

# TRADE PROMOTION AUTHORITY WILL STRENGTHEN AMERICA'S TRAVEL ECONOMY

U.S. TRAVEL  
ASSOCIATION

## WHAT IS TRADE PROMOTION AUTHORITY?

- Trade Promotion Authority (TPA) is an essential tool for negotiating trade agreements.
- TPA helps ensure a rules-based system for two-way trade and that American workers and businesses—including America's travel businesses—get the best deal out of new trade agreements.
- TPA allows Congress to set the parameters for the President in conducting trade negotiations. In exchange for laying out the terms it wants to see in agreements, under TPA, Congress agrees to conduct an up or down vote on trade agreements within 90 days.
- Congress has granted TPA to every President since Franklin Roosevelt, with the exception of Richard Nixon, who resigned before the authority became effective.
- TPA was last enacted in 2002 and expired in 2007. A bipartisan bill to reestablish TPA is expected imminently.

## HOW EXPANDED TRADE INCREASES TRAVEL'S CONTRIBUTION TO THE ECONOMY

### Expanding Trade Helps Increase Travel to the United States

- Free trade encourages companies to expand internationally, which can help stimulate business travel to the U.S.
- During the first 5 years following implementation of recent free trade agreements, the average annual growth rate of international visitation to the United States accelerated compared to the 5 years prior to implementation: Australia (21% faster), Colombia (139% faster), Singapore (50% faster), and South Korea (67% faster).
- Travel experts report that more international visitors participate in U.S. trade shows and conventions—an important segment of America's robust travel economy—as a result of free trade agreements.
- Foreign exhibitors and buyers spend on average, more than \$36,100 each and \$13,600 each, respectively attending U.S. exhibitions.
- In 2010, Oxford Economics estimated that international visitors constitute up to 5 percent of total U.S. exhibition meetings.

### Travel Exports Directly Support American Jobs

- Every \$1 million in international traveler spending in the U.S. directly supported 9 American jobs in the travel industry in 2013.
- That is more than four times the number of farm jobs or manufacturing jobs supported by every \$1 million in agricultural or manufacturing exports.

### Travel Exports Outpace Other U.S. Exports

- Inbound international travel to the United States is an export, as U.S. goods and services are consumed using foreign currency.
- From the first quarter of 2010 to the fourth quarter of 2014, travel exports increased 40 percent. That's compared to a 21 percent increase in the U.S. GDP in current dollars and a 35 percent increase in overall exports of goods and services during that same time period.
- In 2014, U.S. travel exports totaled \$222.3 billion—a 3.5 percent increase over 2013, compared to a 2.8 percent increase for other U.S. exports.
- Every \$1 in \$9 spent on new U.S. exports in 2014 came from a foreign traveler buying U.S. goods and services.

### Inbound International Visitation Reduces America's Trade Deficit

- While the U.S. trade deficit in 2014 was \$505 billion, the travel and tourism industry boasted a trade surplus of \$75.6 billion.
- Without this trade surplus, America's 2014 trade deficit (-\$505 billion) would have been 15 percent larger.



CONGRESS SHOULD PASS TRADE PROMOTION AUTHORITY