Defining International Visitors
### Who counts as an international tourists?

<table>
<thead>
<tr>
<th>Visit type</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leisure</td>
<td>Medical care</td>
</tr>
<tr>
<td></td>
<td>VFR</td>
<td>Long-term workers</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>Immigration</td>
</tr>
<tr>
<td></td>
<td>Students</td>
<td></td>
</tr>
<tr>
<td>Length of stay</td>
<td>1+ nights</td>
<td>Day visits</td>
</tr>
</tbody>
</table>

Defining International Visitors
The Importance of the International Visitor
The international share is increasing in importance.

International visits to the US have outpaced domestic travel demand over the past decade.

Room demand and international travel to the US

International visits: 50% growth
Room demand: 17% growth

Source: STR, NTTO, Tourism Economics
Tourism is a major source of foreign currency

Tourism easily exceeds export goods such as cars, medicine, and computers

International tourism and other exports, 2017

- Travel and tourism: $147 billion
- Refined petroleum: $68 billion
- Aircraft: $66 billion
- Cars: $57 billion
- Medicine: $39 billion
- Gas turbines: $39 billion
- Precious metals: $36 billion
- Computers: $17 billion

Tourist spending: $147 billion
Total travel and tourism-related exports: $256 billion
Edu., health, and temp. workers: $56 billion
Airfare: $39 billion

Source: BEA; MIT Observatory of Economic Complexity
Note: 2017 travel figures vs. 2016 export figures

Dollars, billions
International visitors are a major component of the nation’s tourism sector.

The international market is larger than the meetings market.

International spending in Comparison, 2017

- **International tourists**: $147 billion
- **Meetings***: $118 billion

* includes conventions, conferences, congresses, trade meeting shows and exhibitions, incentive events, corporate/business meetings

Sources: Tourism Economics; BEA
The NTTO and Alternative Data Sources
Researchers have a number of potential options

<table>
<thead>
<tr>
<th>Source</th>
<th>Data source</th>
<th>Data coverage</th>
<th>Tracks multiple states?</th>
</tr>
</thead>
<tbody>
<tr>
<td>APIS</td>
<td>Homeland Sec.</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>OAG, Airline Data Inc</td>
<td>Airline passengers</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Diio/Sabre/ADARA Forward Keys</td>
<td>Bookings and searches</td>
<td>Medium</td>
<td>Yes</td>
</tr>
<tr>
<td>VisaVue</td>
<td>Credit cards</td>
<td>Medium</td>
<td>Yes</td>
</tr>
<tr>
<td>Arrivalist</td>
<td>Smart phones</td>
<td>Low</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Tourism Economics
Key considerations on alternative sources

1. Multiple sources can be combined to get a more comprehensive view
2. Y/Y changes are just as important as numbers
3. Understanding how data source penetration rates vary across different origin markets
4. NTTO data will return, and will begin using the ADIS data system soon
Defining and Counting Visitors?
Who is an International Visitor?

- Any traveler taking a trip to a main destination outside their residence country, for at least one night, but less than one year, and for any main purpose (business, pleasure, or other personal purpose) other than to be employed in the country or place visited.


- The NTTO follows the UNWTO definition.
What Happened to the I-94 Data?

1) Many non-citizens of the U.S. were assigned a U.S. residency in error by CBP.
   - This primarily affected B1 (business) and B2 (leisure) visitors. Primarily citizens of non-visa waiver countries.
   - NTTO is applying a corrective measure.

2) Departure date/time error.
   - The departure date error was generated by Automated Passport Control (APC) machines at some airport terminals.
   - The date stamp error affected a limited number of airport terminals with visits from “overseas” countries.
   - CBP corrected the date error and reissued all 2017 data.
Sources for the I-94 Data

• U.S. Customs and Border Protection (CBP)* generates the I-94 visitor arrival/departure data.

• A monthly count of all overseas visitors and...

• A monthly count of visitors from Mexico arriving by air or sea.

• Data are based on Passport, Visa, Electronic System for Travel Authorization (ESTA), APIS Passenger Manifest, and other DHS data information sources.

Cool Data in the I-94 Record

- Admission Number
- Admission Date
- Country of Residence
- Country of Citizenship
- Port of Customs (coded to U.S. entry port)
- Air Carrier (arrival)
- Flight Number (arrival)
- U.S. Port of Departure
- Age of Traveler
- Gender of Traveler
- Mode of Arrival (air, sea, or land)
- Class of Admission
- First U.S. Address (State)
- U.S. Port of Departure
- Date of Departure
- Air Carrier (departure)
- Flight Number (departure)
# Class of Admission (19 of 1,000+)

1. B-1 Visitor for Business
2. WB Visa Waiver Business
3. GB Guam Visa Waiver Business
4. GMB Guam Marianas Business
5. I - Journalist, Media
6. I1 - Spouse/Child of Journalist, Media
7. E-1 Treaty Trader
8. E-2 Spouse/Child of Treaty Trader
9. B-2 Visitor for Pleasure
10. WT Visa Waiver Tourist
11. GT Guam Visa Waiver Tourist
12. GMT Guam Marianas Tourist
13. CP Parole (Excl. Cuba)
14. CPL Parole
15. SPB Parole
16. F-1 Academic Student
17. F-2 Spouse/Child of F-1
18. M-1 Vocational Student
19. M-2 Spouse/Child of M-1
How do we fix it?...and When?

1) Fix the non-citizens of the U.S. who were assigned a U.S. residency in error.
   - Replace U.S. residence with country of citizenship.
   - Currently used when country of residence is missing.
   - Overall 94% correlation.

2) Fix the departure date/time error.
   - Reprocess the corrected 2017 data received from CBP

3) Reprocess all data back to 2015.
   - Replace all U.S. residents with country of citizenship
Why did it take so long?

1) Four month lag in receiving the I-94 data.
2) It takes time for a trend to evolve and show consistent behavior.
3) CBP lacks resources to investigate problems immediately (competing higher priorities).
4) Red herrings.
5) We are the CBP’s early warning system.
Where are we headed?

1) The corrected 2017 overseas visitor data will yield about an 8 percentage point swing when the I-94 data are released in September.

2) NTTO has targeted the fall of 2018 to release the 2017 SIAT final data and the destination market share estimates.

3) ADIS goes live September 20, 2018. The arrival/departure information system.

4) Facial recognition for entry/exit is coming.
2017 International Review
Tourism Economics’ 2017 estimates are much higher than the NTTO’s

International visits to the US by region
NTTO Jan-Sep 2017 % change and TE full year 2017 estimates

<table>
<thead>
<tr>
<th>Region</th>
<th>NTTO 2017 %</th>
<th>TE 2017 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>-4%</td>
<td>2%</td>
</tr>
<tr>
<td>Overseas</td>
<td>-6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Mideast</td>
<td>-32%</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Africa</td>
<td>-28%</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Latin</td>
<td>-14%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Europe</td>
<td>-2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Oceania</td>
<td>-2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Asia</td>
<td>-2%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Source: NTTO, Tourism Economics
Was there a Trump Slump?

Losses are clear in certain markets

Growth in visits from select markets, 2017

- Middle East: -6.2%
- Africa: -3.2%
- Mexico: -5.7%

Source: Tourism Economics
Was there a Trump Slump?

The US lost ground to key competitors

Growth rates in key competitors, 2017

- Turkey: 26%
- Japan: 18%
- Mexico: 12%
- Spain: 10%
- Thailand: 8%
- World: 7%
- France: 6%
- Italy: 5%
- Germany: 5%
- Canada: 4%
- China: 3%
- United States: -2%
- Russia: -2%

Sources: Various government reports; Tourism Economics

Tourism Economics
Other Important Issues and Considerations
Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination’s full potential.

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For more information:
info@tourismeconomics.com