



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

U.S. TRAVEL ASSOCIATION POLICY PRIORITIES: QUANTITATIVE RESEARCH

December 2023

TSA wait times

Background

Tourism Economics modeled potential impacts of lost air trips due to *inefficient and frustrating airport security processes*. The analysis relies on expenditure data from Longwoods International and the U.S. Travel Association, as well as IPSOS survey data.

Key Findings

As a result of inefficient and frustrating airport security processes, an estimated 3.0 million trips could be lost, resulting in total spending losses of \$7.4 billion (\$3.5 billion direct) within the next year.

Potential Lost Trips

Trips lost as a result of inefficient and frustrating airport security process	2,952,341
Average spending per trip (per person) (source: US Travel Assc)	\$1,200
Lost Spending, \$billions (Direct)	\$ 3.54
Lost Spending, \$billions (Total)	\$ 7.44
Employment (Total)	41,281
Taxes, \$billions (Total, including Federal, State, and Local)	\$ 1.09

Impact of International Flight

Background

Tourism Economics modeled non-resident visitor spending generated in the US from an inbound Boeing 787 international flight. The analysis relies on expenditure and visitor data from the Oxford Economics Global Travel Statistics database and estimates impacts for a Dreamliner 8 (248 seats), 9 (296 seats) and 10 model (336 seats) with locals and foreigners on board.

Key Findings

In 2023, every international Dreamliner flight is estimated to bring international visitors who spend between \$414,000 and \$561,000 in the US, depending on aircraft size. That means each international Dreamliner flight operated once-daily helps generate \$151 to \$204 million in visitor spending for the entire year. By 2026 a 787-10 flight could help generate \$265 million in non-resident visitor spending.

Spending generated by international inbound flight visitors

Impact per flight, \$ thousands	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Impact per 787-8	\$ 414	\$ 460	\$ 503	\$ 537
Impact per 787-9	\$ 495	\$ 549	\$ 601	\$ 641
Impact per 787-10	\$ 561	\$ 623	\$ 682	\$ 727

Impact per year (once-daily), \$ thousands	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Impact per 787-8	\$ 151,262	\$ 167,920	\$ 183,753	\$ 195,883
Impact per 787-9	\$ 180,539	\$ 200,420	\$ 219,318	\$ 233,796
Impact per 787-10	\$ 204,936	\$ 227,504	\$ 248,955	\$ 265,390

Historical Analysis of Visa Waiver Program Additions

Historical analysis of visitor arrivals data shows that visitation from countries experience a meaningful boost after being added to the Visa Waiver Program (VWP) .

The five countries added to the program from 2008 to 2014 experienced a 52% gain in visitation to the US over the first three years (15% per annum).

Visits to the US from South Korea increased 60% by its third year in the VWP and visits from Slovakia surged 70% over the first three years in the program.

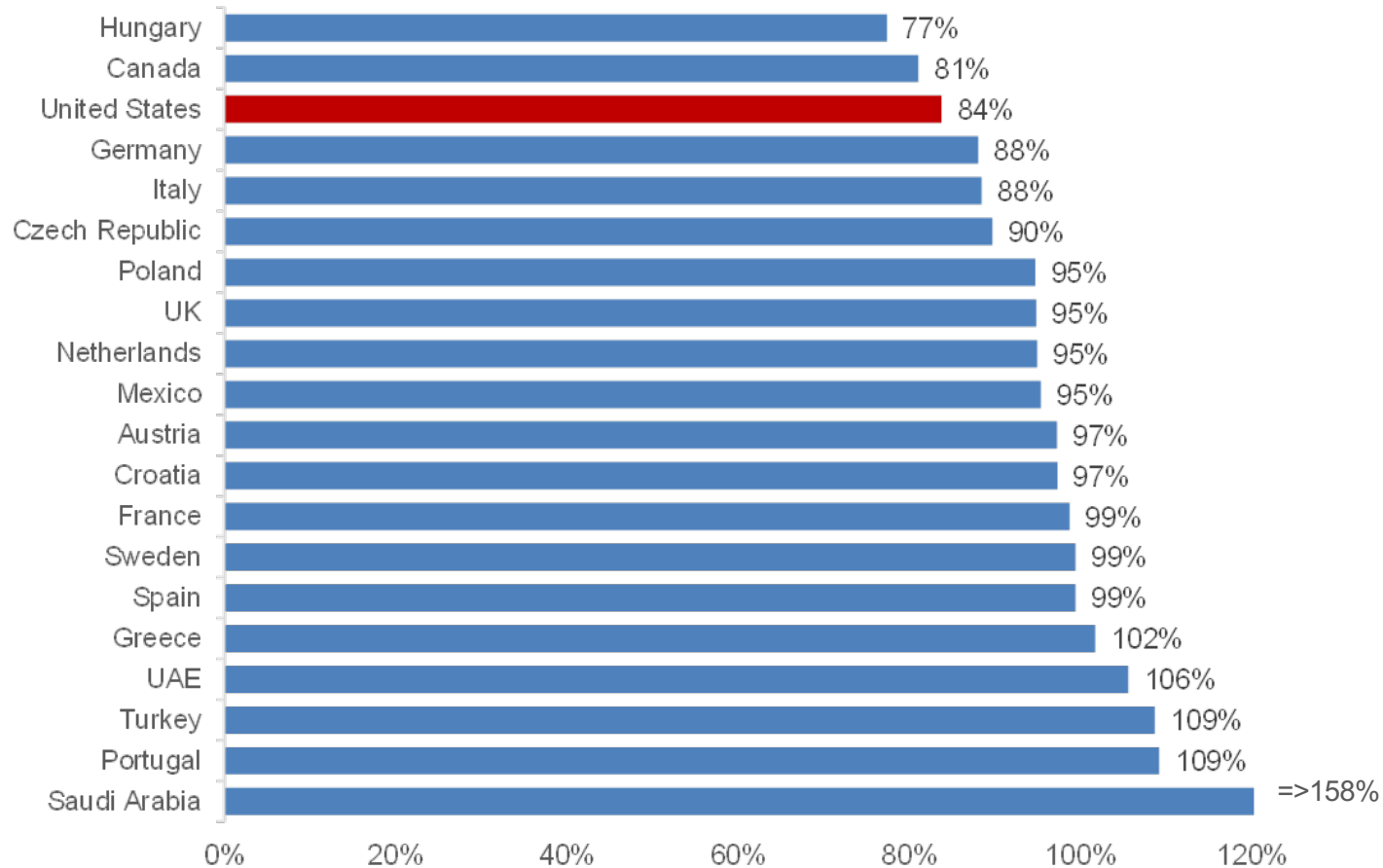
Historical visitor arrival gains after being added to the VWP

Country	Date added	Visitor arrivals 3-years prior to VWP entry		Visitor arrivals 3-years after VWP entry	
		Average annual growth	Cumulative gain	Average annual growth	Cumulative gain
Ireland	Apr-95	8.1%	31,200	15.9%	83,000
Australia	Jul-96	1.1%	14,700	2.5%	20,000
Argentina	Jul-96	2.1%	25,500	6.7%	89,100
Czech Republic	Nov-08	11.9%	14,200	16.1%	28,000
Hungary	Nov-08	4.2%	4,900	12.3%	17,600
Slovakia	Nov-08	11.8%	5,500	21.4%	15,200
South Korea	Nov-08	2.5%	54,300	16.8%	451,800
Taiwan	Nov-12	6.9%	53,400	14.9%	151,000

International Competitiveness: International Visits

International Visitor Arrivals in 2023*

% of 2019 level



Note: Asian countries excluded due to stricter and longer pandemic restrictions relative to the rest of the world

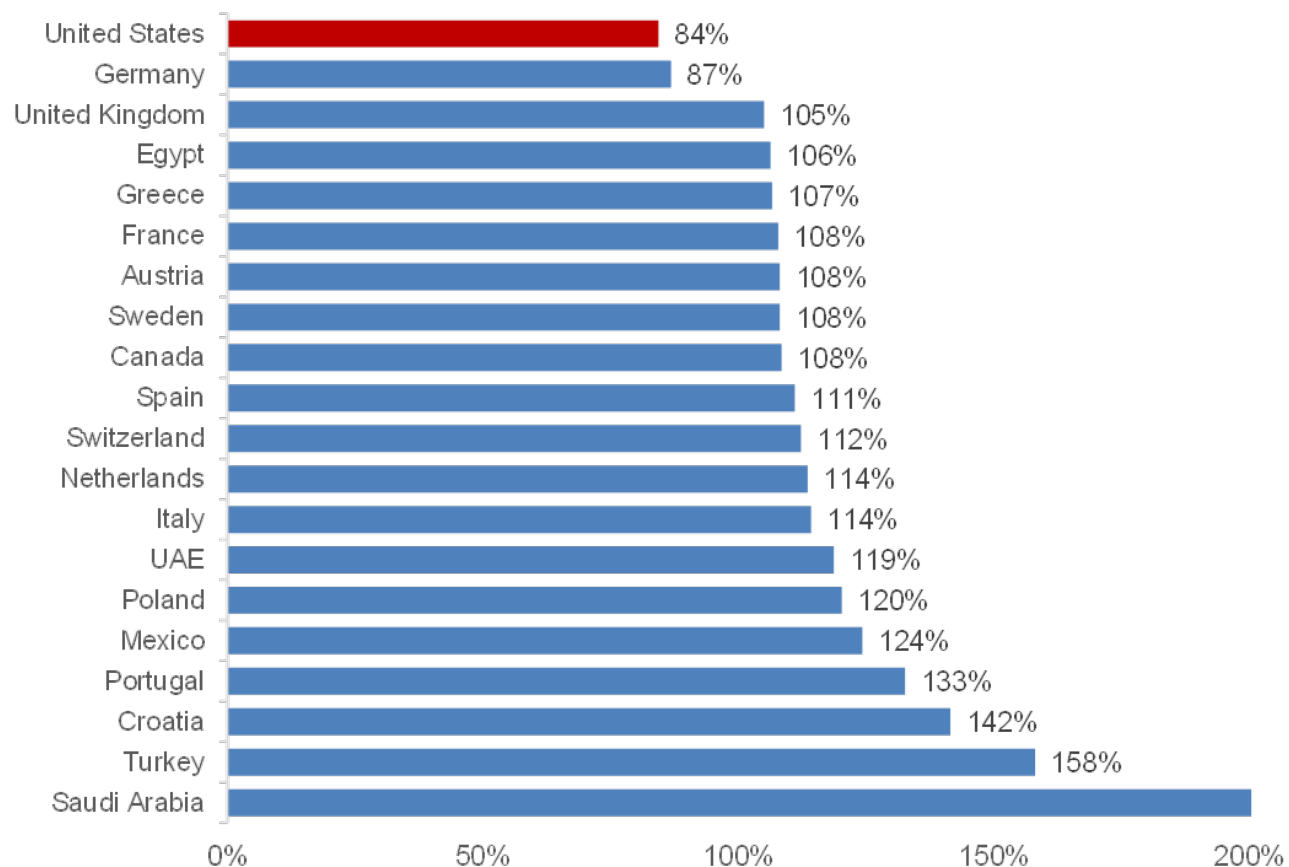
Source: Tourism Economics

* Full-year forecast based on Q1-Q3 historic dataset

International Competitiveness: Spending in USD

International Visitor Spending in 2023*

% of 2019 level (USD)



Note: Asian countries excluded due to stricter and longer pandemic restrictions relative to the rest of the world

Source: Tourism Economics

* Full-year forecast based on Q1-Q3 historic dataset.

Note: Spending is for inbound spending only, excluding transportation costs

Impact of Visa Wait Times on Visits and Spending

In 2023, the U.S. would have hosted 2 million more visitors if the market was unconstrained by visa wait times. Without any change in processing times, this number will rise to 4.5 million lost visitors in the year 2034.

This translates into \$5.7 billion in visitor spending in 2023 and \$20.2 billion by 2034. With the policy in place, the cumulative loss prevented is estimated at 39 million visitors and \$150 billion in spending between 2024-2034.

Lost Visits Due to Extended Wait Times

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cum. Loss
South America	505,456	592,827	677,055	747,600	797,809	828,023	853,908	883,529	905,547	917,598	928,572	926,125	923,684	10,487,733
Mexico	303,913	330,198	369,873	393,236	405,823	416,782	424,868	433,048	440,572	448,668	456,807	464,992	473,221	5,362,001
Europe	22,347	24,854	30,314	34,381	36,656	38,965	41,308	43,688	46,105	48,561	51,057	53,594	56,174	528,004
Asia	557,862	997,244	1,282,870	1,475,307	1,641,681	1,789,351	1,966,713	2,158,090	2,347,411	2,522,557	2,706,724	2,854,146	3,000,715	25,300,671
Africa	31,759	44,065	48,888	52,741	56,460	59,318	61,039	62,914	64,455	65,760	67,115	67,617	68,123	750,256
World	1,421,337	1,989,189	2,409,001	2,703,265	2,938,430	3,132,439	3,347,836	3,581,270	3,804,091	4,003,144	4,210,275	4,366,474	4,521,917	42,428,666

Lost Visitor Spending Due to Extended Wait Times

\$ millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cum. Loss
South America	1,289	1,688	2,061	2,459	2,757	2,970	3,166	3,326	3,474	3,625	3,783	3,945	4,113	38,658
Mexico	139	78	92	104	113	121	128	133	138	144	150	157	164	1,660
Europe	79	94	124	148	164	180	198	214	231	248	266	286	307	2,540
Asia	1,863	3,702	4,824	5,810	6,782	7,656	8,665	9,638	10,705	11,798	12,950	14,117	15,344	113,856
Africa	93	129	150	174	193	212	226	237	248	260	273	286	300	2,783
World	3,462	5,691	7,252	8,695	10,009	11,141	12,384	13,548	14,796	16,076	17,422	18,791	20,230	159,497

Total Impact of Visa Wait Times and Interview Requirements

The losses would be much more significant if an interview requirement was reinstated in 2024. This would extend wait times further and create a tight bottleneck on processing both new and renewal visas as 40% of visas were renewed without an interview in FY2023.

With the policy in place, in 2024 we would retain 4.6 million in visitors and \$13.1 billion in spending and prevent the loss of 103 million visitors and \$365 billion in spending between 2024-2034.

Lost Visits Due to Wait Times AND Expiration of Visa Interview Waivers

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cum. Loss
South America	1,194,640	1,437,714	1,660,452	1,863,194	2,061,608	2,263,757	2,458,304	2,642,883	2,826,385	2,996,467	3,166,554	24,571,957
Mexico	909,330	1,112,512	1,304,918	1,495,696	1,683,601	1,871,601	2,058,943	2,246,858	2,434,817	2,622,820	2,810,868	20,551,964
Europe	208,873	272,459	334,253	396,081	457,944	519,843	581,780	643,755	705,770	767,827	829,926	5,718,511
Asia	2,108,252	2,575,816	3,017,318	3,440,115	3,892,605	4,359,109	4,823,557	5,273,830	5,733,124	6,155,674	6,577,370	47,956,770
Africa	157,328	197,326	237,192	276,197	314,064	352,086	389,773	427,224	464,726	501,375	538,027	3,855,317
World	4,578,423	5,595,828	6,554,133	7,471,283	8,409,821	9,366,395	10,312,357	11,234,550	12,164,822	13,044,162	13,922,745	102,654,518

Lost Visitor Spending Due to Wait Times AND Expiration of Visa Interview Waivers

\$ millions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cum. Loss
South America	3,637	4,729	5,738	6,683	7,645	8,522	9,430	10,442	11,515	12,763	14,101	95,207
Mexico	226	293	363	435	508	574	647	721	799	885	976	6,426
Europe	857	1,173	1,495	1,834	2,196	2,548	2,917	3,293	3,670	4,097	4,543	28,623
Asia	7,928	10,145	12,465	14,720	17,151	19,468	21,996	24,665	27,429	30,448	33,634	220,049
Africa	482	649	812	989	1,164	1,326	1,502	1,692	1,891	2,123	2,370	15,001
World	13,131	16,989	20,873	24,662	28,664	32,438	36,492	40,813	45,305	50,315	55,624	365,306