DESTINATION CANADA

Tourism Snapshot

July 2016
Volume 12, Issue 7

A Monthly Monitor of the Performance of Canada's Tourism Industry

Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- In July 2016, Canada greeted 2,875,708 overnight visitors from DC's 11 international markets, up 12.8% year-over-year, marking the fourth month this year of double-digit expansion. Year-to-date overnight arrivals from DC's 11 international markets have grown 11.3% to 9.91 million visitors in 2016.
- Canada has seen year-to-date gains in all of DC's 11 international markets with the exception of Brazil (-0.8%). The strongest growth was observed for South Korea (+24.5%) and China (24.0%), followed by Mexico (+17.7%) Australia (+11.8%), Germany (+11.4%) and the UK (+10.8%). China, France, Australia, South Korea, and India are all at new peaks for arrivals over the first 7 months of the year.
- DC's Asia-Pacific markets (+22.3%) continued to see exceptional growth in July 2016, driven especially by increased arrivals from South Korea (+35.3%). This is followed by Australia (+29.6%), China (+23.6%), Japan (+13.0%) and India (+3.4%).
- DC's Latin American markets (+3.3%) maintained growth overall in July 2016 compared to the same month last year, as gains from Mexico (+12.0%) were more than sufficient to offset a sharp decline from Brazil (-14.5%).
- Overnight arrivals from the United States (+11.4%) returned to double-digit levels of growth in July 2016, after slowing in June, thanks to significant gains in air (+17.0%) and auto (+10.0%) arrivals.

Industry Performance Dashboard

	July 2016	YTD
Overnight Arrivals[1]		
Total International	↑ 13.2%	↑ 11.2%
11 DC Markets**	↑ 12.8%	↑ 11.3%
Non-DC Markets	↑ 16.6%	↑ 9.7%
Air Seat Capacity[2]		
Total International	↑ 11.7%	↑ 10.9%
11 DC Markets**	↑ 7.9%	↑ 5.2%
Non-DC Markets	↑ 22.3%	↑ 23.9%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 2.4	0.0
Revenue Per Available Room (Revpar)	↑ 7.0%	↑ 3.2%
Average Daily Rate (ADR)	↑ 10.5%	↑ 3.1%

Notes:
The Industry Performance Dashboard figures are year-on-year (2016/2015) variations.
* Percentage point variations.
** The 11 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea, Brazil and Mexico.

Sources:
1. International Travel Survey, Statistics Canada.
2. Diio Mi.
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

QUICK LINKS

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
		July 2016	YTD 2016	July 2016	YTD 2016	July 2016	YTD 2016	July 2016 Average	YTD Average
United States	United States	2,309,919	7,864,627	11.4%	10.9%	3.4%	2.8%	0.9%	6.8%
DC Europe	France	89,209	285,096	18.2%	7.8%	11.9%	4.7%	1.7%	6.9%
	Germany	55,310	188,851	23.7%	11.4%	2.6%	2.4%	1.7%	6.9%
	United Kingdom	124,840	434,915	17.7%	10.8%	16.3%	9.2%	-14.9%	-1.0%
DC Asia-Pacific	Australia	45,429	177,558	29.6%	11.8%	93.1%	14.8%	3.1%	1.3%
	China	97,903	338,649	23.6%	24.0%	26.2%	24.5%	-6.3%	1.3%
	India	24,866	127,038	3.4%	8.7%	77.1%	61.3%	-4.4%	0.0%
	Japan	35,348	147,791	13.0%	7.7%	18.9%	6.9%	20.6%	16.8%
	South Korea	40,431	135,640	35.3%	24.5%	52.5%	28.2%	0.9%	0.4%
DC Latin America	Brazil	14,304	65,867	-14.5%	-0.8%	-24.0%	-8.4%	-0.8%	-12.2%
	Mexico	38,149	143,823	12.0%	17.7%	29.5%	42.9%	-13.1%	-10.2%
Total 11 DC Markets		2,875,708	9,909,855	12.8%	11.3%				
Rest of the World		382,781	1,274,956	16.6%	9.7%				
Total International		3,258,489	11,184,811	13.2%	11.2%				

Sources:
i. International Travel Surey, Statistics Canada.
ii. Diio Mi.
iii. Bank of Canada.

Notes:
i. Arrival figures are preliminary estimates and are subject to change.
ii. Air seat capacity is the variation in the total number of seats on direct commercial scheduled flights in the current month and year-to-date relative to the same periods in 2015.
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during the current month and the year-to-date compared to the same periods in 2015.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

+11.4% ↑ YOY

YTD:

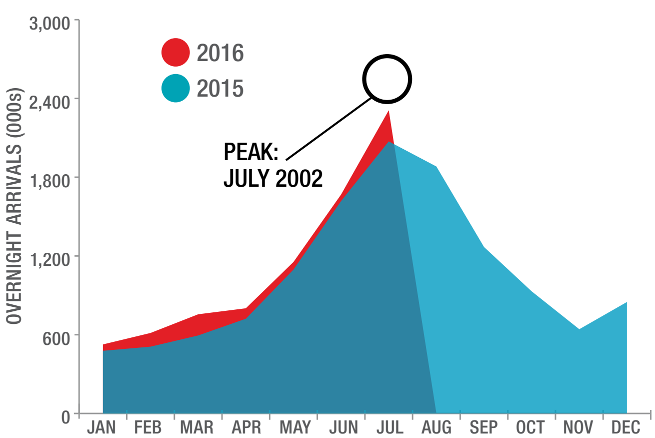
+10.9% ↑ YOY

Overnight Arrivals

	July 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	1,420,462	10.0	4,555,706	8.7
Air	629,581	17.0	2,561,179	18.2
Other	259,876	6.5	747,742	2.3
US Total	**2,309,919**	**11.4**	**7,864,627**	**10.9**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total United States Arrivals



United States: Key Indicators

Air Seat Capacity[i]	July 2016	3.4%
	YTD	2.8%
Exchange Rate[ii]	July 2016	0.9%
	YTD	6.8%
Consumer Confidence Index (1985=100)[iii]	July 2016	96.7
	Previous Month	97.4
YTD Arrival Peak[iv]	Peak Year	2002
	Current % of Previous Peak	90.0%

Source:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, International Travel Survey.

UNITED STATES

- In July 2016 Canada welcomed about 2.31 million overnight visitors from the US. This is the highest level of visitors for July since 2005, though not quite at the record July peak which occurred in 2002.
- Following slowed growth in May and June, arrivals from the US are up 11.4% in July over 2015, returning to the double-digit growth more typical of early 2016. Particularly notable was the growth of auto arrivals (+10.0%), which had declined in June, though it is still outpaced by growth in air arrivals (+17.0%).
- Total year-to-date US visitation to Canada rose 10.9% to 7.86 million overnight visits. Arrivals by auto and by air both note strong increases of 8.7% and 18.2%, respectively. Arrivals by other modes of transport – such as rail, bus and sea – are also up over 2015 YTD, but by a smaller margin (2.3%).
- US arrival growth continues amid a moderately strengthened US dollar (up 0.9% over July 2015, and 6.8% YTD) and a slight increase in air capacity (+3.4% over July 2015, +2.8% YTD). With the continued decline in Canadian outbound travel to the US (down 6.7% from July 2015 and 11.1% year-to-date), US visitors to Canada are taking up a larger share of US-Canada air-capacity.
- The consumer confidence index published by the US Conference Board slipped to 96.7 points in July, from 97.4 points in the previous month.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+19.0% ↑ YOY

YTD:

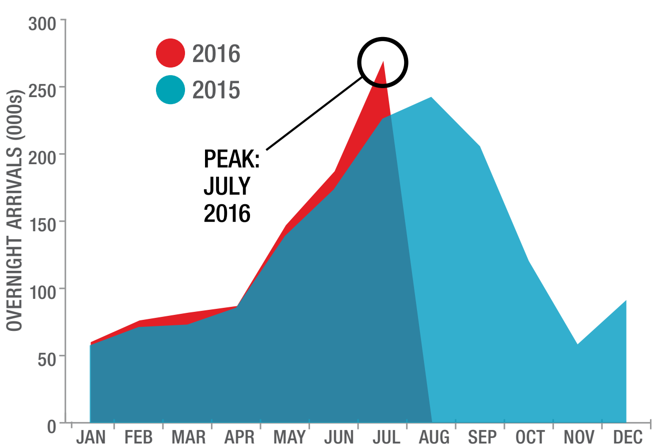
+10.0% ↑ YOY

Overnight Arrivals

	July 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**269,359**	**19.0**	**908,862**	**10.0**
United Kingdom	124,840	17.7	434,915	10.8
France	89,209	18.2	285,096	7.8
Germany	55,310	23.7	188,851	11.4
Secondary Markets				
Italy	20,651	20.8	62,662	7.3
Netherlands	29,224	11.4	77,929	11.5
Spain	16,594	44.2	42,768	20.0
Switzerland	29,130	11.2	76,101	10.4
Rest of Europe	88,222	20.3	323,999	10.7
Total Europe	**453,180**	**19.1**	**1,492,321**	**10.4**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	July 2016	11.9%	2.6%	16.3%
	YTD	4.7%	2.4%	9.2%
Exchange Rate[ii]	July 2016	1.7%	1.7%	-14.9%
	YTD	6.9%	6.9%	-1.0%
YTD Arrival Peak[iii]	Peak Year	2015	1996	2005
	Current % of Previous Peak	107.8%	76.3%	85.2%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

- In July 2016, Canada saw 269,359 visitors arriving from DC's markets in Europe, up 19.0% over July 2015. Year-to-date arrivals are up 10.0% compared to the same period last year.
- July arrivals numbers from the UK remain strong, with 17.7% growth over July 2015 and YTD growth of 10.8%. Air capacity to Canada is up (16.3% in July and 9.2% YTD). Despite the sharp depreciation of the GBP observed in the month following the Brexit vote, travel to Canada does not appear to have been negatively affected.
- July saw more visitors from France than any other month on record, with arrivals increasing 18.2% over July 2015. With YTD growth at 7.8%, 2016 is well on track to set a new record for arrivals from France.
- Arrivals from Germany increased the most among DC's European markets this month, with growth in overnight arrivals of 23.7% in July relative to 2015 (11.4% YTD). Air capacity to Canada increased slightly in July (+2.6%) and YTD (+2.4%).
- Continuing the downward trend since January-February of 2016, the Euro is still slightly stronger in July 2016 compared to the same month a year ago (+1.7% and +6.9% YTD).

DC Europe Arrivals by Port of Entry

- YTD in 2016, about 7-in-10 arrivals from DC markets in Europe were direct air arrivals from overseas (68% from France, 71% from Germany and 73% from the UK), while about 25% of arrivals from France, 16% from Germany and 15% from the UK were air arrivals via the US. Land arrivals remain lower, making up about 6% of French arrivals, 11% of German arrivals and 7% of UK arrivals – a decline from 2015 for France and the UK but a slight increase for Germany.
- Notable year-over-year variations for January-July 2016 include an increase in German arrivals at Toronto-Pearson (+26%), Montreal-Trudeau (+25%), and Calgary (+14%) airports. Growth in UK and French arrivals is particularly strong at YVR (+17% and +14%, respectively).

January to July 2016			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	29,549	54,189	146,332
		YOY%	4.6%	25.5%	11.6%
		% of Total	**10.4%**	**28.7%**	**33.6%**
	YVR	Arrivals	10,588	31,221	76,047
		YOY%	13.8%	5.1%	16.7%
		% of Total	**3.7%**	**16.5%**	**17.5%**
	YUL	Arrivals	144,778	20,804	30,183
		YOY%	12.0%	25.3%	10.4%
		% of Total	**50.8%**	**11.0%**	**6.9%**
	YYC	Arrivals	3,092	16,316	39,483
		YOY%	8.4%	14.1%	-0.6%
		% of Total	**1.1%**	**8.6%**	**9.1%**
	All other airports	Arrivals	6,050	10,692	25,484
		YOY%	3.6%	10.3%	8.7%
		% of Total	**2.1%**	**5.7%**	**5.9%**
	Subtotal	Arrivals	194,057	133,222	317,529
		YOY%	10.4%	16.7%	12.3%
		% of Total	**68.1%**	**70.5%**	**73.0%**
Air Arrivals via the US	All airports	Arrivals	72,450	30,112	66,682
		YOY%	6.5%	-0.9%	9.7%
		% of Total	**25.4%**	**15.9%**	**15.3%**
Sea Arrivals	All sea borders	Arrivals	973	5,042	20,162
		YOY%	6.2%	-7.4%	-49.4%
		% of Total	**0.3%**	**2.7%**	**4.6%**
Land Arrivals via US	All land borders	Arrivals	17,569	20,254	30,446
		YOY%	-10.9%	4.3%	-0.7%
		% of Total	**6.2%**	**10.7%**	**7.0%**
Total Overnight Arrivals			**285,096**	**188,851**	**434,915**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

ASIA-PACIFIC

DC Asia-Pacific Arrivals to Canada

CURRENT MONTH:

+22.3% ↑ YOY

YTD:

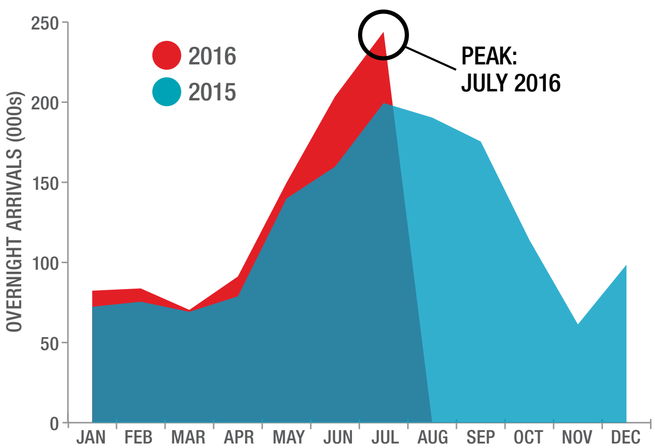
+16.6% ↑ YOY

Overnight Arrivals

	July 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**243,977**	**22.3**	**926,676**	**16.6**
Australia	45,429	29.6	177,558	11.8
China	97,903	23.6	338,649	24.0
India	24,866	3.4	127,038	8.7
Japan	35,348	13.0	147,791	7.7
South Korea	40,431	35.3	135,640	24.5
Secondary Markets				
Hong Kong	25,417	9.2	93,378	1.2
Taiwan	13,147	20.1	53,593	27.9
Rest of Asia-Pacific	**81,492**	**17.8**	**276,875**	**8.2**
Total Asia-Pacific	**364,033**	**20.2**	**1,350,522**	**14.0**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	July 2016	93.1%	26.2%	77.1%	18.9%	52.5%
	YTD	14.8%	24.5%	61.3%	6.9%	28.2%
Exchange Rate[ii]	July 2016	3.1%	-6.3%	-4.4%	20.6%	0.9%
	YTD	1.3%	1.3%	0.0%	16.8%	0.4%
YTD Arrival Peak[iii]	Peak Year	2015	2015	2015	1996	2007
	Current % of Previous Peak	111.8%	124.0%	108.7%	43.1%	116.9%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

ASIA-PACIFIC

- Asia-Pacific continues to show the strongest growth of all DC's regions in 2016, with all individual markets except Japan seeing record arrivals through the first seven months.
- Canada welcomed 243,977 visitors from DC Asia-Pacific markets in July 2016, reaching a new peak with an increase of 22.3% over July 2015 and 16.6% YTD.
- Chinese arrivals continued to observe record numbers in July with year-over-year growth of 23.6% (+24.0% YTD), supported by continuously expanding air capacity, which expanded 26.2% in this month over July 2015 and 24.5% YTD.
- South Korea arrivals jumped 35.3% in July 2016 (24.5% YTD), the highest market arrivals growth observed this month and a new monthly peak. This growth was supported by a significant increase in air capacity in July (+52.5%) and YTD (+28.2%).
- Arrivals from Japan are up over 2015 (+13.0% in July and +7.7% YTD), likely benefiting from increased air capacity (+18.9% in July, +6.9% YTD) and significant appreciation of the Yen over this period.
- While air capacity increased significantly over 2015 (+77.1% in July and +61.3% YTD), Indian arrivals have seen slower growth than other DC Asia-Pacific markets in July (+3.4%, +8.7% YTD). Despite slower growth, this month marks a new peak in arrivals to Canada from India.
- Australia arrivals noted a sharp increase in July, up 29.6% over July 2015 (+11.8% YTD), to also reach a new record peak. This follows from a large expansion of air capacity over the previous year (+93.1% in July and +14.8% YTD).

DC Asia-Pacific Arrivals by Port of Entry

- To-date in 2016, direct overseas air arrivals represented 73% of arrivals from China, 67% from Japan, 62% from India, 53% from South Korea, and 33% from Australia.
- Air arrivals via the US accounted for 41% of arrivals from Australia, 23% from Japan, 16% from China, and 15% each from India and South Korea.
- Compared to July 2015, Arrivals from China are up 782% to YUL and 465% to YYC. While South Korea arrivals are up at YYZ and YVR, YYC notes a decline (-27.4%).

January to July 2016			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	8,906	101,895	51,266	32,869	24,260
		YOY%	10.3%	23.4%	9.1%	4.9%	48.1%
		% of Total	**5.0%**	**30.1%**	**40.4%**	**22.2%**	**17.9%**
	YVR	Arrivals	47,474	130,076	14,889	56,641	46,123
		YOY%	18.2%	24.6%	23.1%	7.5%	25.7%
		% of Total	**26.7%**	**38.4%**	**11.7%**	**38.3%**	**34.0%**
	YUL	Arrivals	1,278	11,109	5,250	505	362
		YOY%	17.6%	781.7%	-5.0%	66.1%	10.7%
		% of Total	**0.7%**	**3.3%**	**4.1%**	**0.3%**	**0.3%**
	YYC	Arrivals	910	2,265	5,409	8,371	1,208
		YOY%	36.8%	464.8%	8.2%	7.5%	-27.4%
		% of Total	**0.5%**	**0.7%**	**4.3%**	**5.7%**	**0.9%**
	All other airports	Arrivals	494	730	1,836	126	112
		YOY%	1.0%	0.4%	2.6%	0.1%	0.2%
		% of Total	**0.3%**	**0.2%**	**1.4%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	59,062	246,075	78,650	98,512	72,065
		YOY%	16.9%	29.9%	9.0%	6.6%	30.6%
		% of Total	**33.3%**	**72.7%**	**61.9%**	**66.7%**	**53.1%**
Air Arrivals via the US	All airports	Arrivals	73,330	52,680	18,978	33,206	19,796
		YOY%	7.9%	14.0%	12.2%	1.9%	7.8%
		% of Total	**41.3%**	**15.6%**	**14.9%**	**22.5%**	**14.6%**
Sea Arrivals	All sea borders	Arrivals	21,675	8,190	6,733	2,902	2,720
		YOY%	17.5%	15.2%	17.6%	40.3%	7.1%
		% of Total	**12.2%**	**2.4%**	**5.3%**	**2.0%**	**2.0%**
Land Arrivals via US	All land borders	Arrivals	23,404	31,392	22,654	12,444	40,547
		YOY%	6.6%	3.2%	2.7%	22.1%	23.4%
		% of Total	**13.2%**	**9.3%**	**17.8%**	**8.4%**	**29.9%**
Total Overnight Arrivals			**177,558**	**338,649**	**127,038**	**147,791**	**135,640**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

LATIN AMERICA

DC Latin America Arrivals to Canada

CURRENT MONTH:

+3.3% ↑ YOY

YTD:

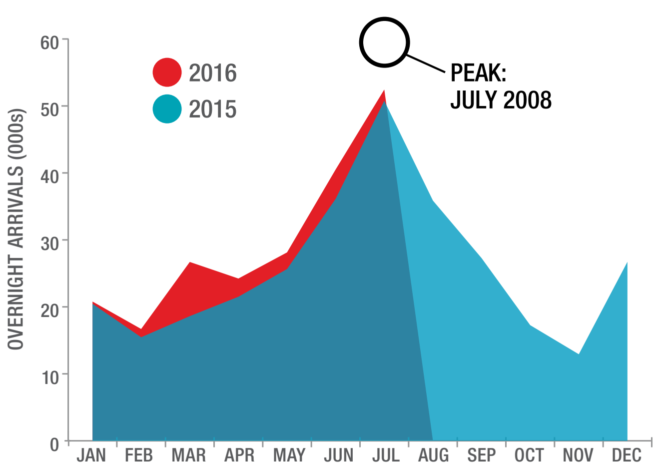
+11.2% ↑ YOY

Overnight Arrivals

	July 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**52,453**	**3.3**	**209,690**	**11.2**
Brazil	14,304	-14.5	65,867	-0.8
Mexico	38,149	12.0	143,823	17.7
Rest of Latin America	54,516	5.5	99,115	5.6
Total Latin America	**106,969**	**4.4**	**308,805**	**9.3**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total DC Latin America



DC Latin America: Key Indicators

		Brazil	Mexico
Air Seat Capacity[i]	July 2016	-24.0%	29.5%
	YTD	-8.4%	42.9%
Exchange Rate[ii]	July 2016	-0.8%	-13.1%
	YTD	-12.2%	-10.2%
YTD Arrival Peak[iii]	Peak Year	2015	2008
	Current % of Previous Peak	99.2%	85.9%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

- Canada welcomed 52,453 visitors from DC's two Latin America markets in July 2016, an increase of 3.3% over July 2015 (+11.2% YTD) and a new YTD record.
- This month's Latin American growth is driven by another month of strong arrivals from Mexico (+12.0%, +17.7% YTD). Mexican arrivals continue to be on pace to reach pre-visa imposition levels ahead of the visa lift in December. This trend is tied to significant growth in air capacity (+29.5%, +42.9% YTD) and does not appear to be tapered by the ongoing depreciation of the Mexican peso against the Canadian dollar (-10.2% YTD). Additional air capacity increases have been announced for December, with increased flights on Aeromexico routes to YYZ, YUL, and YVR.
- Brazil is the only market to note a decline in arrivals in July compared to the previous year (-14.5%, -0.8% YTD). While this drop is aligned with continued significant declines in air capacity (-24.0% in July, -8.4% YTD), and a much weaker Real (-12.2% YTD), the build-up to the Rio Olympics may have played a role in reducing outbound travel from Brazil.

DC Latin America Arrivals by Port of Entry

- A slight majority of arrivals from Mexico (56%) and Brazil (50%) so far in 2016 were direct air arrivals.
- A large proportion of Brazilian arrivals came by air via the US (44%), while just 20% of arrivals from Mexico came that way. Arrivals by land are more common from Mexico (20%) than from Brazil (4%), while arrivals by sea are less common from both Mexico (4%) and Brazil (2%).
- Vancouver International Airport (YVR) has seen the largest growth in arrivals from both Mexico and Brazil (both up 87%) YTD, though the highest proportion of direct air arrival visitors from both countries still go through YYZ, including 94% of Brazilian direct air arrivals.

January to July 2016			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	31,024	36,300
		YOY%	5.8%	14.1%
		% of Total	**47.1%**	**25.2%**
	YVR	Arrivals	816	26,477
		YOY%	86.7%	87.4%
		% of Total	**1.2%**	**18.4%**
	YUL	Arrivals	1,025	14,588
		YOY%	14.8%	2.1%
		% of Total	**1.6%**	**10.1%**
	YYC	Arrivals	88	2,196
		YOY%	22.2%	34.7%
		% of Total	**0.1%**	**1.5%**
	All other airports	Arrivals	111	1,356
		YOY%	0.4%	2.2%
		% of Total	**0.2%**	**0.9%**
	Subtotal	Arrivals	33,064	80,917
		YOY%	7.3%	27.4%
		% of Total	**50.2%**	**56.3%**
Air Arrivals via the US	All airports	Arrivals	28,835	28,028
		YOY%	-4.6%	1.8%
		% of Total	**43.8%**	**19.5%**
Sea Arrivals	All sea borders	Arrivals	1,356	6,022
		YOY%	-47.0%	-80.5%
		% of Total	**2.1%**	**4.2%**
Land Arrivals via US	All land borders	Arrivals	2,521	28,781
		YOY%	-91.7%	4.6%
		% of Total	**3.8%**	**20.0%**
Total Overnight Arrivals			**65,867**	**143,823**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

January to July 2016		Trips To:			
		Canada		Australia	
Trips From:			% YOY Variance		% YOY Variance
Total International		**11,184,811**	**11.2%**	**4,596,500**	**12.0%**
United States		7,864,627	10.9%	401,700	17.5%
Canada		...	...	84,900	2.8%
Europe	**United Kingdom**	434,915	10.8%	389,600	4.6%
	France	285,096	7.8%	66,300	1.4%
	Germany	188,851	11.4%	105,900	6.4%
Asia-Pacific	**Australia**	177,558	11.8%	...	...
	Japan	147,791	7.7%	213,400	26.3%
	South Korea	135,640	24.5%	161,500	28.1%
	China	338,649	24.0%	742,400	22.2%
	India	127,038	8.7%	147,100	6.7%
Latin America	**Mexico**	143,823	17.7%	5,000	-2.0%
	Brazil	65,867	-0.8%	24,800	-6.1%
Total DC Key Markets		**9,909,855**	**11.3%**	**2,342,600**	**15.2%**

Sources:
Statistics Canada, International Travel Survey Border Counts.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- From January to July 2016, growth in total international arrivals was slightly lower in Canada (+10.8%) than in Australia (+12.0%) compared with 2015. However, Canada saw more total international visitors (11.15 million) than Australia (4.60 million).

- Australia also outperformed Canada in growth among DC's 11 markets, with arrivals up 15.2% compared to 10.9% in Canada. Arrivals from DC markets totalled 9.9 million trips to Canada compared to 2.3 million in Australia, accounting for 89% of international travel to Canada and 51% for Australia.

- More Australians have travelled to Canada so far this year (177,558, +11.8% over 2015) than Canadians travelling to Australia (84,900, +2.8% over 2015).

- Australia has seen greater year-over-year growth from the US (+17.5%) since the start of the year than Canada (10.4%), though Canada has welcomed approximately nineteen times more American visitors (7.83 million vs 401,700 visitors) and arrivals from the US to Canada by air (+18.2%) still outpaced US arrivals to Australia.

- Canadian growth in YTD Chinese arrivals is slightly higher than Australian growth (24.0% vs 22.2%). However, as China is Australia's main long-haul inbound market, Australia (742,400) continues to outpace Canada (338,649) in total visitors from China this year

- Australia also registered significantly stronger YTD growth than Canada from Japan (+26.3% vs +7.7%) and South Korea (+28.1% vs +24.5%), but Canada is leading in growth in arrivals from all other DC markets, including Mexico (+17.7% vs -2.0%), Germany (+11.4% vs. 6.4%), UK (+10.8% vs 4.6%), France (+7.8% vs 1.4%), India (+8.7% vs 6.7%), and Brazil (-0.8 vs -6.1%).

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry, Year to Date

		Newfoundland and Labrador	Prince Edwad Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2016	28,109	1,057	88,875	159,938	1,608,805	5,246,433
	Variance YOY%	35.0%	795.8%	-1.0%	31.4%	10.7%	11.8%
	Change YOY	7,282	939	(871)	38,197	155,423	552,348
US Residents by Automobile	2016	0	0	5,201	132,187	602,535	2,426,649
	Variance YOY%	0.0%	0.0%	-28.8%	10.0%	10.3%	7.9%
	Change YOY	-	-	(2,102)	12,036	56,131	178,237
US Residents by Non-Automobile	2016	4,594	107	50,049	23,891	432,804	1,423,273
	Variance YOY%	-39.2%	-7.0%	7.3%	85.5%	10.5%	18.9%
	Change YOY	(2,961)	(8)	3,425	11,009	41,006	225,863
Residents from Other Countries	2016	23,515	950	33,625	3,860	573,466	1,396,511
	Variance YOY%	35.1%	3553.8%	-6.1%	48.5%	11.3%	11.9%
	Change YOY	6,115	924	(2,194)	1,260	58,286	148,248

Source: International Travel Survey, Statistics Canada.

Overnight Arrivals by Province of Entry, Year to Date

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2016	126,198	50,151	579,360	3,200,503	95,382	11,184,811
	Variance YOY%	15.0%	37.3%	7.0%	12.5%	4.4%	11.2%
	Change YOY	16,486	13,626	37,794	356,189	4,005	1,122,398
US Residents by Automobile	2016	81,248	30,769	96,161	1,135,439	45,517	4,555,706
	Variance YOY%	-13.6%	7.1%	12.2%	11.0%	17.4%	8.7%
	Change YOY	(12,783)	2,039	10,464	112,101	6,744	362,867
US Residents by Non-Automobile	2016	39,764	17,597	300,261	977,921	38,660	3,308,921
	Variance YOY%	1.7%	8.2%	6.7%	13.6%	-7.8%	14.2%
	Change YOY	661	1,337	18,800	117,217	(3,292)	411,261
Residents from Other Countries	2016	5,186	1,785	182,938	1,087,143	11,205	3,320,184
	Variance YOY%	4.1%	-25.0%	4.9%	13.2%	5.9%	11.7%
	Change YOY	202	(596)	8,530	126,871	624	348,270

- Year-to-date, the provinces recording the largest increases in total international arrivals were Ontario (+552,348, +11.8%), British Columbia (+356,189, +12.5%), and Quebec (+155,423, +10.7%). Saskatchewan (+13,626, +37.3%) and New Brunswick (+38,197, +31.4%) also registered relatively large increases.
- Ontario, BC and Quebec registered strong gains in US arrivals by auto and non-auto modes as well as from overseas since the start of 2016.
- Five provinces and territories recorded double-digit growth in arrivals by automobile from the US, with Yukon leading the way (+17.4%), followed by Alberta (+12.2%), BC (+11.0%), Quebec (+10.3%), and New Brunswick (+10.0%).
- Manitoba recorded a significant decrease in year-to-date US auto arrivals (-13.6%), while Yukon (-7.8%) and Newfoundland and Labrador (-39.2%) saw declines in non-automobile arrivals by US residents.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	July 2016	YOY % Variance	Jan.- July 2016	YOY % Variance
United States	2,019,920	-6.7	11,083,672	-11.1
Other Countries	867,488	1.9	7,429,128	3.9
Total Trips from Canada	2,887,408	-4.3	18,512,800	-5.7

Note: The figures are preliminary estimates and are subject to change.
Source: Statistics Canada, International Travel Survey.

- July 2016 saw the 19th consecutive year-on-year monthly contraction in Canadian outbound travel with a decline of 4.3% relative to July 2015. The drop in outbound trips was, once again, largely due to a significant (-6.7%) decline in overnight trips to the US. Canadian overseas travel grew slightly (+1.9%) in July.

- The first seven months of 2016 have seen total Canadian outbound travel fall by 5.7% to 18.5 million trips. Canadians have reduced their travel to the US by 11.1%, with some substituting for overseas destinations (+3.9%) when travelling internationally.

- After a small decline in June, the consumer index published by the Conference Board of Canada rose sharply in July with an increase of 4.9 points to 104.6 (2014=100). This was the fifth increase in the Canadian consumer confidence index in six months.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	July 2016	YOY^ Variance	Jan.-July	YOY^ Variance	July 2016	YOY % Variance	Jan.-July	YOY % Variance	July 2016	YOY % Variance	Jan.-July	YOY % Variance
Alberta[1]	61.7%	-4.5	52.6%	-8.3	$141.35	-5.2%	$133.43	-6.9%	$87.26	-11.6%	$70.19	-19.6%
British Columbia	85.9%	2.3	68.2%	2.1	$194.47	8.3%	$161.48	7.1%	$167.10	11.3%	$110.05	10.6%
Saskatchewan	58.8%	-8.9	54.6%	-5.1	$121.56	-5.4%	$126.69	-4.3%	$71.50	-17.8%	$69.15	-12.4%
Manitoba	65.4%	-0.4	62.6%	-0.1	$118.79	2.7%	$120.86	0.4%	$77.69	2.0%	$75.64	0.3%
Ontario	81.0%	7.1	65.8%	2.6	$159.48	11.2%	$143.02	5.2%	$129.17	21.8%	$94.10	9.6%
Quebec	82.7%	3.9	65.8%	1.0	$172.02	9.1%	$155.48	4.1%	$142.19	14.5%	$102.23	5.8%
New Brunswick	78.2%	2.7	54.5%	2.2	$125.88	2.1%	$114.44	0.2%	$98.42	5.8%	$62.38	4.5%
Nova Scotia	82.4%	5.8	61.8%	3.7	$139.00	5.0%	$128.38	3.4%	$114.48	12.9%	$79.28	10.0%
Newfoundland	80.1%	-0.8	59.9%	-3.2	$160.87	2.0%	$145.82	0.3%	$128.80	1.0%	$87.36	-4.8%
Prince Edward Island	86.7%	6.0	52.4%	4.6	$168.48	9.5%	$131.16	4.5%	$146.08	17.6%	$68.69	14.5%
Northwest Territories	61.3%	0.3	67.8%	3.2	$144.47	3.5%	$151.46	-2.4%	$88.57	4.1%	$102.67	2.4%
Yukon	87.2%	-0.9	67.7%	1.9	$135.43	1.7%	$123.07	3.2%	$118.15	0.7%	$83.37	6.2%
Canada	**77.5%**	**2.4**	**62.8%**	**0.0**	**$166.25**	**7.0%**	**$146.58**	**3.2%**	**$128.87**	**10.5%**	**$92.01**	**3.1%**

Note: Based on the operating results of 223,202 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

Source: CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.
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- The National Occupancy Rate climbed 2.4 points (relative to July 2015) to 77.5% amid relatively strong accommodation sector performance in key provinces. Year-to-date, the National Occupancy Rate is at the same level as it was in 2015 (62.8%).

- While we continue to observe weaker outcomes for all performance indicators in Alberta and Saskatchewan, July saw strong results in other provinces with Ontario, Prince Edward Island, and Quebec leading the way. ON, PEI, and QC saw July growth in occupancy rate (+7.1%, +5.8%, +3.9%, respectively), average daily rate (+11.2%, +9.5%, +9.1%, respectively), and revenue per available room ("RevPar") (+21.8%, +17.6%, +14.5%, respectively).

- BC continues to have a standout 2016 with RevPar increasing 11.3% in July and 10.6% year-to-date. At $110.05, BC has had the highest RevPar through the first seven months of the year.

- Among specific destinations, the GTA (RevPar +35.4%), Whistler (+28.5%), and Montreal (+18%) saw particularly strong performances. The single largest change in RevPar observed in July was in Downtown Toronto (+49.2%).

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	July 2016	YOY^ Change	Jan.- July	YOY^ Variance	July 2016	YOY Variance	Jan.- July	YOY Variance
Property Size								
Under 50 rooms	67.2%	0.5	47.8%	-1.9	$124.14	5.4%	$107.13	1.3%
50-75 rooms	73.2%	0.1	55.5%	-1.2	$128.57	3.8%	$112.17	1.2%
76-125 rooms	75.1%	1.0	60.3%	-0.7	$141.52	3.1%	$126.50	-0.1%
126-200 rooms	77.9%	2.5	64.0%	0.0	$149.02	5.1%	$133.26	1.9%
201-500 rooms	79.0%	3.5	66.6%	0.8	$193.63	8.8%	$170.70	4.7%
Over 500 rooms	90.4%	8.0	72.2%	2.6	$253.24	12.9%	$208.56	7.7%
Total	77.5%	2.4	62.8%	0.0	$166.25	7.0%	$146.58	3.2%
Property Type								
Limited Service	72.0%	-0.1	56.9%	-1.5	$124.30	2.7%	$113.16	-0.2%
Full Service	79.5%	3.7	65.7%	0.5	$178.15	9.0%	$156.35	4.0%
Suite Hotel	86.6%	5.9	72.0%	1.8	$172.91	3.2%	$152.49	1.9%
Resort	83.6%	4.0	61.1%	2.8	$273.16	11.1%	$223.57	9.1%
Total	77.5%	2.4	62.8%	0.0	$166.25	7.0%	$146.58	3.2%
Price Level								
Budget	72.4%	3.0	55.2%	1.4	$108.24	8.4%	$94.56	4.7%
Mid-Price	77.8%	1.4	64.1%	-0.9	$157.81	5.1%	$140.38	1.6%
Upscale	84.8%	6.2	68.7%	1.5	$284.09	12.2%	$236.38	7.7%
Total	77.5%	2.4	62.8%	0.0	$166.25	7.0%	$146.58	3.2%

Note: Based on the operating results of 223,202 rooms (unweighted data).
^ Percentage points.

- Since the start of the year, the largest properties (500+ rooms) have fared better in terms of occupancy and average daily rates. These properties registered the strongest performances with occupancy up 2.6% and average daily rates up 7.7%.

- Nationally, upscale (average daily rate +7.7%) and budget (+4.7%) have outperformed mid-price properties (+1.6%) thus far through 2016.

- Resorts continue to outperform other types of properties with YTD growth in occupancy rates of 2.8% and average daily rates (+9.1%) nationwide relative to last year. Western Canadian resorts led the pack with year-to-date average daily rate growth of 10.2%.