Forecast of International Travelers to the United States by Top Origin Countries

Justification for Country Forecasts 2012-2017 (FALL 2012)

Background

This document contains factors considered by DOC/Office of Travel and Tourism Industries staff in developing this Travel Forecast. Sharing these potential positives and negatives gives forecast users the reasoning for each country's forecast, and how the forecast might be adjusted to reflect one's own perspective on these issues. In developing these country forecasts, OTTI staff used numerous sources, and focused mostly on "demand-side" factors, such as economic growth, unemployment, inflation, currency exchange rate, and population growth. We assume "supply-side" factors, such as visa processing issues and air seat capacity will more or less align with changes in demand. So for example, seat capacity will have to increase substantially from current levels to accommodate the increase in visitors expected from China. The document is written in an informal notes format to reduce space usage and to connote the message that mentioned potential positives and negatives do not necessarily reflect the opinion of the OTTI travel forecast team each team member. Rather, they reflect a qualified listing of issues gathered from numerous sources.

Concepts used in the descriptions below

BRIC. The fast-growing developing countries of Brazil, Russia, India, and China. For this forecast, "K" (South Korea) could be included.

Brand USA. The non-profit organization created by the Travel Promotion Act of 2009 responsible for administering the TPA mandates of increasing traveler volume to the USA and communicating US entry/exit travel requirements. The original name of this organization was The Corporation for Travel Promotion.

Currency exchange rate discussions. All discussions reflect anticipated changes in the currency exchange rate from the traveler's perspective. Thus, if the Yen is appreciating, Japanese travelers get more U.S. dollar per yen, and thus reducing the cost of travel, all other factors remaining constant.

ESTA. Electronic Travel Authorization Application. A requirement for visitors from visa-waiver countries to pre-register before their visit to the USA. The fee is $14 per traveler and valid for two years.

GDP. Gross Domestic Product. The final value of goods and services produced in a country. Often used as a measure of prosperity and thus relative ability to travel internationally in general, and to the USA specifically.

Geo-Equity. A term used within OTTI to reflect the level of geographic dispersion of travelers from a country throughout the USA. Any reference to an index reflects the number of states having a 2.0% share of travelers from that country. The greater the index, the greater the geographic dispersion. Only mentioned here because geographic dispersion of TPA positive impacts are mandated by the TPA.

PPP. Purchasing Power Parity. An adjustment to gross domestic product per capita due to differences in currency exchange rates to reflect differences in the price of a basket of identical traded goods and services across countries. In that sense for a given GDP per capita level, it tries to give a sense whether persons “feel” richer or poorer in their own country, buying a basket of identical (or at least very similar) goods and services vis-a-vis a persons with the same level in other countries.

Seat capacity. Reflects airlines' perception of change in air travel bookings and/or manipulation of load factors of air travel from a country to the USA. Changes can reflect at least four change in demand factors: 1) demand originating FROM the country; 2) demand passing THROUGH the country; 3) demand to the country FROM the USA; and 4) demand THROUGH the country from the USA. Currently, OTTI cannot isolate these four factors.

TPA. The Travel Promotion Act of 2009. Legislation enacted in March 2010 creating the non-profit Corporation for Travel Promotion (since re-branded as "Brand USA", creating a funding mechanism, and specifying CTP mandates. Potential impacts of the TPA were built into previous OTTI forecasts for several countries that are either large established markets, or, moderate and fast-growing markets. These potential and anticipated positive impacts are NOT included in this forecast. The removal of TPA impacts reflects the lack of any information regarding targeted countries, marketing levels, and marketing effectiveness. This removal enables the travel industry here in the United States and abroad to make adjustments to this revised baseline forecast based on individual assessments of potential impacts. Due to OTTI's methodology, the impact of the TPA cannot be isolated from other factors.

Sources

Comparing the Fall 2012 Travel Forecast to the Spring 2012 Travel Forecast

Compared to the last forecast, this Travel Forecast represents a slight upward revision in each of the five years of the Spring forecast period. The upward revisions begin in year 2012 and ultimately produces and upward adjustment of nearly one million additional total growth over the 2012-2016 period. For most countries, the 2017 forecast is the same as the 2016 forecast. The Spring forecast called for growth for most countries; the Fall forecast does the same, just a different and often higher LEVEL of growth.

Two key factors contribute to this slight upward revision.

1) First, several important origin countries over performed in 2012 YTD compared to the Spring Forecast. These include large and fast-growing China and Brazil, and several countries in Western Europe.

2) Second, available GDP estimates for 2011 actual and forecasted 2012-2017 show flat or slight upward revisions for many countries. Although change in GDP alone does not correlate well with visitor volume change in many if any top markets, it still is regarded as an influential factor in the travel forecast process.

OTTI's Travel Forecast methodology precludes the ability to isolate the individual impact of the these factors.

2011 Rank #	Visitor Origin Country	Potential Positives	Potential Negatives
	THE WORLD	United Nations World Tourism Organization forecasts growth in world arrivals to average 3.3% through 2030, starting with 4.4% for 2012 and gradually declining to +2.5% by the end of the period. The World Travel & Tourism Council forecasts growth of 2.8% in 2012 and 4% per year over the next 10 years. PATA forecasts about 3% AAGR growth to the USA through 2014. Country visitor volume records abound for 2011 (6/top 10; 12/top 20; and 70/200 countries), and momentum is strong or improving for many countries, including the BRIC(K)s. Through May visitor volume is +6.4% and higher than the OTTI spring forecast for 2012. ESTA fee does not appear to be an obvious deterrent. Seat capacity is growing at +1% to +3% through March 2013. Brand USA marketing began in May 2012. 12-month moving average of ESTA fee collections available to disburse to Brand USA is currently HIGHER than the maximum possible match level of $100M. So there is great potential for impactful marketing campaigns depending on industry contributions. Just-released IMF country-level economic indicators is stable or improved for many key visitor origin countries.	Deficit-cutting by most governments will lower GDP growth in developed countries by 1% point. Many EU countries will be in a minor recession and EU as a whole will flirt with recession. USA marketing presence is down currently from already very low levels. Outbound traveler taxes are at a high and increasing level for some countries. Increasing air fares and airline fuel surcharges could deter growth. Major sporting events in UK (2012), Russia (2014), Brazil (2014, 2016), and South Korea (2018) in forecast period and beyond could cannibalize total outbound for those hosting and neighbor countries, or conversely, push local residents to escape the events. Global GDP forecasts of +3% to +4% over the next few years is good enough, but the devil is in the details, including a continued mismatch in growth between developed and developing countries, continued concern for China morphing from "miracle to meltdown" and high oil prices. In the Fall of 2008, travel trends turned on a dime. The global downside risks suggest the potential for a repeat performance. Performance from several key origin countries is likely strongly linked to changes in commodity import demand from China, such as Brazil and Australia.

16	**Argentina**	Momentum favors being bullish. Recent annual and monthly volume has been strong, at least partially buoyed by an incentive to spend resulting from a recently nationalized pension system and persistently high inflation rate coupled with a declining home currency. GDP growth was high again in 2011. Total outbound volume and to USA is still below the 2000 level. This coupled with continued population growth results in a potential for continued strong growth...to the world and the USA. Moreover, the unemployment rate of 8+%, while high for USA standards, is below that of much of the past two decades. Argentines love to travel, love the USA, and love to shop. Relatively inexpensive shopping in the USA may continue to offset increases in airfares and declines in the currency exchange rate.	Little change from last forecast. The high inflation rate currently still an incentive to travel and spend. But eventually, this and the declining currency may combine to be too much to offset the forecast of lower GDP growth over the next few years. Can 15%+ growth for many months in 2011 and 2012 be maintained in 2013 and beyond? The answer is yes for the 24/18/12/6/3-month moving averages. Potential for 2014 World Cup and 2016 Olympics to cannibalize outbound volume. IMF forecasts a decline in the exchange rate (from Spring 2012 forecast).
10	**Australia**	2011 volume was the 7th consecutive record. Growth has been impressive including a 5% gain in 2009, one of the few countries to have growth that year. 2011 actual visitation(+15) met the lofty Spring 2011 forecast (+17%). GDP growth was maintained even in 2009 and expected to continue, buoyed by exports to China, especially the commodity-exporting North region. Slower growth in the South region. Total outbound at a record level and climbing. USA share stable at 12% or so, perhaps growing. Really strong growth to many Southeast Asia markets. BMI online forecasts about 50% total growth over next five years. Airline seat capacity is increasing, and airfares are stable.	The 2012 YTD performance through May is lower than the spring forecast for the year, but the "bar to beat" is lower over the fall 2012 months. IMF spring forecast calls for a decline in currency exchange rate over five years, but from a forecasted above "par" level in 2011. Current rate a bit lower than projected for 2011/2012 GDP growth forecasts are uneven across sources. Concern for an "overly frothy" housing market. Watch for any slowdown in China commodity imports, as Australia is a key commodity exporter.
32	**Austria**	Actual 2011 volume (+7%) was double the Spring 2011 forecast (4%) and fifth straight year of growth. Visitor volume remains below the 1999 record level, so still room for "easier" growth. 2012 YTD performance (+9%) is ahead of the spring 2012 forecasted rate. Low inflation. Low and stable unemployment rate for two decades and forecast to continue. Increasing seat capacity. New non-stop flight from Vienna to Chicago in spring 2013.	No change from last forecast. Low GDP growth expected. Small and slow-growing population. The Euro is already lower than the IMF forecasted lowest level through 2016.

27	**Bahamas, The**	USA is a dominant 73% of total outbound, which is highly variable. The Bahamas is either hot or cold in terms of outbound. Big 24% growth in 2009, despite 4% decline in real GDP...but followed 29% decline the previous year. 2011 decline (-8%) compares to the Spring 2011 forecast (+3%). 12/6/3-month moving averages are improving, but remain negative.	Not much change since last forecast except actual performance versus forecast. The 24/18/12/6/and 3-month moving averages are increasingly negative. The 2012 YTD performance (-15%) compares to the spring 2012 forecast for the year (-2%). Currency is pegged to US$ so no appreciation in recent months like many other countries. Low GDP growth, coupled with high but declining unemployment. Flat GDP/capita trend over 2 decades, but forecast to grow over the next five years. High inflation rate expected to continue.
24	**Belgium**	2011 low volume growth (+2%) met Spring 2011 forecast (+1%). 2012 YTD performance is the same as the forecast for the year (+1%). GDP small growth forecast for 2012 while much of Europe is forecast to be in recession.	12/6/3-month visitor volume moving averages are worsening and turned negative. Stable population, thus population growth must come from more total outbound trips, larger party sizes, or USA higher share of total outbound. Current outbound is near 2008 record level, so no "easy" growth potential. The Euro is already lower than the spring 2012 IMF forecasted lowest level through 2016.
6	**Brazil**	2011 actual growth (26%) again a stunner, and again even versus the Spring 2011 forecast (+18%). 36 consecutive months of monthly volume growth, often +30% to +60%! Good GDP growth fueled by commodity exports to China. Open-skies agreement signed in November 2010, but not yet implemented. Real currency already higher than IMF 2011 forecast and at a decade+ high level; impetus for travel, especially when coupled with greater access to credit and payment plans. Growing middle class. Stable unemployment is at historically lower levels than past two decades. Price differentials for electronic products purchased in the USA often pays for the trip, even if the current exchange rate declines. Seat capacity growth from +12% to +22% through March 2013.	Little change from last forecast. Currency is down a bit lower than IMF forecast for this year. Potential for major sporting event cannibalization of long-haul outbound in 2014 (World Cup) and 2016 (Summer Olympics), especially since July is 10% of annual visitors, second only to December (12%).

1	**Canada**	32 of 33 consecutive months of year-over-year visitor volume growth. Government and households are in better financial condition than in most countries. Long-term stability of finances of both is the envy of many countries. Low-to-moderate GDP growth outlook should hold up if U.S. economy holds up. No change in USA 70% or so share of total outbound. Currency exchange rate remains at par at this time. One of three origin countries included in Brand USA's significant May 2012 marketing effort ($3M-$4M). Qualitative feedback from THEIR travel industry suggests a positive impact on destination awareness and image, and perhaps intent to visit. 2012 YTD through August (+5.4%) equals the Spring forecast for the year. Increases to the limit of declared goods brought back into Canada in June correspond with a 9% monthly gain and a small decline in the previous month. Flying from USA airports estimated at nearly 5m, of which an estimated 5% or so but increasing share travel to foreign destinations.	2011 underperformed versus the Spring 2010 forecast, and the 24/18/12/6/3 month moving averages are stable at 5% or so. Taxes and fees are pushing many travelers to USA or abroad to USA airports (Buffalo, Burlington, Seattle, Detroit). Often taxes and fees exceed the base air ticket. If travel from these airports is to overseas destinations, then Canadian visitation is artificially inflated to some extent, at least from a meaningful perspective. If travel is to other U.S. destinations, then the proportion of travelers arriving by air is underestimated for these destinations. Overcapacity and price discounting to warm weather competitors in the Caribbean due to lack of demand by American travelers. Thus, US outbound travel affects Canada outbound travel. Industry concerns remain over border entry-exit issues and delays. Proposed visitation fees and suggestion on visa requirement are potential issues to monitor.
34	**Chile**	2011 actual visitor volume (+17%) AGAIN greatly exceeded the 2011 Spring expectation (+9%). 29 of 32 months of year-over-year volume growth. 2012 YTD performance is slightly below the spring 2012 forecast level for the year, but should catch up before 2012 is over. 2011 visitor volume remains well below 2000 record level, so room for "easier" growth. Moderate+ and slowly-declining GDP growth through 2016 expected. Inflation expected to continue its descent from high levels a decade ago. GDP/capita growing quickly despite growing population. Stable currency exchange rate.	Same as last forecast. USA share of total outbound down by 2/3 from a decade+ ago.

9	**China**	China actual volume continues to outperform OTTI forecasts; 2011 actual visitor volume (+36%) exceeded the lofty Spring 2011 forecast (+29%). 34 consecutive months of growth, several near 100% increases. The various 24/18/12/6/3-month moving average are trending down slightly. 2012 YTD through May (+43%) is higher than the Spring 2012 forecast. Large and growing middle class. GDP/capita PPP is low but growing fast. Currency exchange rate is a bit higher than IFM forecast for this time. Air seat capacity is growing but at a slowing rate. Actually negative for February 2013!	China outbound growth is strong to ALL countries; USA share is stable in volume, but decreasing in total outbound spending (receipts). GDP forecasts vary across sources, and despite all sources calling for 7%+ growth annually, a "Miracle to Meltdown" scenario remains and is building (EIU). A decrease from +9% AAGR GDP growth to, say +5% is a very big deal when you're talking about the world's second-largest economy. Greatly impacted will be commodity-exporting countries such as Australia and Brazil. Watch closely. NOTE: China-reported total outbound greatly exceeds the sum of inbound reported by individual countries. Whether the discrepancy results from reporting of day trips, or inclusion of trips to Macau and Hong Kong, or other reasons, the 100M total outbound by 2020 often stated and restated within the industry should be used with caution.
17	**Colombia**	One of few top 20 origin markets having actual growth in real GDP and visitor volume to the USA in 2009, followed by small gains in both 2010 and 2011. Recent high unemployment levels compare to even higher historical average. Solid and consistent GDP growth expected. Stable currency exchange rate. Change in seat capacity declining growth from +43% in March to +12% in July. 2012 YTD performance (+15%) much higher than the spring 2012 forecast level for the year, partially reflecting the very large "Easter Effect" producing large increases and declines in March and April in alternating years depending on when Easter is observed.	2011 actual volume (+0%) greatly underperformed versus Spring 2011 forecast (+8%). 24/18/12/6/3 month moving averages trending positive and higher. USA share of total used to be one-third, now stable at one-fifth. Strong growth on small volume bases over past decade or so for China, Chile, Peru. Growth to most top-20 destinations except Cuba, Italy, and Aruba.
35	**Costa Rica**	Moderate+ and slowly-increasing GDP growth through 2016 expected. Inflation expected to continue its descent from high levels a decade ago. 18/12/6/3 month moving averages trending upward. 2011 visitor volume remains below the 2000 record level, so some room for "easier" growth based on volume levels achieved more than a decade earlier.	2011 actual visitor volume (+2%) was below the 2011 Spring expectation (+6%), but the 2012 YTD performance (+5%) matches the spring 2012 forecast for the year. Continued slow currency depreciation. Mixed visitation performance over the past 41 months. U.S. share of outbound trending downward over the past 15 years, but stable recently.

23	**Denmark**	2011 actual visitor volume (+6%) exceeded Spring 2011 forecast (+3%), due to big April rebound following April 2010 decline due to Iceland volcano eruption. GDP/capita one of the highest and increasing…a bit lower when adjusted for PPP. Currency exchange rate trend relatively high and stable. USA share of outbound is increasing.	Similar to last forecast. Small and stable population; growth must come from more outbound trips, higher USA share, or larger party sizes. 24/18/12/6/3 month moving averages are positive but trending downward.
26	**Dominican Republic**	Good GDP growth, especially when adjusted for PPP. USA dominant, but up and down share of total outbound.	2011 actual performance was disappointing (-4%) versus the Spring 2011 forecast (+3%), but the 2012 YTD performance (+5%) reflects a strong "Easter Effect" in March. 18/12/6/3 month moving averages up and down, but all are negative. Currency exchange rate in long-term downward trend and expected to continue. High unemployment rate, but lower than historical trend.
29	**Ecuador**	2011 actual visitor volume (+8%) exceeded 2011 Spring expectation (+6%) despite ho-hum economic recovery and lack of currency appreciation due to being pegged to the U.S. dollar. Monthly growth in over the past several years, but has given way to declines in 3 of the past 6 months. Low consistent GDP growth. All input data consistent and boring in a good way. Population growth of one million over five years but not helpful if it's new births who won't be traveling.	Currency based on dollar so no benefits from an appreciated currency. Low growth in GDP/capita, and when adjusted for PPP. Fantastic growth rates to China and several neighbor countries. Thus, the USA market share is in a decade+ decline…half the level of 15 years ago.
7	**France**	2011 actual visitation (+12%) once again surpassed 2011 Spring expectation (+10%). Growth for 27 of 29 consecutive past months. 2012 YTD performance is again ahead of the spring forecast level, and the fall "bar to beat" level is relatively low. Potential for Brand USA targeting over forecast period is high due to large export size and positive momentum over the past three years. Like many Western Europeans, the French are stressed out and could use a travel break.	Total traveler outbound has been flat for seven years. The various monthly moving averages are trending downward. Unemployment high, improving, but lower than the 00s. The Euro is already lower than the IMF forecasted lowest level through 2016. Seat capacity decline of -8% monthly through March 2013.

5	**Germany**	2011 actual (+6%) exceeded 2011 Spring expectation (+3%). Unemployment rate is one of the lowest in Europe and the lowest level since 1992. Household and government debt is in good shape, especially compared to the rest of Western Europe. Potential for Brand USA targeting over forecast period is high due to large export size and high geo-equity index. 24/18/12/6/3-month moving averages are trending up again nicely. 2012 YTD performance (+12%) is strong versus the spring 2012 forecast level, but the rest of the year's "bar to beat" is very high compared to spring 2012.	Low GDP growth. Strong outbound growth to value destinations of Turkey, Croatia, Egypt, and Bulgaria. Decline in trend to USA is even worse to Canada. The Euro is already lower than the Fall 2011 IMF forecasted lowest level through 2016. Seat capacity declines from -4% to -8% through March 2013.
31	**Guatemala**	Increasing population. Moderate but increasing GDP growth. 2010 visitor volume remains below 2007 record level, so room for "easier" growth. 2012 YTD performance (+4%) is ahead of the year's forecasted level, but the rest of the year's "bar to beat" is much higher, thus the year's performance should match the spring 2012 forecast.	2011 actual visitor volume (-2%) was the same as the negative forecasted in Spring 2011 (-1%) . GDP/capita is barely increasing despite decent GDP growth. 2011 monthly performances were chaotically up and down--similar for 2012. Various monthly moving averages show an improving trend. Similar to Ecuador, USA share of total outbound down hugely from 40% in late 90s to 15%. Continued small annual depreciation of the currency forecasted by IMF (spring 2012).
13	**India**	Strong GDP growth, may even exceed that of China in one or more years in forecast period. Large middle class capable of traveling abroad. Monthly moving averages are increasing once again. 2012 YTD performance (+12%), greatly exceeds the spring 2012 forecast for the year. Thus, 2012 is shaping up to be the opposite of 2011 in terms of actual performance versus forecast both in direction and in magnitude.	What a difference a year makes; last year's "forecast positives" list was long, this year it's the "forecast negatives." 2011 actual visitor volume (+2%) a major disappointment versus the 2011 Spring expectation (+13%). USA share of increasing outbound is up and down over the past decade. Large growth to USA is unspectacular compared to top 15 destination countries, although many on much smaller volume bases compared to the USA. Depreciating Rupee expected by IMF over the forecast period. Airline capacity forecast change remains double-digit negative through winter 2013.

20	**Ireland**	GDP growth is low, but at least forecast to rebound to moderate level by the end of the forecast period. For those who can afford the travel, the USA remains the premier destination of choice. Eyes are on Ryan Air to see if they are successful in their bid to take over Aer Lingus, and if they choose to open a low-cost route(s) to the USA.	2011 actual visitation decline (-4%) met the 2011 Spring decline expectation (-5%). Various monthly moving averages are trending more negative. 2012 YTD performance (-7%) is worse than the spring forecast for the year. Over the past 41 months, most year-over-year performances are negative, often hugely so. The Euro is already lower than the IMF forecasted lowest level through 2016. Strong competition from Australia and Emerites. Budget holidays by ferry to France and U.K. popular.
21	**Israel**	Moderate and steady GDP growth over the forecast period. Monthly moving averages are trending upward, but only because of one strong-growth month (October). Otherwise monthly performances remain highly variable and switch direction and magnitude quickly, especially the March-April "Easter Effect" impact, which is one of the greatest across all markets. An Open Skies agreement was signed in March 2011, but is not in force as of October 2012.	2011 actual (-1%) same as 2011 Spring negative expectation (-1%). Total outbound increasing, but USA share decreasing versus a decade-plus ago, but stable over the last few years.
11	**Italy**	2011 actual (+6%) was similar to 2011 Spring expectation (+5%) resulting in a second consecutive record performance, but 2012 YTD actual (-1%) is even worse than the low growth forecast (+1%). 19 consecutive months of growth until the December 2011 steep decline (-11%). Since then, down, up, down, up, down...Italy was pushed out of the top ten rankings in 2011 and will remain there until India high growth resumes.	The 12-month moving average is trending downward due to a big December 2011 decline (-12%). Outbound growth has occurred to all top 30 or so destination countries, especially very strong to Turkey, China, Egypt, Brazil, Croatia, and Russia. The Euro is already lower than the IMF forecasted lowest level through 2016. GDP growth is forecast to be negative for 2012 and 2013, then low growth.
38	**Jamaica**	2011 actual visitor volume (-11%) was even worse than 2011 Spring expectation (-3%), but 2012 YTD negative performance is better than forecasted. 2010 visitor volume remains well below 2000 record level, so room for "easier" growth.	Monthly moving averages were stable and very negative prior to consistent small declines throughout the fall of 2011. 13 of 15 months of declines. Low GDP growth increasing to moderate growth. Unemployment remains persistently high, but was even worse a decade+ ago. Continued currency depreciation expected to continue, resulting in cumulative 20% or so decline.

4	**Japan**	2012 YTD performance (+14%) is zooming compared to spring 2012 forecast for the year, but mostly due to a very low (negative) bar versus last year. The (negative) bar is much "higher" for the rest of the year, thus 2012 will finish positive but well below +14%. USA volume remains well below record level, with the same population level and similar GDP/capita levels. Yen is high and trending upward. One of three countries to receive Brand USA marketing in May 2012. Seat capacity growth through March 2013.	Japan total outbound has been flat for several years. Outbound is down to nearly every non-Asian destination country including "dream" destinations of Italy and USA. 2011 actual (-4%) disappointed versus the 2011 Spring expectation (+1%). Earthquake, tsunami, and nuclear reactor impacts were significant but were expected to be short lived on the economy and the impact on outbound travel. GDP expected to bounce back in 2012 due to reconstruction fiscal stimulus, but then decline toward longer-term low-growth scenario. Government debt already at 220% and increasing before the event. Declining population. Low GDP growth projected before the earthquake. Japan has the oldest population of top origin markets. Will the increasing number of retirees make long-haul trips?
8	**Korea**	3-month moving average at the end of the year returned to a low-growth mode compared to the 6-month negative moving average. 2012 YTD volume up 12% through May. VWP country as of late 2008. Strong and consistent GDP growth forecasted. Stable currency exchange rate. GDP/capita growing fast, especially when measured on a PPP basis. Good candidate to benefit from Brand USA marketing eventually due to #8 ranking, recent export growth, and growth potential. Air capacity monthly changes remain +7% to +13% through March 2013.	2011 actual visitation (+3%) underperformed to say the least versus 2010 Spring aggressive expectation (+24%). At record level, so all growth comes from a record base. Export-focused economy makes Korea vulnerable to changes in global trade.
2	**Mexico**	Moderate, but declining real GDP growth. Population growing, keeping GDP/capita growth to a low level and 1/5 of the USA. Good potential candidate to benefit from Brand USA marketing due to #2 ranking and impact on several southern USA destinations (geo-equity issue). Socio-economic "super elite" of 30M persons not sensitive to economic conditions or exchange rate. 2012 YTD up 5% and trending upward. USA likely benefits from the July 2009 policy change requiring Mexican nationals to have a visa to enter Canada.	2011 actual (-0%) underperformed versus the 2011 Spring expectation (+3%). Typical inconsistent and wildly fluctuating monthly performances in 2011. Proposed charge of $5.50 per air and sea passenger would impact 11% or so of air travel mode visitors in a typical year. Peso continues to slide as part of a decade plus-long decline.

14	**Netherlands**	2011 actual visitation (+6%) outperformed the 2011 Spring expectation (+2%) for the second consecutive year. Growth in 20/24 of the past months, but the various monthly moving averages are sliding downward. Outbound is high versus 15 years ago, but was even higher just five years ago. Thus, potential for near-term growth. Growing GDP/capita on a PPP basis. Room for growth just to get back to 2008 record level. 2012 YTD is up 3%.	Low GDP growth expected. The Euro is already lower than the IMF forecasted lowest level through 2016.
30	**New Zealand**	Solid 2011 actual visitor volume performance (+8%) weak versus the embarrassingly lofty 2011 Spring expectation (+22%) to reach a new record despite low GDP growth and currency depreciation.	Various monthly moving averages crashed and burned to become negative for the last three months of 2011--perhaps as New Zealanders attended, stayed home to watch, and recovered from celebrating a World Rugby Cup championship in October. Small, slow-growing population. 2012 YTD visitation down 5% through May.
25	**Norway**	2011 actual visitor volume (+13%) strong versus the 2011 Spring expectation (+5%) to reach a new record. Nearly identical actual outperformance versus Spring forecast for second consecutive year. 2011 performance benefited from a huge April recovery versus the April 2010 loss due to the Iceland volcanic. Exchange rate is high relative to much of the past decade. Economy is in good shape, a European rarity.	GDP growth steady but at a low-moderate level. Small population and small growth. 2012 YTD is up 6% through May but trending downward.
33	**Peru**	A strong December performance raised the 6-month and 3-month moving averages. Very strong GDP through 2017 expected, low inflation, growing population. 2012 YTD volume up 10% through May and trending upward.	2011 actual visitor volume (-1%) a disappointment versus the 2011 Spring expectation (+11%), and thus a slide backward from the 2010 record. Similar to Ecuador, Guatemala and some other Latin America countries, USA share of total outbound down hugely from late 90s.
36	**Philippines**	Strong economy that managed growth in 2009, super-strong 2010, and strong consistent growth forecasted through 2016. Currency exchange rate currently a bit higher than any time in IMF forecast. Volume is still below 2001 record of 181,000. 2012 YTD volume up 7% through May and trending upward.	2011 actual visitor volume (-6%) a disappointment versus the modest 2011 Spring expectation (+1%) and a backslide from the 2010 increase and new record. Outbound volume growth is super-strong to many SE Asia countries. USA share of outbound not consistent and ranges wildly. Currency depreciation expected...to reach levels in early '00s, when change in annual visitor volume varied wildly.

28	**Russia**	2011 actual visitor volume (+27%) again was very strong versus the bullish 2011 Spring expectation (+19%) to reach a new record. 25 consecutive months of growth. Solid 2010 GDP recovery and forecast, led by strong commodity exports. Russians beginning to discover US destinations. Travel agents and tour operators beginning to focus on USA. Visa process reported to be improving. Exchange rate stable for a decade. As a BRIC, may get Brand USA marketing attention for growth rate potential, despite a #28 visitor volume ranking. 2012 YTD visitation is up 9% through May and trending stable.	Declining population. 2014 Winter Olympics could cannibalize some long-haul outbound travel starting with late 2013 outbound.
40	**Saudi Arabia**	Strong and slightly declining GDP growth expected through 2016. Tremendous growth in both GDP/capita and when adjusted for PPP. 2012 YTD up 38% through May and trending is inconsistent due to huge month-to-month variances in 2011.	2011 actual visitor volume (-2%) is a disappointment versus the 2011 Spring expectation (+8%).
37	**Singapore**	2011 actual visitor volume (+14%) exceeded the bullish 2011 Spring expectation (+6%). Moderate and slightly declining GDP growth. Growing population, but on a small 5M base. Continued very low inflation rate. GDP/capita growth continues, even when converted to much higher PPP basis. 2012 YTD up 7% through May.	Small 5.4 million population.
12	**Spain**	2011 actual (+9%) strong versus the 2011 Spring expectation (+3%) to set a new volume record despite 1) a flat economy 2) a lower euro, and 3) 20% unemployment. 2011 growth buoyed by a 53% increase in April due to combination of Easter and Iceland volcano rebound effects.	Low GDP growth, including a decline in 2012. GDP global ranking to fall from #9 to #12 over the forecast period. Stable population. USA depression-era unemployment levels to decline over five years but remain very high. Banking sector not on a strong footing as a result of a housing bubble. $84B worth of homes remained to be unloaded on market, further reducing housing prices as of Fall 2011. Some, but lower potential for Brand USA marketing focus due to top-12 ranking and momentum. The Euro is already lower than the IMF forecasted lowest level through 2016. 24/18/12 month trending inconsistent due to Iceland volcano effects in 2010.

19	**Sweden**	2011 actual visitor volume (+18%) again double versus the Spring robust expectation (+9%) to break the 2008 record. Monthly moving averages are trending downward, but still above +9%. Volume reported to follow the exchange rate, which statistically is as true or truer than for most countries. Still, relationship isn't statistically strong. The currency is strong and forecast to appreciate, at this writing is well below IMF's Fall 2011 forecast. Moderate and consistent GDP growth.	Small population growth on small base. Outbound growth to most top 20 destination countries, especially the common list of consistent and growing competing countries of Croatia, Bulgaria, Egypt, Thailand, and China. 2012 YTD volume up only 3% through May.
18	**Switzerland**	2011 actual visitor volume (+22%) embarrassingly strong versus the 2011 Spring robust expectation (+5%) to surpass the long-standing 1996 record. Currency halfway between 2010 level and IMF forecast for much of the forecast period. 2012 YTD visitation up 8% through May.	Low GDP growth. Small population growth on small base. Growth to all top 20 destination countries over the past 15 years, except USA and Canada. Hot destinations are Croatia, Turkey, Germany, and Brazil as of the late '00s.
22	**Taiwan Province of China**	2011 actual visitor volume (-0%) was nearly as much a disappointment versus the Spring forecast (+9%) as 2010's performance (+22%) was a great and pleasant surprise versus the 2010 Spring expectation (-6%). Strong GDP growth to continue. Low unemployment to go slightly lower. Strong growth in GDP/capita. PPP even higher. Strong potential just to get back to decade-old record volume. 2012 YTD volume up 9% through May. Taiwan to begin Visa-Waiver Program status beginning in November 2012. May not impact visitor volume much because airlines report obtaining a visa has not been an issue for this country.	8/12 monthly performance declines including the final four months of 2011. Population growth, but at a low rate.
39	**Trinidad and Tobago**	18/12/6/3 month moving averages trending upward to finish +1% at the end of 2011. Trend continues in 2012, with volume up 9% through May. Declining moderate unemployment rate. Stable currency exchange rate.	2011 actual visitor volume (-3%) again underperformed versus the 2011 Spring expectation (+3%) despite flat GDP growth and stable currency exchange rate. Low but stable GDP growth is expected by IMF.
3	**United Kingdom**	Brand USA marketing in May 2012. Currency exchange rate halfway between 2010 actual IMF forecast throughout forecast period. Potential for residents to escape the 2012 London Olympics and travel outbound, especially those who rent their homes for $3,500/week during the games. Results of available surveys of Londoners are not helpful. Continued low growth in seat capacity through winter 2013.	2011 actual (-0%) even lower versus the modest 2011 Spring expectation (+3%). 2012 YTD through May is down 2%. Economic recovery is slow and at low levels. Government and household finances are not strong. Potential for residents to enjoy host country 2012 London Olympics in lieu of long-haul outbound travel. Change in seat capacity is now negative in spring 2013.

15	**Venezuela**	What a difference a year makes; 2011 actual visitor volume (+14%) embarrassingly strong versus the 2011 Spring expectation (+1%). Growth for 10/12 months in 2011. 18/12/6/3 month moving averages trending upward to reach (+18%). Population growing.	Currency exchange rate on a 3-decade slide. Unemployment high and increasing, although at rates half that of a decade ago. Low GDP growth forecasted by IMF. Annual inflation rate percentages in the 20s, but may be inducing current spending, including outbound travel.