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**TRADE**  
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**TI News:** *An information service from the National Travel and Tourism Office (NTTO)*

November 9, 2016

## **U.S. COMMERCE DEPARTMENT RELEASES SIX-YEAR FORECAST FOR INTERNATIONAL TRAVEL TO THE UNITED STATES — 2016-2021**

The U.S. Department of Commerce (DOC) projects international travel to the United States will continue experiencing growth through 2021, based on the National Travel and Tourism Office's *2016 Fall Travel Forecast*.

Visitor volume in 2016 is expected to end the year down 0.9 percent compared to the 2015 record 77.5 million visitors who stayed one or more nights in the United States. If the NTTO forecast is realized, this would be the first decline in total arrivals to the United States since 2009. 2017 should reverse this decline and produce a 2.4 percent increase and a new volume record of 78.6 million visitors.

According to the current forecast, the United States would see a 3.3 percent compounded average annual increase in visitor volume over the 2016-2021 timeframe. By 2021 this growth would produce 94.1 million visitors, a 21 percent increase, and more than 16 million additional visitors compared to 2015. The compounded growth rate is higher than the level in the *Fall 2015 Travel Forecast* due to an upward revision in a few key markets and residual impacts from a 2015 methodology change in border entry counts. Moreover, the upward revision occurs despite declines expected for several non-top twenty countries in the near term. All but two of the top-21 visitor origin countries are forecast to grow from 2015 through 2021. Top origin countries with the largest total growth percentages are China (121%), India (72%), Argentina (50%), South Korea (43%), Taiwan (40%), and Australia (28%). Venezuela (-15%) and Brazil (-11%) are the only countries expected to have a decline in volume over the forecast period.

Five countries are expected to account for 64 percent of the projected growth from 2015 through 2021. These volume growth leaders are Mexico (25% of expected total growth of 16.6 million additional visitors), China (19%), Canada (11%), India (5%), and South Korea (5%).

If the forecast results are realized through 2021, the current top-ten countries will experience major shifts in rankings. Mexico is expected to become the top origin market in 2016, but will be challenged by Canada to maintain the top spot throughout the forecast period. China became the #3 ranked overseas market in 2015, and will become the #1 overseas market and #3 overall behind either Mexico or Canada by the end of 2021 by pushing both the United Kingdom and Japan down one slot. South Korea would move from current #8 to #6, causing Germany and Brazil both to move downward to the #7 and #8 spots respectively. India would enter the top 10 for the first time at the expense of current #10 Australia.

The U.S. travel forecast was prepared by research staff in the Department of Commerce/National Travel and Tourism Office using economic/demographic/social factors, historical visitation trends, input from the DOC Global Markets staff abroad, and numerous other miscellaneous sources. The NTTO travel forecast is updated in the spring and fall each year.

## ADDITIONAL FORECAST DETAIL AND LINKS

### Forecast Highlights by Region

**North America:** The forecast for this region, comprised of top markets Canada and Mexico, is upgraded from the fall 2015 forecast because the worst from Canada is expected to be over, and Mexico is expected to grow as previously forecasted. Performance by 2021 results in the largest regional growth over the forecast period. Growth should generate 6.0 million additional visitors in 2021 compared to 2015, and be dominated by Mexico's growth of 4.2 million additional visitors to reach 22.6 million. Visitor volume from Canada should grow by 1.8 million visitors, but the country may remain the #2 market throughout the forecast period. Regional total growth is 15 percent over the period.

**Europe:** By the end of 2021 arrivals from Europe are projected to be 18.0 million, or 15 percent higher than the 2015 volume. The largest volume growth from Europe will come from the U.K. (+402,000), France (+239,000), Ireland (+87,000), and Spain (+78,000). These growth forecasts reflect low-growth rates based on large traveler volume bases. For perspective, Western Europe countries are expected to produce 1.8 million additional travelers in 2021 versus 2015 compared to 493 thousand additional travelers from Eastern Europe countries.

**Asia-Pacific:** This world region is expected to produce a 47 percent increase in visitors by 2021. Japan, the largest Asian market and second-largest overseas market, is forecast to have a small increase in visitor volume in 2021 compared to 2015, but its path includes a decline in 2016 and no growth in 2017. However, 2021 volume will remain well below the 1997 record level of 5.4 million. Conversely, high growth rates and large growth volumes are expected in 2016 for China (16%), India (11%), South Korea (10%), and Taiwan (9%). Similarly, these four countries are expected to have among the largest total visitor volume growth of any country from 2015 through 2021. China is expected to increase by a total of 3.1 million visitors, a 121 percent increase through 2021, and to produce the second-largest number of additional visitors behind Mexico. More importantly, China should become the top overseas origin market and third overall by the end of 2021. India is expected to produce 814,000 additional visitors (+72%). South Korea should produce an additional 758,000 visitors (+43%), while Australia dominates the Oceania sub-region and is projected to increase 402,000 visitors, or 28 percent between 2015 and 2021.

**South America:** South America will remain an important producer of additional travelers for the next several years, although its contribution to arrivals growth is again downgraded in this current forecast. By 2021 South America will generate 810,000 more visitors, a 14% increase compared to 2015. Brazil, the largest source market in the region of 2.2 million in 2015, is expected to lose 254,000 visitors in 2021 compared to 2015, but the path to that performance includes a three-year combined 23% decline beginning in 2016 before returning to growth mode in the second half of the forecast period. Compared to the 2015 fall forecast, Brazil represents the most significant make-over; instead of a decline in volume, Brazil was expected to remain a rising star and make a sizable contribution to volume growth over the coming years. Colombia, Argentina, and Venezuela, ranked 13, 14, and 17, respectively—were all moving up in rankings—but are now countries on different volume paths. Colombia should reverse its 2015 and 2016 losses and resume its prior growth performances and produce growth of 194,000 visitors (+23%). Argentina's recent strong growth had been expected to be the opposite and is now expected to continue in a growth mode and end the forecast with a volume increase of 393,000 travelers (+50%). Argentina's forecast makeover is the most significant in percent reversal, although Brazil's larger volume base makes its forecast revision more impactful in terms of number of travelers. Venezuela's reversal in outlook a year ago was as quick and profound as this year's Brazil's and Argentina's changes. The long-term high hopes for this star-performing country over the past decade were replaced by a forecast calling for sobering net losses of visitors. This forecast update makes no change to that replacement; 2021 volume is expected to be 90,000 lower than 2015 (-15%).

**Note on 2014 and 2015 volumes:** These forecasts and change metrics include a technical data-processing change reflecting changes in border-entry automation, and a processing of the 2014 and 2015 stateless data to use country of citizenship as a proxy for country of residence only for any missing residency data resulting from that automation. The processing change does not impact Canada or Mexico visitor counts. For more information about the changes to the monthly arrivals program, visit our website at:  
<http://travel.trade.gov/research/programs/i94/description.html>.

For more information on the NTTO Travel Forecast, including data tables for the world regions and the top 21 visitor origin countries, please visit:

<http://travel.trade.gov/view/f-2000-99-001/index.html>

Travel and tourism is the largest services export industry for the United States. The NTTO staff members are also working to update the 2006-2015 travel spending timelines and other reports that provide spending data for 2015. The Bureau of Economic Analysis has recently released revised spending data and as appropriate, the NTTO will be revising the spending estimates; watch for upcoming updates to the spending/export data on our site. For official information on international travel to the United States, please visit:

<http://travel.trade.gov/>