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BEA REPORTS SALES OF U.S. TOURISM INDUSTRIES GREW 3.5 PERCENT IN 2003

Tourism Sales Up 2.2 Percent in Fourth Quarter 2003

Total U.S. tourism industry sales grew at an annual rate of 3.5 percent in 2003, the first year of positive growth since 2000, according to preliminary data released by the U.S. Bureau of Economic Analysis. Total tourism sales grew in all four quarters of 2003, led by a third quarter increase of 17.7 percent. Sales in the fourth quarter of 2003 totaled \$740.6 billion, which approached the peak level of \$746.7 billion in the fourth quarter of 2000. Total sales increased 2.2 percent in the fourth quarter of 2003. In comparison, current dollar GDP grew 4.8 percent in 2003, 10.0 and 5.3 percent respectively in the third and fourth quarters of 2003.

Two of the largest tourism industries, 'air transportation' and 'eating and drinking places', led the growth in tourism sales in 2003:

- Direct tourism-related 'air transportation' sales increased \$2.7 billion in 2003, following marked declines of \$15.7 billion and \$9.8 billion in 2001 and 2002, respectively.
- Direct tourism-related sales of 'eating and drinking places' recorded steady growth for a third straight year, increasing \$4.4 billion in 2003, after growing \$2.1 billion and \$3.0 billion in 2001 and 2002, respectively.
- Taken together, the \$2.7 billion growth in 'air transportation' sales and the \$4.4 billion increase in 'eating and drinking' places sales account for 56.9 percent of the increase in total direct tourism-related sales, which grew from \$374.7 billion to \$387.3 billion.
- Sales of the third major tourism industry, 'hotels and lodging' places, were virtually flat for a second year in a row, decreasing \$0.1 billion in 2003 after increasing only \$0.5 billion in 2002.

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Fourth quarter 2003 results were mixed.

- Direct tourism-related sales of ‘eating and drinking places’ grew 13.9 percent to \$69.1 billion in the fourth quarter of 2003; direct sales of ‘automotive rental and leasing’ grew 11.3 percent to \$25.5 billion in the fourth quarter of 2003.
- Direct tourism-related sales of the two largest tourism industries, ‘hotels and lodging places’ and ‘air transportation’, declined in the fourth quarter of 2003. Sales of ‘hotels and lodging places’ declined 2.8 percent to \$107.4 billion, and sales of ‘air transportation’ declined 4.5 percent to \$98.4 billion.
- Direct tourism-related sales of all tourism industries grew \$2.0 billion to \$397.0 billion in the fourth quarter of 2003. Direct tourism sales are sales by tourism industries to out-of-town visitors such as sales by airlines and restaurants to leisure and business travelers.
- Indirect tourism-related sales of all tourism industries grew \$2.1 billion to \$343.6 billion in the fourth quarter of 2003. Indirect tourism sales are sales to tourism industries by the chain of industries that supply them, such as fuel to airlines and oil to the fuel refineries that supply airlines.

These are the first quarterly tourism estimates that reflect the results of the 2003 Comprehensive Revision of the National Income and Product Accounts. The revision had its most significant impact on the estimates of sales for hotel and lodging places, where the levels of sales were lowered in all periods. Because hotels and lodging places are a major component of total tourism activity, this in turn resulted in lower levels of total tourism sales in all periods as well. (See table 4)

Tourism industries are those identified in the BEA Travel and Tourism Satellite Accounts (TTSA) as industries whose primary products are typically purchased by out-of-town visitors. Visitors are people whose travel for pleasure or business takes them 50 miles or more away from home, or outside of their usual environment. The definitions, framework, and estimating methods used for the U.S. TTSA's follow, as closely as practicable, the guidelines for similar accounts that were developed by the World Tourism Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD).

BEA's estimates of U.S. tourism industry sales include figures for both direct and indirect sales. Direct tourism sales are sales by tourism industries to out-of-town visitors. Indirect tourism sales are sales to tourism industries by the chain of industries that supply them. Indirect sales were estimated using industry-by-industry total requirements coefficients from BEA's input-output accounts.

Further information on BEA's TTSA and analyses of previous quarters are available on BEA's Web site. Go to <www.bea.gov> and click on "Travel and Tourism" below the "Industry" heading. With the support of the U.S. Department of Commerce's International Trade Administration, BEA's first TTSA's were published in the July 1998 *Survey of Current Business*. In late 2001, BEA began producing prototype quarterly estimates of tourism industry sales. With the International Trade Administration's continued support, BEA is now publishing these estimates on a regular basis, approximately two weeks following the release of BEA's preliminary estimates of GDP.

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BEA's major national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site:

<www.bea.gov>

Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

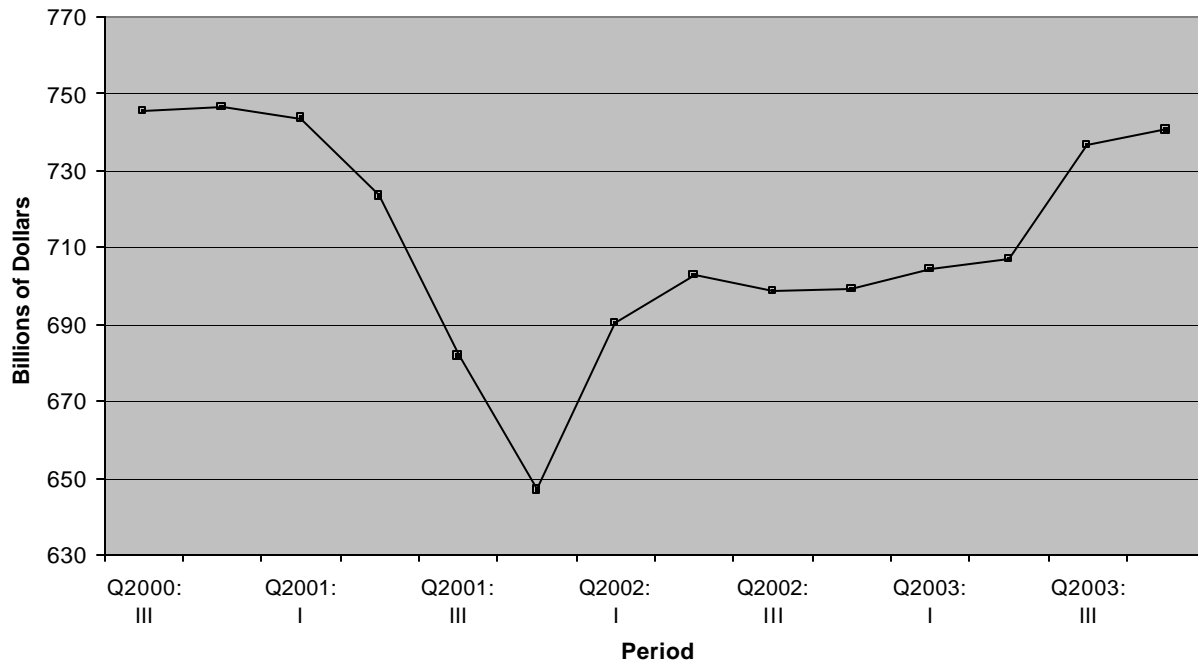
(202) 606-5306 Gross domestic product
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606-5362 U.S. international transactions

Most of BEA's estimates and analyses appear in the *Survey of Current Business*, BEA's monthly journal. Subscriptions and single copies of the printed *Survey* are for sale by the Superintendent of Documents, U.S. Government Printing Office. Internet: <bookstore.gpo.gov>; phone: 202-512-1800; fax: 202-512-2250; mail: Stop SSOP, Washington, DC 20402-0001.

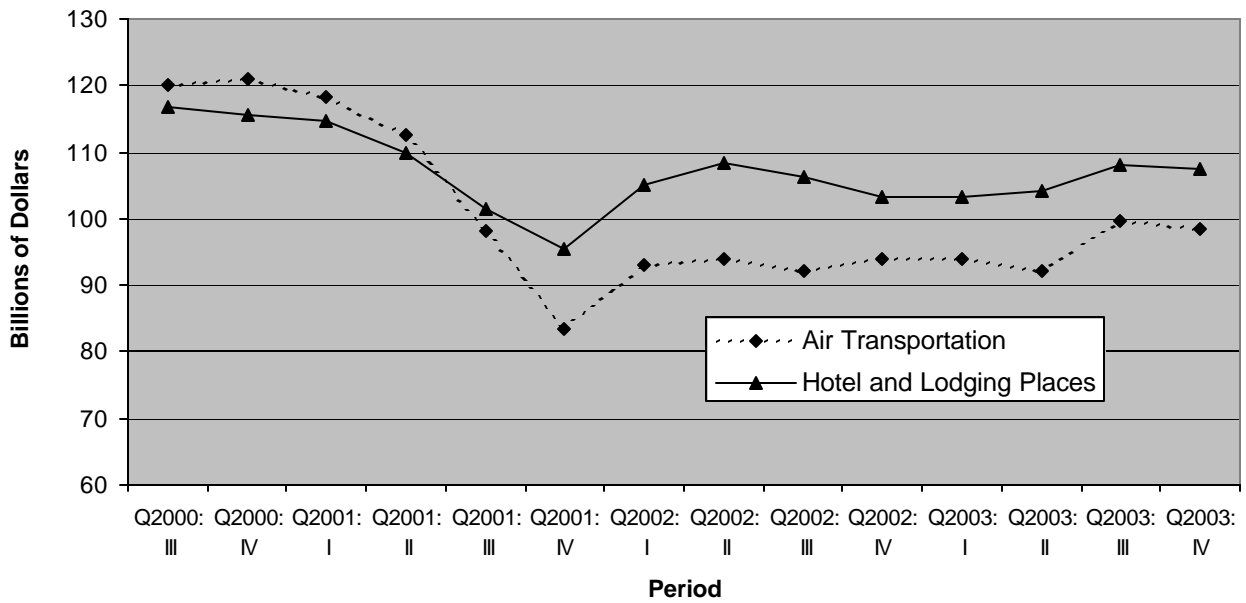
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Next release – Sales of U.S. Tourism Industries for First Quarter 2004 will be released on June 10, 2004 at 8:30 A.M. EDT.

Total Tourism-Related Sales of Tourism Industries, Q2000:III - Q2003:IV



Direct Sales of Air Transportation and Hotels and Lodging Places, Q2000:III - Q2003:IV



Source: U.S. Bureau of Economic Analysis

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Table 1. -- Direct Tourism -related Sales of Tourism Industries:
Percent Change from Preceding Period

Tourism Industry	Seasonally adjusted at annual rates															
	Y2001	Y2002	Y2003	Q2000:IV	Q2001:I	Q2001:II	Q2001:III	Q2001:IV	Q2002:I	Q2002:II	Q2002:III	Q2002:IV	Q2003:I	Q2003:II	Q2003:III	Q2003:IV
Hotels and lodging places	-8.4	0.5	-0.1	-4.5	-3.1	-16.0	-26.9	-21.7	47.6	12.6	-7.2	-10.9	-0.8	3.5	16.9	-2.8
Eating and drinking places	3.8	5.1	7.2	1.1	10.6	-1.0	3.1	4.2	11.9	2.8	2.3	4.8	7.8	10.1	9.0	13.9
Railroads and related services	7.9	2.5	1.7	-2.9	3.8	-2.2	16.6	33.7	-2.0	-10.3	-16.7	2.2	5.9	0.0	19.7	12.0
Local and bus passenger transit	-5.5	0.8	2.5	-8.6	-6.5	-7.0	0.8	-6.3	8.4	1.5	0.0	0.5	-2.4	8.1	9.4	4.8
Taxicabs	2.8	3.3	8.9	2.2	4.1	2.5	5.2	2.9	2.7	4.9	2.2	2.3	4.0	26.6	15.1	4.0
Air transportation	-13.2	-9.5	2.9	3.0	-8.4	-18.0	-42.6	-47.4	54.2	4.2	-7.0	7.0	0.7	-8.2	36.8	-4.5
Water transportation	-4.3	1.3	3.6	-6.0	-7.2	-3.8	-5.4	0.8	3.2	3.6	3.2	2.9	4.7	3.9	2.5	2.4
Automotive rental and leasing	1.6	9.0	4.1	5.5	1.9	-8.4	-5.7	11.2	22.6	11.7	9.7	-7.3	0.9	5.2	14.8	11.3
Travel agency services	-7.0	1.4	4.3	-11.2	-11.3	-8.1	3.3	-3.7	6.0	5.9	-2.9	1.3	2.0	13.2	8.2	3.1
Amusement and recreation services	5.3	5.7	4.8	0.8	5.6	3.3	3.0	5.0	9.3	5.1	7.2	1.2	4.7	5.7	6.8	4.2
Membership sports and recreation clubs	5.0	12.0	2.4	6.9	0.4	7.1	9.2	9.4	18.3	11.8	10.4	9.9	3.7	-1.5	-12.3	-5.1
Motion pictures and other entertainment	7.6	6.5	6.9	6.2	16.9	-2.4	5.0	15.3	6.1	8.7	-10.6	27.3	-10.8	21.6	11.3	13.3
Professional sports clubs and promoters	8.1	9.4	6.2	-0.1	14.3	18.7	-22.8	46.3	-1.7	14.2	14.5	4.4	4.6	3.8	4.5	5.3
Gasoline service stations	-1.5	-4.2	15.8	12.5	-3.0	8.9	-25.4	-37.3	-4.4	46.8	3.8	20.2	77.7	-38.3	27.6	0.9
Retail excluding restaurants and gas stations	3.9	4.1	4.5	5.2	0.1	2.8	5.7	4.4	5.6	3.4	1.1	4.3	5.7	2.2	10.2	4.3
<i>All tourism industries</i>	-5.2	-0.1	3.4	0.4	-1.7	-10.5	-21.0	-18.8	29.9	7.2	-2.5	0.2	2.5	1.8	17.6	2.0

Source: U.S. Bureau of Economic Analysis

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Table 2. -- Direct Tourism -related Sales of Tourism Industries
[Billions of dollars]

Tourism Industry					Seasonally adjusted at annual rates													
	Y2000	Y2001	Y2002	Y2003	Q2000:III	Q2000:IV	Q2001:I	Q2001:II	Q2001:III	Q2001:IV	Q2002:I	Q2002:II	Q2002:III	Q2002:IV	Q2003:I	Q2003:II	Q2003:III	Q2003:IV
Hotels and lodging places	115.0	105.3	105.8	105.7	116.9	115.5	114.6	109.7	101.5	95.5	105.2	108.4	106.4	103.4	103.2	104.1	108.2	107.4
Eating and drinking places	56.7	58.9	61.9	66.3	57.0	57.1	58.6	58.4	58.9	59.5	61.2	61.6	62.0	62.7	63.9	65.4	66.9	69.1
Railroads and related services	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5
Local and bus passenger transit	2.9	2.8	2.8	2.9	2.9	2.9	2.8	2.8	2.8	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9
Taxicabs	4.6	4.8	4.9	5.4	4.6	4.7	4.7	4.7	4.8	4.8	4.9	4.9	4.9	5.0	5.0	5.3	5.5	5.6
Air transportation	118.8	103.1	93.3	96.0	120.1	121.0	118.3	112.6	98.0	83.5	93.0	94.0	92.3	93.9	94.0	92.0	99.5	98.4
Water transportation	7.8	7.4	7.5	7.8	7.8	7.7	7.5	7.4	7.3	7.4	7.4	7.5	7.5	7.6	7.7	7.8	7.8	7.9
Automotive rental and leasing	21.3	21.6	23.5	24.5	21.6	21.9	22.0	21.5	21.2	21.8	22.9	23.5	24.1	23.6	23.7	24.0	24.8	25.5
Travel agency services	4.6	4.2	4.3	4.5	4.6	4.4	4.3	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.5	4.6	4.6
Amusement and recreation services	15.2	16.0	16.9	17.7	15.5	15.6	15.8	15.9	16.0	16.2	16.6	16.8	17.1	17.1	17.3	17.6	17.9	18.1
Membership sports and recreation clubs	5.9	6.2	6.9	7.1	5.9	6.0	6.0	6.1	6.2	6.4	6.7	6.8	7.0	7.2	7.3	7.2	7.0	6.9
Motion pictures and other entertainment	7.1	7.7	8.2	8.7	7.2	7.3	7.6	7.5	7.6	7.9	8.0	8.2	8.0	8.5	8.2	8.6	8.9	9.1
Professional sports clubs and promoters	1.8	1.9	2.1	2.2	1.8	1.8	1.9	2.0	1.8	2.0	2.0	2.1	2.2	2.2	2.2	2.2	2.3	2.3
Gasoline service stations	3.2	3.2	3.0	3.5	3.3	3.4	3.3	3.4	3.2	2.8	2.8	3.1	3.1	3.2	3.7	3.3	3.5	3.5
Retail excluding restaurants and gas stations	29.6	30.8	32.0	33.5	29.9	30.3	30.3	30.5	30.9	31.3	31.7	32.0	32.1	32.4	32.8	33.0	33.8	34.2
<i>All tourism industries</i>	395.7	375.2	374.7	387.3	400.4	400.8	399.1	388.2	366.0	347.4	370.9	377.5	375.1	375.3	377.6	379.3	395.0	397.0

Source: U.S. Bureau of Economic Analysis

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Table 3. -- Total (Direct & Indirect) Tourism-related Sales of Tourism Industries
[Billions of dollars]

Tourism Industry					Seasonally adjusted at annual rates													
	Y2000	Y2001	Y2002	Y2003	Q2000:III	Q2000:IV	Q2001:I	Q2001:II	Q2001:III	Q2001:IV	Q2002:I	Q2002:II	Q2002:III	Q2002:IV	Q2003:I	Q2003:II	Q2003:III	Q2003:IV
Hotels and lodging places	205.8	188.5	189.5	189.2	209.2	206.8	205.2	196.4	181.7	170.9	188.3	194.0	190.4	185.0	184.7	186.3	193.7	192.3
Eating and drinking places	116.8	121.3	127.5	136.6	117.4	117.7	120.7	120.4	121.3	122.6	126.1	127.0	127.7	129.2	131.6	134.8	137.7	142.3
Railroads and related services	2.3	2.4	2.5	2.5	2.4	2.3	2.4	2.3	2.4	2.6	2.6	2.5	2.4	2.4	2.5	2.5	2.6	2.7
Local and bus passenger transit	5.2	4.9	4.9	5.0	5.2	5.0	5.0	4.9	4.9	4.8	4.9	4.9	4.9	4.9	4.9	5.0	5.1	5.2
Taxicabs	8.1	8.4	8.7	9.4	8.1	8.2	8.3	8.3	8.4	8.5	8.5	8.6	8.7	8.7	8.8	9.4	9.7	9.8
Air transportation	224.6	194.9	176.3	181.4	227.0	228.6	223.7	212.9	185.2	157.8	175.8	177.6	174.4	177.4	177.7	173.9	188.1	186.0
Water transportation	16.6	15.9	16.1	16.6	16.6	16.4	16.1	15.9	15.7	15.7	15.9	16.0	16.1	16.3	16.4	16.6	16.7	16.8
Automotive rental and leasing	42.1	42.8	46.6	48.5	42.7	43.3	43.5	42.6	41.9	43.1	45.3	46.6	47.7	46.8	46.9	47.5	49.2	50.5
Travel agency services	8.0	7.5	7.6	7.9	8.0	7.8	7.6	7.4	7.5	7.4	7.5	7.6	7.6	7.6	7.6	7.9	8.0	8.1
Amusement and recreation services	26.6	28.0	29.6	31.0	27.2	27.3	27.6	27.9	28.1	28.4	29.0	29.4	29.9	30.0	30.4	30.8	31.3	31.6
Membership sports and recreation clubs	10.3	10.8	12.1	12.4	10.3	10.5	10.5	10.7	10.9	11.2	11.7	12.0	12.3	12.6	12.7	12.6	12.2	12.1
Motion pictures and other entertainment	12.5	13.4	14.3	15.3	12.6	12.7	13.3	13.2	13.3	13.8	14.0	14.3	13.9	14.8	14.4	15.1	15.5	16.0
Professional sports clubs and promoters	3.1	3.4	3.7	3.9	3.2	3.2	3.3	3.4	3.2	3.6	3.5	3.7	3.8	3.8	3.9	3.9	3.9	4.0
Gasoline service stations	9.1	9.0	8.6	10.0	9.2	9.5	9.4	9.6	8.9	7.9	7.9	8.7	8.7	9.1	10.6	9.4	9.9	10.0
Retail excluding restaurants and gas stations	46.2	48.0	50.0	52.2	46.7	47.3	47.3	47.6	48.3	48.8	49.4	49.9	50.0	50.5	51.2	51.5	52.8	53.4
<i>All tourism industries</i>	737.2	699.0	697.8	722.1	745.7	746.7	743.7	723.5	681.9	647.1	690.6	702.8	698.6	699.3	704.3	707.1	736.6	740.6
<i>Percent change at annual rate</i>		-5.2	-0.2	3.5		0.5	-1.6	-10.4	-21.1	-18.9	29.7	7.3	-2.4	0.4	2.9	1.6	17.7	2.2

Source: U.S. Bureau of Economic Analysis

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Table 4. -- Impact of NIPA revision on Total Tourism Sales and Sales of the Three Largest Tourism Industries
[Billions of dollars]

	Pre-NIPA-Revision Tourism Sales (Seasonally adjusted at annual rates)															
	Y2000	Y2001	Y2002	-	Q2000: IV	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III
Hotels and lodging places	205.8	196.4	198.5		211.3	207.6	203.7	190.5	183.7	195.2	202.7	198.9	197.4	196.6	199.3	206.8
Eating and drinking places	116.8	122.0	128.7		117.8	121.4	121.4	122.1	123.1	127.3	128.1	128.0	131.3	133.6	136.2	139.1
Air transportation	224.6	194.9	175.6		228.6	223.7	212.9	185.2	157.8	175.8	177.6	171.4	177.4	177.7	173.9	186.5
All tourism industries	737.2	709.7	707.8		751.3	749.1	735.7	692.7	661.4	699.5	713.8	704.4	713.5	716.7	720.2	747.8
Percent change at annual rate		-3.7	-0.3			-1.1	-7.0	-21.4	-16.8	25.1	8.4	-5.2	5.3	1.8	2.0	16.2

	Post-NIPA-Revision Tourism Sales (Seasonally adjusted at an annual rates)																
	Y2000	Y2001	Y2002	Y2003	Q2000: IV	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: II	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV
Hotels and lodging places	205.8	188.5	189.5	189.2	206.8	205.2	196.4	181.7	170.9	188.3	194.0	190.4	185.0	184.7	186.3	193.7	192.3
Eating and drinking places	116.8	121.3	127.5	136.6	117.7	120.7	120.4	121.3	122.6	126.1	127.0	127.7	129.2	131.6	134.8	137.7	142.3
Air transportation	224.6	194.9	176.3	181.4	228.6	223.7	212.9	185.2	157.8	175.8	177.6	174.4	177.4	177.7	173.9	188.1	186.0
All tourism industries	737.2	699.0	697.8	722.1	746.7	743.7	723.5	681.9	647.1	690.6	702.8	698.6	699.3	704.3	707.1	736.6	740.6
Percent change at annual rate		-5.2	-0.2	3.5		-1.6	-10.4	-21.1	-18.9	29.7	7.3	-2.4	0.4	2.9	1.6	17.7	2.2

Notes:

Pre-NIPA-revision tourism sales for the third quarter 2003 were \$747.8 billion, 0.47% below the **Pre**-NIPA-Revision fourth quarter 2000 peak of \$751.3 billion.

Post-NIPA-Revision tourism sales for the third and fourth quarters of 2003 were \$736.6 billion and \$740.6 billion respectively.

These amounts are 1.35% and 0.82% below the **Post**-NIPA-Revision fourth quarter 2000 peak of \$747.7 billion.

Source: U.S. Bureau of Economic Analysis