

Americas geopolitical shifts and impact on the travel sector

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Orlando, FL



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We help our clients to grow, protect & measure their businesses



How we grow your business

- Market landscape studies
- Market sizing studies
- Opportunity benchmark studies
- Consumer insight research
- B2B demand research
- Pre-investment viability studies
- Partner selection studies
- Thought leadership studies

Forecasting presentations



How we protect your business

- Competitive intelligence
- Political/regulatory risk analysis
- Project opposition research
- Reputational risk studies
- Economic/sector risk analysis
- Security risk analysis
- Black/grey economy risk analysis
- Market disruption risk



How we measure your business

- Best practices benchmark study
- SWOT analysis
- Customer satisfaction studies
- Brand awareness studies
- Market share analysis

Deep experience (4,500+ projects / 33 years in LatAm)

Payments



- >900 projects
- Consumer & corporate cards, pre-paid cards, digital wallets, contactless, mobile payments, POS technology, BNPL

Healthcare



- >700 projects
- Medical equipment, devices, hospital services, health policy, pharmaceuticals, supplements, vaccines

Logistics



- >350 projects
- 3PL, air cargo, FTL, LTL, rail, ocean, port management, warehousing, distribution, equipment, software

Industrial



- >700 projects
- Transportation, manufacturing, **chemicals**, lubricants, metals, plastics, paper, packaging, safety

Consumer



- >800 projects
- Food, beverage, snacks, appliances, beauty products, toys, **travel**
- E-comm, entertainment, retail, travel, public transit

Resources



- >300 projects
- **Agriculture** – commodities, **animal feed**, fertilizers, technology
- Mining – exploration, equipment
- Energy – oil & gas, alternatives, petrochemicals

Automotive



- >175 projects
- Cars, trucks, buses, OEM & aftermarket parts, lubricants service, finance

Insurance



- >50 projects
- Accident & Health, E&O/professional liability insurance, general liability insurance, political risks, property insurance, re-insurance

Education



- >50 projects
- On-line universities, on-line language schools, Executive MBA education, Private high schools, Private universities, Vocational training, International universities

Telco, IT, Media

- >150 projects
- Telco – wireless, ISP, services, equipment;
- IT – ERP, computers & accessories, AMT;
- Media – gaming, pictures, print, TV, radio

* Beyond our practices, AMI has also conducted close to 300 projects in other sectors not listed above



2026-7 geopolitical changes: impact on travel

The Baseline: Momentum Entering 2026

Despite global uncertainty, LAC entered 2026 with strong forecasts:



8.3%

LAC Air Demand

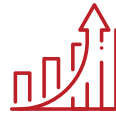
Year-over-year passenger growth (IATA, Jan 2026)



11.4%

Intl. Demand

Latin American airlines' international demand growth

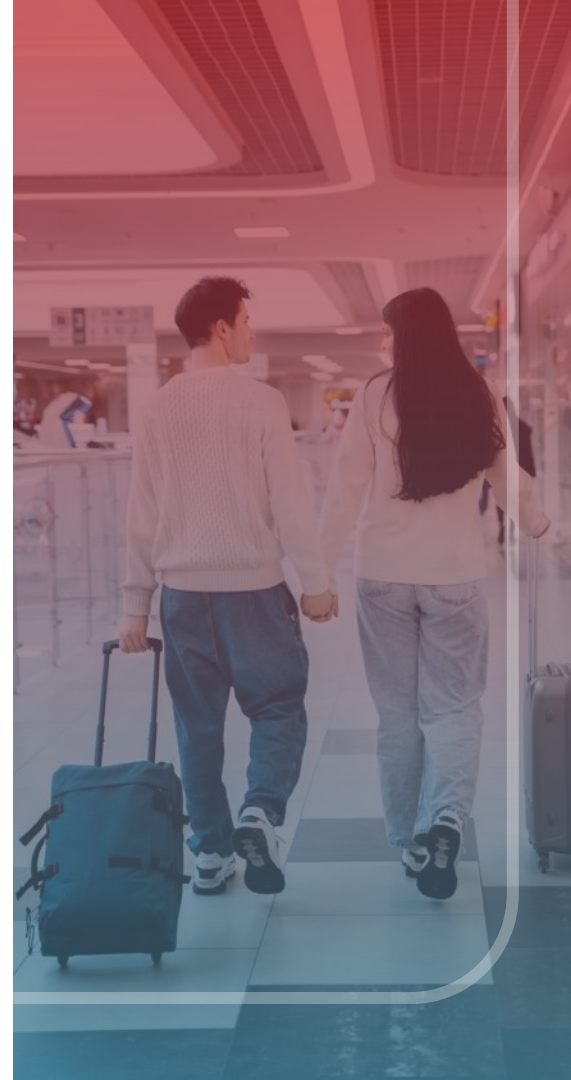


3-4%

Global Growth

UN Tourism forecast for 2026 if conflicts don't worsen

Sources: Tourism analytics, Reuters



The Biggest Drag: Middle East Spillover

War with Iran triggered **jet fuel price surges**, Gulf airspace closures, and longer routings. Major airlines warned of higher fares and supply strains.



Who Gets Hurt Most

Long-haul inbound from Europe, the Middle East, and Asia – especially South American destinations reliant on intercontinental airlift.



Expected Impact

Moderate reduction vs. the no-conflict baseline – fuel surcharges, schedule changes, and longer itineraries deter long-haul travelers.



The Silver Lining: Caribbean Gains

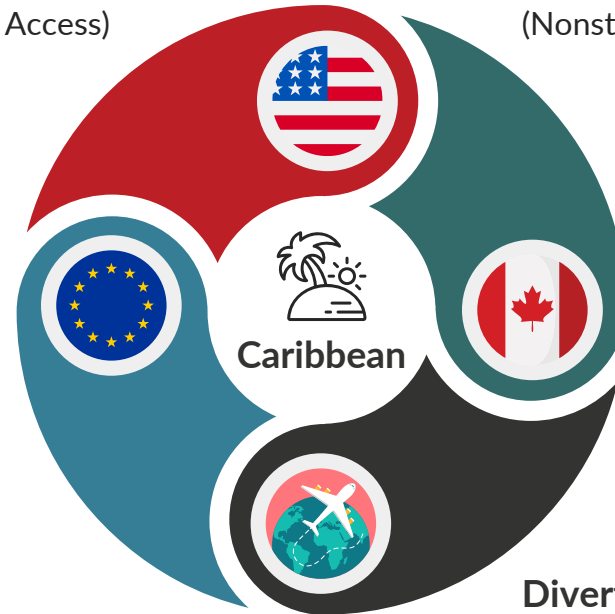
Some geopolitics **benefits** the region. European carriers are already adding Caribbean flights, and travelers are choosing destinations that avoid Middle East overflight complexity.

The Caribbean Tourism Organization confirmed the region was **above 2019 levels in 2025** and expected continued growth in 2026.

Caribbean resort markets with strong nonstop access from the U.S., Canada, and Europe are positioned to **outperform the broader region in 2026**.

United States
(Nonstop Access)

Canada
(Nonstop Access)



Europe
(Adding Flights)

Diverted Travelers
(Avoided ME Routes)

Sources: Tourism analytics, Reuters

North American Policy Friction

US as a destination continues to suffer from anti-American sentiment



U.S. Inbound Slump

U.S. international arrivals fell **4.2% YoY** at the start of 2026; overseas softness remained a weakness (U.S. Travel).



Canada Shock

Oxford Economics: Canadian visits to the U.S. fell **25.7% in 2025** due to diplomatic tensions and border-policy headwinds.



LAC Opportunity

Mexico, Central America, and the Caribbean may capture **substitute demand** from travelers reconsidering the U.S. for warm-weather trips.

Sources: US travel association, Reuters

The Main Losers: Local Security Headlines

Haiti



Continuing political turmoil and incomplete international security response – near-certain very weak inbound conditions in 2026.

Parts of Mexico



Cruise diversions reported after cartel-related violence. Country- and corridor-specific risk, not a regional shock.

Ecuador



Continuing security strains affecting traveler perception and transport operations.








Sources: Reuters, AMI analysis



Latin America: Economic and Political Forecast

Populist Presidents vs institutional checks & balances

Latin America's flirtation with populism could have been a lot worse

Institutional barriers to populism	Lula	Petro	AMLO & Sheinbaum	Boric -> Kast	Balcázar	Peronists -> Milei
		 <ul style="list-style-type: none"> Judiciary Congressional opposition Fiscal debt Central Bank 	 <ul style="list-style-type: none"> Int'l accords Army Judiciary Congress Fiscal debt Central Bank 	 <ul style="list-style-type: none"> Int'l accords Judiciary Central Bank 	 <ul style="list-style-type: none"> Int'l accords Constitutional reform Judiciary Congress Fiscal deficit 	 <ul style="list-style-type: none"> Judiciary Int'l accords Congress Fiscal deficit

Politics matters—and it is pointing rightward

Moderate commodity prices and high interest rates prioritizes good governance and deft foreign relations



MEXICO

Sheinbaum promised to keep moving Mexico to the left, in homage to AMLO. Trump policies and private sector pressure have changed her agenda to something more pragmatic, yet disruptive



COLOMBIA

Petro's policies frighten investors but congress and the court reign him in. '26 elections are likely to yield a right-wing presidency, but fragmentation keeps the door open for Petro's successor.



ECUADOR

Investors like Noboa's economic policies but worry about the disruptive power of organized crime and macro-economic fragility. US support for fighting cartels is welcomed but will keep some investors away.



PERU

President José María Balcázar is the 8th in the last decade. Elections in April '26 should yield a center-right president, but fragmented party politics sustain populism.



CHILE

Recently elected José Antonio Kast is an establishment right wing candidate who will focus on deregulation to reactivate investment growth. He is likely to position Chile closer to the USA, but will not risk alienating other foreign partners.



HONDURAS

The protracted election of Nasry (Tito) Asfura helped break the leftist hold on Honduras and will provide a tectonic shift to Central American political balance.



DOMINICAN REPUBLIC

Abinader has delivered pro-business policy and far less egregious corruption than in the past.



VENEZUELA

The extraction of disgraced President Maduro promises to be followed up by a much closer partnership to Washington and economic growth. Less clear is any path to democracy.



BRAZIL

Lula's popularity was falling until Trump imposed tariffs. Lula's approval has lifted and leveled, inspiring him to run again in 2026. He is the front runner thanks to economic tailwinds, policy stoking and a divided right-wing opposition.



ARGENTINA

Milei has radically pivoted Argentine politics to the right, igniting a regional curiosity in libertarianism. Mid-term election success will help Milei legislate his reform agenda and lengthen the impact of his policies.

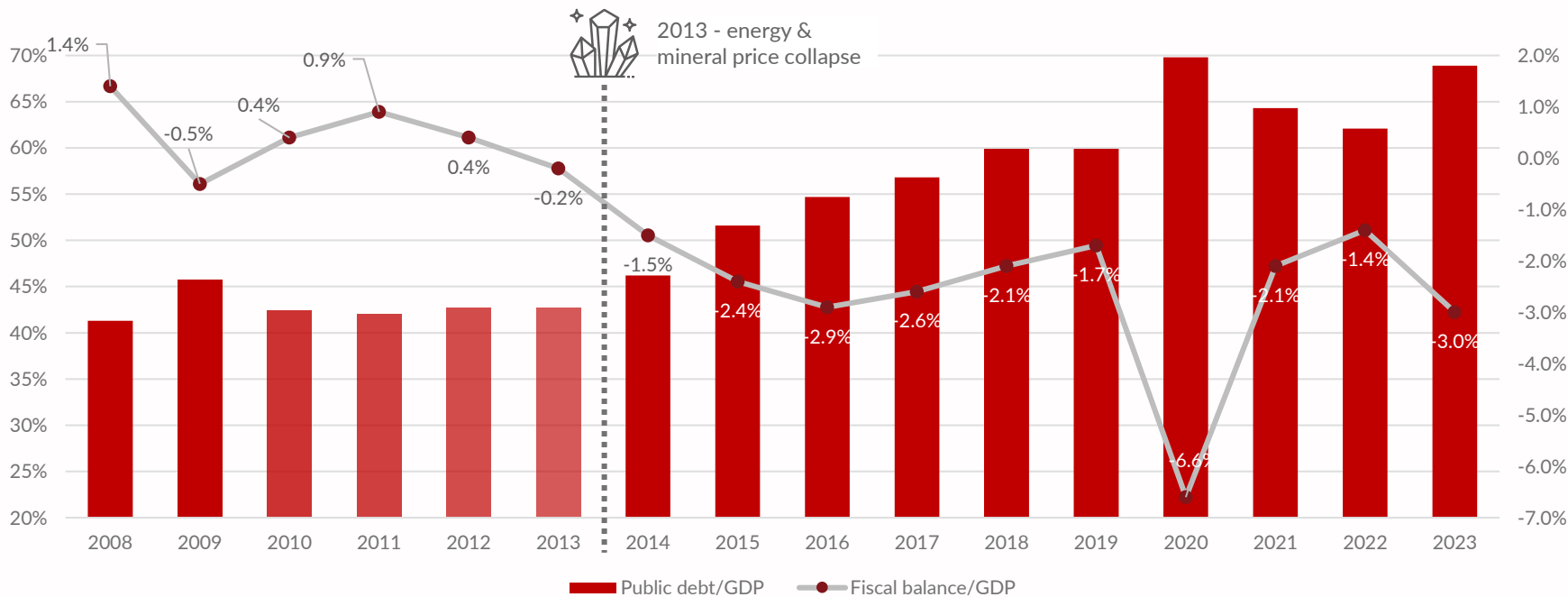


Source: AMI analysis

20 years of low US interest rates and (up to 2013) high commodity prices facilitated public debt & deficits

Today, creditors pressure LAC govts to cut costs

Latin America & Caribbean public finances (weighted average)



Source: EIU

The 2026 election map



Costa Rica



General election (Feb 2026, Laura Fernandez wins the elections in first round)

Directional tilt: Continuity of Rodrigo Chaves pro-business and center-right government.



Peru



General election (Apr 2026; possible runoff Jun 2026)

Directional tilt: Slight center-right/right lean more likely than a consolidated left win (security + anti-incumbent mood + fragmentation). Interim President José Jeri was dismissed from office, intensifying political crisis shortly before the elections.



Colombia



Legislative (Mar 2026) + Presidential (May 2026; possible runoff Jun 2026)

Directional tilt: Right/center-right shift plausible (security and economic pragmatism likely to dominate). The 2026 polls show two opposing frontrunners, leaving either a right- or left-wing presidency possible.



Brazil



General election (Oct 2026; possible runoff late Oct 2026)

Directional tilt: True toss-up (continuity vs right/center-right return depends on coalition math and inflation/jobs mood).



Haiti



Elections planned for Aug 2026; possible runoff Dec 2026 (timing highly contingent on security and transition governance)

Directional tilt: Not reliably classifiable left/right; feasibility and security dominate the outcome. 4



The Bahamas



General election due by 2026 (timing may be called within constitutional window)

Directional tilt: Typically governance/performance more than ideology; "centrist alternation" pattern.

Politically meaningful (subnational)



Bolivia



Subnational elections Mar (2026)

Directional tilt: Local power networks and MAS/opposition geography matter more than a single national swing.



Paraguay

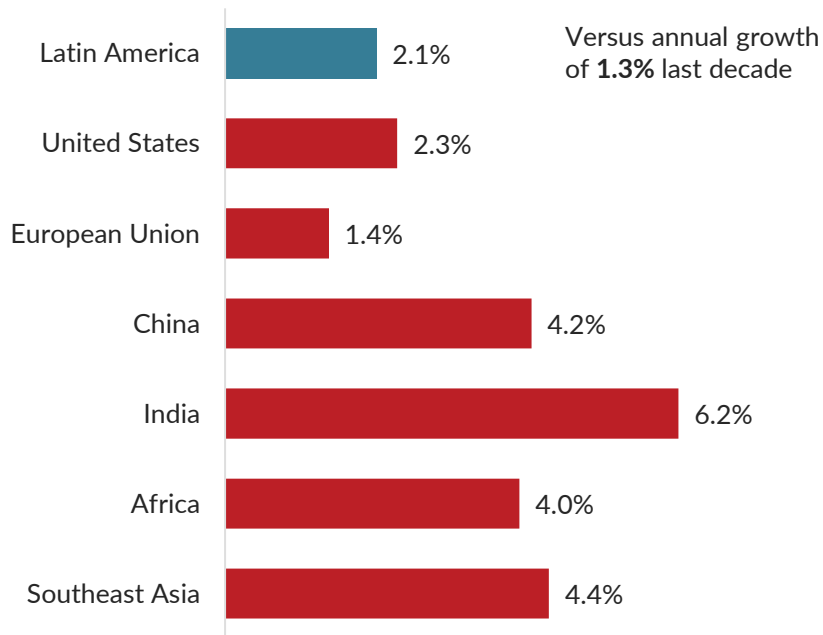


Paraguay – Municipal elections Oct (2026)

Directional tilt: Mostly local machines; useful as a "signal" for the next national cycle rather than an ideological pivot.

GDP Growth Projections (2026)

Latin America is projected to show moderate but stable growth, lagging behind the dynamic economies of India and Southeast Asia but outperforming the more modest expansions of the USA and EU



Source: EIU

Growth Drivers

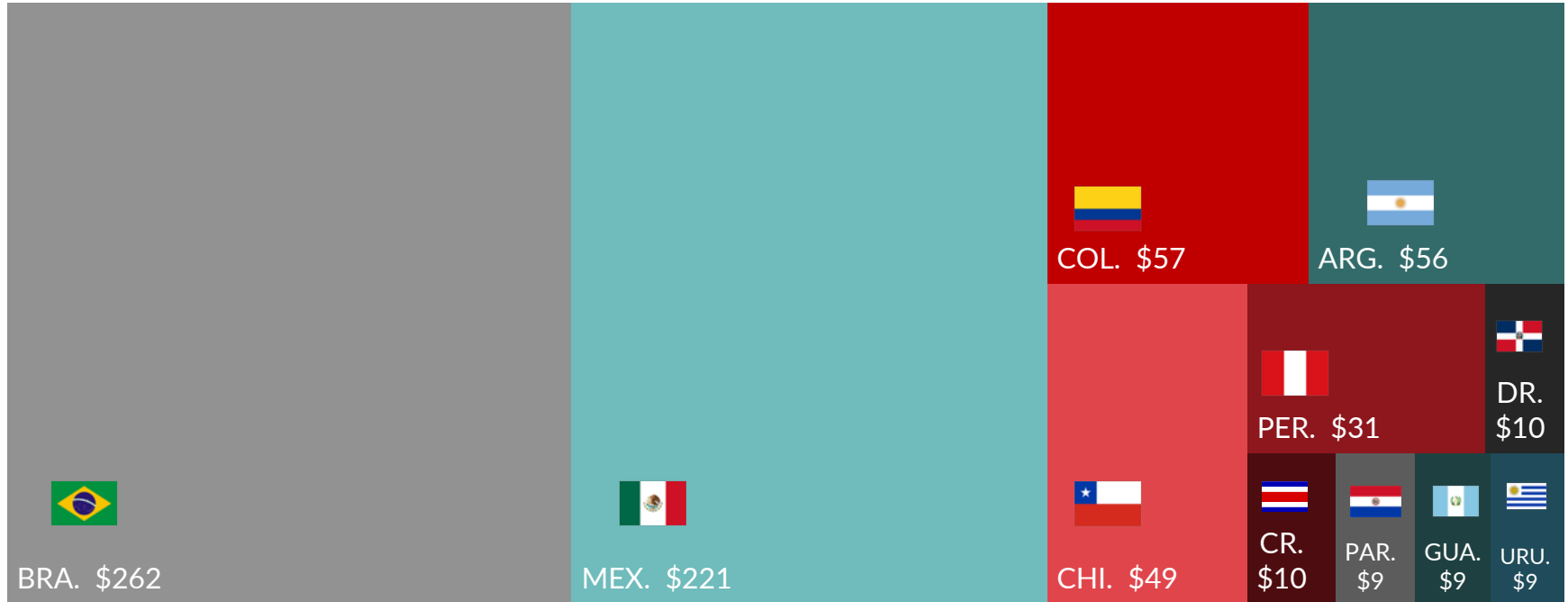
- LatAm improving its financing conditions, as risk spreads declined in 2025.
- Commodities exports grew 6,4% in 2025 (agrifood, metals, manufactured goods).
- Most market show resilient private consumption and easing inflationary pressures.

Growth Obstacles

- US led trade policy disruption & uncertainty (particularly Mexico)
- Fiscal fragility and structurally low productivity
- Infrastructure gaps
- Insecurity & Poor governance
- Education

Brazil will lead (USD measured) GDP expansion in 2026

Net increase in USD bn measured GDP from 2025 to 2026

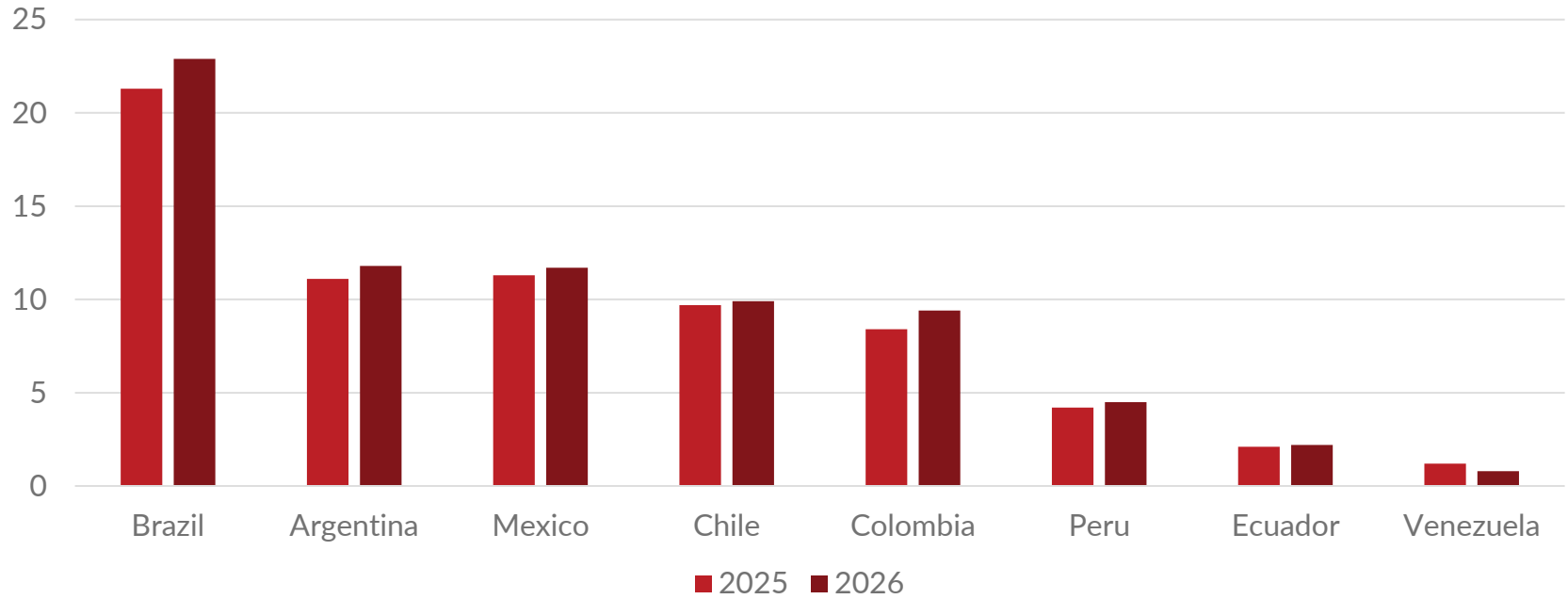


Source: EIU

LatAm outbound travel forecast to grow 5.6% in 2026

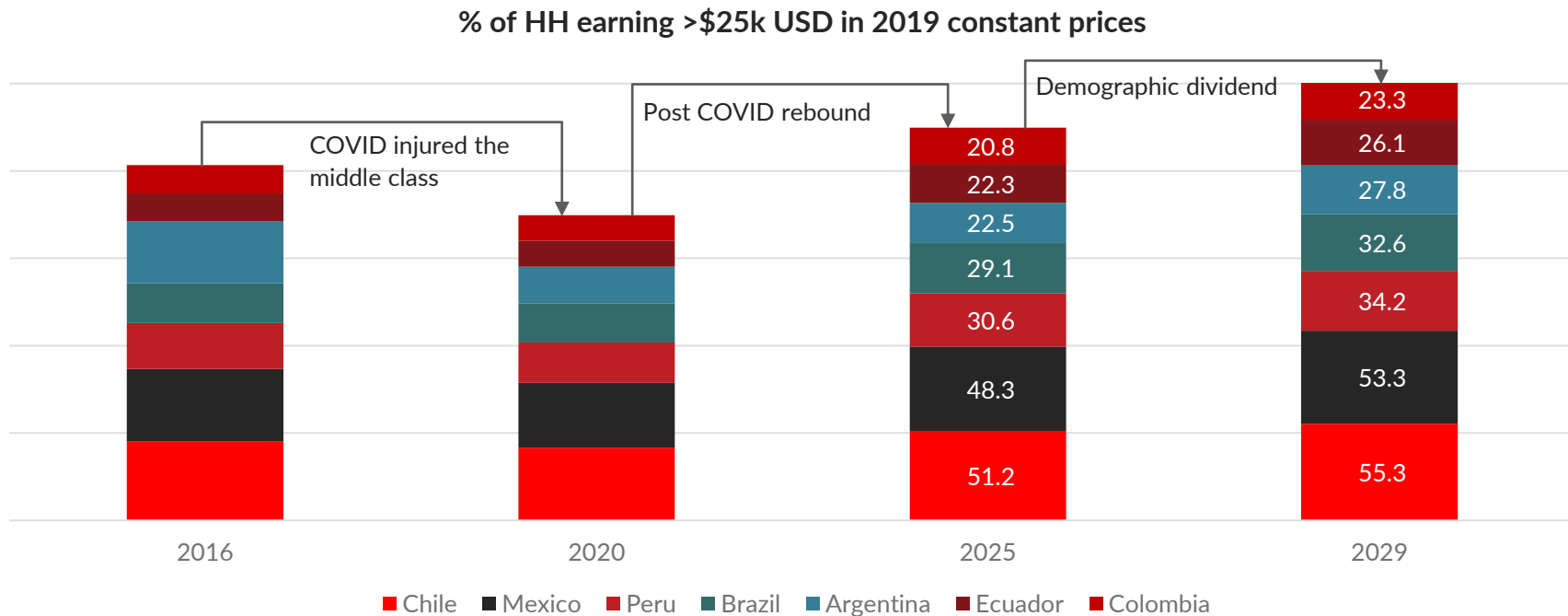
Most Latin American currencies are strengthening, aiding outbound travel volumes

Outbound travel receipts (USD billions)



Source: EIU

LatAm's middle class is growing again after the COVID hit



Source: EIU

Cultural Shift

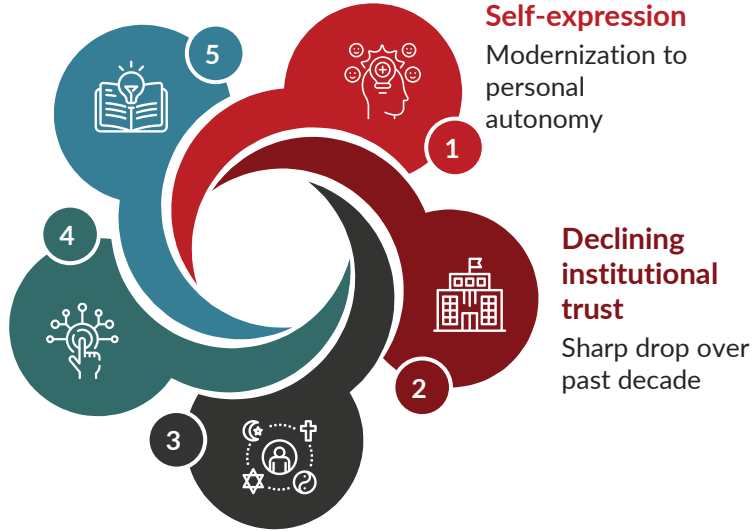
The Rise of Latin American Individualism – and What It Means for Travel

Education and Mobility

Rising ambition among youth

Digitalization & Urbanization

Most urbanized developing regions



Why This Matters for Travel

This cultural evolution is feeding directly into itinerary design and purchasing behavior:



Solo & Self-Discovery Travel

Peru and Ecuador already attract disproportionately high shares of solo travelers



Niche & Wellness Itineraries

Identity-signaling trips replacing generic group packages



Customization Demand

Greater willingness to pay for tailored experiences over fixed-format tours

Source: AMI research and analysis



Recent Trends in LAC travel

Outbound Travel

More Regional, More Segmented, More Premium

Latin American outbound travel is evolving along three simultaneous axes. Visa's 2025 research confirms that as wealth grows, affluent travelers blend regional escapes with selective long-haul trips — favoring immersive, nontraditional destinations over crowded legacy capitals. Proximity, visa ease, and blended-purpose trips define the volume core.



Outbound Travel Patterns

Where Latin Americans Are Going – and Why



Volume Core: Regional & Short-Haul

The Caribbean, U.S., W. Europe, and neighboring South American markets dominate. Diaspora ties, business links, and simpler planning sustain these flows. U.S. arrivals from Argentina surged in 2024, underscoring the resilience of North America as a destination.



Affluent Tier: Second-Level Luxury

Demand is moving beyond London-Paris-New York toward **Mendoza, Mallorca, Lucerne, and Lyon** – destinations offering authenticity, gastronomy, privacy, and lower crowd density.

Key Demand Drivers



Macroeconomics

Middle-class travel is price-sensitive; affluent demand is highly resilient – planning nearly **2× more trips** than non-affluent peers



Hub Connectivity

Bogotá, Panama City, and major Brazilian airports are the primary beneficiaries of capacity expansion



Experience Premium

Culinary depth, artisan culture, and "approachable" alternatives to overcrowded capitals are top purchase drivers

Inbound Tourism

Beyond Beach & City: What Visitors Are Seeking



Inbound demand is increasingly organized around **nature, layered cultural experiences, year-round spread, and improved air access.** Mabrian's 2025 analysis of Latin America's six largest markets reveals clear differentiation:

El Salvador posted a +25% surge in traveler interest; Puerto Rico saw +44% linked to the Bad Bunny concert series.



Argentina & Brazil

Lead on cultural appeal and urban sophistication



Costa Rica

Dominates nature-led and eco-adventure travel

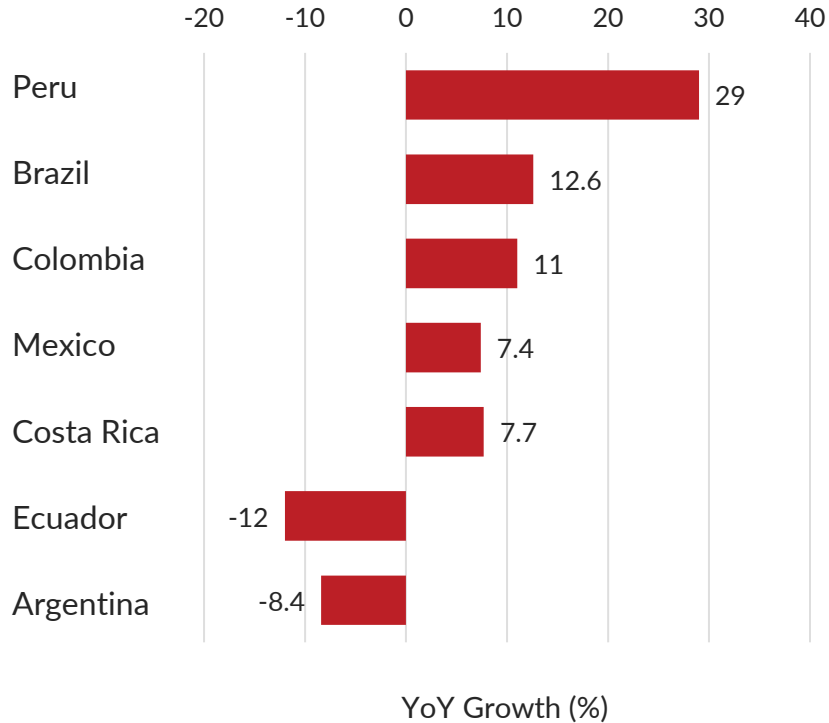


Peru & Ecuador

Score highest on tourist satisfaction and authenticity

Inbound Market Share

Winners and Losers in 2024



Market Concentration

Mexico, Costa Rica, Argentina, Brazil, Peru and Ecuador together represented **86%** of Latin America's **76.4 million** international arrivals in 2024 — a heavily concentrated market with significant runway for secondary destinations.

Key Inbound Drivers

- Improved airlift and direct route expansion
- Destination branding and micro-journey marketing
- Event-led demand (sports, concerts, cultural festivals)
- Product diversification: boutique stays, solo travel, wellness

The changing of the guard in Caribbean markets

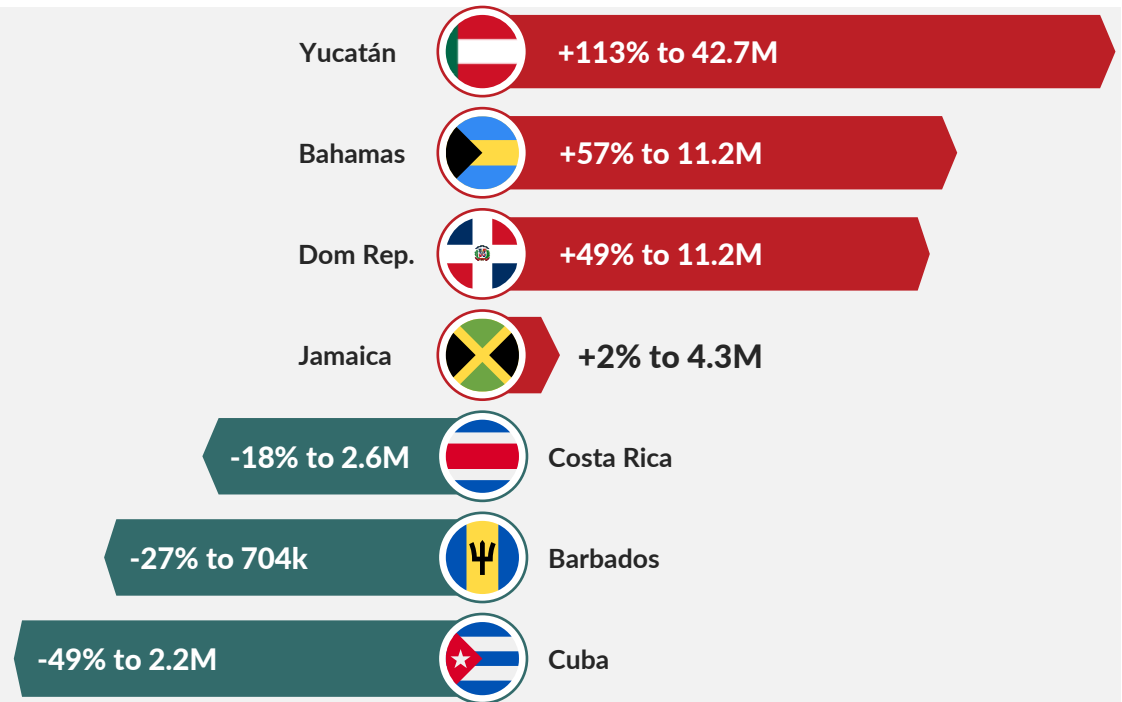
The relative rigidity of COVID quarantine measures dictated rebound rates and market share gains

Change in annual arrivals

2019 –
2024



COVID restriction
variations by country
altered traveler choices



Sources: domestic tourism agencies

LAC tourism Investment Landscape

Capital Is Flowing — at Scale

The next wave of tourism investment across Latin America and the Caribbean is concentrated in destination-creation rather than standalone hotels: airports, branded residences, marinas, mixed-use districts, and major all-inclusive resorts are being planned as integrated coastal ecosystems.



Top Tourism Investments

Ten Largest Disclosed Projects (2023–2025)

Project	Value	Strategic Significance
Mexico National Tourism Pipeline	36.7B	~700 projects across 30 states – largest single pipeline in the region
Mexico Airport Modernization	\$7.5B	62 airports upgraded 2025–2030; directly enables Cancún, Los Cabos, Puerto Vallarta
Pedernales–Cabo Rojo, Dominican Republic	2.2B	New destination buildout: hotels, airport, marina, roads, utilities
Grupo Puntacana / Miches, DR	\$2.2B	Landmark integrated coastal development announced early 2026
Moon Palace The Grand Punta Cana, DR	1.5B	2,171-room flagship – one of Caribbean's largest single hotel investments
Playa Grande Golf & Ocean Club, DR	~\$1B	Airport-linked tourism and residential development package
Jamaica Mega-Resort	1B	Broke ground 2025; described as Jamaica's most ambitious tourism project
Jalisco Hotel Pipeline, Mexico	1B+	38 hotel projects through 2028 – largest subnational hotel push disclosed
Beaches Resort, St. Vincent & Grenadines	\$500M	Largest single tourism investment in the country's history
PLH Barbuda, Antigua & Barbuda	500M+	Luxury tourism-residential development with ongoing expansion planned

Sources: multiple published sources across multiple markets



Affluent Latin Americans

Affluent Travel Preferences

Highly Affluent vs. Mass Affluent: Two Distinct Profiles

Highly Affluent

Curators of experience. They buy control and uniqueness.

- Private villas, top-tier resorts, boutique hotels
- Multi-stop itineraries, premium cabins
- Privacy, authenticity, low crowd density
- Luxury retail, wellness, culinary depth
- Less price-sensitive; highly sensitive to crowding and quality inconsistency

Mass Affluent

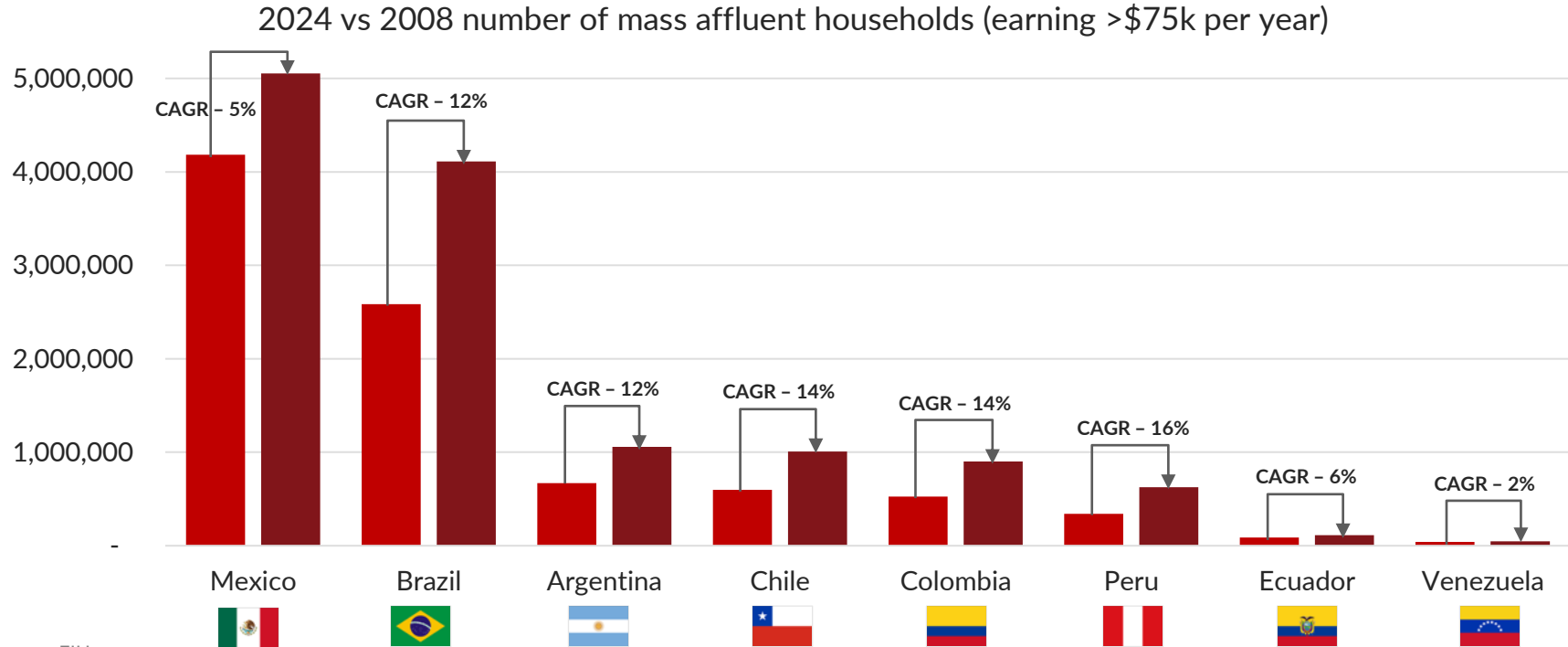
Upgrading pragmatists. They buy comfort and aspiration.

- All-inclusives, direct flights, loyalty programs
- Shorter-haul destinations with visa ease
- Promotion-sensitive; value-for-money a top criterion
- Will substitute destination or date before canceling the trip
- Aspire to premium but remain structurally price-conscious



Luxury now means time efficiency, privacy, health, and authenticity – not just branded excess.
– ILTM Latin America 2024/25

Despite economic challenges, mass affluent numbers grow robustly

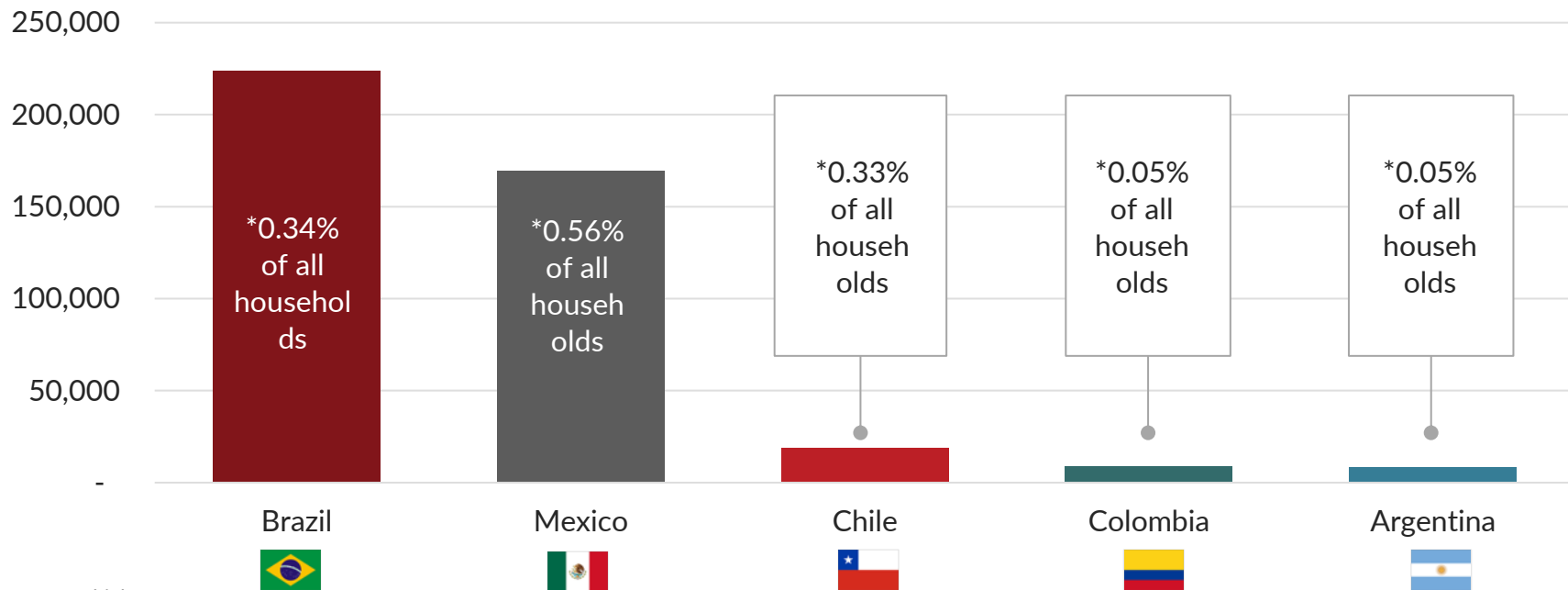


Source: EIU

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

2024 number of HNWI individuals (personal assets > \$1MM USD)



Sources: multiple



The travel future

Five-Year Outlook

Longer-Term Trends That Will Shape the Decade

1

Hub Competition



Direct international routes and domestic lift will separate market winners from laggards

2

Product Sophistication



The next edge comes from packaging, safety, multilingual service, and data-led marketing – not raw natural assets

3

Dual-Market Dynamics



Premiumization at the top + price pressure in the middle will coexist; destinations serving both will outperform

4

Tourism as Industrial Policy



WTTC's \$944.8B / 35.4M jobs projection is driving governments to treat tourism as strategic infrastructure

5

Digital & Demographic Shift



GSMA projects 53% 5G adoption in LAC by 2030 – accelerating mobile-first planning, instant payments, and individualized discovery

Sources: AMI research and analysis

The Strategic Imperative: Build for the Next Decade Now



Invest in Connectivity

Route access is the single most replicable competitive advantage – and still the most constraining factor for secondary markets



Serve Both Tiers

Destinations and investors that can address highly affluent AND mass-affluent demand will capture the widest share of a \$944.8B market



Design for Experience

Authenticity, micro-itineraries, wellness, and cultural texture are now table stakes – not differentiators – for premium positioning



Think in Districts, Not Hotels

The next wave of competition is between integrated coastal ecosystems – airports, marinas, residences, resorts planned as one strategic unit



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