



# Tourism Snapshot

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

Ontario © Dale Searling

# Key highlights

International travellers made 1.7 million trips to Canada in September, a 3.4% increase over September 2009.

Canada saw another monthly increase in US plane travel up 4.7%, which marked the eighth consecutive monthly gain resulting in a total year-to-date September increase of 4.5%.

The UK, Canada's largest overseas source market, posted a 5th consecutive monthly gain in September up 6.4% and +1.2% year-to-date.



# Tourism review Inbound highlights

## Overnight trips to Canada

	Sept. 2010	10/09 Sept. % Change	Jan.-Sept. 2009	Jan.-Sept. 2010	Year-to-date % Change
<b>Americas*</b>					
United States					
Automobile	649,622	0.6	5,829,514	5,692,571	-2.3
Plane	329,396	4.7	2,571,084	2,686,678	4.5
Other	210,294	-1.9	1,192,630	1,193,726	0.1
<b>US Total</b>	<b>1,189,312</b>	<b>1.2</b>	<b>9,593,228</b>	<b>9,572,975</b>	<b>-0.2</b>
Mexico	10,025	-3.2	152,110	100,977	-33.6
<b>Americas Total</b>	<b>1,199,337</b>	<b>1.2%</b>	<b>9,745,338</b>	<b>9,673,952</b>	<b>-0.7%</b>
<b>Overseas Key Markets</b>					
France	56,339	9.8	336,575	358,983	6.7
Germany	49,683	13.0	258,997	282,891	9.2
UK	90,830	6.4	581,932	588,644	1.2
China	22,807	15.7	127,787	155,318	21.5
Japan	31,295	-	151,768	186,136	22.6
South Korea	14,509	14.9	112,612	134,034	19.0
Australia	27,616	20.2	164,623	187,248	13.7
India**	11,868	15.3	88,858	106,427	19.8
Brazil**	8,348	39.5	48,160	62,085	28.9
<b>Overseas Key Markets</b>	<b>313,295</b>	<b>10.5%</b>	<b>1,871,312</b>	<b>2,061,766</b>	<b>10.2%</b>
As % of Overseas and Americas	20.7%		16.1%	17.6%	
Other Overseas Countries	173,985	7.3%	1,306,030	1,403,689	7.5%
Non-US Countries	497,305	9.1%	3,329,452	3,566,432	7.1%
<b>Total Countries</b>	<b>1,686,617</b>	<b>3.4%</b>	<b>12,922,680</b>	<b>13,139,407</b>	<b>1.7%</b>

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

- For a fourth consecutive month, overnight visitor arrival, to Canada increased, growing 3.4% in September to approximately 1.7 million visitors;
- With the number of overnight visitors from Mexico stabilizing and improvements in US air and automobile travel, arrivals from the Americas grew by 1.2% over September 2009. For an eighth consecutive month, travel from CTC's other core overseas markets improved, increasing 7.3% compared with September 2009;
- Year-to-date September, overnight trips to Canada from countries other than CTC key markets grew by 7.5% reaching 1.4 million;
- In the first nine months of 2010, there was a 216,727 increase in the total number of international overnight visitors, reaching 13.1 million.

## United States

- US overnight visitation grew in September (1.2%), driven by stronger growth in air and automobile arrivals of 4.7% and 0.6% respectively;
- Year-to-date September, overnight trips from the US has fallen by 0.2% compared with the same period in 2009 and by a further 6.6% when compared against 2008;
- In September 2010, Nova Scotia saw 10,268 additional overnight US visitors when compared with the same month in 2009, a notable 30.9% increase. In addition, Québec and Ontario saw gains of 3.4% and 2.3% respectively;
- Year-to-date September, Yukon (+9.9%) registered the strongest improvement in US overnight visits, followed by Saskatchewan (+5.7%) and then Québec (+3.9%) compared with the same period in 2009.

## Mexico

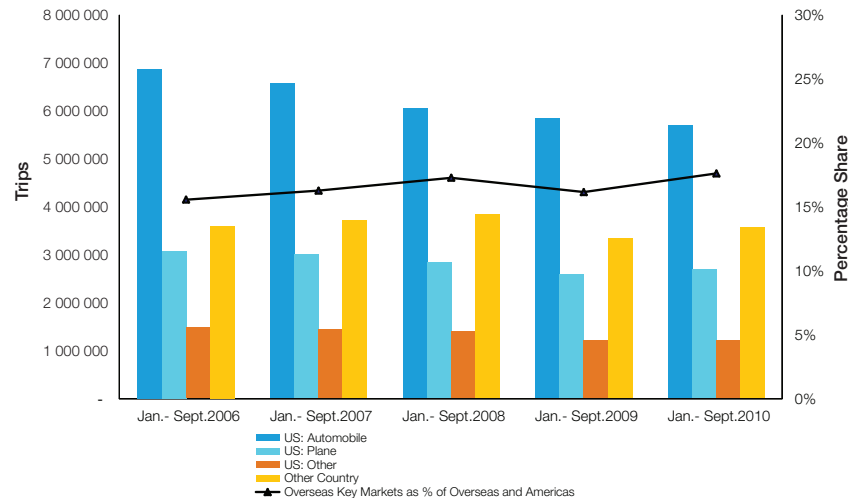
- The decline in Mexican arrivals to Canada appears to have stabilized, with a moderate drop of 3.2% in September compared with 2009;
- In the first nine months of 2010, travel from Mexico contracted 33.6% when compared against the same period in 2009 and by a further 54.6% when compared against the same period in 2008.

## Overseas key markets

- For a fifth consecutive month none of CTC's overseas key markets posted declines in overnight trips to Canada, combined all nine markets posted gains in overall trip volumes of 10.5% in September when compared with the same month in 2009;
- In September 2010, Brazil posted the strongest growth (+39.5%), followed by Australia, China, and India with gains of 20.2%, 15.7% and 15.3% respectively over 2009;
- Although overnight trip arrivals from Japan were unchanged in September 2010, year-to-date this market still maintained the second strongest growth of all CTC markets;
- France boasted the second largest number of overseas arrivals for year-to-date September up 6.7% over the same period in 2009 and translating into a 22.9% increase since 2000. Although France demonstrated strong performance, the UK, Canada's largest overseas source market, posted a 5<sup>th</sup> consecutive monthly gain in September up 6.4% and +1.2% year-to-date;
- In September 2010, the majority of provinces and territories posted increases in overnight visits from countries other than the US, while Alberta, Québec, British Columbia and Ontario reporting gains of 14.2%, 12.5%, 9.7% and 3.3% respectively;
- Year-to-date September, Saskatchewan (+26.9%) recorded the strongest increase in visitors from countries other than the US with P.E.I being the only province to post a decline, down 89.4% over the same period in 2009.

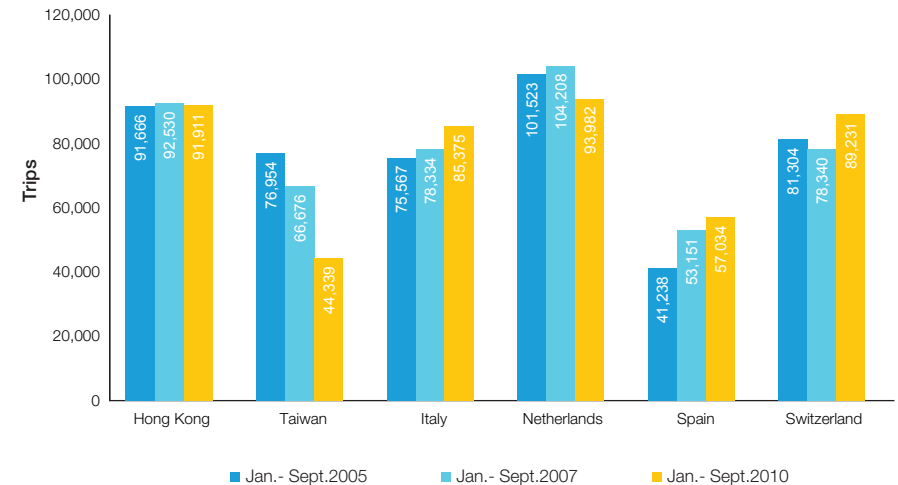
# Share of entry (September, 2010)

## 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 nine months of 2010, Canada received 9.6 million overnight US visitors, representing 81.6% of international travellers from CTC's key markets. Of those US travellers, 48.5% came by automobile, 22.9% came by plane and 10.2% came by "other" non-automobile transportation;
- Year-to-date, overnight visitors from key European markets made 1.2 million trips to Canada, accounting for 10.5% of total trips from key markets, a 2.0 point increase in share of entry over the same period in 2005. Compared with other key European key markets, the UK accounted for the largest portion of inbound visitors at 5.0%, followed by France (3.1%) and Germany (2.4%);

- Visitors from Asia Pacific markets made 662,736 trips to Canada from January to September, accounting for a 5.6% share of total trips from key markets, and marking a 0.9 point increase over the same period in 2005. From CTC core markets, Australia and Japan both had a 1.6% share of total trips;
- Travellers from emerging markets (India and Brazil) made 168,512 trips to Canada from January to September, representing 1.4% of total trips from key markets, a 0.7 point increase compared with the first nine months of 2005.

## Market Watch

- For year-to-date September, four of the six selected secondary markets posted increases in overnight trip volumes over 2005;
- In the first nine months of 2010, total overnight arrivals from Hong Kong returned to 2005 levels reaching 91,911 overnight trips;
- Compared with January to September 2005, Spain posted the strongest growth in visitation (+38.3%), followed by Italy and Switzerland with increases of 13.0% and 9.7% respectively.

# Competitive review (August 2010)

## International Travel, January–August 2010

Trips From:	Trips To:					
	Canada		United States		Australia	
	#	10/09 Change	#	10/09 Change	#	10/09 Change
<b>Total International</b>	1,453	1%	40,209	12%	3,723	6%
<b>Americas</b>						
United States	8,384	0%	...	...	313	1%
Mexico <sup>1</sup>	91	-36%	8,916	12%	...	...
<b>Overseas Key Markets</b>						
France	302	6%	908	8%	63	9%
Germany	233	8%	1,118	2%	68	1%
United Kingdom	498	0%	2,476	-2%	382	-4%
China <sup>2</sup>	133	23%	539	57%	312	23%
Japan	155	29%	2,241	21%	263	17%
South Korea	120	20%	746	48%	140	14%
Australia	160	13%	560	27%	...	...
India	95	20%	475	18%	91	7%
Brazil	54	27%	739	36%	17	6%
Canada	...	...	14,013	12%	78	2%
<b>Total Key Markets</b>	<b>10,223</b>	<b>1%</b>	<b>32,729</b>	<b>31%</b>	<b>1,709</b>	<b>5%</b>

...Not applicable or data not available.

<sup>1</sup> US figures for Mexico include arrivals to interior only.

<sup>2</sup> US figures for China includes Hong Kong, SAR.

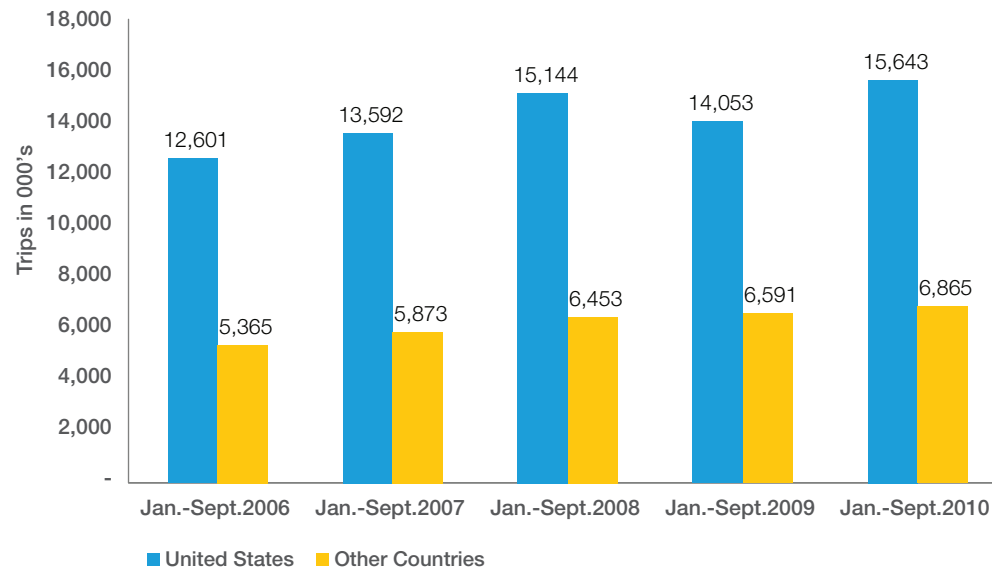
Sources: Statistics Canada; Tourism Australia; and ITA, and Office of Travel and Tourism Industries (USA).

Note: Statistics Canada preliminary figures.

- In the eight months to August 2010, international visitors to the US increased by 12%, Australia 6%, while Canada registering a more moderate increase of 1%;
- Compared with Canada, the US posted stronger growth in arrivals from China (+57%) and South Korea (+48%) compared with the first eight months of 2009. Reported increases in visitation from these markets in part reflect the US becoming more affordable as a travel destination in 2010;
- January to August 2010, Canada out performed its competition in reported increases in arrivals from Japan (+29%), India (+20%), and Germany (+8%) when compared with the same period in 2009. In addition, while both the US and Australia saw declines in UK arrivals, arrivals to Canada remained unchanged when compared to 2009.

# Canadian outbound trips

## Overnight trips by Canadians



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

## Overnight trips by Canadians

	Sept. 2010	10/09 Sept. % Change	Jan.-Sept. 2010	Year-to-date % Change
United States	1,630,221	7.3	15,642,636	11.3
Other Countries	614,166	11.5	6,864,672	4.1
<b>Total Trips from Canada</b>	<b>2,244,387</b>	<b>8.4</b>	<b>22,507,308</b>	<b>9.0</b>

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

- Despite Canada's economic recovery slowing in September 2010, total Canadian travel abroad saw a 8.4% increase, as overnight travel to the US grew by 7.3% and visits to other overseas destinations accelerated up 11.5%;
- Manitoba saw the largest increase (+16.6%) in Canadian residents visiting the US with 81,968 Canadians going south in September;
- In the first nine months of 2010, there was a 4.1% increase in the number of Canadian residents that travelled internationally (excluding the US). The largest increases were seen by residents of Yukon (60.1%), New Brunswick (36.0%) and Saskatchewan (25.3%) compared with the same period in 2009;
- Year-to-date September 2010, the majority of provinces/ territories saw increased in the number of Canadian residents visiting the US. British Columbia, Québec, Alberta and Ontario saw increases of 13.2%, 11.9%, 10.7% and 8.8% respectively when compared with the same period in 2009.

# Consumer outlook

## Consumer confidence

- **Canada:** Consumers have taken notice of the slowing pace of economic recovery. In September, the Index of Consumer Confidence continued its downward trend, falling 1.2 points to 78.1 (2002 = 100).
- **USA:** The Conference Board Consumer Confidence Index®, which had improved in August, retreated in September. The Index now stands at 48.5 (1985=100), down from 53.2 in August.

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

# Accommodations

## Canadian occupancy rates, by province\*

	September 2010	10/09 Change^	Jan.- Sept. 2010	Year-to-date Change^
Alberta <sup>1</sup>	65.4	0.5	58.9	-1.8
British Columbia	69.7	1.5	63.6	1.5
Saskatchewan	74.5	2.2	69.9	-0.3
Manitoba	70.5	0.1	66.0	1.0
Ontario	71.2	2.8	61.6	3.2
Quebec	71.3	5.5	61.8	3.1
New Brunswick	64.9	1.4	57.8	0.6
Nova Scotia	79.3	6.0	63.0	1.6
Newfoundland	77.3	-3.8	69.7	2.6
Prince Edward Island	61.1	4.1	50.8	0.2
Northwest Territories	68.2	0.2	60.7	-0.8
Yukon	84.3	2.5	77.5	5.0
<b>Canada</b>	<b>70.2</b>	<b>2.4</b>	<b>61.9</b>	<b>1.7</b>

\* Note: Based on the operating results of 215,669 rooms (unweighted data).

^ Percentage points.

<sup>1</sup> Excluding Alberta resorts.

Source: PKF Consulting Inc.

- In September 2010, hotel occupancy rates experienced a 2.4 point increase compared with September 2009, reaching 70.2%. Nova Scotia posted the strongest increase this month (6.0 points) while Newfoundland posted the largest decline (-3.8 points);
- Year-to-date September, the national occupancy rate increased by 1.7 points reaching 61.9% after experiencing declines for the past two years during the January to September period;
- From January to September, the national average

Revenue per Available Room (RevPAR) was \$79.93 up 5.2% over last year. The Northwest Territories, British Columbia, Newfoundland and Labrador, Saskatchewan and Québec all posted rates above the national average;

- The national Average Daily Rate for the first nine months of 2010 was \$129.08 up 2.3% from \$126.21 in 2009.



# Strategic performance

## Travel Volumes, January-September 2010

	Target	Actual	% Difference
United States	9,629	9,593	-0.4
Mexico	105	101	-4.3
<b>Americas (Total)</b>	<b>9,734</b>	<b>9,694</b>	<b>-0.4</b>
France	330	359	8.8
Germany	267	283	5.9
UK	582	589	1.1
China	130	155	19.9
Japan	171	186	8.7
S Korea	114	134	17.9
Australia	165	187	13.2
India	106	106	0.1
Brazil	50	62	25.3
<b>Overseas Key Markets (Total)</b>	<b>1,915</b>	<b>2,062</b>	<b>7.7</b>
<b>Total</b>	<b>11,649</b>	<b>11,756</b>	<b>0.9</b>

\* Note: As per strategic plans.

- International trips by key markets exceeded CTC's set targets by 107,000 (+0.9%) in the first nine months of 2010;
- Year-to-date, trips from Brazil, China, South Korea and Australia outperformed CTC targets by double-digit differences of +25.3%, +19.9%, +17.9%, and +13.2% respectively;
- The US and Mexico markets fell short of the CTC's set targets by 0.4% and 4.3% respectively.

# Economic indicators

- The majority of established markets continued to see economic growth in Q3, while growth slowed in Mexico, Brazil, India and China when compared against the previous quarter;
- In Q3, Canada became a less expensive destination for travellers from the US, Brazil, France, Germany, Japan, the UK and Australia as local currencies strengthened;
- The majority of CTC core markets saw inflation rates cool in Q3 compared to the previous quarter, the exception being South Korea (+0.3%) and China (+0.6%).

## Economic Indicators, Q2 2010 – Q3, 2010

America	Canada		USA		Mexico		Brazil	
	Q2 2010	Q3 2010	Q2 2010	Q3 2010	Q2 2010	Q3 2010	Q2 2010	Q3 2010
Real GDP growth (yoy, %)	3.4	3.5	3.0	3.1	7.7	5.9	8.8	6.3
Consumer Price Index (yoy,%)	1.4	1.8	1.8	1.2	4.0	3.7	5.1	4.6
Exchange Rate (1LCU:C\$)	1.000	1.000	1.028	1.039	0.082	0.081	0.574	0.594

Europe	France		Germany		UK	
	Q2 2010	Q3 2010	Q2 2010	Q3 2010	Q2 2010	Q3 2010
Real GDP growth (yoy, %)	1.7	1.9	3.9	3.9	1.7	2.8
Consumer Price Index (yoy,%)	1.6	1.5	1.1	1.2	3.4	3.1
Exchange Rate (1LCU:C\$)	1.269	1.354	1.269	1.354	1.533	1.612

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q2 2010	Q3 2010	Q2 2010	Q3 2010	Q2 2010	Q3 2010	Q2 2010	Q3 2010	Q2 2010	Q3 2010
Real GDP growth (yoy, %)	3.3	3.8	10.3	9.6	2.4	2.5	7.2	4.5	8.8	6.4
Consumer Price Index (yoy,%)	3.1	2.8	2.9	3.5	-0.9	-0.8	2.6	2.9	13.7	10.3
Exchange Rate (1LCU:C\$)	0.9076	0.9410	0.1506	0.1535	0.0111	0.0121	0.0009	0.0009	0.0226	0.0224

Source: Bank of Canada; and Oxford Economics January–September 2010  
 Note: Exchange rates, average of 20-22 days.