

OREGON'S INTERNATIONAL TOURISM RECOVERY OUTLOOK

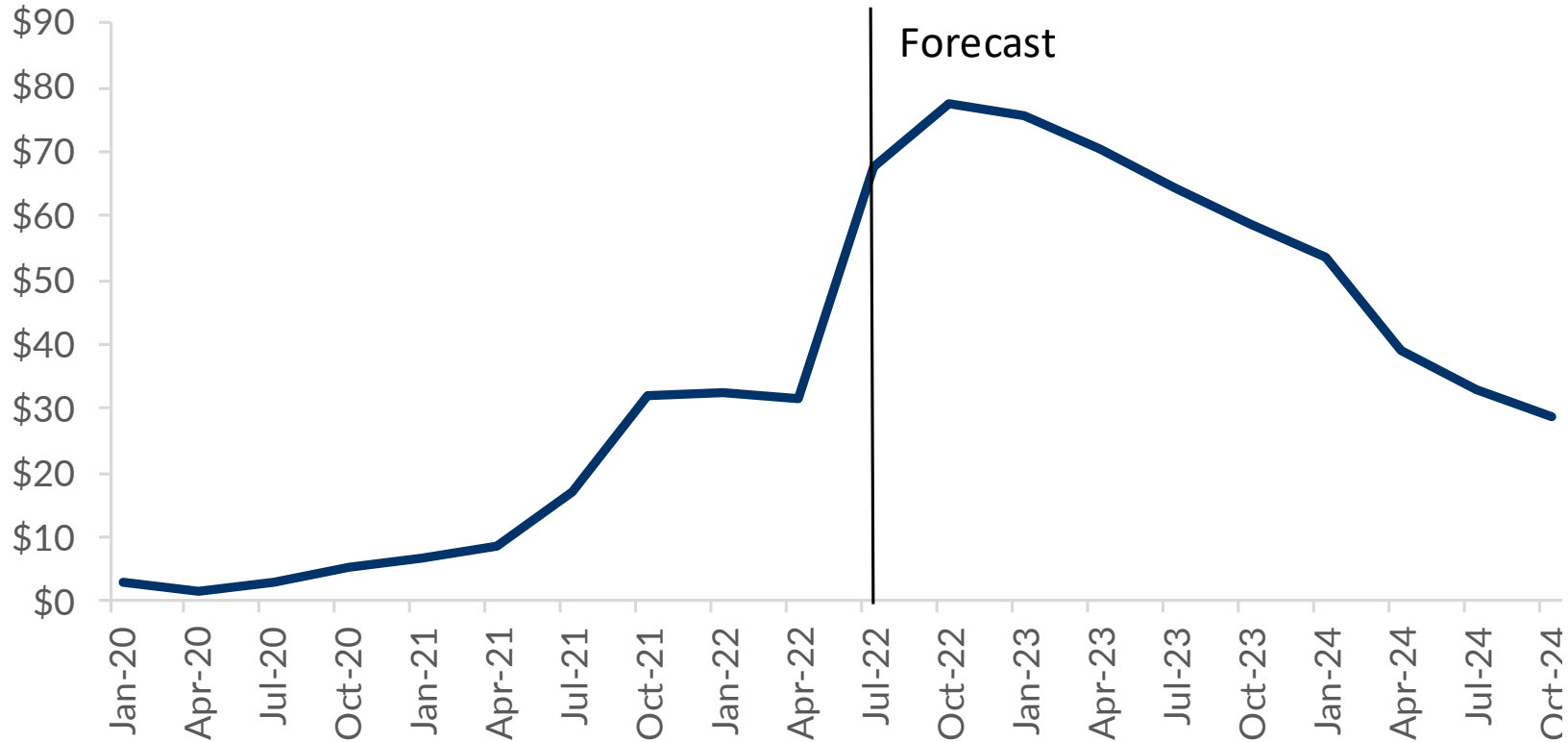
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THE GLOBAL ECONOMY

Inflation might be easing in the US, but is growing worldwide...

Gas price in Eurozone

\$ per mBTU

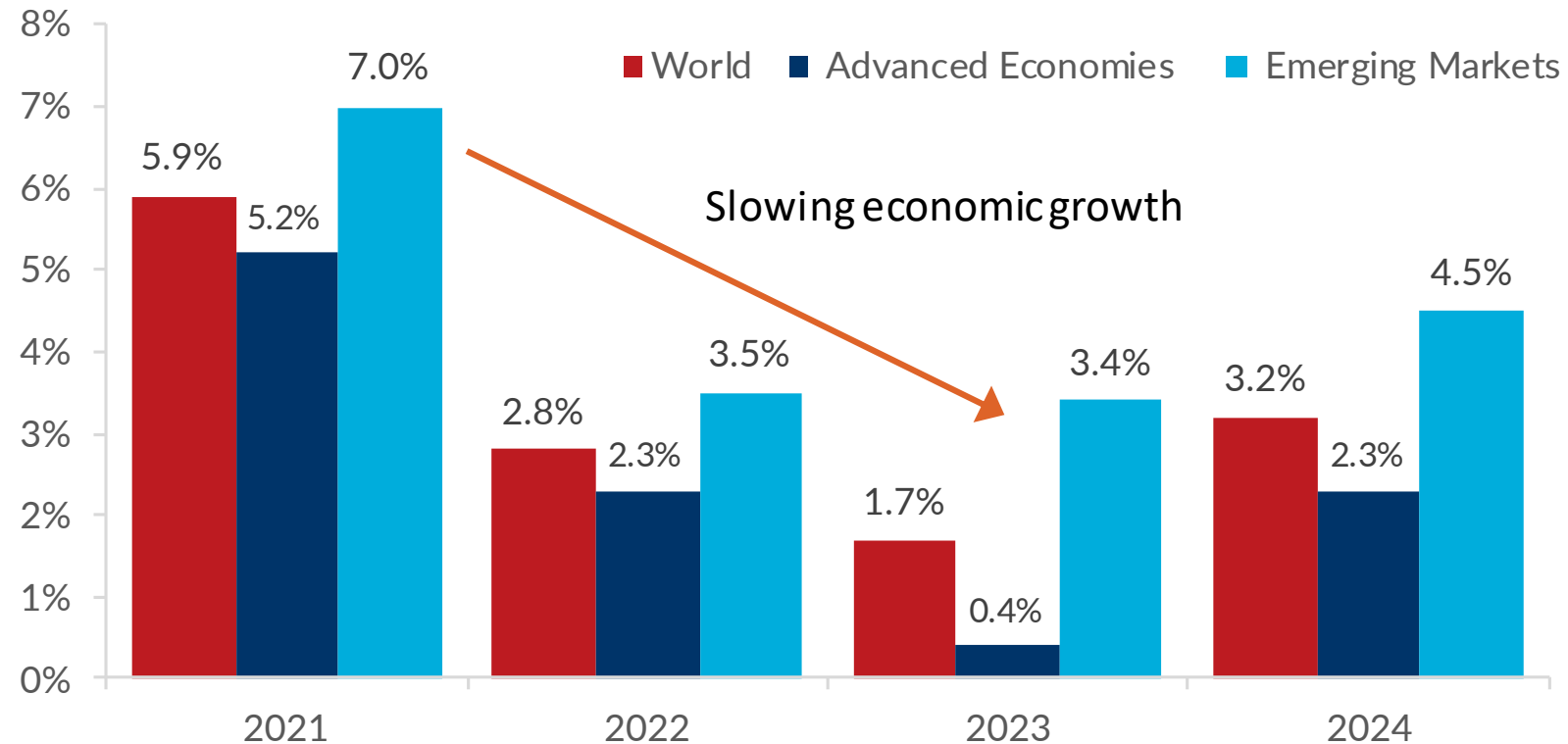


Source: Oxford Economics

... as economic growth continues to slow...

Summary of international GDP forecast

% y/y growth

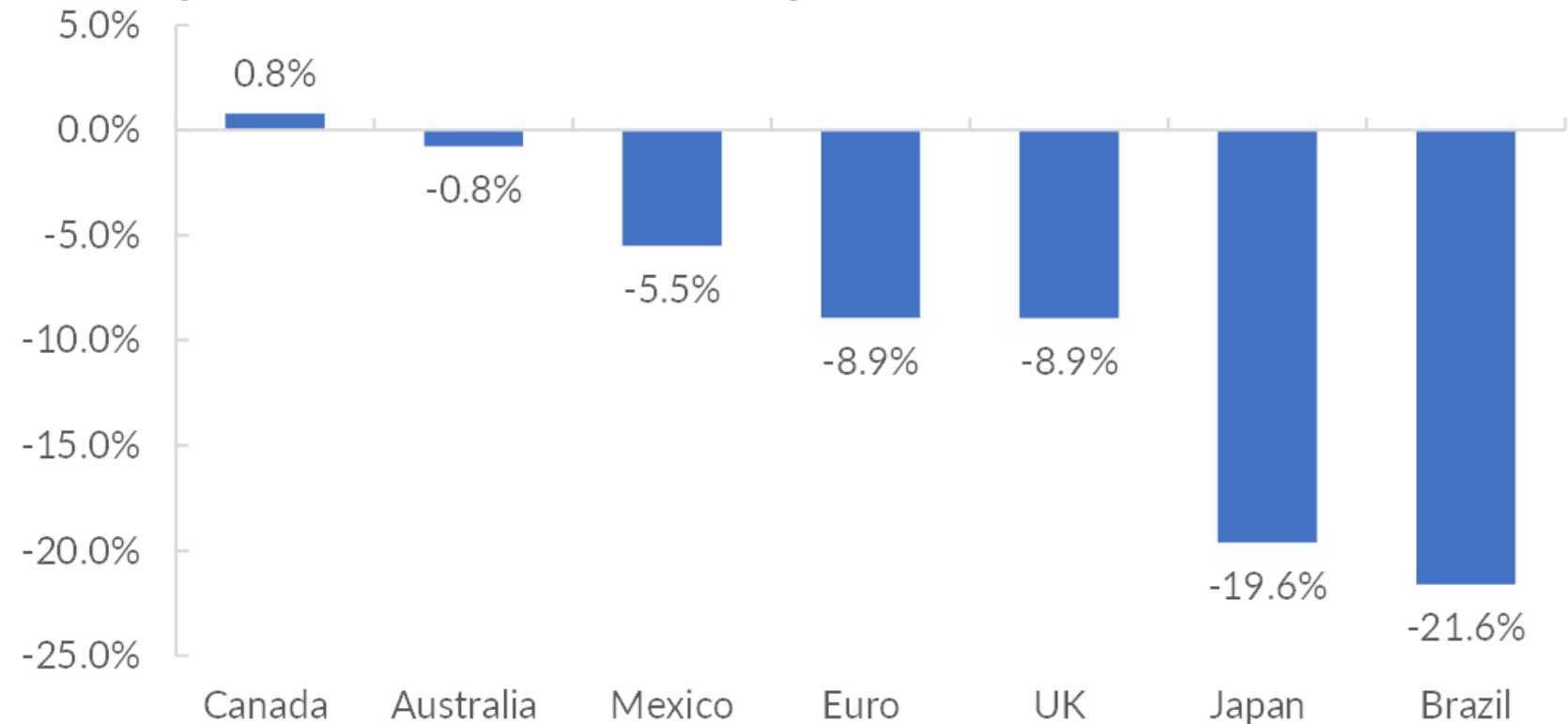


Source: Oxford Economics

... and a strong dollar makes US trips more expensive

Change in USD exchange rates vs 2019

% Change from December 2019 vs August 2022 (USD/LCU)



Source: Oxford Economics

What does 2023 have in store?

Ukraine conflict

- Will attacks on energy infrastructure increase?
- Any chance of a surprise early ending?

Europe

- How high does inflation get?
- What happens to winter gas prices?

China and the world economy

- Can they ease global supply chain difficulties?
- Can they get out of their funk?

COVID

- There can't be anymore dangerous variants... right?

What does 2023 have in store for international travel?

Europe

- Can we get on-time flights?

The US

- How strong will the dollar get?

China

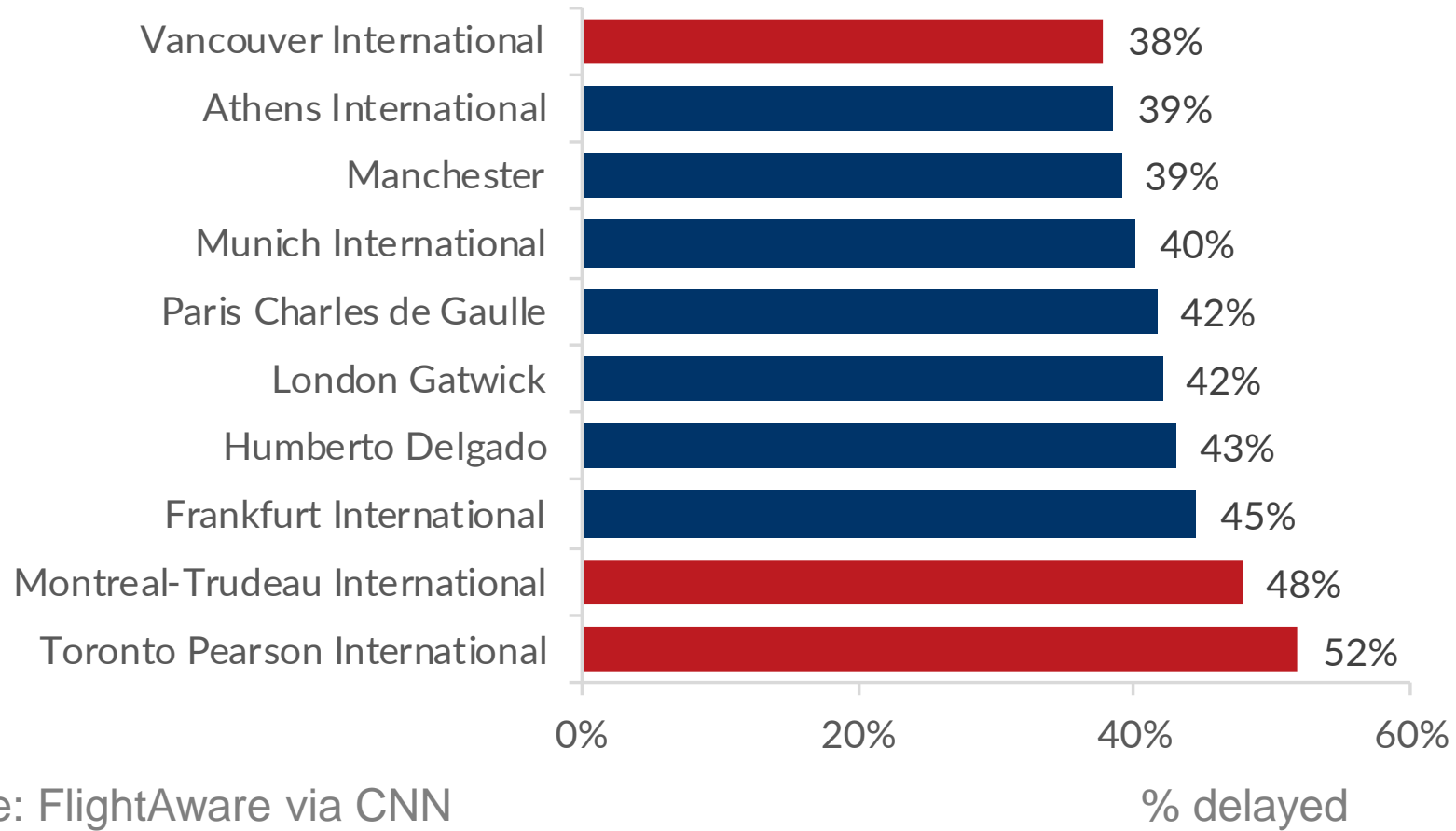
- When will the lockdowns end?
- Will the growth rates of the early 2010's resume?

Canada

- A recession? How bad?
- Can the Looney remain strong?
- Latent demand for US trips?

Canada and Europe lead in flight delays...

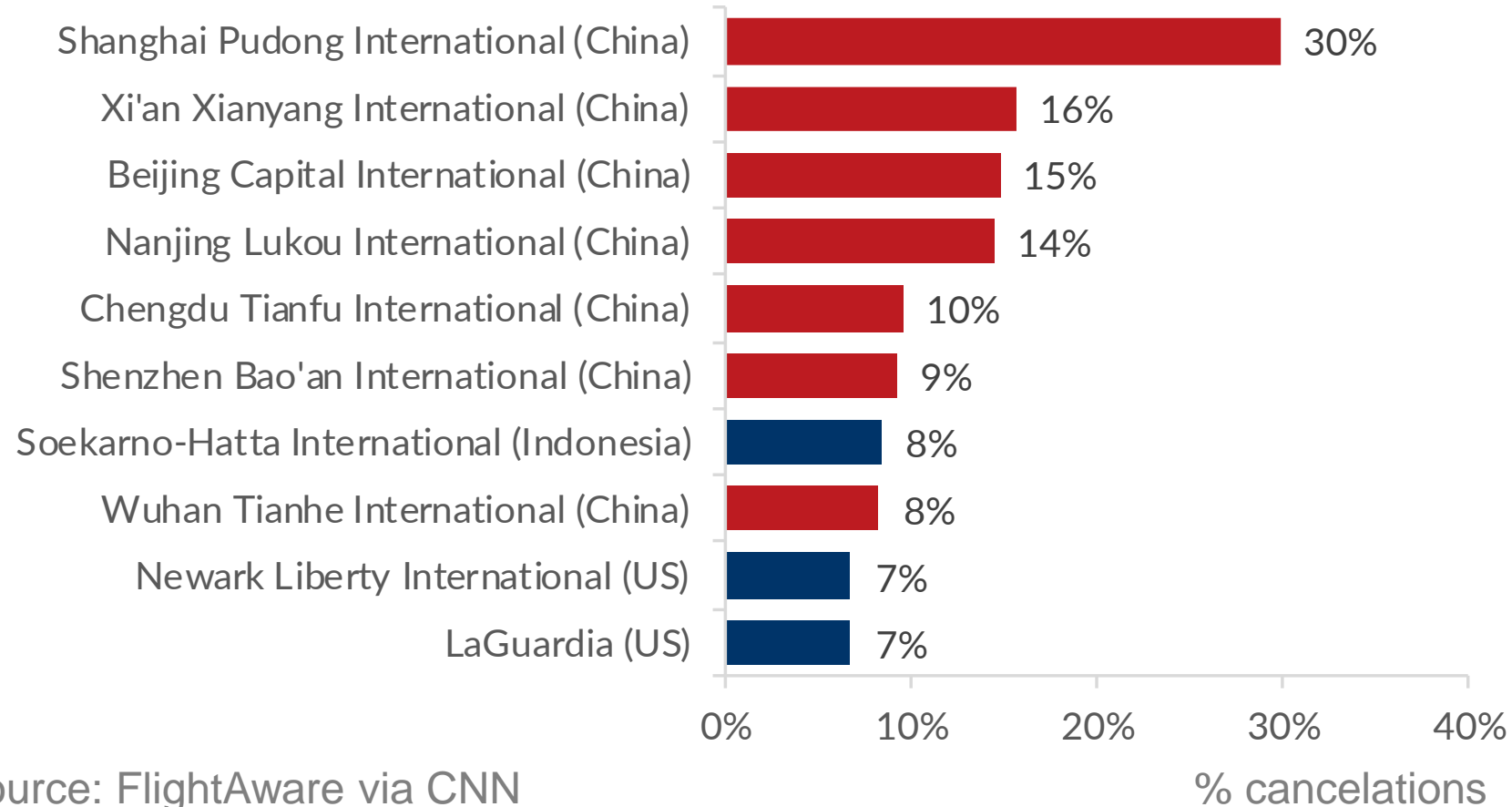
Airports with the highest percentage of delayed flights



Source: FlightAware via CNN

... but China dominates flight cancellations

Airports with the highest percentage of canceled flights



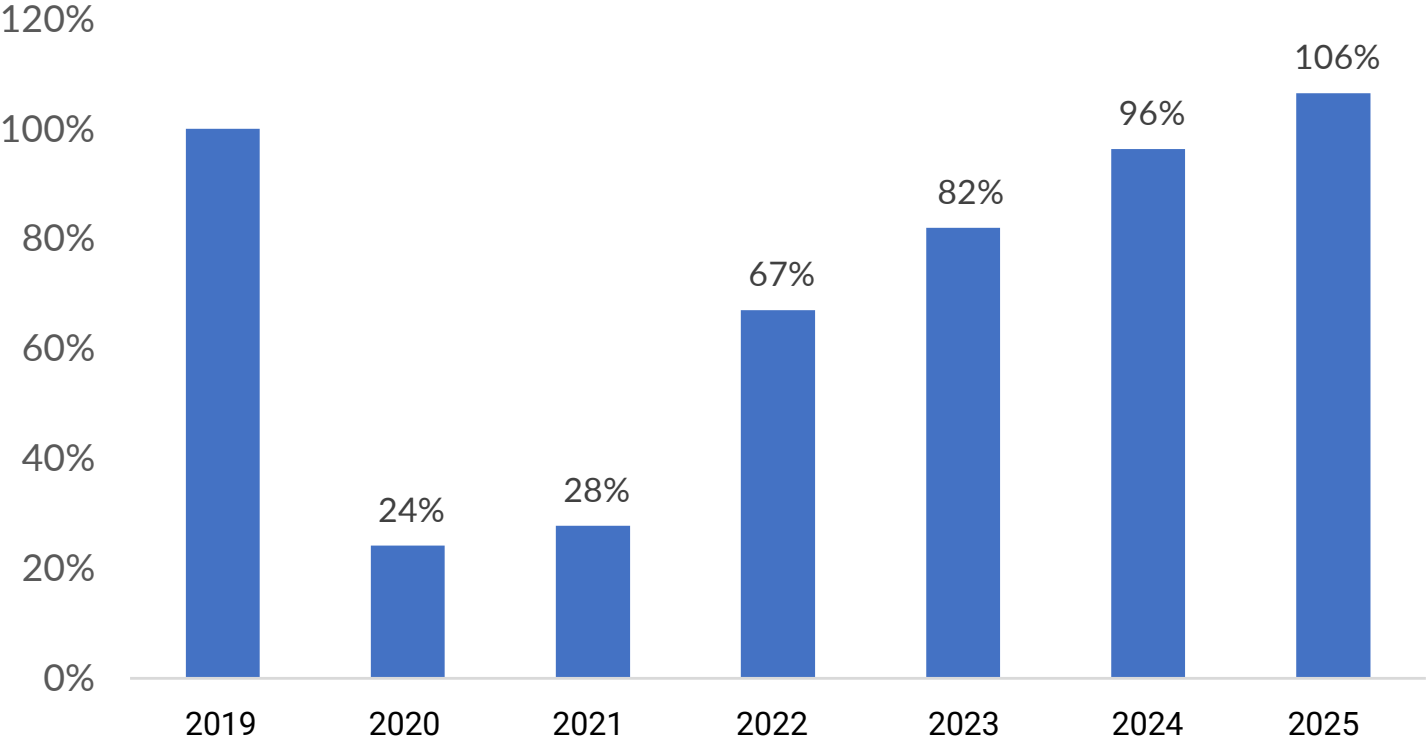
Source: FlightAware via CNN

OREGON'S INTERNATIONAL TOURISM RECOVERY

Yearly benchmarks for the international recovery

Total international arrivals to the US

Percent of 2019 arrivals

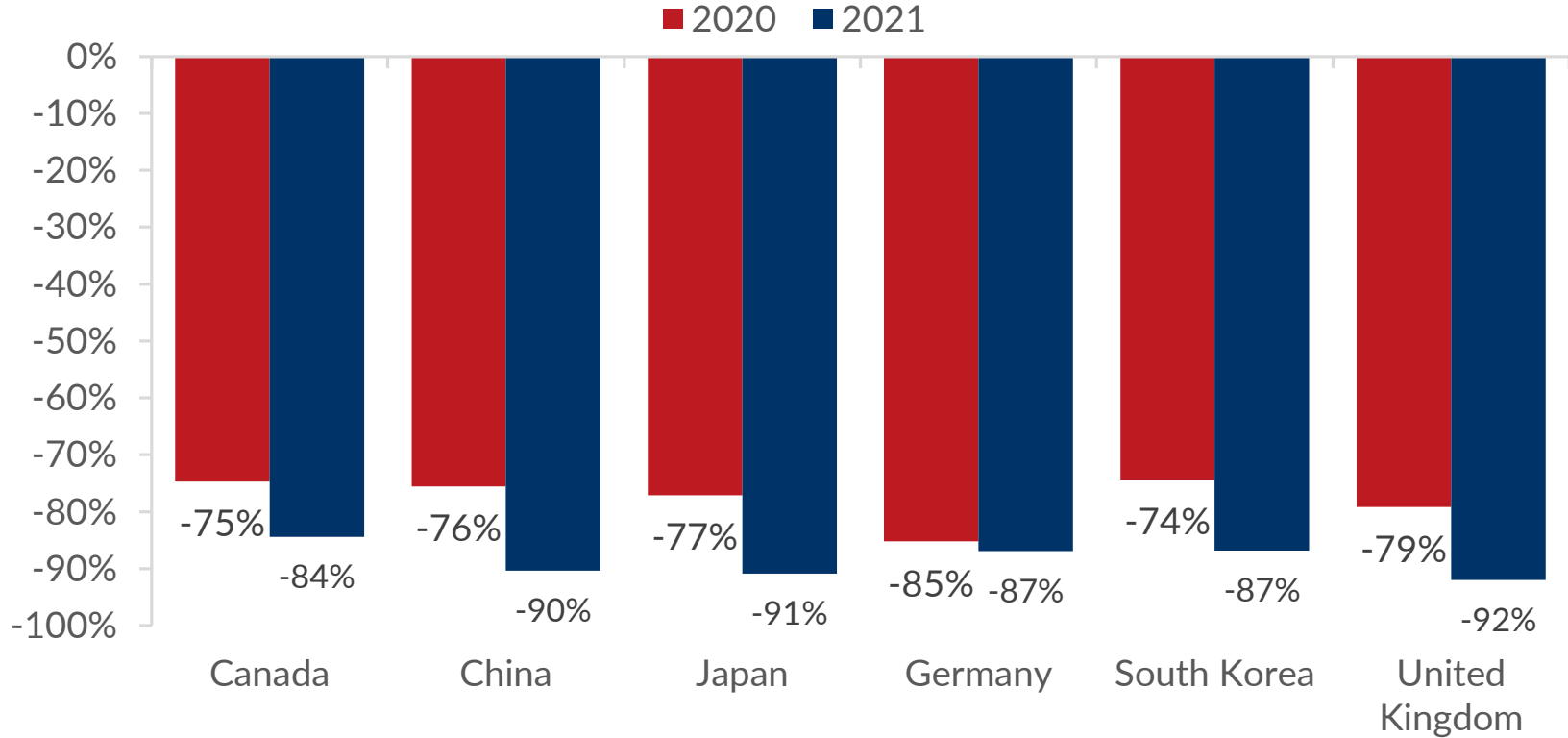


Source: Tourism Economics

2021 was worse than 2020???

International visits to Oregon

% Change compared to 2019

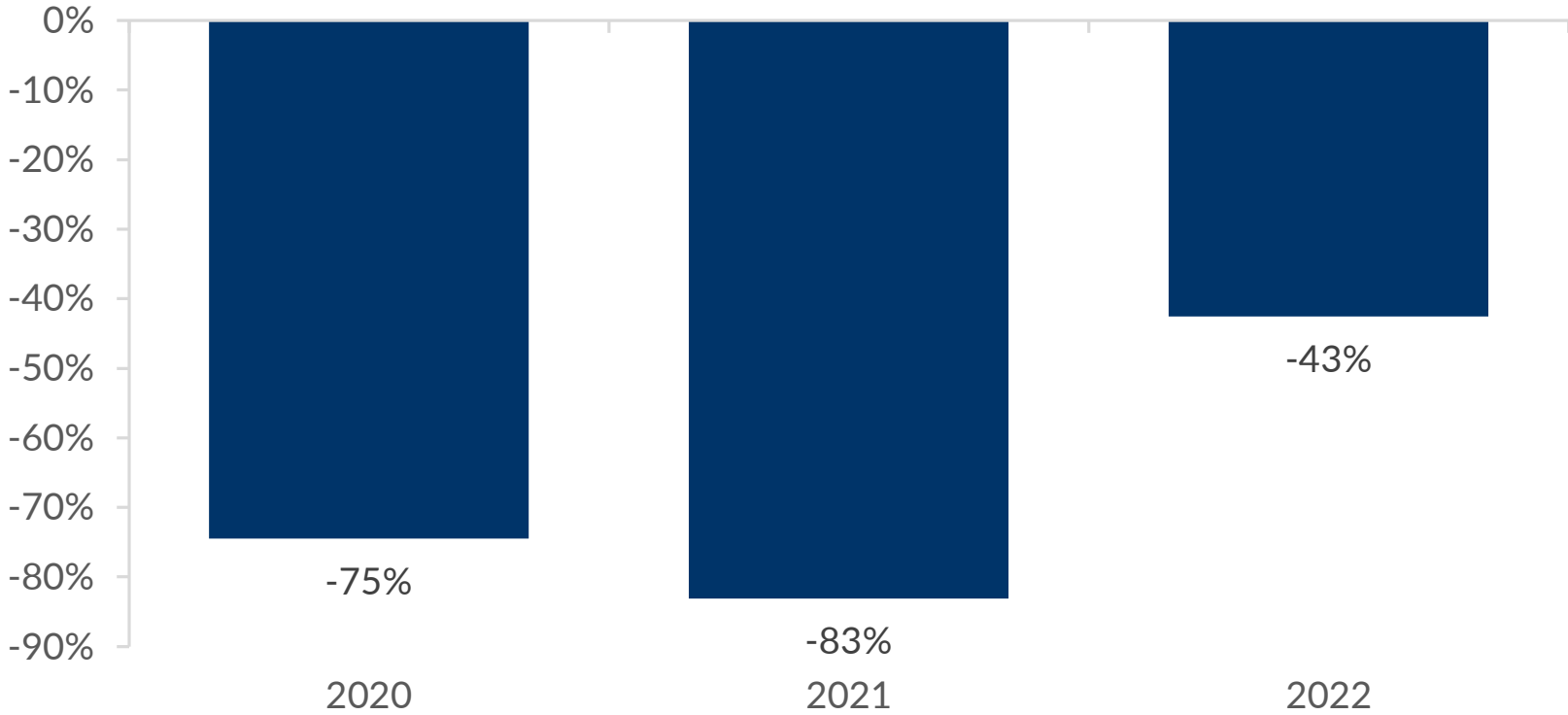


Source: Tourism Economics

But 2022 is looking much better

Total international visits to Oregon

% Change compared to 2019



Source: Tourism Economics

The recovery dates

International recovery in Oregon

Year visits recover to 2019 levels

	Canada
2024	Germany
	United Kingdom
	Total international
2025	Overseas
	Japan
	China
2026	South Korea

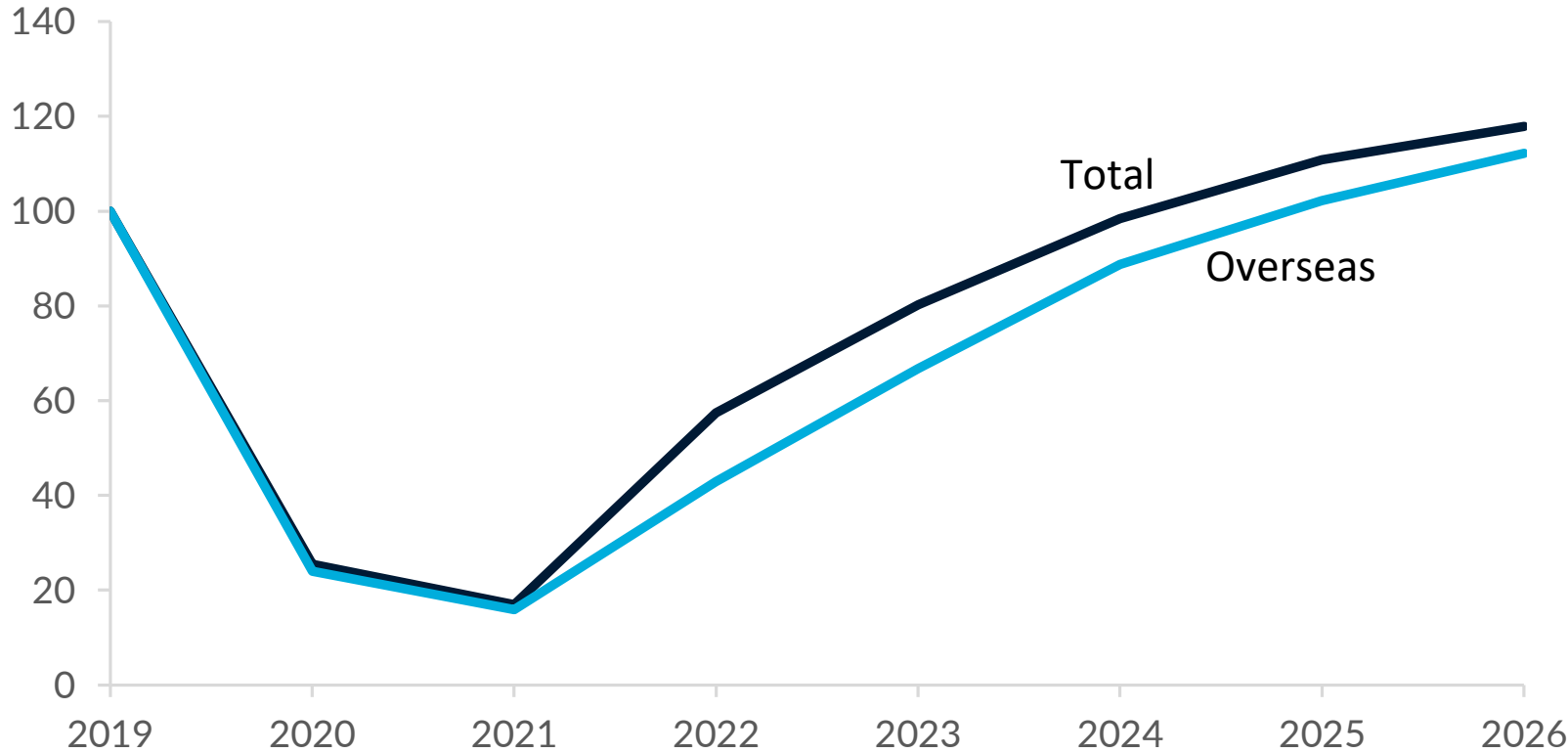
Source: Tourism Economics

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

Total arrivals will recover faster than overseas...

International visits to Oregon

Index (2019=100)

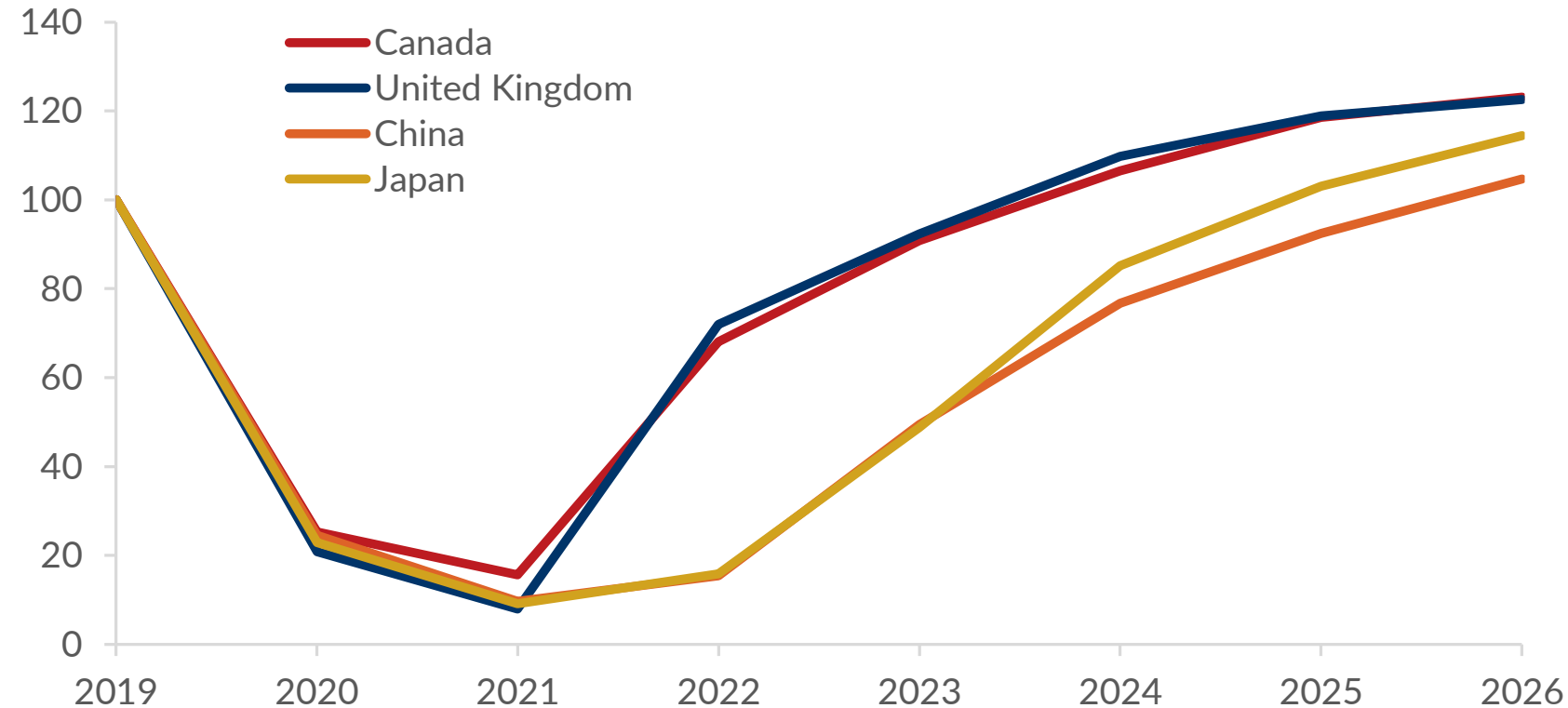


Source: Tourism Economics

...Canada and Western Europe will lead the recovery

International visits to Oregon

Index (2019=100)

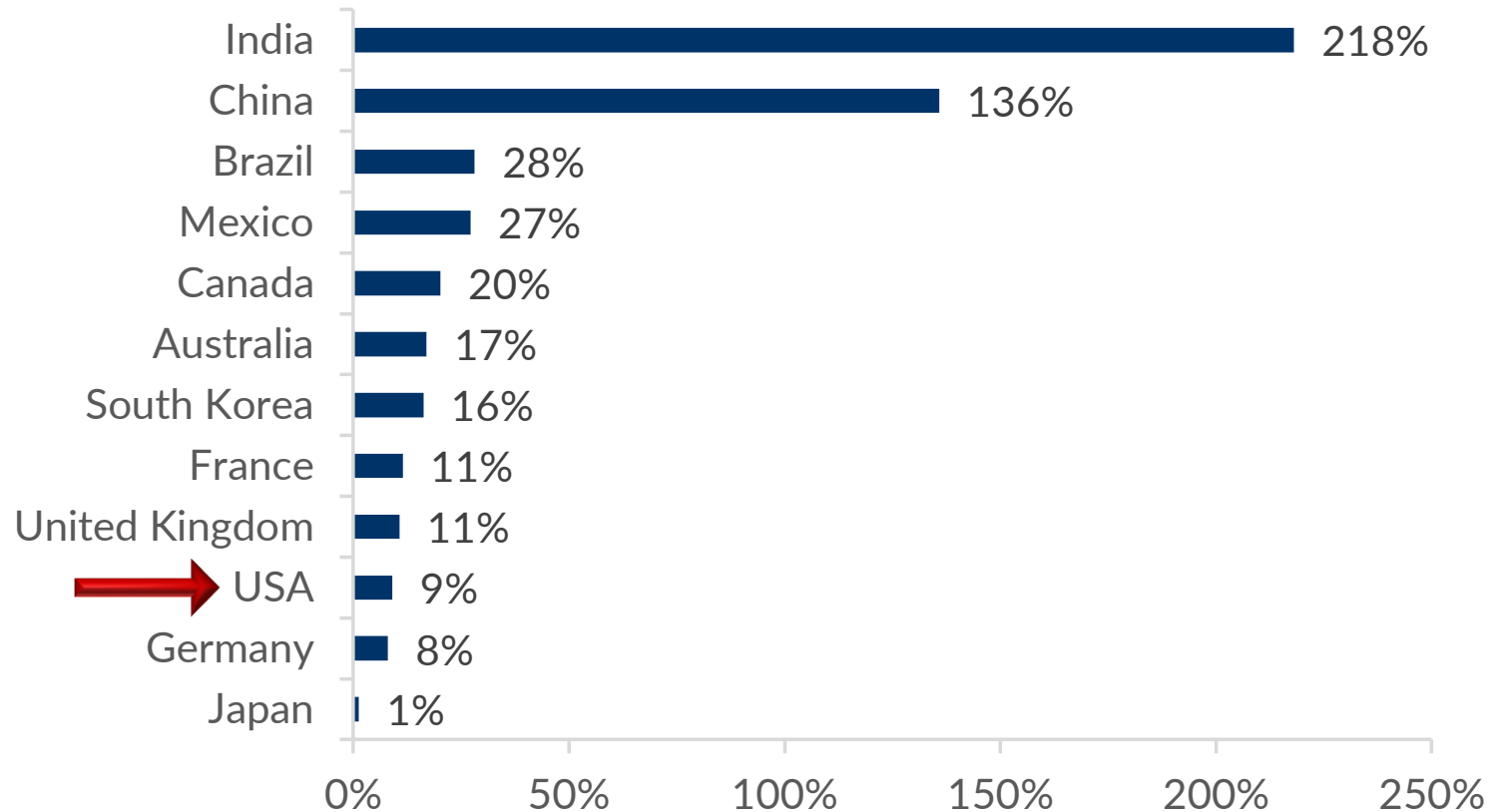


Source: Tourism Economics

THE GOOD NEWS

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**

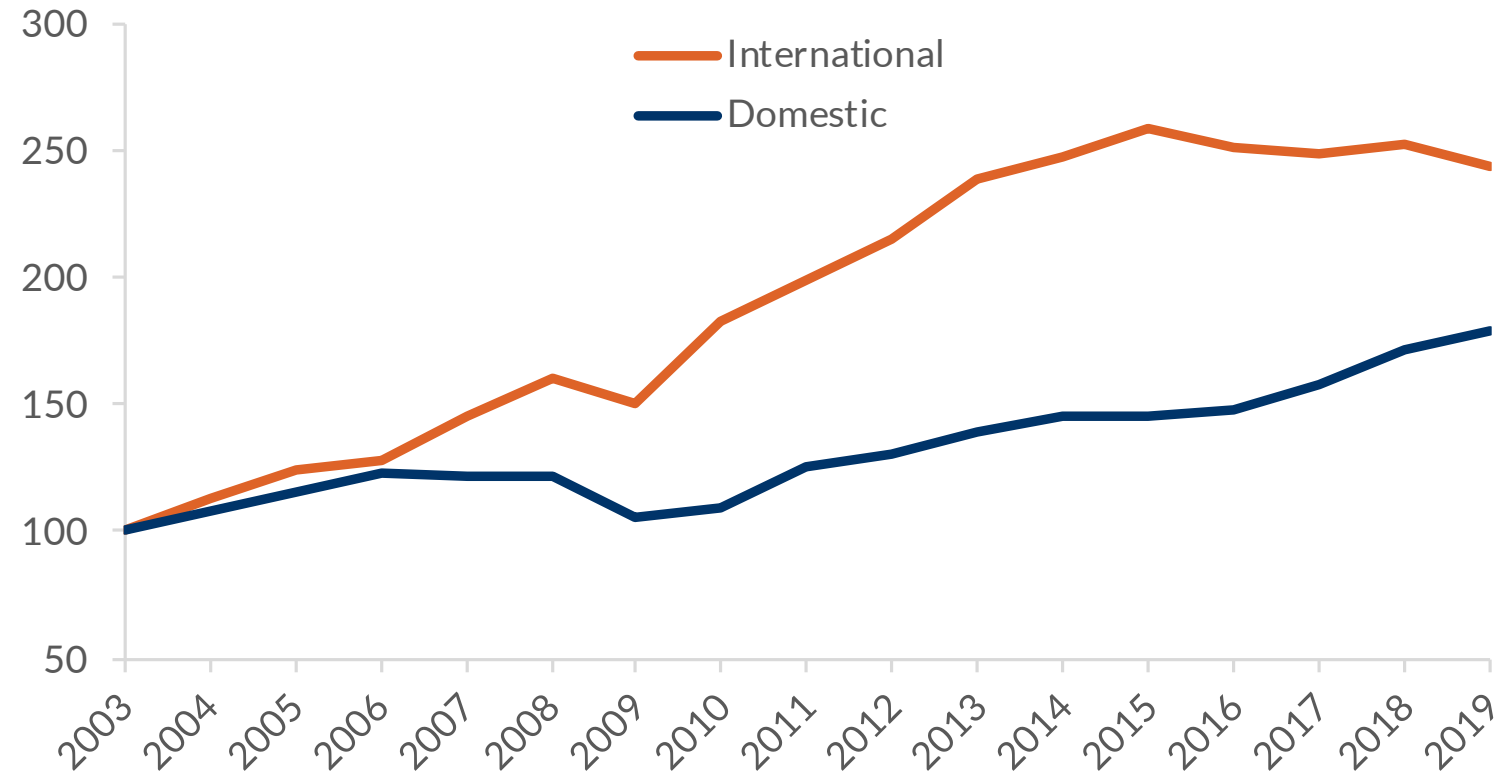
Source: Tourism Economics

Total increase

Final thought – international tourism has outpaced domestic

Historic tourism spending in the US

Index (2003=100)

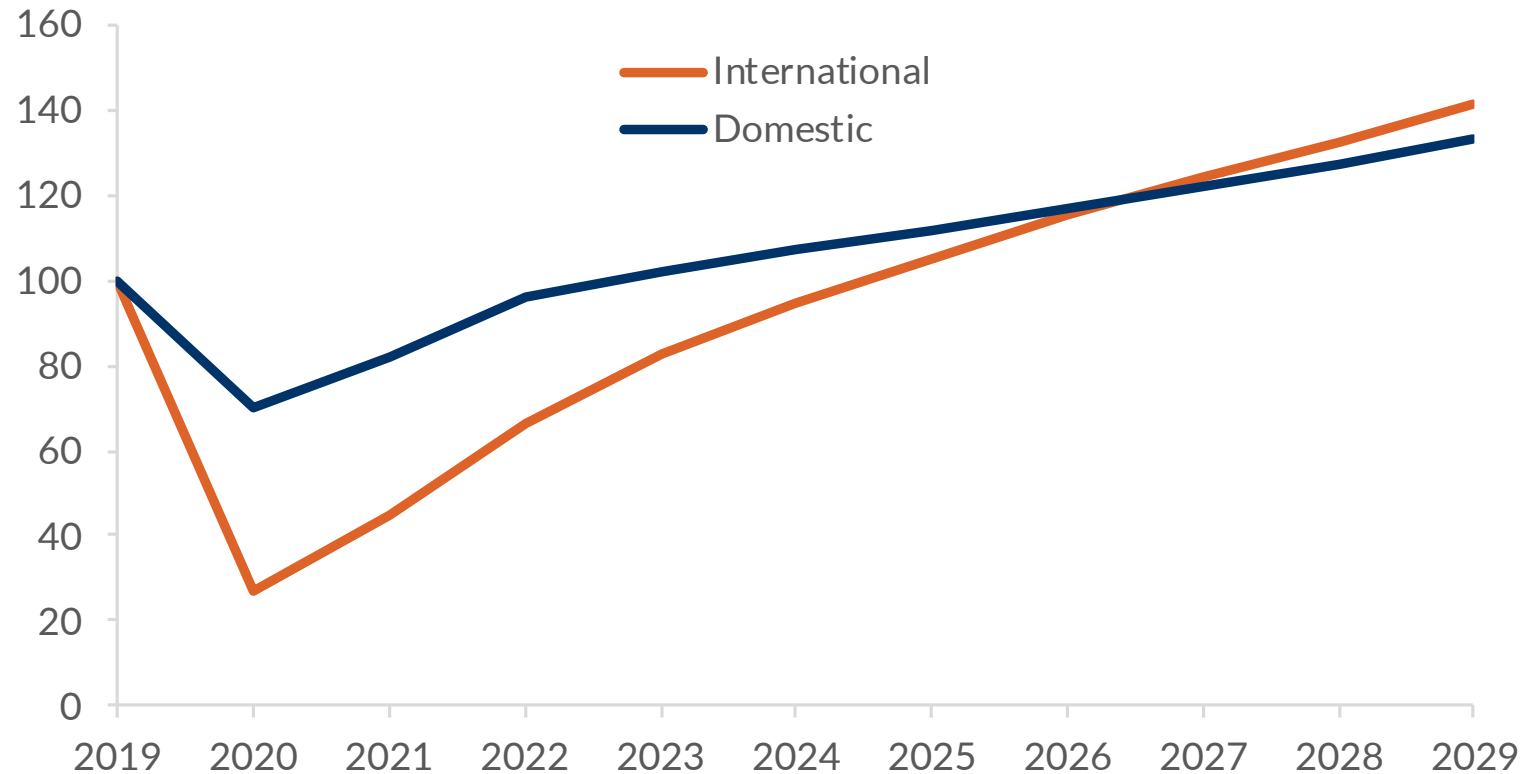


Source: Tourism Economics

Final thought – international will outpace domestic over the next decade

Domestic and international spending recovery in the US

Index (2019=100)



Source: Tourism Economics

Also remember – international travellers are more valuable

- **Longer length of stays**
- **Higher spend per day**
- **More likely to stay in a hotel**
- **Certain markets - UK & Germany in particular - travel widely throughout the state**

Length of stay and hotel stays are available...

Hotel stays and total length of stay from major markets in the Pacific NW

	Australia	France	Germany	India	Japan	South Korea	China	United Kingdom	Benelux	Nordic Countries	Overseas
Hotel Stays											
Percent using	64%	56%	65%	56%	83%	65%	56%	65%	67%	65%	63%
Mean # nights	6.0	8.3	5.2	13.5	5.1	4.6	9.0	4.6	5.9	5.1	6.2
Median # nights	4.0	4.0	4.0	7.0	3.0	4.0	6.0	4.0	3.0	4.0	4.0
Total length of Stay*											
1 Night	7%	5%	7%	9%	19%	12%	8%	8%	8%	5%	9%
2-3 Nights	29%	30%	25%	12%	28%	22%	24%	26%	32%	19%	24%
4-7 Nights	34%	36%	34%	28%	28%	30%	30%	32%	31%	34%	33%
8-14 Nights	15%	17%	20%	19%	17%	25%	17%	22%	16%	28%	19%
15-30 Nights	10%	8%	12%	18%	7%	7%	13%	10%	10%	15%	11%
31+ Nights	5%	5%	2%	15%	2%	4%	7%	2%	3%	-	5%
Mean # nights	9.4	9.5	9.8	24.6	7.1	8.3	13.1	8.1	7.7	8.4	10.6
Median # nights	5.0	5.0	5.0	8.0	4.0	6.0	6.0	5.0	5.0	7.0	5.0

Source: Tourism Economics; NTTO

*Note: Length of stay refers to stay in primary destination; coloring based on values within statistic

As is activity participation

Activity Participation by major markets in the Pacific NW

Index (overseas = 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

Final thoughts

- **Expect few changes in long-term traveler behavior**
- **It will take awhile, but China will be the biggest growth market for the 2020s, just as it was for the 2010s.**
- **Canada is bouncing back**

THANK YOU!

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