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EUROPE TRAVEL BAN ANOTHER CORONAVIRUS-RELATED HIT TO TEXAS ECONOMY

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The U.S. ban on travel from Europe is the latest in a series of blows to the state and local economies — including cancellation of the South by Southwest festival, tanking oil prices and various directives to limit crowds — that have come in quick succession amid mounting coronavirus fears.

Texas, traditionally a top U.S. destination for foreign tourists, reaps about \$7 billion annually from international travelers — a figure that's close to 11% of all visitor spending in the state, according to the latest statistics available from the state's economic development and tourism department.

Visitors from Canada and Mexico are among the biggest contributors, although Germany and other countries in Europe also are high on the list.

Texas "receives hundreds of millions of dollars in direct spending from European travelers, as well as the associated spillover effects," said Ray Perryman, president of the Perryman Group, a Waco-based economic research and analysis firm.

Mexico and Canada account for the bulk of international travelers to Austin, according to Visit Austin, based on numbers of overnight visits in paid accommodations. Setting aside those two countries, however, the top 10 origins of other foreign visitors to Austin include Germany, France and Spain, coming in at Nos. 5, 9 and 10, respectively. The United Kingdom is No. 2, behind China, but it isn't included in the European ban.

President Donald Trump has announced a suspension of all travel from most European countries beginning late Friday for at least 30 days in an attempt to limit the spread of the coronavirus. The ban excludes U.S. citizens in Europe and travelers from the United Kingdom, and it also excludes cargo.

Some Texas business leaders said they understand and support Trump's action, even as they said they expect it to take a bite out of the state's travel sector.

"It is going to cause a dramatic slowdown, because Texas is a tourism destination," said Jeff Moseley, president of the Texas Association of Business. But, he said, "I just feel like we absolutely need to put as a priority the safety of our communities and our states."

Moseley said he's hopeful that the travel ban and other measures aimed at limiting the spread of the virus will provide a window for researchers and medical experts to

get a handle on it relatively quickly.

"Since there are more questions than answers right now (regarding danger from the coronavirus), there is a huge chill on the economy" in Texas and elsewhere, he said. "You can look at the (stock) markets (or) turn on the TV — there is uncertainty, and the markets just really don't handle uncertainty at all."

At Austin-Bergstrom International Airport, the ban on travel from Europe undoubtedly will affect passenger traffic counts, said Bryce Dubee, a public information specialist with the city's Aviation Department. But he said it's too soon to know the full ramifications.

"Several airlines have announced there will be reductions to their air service," Dubee said, noting that Delta Air Lines has said it will reduce domestic capacity in the United States by 10% to 15%.

"We'll know more in the coming days about what decisions airlines will be making," he said. "At this time, (the Austin airport) is working with our airline and federal partners to fully determine the implications of (Wednesday's) announcement related to international travel. We will provide more information as it becomes available."

The Austin airport has only one carrier that flies directly from a European country affected by the travel ban: Lufthansa, which offers service from Frankfurt, Germany. Two others, British Airways and Norwegian, fly to Austin from London, but the United Kingdom isn't part of the ban.

In 2019, 67,307 travelers flew between Austin and Frankfurt on the Lufthansa route, Dubee said, about a third of 1% of the 17.34 million who came through the airport last year.

Justin Yancy, president of the Texas Business Leadership Council, said the suspension of travel from Europe stands to hurt the state's tourism sector but likely won't constitute a huge blow initially to Texas companies that have European operations.

"The good news is that technology can still keep (companies) going," **Yancy** said. "Most companies are not going to have to take a pause in actually continuing to work."

Like Moseley, he said he's hopeful the actions aimed at limiting the spread of the virus — such as the ban on travel from Europe — ultimately will lessen the pandemic's economic impact by enabling a quicker return to normal.

"It is going to be a hit" to the economy, **Yancy** said. But "by doing the things we are doing both at the federal and state level, I think we are trying to mitigate the length of the disruption."