

2014 Visa Vue® Analysis Greater Portland Region

Prepared by:

Kreg Lindberg

Central Oregon Research Services

cors@bendbroadband.com

(541) 617-8878



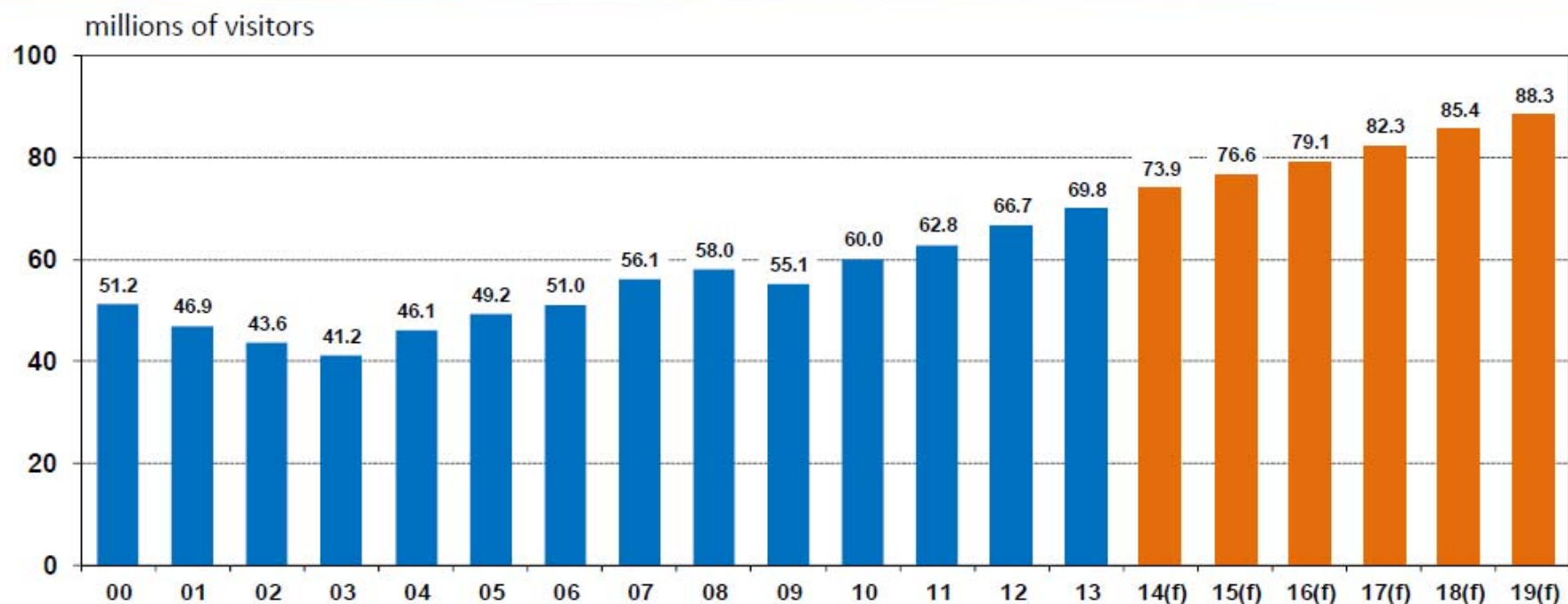


US Department of Commerce

- In 2014, 75 million international visitors traveled to the US, a 7 percent increase over 2013 (higher than forecasted).
- 3.3% to 5.9% annual growth in visitor volume forecast over the next 5 years
 - wider range, with higher upside, relative to last year's 5-year forecast
- In 2014, tourism-related exports reached a record high of nearly \$221 billion (Trade.gov email of 5/20/15)
 - international Visa Vue[®] spending in the US increased 9.3% from 2013 to 2014
- 1.1 million jobs in the US supported by international travelers.

US Department of Commerce

International Visitors to the United States: Trend and Forecast*



Sources: U.S. Department of Commerce, International Trade Administration, National Travel and Tourism Office; Secretaria de Turismo (Mexico); Statistics Canada. 2014 Fall Travel Forecast. October 2014.

* Note: These forecasts include a technical data-processing change that increases the 1+ night visitor counts for overseas countries compared to previous forecast releases and actual volumes. The processing change does not impact Canada or Mexico visitor counts. For more information about the changes to the monthly arrivals program, visit our website at: <http://travel.trade.gov/research/programs/i94/description.html>.

US Department of Commerce

■ International travelers to the US, 2014.

| Region | Arrivals | Share (%) | Ann. change (%) |
|------------------------|------------|-----------|-----------------|
| <i>Total</i> | 74,757,000 | 100 | 7.0 |
| Canada | 23,003,000 | 31 | -2.0 |
| Mexico | 17,334,000 | 23 | 19.0 |
| Overseas | 34,419,000 | 46 | 7.0 |
| <i>Within Overseas</i> | | | |
| Western Europe | 12,784,000 | 17.1 | 6.2 |
| Eastern Europe | 947,000 | 1.3 | 10.2 |
| Asia | 9,641,000 | 12.9 | 6.1 |
| Middle East | 1,225,000 | 1.6 | 15.8 |
| Africa | 513,000 | 0.7 | 16.8 |
| Oceania | 1,555,000 | 2.1 | 8.6 |
| South America | 5,481,000 | 7.3 | 6.6 |
| Central America | 933,000 | 1.2 | 11.9 |
| Caribbean | 1,339,000 | 1.8 | 15.8 |



Visa Vue® 2014

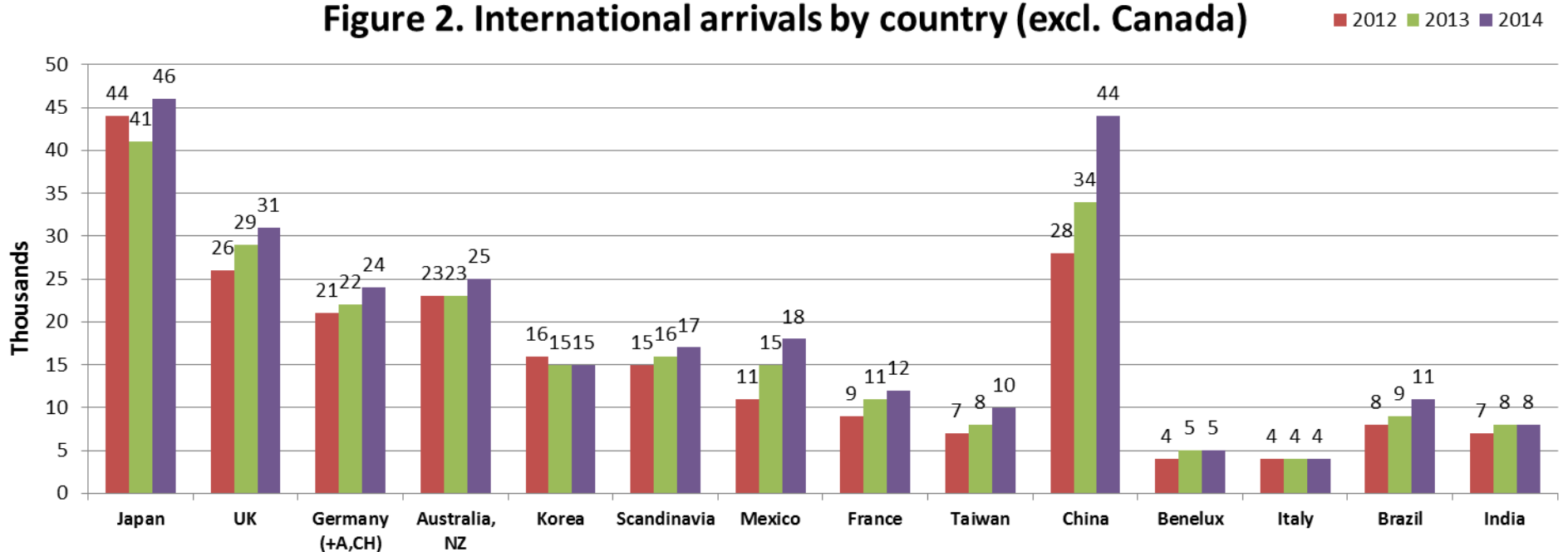
- Follows the approach used by Travel Oregon since 2009.
- Estimates are based on and extrapolated from aggregate card usage data provided by Visa Vue® Travel.
- They incorporate data from other independent research sources.
- Spending amounts and patterns are based on “face-to-face” Visa card transactions in Oregon.
- Transactions utilizing cash, pre-paid, phone, internet, and other credit / debit cards are not included.
- Conversion factors are used to extrapolate arrivals, but spending per visitor is in its raw form (only Visa card purchases).
- Amounts are rounded, with associated rounding errors. All calculations are done on un-rounded data.

International Arrivals

Greater Portland Results

- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.

Figure 2. International arrivals by country (excl. Canada)





International Arrivals

Greater Portland Results

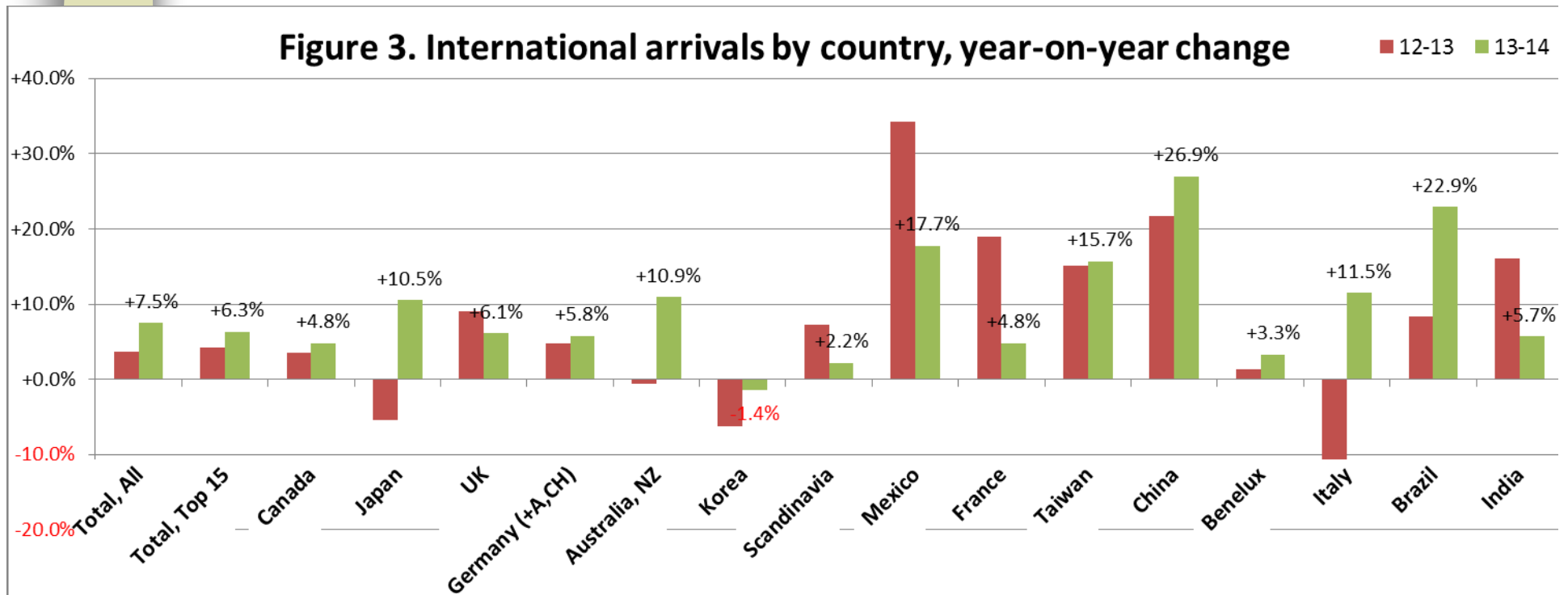
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| | 2012 | 2013 | 2014 |
|----------------------|-----------|-----------|-----------|
| Total, All | 1,127,000 | 1,169,000 | 1,256,000 |
| Total, Top 15 | 988,000 | 1,030,000 | 1,095,000 |
| Canada | 762,000 | 789,000 | 827,000 |
| Japan | 44,000 | 41,000 | 46,000 |
| UK | 26,000 | 29,000 | 31,000 |
| Germany (+A,CH) | 21,000 | 22,000 | 24,000 |
| Australia, NZ | 23,000 | 23,000 | 25,000 |
| Korea | 16,000 | 15,000 | 15,000 |
| Scandinavia | 15,000 | 16,000 | 17,000 |
| Mexico | 11,000 | 15,000 | 18,000 |
| France | 9,000 | 11,000 | 12,000 |
| Taiwan | 7,000 | 8,000 | 10,000 |
| China | 28,000 | 34,000 | 44,000 |
| Benelux | 4,000 | 5,000 | 5,000 |
| Italy | 4,000 | 4,000 | 4,000 |
| Brazil | 8,000 | 9,000 | 11,000 |
| India | 7,000 | 8,000 | 8,000 |

International Arrivals, Annual Change

Greater Portland Results

- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.



International Arrivals, Annual Change

Greater Portland Results

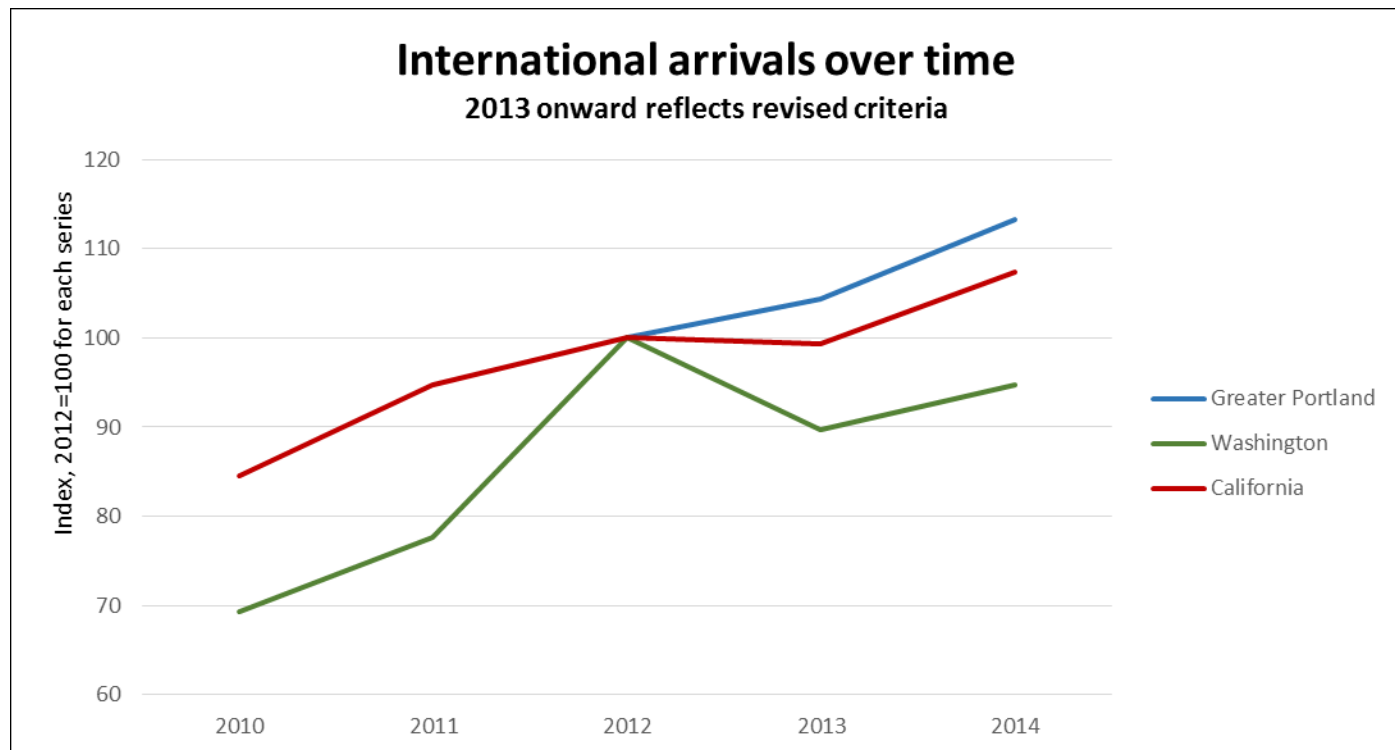
- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.

| | Cal year '12 - '13 | Cal year '13 - '14 |
|----------------------|--------------------|--------------------|
| Total, All | +3.7% | +7.5% |
| Total, Top 15 | +4.3% | +6.3% |
| Canada | +3.5% | +4.8% |
| Japan | -5.4% | +10.5% |
| UK | +9.0% | +6.1% |
| Germany (+A,CH) | +4.8% | +5.8% |
| Australia, NZ | -0.6% | +10.9% |
| Korea | -6.3% | -1.4% |
| Scandinavia | +7.3% | +2.2% |
| Mexico | +34.2% | +17.7% |
| France | +18.9% | +4.8% |
| Taiwan | +15.1% | +15.7% |
| China | +21.7% | +26.9% |
| Benelux | +1.3% | +3.3% |
| Italy | -11.7% | +11.5% |
| Brazil | +8.4% | +22.9% |
| India | +16.0% | +5.7% |

International Arrivals, Relative to Neighboring States

Greater Portland Results

- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 and previous years are “overstated” relative to subsequent years.
- An index is used to show relative growth given disparate arrival volumes. Since 2012, the first year of Oregon regional data, Greater Portland has outperformed Washington and California in international arrivals.

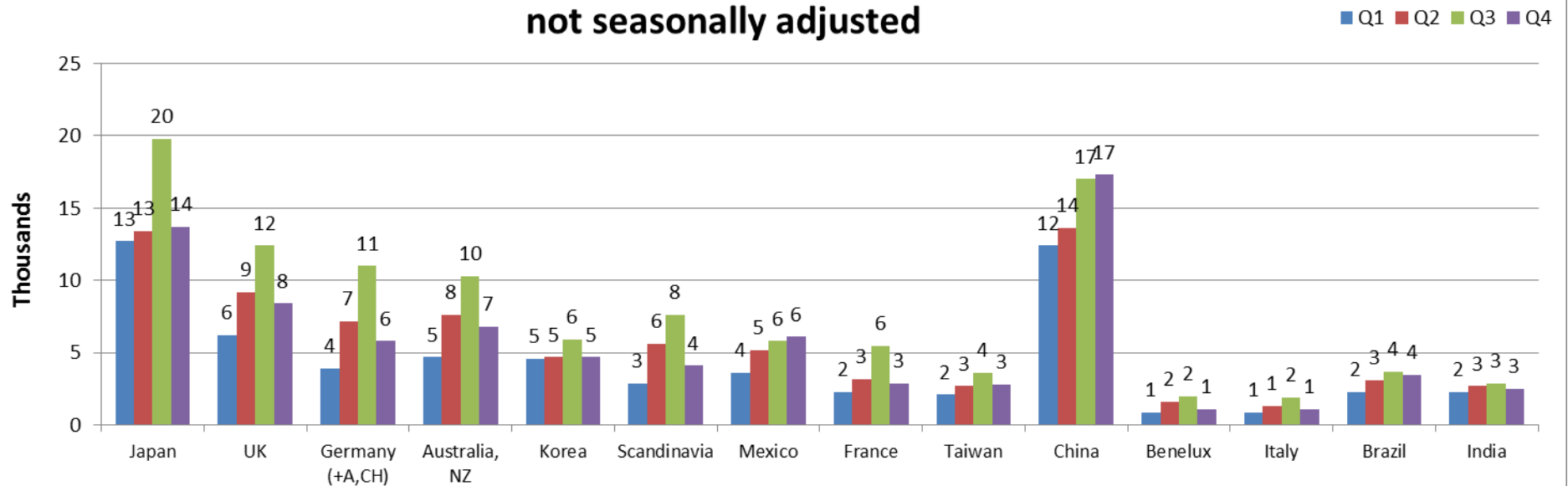


International Arrivals by Quarter

2014 Calendar Year

Greater Portland Results

Figure 4. International arrivals by country (excl. Canada), 2014 quarters, not seasonally adjusted



International Arrivals by 2014 Quarter

Greater Portland Results

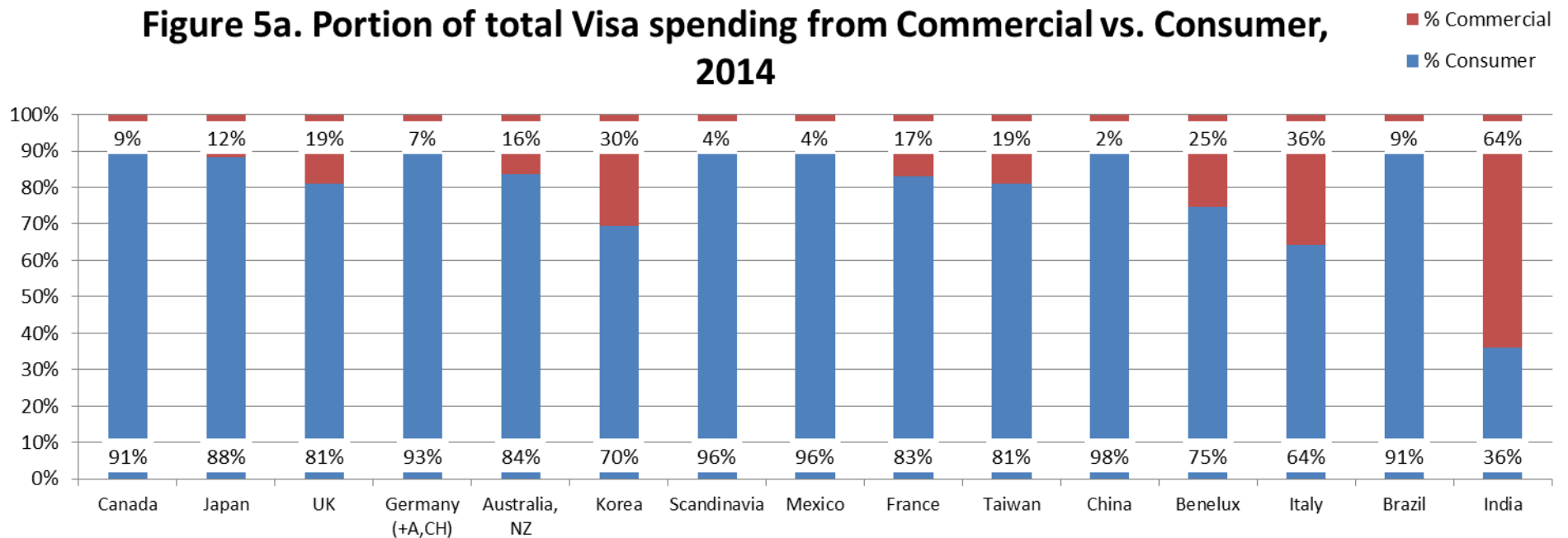
| | Q1 | Q2 | Q3 | Q4 |
|----------------------|----------------|----------------|----------------|----------------|
| Canada | 168,900 | 261,400 | 355,700 | 210,000 |
| Japan | 12,700 | 13,400 | 19,800 | 13,700 |
| UK | 6,200 | 9,200 | 12,400 | 8,400 |
| Germany (+A,CH) | 3,900 | 7,200 | 11,000 | 5,800 |
| Australia, NZ | 4,700 | 7,600 | 10,300 | 6,800 |
| Korea | 4,600 | 4,700 | 5,900 | 4,700 |
| Scandinavia | 2,900 | 5,600 | 7,600 | 4,100 |
| Mexico | 3,600 | 5,200 | 5,800 | 6,100 |
| France | 2,300 | 3,200 | 5,500 | 2,900 |
| Taiwan | 2,100 | 2,700 | 3,600 | 2,800 |
| China | 12,400 | 13,600 | 17,000 | 17,300 |
| Benelux | 900 | 1,600 | 2,000 | 1,100 |
| Italy | 900 | 1,300 | 1,900 | 1,100 |
| Brazil | 2,300 | 3,100 | 3,700 | 3,500 |
| India | 2,300 | 2,700 | 2,900 | 2,500 |
| | | | | |
| Total, Top 15 | 230,700 | 342,500 | 465,400 | 290,900 |
| | | | | |
| Total, All | 271,400 | 395,600 | 529,100 | 339,100 |

Visa Spending, Commercial vs. Consumer

Greater Portland Results

■ Commercial = business / purchasing cards.

Figure 5a. Portion of total Visa spending from Commercial vs. Consumer, 2014

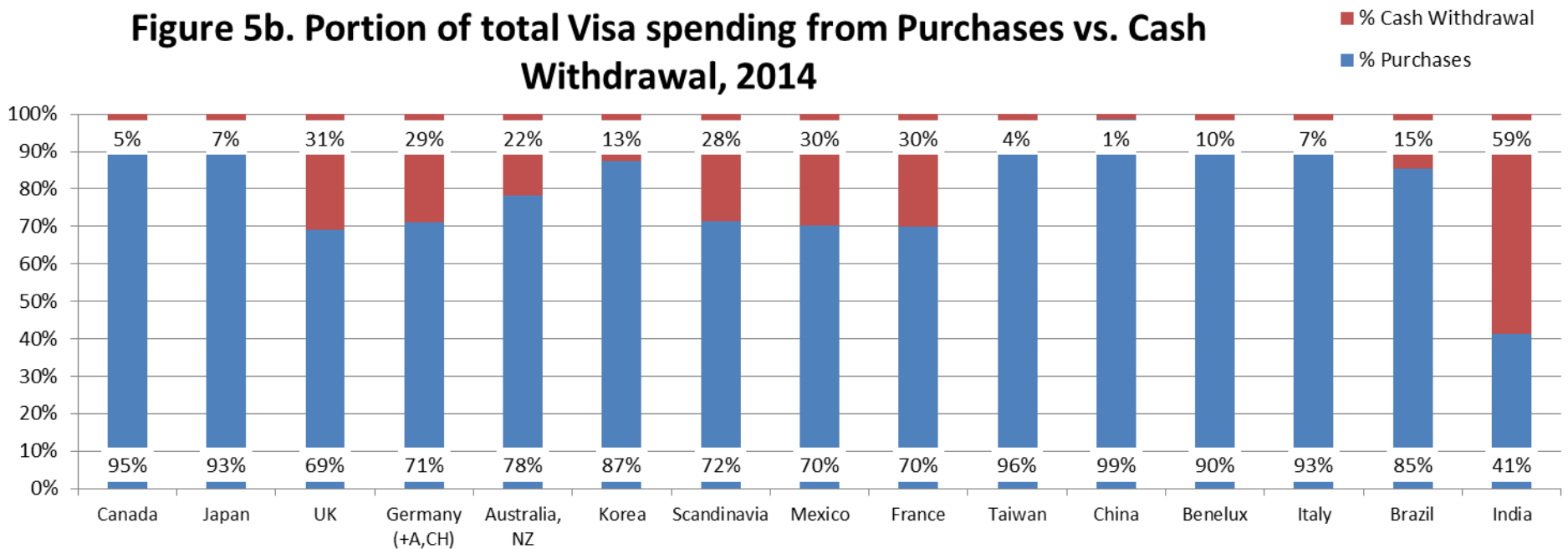


Visa Spending, Purchase vs. Cash Withdrawal

Greater Portland Results

- Cash = cash withdrawn using a Visa card at an ATM or bank.

Figure 5b. Portion of total Visa spending from Purchases vs. Cash Withdrawal, 2014

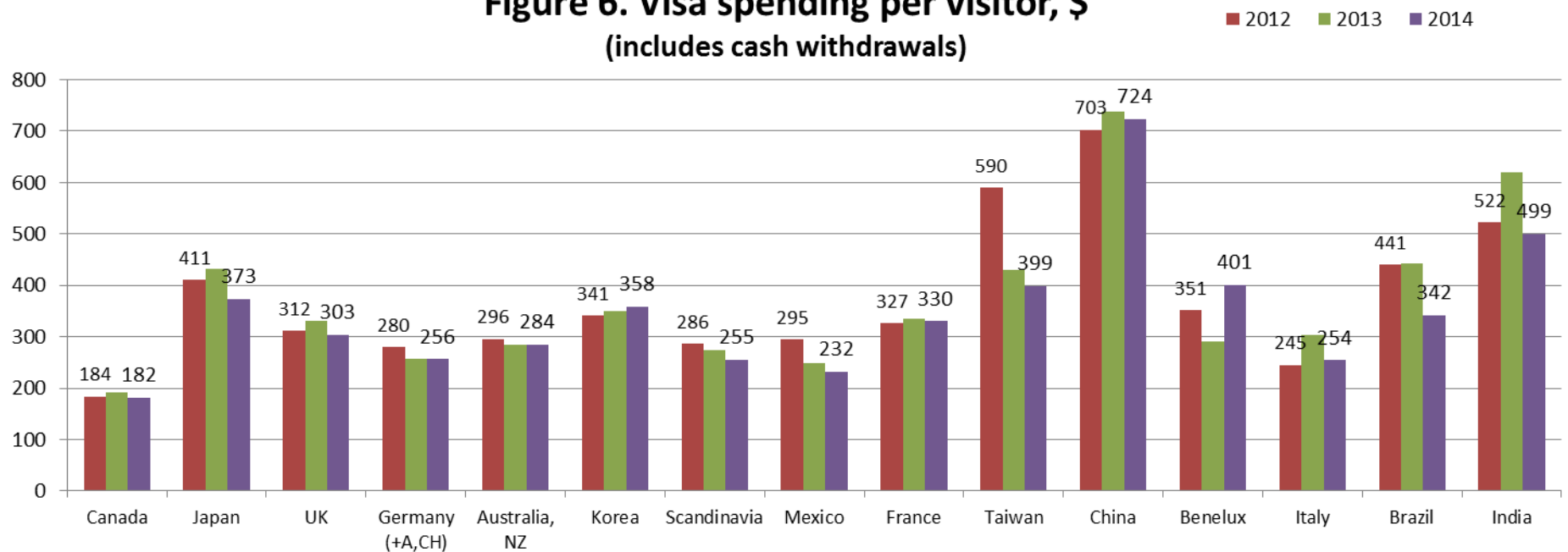


Visa Spending Per Visitor

Greater Portland Results

- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.

Figure 6. Visa spending per visitor, \$
(includes cash withdrawals)

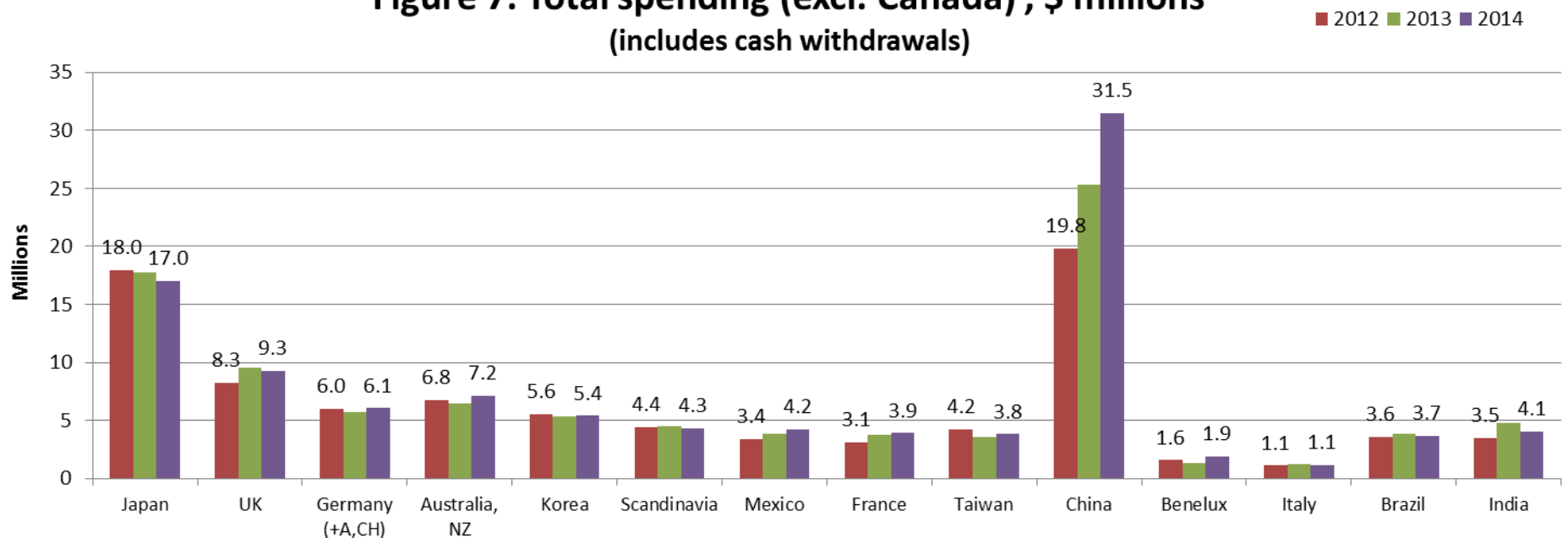


Total Spending

Greater Portland Results

- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.

Figure 7. Total spending (excl. Canada) , \$ millions
(includes cash withdrawals)



Total Spending

Greater Portland Results

- In \$, includes cash withdrawals.
- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.

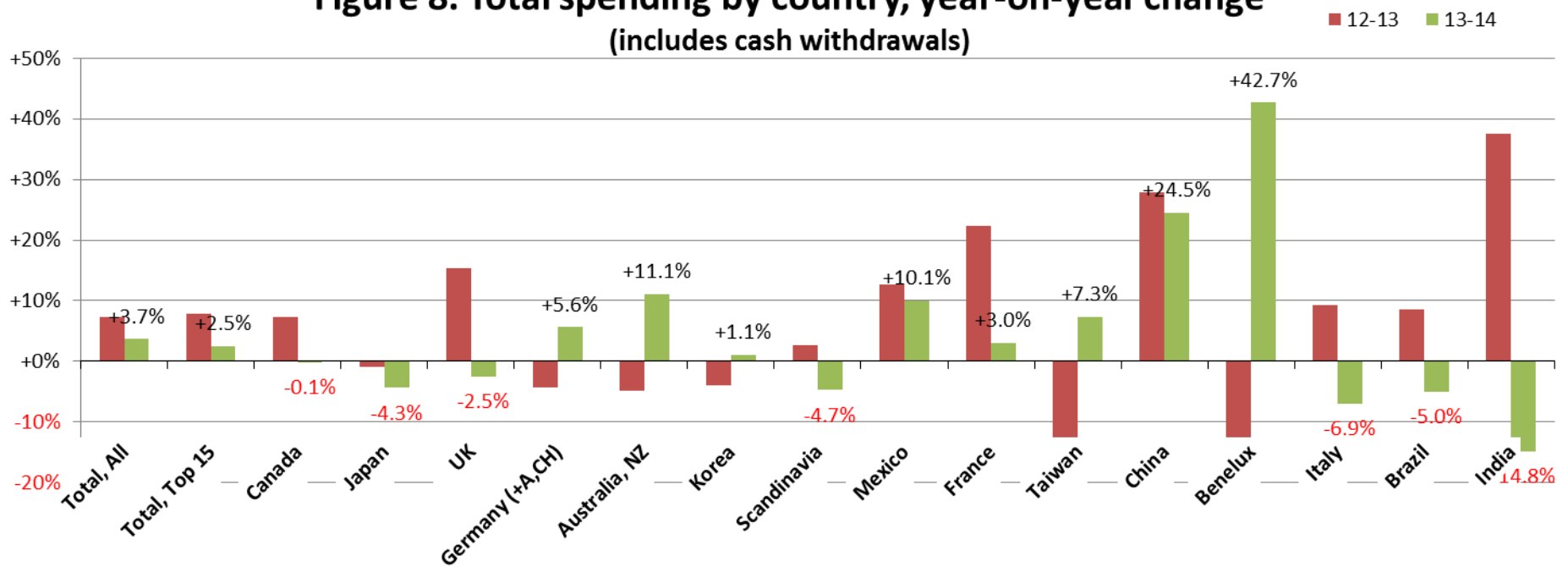
| | 2012 | 2013 | 2014 |
|----------------------|--------------------|--------------------|--------------------|
| Canada | 140,352,000 | 150,501,000 | 150,323,000 |
| Japan | 17,952,000 | 17,795,000 | 17,021,000 |
| UK | 8,258,000 | 9,528,000 | 9,286,000 |
| Germany (+A,CH) | 5,992,000 | 5,730,000 | 6,054,000 |
| Australia, NZ | 6,768,000 | 6,441,000 | 7,153,000 |
| Korea | 5,568,000 | 5,345,000 | 5,402,000 |
| Scandinavia | 4,391,000 | 4,505,000 | 4,292,000 |
| Mexico | 3,387,000 | 3,817,000 | 4,201,000 |
| France | 3,094,000 | 3,788,000 | 3,902,000 |
| Taiwan | 4,242,000 | 3,562,000 | 3,822,000 |
| China | 19,810,000 | 25,322,000 | 31,516,000 |
| Benelux | 1,567,000 | 1,314,000 | 1,875,000 |
| Italy | 1,101,000 | 1,203,000 | 1,120,000 |
| Brazil | 3,556,000 | 3,863,000 | 3,670,000 |
| India | 3,464,000 | 4,767,000 | 4,061,000 |
| Total, Top 15 | 229,502,000 | 247,480,000 | 253,698,000 |
| | | | |
| Total, All | 261,702,000 | 280,784,000 | 291,052,000 |

Total Spending, Annual Change

Greater Portland Results

- In 2013, Visa Vue® tightened their data exclusion rules regarding long-term residents. As a result, 2012 is “overstated” relative to subsequent years.

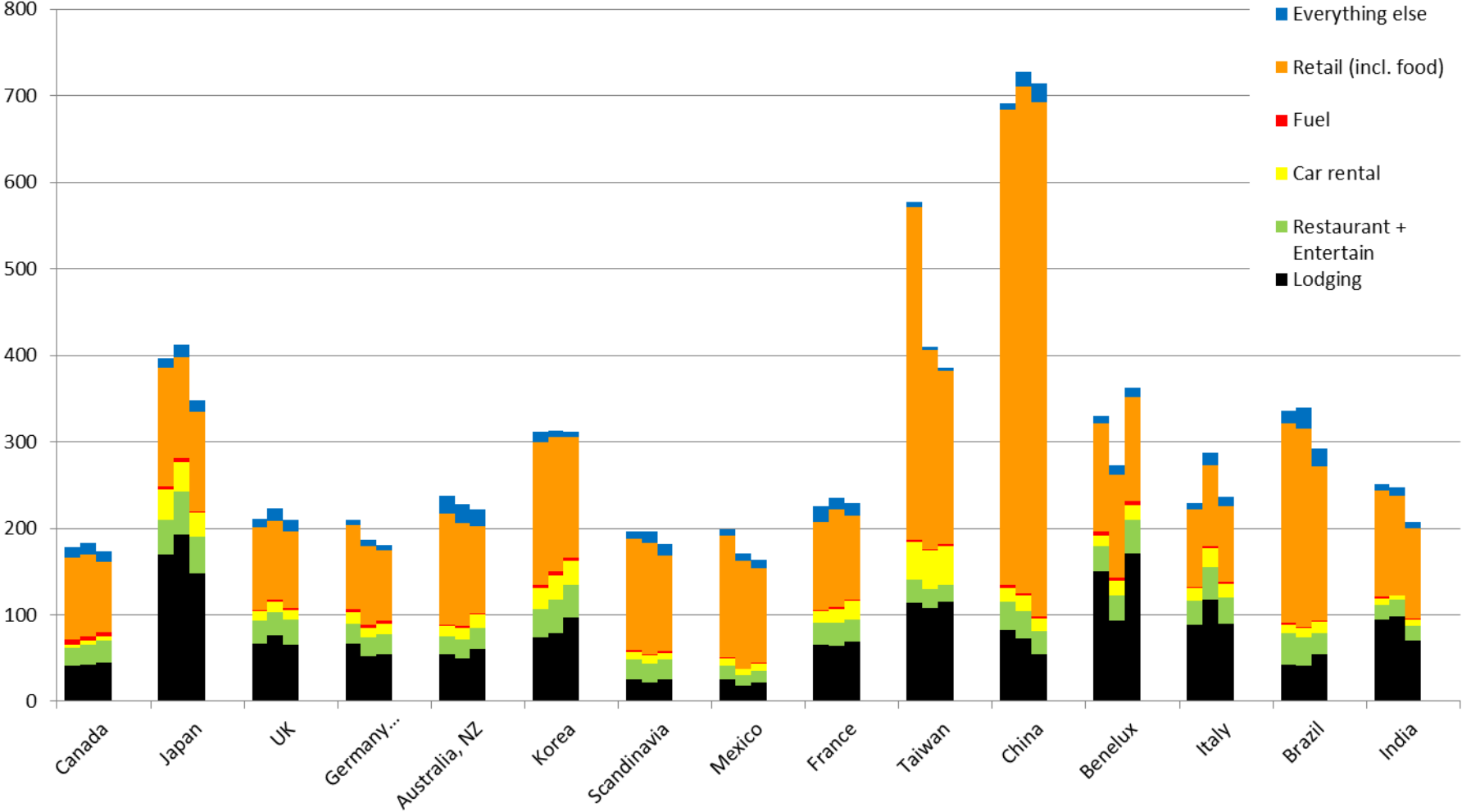
Figure 8. Total spending by country, year-on-year change
(includes cash withdrawals)



Spending by Category

Greater Portland Results

Figure 9. Visa spending by category, \$ per visitor, excludes cash withdrawals, 2012-2014 (left to right)





Conclusions

Greater Portland Results

- Still early in the data series, but patterns emerging.
- Portland represents a large portion of statewide activity and has similar visitor characteristics
 - Largest source market by far is Canada
 - Continued strong growth in the China market
- Seasonality variable across markets, with Q3 having the most arrivals for all countries except Mexico and China.
- The proportion of spending from commercial cards is less than one-third for all countries except Italy (36%) and India (64%).
- Visitors from China spend the most per visitor, followed by India (reflects only Visa spending, includes cash withdrawals).
- Much of the spending, particularly by Chinese visitors, is on retail items.