

International Visitations to the U.S. from

INDIA

INTERNATIONAL INBOUND TRAVEL MARKET PROFILE



2018



SUMMARY

India is one of the world's fastest-growing travel markets, and the U.S. has long been a favored destination for Indian travelers. In fact, after many years of strong growth in visitations, India has become the United States' eighth-largest overseas inbound market.

Travel claims a 27% share—valued at \$15.8 billion—of all U.S. exports of goods and services to India, the highest share among our major trade partners. Travel is also the top U.S. industry export to India, generating a \$12.2 billion trade surplus in 2018, more than any other industry.

INDIA MARKET SUMMARY, 2018

U.S. Visitations from India	1.4 million
Travel Spending	\$5.7 billion
Average Spending per Visitor	\$5,197
Total U.S. Travel Exports	\$15.8 billion
U.S. Travel Trade Balance	\$12.2 billion

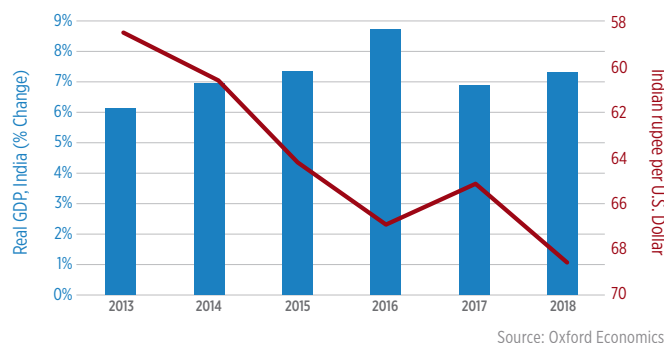
VWP Member	Free Trade Agreement	Global Entry	Preclearance	Open Skies
X	X	✓	X	✓

MACRO OVERVIEW

With a \$2.7 trillion economy and a population of 1.4 billion, India ranks seventh in GDP and second in population globally. India is expected to have the world's largest population and the third largest global economy by 2027. In 1950, agriculture accounted for more than half of India's economy. In 2017, agriculture accounted for just 16%, with industry accounting for 37% and services accounting for 58%.

Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged nearly 7% per year from 1997 to 2017. In the near term, economic growth is expected to continue averaging close to 7% per year. Despite the strong economic growth, from 2013 to 2018 the value of the Indian rupee depreciated by 14% against the U.S. dollar.

India GDP and Currency, 2013–2018



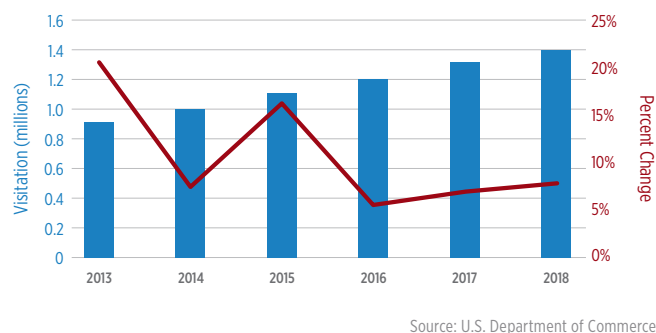
TRAVEL IMPACT: VISITATION

Indian visitations to the U.S. grew by 7.2% in 2018 to reach 1.4 million. The U.S. is the fourth-largest outbound destination for Indians, commanding a 7% market share of total outbound travel from the country.

In the first nine months of 2019, visitation from India was up by 4.5% compared to the first nine months of 2018.

In addition to business and leisure travelers, India is the second-largest market—after China—of international students studying in American colleges and universities. In fact, spending by students accounts for more than half (52%) of all U.S. travel exports to India, which is higher than any other country.

Indian Visitation to the U.S., 2013–2018



TRAVEL IMPACT: ECONOMIC

Travel is the largest industry export to India, accounting for 27% of the \$59 billion in U.S. exports of goods and services to the country. Spending by Indian students in the U.S. makes up the largest portion (52%) of travel exports, while general travel spending by Indian visitors accounts for an additional 36%.

The average Indian visitor to the U.S. spent \$5,200 in 2018, among the highest of all international visitors. With travel exports to India valued at \$15.8 billion in 2018, and travel imports (i.e., spending by U.S. travelers in India) valued at \$3.7 billion, travel generated a \$12.2 billion trade surplus with India in 2018, more than any other industry.

For more about the contribution of visitations from India to America's trade balance, see Addendum, Page 4.



MAJOR TRAVELER CHARACTERISTICS

In 2018, 30% of Indian travelers in the U.S. visited California, followed closely by 29% visiting New York and 12% visiting Texas. Top cities visited included New York City (26%), San Francisco (13%) and Los Angeles (9%).

- The average Indian traveler spends 15 nights visiting the U.S.
- Their main purposes for visiting the U.S. are business (36%), visiting friends/relatives (31%), vacation/holiday (15%), convention/trade show (12%) and education (6%).
- Top activities in the U.S. include shopping, sightseeing, national parks, art galleries/museums, fine dining, small towns and historical locations.
- Adventure, visiting friends and family, shopping, food and cuisine and connecting with nature were the top incentivizing factors for Indians to visit the U.S.
- One-quarter of Indian travelers indicated that this was their first trip to the U.S., down from 34% in 2014.

For more Traveler Characteristics and Demographics, see Addendum B, Page 5.

THE COMPETITION

Indian travel to the U.S. grew by 7.2% in 2018, while total outbound travel from India grew by 9.3%. From 2015-18, Indian travel to the U.S. grew by an impressive 20%, but this was still shy of total outbound travel from India, which grew by 31%. As a result, the U.S. share of total outbound travel from India declined slightly, from 7.6% in 2015 to 7.1% in 2017 and 6.9% in 2018. With a huge population—soon to be the world's largest—that includes nearly 125 million citizens who speak English, as well as a healthy economy, the number of Indian visitors to the U.S. is expected to keep growing in the near term. In fact, Indians continue to express strong interest in travel to the U.S. **The U.S. should make every effort to simplify travel for this increasingly lucrative inbound travel market that is eager to visit the United States.**

TOP U.S. EXPORTS TO INDIA, 2018

INDUSTRY	U.S. EXPORTS IN BILLIONS (\$)	SHARE TOTAL EXPORTS OF GOODS AND SERVICES
Travel	12.1	18.0%
Chemicals	9.4	13.9%
Transportation Equipment	7.5	11.1%
Petroleum and Coal	6.6	9.8%
Computers and Electronics	4.4	6.6%

Source: U.S. Department of Commerce

CHARACTERISTICS AT GLANCE



15 NIGHTS
Average Visit



36%
on Business Travel



30%
Visited California



29%
Visited New York



25%
First trip to the U.S.



SHOPPING
is a top activity

TOP INDIAN OUTBOUND DESTINATIONS 2015 & 2018

DESTINATION	VISITATIONS, 2015 (IN MILLIONS)	VISITATIONS, 2018 (IN MILLIONS)	% CHANGE IN VISITATIONS, 2015-2018
1 United Arab Emirates	1,988	2,584	29.9% ▲
2 Thailand	1,069	1,597	49.3% ▲
3 Saudi Arabia	1,365	1,440	5.5% ▲
4 United States	1,148	1,378	20.1% ▲
5 Bahrain	718	1,044	45.4% ▲
Total Outbound Travel	15,133	19,844	31.1% ▲

Source: Tourism Economics and U.S. Department of Commerce (for U.S. arrivals)

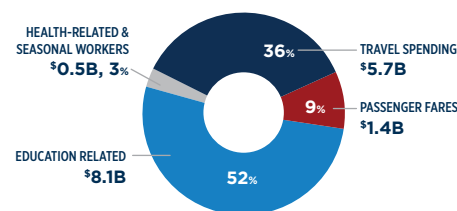


TRAVEL FROM INDIA TO THE U.S. IS “MADE IN AMERICA”

1 Spending by Indians in the U.S. produced \$15.8 billion in export income for the U.S. economy.

Although travelers from India are on U.S. soil when they visit, the goods and services they consume while in America are U.S. exports. In 2018, U.S. travel exports to India totaled \$15.8 billion, which included travel spending by Indian visitors to the U.S. (\$5.7 billion), education-related expenses by Indians in the U.S. (\$8.1 billion) and international passenger fares by Indians flying on U.S. airlines (\$1.4 billion).

Breakdown of U.S. Travel Exports to India



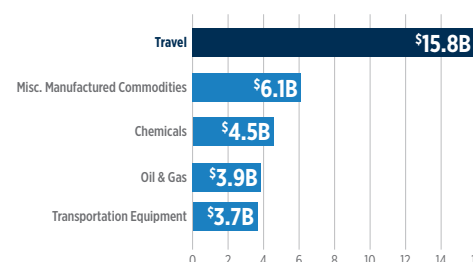
Total U.S. Travel Exports to India = \$15.8 Billion

Source: U.S. Department of Commerce

2 Travel is the largest industry export to India and accounted for 27% of all U.S. exports to India in 2018.

As the largest industry export to India in 2018, travel accounted for 27% of U.S. exports of goods and services, ahead of manufactured commodities, which accounted for 10%.

Top 5 U.S. Exports to India, 2018

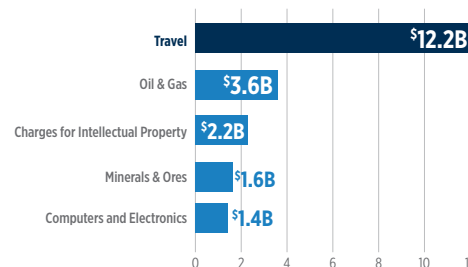


Source: U.S. Department of Commerce

3 Travel generated a \$12.2 billion trade surplus in 2018.

After taking into account U.S. resident spending in India (\$3.7 billion), the U.S. had a \$12.2 billion travel trade surplus with India. Without this surplus, the U.S. trade deficit with India (\$25.3 billion) would have been \$37.4 billion, or an astounding 48% larger. Of all industries in which the U.S. trades with India, travel generated, by far, the largest trade surplus.

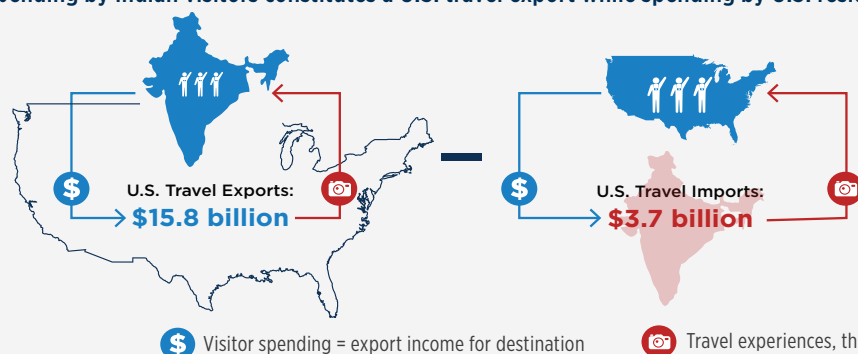
Top 5 Industries by U.S. Trade Surplus with India, 2018



Source: U.S. Department of Commerce

CALCULATING THE TRAVEL TRADE BALANCE WITH INDIA

Spending by Indian visitors constitutes a U.S. travel export while spending by U.S. residents in India constitutes a U.S. travel import.



= **\$12.2 Billion**

Travel Trade Surplus with India

Since travel exports are far greater than travel imports, the U.S. enjoys a strong travel trade surplus with India.



TRAVEL CHARACTERISTICS AND DEMOGRAPHICS

TOP MOTIVATIONS FOR INTERNATIONAL TRAVEL¹



Beaches/Seaside Attractions



Shopping



Urban Attractions



Cultural/Historical Attractions



Local Lifestyle

IMPRESSIONS OF THE U.S.¹

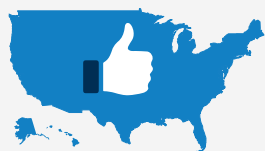
FRIENDLY

ENERGETIC

OPEN-MINDED

ADVENTUROUS

TRENDY



40% say the U.S. is a top desired destination²

DETERRENTS TO VISITING THE U.S. ²	2019	2018
Too expensive	38%	
Airfare is too expensive	36%	
The U.S. is too far away	29%	23%
Unfavorable currency exchange rate	27%	28%
I don't have enough holiday time	24%	

PRIMARY TRIP PURPOSE ³	2018	2017
Business	36%	39%
Friends and Relatives	31%	31%
Vacation/holiday	15%	14%
Convention/trade show	12%	9%
Education	6%	6%

PLANNING/BOOKING BEHAVIORS	2018	2017
Use of social media to plan trip ²	43%	43%
Pre-paid package ³	12%	9%
Average trip decision time in days ³	54	46

ACTIVITY PARTICIPATION ³	2018	2017
Shopping	83%	80%
Sightseeing	78%	74%
National Parks/Monuments	34%	32%
Art Gallery/Museum	31%	27%
Experience Fine Dining	30%	31%
Small Towns	26%	27%

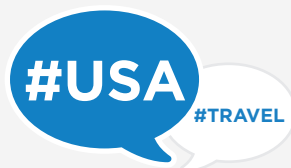
MOST INFLUENTIAL CONTENT WHEN DECIDING ON DESTINATION²

SHOPPING

SIGHTSEEING TOURS

RESTAURANTS/FOOD

HOTELS AND LODGING



43% use social media to plan trip²

DEMOGRAPHICS ³	2018	2017
Average age	39.2	39.0
Average annual household income	\$53,198	\$62,543

1. Brand USA

2. Destination Analysts, 2019

3. National Travel and Tourism Office, U.S. Department of Commerce