



Tourism Snapshot

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



Key highlights

In September 2011, CTC's core and emerging/transition markets both recorded gains in overnight arrivals, up 0.8% and 8.8% respectively. Meanwhile, US overnight arrivals edged down (-0.6%).

Australia maintained its upward trend with a sixth consecutive monthly increase, up 10.5%, while conversely the UK and Germany continued to experience drops, down 3.5% and 2.1% respectively.

China continued its upward momentum, recording a sixth consecutive month of double-digit increase in overnight arrivals (+24.2%); likewise Mexico maintained its upward trend with a second consecutive monthly double-digit increase (+18.3%).

Overnight arrivals in September 2011 from Japan and South Korea almost reached parity with the same month last year, slipping marginally by 0.6% and 0.3%.

Year-to-date to September 2011, key overseas CTC markets improved by 0.4% as strong performance in China (+23.5%), Mexico (+8.1%), Australia (+5.9%) and France (+5.7%) more than offset losses incurred in Japan (-12.1%), South Korea (-7.8%), Germany and the UK (-5.3% each).



Tourism review Inbound highlights

Overnight trips to Canada

	Sep. 2011	11/10 Sep. % Change	Jan.- Sep. 2011	Year-to-date % Change
United States				
Automobile	641,857	-1.2	5,426,532	-4.7
Plane	341,120	3.2	2,756,833	2.4
Other	199,057	-5.1	1,202,319	-0.1
US Total	1,182,034	-0.6	9,385,684	-2.1
Core Markets				
UK	87,661	-3.5	557,479	-5.3
France	59,505	5.6	379,559	5.7
Germany	48,635	-2.1	268,036	-5.3
Australia	30,504	10.5	198,235	5.9
Core Total	226,305	0.8	1,403,309	-1.0
Emerging/ Transition Markets				
Japan	31,094	-0.6	163,584	-12.1
South Korea	14,461	-0.3	123,535	-7.8
Mexico	11,861	18.3	109,146	8.1
Brazil**	8,959	7.3	67,894	9.4
China	28,324	24.2	191,778	23.5
India**	12,849	8.3	112,915	6.1
Emerging/ Transition Total	107,548	8.8	768,852	3.2
Overseas Key Markets	333,853	3.3	2,172,161	0.4
Other Overseas Countries	183,372	5.4	1,434,862	2.2
Non-US Countries	517,225	4.0	3,607,023	1.1
Total Countries	1,699,259	0.7	12,992,707	-1.2

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

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

International trips

- Canada received approximately 1.7 million international visitors for the month of September 2011, edging up (+0.7%) compared with the same month in 2010. Year-to-date to September, travel to Canada dropped slightly by 1.2% to 13 million overnight arrivals;
- The September 2011 overnight arrivals from CTC's core markets (the UK, France, Germany and Australia) grew by 0.8% to a total of 226,305 overnight arrivals, bringing year-to-date overnight arrivals to 1,403,309, 1.0% lower relative to the same period last year;
- Overnight trips to Canada from CTC's emerging/ transition markets (Japan, South Korea, Mexico, Brazil, China and India) expanded by 8.8% in September 2011, reaching 107,548 trips. Over the first nine months of 2011, those markets experienced a 3.2% increase over 2010, totaling 768,852 trips;
- Year-to-date to September, only two provinces recorded positive growth in international overnight visits with Nova Scotia posting the largest gain (+3.8%) followed by Québec (+1.7%).

United States

- In September 2011, the number of overnight arrivals from the US slipped by 0.6%, as a 3.2% gain in air travel was offset by a 1.2% decline in auto travel and a 5.1% drop in travel by other modes;
- Year-to-date to September 2011, overall arrivals from the US declined by 2.1%, falling to 9.4 million overnight trips, while travel by air grew by 2.4% compared with the same period last year;
- Prince Edward Island posted the largest gain in the number of overnight visits from the US, up 118.6% over September 2010, followed by Newfoundland and Labrador (+14.7%);
- Year-to-date, Nova Scotia recorded positive growth in overnight visits from the US (+6.2%), while the rest of the provinces posted declines compared with the same period last year.

Core Markets

- In September 2011, Australia and France maintained their upward trend, growing by 10.5% and 5.6% respectively, while conversely the UK (-3.5%) and Germany (-2.1%) continued to post declines;
- Year to date, overall arrivals from the CTC's core markets dropped slightly by 1.0%. Gains made by Australia (+5.9%) and France (+5.7%) were more than offset by losses incurred in the UK and Germany (-5.3% each).

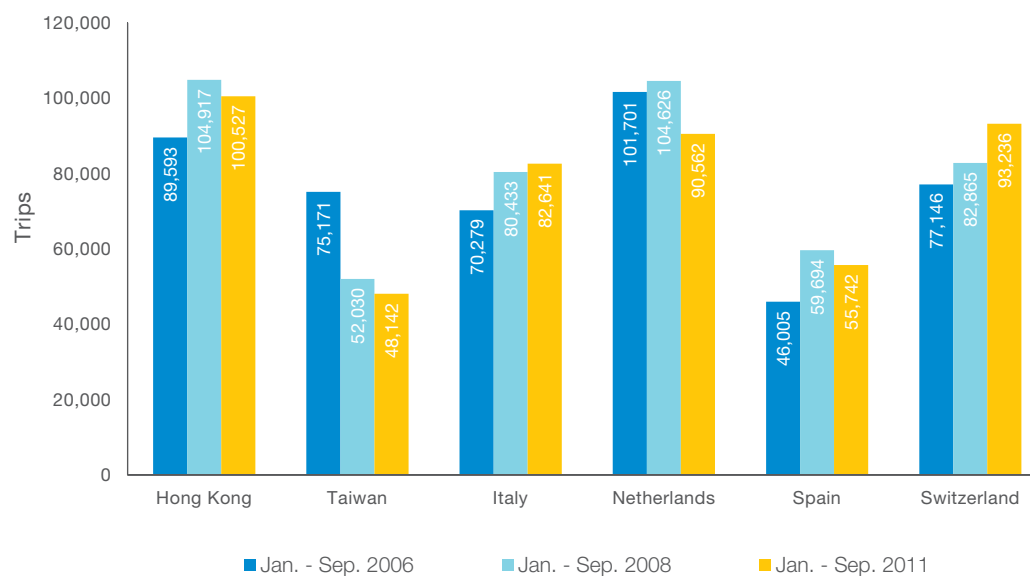
Emerging/ Transition Markets

- In September 2011, the number of overnight trips from the CTC's emerging/transition markets grew by 8.8%, largely driven by increases from the emerging markets (China, Brazil and India);
- China continued its upward momentum, recording a sixth consecutive month of double-digit increase in overnight arrivals (+24.2%); likewise Mexico maintained its upward trend, recording a second consecutive monthly double-digit increase (+18.3%);
- Overnight arrivals in September 2011 from Japan and South Korea almost reached parity with the same month last year, slipping slightly by 0.6% and 0.3% respectively;
- Year-to-date, China leads all CTC target markets with a 23.5% increase over the same period in 2010 followed by Brazil (+9.4%).

Market Watch

- In September 2011, overnight arrivals from Taiwan jumped 31.7% over September 2010 while Italy experienced a 7.5% decline. Switzerland, Hong Kong and Spain also recorded double-digit increases, up 18.3%, 13.6% and 11.3% respectively;
- Year-to-date to September 2011, Hong Kong posted the largest gain (+9.4%) among those selected secondary markets, while Netherlands saw the largest drop (-3.6%) on a year over year basis;
- Over the first nine months of 2011, Spain (+21.2%) saw the strongest performance in overnight arrivals to Canada, followed by Switzerland (+20.9%), Italy (+17.6%) and Hong Kong (+12.2%) when compared with the same period in 2006.

Overnight trips to Canada, by selected markets



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

Overnight trips to Canada, by selected markets

	Sep. 2011	11/10 Sep. % Change	Jan. - Sep. 2011	Year-to-date % Change
Italy	9,476	-7.5	82,641	-3.2
Netherlands	12,269	2.0	90,562	-3.6
Spain	7,766	11.3	55,742	-2.3
Switzerland	13,138	18.3	93,236	4.5
Hong Kong	10,514	13.6	100,527	9.4
Taiwan	6,927	31.7	48,142	8.6

Competitive review

International Travel, August 2011 (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
		11/10 % Change		11/10 % Change		11/10 % Change
Total International	11,293	-2	41,967	5	3,751	1
United States	8,204	-2	...	...	299	-4
Canada	...	...	14,868	6	74	-5
Core Markets						
United Kingdom	470	-6	2,507	1	366	-4
France	320	6	1,051	16	58	-7
Germany	219	-6	1,183	6	94	-4
Australia	168	5	668	19	...	...
Emerging/ Transition Markets						
Japan	132	-14	2,123	-5	215	-18
South Korea	109	-9	787	6	130	-7
Mexico ¹	97	7	8,717	0	...	...
Brazil	59	10	940	27	18	8
China	163	23	740	37	372	19
India	100	6	488	3	96	6
Total Key Markets	10,042	-2	34,071	4	1,722	-2

...Not applicable. or data not available.

¹ US figures for Mexico include arrivals to interior only.

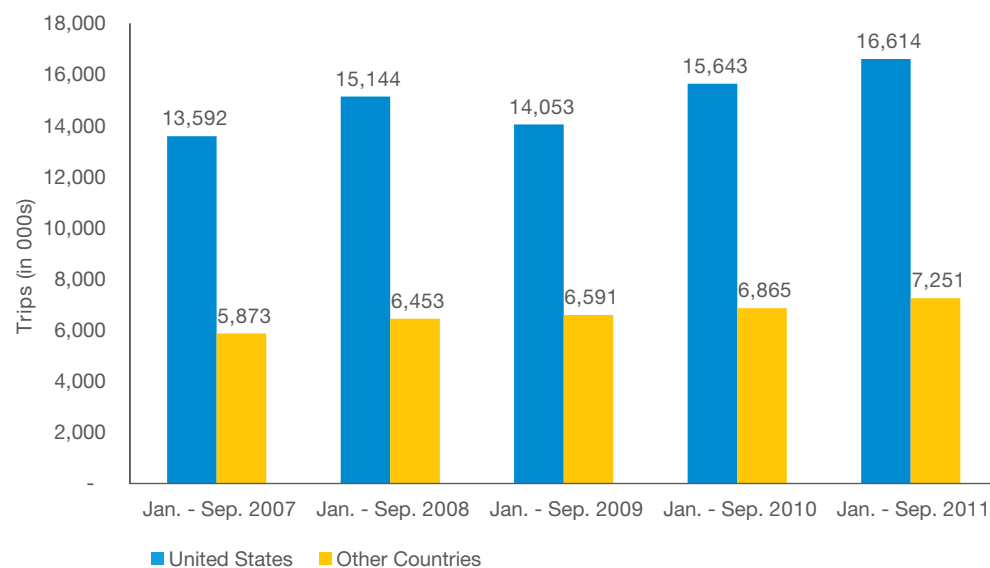
Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia, ITA Office of Travel and Tourism Industries (USA).

- Year-to-date to August 2011, overall international travel to Canada contracted by 2%, while both the US and Australia reported growth, up 5% and 1% respectively;
- From January to August 2011, the US outperformed Canada in arrivals from Australia and France, posting double-digit growth (19% and 16%) while Canada reported 5% and 6% increases respectively;
- The US also outperformed both Australia and Canada in arrivals from China, reporting an impressive 37% increase while Canada and Australia posted strong gains of 23% and 19% respectively;
- While both Canada and Australia experienced declines from Germany and the UK, the US posted gains from these two markets, up 6% and 1% respectively;
- Year-to-date to August 2011, the US saw a 6% gain in overnight arrivals from South Korea, while both Australia and Canada experienced declines, down 9% and 7% respectively;
- During the first eight months of 2011, the US saw a notable 27% increase in visitation from Brazil, outperforming both Canada (+10%) and Australia (+8%);
- In the first eight months of 2011, Australia and Canada recorded double-digit declines in overnight arrivals from Japan, down 18% and 14% respectively, while the US minimized their loss at 5%.

Canadian outbound trips

Overnight trips by Canadians



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

Overnight trips by Canadians

	Sep. 2011	11/10 Sep. % Change	Jan.- Sep. 2011	Year-to-date % Change
United States	1,746,316	7.2	16,614,175	6.2
Other Countries	638,494	4.0	7,251,197	5.6
Total Trips from Canada	2,384,810	6.3	23,865,372	6.0

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

- In September 2011, Canadian outbound travel grew by 6.3% to 2.4 million overnight trips. Year-to-date to September, there were 24 million Canadian outbound trips, up 6.0%;
- The number of Canadians visiting the US during September 2011 increased by 7.2%, reaching 1.7 million overnight trips. During the first nine months in 2011, approximately 17 million Canadians made overnight trips to the US;
- Canadian overnight travel to overseas destinations (excluding the US) grew by 4.0% in September, with a year-to-date increase of 5.6%;
- Saskatchewan was the only province a decline in the number of Canadian residents returning from the US (-7.4%). Manitoba, Newfoundland and Labrador and British Columbia posted declines in Canadians returning from overnight trips to other countries (excluding the US), down 23.2%, 6.6% and 3.5% respectively;
- Year-to-date to September, Nova Scotia recorded a double-digit increase (+22.2%) in international overnight arrivals by Canadians, while Prince Edward Island experienced a double-digit loss, down 58.6%.

Consumer outlook

Consumer confidence

- **Canada:** The Consumer Confidence Index narrowly avoided a fifth consecutive monthly decline in September, increasing 0.3 points to 75 (2002 = 100). While the outlook for future finances was more optimistic this month, that optimism was offset by an increasingly pessimistic view of the labour market.
- **USA:** The Conference Board **Consumer Confidence Index®**, which had declined sharply in August, remained essentially unchanged in September. The Index now stands at 45.4 (1985=100), up slightly from 45.2 in August.

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

Accommodations

- In September 2011, the National Occupancy Rate grew slightly by 1.9% to 71.9%. The Northwest Territories posted the largest increase (+6.4%) while Nova Scotia recorded the largest decline (-4.6%);
- Year-to-date to September, the National Occupancy Rate saw a marginal increase of 0.9%, now standing at 62.7%;
- The September Average Daily Rate edged up by 1.7% to \$133.54 compared with \$131.34 in September 2010;
- In the first nine months of 2011, the average Revenue per Available Room (RevPAR) recorded a minimal 0.4% increase, edging up to \$80.20. The Northwest Territories, Newfoundland and Labrador, Québec, British Columbia and Saskatchewan posted rates above the national average.

Canadian Occupancy Rates, By Province*

	Sep. 2011	11/10 Change [^]	Jan.-Sep. 2011	Year-to-date Change [^]
Alberta ¹	69.2	4.0	62.6	3.8
British Columbia	70.3	0.9	63.1	-0.4
Saskatchewan	73.5	-0.7	68.6	-0.8
Manitoba	71.1	0.5	67.4	1.4
Ontario	73.9	3.0	62.0	0.5
Quebec	71.9	0.2	63.9	1.9
New Brunswick	62.2	-2.8	57.0	-0.8
Nova Scotia	74.5	-4.6	62.3	-0.8
Newfoundland	83.3	6.0	69.7	0.0
Prince Edward Island	64.0	2.9	54.1	3.4
Northwest Territories	74.5	6.4	68.5	7.7
Yukon	80.0	-4.3	76.1	0.6
Canada	71.9	1.9	62.7	0.9

* Note: Based on the operating results of 216,449 rooms (unweighted data).

[^] Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

Economic indicators Q2 2011 – Q3 2011

- In Q3 2011, the economy in all of the European markets remained sluggish with lower GDP growth compared with the previous quarter. GDP growth in China and India slowed further, although their GDP growth was still much higher than other CTC's key markets. Australia's economy showed a sign of improvement with GDP growth posting higher than the previous quarter while Japan's economy continued to show stagnation with negative GDP growth;
- In Q3 2011, with the exception of France, Canada and Australia, all CTC's key markets recorded increases in inflation, with Japan reporting the largest uptake from -0.4% to 0.1%. Controlling high inflation rates remained a challenge in India, Brazil and China;
- The Canadian dollar depreciated against local currencies in three of CTC's key markets (the US, China and Japan) relative to the previous quarter.

Economic Indicators, Q2 2011 - Q3, 2011

America

	Canada		USA		Mexico		Brazil	
	Q2 2011	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Q3 2011
Real GDP growth (yoy, %)	2.2	2.3	1.6	1.6	3.6	3.7	3.1	3.1
Consumer Price Index (yoy,%)	3.4	3.0	3.3	3.8	3.3	3.4	6.6	7.2
Exchange Rate (1LCU:C\$)	1.000	1.000	0.968	0.980	0.082	0.080	0.607	0.6

Europe

	France		Germany		UK	
	Q2 2011	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Q3 2011
Real GDP growth (yoy, %)	1.7	1.5	2.8	2.5	0.6	0.5
Consumer Price Index (yoy,%)	2.1	2.1	2.3	2.4	4.4	4.7
Exchange Rate (1LCU:C\$)	1.393	1.384	1.393	1.384	1.578	1.577

Asia Pacific

	Australia		China		Japan		South Korea		India	
	Q2 2011	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Q3 2011	Q2 2011	Q3 2011
Real GDP growth (yoy, %)	1.4	1.9	9.5	9.1	-1.1	-0.9	3.4	3.4	7.7	6.5
Consumer Price Index (yoy,%)	3.6	3.5	5.7	6.3	-0.4	0.1	4.2	4.8	8.9	9.2
Exchange Rate (1LCU:C\$)	1.0282	1.0279	0.1489	0.1528	0.0119	0.0126	0.0009	0.0009	0.0217	0.0214

Source: Bank of Canada and Oxford Economics April - September 2011

Note: Exchange rates, average of 20-22 days.

CTC Market Research & Evaluation