U.S. Travel Association's

U.S. Travel Outlook

Research and Trends from Dr. Suzanne Cook

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EXAMINING CURRENT INDUSTRY TRENDS

<u>Current State of the Economy</u> "The Economy isn't careening into a ditch. It's just stuck firmly in the slow lane," writes USA TODAY. While certain sectors such as manufacturing, vehicle sales and housing have seen some improvement over the past three years, recent U.S. data releases have been disappointing.

<u>Labor</u> The May Bureau of Labor Statistics employment report showed just 69,000 new jobs, well below consensus. April's data were also revised down to 77,000 from 115,000 originally.

GDP The Bureau of Economic Analysis reduced its estimate of first quarter 2012 GDP growth to 1.9 percent, down from the 2.2 percent it had estimated last month. The economy grew at a three percent rate in the fourth quarter. There was also a modest downward revision to consumer spending and stronger import growth.

<u>Consumer Confidence</u> Among consumers, recent surveys show mixed results.

<u>Leisure Travel</u> A small increase in leisure travel is projected for the summer by a number of recently released studies.

Business Travel According to the American Express and CFO Research Services Global Business and Spendign Monitor, financial executives around the world are generally optimiste, but more tempered than last year, about the pace of the economic growth in the year ahead. They appear more ready to spend and strategically invest in activites that drive revenue.

<u>Meetings</u> The meetings market, howeer, continues to be in the dodrums and now faces new challenges in the wake of the GSA scandal.

<u>Air Travel</u> According to the International Air Transport Association, demand for glboal air travel continues to grow.

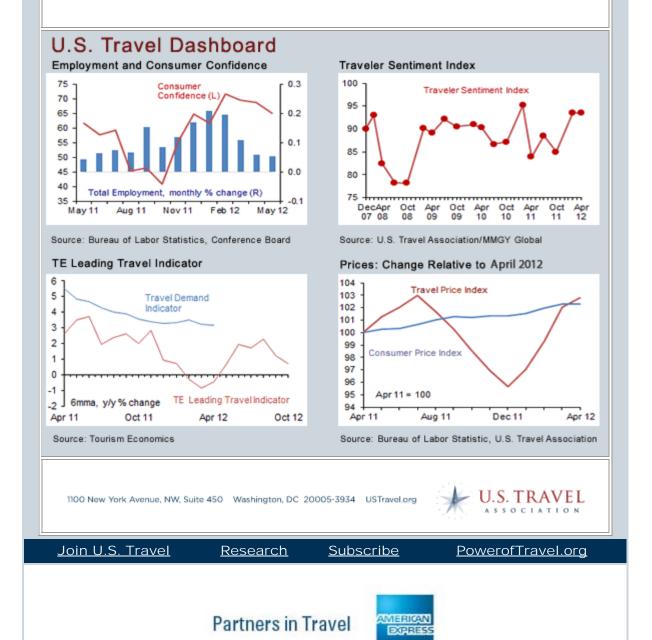
Lodging Industry The U.S. hotel industry continued to improve in 2011.

<u>International Travel</u> The preliminary results of the World Travel Monitor from IPK International show a five percent rise in global outbound travel (with overnights) in 2011 to 750 million (following a gain of 7% in 2010), a new record high.

Exports The Census Bureau's April 2012 International Trade data reported travel exports were \$14 billion in April 2012. "Travel exports held their ground in April, while other exports turned down, and are growing at 13.2 percent compared to last year – nearly three times faster than any other major service category and twice as fast as overall exports," said David Huether, senior vice president of

economics and research at the U.S. Travel Association.

<u>Travel-related Policy</u> In this period of slow growth, promotion of the U.S. around the world is more important than ever.



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1100 New York Avenue, NW | Suite 450 | Washington, DC 20005 P: (202) 408-8422 | F: (202) 408-1255 | feedback@ustravel.org.

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