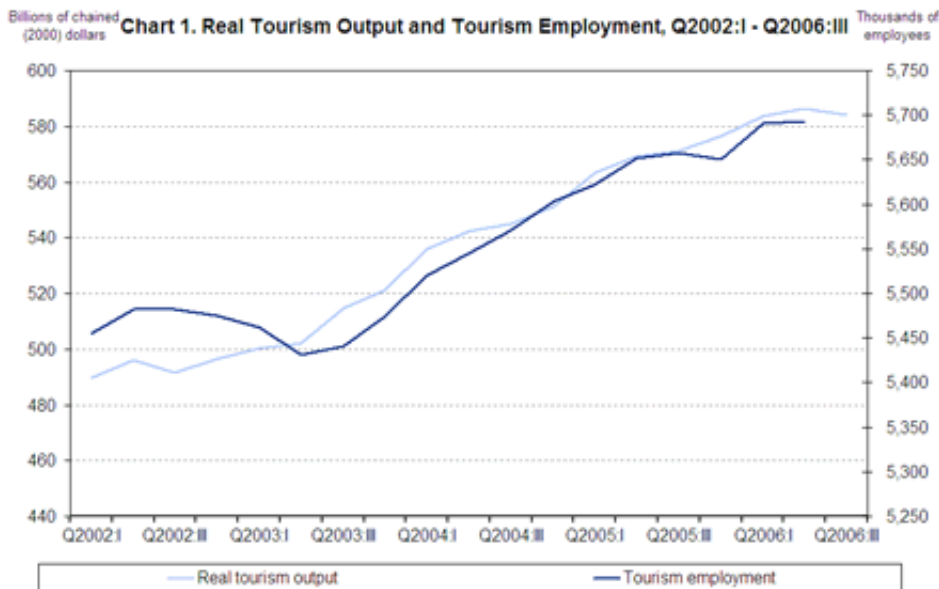


Real Tourism Output Down 1.7 Percent in Third Quarter 2006

2006-12-19

Largely due to heightened security concerns over air travel.

Real tourism output declined at an annual rate of 1.7 percent in the third quarter of 2006 largely due to heightened security concerns over air travel according to data released Thursday (December 14) by the U.S. Bureau of Economic Analysis. In the second quarter of 2006, real tourism output grew 1.9 percent (revised). By comparison, real gross domestic product (GDP) grew at an annual rate of 2.2 percent (preliminary) in the third quarter of 2006, and 2.6 percent (final) in the second quarter of 2006.



U.S. Bureau of Economic Analysis

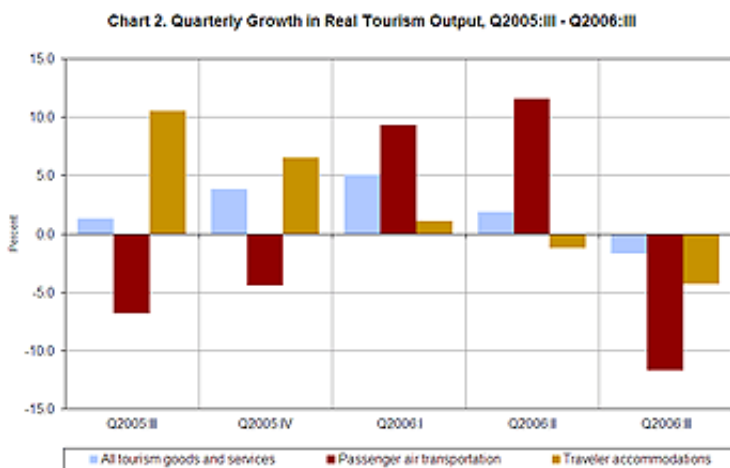
Direct tourism employment rose 0.1 percent in the second quarter of 2006 (the most recent period for which data are available), after growing 2.9 percent (revised) in the first quarter of 2006. By comparison, overall U.S. employment grew 1.2 percent in the second quarter of 2006, and 1.7 percent in the first quarter of 2006.

Other highlights from this release of the travel and tourism satellite accounts include:

After a sharp increase of 7.5 percent (revised) in the second quarter of 2006, prices for tourism goods and services rose only 2.2 percent in the third quarter of 2006. By comparison, the overall GDP price index rose 1.8 percent in the third quarter of 2006.

Total tourism-related employment was flat in the second quarter of 2006, accounting once again for 8.3 million jobs.

Changes in Real Tourism Output

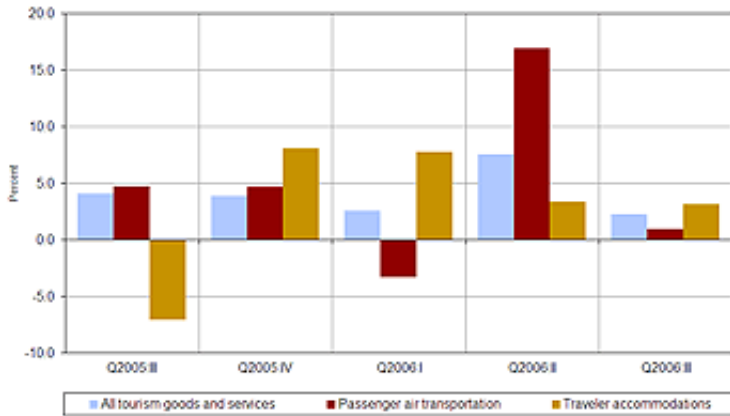


U.S. Bureau of Economic Analysis

After growing 11.6 percent (revised) in the second quarter of 2006, real output of passenger air transportation declined 11.6 percent in the third quarter of 2006. Much of this reversal may be attributed to the tightened air travel restrictions and security concerns announced the second week of August. Also, real output of traveler accommodations, which dipped 1.1 percent (revised) in the second quarter of 2006, was down 4.2 percent in the third quarter of 2006.

Changes in Tourism Prices

Chart 3. Quarterly Growth in Prices for Tourism Goods and Services, Q2005:III - Q2006:III

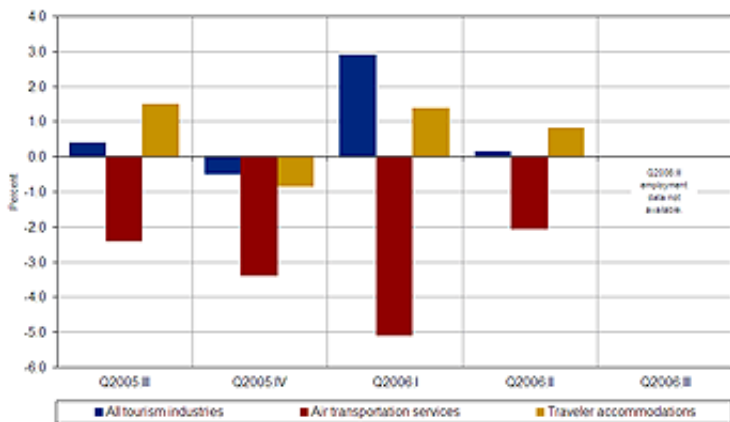


U.S. Bureau of Economic Analysis

Prices for passenger air transportation, which increased 16.9 percent (revised) in the second quarter of 2006, rose only 0.9 percent in the third quarter of 2006. Prices for traveler accommodations, which grew 8.0 percent in the fourth quarter of 2005 and 7.8 percent in the first quarter of 2006, increased a much more modest 3.4 percent (revised) and 3.1 percent in the second and third quarters of 2006.

Changes in Tourism Employment

Chart 4. Quarterly Growth in Direct Tourism Employment, Q2005:III - Q2006:III

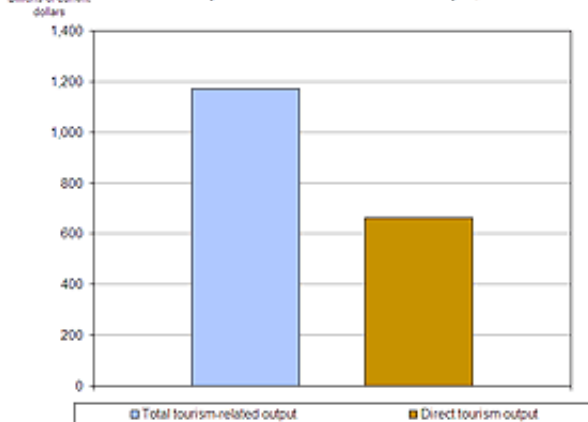


U.S. Bureau of Economic Analysis

After an increase of 2.9 percent (revised) in the first quarter of 2006, overall direct tourism employment grew only 0.1 percent in the second quarter of 2006 (the latest period for which data are available). While employment in the traveler accommodations industry grew for the eleventh time in the last twelve quarters, adding 2.8 thousand jobs, employment in the air transportation services industry declined for the sixth consecutive quarter, eliminating 2.5 thousand jobs.

Total Tourism-Related Output

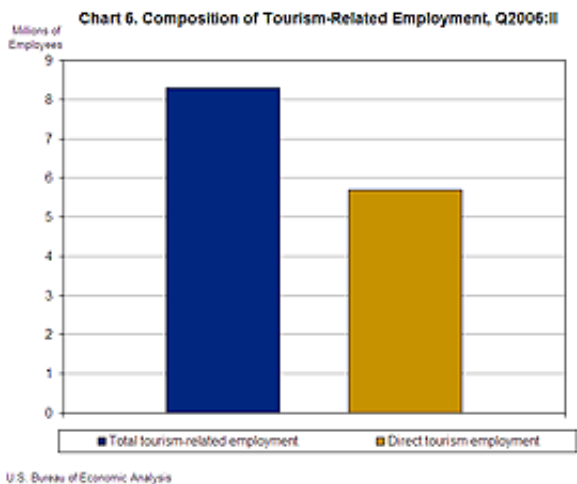
Chart 5. Composition of Tourism-Related Output, Q2006:III



U.S. Bureau of Economic Analysis

In the third quarter of 2006, total current-dollar tourism-related output of \$1.2 trillion consisted of \$663.2 billion of direct tourism output - output of goods and services sold directly to visitors, and \$506.1 billion of indirect tourism-related output - output of goods and services used to produce what visitors buy.

Total Tourism-Related Employment



In the second quarter of 2006 (the most recent period for which data are available), total tourism-related employment of 8.3 million consisted of 5.7 million direct tourism jobs - jobs where workers produce goods and services sold directly to visitors, and 2.6 million indirect tourism-related jobs - jobs where workers produce goods and services used to produce what visitors buy.

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