

Tourism Snapshot

A focus on the markets in which Destination Canada (DC) and its partners are active.

Key highlights

- Over the first six months of 2015, total international visitor arrivals from Destination Canada's 11 target markets rose 8.2% year over year. Appreciable gains were registered across all regions, led by Mexico and Brazil in Latin America (+15.6%), followed by Asia-Pacific (+9.2%), the US (+8.4%) and Europe (+4.0%)
- Markets where DC invests in the US (+8.4%) and overseas (+7.4%) continued to expand at a faster rate than international tourism arrivals from other overseas markets (+4.8%).
- Total overnight arrivals from DC's key overseas markets rose 6.1% in June 2015, driven by strong growth from the two Latin American markets (19.2%), followed by Asia-Pacific (+5.6%) and Europe (+4.2%).
- In June 2015, Brazil (+21.4%), South Korea (+23.9%), India (+12.0%) and Mexico (+18.1%) recorded double-digit growth in overnight arrivals over June 2014. Arrivals were unchanged from China and Australia during this same period.
- Overnight arrivals from the US climbed for a seventh consecutive month in June 2015 (+12.7%). Gains were registered across all major modes of entry, including by automobile (+15.9%), air (+7.7%) and other modes of transport (+9.5%)—including train, cruises, buses.



Tourism review Inbound highlights

Overnight trips to Canada

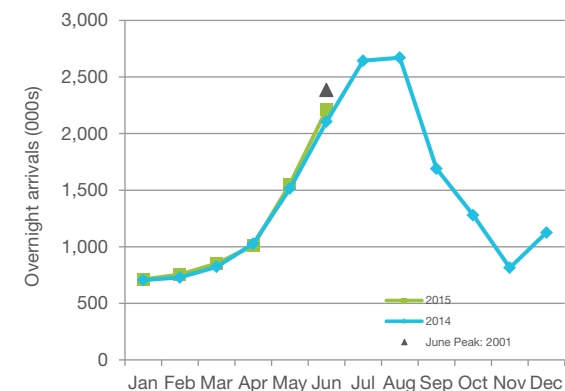
	June 2015	15/14 June % Change	Jan. - June 2015	Year-to-date % Change
United States				
Automobile	941,991	15.9	2,901,858	9.5
Air	441,129	7.7	1,547,563	7.2
Other	197,440	9.5	476,283	5.5
US Total	1,580,560	12.7	4,925,704	8.4
Europe Markets*				
UK	86,365	3.9	286,564	4.8
France	48,846	5.5	188,907	4.4
Germany	38,386	3.3	124,744	1.5
Europe Markets Total	173,597	4.2	600,215	4.0
Asia-Pacific Markets*				
Japan	24,154	6.0	105,938	6.1
South Korea	22,963	23.9	79,086	16.1
China	47,728	0.0	193,881	11.5
India	28,084	12.0	92,781	13.3
Australia	36,843	-0.7	123,818	2.0
Asia-Pacific Markets Total	159,772	5.6	595,504	9.2
Latin America Markets*				
Mexico	23,825	18.1	88,137	13.9
Brazil	12,313	21.4	49,697	18.8
Latin America Markets Total	36,138	19.2	137,834	15.6
Overseas Key Markets	369,507	6.1	1,333,553	7.4
Total 11 DC Markets	1,950,067	11.4	6,259,257	8.2
Other Overseas Countries	260,200	5.0	833,378	4.8
Non-US Countries	629,707	5.7	2,166,931	6.4
Total Countries	2,210,267	10.6	7,092,635	7.8

Note: Statistics Canada preliminary estimates.

* In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included European markets and Australia. As of January 2015, markets grouping were reclassified on a geographic basis.

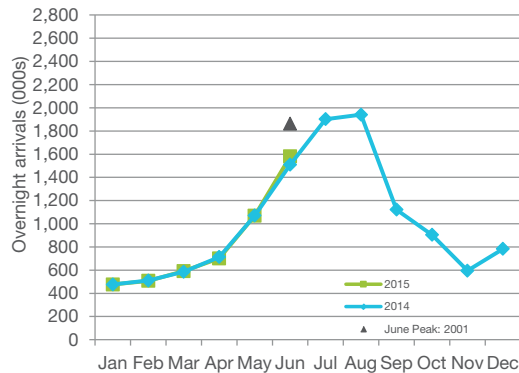
Source: Statistics Canada, International Travel Survey.

International trips



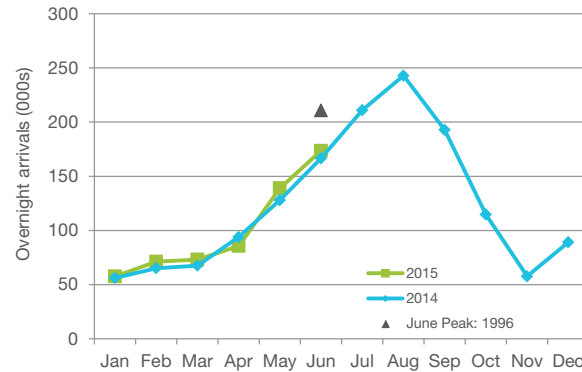
- Canada welcomed 2,210,267 international visitors in June 2015, up 10.6% compared to June 2014. In the first half of 2015, Canada recorded 7,092,635 international arrivals, up 7.8% relative to 2014.
- The international visitor peak on record during the month of June is 2,384,000 visitors, which occurred in 2001. The number of international visitors in June 2015 was the highest achieved since 2007.

United States



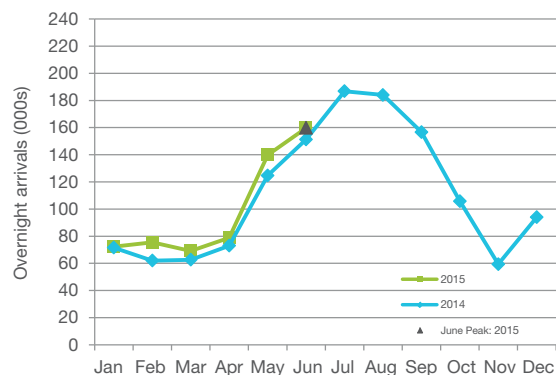
- In June 2015, gains in US arrivals by auto (+15.9%), air (+7.7%) and other modes of transport (+9.5%) resulted in total US arrivals rising for the seventh consecutive month (+12.7% over June 2014). Buoyant visitation from the US was in part facilitated in June by good weather conditions, FIFA Women's World Cup events and favourable exchange rates for US visitors.
- Canada welcomed about 1,580,560 US overnight visitors in June 2015. The US visitor peak on record during the month of June occurred in 2001, with 1,863,000 overnight trips.

Europe Markets



- In June 2015, overnight arrivals from DC's European markets increased 4.2%. YTD June 2015, arrivals from these markets are up 4%.
- All three DC markets in Europe registered healthy gains in June 2015. Despite a weaker euro (but stronger British pound) relative to the Canadian dollar, arrivals from the UK (+3.9%), Germany (+3.3%) and France (+5.5%) rose relative to June 2014.
- Canada welcomed 173,600 visitors from key markets in Europe in June 2015, still short of the arrivals peak of 211,000 registered in June 1996.

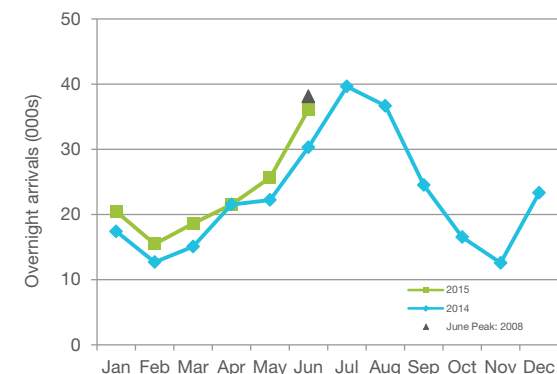
Asia-Pacific Markets



- Overnight arrivals from DC markets in Asia-Pacific expanded at healthy but slower pace than usual (+5.6%) in June 2015 due to China staying still and to a light pullback from Australia.
- Arrivals from China were flat in June 2015. Year-to-date, China arrivals are up 11.5% compared to the same period in 2014. Since the beginning of 2015, China has emerged as the second-largest overseas inbound market after the UK.
- Arrivals from Australia declined 0.7% in June. Year-to-date June 2015, arrivals from Australia are up 2% compared to the same period in 2014.
- Arrivals from South Korea (+23.9%) rose significantly in June, amid a more favourable exchange rate for South Korean visitors to Canada; the won has appreciated 7.5% against the CAD over the past year. The gains from South Korea were also facilitated by increased air capacity on Seoul-Vancouver flights in recent months. Year-to-date June 2015, South Korean arrivals are up 16.1% compared to the same period in 2014.

- In June 2015, India (+12.0%) continued to record strong gains in overnight visits. The launch of the CAN+ Visa program in India in July 2014 has contributed to sustained growth over the past year. Year-to-date June 2015, India arrivals are up 13.3% compared to the same period in 2014.
- Arrivals from Japan were up 6% in June 2015 amid improved air access to Canada in recent months. In the first half of 2015, arrivals from Japan have increased 6.1% relative to 2014.
- In June 2015, the number of visitors from the Asia-Pacific markets reached a new peak for this month with about 159,770 overnight visitors to Canada.

Latin America Markets



- Arrivals from DC's two Latin American markets recorded strong gains (+19.2%) in June 2015. YTD June 2015, Latin American arrivals from key markets were up 15.6%.
- In June 2015, arrivals from Mexico rose 18.1% relative to June 2014 amid the recent introduction of new non-stop flights between Mexico City and Toronto and Montréal. Arrivals from Mexico have maintained their momentum since the implementation of the CAN+ Visa program in May 2014. Over the first six months of 2015, arrivals from Mexico are up 13.9% compared to the same period in 2014.
- In June 2015, overnight arrivals from Brazil rose 21.4%, amid several factors facilitating travel to Canada, including the launch of the CAN+ Visa program, the new Air Canada Rio de Janeiro-Toronto flight (started December 2014) and the new TAM São Paulo-Toronto flight (started March 2015). Year-to-date June 2015, arrivals from Brazil are up 18.8%.
- In June 2015, Brazil and Mexico combined for a total of 36,140 visitors to Canada, 2,000 visitors shy of the peak for the month of June recorded in 2008.

Peak Year Review of Overnight Trips to Canada by Market – January to June

Markets	Europe			United States		Asia Pacific			Latin America			
	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Brazil	Mexico
Previous Peak Year	2012	1996	2007	2002	2001	2014	2014	2014	1996	2008	2014	2008
Arrivals During Previous Peak Year	181,993	166,033	378,981	6,134,520	1,772,618	121,449	173,819	81,914	256,026	85,491	41,825	115,697
YTD June 2015 Total Arrivals	188,907	124,744	286,564	4,925,704	1,547,563	123,818	193,881	92,781	105,938	79,086	49,697	88,137
Current % of Previous Peak	103.8%	75.1%	75.6%	80.3%	87.3%	102.0%	111.5%	113.3%	41.4%	92.5%	118.8%	76.2%

Note: Statistics Canada preliminary figures.
Sources: Statistics Canada.

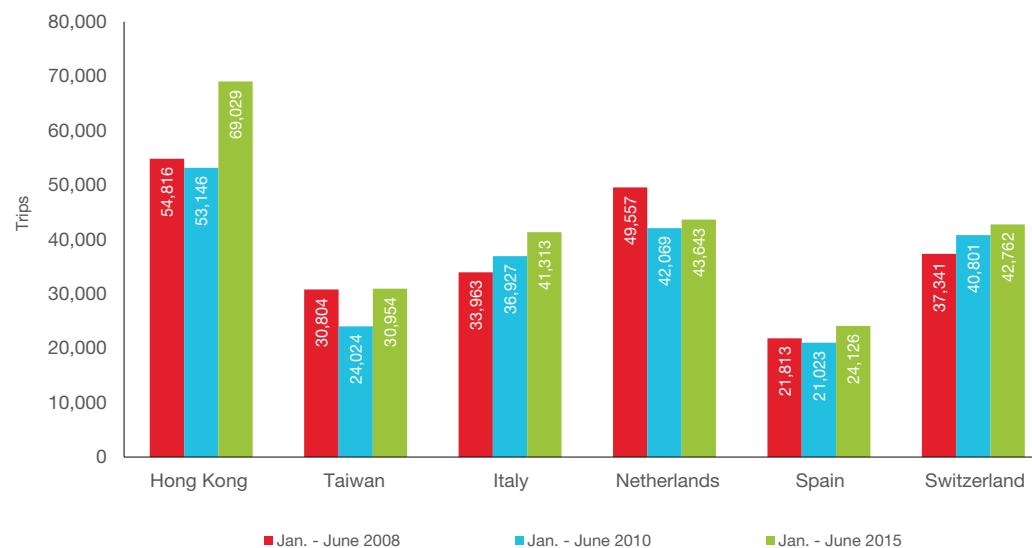
Peak achieved during 2015

- From January to June 2015, five markets—Australia, France, India, Brazil and China—achieved their highest level of overnight arrivals ever.
- In the first half of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 75% to 93% of their peaks, recorded in 2007, 1996, 2008, 2008 and 2002 respectively.
- US arrivals by air during the six first months of 2015 totalled nearly 1,550,000 overnight visits to Canada, which represents 87.3% of the peak recorded in 2001.
- From January to June 2015, arrivals from Japan achieved 41.4% of the peak recorded in 1996.

Market Watch

- In June 2015, all secondary European markets except Italy recorded strong gains compared to 2014. Arrivals rose from Spain (+7.4%), the Netherlands (+19.0%) and Switzerland (+7.6%), while arrivals from Italy (-2.5%) declined.
- From January to June 2015, all four secondary European markets saw healthy increases in visitation, with the Netherlands (+11.2%) leading the way, followed by Spain (+5.5%), Italy (+5.0%) and Switzerland (+3.2%).
- In June 2015, arrivals from Taiwan decreased 3.3%, while arrivals from Hong Kong rose 10.7% relative to 2014.
- Since the beginning of the year, both secondary markets in Asia have posted strong growth, with Hong Kong arrivals up 10.5% and Taiwan arrivals up 7.4% over the same period in 2014.

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

	June 2015	15/14 June % Change	Jan. - June 2015	Year-to-date % Change
Italy	13,000	-2.5	41,313	5.0
Netherlands	10,060	7.4	24,126	5.5
Spain	14,516	19.0	43,643	11.2
Switzerland	13,833	7.6	42,762	3.2
Hong Kong	21,459	10.7	69,029	10.5
Taiwan	10,417	-3.3	30,954	7.4

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

International Arrivals by Province of Entry to Canada

Non-Residents Overnight Arrivals to Canada by province of Entry, January to June 2015

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	18,476	18.8%	2,928	-	-	-	4,996	19.3%	808	13,480	-100.0%	2,120
Prince Edward Island	62	-7.5%	(5)	-	-	-	39	-27.8%	(15)	23	0.0%	10
Nova Scotia	53,265	-5.6%	(3,136)	2,675	-	243	29,491	-14.0%	(4,812)	21,099	7.3%	1,433
New Brunswick	71,539	2.9%	2,044	67,082	4.8%	3,060	2,954	-32.8%	(1,440)	1,503	39.3%	424
Quebec	1,060,101	8.1%	79,388	394,690	14.5%	50,076	292,373	4.7%	13,192	373,038	4.5%	16,120
Ontario	3,275,146	8.3%	251,312	1,515,135	6.9%	97,882	844,727	9.8%	75,253	915,284	9.3%	78,177
Manitoba	105,044	25.9%	21,628	70,818	38.6%	19,728	30,453	8.0%	2,267	3,773	-8.9%	(367)
Saskatchewan	33,746	-12.3%	(4,741)	19,381	4.1%	771	12,557	-29.0%	(5,132)	1,808	-17.4%	(380)
Alberta	383,126	0.8%	2,984	50,061	8.3%	3,822	207,127	-1.0%	(2,046)	125,938	1.0%	1,208
British Columbia	2,046,544	8.3%	156,865	758,948	11.0%	75,479	582,311	9.3%	49,675	705,285	4.7%	31,711
Yukon	45,586	5.5%	2,391	23,068	6.2%	1,339	16,818	8.5%	1,324	5,700	-4.6%	(272)
Canada	7,092,635	7.8%	511,658	2,901,858	9.5%	252,400	2,023,846	6.8%	129,074	2,166,931	6.4%	130,184

Source: ITS Border Counts, June 2015, Statistics Canada

- During the six first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+251,000, +8.3%), British Columbia (+157,000, +8.3%) and Quebec (+79,400, +8.1%).
- All three provinces (Ontario, BC and Quebec) registered gains in US arrivals by auto and non-auto modes as well as from overseas.
- Manitoba benefited from a significant surge in overnight arrivals from the US (+67%), which primarily entered the province by auto (+87.1%).
- Saskatchewan (-12.3%) and Nova Scotia (-5.6%) were the only provinces to see a contraction of total international arrivals since the beginning of the year.

Competitive Review – Australia vs Canada (January - June 2015)

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		15/14 Change		15/14 Change
Total International	7,092,635	7.8%	3,465,600	7.3%
United States	4,925,704	8.4%	296,900	8.6%
Canada	74,300	7.8%
Europe				
United Kingdom	286,564	4.8%	330,000	4.5%
France	188,907	4.4%	53,000	1.3%
Germany	124,744	1.5%	85,500	1.8%
Asia-Pacific				
Australia	123,818	2.0%
Japan	105,938	6.1%	138,600	-1.8%
South Korea	79,086	16.1%	110,000	10.8%
China	193,881	11.5%	511,400	20.8%
India	92,781	13.3%	122,900	23.8%
Latin America				
Mexico	88,137	13.9%	4,000	14.3%
Brazil	49,697	18.8%	22,200	11.0%
Total DC Key Markets	6,259,257	8.2%	1,748,800	10.6%

...Not applicable.

n/a - not available.

Sources:

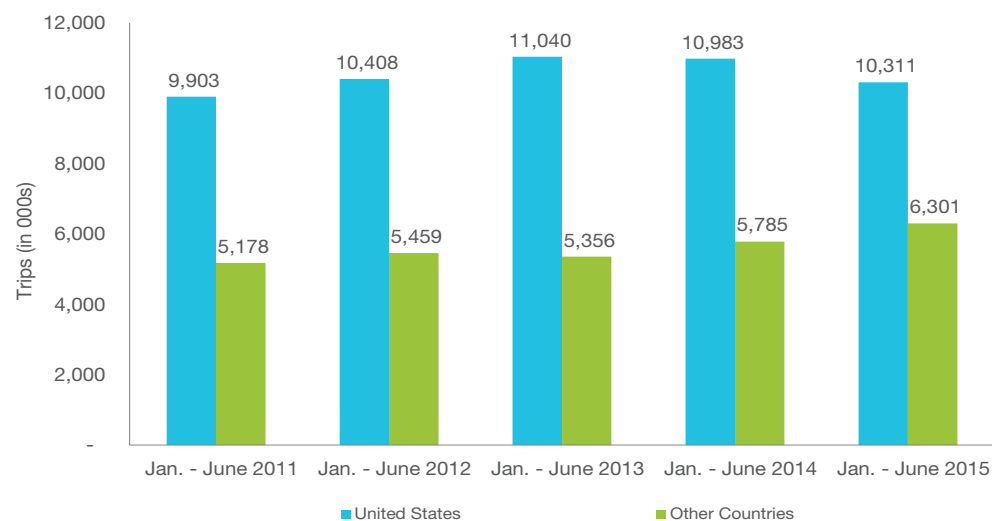
Statistics Canada, International Travel Survey Frontier Counts

Australian Bureau of Statistics, Overseas Arrivals and Departures

- Since the beginning of 2015, Canada registered a large increase in total international arrivals (+7.8%), outpacing the growth recorded in Australia (+7.3%) over 2014.
- In DC key markets, Australia registered a 10.6% increase, while arrivals to Canada rose 8.2% relative to 2014.
- Australia posted a 7.8% increase in arrivals from Canada. In comparison, Australian arrivals to Canada increased 2% during the same period.
- Australia registered larger gains than Canada in arrivals from the US (+8.6% vs +8.4%), Mexico (+14.3% vs +13.9%), China (+20.8% vs +11.5%), India (+23.8% vs +13.3%) and Germany (+1.8% vs +1.5%) relative to 2014.
- Canada registered larger gains than Australia in arrivals from all other DC key markets over the first six months of 2015, outpacing it on overnight arrivals from Brazil (+18.8% vs 11%), France (+4.4% vs 1.3%), Japan (+6.1% vs -1.8%), South Korea (+16.1% vs +10.8%) and the UK (+4.8% vs +4.5%).

Canadian outbound trips

Overnight trips by Canadians



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

- In June 2015, the number of overnight trips by Canadians to international destinations decreased 7.5% to 2,220,277. While the number of overnight trips by Canadians to the US declined by 13.8% year-over-year, it increased by 8.8% to overseas destinations.
- In the first half of 2015, outbound trips by Canadian residents declined 0.9% compared to 2014 to 16,612,367. The number of trips south of the border declined by 6.1%, while trips to other destinations increased 8.9% relative to 2014.
- In June 2015, most Canadian residents returned to the country from abroad through Ontario (1,009,692 re-entries, -5.3%), BC (479,399 re-entries, -7.2%) and Quebec (443,361 re-entries, -8.7%).
- In June 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (643,000 re-entries, -11.5%), BC (349,000 re-entries, -13.8%) and Quebec (271,000 re-entries, -16.9%).

Overnight trips by Canadians

	June 2015	15/14 June % Change	Jan. - June 2015	Year-to-date % Change
United States	1,487,953	-13.8	10,311,336	-6.1
Other Countries	732,324	8.8	6,301,031	8.9
Total Trips from Canada	2,220,277	-7.5	16,612,367	-0.9

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

Consumer outlook

Consumer confidence

- **Canada:** Despite signs of a slowing Canadian economy since the beginning of the year, the index of consumer confidence increased 2.9 percentage points in June to land at 102.7 (2014 = 100).
- **USA:** The Conference Board Consumer Confidence Index® increased in June following a lower than forecast index in May. The Index stood at 101.4 (1985=100) in June, up from 94.6 in May, indicating an improvement in the confidence of consumers towards the US economy.

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

Accommodation

Hotel Performance Indicators by Province*

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	June 2015	15/14 Change [^]	Jan. - June 2015	Year-to-date Change [^]	June 2015	15/14 Change [^]	Jan. - June 2015	Year-to-date Change [^]	June 2015	15/14 Change [^]	Jan. - June 2015	Year-to-date Change [^]
Alberta ¹	65.3%	-5.3	60.0%	-7.1	\$145.07	-3.1%	\$141.92	-0.8%	\$94.68	-10.4%	\$85.11	-11.3%
British Columbia	77.4%	4.6	63.0%	2.6	\$169.30	13.8%	\$144.56	7.1%	\$130.99	21.0%	\$91.05	11.7%
Saskatchewan	64.5%	-2.2	57.8%	-4.7	\$134.79	-1.3%	\$133.34	0.0%	\$86.98	-4.6%	\$77.12	-7.6%
Manitoba	73.4%	6.2	62.1%	3.3	\$131.61	10.9%	\$121.18	2.9%	\$96.66	21.1%	\$75.30	8.7%
Ontario	73.9%	2.6	61.4%	0.6	\$143.53	6.4%	\$134.34	5.1%	\$106.01	10.2%	\$82.46	6.1%
Quebec	77.4%	3.5	62.3%	1.4	\$170.13	4.9%	\$148.95	5.5%	\$131.75	9.9%	\$92.77	7.9%
New Brunswick	64.0%	4.0	48.1%	-2.2	\$118.97	6.6%	\$110.94	2.6%	\$76.11	13.7%	\$53.42	-1.9%
Nova Scotia	67.3%	0.7	55.6%	0.0	\$133.47	2.5%	\$123.38	3.7%	\$89.78	3.7%	\$68.54	3.7%
Newfoundland	74.8%	-4.4	59.1%	-0.5	\$158.73	-1.0%	\$142.02	0.6%	\$118.65	-6.5%	\$83.93	-0.3%
Prince Edward Island	63.4%	2.5	41.3%	0.0	\$145.75	5.7%	\$114.83	4.7%	\$92.46	10.0%	\$47.45	4.7%
Northwest Territories	69.9%	-1.0	65.3%	-3.9	\$159.48	7.8%	\$158.18	2.3%	\$111.43	6.3%	\$103.34	-3.5%
Yukon	85.9%	-0.5	60.5%	-1.7	\$128.16	2.8%	\$114.34	5.7%	\$110.06	2.1%	\$69.22	2.9%
Canada	72.7%	1.5	60.7%	-0.4	\$153.50	5.9%	\$139.47	4.0%	\$111.63	8.1%	\$84.63	3.4%

* Note: Based on the operating results of 227,174 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.

- In June 2015, the National Occupancy Rate increased 1.7 points to 72.7%. Manitoba (+6.2 points) and BC (+4.6 points) registered the largest increases, while Alberta (-5.3%), Newfoundland and Labrador (-4.4%) and Saskatchewan (-2.2%) recorded the largest declines in hotel occupancy rates relative to June 2014. The hotel markets with the highest occupancy rates in June 2015 were in BC and Quebec (77.4%), Newfoundland and Labrador (74.8%) and Ontario (73.9%).
- Since the beginning of 2015, the National Occupancy Rate has declined (-0.4 points to 60.7%) compared to last year. Manitoba (+3.3 points), BC (+2.6 points) and Quebec (+1.4 points) recorded the largest gains in hotel occupancy, while the largest declines were recorded in Alberta (-7.1 points), Saskatchewan (-4.7 points), Northwest Territories (-3.9 points) and New Brunswick (-2.2 points). The provincial and territorial markets with the highest hotel occupancy rates during the first half of the year were Northwest Territories (65.3%), BC (63.0%), Quebec (62.3%) and Manitoba (62.1%).
- Since the beginning of 2015, the National Average Daily Rate (ADR) rose to \$139.47, up 4% compared to 2014. Yukon (+5.7%, \$114.34), Quebec (+5.5%, \$148.95) and Ontario (+5.1%, \$134.34) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates are in Northwest Territories (\$158.18/night), Quebec (\$148.95/night) and Alberta (\$141.92/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$84.63 (+3.4%), with the largest revenue growth in BC (+11.7%, \$91.05), Quebec (+7.9%, \$92.77) and Manitoba (+8.7%, \$75.30). Provincial and territorial hotel markets with the highest RevPar were Northwest Territories (\$103.34), Quebec (\$92.77) and BC (\$91.05).

DC Consumer and Market Intelligence