

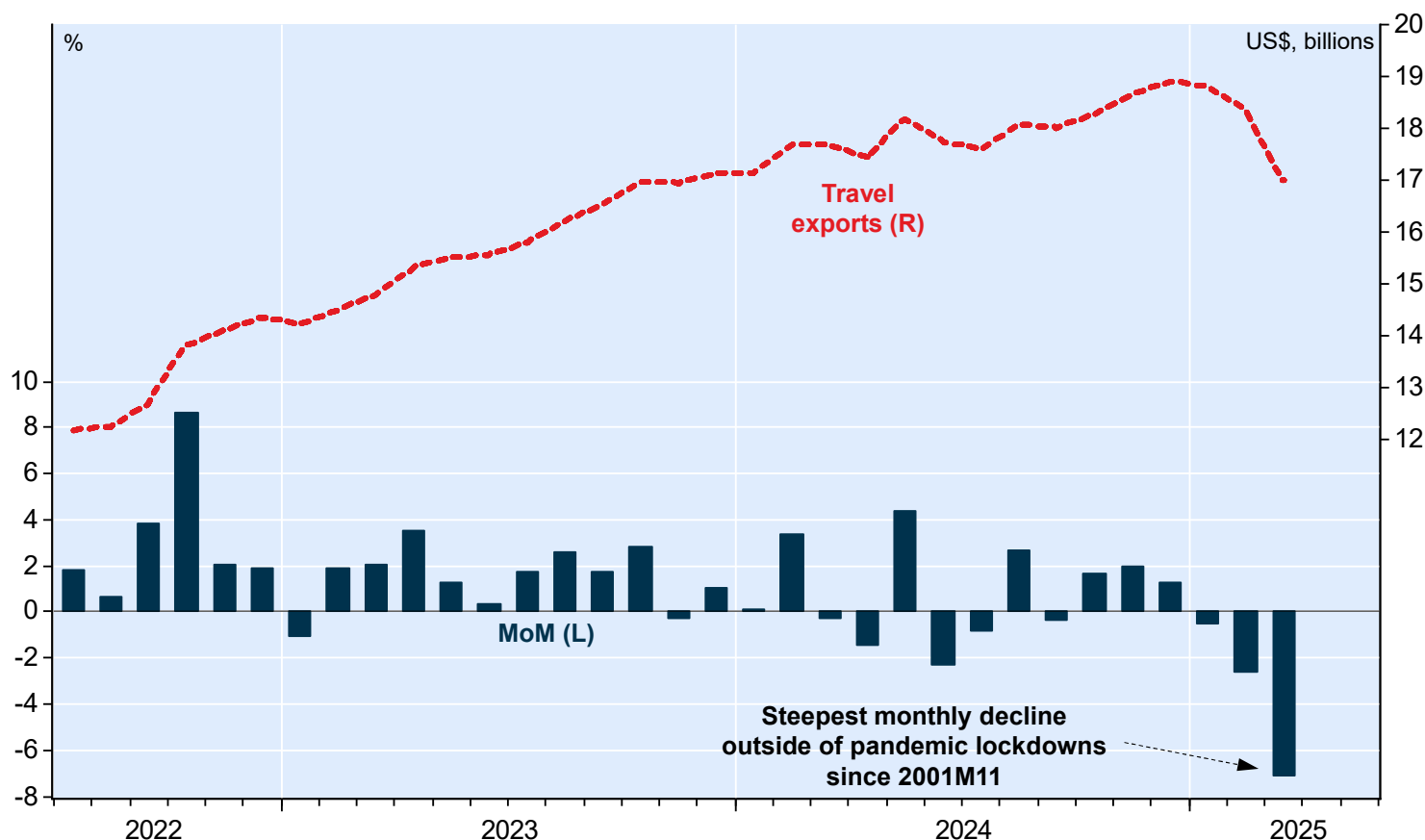
## U.S. Watch

By Jocelyn Paquet and Kyle Dahms

The March international trade data released this morning in the United States certainly attracted attention, if only because the deficit reached a record high of \$140.5 billion in the month. The deterioration was driven by a sharp rise in goods imports (+5.4%), which was linked to businesses bringing forward orders to avoid the imposition of tariffs. But another element of the report caught our attention: the sharp decline in travel services exports, which include accommodations, meals, and travel agency and education fees paid by foreign visitors to the United States. As today's Hot Chart shows, these fell by no less than 7.1% over the month, the worst decline in nearly a quarter of a century, with the exception of the months of pandemic lockdown. Over the last three months, the decline has been a whopping 10%. These figures confirm what airline ticket sales data had already suggested in recent weeks, namely that some travelers are now shunning the United States. We expect this new reality to have a negative impact on production and employment in tourism-related sectors, as well as on the financial results of companies that depend on foreign visitors.

### Travelers are shunning the United States

Exports of travel services including education from the United States



NBC Economics and Strategy (data via Bloomberg)



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