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To boost flagging economy, U.S. wants to import more shoppers

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The United States has long imported its food and fuel, its cars and clothes. Now the faltering economy has sparked a push for another type of import: shoppers.

For the first time, lawmakers, businesses and even White House officials are courting consumers from cash-rich countries such as China, India and Brazil to fill the nation's shopping malls and pick up the slack for penny-pinching Americans. They are wooing travelers with enticements such as coupons, beauty pageants and promises of visa reform. The payoff, they say, could be significant: 1.3 million new jobs and an \$859 billion shot in the arm for the economy over the next decade.

"They're their own little stimulus program," said David French, senior vice president for government relations at the National Retail Federation, a trade group.

The trend underscores the depth of the United States' reliance on countries once considered to be at the bottom of the global totem pole. The nation already counts on China and other countries to manufacture its goods, creating a \$45 billion trade imbalance that is paid for with money borrowed from their coffers. Now officials are encouraging foreign travelers to buy some of those products back — and a growing number are happy to oblige.

Guo Hui, 37, who lives in Beijing, recently returned home from a two-week tour of Yellowstone National Park, Houston and Los Angeles. He estimated he spent \$2,000 to rent a car and pay for gas and lodging for himself and his wife. Then there was the Ed Hardy T-shirt, the Apple laptop, the HP laptop, even baby food and formula for his child, totaling an additional \$6,000.

Still, Guo said prices are significantly cheaper than in China — a pair of Adidas sneakers costs only \$25 at a U.S. outlet mall.

"For that price in China, you can't even buy counterfeits," he said.

In contrast, spending by American shoppers — long considered the engine of the nation's economy — has slowed to a crawl as families struggle under high unemployment rates and depressed home prices. The U.S. gross domestic product last year grew an anemic 3 percent, while China's and India's shot up 10 percent. Brazil's clocked in at about 7.5 percent.

Those shifting dynamics have spawned a movement to encourage foreigners to spend their newfound wealth in the United States, placing the country in the unfamiliar role of supplicant. Over the summer, President Obama's jobs council deemed international travel among the "low-hanging fruit" for stimulating the economy. The Corporation for Travel Promotion, a public-private partnership created by Congress last year, will announce next month the first U.S. advertising campaign to promote the nation as a tourist destination. Rebecca Blank, the acting commerce secretary, called tourism a key component of "America's exports success story."

That's because even though foreign shoppers are spending money in the United States, their purchases are counted as exports on the country's balance sheet. This year, their spending is up 13 percent compared with last year, to nearly \$87 billion.

Miss Chinese Cosmos

The bulk of international tourism dollars comes from Canada, Japan and Britain. But Chinese spending is growing the fastest, up 39 percent in 2010, to \$5 billion. Brazil's growth was not far behind, with a 30 percent increase to \$6 billion. India's spending rose 12 percent to \$4 billion.

"I don't think you can expect foreign tourism to be a silver bullet" for the economy, said Brian Bethune, an economics professor at Amherst College. "But it makes an important difference. . . . It's a no-brainer in some sense."

That is why the Nevada Commission on Tourism lobbied to play host to the semifinal round of the Miss Chinese Cosmos beauty pageant, which wrapped up last week. The 18 contestants toured the state capital, attended a Wild West shootout in Virginia City and cruised in a Mississippi-style paddle-wheeler on Lake Tahoe with a Mark Twain impersonator. The seven-day extravaganza was broadcast to 225 million viewers across China.

"Part of it is the education for the Chinese of all that Nevada has," said Larry Friedman, the tourism commission's interim director. "The exposure potentially is huge."

At the Fashion Outlets of Las Vegas, which sits along the California-Nevada border, travelers from China, Malaysia and South Korea have driven the shopping center's tour bus business up 300 percent from a year ago, according to Ann Ackerman, director of marketing for AWE Talisman, which owns the mall. The center gives foreign tourists special coupon books, employs Mandarin-speaking customer service representatives and contracts translators to assist store salespeople struggling to break the language barrier. The outlets' hotline can handle 150 languages and receives about 15 calls averaging 11 minutes each per week.

D.C. tourism

In Washington, about 10 percent of the city's 17.3 million visitors are international

travelers, but they typically stay longer and spend more than domestic tourists, according to Destination DC, the city's tourism bureau. A foreign tourist typically spends \$813 over a five-night trip, compared with \$275 over a three-night stay for Americans.

Elliott Ferguson, the group's chief executive, said the city has sales representatives in Britain and Germany and recently added one in Brazil. Last week, Iceland Air wrapped up filming of a promotional video about the District that will play on all of its flights.

Ferguson said his sales pitch focuses on the cosmopolitan aspects of the city — the food, shopping and night life — rather than politics.

“Washington is in the news every single day somewhere in the world,” he said. “But it’s not necessarily for things that make you want to come to our destination.”

But this Washington policy debate might be of interest to potential foreign tourists.

Last week, Rep. Joseph J. Heck (R-Nev.) introduced a bill aimed at cutting the time it takes to get a tourist visa to 12 days, citing waits at consulates in key markets that can stretch to more than 100 days.

The State Department has pledged to reduce wait times for appointments to 30 days, and a spokesman said it is adding a “significant” number of staffers in Brazil and China to keep up with demand. The bill is awaiting a committee hearing.

Guo, of Beijing, said he waited nearly two months for an interview for his visa. He said he is also frustrated that the pass is only good for one year, which means he could have to reapply before his next trip. New York, Miami and Orlando are on his list.

“I guess too many people want to go to the U.S.,” Hui said.