



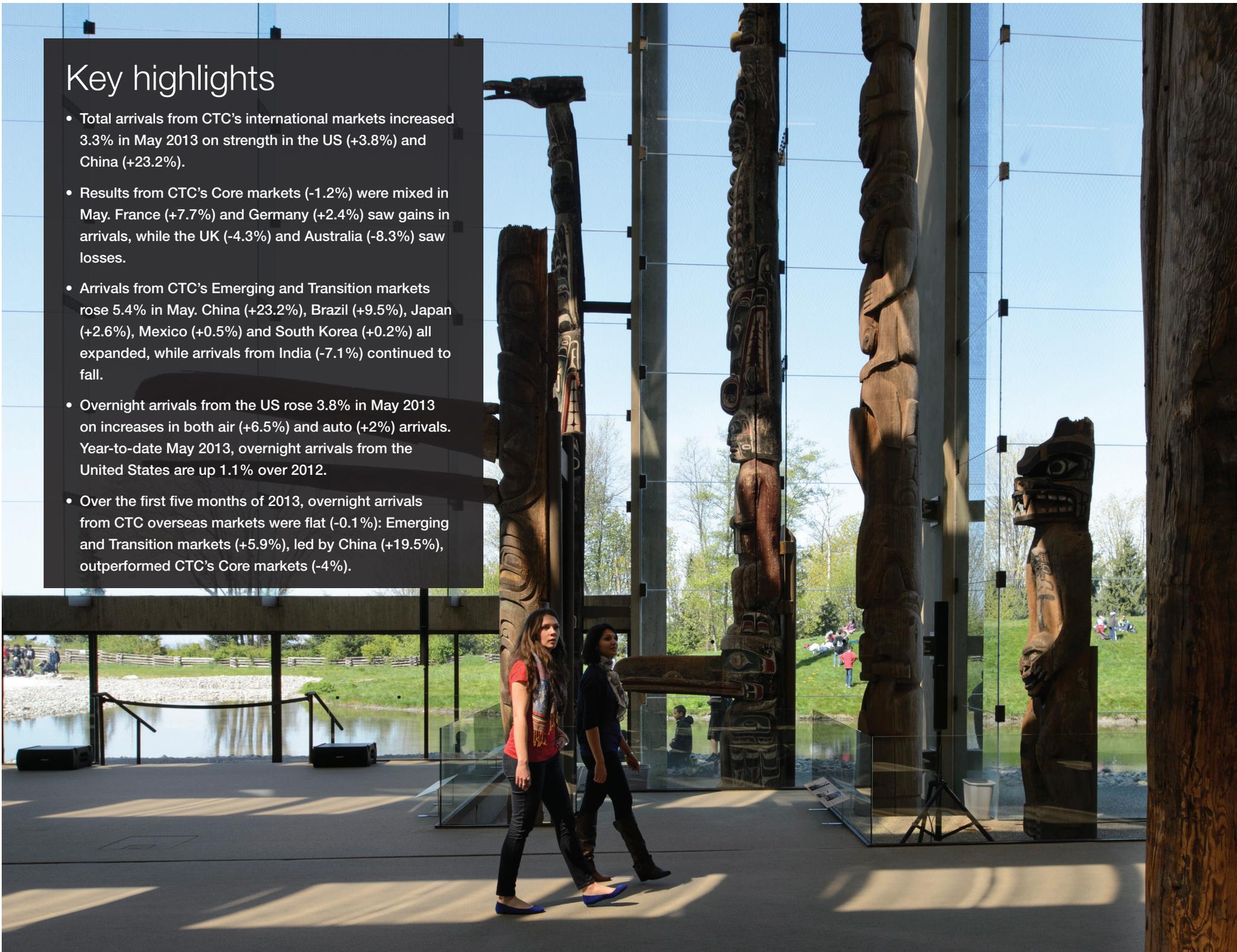
Tourism Snapshot

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



Key highlights

- Total arrivals from CTC's international markets increased 3.3% in May 2013 on strength in the US (+3.8%) and China (+23.2%).
- Results from CTC's Core markets (-1.2%) were mixed in May. France (+7.7%) and Germany (+2.4%) saw gains in arrivals, while the UK (-4.3%) and Australia (-8.3%) saw losses.
- Arrivals from CTC's Emerging and Transition markets rose 5.4% in May. China (+23.2%), Brazil (+9.5%), Japan (+2.6%), Mexico (+0.5%) and South Korea (+0.2%) all expanded, while arrivals from India (-7.1%) continued to fall.
- Overnight arrivals from the US rose 3.8% in May 2013 on increases in both air (+6.5%) and auto (+2%) arrivals. Year-to-date May 2013, overnight arrivals from the United States are up 1.1% over 2012.
- Over the first five months of 2013, overnight arrivals from CTC overseas markets were flat (-0.1%): Emerging and Transition markets (+5.9%), led by China (+19.5%), outperformed CTC's Core markets (-4%).



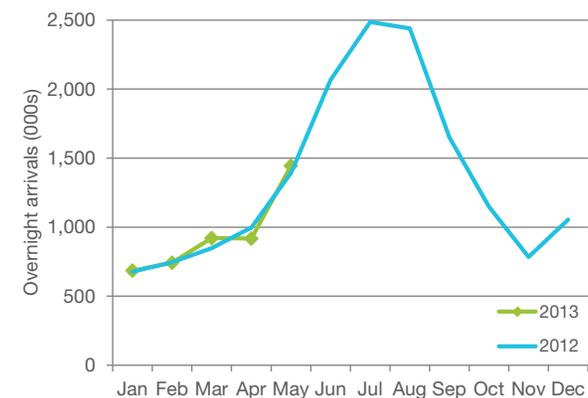
Tourism review Inbound highlights

Overnight trips to Canada

	May 2013	13/12 May % Change	Jan. - May 2013	Year-to-date % Change
United States				
Automobile	574,149	2.0	1,883,482	0.4
Plane	326,553	6.5	1,173,309	1.9
Other	132,933	5.6	293,289	2.6
US Total	1,033,635	3.8%	3,350,080	1.1%
Core Markets				
UK	60,311	-4.3	188,309	-6.9
France	37,601	7.7	136,779	-0.5
Germany	29,282	2.4	81,720	-5.6
Australia	28,400	-8.3	80,138	-0.9
Core Total	155,594	-1.2%	486,946	-4.0%
Emerging/Transition Markets				
Japan	17,810	2.6	72,320	4.0
South Korea	12,718	0.1	45,175	0.3
Mexico	11,727	0.4	51,468	5.0
Brazil	7,690	9.5	31,722	4.9
China	27,874	23.2	98,626	19.5
India	19,037	-7.1	50,355	-6.3
Emerging/Transition Markets Total	96,856	5.4%	349,666	5.9%
CTC Overseas Key Markets	252,450	1.2%	836,612	-0.1%
Other Overseas Countries	158,436	7.3%	521,977	1.8%
Total Non-US Countries	410,886	3.5%	1,358,589	0.6%
Total Countries	1,444,521	3.7%	4,708,669	1.0%

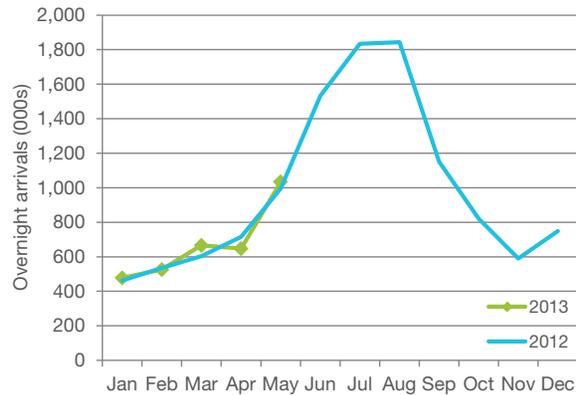
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



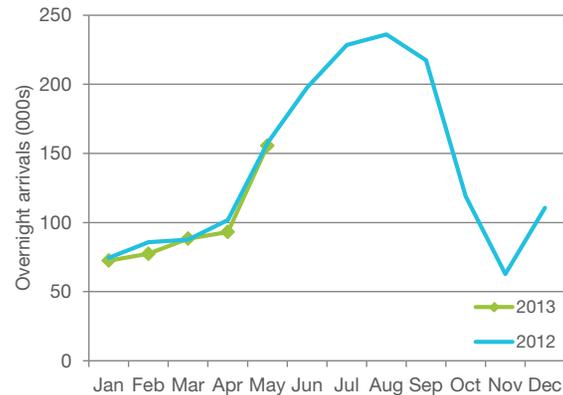
- Canada received approximately 1.44 million international visitors during the month of May, an increase of 3.7% over the same month in 2012.
- Reversing previous losses, arrivals from France and Germany increased in May. However, overall arrivals from CTC's Core markets fell 1.2% on declining arrivals from the UK and Australia. The year-to-date number of overnight visitors is now 486,946, down 4% compared with the same period last year.
- Total arrivals from CTC's Emerging and Transition markets (Japan, South Korea, Mexico, Brazil, China and India) increased 5.4% in May, supported by arrivals from China (+23.2%). Year-to-date arrivals through May were up 5.9% to 349,666 compared with the same period last year.

United States



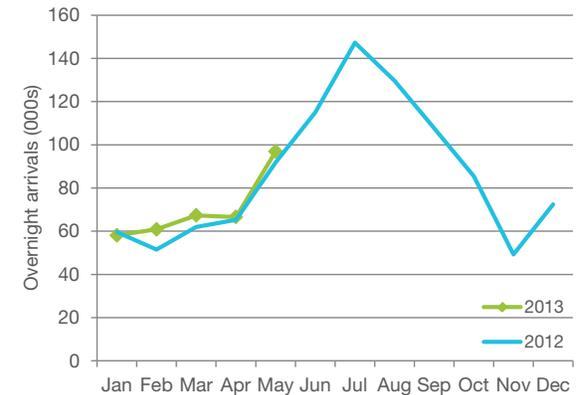
- Overnight arrivals from the US increased broadly in May (+3.8%). Auto arrivals rose 2%, while air arrivals surged 6.5%.
- During the first five months of 2013, total overnight trips to Canada by US residents were up 1.1% from last year for a total of 3,350,080 arrivals.
- In May, nine provinces recorded gains in border-crossing arrivals by US visitors: Nova Scotia (+36.4%), Saskatchewan (+11.2%) and Manitoba (+10.1%) saw the largest increases in percentage terms. Three quarters of the increase in arrivals recorded in Nova Scotia was attributable to a surge in US cruise passengers.

Core Markets



- France (+7.7%) and Germany (+2.4%) recovered to post gains in arrivals in May. However, year-to-date arrivals were still down 0.5% and 5.6% respectively over 2012.
- Contrary to the rebound seen elsewhere in Europe, arrivals from the UK fell 4.3% in May, the sixth consecutive month of declines. Year-to-date arrivals from this market were down 6.9% compared with 2012.
- Australia extended its decline in arrivals for a second month in a row with an 8.3% drop in May. Year-to-date arrivals have now slipped 0.9% year-over-year.

Emerging Markets

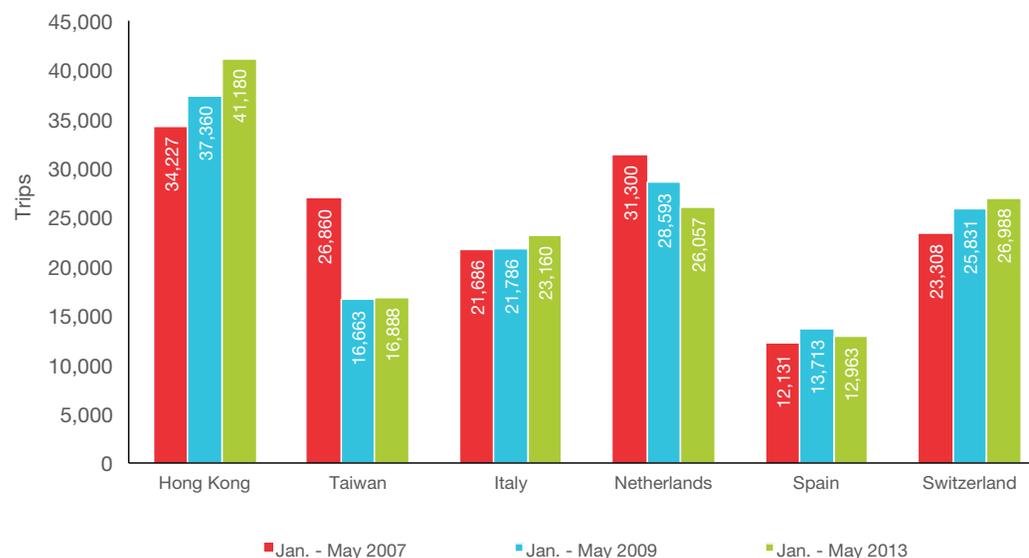


- Supported by growth from China (+23.2%), arrivals from Emerging and Transition markets expanded 5.4% in May. Excluding China, arrivals from these markets declined 0.4%.
- While arrivals from Brazil (+9.5%), Japan (2.6%), Mexico (+0.4%) and South Korea (+0.1%) all expanded in May, this was not enough to offset a 7.1% decline in arrivals from India, which continues to be under pressure due to a lack of direct air capacity to Canada.
- Year-to-date May 2013, overall arrivals from CTC's Emerging and Transition markets grew 5.9% compared with last year. The best performers were China (+19.5%), Mexico (+5%) and Brazil (+4.9%).

Market Watch

- With the exception of the Netherlands (-1.2%), arrivals from other selected European markets expanded in May, with Spain (+7.7%), Switzerland (+4.6%) and Italy (+4%) all posting gains.
- Supported by increased air capacity on major routes to Canada in May, arrivals from Hong Kong (+7.9%) and Taiwan (+29.8%) reversed previous losses and expanded strongly.
- Year-to-date May 2013, arrivals from secondary markets were generally positive: Spain (+8%), Italy (+5%), Hong Kong (+2.7%) and Taiwan (+6.4%) realized gains, while the Netherlands (-2%) and Switzerland (-1.1%) saw modest losses.
- When compared with the year-to-date results for May 2007, Hong Kong saw the largest gain in overnight arrivals (+20.3%), followed by Switzerland (+15.8%) and Spain (+6.9%). Taiwan and the Netherlands posted significant declines, down 37.1% and 16.8% respectively.

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

	May 2013	13/12 May % Change	Jan. - May 2013	Year-to-date % Change
Italy	6,989	4.0	23,160	5.0
Netherlands	9,777	-1.2	26,057	-2.0
Spain	3,736	7.7	12,963	8.0
Switzerland	8,338	4.6	26,988	-1.1
Hong Kong	11,851	7.9	41,180	2.7
Taiwan	6,319	29.8	16,888	6.4

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

Competitive review (April 2013)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		13/12 Change		13/12 Change
Total International	3,264.1	-0.2%	2,147.8	3.9%
United States	2,316.4	0.0%	177.8	7.4%
Canada	46.2	-4.0%
Core Markets				
United Kingdom	128.0	-8.1%	231.7	-2.0%
France	99.2	-3.3%	34.2	6.9%
Germany	52.4	-9.6%	57.8	4.7%
Australia	51.7	3.6%
Emerging/Transition Markets				
Japan	54.5	4.5%	110.0	-8.5%
South Korea	32.5	0.4%	67.4	-5.5%
Mexico ¹	39.7	6.4%
Brazil	24.0	3.5%	12.0	13.2%
China	70.8	18.1%	289.4	17.8%
India	31.3	-5.9%	55.1	4.2%
Total Key Markets	2,900.6	-0.1%	1,081.6	4.2%

...Not applicable. or data not available.

Note: Statistics Canada preliminary figures.

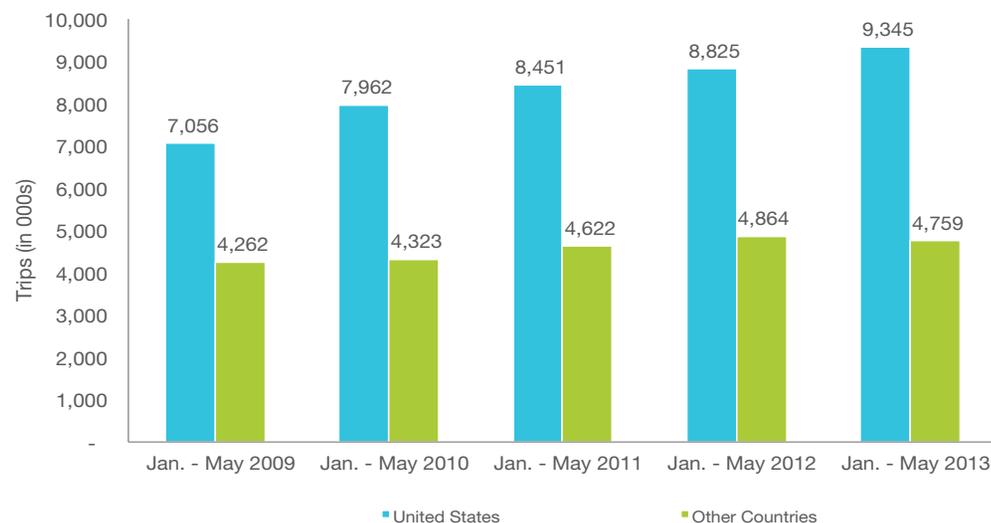
Sources: Statistics Canada; Tourism Australia.

** US visitation data for April 2013 were not available due to a delay of the change of entry process for US visitors.

- For January-April 2013, Australia saw a 3.9% increase in arrivals, while Canada saw a 0.2% decline over the same period last year.
- Both Australia (+17.8%) and Canada (+18.1%) saw arrivals from China expand during the first four months of 2013.
- Arrivals from the UK to both Canada (-8.1%) and Australia (-2%) declined. Visitor numbers from France to Canada were down 3.3%, while Australia saw a 6.9% increase in arrivals from France.
- Australia experienced decreases in overnight arrivals from Japan (-8.5%) and South Korea (-5.5%), while Canada registered gains in Japanese (+4.5%) and South Korean (+0.4%) arrivals.

Canadian outbound trips

Overnight trips by Canadians



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

- Canadian outbound travel expanded in May 2013, up 5.8% compared with the same period last year to approximately 2.66 million trips.
- The number of Canadians visiting the US during the month of May surged 7.3% to 1.95 million trips, while Canadian overnight travel to overseas destinations (excluding the US) rose 2.1% to 713,146 trips.
- For the first five months of 2013, outbound trips by Canadians increased 3% over 2012 to 14.1 million trips.
- In May, most Canadians re-entered the country from the US through Ontario (863,587 entries, +6%), British Columbia (467,415 entries, +14.1%) and Quebec (290,415 entries, +5.6%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in May 2013 (359,139 entries, +1%), followed by Quebec (146,992 entries, +3.3%) and British Columbia (114,067 entries, +1.6%).

Overnight trips by Canadians

	May 2013	13/12 May % Change	Jan. - May 2013	Year-to-date % Change
United States	1,945,838	7.3	9,344,502	5.9
Other Countries	713,146	2.1	4,758,617	-2.2
Total Trips from Canada	2,658,984	5.8	14,103,119	3.0

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

Consumer outlook

Consumer confidence

- **Canada:** In May, the Index of Consumer Confidence rose 5.1 points to 80.7 (2002 = 100), which was more than enough to offset the decline in April. Still, this leaves the index well below its base value of 100, indicating that confidence is still low by historical standards.
- **USA:** The Conference Board Consumer Confidence Index®, which had improved in April, increased again in May. The Index now stands at 76.2 (1985=100), up from 69.0 in April.

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

Accommodations

- In May 2013, the National Occupancy Rate rose to 64.5%, up 0.2 points compared with the previous year.
- Year-to-date May 2013, the National Occupancy Rate recorded a marginal increase of 0.4 points to 57.6%. Five provinces saw higher occupancy, with Northwest Territories registering the largest increase (+3.4 points), followed by Alberta (+2.4 points) and Newfoundland and Labrador (+1.5 points).
- For the first five months of 2013, the National Average Daily Rate improved to \$127.39, up 1.8% compared with the same period in 2012. Northwest Territories, Alberta, Saskatchewan, Quebec and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- Year-to-date May 2013, the Average Revenue per Available Room (RevPAR) was \$73.33 (+2.5%), with Alberta posting the strongest growth (+8.3%, \$88.43) followed by Northwest Territories (+5.4%, \$101.94).

Canadian Occupancy Rates, By Province*

	May 2013	13/12 Change [^]	Jan. - May 2013	Year-to-date Change [^]
Alberta ¹	67.1	0.6	65.4	2.4
British Columbia	63.4	-0.4	54.4	-1.1
Saskatchewan	69.2	0.3	65.9	-0.4
Manitoba	61.2	-2.7	60.2	-1.3
Ontario	65.3	0.7	57.0	0.8
Quebec	66.0	1.7	56.9	0.4
New Brunswick	53.2	-3.8	48.0	-1.1
Nova Scotia	58.8	-4.9	51.7	-2.5
Newfoundland	71.5	-4.4	63.6	1.5
Prince Edward Island	42.1	1.7	33.4	-3.7
Northwest Territories	59.9	4.1	66.2	3.4
Yukon	63.8	-12.3	57.8	-7.8
Canada	64.5	0.2	57.6	0.4

* Note: Based on the operating results of 222,517 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.