#### **Trump tariffs**

### European travellers cancel US visits as Trump's policies threaten tourism

International visitors stay away as political and economic tension and fears of a hostile border rise

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The total number of overseas visitors travelling to the US dropped by 12 per cent year-on-year in March © Angel Di Bilio/Alamy

Eva Xiao in New York, Philip Georgiadis and John Burn-Murdoch in London, and Claire Bushey in Chicago

#### Published YESTERDAY

The number of European travellers visiting the US has fallen sharply as political and economic tension and fears of a hostile border under President Donald Trump threaten the world's most lucrative air routes.

Visitors from western Europe who stayed at least one night in the US fell by 17 per cent in March from a year ago, according to the International Trade Administration.

Travel from some countries — including Ireland, Norway and Germany — fell by more than 20 per cent, an FT analysis of ITA data showed.

The trend poses a threat to the US tourism industry, which accounts for 2.5 per cent of the country's GDP. Some airlines and hotel groups have warned of waning demand for transatlantic travel and a "bad buzz" about visiting the US.

The total number of overseas visitors travelling to the US dropped by 12 per cent year-on-year in March, the steepest decline since March 2021 when the travel sector was reeling from pandemic restrictions, according to the ITA data.

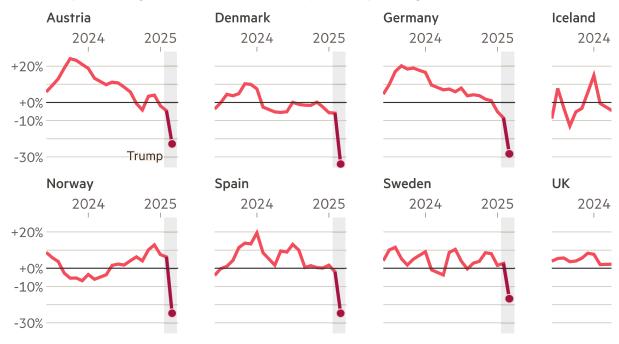
"In just two months [Trump] has destroyed the reputation of the US, shown one way

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website <u>Kayak</u>. "This is not only one more terrible blow to the US economy, it also represents reputation damage that could take generations to repair."

## The number of Europeans travelling to the US has cratered under Trump

Year-on-year change in visitors to the US, by country of origin (%)



Source: International Trade Administration, U.S. Department of Commerce

The decline may have partly reflected the rise in travel during Easter, which fell in March last year, said Adam Sacks, president at Tourism Economics.

But he said other data, including from US airports and land crossings from Canada, all showed "it's very clear something is happening... and it is a reaction to Trump".

Transatlantic routes are the most profitable in the world, and airlines have enjoyed booming demand on these flights since the pandemic, especially in premium seats.

Virgin Atlantic last week warned of a "modest" slowdown in demand for transatlantic flying from US consumers, and Air France-KLM's CEO Ben Smith on Wednesday said the carrier had been forced to cut economy class transatlantic fares amid "slight softness" in the market.

But British Airways owner IAG and US carrier Delta Air Lines both said they had not seen any impact.

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Airline fortunes are closely tied to the wider economy, as consumers tend to hold off on flying when they are worried about a recession. Barclays analysts said this week they remained concerned about transatlantic routes, where they expected profitability to be "abruptly diminished".

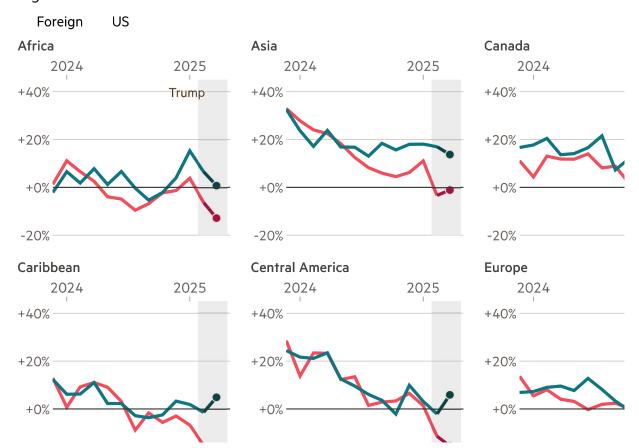
Naren Shaam, CEO of travel booking site Omio, said cancellation rates for bookings to the US were 16 per cent higher in the first quarter than a year earlier — with travellers from the UK, Germany and France showing an even higher cancellation rate of 40 per cent.

Sébastien Bazin, chief executive of French hotel giant Accor, told Bloomberg that reports of detentions at the US border had created a "bad buzz" around visiting the US.

Accor last week said bookings for Europeans visitors to the US this summer were down 25 per cent.

# US-bound flights from many regions have seen a drop in foreign passengers

Year-on-year change in foreign vs American passengers flying to the US from different regions



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The drop in international visitors to the US underscores the potential economic impact of a more aggressive border policy under Trump.

Last year, international visitors spent more than \$253bn on US travel and tourism-related goods and services, according to the ITA, or more than 19 per cent of \$1.3tn in US travel spending in 2024.

The US Travel Association, an industry group, warned of "concerning trends", which it put down to factors including "a question of America's welcomeness".

Delta president Glen Hauenstein said that the carrier had seen a "significant" drop in bookings from Canada. The airline <u>pulled its guidance</u> this week amid the wider uncertainty.

Gloria Sync, an artist and author in Nottingham, England, said she cancelled a May trip to San Francisco after seeing reports of detained tourists.

"The borders seem unsafe," said Sync, who is transgender and said she was also worried about the "unwanted attention" her identity could bring at the border. "I don't know if I'll ever go back, to be honest."

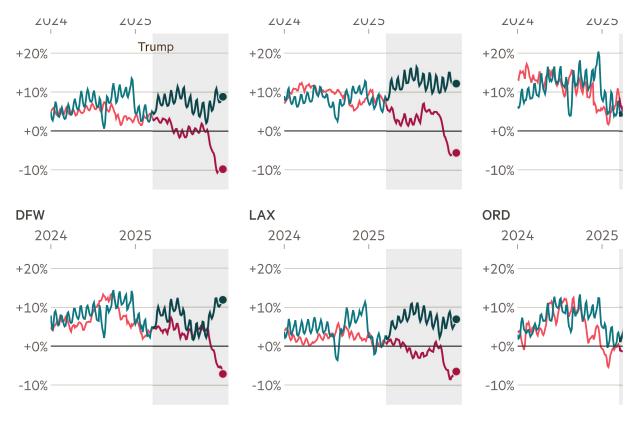
# The number of foreign air travellers passing through major US airports has nosedived

Year-on-year changes in US and non-US citizens passing through customs by airport code

Foreign	US				
Total		ATL		DEN	
2027	2025	2027	2025	2027	2025

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Source: <u>US Customs and Border Protection</u>

"Total" combines passenger counts for the top 10 busiest international airports in the US. Figures show a 30-day rolling average. Data through April 6, 2025

FT graphic: Eva Xiao

Travel from Canadians, a key source of tourism for "winter-sun" destinations, has <u>also declined</u>. Places in the US such as Las Vegas, for example, welcomed 1.4mn Canadians in 2023 — or a quarter of all international visitors.

Research firm Tourism Economics, which had previously estimated a <u>9 per cent</u> increase in international arrivals compared to 2024, last week revised its forecast to a <u>9.4 per cent decline</u> instead after Trump's tariff announcement last week.

Sacks also pointed to Trump's aggressive rhetoric towards the EU, Greenland and Canada. "These are all unforced errors, and they have a significant effect on sentiment towards the US, and therefore travel."

Trump's tariffs and his administration's dismantling of foreign aid agency USAID led retiree Paul Harrington, a Briton living in Paris, to cancel a trip to Washington DC next year.

Both of his daughters in the UK work in education and a recession could put public sector jobs at risk.

"I am now contacting my US friends to visit me in Paris," said Harrington. "I will not visit the States until Trump is gone."

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