



Capital Investment Fuels Growth in Travel & Tourism, Forecast to Reach Nearly \$1 Trillion says WTTC

Strong travel growth spurred rise in sector investment in 2022

Asia-Pacific and Africa see investment up 161% in 2022 over 2000

Private capital investment integral to sector's success

Las Vegas, USA: The World Travel & Tourism Council's ([WTTC](#)) Travel & Tourism Economic Impact 2023 Global Trends Report today reveals an encouraging resurgence in Travel & Tourism investment, overcoming pandemic setbacks and signalling a strong return to growth.

From 2010 to 2019, investment grew steadily at 4.3% CAGR, growing from \$754.6BN in 2010 to \$1.1TN in 2019, or 4.5% of all economy-wide investment. COVID-19 hit hard, leading to a 24% decline in 2020 and a further 8% in 2021.

However, 2022 marked a turning point.

Spurred by the global phenomenon of pent-up demand, Travel & Tourism investment surged to \$856BN, up 11.1% from the previous year. Although this was 22.5% short of 2019 levels, this was still 53% higher in 2022, than it was in 2000.

In regions like Asia-Pacific and Africa, 2022 investment was 161% higher than in 2000, while Europe and the Middle East have shown more restrained growth. In these regions, the pandemic has undone much of the significant growth achieved in the last two decades.

Nevertheless, Travel & Tourism investment in these regions in 2022 stayed above the levels seen in 2000.

The US leads the top ten markets in terms of absolute investment in the sector in 2022 with \$213BN, showing a sector ready to thrive once again. China trails with a \$146BN investment

in 2022, with Saudi Arabia rounding out the top three with total investment of \$42BN in the same year.

Island destinations lead the top spots for Travel & Tourism investment as a total percentage share of their economies in 2022. The US Virgin Islands lead the way channelling 35% of total economic investment into Travel & Tourism, followed closely by Antigua & Barbuda at 34% and Aruba at almost 32%.

Private investment in new aircraft, hotels, and car fleets is essential for boosting the sector's capacity. Public investment complements this growth, and together the combined investments create a powerful synergy.

The ripple effect is more jobs, bigger economies, and stronger communities.

Julia Simpson, WTTC President & CEO, said: "Investment in Travel & Tourism is not just a numbers game; it is the heartbeat of global connectivity and economic revival. Despite the setbacks from the pandemic, 2022's growth is a promising sign of what's to come.

"Investment in Travel & Tourism is integral to the world's recovery and growth. The sector's resilience and potential for innovation continues to drive us forward. We remain confident, yet vigilant, in our pursuit of a brighter, more connected global future."

A Look into the Future

WTTC forecasts robust 11.5% growth in investment in 2023, amounting to \$955BN, with a return to pre-pandemic levels anticipated by 2025. By 2033, WTTC forecasts a promising 6.1% average annual growth globally, with the strongest annualised growth rates projected to be in Asia-Pacific and the Caribbean.

However, the global hike in interest rates creates challenges for future investment. With central banks increasing interest rates to combat rising inflation, the cost of borrowing and products increases.

Higher interest rates could present a risk to future investment in the sector so it's crucial that the public and private sectors work together to innovate to ensure the continual strengthening of this vital sector.

To purchase the Travel & Tourism Economic Impact 2023 Global Trends Report, please visit [wttc.org](https://www.wttc.org)

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Editors Notes

The research was carried out in partnership with Oxford Economics with information sourced from UNWTO, Oxford Economics and national sources. All values are in constant 2022 prices and exchange rates, as reported in March 2023.

Capital investment encompasses all direct Travel & Tourism industry expenditures, including spending on new visitor accommodations, passenger transport equipment, restaurants, and leisure facilities designed for tourism.

All monetary figures are given in USD.