

TRAVEL TRENDS INDEX

The Travel Trends Index measures the direction and pace of travel volume to and within the U.S. on a monthly basis. The index includes a Current Travel Index (CTI) and a Leading Travel Index (LTI). Both the CTI and the LTI include subcomponents (domestic, international, leisure and business).

CTI reading of 50.7 in April 2017 shows that travel to and within the U.S. grew by 1.4% from April 2016 to April 2017. LTI predicts positive travel growth through October of 2017, spurred by solid domestic travel demand.

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew, but at a slower year-over-year rate in April 2017 than in March 2017. Domestic travel grew once again in April, supported by healthy leisure travel demand. Meanwhile, international inbound travel experienced its 12th straight month of positive year-over-year growth.

HIGHLIGHTS:

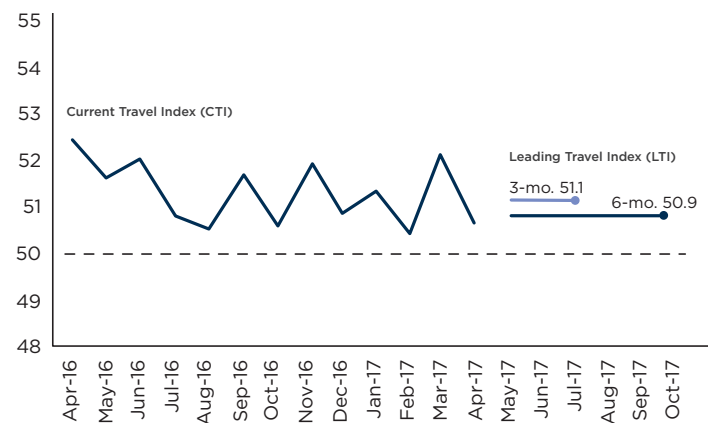
* For CTI and LTI definitions, please see below.

- International inbound travel continues to expand, registering 52.0 in April. However, the Leading Travel Index (LTI) continues to project a weakened outlook for inbound travel, which will trail the domestic market through October 2017.
- The 6-month LTI reading of 50.9 indicates that total U.S. travel volume is expected to grow at a rate of around 1.8% through October 2017. Domestic travel is expected to grow by about 2%, while international travel may decline slightly.
- The Current Travel Index (CTI) has registered at or above the 50 mark for 88 straight months, as the industry settles into its eighth year of expansion.
- The CTI declined in April (though it still remained positive), with a reading of 50.7, lower than the 6-month moving average of 51.3.
- Domestic leisure travel grew in April at a slightly faster rate than the 6-month moving average. Domestic business travel declined in April, due in part to the timing of Easter this year.

April Travel Trends Index

Current Travel Index and Leading Travel Index

Index (>50=expansion, <50=decline)



Source: Oxford Economics, U.S. Travel Association

This month's TTI—the first to reflect international traveler sentiment after January's presidential order on travel and immigration, due to search/booking lag times—showed that international travel to the United States is still growing, despite a strong dollar and heated political rhetoric. April's data is encouraging, because it indicates that international visitors are still drawn to all the U.S. has to offer business and leisure travelers.

– David Huether
Senior Vice President, Research

	CTI	3-month LTI*	6-month LTI**
March Index	51.8	51.4	50.9
April Index	50.7	51.1	50.9
Direction and Speed	Travel demand increased; at a slower rate than the previous month	Travel is expected to grow over the coming 3 months; at a faster rate	Travel is expected to grow over the coming 6 months; at a slightly faster rate

* Average outlook reading for May 2017 to Jul 2017

** Average outlook reading for May 2017 to Aug 2017

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► DETAILED RESULTS

Leisure travel led the domestic market once again in April, as the domestic business CTI declined. However, this decline in business travel should be interpreted with caution: business travel was stronger in March than in April in 2017, since the Easter holiday fell in April this year, and stronger in April than in March in 2016, because Easter 2016 fell in March. This is what drove a particularly strong CTI reading (based on year-over-year growth) in March 2017 and a negative reading in April 2017.

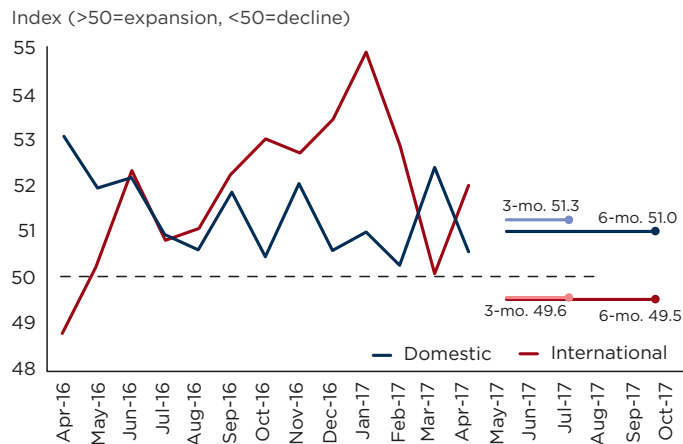
Overall, an uptick in vacation intentions and positive growth in forward-looking bookings, as well as a stronger outlook on business activity, bodes well for the domestic travel market in coming months. Domestic travel will likely grow by an average of 2% year-over-year through October of 2017.

Travel Trends Index Summary

	Current Travel Index (CTI)				Leading Travel Index (LTI)		6-month LTI vs. CTI 6-month avg	
	6-month avg	February	March	April	3-month*	6-month**	Direction	Speed
Total Market	51.3	50.4	52.2	50.7	51.1	50.9	Increasing ▲	Slower
International	52.7	52.9	50.1	52.0	49.6	49.5	Decreasing ▼	--
Domestic	51.1	50.2	52.4	50.6	51.3	51.0	Increasing ▲	Slower
Business	50.2	49.3	53.3	48.0	51.3	51.3	Increasing ▲	Faster
Leisure	51.5	50.6	52.0	51.6	51.2	51.0	Increasing ▲	Slower

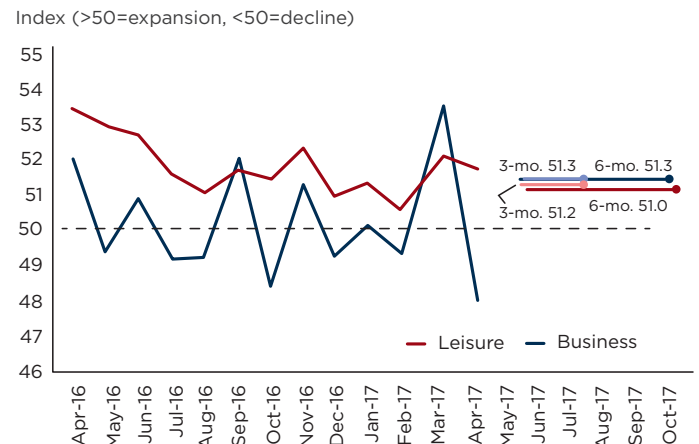
* Average outlook reading for May 2017 to Jul 2017
 ** Average outlook reading for May 2017 to Oct 2017

April Domestic and International Travel Index



Source: Oxford Economics, U.S. Travel Association

April Domestic Business and Leisure Travel Index



Source: Oxford Economics, U.S. Travel Association

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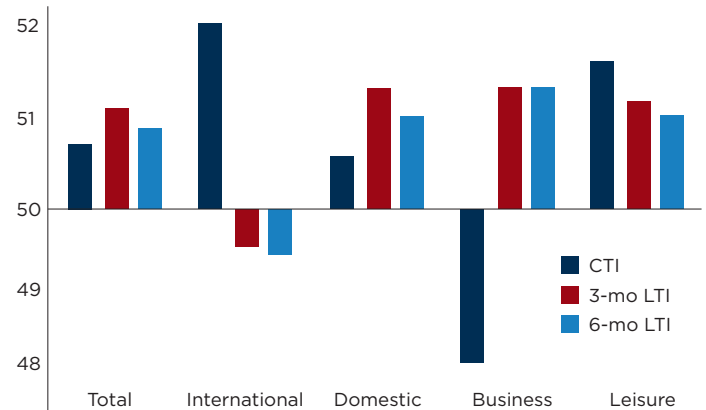
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International inbound travel to the United States increased again in April 2017, though at a slower pace than the six-month moving average. While April's increase may be partially attributable to holiday travel, this is a trend that requires close attention. Looking ahead, a variety of factors, including the strength of the U.S. dollar, a fragile global economy and a turbulent political environment are expected to negatively impact international inbound travel. However, despite a slight projected decline in international inbound travel, total U.S. travel volume is expected to grow by an average of 1.8% year-over-year through October of 2017.

April CTI, 3-month and 6-month LTI

>50=expansion, <50=decline



Source: Oxford Economics, U.S. Travel Association

► METHODOLOGY

The Current Travel Index (CTI) measures monthly travel volume in the U.S., including both domestic and international inbound travel. A score over 50 indicates an expansion in travel relative to the same month the prior year.

The index measures person trips that involved a hotel stay and/or a flight. STR provides monthly data on hotel room demand and A4A provides monthly data on passenger enplanements. TNS provides representative data on U.S. travelers to determine the average length of stay, persons per traveler party and the proportion of hotel guests who also fly. On these bases, the CTI encompasses three traveler types that are shown below with their basic calculation.

Hotel Guests & Flyers

$$\frac{\text{enplanements}}{\text{enplanements per trip}} \times \% \text{ of flyers that stay in hotel}$$

Hotel Guests & Non-Flyers

$$\frac{\text{occupied rooms} \times \text{people per room}}{\text{length of stay}} \times \% \text{ of hotel guests that did not fly}$$

Non-Hotel Guests & Flyers

$$\frac{\text{enplanements}}{\text{enplanements per trip}} \times (1 - \% \text{ of flyers that stay in hotel})$$

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The international component of the CTI is based on monthly data from the U.S. Department of Commerce I-94 and I-92 programs, as well as Statistics Canada. The I-94 dataset is the basis of official overseas inbound travel estimates for the United States. The I-92 program is called the Advanced Passenger Information System (APIS), and tracks international travel to the U.S. with distinctions between inbound travel by foreign nationals and U.S. citizens. APIS is generally more timely than I-94, allowing for estimates of air arrivals with only a one-month lag. Domestic travel is measured as the residual of total travel minus international.

The domestic leisure travel component of the CTI is based on STR room demand data that is segmented by type of property and day of the week. A domestic leisure travel proxy has been developed based on the location, type of property and day of the week of travel. Domestic business travel is measured as the residual of domestic travel minus domestic leisure.

The Leading Travel Index (LTI) measures the likely average pace and direction of U.S. travel volume over the coming three and six month periods. A score over 50 indicates an expansion in travel relative to the same period last year.

The LTI econometric model includes three categories of information that have shown to be strongly capable of predicting short-term travel trends. High frequency macroeconomic data capture underlying movements in the labor market, exchange rates and company performance. Consumer sentiment data from the Conference Board provide a long-term trend of consumer attitudes that can be tracked with future travel patterns. Online search and bookings data provide a window into traveler planning based on data from ADARA and nSight, while data from the Airlines Reporting Corporation (ARC) measures bookings.

Travel Trends Index Data Category	Measurement	Travel Segments	Details
Macroeconomic Trends	Unemployment Rate	Total, International, Domestic (Leisure)	Share of labor force
	Exchange Rates	Total, International	\$U.S. market rates, weighted average of inbound markets
	GDP by Visitor Origin	Total, International, Domestic (Business and Leisure)	Gross output, U.S. and weighted average of inbound markets
	Corporate Profits	Total, International, Domestic (Business)	Corporate earnings, U.S. and weighted average of inbound markets
	Personal disposable income	Total, International	Personal income, weighted average of inbound markets
Consumer and Business Sentiment	Consumer Travel Intentions	Total, Domestic (Leisure)	Visitor intentions and air visitor intentions
	S&P stock market index	Total, Domestic (Business)	Stock market index, period average
Travel Search and Booking	ADARA online searches and bookings for future travel	Total, International, Domestic (Business and Leisure)	Domestic / International and Business / Leisure
	ARC bookings for future travel	Total, Domestic	Air travel with 6-month booking windows
	nSight online searches and bookings for future hotel stays	Total, Domestic, International	Domestic / International forward bookings

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About the U.S. Travel Association

The U.S. Travel Association is the national non-profit organization representing all components of the travel industry, which generates \$2.1 trillion in U.S. economic output and supports 15.1 million jobs. U.S. Travel's mission is to increase travel to and within the United States.

About Oxford Economics

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Its best-of-class global economic and industry models and analytical tools give it an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Data Contributors

The U.S. Travel Index project is dependent upon unique datasets to track and predict travel trends. The U.S. Travel Association and Oxford Economics wish to thank the following organizations for their significant contributions:

ADARA is the leader in leveraging global transactional, non-personally identifiable, travel data from direct relationships with over 90+ travel brands and identifying trends that can help companies impact future business decisions. ADARA contributes historical and future, search and booking data to provide travel demand used in the compilation of the Leading Travel Index.

Airlines for America (A4A) advocates on behalf of its members to shape crucial policies and measures that promote safety, security and a healthy U.S. airline industry. We work collaboratively with airlines, labor, Congress and the Administration and other groups to improve air travel for everyone.

Airlines Reporting Corporation (ARC) is a leading technology solutions company providing the U.S.-based travel industry with world-class business products, travel agency accreditation services, process and financial management tools, and powerful data analytics.

nSight combines the world's largest view of consumer shopping data with predictive marketing and revenue management solutions to deliver more guests to your hotel and visitors to your destination.

STR is the leading global provider of competitive benchmarking, information services and research to the hotel industry.

Travel Trends Index	55	54	53	52	51	50	49	48	47	46	45
12-month % change in trips	+10.0%	+8.0%	+6.0%	+4.0%	+2.0%	+0.0%	-2.0%	-4.0%	-6.0%	-8.0%	-10.0%

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