

Dear Partners,

Tragically, people are succumbing to the coronavirus outbreak that started in Wuhan China. Concern first and foremost is for the people that have passed and are currently suffering from coronavirus.

The enclosed forecast does not reflect the impact from this tragic situation. The forecast was produced prior to the outbreak.

The flow of people, including those traveling as a visitor to another country, is a significant concern for the Centers for Disease Control and Prevention (CDC) and everyone in the travel-related industry.

The spread and impact of the disease is heightened as people across China are joining family and friends for Lunar New Year – the world's largest annual human migration.

An estimated 3 billion trips were expected to be made during the 40-day travel period. The global response to the outbreak has disrupted travel within China and abroad.

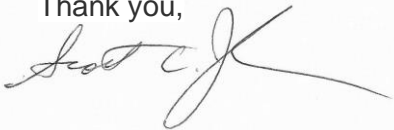
In the U.S. the CDC has issued a level 3 travel warning and plans to expand screening for the virus to 20 U.S. airports (up from the current five) that will cover approximately 90% of all passengers to the U.S. from China.

Since 2014 the Lunar New Year has grown in importance for U.S. visitation from China. In 2014 21.6% of Chinese visitors entered the U.S. in the first quarter. As more Chinese immigrate and seek travel experiences in the U.S., visits have expanded in the first quarter.

In 2019 26.2% of Chinese visitors to the U.S. entered the U.S. during the first quarter, or 740,000 visitors. Clearly, the timing of the outbreak and the necessary travel restrictions will impact 2020 visitation estimates, which were forecast to increase 1% in 2020.

Long term (through 2024) the forecast of visitor demand to the U.S. is likely to remain on target. In the past, natural disasters and outbreaks primarily shifted travel demand rather than completely erasing demand. However, given the severity of the coronavirus is not fully understood yet, it is possible that visitor demand from China in 2020 will register a decline rather than a modest uptick. We will continue to monitor both visits and passenger traffic from and to China and update our partners on the forecast in April 2020.

Thank you,



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Sources reviewed include: South China Morning Post, USA Today, AP, New York Times, Bloomberg, Reuters, and other global news sources.