



Tourism Snapshot

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

Key highlights

In March 2010, visits from CTC overseas key markets increased 13.5%. For North American markets, visits from the US (+0.8%) were dampened by declines in trips from Mexico (-27.3%).

While US consumer confidence edged up in March to 52.5%, it has more than doubled relative to March 2009.

Year-to-date March, France posted the strongest gains (+12.7%) in overnight travel to Canada, followed by India (+9.5%), Germany (+9.2%) and Japan (+8.9%).



Tourism review Inbound highlights

Overnight trips to Canada

	March 2010	10/09 Mar. % Change	Jan.-Mar. 2010	Year-to-date % Change
Americas*				
United States				
Automobile	327,175	-6.0	889,696	-6.8
Plane	218,657	10.7	575,652	4.7
Other	36,358	14.0	101,602	12.8
US Total	582,190	0.8	1,566,950	-1.7
Mexico	9,934	-27.3	21,315	-43.2
Americas Total	592,124	0.2	1,588,265	-2.7
Overseas Key Markets				
France	19,883	19.3	67,887	12.7
Germany	15,859	26.5	41,699	9.2
UK	40,891	11.7	107,767	-0.5
China	10,013	4.2	29,938	-0.4
Japan	16,125	7.8	37,610	8.9
South Korea	9,674	2.2	27,838	0.1
Australia	10,406	26.0	33,047	0.5
India**	7,076	14.3	18,222	9.5
Brazil**	3,358	9.2	13,581	1.3
Overseas Key Markets	133,285	13.5	377,589	4.3
As % of Overseas and Americas	18.4%		19.2%	
Other Overseas Countries	91,910	14.2	250,396	10.4
Non-US Countries	235,129	11.2	649,300	3.6
Total Countries	817,319	3.6	2,216,250	-0.2

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, *International Travel Survey*.

*Refers to the CTC's marketing group in the US and Mexico.

**India and Brazil are added to the CTC overseas key markets.

International trips

- There were 817,319 overnight visitor arrivals to Canada during March, a 3.6% increase relative to March 2009;
- This month, overnight trips to Canada from the Americas (the US and Mexico market) posted an increase of 0.2%, while overseas key markets registered a 13.5% gain compared with March 2009;
- Overnight trips to Canada in March from countries other than CTC key markets also jumped 14.2%, reaching 91,910 trips. Following this trend, visits from all countries, excluding the US, grew by an impressive 11.2%;
- Year-to-date, overall international trips to Canada dipped by a moderate 0.2% to 2.2 million, while trip volume from overseas countries other than CTC key markets surged 10.4%.

United States

- In March 2010, overnight trips from the US grew by 0.8%, largely driven by improvements in plane (+10.7%) and “other” modes of travel (+14.0), while automobile trips continued to contract (-6.0%) over the same month last year;
- Overall, year-to-date US overnight trips declined by 1.7% over 2009, down 44,056 trips;
- In March 2010, all of the provinces and territories posted improvements in the number of overnight US visitors, with the exception of Nova Scotia, New Brunswick and Ontario. Notable double-digit gains were seen in Newfoundland and Labrador (+50.7%), Yukon (+28.1%) and Quebec (+10.5%), over 2009;
- In the first quarter of 2010, three provinces and one territory (Yukon +19.1%, Saskatchewan +17.8%, British Columbia +10.2%, and Quebec +0.5%) registered year-to-date increases in inbound US overnight trips.

Mexico

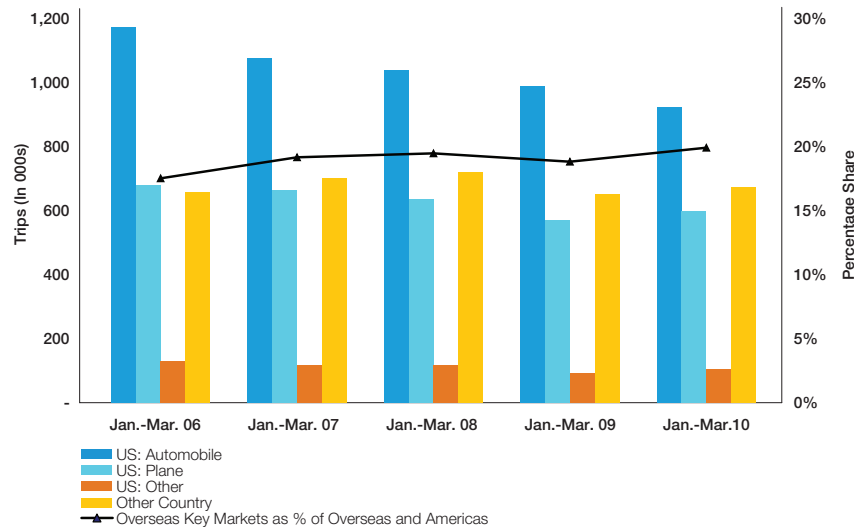
- In March, travel from Mexico posted a more moderate yearly decline of 27.3%;
- In the first three months of 2010, travel contracted 43.2%, reaching only 21,315 overnight trips.

Overseas key markets

- In March 2010, overnight travel from CTC overseas key markets expanded by 13.5% ,reaching 133,285 visitors to Canada. Year-to-date, trips from key markets grew by 4.3% to 377,589 trips;
- This month all of CTC overseas key markets posted gains in visitor numbers, with notable double-digit increases in Germany (+26.5%), Australia (+26.0%), France (19.3%), India (+14.3%) and the UK (+11.7%);
- Year-to-date, the UK (-0.5%) and China (-0.4%) posted small declines, while France, India, and Germany saw increases of 12.7%, 9.5%. and 9.2% respectively compared with the same period in 2009;
- This month, Ontario and British Columbia tied in attracting the most visitors from countries other than the US: both experienced increases of 11.9% and 11.1% respectively, over March 2009;
- Year-to-date, the majority of provinces and territories saw an increase in visitors from countries other than the US, with New Brunswick (+73.4%), Newfoundland and Labrador (+22.5%) and Saskatchewan (19.0%) registering the strongest gains.

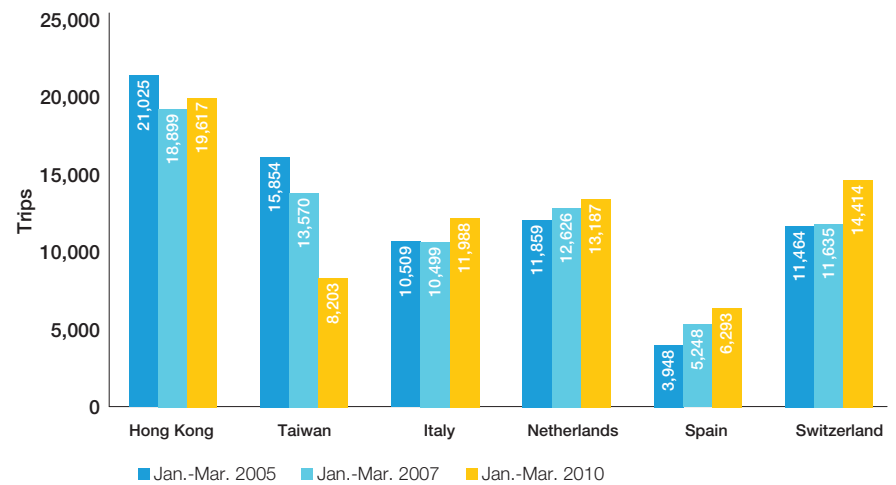
Share of entry (March, 2010)

Overnight trips to Canada by non-residents



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

Overnight trips to Canada, by selected markets



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

- In the first three months of 2010 Canada received 1.6 million overnight US visitors, representing 79.7% of international travellers from key markets. Of those US travellers, 45.3% came by automobile, 29.3% came by plane and 5.2% came by “other” non-automobile transpiration;
- In Q1 2010, overnight visitors from key European markets made 217,353 trips to Canada accounting for 11.1% of total trips from key markets, a gain of 0.6 points in share of entry over the same period in 2005. Of all key market trips, the UK accounted for the largest portion at 5.5%, followed by France at 3.5% and Germany at 2.1%;

- Visitors from Asia Pacific key markets made 128,433 trips from January to March, accounting for a 6.5% share of total trips from key markets, remaining unchanged over the same period in 2005. Of all CTC’s key market trips, Australia accounted for 1.7% while Japan represented 1.9%;
- Travellers from emerging markets (India and Brazil) made 31,803 trips to Canada from January to March, representing 1.6% of total trips from key markets, a 0.6 point increase compared with Q1 2005.

Market Watch

- Spain posted the largest growth rate over 2005, growing 59.4% or +2,345 trips during the January to March 2010 period, followed by Switzerland with growth of 25.7% or +2,950 trips;
- Compared with January to March 2005, Taiwan and Hong Kong were the only markets to post declines, down -21.9% and 6.7% respectively;
- In the first quarter of 2010, Italy and the Netherlands made moderate improvements in travel over 2005, with 1,479 and 1,328 additional visitors respectively visiting Canada.

Competitive review (January 2010)

International travel, January 2010 (in 000s)

Trips From:	Trips To:					
	Canada		United States		Australia	
	#	10/09 Change	#	10/09 Change	#	10/09 Change
Total International	643	-8%	3,385	10%	456	-1%
Americas						
United States	447	-8%	...	...	39	15%
Mexico ¹	6	-52%	416	3%	...	...
Overseas Key Markets						
France	21	14%	59	4%	10	28%
Germany	12	-8%	87	5%	14	6%
United Kingdom	32	-5%	189	-5%	63	6%
China ²	10	-13%	78	10%	37	-32%
Japan	9	7%	3	9%	28	7%
South Korea	10	-7%	99	40%	21	14%
Australia	13	-15%	56	22%	...	...
India	6	18%	42	7%	9	7%
Brazil	7	-4%	113	30%	...	...
Canada	...	...	1,302	13%	13	7%
Total Key Markets	572	-8%	2,443	0%	234	0%

...Not applicable or data not available.

¹ US figures for Mexico include arrivals to interior only.

² US figures for China includes Hong Kong, SAR.

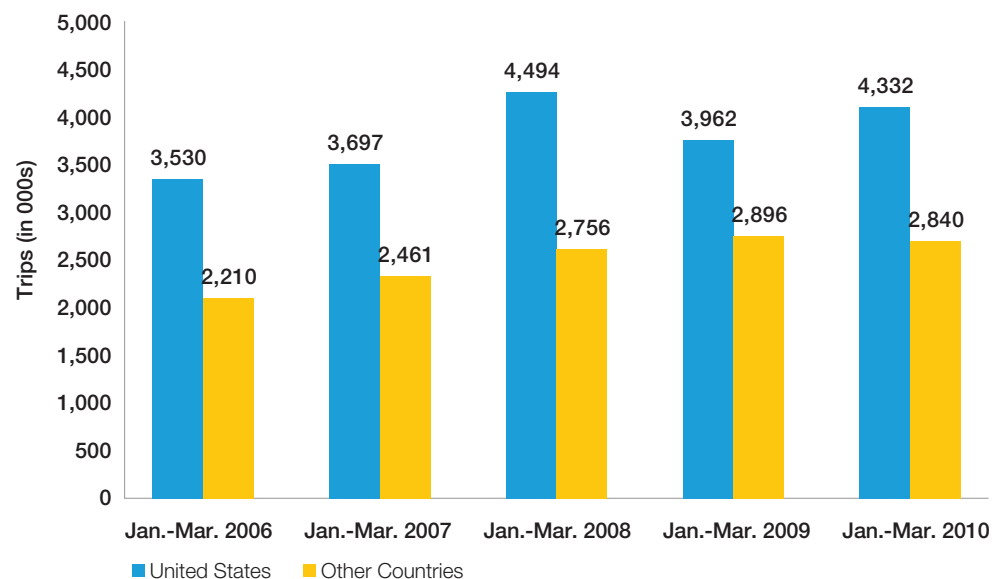
Sources: Statistics Canada; Tourism Australia; and ITA, and Office of Travel and Tourism Industries (USA).

Note: Statistics Canada preliminary figures.

- The US saw a notable lift in overnight visitors in January 2010 – up 10% – while Canada and Australia saw declines of -8% and -1% respectively;
- Of the three destinations, Canada outperformed both the US and Australia with a 18% rise in the number of overnight travellers from India, while the US and Australia had more moderate gains of 7% respectively;
- The US posted significant double-digit gains in January's overnight travel from South Korea (+40%), Brazil (+30%), Australia (+22%), Canada (+13%) and China (+10%) compared with January 2009;
- Australia posted the strongest increase in travel from France up 28%, while Canada saw a 14% gain and there was a 4% increase for the US over 2009;
- In January 2010, both Canada and the US saw a drop in overnight visitors from the UK (down 5% in both markets), while Australia experienced an increase of 6% reaching 63,000.

Canadian outbound trips

Overnight trips by Canadians



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

- With both Canada's economy and dollar continuing to strengthen going into March, Canadian travel to the US increased for the fifth consecutive month (+7.6%). Overall, year-to-date March outbound travel to the US increased 9.3% over the same period in 2009;
- Outbound travel to destinations outside of the US continued to diminish, down 2.6% in March and down 1.9% for the year. Year-to-date, the provinces with the strongest gains in international travel (excluding the US) were Yukon, Saskatchewan, New Brunswick and Ontario with increases of 84.2%, 22.7%, 9.7%, and 0.9% respectively over the same period in 2009;
- Overall, total Canadian outbound travel grew by 3.7% in March, registering a 4.6% increase year-to-date.

Overnight trips by Canadians

	Mar. 2010	10/09 Mar. % Change	Jan.-Mar. 2010	Year-to-date % Change
United States	1,848,177	7.6	4,332,144	9.3
Other Countries	1,009,875	-2.6	2,840,466	-1.9
Total Trips from Canada	2,858,052	3.7	7,172,610	4.6

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

Consumer outlook Economic Indicators

Economic Indicators, Q4 2009 – Q1, 2010

America	Canada		United States		Mexico		Brazil	
	Q4 2009	Q1 2010	Q4 2009	Q1 2010	Q4 2009	Q1 2010	Q4 2009	Q1 2010
Real GDP growth (yoy, %)	-1.2	1.4	0.1	2.5	-2.4	5.2	4.3	6.1
Private Consumption (yoy, %)	1.9	3.0	1.0	1.6	-3.7	5.2	7.7	5.2
Unemployment rate (%)	8.4	8.2	10.0	9.7	5.3	6.0	7.2	8.5
Consumer Price Index (yoy,%)	0.8	1.9	1.5	2.4	4.0	4.2	4.2	5.0
Exchange Rate (1LCU:C\$)	1.000	1.000	1.057	1.041	0.081	0.082	0.607	0.577

Europe	France		Germany		UK	
	Q4 2009	Q1 2010	Q4 2009	Q1 2010	Q4 2009	Q1 2010
Real GDP growth (yoy, %)	-0.3	1.2	-2.4	1.2	-3.1	-0.2
Private Consumption (yoy, %)	1.5	0.8	-0.4	-1.1	-2.1	-0.8
Unemployment rate (%)	9.6	9.9	8.1	8.2	5.0	4.9
Consumer Price Index (yoy,%)	0.4	1.3	0.4	0.7	2.1	3.2
Exchange Rate (1LCU:C\$)	1.727	1.626	1.727	1.626	1.727	1.626

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q4 2009	Q1 2010	Q4 2009	Q1 2010	Q4 2009	Q1 2010	Q4 2009	Q1 2010	Q4 2009	Q1 2010
Real GDP growth (yoy, %)	2.7	2.8	11.0	12.8	-1.4	2.7	6.1	7.3	6.0	7.5
Private Consumption (yoy, %)	2.8	3.0	9.3	9.3	1.1	2.5	5.8	5.8	3.4	4.3
Unemployment rate (%)	5.6	5.3	4.3	4.3	5.2	5.0	3.3	4.7	8.0	8.0
Consumer Price Index (yoy,%)	2.1	2.6	0.7	2.2	-2.0	-0.8	2.4	2.7	13.3	15.3
Exchange Rate (1LCU:C\$)	0.9606	0.9405	0.1547	0.1525	0.0118	0.0115	0.0009	0.0009	0.0227	0.0227

Source: Bank of Canada; and Oxford Economics January - March 2010

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

Consumer outlook **Economic Indicators**

- The strength of the global recovery seen in Q3 and Q4 of 2009, slowed slightly in the first quarter of 2010. This was in part due to fluctuations in the financial markets as a result of increased sovereign debt risks in Europe and elsewhere;
- In contrast, there was a stronger than expected recovery in the US and Japan in Q1 with growth in Asia continuing to be strong;
- With the exception of the UK (-0.2%), all CTC key markets posted economic growth in Q1 2010 with China, India, and South Korea registering the strongest gains in real GDP up 12.8%, 7.5%, and 7.3% respectively over Q1 2009;
- In comparison with the previous quarter, private consumption in Q1 2010 either increased or remained constant in the Americans and Asia Pacific CTC markets, while there were some downward trends seen in European and emerging markets;
- In Q1, Canada became a more expensive destination for travellers from Europe, the US, Australia, Japan, China and Brazil as a result of a strengthening Canadian dollar;
- The majority of CTC key markets saw inflation increase with India (+15.3%), Brazil (+5.0%), Mexico (+4.2%) and the UK (+3.2%) showing the largest jumps over Q1 2009;
- Compared with Q4 2009, Australia, Japan, the US, Canada and the UK posted declines in the unemployment rate in the first quarter of 2010, while all other CTC markets saw increases.

Consumer confidence

- **Canada:** For the fourth time in the last six months, the Index of Consumer Confidence has reversed course, this time moving up 4.3 points. The March gain was not enough to outweigh the previous month's drop, but still leaves the index 36.4 percentage points ahead of where it was at this time last year.
- **USA:** The Conference Board Consumer Confidence Index®, which had decreased in February, rebounded in March. The Index now stands at 52.5 (1985=100), up from 46.4 in February.

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

Accommodations

- In March 2010, the national occupancy rate increased by 1.4% over the previous year to 56.3%. The Yukon posted the largest increase this month (+12.8%) while Alberta posted the largest decline (-2.0%);
- Year-to-date March, the national occupancy rate grew by a moderate 0.1% reaching 52.6%. The majority of provinces saw increases in occupancy rates with the exception of Alberta (-5.2%), Ontario (-1.3%) Saskatchewan (-1.0%) and Quebec (-0.3%);
- From January to March the national average Daily Rate was \$127.89, up 4.4% over last year. The Northwest Territories and British Columbia posted rates higher than the average Daily Rate;
- In the first three months of 2010, the average Revenue per Available Room (RevPAR) was \$67.25, up 4.6%, with the Northwest Territories, British Columbia and Saskatchewan posting rates higher than the average RevPar.

Canadian occupancy rates, by province*

	Mar. 2010	10/09 Change^	Jan.-Mar. 2010	Year-to-date Change^
Alberta ¹	59.3	-2.0	53.7	-5.2
British Columbia	57.2	-0.5	56.6	3.0
Saskatchewan	72.1	1.3	66.2	-1.0
Manitoba	64.8	1.4	59.2	0.6
Ontario	54.6	3.1	50.5	0.6
Quebec	53.1	2.7	50.6	0.3
New Brunswick	51.8	1.7	45.9	0.7
Nova Scotia	59.0	3.9	48.6	0.7
Newfoundland	58.1	0.9	53.4	1.7
Prince Edward Island	35.6	1.4	35.7	1.9
Northwest Territories	66.9	3.5	60.7	0.6
Yukon	74.8	12.8	65.7	6.8
Canada	56.3	1.4	52.6	0.1

* Note: Based on the operating results of 210,775 rooms (unweighted data).

^ Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc.

Air Capacity

- Air capacity inbound to Canada continued to expand going into the first quarter of 2010, largely due to lost capacity being restored in the winter of 2009. Strong gains were posted from India (+64.4%), China (+28.0%), Japan (+17.4%) and South Korea (+17.2%);
- Air capacity on the India-Canada route increased in Q1 after Air India added additional flights and introduced a new Delhi-Toronto service in 2009;
- China's Q1 2010 gains were mainly the result of increased service and equipment upgauges on China Eastern Airlines (+46.5%) and Air Canada (+26.6%) flights into Vancouver and Toronto, compared with the same quarter in 2009;
- Mexico posted a sharp decline (-27.7%) in air capacity in Q1 2010, mainly driven by flight reductions by Air Canada and Mexicana De Aviacion.