



Tourism Snapshot

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





Key highlights

In October 2011, overnight trips from the CTC's key overseas markets slipped by 0.7% over to the same month in 2010. Gains recorded in the CTC's emerging/transition markets (+4.8%) were offset by declines in overnight arrivals from core markets (-4.0%);

France (+3.4%) and Australia (+3.1%) maintained their upward trends, respectively recording a seventeenth and seventh consecutive monthly increases, while Germany (-11.7%) and the UK (-6.7%) continued their downward slides, which were initiated last summer;

China gained further upward momentum, recording a seventh consecutive month of double-digit increase in overnight arrivals (+29.1%); likewise Mexico maintained its upward trend with a third consecutive monthly double-digit increase (+15.8%);

Year to date to October 2011, overnight arrivals from CTC's key overseas markets were up 0.3%. Strong performance in China (+24.0%), Brazil (+9.5%), Mexico (+8.5%), India (+6.9%), Australia (+5.7%) and France (+5.5%) were more than offset by losses incurred in Japan (-11.8%), South Korea (-8.3%), Germany (-5.8%) and the UK (-5.4%).

Tourism review Inbound highlights

Overnight trips to Canada

	Oct. 2011	11/10 Oct. % Change	Jan.- Oct. 2011	Year-to-date % Change
United States				
Automobile	449,528	-5.0	5,876,060	-4.7
Plane	280,997	-2.2	3,040,092	2.1
Other	97,612	5.0	1,312,989	1.2
US Total	828,137	-2.9	10,229,141	-2.0
Core Markets				
UK	50,204	-6.7	607,683	-5.4
France	35,239	3.4	414,798	5.5
Germany	23,250	-11.7	291,286	-5.8
Australia	13,930	3.1	212,165	5.7
Core Total	122,623	-4.0%	1,525,932	-1.3%
Emerging/ Transition Markets				
Japan	24,773	-9.3	188,357	-11.8
South Korea	10,416	-13.2	133,951	-8.3
Mexico	6,975	15.8	116,121	8.5
Brazil**	7,430	10.6	75,324	9.5
China	21,426	29.1	213,204	24.0
India**	8,838	17.6	121,753	6.9
Emerging/ Transition Total	79,858	4.8%	848,710	3.4%
Overseas Key Markets	202,481	-0.7%	2,374,642	0.3%
Other Overseas Countries	123,679	3.0%	1,558,541	2.3%
Non-US Countries	326,160	0.7%	3,933,183	1.1%
Total Countries	1,154,297	-1.9%	14,162,324	-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 1.154 million international visitors for the month of October 2011, edging down (-1.9%) compared with the same month in 2010. Year-to-date to October, travel to Canada dropped slightly by 1.2% to 14.2 million over night arrivals;
- The October 2011 overnight arrivals from CTC's core markets (the UK, France, Germany and Australia) contracted by 4.0% to a total of 122,623 overnight arrival, bringing year-to-date overnight arrivals to 1,525,932, 1.3% 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 4.8% in October 2011, reaching 79,858 trips. Over the first ten months of 2011, those markets experienced a 3.4% increase over 2010, totalling 848,710 trips.

United States

- The number of overnight arrivals from the US dropped by 2.9% in October 2011 as a 5.0% gain in travel by other modes was offset by a 5.0% decline in auto travel and a 2.2% drop in travel by plane;
- Year-to-date to October, overall arrivals from the US declined by 2.0%, falling to 10.2 million overnight trips, while travel by air grew by 2.1% compared with the same period last year;
- In October 2011, the largest number of overnight US visitors came to Canada through Ontario (419,308 entries) followed by British Columbia (139,893 entries) and Québec (125,779 entries).

Core Markets

- In October 2011, France (+3.4%) and Australia (+3.1%) maintained their upward trends, respectively recording a seventeenth and seventh consecutive monthly increases, while Germany (-11.7%) and the UK (-6.7%) continued their downward slides, which were initiated last summer;
- Year to date to October, overall arrivals from the CTC's core markets dropped slightly by -1.3%. Gains made by Australia (+5.7%) and France (+5.5%) were more than offset by losses incurred in Germany (-5.8%) and the UK (-5.4%).

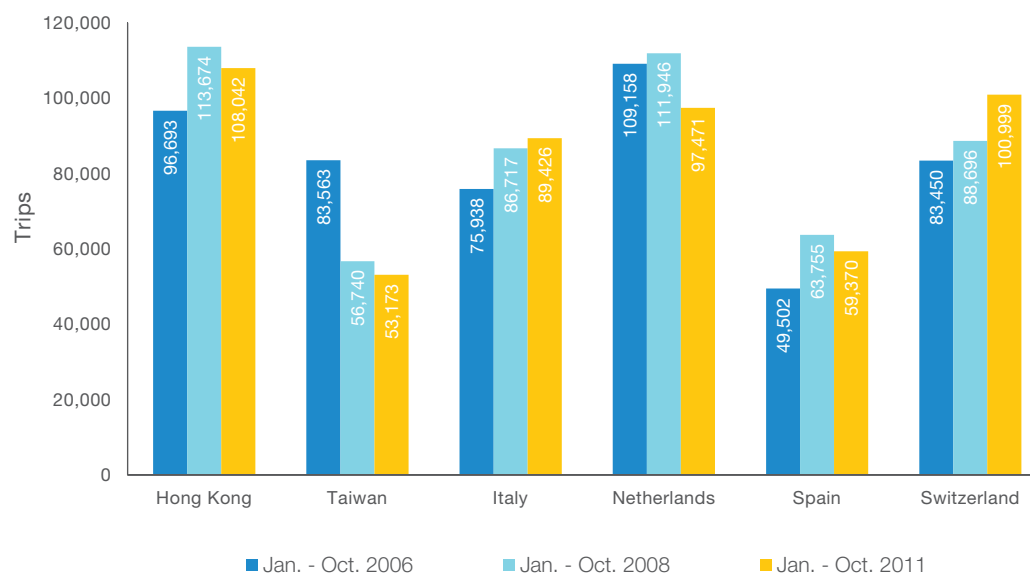
Emerging/ Transition Markets

- In October 2011, the number of overnight trips from the CTC's emerging/transition markets grew by 4.8%, largely driven by increases from the emerging markets (China, India and Brazil);
- China gained further upward momentum, recording a seventh consecutive month of double-digit increase in overnight arrivals (+29.1%); likewise Mexico maintained its upward trend with a third consecutive monthly double-digit increase (+15.8%);
- Overnight arrivals from Japan and South Korea in October 2011 fell back into negative growth territory, down 9.3% and 13.2% respectively on a year over year basis;
- Year-to-date to October 2011, China leads all CTC target markets with a 24% increase over the same period in 2010 followed by Brazil (+9.5%) and Mexico (+8.5%).

Market Watch

- In October 2011, overnight arrivals from Taiwan grew by 18% over October 2010 while Italy fell by 6.7%. Spain also recorded a double-digit increase, up 12.3%, followed by Switzerland (+8.3%);
- Year-to-date to October 2011, Taiwan posted the largest gain (+9.4%) among those selected secondary markets, while Italy saw the largest drop (-3.5%) on a year over year basis;
- Over the first ten months of 2011, Switzerland (+21.0%) saw the strongest performance in overnight arrivals to Canada, followed by Spain (+19.9%), Italy (+17.8%) and Hong Kong (+11.7%) when compared with the same period five year ago 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

	Oct. 2011	11/10 Oct. % Change	Jan.- Oct. 2011	Year-to-date % Change
Italy	6,785	-6.7	89,426	-3.5
Netherlands	6,909	0.3	97,471	-3.4
Spain	3,628	12.3	59,370	-1.5
Switzerland	7,763	8.3	100,999	4.8
Hong Kong	7,515	-3.1	108,042	8.4
Taiwan	5,031	18.0	53,173	9.4

Travel Characteristics Highlights (Q2-2011)

Overnight Travel Spending

	Trips '000	11/10 Q2 %	Spend \$M	11/10 Q2 %	Average Trip Duration	11/10 Q2 %	Average Spend per Trip	11/10 Q2 %	Average Spend per Night	11/10 Q2 %
United States										
United States Leisure										
Automobile	1610.6	-3.7%	612.3	-4.2%	3.8	-3.2%	380	-0.5%	100	2.7%
Plane	559.9	3.8%	383.5	-1.8%	5.4	0.0%	685	-5.4%	127	-5.4%
Other	396.5	7.5%	167.4	10.7%	2.9	-4.3%	422	2.9%	148	7.5%
U.S. Leisure Total	2567.0	-0.5%	1,163	-1.5%	4.0	-2.3%	453	-1.0%	113	1.4%
Total U.S. MC & IT	526.0	8.7%	468	8.4%	3.5	-2.0%	889	-0.2%	256	1.8%
Total U.S.	3093.0	0.9%	1,631	1.2%	3.9	-2.4%	527	0.2%	135	2.7%
Overseas Key Markets										
Core Markets										
United Kingdom	183.0	-2.6%	239.8	0.0%	12.4	-3.6%	1,311	2.7%	105	6.5%
France	96.1	3.2%	114.3	0.8%	15.4	-3.0%	1,325	8.8%	77	0.7%
Germany	83.9	-5.0%	127.6	-0.6%	16.2	3.4%	1,520	4.5%	94	1.2%
Australia	67.0	4.9%	112.6	12.6%	11.6	7.8%	1,681	7.4%	145	-0.3%
Total Core Markets	430.0	-0.7%	594.4	2.2%	13.7	-0.6%	1,382	3.0%	101	3.6%
Emerging/ Transition Markets										
Japan	37.0	-30.2%	59.7	-26.6%	12.2	-12.4%	1,491	-2.9%	132	20.0%
South Korea	40.1	-8.0%	65.1	-0.6%	23.2	1.3%	1,624	8.0%	70	6.7%
Mexico	36.7	16.9%	45.2	26.5%	21.5	5.5%	1,233	8.2%	57	2.6%
Brazil	18.9	6.8%	31.5	0.5%	15.7	-4.3%	1,719	-2.9%	106	-1.7%
China	52.8	11.2%	69.4	18.5%	27.9	-9.2%	1,634	32.5%	45	11.7%
India	53.2	5.6%	48.9	10.8%	23.3	4.4%	920	5.0%	39	0.6%
Total Emerging/ Transition Markets	238.7	-2.0%	319.9	1.0%	22.0	2.1%	1,340	3.1%	61	1.0%
Total Overseas Key Markets	668.7	-1.2%	914.3	1.8%	25.5	0.3%	1,367	3.0%	54	2.7%

Source: Statistics Canada, International Travel Survey, preliminary estimates

Overnight Travel Spending

- During the second quarter 2011, overall travel spending by US visitors grew slightly by 1.2% to \$1,631 million, largely driven by an increase (+8.4%) in US MC & IT spending, which more than offset a 1.5% drop in overnight spending recorded by US Leisure. While the average spend per trip by US visitors remained relatively unchanged (+0.2%), the average spend per night grew by 2.7%, reaching \$135 per night;
- In Q2 2011, Australia experienced a gain in overnight travel spending (+12.6%) while overnight spending by the rest of the core markets changed marginally, down 0.6% for Germany, up 0.8% for France and unchanged for the UK. With expenditures averaging \$1,681 per overnight visitor, Australia reported the highest average spend per trip among CTC's core markets;
- From April to June 2011, Mexico posted the strongest gain (+26.5%) in overnight spending, reaching \$45.2 million followed by China (+18.5%) and India (+10.8%). Despite average expenditures dropping to \$1,719 per overnight visitor, down 2.9% over Q2 2010, Brazil posted the highest average spend per trip among CTC's emerging/transition markets.

Competitive review

- Year-to-date to September 2011, overall international travel to Canada contracted by 1%, while the US reported a 5% increase and Australia saw no change compared with the same period last year;
- From January to September 2011, the US outperformed Canada in arrivals from Australia and France, posting double-digit growth (19% and 15%) while overnight arrivals from these key markets to Canada grew by 6% each;
- Canada and Australia experienced a 6% increase in overnight arrivals from India, outperforming the US (up 2%);
- Canada also distanced the US in arrivals from Mexico with a 8% gain over last year;
- Although Canada and Australia recorded strong gains in arrivals from China, up 24% and 19% respectively, the US outperformed both competitors with an astonishing 37% increase;
- While both Canada and Australia saw declines from Germany and the UK, the US posted gains from these two markets, up 6% and 1% respectively;
- The US had a 4% increase in overnight arrivals from South Korea, while Australia and Canada experienced drops, down 8% each;
- The US posted a notable 28% increase in visitation from Brazil, outperforming both Canada (+9%) and Australia (+7%).

International Travel, September 2011 (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
		11/10 % Change		11/10 % Change		11/10 % Change
Total International	12,993	-1	47,370	5	4,184	0
United States	9,386	-2	329	-5
Canada	...		16,614	6	82	-5
Core Markets						
United Kingdom	558	-5	2,891	1	406	-4
France	380	6	1,168	15	65	-6
Germany	268	-5	1,380	6	107	-4
Australia	198	6	790	19
Emerging/ Transition Markets						
Japan	164	-12	2,437	-5	243	-19
South Korea	124	-8	877	4	144	-8
Mexico ¹	109	8	9,793	1
Brazil	68	9	1,073	28	20	7
China	192	24	851	37	406	19
India	113	6	542	2	107	6
Total Key Markets	11,558	-2	38,417	5	1,908	-2

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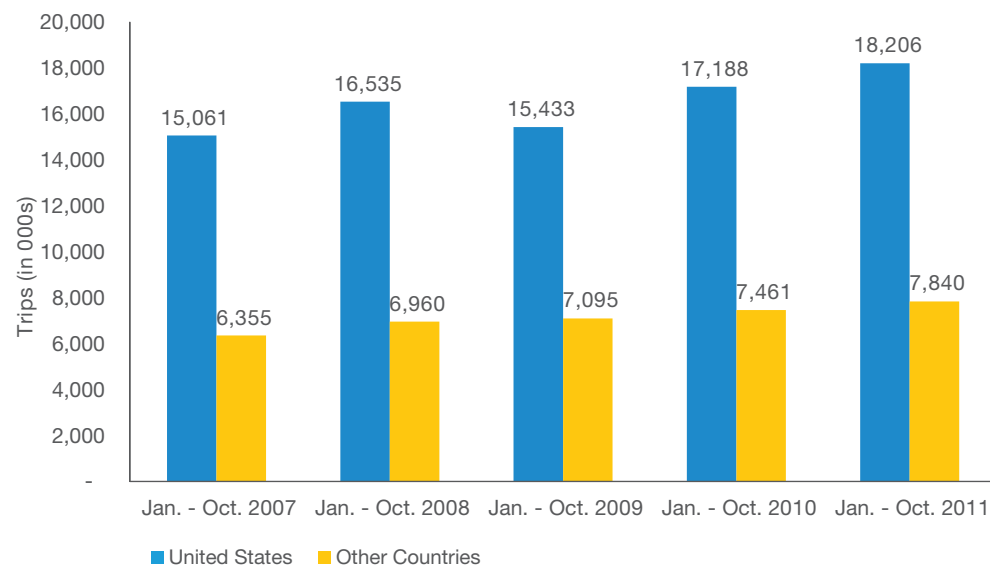
¹ US figures for Mexico include arrivals to interior only.

Note: Statistics Canada preliminary figures.

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

Canadian outbound trips

Overnight trips by Canadians



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

Overnight trips by Canadians

	Oct. 2011	11/10 Oct. % Change	Jan.- Oct. 2011	Year-to-date % Change
United States	1,590,573	2.9	18,205,567	5.9
Other Countries	589,215	-1.2	7,840,412	5.1
Total Trips from Canada	2,179,788	1.8	26,045,979	5.7

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

- In October 2011, Canadian outbound travel edged up (+1.8%) to 2.2 million overnight trips. Year-to-date to October, there were 26 million Canadian outbound trips, up 5.7%;
- The number of Canadians visiting the US during October 2011 increased by 2.9%, reaching 1.6 million overnight trips. During the first ten months in 2011, approximately 18 million Canadians made overnight trips to the US;
- Canadian overnight travel to overseas destinations (excluding the US) contracted by 1.2% in October, but still recoded a year-to-date increase of 5.1%;
- In October 2011, the largest re-entry of Canadians from the US occurred through Ontario, with 734,906 entries, followed by British Columbia (309,644 entries) and Québec (254,336 entries);
- Year-to-date to October, the largest re-entry of Canadians from overseas (exclude the US) were recorded at Ontario port of entries (3.8 million), followed by Québec (1.9 million), British Columbia (1.1 million) and Alberta (0.7 million).

Consumer outlook

Consumer confidence

- **Canada:** After a marginal increase last month, the Index of Consumer Confidence reversed course and declined 3.3 points to 71.8 (2002 = 100) in October. It was the fifth decline in the last six months, leaving the index at its lowest level since May 2009.
- **USA:** The Conference Board Consumer Confidence Index®, which had shown signs of improvements in September, declined in October. The Index now stands at 39.8 (1985=100), down from 46.4 in September.

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

Accommodations

- In October 2011, the National Occupancy Rate grew marginally by 0.9% to 64.1% compared with 63.3% in October 2010. The Northwest Territories posted the largest increase (+16.6%) while British Columbia recorded the largest decline (-2.8%);
- Year-to-date to October, the National Occupancy Rate saw a marginal increase of 0.9%, now standing at 62.9%;
- The October Average Daily Rate edged up by 0.7% to \$126.28 compared with \$125.45 in October 2010;
- In the first ten months of 2011, the average Revenue per Available Room (RevPAR) remained relatively unchanged with a 0.5% increase, edging up to \$80.28. The Northwest Territories, Newfoundland and Labrador, Québec, Saskatchewan and British Columbia posted rates above the national average.

Canadian Occupancy Rates, By Province*

	Oct. 2011	11/10 Change [^]	Jan. - Oct. 2011	Year-to-date Change [^]
Alberta ¹	66.6	5.2	63.0	3.8
British Columbia	55.6	-2.8	62.3	-0.6
Saskatchewan	73.5	-1.5	69.1	-0.9
Manitoba	69.4	1.4	67.6	1.4
Ontario	67.0	1.1	62.5	0.5
Quebec	67.1	1.4	64.3	1.9
New Brunswick	57.1	-1.8	57.0	-0.9
Nova Scotia	63.8	-0.9	62.4	-0.8
Newfoundland	73.1	0.8	70.0	0.1
Prince Edward Island	44.8	1.6	53.1	3.2
Northwest Territories	72.5	16.6	68.9	8.6
Yukon	65.1	1.6	75.1	0.9
Canada	64.1	0.9	62.9	0.9

* Note: Based on the operating results of 222,002 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.

CTC Market Research & Evaluation