



LatAm's travel sector & the economic, political and social trends driving it

Prepared by AMI for



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We help our clients make crucial decisions based on intelligence & advice



CUSTOMER

(Market research)



COMPETITOR

(Competitive intelligence)



CONTEXT

(Risk analysis)

- Decide in which products, channels and markets to invest
- Develop a market entry strategy
- Disrupt the competition and win share
- Decide whether to and how to acquire a company
- Find, evaluate and choose a local business partner
- Adapt a product or service to the local market
- Decide upon which markets to focus
- marketing spend
- Build a new strategic plan and local management buy-in
- Defend a company's market share
- Improve brand awareness and conversion
- Identify and mitigate multiple risks
- Understand the reputational risk of a partner or project
- Measure and improve customer satisfaction

AMI's customized forecasting presentations support the

Planning efforts of multiple clients

Corporate planning requires objective 3rd party analysis of economic, political, investment and industry trends. AMI provides such analysis and delivers it via bespoke regional and industry specific forecasting presentations.



Recent travel trends

■ Niche travel segments on the rise



Adventure & Ecotourism

- Once in a lifetime travel to remote nature
- 1-2 week trips



Digital nomads

- Seek low cost, culturally rich destinations with good connectivity



Eco-friendly wellness

- Driven by wellness passion (yoga, hiking, alternative health treatments)
- all-inclusive in nature

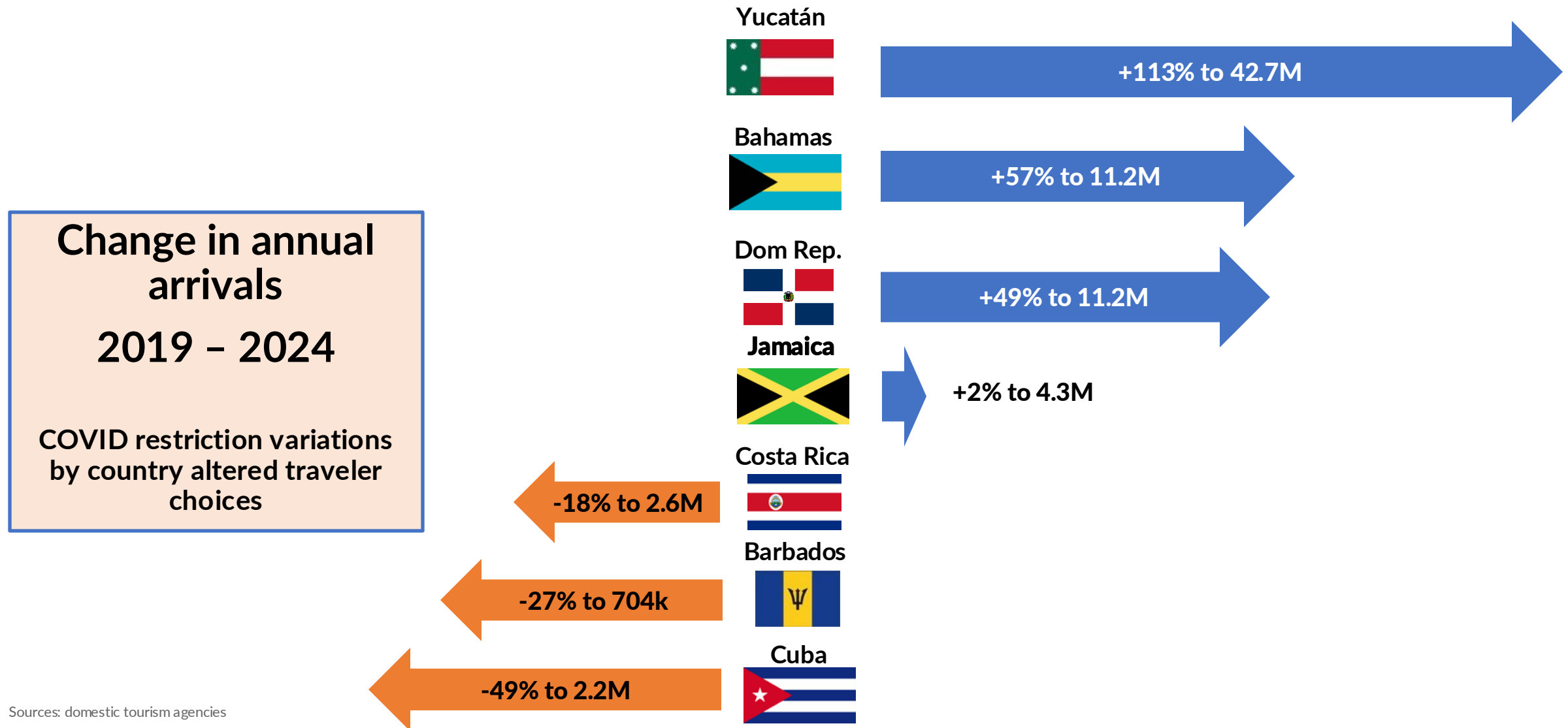


Personalized & Experience based travel

- most popular among middle-aged and elderly mass affluent.
- Hobby related (cooking & dining, bird watching, charity)

Source:

■ The changing of the guard in Caribbean markets



2024 LatAm travel sector growth snapshots



- Regional air travel grew 12.4%



- LAC cruise visits rose 17%



- Hotel capacity grew 5% (65,000 new rooms)



airbnb

- Airbnb listings grew by >20% to 1.7 million listings



airbnb

- Airbnb LatAm domestics spending grew over 30%



- Online travel spend reached US\$62bn, growing over 20%



- 38% of US based Latinos planned to visit the LatAm region

Sources: multiple

■ Notable tourism capacity investments



Dominican Republic (11.2M)

- Samana Group – retirement city
- Puntacana expansion
- Airport expansion
- Zel lifestyle hotel (Nadal, Melia collab)



Yucatan (42.7M)

- Tren Maya
- 50 new hotels / 800 rooms
- 2024 FDI in tourism >\$1.5bn
- Merida airport expansion



Bahamas (11.2M)

- Baha Mar resort
- Bimini resort
- Ocean Cay marine reserve
- Lookout Cay
- 3 x Cruise line investments



Argentina (6M)

- Tourism corridor
- Investment promotion regime
- 70 new hotels by 2026
- Patagonia
- Salta



Chile (4.5M)

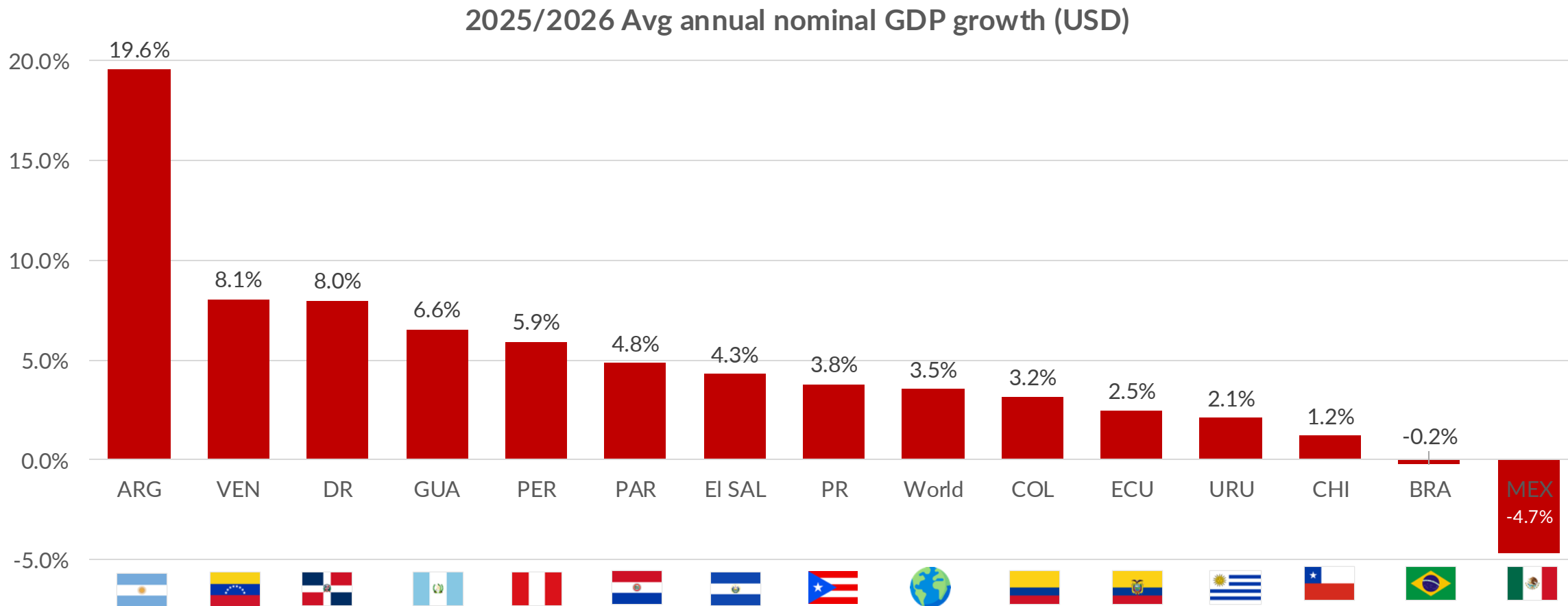
- Patagonia route of parks
- Visa Free travel policy
- Renovate 19 airports
- Sustainable tourism strategy



Economic outlook 2025/6

LAC growth will be very uneven, particularly when measured in USD

Argentina and Mexico will be extreme examples of a diversified region

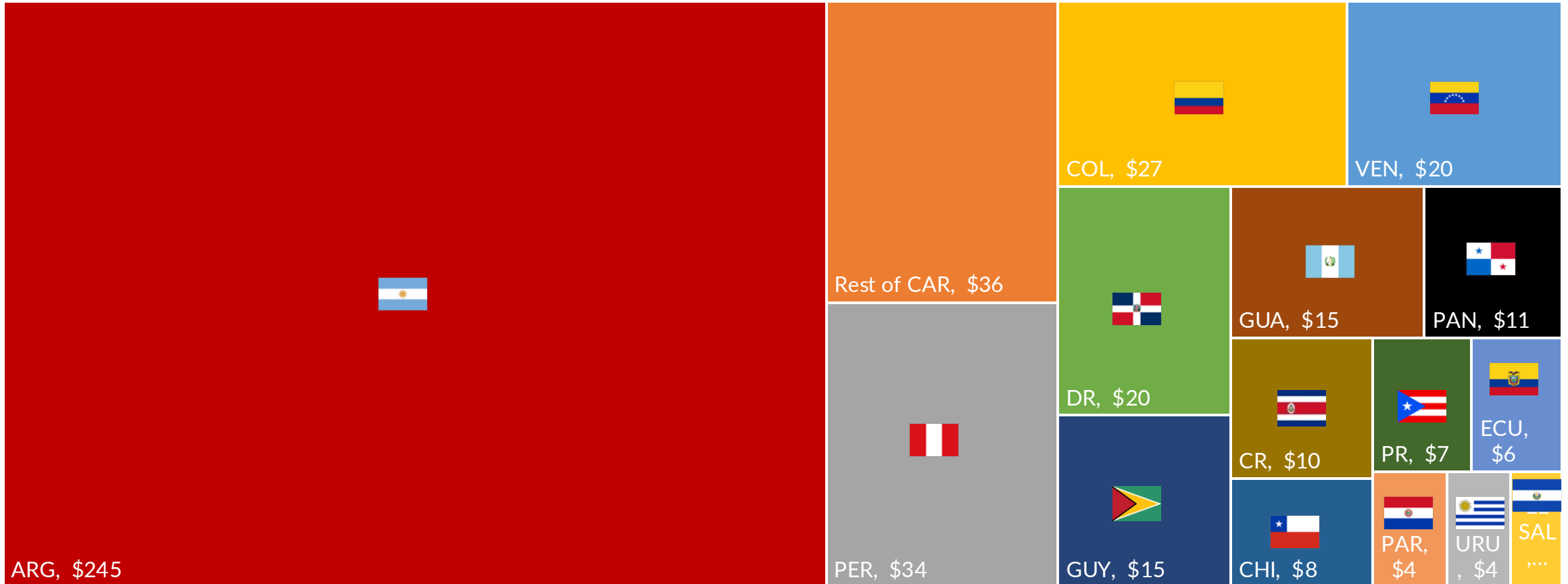


Source: The Economist

It is time to go back into Argentina

With Brazil and Mexico's economies poised to shrink (in USD), Argentina will dominate regional net growth

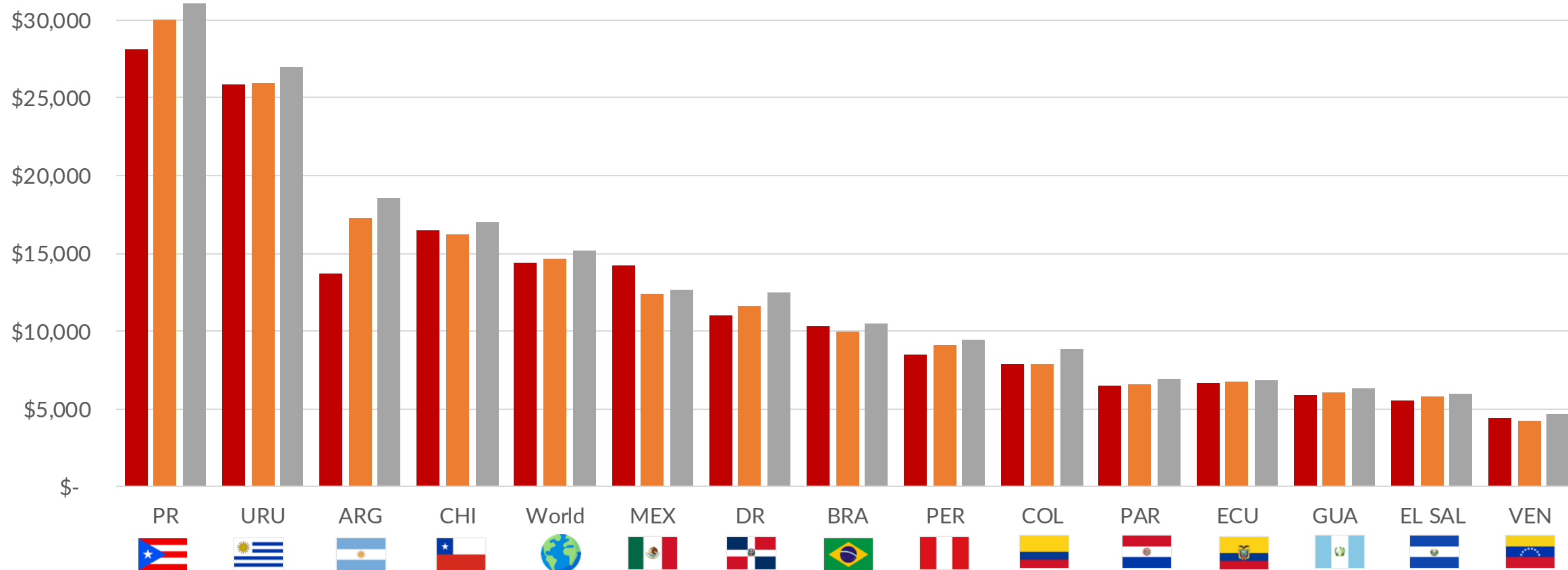
2024 to 2026 increase in USD GDP (USD bn)



Source: The Economist

LatAm markets are middle-income markets by global standards

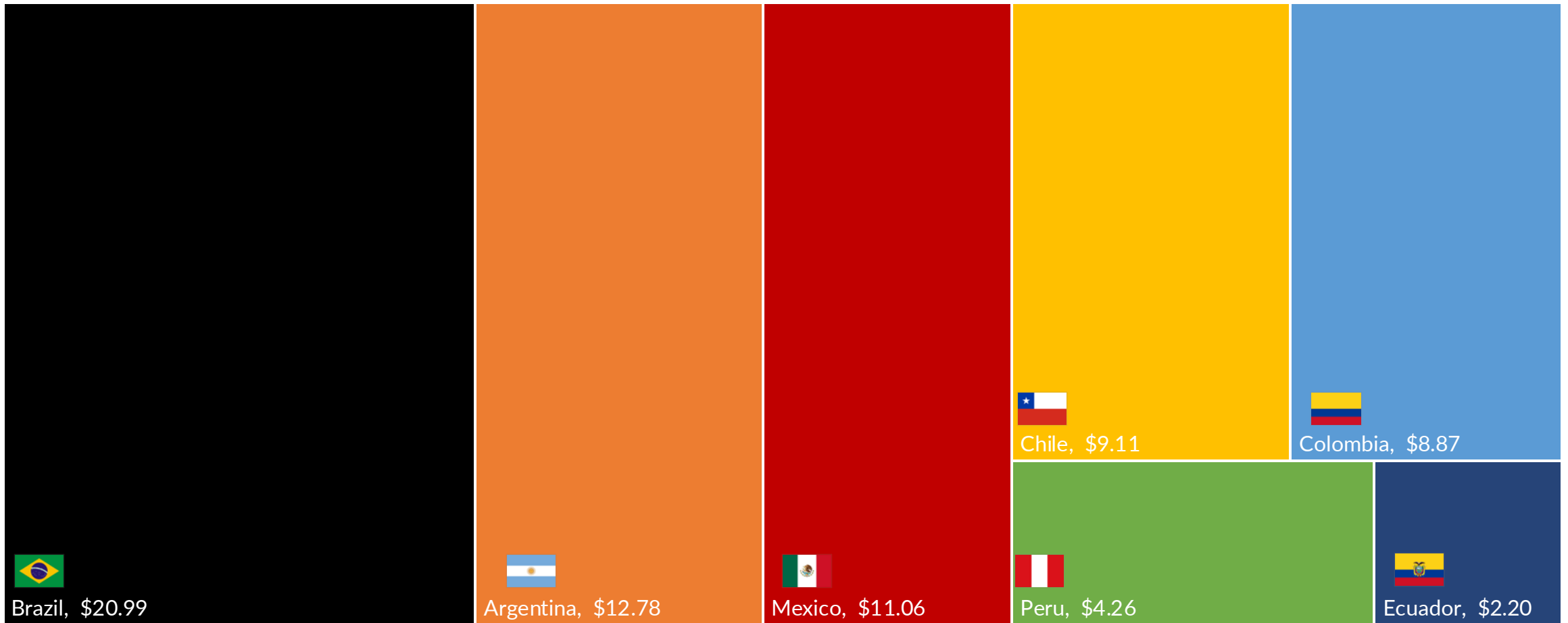
2024-2026 USD income per capita



Source: The Economist

Outbound international tourism – the big 7

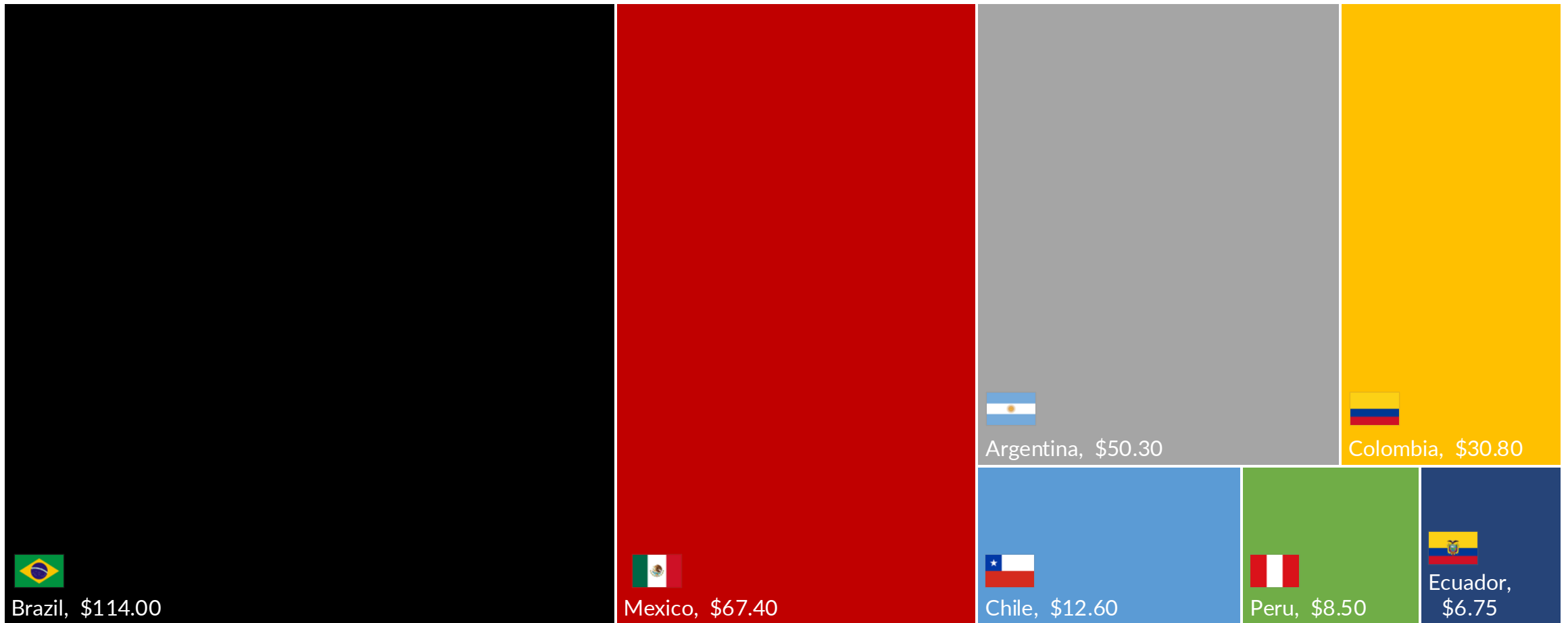
2025/6 average annual outbound int'l tourism expenditure (USD bn)



Source: The Economist

Domestic hotel & restaurant (formal) spend – the big 7

2025/6 average annual domestic hotel and restaurant expenditure (USD bn)

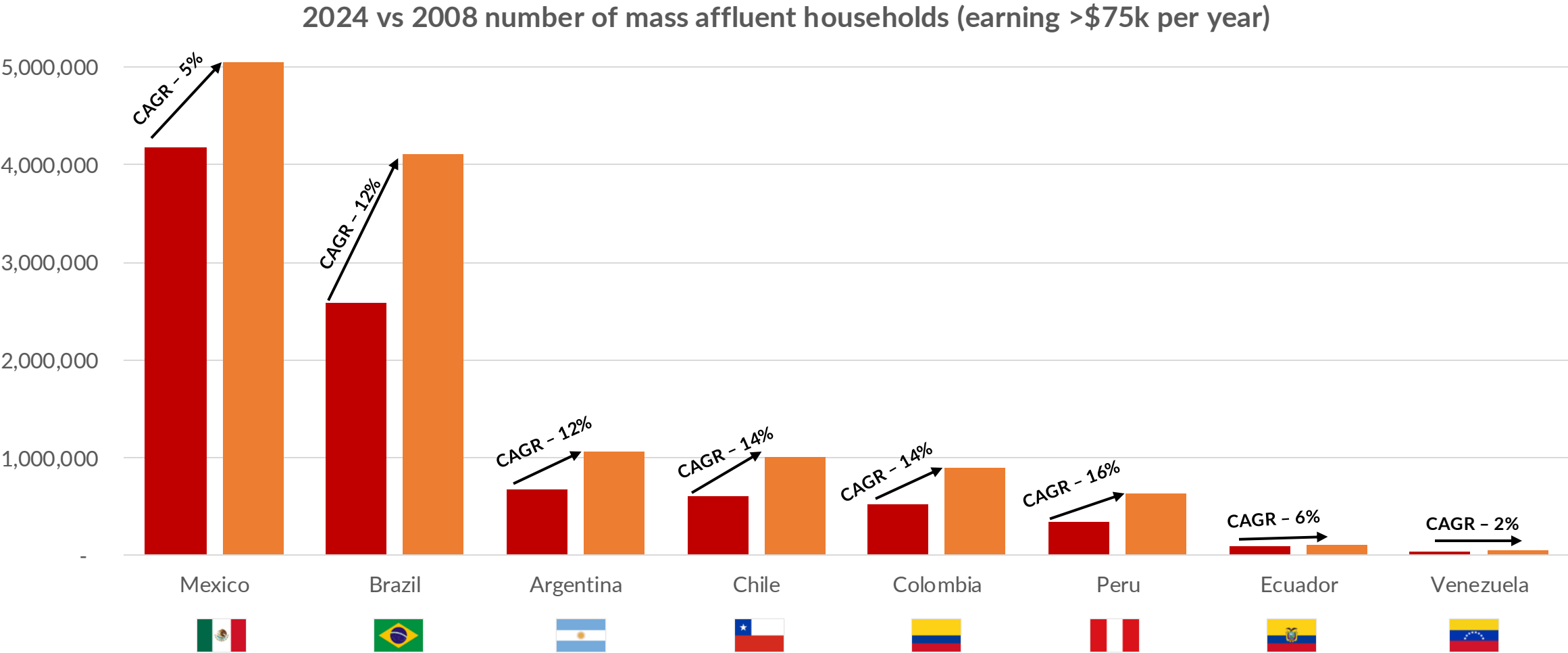


Source: The Economist



Affluent Latin Americans

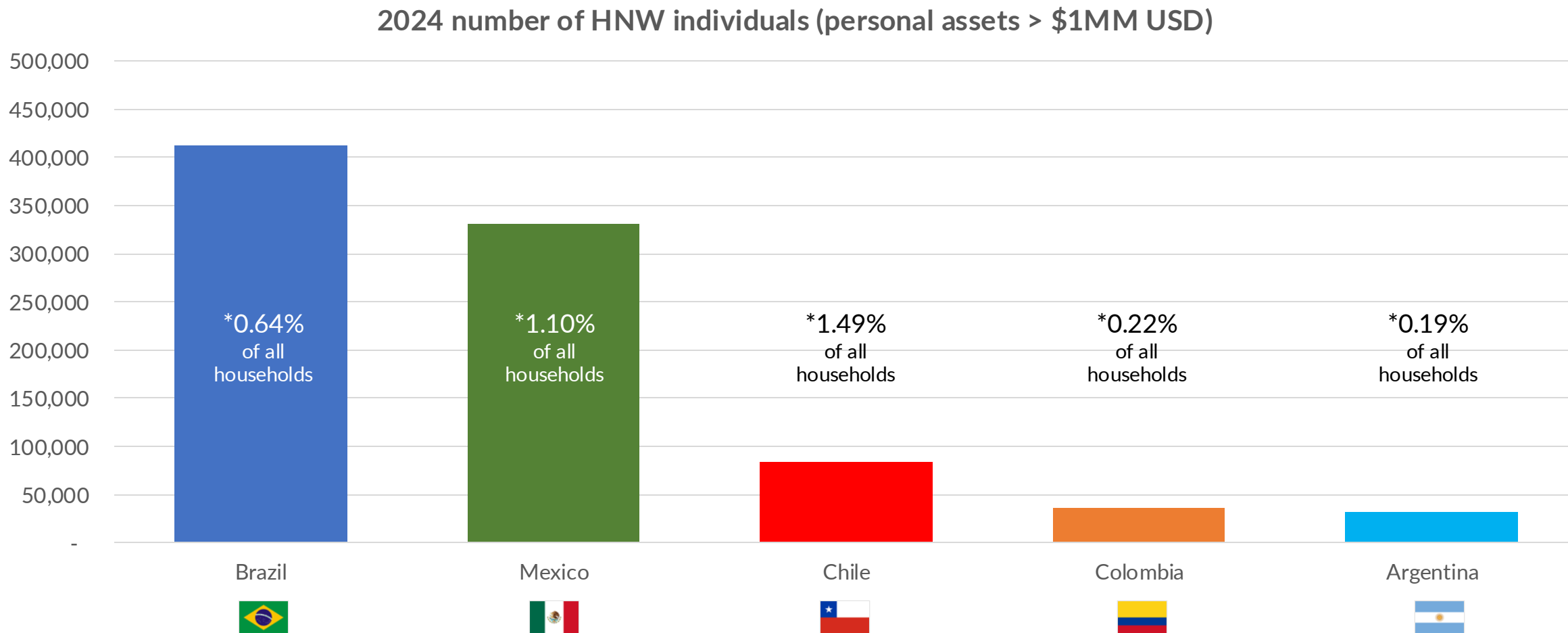
Despite economic challenges, mass affluent numbers grow robustly



Source: EIU

A high % of the most affluent from COL, ARG have emigrated

* With the possible exception of Chile, affluent incomes are typically under reported in these countries



Sources: multiple

I Zoomers & Boomers – two demographics to target

Gen Z (born '97 – '10)



- 20% of LatAm today, 27% by 2035
- Formative years spent during COVID
- High savers, uncertain of future
- Socially conscious consumers
- Financially literate, investors
- Brand disruptors – NO loyalty to historic brands or business models

Elderly (>60 yrs old)



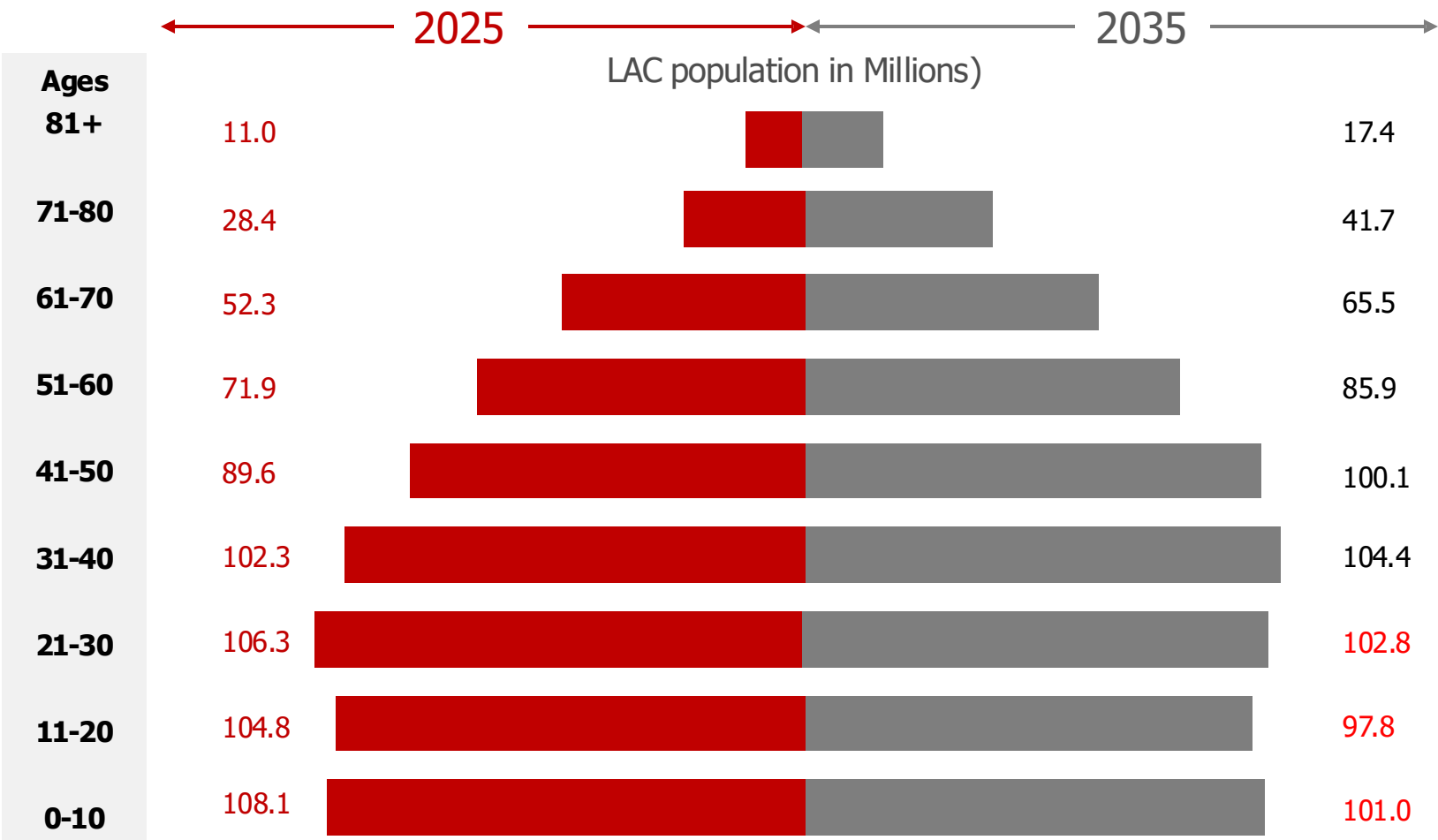
- 13% of LatAm today, 18% by 2035
- Formative years were boom-bust 70's/80's
- First generation to retire with savings
- Started the era of individualism
- Empty nesters, avid travelers
- Brand loyalists

A hand is pointing its index finger at the center bullseye of a target. A thick red arrow curves from the bottom left towards the bullseye. The background is a dark grey-blue with faint white architectural line drawings of skyscrapers on the right side. A solid red horizontal bar is at the bottom left, containing the text 'Long term trends'.

Long term trends

Latin America is aging in every country

Latin Americans urbanized in the 1960s – 80s. Once living in the city, they had fewer children. Emigration (Mexico) tends to age a country while immigration (USA) keeps it young.



20 years from now, Brazil will be an older population than the USA.

Country	Median age 2010	Median age 2050	+/-
BRAZIL	29	45	+16
CUBA	38	52	+14
MEXICO	26	40	+14
COLOMBIA	27	41	+14
China	35	46	+11
DR	25	35	+10
ARGENTINA	29	38	+9
Germany	44	51	+7
USA	37	41	+4

Sources: ECLAC, Pew Research

Stages of life expenditures are shifting, with new opportunities

Latin America is 60% of the way through a 30-year demographic consumption boom. The median consumer is aging.

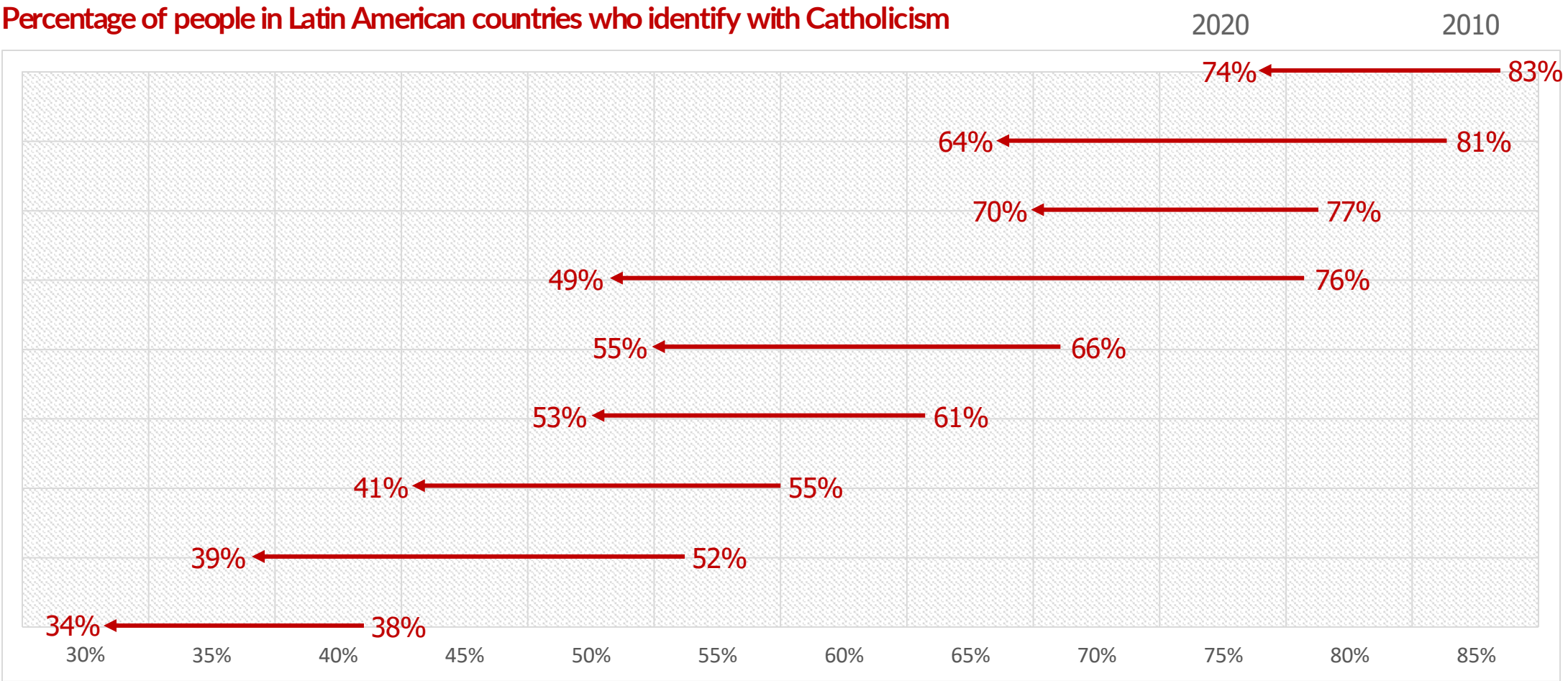
Age group	10-yr population change	10 year %change
0 - 10	-7.1 million	-7%
11 - 20	-7.0 million	-7%
21 - 30	-3.5 million	-3%
31 - 40	+2.1 million	2%
41 - 50	+10.5 million	12%
51 - 60	+14.0 million	19%
61 - 70	+13.2 million	25%
71 - 80	+13.3 million	47%
81+	+6.4 million	58%

- 1 Decrease in elementary school children, small children clothing, caregiving
- 2 Decrease in teen numbers and preferred products, high-school education
- 3 Slight decrease in university education, basic household goods
- 4 Slight increase in 1st car purchase, consumer electronics
- 5 Increased home purchases, household upgrades, 2nd car, travel, services
- 6 Increased personal financial planning & savings, investment, premium consumer products, wellness health, **travel**
- 7 Increased bucket-list **travel**, preventative healthcare, consumer services
- 8 Increased old-age home demand, organized **travel**, health services
- 9 Increased old-age home demand, funeral services, estate planning

Sources: ECLAC, AMI analysis

Religiosity is in decline. Social norms are changing/expanding

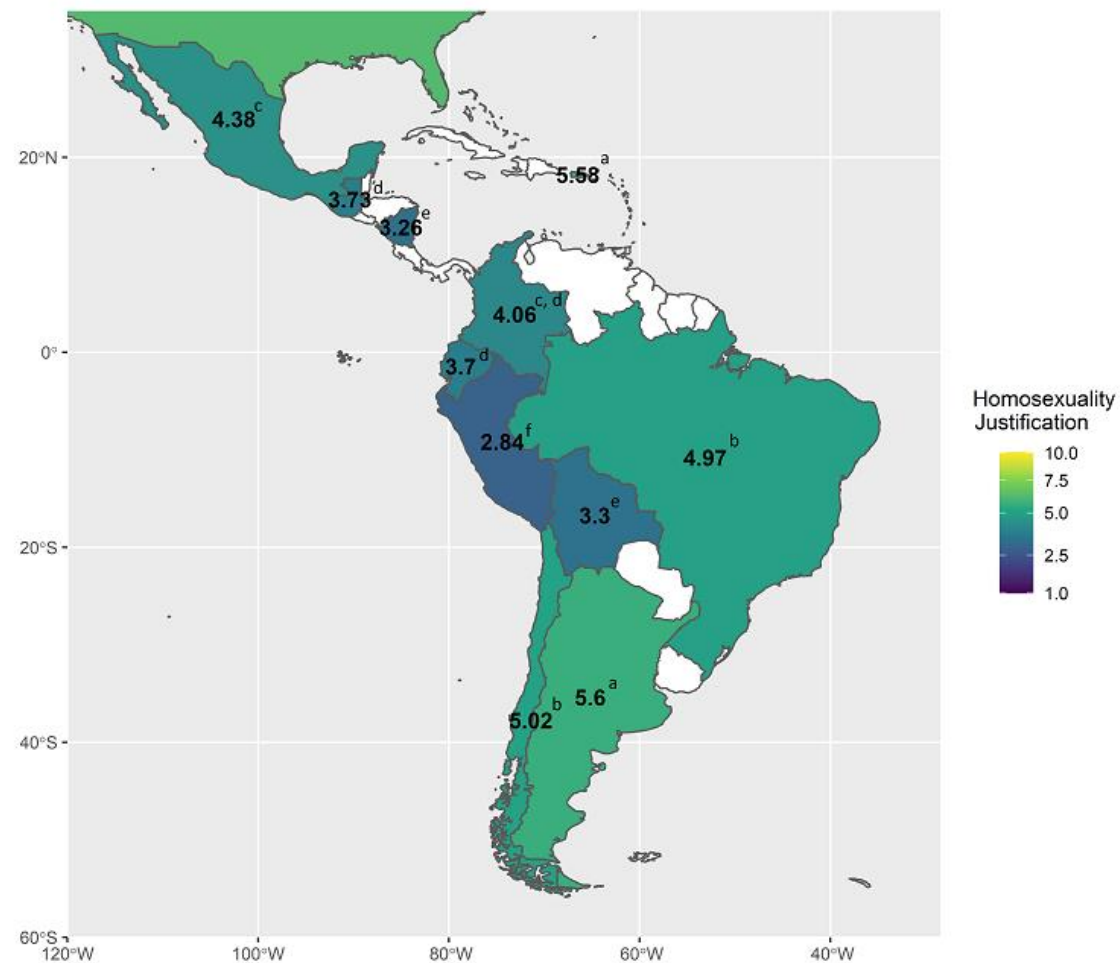
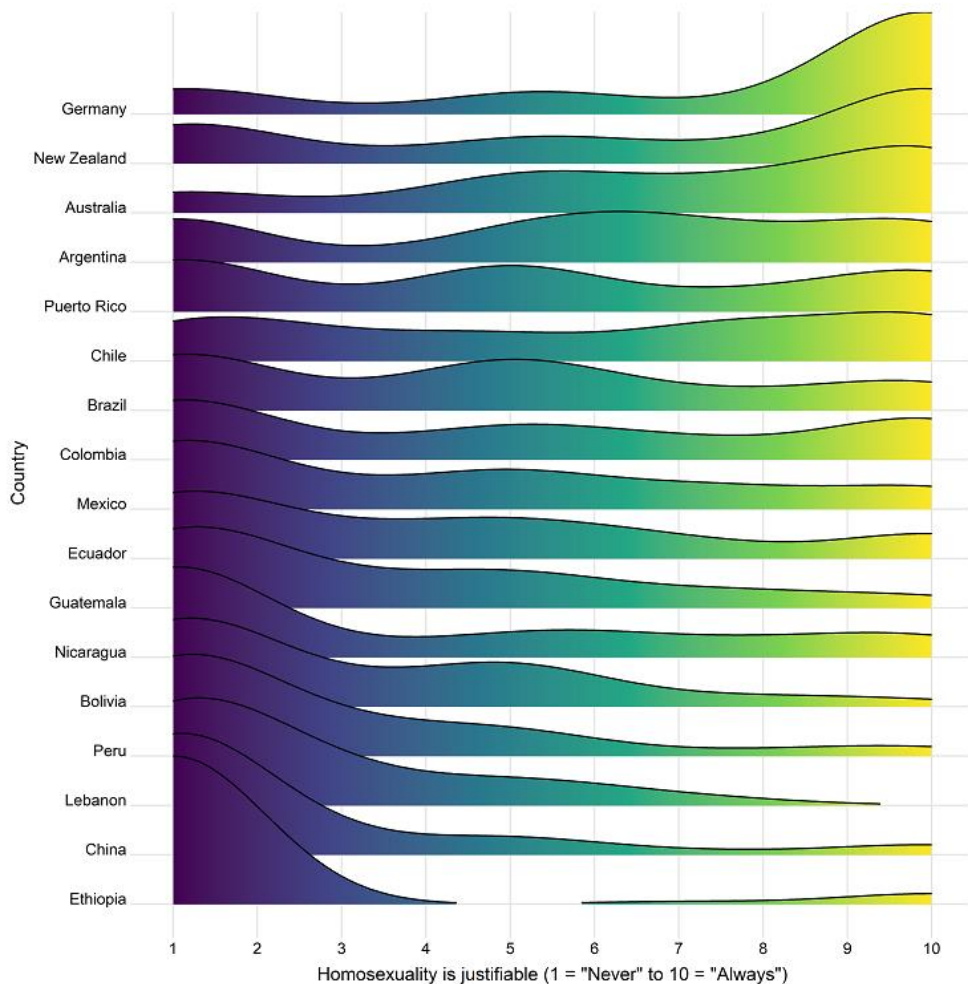
Latin American societal cohesion is held together by three pillars: Family, Religion & Government. All three are losing influence.



Sources: Latinobarómetro; Chart: Thomas Oide/Axios

Acceptance of homosexuality varies but progresses over time

In Latin America, LGBTQ+ laws are ahead of public acceptance levels, an unusual dynamic. Acceptance levels in the region vary dramatically between countries, as well as within countries (large cities vs small towns).



Households are changing, and attitudes too

From traditional conformist to financially empowered and socially liberated individualist – LAC's consumer transformation

1990 household



- 5.3 pph
- Ages 30-40 fastest growing
- US\$2,720 GDP per capita
- 3% car ownership
- Credit cards per 100 people – 3
- Shrinking middle class
- Economic crisis
- Conform to tradition
- Fitting in (collective)
- Undemanding consumers
- Cost conscious
- Traditional media, Predictable opinions

2030 household

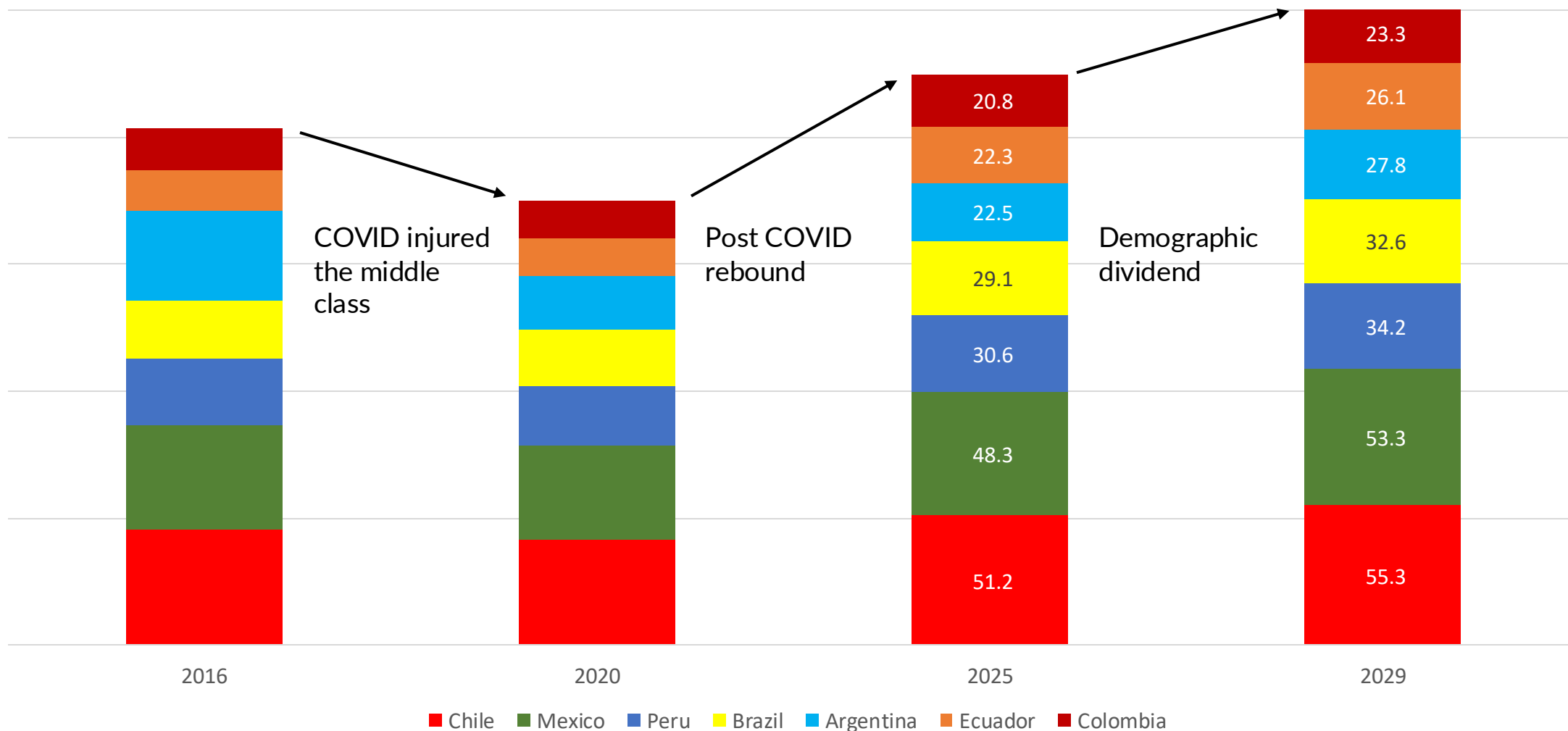


- 3.4 pph
- Age 70+ fastest growing
- US\$12,885 GDP per capita
- 32% car ownership
- Credit cards per 100 people – 58
- Expanding middle class
- Social crisis
- Seek pleasure
- Gaining power (individual)
- Very demanding customer
- Value & convenience driven
- Social media, unpredictable

Sources: CEPAL, EIU, AMI

Latin America's middle class is growing again after the COVID hit

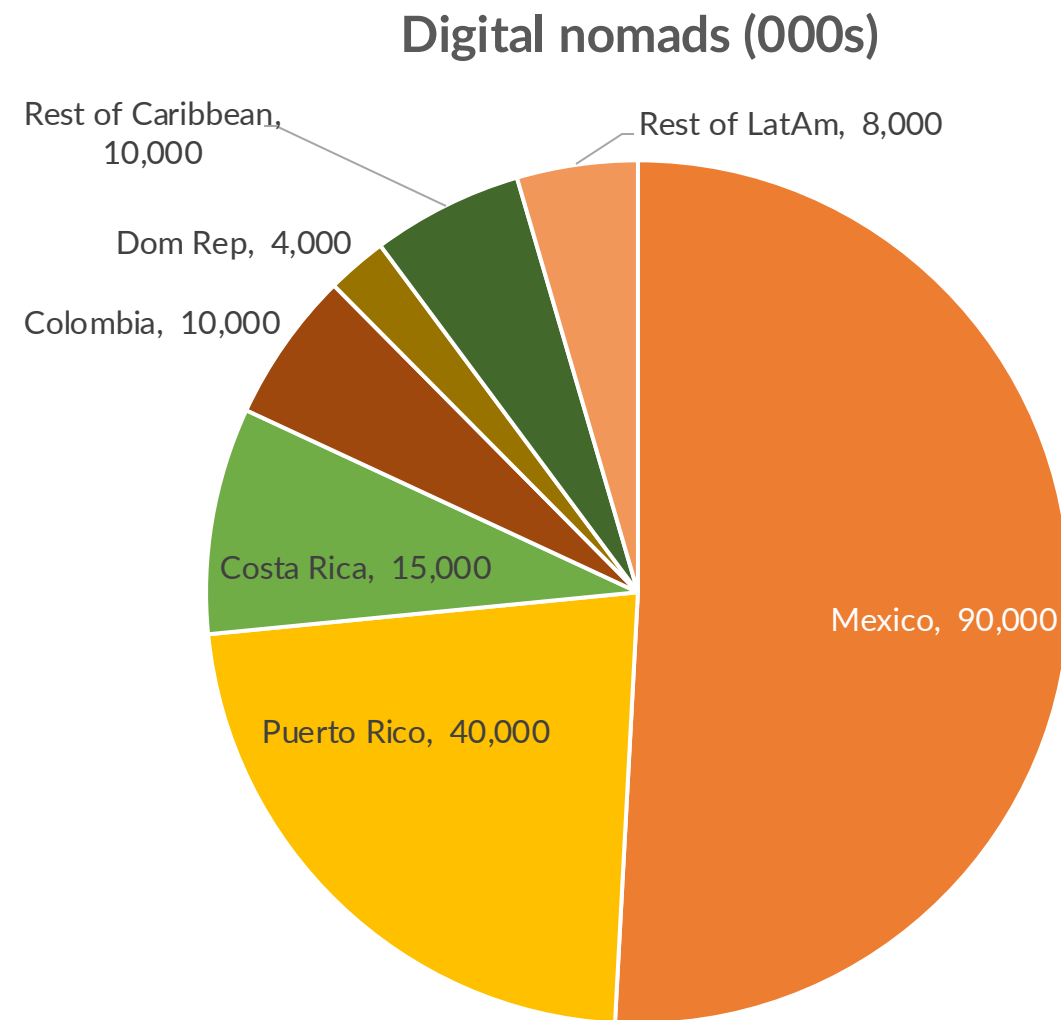
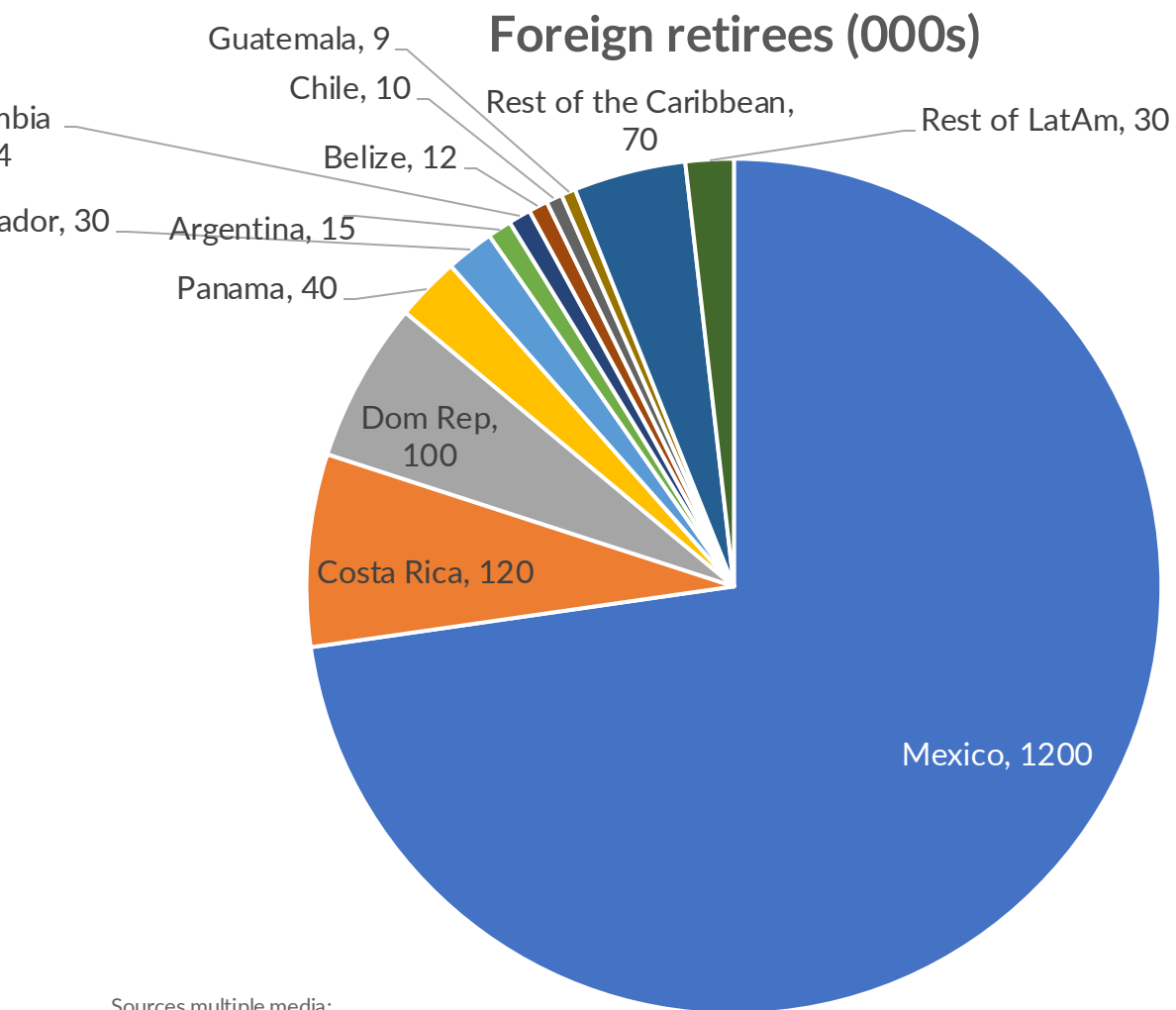
% of HH earning >\$25k USD in 2019 constant prices



Source:

COVID accelerated the migration of entrepreneurs & retirees to LAC

15-25% of US baby-boomers plan to retire abroad



Sources multiple media:

Latin America travel sector 2025-6 SWOT

Strengths

- Pro-investment politics back in vogue
 - Resource supplier courted by all
 - 1st int'l destination for US/Can
- Strong out-bound tourism motivation



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Weaknesses

- Weak rule of law, income disparity
- Some mkts rely greatly on US
- Weak to average investor rights
- Global warming



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Opportunities

- Argentina (outbound & inbound)
 - Brazil domestic tourism
- Rebounding Caribbean travel
- Digital commerce & services



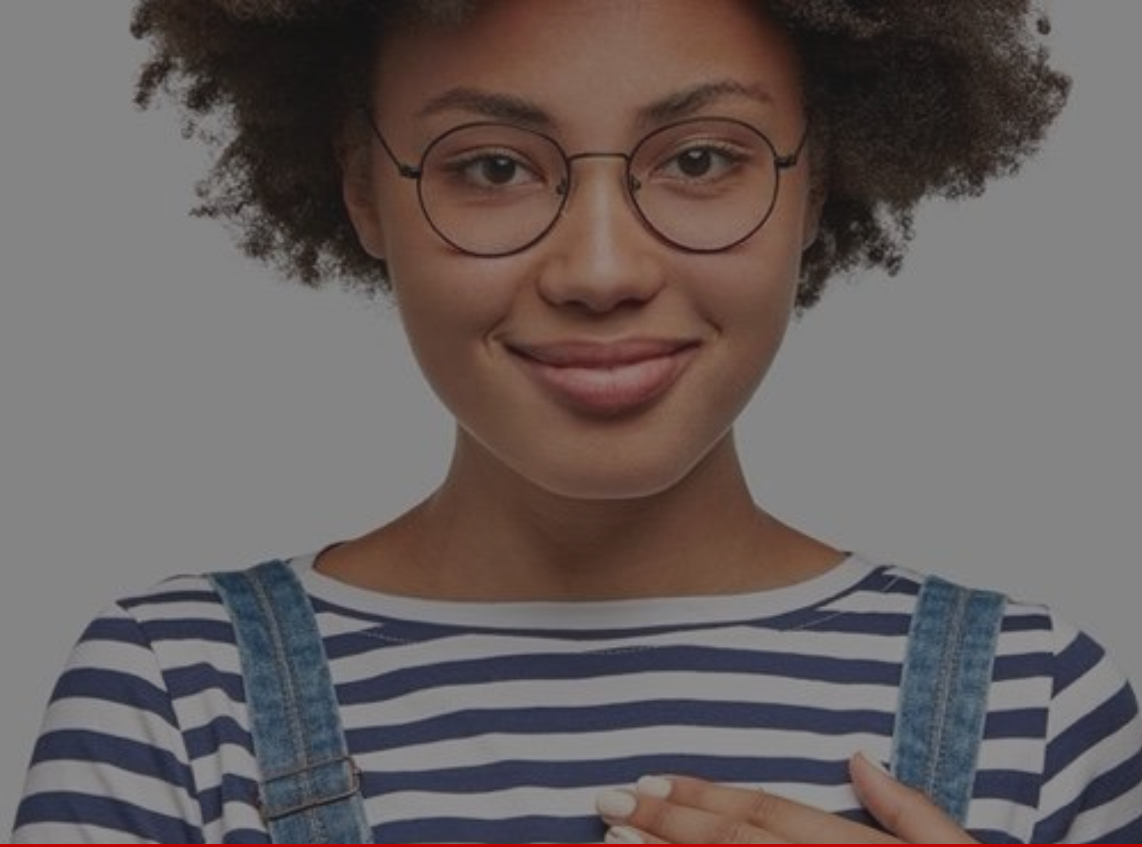
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Threats

- Mexico recession
- Emerging market F/X at risk if US tariff policies expand their reach
- Rising security risks, organized crime
- Capacity issues in Caribbean



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