



## ***AOT in Action***

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

### **A Message from Director Sherry Henry:**

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Good afternoon,

Ah, the joys of Arizona in springtime! From skiing and snowboarding in the high country to spring flowers and NASCAR in the Valley, March is filled with exciting outdoor adventures for everyone. If you and your visitors are looking for what to see and do in Arizona, be sure to visit our website [visitariozna.com](http://visitariozna.com). It's filled with valuable information on how we all can experience our great state.

And congratulations to Kevin Harvick on his fourth consecutive win at Phoenix International Raceway!

Have a great Arizona week!

Sherry Henry  
Director, Arizona Office of Tourism

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### **AOT News**

#### **Save the NEW Date for Governor's Conference on Tourism**

Be sure to save the **NEW** date on your calendar to attend the 2015 Arizona Governor's Conference on Tourism **June 22-24**. This year's annual conference will be held at the JW Marriott Camelback Inn in Scottsdale, a month earlier than usual. The Arizona Governor's Conference on Tourism provides valuable networking opportunities with industry peers, professional development sessions, nationally recognized speakers, an industry-related exhibit area and the Governor's Tourism Awards Gala. For more information and registration, visit [www.aztourismconference.com](http://www.aztourismconference.com).

#### **Brazilians Explore Arizona**

A group of seven Brazilian journalists toured Arizona from February 22-28. The group enjoyed the communities of Phoenix, Flagstaff, Grand Canyon, Sedona, Tucson, Tubac and Scottsdale. The group was amazed at Arizona's diversity, iconic scenery and offerings. Coverage of the trip will be published in various Brazilian publications and travel websites. For more information, contact Kim Todd at 602-364-3305 or [ktodd@tourism.az.gov](mailto:ktodd@tourism.az.gov).

### **Mexico Sales Mission a Success**

AOT led a delegation of statewide partners to Mexico City (trade and media) and Cancun (trade only) to promote travel to Arizona. The mission targeted tour operators, travel agents and media during appointments, destination trainings and a luncheon seminar in Mexico City that was attended by 25 trade representatives and 19 media outlets. In Cancun, the trade delegation provided destination trainings for agents at two of the largest travel agencies in Mexico –Best Day and Price Travel.

The mission was organized by Jackson Marketing International, AOT's Mexico Representative, and attended by Mary Rittmann, AOT's Trade and Media Relations Director and Kimberly Todd, AOT's Media Relations Manager- International, and community partners representing Chandler, Phoenix, Scottsdale, and Tempe. For more information, contact Kim Todd at 602-364-3305 or [ktodd@tourism.az.gov](mailto:ktodd@tourism.az.gov).

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## **Upcoming Events & Activities**

### **[Media Tour: Native Ways](#)**

Date: April 12-18

Locations: Hon-Dah, Chinle, Hopi, Chandler

### **[Visit USA Show - Brazil](#)**

Date: April 27

Locations: Rio de Janeiro, Sao Paulo, Campinas

### **[AAA/CAA FAM Tour](#)**

Date: April 29 - May 3

Locations: Mesa, Sedona, Prescott and the Grand Canyon National Park

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## **Industry News**

### **Travel Now Accounts for 10% of US Exports**

David Huether, senior vice president for economics and research at the U.S. Travel Association, comments on Friday's Labor Department employment report and the U.S. Department of Commerce export report:

"2015 is off to a remarkable start for the travel, continuing the industry's pattern of export growth with another record high of \$18.9 billion in January. With this strong trend, travel now accounts for 10 percent of all U.S. exports.

"While travel exports rose for a fourth consecutive month, other exports of goods and services fell for a third consecutive month, posting the largest monthly decline in six years.

"In other good news for the industry, travel employment rose for an eighth consecutive month, expanding payrolls by 16,600 in February to 8.1 million direct jobs. So far, the industry has added 75 percent more jobs than the first two months of last year, while creation in the rest of the economy is only up by 50 percent.

"Since the employment recovery began, the travel industry has added 869,400 jobs, outpacing job growth in the rest of the economy by 33 percent.

"Although the overall trade deficit declined by \$3.9 billion in January to \$41.8 billion, the narrowing deficit in January was largely attributable to a labor dispute which caused a temporary halt at various West Coast port facilities.

"Continued investment and improvements to U.S. infrastructure at all points of entry— ports, airports and roads— will be vital to ensure the travel experience in the United States remains competitive and meets the expectations of all travelers, domestic and international." (*Hotel News Now, March 9*)

### **GBTA: Business Travel Outlook Slows in China**

The GBTA Foundation, the education and research arm of the Global Business Travel Association (GBTA), announces the results of its latest GBTA BTI™ Outlook – China report, a semi-annual analysis that relates unfolding economic events at home and abroad to their resulting impacts on China's business travel market. The report, sponsored by Visa Inc., includes the GBTA BTI™; an index of business travel spending that distills market performance over a period of time.

China's so called "soft landing" continued during the second half of 2014. This describes a condition where overall growth moderates in an orderly fashion while the underlying drivers of that growth shift away from investment and exports towards consumerism. China's central authorities have skillfully applied fiscal, banking and regulatory policies to ensure that both goals continue to be met while still avoiding rapid increases in inflation and overheating local government debt.

GBTA slightly downgraded its forecast for Chinese business travel from its outlook published in the second half of 2014 due to expectations for slower economic growth in China coupled with continued uncertainty in the global economy. Total spending on Chinese-originated business travel grew an estimated 16.6 percent in 2014 to \$261 billion USD. GBTA projects it will continue to grow 14.2 percent in 2015, down from our previous projection of 18 percent, and will grow another 12 percent in 2016 reaching \$334 billion USD.

"While this is slower growth for China, it is all relative," said Michael W. McCormick, GBTA executive director and COO. "There is simply no other market to compare China to as their economic engine continues to move forward at a phenomenal pace producing double digit business travel spending growth. Whether China becomes the world's largest business travel

market at the end of 2016 or the beginning of 2017 does not matter – what matters is that economic policies being set are showing signs of having a long term positive impact on the economy, which points to a healthy business travel industry for years to come.”

“China’s economic growth projections in the near term remain robust, which bode well for a strong business travel market, growing more rapidly than the other major markets globally,” said Stanford Lin, Vice President and Head of Products at Visa China. “Visa is committed to working with financial institutions and merchant partners to offer value-add benefits that help companies and business travelers better manage their travel expenses.”

More key highlights of the report include:

- A welcome surprise to China’s second half economic growth in 2014 has been provided by trade. Chinese exports rebounded strongly in 2014, and continued rising exports bode well for Chinese international outbound (IOB) travel in 2015 and beyond.
- GBTA expects IOB spending will continue to grow at double-digit rates projecting 13.6 percent in 2015 and 11 percent in 2016 hitting \$14.3 billion USD, but will see challenges as the world economy remains on shaky ground.
- GBTA expects China to continue to grow its domestic business travel market much more rapidly than the other major markets in the world with projected spending growth of 14.2 percent in 2015 and 12.1 percent in 2016.
- The extraordinary growth in both leisure and business travel demand has led hoteliers to significantly increase their presence in China over the last decade. Demand growth outpaced supply growth in every class of hotel – luxury and upper upscale hotels typically favored by business travelers led this trend.
- As previously forecasted, China is poised to overtake the U.S. as the number one business travel market in the world. Given our current projected growth in business travel in the two markets, we expect China to surpass the U.S. in spending by 2017. *(Hotel News Now, March 10)*

### **Record 75 Million International Travelers Visited U.S. in 2014**

The U.S. Department of Commerce's International Trade Administration announced this week that the U.S. welcomed a record 75 million international visitors in 2014, marking a seven percent increase over 2013.

"Today’s data shows that the United States continues to be the premier destination for international visitors," said Under Secretary of International Trade at the Department of Commerce, Stefan M. Selig in a statement. "It also highlights that we remain on track toward achieving President Obama's goal of attracting 100 million international visitors to the United States by 2021."

The announcement comes one month after the U.S. Departments of Commerce and Homeland Security sent a report to the President highlighting a strategy to increase the number of international visitors to the U.S.

*Canada, Mexico Lead the Way*

Unsurprisingly, Canada and Mexico remained the top two inbound markets in 2014. However, visitation from Mexico increased significantly, rising 19 percent to 17.3 million travelers last year. That figure snaps the 2007 record for arrivals from Mexico.

Meanwhile, arrivals from Canada dipped 1.8 percent from 2013, with just under 23 million travelers crossing the border into the U.S. in 2014.

#### *Overseas Visitation*

Excluding the U.S.'s North American neighbors, overseas visitation reached a record 34.4 million last year, a 7.5 percent increase over 2013. As a result, overseas markets contributed to nearly half (46 percent) of total international arrivals in the U.S. last year.

Behind Canada and Mexico, the U.K., Japan and Brazil rounded out the top five source markets by country. But while visitation from the U.K. and Brazil rose 3.6 percent and 9.9 percent respectively in 2014, Japan visitation decreased four percent.

#### *Going Up, Going Down*

While their total arrival figures paled in comparison to the aforementioned countries, visitation from regions like Africa (up 17.1 percent), the Caribbean (up 15.8 percent), the Middle East (up 15.8 percent) and Eastern Europe (up 15.1 percent) grew impressively in 2014.

The biggest riser among inbound markets in 2014 was China, which saw 21 percent growth to nearly 2.2 million visitors over the course of the year.

The biggest drop off by far in terms of inbound markets was Venezuela, with visitation from the South American country falling 21.8 percent to just under 616,000 visitors in 2014.

Joining Canada, Japan and Venezuela in the red in 2014, Argentina saw a slight dip (0.2 percent) in visitation to the U.S. last year.

As far as entry points are concerned, the top three ports for 2014 were New York (JFK), Miami and Los Angeles. The three combined to account for 41 percent of all overseas arrivals, marking a slight rise from 2013.

Although it remains to be seen whether international visitation to the U.S. will continue to rise at such a rapid rate year after year, the recent trend suggests that President Obama's goal for the start of the next decade is well within reach. (*Travel Pulse, March 12*)

### **Arizona Restaurant Industry Leads Nation in Highest Expected Industry Sales and Job Growth**

The Arizona Restaurant Association (ARA) is proud to announce the 2015 industry forecast, naming Arizona to lead the nation in expected sales and employment growth. The Arizona restaurant industry continues to hold the highest projected percentage change in sales growth for this year, and also continues to lead in the greatest projected job creation until 2025.

According to the National Restaurant Association's (NRA) Restaurant Industry 2015 Forecast Report, Arizona's restaurants will generate sales in an estimate of just under \$11.5 billion in 2015. This 4.9% increase from last year's sales is a continuance of the fastest growing restaurant

industry across the nation. We are also proud that the NRA's 2015 Forecast expects our industry to lead in job creation for the next decade, at a growing rate of 23.8%, which is well above any other state. Arizona restaurants are expected to employ 273,200 people this year, and create an additional 65,000 jobs in the next decade.

"Arizona restaurants have outdone themselves again and continue to make such an impact on our state. We are extremely proud to represent these dedicated and talented restaurateurs," said Steve Chucri, President & CEO of the ARA. "Our booming industry is successful because of the progressive and opportunistic entrepreneurs, managers, employees and culinary students aiming to raise the bar for foodservice quality and innovation in Arizona. Our job at the ARA is to ensure the path for prosperity and success is clear and paved for restaurants to flourish."

The ARA surveyed members regarding each restaurant's own first quarter economic forecast. To no surprise, restaurants are expecting a positive impact on their sales due to the major events taking place in Arizona over these months, but also throughout the year. "We have a lot to be proud of and thankful for as a community of restaurants. We are still, however, are a very labor intensive industry and one that is dependent on a good economy and pro-business climate. The economic data showing positive growth and boost in sales does not happen without tireless hard work and adaptive thinking," Chucri said.

Nationally, 2015 will mark the sixth consecutive year of restaurant industry sales growth despite a continued challenging economic landscape. Overall, industry sales are projected to exceed \$709 billion in 2015, up 3.8 percent from 2014's sales volume of \$683 billion.

As sales growth improves in 2015, national restaurant industry employment will perform even better. In fact, this will be the 16th straight year in which restaurant industry employment growth will outpace overall employment growth. Restaurants will employ 14 million individuals this year as the nation's second-largest private sector employer, representing one in 10 working Americans. For more information about the NRA's 2015 Restaurant Industry Forecast, visit [Restaurant.org/Forecast](http://Restaurant.org/Forecast).

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### **Calendar of Events**

Visit [www.visitarizona.com](http://www.visitarizona.com) to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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