

# OREGON'S INTERNATIONAL TOURISM RECOVERY OUTLOOK

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# **INFORMATION FROM THE SIAT**

# Origin markets vary in percentage of leisure travel to the Pacific NW

## Pacific NW visitation from major markets by trip purpose

Percent of visits, 2012 to 2017

	Leisure	Business	VFR	Other	Total
Overseas	39%	28%	26%	7%	100%
China	33%	30%	21%	17%	100%
Japan	33%	42%	20%	6%	100%
United Kingdom	46%	25%	27%	2%	100%
Germany	52%	23%	20%	5%	100%
Australia	58%	10%	27%	5%	100%
South Korea	36%	22%	33%	9%	100%
Nordic Countries	37%	23%	35%	5%	100%
Benelux	54%	26%	19%	1%	100%
France	42%	30%	22%	5%	100%
India	14%	54%	30%	1%	100%
Brazil	32%	21%	27%	20%	100%

- We expect leisure and VFR\* to recover faster than business travel
- This bodes well for Australia, the UK, Germany, and South Korea.

Source: NTTO

\*Visiting friends and relatives

# Activities of international visitors

## Activity participation by major markets

Index (overseas average = 100)

	Australia	Benelux	Brazil	China	France	Germany	India	Japan	Nordic Countries	South Korea	United Kingdom	Overseas
History/Culture	174	127	90	91	88	116	56	61	98	62	125	100
Sports/Outdoors	153	96	88	93	114	129	52	59	96	81	110	100
Urban recreation	129	108	119	106	88	94	90	76	99	90	97	100
Unknown/other	125	110	88	98	94	108	79	74	100	84	115	100

Sources: Tourism Economics; NTTO

- **Sports and outdoor activities may recover faster in the near term.**
- **This may bode well for the Western countries that tend to show preferences for sports/outdoors activities.**

## Markets to target – the raw data

### Key metrics for major source markets

	2019 visitors (000's)	2019 spending, millions	Per trip spending, 2019	Leisure %	Hotel users %	Forecasted '19-'30 arrivals growth
China	62	\$175	\$2,799	33%	56%	80%
Japan	73	\$80	\$1,088	33%	83%	7%
United Kingdom	45	\$59	\$1,307	46%	65%	60%
Germany	33	\$40	\$1,225	52%	65%	54%
Australia	29	\$37	\$1,256	58%	64%	55%
South Korea	23	\$28	\$1,234	36%	65%	74%
Nordic Countries	13	\$20	\$1,561	37%	65%	68%
Benelux	13	\$13	\$1,016	54%	67%	23%
France	13	\$12	\$944	42%	56%	29%
India	10	\$13	\$1,346	14%	56%	72%
Brazil	8	\$9	\$1,207	32%	56%	45%

Sources: Tourism Economics

# Markets to target – index scores

## Market target index scores\* for key markets

Index (average=100)

	2019 visitors	2019 spending	Per trip spending	Leisure %	Hotel users %	Forecasted '19-'30 arrivals growth	Index score including size*	Index score excluding size*
China	214	396	206	83	88	155	190	133
Japan	251	180	80	83	130	14	123	77
United Kingdom	153	133	96	117	103	117	120	108
Germany	112	91	90	131	102	105	105	107
Australia	101	84	92	146	101	107	105	112
South Korea	78	63	91	90	102	145	95	107
Nordic Countries	45	46	115	92	102	132	89	110
Benelux	44	30	75	136	106	44	72	90
France	44	27	69	106	88	56	65	80
India	33	29	99	36	88	139	71	90
Brazil	26	21	89	81	88	86	65	86

\* the average of the six indicators

\*\* the average of the four indicators, excluding visitor volume and size

Sources: Tourism Economics

### Methods and notes

\*For each of the six categories, each individual origin market is compared to the average of the 11 markets. The individual market's figure is then divided by the average of the 11 markets, and this figure is multiplied by 100. Therefore, a figure of above 100 is above average and a figure below 100 is below average.

The "index score including size" is the average of all six figures, and the "index score excluding size" excludes the 2019 visitors and 2019 spending figures and averages the other four figures.

# Markets to target – index scores

## Market target index scores

Index (average=100)

	Index score including size*	Index score excluding size*
China	190	133
Japan	123	77
United Kingdom	120	108
Germany	105	107
Australia	105	112
South Korea	95	107
Nordic Countries	89	110
Benelux	72	90
France	65	80
India	71	90
Brazil	65	86

Sources: Tourism Economics

- **China stands out with strong scores across most indicators and the top scores in both indices.**
- **Due to the size of their markets, Japan and the UK score well in the including size index.**
- **Australia and South Korea both score well in the excluding size index.**

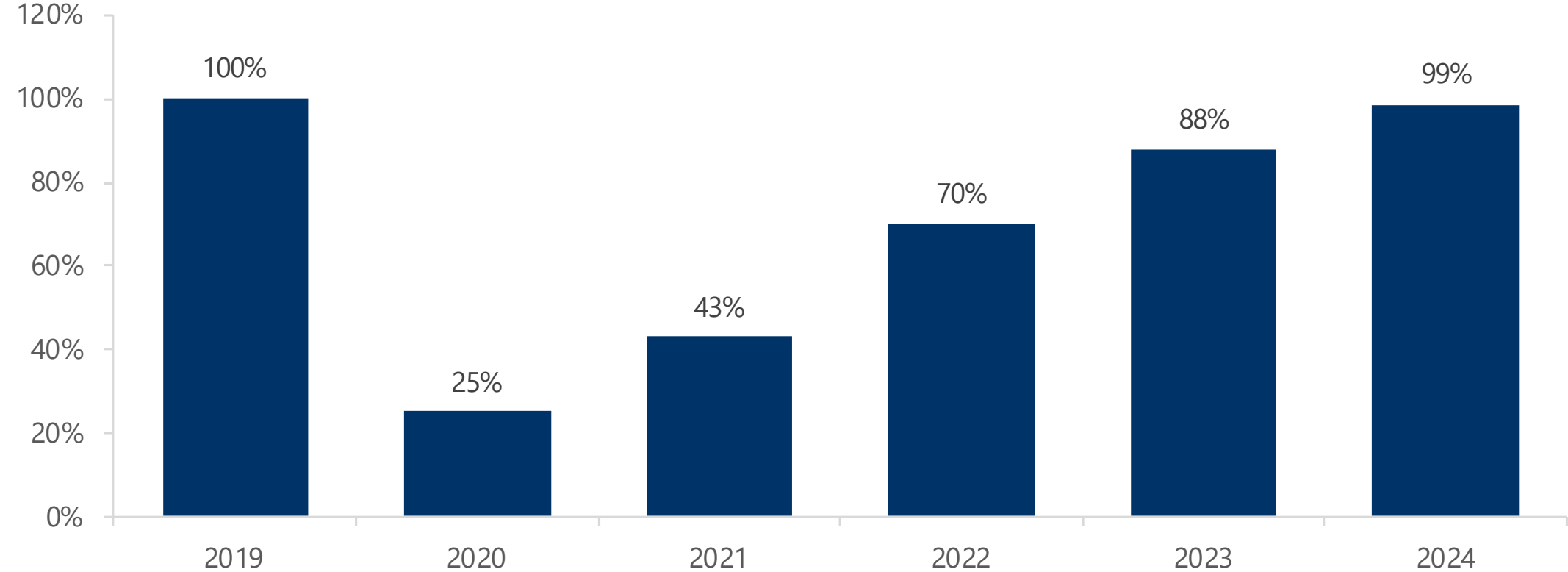
# RECOVERY TIMELINE



# Yearly benchmarks for the international recovery

## Total international arrivals to the US

Percent of 2019 arrivals



Source: Tourism Economics

# The recovery - arrivals

## International visits to Oregon

Visits, 000's – recovery year highlighted

	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total	1,125	295	505	835	1,057	1,190	1,282	1,352	1,405
Overseas	496	126	208	334	423	483	535	572	605
Canada	599	152	276	472	603	675	715	747	766
China	62	17	24	41	55	65	70	77	83
Japan	73	18	34	54	65	72	76	78	78
Germany	33	5	10	18	27	34	38	42	44
South Korea	23	6	10	15	19	23	27	28	30
United Kingdom	45	10	18	30	41	48	55	59	63
Rest of world	313	93	144	220	266	296	327	350	370

Source: Tourism Economics

- **Canada will lead the recovery**
- **Total arrivals will pass 2019 levels in 2024 and overseas arrivals in 2025**

# The recovery - spending

## International spending in Oregon

Dollars, millions – recovery year highlighted

	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total	\$1,207	\$365	\$501	\$788	\$1,021	\$1,205	\$1,280	\$1,374	\$1,450
Overseas	\$842	\$264	\$350	\$539	\$689	\$810	\$867	\$940	\$1,003
Canada	\$337	\$86	\$134	\$229	\$309	\$371	\$389	\$409	\$421
China	\$175	\$49	\$60	\$98	\$140	\$178	\$191	\$209	\$229
Japan	\$80	\$21	\$33	\$52	\$66	\$76	\$80	\$82	\$83
Germany	\$40	\$7	\$11	\$22	\$33	\$42	\$45	\$50	\$53
South Korea	\$28	\$8	\$12	\$19	\$25	\$29	\$31	\$33	\$35
United Kingdom	\$59	\$14	\$21	\$35	\$49	\$59	\$65	\$70	\$74
Rest of world	\$517	\$187	\$241	\$353	\$425	\$480	\$511	\$554	\$590

Source: Tourism Economics

- **Canada will lead the recovery**
- **Total and overseas spending will pass 2019 levels in 2025**

# Key markets – what to watch for

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## Canada

- Will Canadians concentrate trips in border states?
- How will currency fluctuations impact Canada's recovery?

## The UK

- How badly will Brexit impact the economy?
- Will Brexit drive travelers to the US?

## China

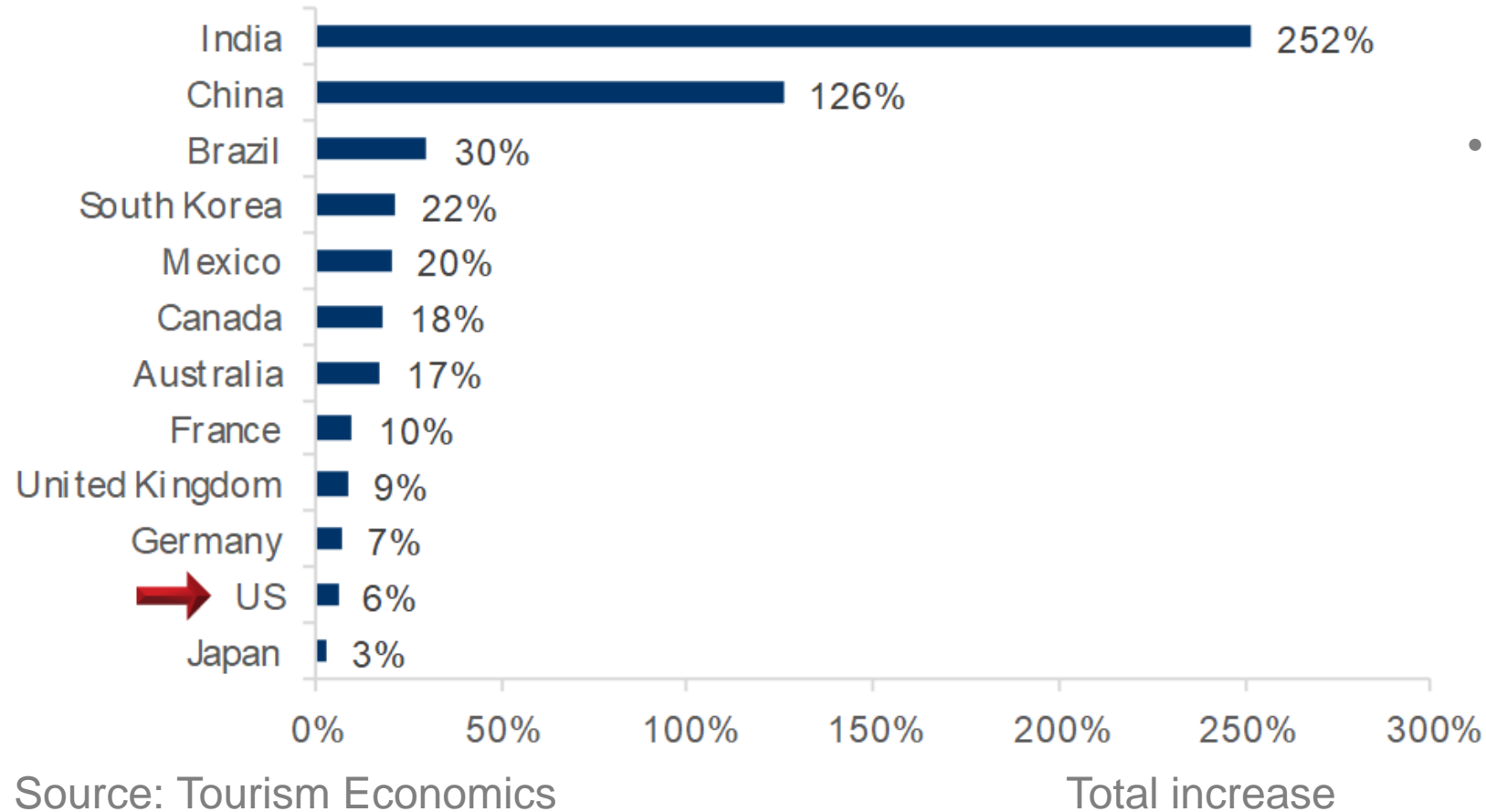
- Will they have a slow travel recovery out of the pandemic (like the SARS recovery)?
- Can the 2020's keep pace with the 2010's?

## Japan

- Will the 2022 World Athletic Championships boost visitation?

## Final thought – we believe in international tourism

### Middle- and upper-class household growth, 2019-2029

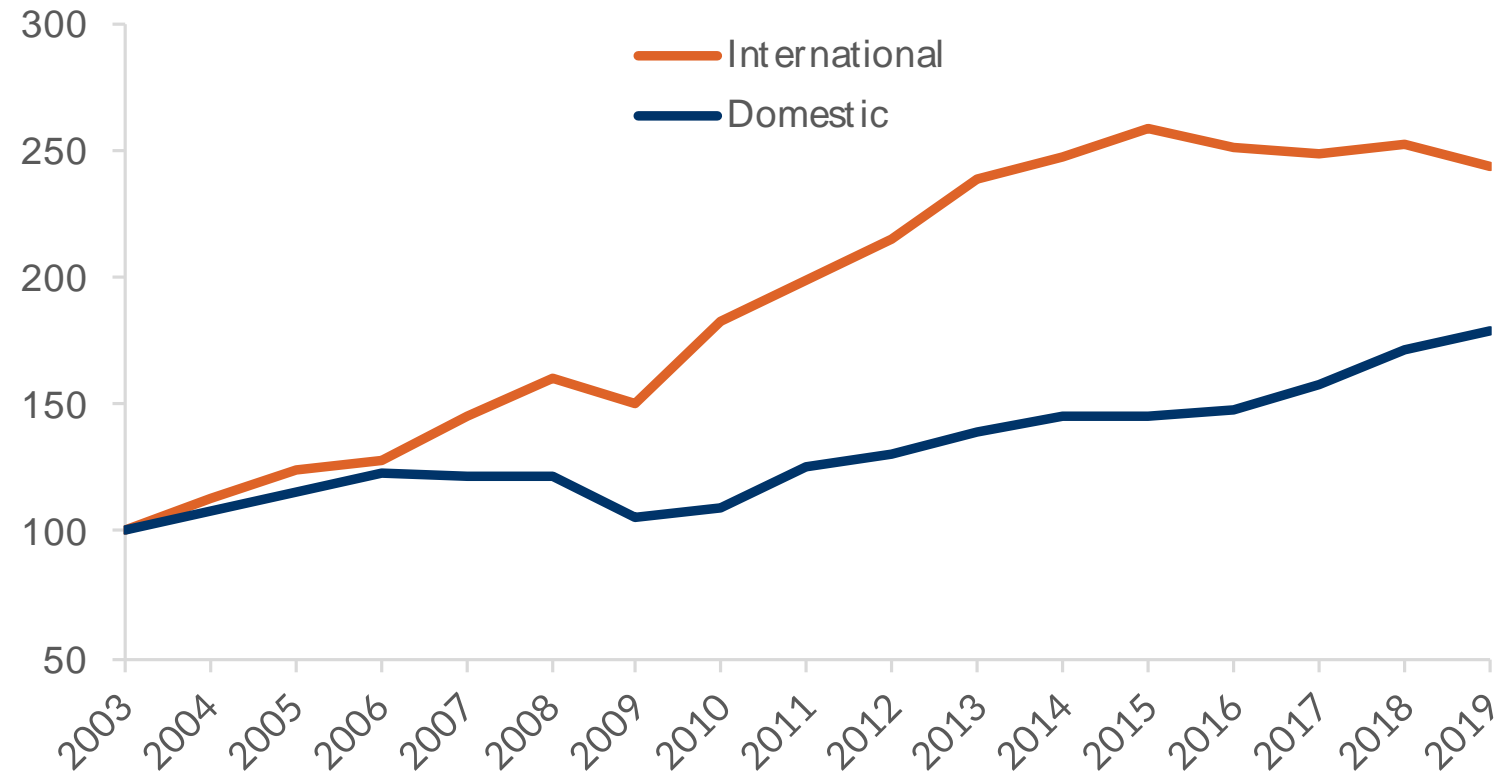


- Developing countries will continue to create more new middle-class families and therefore more international travelers

# Final thought – international tourism has outpaced domestic

## Historic tourism spending in the US

Index (2003=100)

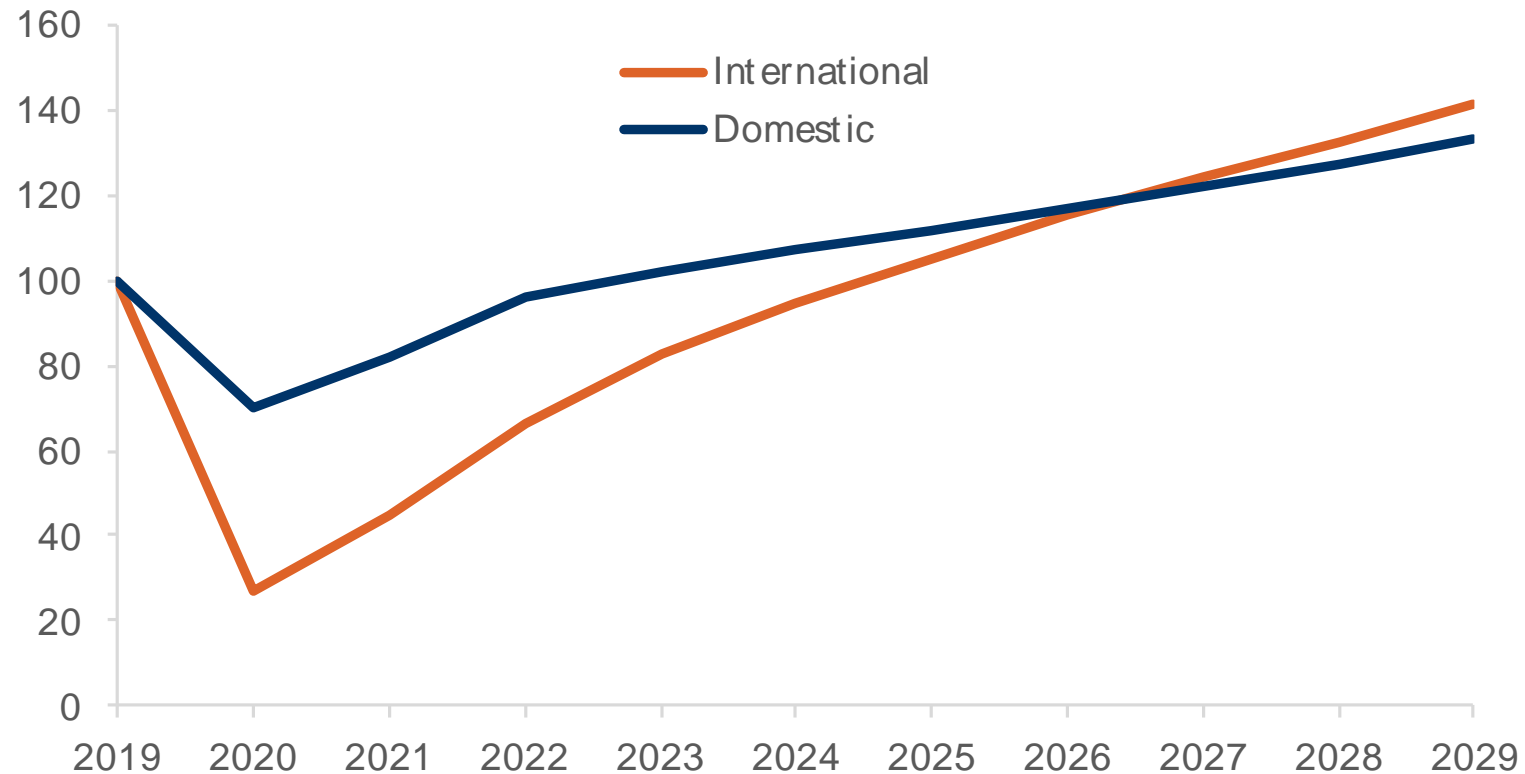


Source: Tourism Economics

# Final thought – international will outpace domestic over the next decade

## Domestic and international spending recovery in the US

Index (2019=100)



Source: Tourism Economics

## Key takeaways

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- **Expect few changes in long-term traveler behavior**
- **China will be the biggest growth market for the 2020s, just as it was for the 2010s. Chinese visitors are also high spenders. Finally, there may be pent-up demand stemming from a lack of travel during the Trump administration**
- **Canada quicker bounce back**
- **UK & Germany – travel widely**

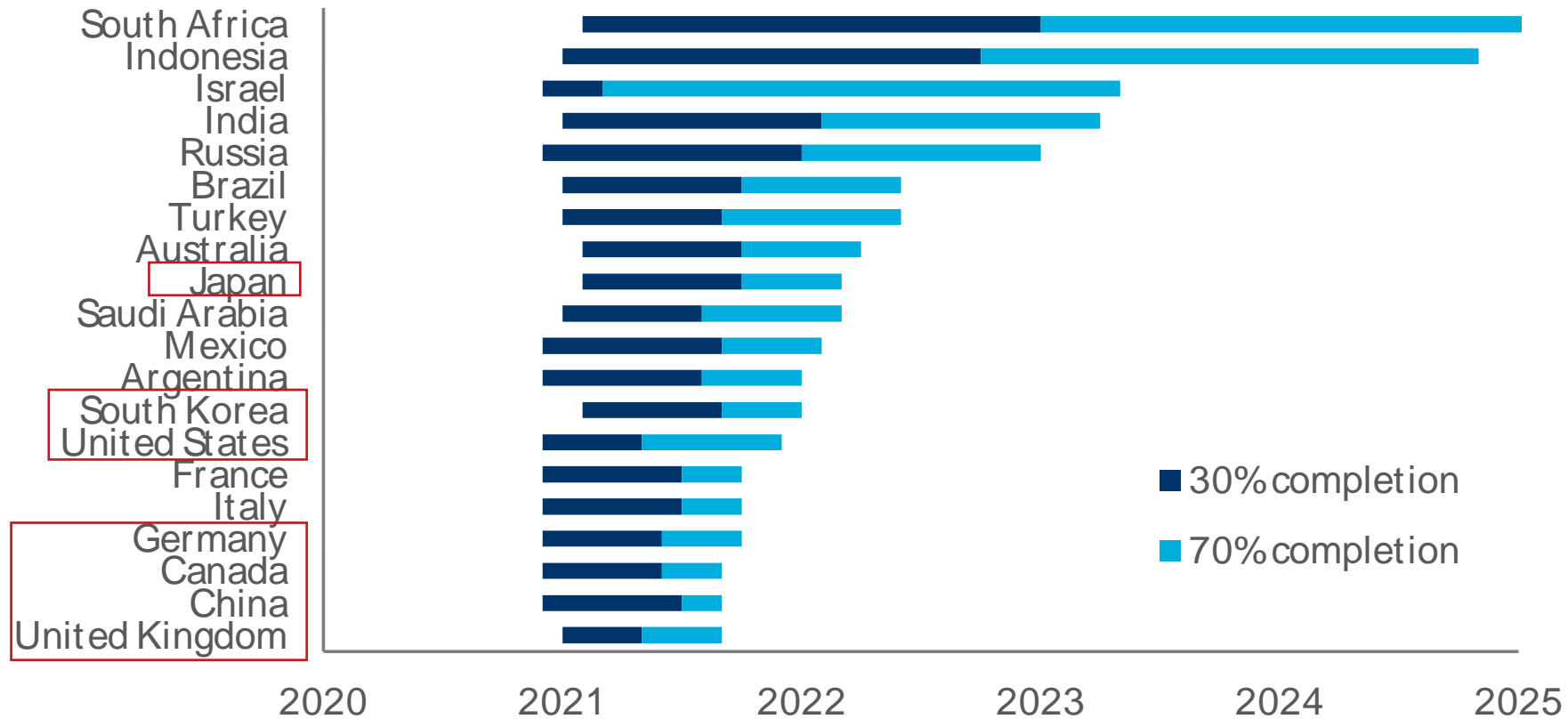


**THANK YOU!**

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## Vaccine completion timeframe at current rates, G20 countries & Israel

Time period to vaccinate 30% and 70% of population



*Note: chart shows the timeframe for vaccination of 30% & 70% population at the latest rate for selected countries. This rate will likely change for many countries and the chart does not represent a forecast of when we believe vaccination will be completed, but is an indication of current progress.*

(Based on CURRENT RATES, those countries marked with an \* will not achieve herd immunity by 2025)

Source: Tourism Economics, OWID

Chart updated: 07/06/2021