# Travel and Tourism Revenue Growth slows to five-year low at just 4.4 percent in 2025

May 5, 2025. Jastra Kranjec




After three years of impressive double-digit growth and a surge in global travel spending following the COVID-19 lockdowns, the market continues to expand, though more modestly. Economic uncertainty, U.S. tariff policies, and unstable global trade relations have led businesses and consumers to scale back their travel

budgets. According to data presented by Stocklytics.com, global travel and tourism revenue is expected to grow by only 4.4 percent in 2025, the smallest annual increase in the past five years.

**Slower Growth led by decline in U.S. Travel Spending**

It took three years for the travel and tourism sector to fully recover after COVID-19, but now the market faces new challenges, mostly coming from the United States. International travel to the U.S. has taken a hit amid economic uncertainty and trade wars, with stricter immigration policies and political tensions pushing European and Canadian tourists elsewhere. At the same time, domestic travel is slipping, affected by poor weather, late Easter, and weakening consumer confidence.

As one of the biggest contributors to global travel and tourism spending, the slowdown in the U.S. is already having a ripple effect on the worldwide market.

According to a Statista Market Insights survey, global travel and tourism revenue is expected to grow by just 4.4 percent in 2025, reaching USD 955 billion. That is 0.1 percent less compared to the growth rate in 2024 and the lowest annual increase in five years.

Much of the global slowdown can be traced back to the U.S. market. According to Statista, the U.S. travel and tourism sector will grow by 4.3 percent in 2025, down from 4.9 percent last year, reaching a USD 223.6 billion value. In contrast, both Asia and Europe are set to see stronger growth.

Europe’s travel and tourism revenue is projected to rise by 3.1 percent, slightly up from three percent in 2024, totaling USD 305.9 billion.Meanwhile, Asia is expected to post the largest increase, with revenue growing by 5.2 percent, 0.5 percentage points higher than last year, and hitting USD 307.7 billion.

Analyzed by segments, cruises are expected to see the sharpest slowdown, with annual revenue growth dropping from 7.9 percent to 4.9 percent.

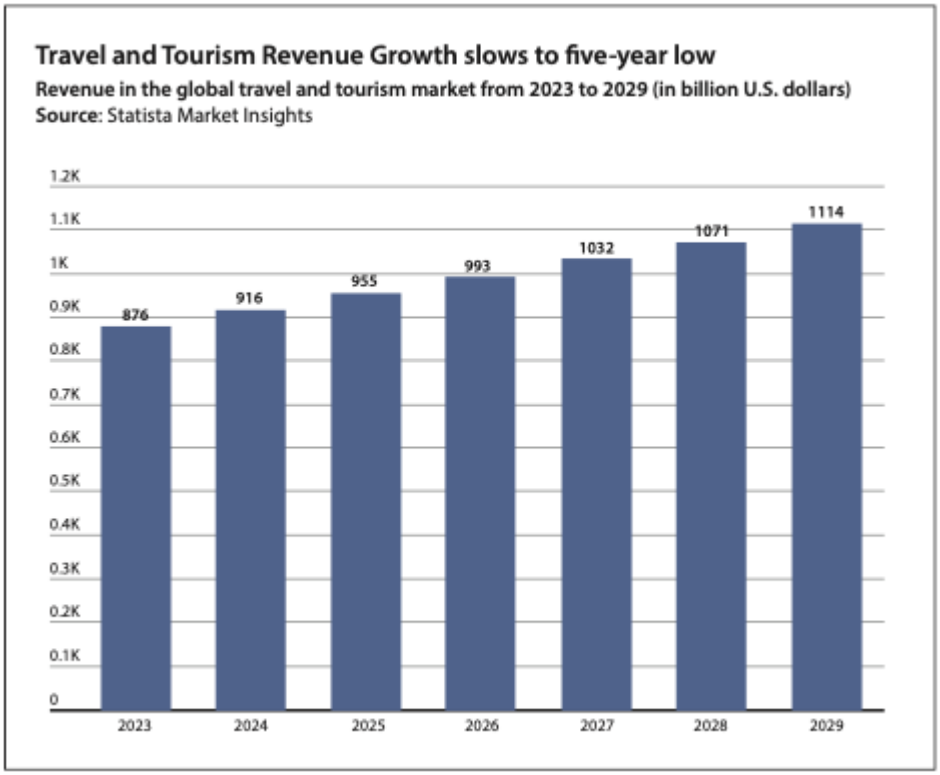
Vacation rentals and camping will also experience notable declines, with growth rates falling by 0.5 percentage points to 5.5 percent and 5.9 percent, respectively.

In contrast, hotel and vacation package segments are set for modest improvement, with revenue growth increasing to 3.9 percent and 4.3 percent.

**More than 2.1 Billion Travelers Expected to Spend in 2025**

Despite rising prices driven by inflation, the number of people spending their money on travel remains shockingly high. According to Statista, more than 2.1 billion people will pay for hotels, cruises, vacation rentals, and package holidays in 2025, 140 million more than last year.

Furthermore, this number will continue growing in the years ahead. Even as revenue growth slows, the market is projected to gain over half a billion new users within the next five years, pushing the total to over 2.6 billion by the end of the decade.



**Travel and tourism annual revenue growth from 2021 to 2029 (in percentage)**

**Sources:** Statista Market Insights

