

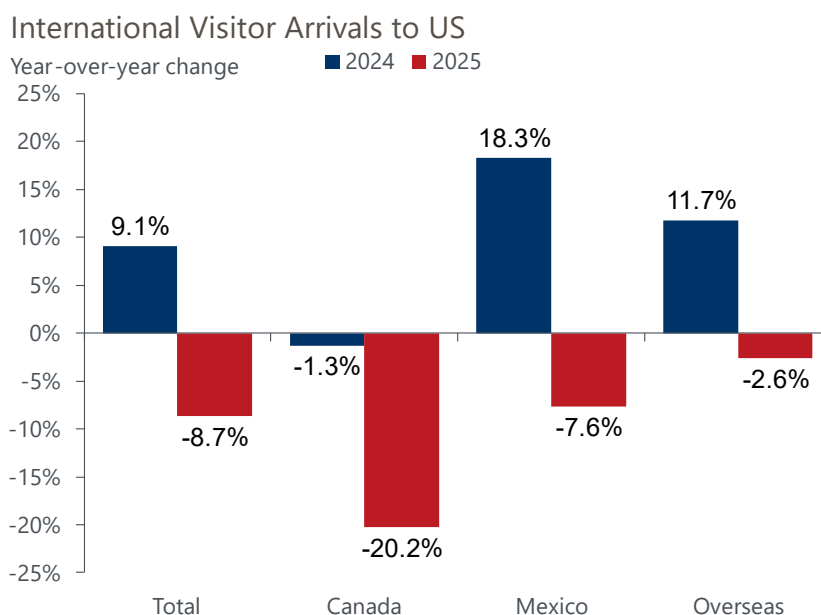
Global Travel Service | US

Outlook for US Inbound Arrivals Remains Negative

- **Travelers make choices: where and when to travel, when to book, and how long to stay and importantly, perceptions of the US matter.** Sentiment-headwinds are negatively impacting inbound travel in our latest inbound forecast update (May 12 [interim update](#)), we maintain our expectations of a 8.7% decline in US international arrivals for the year overall (compared to a 9.4% decline in our prior forecast released March 27).
- **Factors contributing to sentiment-headwinds include Trump administration posturing and policy announcements, such as 'Liberation Day' tariffs across long-standing trade partners, as well as media coverage focusing on border security incidents and national travel advisories.**
- **We continue to expect the largest declines in visitation from Canada (-20.2%) and Western Europe (-5.8%).** We forecast international visitor spending to fall \$8.5 billion (-4.7%) relative to last year (compared to a 5.0% decline in our prior forecast).
- **Recent findings show a pullback in Canadian travel to the US, with a 35.2% April decline among Canadian land visitors returning from trips to the US and a corresponding 19.9% drop in air visitors.**
- **During March and April combined, inbound US visits from overseas origins (international except Canada and Mexico) declined 1.6% compared to last year, with Easter timing tending to suppress arrivals in March (-11.6%) and boosting arrivals in April (8.0%).**
- **Air bookings as of April show continued weakness, as 10.8% fewer flights have been booked to the US for the May to July period than at the same point last year.**

With an 8.7% decline in arrivals, we expect an \$8.5 billion reduction (4.7%) in international visitor spending in 2025 relative to 2024. These declines mark a stark contrast to our prior expectations for a continuation of post-pandemic growth this year. As recently as December 2024, our outlook for 2025 anticipated 8.8% growth in international arrivals and a 16.0% increase in visitor spending.

Chart 1: Outlook for Arrivals to US Remains Weak



Source: Tourism Economics/National Travel and Tourism Office

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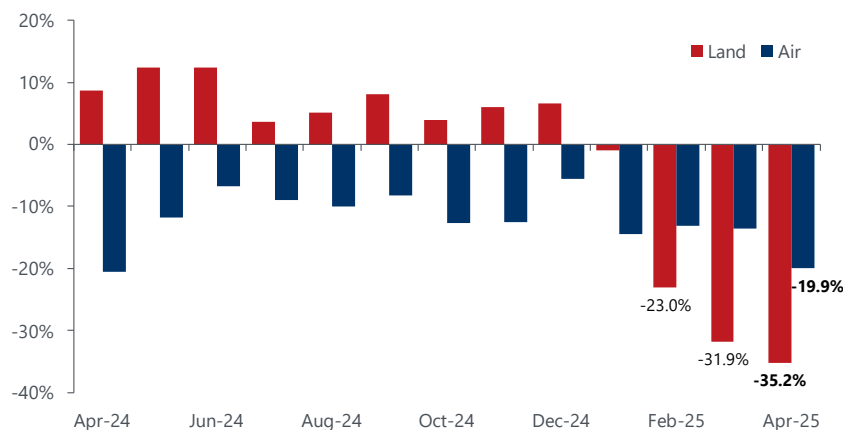
April Results Show Canada Decline Continues

The sharpest declines are evident in land travel by Canadian residents. The number of travelers returning to Canada from the US during April fell by more than one-third (35.2%). This measure of returning travelers serves as a good proxy for visitor arrivals to the US, pending the release of US arrivals data. Land visitor trips pulled back more severely than air trips because they tend to be shorter, with less planning lead time, and may be more easily substituted by a domestic trip or other leisure activity.

Chart 2: Canadians Are Avoiding Travel to the US

Canadian-Resident US Return Trips

Year-over-year change



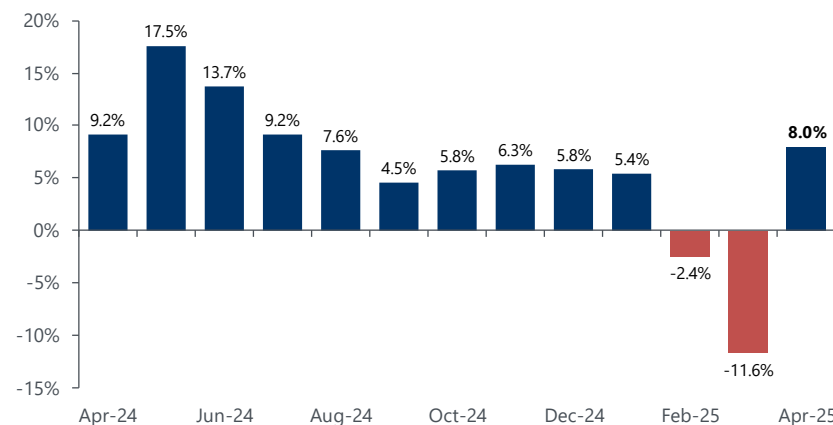
Source: Tourism Economics/Statistics Canada

The significant decline in March, followed by a gain in April (Chart 3), partly corresponds to the timing of Easter, which occurred in April of 2025, but in March of 2024. Combining March and April helps normalize the results, and on that basis, as shown in Chart 4, arrivals were down 1.6% compared to the prior year.

Chart 3: Overseas Arrivals in April Boosted by Easter Timing

Overseas Visitor Arrivals to the US

Year-over-year change



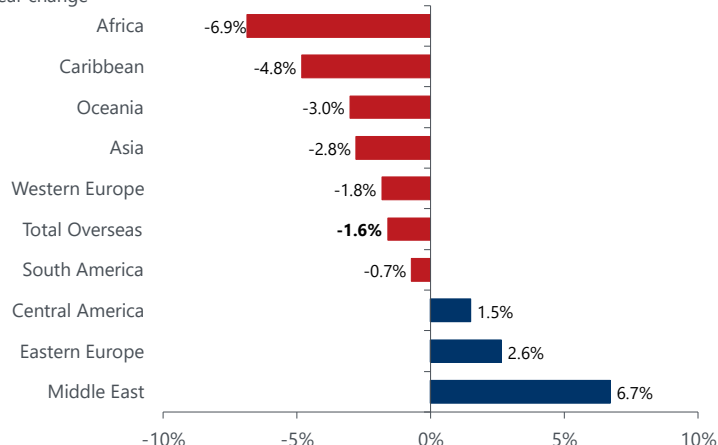
Source: Tourism Economics/National Travel and Tourism Office

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Chart 4: Arrivals During March and April Combined Declined

Overseas Visitor Arrivals to the US by Global Region (March + April 2025)

Year-over-year change



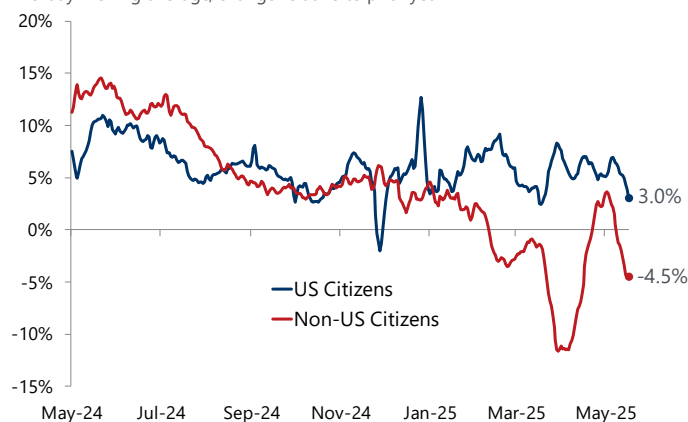
Source: Tourism Economics/National Travel and Tourism Office

The latest data on international inbound passengers shows that after a brief Easter holiday timing boost, declines relative to last year have resumed. During the most recent four-week period (April 20 to May 17), which includes some Easter holiday lift, the number of non-US citizen inbound passengers clearing passport control declined 4.5% relative to last year.

Chart 5: Inbound Passenger Volumes Show Recent Decline

Inbound Screened Air Passengers

28-day moving average, change relative to prior year



Source: Tourism Economics/Customs and Border Protection

Inbound Air Bookings Pace is Behind Last Year

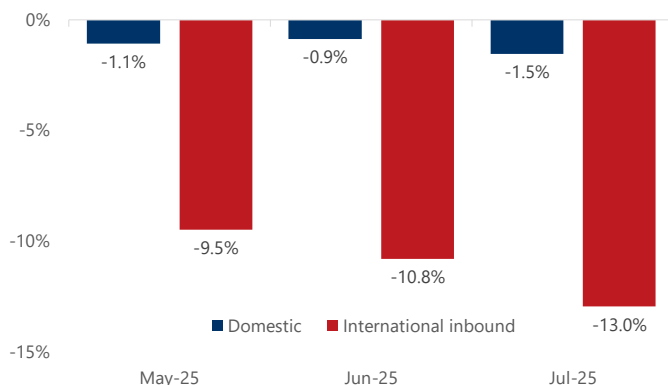
Leading indicators point to sentiment headwinds as we approach the key summer travel season. As of April, 10.8% fewer flights have been booked to the US over the next three months (May to July) versus this time last year, signalling a weak outlook for inbound international travel. Delayed bookings may account for a share of this gap - as some travelers may still plan to visit - but a portion is likely due to travelers selecting a non-US destination instead or putting off the trip. Overseas travelers typically book air travel well ahead, with almost half of surveyed travelers booking at least 60 days before their trip (48%), so it can take time for travel patterns to adjust.

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Chart 6: Fewer Travelers Have Booked Flights

Air Bookings to and within the US

Bookings for future months, as of April 2025, relative to same time last year



Source: OAG

Weakness is especially evident in air bookings sold in Canada, with bookings for flights during the May to July period one-third behind last year (33.0%). Bookings by European travelers are 10.4% behind last year.

Negative Sentiment and Strong Dollar

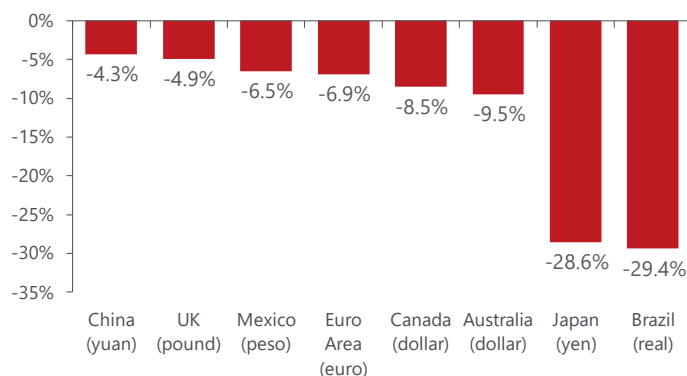
Overall, the strained relationship between the US and its key trading allies and tourism source markets will continue to weigh heavily on travel demand. These negative sentiment effects referenced in our prior research ([prior forecast update](#)), explain our view that Trump administration rhetoric and policies have contributed to a mix of traveler backlash and concerns about traveling to the US. In a recent survey, 60% of Canadians said US policies, trade practices and political statements make them less likely to travel to the US in the next 12 months (survey fielded April 10-11, Longwoods International [article](#)).

Even as the US dollar has weakened since early April, it remains quite strong. We estimate the US will be 25.7% more expensive for visitors on a tourism-weighted exchange rate basis in 2025 than its historical average (2010 to 2024, weighted by origin country share of arrivals). There has been a greater shift for some origins than others. For example, travelers from Japan and Brazil can purchase about 29% fewer US dollars per local currency than at the end of 2019. While costs are only one factor considered by travelers, this poses a headwind to inbound travel and a tailwind for outbound travel.

Chart 7: Strong Dollar Still a Headwind

Exchange Rate Change Versus 2019

Change in spot rate, May 19, 2025 relative to end of 2019
(USD/local currency)



Source: Oxford Economics/Haver Analytics