



LEADERSHIP. ACTION. RESULTS.™

JANUARY 2026

The Power of Travel 2050

OUR PERSPECTIVE ON
THE NEXT GOLDEN ERA OF TRAVEL

The Power of
TR[AI]VEL

ALVAREZ & MARSAL



Context and objective of the study

This study is the result of a collaboration between Alvarez & Marsal and Google, combining their deep travel and tourism expertise with advanced data and analytics capabilities

The objective is to provide a forward-looking perspective on global travel trends, across source markets, destinations, and domestic travel, to support strategic planning and decision-making

Predictive models estimate future tourism flows using 20+ variables, billions of Google searches, 90k+ tourism datapoints, and Iberia travel trends

The analysis outlines actionable implications for travel operators to consider by 2030 in preparation for long-term industry trends

Executive Summary



Travel's Foundations Are Stronger Than Ever

Travel's structural foundations are stronger than ever, supported by accelerating wealth creation, longer and healthier lifespans, travel becoming a lifestyle necessity, and increasingly diversified global travel corridors.



Global Travel Will Double and Shift Towards APAC

By 2050, travel is expected to double to ~3.5 billion international trips and reach ~\$6.0 trillion in international spend, adding around ~\$4.2 trillion versus 2025. APAC will surpass Europe as the world's largest source market, while Europe will remain the top destination, although losing share to APAC. Growth in APAC will be driven mainly by short-haul intraregional travel, while Europe benefits from a more favorable long-haul mix.



Domestic Travel Will Remain the Industry's Backbone

Domestic travel will remain the backbone of the industry, accounting for over 90% of all trips. Trips per capita (domestic + outbound), will increase across key markets, reaching ~5 trips per year compared with ~3.5 today, led by emerging economies. The United States will continue to lead in travel frequency, at ~8 trips per person per year.



Commercial Zones Will Guide Investment Decisions

Investment decisions will increasingly be shaped by commercial zones. Europe and the US will be yield-focused markets where higher spend per trip and ancillaries drive margins, while APAC, MEA, and LATAM will be volume-led growth that require fast footprint expansion, and domestic markets will serve as loyalty platforms.



Volume Alone Won't Deliver Sustainable Profitability

Incremental volume will not guarantee sustainable profitability. It will come with a complexity tax as growth fragments, customer expectations rise, travel patterns shift, operational complexity intensifies, and investors demand more consistent returns. Companies will need clear strategies, greater agility and adaptability in their operating models, and healthy balance sheets to withstand unexpected shocks and disruptions.



AI Will Become the Industry's Biggest Enabler

AI will be the biggest enabler for the industry, helping operators deliver hyper-personalized experiences at scale, unlock cost efficiencies, redesign operating models, and do so while preserving a fundamentally human business centered on people serving people.





AGENDA

1

CONTEXT & MACRO
FOUNDATIONS

2

The Future Of Travel To
2050

3

Strategic Implications For
2030

The background is a high-quality photograph of a mountain landscape. In the foreground, a person is standing on a large, rounded rock peak, looking out over the valley. The landscape is covered in green grass and small shrubs. In the background, there are more mountain peaks, some covered in dense evergreen forests. The sky is a clear, deep blue. A white rectangular box with a thin border is positioned in the upper left, containing the main text. Below the text box, a horizontal bar spans the width of the image, featuring a long blue segment followed by three smaller segments in red, yellow, and green.

Looking Beyond Today's Complex Global Macro Environment, Travel Is Entering a New Golden Era Built on Stronger-Than-Ever Foundations

Looking beyond the noise, travel's structural foundations have never been stronger

The Velocity of Wealth



Accelerating wealth and rising disposable incomes are expanding the traveler base, supported by a +4Bn middle class and faster shifts from domestic to high-value long-haul travel

Longer, Healthier Lifespans



A larger working age population and healthier older travelers are extending active travel years, and for the first time seven generations are traveling simultaneously

Travel as a Necessity



Travel is becoming a human necessity, shifting from an occasional luxury to something people expect to enjoy regularly, as experiences matter more than things

Diversified Corridors



Travel demand is shifting toward fast-growing regions like Asia, while better connectivity and lower costs are opening up both iconic destinations and under-the-radar hidden gems

By
2050...

~3Bn new potential
travelers

7-8 generations
simultaneously traveling¹

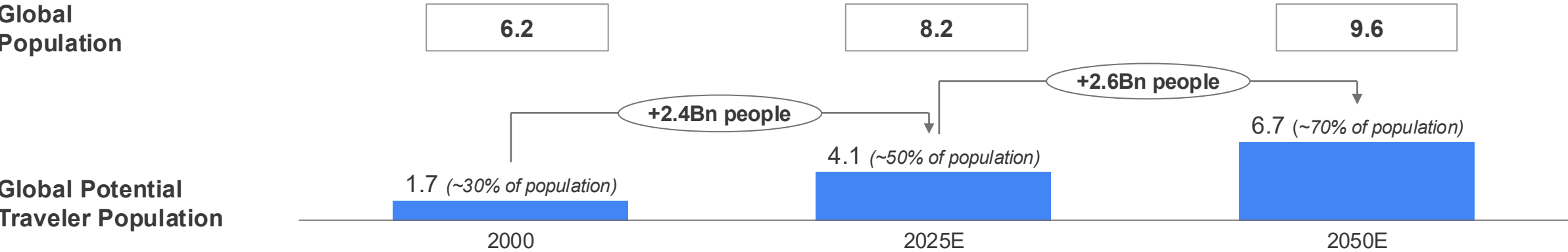
Travel dominates
discretionary spending

More routes,
faster connectivity

Notes: 1. Seven generations are simultaneously traveling in 2025. Silent Generation, Baby Boomers, Gen X, Millennials, Gen Z, Gen Alpha, Gen Beta. By 2050, longer lifespans and the emergence of a new post-Beta generation could result in eight generations traveling simultaneously.
Source: World Bank, The Lancet, United Nations, GapMinder classification, IATA, AARP, A&M Analysis

By 2050, ~70% of the global population will be potential travelers, with emerging travelers taking as many trips per year as experienced travelers did in 2000

 Global potential traveler population (#Bn people)

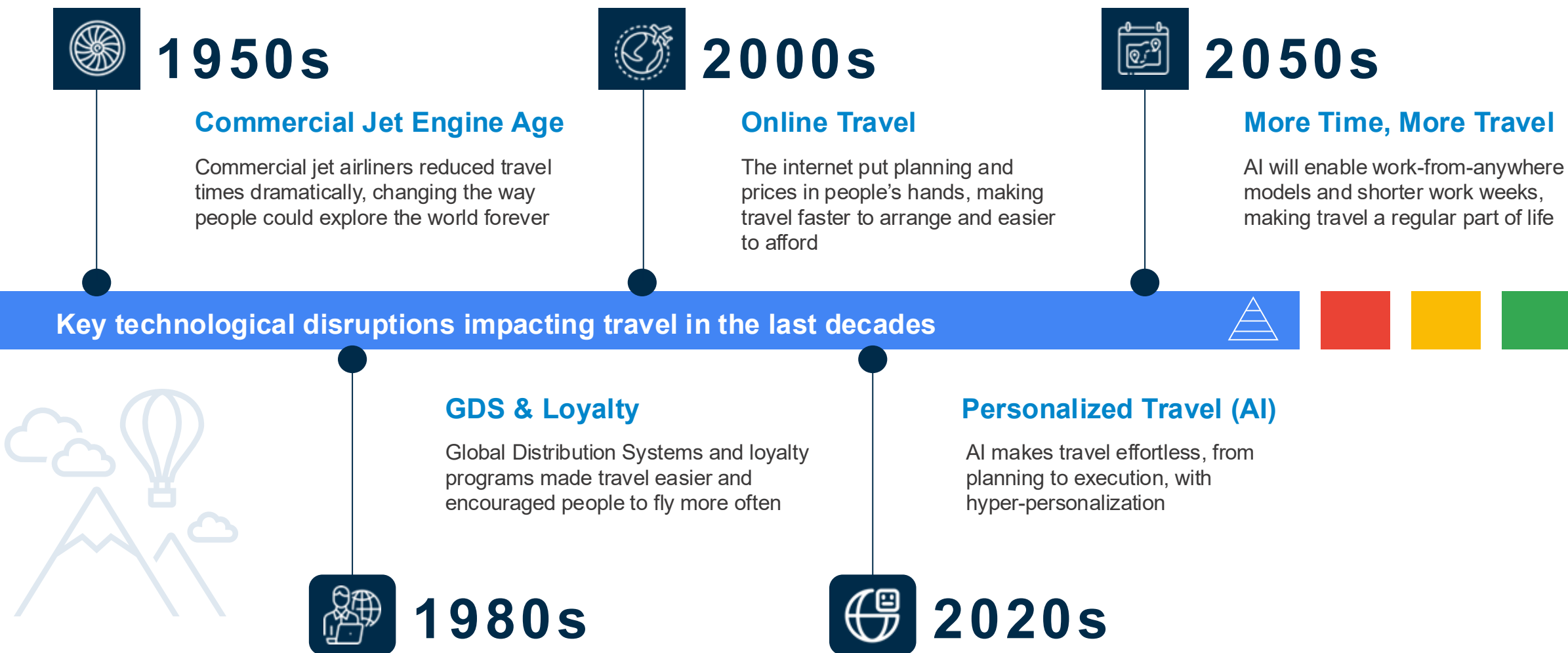


Outbound trips per potential traveler population (#)



Notes: Rounded numbers for presentation purposes; 1. Middle class population defined as population with a GNI of more than \$9,200, which corresponds to levels 3, 4, 5 and above from GapMinder classification, understood as those who can save money, access credit lines and buy products and services beyond basic needs
Source: GapMinder classification, World Bank, The Lancet, United Nations, A&M Analysis

New technologies and productivity gains will transform travel more than any past disruption and enable people to travel more often





AGENDA

1

Context & Macro
Foundations

2

**THE FUTURE OF TRAVEL
TO 2050**

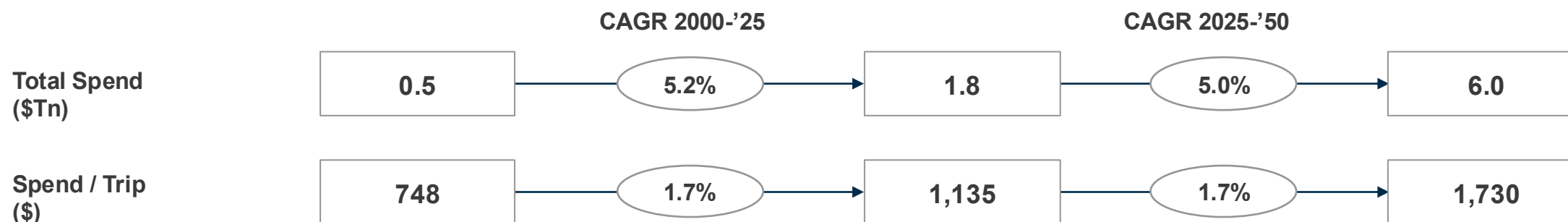
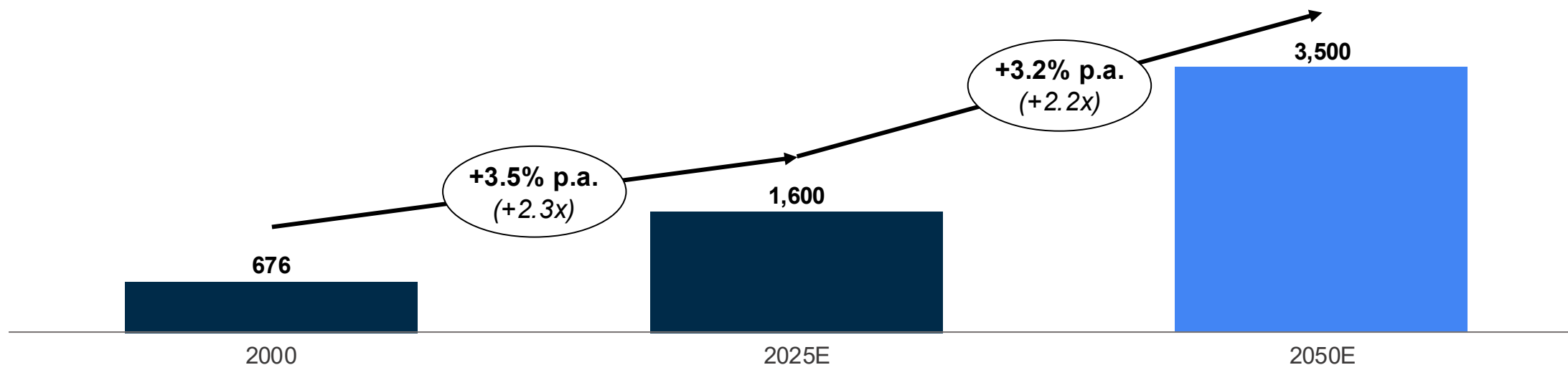
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Strategic Implications For
2030

International trips have doubled in the last 25 years and will double again by 2050, reaching ~3.5Bn departures



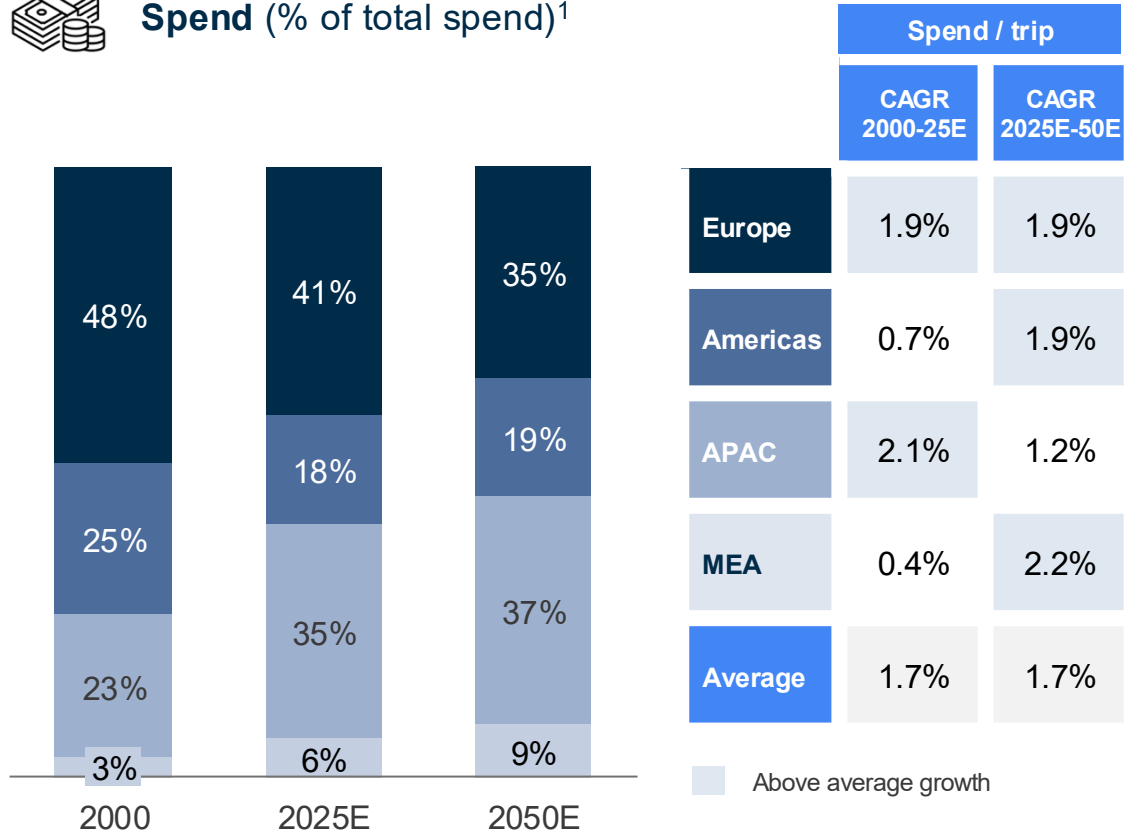
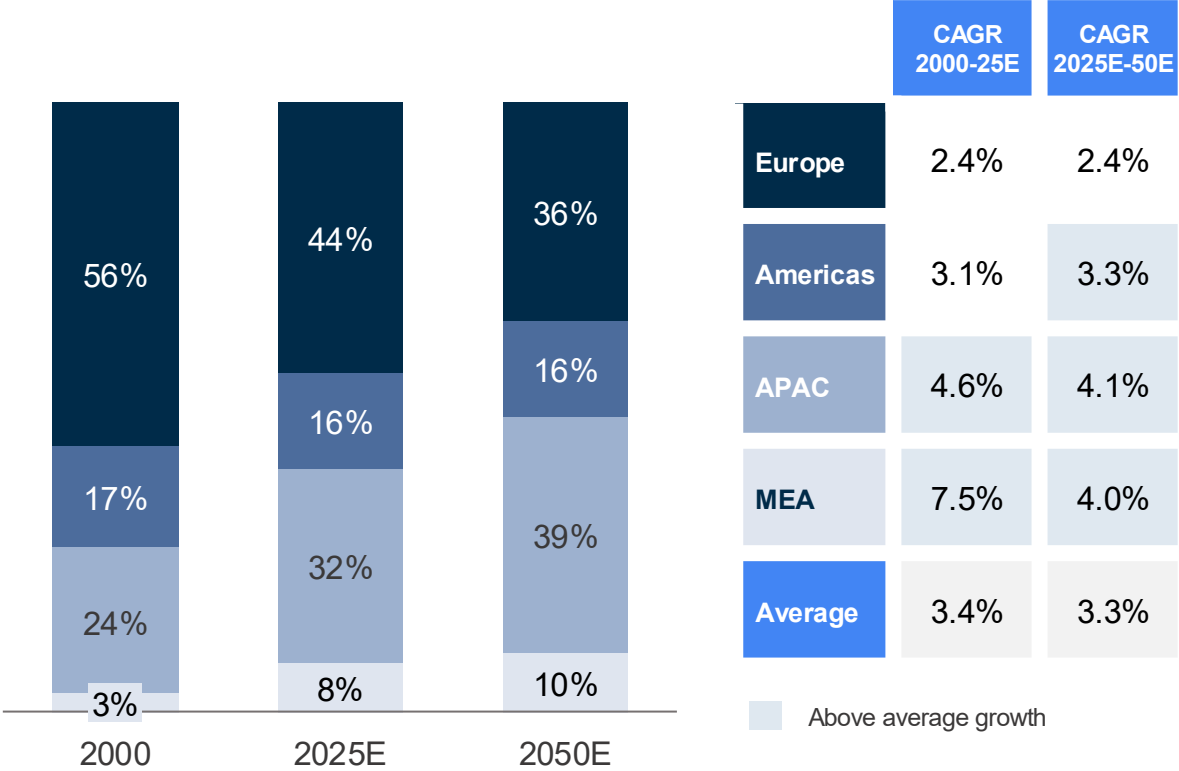
Outbound Departures (#Mn; 2000-2050E)



Notes: Rounded numbers for presentation purposes
Source: UNWTO, A&M Analysis

Outbound growth will shift to APAC while Europe and Americas realize higher spend per trip growth driven by favorable long-haul travel mix

Outbound Travel Evolution (2000-2050E)



Notes: 1. Stacked bars represent percentage of total spend. CAGR is calculated on spend per trip in real dollars to adjust for inflation and isolate the volume growth effect
Source: UNWTO, A&M Analysis

Feeder markets are consolidating, and India and China will emerge as the largest source markets worldwide, reshaping global origin flows

Top 15 Markets by Outbound Departures (#Mn; 2000-2050E)

2000

Country ¹	Outbound Trips (Mn)	Outbound per middle class (#)
Germany	81	0.99
USA	61	0.22
UK	57	0.98
Italy	20	0.36
France	20	0.34
Canada	19	0.63
Russia	18	0.26
Japan	18	0.15
Netherlands	14	0.88
Switzerland	12	1.72
Mexico	11	0.26
Hungary	11	1.38
China	10	0.13
Belgium	8	0.78
Austria	8	0.95
Below top-15	308	
Total	676	

35%

46%

2025E

Country	Outbound Trips (Mn)	Outbound per middle class (#)
China	155	0.13
Germany	115	1.42
USA	115	0.34
UK	95	1.41
France	35	0.58
Italy	35	0.62
Canada	35	0.89
India	35	0.15
Russia	35	0.24
Saudi Arabia	30	0.86
South Korea	30	0.58
UAE	30	3.09
Netherlands	25	1.34
Spain	20	0.48
Mexico	20	0.21
Below top-15	790	
Total	1,600	

33%

48%

2050E

Country	Outbound Trips (Mn)	Outbound per middle class (#)
India	415	0.34
China	365	0.29
USA	295	0.80
UK	165	2.31
Germany	160	2.07
Indonesia	75	0.31
France	75	1.12
Russia	70	0.53
Saudi Arabia	65	1.41
South Korea	65	1.48
Brazil	65	0.32
UAE	60	5.46
Italy	55	1.05
Canada	55	1.19
Spain	50	1.14
Below top-15	1,465	
Total	3,500	

40%

41%

Top 5 markets in 2000

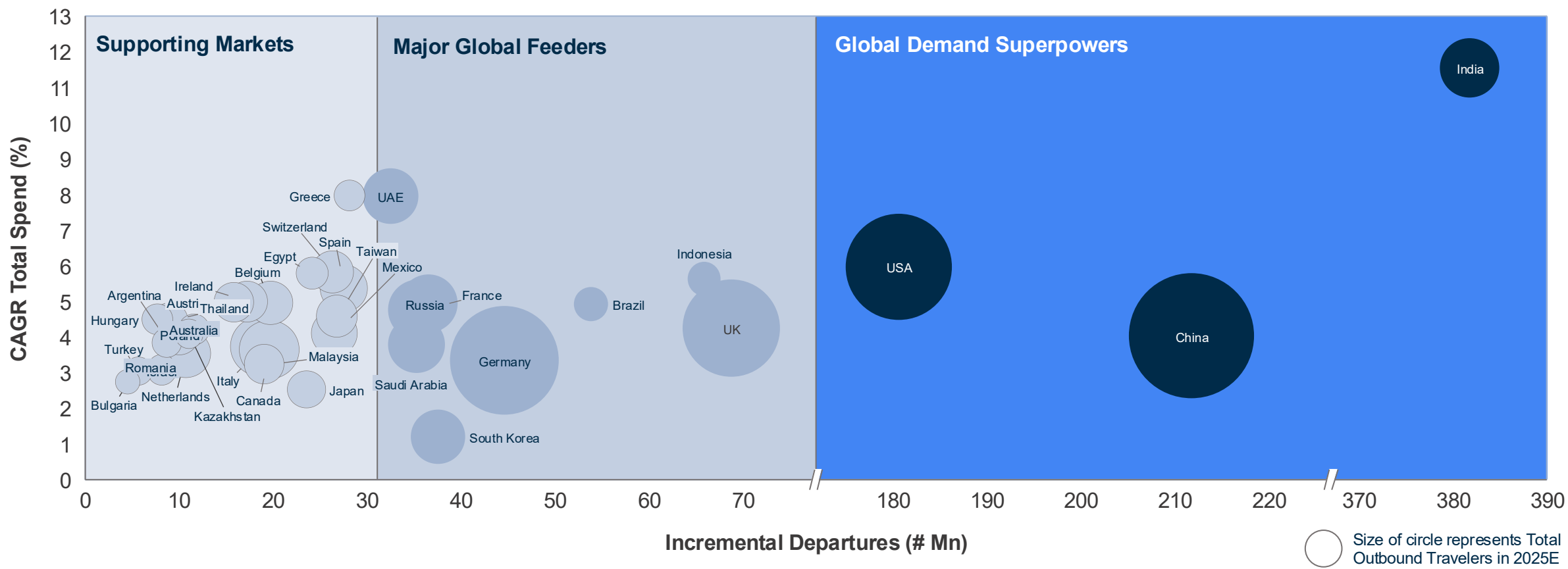
Top 5 markets in year

xx% % share of overall inbound travel

Notes: Rounded numbers for presentation purposes; 1. 2000 figures exclude Poland (57Mn trips) and Malaysia (31Mn trips) from Top 5 due to lack of / inconsistent data in outer years
Source: UNWTO, A&M Analysis

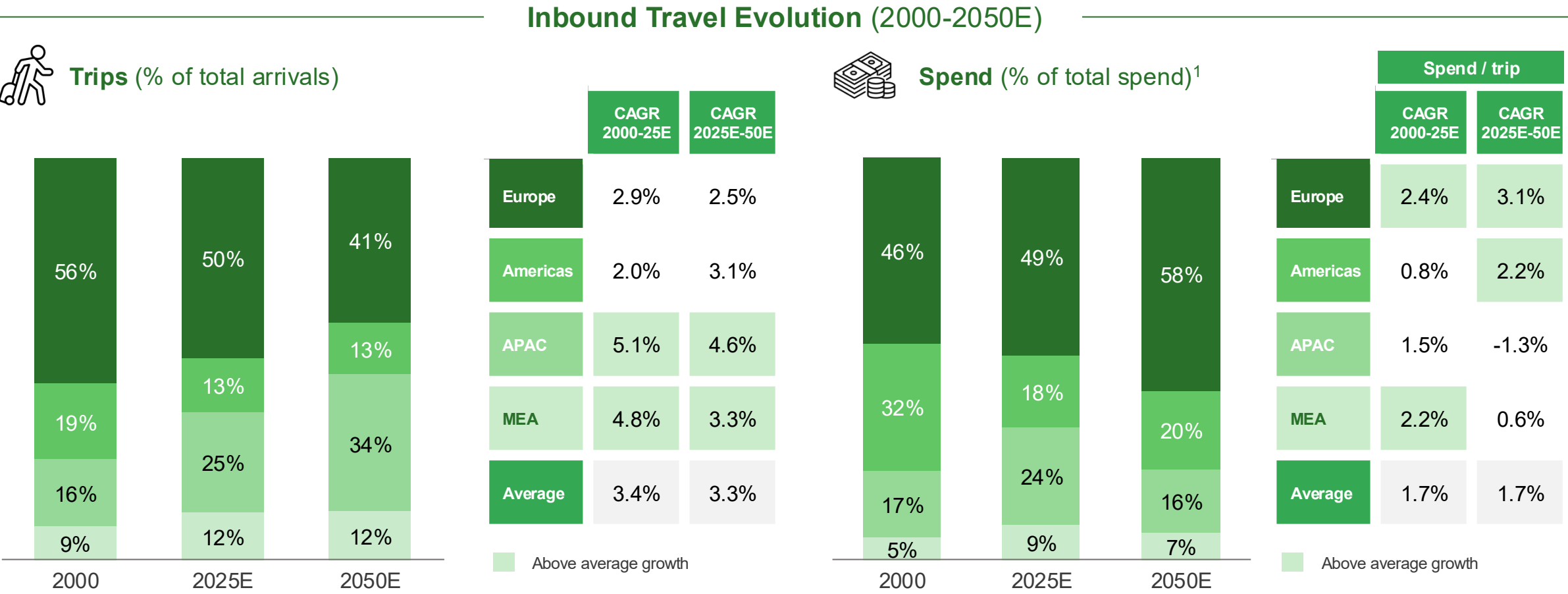
A new outbound hierarchy will emerge, led by three global demand superpowers, a diversified set of major feeders, and key supporting markets

 Outbound Travel Spend Growth vs Outbound Departures (2025E-50E)



Notes: The chart covers 36 markets and accounts for 85 percent of outbound travel spend in 2025
Source: UNWTO, A&M Analysis

In inbound travel, Europe will stay as #1 destination region but will lose volume share to APAC; by spend APAC will see a shift towards short-haul regional travel



Notes: 1. Stacked bars represent percentage of total spend. CAGR is calculated on spend per trip in real dollars to adjust for inflation and isolate the volume growth effect
Source: UNWTO, A&M Analysis

Destinations will democratize as the Top 5 lose share and Below Top 15 countries gain most of the growth

Top 15 Markets by Arrivals (#Mn; 2000-2050E)

2000

2025E

2050E

Country	Inbound Arrivals (Mn)
France	77
USA	51
Spain	46
Italy	41
China	31
UK	23
Russia	21
Mexico	21
Canada	20
Germany	19
Austria	18
Poland	17
Greece	13
Portugal	12
Malaysia	10
Below top-15	255
Total	676

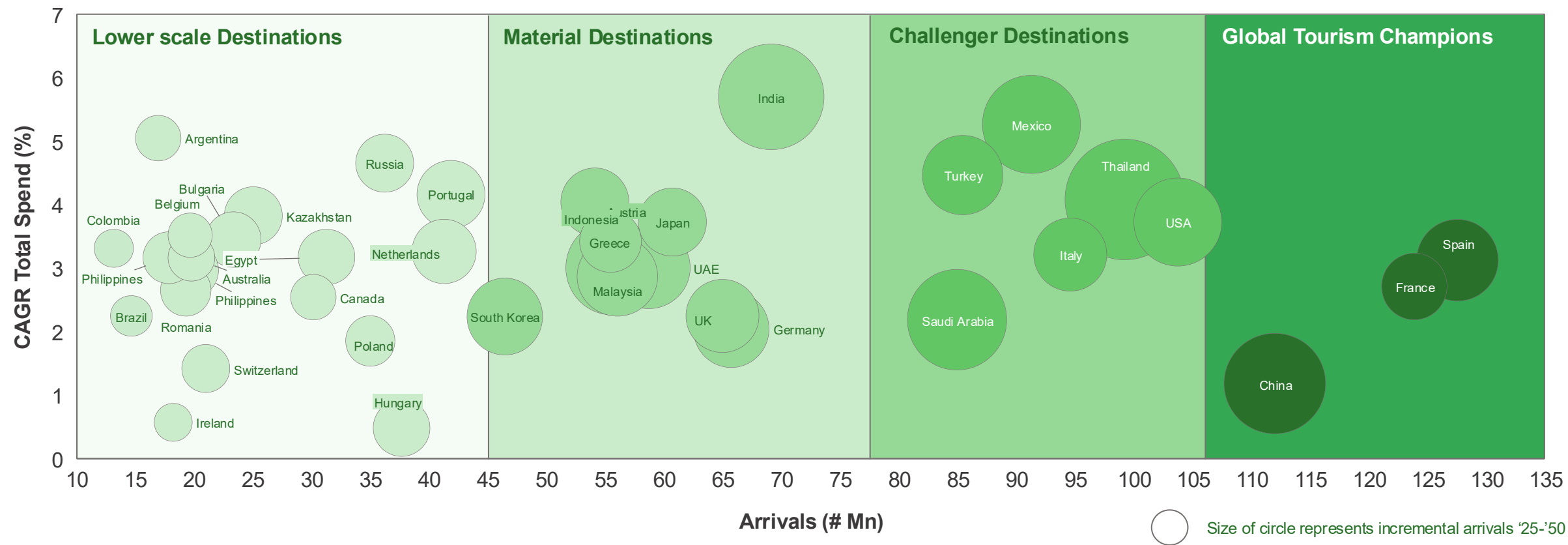
Country	Inbound Arrivals (Mn)	CAGR 2000-25 (%)
France	105	1.2%
Spain	95	3.0%
Italy	70	2.2%
USA	70	1.1%
China	65	3.0%
Turkey	55	7.3%
Mexico	45	3.3%
UK	40	6.0%
Japan	40	2.3%
Germany	40	8.9%
Saudi Arabia	40	2.9%
Greece	40	7.3%
Thailand	35	4.4%
Austria	35	2.5%
UAE	30	8.2%
Below top-15	795	4.5%
Total	1,600	3.4%

Country	Inbound Arrivals (Mn)	CAGR 2025-50 (%)
Spain	130	1.1%
France	125	0.7%
China	110	2.2%
USA	105	1.7%
Thailand	100	4.5%
Italy	95	1.2%
Mexico	90	2.7%
Turkey	85	1.7%
Saudi Arabia	85	3.2%
India	70	5.5%
Germany	65	2.1%
UK	65	1.9%
Japan	60	1.7%
UAE	60	3.0%
Malaysia	55	3.0%
Below top-15	2,200	4.3%
Total	3,500	3.3%

 Top 5 markets in 2000
  Top 5 markets in year
  % share of overall inbound travel

Global arrivals will cluster around three destination leaders and emerging economies will rise as new challengers (together with key experienced markets)

 **Inbound Travel Spend Growth vs Inbound Arrivals (2025E-50E)**



Notes: The chart covers 37 markets and accounts for 85 percent of inbound travel spend in 2025
Source: UNWTO, A&M Analysis

In domestic travel, India, China, and the US will remain the global anchors

Top 15 Markets by Domestic Trips (#Mn; 2010-2050E)

2010¹

Country	Domestic Trips (Mn)	% of Top 15
China	2,103	32%
USA	1,964	30%
India	748	12%
Japan	318	5%
Indonesia	234	4%
France	194	3%
Germany	146	2%
Spain	145	2%
UK	119	2%
Colombia	118	2%
Thailand	101	2%
South Korea	92	1%
Canada	92	1%
Australia	69	1%
Malaysia	44	1%
Top 15	6,488	100%

74%

2025E

Country	Domestic Trips (Mn)	% of Top 15
China	5,830	42%
India	3,070	22%
USA	2,310	17%
Indonesia	805	6%
Japan	300	2%
France	210	2%
Germany	165	1%
Colombia	160	1%
South Korea	160	1%
Spain	155	1%
Thailand	130	1%
Canada	125	1%
UK	120	1%
Philippines	120	1%
Australia	120	1%
Top 15	13,780	100%

81%

2050E

Country	Domestic Trips (Mn)	% of Top 15
India	7,220	37%
China	6,210	32%
USA	2,615	13%
Indonesia	1,120	6%
Philippines	390	2%
Thailand	270	1%
Japan	265	1%
France	250	1%
Colombia	250	1%
Germany	190	1%
UK	190	1%
Australia	175	1%
Canada	170	1%
Spain	165	1%
Malaysia	150	1%
Top 15	19,630	100%

82%

Domestic travel drives heads on beds and remains the backbone of the industry, accounting for more than 90 percent of trips across major markets



Top 15 Markets by Domestic Trips + Inbound Arrivals (#Mn; 2010-2050E)

2010 ¹				2025E				2050E			
Country	Domestic Trips (Mn)	Inbound Arrivals (Mn)	Total (Mn)	Country	Domestic Trips (Mn)	Inbound Arrivals (Mn)	Total (Mn)	Country	Domestic Trips (Mn)	Inbound Arrivals (Mn)	Total (Mn)
China	2,103	56	2,159	China	5,830	65	5,895	India	7,220	70	7,290
USA	1,964	60	2,024	India	3,070	20	3,090	China	6,210	110	6,320
India	748	6	753	USA	2,310	70	2,380	USA	2,615	105	2,720
Japan	318	9	326	Indonesia	805	15	820	Indonesia	1,120	55	1,175
France	194	77	271	Japan	300	40	340	Philippines	390	20	410
Indonesia	234	7	241	France	210	105	315	France	250	125	375
Spain	145	53	198	Spain	155	95	250	Thailand	270	100	370
Germany	146	27	173	Germany	165	40	205	Japan	265	60	325
UK	119	29	148	South Korea	160	20	180	Spain	165	130	295
Colombia	118	1	119	Colombia	160	5	165	Colombia	250	15	265
Thailand	101	16	117	UK	120	40	160	Germany	190	65	255
Canada	92	16	108	Thailand	130	35	165	UK	190	65	255
South Korea	92	9	101	Canada	125	20	145	Malaysia	150	55	205
Australia	69	6	75	Malaysia	110	25	135	Canada	170	30	200
Malaysia	44	25	68	Australia	120	10	130	Australia	175	20	195
Top 15	6,488	395	6,883	Top 15	13,770	605	14,375	Top 15	19,630	1,025	20,655

Top 5 markets in 2010

Top 5 markets in year

X

Green denotes domestic share is greater than 90%, Blue in between 80% and 90%, Red less than 80%

Notes: Rounded numbers for presentation purposes; 1. 2000 figures not available due to limited country data from UNWTO
Source: A&M Analysis

Trips per capita (domestic and outbound) will rise across all markets, led by emerging economies; the US to continue leading at around eight trips per year



Top 15 Markets by Domestic Trips + Outbound Trips (#Mn; 2010-2050E)

2010¹

Country	Domestic + Outbound Trips (Mn)	Trips / Capita (#)
China	2,160	1.6
USA	2,025	6.5
India	761	0.6
Japan	334	2.6
Indonesia	241	1.0
Germany	232	2.8
France	219	3.4
UK	184	2.9
Spain	158	3.4
Canada	121	3.6
Colombia	120	2.7
Thailand	107	1.6
South Korea	105	2.1
Australia	76	3.5
Malaysia	52	1.8
Top 15	6,894	1.8

2025E

Country	Domestic + Outbound Trips (Mn)	Trips / Capita (#)
China	5,985	4.3
India	3,105	2.1
USA	2,425	7.1
Indonesia	815	2.9
Japan	315	2.6
Germany	285	3.4
France	245	3.6
UK	215	3.1
South Korea	190	3.7
Spain	180	3.7
Colombia	165	3.1
Canada	160	3.8
Thailand	140	2.0
Australia	130	4.7
Philippines	130	1.1
Top 15	14,485	3.4

2050E

Country	Domestic + Outbound Trips (Mn)	Trips / Capita (#)
India	7,640	4.5
China	6,580	5.3
USA	2,905	7.8
Indonesia	1,200	3.7
Philippines	415	3.1
Germany	355	4.6
UK	350	4.7
France	325	4.6
Japan	300	2.9
Thailand	290	4.4
Colombia	265	4.4
Canada	225	4.8
Spain	215	4.8
South Korea	215	4.8
Australia	195	5.9
Top 15	21,475	4.9

Top 5 markets in 2010 Top 5 markets in year



AGENDA

1

Context & Macro
Foundations

2

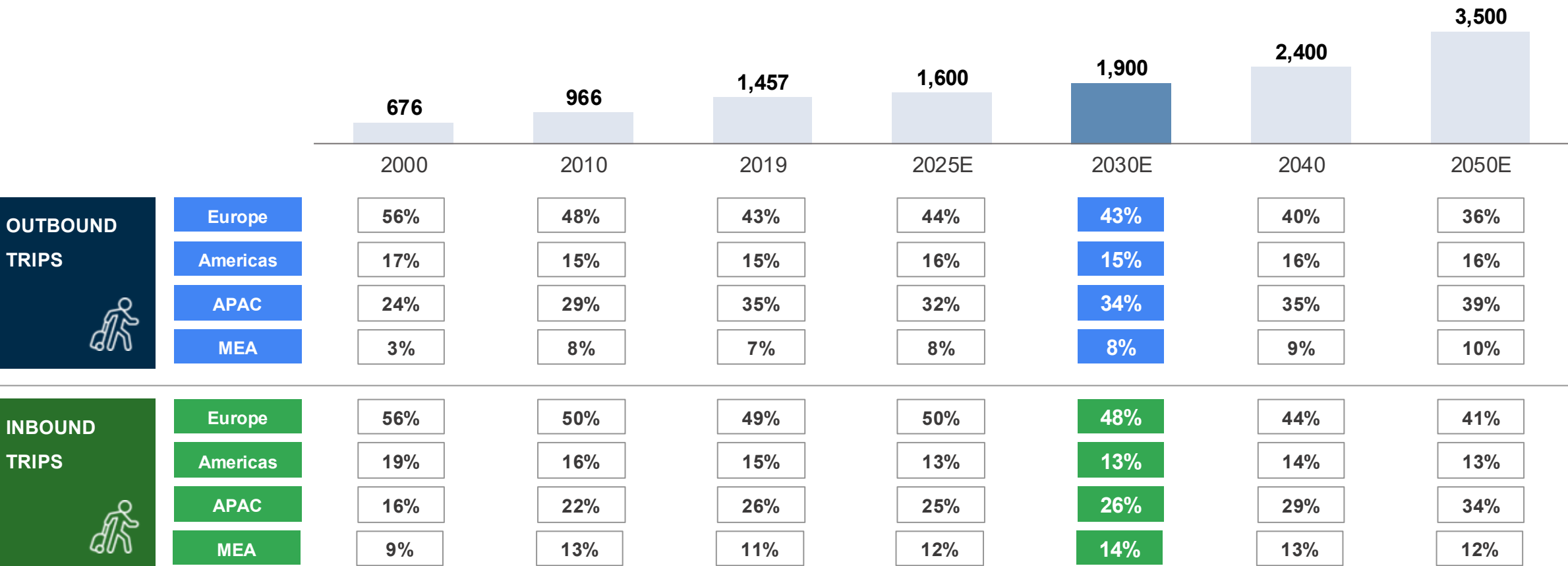
The Future Of Travel To
2050

3

**STRATEGIC IMPLICATIONS
FOR 2030**

By 2030, global travel volume will have begun to decisively shift toward APAC

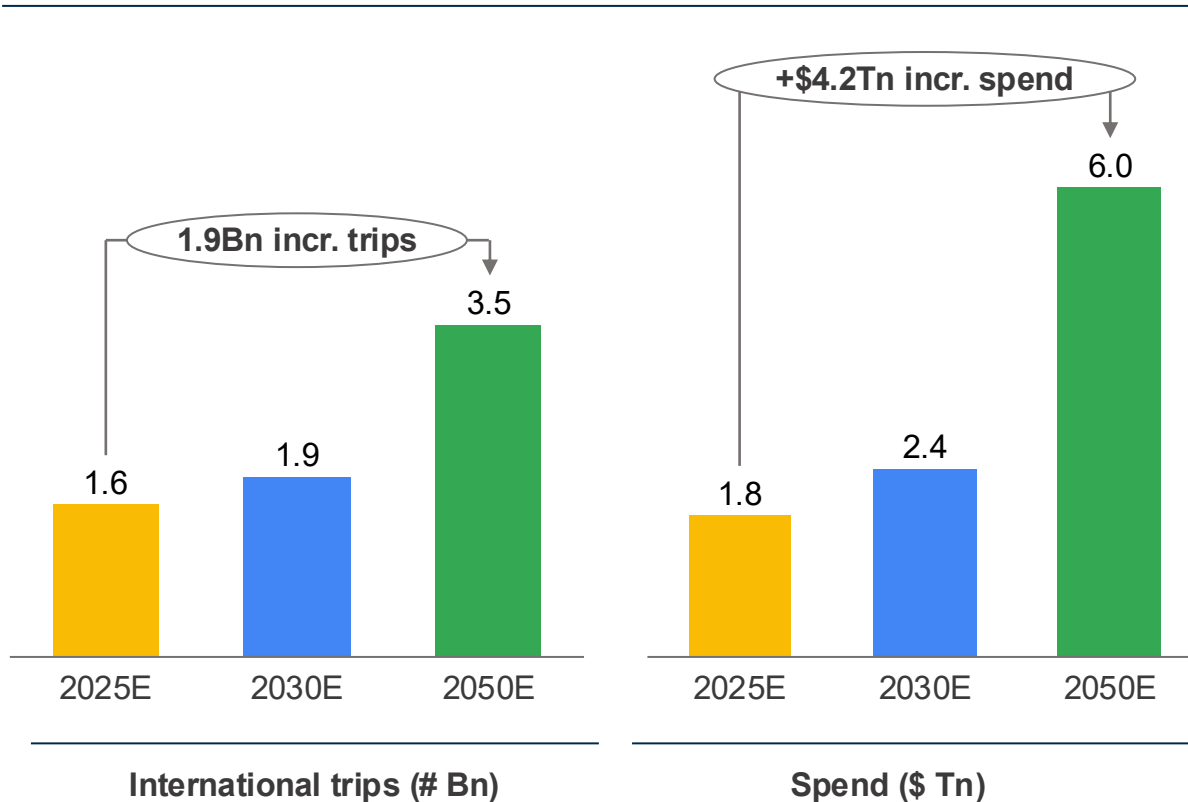
 **INTERNATIONAL TRIPS** (#Mn; 2000-2050E)



By 2050, travel will add 1.9 billion international trips and \$4.2 trillion in spend, but this growth will come with a rising complexity tax that challenges legacy models



Incremental travel by 2050



Key complexity drivers



Growth will fragment across regions, with some markets scaling volume and others requiring disciplined yield management



Travel patterns will diversify, across domestic, regional, and long-haul journeys with distinct economics



Channels and interfaces will proliferate, as social, AI-driven, and traditional discovery and booking coexist



Traveler expectations will rise, increasing demand for hyper-personalization, flexibility, and seamless experiences



Operational complexity will intensify, as operating costs rise and increasingly sophisticated investors demand stronger, more consistent returns

Commercial zones will guide investment decisions, and as operations become more sophisticated, new metrics will be needed to monitor performance



Implications across commercial zones

DIRECTIONAL

EUROPE AND USA

YIELD FORTRESS

- Mature markets with slower volume growth but high value density per trip
- Ancillary and non-core revenue streams will be key to maximize margins

**Revenue per
square meter per hour (\$)¹**

APAC, MEA, AND LATAM

VOLUME MOVE

- Fastest-growing regions driven by new travelers and expanding wealth
- Increasing investor professionalization will raise expectations on returns, governance, and execution

**Footprint
(% share of travel)**

DOMESTIC

LOYALTY GAME

- Domestic travel remains the largest and most frequent demand pool
- Domestic travel will be the gateway to long-term brand loyalty as travelers expand internationally

**Engaged Members
(# of people)**

**Success
KPI**

Notes: 1. Revenue per square meter per hour is used as a KPI to measure revenue productivity per available inventory, with the definition of inventory varying by travel sub-sector (e.g., hotel: rooms, common spaces vs aircraft: seats)
Source: A&M Analysis

Converting growth into value will not be automatic and will require a new playbook across traveler, geography, profitability, and AI-enabled operations



Overview of implications for 2030

WIN TOMORROW'S TRAVELER

Elevate loyalty, personalization and brand connection to serve tech-native, experience-driven travelers who will dominate spend by 2050

GO WHERE GROWTH IS

Adapt your global presence and portfolio as demand shifts to new source markets and diversified destinations

RUN FOR PROFITABILITY

Re-engineer operations to capture rising demand efficiently through smarter portfolios, empowered teams and automation

AI AS AN ENABLER

Position AI as the transversal layer that enables better experiences at scale, redefines operations, protects the balance sheet, and optimizes yield

Capturing this growth requires focused actions across key assets: tangible, talent, and technology



Key assets to build

NON-EXHAUSTIVE

TANGIBLE

TALENT

TECHNOLOGY *(deep-dive next slide)*

WIN TOMORROW'S TRAVELER

- Design products for new travel patterns (e.g., multi-generational family, extended stays, solo travel, bleisure)
- Differentiate through memorable human-touch experiences and curated partnerships

- Equip teams with intuitive, user-friendly tools that reduce friction and free up time for guest-facing, social, and emotional interactions
- Preserve human-touch service as a core differentiator, augmented by AI rather than replaced by it

- Use AI and data to hyper-personalize inspiration, booking and in-trip support
- Evolve loyalty into always-on digital ecosystems powered by data and AI that deliver personalized recognition

GO WHERE GROWTH IS

- Reallocate investment to fast-growing source markets and secondary destinations
- Defend domestic markets as core engines of volume and loyalty

- Build local market expertise in high-growth regions
- Embed regional ownership and accountability in fast-growing markets

- Use data to anticipate origin–destination shifts
- Prepare early for new long-haul and supersonic corridors

RUN FOR PROFITABILITY

- Scale ancillary and new business models to create recurring, higher-margin revenue streams
- Adopt dynamic cost models and cross-functional teams that keep the organization lean and able to protect margins

- Equip a future-ready workforce with digital, analytical, and service-driven skills
- Align incentives and career paths to productivity, cross-functional delivery, and service quality

- Leverage AI and new technologies to redefine processes and ways of working (from Org Chart to Work Chart)
- Modernize core systems and data foundations to enable automation, scale, and AI readiness

AI will be the defining gamechanger, with the coming shift to agentic AI reshaping traveler experiences and operating models end to end



Selection of high-impact Agentic use cases that can transform travel by 2030

NON-EXHAUSTIVE

FOR THE OPERATOR		FOR THE TRAVELER	
1. Automated Frontline Operations (Rebooking, Service Requests, Issue Resolution)	AI automates routine tasks, helping operators manage complexity at scale and focus on higher-value needs	Autonomous Trip Planning & Booking	AI designs and books end-to-end itineraries using preferences, loyalty, calendars, and real-time availability
2. Predictive & Autonomous Property / Asset Management	From predictive maintenance to dynamic room assignments and housekeeping routing	Real-Time Disruption Resolution	An AI agent can automatically resolve travel disruptions by rebooking flights or extending stays, and then present the solution to the traveler for confirmation
3. Dynamic Pricing, Bundling & Revenue Optimization	Agentic AI creates bundles, tests prices, reacts to demand surges instantly	Hyper-Personalized In-Stay Experiences	AI anticipates needs using past trips, contextual signals, and unstructured data (reviews, sentiment)
4. Automated Tech Modernization (Self-Improving Infrastructure)	AI agents rewrite legacy code, update systems, and orchestrate modernization sprints	Intelligent Spend & Loyalty Optimization	Automatically applies miles, optimizes redemptions, maximizes tier progression, bundles ancillaries
5. Workforce Productivity & Skill Augmentation	Agents support staff with insights, next-best-action execution, scheduling, workflow orchestration, and upskilling	Context-Aware Travel Companion	AI assists the traveler throughout the journey checking real-time conditions (e.g., health cues, weather, crowds) and suggesting adjustments instantly

This study has been developed by senior travel and hospitality leaders alongside data and analytics experts



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Sergio Porres

THL CO-HEADS



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LEADERSHIP. ACTION. RESULTS.™

THANK YOU

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