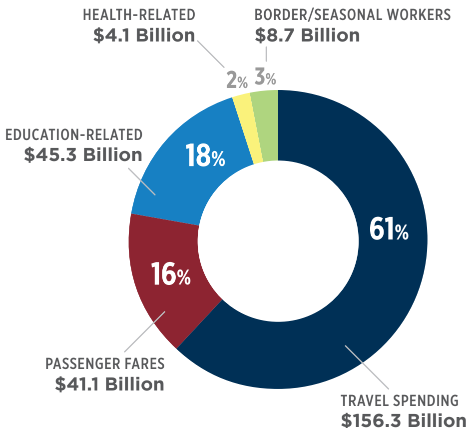
REDUCING THE TRADE DEFICIT BY GROWING INTERNATIONAL TRAVEL

The U.S. travel industry generates **$2.5 trillion** in economic output, supports **15.7 million American jobs** and generates a **$69 billion trade surplus** for the United States. **When travel thrives, so does America.**

1 SPENDING BY INTERNATIONAL VISITORS IN THE U.S. PRODUCED $256 BILLION IN EXPORT INCOME FOR THE U.S. ECONOMY IN 2018

From riding on trains, to eating in restaurants, staying in hotels, and purchasing products, international visitors to this country are constantly buying goods and services that are made in the United States. In other words, the U.S. is "exporting" these goods and services.

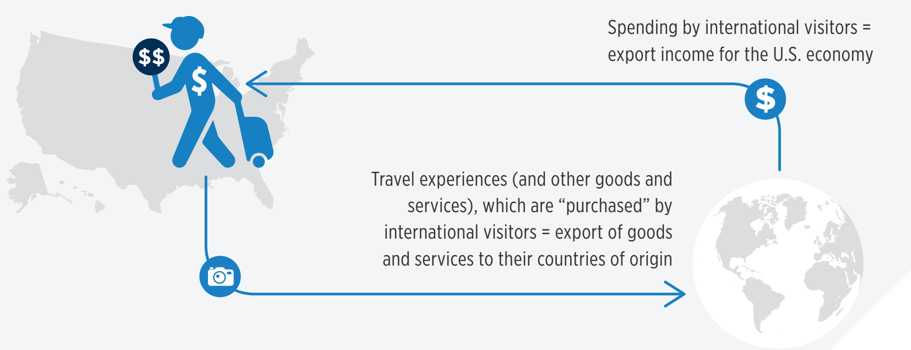
Breakdown of U.S. Travel Exports



SOURCE: U.S. Department of Commerce

What is a Travel Export?

International visitors are physically on U.S. soil, but economically part of their countries of origin. The goods and services they consume while in America are U.S. exports.



2 TRAVEL IS AMERICA'S SECOND-LARGEST INDUSTRY EXPORT AND A KEY JOB CREATOR

Travel is the United States' second-largest industry export (after transportation equipment) and **accounts for 10 percent of all U.S. exports of goods and services.** Travel is also an "export intensive" industry, with **14 percent of total U.S. travel industry output "exported" or purchased by international visitors** to the United States. To put this into perspective, overall exports of goods and services accounted for less than 9 percent of overall private-sector output of the United States.

Top U.S. Exports, and Number of Jobs Directly Supported

INDUSTRY	EXPORTS ($ BILLIONS), 2018	JOBS DIRECTLY SUPPORTED BY U.S. EXPORTS**	NUMBER OF JOBS SUPPPORTED BY $1 MILLION IN EXPORTS**
Total Exports of Goods and Services	2,501	5,824,800	2.5
1. Transportation Equipment	286	459,100	1.8
2. Travel*	**256**	**1,198,200**	**7.6**
3. Computers	213	338,900	2.6
4. Chemicals	208	200,500	1.1
5. Machinery	143	303,900	2.1

SOURCE: U.S. Travel Association based on Department of Commerce data

The expenditures of foreign travelers visiting the United States **directly support 1.2 million American jobs**, which accounts for about one-fifth of the 5.8 million jobs directly supported by total U.S. exports of goods and services and nearly-equal to the jobs directly supported by the other top four industry exports ***combined***.

In addition to a top U.S. export, the travel industry is also **more labor-intensive than other major export industries**. As a result, travel creates more jobs than other exports: every $1 million spent by foreign visitors in the U.S. directly supports 7.6 American jobs. This is much higher than the 2.5 jobs supported by $1 million in overall U.S. exports as well as other top-U.S. export industries.

*The number listed under travel exports includes travel spending by international visitors as well as education and health-related spending, passenger fares, and expenditures by border/short-term workers in the United States. The number used to calculate jobs directly supported by travel, however, only reflects travel spending by visitors. If total travel exports were included, that number would be even higher but that cannot be accurately calculated.

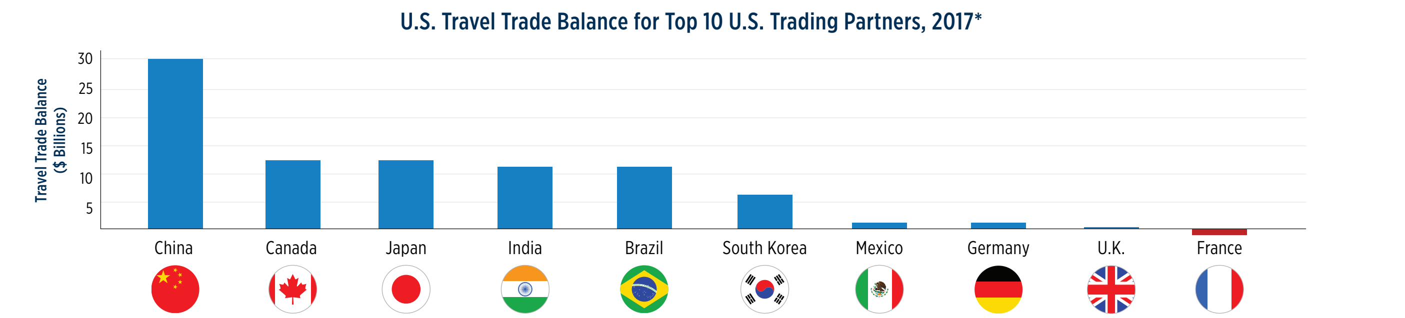
**Jobs calculations (for all industries except travel) ware based on 2014 trade data. Jobs directly supported by travel are calculated based only on travel spending by international visitors and do not take into account any jobs supported by other travel exports such as education, passenger fares, and health.

TRAVEL AND TRADE (CONT.)

3 TRAVEL GENERATED A $69 BILLION INTERNATIONAL TRADE SURPLUS FOR THE U.S. ECONOMY IN 2018

After taking into account U.S. resident spending abroad (“travel imports”), the travel industry consistently generates an impressive trade ***surplus***.

The U.S. trade surplus in travel extends around the globe: of the top-10 countries which together account for more than 60 percent of U.S. international trade in goods and services, the **travel industry generates a trade surplus in 9 of these countries.**



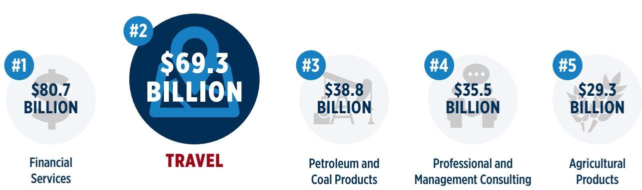
*2018 country-level data (including passenger fares) will be available in October 2019

SOURCE: U.S. Department of Commerce

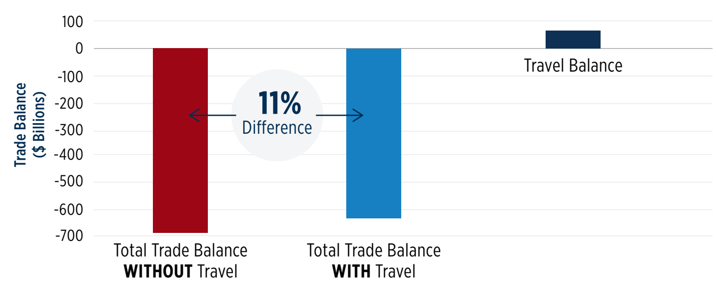
4 TRAVEL HAS THE SECOND-HIGHEST TRADE SURPLUS OF ANY INDUSTRY

Travel reduced the U.S. trade deficit by $69 billion in 2018, more than any other industry except Financial Services. In fact, without travel, the U.S. trade deficit of $622 billion would have been $691 billion, or 11 percent larger. Travel that is “Made in America” **is not easily replaceable** and will always be a key component in strengthening the U.S. trade balance.

U.S. Trade Balance by Industry, 2018



Without the Trade Surplus Generated by the Travel Industry, the Overall U.S. Trade Deficit Would Have Been 11% Larger in 2018



SOURCE: U.S. Travel Association based on Department of Commerce data

TRAVEL AND TRADE (CONT.)

5 DESPITE REMAINING A TOP EXPORT AND TRADE SURPLUS GENERATOR, INTERNATIONAL VISITATIONS TO THE U.S. AND TRAVEL SPENDING BY FOREIGNERS HAVE SLOWED SINCE 2016

With the slowdown in international visitations to the U.S., and the continued rise in Americans traveling abroad, our travel trade surplus has declined significantly in recent years.

After increasing impressively since 2006, the travel trade surplus declined from $99 billion in 2015 to $69 billion in 2018.

SOURCE: Department of Commerce

NOW IS THE TIME TO WELCOME MORE INBOUND VISITORS TO THE U.S., WHOSE SPENDING WILL FURTHER REDUCE OUR TRADE DEFICIT—AN OPPORTUNITY WE HAVE FAILED TO CAPITALIZE ON THE PAST TWO YEARS.

We are open for business and open for travel. In fact, the two are the same. Travel is “Made in America” and it is a key business that reduces our trade deficit.

Travel's Effect on the U.S. Trade Balance from the Top 10 Trade Partners, 2017

(2018 country-level data will be available in October 2019)

The U.S. enjoys a travel trade surplus with countries in **green** and has a travel trade deficit with those in **red**

TOP 10 U.S. TRADE PARTNERS		TRAVEL EXPORTS*	-	TRAVEL IMPORTS	=	TRAVEL TRADE BALANCE	OVERALL U.S. TRADE BALANCE	OVERALL U.S. TRADE BALANCE WITHOUT TRAVEL	WITHOUT TRAVEL:
Rank	Country	($ millions)		($ millions)		($ millions)	($ millions)	($ millions)	
1	**China**	35,300	-	5,472	=	**29,828**	(335,704)	(365,532)	Trade deficit with China would have been 9% higher
2	**Canada**	21,370	-	9,273	=	**12,097**	2,760	(9,337)	Trade surplus with Canada of $2.8 billion would have been a deficit of $9.4 billion
3	**Mexico**	20,863	-	19,455	=	**1,408**	(68,745)	(70,153)	Trade deficit with Mexico would have been 2% higher
4	**Japan**	16,642	-	4,688	=	**11,954**	(56,588)	(68,542)	Trade deficit with Japan would have been 21% higher
5	**Germany**	8,248	-	7,301	=	**947**	(66,728)	(67,675)	Trade deficit with Germany would have been 1.4% higher
6	**United Kingdom**	15,597	-	15,368	=	**229**	15,576	15,347	Trade suplus with the U.K. would have been 1.5% smaller
7	**South Korea**	10,145	-	3,670	=	**6,475**	(9,297)	(15,772)	Trade deficit with South Korea would have been 70% higher
8	**India**	14,701	-	3,614	=	**11,087**	(27,361)	(38,448)	Trade deficit with India would have been 41% higher
9	**France**	6,139	-	7,385	=	**(1,246)**	(13,816)	(12,570)	Trade deficit with France would have been 9% smaller*
10	**Brazil**	11,475	-	723	=	**10,752**	28,479	17,727	Trade suplus with Brazil would have been 38% smaller
	Overseas countries	**209,127**		**145,193**		**63,934**	**(486,292)**	**(550,226)**	**Trade deficit with overseas countries would have been 13% higher**
	All countries	**251,360**		**173,921**		**77,439**	**(552,277)**	**(629,716)**	**Trade deficit with all countries would have been 14% higher**

* Includes all spending by international visitors in the U.S. (including education and health-related spending, international passenger fares, and spending by border/temporary workers)

** Includes all spending by U.S. residents abroad

*** The reason travel has a negative effect on the U.S. trade balance with France is because, unlike in any other of our top-10 trading partners, U.S. residents spend more in France than French visitors spend in the U.S. Please note, however, that the $6 billion in travel exports from France has a substantial positive effect on our trade balance, without which our deficit would have been 44% higher, assuming spending by U.S. residents in France remained the same

SOURCE: U.S. Department of Commerce and U.S. Travel Association