

TRAVEL AND HOSPITALITY

Global luxury travel market size to spike 7.9pc by 2030: Mastercard

May 9, 2024



Spending is up in the region as the international crowd eyes the diverse cities and landscapes. Image credit: Forbes Global Properties

By EMILY IRIS DEGN

In the Middle East, tourist arrivals were up 22 percent in 2023 from 2019.

This makes it a powerful base camp for high-end hospitality names looking to get in on the luxury travel market, set to grow by 7.9 percent by 2030. The top trends to look to are outlined in Mastercard's [Affluent Travel: A Middle East Perspective](#) report, painting a picture of rising spenders, leisure making its way into work trips and top-of-mind experiences for high earners.

"At Mastercard, we are committed to connecting people to their passion for travel," said Amnah Ajmal, executive vice president of market development, EEMEA, at [Mastercard](#), in a statement.

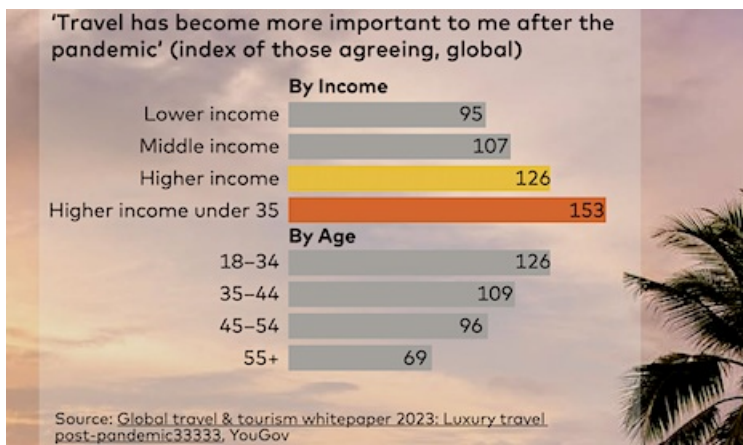
"This report gives a great snapshot of how high-net-worth individuals choose to travel, and it's wonderful to see sustainability, cultural immersion and purpose as key considerations, along with quality accommodation, seamless technology and loyalty benefits," said Ms. Ajmal. "We will continue to harness the power of partnerships with leading industry players to come up with innovative solutions that unlock access to a whole new world of unparalleled travel experiences."

For the report, macroeconomic trend economists, analysts and data scientists at the Mastercard Economics Institute provided insights based on in-house and third party data. External sources such as Marriott Bonvoy, YouGov, Adara and Euromonitor were also referenced.

Middle Eastern moment

The number of ultra-high-net-worth individuals (UHNWI) with at least \$30 million is predicted to increase by 28.1 percent by 2028.

Affluents contribute 36 percent of the world's total spend on the travel industry. When it comes to luxury specifically, they account for 70 percent.



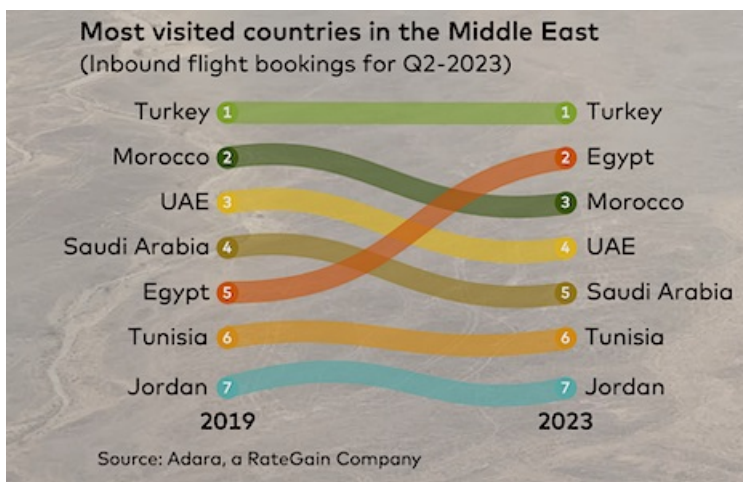
Affluents are putting travel especially high on their list of priorities. Image credit: Mastercard

The market was estimated to sit at \$1.38 trillion last year, and as mentioned, is set to grow nearly 8 percent by the end of the decade.

High spending is especially recorded in the Middle East, making it one of the emerging drivers of affluent travel growth. The area's 22 percent bump up in arrivals since 2019 is contrasted against the 4 percent, 6 percent, 10 percent and 35 percent dip in Africa, Europe, the Americas and Asia Pacific, respectively.

The report turned to the the World Tourism Barometer to conclude that destinations such as Qatar and Saudi Arabia are having a particularly strong hold on tourists, seeing a 90 percent and 56 percent surge in arrivals.

However, Mastercard reveals that Turkey is the most visited country in the Middle East.



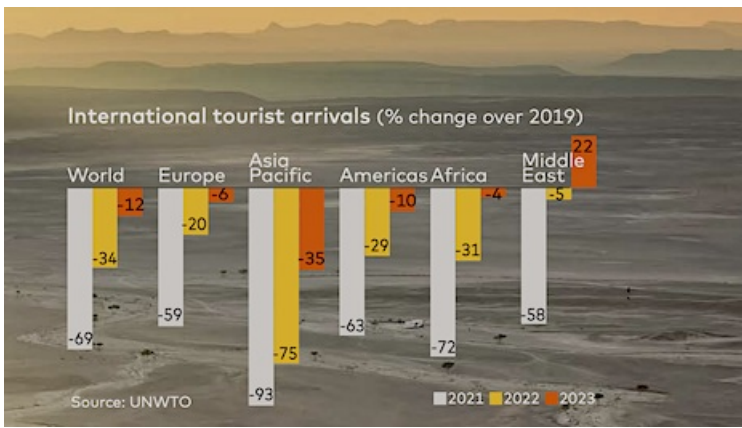
Turkey continues to capture the attention of the global community. Image credit: Mastercard

Since 2019, Egypt jumped up the highest number of places in the top-seven ranking, going from fifth to second. Morocco comes in third.

Bleisure boom

Of the trends being set by the top-spending travelers, "bleisure," or business trips with elements of leisure, is turning out to be quite popular.

As UHNWIs become increasingly remote, possibilities are opening up for work-related excursions to turn into vacations. In fact, affluent individuals are nearly twice as likely as the worldwide average to have gone on a getaway as an extension of a business trip.



The Middle East is garnering more visitors as the years go on. Image credit: Mastercard

An appetite for fresh experiences in unexplored locations and microtrips are also likely to drive the global market's expansion, per the report.

Mastercard reveals that based on YouGov research, 36 percent of luxury travelers share that they want to be exposed to different cultures. Almost a quarter say they will pay a higher price tag for ecofriendly resorts, remote destinations or tours that will allow them to connect with the locals (see story).

More than half of affluents are prioritizing meaningful moments while taking their trip over shopping and snagging souvenirs.

When it comes to high-end vacationers, 38 percent are prepared to pay between 30 percent and 50 percent more for environmentally friendly features such as energy-efficient services. One-quarter of the group would pay even higher amounts for transportation that is less carbon intensive.



It seems that affluents are hungry for new cultural experiences, time with locals and learning. Image credit: Mastercard

Personalization, pampering and privacy are also top of mind.

This younger age group is more likely to spend more on Michelin-starred or special culinary experiences than other demographics. Meanwhile, 27 percent of affluents in general state that they would do so for villas and chalets in secluded spaces 21 percent would splurge on a luxury stay on a private island.

Finally, loyalty programs and membership cards are more likely to be used by high-net-worth individuals, 34 percent of whom utilize these perks compared to 24 percent of the overall average. The most popular benefits include exclusive airport lounges (see story), and priority boarding and check-in.