



Office of Travel and Tourism Industries

The State of U.S. Travel and Tourism Industries



The State of U.S. Travel and Tourism (2009 Year to Date)

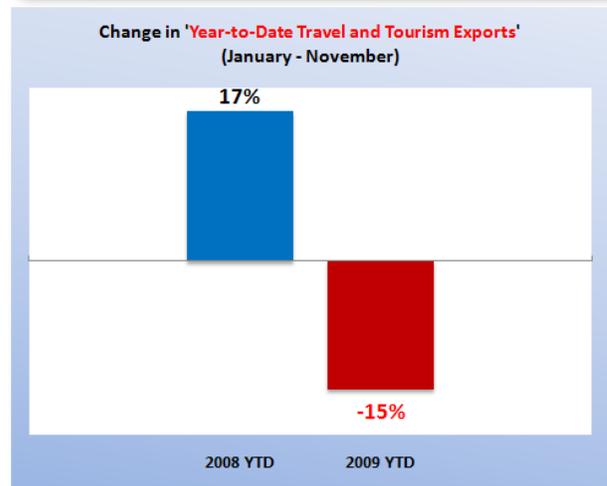
Monthly Travel & Tourism Exports

- In November international visitors spent an estimated \$10.2 billion on travel to, and tourism-related activities within, the United States—nearly \$800 million less (7 percent) than was spent in November 2008.
- November 2009 marks the thirteenth consecutive month of declines in international visitor spending, averaging \$1.8 billion less a month in 2009.



Year-to-Date Exports

- Through November, international visitor spending in the United States totaled \$111.2 billion, down nearly 15 percent (\$19.3 billion) when compared to 2008.
- The U.S. travel and tourism industry has generated a \$21.3 billion trade surplus (i.e., exports minus imports) year to date, a 22 percent less favorable balance of trade when compared to last year.



Passenger Fare Exports

- Rarely does the United States run a balance of trade surplus for 'passenger fares.'
- However, the industry has enjoyed a passenger fare trade surplus in every month of 2009; in fact, the appreciable surplus enjoyed in August 2009 was the largest monthly surplus in more than a decade.



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International Visitation (Arrivals)

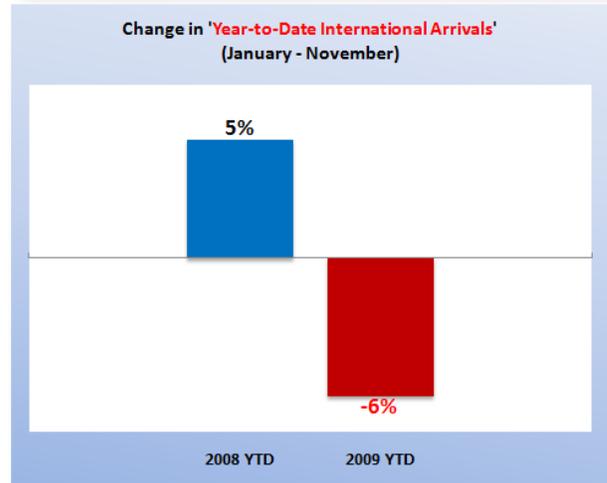
Monthly International Visitation

- The United States welcomed 3.6 million international visitors in November 2009, an increase of just over 1 percent when compared to November 2008.
- October's uptick represents the first increase in total international visitation to the United States since April 2009 and the first 'non-Easter' increase since August 2008.



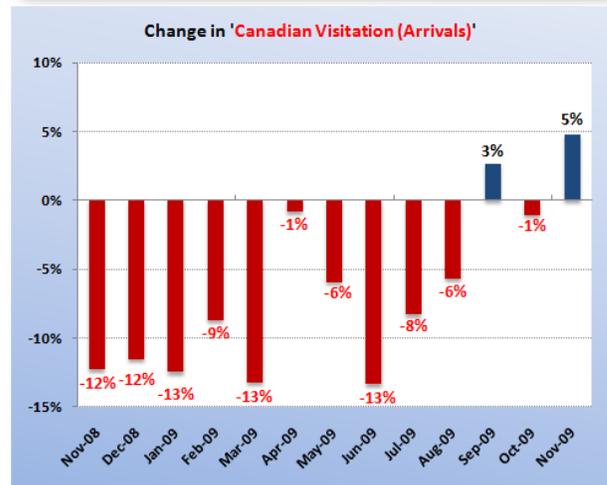
Year-to-Date Visitation

- Despite ever-so-slight increases in October and November, the United States has welcomed nearly 3 million fewer international travelers through the first 11 months, down 6 percent when compared to the same period in 2008.
- Overseas visitation (excluding Mexico and Canada from total arrivals) is down more than 7 percent year to date, welcoming nearly 1.7 million fewer overseas visitors through November.



Canada: Our Largest Origin Market

- Visitation from Canada, the largest origin market for U.S. arrivals, has declined in 13 of the last 15 months, though increasing a much-welcomed 5 percent in November 2009.
- Through November 2009, the United States has welcomed 16.8 million Canadian travellers, a decrease of nearly 6 percent compared to last year (January - November).



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U.S. Travel and Tourism Output

Total Travel & Tourism Spending

- Total spending (domestic + international) on U.S. travel and tourism-related goods and services rebounded during Q3:2009, increasing by more than 13 percent and the first increase in industry output since Q3:2008.
- Transportation was the largest contributor to growth in travel and tourism spending in Q3:2009.



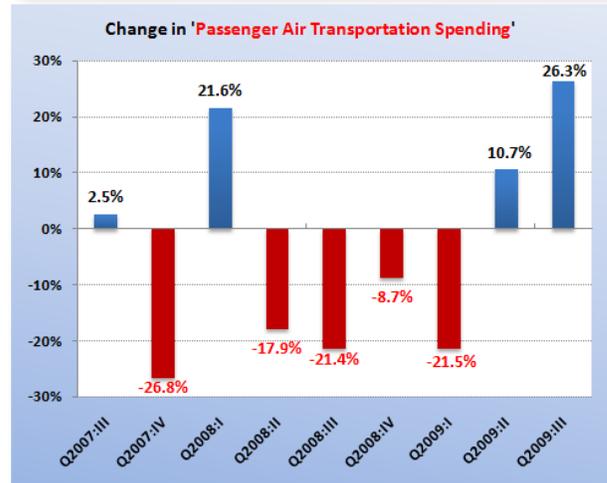
Real Travel & Tourism Spending

- Real travel and tourism-related spending (i.e., adjusted for changes in price) increased at an annualized rate of 6.4 percent during Q3:2009.
- Despite the strong rebound, real travel and tourism spending was still below its Q3:2007 peak.



Passenger Air Transportation

- Spending on passenger air transportation took off during Q3:2009, increasing at an annualized rate of 26.3 percent following an increase of 10.7 percent during Q2:2009.
- According to the Bureau of Economic Analysis, "Airlines experienced improved business demand as companies began easing restrictions on travel."



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U.S. Travel and Tourism Employment

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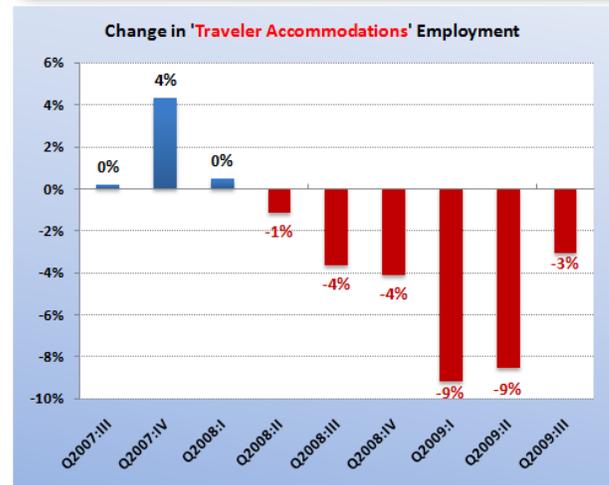
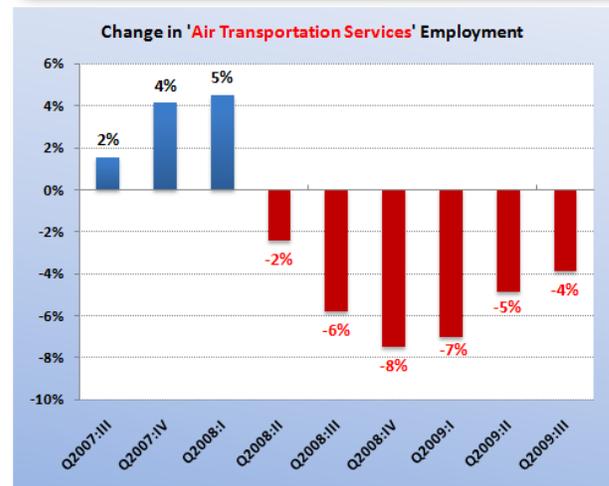
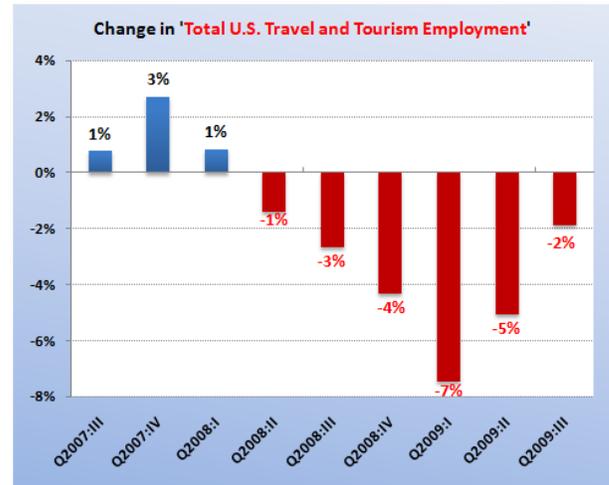
- 39,000 industry-related jobs fell victim to the economic downturn during Q3:2009.
- If the industry continues to eliminate jobs at the present rate, total travel and tourism-related employment could shrink by more than 417,000 jobs in 2009.
- In Q3:2009, total tourism-related employment was 8.2 million.

Passenger Air Transportation Services

- From an employment perspective, the airline industry was hardest hit during Q3:2009, further reducing the size of its workforce by 3.9 percent.
- Q3:2009 marks the sixth consecutive quarter in which this sector has been forced to eliminate jobs due to waning demand.

Traveler Accommodations

- Similarly, so, too, has the traveler accommodations sector been forced to scale back the size of their direct workforce in each of the last six quarters.
- In Q3:2009 the traveler accommodation sector further reduced the size of its workforce by 3.1 percent after decreasing 9.2 percent and 8.5 percent in Q1:2009 and Q2:2009, respectively.



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U.S. Travel and Tourism Prices

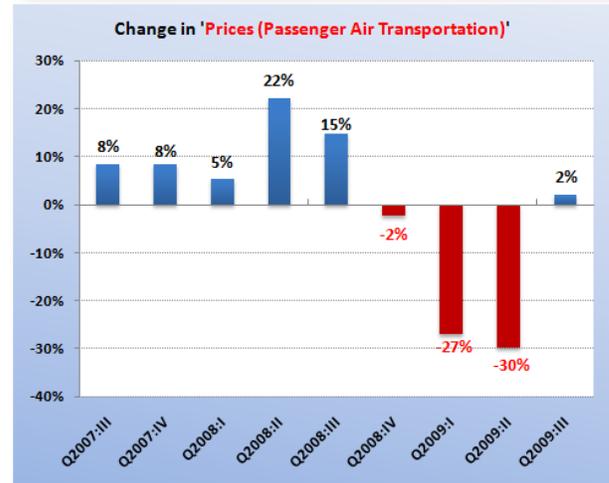
All Travel & Tourism Goods/Services

- Travel and tourism prices increased 6.7 percent in Q3:2009 after decreasing 3.7 percent in Q2:2009.
- The global economic downturn suppressed the demand for travel and tourism-related goods and services and sent prices spiraling to their lowest point on record, declining nearly 16 percent during Q4:2008.



Passenger Air Transportation Prices

- Prices for passenger air transportation reversed their downward trend in Q3:2009, increasing 2.1 percent in the quarter after decreasing 29.8 percent in Q2:2009.
- Prices for domestic flights increased in Q3:2009 while prices for international flights continued to decline.



Price of Traveler Accommodations

- Prices for accommodations decreased 4.7 percent in Q3:2009 after falling 6.8 percent in the previous quarter.
- Occupancy increased as leisure travelers responded to lower room rates, which have now declined in six of the last 8 quarters.

