International Visitor Forecast
International Visitor Opportunity

In A Changing Environment
2017 International Travel to the U.S.

- 76.9 Million Visitors
- Visits up 1%
- $251.4 Billion Spend
- Spending up 2%

(Spending is preliminary and subject to revisions)

Sources: Travel Market Insights Inc. Inbound Travel Monitor - Forecast; USDOC, NTTO; BEA; Statistics Canada; Secretaria de Turismo.

PREPARED BY TRAVEL MARKET INSIGHTS INC.
Travel Market Insights Inc. (TMII)  
2018 Forecast  
and  
Future Projections  

Presented at the TTRA Marketing Outlook Forum October 24, 2018
International Visitor Forecast

- By 2023 total international visits to the U.S. are projected to be 96 million.

![Graph showing international visitors to the US and projections from 2010 to 2023 (P)].

Sources: Travel Market Insights, Inc. Inbound Travel Monitor and Forecast; U.S. Department of Commerce, National Travel and Tourism Office; Statistics Canada; Secretario de Turismo (Mexico).
International Visitor Forecast

- Overseas visitors accounted for the majority (51%) of the total international visitors in 2017.
- Going forward Canadian visits are forecast to increase 17% at an average annual rate of 3.2%.
- Visits from Mexico are forecast to increase 18% growing at 3.4% annually.

Sources: Travel Market Insights Inc. Inbound Travel Monitor and Forecast; U.S. Department of Commerce, National Travel and Tourism Office; Secretaria de Turismo (Mexico); Statistics Canada.
Overseas Visitor Forecast

- In 2018 visitor arrivals are projected to increase 3% over 2017 visits.
- Over the next five years visits are forecast to grow 20% at an average annual growth rate of 3.7%.

Source: Travel Market Insights Inc. October 2018
Brazil is forecast to grow the fastest in the next five years, after a downturn was forecast by TMII in early 2012.

India is up and becoming the new “China” based on demand and improving air access.

China started to register deceleration as far back as 2015. Last year TMII started to highlight a potential China slow down at Marketing Outlook Forum. In 2018 that downturn has come true.

European markets faring better going forward.
Visitor Volume in 2023

- In 2023 the UK will still be the top overseas visitor market.
- China, once projected to take over the UK by 2021, will rank second for visits in 2023 as visits decelerate. China visits are projected to increase only 1% in 2018. However, China has already registered monthly year over year declines and early indicators by major in-country tour operators are reporting sharper declines for Golden Week in October 2018.
- The slowdown is a result of a waning economy and the Chinese Yuan, the trade war, over capacity in air travel (as projected by TMII), and growing nationalism.
**Vacation Visitor Forecast**

- TMII forecasts in 2023 the UK will continue to be the top vacation visitor for the U.S.
- Japan will rank second, with the majority visiting the Pacific Islands.
- Brazil will rank third with growth in both business and vacation visitors.
- South Korea will rank fourth – although growth flattened in 2018, vacation travel is still strong.
- China will rank fifth for vacation visits.
- Note India: Indian visitors travel as a multi-purpose visitor rather than seeking traditional vacations compared to other top visitor markets.

**Top Vacation Markets in 2023**

*Forecast for Top Vacation (Main PoT) Visitors to the U.S.*

2023 Rank by Visitor Volume (in 000's)

- **UK**: 3,372
- **Japan**: 2,581
- **Brazil**: 2,096
- **S. Korea**: 2,000
- **China**: 1,389
- **Germany**: 1,284
- **France**: 1,181
- **Australia**: 1,176
- **Argentina**: 1,040
- **Italy**: 706
- **Colombia**: 677
- **Spain**: 541
- **Netherlands**: 406
- **India**: 336

*Source: Travel Market Insights - Inbound Monitor (IM)*
Visits are great, but what about hotel room nights?

In 2023 China will rank as the top overseas visitor market for hotel room nights. This is in part driven by a maturing of visitors for more traditional vacation travel and growing interest in combining business with leisure (driven by millennials).

The UK will rank second for hotel room nights as many continue to seek to stay with friends and family or in their own lodging properties.
Share of Hotel Room Nights 2017 and 2023

Share of Hotel Room Nights
Ranked by Share in 2023

- China
- UK
- India
- Brazil
- S. Korea
- Germany
- Japan
- France
- Australia
- Netherlands
- Argentina
- Italy
- Spain
- Colombia

2017 vs 2023
Multiple Data Sources and Analytics Modeling

- TMII utilizes official visitor data, passenger data from various public and proprietary sources, in-country trade surveys, and a host of economic, geopolitical, and trade indicators.
- Analysis is key. TMII uses various approaches to understand and predict trends – a critical difference!
- The two charts show that analytics matter, with the same data source pointing in different directions from different analytic approaches.
- China visits are still growing, however decelerating.
Visit us at Travelmi.com and discover your outlook for international visitors.

And join us in launching the Canadian Xborder Program at XBorderTravel.com.

Contact me: Scott@travelmi.com or call 518-668-2559

All references and use of this forecast must be approved in writing. Forecast is subject to adjustments.