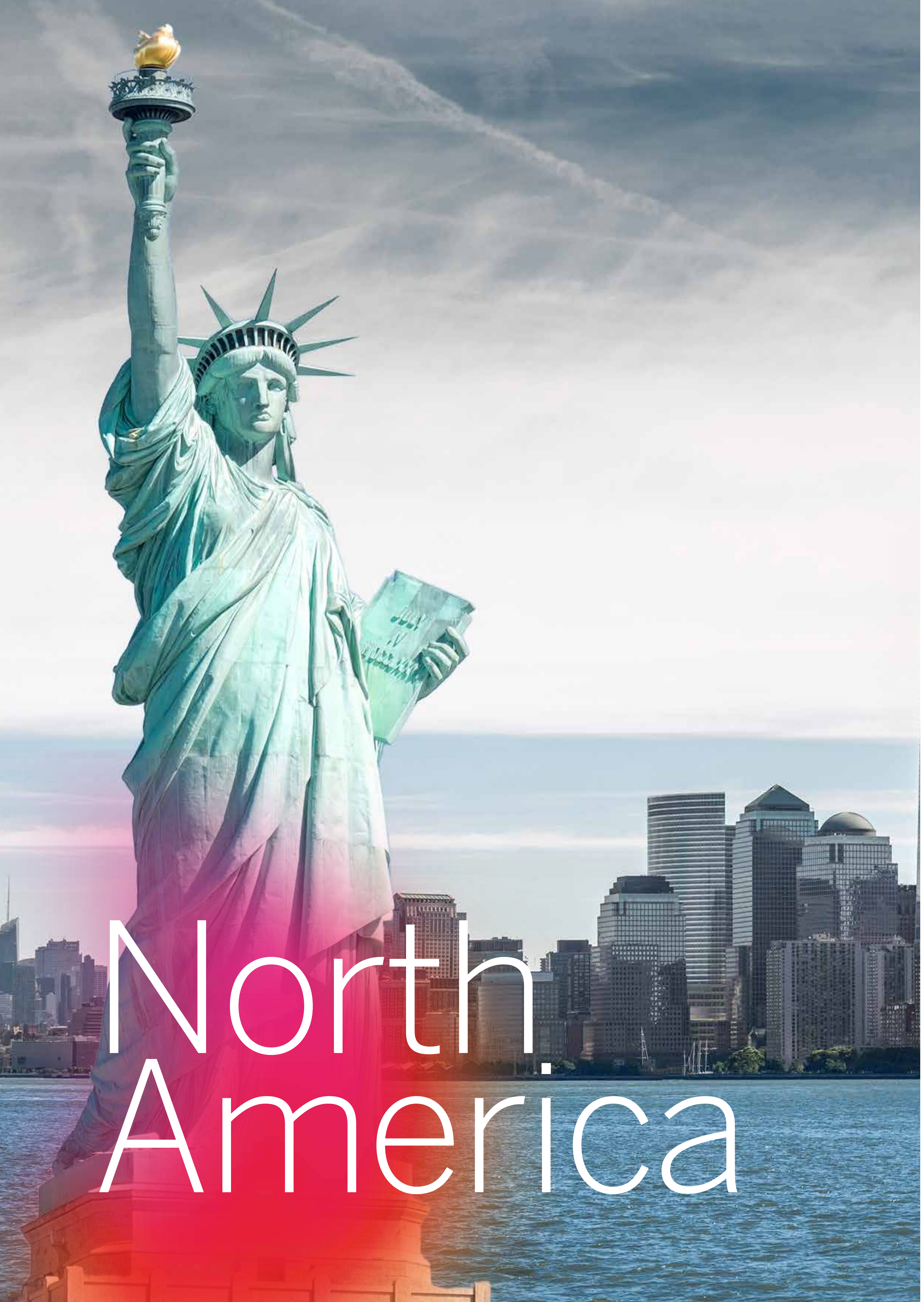
The pace of growth in visits is tempering, but Japan will remain a top destination for leisure travellers. Indonesia, Singapore and Vietnam are also set to see continued strong growth, while Thailand and the Philippines will bounce back after their relatively muted recovery. Among smaller destinations, the Maldives has experienced particularly robust growth, as have Sri Lanka and Cambodia. This strength likely reflects a combination of factors, including enhanced demand for 'bucket-list' destinations and cultural experiences, as well as ease of access and value-for-money. Among Asia's top leisure city destinations for international visitors, Bangkok, Denpasar and Seoul are projected to receive large increases through to 2030, as well as several in China.

Asia: Largest and Fastest Growing Leisure Destinations

2025 market size & growth since 2019



Source: Tourism Economics, 2025



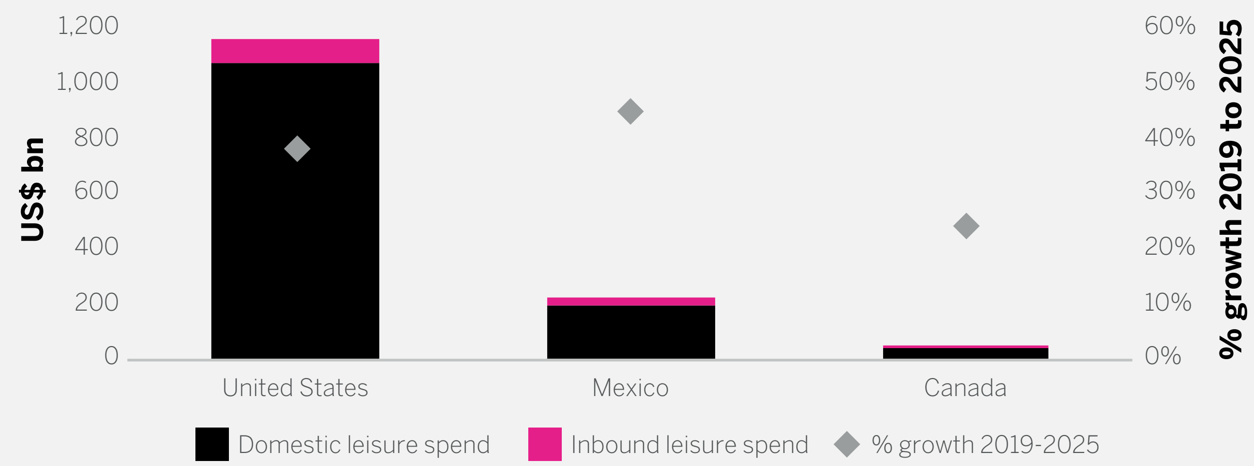
NORTH AMERICA: US TRADE POLICY AND ECONOMIC UNCERTAINTY IMPACTS WIDER REGION

Travel demand in North America has deteriorated notably in the past year, driven by heightened economic uncertainty and weakened consumer sentiment in the United States and beyond, related to the imposition of new tariffs. International visits are set to be lower this year than in 2024, marking the first annual decrease since 2020. As a result, North America has seen the weakest growth in international visitation relative to 2019 of all regions.

Arrivals to the United States – which account for half of those to North America overall – are driving the decline and are expected to remain around 15% below 2019 levels in 2025. Weakened visits from Canada are the key contributor – these are expected to fall 20% this year relative to 2024 – reflecting continued political tensions between the two countries and deteriorating sentiment among Canadians towards their southern neighbour. Visits from Mexico to the United States are expected to increase slightly, but those from overseas are expected to decline, as broader traveller sentiment towards the United States as a destination weakens. These falls are smaller than that for visits from Canada, but still notable given they partly retrace the increases recorded last year from inter-regional markets.

North America: Leisure Destination Summary

2025 market size & growth since 2019



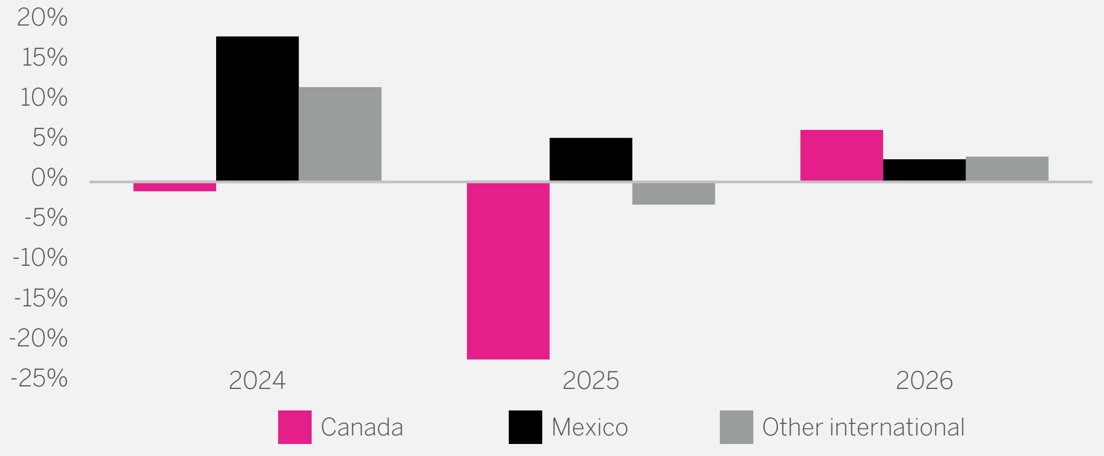
Source: Tourism Economics, 2025

International visits to North America in 2025 are set to decline from last year, driven by decreasing visits to the United States.

Source: Tourism Economics 2025

North America: Arrivals to the US (Selected Source Markets)

% annual growth



Source: Tourism Economics, 2025

The weakening economy in the United States is also impacting arrivals to Canada and Mexico, both of which rely heavily on American travellers. Relative to 2019 levels, international visits to Canada are expected to remain lower until 2027, while those to Mexico are set to increase only modestly in 2025.

However, domestic travel is crucial for the region, accounting for 90% of all travel spending, and will provide vital support to the tourism industry. This is supported by recent survey findings from Tourism Economics, which point to expectations among industry participants for higher domestic travel demand as part of a substitution away from outbound travel by Americans.

Domestic activity should also be boosted by various events, including those linked to Route 66's 100-year anniversary in 2026, which will appeal to travellers targeting 'bucket list' experiences. Neighbouring Canada is also investing in growing domestic travel activity in reaction to geopolitical events. The Canada Strong campaign, which included free visits to attractions and cheaper rail travel and camping fees, is set to boost domestic spend in 2025.

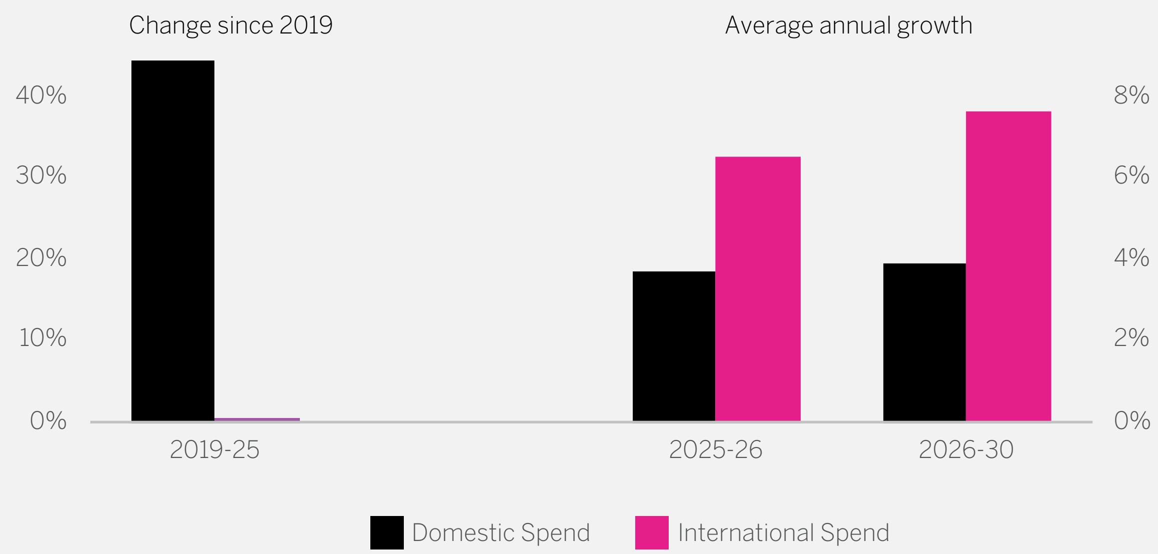
> Tourism experts generally expect domestic tourism in the US to be stronger over the next two years due to the impact of recent US administration policies.

Source: Tourism Economics 2025

Source: Tourism Economics 2025

North America: 2025 Leisure Travel Summary

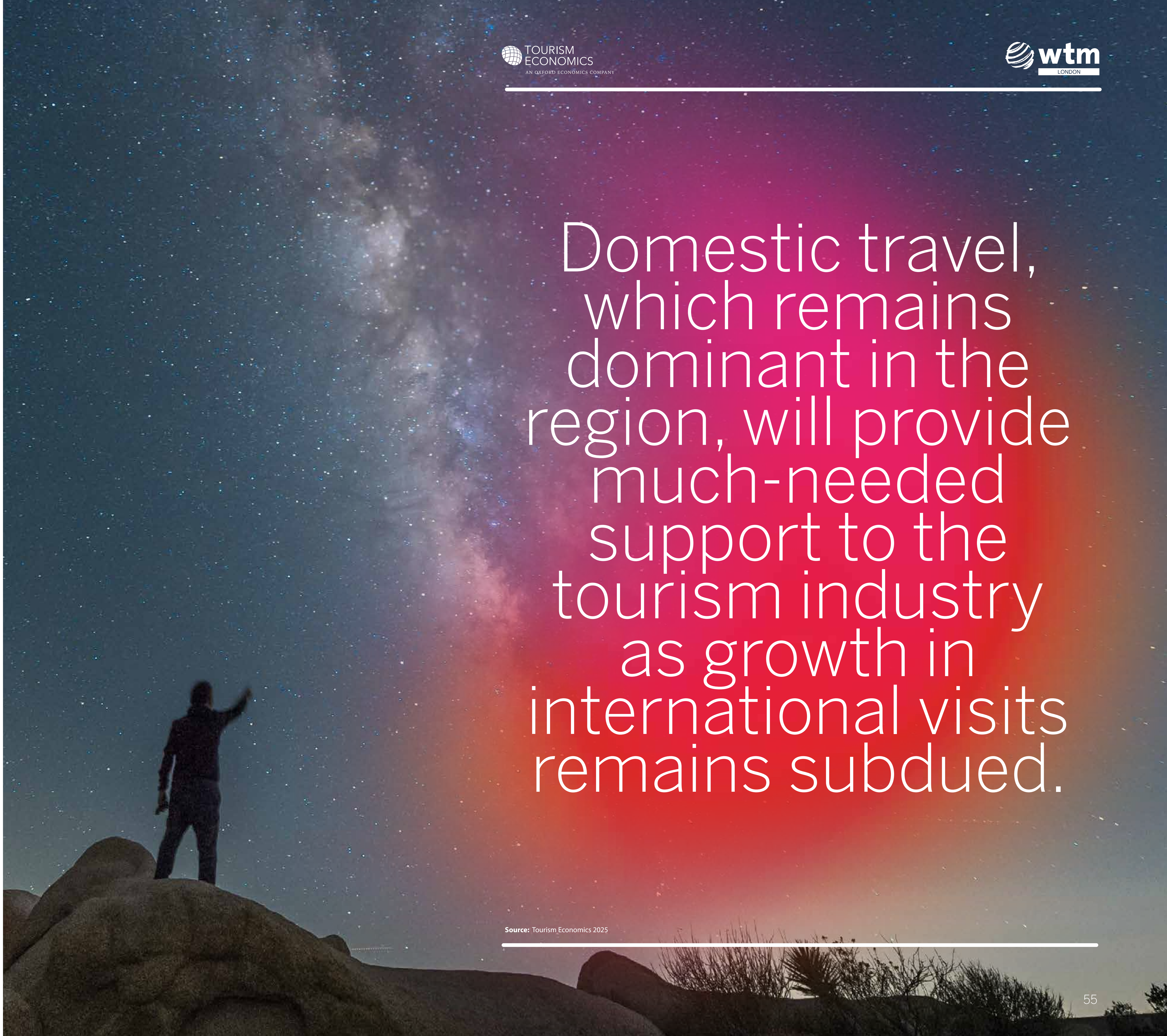
% growth



Source: Tourism Economics, 2025

Domestic leisure spending has grown significantly in recent years. Meanwhile, spending by international leisure visitors remains subdued but is expected to improve in coming years. Despite this projected improvement, international travel demand for the region is expected to grow more slowly than the rest of the world through to 2030. Alongside this, North America is expected to lose share of global international leisure travel.

The United States' hosting of some key events, including the 2026 FIFA World Cup and the 2028 Summer Olympics, will provide support for both domestic and international tourism demand, and may help to unlock additional growth beyond the subdued baseline outlook, and especially for host cities.



Domestic travel, which remains dominant in the region, will provide much-needed support to the tourism industry as growth in international visits remains subdued.

Source: Tourism Economics 2025

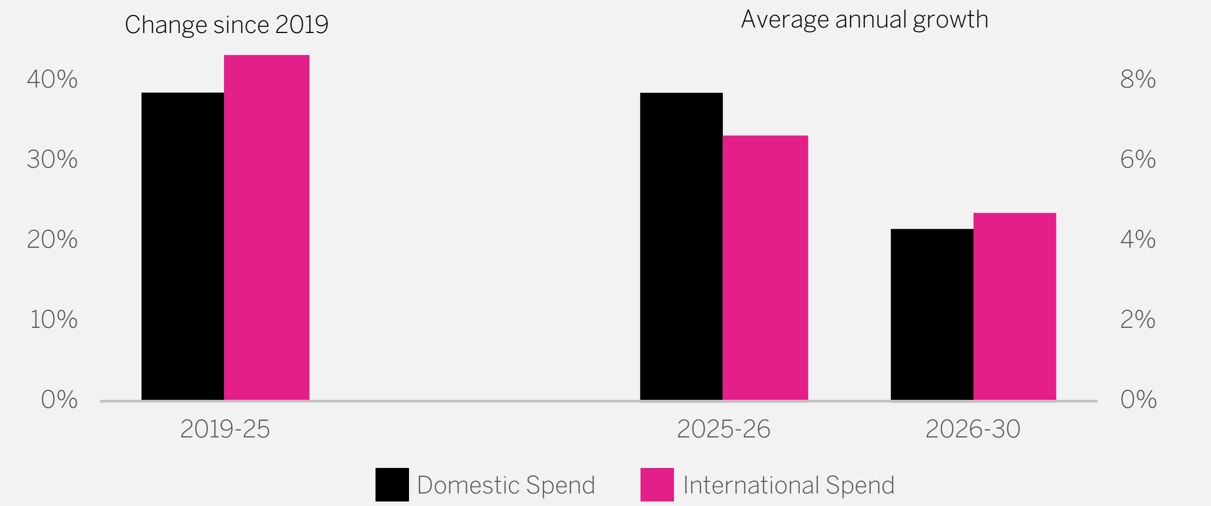
LATIN AMERICA: STRONG GROWTH SPEARHEADED BY CENTRAL AMERICA & CARIBBEAN

International travel to Latin American destinations has outperformed the global average, with arrivals having recovered pre-pandemic volumes in 2024. This has been driven by Central America and the Caribbean, benefitting from strong travel demand from the United States. The outlook has weakened though alongside economic uncertainty in the United States and deteriorating consumer sentiment, which has seen American leisure travellers tighten their spending.

The Caribbean is particularly exposed to economic conditions and broader sentiment in the United States, with these travellers accounting for half of all international visitors to the island region. Robust growth is projected to continue, but with uncertainty among American travellers representing a downside risk.

> The Caribbean and Central America have outperformed South America for international tourism but are heavily exposed to the United States outbound market.
>
> **Source:** Tourism Economics 2025

Latin America: 2025 Leisure Travel Summary
% growth

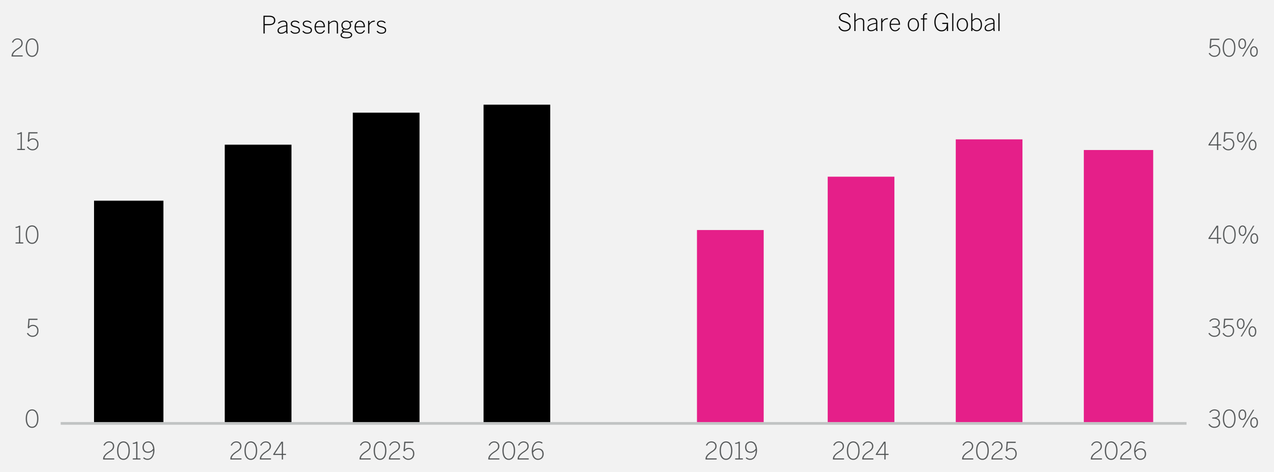


Source: Tourism Economics, 2025

The Caribbean has also benefitted from a surge in cruise demand and is growing more quickly than all other major cruise regions, having continued to gain share in passengers. This has taken place alongside a shift towards increased deployment of larger vessels in the region. The Caribbean is already well placed to accommodate these very large vessels, which typically accommodate more than more 4,500 passengers, with the average vessel size in the region around 20% larger than the global average. Overall, the Caribbean is set to see cruise deployment increase by around 10% per year in 2025 and 2026.

Caribbean Cruise Demand

Millions of passengers & % share of global demand



Source: Tourism Economics, 2025

Central America has seen stronger growth than elsewhere in the Americas, with arrivals this year set to grow by a further 8% to a level 25% above 2019. Several Central American countries are among the strongest performing leisure destinations in all of Latin America, including El Salvador and Belize. International travel demand for the region has been supported by improved air connectivity and continued price competitiveness, matching travellers' ongoing focus on value-for-money.

South America – home to much larger travel markets, and with a much greater reliance on domestic tourists – has trailed the rest of the region's growth in recent years. International arrivals are expected to recover 2019 volumes this year, and slowly catch-up to the rest of Latin America by 2030.

Latin America's most populous nation, Brazil, remains by far the largest destination for travel activity in the region. The country has seen very strong growth in arrivals so far this year, alongside hosting some large-scale events, including high-profile music events such as Lady Gaga's concert on Copacabana Beach which attracted an attendance of over 2 million, and improved flight connections.

The Caribbean has continued to gain share of global cruise demand, alongside a projected increase in deployment of

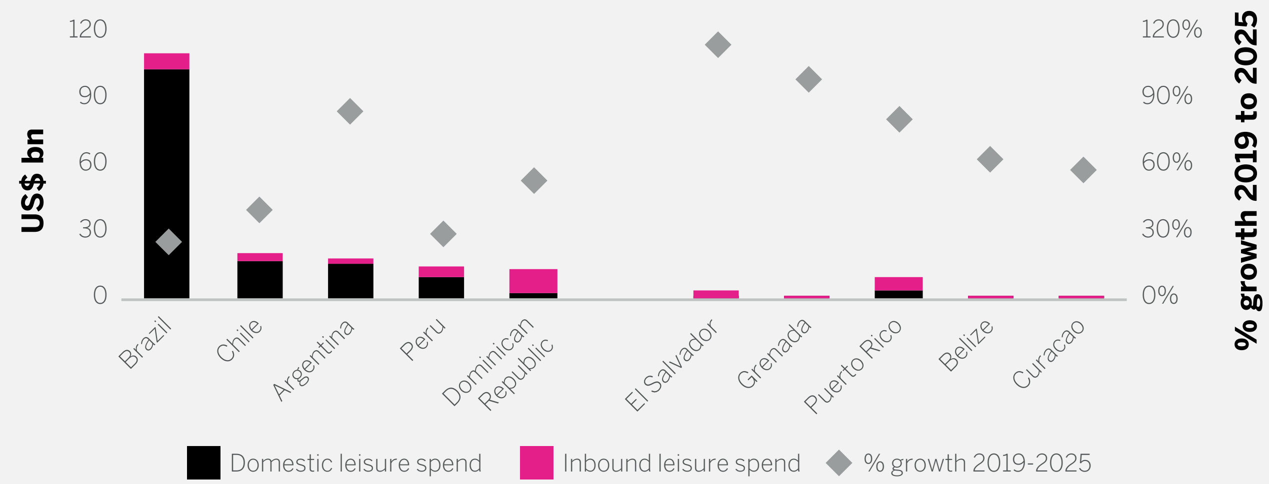
35%

over the next two years.

Source: Tourism Economics, 2025

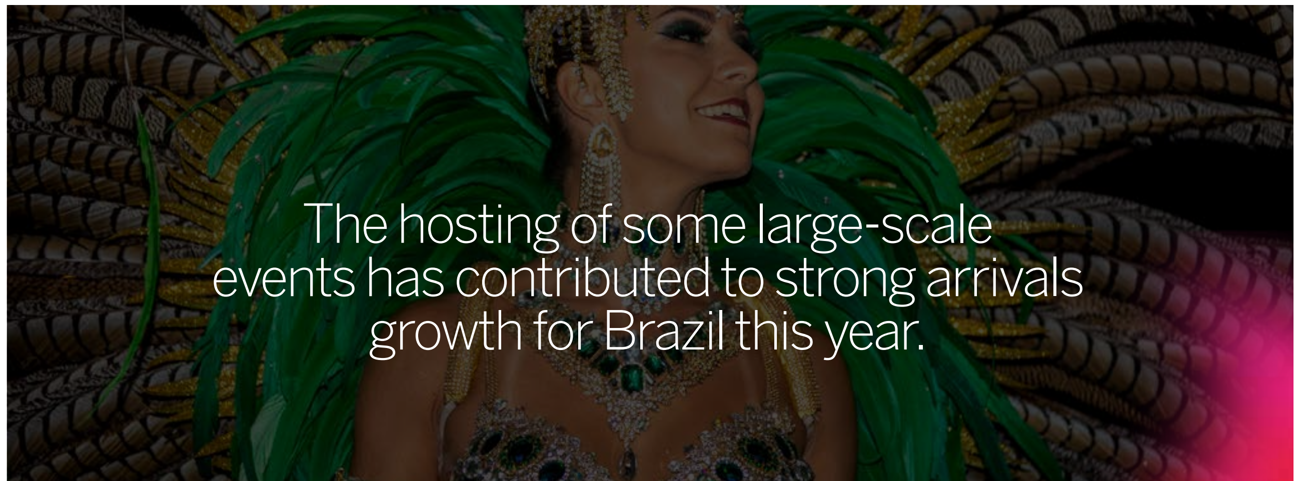
Latin America: Largest and Fastest Growing Leisure Destinations

2025 market size & growth since 2019



Source: Tourism Economics, 2025

A boost to outbound travel from Argentina has also supported visits to Brazil. This reflects the real-term appreciation of the Argentine exchange rate alongside the removal of some currency controls. Both factors have lowered the cost for Argentines to travel abroad, while real income growth has also increased spending power. Domestic spending has been the major factor in the strong tourism growth enjoyed within Argentina, which may now be at risk from some increased substitution to outbound, while inbound travel may also be dampened by rising costs.



Source: Tourism Economics, 2025

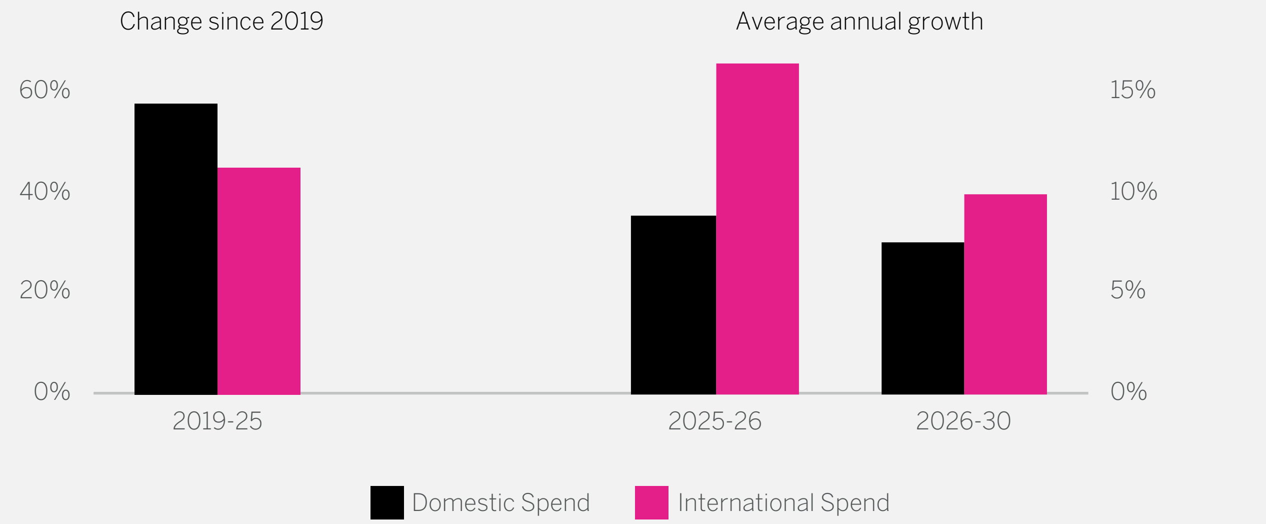
MIDDLE EAST: RAPID PROGRESS DESPITE GEOPOLITICAL TENSIONS

The Middle East has continued to outperform other regions for international travel. This has been driven by the significant investment in tourism promotion and infrastructure, combined with improved connectivity and the hosting of global events. The conflicts involving Israel, Iran and others have seen geopolitical tensions remain elevated, but impacts on travel have not yet significantly extended beyond those directly involved. Nevertheless, these events and potential for escalation remains a key risk to the outlook for travel to and within the Middle East.

International leisure arrivals to the region have grown almost 20% relative to 2019, and spending by these visitors more than double that. While the increase in domestic leisure travel spending has been larger to-date, going forward international spend is set to grow considerably faster. The Middle East is the most reliant on international travel of all global regions. The international share of visitor nights is projected to rise from around half currently to almost 60% by 2030.

Within the international travel segment, arrivals from other regions are especially important – inter-regional travel will account for over 60% of all international visitors in 2025 and almost 70% in five years' time. This compares to the global average for inter-regional travel of less than 30% expected in 2030.

Middle East: 2025 Leisure Travel Summary
% growth



Source: Tourism Economics, 2025

International travel to the Middle East has outperformed all other regions.

Source: Tourism Economics 2025

The importance of international tourism exposes destinations in the region to geopolitical uncertainty and places particularly high importance on connectivity, especially in response to rising demand. The latter is being addressed by an expansion in air capacity, with the three largest Middle East airlines (Emirates, Qatar and Etihad) having over 500 new aircraft on order with Boeing and Airbus. Airlines in Saudi Arabia, including Riyadh Air, Saudia, and Flynas, also have notable expansion plans, with around 450 aircraft on order. However, there have been delays in delivery which is leading to some capacity constraints and may limit growth potential for the region in the near-term, including for Saudi Arabia.

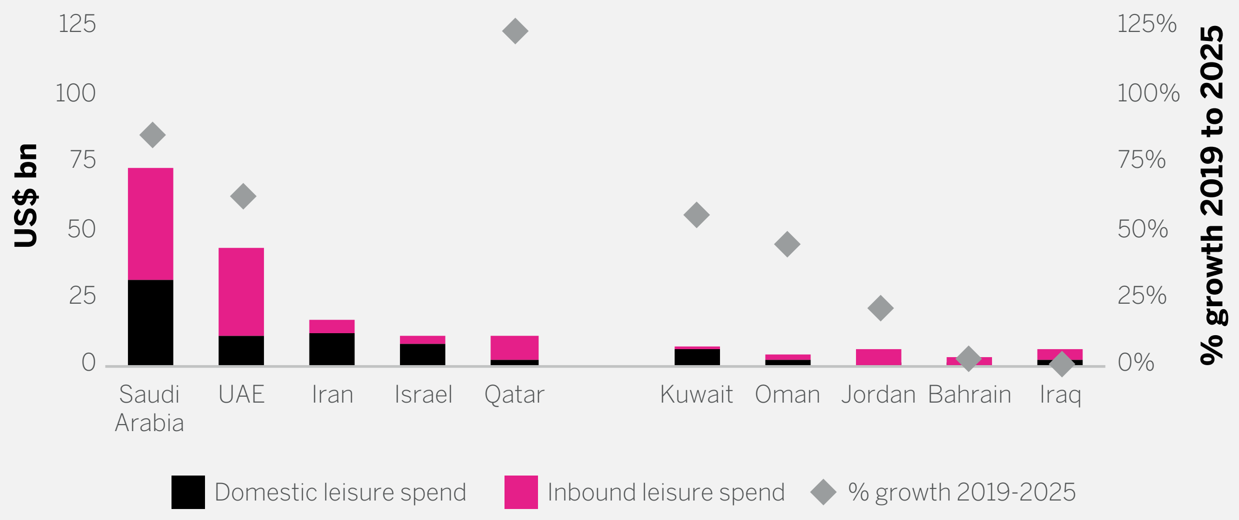
Countries in the Gulf Cooperation Council (GCC) have driven the surge in international travel – both as destinations and as source markets. Saudi Arabia has recorded eye-catching growth, with international leisure spending almost doubling in the past 6 years, notwithstanding some weaker-than-expected arrivals this year. The United Arab Emirates has also recorded impressive growth, especially given its relative maturity as a destination, while the lifting of the blockade on Qatar and associated tourism rebound in recent years, including raised profile due to hosting the 2022 FIFA World Cup, has led to significant gains.

By 2030, international tourism will account for almost **60%** of all visitor nights in the Middle East—by far the largest share globally.

Source: Tourism Economics, 2025

Middle East: Largest and Fastest Growing Leisure Destinations

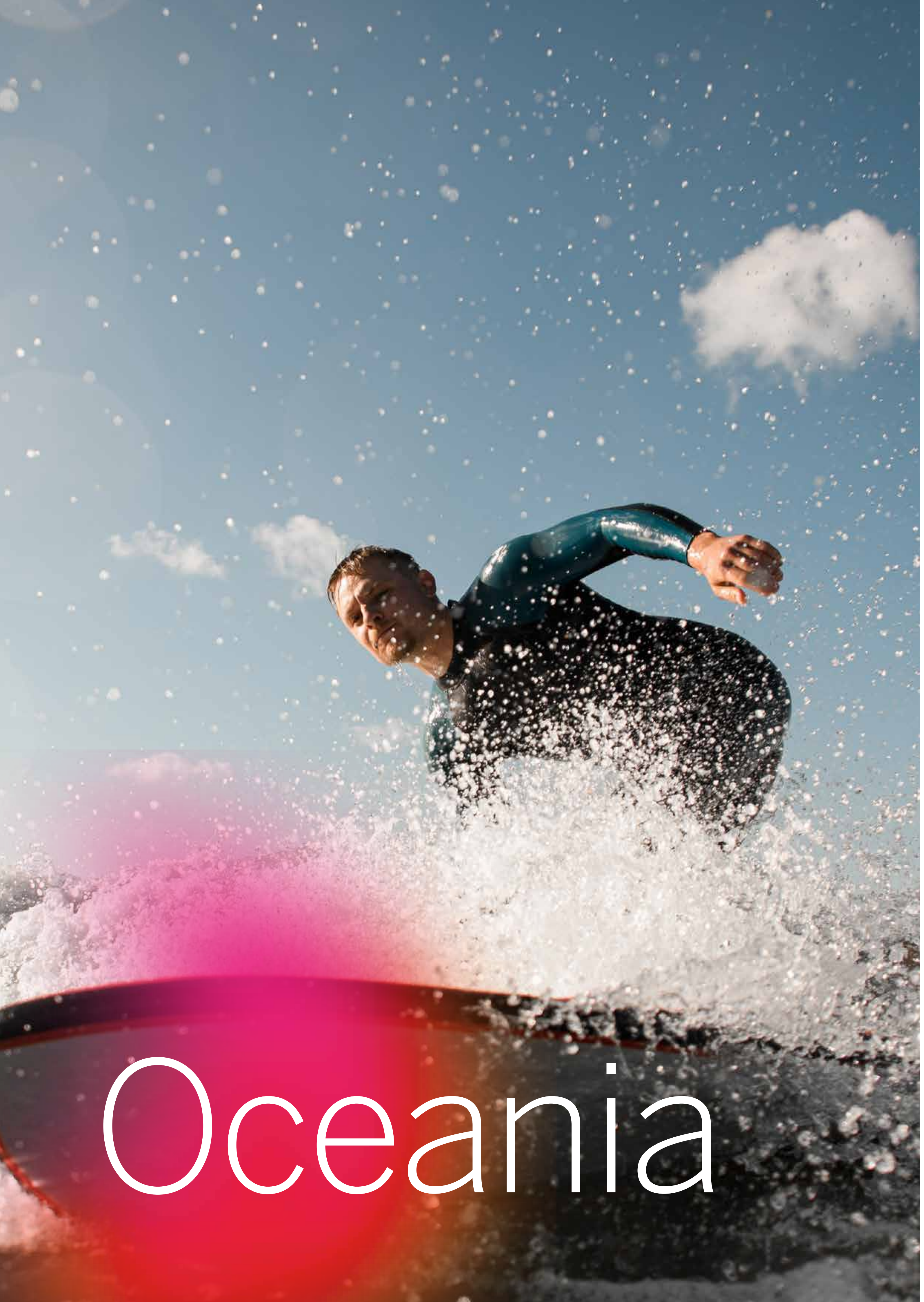
2025 market size & growth since 2019



Source: Tourism Economics, 2025

The GCC's role in driving regional growth is set to continue, with destinations in the Gulf investing significantly in major events and visitor infrastructure. Alongside other large events, Saudi Arabia has been confirmed as the host of the 2034 FIFA World Cup and the venue for the 2030 Expo, while Qatar has announced a bid for the 2036 Summer Olympics. In the United Arab Emirates, there are plans to open the first Disneyland theme park in the Middle East, and the seventh in the world, in Abu Dhabi. The Emirate has also announced plans to develop the world's second Sphere – a unique entertainment venue integrating advanced technology and immersive experiences. In 2025, the GCC will also introduce a Schengen-style visa to facilitate access within the bloc, while various destinations continue to push for an expansion of cruise offerings in the Gulf and Red Sea to diversify tourism offerings and appeal to a larger variety of travellers.

Source: Tourism Economics, 2025



OCEANIA: CATCH-UP TO ACCOMPANY REBOUND OF CHINA AND LONG-HAUL DEMAND

Travel activity in Oceania has grown relatively slowly in recent years, alongside a heavy reliance on visitors from outside the region. But current growth is exceeding that in almost all other regions, as longer-haul travel worldwide and outbound demand from China improves. The latter will be strongly welcomed by the region's destinations, given the high average spending typically observed among Chinese visitors.

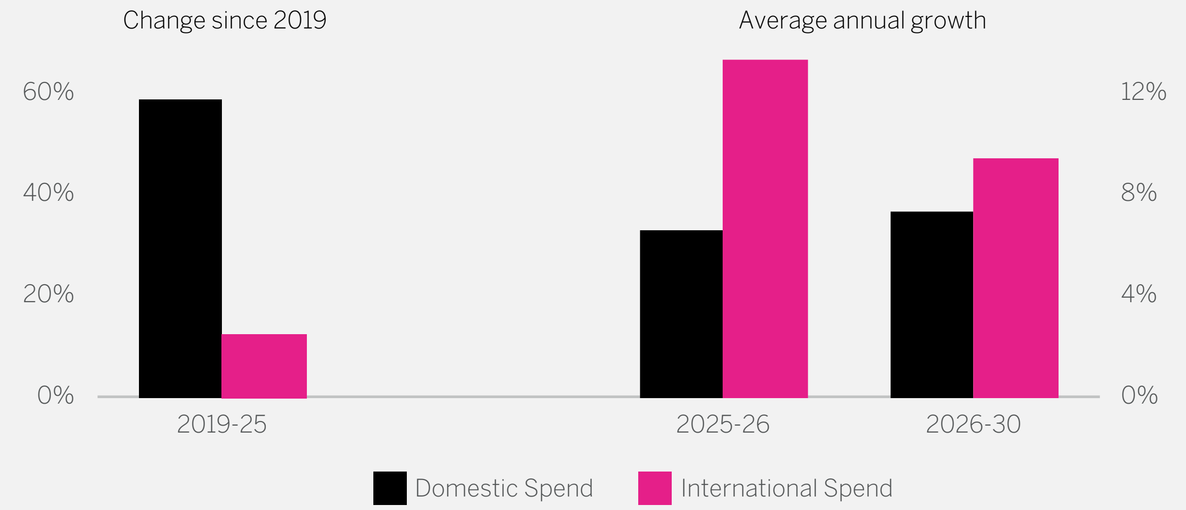
Australia – the dominant destination and source market in the region – has driven a strong recovery in domestic leisure spending, partly reflecting a temporary substitution from outbound to local travel.

International leisure spend in the region has recently recovered, with growth expected to outpace domestic activity through to 2030. This increase will be supported by ongoing traveller preferences for environment-based experiences and natural beauty, which destinations in Oceania offer in abundance.

> Oceania international travel growth is on track to outperfom the global average over the next five years.

Source: Tourism Economics 2025

Oceania: 2025 Leisure Travel Summary
% growth



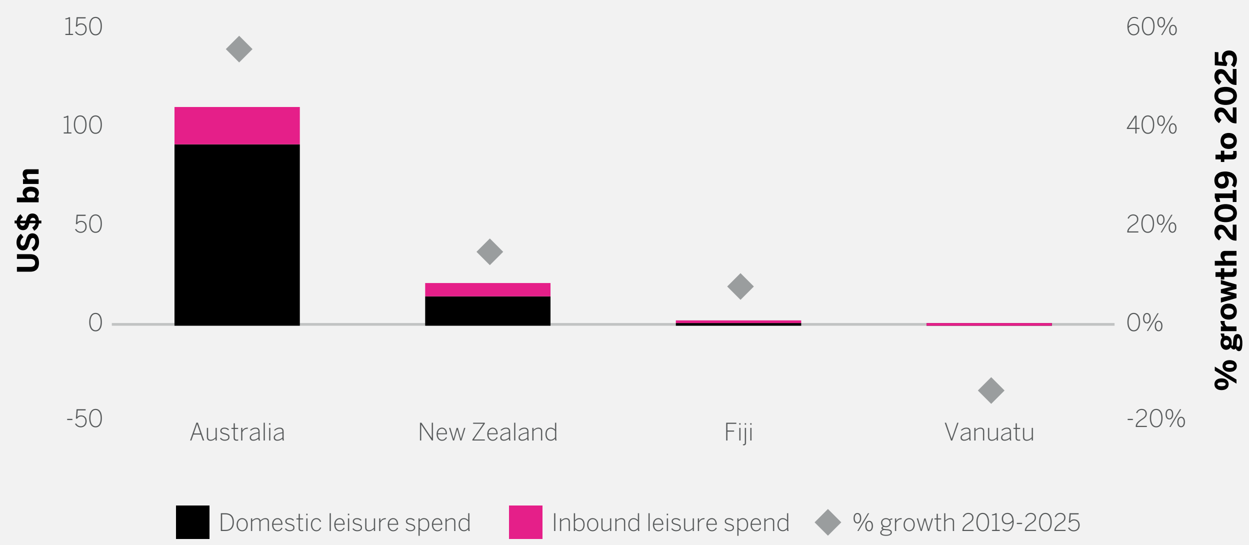
Source: Tourism Economics, 2025

A relatively high reliance on visitors from China has weighed on the recovery of arrivals for Australia and New Zealand. The large increase in the New Zealand International Visitor Conservation and Tourism Levy (IVL) has also seemingly had some adverse impact on international travel from long-haul markets. But the effect is limited due to the high costs involved in travel to this distant destination for most. However, over the longer-run, the use of funds to maintain natural assets may support future activity and protect the industry. More generally, both Australia and New Zealand are well placed to benefit from travellers' preferences for natural beauty, with the latter also likely to attract eco-conscious visitors via their green tourism pledge—the Tiaki Promise.

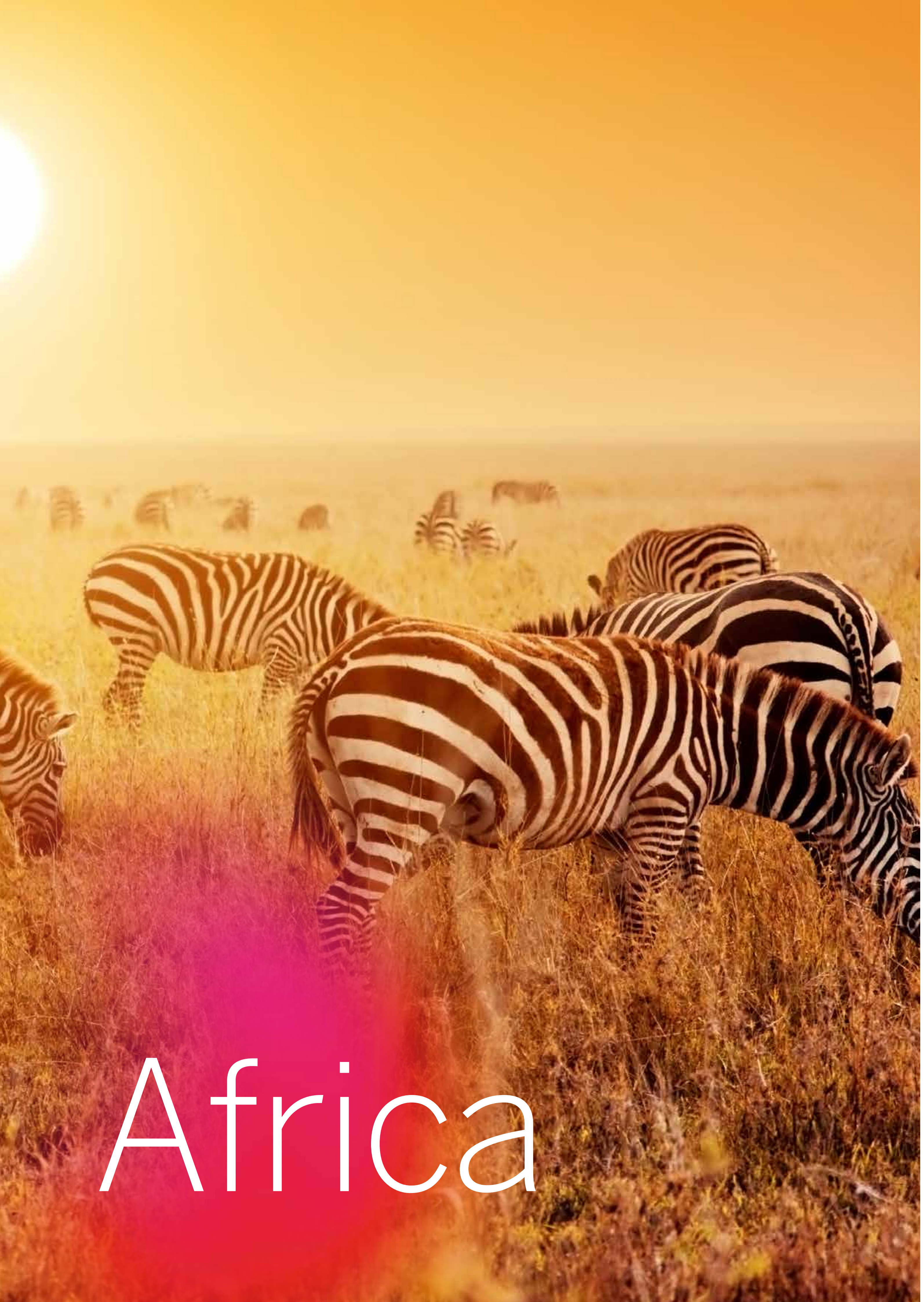
Fiji has seen a robust rebound, due to strong demand from its most important market: Australia. However, travel to Vanuatu has been severely impacted by the collapse of their national airline and an earthquake that hit the capital city last year, but the island nation is expected to catch up to others in the region in coming years.

Oceania: Leisure Destination Summary

2025 market size & growth since 2019



Source: Tourism Economics, 2025



AFRICA: ROBUST GROWTH ALONGSIDE RISKS

African tourism is on a growth trajectory, with levels of activity above pre-pandemic levels, although the outlook is weaker than for other regions. Africa is set to see a moderate loss in share of global cross-border leisure travel, outpaced by other emerging regions, while economic and geopolitical volatility on the continent will continue to pose risks to the outlook. Connectivity and tourism infrastructure remains relatively limited and will ultimately place a ceiling on growth. While Africa typically does offer some lower in-destination costs than other regions, these savings are not sufficient to offset some higher monetary and time costs involved in getting to these destinations.

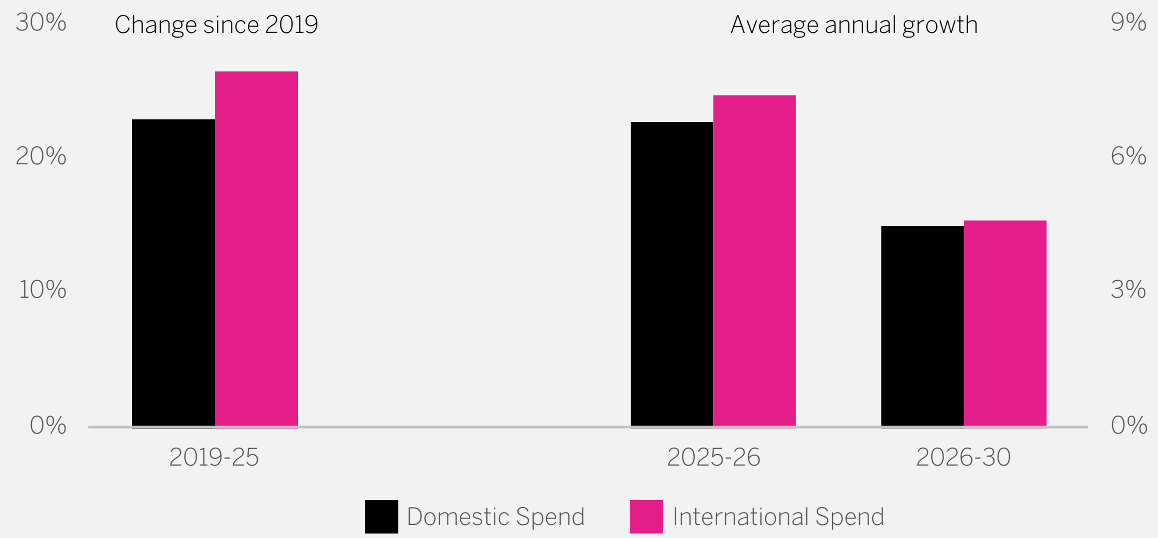
International leisure spend has grown at a similar pace to domestic, helped by a strong rebound from inter-regional arrivals. These visits from outside of Africa account for the majority of arrivals to the region, with this share set to rise to 60% by the end of the decade.

> North African destinations are outperforming those in Sub-Saharan Africa, aided by better connectivity and proximity to large European source markets.

Source: Tourism Economics 2025

Africa: 2025 Leisure Travel Summary

% growth



Source: Tourism Economics, 2025

Destinations in North Africa have outperformed those in the Sub-Saharan part of the continent in recent years, though the latter are currently seeing stronger annual growth and will gain share by 2030. Morocco – the third largest market for leisure spending in Africa, after South Africa and Egypt, has recorded a strong increase relative to 2019. This reflects a combination of improved connectivity via new air routes and largescale expansion in the number of hotel beds and attractions helped by investment incentives. Development of cultural assets is helping to build a reputation among travellers, alongside increased promotion as the country gathers momentum ahead of co-hosting the 2030 FIFA World Cup.

Algeria has also seen a strong rebound, driven almost entirely by the large domestic market. Egypt's growth has been somewhat muted though it has become the largest destination for leisure spend in Africa. South Africa—the second largest—has only narrowly recovered pre-pandemic spending levels, with clear challenges in attracting international visitors. Some moderate growth is anticipated in coming years.

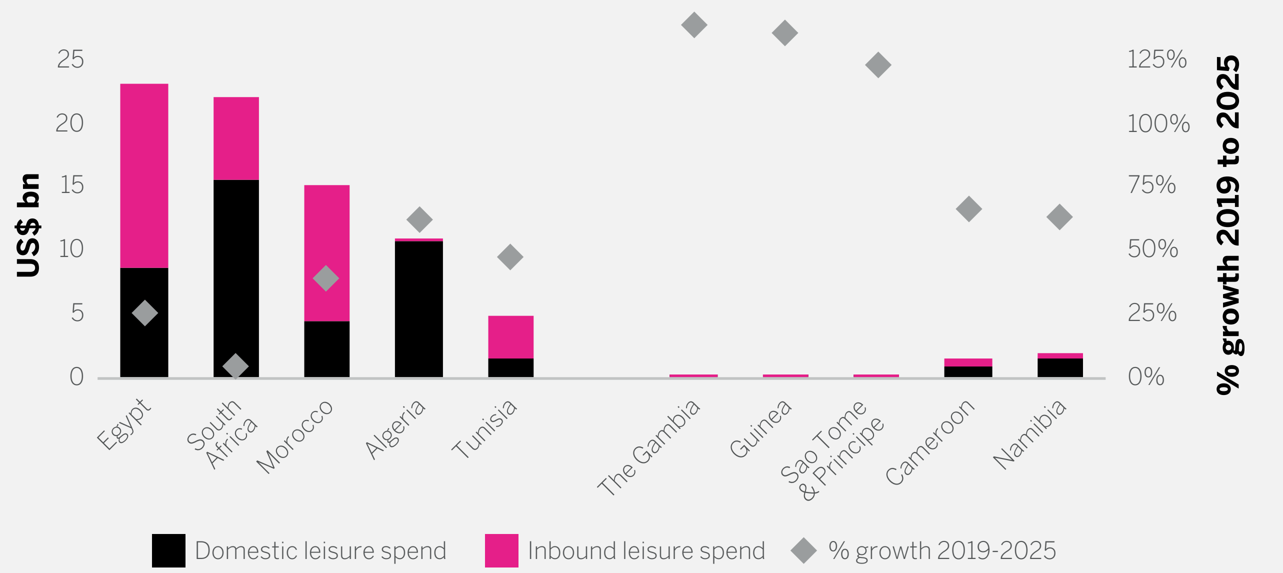
Elsewhere in Sub-Saharan Africa, Tanzania has achieved impressive growth for an already-large destination, as have Malawi and Namibia. These destinations are likely benefitting from global travellers renewed focus on cultural authenticity and nature-based experiences.

> Tanzania, Malawi and Namibia have seen robust growth reflecting travellers' growing interest in nature-based experiences.

Source: Tourism Economics 2025

Africa: Largest and Fastest Growing Leisure Destinations

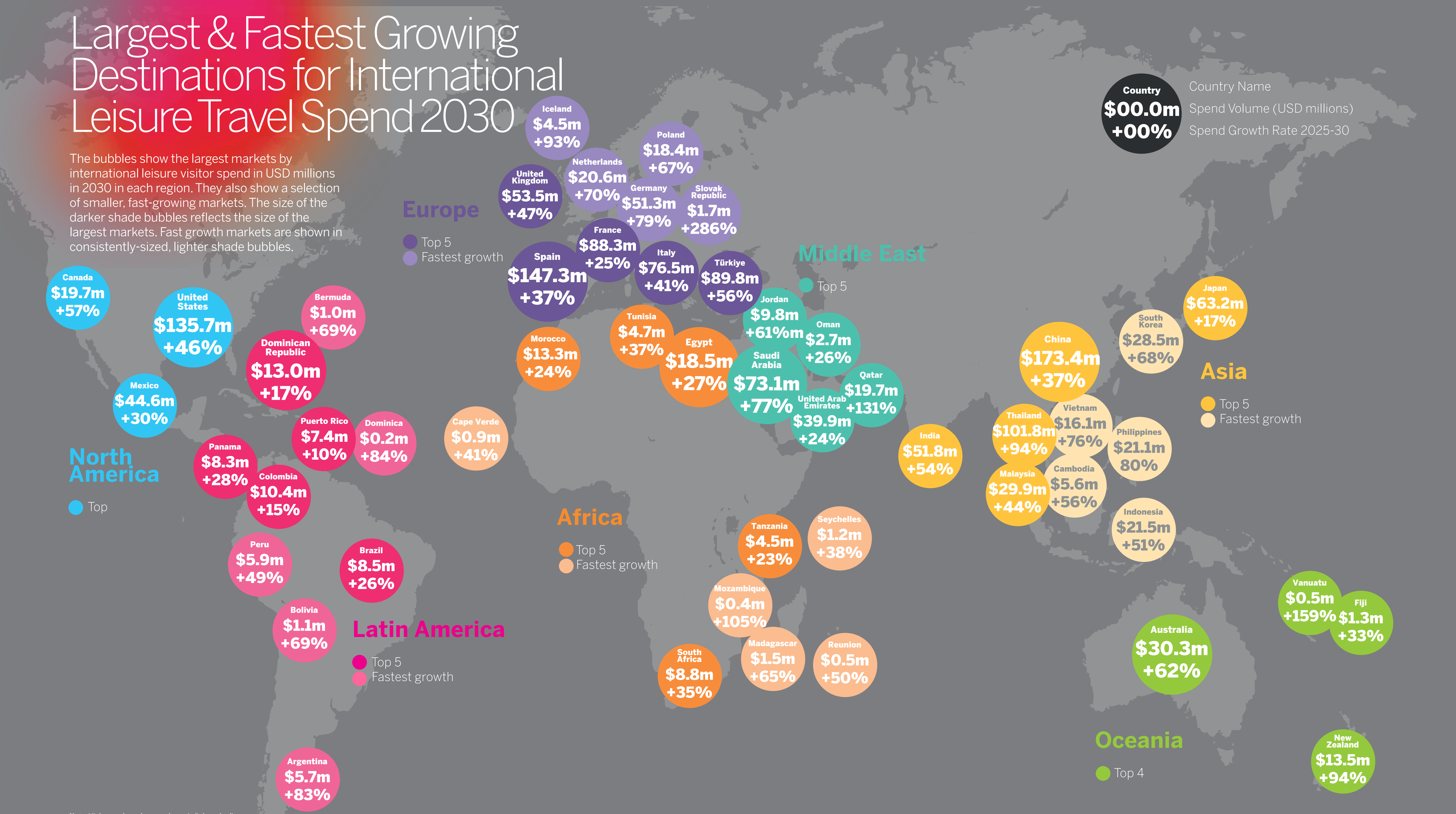
2025 market size & growth since 2019



Source: Tourism Economics, 2025

Largest & Fastest Growing Destinations for International Leisure Travel Spend 2030

The bubbles show the largest markets by international leisure visitor spend in USD millions in 2030 in each region. They also show a selection of smaller, fast-growing markets. The size of the darker shade bubbles reflects the size of the largest markets. Fast growth markets are shown in consistently-sized, lighter shade bubbles.



Note: High growth markets are shown in lighter shading
Note: Figures in bubbles show % growth in inbound leisure travel spend (nominal terms) between 2025 and 2030

About **Tourism Economics**

Oxford Economics is the world's foremost independent economic advisory firm. Tourism Economics—an Oxford Economics company—combines decades of deep tourism knowledge with rigorous economics to answer the most important questions facing destinations and corporations worldwide.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become a leading global advisory firm, providing reports, forecasts, and analytical tools on more than 200 countries, 100 industries, and 7,000 cities and regions.

Headquartered in Oxford, England, with regional centres in New York, London, Frankfurt, and Singapore, Oxford Economics has offices across the globe in Belfast, Boston, Cape Town, Chicago, Dubai, Dublin, Hong Kong, Los Angeles, Melbourne, Mexico City, Milan, Paris, Philadelphia, Stockholm, Sydney, Tokyo, and Toronto. We employ over 650 staff, including more than 300 professional economists, industry experts, and business editors—one of the largest teams of macroeconomists and thought leadership specialists. Our global team is highly skilled in a full range of research techniques and thought leadership capabilities from econometric modelling, scenario framing, and economic impact analysis to market surveys, case studies, expert panels, and web analytics.

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November 2025

The modelling and results presented here are based on information provided by third parties, upon which Tourism Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

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