

THE TOURISM BOOM MAY BE COMING TO AN END



The worldwide tourism boom, especially in 2023, with a record-breaking tourist season in countries such as France, Spain, and the United States, may end due to "galloping" inflation in airfares that "is causing a cut in consumer travel."

This is the conclusion of Mirabaud's latest report, which also points out that travelers have been affected by two years of negative real wage growth, which "has forced them to dip into their savings and accumulate insurmountable credit card debt in an environment of high-interest rates."

In addition, according to Bloomberg, the boom in air travel following the COVID-19 pandemic was "losing steam" following a slowdown in consumer credit and debit card transactions to buy airline tickets in the second quarter of 2023.

"This would be the first drop in two years following the lifting of government-imposed airport closures, which led companies to reduce flights across the country," the report said.

Factors of tourism growth in 2023

In addition to experts' future expectations, the report has analyzed several reasons for this year's increase in tourism and the generally good performance of the services sector.

First, once the skies reopened after the Covid-19 crisis, consumers began to travel to "make up for lost time and experiences" during the pandemic, which decreased their accumulated savings, according to the report.

Second, credit card use has also steadily increased, with "revenge consumption" replacing consumers' "historic caution" during recessions.

Finally, Mirabaud explained, "We must not forget that most developed countries are currently at full employment, which means that consumers can spend at the end of the month."

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