


The U.S. Travel Association

...formerly 
Travel Industry Association



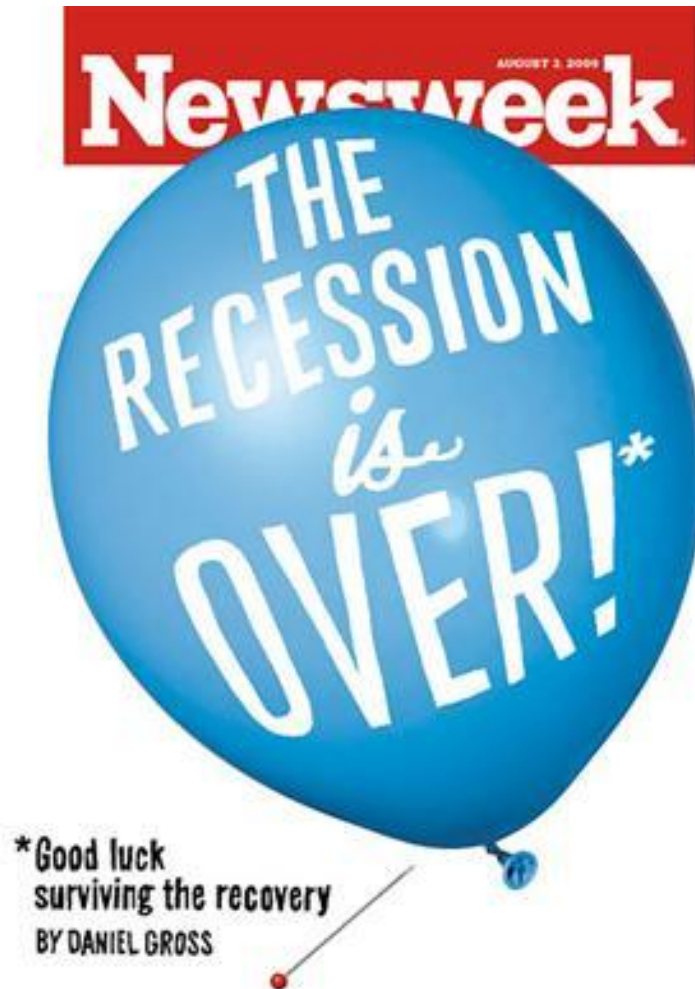
U.S. TRAVEL
ASSOCIATION



The Impact of 2009 Economy on
Long Haul Travel Prospectus for
2010 and Trends

The 3rd UNWTO/PATA Forum on Tourism Trends and Outlook

The Economy will be the key to recovery



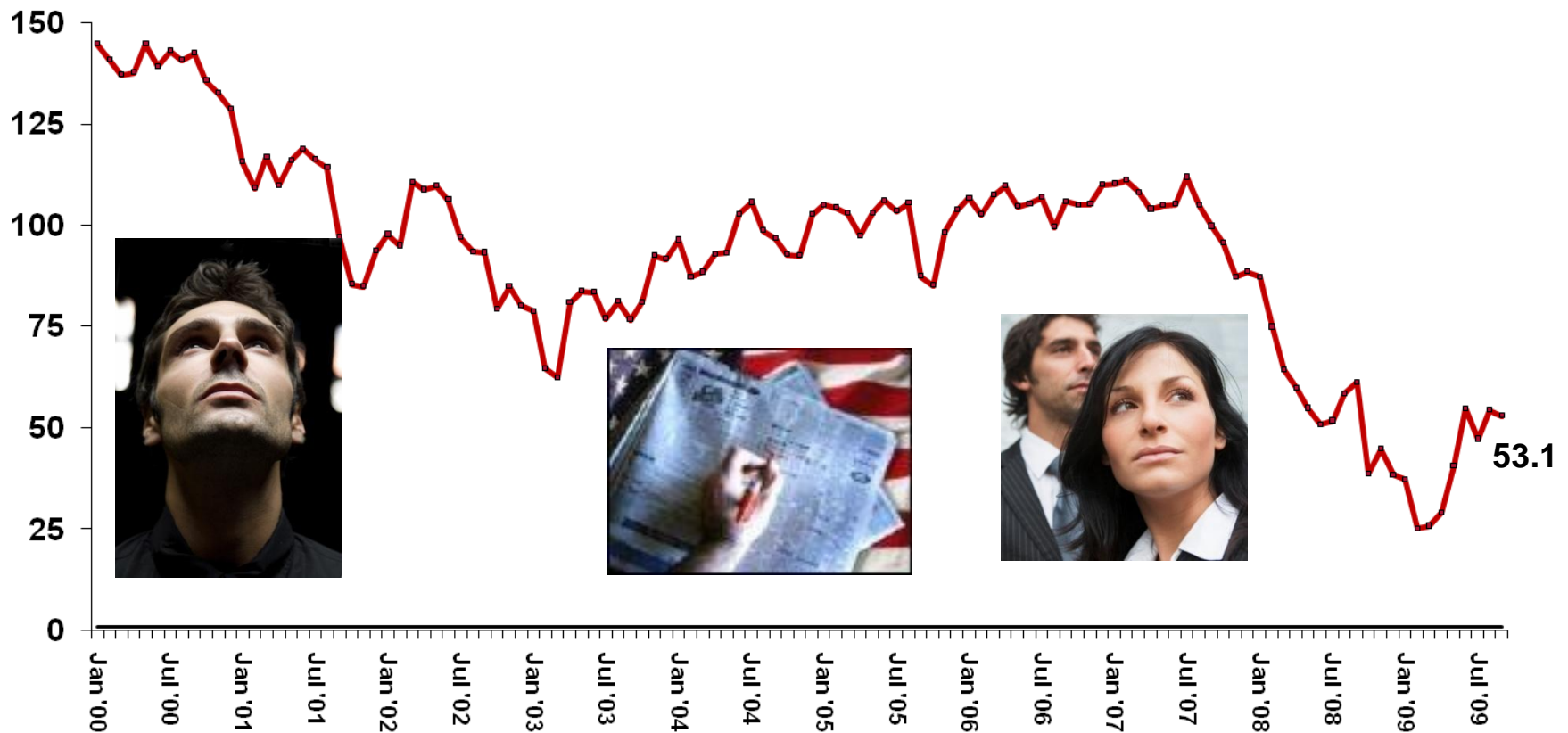
U.S. Economic Outlook



	<u>2009p</u>	<u>2010F</u>
Unemployment Rate	9.3%	10.1%
CPI	-0.4%	+1.8%
Real Personal Disp Income	+0.5%	+1.0%
Real Consumer Spending	-0.6%	+1.9%
Real GDP	-2.5%	+2.5%
Total Profits	-7.8%	+9.5%

Source: Oxford Economics

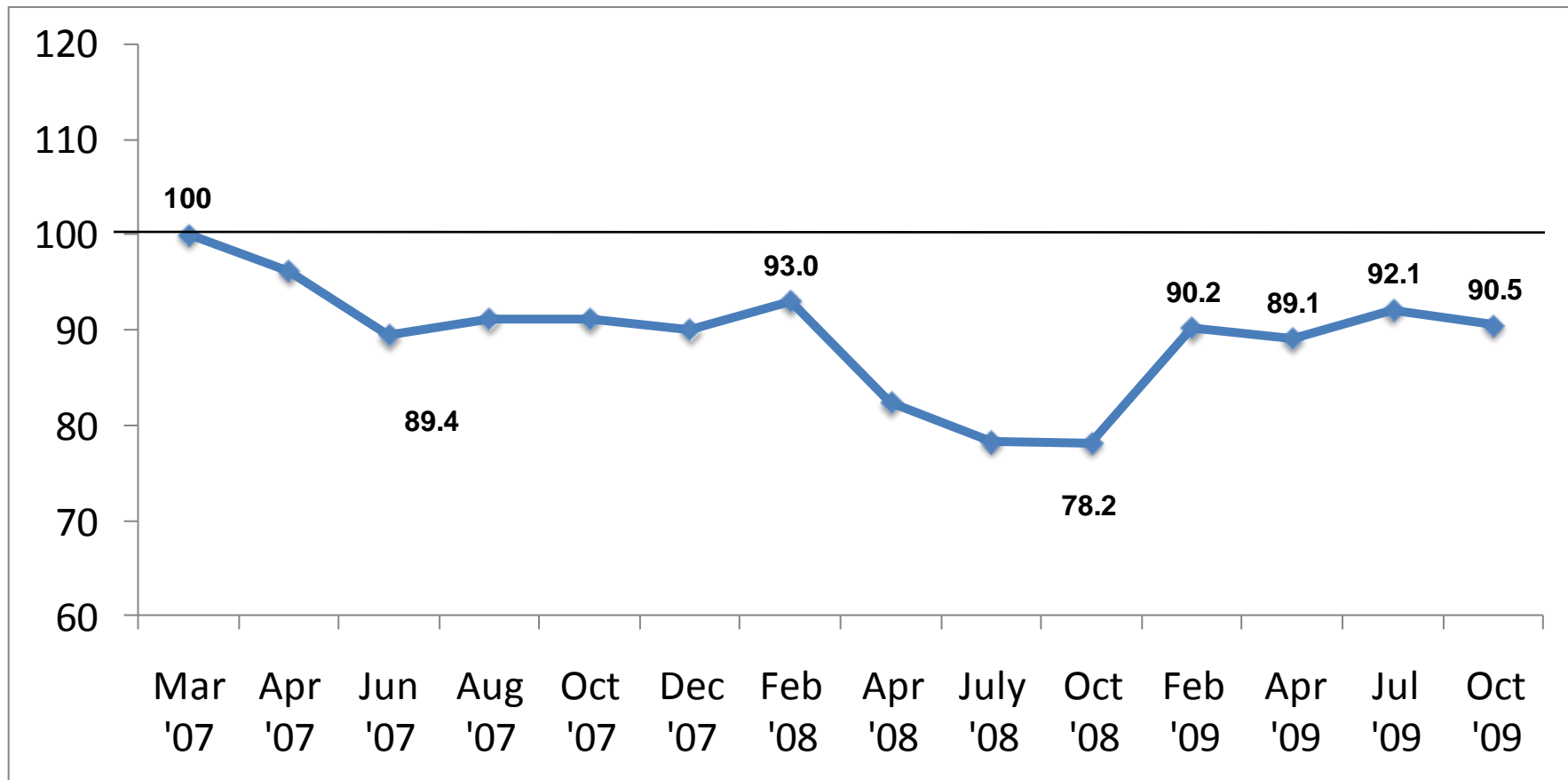
Consumer Confidence Remains Tepid



1985 = 100

Source: The Conference Board, September 29, 2009

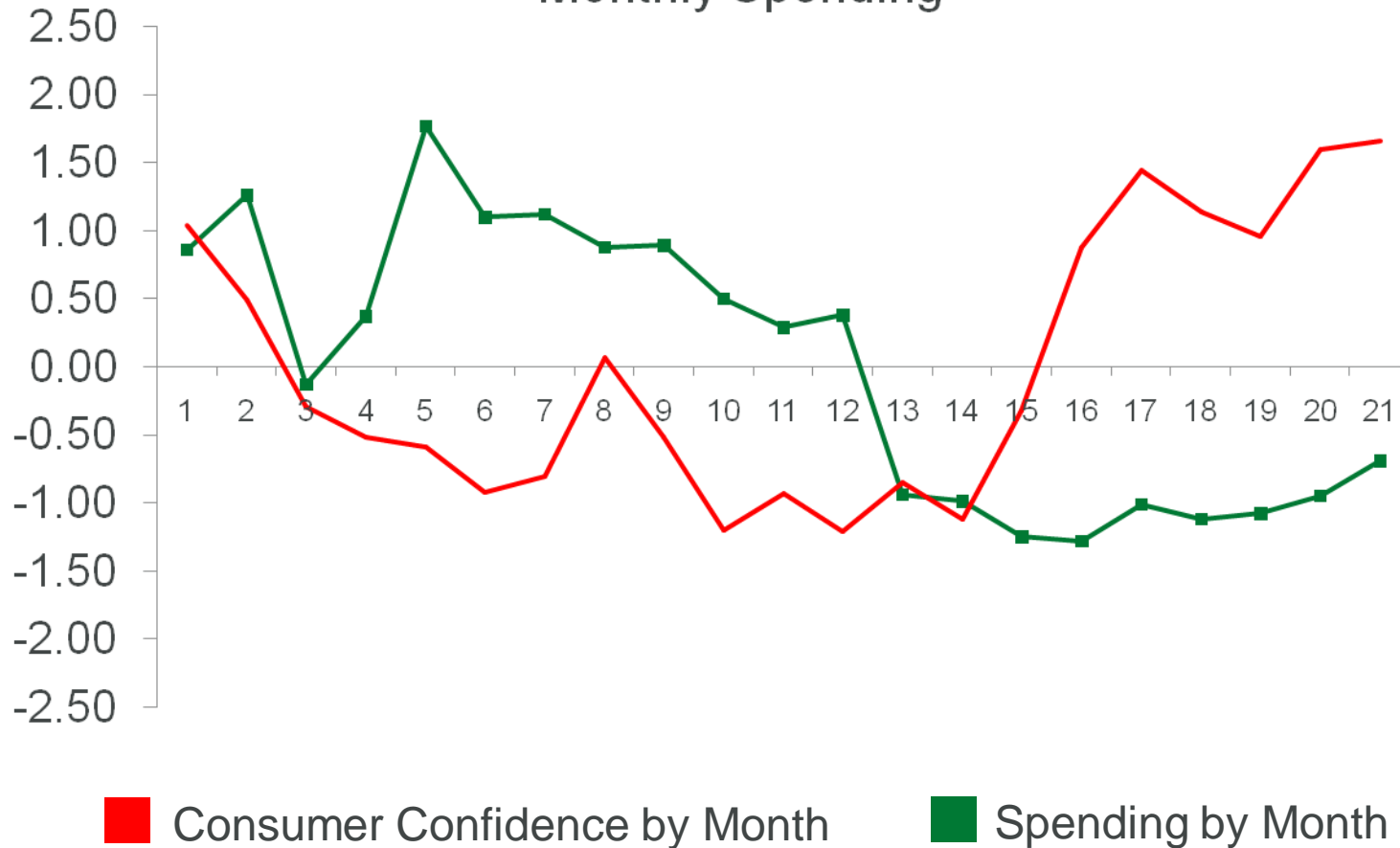
Traveler Sentiment Index™ (TSI) stabilizes



Source: U.S. Travel Association/YPartnership *travelhorizons*™

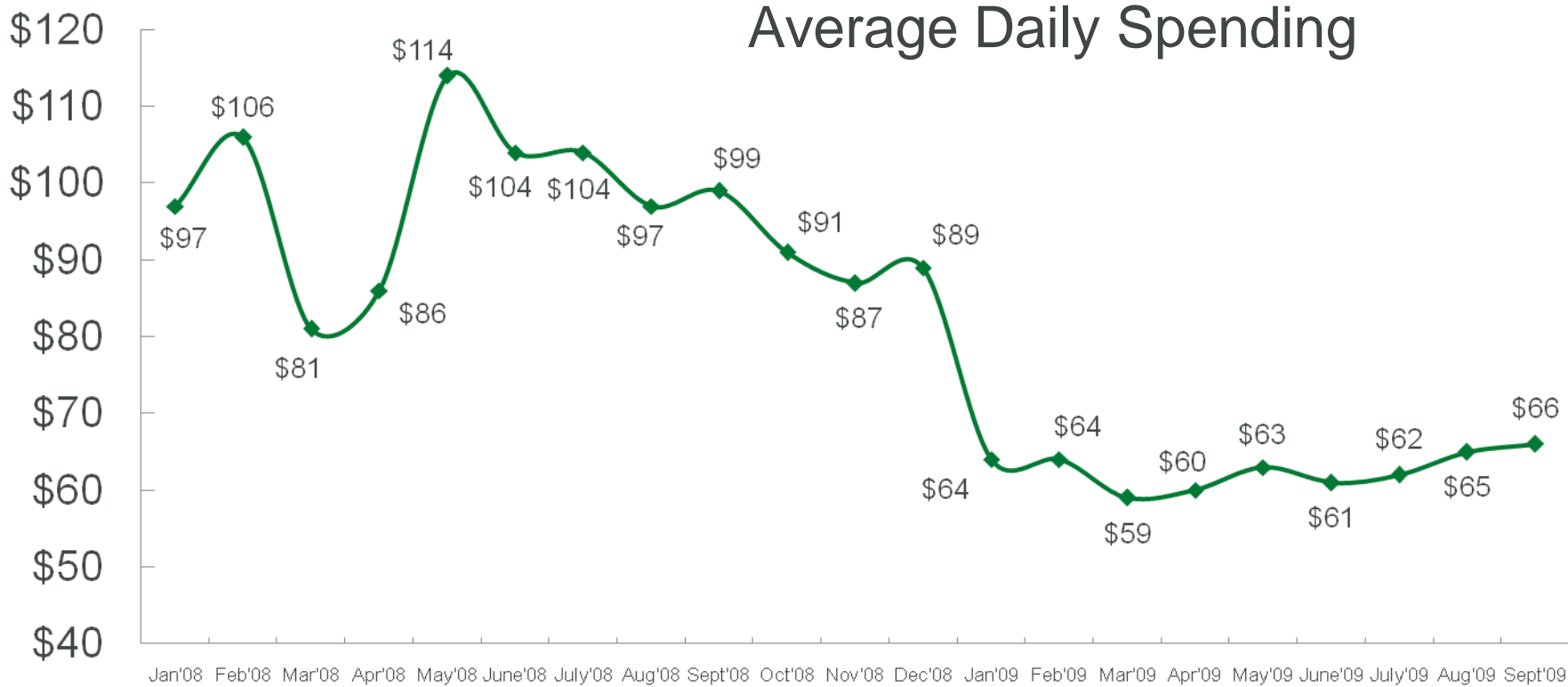
Standardizing consumer confidence and spending clarifies that the two are NOT positively related (by monthly average since Jan 2008)

Monthly Consumer Confidence Scores and Monthly Spending

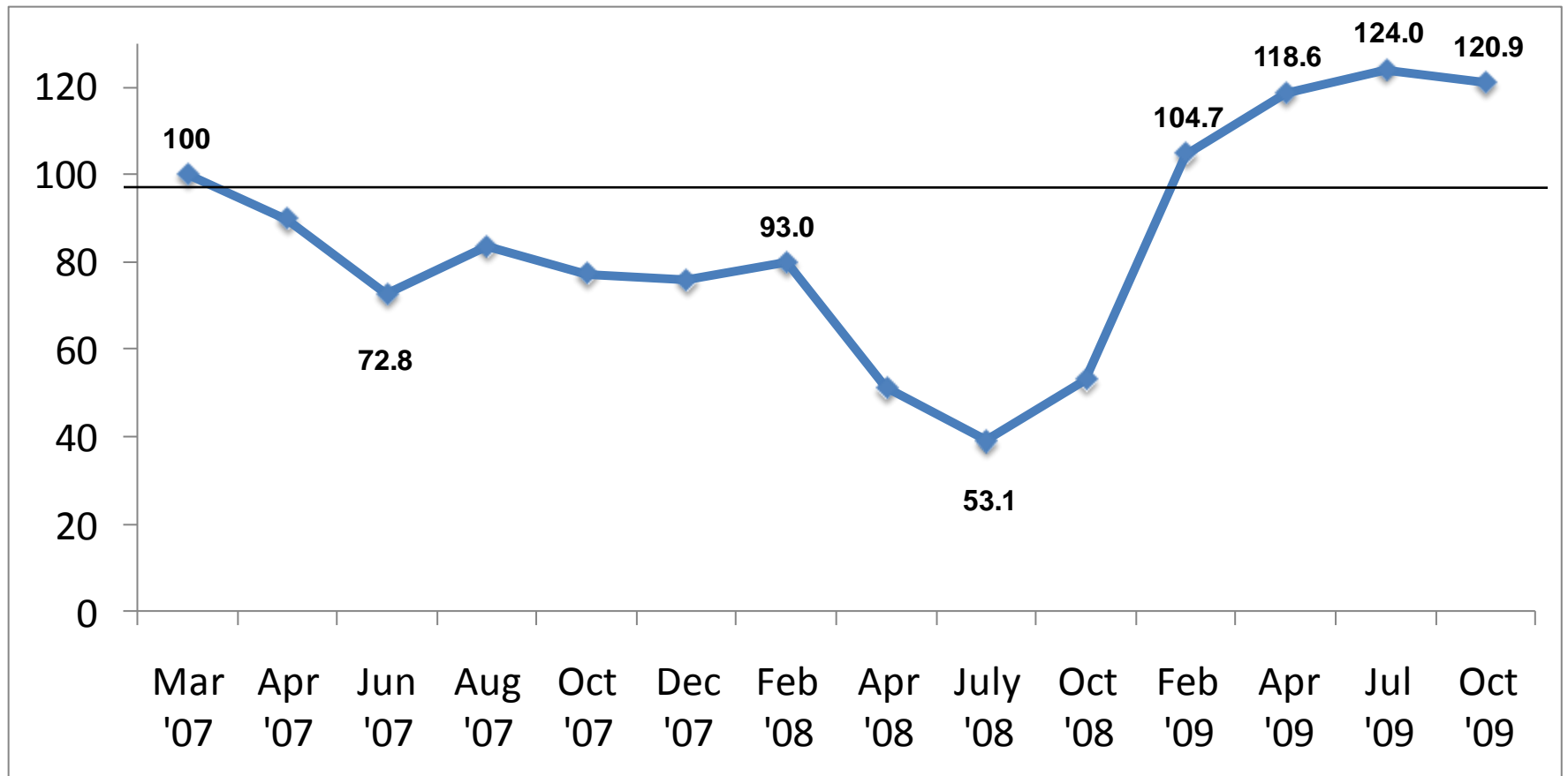


Gallup Daily: behavioral measurement of consumer spending shows average daily spending plunged over the past year

Next, we'd like you to think about your spending yesterday, not counting the purchase of a home, motor vehicle, or your normal household bills. How much money did you spend or charge yesterday on all other types of purchases you may have made, such as at a store, restaurant, gas station, online, or elsewhere?

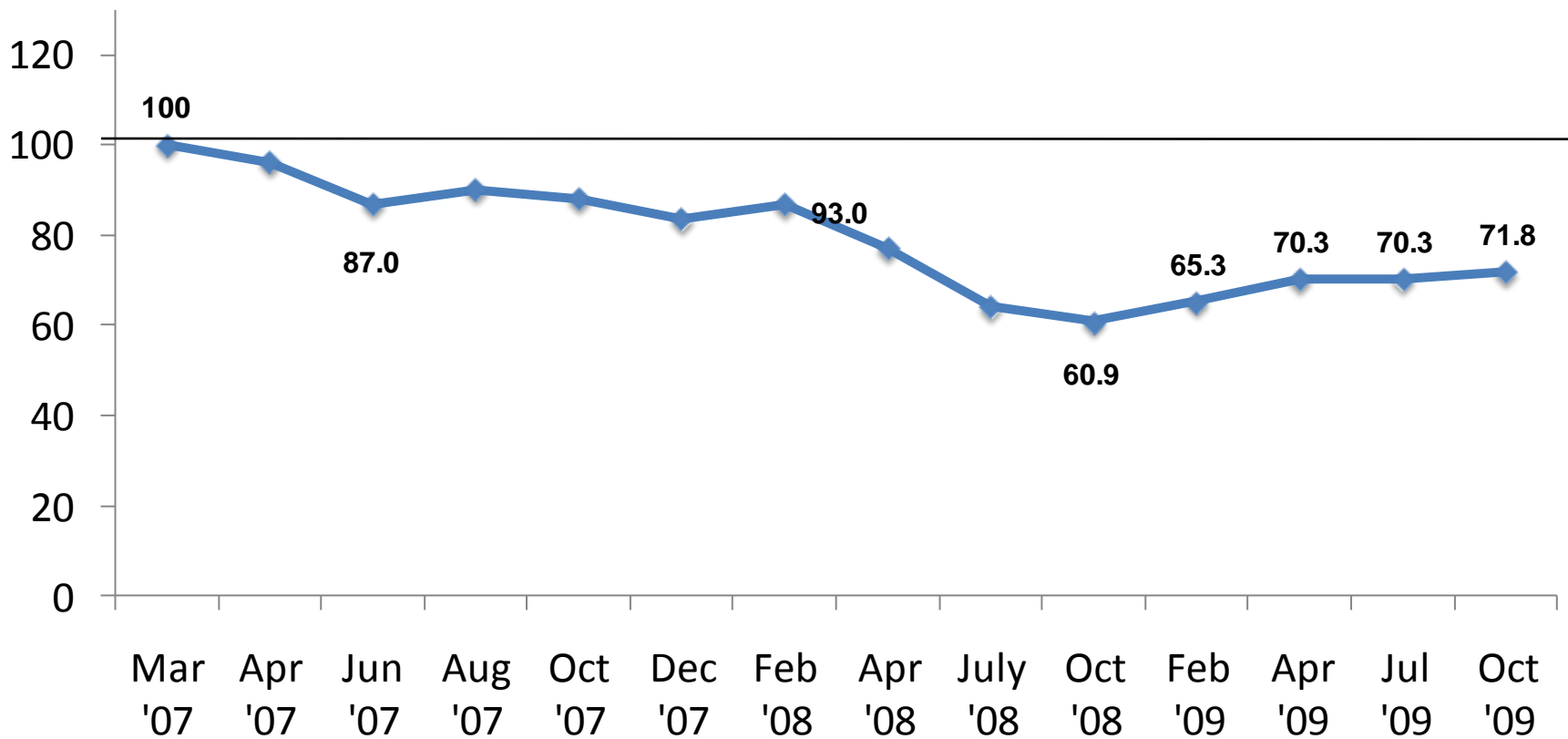


“Affordability of Travel” Index Still Strong



Source: U.S. Travel Association/YPartnership *travelhorizons*™

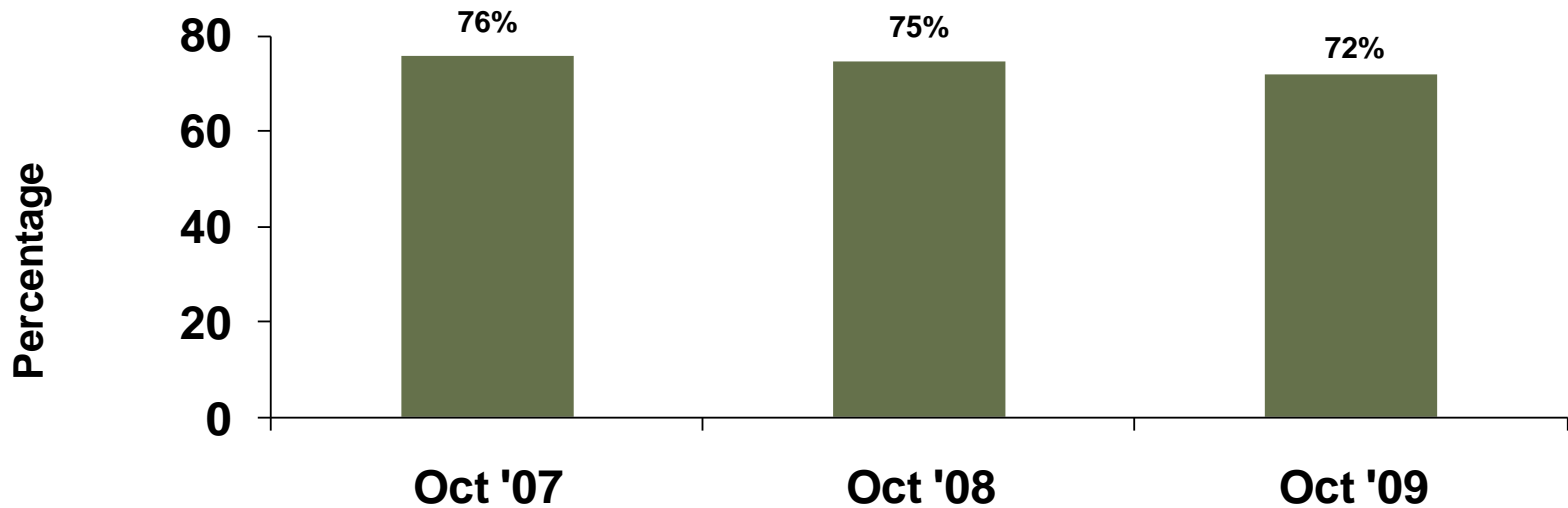
“Money Available for Travel” Index stabilizing but remains weak



Source: U.S. Travel Association/YPartnership *travelhorizons*™

Number of leisure travelers down in 2009

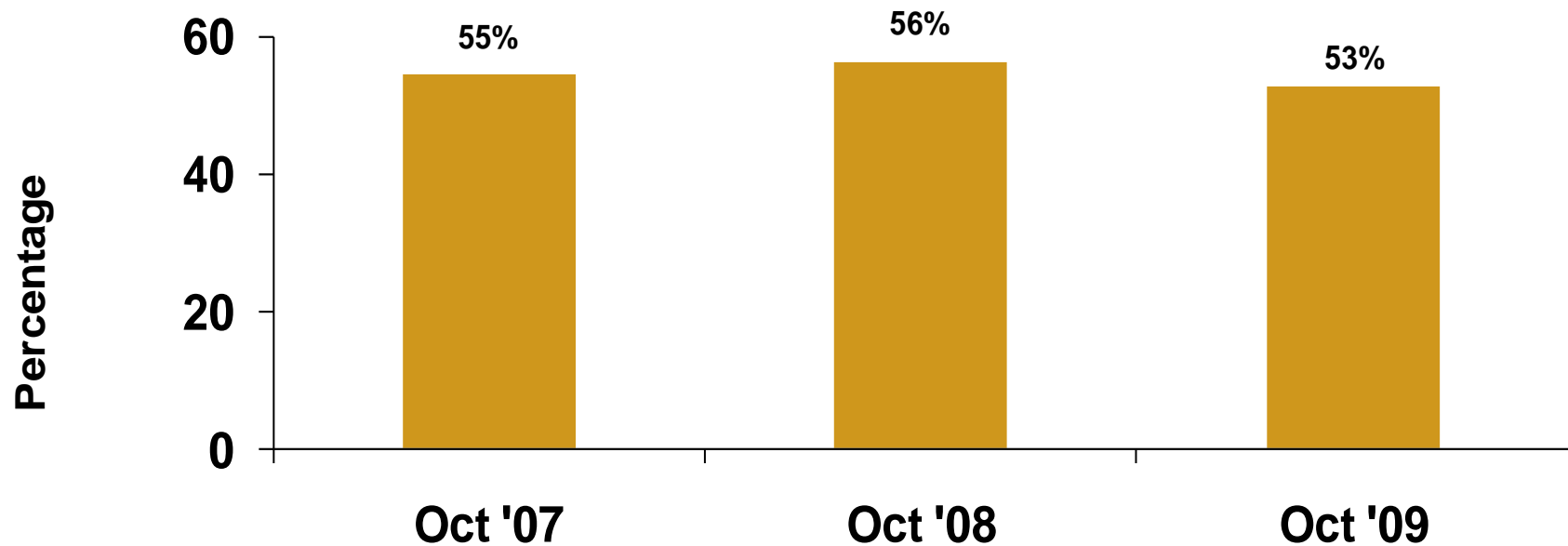
Percent of U.S. adults taking a leisure trip in past 12 months



Source: U.S. Travel Association and YPartnership *travelhorizons*™

Leisure travel intentions weaken

* Percent of U.S. adults intending to take leisure trip in next six months



Source: U.S. Travel Association and YPartnership *travelhorizons*™

Projection for 2010—and **Beyond**



- **2010 & beyond** will be marginally better, but real post-recession growth still likely 18-24 months away.
- The best projection for aggregate attraction industry performance in 2010 is **flat** performance.

Defend Travel from Political Attack

THE WALL STREET JOURNAL.
ONLINE

Orlando Sentinel

AP Associated Press

The New York Times
ON THE WEB

Bloomberg

LAS VEGAS
REVIEW-JOURNAL

MANAGEMENT 

St. Petersburg
Times

THE WALL STREET JOURNAL.

U.S. Travel Groups Issue Guidelines for TARP Recipients

Don't let bailout deter travel, industry says

Industry urges businesses keep spending on travel
Mayor: Obama should apologize for Vegas trips quip

Business Trip, or Just a Junket? It Matters Lately

'AIG effect' hurts bookings at South Florida hotels

EDITORIAL: Wells Fargo cancels on Vegas
Bank caves to pressure, opts not to hold corporate event

Regulatory, Publicity Concerns Drive 'Accountability Standards'
For Meetings, Events

Outrage over junkets stings a local resort

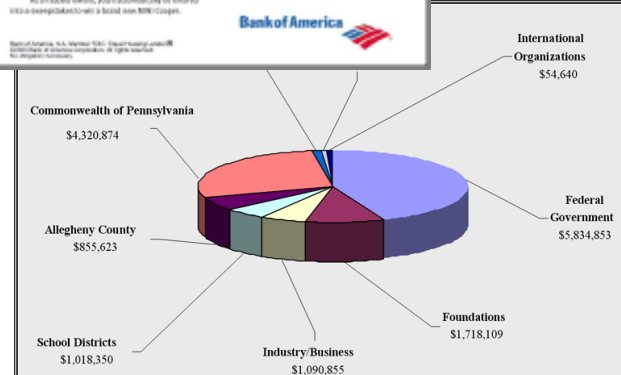
Hotels Say, We're Businesses, Too
*Amid Political Backlash Against Conferences, Resorts Go on a
PR Offensive*



Travel: Frivolous or Necessary?

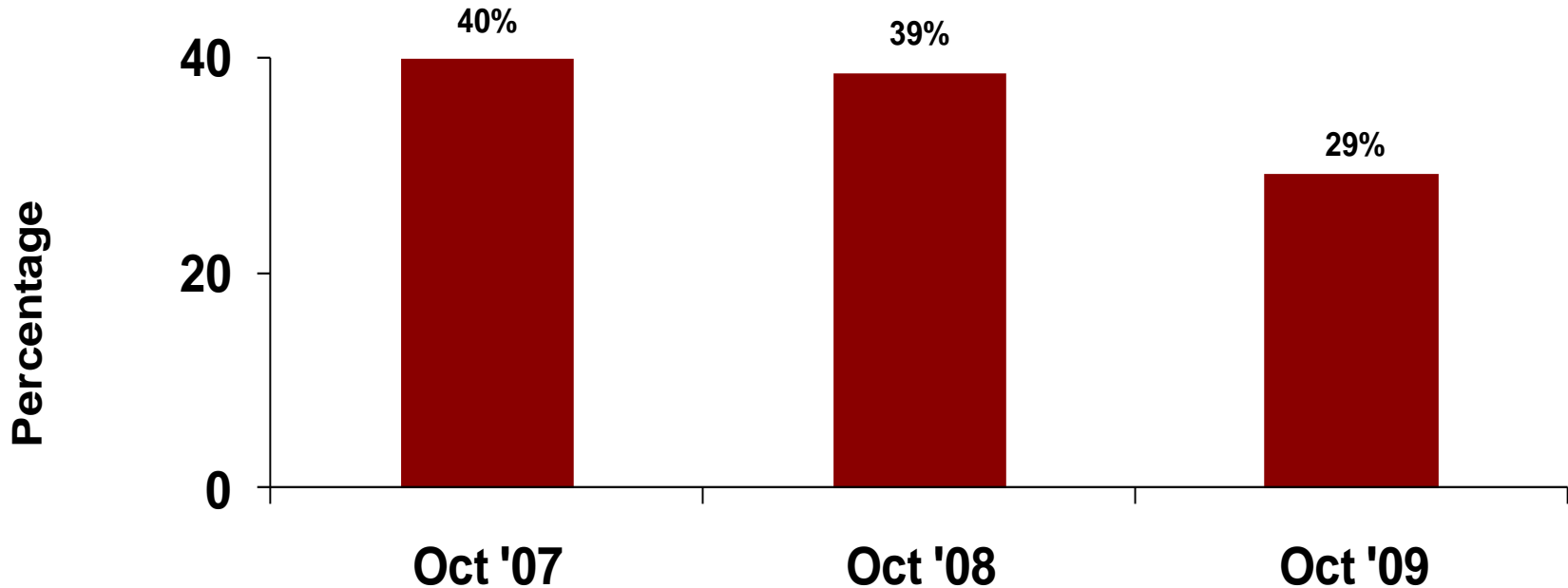
Unnecessary
Dispensable
Frivolous / Luxury

Necessary
Core Business Function
Commonplace



Number of business travelers down in 2009

* Percent of U.S. adults taking a business trip in past 12 months



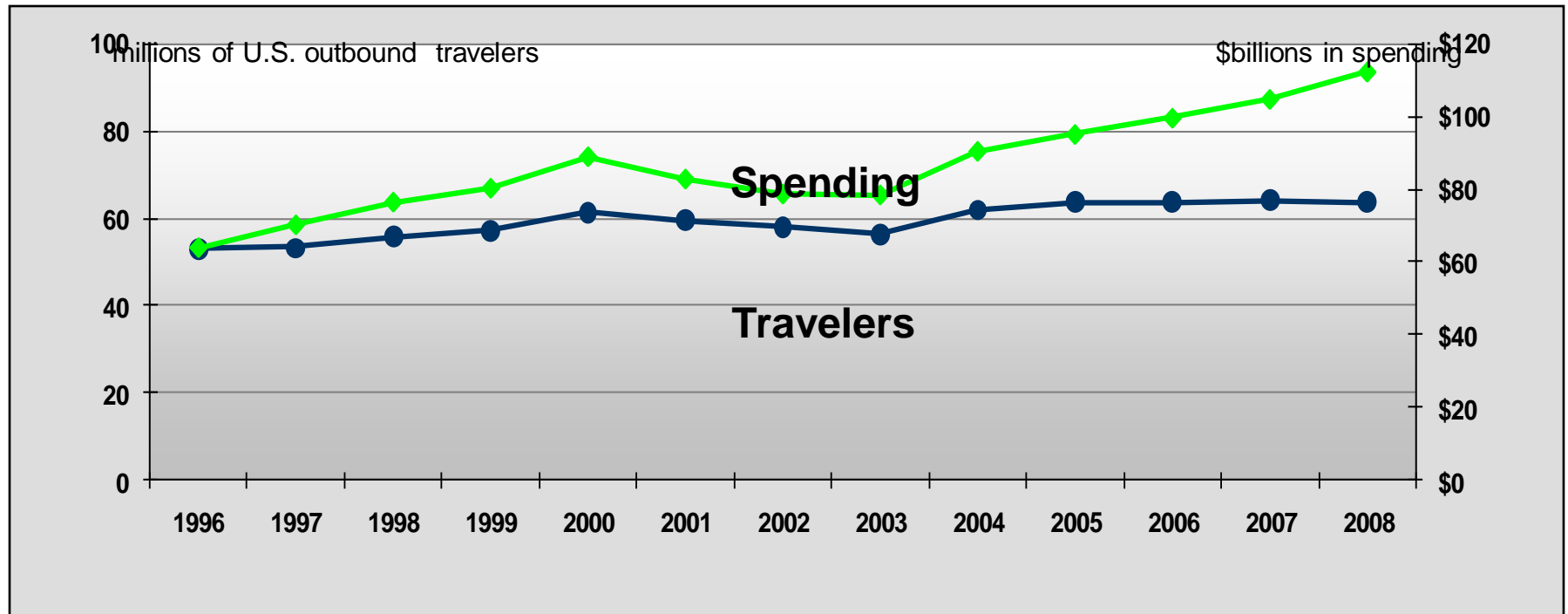
Source: U.S. Travel Association and YPartnership *travelhorizons*™

There is some light on the horizon



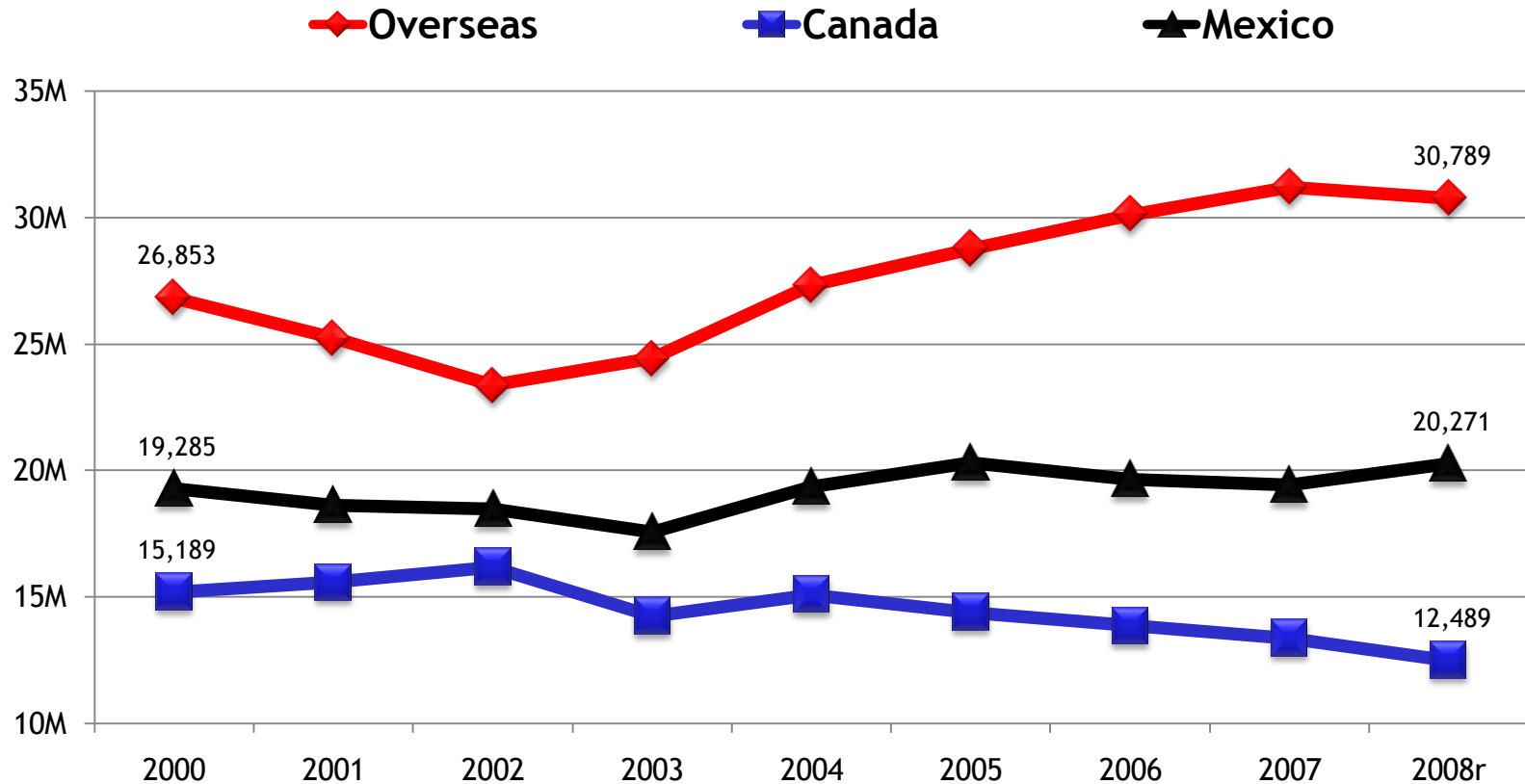
U.S. Outbound Travelers & Spending (1996-2008)

Visitor spending (imports) was a record \$112 billion in 2008. Outbound volume was 63.7 million, just below the 2007 record of 64.0 million travelers.



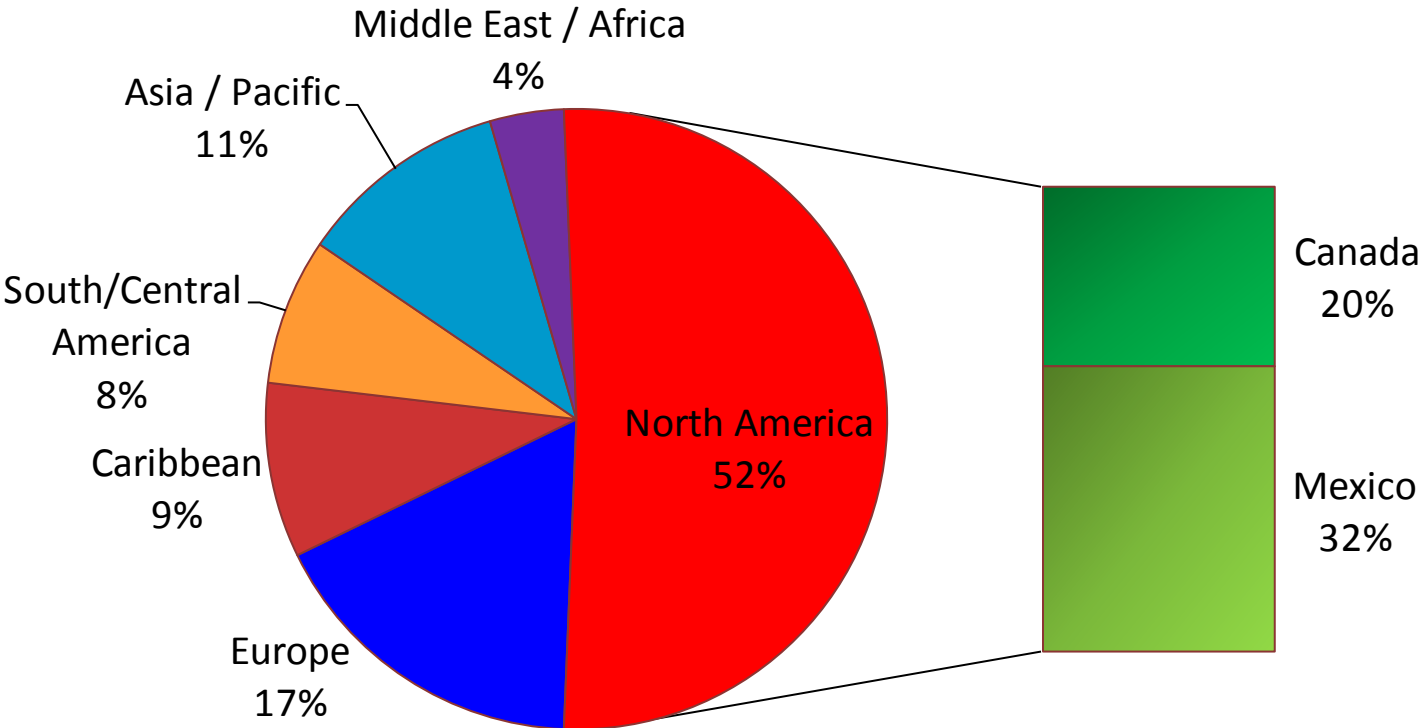
Sources: Department of Commerce, Office of Tourism Industries; Department of Commerce, Bureau of Economic Analysis; Statistics Canada; Banco de Mexico.

U.S. Travel Abroad: Canada, Mexico, and Overseas



(r) Revised.

63.5 Million U.S. Travelers Abroad: Market Share for World Regions Visited in 2008



Top Destination Markets for

Destinations Visited	2008 (000s)	08 / 07 (% change)	08/00 (% change)
International Total *	63,549	-1%	4%
1 Mexico	20,271	4%	5%
2 Canada	12,489	-7%	-18%
Overseas **	30,789	-1%	15%
3 United Kingdom	2,894	-7%	-31%
4 France	2,124	-4%	-27%
5 Italy	1,940	-18%	-10%
6 Germany	1,601	-17%	-31%
7 Japan	1,601	-7%	27%
8 Jamaica	1,447	-5%	63%
9 People's Rep. of China	1,201	-13%	86%
10 Spain	1,139	4%	-10%

* International travelers include all countries visited by U.S. travelers going abroad

** Overseas includes all countries except Canada and Mexico.

U.S. Outbound: Major World Regions

World Region	2000 (000)	2007 (000)	2008 (000)	% Change 2008/2007	% Change 2008/2000
Mexico	19,285	19,425	20,271	4%	5%
Canada	15,188	13,371	12,489	-7%	-18%
Overseas	26,853	31,228	30,789	-1%	15%
Europe	13,373	12,304	11,238	-9%	-16%
Asia/Pacific	5,961	7,588	7,205	-5%	21%
Caribbean	3,867	5,184	5,973	15%	54%
Latin America	2,981	5,059	5,018	-1%	68%
Africa/Middle East	1,853	2,186	2,525	15%	36%

U.S. Outbound: Asia/Pacific & Top

World Region	2000 (000)	2007 (000)	2008 (000)	% Change 2008/2007	% Change 2008/2000
Asia/Pacific	5,961	7,588	7,205	-5%	21%
Japan	1,262	1,718	1,601	-7%	27%
China	644	1,374	1,201	-13%	86%
India	457	999	1,016	2%	123%
Hong Kong	832	968	924	-5%	11%
Taiwan	671	687	647	-6%	-4%
South Korea	779	687	616	-10%	-21%
Australia	698	593	585	-1%	-16%
Thailand	376	468	431	-8%	15%

Traveler Spending by U.S. Travelers to

Origin of Visitor	2008 (millions \$US)	2008 (millions)	Spending (per traveler)
All Overseas	\$93,923	30.789	\$3,051
Asia/Pacific	\$28,563	7.205	\$3,964
1 Japan	\$5,205	1.601	\$3,251
2 Hong Kong	\$3,171	0.924	\$3,432
3 China (PRC)	\$2,997	1,201	\$2,495
4Taiwan \$2,894	0.647	\$4,473	
5India \$2,754	1.016	\$2,711	
6Australia	\$2,375	0.585	\$4,060
7New Zealand	\$1,266	0.277	\$4,570

Note: The Department of Commerce, Bureau of Economic Analysis will release preliminary estimates for Chile and Bermuda and revised estimates for all other countries in October 2009.

Top Asia/Pacific Markets for U.S.

Origin of Visitor	2000 (millions \$US)	2007 (millions \$US)	2008 (millions \$US)	% change	
				08/07	08/00
All Overseas	\$74,331	\$85,879	\$93,923	9%	26%
Asia/Pacific	\$19,619	\$26,038	\$28,563	10%	46%
1 Japan	\$3,841	\$4,659	\$5,205	12%	36%
2 Hong Kong	\$2,013	\$2,643	\$3,171	20%	58%
3 China (PRC)	\$2,997	\$3,152	\$2,997	-5%	127%
4 Republic of Korea	\$2,212	\$2,493	\$2,894	16%	31%
5 Taiwan \$1,822	\$2,619	\$2,777	6%	52%	
6 India \$967	\$2,211	\$2,754	25%	185%	
7 Australia	\$2,093	\$2,313	\$2,375	3%	13%
8. New Zealand	\$1,011	\$1,308	\$1,266	4%	35%

Note: The Department of Commerce, Bureau of Economic Analysis , June & October 2009.

2009 U.S. Outbound: Overseas, Asia, and Oceania

Month	Overseas (Air Traffic)	Change	Asia (Air Traffic)	Change	Oceania (Air Traffic)	Change
January	2,093,157	-7%	437,095	-12%	66,177	-10%
February	1,908,755	-8%	358,594	-11%	65,299	-18%
March	2,361,183	-12%	429,966	-17%	58,118	-12%
April	2,401,893	1%	413,535	-4%	50,703	1%
May	2,766,652	-4%	446,247	-10%	51,929	-3%
June	3,144,645	-4%	506,990	-2%	65,998	7%
July	3,239,170	4%	492,157	2%	77,673	2%
August	2,781,883	5%	427,808	-1%	61,794	6%
Year to Date (YTD)	20,697,338	-3%	3,512,392	-7%	407,691	-4%



Expect the Unexpected

Many Unknown Challenges Lay Ahead

If swine flu (H1N1) becomes pandemic in U.S.
– All bets are off





Status Overview

WHO has affirmed no travel restrictions

CDC says swine flu should not discourage people from traveling

Travelers should heed the advice of medical experts

Individuals should take common sense steps to protect themselves

Swine flu, according to medical experts, appears no more severe than seasonal flu



Recent U.S. Travel Activities

Engaging Government Agencies

- **Work alongside federal partners**
- **Outreach to White House**
- **CDC, HHS, DHS, Commerce, Transportation**

Aligning With Global Health Officials

- World Health Organization
- U.N. World Tourism Organization

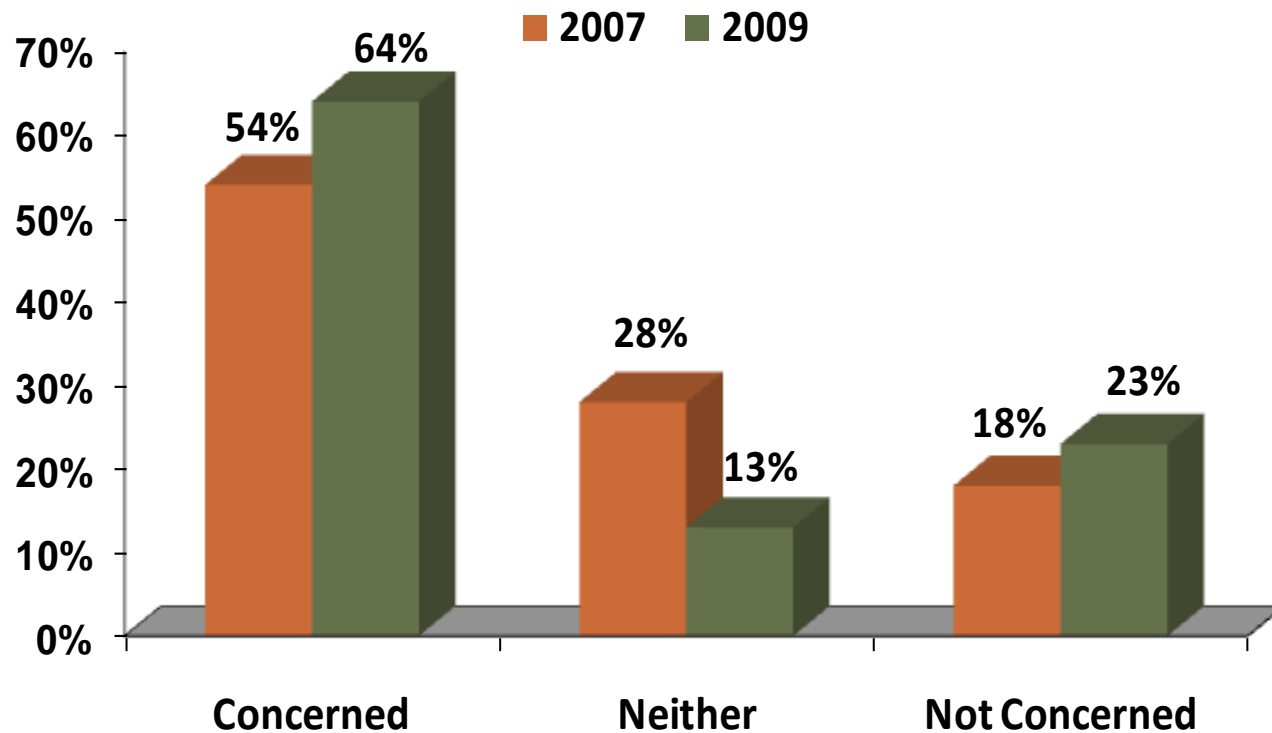
Comprehensive Industry Communications

- Toolkit of industry resources
- Webinars, industry events
- Coordinate future industry responses

Another, longer-term, wild card.....



Concern about global warming rising

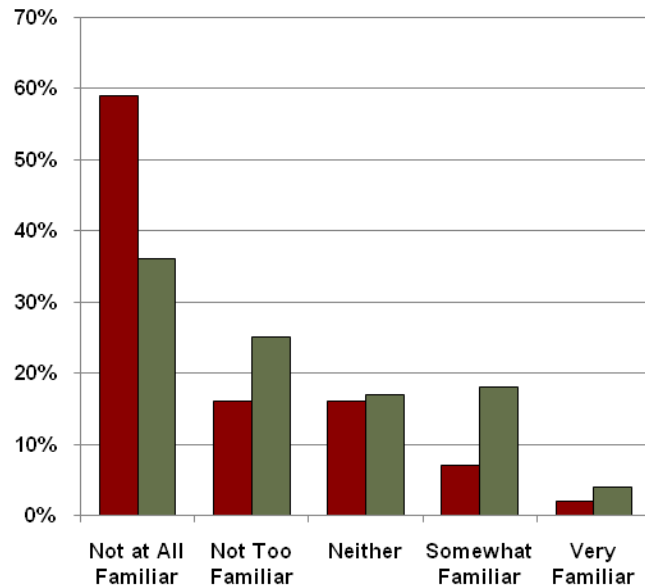


Source: U.S. Travel Association and Ypartnership, *Travelhorizons*™

Impressive gains in familiarity with “Green Tourism” and “Carbon Footprint”

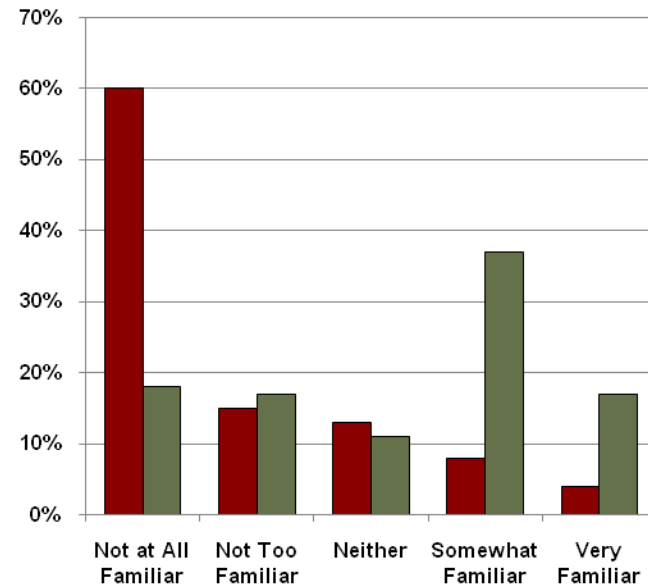
Familiarity with Green Tourism

■ 2007 ■ 2009



Familiarity with Carbon Footprint

■ 2007 ■ 2009



Source: U.S. Travel Association and YPartnership's *TravelHorizons*™

Conclusions

- Recovery is coming but slow
- Adjust to the new normal
- The recovery will not be easy
- Defend the value of travel