

International Arrivals: Reality vs. Fiction

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TOURISM
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Defining International Visitors

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Who counts as an international tourists?

	Yes	No
Visit type	Leisure VFR Business Students	Medical care Long-term workers Immigration
Length of stay	1+ nights	Day visits

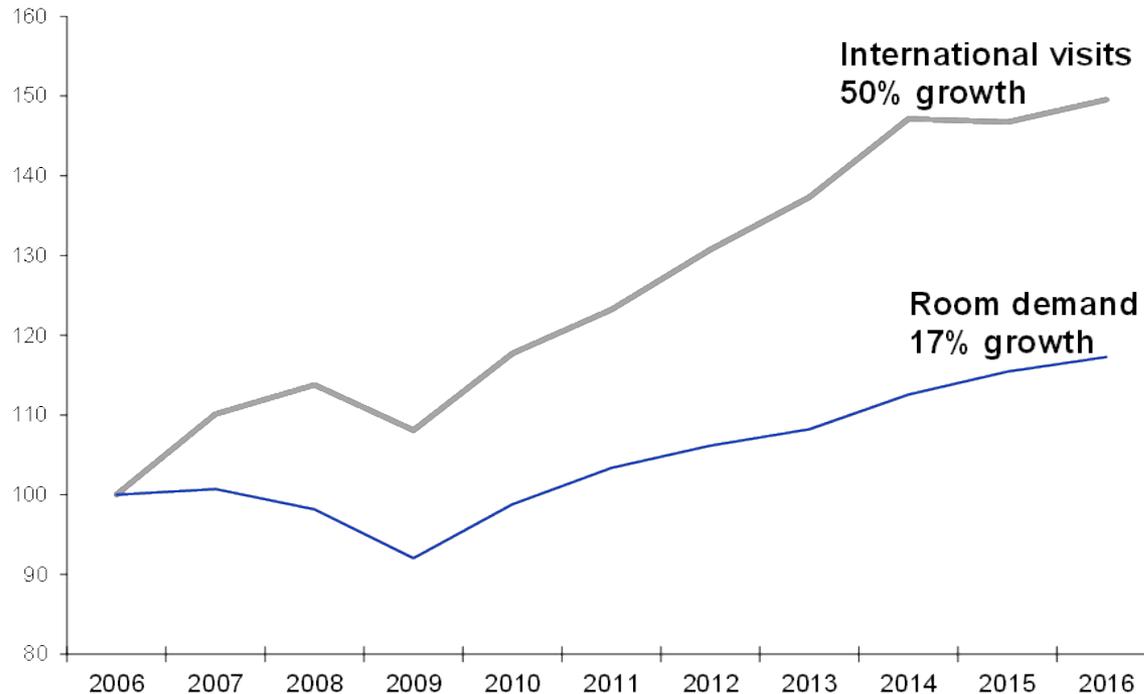
The Importance of the International Visitor

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

2006=100

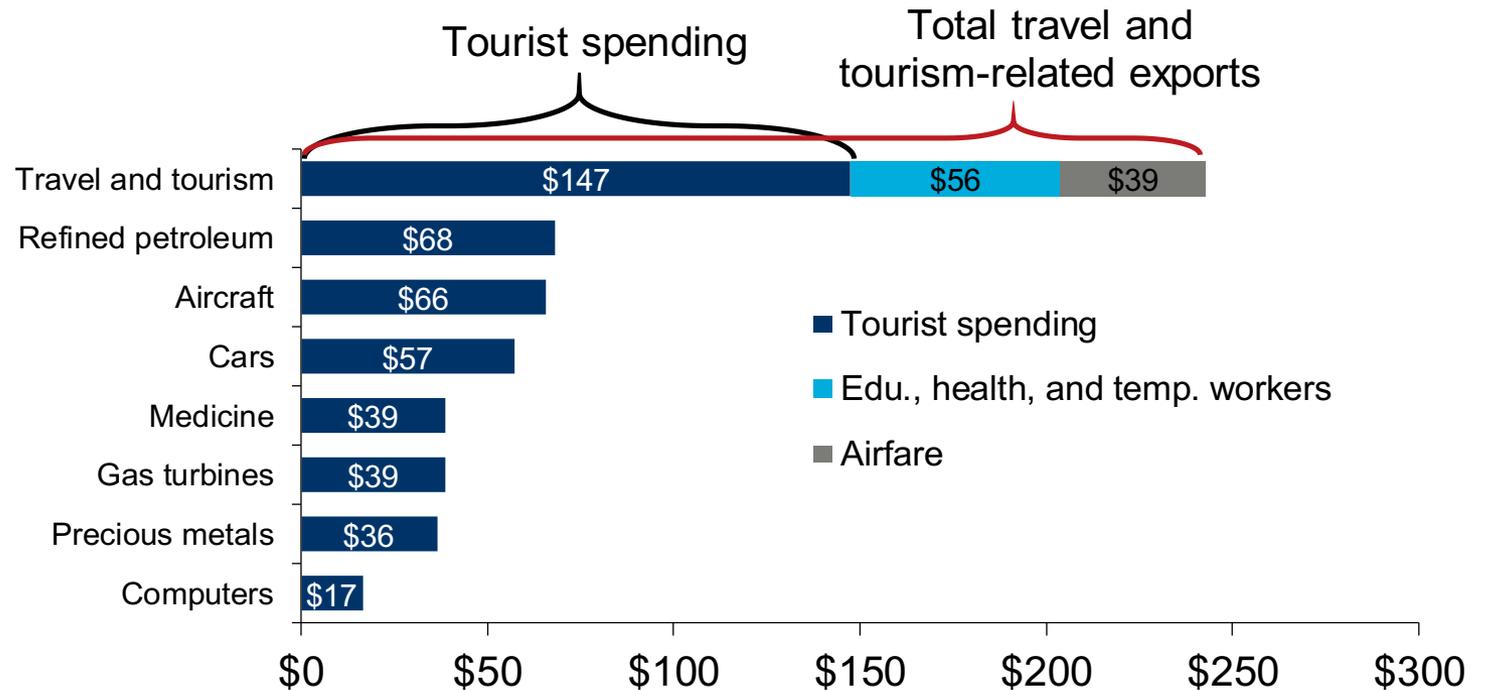


Source: STR; NTTO; Tourism Economics

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



Source: BEA; MIT Observatory of Economic Complexity

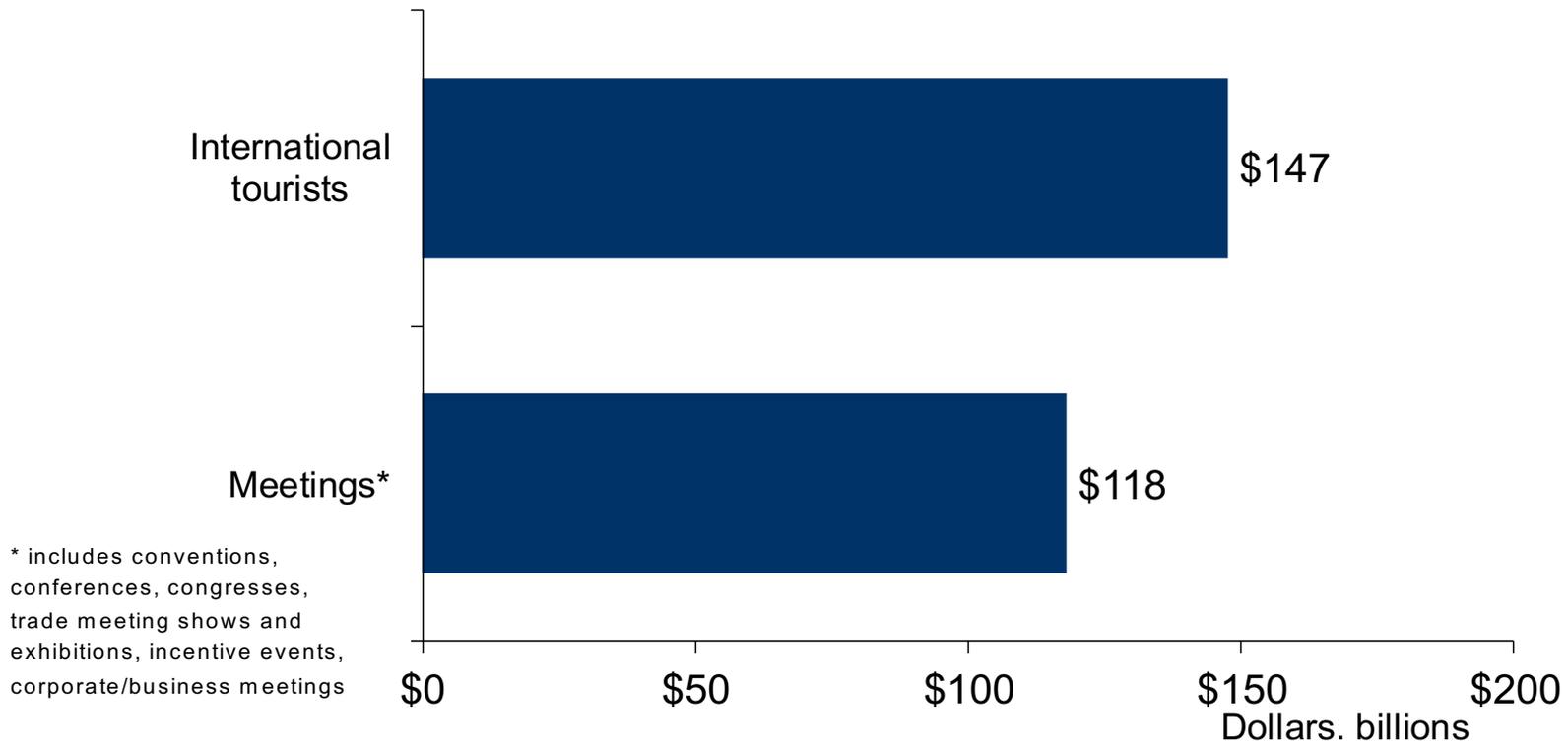
Note: 2017 travel figures vs. 2016 export figures

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



Sources: Tourism Economics; BEA

The NTTO and Alternative Data Sources

What alternatives are out there

Researchers have a number of potential options

Alternative data sources on international tourism

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

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 World Tourism Organization (UNWTO) “*International Recommendations for Tourism Statistics 2008*” publication.
- 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.

*An agency of the U.S. Department of Homeland Security.

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'd. 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
 - Release revised international volume estimates for 2016 and 2017 by September 2018.

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.

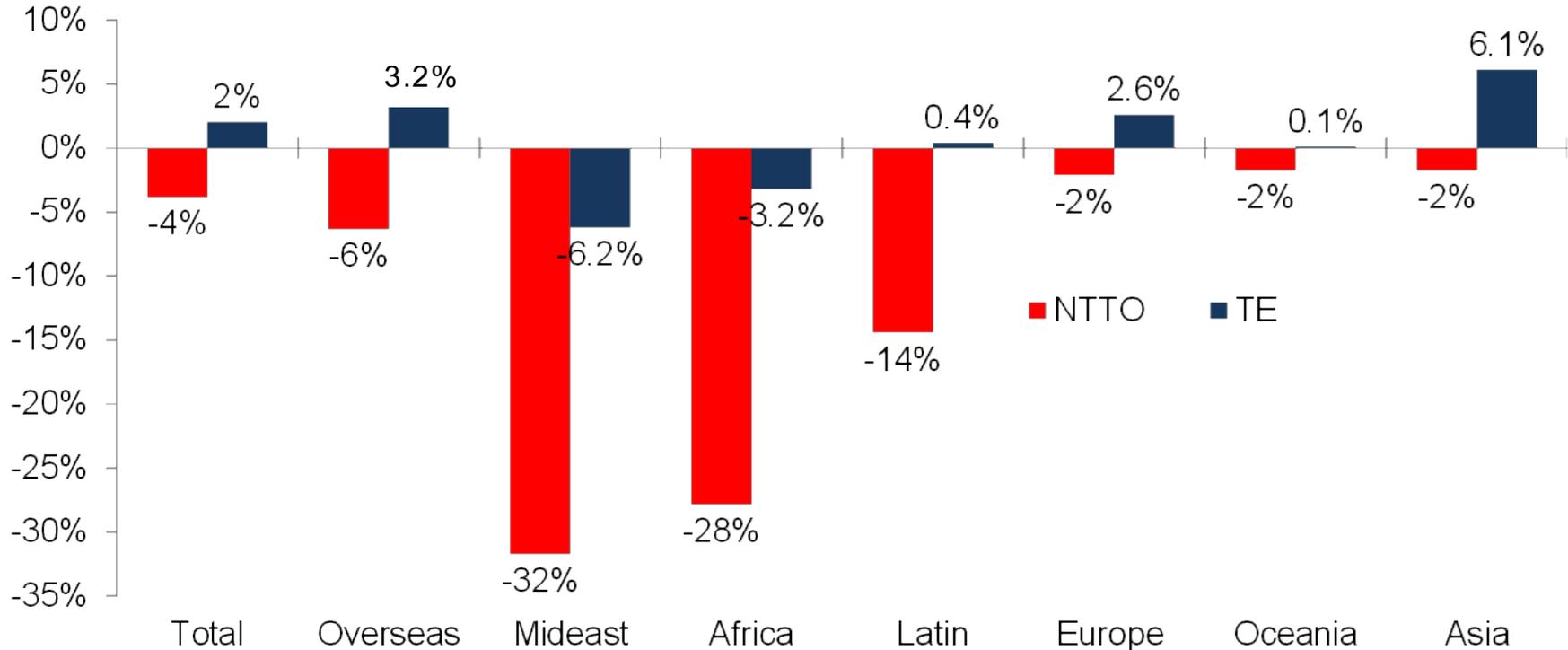
2017 International Review

2017 US inbound performance

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



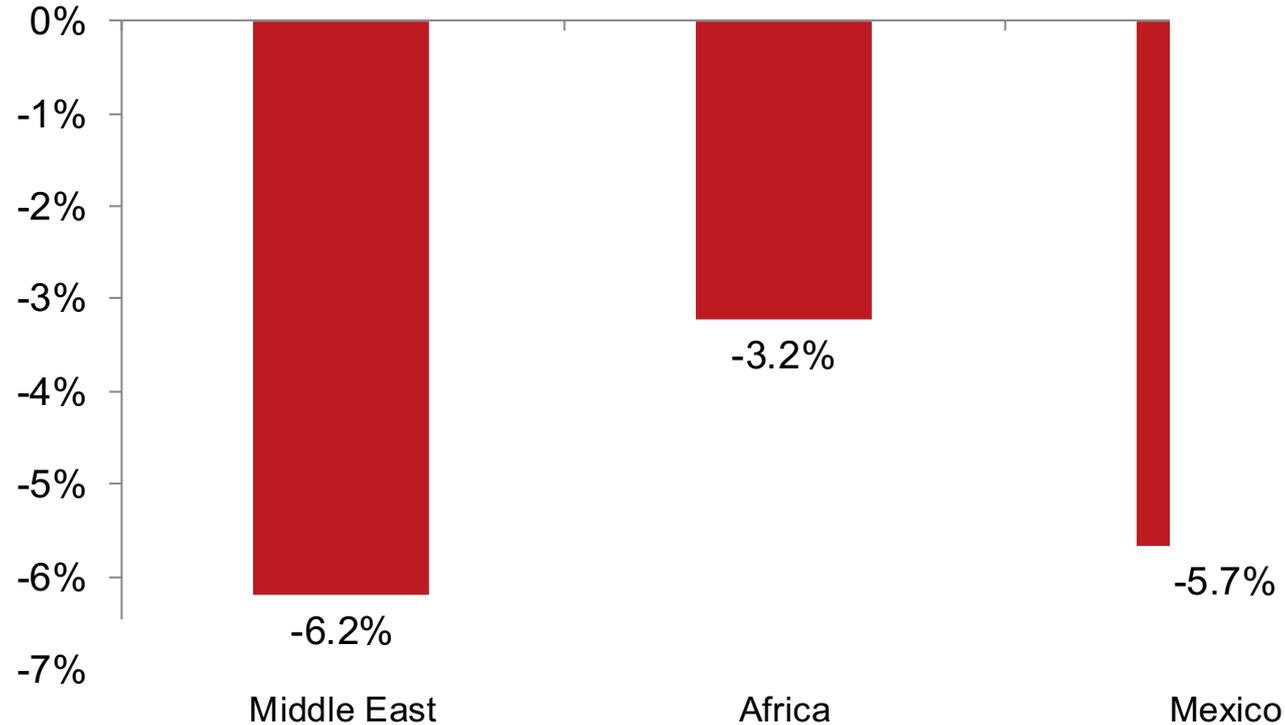
Source: NTTO, Tourism Economics

Was there a Trump Slump?

Losses are clear in certain markets

Growth in visits from select markets, 2017

Percent

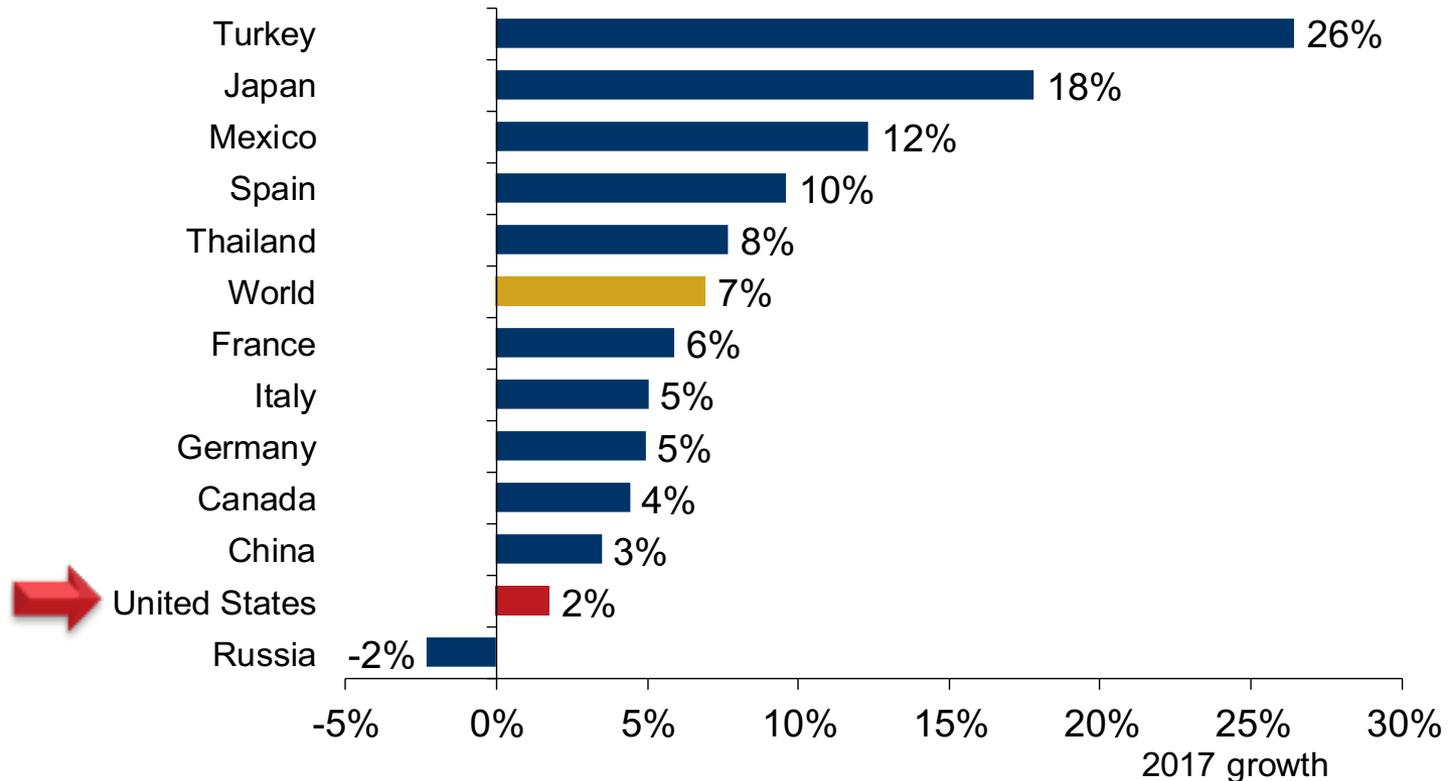


Source: Tourism Economics

Was there a Trump Slump?

The US lost ground to key competitors

Growth rates in key competitors, 2017



Sources: Various government reports; Tourism Economics

Other Important Issues and Considerations

About Tourism Economics

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.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 120 professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in London, Oxford, Dubai, Philadelphia, and Belfast.

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