

## 1.0 Executive Summary

Visa processing barriers limiting inbound international business and pleasure travelers cost the United States economy billions of dollars in direct revenues while severing vital communications links to the Arab market. The Institute for Research: Middle Eastern Policy (IRmep) has gathered the most authoritative current data and statistics about visitor flows from twenty-two Arab League countries to the US before and after 9/11. We present quantitative findings on the economic impact of increasing visa trade barriers in terms of actual versus potential US exports to the region, diverted travel industry revenues, fewer foreign students in the higher education system, and lost US manufacturing jobs.

-  **Total Arab market import demand has more than doubled since the year 2001, but US corporations attempting to close deals are stymied by visa barriers that turn away even longtime Arab business visitors, including trainees seeking to enter the US. The US has already lost US\$62 billion in merchandise trade to competitors maintaining “open door” visa policies through 2005.**
-  **Cumulative opportunity cost losses are on track to reach a total of \$101 billion in 2006 as “turnkey” infrastructure projects, defense, consumer goods, and industrial machinery deals flow to US competitors. For some key energy producing countries such as Saudi Arabia, every visitor wrongly denied a US visa costs an average of \$1.4 million in lost merchandise trade.**
-  **Arab nonimmigrant entry into the US for business and pleasure is only half (52%) of year 2001 levels, creating direct five-year travel-related service losses of US\$1.775 billion to the US economy and eliminating 4,126 potential travel related service jobs.**
-  **In 2005, Arab student enrollments in the US higher education system reached only 66% of their 2001 level. The US higher education system has lost \$1.989 billion in revenue and just fewer than 9,000 education and support services jobs. More importantly, the pipeline of future business and government leaders in the region is no longer oriented toward the US system, goods or services.**
-  **The direct and indirect effects of lost manufacturing jobs materially impact the economic health of states across the nation. In 2005, UAE imports from the US sustained 63,619 jobs, while Saudi Arabia’s merchandise imports sustained 60,269 direct manufacturing jobs and indirect upstream and downstream jobs.**
-  **Total US direct and indirect jobs supported by manufactured goods exports to the Arab market were 215,000 in 2005, but could have reached 420,000 with more effective US visa policies.**

United States visa processing in the Arab world, formerly driven by security outsourcing and lack of due diligence, has now become both unresponsive and overly restrictive in many key markets. IRmep recommends avoiding permanent damage to vital trade and communications links between the US and the Arab market by adequately resourcing visa processing for potential visitors from this key region.

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