



Tourism snapshot

A focus on the markets that the CTC and its partners are active in

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Key highlights

Following seventeen consecutive monthly declines, U.S. travel patterns to Canada reversed in April 2009. Overnight trips from the U.S. increased by 5.1% compared to the same month a year ago.

India and China continue to show resilience to the current unstable economic environment, recording gains of 10.7% and 10.4% respectively, while Brazil posted a significant drop of 27.4%.

The Conference Board Consumer Confidence Index, which had posted a slight increase in March, continued to improve in April. The index now stands at 39.2 (1985=100), up from 26.9 in March.

Tourism review

International trips

- International travellers made 994,343 overnight trips in April 2009, an increase of 4.0% over the previous year, and was mainly contributed by an increase in U.S. travel to Canada;
- This month, overnight trips to Canada from the Americas posted an increase of 5.7% while overseas key markets registered a slight decrease of 1.5% compared to April 2008;
- Overnight trips to Canada in April 2009 from overseas countries other than CTC key markets were marginally up (0.9%) reaching 104,687 trips, while trips from non-US countries also increased slightly by 1.3%;
- Year-to-date, overall international trips to Canada fell by 4.7% reaching 3.2 million trips, while trip volume from overseas countries other than CTC key markets remained unchanged over the same period in 2008.

United States

- Following seventeen consecutive monthly declines, U.S. travel patterns to Canada reversed in April 2009. Overnight trips from the U.S. increased by 5.1% compared to the same month a year ago, supported by a sharp gain in auto travel (+17.6%). Trips by "plane" and "other modes" still experienced double digit drops of -10.7% and -13% respectively;

Overnight trips to Canada

| | April 2009 | 09/08 April % change | Jan-Apr 2009 | Year-to-date % change |
|--------------------------------------|----------------|----------------------|------------------|-----------------------|
| Americas* | | | | |
| United States | | | | |
| Automobile | 455,082 | 17.6 | 1,409,975 | 1.6 |
| Plane | 216,367 | -10.7 | 765,830 | -10.2 |
| Other | 49,002 | -13.0 | 138,687 | -18.5 |
| U.S. total | 720,451 | 5.1 | 2,314,492 | -4.0 |
| Mexico | 21,252 | 30.2 | 58,793 | -7.8 |
| Americas total | 741,703 | 5.7 | 2,373,285 | -4.1 |
| Overseas key markets | | | | |
| France | 24,426 | 7.1 | 84,686 | 0.6 |
| Germany | 16,262 | 10.6 | 54,454 | 6.2 |
| UK | 50,483 | 1.4 | 158,782 | -17.5 |
| China | 11,025 | 10.4 | 41,086 | 13.3 |
| Japan | 13,701 | -14.1 | 48,234 | -21.6 |
| South Korea | 8,759 | -27.2 | 36,569 | -23.0 |
| Australia | 11,298 | -8.9 | 44,184 | -6.9 |
| India** | 8,524 | 10.7 | 25,171 | 11.6 |
| Brazil** | 3,475 | -27.4 | 16,884 | -2.8 |
| Overseas key markets total | 147,953 | -1.5 | 510,050 | -9.0 |
| As % of overseas and Americas | 16.6 | | 17.7 | |
| Other overseas countries | 104,687 | 0.9 | 331,562 | 0.0 |
| Non-US countries | 273,892 | 1.3 | 900,405 | -6.6 |
| Total countries | 994,343 | 4.0 | 3,214,897 | -4.7 |

Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey.

*Refers to the CTC's marketing group in the U.S. and Mexico.

** India and Brazil are added to the CTC overseas key markets.

Overnight trips by Canadians

| | April 2009 | 09/08 April % change | Jan-Apr 2009 | Year-to-date % change |
|--------------------------------|------------------|----------------------|------------------|-----------------------|
| United States | 1,570,830 | -0.9 | 5,534,418 | -8.9 |
| Other countries | 793,458 | 4.7 | 3,689,396 | 5.0 |
| Total trips from Canada | 2,364,288 | 0.9 | 9,223,814 | -3.8 |

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

- Overall year-to-date, U.S. overnight trips declined by 4.0% over 2008, with 96,571 fewer trips;
- In April 2009, most provinces registered increases in overnight trips from the U.S. with the exception of three provinces (Newfoundland -36.1%, Nova Scotia -5.6% and British Columbia -1.4%);
- During the first four months of 2009, four provinces (PEI +26.7%, Saskatchewan +13.7%, Yukon +2.5% and New Brunswick +0.7%) registered increases in inbound U.S. trips.

Mexico

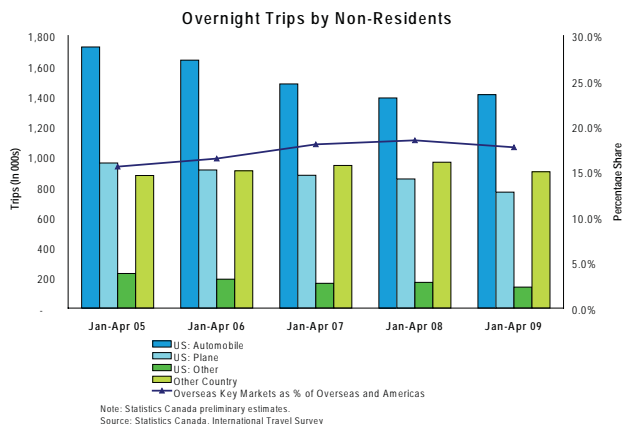
- In April 2009, Mexico registered a significant gain of 30.2% in overnight trips over 2008, with a total of 21,252 trips made to Canada;
- Despite a surge in inbound travel from Mexico in April, year-to-date overnight trips were down 7.8%, reaching 58,793 trips.

Share of entry (January-April, 2009)

- Americas (the U.S. and Mexico) accounted for 82.3% of total visitors from core markets with Mexico contributing a share of 2.0%;
- Canada received 2,314,492 overnight U.S. visitors during this period, accounting for 80.3% of total visitors from core markets and unchanged compared to the same period in 2008. Of these U.S. visitors, 48.9% travelled by automobile, 26.6% by plane, while 4.8% used "other modes" of transportation;
- Overnight visitors from key European markets made 297,922 trips to Canada, accounting for a share of 10.3%, slightly less than the share of 11.0% achieved in 2008. Of all inbound trips from core markets, the U.K. accounted for the largest share (5.5%), followed by France (2.9%) and Germany (1.9%);
- Overnight visitors from Asian key markets made 170,073, accounting for 5.9% of total visitors from key markets, representing a slight decline over the 6.4% recorded in 2008;
- Year-to-date, overseas key markets lost a small share to the Americas, slipping from 18.5% in 2008 to 17.7% in 2009, however overseas key markets gained the share in 2009 compared to the same period in 2005 (15.6%).

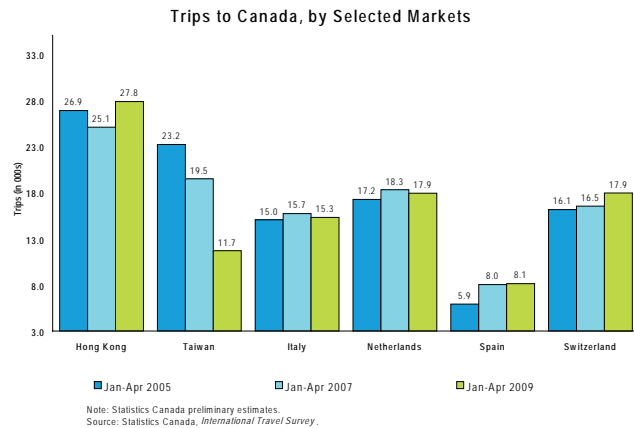
Overseas key markets

- In April 2009, overseas key markets posted a slight decrease, falling by 1.5% over the same month in 2008 with a total of 147,953 overnight trips made to Canada;
- This month, all three key markets in Europe registered increases (Germany +10.6%, France +7.1%, the U.K. 1.4%), while three Asian key markets posted decreases (South Korea -27.2%, Japan -14.1%, Australia -8.9%);
- India and China continue to be resilient to the current unstable economic environment, registering 10.7% and 10.4% gains respectively, while Brazil posted a significant drop of 27.4%;
- Year-to-date, increases registered by China (+13.3%), India (+11.6%), Germany (+6.2%) and France (+0.6%) were partially offset by decreases from South Korea (-23.0%), Japan (-21.6%) and the U.K. (-17.5%). Australia and Brazil also contributed to the negative performance of overseas key markets with drops of 6.9% and 2.8% respectively.



Market watch

- Canada experienced an 11.1% increase in overnight trips from Hong Kong during the first four months of 2009 over 2007, with Switzerland and Spain also registering growth of 8.6% and 1.3% respectively;
- Trips from Taiwan posted a significant decline of 40% compared to the same period in 2007, while Italy and Netherlands also registered slight drops of 2.6% and 2.1% respectively;
- Year-to-date, Canada saw a significant increase of 37.4% in trips from Spain over the same period in 2005, while overnight trips from Taiwan fell by 49.6%.



Competitive review

International travel, January-February 2009 (In 000s)

| Trips from: | Trips to: | | | | | |
|-----------------------------|--------------|--------------|---------------|--------------|------------|--------------|
| | Canada | | United States | | Australia | |
| | # | 09/08 change | # | 09/08 change | # | 09/08 change |
| Total international | 1,432 | -5% | 5,993 | -10% | 962 | -3% |
| Americas | | | | | | |
| United States | 1,017 | -5% | ... | ... | 78 | -9% |
| Mexico ¹ | 24 | -6% | 733 | -13% | ... | ... |
| Overseas key markets | | | | | | |
| France | 44 | -3% | 138 | 1% | 16 | 8% |
| Germany | 26 | 10% | 175 | -12% | 30 | -2% |
| United Kingdom | 72 | -18% | 445 | -22% | 139 | -4% |
| China ² | 20 | 14% | 105 | 7% | 101 | 11% |
| Japan | 20 | -25% | 485 | -11% | 64 | -25% |
| South Korea | 18 | -25% | 114 | -21% | 35 | -28% |
| Australia | 25 | -6% | 79 | -16% | ... | ... |
| India | 10 | 18% | 65 | -14% | 20 | 12% |
| Brazil | 10 | 16% | 144 | 13% | ... | ... |
| Canada | ... | ... | 2,242 | -11% | 27 | -6% |
| Total key markets | 1,286 | -6% | 4,726 | -14% | 510 | -7% |

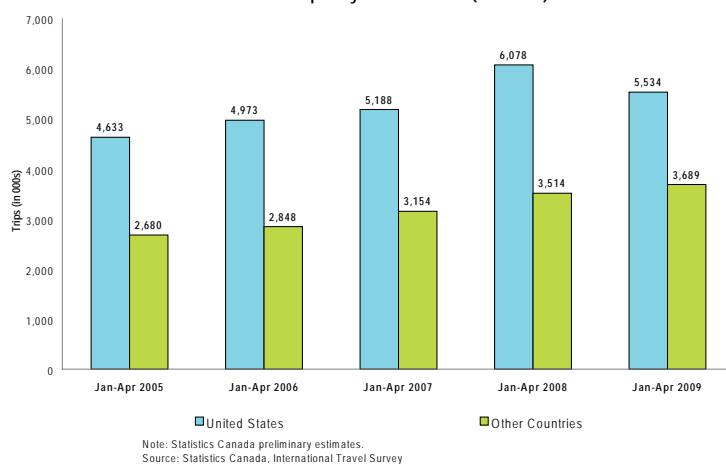
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¹US figures for Mexico include arrivals to interior only.
²US figures for China includes Hong Kong, SAR.
 Note: Statistics Canada preliminary figures.
 Sources: Statistics Canada; Tourism Australia; and ITA, Office of Travel and Tourism Industries (USA).

- For the first two months of 2009, international trips to all three destinations recorded decreases, with the U.S. experiencing the largest decline of 10% followed by Canada (-5%) and Australia (-3%);
- Of the three destinations, Canada outperformed Australia and the U.S. in terms of market growth from China (+14%); however, Australia (+8%) and the U.S. (+1%) outperformed Canada in terms of market growth from France;
- Canada experienced stronger growth from India (+18%) and Brazil (+16%) during the first two months of 2009 compared to Australia and the U.S. Trips from Germany to Canada grew 10% compared to the year prior, while both the U.S. and Australia saw declines of -12% and -2% respectively;
- All three destinations posted significant decreases in overnight trips from South Korea with Australia capturing the worst performance (-28%) followed by Canada (-25%) and the U.S. (-21%). Canada and Australia also recorded significant declines in visitation from Japan, both falling 25% while trips to the U.S. dropped by 11%.

Canadian outbound trips

- In April 2009, overall outbound trips by Canadians posted a marginal increase of 0.9% over the same month last year;
- The unstable economic environment together with the weaker Canadian dollar continued to impact Canadian travel to the U.S. For this month, overnight trips to the U.S. fell slightly by 0.9%, while outbound trips to non-U.S. destinations increased 4.7% over April 2008;
- For this month, 3 provinces/territories posted significant increases in outbound trips to the U.S. over 2008, with P.E.I. recording a largest increase of 164.3% followed by Newfoundland (+40.3%) and Saskatchewan (+38.1%);
- Year-to-date, outbound trips to non-U.S. destinations rose 5.0% while trips to the U.S. fell 8.9% compared to the same period in 2008, making an overall decline of 3.8% in Canadian outbound trips;
- For the first four months of 2009, only four provinces posted increases in outbound trips to the U.S., with P.E.I. recording the largest increase of 144.4%. All provinces with the exception of Yukon (-21.9%) registered gains to non-U.S. countries with New Brunswick and Prince Edward Island registering significant gains, 36.9% and 32.7% respectively.

Outbound Trips by Canadians (in 000s)



Strategic performance

- Overall, international trips by key markets marginally exceeded the set targets by 0.6%;
- For the Americas, both the U.S. and Mexico reached the set targets with the U.S. exceeding by 0.9% and Mexico by 3.7%;
- The most notable performance has been from Germany and China exceeding their set targets by 16.6% and 15.4% respectively, while South Korea and Japan posted weaker results than targeted, with shortfalls of 13.2% and 13.1%.

Travel Volumes, January-April 2009

| | Trips Made (000s) | | |
|-------------------------------------|-------------------|--------------|--------------|
| | Target | Actual | % Difference |
| United States | 2,352 | 2,373 | 0.9 |
| Mexico | 57 | 59 | 3.7 |
| Americas (Total) | 2,409 | 2,432 | 1.0 |
| France | 82 | 85 | 3.0 |
| Germany | 47 | 54 | 16.6 |
| UK | 166 | 159 | -4.4 |
| China | 36 | 41 | 15.4 |
| Japan | 55 | 48 | -13.1 |
| S Korea | 42 | 37 | -13.2 |
| Australia | 46 | 44 | -4.7 |
| Overseas Key Markets (Total) | 475 | 468 | -1.4 |
| TOTAL | 2,883 | 2,900 | 0.6 |

Note: As per strategic plans.

Consumer outlook

Consumer confidence

CANADA: The Index of Consumer Confidence released by the Conference Board of Canada increased to 75.2 (2002=100), a second consecutive monthly gain.

UNITED STATES: The Conference Board Consumer Confidence Index, which had posted a slight increase in March, continued to improve in April. The index now stands at 39.2 (1985=100), up from 26.9 in March.

Sources: *Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.*

Accommodations

- The accommodation market continued to experience occupancy slowdowns. In April 2009, the national occupancy rate fell 7.0% over the previous year to 55.3%. While most provinces faced decreases in occupancy, Prince Edward Island and the Northwest Territories posted increases of 9.8% and 1.3%, respectively. Alberta posted the largest decline, down 11.7%;
- Year-to-date, the national occupancy rate decreased 4.6% over last year, falling to 53.1%. Saskatchewan posted the highest occupancy rate at 67.2% (down 0.9%) followed by the Yukon at 61.9% (up 8.8%);
- For the first four months of 2009, properties with over 500 rooms posted the highest occupancy rate of 57.5% while properties under 50 rooms posted the lowest occupancy rate of 41.7%;
- The national Average Daily Rate from January to April was \$121.94, registering a slight decrease of 1.8% compared to the same period last year. The Average Daily Rate in the Northwest Territories grew 4.0% to \$147.72, which is the highest average and higher than the national average;
- The national average Revenue per Available Room (RevPAR) for the first four months of 2009 was \$64.74, down 9.6% over the same period last year. The Northwest Territories, Saskatchewan and Alberta posted higher averages than the national average.

Canadian occupancy rates*, by province

| | April 2009 | 09/08 change [^] | Jan-Apr 2009 | Year-to-date change [^] |
|-----------------------|-------------|---------------------------|--------------|----------------------------------|
| Alberta ¹ | 57.8 | -11.7 | 58.4 | -7.7 |
| British Columbia | 56.7 | -7.4 | 54.3 | -5.6 |
| Saskatchewan | 67.7 | -4.5 | 67.2 | -0.9 |
| Manitoba | 66.1 | -1.0 | 60.4 | -3.7 |
| Ontario | 53.7 | -6.3 | 50.9 | -4.0 |
| Quebec | 51.4 | -6.8 | 50.4 | -3.5 |
| New Brunswick | 53.3 | -5.2 | 47.2 | -5.6 |
| Nova Scotia | 55.6 | -7.1 | 49.8 | -4.5 |
| Newfoundland | 57.7 | -3.6 | 53.2 | 1.5 |
| Prince Edward Island | 42.4 | 9.8 | 35.8 | 1.5 |
| Northwest Territories | 63.2 | 1.3 | 60.1 | -8.4 |
| Yukon | 60.9 | -4.2 | 61.9 | 8.8 |
| Canada | 55.3 | -7.0 | 53.1 | -4.6 |

* Note: Based on the operating results of 205,754 rooms (unweighted data).

[^] Percentage points.

¹Excluding Alberta resorts

Source: PKF Consulting

**CTC Marketing
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