

INBOUND MARKET PROFILE: UNITED KINGDOM (2020/21)

AND THE ECONOMIC OPPORTUNITY FROM A U.S.-U.K. TRAVEL CORRIDOR

Since 2001, the United Kingdom has consistently ranked as the United States' largest overseas inbound market, with the U.S. serving a similar role for outbound travel from the U.K.

In 2019 alone, there were 4.8 million arrivals from the U.K., accounting for 12% of all our overseas visitations—more than any other overseas market.

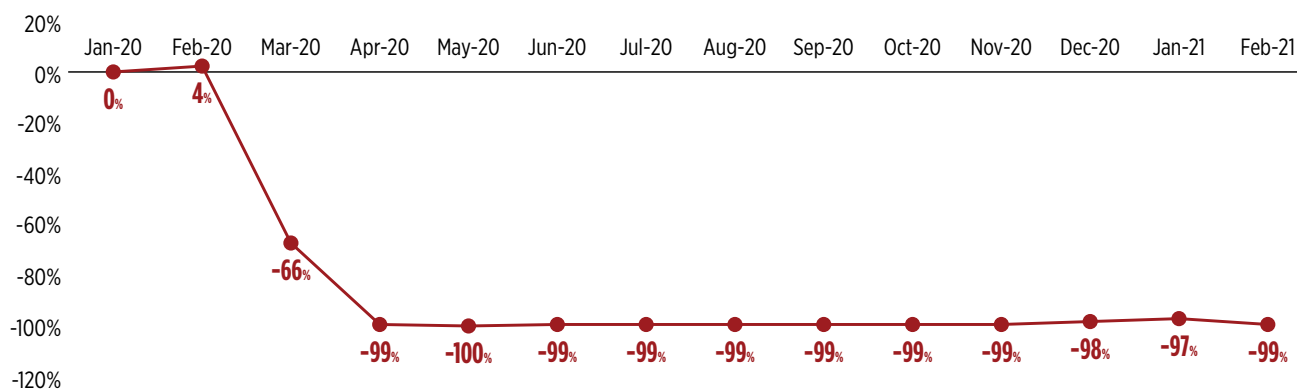
Over a fifth (21% in 2019) of all long-haul (outside of Europe) travel from the U.K. went to the U.S., making our country the largest long-haul destination market for the U.K.

As a result of strong visitation numbers, **spending by visitors from the U.K. produced \$15.5 billion in export income for the U.S. economy** in 2019.

TRAVEL STOPS AS BORDERS CLOSE

While the pandemic strongly affected travel from all markets, visitations from those with which the U.S. implemented travel restrictions—including the U.K.—reached a near standstill. **Arrivals from the U.K. fell by 85% in 2020 and by roughly 99% each month since April 2020.**

CHANGE IN U.K. VISITATIONS TO THE U.S. IN 2020/EARLY 2021 COMPARED TO SAME MONTH IN 2019



Last year, there were only 730,000 visitations by residents of the U.K., and 695,000 of them (95%) took place in the first quarter, prior to the March 14 border closure.

Excluding the first quarter, visitations from the U.K. plummeted by 99% in 2020 compared to the same period in 2019. This compares to a 96% drop in all overseas visitations.

YEAR-OVER-YEAR INTERNATIONAL INBOUND TRAVEL COMPARISON

	Full Year		First Quarter 2020		Rest of 2020	
	2019	2020	2019	2020	2019	2020
Visitations from the U.K. (units)	4,779,997	730,032	906,513	695,161	3,873,484	34,871
<i>Y/Y % change</i>	-85%		-23%		-99%	
Overseas Visitations (in millions)	40.4	7.6	8.4	6.2	32.0	1.4
<i>Y/Y % change</i>	-81%		-27%		-96%	

Despite such a sharp decline in visitation from the U.K., the country remained the largest overseas market in 2020, due entirely to relatively strong first quarter arrivals. That has rapidly changed in 2021.

THE DECLINES PERSIST INTO 2021

For nearly an entire year, travel from the U.K. has been at a near standstill. Visitation from **the U.K., the EU and the handful of other countries with travel restrictions still in place experienced nearly 100% declines compared to 2019.**

These declines have so far persisted into 2021. As a result, the U.K.'s rank as the top overseas market **has fallen drastically to Number 14 in the first two months of 2021,** overtaken by many Asian and Latin American markets.

In January and February, visitations from the U.K. were down by 98% compared to 2019 while those from India (now the largest overseas market) were down by “only” 67% and those from Colombia (now the second largest market) were down by “only” 49%.

		Visitations in Jan-Feb 2021	% change compared to Jan-Feb 2019
1	India	65,077	-66.9%
2	Colombia	56,367	-48.7%
3	Dominican Republic	32,001	-31.1%
4	Argentina	30,610	-76.5%
5	Chile	27,634	-58.3%
6	Ecuador	26,026	-53.2%
7	Costa Rica	18,774	-66.8%
8	Venezuela	18,664	-55.4%
9	Peru	18,051	-67.0%
10	Honduras	15,781	-39.2%
11	South Korea	15,171	-95.9%
12	Guatemala	14,979	-52.6%
13	Japan	13,639	-97.6%
14	United Kingdom	13,213	-97.7%

THE SAFE RETURN OF INBOUND TRAVEL FROM THE U.K.

The opening of a travel corridor from the U.K. can play a pivotal role in welcoming back visitors from this lucrative market.

If borders between the U.S. and the U.K. were to reopen on July 1, we can make a reasonable—if not conservative—assumption given trends in countries without border closures and the successful vaccine rollout in the U.K. that a third of the 2.4 million pre-pandemic U.K. visitors over a half-year period (800,000) would return. Even this small relative number of visitors would **deliver about \$2.5 billion in export income to the U.S. economy** in the second half of the year.



Conversely, continuing restrictions between the U.S. and the U.K. would cause international arrivals from the U.K. to remain at the subdued levels of recent months and shrink to roughly 60,000 in 2021, down 99% from 4.8 million in 2019. This will lead to a total loss of more than \$14 billion in travel spending in 2021 alone (compared to 2019).

A swift and efficient reopening of the U.K. inbound travel market will help ensure that the U.S. continues to rank as the top long-haul market for U.K. residents, allowing our country to benefit from the billions of dollars of associated travel spending.