



### Research Update- June 29, 2021

Tourism Economics has recently completed the 2020 evaluation of the economic impact of tourism in Puerto Rico. Between calendar year 2013 and 2019, Puerto Rico had seen an average increase in visitor volume of 3.6%. However, in calendar year 2020, volume declined 60% due to COVID-19. With this, there was more than \$4 billion in visitor spending lost throughout 2020.

Following Hurricanes Maria and Irma in 2017, Tourism Economics estimated the lost visitors and spending attributable to the natural disasters. In the two years following the hurricanes, it is estimated that Puerto Rico lost \$2.5 billion in visitor spending. With this, COVID-19 has had nearly two-and-a-half more impact on lost visitor spending than Hurricanes Maria and Irma.

## VISITORS DOWN 60% IN 2020

### More than \$4 billion in spending lost to COVID-19



#### Total visitors & spending to Puerto Rico

Thousands of visits and \$ millions) CY 2012-2019

	2012	2013	2014	2015	2016	2017	2018	2019	2020p
<b>Total visitors (000s)</b>	6,794	6,732	7,216	7,809	8,119	7,046	6,989	8,303	3,355
Non-resident visitors	4,461	4,348	4,699	5,119	5,115	4,476	4,725	5,434	2,378
Resident visitors	2,334	2,383	2,518	2,690	3,004	2,569	2,264	2,869	977
<b>Total visitor spending (\$ millions)</b>	\$5,239	\$5,277	\$5,620	\$6,122	\$6,405	\$5,420	\$5,293	\$6,437	\$2,374
Non-resident visitor spending	\$3,338	\$3,341	\$3,567	\$3,940	\$3,981	\$3,462	\$3,499	\$4,128	1,633
Resident visitor spending	\$1,901	\$1,936	\$2,053	\$2,183	\$2,424	\$1,957	\$1,794	\$2,309	742

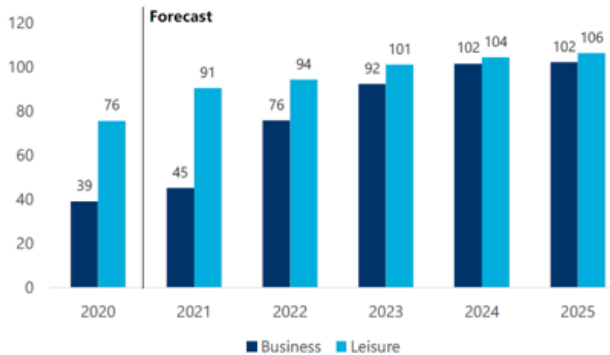
Current estimates for the recovery of the industry in the U.S. points to 2023 for the return of leisure visitor volume to 2019 levels, with business travel returning to pre-COVID volume in 2024. But because international travel is not expected to return quickly, Tourism Economics forecasts that total visitor spending is not forecast to return to 2019 levels across the U.S. until 2024.

## IN U.S. LEISURE TO RETURN 2023 Business and international expected 2024



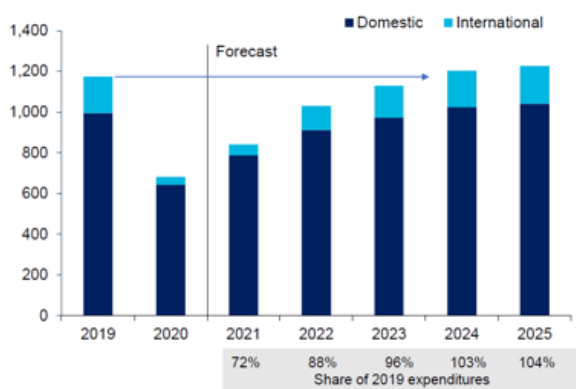
### Business and leisure trips

Index (2019=100)



### Travel Expenditures

Mns



Though the return of 2019 visitor spending across the U.S. is not expected to return until 2024, Puerto Rico is far outpacing this forecast. Because Puerto Rico is less reliant on business and international travel than the rest of the U.S., the Island's recovery has been quick. The U.S. Travel Association's Travel Recovery Dashboard shows that while the average May travel spending in the U.S. was down 21% from 2019, Puerto Rico's spending was up 17% from the same point two years ago.

## RECOVERY FAR OUTPACING AVERAGE Puerto Rico seeing significant gains from 2019



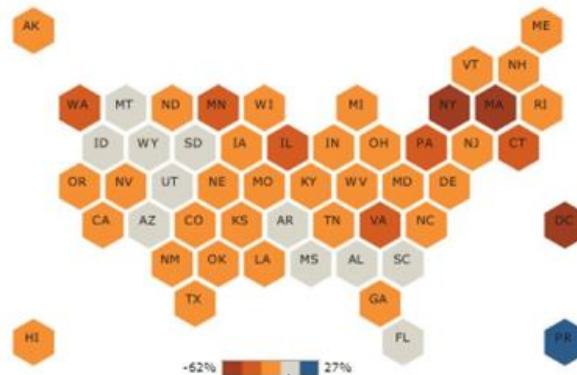
Travel Spending  
United States  
May 2021, % change vs. 2019



Travel Spending  
Puerto Rico  
May 2021, % change vs. 2019



U.S. Travel Spending by State  
May 2021, % change vs. 2019



The only other destination seeing spending above 2019 is Florida. Throughout the pandemic, consumers were clear that they wanted beaches as their first experiences in returning to travel. However, recent research from Destination Analysts shows that there is increasing interest in urban experiences. This, combined with the infusion of cash Americans received through the CARES and American Rescue Plan Acts being expended, point to a drop off in the booking pace starting in October.

Future hotel booking data shows that the gains seen early in the year are expected to evaporate as benefits dry up and consumers return to work. Data from TravelClick shows that hotel occupancy through September is running 30% to 54% above the same period two years ago. There is a significant drop off in the booking pace in the 4<sup>th</sup> quarter with 2022 bookings pacing below the same period two years ago.

## BOOKING AHEAD OF 2019 PACE Gains drop off at end of 2021

TravelClick  
an amadeus company

