



Tourism Snapshot

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



Key highlights

CTC's key overseas markets registered an extraordinary 20% growth in overnight arrivals in March 2012, with CTC's emerging/transition markets leading arrivals with a 23.4% increase followed by the core markets (+17.6%);

Germany achieved a 30.8% growth in March 2012, reaching its highest level in overnight arrivals since 1997. Strong monthly results were also registered in the UK (+19.4%), Australia (+13.5%) and France (+8.5%);

One year after the onset of the 3-11 Tohoku earthquake, tsunami (The Great East Japan Earthquake) and nuclear crisis, Japan rebounded in March 2012 with a 56.1% gain in overnight arrivals; meanwhile South Korea still struggled, contracting by 7.9% to reach its lowest level in overnight arrivals since 2000;

Following celebrations around Chinese New Year a month earlier, overnight arrivals from China in March 2012 resumed growth at a double digit pace expanding by 21.1% on a year over year basis. Mexico (28.0%) and India (23.4%) also registered double-digit gains in March.

Tourism review Inbound highlights

Overnight trips to Canada

	Mar. 2012	12/11 Mar. % Change	Jan. - Mar. 2012	Year-to-date % Change
United States				
Automobile	330,095	9.8	866,247	5.1
Plane	228,072	1.1	608,421	4.1
Other	38,352	13.5	106,128	12.9
US Total	596,519	6.5	1,580,796	5.2
Core Markets				
UK	39,063	19.4	98,433	4.8
France	21,854	8.5	72,010	4.1
Germany	16,255	30.8	40,568	20.8
Australia	10,503	13.5	36,836	6.5
Core Total	87,675	17.6%	247,847	7.2%
Emerging/ Transition Markets				
Japan	17,463	56.1	39,901	29.7
South Korea	7,371	-7.9	24,609	-7.7
Mexico	10,838	28.0	25,279	25.3
Brazil**	4,709	-2.8	17,837	10.6
China	13,159	21.1	43,926	25.9
India**	8,449	23.4	21,471	14.4
Emerging/ Transition Total	61,989	23.4%	173,023	17.4%
Overseas Key Markets	149,664	20.0%	420,870	11.1%
Other Overseas Countries	95,208	12.2%	250,220	9.4%
Non-US Countries	244,872	16.8%	671,090	10.5%
Total Countries	841,391	9.3%	2,251,886	6.7%

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 841,391 international visitors during the month of March 2012, recording a 9.3% increase compared with the same month in 2011;
- In March 2012, overnight arrivals from CTC's core markets (the UK, France, Germany and Australia) increased by 17.6%, reaching 87,675 arrivals;
- Overnight trips to Canada from CTC's emerging/ transition markets (Japan, South Korea, Mexico, Brazil, China and India) grew by 23.4%, reaching 61,989 trips.

United States

- In March 2012, the number of overnight arrivals from the US grew by 6.5% with travel by auto, plane and other modes of transportation all increasing respectively by +9.8%, +1.1% and +13.5%;
- Year to date to March, overnight trips to Canada by the US residents increased by 5.2%, reaching 1.6 million arrivals;
- In March 2012, the largest number of overnight US visitors came to Canada through Ontario (293,275 entries) followed by British Columbia (156,483 entries) and Québec (86,014 entries).

Core Markets

- Germany achieved a 30.8% growth in March 2012, reaching its highest level in overnight arrivals since 1997; likewise the UK and Australia experienced double-digit growth, +19.4% and +13.5% respectively;
- France also maintained a strong momentum, with overnight arrivals growing by 8.5% compared to the same month last year;
- Year to date to March 2012, overnight arrivals from the CTC's core markets grew by 7.2%. The largest growth was registered by Germany (+20.8%) followed by Australia (+6.5%).

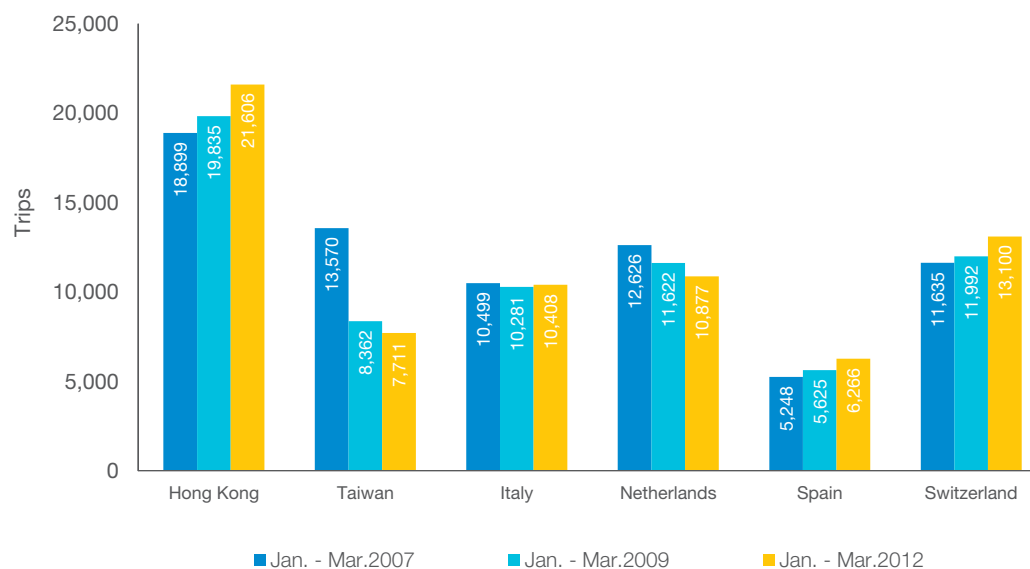
Emerging/ Transition Markets

- One year after the onset of the 3-11 Tohoku earthquake, tsunami (The Great East Japan Earthquake) and nuclear crisis, Japan demonstrated a strong recovery with a 56.1% gain in overnight arrivals;
- South Korea still struggled and returned to negative territory with a 7.9% drop, reaching its lowest level in overnight arrivals since 2000;
- Following celebrations around Chinese New Year a month earlier, overnight arrivals from China in March 2012 resumed growth at a double digit pace expanding by 21.1% on a year over year basis;
- Mexico (28.0%) and India (23.4%) registered double-digit gains while Brazil, after posting an exceptional 44.3% gain in March 2011, experienced a slight drop (-2.8%) in March 2012;
- Year to date to March, the number of overnight trips from the CTC's emerging/transition markets grew by 17.4%, largely driven by increases from Japan, (+29.7%), China (+25.9%) and Mexico (+25.3%).

Market Watch

- In March 2012, overnight arrivals from Hong Kong grew by 26.1% while arrivals from Taiwan dropped by 9.8%;
- Among the selected European markets, Spain registered the largest gain (+36.3%) followed by Switzerland (+18.9%) and Italy (+2.7%) while Netherlands contracted (-7.4%);
- Year to date to March, Spain posted a largest growth (+22.9%) followed by Switzerland (+10.0%), while overnight arrivals from Netherlands slipped by 1.5%;
- When compared with year-to-date results in March 2007, Spain (+19.4%) saw the largest gain in overnight arrivals to Canada while Taiwan experienced the largest drop (-43.2%).

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

	Mar. 2012	12/11 Mar. % Change	Jan. - Mar. 2012	Year-to-date % Change
Italy	3,944	2.7	10,408	7.6
Netherlands	3,723	-7.4	10,877	-1.5
Spain	2,622	36.3	6,266	22.9
Switzerland	4,719	18.9	13,100	10.0
Hong Kong	7,660	26.1	21,606	6.5
Taiwan	2,464	-9.8	7,711	6.0

Competitive review (February 2012)

International Travel (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
		12/11 Change		12/11 Change		12/11 Change
Total International	1,411	5%	8,703	8%	1,057	2%
United States	984	4%	85	2%
Canada	...		2,860	8%	26	3%
Core Markets						
United Kingdom	59	-3%	426	-1%	127	-1%
France	50	2%	168	2%	18	2%
Germany	24	15%	198	14%	31	-4%
Australia	26	4%	135	9%
Emerging/ Transition Markets						
Japan	22	15%	572	3%	59	4%
South Korea	17	-8%	214	9%	40	-2%
Mexico ¹	14	23%	2,019	5%
Brazil	13	16%	294	27%	6	5%
China	31	28%	228	40%	145	5%
India	13	9%	90	11%	25	7%
Total Key Markets	1,255	5%	7,204	7%	563	2%

...Not applicable. or data not available.

¹ US figures for Mexico include arrivals to interior only.

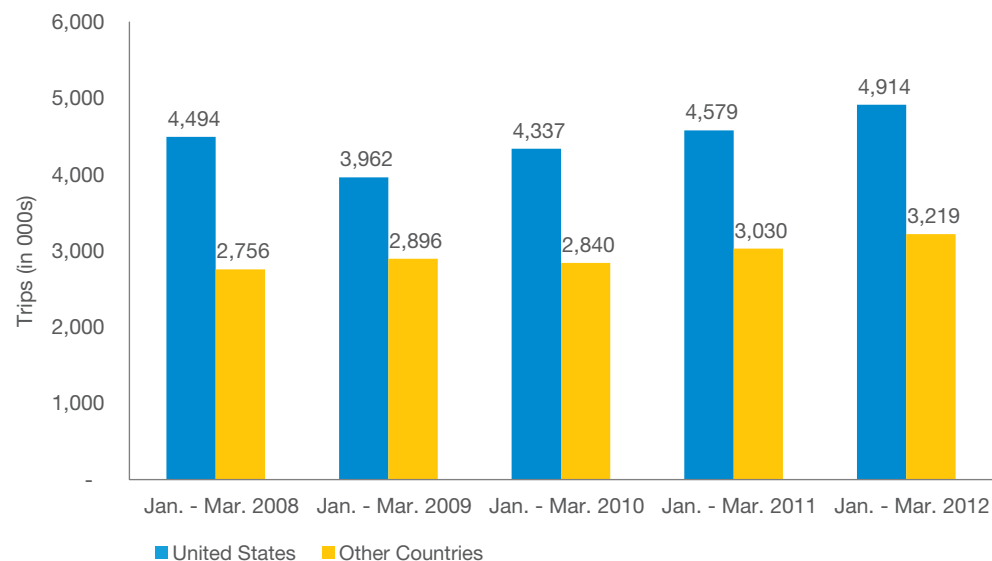
Note: Statistics Canada preliminary figures.

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

- In February 2012, total international travel to the US grew by 8%; likewise Canada and Australia registered growth in international arrivals, up 5% and 2%, respectively;
- Canada outperformed the US and Australia in overnight arrivals from Japan, posting a 15% increase;
- Canada distanced the US in overnight arrivals from Mexico with a 23% increase;
- The US experienced a 11% increase in overnight arrivals from India, outperforming both Canada (+9%) and Australia (+7%);
- Although Canada and Australia recorded gains in arrivals from China, up 28% and 5% respectively, the US outperformed both competitors with an impressive 40% increase;
- While Australia saw a 4% decline from Germany, Canada and the US posted gains, up 15% and 14% respectively;
- The US saw a 9% increase in overnight arrivals from South Korea, while Australia and Canada experienced drops, down 8% and 2% respectively;
- The US posted a notable 27% increase in visitation from Brazil, outperforming both Canada (+16%) and Australia (+5%).

Canadian outbound trips

Overnight trips by Canadians



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

- In March 2012, Canadian outbound travel grew by 6.3% to 3.2 million overnight trips;
- The number of Canadians visiting the US during March 2012 increased by 5.9% compared to the same month last year, reaching over 2 million trips;
- Canadian overnight travel to overseas destinations (excluding the US) grew by 7.1% to over 1.1 million trips;
- Year to date to March, outbound trips by Canadians grew by 6.9%, totalling 8.1 million overnight trips;
- In March 2012, the largest re-entry of Canadians from the US occurred through Ontario, with 994,620 entries, followed by British Columbia (389,140 entries) Québec (296,175 entries) and Alberta (181,400 entries);
- The largest re-entry of Canadians from overseas (exclude the US) were recorded at Ontario port of entries (534,204 entries), followed by Québec (279,899 entries) and British Columbia (150,881 entries).

Overnight trips by Canadians

	Mar. 2012	12/11 Mar. % Change	Jan. - Mar. 2012	Year-to-date % Change
United States	2,053,811	5.9	4,914,168	7.3
Other Countries	1,150,215	7.1	3,219,460	6.2
Total Trips from Canada	3,204,026	6.3	8,133,628	6.9

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence improved for the third consecutive month in March, gaining 4.3 points to 79.5 (2002 = 100). Although the rise is welcome news, a detailed look at the individual questions highlights the fact that consumer confidence remains fragile.
- **USA:** The Conference Board Consumer Confidence Index®, which had increased in February, pulled back slightly in March. The Index now stands at 70.2 (1985=100), down from 71.6 in February.

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

Accommodations

- In March 2012, the national occupancy rate edged up by 1.9 points over the previous year to 59.3%. Yukon posted the largest increase (+8.3 points) followed by Northwest Territories (+5.4 points) and Newfoundland (+4.7 points);
- Year-to-date to March, the national occupancy rate grew by a moderate 1.7 points, reaching 54.8%. Alberta registered the largest increase (+4.1 points) followed by Newfoundland (+3.6 points);
- Year to date to March, the national average Daily Rate grew to \$124.22, up 2.1% compared with the same period in 2011. Northwest Territories, Québec, Alberta and Saskatchewan posted rates higher than the average Daily Rate;
- During the first three months in 2012, the average Revenue per Available Room (RevPAR) was \$68.13 (up 5.3%) with Newfoundland posting the strongest growth (+12.9%) followed by Alberta (+10.7%).

Canadian Occupancy Rates, By Province*

	Mar. 2012	12/11 Change [^]	Jan.-Mar. 2012	Year-to-date Change [^]
Alberta ¹	67.2	3.3	62.0	4.1
British Columbia	58.1	2.9	52.3	2.0
Saskatchewan	70.6	1.3	64.8	1.4
Manitoba	66.2	0.8	61.5	1.5
Ontario	57.3	1.0	53.6	0.7
Quebec	55.7	0.1	54.4	1.1
New Brunswick	52.1	0.5	46.8	0.8
Nova Scotia	59.6	2.7	50.4	-0.3
Newfoundland	63.8	4.7	56.1	3.6
Prince Edward Island	34.0	0.3	36.6	-2.2
Northwest Territories	74.4	5.4	67.4	0.9
Yukon	72.2	8.3	62.2	-2.5
Canada	59.3	1.9	54.8	1.7

* Note: Based on the operating results of 218,789 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 Q4 2011 – Q1 2012

- GDP growth in the three European markets stagnated in the first quarter of 2012 with the UK economy technically falling into recession while France barely avoided it. The main risk that these European economies are facing is the intensification of the Eurozone crisis;
- The Indian economy grew by 4% in 2012 Q1 compared with the previous quarter, while Brazil's economy slid further with GDP growth contracting by 2.7% relative to the previous quarter;
- In Q1 2012, India continued to deal with high inflation rate (7.2%) although it is lower than last year's level, which should help consumer spending;
- During the first quarter 2012, Canada became a moderately more expensive travel destination for visitors from the USA, Brazil, France, Germany, the UK, China, Japan and India, while Australia and Mexico saw their currency appreciate against the Canadian dollar.

Economic Indicators, Q4 2011 - Q1, 2012

America	Canada		USA		Mexico		Brazil	
	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012
Real GDP growth (q/q, %)	0.4	0.5	0.7	0.5	0.4	0.5	-0.6	-2.7
Consumer Price Index (yoy,%)	2.7	2.4	3.3	2.8	3.5	3.9	6.7	5.8
Exchange Rate (1LCU:C\$)	1.000	1.000	1.023	1.001	0.0750	0.0772	0.569	0.567

Europe	France		Germany		UK	
	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012
Real GDP growth (q/q, %)	0.2	-0.2	-0.2	0.5	-0.3	-0.2
Consumer Price Index (yoy,%)	2.4	2.3	2.4	2.0	4.7	3.5
Exchange Rate (1LCU:C\$)	1.379	1.313	1.379	1.313	1.608	1.573

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012
Real GDP growth (q/q, %)	0.4	0.6	29.1	-26.0	-0.2	0.5	0.3	0.9	8.8	4.0
Consumer Price Index (yoy,%)	3.1	1.6	4.6	3.8	-0.3	0.3	4.0	3.0	8.4	7.2
Exchange Rate (1LCU:C\$)	1.036	1.057	0.161	0.159	0.0132	0.0126	0.0009	0.0009	0.0202	0.0200

Source: Bank of Canada and Oxford Economics October 2011 - March 2012

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

CTC Market Research & Evaluation