

Insights

2022 Mid-Year Sector Report: Technology

Travel Tech sector update**TRAVEL TECH INDUSTRY POISED FOR A STRONG RECOVERY**

The pandemic impacted the travel and tourism sector more than almost any other industry. However, with COVID mitigation efforts largely behind us, we believe that the industry is poised for a strong recovery as consumers and businesses alike are experiencing the strong desire to resume travel.

CURRENT STATE OF THE INDUSTRY

Since 1980, the number of international arrivals skyrocketed from 277 million to nearly 1.5 billion in 2019. However, in 2020, the COVID-19 pandemic impact brought the industry to a halt as pandemic led restrictions have limited business and consumer travel alike.

In 2021 the industry gradually started to recover as global travel restrictions started to subside. International tourist arrivals (overnight visitors) experienced a 4% increase of 15 million international tourist arrivals totaling 415 million in 2021 compared to 400 million in 2020. However, the increase equates to ~1 billion fewer international arrivals compared to pre-pandemic levels in 2019, keeping 2021 levels at levels last seen in the late 1980s. Europe and the Americas recorded the strongest results in 2021 compared to 2020 but still both are 62% below pre-pandemic levels. Asia and the Pacific arrivals were below 94% when compared to pre-pandemic values as many destinations remained closed for non-essential travel.

Despite lower travel levels compared to 2019, international arrivals continued to pick up the momentum that started in 2021 throughout the beginning of 2022 as the month of January registered 18 million more visitors than January 2021, a 130% percent increase. In April 2022 travel spending exceeded 2019 levels for the first time since the start of the pandemic. Despite rising inflation and interest rates, supply chain concerns, and geopolitical tension due to the war in Ukraine, we believe this trend will continue throughout 2022 and beyond as international pandemic-travel related restrictions continue to be lifted, the return of business travel continues to increase, and consumer travel continues to increase due to pent-up demand from deprived travel in 2020 and 2021.

[READ MORE](#)

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc., © 2022, Mesirow Financial Holdings, Inc. All rights reserved. Mesirow does not provide legal or tax advice. Securities offered by Mesirow Financial, Inc. member FINRA, SIPC. Some information contained herein has been obtained from sources believed to be reliable

but is not necessarily complete and its accuracy cannot be guaranteed. Any opinions expressed are subject to change without notice. It should not be assumed that any historical market performance information discussed herein will equal such future performance. This report is for information purposes only and should not be considered a solicitation to buy or sell any security.