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 re-establish 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 five years following implementation of recent free trade agreements, the average annual growth rate of international visitation to the U.S. accelerated compared to the five 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% 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 nine American jobs in the travel industry in 2014.
- 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 U.S. is an export, as U.S. goods and services are consumed using foreign currency.
- From 2010 to 2014, travel exports increased 31%. That's compared to a 16% increase of the U.S. GDP in current dollars and a 26% increase in overall exports of good and services during the time period.
- In 2014, U.S. travel exports totaled $220.6 billion.
- $1 in every $11 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 $74 billion.
- Without this trade surplus, America's 2014 trade deficit (-$505 billion) would have been nearly 15% larger.

CONGRESS SHOULD PASS TRADE PROMOTION AUTHORITY

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