

Transparent. Unbiased. Yours.

U.S. Visa Fee Raises Fears for Tourism Economy

August 18, 2025

— Categories: Economics

The U.S. tourism industry is warning of serious setbacks following the introduction of a \$250 “visa integrity fee” for non-immigrant visa applicants. While the government expects the measure to strengthen border security and raise billions in new revenue, industry leaders caution it could trigger major losses in international travel, jobs, and overall visitor spending.

According to the Congressional Budget Office (CBO), the fee could generate about \$2.7 billion annually. However, analysis from Tourism Economics suggests the policy may deter 5.4 per cent of international visitors, resulting in as much as \$11 billion in lost revenue over the next three years. The decline is expected to affect an estimated 15,000 tourism-related jobs, particularly in hospitality, retail, and transportation.

Erik Hansen, Senior Vice President of Public Policy at the U.S. Travel Association, criticised the measure for overlooking long-term economic consequences. “The fee places an unnecessary burden on travellers and risks undermining America’s global competitiveness at a critical time,” he said.

Industry experts note that the policy will be felt most sharply in emerging travel markets such as India and Brazil. Both countries have seen rapid growth in outbound tourism, with Indian visitors alone spending \$13.3 billion in the United States in 2024. The additional cost could discourage middle-class travellers from booking trips, slowing growth from these key regions.

Adding to concerns is the refund mechanism included in the policy. Although travellers are technically eligible to reclaim the \$250 fee, the process could take up to ten years. Critics argue this timeline makes the refund impractical and unlikely to address travellers' concerns.

The World Travel & Tourism Council (WTTC) has also warned that the United States risks falling behind global competitors. A recent report projected that the country may be the only major destination to see international visitor spending decline in 2025, with potential losses of \$29 billion compared to pre-pandemic levels. Julia Simpson, WTTC President, said restrictive immigration policies and negative perceptions of U.S. travel are already dampening demand, and the new visa fee adds another obstacle.

Compounding the challenge, federal funding for Brand USA, the nation's official tourism marketing body, has been cut from \$100 million to \$20 million. Hansen said this reduction will make it harder for the United States to promote itself abroad at a time when other countries are investing heavily in destination marketing.

Tourism officials stress that a more balanced approach is needed—one that safeguards border integrity without discouraging visitors. They argue that smart investment in marketing, streamlined visa processes, and competitive pricing will be essential to maintaining America's global standing in the travel market.

For now, the \$250 visa integrity fee remains controversial. While it promises short-term gains for federal revenue, experts warn it could come at the cost of long-term tourism growth, job creation, and international competitiveness.