

Tourism Snapshot

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

July 2017
Volume 13, Issue 7



KEY HIGHLIGHTS

- Stellar performances in overnight arrivals from Destination Canada's eleven international markets in July 2016 of last year (+12.8%) cast a shadow over what appeared to be subdued results in July 2017 of this year (-0.5% over July 2016) and served to hide robust growth from most DC markets (+5.8% annual average since 2015).
- Year-to-date July 2017, overnight arrivals from Destination Canada's 10 overseas markets were up 12.0% over July 2016, with Destination Canada's Latin America region leading the way (+43.5%), followed by Asia-Pacific (+14.0%) and Europe (+2.8%). Arrivals from the US stood at +1.9% year-over-year.
- Destination Canada's two Latin American markets continued to attain new peaks in July 2017 (+35.1%), as outstanding growth from Mexico (+38.8%) and Brazil (+25.1%) enabled both markets to reach their highest arrivals numbers in any single recorded month.
- Arrivals from Destination Canada's Asia-Pacific region (+1.8%) showed mixed results in July 2017, as gains from India (+12.2%), China (+5.5%), and Australia (+3.2%) compensated for declines from Japan (-11.1%) and South Korea (-3.9%). Overnight arrivals from China exceeded 100,000 visitors in July 2017 – the first time arrivals from China have reached this level in a single month. Strong performance from South Korea in July 2016 (+35.3%) masked solid arrivals in July 2017, when compared to July 2015 (+14.0% average annual growth over July 2015). Year-to-date, overnight arrivals from Destination Canada's Asia-Pacific region were up 14.0%, with double-digit growth from each market except Japan (+5.5%).
- Overnight arrivals from Destination Canada's Europe region contracted in July 2017 (-2.9%). Gains from France (+4.9%) were counterbalanced by fewer visitors from the UK (-8.3%) and Germany (-3.5%). However, an impressive performance from Germany in July 2016 (+23.7%) masked continued robust arrivals from that market in July 2017, which averaged annually 9.3% year-over-year since July 2015. Meanwhile, the drop in arrivals from the UK in July 2017 coincided with the fastest recorded month-over-month depreciation by the British Pound since 2000 (-8.7%). Year-to-date arrivals from Destination Canada's European region remain positive (+2.8%).
- With the USD depreciating 9.8% against the CAD in July 2017 relative to June 2017 (fastest recorded monthly drop since 2000), arrivals from the US fell -1.2% in July 2017 as fewer arrivals by automobile (-3.6%) overshadowed gains in air arrivals (+1.7%) and other modes of transportation (+4.3). Year-to-date, overnight arrivals from the US were up 1.9% due to gains in air arrivals (+5.4%) and other modes of transportation (+6.0%) more than offsetting a sag in auto arrivals (-0.8%).

1. Note the following caveat from Statistics Canada associated with the July 2017 data: "The most recent data for the following airports are preliminary estimates that will be revised in a future release: Macdonald-Cartier, Ottawa (since March 2017), Vancouver (since April 2017) and Toronto International Airport T3 (since June 2017). Since these estimates contribute to provincial and national totals, these totals will also be revised."

QUICK LINKS

Industry Performance Dashboard

	July 2017	YTD
✈ Overnight Arrivals¹		
Total International	↓ -0.8%	↑ 4.2%
11 DC Markets**	↓ -0.5%	↑ 4.0%
<i>United States</i>	↓ -1.2%	↑ 1.9%
10 Overseas Markets	↑ 2.6%	↑ 12.0%
Non-DC Markets	↓ -3.3%	↑ 5.7%
✈ Air Seat Capacity²		
Total International	↑ 4.9%	↑ 3.2%
11 DC Markets**	↑ 6.0%	↑ 6.4%
Non-DC Markets	↑ 4.1%	↑ 0.7%
🏠 National Hotel Indicators³		
Occupancy Rate*	↑ 0.1	↑ 1.4
Revenue Per Available Room (Revpar)	↑ 4.4%	↑ 4.5%
Average Daily Rate (ADR)	↑ 4.5%	↑ 6.8%

Notes:

The Industry Performance Dashboard figures are year-on-year variations.

* Percentage point variations.

** The 11 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea, Brazil and Mexico.

Sources:

1. Statistics Canada, Frontier counts, custom tabulations

2. IATA-Diio SRS Analyser

3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals ⁱ		Arrival YOY Variations (%)		Air Seat capacity ⁱⁱ		Local currency vs. CAD ⁱⁱⁱ	
		July 2017	YTD 2017	July 2017	YTD 2017	July 2017	YTD 2017	July 2017 Average	YTD Average
United States	United States	2,278,435	8,040,523	-1.2%	1.9%	5.7%	3.0%	-8.1%	-1.6%
DC Europe	France	93,596	296,098	4.9%	3.9%	-4.7%	4.0%	-4.6%	-3.6%
	Germany	53,392	199,441	-3.5%	5.6%	10.2%	10.8%	-4.6%	-3.6%
	United Kingdom	114,425	438,394	-8.3%	0.8%	-1.0%	4.7%	-9.3%	-12.2%
DC Asia-Pacific	Australia	46,877	207,823	3.2%	17.0%	-5.0%	58.3%	-5.3%	1.3%
	China	103,313	378,917	5.5%	11.9%	17.6%	33.4%	-9.5%	-6.0%
	India	27,899	155,996	12.2%	22.8%	73.1%	52.0%	-4.3%	0.9%
	Japan	31,425	155,982	-11.1%	5.5%	5.8%	10.5%	-15.1%	-3.3%
	South Korea	38,864	157,489	-3.9%	16.1%	-1.8%	30.4%	-7.7%	1.5%
DC Latin America	Brazil	17,901	78,223	25.1%	18.8%	-24.0%	-28.6%	-6.3%	12.4%
	Mexico	52,958	222,727	38.8%	54.9%	81.5%	54.4%	-4.0%	-6.9%
Total 11 DC Markets		2,859,085	10,331,613	-0.5%	4.0%				
Rest of the World		370,211	1,347,248	-3.3%	5.7%				
Total International		3,229,296	11,678,861	-0.8%	4.2%				

Sources:

- i. Statistics Canada, Frontier counts, custom tabulations
- ii. IATA-Diio SRS Analyser
- 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 during the current month and YTD relative to the same periods in the previous year.
- iii. The exchange rate variation is calculated on the average value of the Canadian dollar during during the current month and YTD relative to the same periods in the previous year.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

-1.2% ↓ YOY



YTD:

+1.9% ↑ YOY

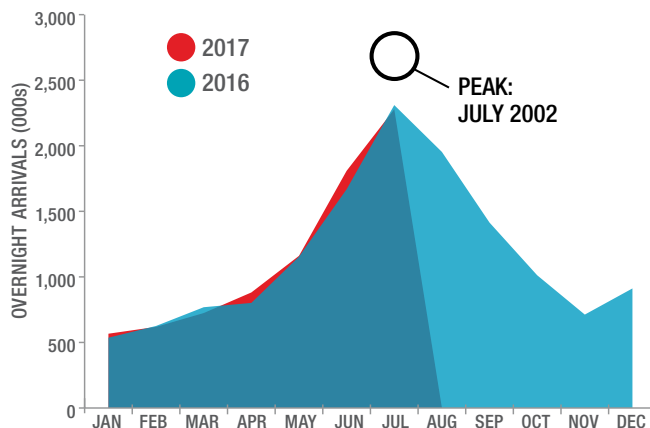
Overnight Arrivals

	July 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
🚗 Automobile	1,369,723	-3.6	4,519,751	-0.8
✈️ Air	634,059	1.7	2,710,999	5.4
🗨️ Other	274,653	4.3	809,773	6.0
US Total	2,278,435	-1.2	8,040,523	1.9

Source: Statistics Canada, Frontier counts, custom tabulations.
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 2017	5.7%
	YTD	3.0%
Exchange Rate ⁱⁱ	July 2017	-8.1%
	YTD	-1.6%
Consumer Confidence Index (1985=100) ⁱⁱⁱ	July 2017	120.0
	Previous Month	117.3
YTD Arrival Peak ^{iv}	Previous Peak Year	2002
	Current % of Previous Peak	88.0%

Source:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- A downward shift in US overnight arrivals in July 2017 (-1.2% vs. July 2016) was driven by a decline in US visitors driving to Canada (-3.6%), which was not quite offset by increases in arrivals by air (+1.7%) and other modes of transportation (+4.3%).
- Year-to-date US arrivals were up year-over-year (+1.9%) and remained at the highest level recorded since 2005, despite a marginal drop in auto arrivals (-0.8%), thanks to positive growth in arrivals by air (+5.4%) and other modes (+6.0%). Much of the year-to-date decline in auto arrivals was focused in British Columbia, where a state of emergency was declared in July due to wildfires, which may have discouraged visitor traffic.
- The ongoing expansion of air capacity between Canada and the US (+5.7% in July, +3.0% YTD) supported the growth observed in air arrivals from the US. Meanwhile, an abrupt decline in the strength of the US dollar relative to the Canadian dollar in July 2017 (-8.1% relative to July 2016 and -9.8% relative to June 2017) may have contributed to the overall downturn in US visitation.
- In July 2017, the largest proportion of US overnight arrivals by vehicle¹ originated from New York (15.9% of July US auto arrivals), Washington (11.9%), and Michigan (10.0%), with the same states leading cross-border traffic year-to-date.
- Following three consecutive months of decline, the consumer confidence index published by the US Conference Board jumped 2.7 points to reach 120.0 in July 2017.

¹ States of origin information is based on Integrated Primary Inspection Lane data collected from US residents entering Canada in automobiles with license plate registered in the United States.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

-2.9% ↓ YOY



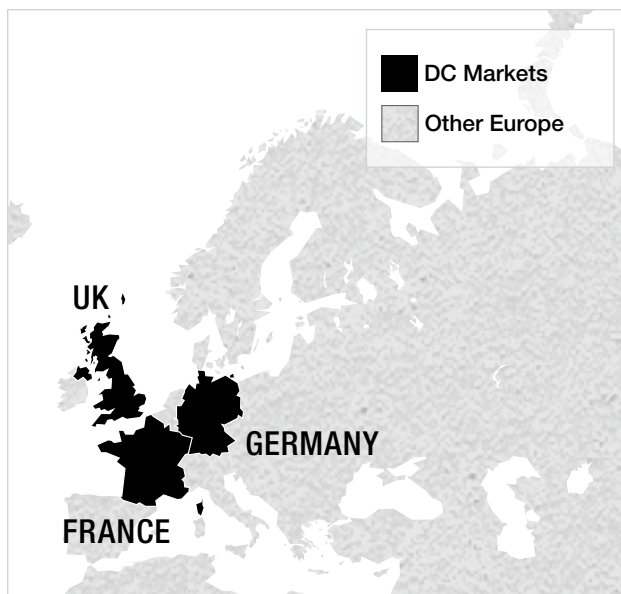
YTD:

+2.8% ↑ YOY

Overnight Arrivals

	July 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	261,413	-2.9	933,933	2.8
United Kingdom	114,425	-8.3	438,394	0.8
France	93,596	4.9	296,098	3.9
Germany	53,392	-3.5	199,441	5.6
Other Europe	182,272	-10.4	611,205	17.9
Italy	21,188	2.6	61,765	-1.4
Netherlands	26,634	-8.9	81,803	5.0
Spain	16,157	-2.6	47,526	11.1
Switzerland	27,994	-3.9	73,220	-3.8
Rest of Europe	90,299	2.4	346,891	7.1
Total Europe	443,685	-2.1	1,545,138	3.5

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

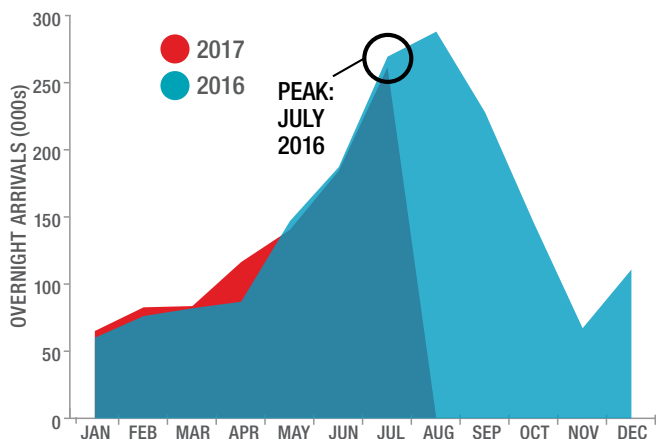


DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacityⁱ	July 2017	-4.7%	10.2%	-1.0%
	YTD	4.0%	10.8%	4.7%
Exchange Rateⁱⁱ	July 2017	-4.6%	-4.6%	-9.3%
	YTD	-3.6%	-3.6%	-12.2%
YTD Arrival Peakⁱⁱⁱ	Previous Peak Year	2016	1996	2005
	Current % of Previous Peak	103.9%	80.6%	85.9%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

Trend Plot: Total DC Europe Arrivals



EUROPE

- Arrivals from Destination Canada's Europe region (-2.9%) were down year-over-year in July 2017 for a second consecutive month, due to a drop in visitation from the UK (-8.3%) and Germany (-3.5%) which outweighed a recovery from France (+4.9%) following two consecutive months of decline.
- Year-to-date, the region still reached a new record peak in arrivals (+2.8%), with all three markets outperforming the same period of 2016, led by Germany (+5.6%) and France (+3.9%). The UK lagged behind but was still marginally up compared to last year (+0.8%).
- France achieved new arrivals records for both the month of July (+4.9%) and year-to-date (+3.9%). Despite a sudden drop in air capacity to Canada in July (-4.7%), the July increase came primarily from air arrivals, both direct and via the US, while arrivals by land via the US and by sea declined.
- By contrast, the drop in arrivals from Germany (-3.5%) in July 2017 came primarily from a decline in direct air arrivals (-6.3%), despite ongoing expansion of air capacity to Canada (+10.2% in July).
- Arrivals from the UK in July (-8.3%) retracted across all modes of entry, alongside the continued decline in strength of the British pound in Canada (-9.3% in July, -12.2% YTD). Direct air capacity from the UK to Canada also retracted for a third consecutive month.
- The purchasing power of the Euro also declined relative to the Canada (-4.6% in July, -3.6% YTD), but appreciated slightly against the USD (+3.9% in July, -2.0%).

DC Europe Arrivals by Port of Entry

- Despite some recent contraction in air capacity, 72.1% of visitors from Destination Canada's three European markets arrived by air directly from overseas year-to-date in 2017. Most of those visitors landed at YYZ (36.6%) and YUL (30.1%), though YUL received fewer arrivals from the UK and Germany compared to the same period in 2016. YYC also received fewer arrivals from France and Germany.
- Year-to-date in 2017, UK arrivals by air via the US (-11.1%) and by sea (-55.9%) were down compared to the same period in 2016, whereas arrivals from France via the US by land (-12.9%) have decreased year-over-year.

		France	Germany	UK	
Air Arrivals from Overseas	YYZ	Arrivals	35,034	58,878	152,929
		YOY%	18.6%	8.7%	4.5%
		% of Total	11.8%	29.5%	34.9%
	YVR	Arrivals	10,975	37,320	83,687
		YOY%	3.7%	19.5%	10.0%
		% of Total	3.7%	18.7%	19.1%
	YUL	Arrivals	153,552	20,528	28,689
		YOY%	6.1%	-1.3%	-4.9%
		% of Total	51.9%	10.3%	6.5%
	YYC	Arrivals	1,973	13,590	41,284
		YOY%	-36.2%	-16.7%	4.6%
		% of Total	0.7%	6.8%	9.4%
	All other airports	Arrivals	3,134	10,705	21,331
		YOY%	1.7%	8.7%	7.0%
		% of Total	1.1%	5.4%	4.9%
	Subtotal	Arrivals	204,668	141,021	327,920
		YOY%	5.5%	5.9%	3.3%
		% of Total	69.1%	70.7%	74.8%
Air Arrivals via the US	All airports	Arrivals	75,089	31,613	59,311
		YOY%	3.6%	5.0%	-11.1%
		% of Total	25.4%	15.9%	13.5%
Sea Arrivals	All sea borders	Arrivals	1,029	6,110	17,322
		YOY%	5.8%	21.2%	-55.9%
		% of Total	0.3%	3.1%	4.0%
Land Arrivals via US	All land borders	Arrivals	15,307	20,662	33,796
		YOY%	-12.9%	2.0%	11.0%
		% of Total	5.2%	10.4%	7.7%
Total Overnight Arrivals		296,098	199,441	438,394	

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: **+1.8% ↑ YOY**



YTD: **+14.0% ↑ YOY**

Overnight Arrivals

	July 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	248,378	1.8	1,056,207	14.0
Australia	46,877	3.2	207,823	17.0
China	103,313	5.5	378,917	11.9
India	27,899	12.2	155,996	22.8
Japan	31,425	-11.1	155,982	5.5
South Korea	38,864	-3.9	157,489	16.1
Other Asia-Pacific	107,765	-19.5	438,996	5.3
Hong Kong	23,992	-5.6	93,709	0.4
Taiwan	13,058	-0.7	53,340	-0.5
Rest of Asia-Pacific	70,715	-13.2	291,947	5.4
Total Asia-Pacific	356,143	-2.2	1,495,203	10.7

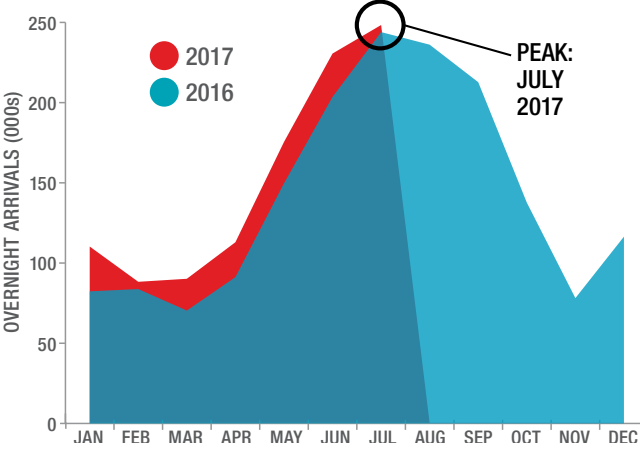


Source: Statistics Canada, Frontier counts, custom tabulations.
 Note: The figures are preliminary estimates and are subject to change.

Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity ⁱ	July 2017	-5.0%	17.6%	73.1%	5.8%	-1.8%
	YTD	58.3%	33.4%	52.0%	10.5%	30.4%
Exchange Rate ⁱⁱ	July 2017	-5.3%	-9.5%	-4.3%	-15.1%	-7.7%
	YTD	1.3%	-6.0%	0.9%	-3.3%	1.5%
YTD Arrival Peak ⁱⁱⁱ	Previous Peak Year	2016	2016	2016	1996	2016
	Current % of Previous Peak	117.0%	111.9%	122.8%	45.5%	116.1%

Trend Plot: Total DC Asia-Pacific Arrivals



Sources:
 i. IATA-Diio SRS Analyser, Year-on-year % variance.
 ii. Bank of Canada, Year on year % variance.
 iii. Statistics Canada, Frontier counts, custom tabulations.

- Despite a slowdown from some markets, arrivals from Destination Canada's Asia-Pacific region continued to grow year-over-year (+1.8%) and achieved a new peak in July 2017. India (+12.2%), China (+5.5%), and Australia (+3.2%) recorded positive year-over-year growth and each reached new peak monthly arrivals, while South Korea observed a slight decline (-3.9%) and arrivals from Japan (-11.1%) fell for a third consecutive month.
- Year-to-date, four of the five Asia-Pacific markets observed double-digit year-over-year growth and achieved record YTD arrivals: India (+22.8%), Australia (+17.0%), South Korea (+16.1%), and China (+11.9%). The exception was Japan, which still observed positive YTD growth (+5.5%).
- Air capacity to Canada retracted from Australia (-5.0%) and South Korea (-1.8%) in July 2017, while it continued to expand rapidly from other Asia-Pacific markets – particularly from India (+73.1%). Year-to-date all five markets continue to see double-digit direct air capacity expansion. Falling currency strength relative to the Canadian dollar may also account for the general slowdown from these markets in July 2017.

DC Asia-Pacific Arrivals by Port of Entry

- The July 2017 downward trend in arrivals from Japan was apparent across all modes of entry. The decline from South Korea was due to a drop in direct air arrivals (-19.2%), while at the same time it was the only one of the five Asia-Pacific markets to see an increase in land arrivals via the US (Japan, India, China, and Australia all noted declines in land arrivals).
- Year-to-date in 2017, most visitors from Destination Canada's Asia-Pacific markets flew directly from overseas. Consistent with past trends, Australia was the exception with similar numbers arriving by air direct and via the US. Arrivals from China via the US by air saw a slight decline.
- The downward trend in arrivals via the US by land observed in July was also observed year-to-date January-July, with all markets except South Korea noting declines. By sea, arrivals were up significantly from Australia (+25.9%), and South Korea (+24.6%), but declined from Japan (-11.9%).

		Australia	China	India	Japan	South Korea	
Air Arrivals from Overseas	YYZ	Arrivals	9,894	113,989	77,218	38,577	34,907
		YOY%	11.1%	11.9%	50.6%	17.4%	43.9%
		% of Total	4.8%	30.1%	49.5%	24.7%	22.2%
	YVR	Arrivals	68,310	150,782	17,587	65,054	47,106
		YOY%	43.9%	15.9%	18.1%	14.9%	2.1%
		% of Total	32.9%	39.8%	11.3%	41.7%	29.9%
	YUL	Arrivals	1,432	19,790	5,711	799	558
		YOY%	12.1%	78.1%	8.8%	58.2%	54.1%
		% of Total	0.7%	5.2%	3.7%	0.5%	0.4%
	YYC	Arrivals	851	7,249	5,609	6,529	645
		YOY%	-6.5%	220.0%	3.7%	-22.0%	-46.6%
		% of Total	0.4%	1.9%	3.6%	4.2%	0.4%
	All other airports	Arrivals	574	490	2,234	126	116
		YOY%	1.0%	0.2%	2.9%	0.1%	0.2%
		% of Total	0.3%	0.1%	1.4%	0.1%	0.1%
	Subtotal	Arrivals	81,061	292,300	108,359	111,085	83,332
		YOY%	37.2%	18.8%	37.8%	12.8%	15.6%
		% of Total	39.0%	77.1%	69.5%	71.2%	52.9%
Air Arrivals via the US	All airports	Arrivals	77,652	51,898	20,714	33,260	22,038
		YOY%	5.9%	-1.5%	9.1%	0.2%	11.3%
		% of Total	37.4%	13.7%	13.3%	21.3%	14.0%
Sea Arrivals	All sea borders	Arrivals	27,282	8,363	6,904	2,557	3,389
		YOY%	25.9%	2.1%	2.5%	-11.9%	24.6%
		% of Total	13.1%	2.2%	4.4%	1.6%	2.2%
Land Arrivals via US	All land borders	Arrivals	21,825	26,354	20,019	9,080	48,730
		YOY%	-6.7%	-16.0%	-11.6%	-27.0%	20.2%
		% of Total	10.5%	7.0%	12.8%	5.8%	30.9%
Total Overnight Arrivals		207,823	378,917	155,996	155,982	157,489	

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: **+35.1% ↑ YOY**



YTD: **+43.5% ↑ YOY**

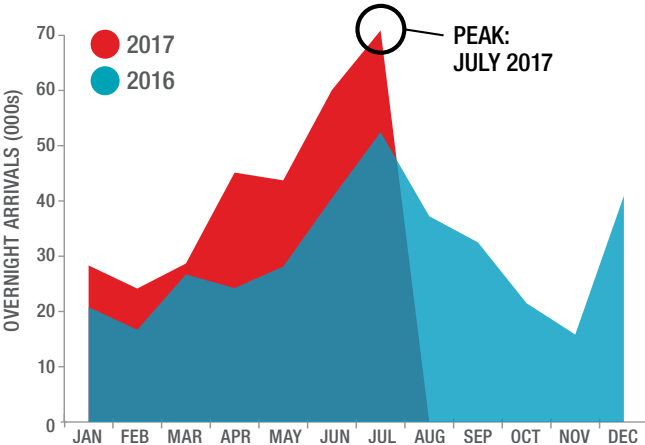
Overnight Arrivals

	July 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	70,859	35.1	300,950	43.5
Brazil	17,901	25.1	78,223	18.8
Mexico	52,958	38.8	222,727	54.9
Other Latin America	57,139	4.8	214,739	12.4
Total Latin America	127,998	19.7	515,689	28.7

Source: Statistics Canada, Frontier counts, custom tabulations.
 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 Capacityⁱ	July 2017	-24.0%	81.5%
	YTD	-28.6%	54.4%
Exchange Rateⁱⁱ	July 2017	-6.3%	-4.0%
	YTD	12.4%	-6.9%
YTD Arrival Peakⁱⁱⁱ	Previous Peak Year	2016	2008
	Current % of Previous Peak	118.8%	133.0%

Sources:
 i. IATA-Diio SRS Analyser, Year-on-year % variance.
 ii. Bank of Canada, Year on year % variance.
 iii. Statistics Canada, Frontier counts, custom tabulations.

LATIN AMERICA

- Destination Canada's Latin America region continued to lead international arrivals growth in July 2017, setting new arrivals records both for the month of July (+35.1%) and year-to-date (+43.5%). Both Mexico (+38.8%) and Brazil (+25.1%) also reached new peaks, and both saw their highest arrivals numbers in any single recorded month in July 2017.
- As observed since December 2016, when the Electronic Travel Authority (eTA) was put in place, Mexico continued to record rapid arrivals growth of +38.8% in July 2017 and +54.9% year-to-date. Mexico saw the largest expansion of direct air capacity to Canada (+81.5%) of all Destination Canada's international markets in July 2017, allowing for particularly strong growth in direct air arrivals. The Mexican Peso remained relatively soft against the Canadian dollar (-4.0% in July 2017, -6.9% YTD), which did not appear to significantly hinder travel to Canada.
- Brazil continued to outperform its previous stellar performance in 2015 and 2016, achieving new record peaks for both periods with arrivals up +25.1% in July 2017 and +18.8% YTD. This impressive growth was apparently not hindered by the ongoing contraction of air capacity to Canada (-24.0% in July 2017, -28.6% YTD), or a July drop in the strength of the Real vs. the Canadian dollar (-6.3%).

DC Latin America Arrivals by Port of Entry

- For both markets, the largest year-to-date arrivals growth was observed in direct air arrivals (+73.5% from Mexico and +25.0% from Brazil). Almost two-thirds of visitors from Mexico (63.0%) and just over half from Brazil (52.8%) flew direct. The remainder of visitors from Mexico came via the US either by air (18.9%) or by land (14.6%), while those from Brazil mainly flew via the US (42.2%). Brazilian arrivals to Canada via the US by land and Mexican arrivals by sea declined year-over-year.
- YYZ was the most popular arrival airport for both Brazil (92.9%) and Mexico (45.8%), though YVR (26.8%) and YUL (23.4%) were also common arrival points for visitors from Mexico.

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	38,381	64,261
		YOY%	23.7%	77.0%
		% of Total	49.1%	28.9%
	YVR	Arrivals	1,196	37,604
		YOY%	46.6%	42.0%
		% of Total	1.5%	16.9%
	YUL	Arrivals	1,566	32,849
		YOY%	52.8%	125.2%
		% of Total	2.0%	14.7%
	YYC	Arrivals	81	4,542
		YOY%	-8.0%	106.8%
		% of Total	0.1%	2.0%
	All other airports	Arrivals	109	1,140
		YOY%	0.3%	1.4%
		% of Total	0.1%	0.5%
Subtotal	Arrivals	41,333	140,396	
	YOY%	25.0%	73.5%	
	% of Total	52.8%	63.0%	
Air Arrivals via the US	All airports	Arrivals	32,989	42,146
		YOY%	14.4%	50.4%
		% of Total	42.2%	18.9%
Sea Arrivals	All sea borders	Arrivals	1,487	7,623
		YOY%	9.7%	-77.3%
		% of Total	1.9%	3.4%
Land Arrivals via US	All land borders	Arrivals	2,414	32,560
		YOY%	-91.6%	16.2%
		% of Total	3.1%	14.6%
Total Overnight Arrivals			78,223	222,727

Source: Statistics Canada, Frontier counts, custom tabulations, Table C.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

January to July 2017		Trips To:			
		Canada		Australia	
Trips From:			YOY Change		YOY Change
Total International		11,678,861	4.2%	4,915,000	6.9%
United States		8,040,523	1.9%	450,800	11.7%
Canada		96,300	14.0%
Europe	United Kingdom	438,394	0.8%	396,200	2.2%
	France	296,098	3.9%	70,600	0.4%
	Germany	199,441	5.6%	111,500	8.0%
Asia-Pacific	Australia	207,823	17.0%
	Japan	155,982	5.5%	228,900	5.9%
	South Korea	157,489	16.1%	166,600	5.0%
	China	378,917	11.9%	829,100	10.7%
	India	155,996	22.8%	169,900	14.3%
Latin America	Mexico	222,727	54.9%	6,000	13.2%
	Brazil	78,223	18.8%	29,500	18.0%
Total DC Key Markets		10,331,613	4.0%	2,555,400	8.7%

Sources:

Statistics Canada, Frontier counts, custom tabulations.

Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- From January to July 2017 just over double the number of international tourists visited Canada (11.68 million) as visited Australia (4.92 million), though Australia continued to record slightly faster year-over-year growth (6.9% for Australia vs. 4.2% for Canada).
- Similarly, Canada (10.33 million) welcomed more than four times the number of visitors from Destination Canada's 11 core international markets as Australia (2.56 million) but grew at half the pace year-over-year (+4.0% for Canada, vs. +8.7% for Australia).
- Nearly 18 times more US travellers visited Canada (8.04 million) than visited Australia (450,800) from January to July 2017, despite Australia's much faster year-over-year growth in arrivals from this market (11.7% vs. 1.9% for Canada).
- More tourists from Destination Canada's Asia-Pacific markets visited Australia than visited Canada year-to-date in 2017, including more than 450,000 additional travellers from China. Year-over-year growth from this market was similar between the two countries, but slightly faster for Canada.
- Year-to-date in 2017, more than twice as many Australian tourists visited Canada (207,823) than Canadian tourists visited Australia (96,300). Canada also observed slightly faster year-over-year growth (+17.0% vs. 14.0% for Australia).

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry

		Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2017	24,463	206	91,505	147,111	1,708,776	5,507,955
	Variance YOY%	-13.0%	-80.7%	3.1%	-8.0%	5.9%	4.9%
	Change YOY	(3,651)	(864)	2,788	(12,843)	94,692	257,220
US Residents by Automobile	2017	0	0	7,333	130,425	600,230	2,417,747
	Variance YOY%	0.0%	0.0%	41.0%	-1.3%	-0.4%	-0.4%
	Change YOY	-	-	2,132	(1,762)	(2,305)	(8,902)
US Residents by Non-Automobile	2017	4,263	187	50,170	14,122	477,549	1,518,044
	Variance YOY%	-7.3%	55.8%	0.6%	-40.9%	9.0%	6.3%
	Change YOY	(336)	67	279	(9,785)	39,466	90,469
Residents from Other Countries	2017	20,200	19	34,002	2,564	630,997	1,572,164
	Variance YOY%	-14.1%	-98.0%	1.1%	-33.6%	10.0%	12.6%
	Change YOY	(3,315)	(931)	377	(1,296)	57,531	175,653

Source: Statistics Canada, Frontier counts, custom tabulations.
Preliminary estimates subject to change.

Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2017	128,480	42,164	618,181	3,311,338	98,682	11,678,861
	Variance YOY%	1.6%	-15.8%	6.4%	3.0%	3.1%	4.2%
	Change YOY	2,066	(7,927)	37,329	94,974	2,942	466,726
US Residents by Automobile	2017	86,528	32,511	97,505	1,098,974	48,498	4,519,751
	Variance YOY%	6.5%	5.7%	1.4%	-3.2%	6.5%	-0.8%
	Change YOY	5,280	1,742	1,344	(36,465)	2,981	(35,955)
US Residents by Non-Automobile	2017	37,191	8,331	334,674	1,037,951	38,290	3,520,772
	Variance YOY%	-7.0%	-52.5%	10.9%	4.4%	-1.9%	5.5%
	Change YOY	(2,789)	(9,206)	32,921	44,169	(728)	184,527
Residents from Other Countries	2017	4,761	1,322	186,002	1,174,413	11,894	3,638,338
	Variance YOY%	-8.2%	-25.9%	1.7%	8.0%	6.1%	9.6%
	Change YOY	(425)	(463)	3,064	87,270	689	318,154

- Ontario welcomed the largest proportion of international visitors to Canada year-to-date in 2017, with approximately 47% of arrivals (5.51 million visitors) crossing the border there, up 4.9% over the same period in 2016. British Columbia was the second most popular entry point (3.31 million visitors, +3.0% YTD), despite the notable drop in US auto arrivals over this period (36,465 fewer visitors compared to January-July 2016).
- Year-over-year growth in international arrivals was primarily concentrated in Ontario, British Columbia, Quebec and Alberta, while downward trends were observed in New Brunswick, Saskatchewan, Newfoundland and Labrador, and Prince Edward Island.
- Much of the year-to-date downward shift in US auto was focused in British Columbia, which may have been impacted by wildfires. Ontario, Quebec, and New Brunswick, which experienced flooding earlier in 2017, also registered year-to-date drops in US auto traffic.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	July 2017	YOY % Variance	Jan.- July 2017	YOY % Variance
United States	2,094,050	3.7	11,588,991	4.6
Other Countries	959,958	10.7	7,926,954	6.7
Total Trips from Canada	3,054,008	5.8	19,515,945	5.5

Source: Statistics Canada, International Travel Survey.

Note: The figures are preliminary estimates and are subject to change.

- For a second consecutive month, overnight trips by Canadians to international destinations expanded to reach 3,054,008 in July 2017, up 5.8% over July 2016. This increase was primarily driven by more trips to international destinations outside of the US in July (+10.7%), though Canadian trips to the US also saw appreciable gains (+3.7%).
- Year-to-date 2017, overnight trips by Canadians to international destinations, including the US, were up a robust 5.5%, including +4.6% to the US and +6.7% to overseas destinations.
- In July 2017, the Canadian Consumer Confidence Index (published by the Conference Board of Canada) increased by 2.1 points to reach 113.6, the highest observed since January 2010.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	July 2017	YOY^ Variance	Jan.- July	YOY^ Variance	July 2017	YOY % Variance	Jan.- July	YOY % Variance	July 2017	YOY % Variance	Jan.- July	YOY % Variance
Alberta¹	63.8%	2.4	52.8%	0.6	\$139.42	-0.9%	\$131.04	-1.4%	\$88.93	3.0%	\$69.20	-0.3%
British Columbia	86.0%	0.3	69.9%	1.9	\$208.21	7.5%	\$169.84	5.8%	\$179.11	7.8%	\$118.77	8.8%
Saskatchewan	58.9%	0.5	52.5%	-1.4	\$117.77	-3.4%	\$120.63	-4.8%	\$69.34	-2.5%	\$63.39	-7.3%
Manitoba	70.3%	4.6	67.4%	5.0	\$122.21	2.6%	\$122.76	1.3%	\$85.95	9.9%	\$82.75	9.3%
Ontario	79.3%	-1.8	67.0%	1.2	\$164.24	3.1%	\$151.26	6.2%	\$130.26	0.8%	\$101.29	8.1%
Quebec	82.1%	-0.3	68.4%	2.7	\$182.74	6.7%	\$163.59	5.8%	\$150.11	6.2%	\$111.96	10.1%
New Brunswick	84.3%	4.1	58.2%	2.7	\$133.53	5.5%	\$119.17	3.7%	\$112.61	10.9%	\$69.41	8.7%
Nova Scotia	87.8%	5.3	64.7%	2.8	\$157.03	13.1%	\$136.63	6.5%	\$137.83	20.3%	\$88.34	11.4%
Newfoundland	80.8%	0.2	61.9%	1.8	\$155.25	-2.9%	\$143.46	-1.6%	\$125.44	-2.7%	\$88.86	1.5%
Prince Edward Island	89.0%	-0.7	53.7%	0.5	\$180.52	7.1%	\$137.57	4.8%	\$160.72	6.3%	\$73.82	5.9%
Northwest Territories	58.6%	-2.7	66.2%	-1.6	\$135.33	-6.3%	\$143.90	-5.0%	\$79.34	-10.4%	\$95.23	-7.3%
Yukon	90.9%	3.7	67.3%	-0.5	\$146.87	8.4%	\$132.15	7.0%	\$133.54	13.0%	\$88.88	6.1%
Canada	77.6%	0.1	64.0%	1.4	\$173.27	4.4%	\$152.47	4.5%	\$134.45	4.5%	\$97.63	6.8%

Note: Based on the operating results of 237,545 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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- At 77.6%, the National Occupancy Rate in July 2017 was on par with July 2016 (+0.1 points). The provinces with the highest occupancy rates in July 2017 were Yukon (90.9%), Prince Edward Island (89.0%), and Nova Scotia (87.8%), while Nova Scotia, Manitoba, and New Brunswick recorded the strongest year-over-year growth for the month.
- Year-to-date, the National Occupancy Rate was up 1.4 points over January-July 2016, sitting at 64.0%. British Columbia (69.9%), Quebec (68.4%), and Manitoba (67.4%) recorded the highest YTD occupancy rates. The fastest year-over-year growth over this period came from Manitoba, Nova Scotia, and Quebec.
- British Columbia and Quebec were top performers for average daily rates (ADR) and revenue per available room (RevPar), both for the month of July and year-to-date. In July, Prince Edward Island was also a top-3 performer on both measures, while year-to-date it was Ontario.
- Overall, several of the major tourism destinations in Canada reported appreciable gains in ADR, despite slightly sagging, but high occupancy rates, including resort areas in Alberta and British Columbia, as well as Niagara Falls and main urban destinations such as Halifax, Québec City, Montreal, Vancouver and Victoria.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	July 2017	YOY^ Change	Jan.- July	YOY^ Variance	July 2017	YOY Variance	Jan.- July	YOY Variance
Property Size								
Under 50 rooms	70.2%	3.1	50.6%	2.7	\$126.48	3.5%	\$111.04	4.0%
50-75 rooms	76.4%	2.5	57.7%	1.9	\$135.95	3.0%	\$115.78	1.9%
76-125 rooms	76.2%	1.3	62.0%	1.9	\$146.13	3.0%	\$129.38	2.4%
126-200 rooms	77.6%	0.3	65.0%	1.4	\$157.16	5.5%	\$139.88	5.0%
201-500 rooms	78.4%	-1.0	67.3%	0.6	\$203.75	5.4%	\$179.94	5.8%
Over 500 rooms	84.5%	-6.0	72.9%	0.7	\$269.61	6.5%	\$225.02	7.9%
Total	77.6%	0.1	64.0%	1.4	\$173.27	4.4%	\$152.47	4.5%
Property Type								
Limited Service	74.0%	2.2	58.8%	2.0	\$129.58	4.0%	\$116.74	3.0%
Full Service	78.7%	-0.9	66.6%	0.9	\$187.27	5.0%	\$164.44	5.4%
Suite Hotel	83.7%	-2.9	73.1%	1.1	\$179.66	3.0%	\$157.72	3.1%
Resort	83.2%	-1.4	63.5%	1.8	\$291.13	8.4%	\$237.26	6.9%
Total	77.6%	0.1	64.0%	1.4	\$173.27	4.4%	\$152.47	4.5%
Price Level								
Budget	74.4%	1.8	57.8%	2.5	\$116.25	7.3%	\$100.99	6.6%
Mid-Price	77.8%	0.2	64.7%	0.9	\$163.38	3.8%	\$144.66	3.6%
Upscale	81.5%	-3.2	69.9%	1.3	\$293.96	4.4%	\$248.91	5.6%
Total	77.6%	0.1	64.0%	1.4	\$173.27	4.4%	\$152.47	4.5%

Note: Based on the operating results of 237,545 rooms (unweighted data).
 ^ Percentage points.

- In line with recent trends, both occupancy rate and ADR generally increased with the size of the property, with the largest properties (500+ rooms) reporting the highest occupancy rates (84.5% in July, 72.9% YTD) and average daily rates (\$269.61 in July, \$225.02 YTD). However, properties with 500+ rooms also recorded a noticeable drop in occupancy rate compared to July 2016 (-6.0 points).
- Suite hotels continued to record the highest occupancy rates (83.7% in July, 73.1% YTD). However, all property types except Limited Service recorded year-over-year declines in occupancy rate in July 2017. Resorts continued to report the highest ADR (\$291.13 in July, \$237.26 YTD).
- While upscale properties continued to report higher occupancy rates compared to lower priced hotels (81.5% in July, 69.9% YTD), they were also the only ones to record a year-over-year decline in occupancy rate in July 2017.