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## **TOTAL TOURISM-RELATED SALES UP 1.1 PERCENT IN THIRD QUARTER 2004**

Total sales of tourism-related goods and services grew at a seasonally adjusted annual rate of 1.1 percent in the third quarter of 2004 to \$973.3 billion, according to preliminary estimates of the U.S. Bureau of Economic Analysis. This was the slowest growth in total tourism-related sales since the third quarter of 2002, when sales declined 3.0 percent. Growth in the sales of traveler accommodations, food services and drinking places, recreation and entertainment, and shopping of \$10.9 billion were offset by a decline in the sales of passenger air transportation and all other transportation-related commodities of \$8.3 billion.

Direct tourism sales – goods and services sold directly to visitors – accounted for \$550.9 billion of the total. Another \$422.4 billion was derived from indirect tourism sales – those goods and services used to produce what visitors buy. While direct tourism sales have grown at a seasonally adjusted annualized rate of 6.9 percent since their fourth quarter 2001 trough, direct tourism employment has grown only 0.5 percent (seasonally adjusted annualized rate) since the fourth quarter of 2001. (Sales are in current dollars; real dollar figures are not available.)

Other sales-related highlights include:

- Direct tourism-related sales increased 0.9 percent in the third quarter of 2004.
- Direct sales of traveler accommodations, food services and drinking places, recreation and entertainment, and shopping grew at an average rate of 7.3 percent to \$348.7 billion.
- Direct sales of passenger air transportation decreased 17.6 percent to \$92.0 billion, reflecting a significant decline in airfares and a relatively smaller drop in passenger volume.
- Direct sales of all other transportation-related goods and services dropped 1.1 percent to \$110.1 billion.
- Total sales of all tourism-related commodities grew 7.8 percent (seasonally adjusted annual rate, revised) in the second quarter of 2004, and 10.9 percent in the first quarter of 2004.

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## Tourism Employment

Direct tourism-related employment grew by 7,300 employees (seasonally adjusted at annual rates) in the second quarter 2004, the most recent quarter for which data are available. For the second consecutive quarter, the largest gains in tourism employment occurred in the food services and drinking places industry, which added 3,000 jobs, and the recreation and entertainment industry, which added 2,100 jobs. The traveler accommodations and air transportation industries each contributed an additional 700 new jobs. In the first quarter of 2004, direct tourism employment grew 2.0 percent (revised).

BEA's estimates of tourism-related sales include figures for both "direct" and "indirect" sales. Direct tourism-related sales comprise all output consumed directly by visitors (e.g., traveler accommodations, passenger air transportation, souvenirs); indirect tourism-related sales comprise all output used as inputs in the process of producing direct tourism-related output (e.g., toiletries for hotel guests, the various ingredients used to make the meals served airline passengers, and the plastic used to produce souvenir key chains). Indirect sales were estimated using commodity-by-commodity total requirements coefficients from BEA's annual input-output accounts.

BEA's estimates of tourism-related employment measure "direct" tourism-related employment. Direct tourism-related employment comprises all jobs where the workers are engaged in the production of direct tourism-related output (e.g., hotel staff, airline pilots, and souvenir sellers).

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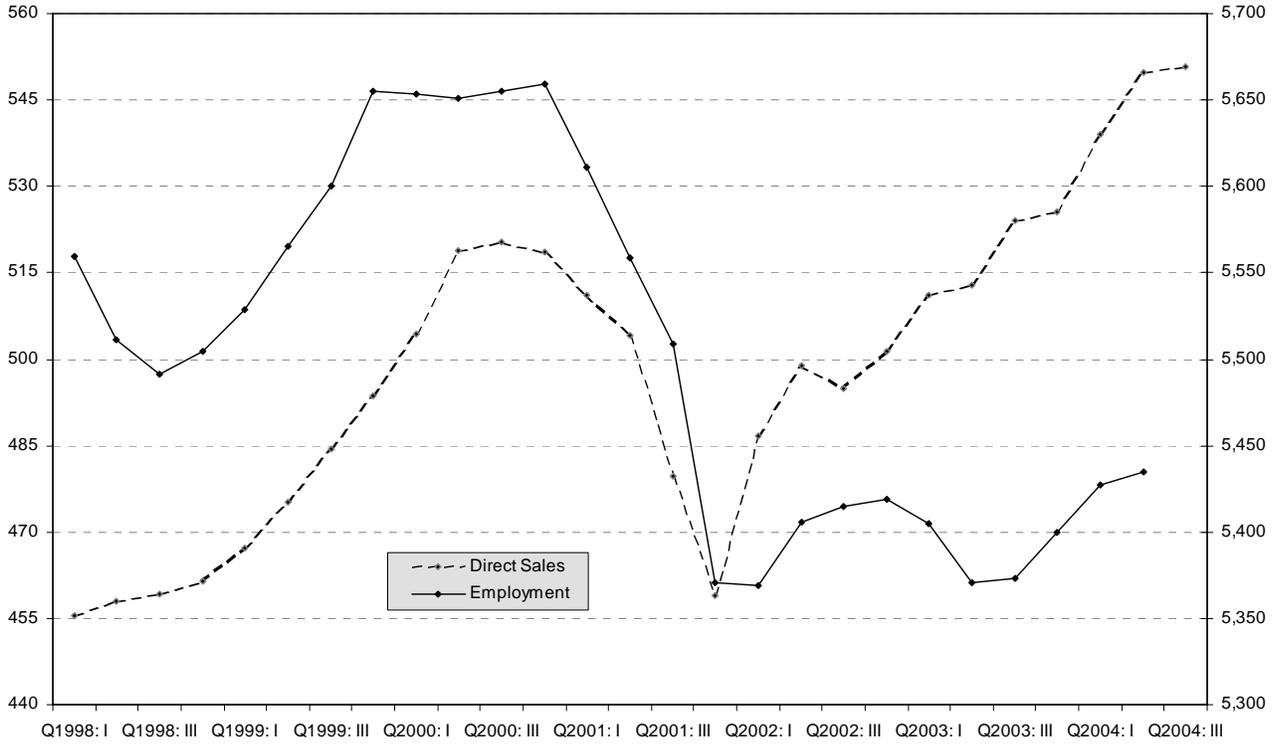
Next release – Travel and Tourism Activity for fourth quarter 2004 will be released March 14, 2005 at 8:30 a.m. EST.

BEA's data – including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries – are available on its Web site: [www.bea.gov](http://www.bea.gov).

### Direct Tourism-related Sales & Tourism Employment, Q1998:I - Q2004:III

Direct Sales (billions of current dollars; real dollar figures are not available)

Employment (thousands of employees)



**Table 1. Percent Change in Direct Tourism-related Sales of Tourism Commodities, Q2001:II - Q2004:III**

Percent change from preceding period

Tourism Commodity Group	Seasonally adjusted at annual rates																
	2001	2002	2003	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I	Q2004: II	Q2004: III
Traveler accommodations	-7.3	0.7	0.6	-12.0	-25.0	-20.4	36.9	15.0	-5.1	-5.0	4.4	-0.9	9.6	-10.4	7.3	11.8	7.9
Passenger air transportation	-13.3	-6.0	7.8	-5.2	-43.9	-48.4	67.8	18.1	-17.5	16.3	16.0	3.2	14.8	-0.3	14.6	16.6	-17.6
All other transportation-related commodities	-0.4	1.1	3.1	2.4	-15.5	-17.2	19.1	13.7	-3.4	4.9	12.7	-10.1	7.7	-1.4	7.8	10.1	-1.1
Food services and drinking places	-2.5	6.0	7.0	-8.4	4.0	3.8	15.4	5.0	3.3	4.6	5.6	10.5	9.5	13.1	12.1	4.4	7.4
Recreation and entertainment	2.1	7.1	5.6	-2.4	-5.5	2.2	20.3	7.4	7.5	6.3	3.1	8.1	3.9	3.5	16.7	-0.2	7.8
Shopping (Retailers)	-7.3	1.7	4.3	-7.5	-5.4	-0.7	8.7	3.3	0.1	5.7	5.7	1.7	8.5	3.0	7.3	4.9	6.0
<i>All Tourism Commodities</i>	-5.2	1.4	4.6	-5.5	-17.9	-16.3	26.3	10.6	-3.2	5.2	8.2	1.2	9.1	1.1	10.7	8.1	0.9

Source: Bureau of Economic Analysis

**Table 2. Direct Tourism-related Sales of Tourism Commodities, Q2001:I - Q2004:III**

[Millions of dollars]

Tourism Commodity Group	Seasonally adjusted at annual rates																	
	2001	2002	2003	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I	Q2004: II	Q2004: III
Traveler accommodations	81,709.3	82,245.8	82,749.2	87,833.6	85,060.0	79,163.2	74,780.4	80,895.2	83,768.6	82,688.7	81,630.5	82,510.6	82,316.8	84,222.9	81,946.5	83,407.1	85,765.8	87,408.5
Passenger air transportation	87,094.7	81,872.4	88,227.6	97,731.3	96,439.7	83,472.4	70,735.5	80,507.3	83,924.8	79,987.5	83,070.0	86,205.2	86,893.6	89,944.9	89,866.5	92,974.8	96,607.9	92,033.0
All other transportation-related commodities	101,480.8	102,601.8	105,817.3	104,339.6	104,958.6	100,630.5	95,994.6	100,286.2	103,558.2	102,662.2	103,900.8	107,042.2	104,235.7	106,177.3	105,813.9	107,828.3	110,451.9	110,140.6
Food services and drinking places	80,874.0	85,746.2	91,719.7	81,623.6	79,843.0	80,636.6	81,392.6	84,366.0	85,411.3	86,112.1	87,095.4	88,285.1	90,513.1	92,589.5	95,491.1	98,255.9	99,323.6	101,121.6
Recreation and entertainment	60,626.0	64,901.7	68,518.3	61,249.9	60,874.7	60,026.5	60,352.7	63,204.0	64,347.7	65,520.3	66,534.9	67,048.7	68,367.8	69,026.5	69,630.0	72,365.2	72,328.1	73,705.0
Shopping (Retailers)	76,697.4	78,033.5	81,354.6	78,407.3	76,884.6	75,819.7	75,678.0	77,275.6	77,906.8	77,933.3	79,018.1	80,119.8	80,457.3	82,119.7	82,721.8	84,195.0	85,199.9	86,456.8
<i>All Tourism Commodities</i>	<i>488,482.1</i>	<i>495,401.4</i>	<i>518,386.7</i>	<i>511,185.2</i>	<i>504,060.5</i>	<i>479,749.0</i>	<i>458,933.8</i>	<i>486,534.3</i>	<i>498,917.4</i>	<i>494,904.1</i>	<i>501,249.7</i>	<i>511,211.8</i>	<i>512,784.3</i>	<i>524,080.8</i>	<i>525,469.8</i>	<i>539,026.2</i>	<i>549,677.3</i>	<i>550,865.6</i>

Source: Bureau of Economic Analysis

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**Table 3. Total (Direct & Indirect) Tourism-related Sales of Tourism Industries, Q2001: I - Q2004:III**

[Millions of dollars]

Tourism Commodity Group	Seasonally adjusted at annual rates																	
	2001	2002	2003	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I	Q2004: II	Q2004: III
Traveler accommodations	124,668.4	125,486.9	126,255.1	134,012.6	129,780.8	120,783.7	114,096.6	123,426.3	127,810.5	126,162.8	124,548.2	125,891.1	125,595.3	128,503.5	125,030.3	127,258.9	130,857.7	133,364.0
Passenger air transportation	147,607.5	138,756.8	149,527.5	165,634.3	163,445.3	141,468.5	119,882.0	136,443.3	142,235.2	135,562.2	140,786.5	146,100.0	147,266.7	152,438.0	152,305.2	157,573.0	163,730.4	155,976.9
All other transportation-related commodities	170,855.5	172,507.0	178,468.2	175,780.3	176,983.7	169,513.6	161,144.2	168,420.0	174,108.6	172,571.7	174,927.6	180,606.0	175,610.1	179,112.6	178,544.3	182,275.7	186,736.8	186,199.3
Food services and drinking places	154,240.3	163,532.5	174,925.0	155,669.9	152,274.1	153,787.7	155,229.4	160,900.2	162,893.8	164,230.3	166,105.6	168,374.7	172,623.8	176,583.9	182,117.7	187,390.5	189,426.8	192,856.0
Recreation and entertainment	102,318.6	109,538.6	115,575.0	103,388.7	102,722.5	101,293.3	101,870.0	106,680.6	108,618.1	110,530.3	112,325.4	113,113.3	115,319.3	116,424.7	117,442.6	121,994.9	122,007.3	124,318.0
Shopping (Retailers)	160,268.2	163,060.1	170,000.1	163,841.2	160,659.3	158,434.2	158,138.1	161,487.9	162,801.9	162,847.6	165,102.9	167,351.3	168,082.1	171,610.7	172,956.2	176,158.5	177,915.0	180,539.7
<i>All Tourism Commodities</i>	<i>859,958.5</i>	<i>872,881.9</i>	<i>914,750.8</i>	<i>898,327.0</i>	<i>885,865.7</i>	<i>845,280.9</i>	<i>810,360.2</i>	<i>857,358.4</i>	<i>878,467.9</i>	<i>871,904.9</i>	<i>883,796.2</i>	<i>901,436.3</i>	<i>904,497.4</i>	<i>924,673.3</i>	<i>928,396.3</i>	<i>952,651.5</i>	<i>970,674.1</i>	<i>973,253.9</i>
<i>Percent Change at annual rate</i>	<i>-5.2</i>	<i>1.5</i>	<i>4.8</i>	<i>-6.0</i>	<i>-5.4</i>	<i>-17.1</i>	<i>-15.5</i>	<i>25.3</i>	<i>10.2</i>	<i>-3.0</i>	<i>5.6</i>	<i>8.2</i>	<i>1.4</i>	<i>9.2</i>	<i>1.6</i>	<i>10.9</i>	<i>7.8</i>	<i>1.1</i>

Source: Bureau of Economic Analysis

**Table 4. Percent Change in Tourism Employment, Q2001:II - Q2004:II**

Percent change from preceding period

Tourism Industry Group	Seasonally adjusted at annual rates														
	2001	2002	2003	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I	Q2004: II
Traveler accommodations	-2.6	-3.8	0.4	-4.9	-4.3	-16.9	3.9	0.0	0.1	2.4	-4.4	1.5	3.2	1.2	0.2
Air transportation services	-0.7	-8.6	-5.2	-2.8	-3.9	-22.8	4.6	-0.5	-2.5	-6.9	-11.5	-7.5	-0.8	3.1	0.6
All other transportation-related industries	-0.6	-5.1	-2.9	-0.4	-3.4	-15.1	-1.2	-1.8	-1.7	-4.2	-4.7	-3.6	0.7	-2.9	-0.1
Food and beverage services	-3.9	2.8	1.8	-3.6	-1.9	0.2	4.9	3.1	2.5	-0.7	1.3	3.2	3.3	3.6	0.7
Recreation and entertainment	1.0	0.3	1.2	-2.1	-2.3	-1.5	0.9	1.8	2.1	0.4	0.7	1.6	1.9	5.9	1.4
Shopping (Retailers)	-6.1	-2.8	-1.4	-7.7	-6.7	-5.3	-0.5	-1.4	-1.8	-2.1	-1.2	-0.6	0.4	-0.1	0.4
All other industries	-2.4	-1.0	-0.5	-4.1	-3.9	-3.2	0.1	0.0	0.0	-0.9	-1.3	-0.6	0.5	1.1	1.3
<i>All Tourism Industries</i>	<i>-2.5</i>	<i>-2.0</i>	<i>-0.3</i>	<i>-3.7</i>	<i>-3.5</i>	<i>-9.6</i>	<i>2.7</i>	<i>0.7</i>	<i>0.3</i>	<i>-1.0</i>	<i>-2.5</i>	<i>0.2</i>	<i>2.0</i>	<i>2.0</i>	<i>0.5</i>

Source: Bureau of Economic Analysis

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**Table 5. Tourism Employment, Q2001:I - Q2004:II**

[Thousands of employees]

Tourism Industry Group				Seasonally adjusted at annual rates													
	2001	2002	2003	Q2001: I	Q2001: II	Q2001: III	Q2001: IV	Q2002: I	Q2002: II	Q2002: III	Q2002: IV	Q2003: I	Q2003: II	Q2003: III	Q2003: IV	Q2004: I	Q2004: II
Traveler accommodations	1359.2	1307.6	1312.7	1395.4	1377.9	1362.7	1300.9	1298.2	1310.6	1310.7	1311.1	1318.9	1304.1	1308.9	1319.1	1323.1	1323.8
Air transportation services	595.4	544.3	516.0	611.1	606.8	600.8	563.1	540.9	547.0	546.3	542.9	533.4	517.2	507.3	506.3	510.2	510.9
All other transportation-related industries	699.7	664.0	644.4	710.3	709.6	703.4	675.3	667.7	665.7	662.7	659.9	652.9	645.1	639.3	640.4	635.6	635.5
Food and beverage services	1544.6	1588.5	1617.3	1558.6	1544.5	1537.2	1538.0	1566.0	1584.7	1596.7	1606.7	1603.9	1608.9	1621.6	1634.8	1649.4	1652.4
Recreation and entertainment	590.4	592.2	599.5	595.1	591.9	588.4	586.2	589.0	590.4	593.1	596.2	596.7	597.8	600.2	603.0	611.8	613.9
Shopping (Retailers)	558.4	542.6	535.1	573.6	562.3	552.6	545.2	544.7	544.0	542.0	539.6	536.7	535.0	534.2	534.6	534.5	535.0
All other industries	164.6	162.9	162.0	167.0	165.3	163.6	162.3	162.8	162.9	162.9	162.9	162.5	162.0	161.7	161.9	162.4	162.9
<i>All Tourism Industries</i>	<i>5,512.3</i>	<i>5,402.1</i>	<i>5,387.1</i>	<i>5,611.1</i>	<i>5,558.3</i>	<i>5,508.8</i>	<i>5,371.0</i>	<i>5,369.3</i>	<i>5,405.3</i>	<i>5,414.5</i>	<i>5,419.2</i>	<i>5,404.9</i>	<i>5,370.3</i>	<i>5,373.2</i>	<i>5,400.2</i>	<i>5,427.0</i>	<i>5,434.3</i>

Source: Bureau of Economic Analysis