

Research Briefing | US

March Arrivals Drop on Sentiment Impacts

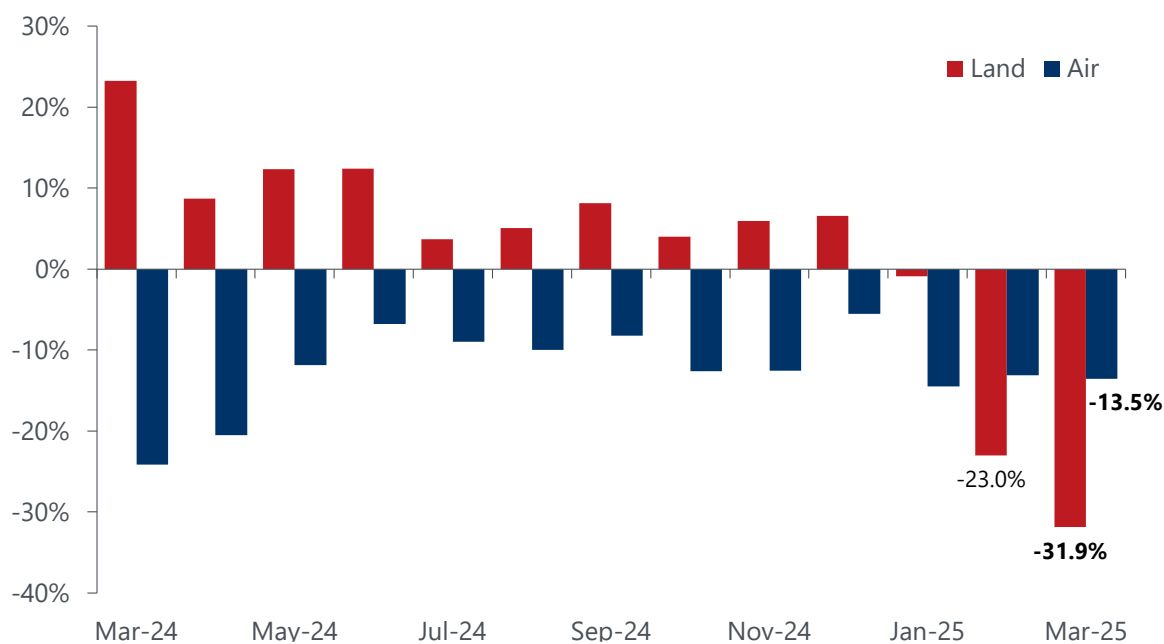
- Official data releases for March 2025 show international travel to the US in decline. The drops are attributable to the global fallout from the intensified “America First” stance, although later Easter timing also contributed. The March data reflect foreign visitor patterns prior to the April 2 “Liberation Day” tariff announcement, which may draw further backlash.
- Canadians returning from visits to the US by land plunged 31.9% year-over-year in March, while air arrivals to the US fell 13.5%. Overseas visitor arrivals to the US in March contracted 11.6%, with particularly sharp declines from Germany and the UK. Air visitors from Mexico fell 23.0%.
- Policies and pronouncements from the Trump administration have contributed to a growing wave of negative sentiment toward the US among potential international travelers. Heightened border security measures and visible immigration enforcement actions are amplifying concerns. These factors, combined with a strong US dollar, are creating additional barriers for those considering travel to the US.

In March, Canadians returning from visits to the US by land plunged 31.9% year-over-year, following a 23.0% contraction in February according to Statistics Canada (Chart 1). Official US results on Canadian arrivals are not yet available from the National Travel and Tourism Office (NTTO), but the Statistics Canada measure provides a reliable indicator. Air visitors from Canada declined as well, falling 13.5% in March. Year-to-date, land and air visitors from Canada have contracted 20.0% and 13.7%, respectively.

Chart 1: Canadians returning from trips to the US plunged in March

Canadian-resident US return trips (leading indicator)

Year-over-year change

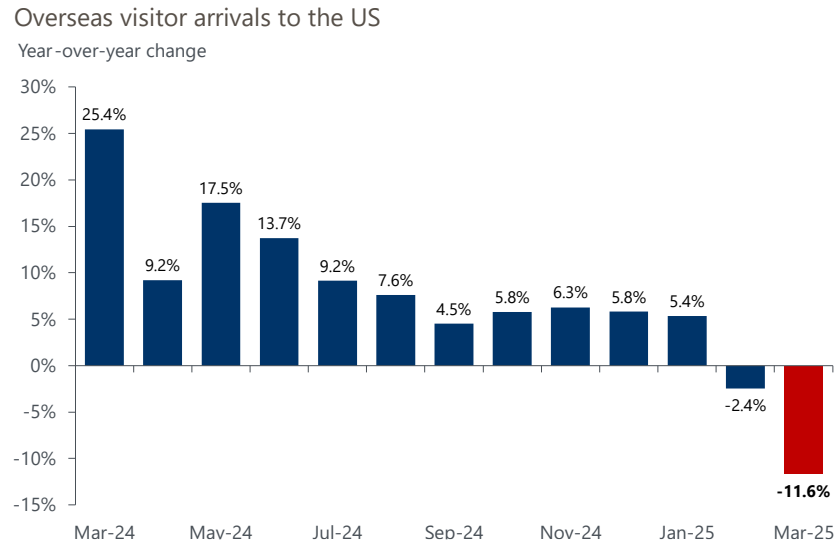


Source: Statistics Canada

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Overseas arrivals to the US dropped 11.6% in March (Chart 2) based on NTTO data, representing the first meaningful decline in overseas arrivals since the pandemic. The timing of Easter, which occurred on March 31 last year but not until April 20 this year, contributed to the weakness. However, the decline in March follows softness in February, which showed a 2.4% decline. Average daily arrivals in February increased 1.0% compared to the prior year when controlling for leap year effects, compared to a 5.4% increase in January.

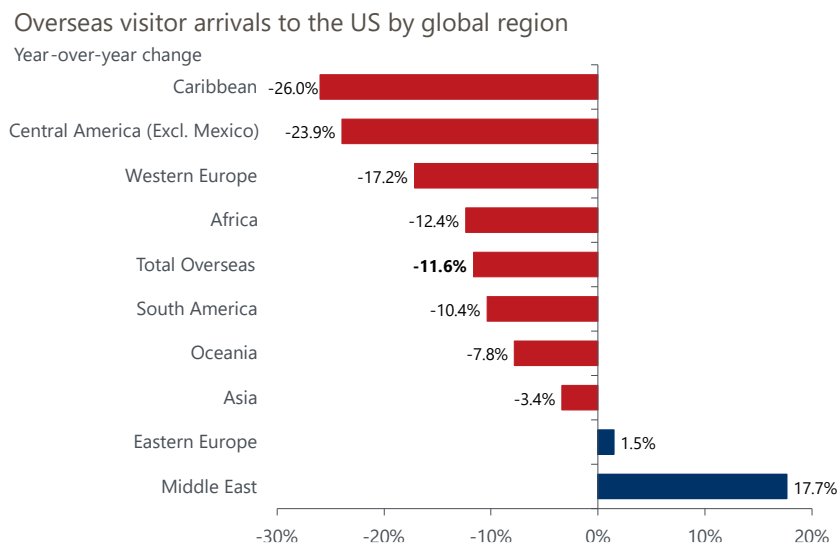
Chart 2: Overseas arrivals to the US dropped in March



Source: National Travel and Tourism Office

Visits from Western Europe dropped 17.2% in March, with Germany and the UK – which issued updated travel advisories to the US in March – falling 28.2% and 14.3%, respectively (Chart 3). Combined, these two countries were responsible for about half (51%) of the 315,000 person drop in overseas visits. Shorter distance regional markets contracted the most year-over-year, led by the Caribbean (-26.0%) and Central America (-23.9%).

Chart 3: Overseas arrivals dropped across most regions

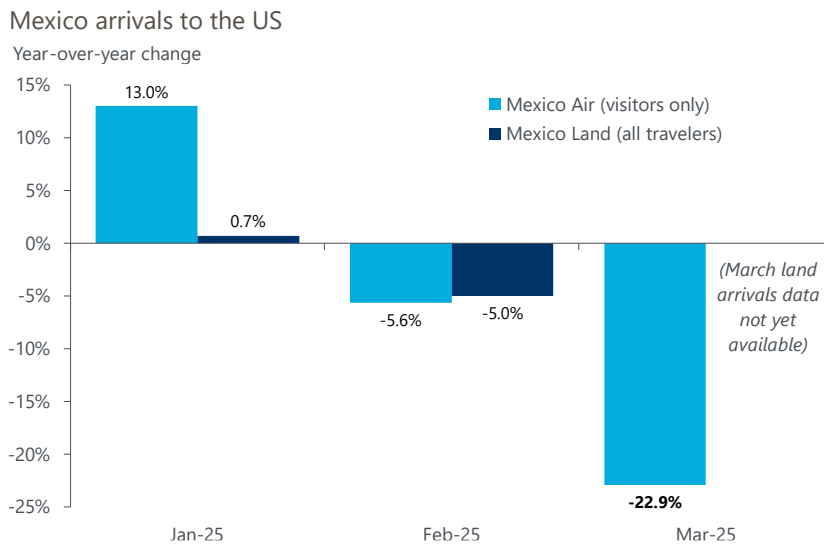


Source: National Travel and Tourism Office

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Mexico residents traveling by air to the US, who account for 20% of all Mexican visitors, fell 22.9% in March (Chart 4). March land visitor arrivals data from Mexico is yet to be published by NTTO or Customs and Border Patrol.

Chart 4: Falling air arrivals from Mexico



Source: National Travel and Tourism Office

What's behind the March declines?

The contractions observed in March represent early ramifications of a potent mix of negative sentiment, which has developed abroad in response to polarizing rhetoric and policy actions by the Trump administration, as well as concerns around tighter border and immigration policies. The strong US dollar has added to the situation, making the US a relatively more costly destination. We have written further about these factors in our [recent research](#).

The timing of Easter, which occurred on March 31 last year but not until April 20 this year, contributed to the weakness, as some leisure arrivals are expected to shift into April this year. We estimate March overseas arrivals were about five to seven percent weaker than typically would be expected given the Easter holiday timing. This would still put March roughly 15 percent below the level that would be consistent with our baseline December outlook for 10.5% average overseas growth in 2025 – indicating Easter's timing was only partially to blame for the shortfall.

Inbound arrivals are likely to deteriorate further

March may be just the beginning. Despite a 90-day pause, President Trump's April 2 announcement of "Liberation Day" reciprocal tariffs likely further damages sentiment, as it signaled a more aggressive trajectory for trade policy and international relations than previously anticipated. In our Global Travel Service forecasts released March 27, we anticipated a 9.4% decline in international visitor arrivals this year, and there are risks the decline in arrivals will be greater than expected.