

TRAVEL & TOURISM TREND REPORT 2023



**NEW
YORK
CITY**
TOURISM+CONVENTIONS

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Letter from the Chairman & CEO

Welcome to the 2023 Travel Trend Report.

As 2023 comes to a close, the City and our industry together move past the worst effects of the pandemic. Looking out to 2024 there will be new challenges and opportunities for tourism and conventions as we continue to push toward full recovery amid a constantly shifting landscape. This is a critical time for New York City and for New York City Tourism + Conventions as an organization. While we have made tremendous progress, full recovery has remained just out of reach, and that, of course, is more acute for some origin regions and market segments—longer-haul international and business travel, for example. At the same time, weaker demand from suburban markets continues to play an outsized role in the recovery of member businesses across the five boroughs.

Looking ahead to these last months of 2023 and into the first quarter of 2024, our industry is buoyed by consumer interest in travel and urban experiences and the position of New York City as an open, diverse and welcoming destination. Nevertheless, travel, as well as many leisure activities, still faces challenges and stiff headwinds. Will we see economic stability and growth or endure a recession triggered by inflation? The outlook leans into positive territory that supported a 9% increase in visitation to New York City this year (a gain of 5.1 million visitors) and should produce continued, if slower, growth in 2024 and 2025.

Global travel continues to recover, even as global tensions rise in some regions, and marketing our city has become more important than ever. The right message of welcome has to reach and influence our emerging

markets as well as our traditional inbound travelers. At the same time, our sister cities and competitors for meetings, groups and overnight visitors are spending more money than ever on advertising and marketing to the consumers and the trade.

Working with our data partners across the industry, we are pleased to share with you the latest forecasts, trends and indicators that will shape the outlook for growth over the next two years. With our data-driven approach to strategy and marketing tactics and the support of our members and partners, we should see continued growth in visitation, spending, economic impact and jobs across the tourism sector in New York City.

Thank you for being our partners in the future of tourism and conventions in New York City.

Charles Flateman

CHAIRMAN
NEW YORK CITY
TOURISM + CONVENTIONS

Fred Dixon

PRESIDENT & CEO
NEW YORK CITY
TOURISM + CONVENTIONS

NEW YORK CITY TRAVEL OUTLOOK

State of the Travel Industry: Benchmarking Economic Impact

2022 VS 2019

Travel and tourism spreads economic benefits across New York City, including direct, indirect and induced impacts. Direct impacts are the result of visitor spending that creates economic value across a variety of businesses serving the traveler. Indirect impacts occur when these businesses and organizations purchase goods and services as inputs for their operations. Induced impacts are generated when employees whose wages come from visitor spending spend those wages in the local economy. As the visitor economy recovers, the latest results point to mixed performance.

56.7 million visitors to NYC in 2022 contributed \$44.1 billion in direct spending. This direct spending generated \$12.6 billion in indirect impacts and another \$11.3 billion in induced impacts, resulting in a total economic impact of \$68.1 billion. This represents a 92% recovery to the 2019 levels.

This economic activity is reflected in the 344,000 jobs supported by the travel industry. Fewer visitors still means fewer jobs, gaining only 85% of the 2019 benchmark. Travel and tourism supported 254,600 direct jobs, 42,486 indirect jobs and 48,887 induced jobs.

Travel and tourism activity led to \$6.2 billion in state and local tax revenues, recovering to 94% of the 2019 benchmark. The contribution to the NYC General Fund was \$4.499 billion. State taxes reached \$1.681 billion.

56.7M

ANNUAL VISITORS (85%)

\$68.1B

ECONOMIC IMPACT (92%)*

344K

JOBS SUPPORTED (85%)

\$6.2B

LOCAL TAX REVENUE (94%)*

*The economic impact and taxes are not adjusted for inflation. Adjusting for inflation, economic impact recovered 82% of 2019 benchmark, while taxes only recovered 80% of 2019 levels.

Source: New York City Tourism + Conventions/Tourism Economics

State of the Travel Industry: Benchmarking Performance

New York City’s travel and tourism sector experienced a second record-breaking year in 2019, reaching 66.6 million visitors. That was interrupted by two years of travel and activity restrictions and health concerns during the pandemic. The result: an unprecedented decline in visitors (off 67% in 2020). The recovery cycle began in 2021, bringing the total number of visitors to 56.7 million, 85% of 2019 levels, 10 million fewer visitors.

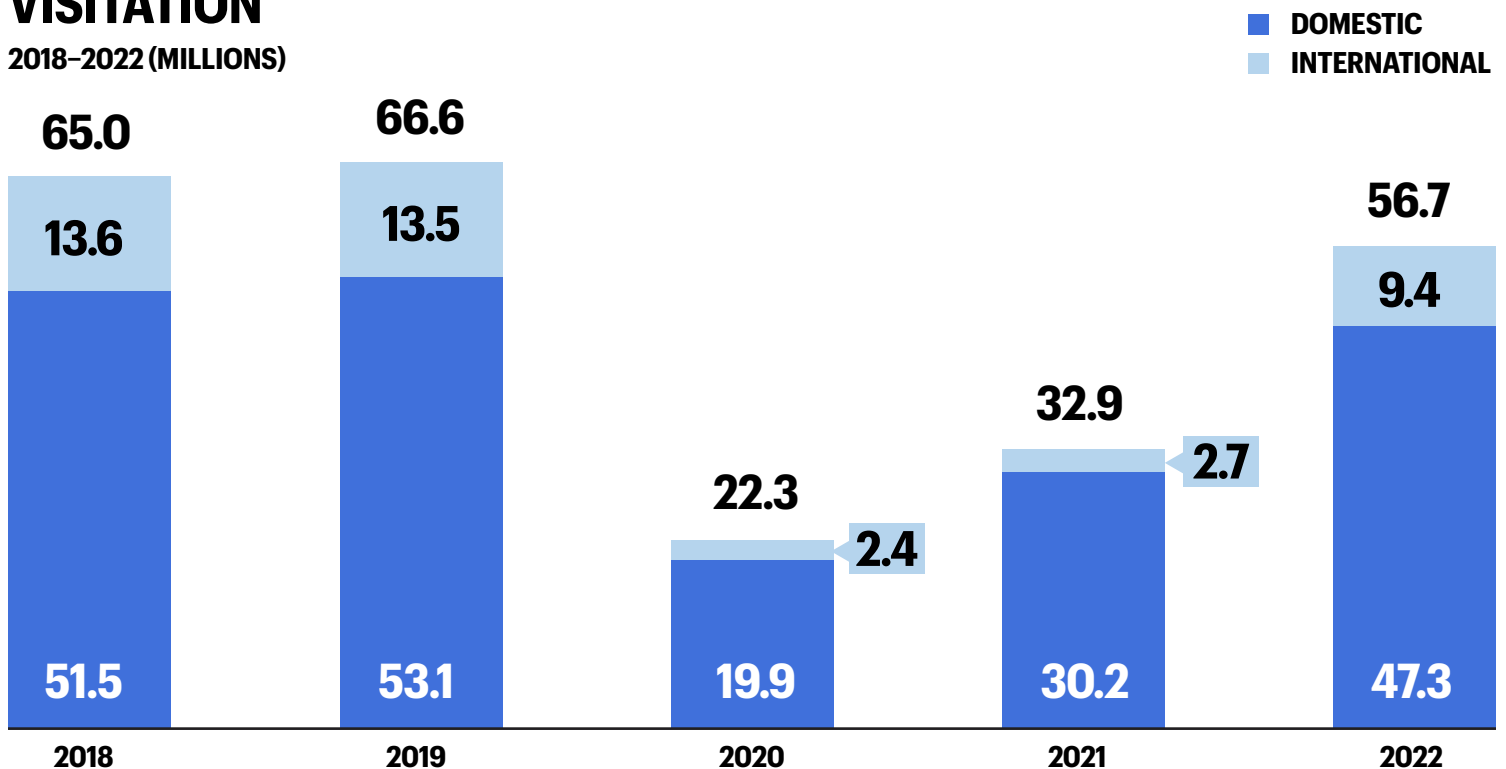
In 2022, domestic visitors, defined as traveling 50 miles or more one way or staying overnight, grew by 56% to reach 47.3 million person trips to NYC. International travel, hardest hit by the pandemic, more than doubled

in 2022 (up 248% YoY) to reach 9.4 million. Growth was driven primarily by the reopening of international borders and relaxed restrictions on international travel at the end of 2021. The City’s historically dependable markets in Europe and emerging markets in South America have been the principal beneficiaries of the relaxed travel requirements.

Business travel, typically 20% of the market, declined significantly during the pandemic. The recovery is taking longer to gain momentum. Local activity patterns reflect the stronger than usual share of leisure travel (82% domestic and 92% international).

VISITATION

2018–2022 (MILLIONS)



Source: New York City Tourism + Conventions/Tourism Economics

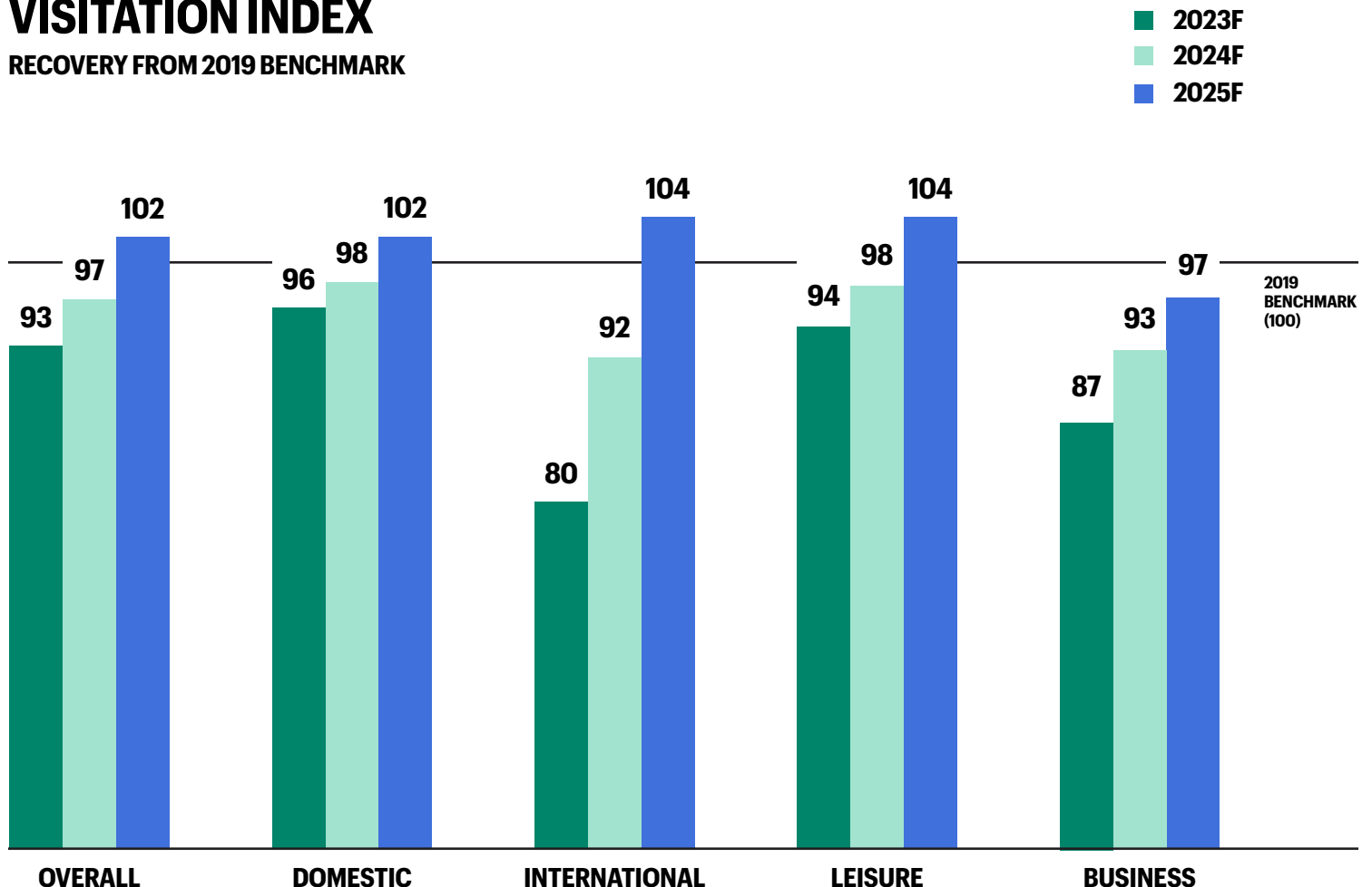
Travel Benchmarks 2023-2025

The pace of recovery has been slower than anticipated in the earlier forecast, but instead of a 2024 breakthrough, headwinds are slowing progress toward full recovery. Through 2023, improvements in international arrivals were bolstered by a stable but waning consumer interest in international travel, but persistent inflation and strong US dollar valuation will continue to exert downward pressure on the pace of recovery.

Domestic visitation is forecast to lag, even with a strong metro or drive market recovery, reaching 2019 benchmarks at the end of 2023. Long-haul and overnight domestic travel (visitors most likely to stay in a New York City hotel) is not expected to recover until 2025. The overnight market, which is the most dependent on group and transient business travel, will be the slowest to reach the 2019 benchmark and is forecast to recover in 2026.

VISITATION INDEX

RECOVERY FROM 2019 BENCHMARK



Source: New York City Tourism + Conventions/Tourism Economics

Forecast 2019-2025: Domestic & International

The outlook for New York City’s travel and tourism sector remains positive for the end of 2023. Momentum and pacing indicate steady growth in all key sectors—domestic and international, leisure and business, as well as the day trip and overnight stay markets for 2024 and 2025. At the same time, there are challenges as well as opportunities.

The latest forecast anticipates 61.8 million visitors in New York City by the end of the year, up 9% over 2022. Full recovery is now expected in 2025, a year slower than our previous forecasts, as the City and the industry as a whole absorb the uncertain scenarios for the US and global economies, diplomatic and political divisions, and shifting consumer sentiment. By 2024, the forecast brings total visitation to 64.5 million (12.4 million international and 52.1 million domestic), 97% of benchmark. Surpassing the

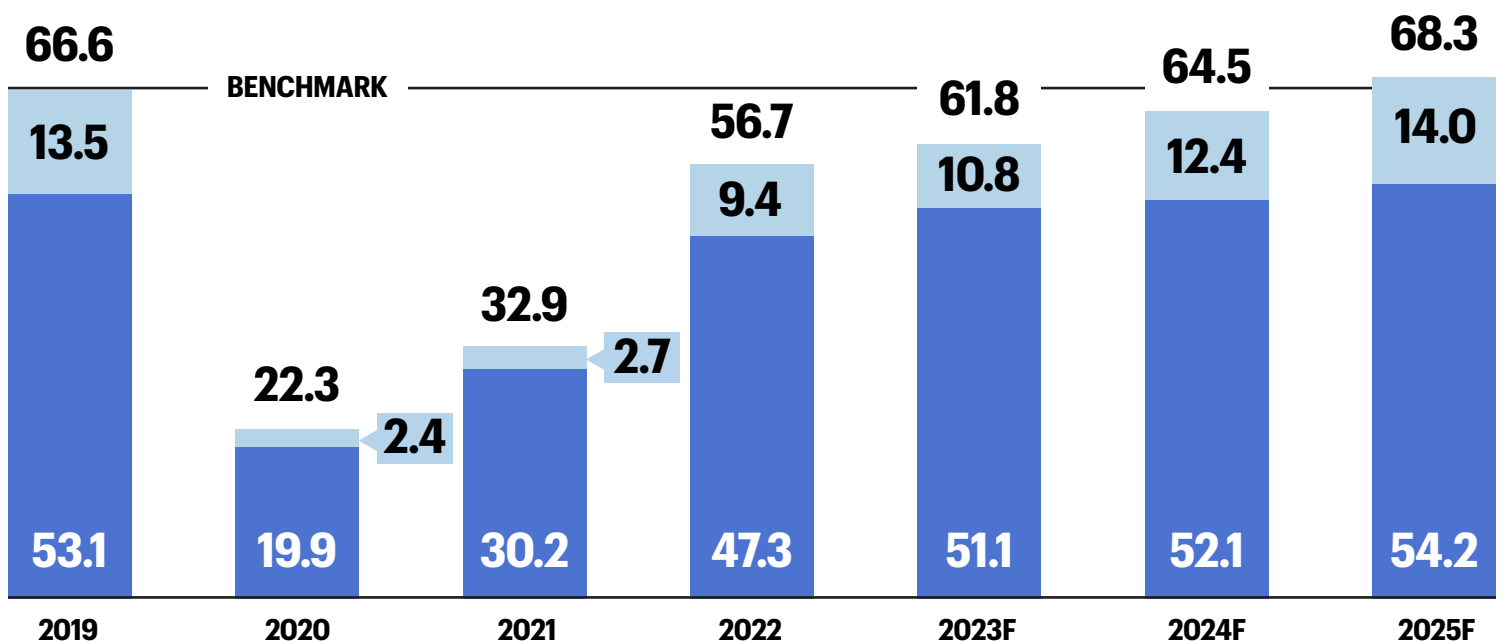
2019 level, the forecast for 2025 reaches 68.3 million total visitors, rising 6% above benchmark.

Both domestic and international travel are responding to global economic conditions: risks of recessions, currency devaluations and access, resulting in sustained patterns of short booking windows and reduced spending. Intent to travel remains strong, however, for inbound international as well as US outbound destinations. The US State Department notes that visa processing times are falling, and that it is demand for visas that is the cause of the slow times, at the same time they are dealing with unprecedented numbers of passport applications and renewals for Americans to travel abroad rather than at home.

DOMESTIC & INTERNATIONAL PERFORMANCE

2019–2025 (MILLIONS)

■ DOMESTIC
■ INTERNATIONAL



Source: New York City Tourism + Conventions/Tourism Economics

Forecast: Day & Overnight

New York City hosts perhaps the largest day trip market of visitors who travel at least 50 miles one way. Ground, air and rail travel connects New York City to the Northeast and Mid-Atlantic regions stretching from Boston to Washington, DC, and even short flights from Toronto and Montreal. Culture, business and personal events are primary drivers of the day trip market.

The pandemic slowed both day and overnight domestic travel, but we saw a rapid return of the day market, from a low point in 2020 (8.3 million) to reach 26.4 million visitors this year, breaking records in 2024.

The metro New York area typically accounts for 40% of the domestic market. Together with drive markets, Philadelphia, Hartford/New Haven, Boston and DC,

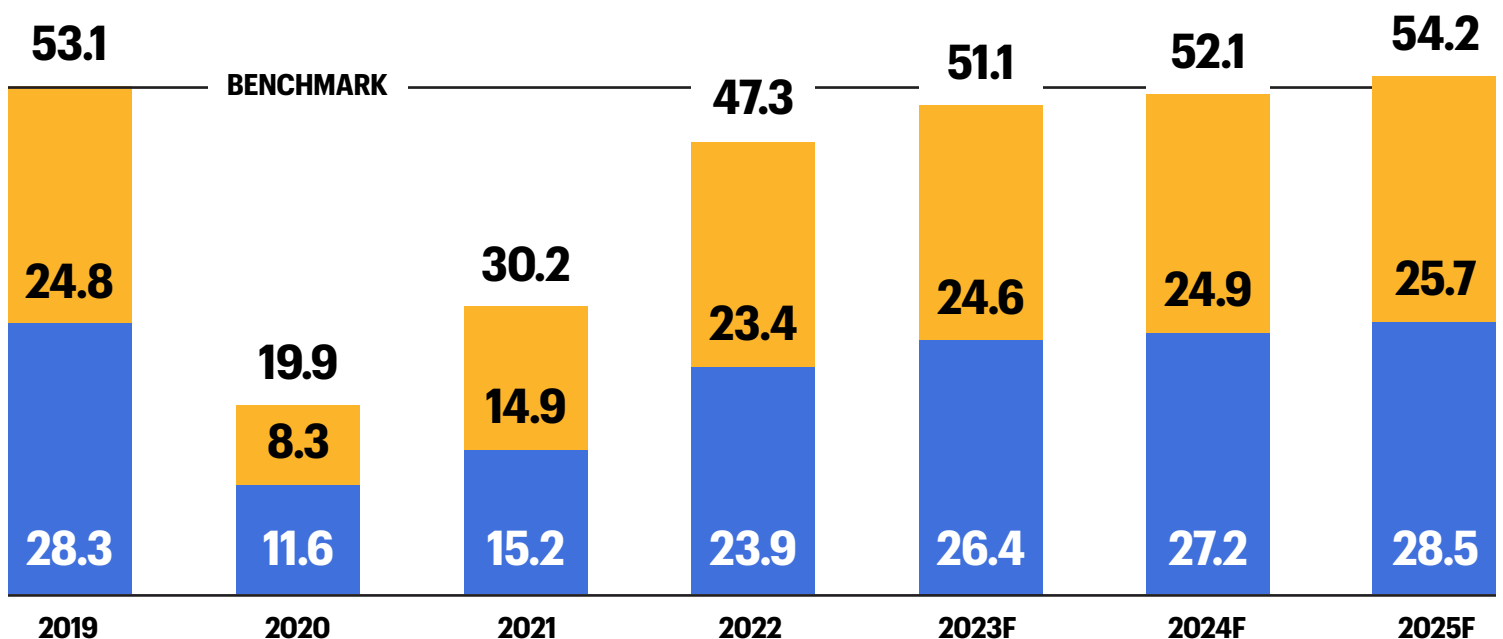
the region drives 45% of the market on average. Most visitors, however, still originate in markets generating overnight stays.

The overnight market, covering all types of accommodations and rentals, as well as visiting friends and relatives, is taking much longer to return to record heights. Much of the cause can be found in the slow return of all types of business travel, not expected to return to previous levels before 2026. At the same time, many long-haul and air visitors from top urban markets (Los Angeles, Chicago, and cities in Florida and Texas) are taking advantage of the strong US dollar by visiting cultural and culinary destinations overseas. They may fly through our airports, but rarely stay over.

DAY & OVERNIGHT DOMESTIC VISITATION

2019-2025 (MILLIONS)

■ DAY
■ OVERNIGHT



Source: New York City Tourism + Conventions/Tourism Economics

Forecast: International Markets

New York City welcomes the largest and most varied international market in the US. Accounting for almost one in five travelers, and almost half the spending, international travel is key to the strength of the travel sector. In 2023, all core inbound markets to New York City are forecast to grow significantly in their recovery toward the pre-pandemic levels. Most will not reach 2019 levels until 2025 as each country faces its own set of challenges and headwinds.

Historically the top market, the United Kingdom is on pace to reach 974,000 visitors this year. UK visitation is forecast to exceed 1 million visitors in 2024 and reach 1.4 million in 2025. The UK is followed by Canada at 864,000 visitors in 2023. Canadian visitation should top 2019 levels next year at 1.1 million.

Rounding out the top five in 2023 are France, Brazil and Germany, each 500,000 visitors. These are core markets that have seen a gradual increase in visitation despite economic concerns facing each nation. France and Germany will exceed 2019 levels by 2025, while Brazil will take a bit longer due to economic challenges.

Completing the top 10 are Italy, Spain, Mexico, Australia and China. Italy, Spain, Mexico and Australia have seen significant visitor growth in 2022 and 2023. While China has been slow to recover as restrictions are lifted, the limited air capacity and visa backlog are easing.

Looking down this list of globe-spanning markets, India, Japan and South Korea will be supported by strength in South America and the quick pace of many European regions.

TOP INTERNATIONAL MARKETS (THOUSANDS)

RANK	COUNTRY	2023F	2024F	2025F
1	UK	974	1,171	1,426
2	CANADA	864	1,080	1,134
3	FRANCE	728	783	838
4	BRAZIL	589	735	804
5	GERMANY	554	588	669
6	ITALY	481	586	608
7	SPAIN	430	532	576
8	MEXICO	420	529	554
9	AUSTRALIA	415	586	692
10	CHINA	386	833	1,049
11	SOUTH KOREA	369	390	437
12	INDIA	336	383	399
13	IRELAND	258	299	307
14	COLOMBIA	214	235	245
15	ARGENTINA	206	289	337
16	JAPAN	197	298	337
17	ISRAEL	181	200	212
18	NETHERLANDS	179	245	257
19	SWITZERLAND	174	223	231
20	SWEDEN	139	156	177

Source: New York City Tourism + Conventions/Tourism Economics

Forecast: Business & Leisure

Typical seasonal patterns for visitation to New York City have come back in line with pre-pandemic performance. The NYC drive market or “Acela Corridor” from suburban counties and neighboring states (New Jersey, Pennsylvania, Connecticut, metro DC and Massachusetts) remains the foundation of our business and leisure markets. Long-haul domestic travel originating in major US markets (California, Texas, Florida, Chicago) has been improving as business travel—especially meetings and conventions—has seen more people attending in person. At this pace, the leisure market will top 2019 levels by the end of 2025. Business travel challenges will slow full recovery until 2026.

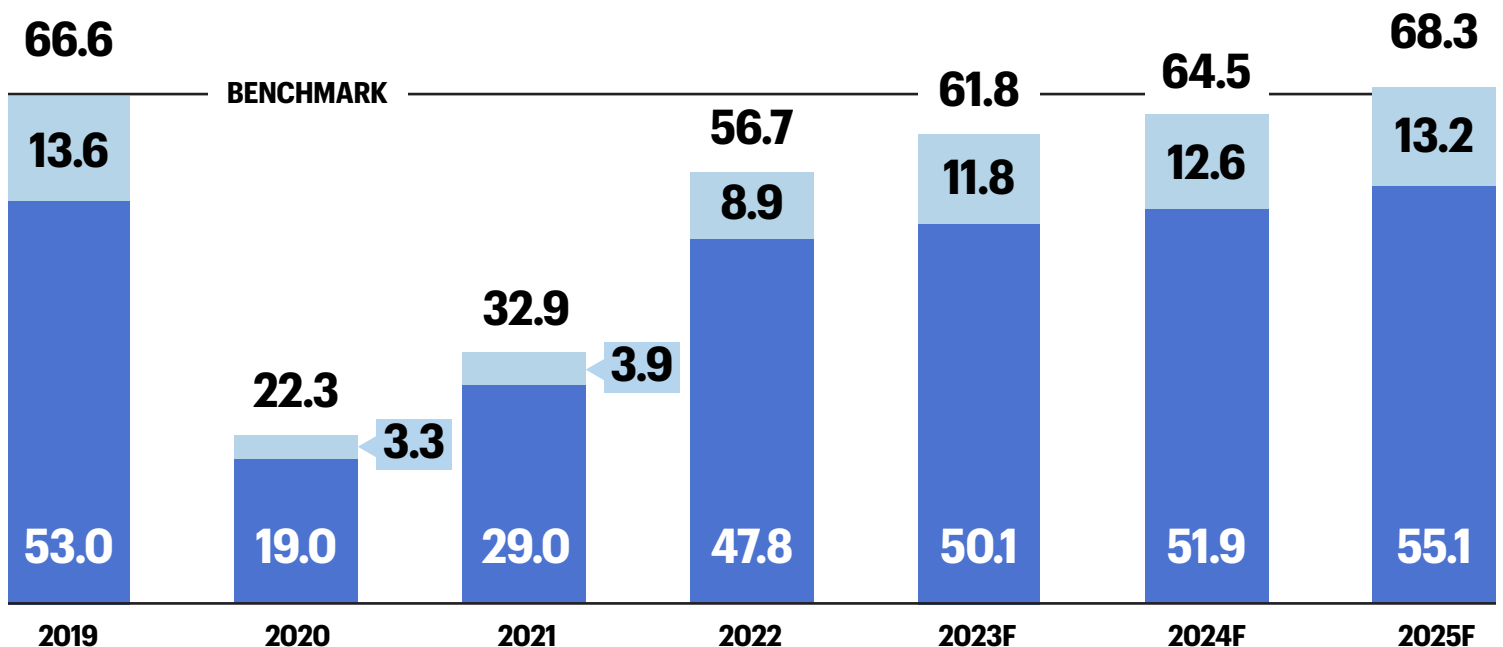
Both segments benefit from the infrastructure and assets of the City as a destination. The New York airports—JFK

and Newark—are the most used international ports of entry for visitors to the US (receiving more than Miami and Los Angeles combined), while the new LaGuardia is attracting passengers and flights to the state-of-the-art facilities. The hotel pipeline is nearing the end of the pre-pandemic building boom, but with 120,000+ rooms in active inventory and another 10,000 predicted to come online in the next three years. Hotels in all five boroughs are due to open, or have opened recently, bringing new brands and award-winning properties into the City’s inventory. Popular visitor activities are bringing in theater and concert audiences while the City’s museums and attractions are, as always, a destination for almost half of all visitors to the City.

BUSINESS & LEISURE PERFORMANCE

2019-2025 (MILLIONS)

■ LEISURE
■ BUSINESS



Source: New York City Tourism + Conventions/Tourism Economics

Business Travel Conditions

Business travel has been slower to recover to pre-pandemic levels. There has been an uptick in business travel in 2023, reaching almost 12 million visitors, a 32% year-over-year increase. Growth will slow; however, the sector will see an increase to 12.6 million trips. Transient business and smaller events continue to propel this pattern for 2024.

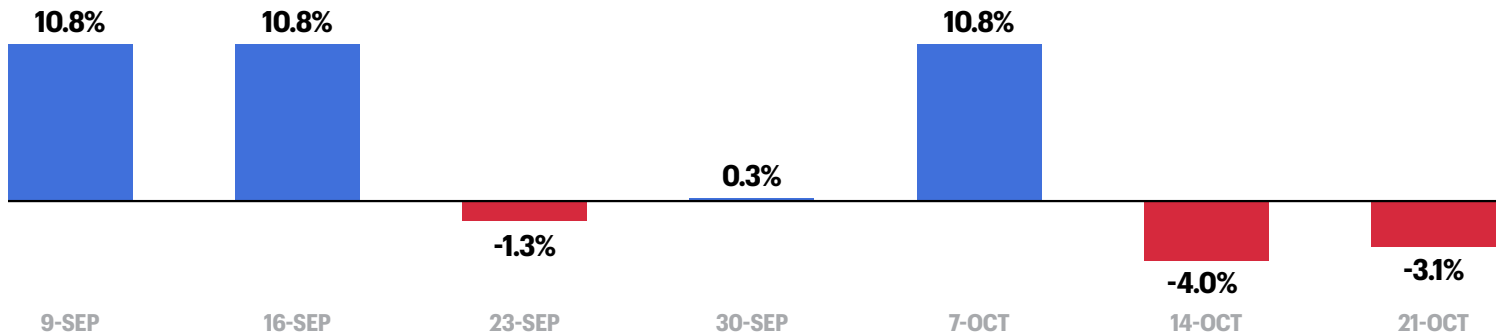
Early fall 2023 saw an uptick in all business travel reflected in the rise of midweek hotel occupancy and pricing. While room nights sold overall has been down in our weekly data, midweek room demand has improved. Through October, midweek (Tuesday–Wednesday) hotel performance has outperformed the weekend (Friday–Saturday).

Additionally, Amtrak non-commuter arrivals to Penn Station have surpassed 2019 levels in Q3 (July–September), another indicator of an increase in business travel.

The recovery in business travel is concentrated in transient business* bookings, which have outperformed group bookings. According to Kalibri Labs data, transient business hotel bookings in 2023 (January–September) are down 6% vs 2019 levels, while overall bookings are down 7% and group bookings are down 9%. When compared to last year, transient business hotel bookings are up 13% from 2019, compared to 9% for group bookings. Both transient and group bookings account for 13% of hotel room nights sold.

FALL MIDWEEK HOTEL PERFORMANCE

YOY % CHANGE



HOTEL PERFORMANCE BY SEGMENT

JAN–SEP

SEGMENT	YOY VS. 2019	YOY VS. 2022	2023 DEMAND SHARE
TOTAL	-7%	9%	100%
GROUP	-9%	9%	13%
TRANSIENT BUSINESS	-6%	13%	13%

*Transient business includes corporate, contract and government bookings. Source: New York City Tourism + Conventions/STR/Kalibri Labs

LEADING INDICATORS OF TRAVEL

Citywide Hotel Performance: 2023

Hotel performance in our city with over 120,000 rooms in active inventory gives a clear picture of the pace and direction of travel growth in 2023. This year has seen positive trends in demand, occupancy and ADR. Comparisons to last year (2022) are pacing upward, bringing the industry closer to demand benchmarks. In 2023, hotel indicators have improved nearly every month compared to the previous year.

Hotel indicators through September:

- Occupancy* was 80.3%, down 7% from 2019 benchmark, and up 12% from last year.
- Room demand was 26.8 million room nights sold, down 8% compared to 2019 levels, while up 12% year over year.
- Average Daily Rates** were \$281, up 15% from 2019 and a 7% year-over-year increase.

HOTEL INDICATORS	YTD 2023 (JAN-SEP)	YOY VS 2019	YOY VS 2022
OCCUPANCY*	80.3%	-7%	+12%
DEMAND	26.8 MILLION	-8%	+12%
AVERAGE DAILY RATE**	\$281	+15%	+7%

* These figures do not include hotels that are used for emergency shelter.

** Not adjusted for inflation

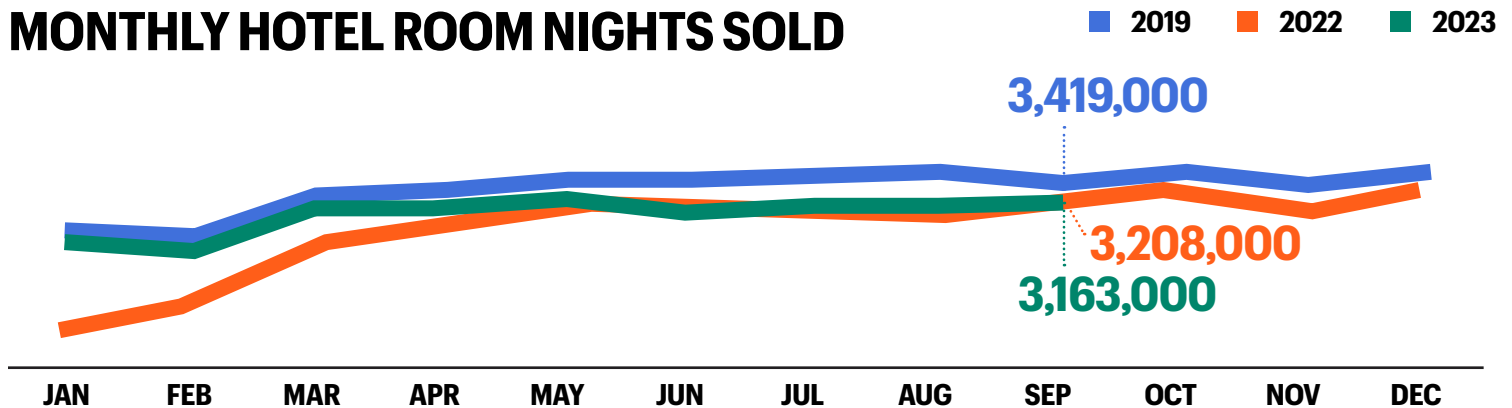
Source: New York City Tourism + Conventions/STR

Hotel Demand Pacing & Inventory

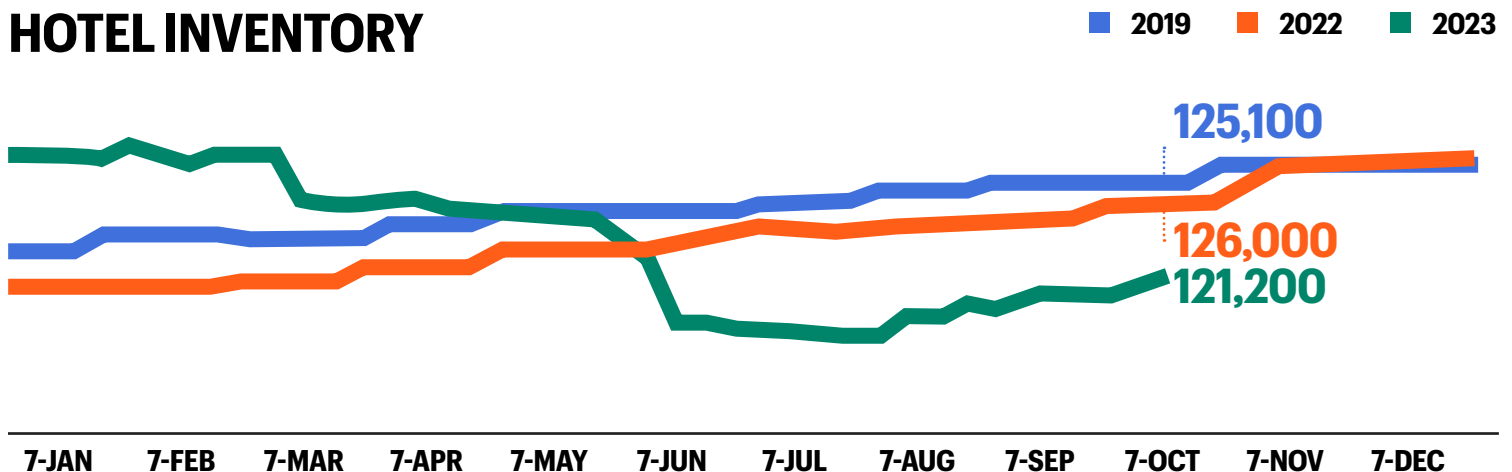
While hotel indicators have been mostly positive in 2023, hotel demand growth has pulled back, no longer keeping pace with 2022 levels. In September, room demand was 3.163 million room nights sold, down from 3.208 last year. This is only the second month that demand fell compared to last year (June fell -2.0%). Looking at more recent performance, these demand drops are reflected in slightly weaker occupancy rates as inventory goes unused. Between January and April, demand was at 95% of 2019 levels; since June that gap has fallen to just 90% of benchmark.

One of the challenges facing the hotel sector is the removal of inventory for emergency shelter. It is estimated that as many as 16,000 rooms have been removed for emergency shelter. The active inventory currently stands at 121,200 rooms (as of 10/14), down from 127,400 rooms at the beginning of 2023, as new openings and re-openings add back rooms.

MONTHLY HOTEL ROOM NIGHTS SOLD



HOTEL INVENTORY



Source: New York City Tourism + Conventions/STR

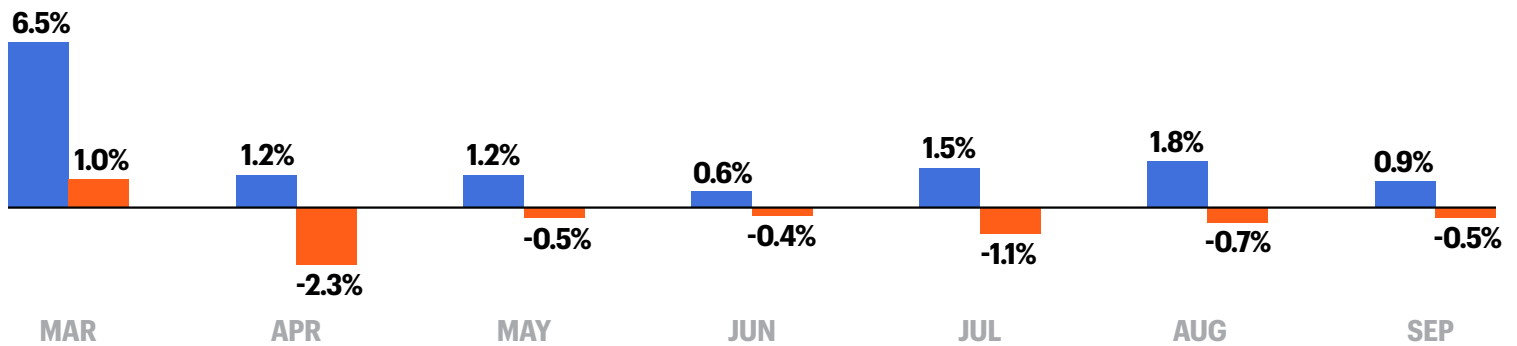
Hotel Performance: US Top 25

City travel returns to pattern. The pandemic trend favoring small and rural destinations has reversed. In 2023, the top 25 US destinations and big cities have seen consistent increases in demand versus 2022 patterns. The small and rural locations have seen performance declines.

New York City has begun to see slippage in demand even during one of the busiest months of the year (September) as many cities, including Washington, DC, Boston and Philadelphia, now have multimillion dollar marketing budgets to spend domestically and overseas.

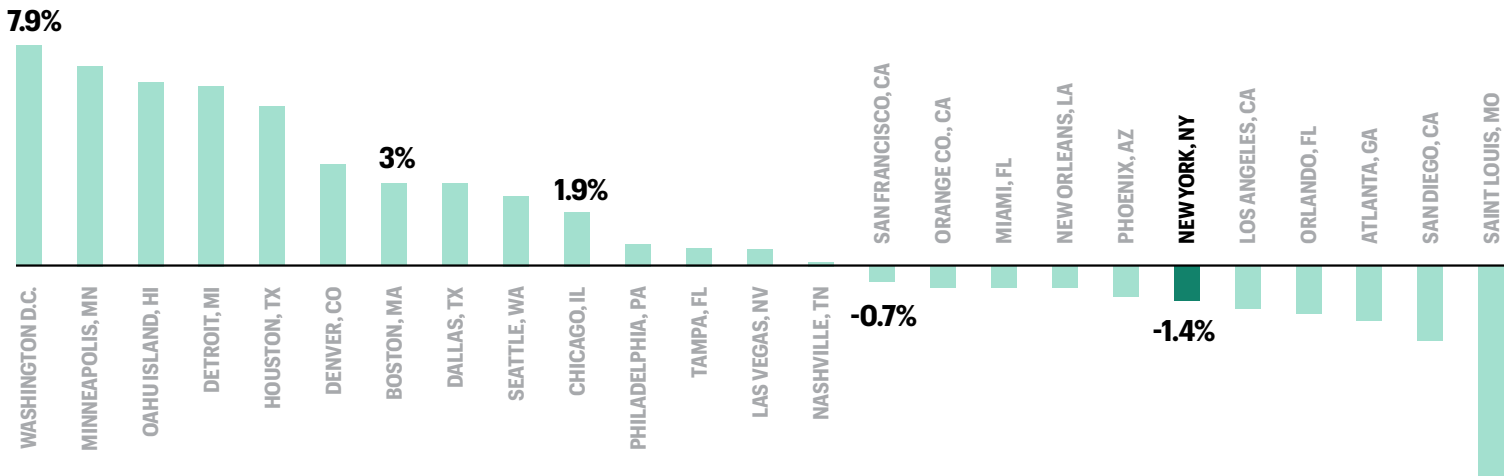
TOP 25 MARKETS VS ALL OTHER MARKETS ROOM NIGHTS SOLD

YOY % CHANGE



ROOM NIGHTS SOLD – SEP 2023

YOY % CHANGE



Source: New York City Tourism + Conventions/STR

Jobs: Leisure & Hospitality

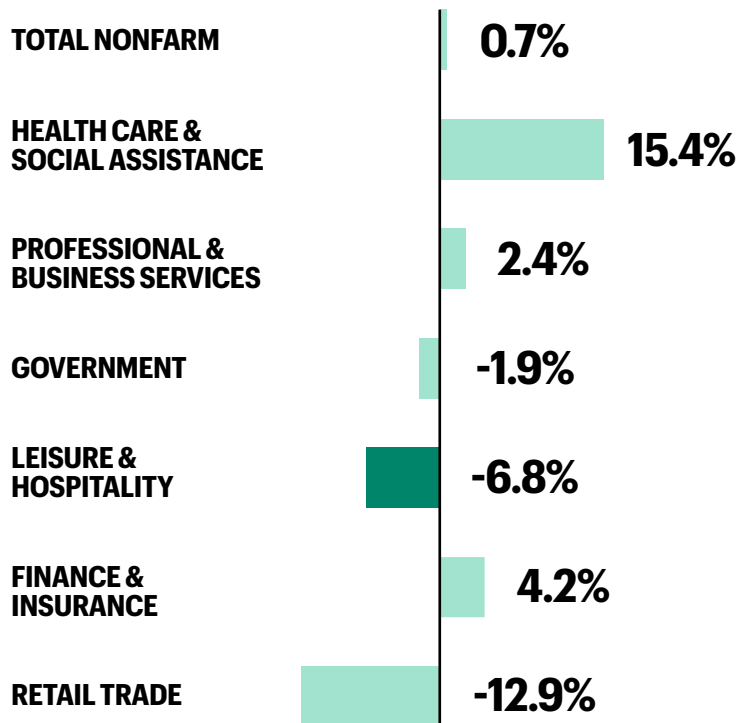
The Leisure and Hospitality (L&H) sector is the fifth largest jobs sector in NYC. Compared to the other top jobs sectors, L&H jobs are recovering from pandemic lows at a very slow pace:

- Year-to-date (Jan–Aug) full L&H employment is down 6.8% compared to 2019.
- Retail trade, dependent on tourism and commuters, is pacing even lower; still down 12.9% from 2019 levels.

L&H jobs include all employment in food services, accommodations and recreation. Travel and tourism support a significant portion of the sector:

- Prior to the pandemic, travel and tourism supported 100% of the jobs in accommodations, 63% in recreation and 34% in food & beverage.
- Year-to-date employment in food services and drinking places is down 3.2% from 2019, while arts, entertainment & recreation is down 13.2% and accommodations is down 17.5%.

JOBS BY SECTOR 2023 VS 2019



LEISURE & HOSPITALITY JOBS 2023 VS 2019



Source: New York City Tourism + Conventions/Bureau of Labor Statistics

DOMESTIC CHALLENGES & OPPORTUNITIES

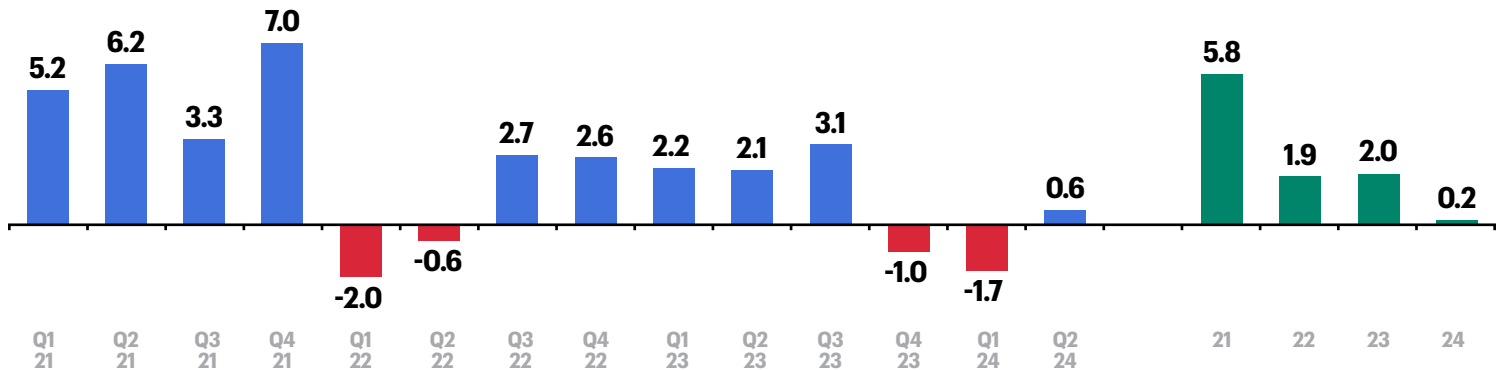
New York City is the most visited big city in the United States. The hotel market consistently leads the industry in occupancy and ADR, as well as maintaining a vibrant pipeline of new additions. Economic headwinds challenge some sectoral growth, but many forces are supporting consistent growth over the next three years.

Economic Tug of War: Recession Outlook & Consumer Confidence

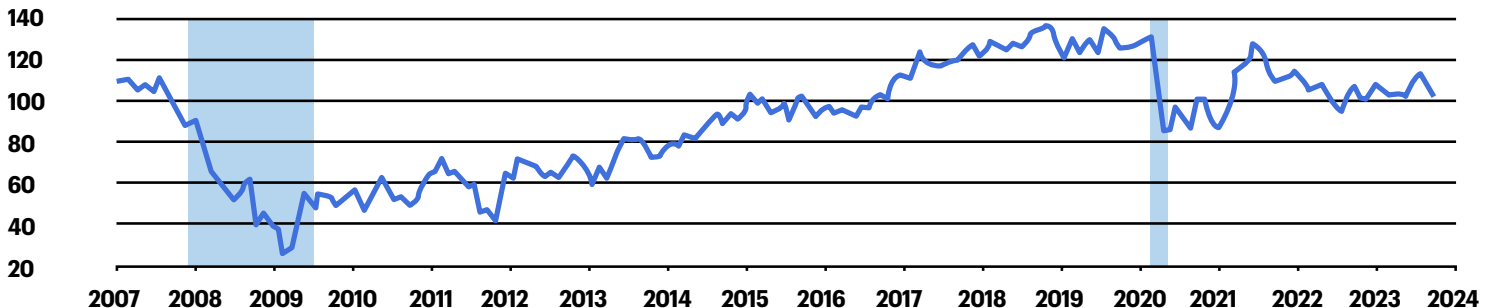
The outlook for a recession is absorbing inflationary pressures, a tight labor market, high interest rates and the spending down of savings accumulated during the past few years. Travel and other experiences remain among consumers' primary activities and expenditures. The US economy, despite its resilience to volatility, is expected to experience a mild recession in 2024 due to the reduction in business activities and capital spending, personal savings, increases in oil and insurance prices, the upcoming election cycle and the resumption of student loan payments.

Consumer confidence, even in good times, plays a role in traveler decision and plans. Many trackers reflect eroding confidence as the uncertainty around recessionary factors continues into 2024. While economic indicators such as the tight labor market and wage growth remain positive, fears around a pending economic downturn have hampered consumers' confidence.

US GDP % ANNUALIZED



CONSUMER CONFIDENCE INDEX INDEX, 1985 = 100



Source: New York City Tourism + Conventions/Oxford Economics/Conference Board

Domestic Travel Sentiment

Keep traveling, but spend less

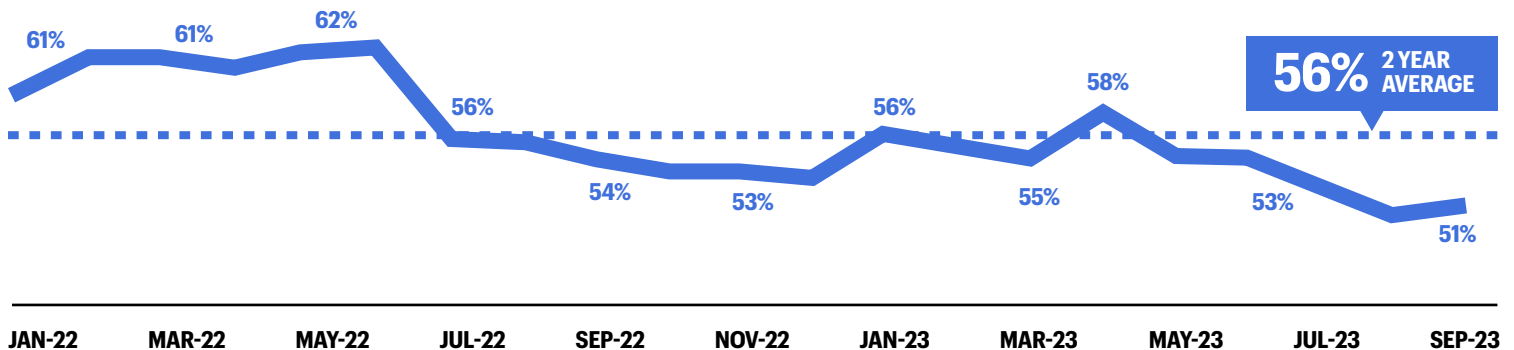
Economic concerns have adversely affected traveler sentiment. According to the Future Partners monthly sentiment tracking study of US travelers, travelers have become very cautious about spending money on travel, and the prioritization of travel has declined.

When asked to describe their top spending priorities, leisure travel has been declining in importance over the past six months. The share of travelers putting leisure travel in their top three spending priorities has

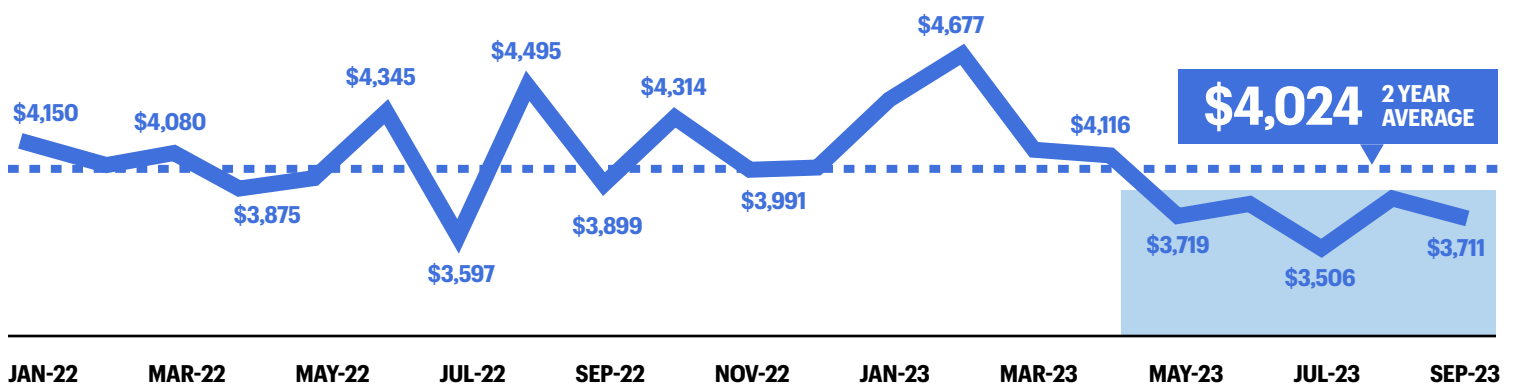
been below the two-year average of 56% each of the past five months.

Similarly, travelers have been budgeting less money for leisure travel in recent months. When asked the maximum they will spend on leisure travel during the next 12 months, the responses have been below \$4,000. Travelers budgeting for leisure travel has been in decline since February, illustrating the reversal of traveler sentiment around financial concerns.

TRAVEL AS A TOP 3 SPENDING PRIORITY



MEAN MAXIMUM EXPECTED SPENDING

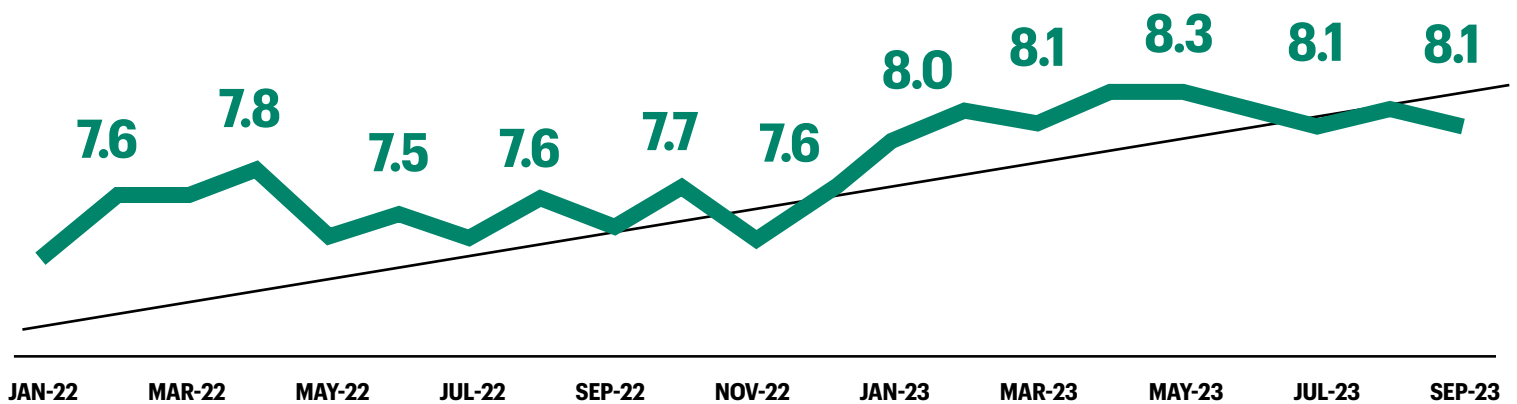


Source: New York City Tourism + Conventions/Future Partners

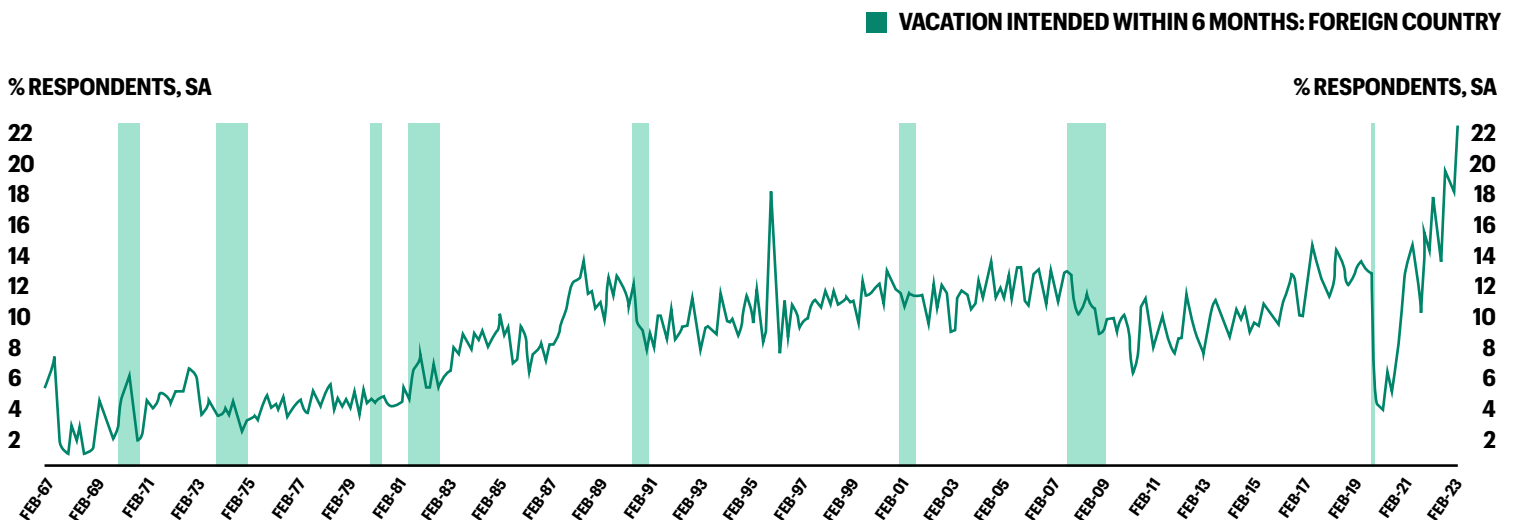
Despite the financial concerns, there is still considerable excitement for leisure travel as the “revenge travel” mindset persists. Over the past six months, Future Partners finds excitement for leisure travel at record high levels. When asked to describe how excited they are about leisure travel in the next 12 months, the mean score remains above 8, on an 11-point scale (0–10), in 2023 surveys.

However, interest in traveling to a foreign country is also at a historic high. According to the Conference Board, a record number of US consumers are planning to go on vacation to a foreign country, and more US citizens hold passports than ever before. This is creating a very competitive environment for US travelers among domestic and international destinations.

HOW EXCITED YOU ARE ABOUT LEISURE TRAVEL IN THE NEXT 12 MONTHS?



RECORD HIGH SHARE OF US CONSUMERS ARE PLANNING TO VACATION TO A FOREIGN COUNTRY



Source: New York City Tourism + Conventions/Future Partners/Conference Board

INTERNATIONAL CHALLENGES & OPPORTUNITIES

Economic conditions, GDP, inflation and employment are the strongest predictors of outbound international travel, especially for trips outside the region. In the following discussion, we look at how these factors are playing out in Europe, Asia and Latin America, as well as our nearest neighbors in Canada and Mexico.

European Market Outlook

The European market is forecast to exceed 2019 benchmark in 2025, with overall visitation still expected to improve in 2024, although falling short of total recovery.

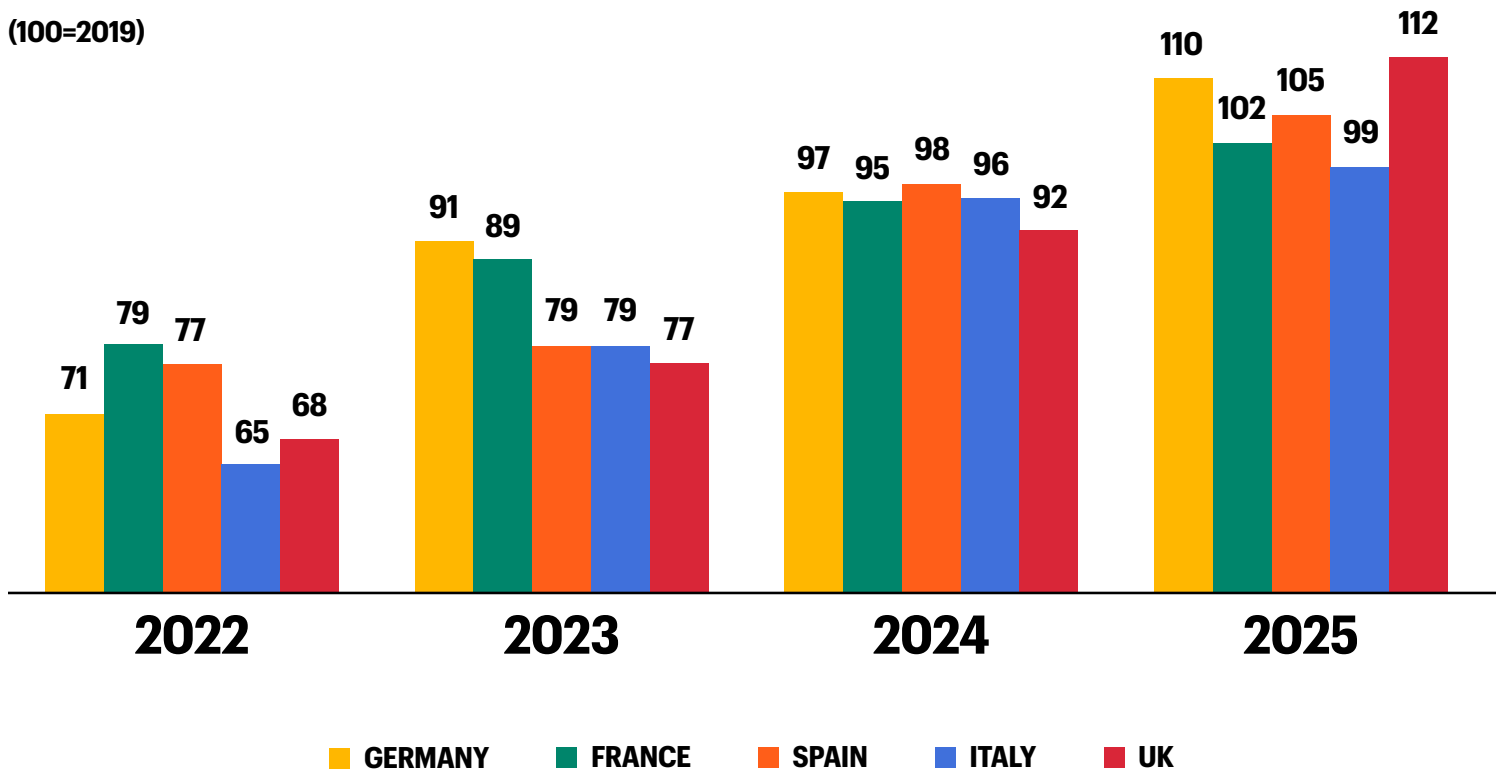
International travel from Europe is on track to reach an estimated 83% recovery to 2019 levels across the five major markets: Germany, France, Spain, Italy and the UK in 2023. Germany and France rebounded the quickest in 2023, but Spain, Italy and the UK are projected to recover to just 79% of 2019 levels.

Economic downturn and political uncertainty are factors in the anemic return of European international travel in 2023 and will delay full recovery of inbound European travel

until 2025. There are a significant number of headwinds that will dampen growth projections in the short term. Global economic conditions from exchange rates to weak GDP (Gross Domestic Product) growth to political instability coupled with the hangover from the global pandemic will put downward pressure on inbound travel from Europe.

RECOVERY INDEX

(100=2019)



Source: New York City Tourism + Conventions/Tourism Economics

European Economic Outlook

ECONOMIC RISK SCORE

Risk scores are from 1 to 10, with 10 representing the highest risk

GERMANY	FRANCE	SPAIN	ITALY	UK
2.3	2.9	3.2	3.9	3.3

The long-term economic outlook for the core European markets remains positive. According to Oxford Economics, Germany, France, Spain, Italy and the UK have an economic risk score of 3.3 or below out of 10. In the short-term each country is facing their own economic challenges, but travel is a consumer priority.

The German economy remains an outlier in Europe as pressures still push a mixed picture—improved labor and slowing inflation may not be enough to support a consumer rebound in early 2024. Spain is expected to maintain weak economic growth despite strong consumer spending as inflation rose due to higher oil

prices, but job growth is expected to remain modest as unemployment approaches record lows. French GDP is expected to continue growing owing to the rebound of industrial production following the end of recent strikes, however higher oil and electricity prices and high inflation could temper future growth expectations. Even as the Italian economy stagnates, private consumption remained stable. Higher oil prices and inflation present as risk factors to discretionary spending. The UK economic outlook remains weak, with activity likely to struggle to gain momentum given sticky inflation and the lagged impact of tighter monetary policy.



Source: New York City Tourism + Conventions/Oxford Economics

Asian Market Outlook

New York City is one of the top destinations for travelers from Asian markets despite the long distances. Inbound travel from the Asian region has been slower to recover in recent years, however, due to economic conditions, flight capacity and safety concerns. With the exception of India, the Asian region lagged the pace of other long-haul international markets in 2021 and 2022. When travel began opening up in East Asia, it primarily focused on intra-regional travel. Long-haul travel from East Asia began to return at the end of 2022 as pandemic safety concerns began to ease and China opened group outbound travel to the United States and Europe.

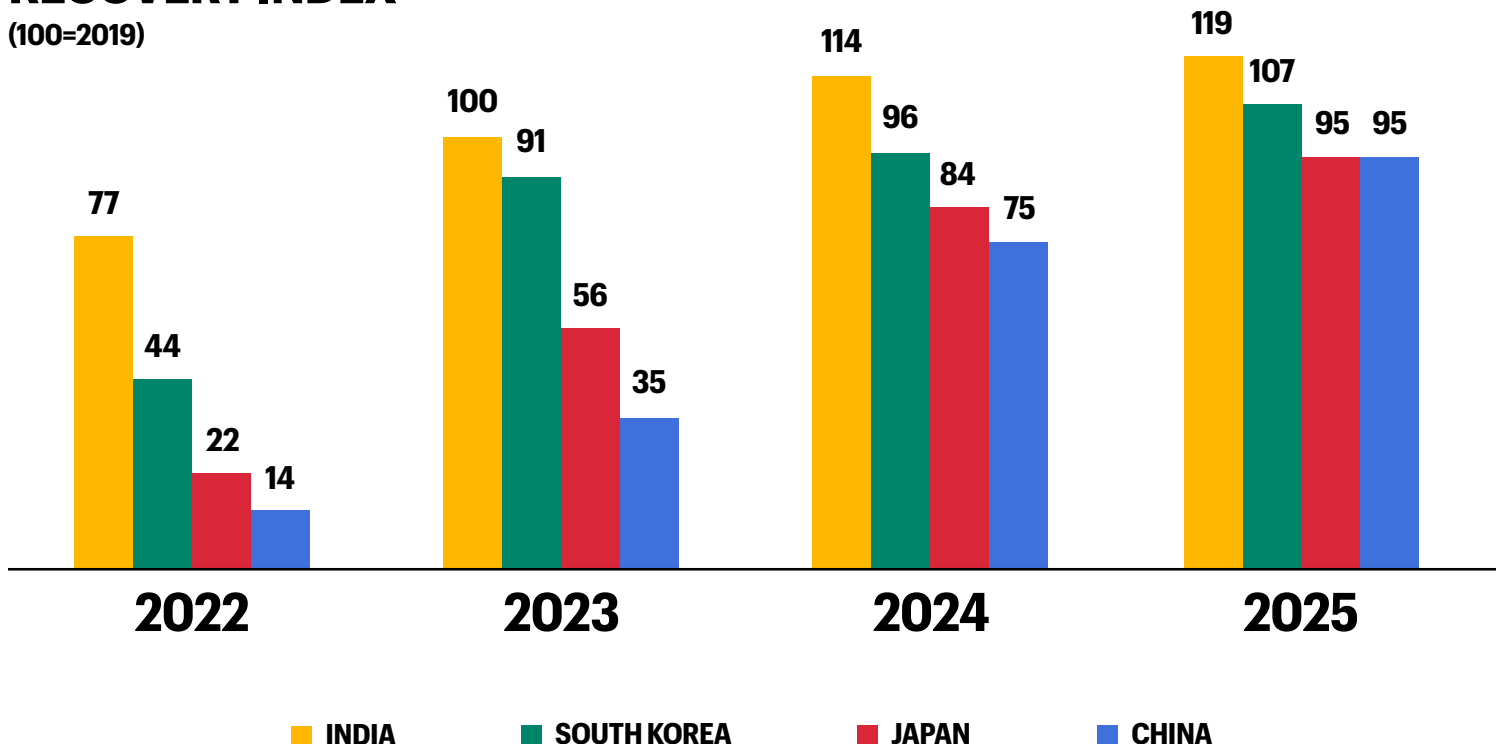
In 2023, Japan will recover to 56% of the 2019 benchmark, slowed by economic conditions at home. China could achieve 35% of benchmark levels, held back

by diminished air capacity even as demand could rise. By 2025, Japan and China will reach 95% recovery as travel patterns return to normal.

India was one of the first markets to return to New York City beginning in 2021. Early in the recovery, trips for education, health, business and visiting friends and relatives supported the market. India is expected to reach 2019 visitation levels this year with long-term growth opportunities. South Korea will recover to 91% of the 2019 benchmark in 2023 on the back of solid economic fundamentals and will recover to the 2019 visitation levels by 2025.

RECOVERY INDEX

(100=2019)



Source: New York City Tourism + Conventions/Tourism Economics

Asian Economic Outlook

ECONOMIC RISK SCORE

Risk scores are from 1 to 10, with 10 representing the highest risk

INDIA	SOUTH KOREA	JAPAN	CHINA
5.1	3.1	2.9	4.2

Asian countries are facing distinct economic conditions that may hinder visitation growth in the short and long term as links across the region play out. Inflation and policy push the risk score to 5.1 for India, a still emerging market in Asia, according to Oxford Economics. China comes in at 4.2, while both South Korea and Japan register low risk.

economy slowed in 2023 because of weak exports due to global demand and monetary policy to limit inflation. South Korea is poised to resume positive economic growth in 2024. While Japan is a relatively stable economy, it is still facing the weak aggregate demand and demographic issues that have plagued the nation for the past three decades.

The Chinese economy is slowly emerging from an economic slowdown due to the zero-Covid strategy and a slump in the property sector. The South Korean



Source: New York City Tourism + Conventions/Tourism Economics

South American Market Outlook

South America is a legacy and historically resilient market to New York City, with Argentina, Brazil and Colombia in the top 20 visitors by volume. Brazil ranked fourth overall before the pandemic.

The South American inbound market declined significantly during the pandemic and recovery has been anemic across the region. Colombia has recovered 88% of the 2019 benchmark in 2023—one of the most active markets. Argentina and Brazil are taking longer to come back to full strength and demand.

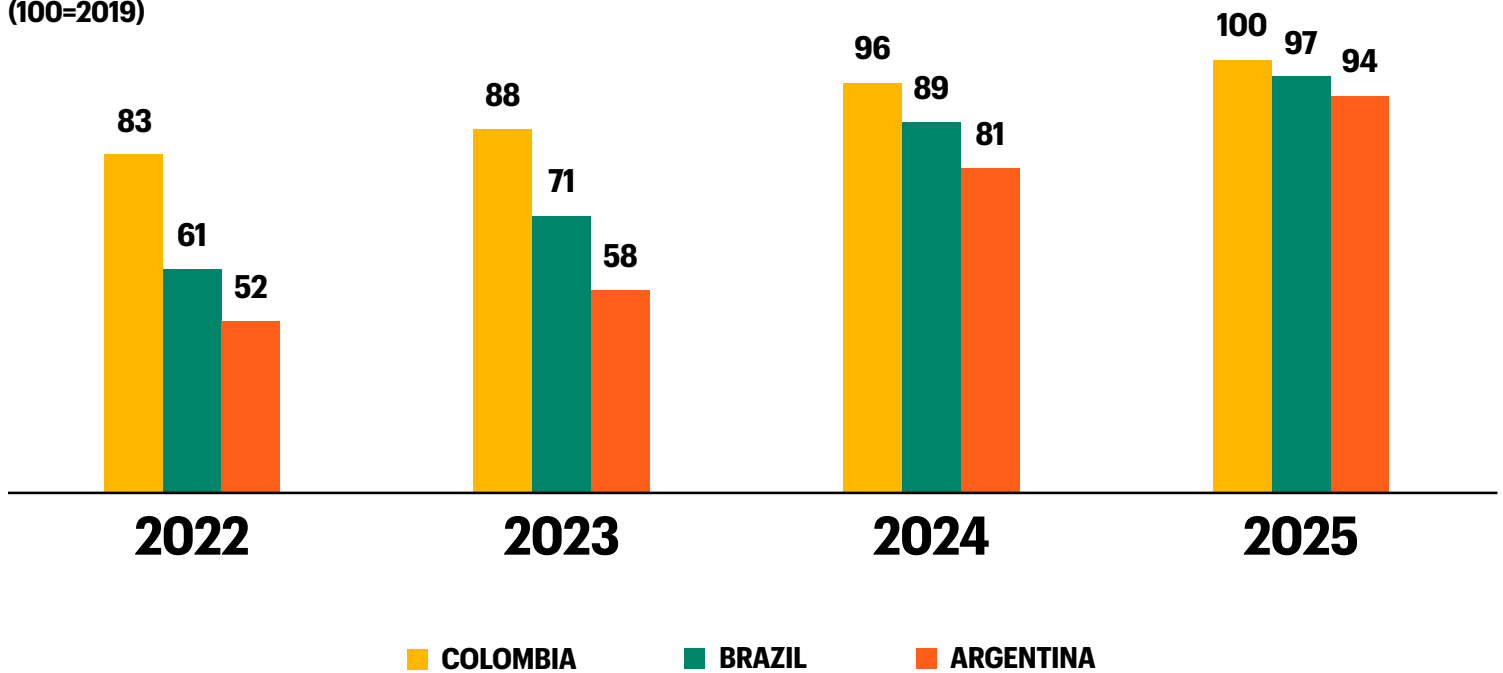
Argentina faces significant obstacles to complete recovery as inflation, devaluation and politics have left the economy in turmoil. Argentina will not meet the 2019 benchmark

in 2024, only achieving 81% recovery in 2024 and 94% recovery in 2025. Brazil is in a similar position, where economic instability coupled with extended wait times for travel visas to the US are projected to hamper international travel from the region. Brazilian visitation is projected at 89% in 2024 and 97% in 2025 of benchmark levels.

Colombia has been one of the stronger markets in the post-pandemic period, achieving notably higher recovery to reach 100% of 2019 benchmark in 2025 in our latest forecast.

RECOVERY INDEX

(100=2019)



Source: New York City Tourism + Conventions/Tourism Economics

South American Economic Outlook

ECONOMIC RISK SCORE

Risk scores are from 1 to 10, with 10 representing the highest risk

COLOMBIA	BRAZIL	ARGENTINA
5.1	5.6	7.0

Oxford sees Argentina as a high-risk market currently experiencing GDP contraction, high inflation and political unpredictability. The future of the country’s economy will need to address the high debt levels, US dollar liquidity and a troubled domestic banking system. Elections are reset for November 2023.

Colombia looks to be at moderate risk of weak economic growth in the face of high inflation. The Colombian Central Bank (BanRep) continues to pursue a high interest rate plan to rein in inflation, putting pressure on

consumer spending. Following a regional election cycle, prices may rise again before year-end.

Brazil, also, is seen as a moderate risk market, supported by strong household consumption and a thriving services sector, but the high interest rate environment is unfavorable for credit. Inflation remains high and is expected to remain high as firms will maintain higher prices in the face of strong wage growth to maintain profit margins.



Source: New York City Tourism + Conventions/Tourism Economics

North American Market Outlook

Travel from Canada and Mexico to NYC has rebounded to 92% and 84% of 2019 levels, respectively, in 2023. Canada had only recovered to 66% of 2019 levels in 2022 owing to fears around the spread of a new Covid variant, but has since surpassed the Mexican market in the subsequent year as quarantine restrictions were relaxed.

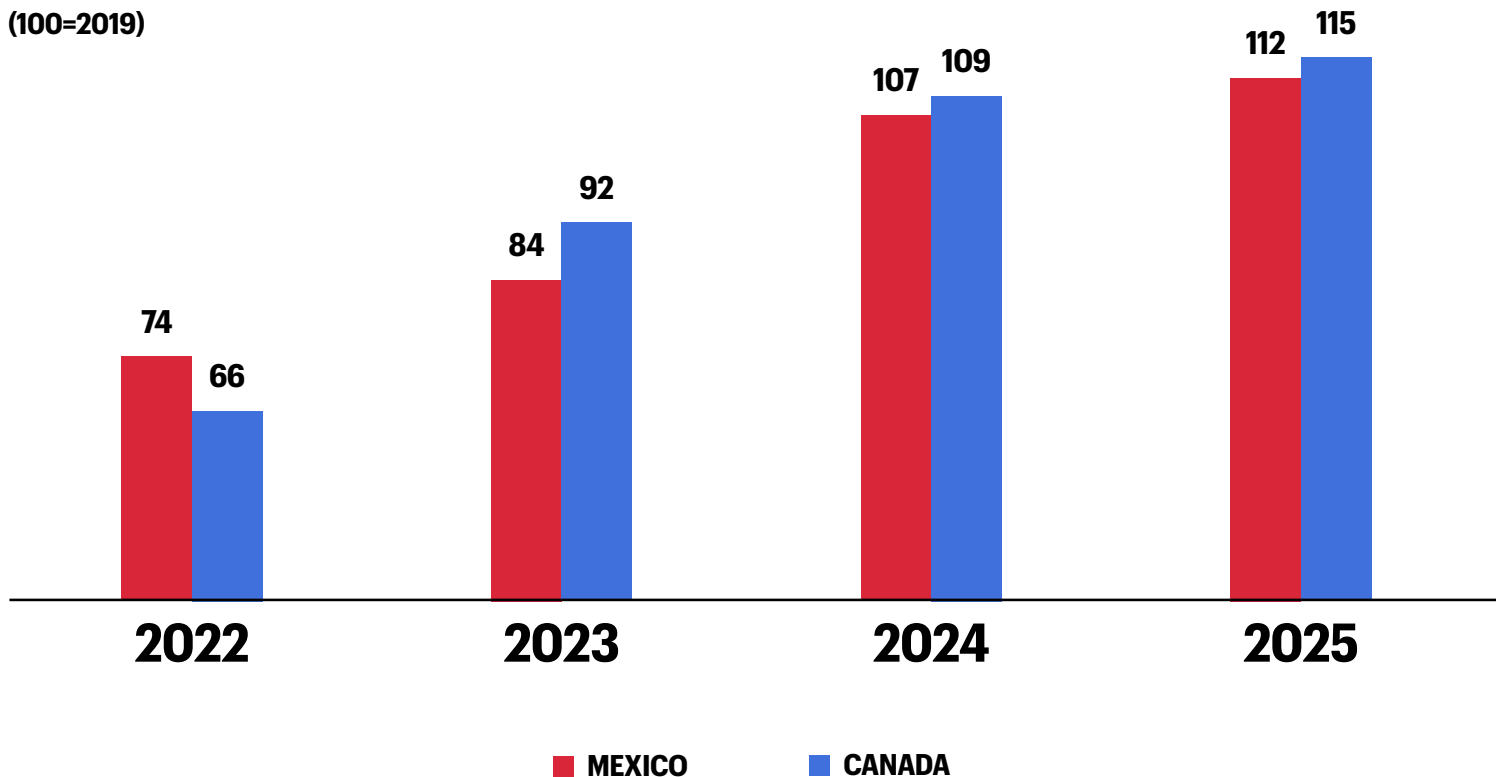
The North American international travel market is expected to surpass the 2019 benchmark in 2024, the earliest of all international markets. Geographic advantage, economic growth and strong labor markets are factors for the future resurgence of cross-border travel, especially by air. However, in the short term,

economic and political global instability have hampered full market recovery in 2023.

Canada is the second largest international market for travel to New York City. The proximity to the major Canadian cities makes New York City the top market for Canadian travel to the US, especially New York. Mexico was the number one international market for NYC in 2021, with the lack of travel restrictions and the presence of visiting friends and relatives. Mexico will continue to be one of the top 10 inbound markets to New York City in the future.

RECOVERY INDEX

(100=2019)



Source: New York City Tourism + Conventions/Tourism Economics

North American Economic Outlook

ECONOMIC RISK SCORE

Risk scores are from 1 to 10, with 10 representing the highest risk

MEXICO	CANADA
5.0	3.1

The Canadian economy is facing some risks, but positive job growth and low unemployment are supporting a relatively stable situation. Consumer spending, especially in US dollars, could pull back as credit, fuel and inflation put pressure on travel spending. The market will taper off until spring 2024 when warmer weather brings travelers back for holidays and vacations. Oxford ranks Canada as a lower risk market due to positive job growth and low unemployment.

Mexico is at higher risk due to GDP growth below expectations, the increase in consumer prices and continued high inflation. Bank of Mexico continues to pursue an inflation reduction plan delaying any cuts to rates. Labor markets remain tight, market inflation expectations are sticky, and financial volatility spiked recently due to geopolitical tensions and uncertainty about the US outlook. The peso-dollar exchange rate is relatively stable and affluent Mexican air travelers have multiple flights to NYC.

Source: New York City Tourism + Conventions/Tourism Economics

RESOURCES & ACKNOWLEDGEMENTS

NEW YORK CITY TOURISM BAROMETER

NYCtourism.com provides members with additional up-to-date market profiles, trends and other key insights. We recommend checking our monthly posting of the New York City Tourism Barometer where we provide information on activities, spending, hotel and flight performance, jobs and other activities.



ACKNOWLEDGEMENTS

This report was prepared for the New York City Tourism + Conventions membership by the Research & Insights team. The analyses incorporate the most recent economic data, travel forecasts and market insights to aid in planning and product development in NYC. All figures, estimates and forecasts are subject to revision as conditions develop and additional or historical data are incorporated into the analysis.

The travel forecasts and benchmark comparisons are produced for NYC Tourism by Tourism Economics, an Oxford Economics company, and were current as of October 25, 2023. Our next forecast will be released at the 2024 Annual Meeting.

Hotel performance tracking and outlook are based on custom reports from STR LLC, a CoStar Group; Kalibri Labs Insights; TravelClick Demand360; and AirDNA. Additional data are from the US Department of Commerce NTTO, Visa Destination Insights, Near and SightLigne.

Our understanding of consumer and traveler sentiment is based upon multiple resources including Future Partners, MMGY, YouGov, Longwoods/Miles Partnership, The Conference Board and other syndicated and proprietary studies.

Economic market insights are derived from the highly reliable reports and webinars produced by Oxford Economics.



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