

KEY TAKEAWAYS

#1 Overall tourism revenues remain higher than pre-pandemic levels

Overall, total tourism revenue for Q2 2024 reached \$28.8B, exceeding pre-pandemic levels (114% of 2019). Domestic tourism revenue reached \$21.6B (123% of 2019) over this period; however, international tourism revenue was 93% of 2019, down from 98% in Q1 2024.

#2 International visitation recovery continues

With 8.3 million international visitors in the first half of 2024 (92% of 2019), the ongoing recovery of international visitation to pre-pandemic levels continued through Q2 2024, though at a slightly reduced pace going into the peak summer season after a stronger start to the year in Q1.

Contributing to the slightly subdued growth in Q2 2024 was an ongoing decline in arrivals from Mexico following the introduction of new visa requirements in February.

#3 Canada remains a favoured destination for travellers in key markets

In Q2 2024, for a second consecutive quarter, Canada was the most popular destination among Americans surveyed about where they would fly to for their next vacation.

Additionally, Canada was listed among the top three recommended destinations in the UK, France, Germany, and Mexico.

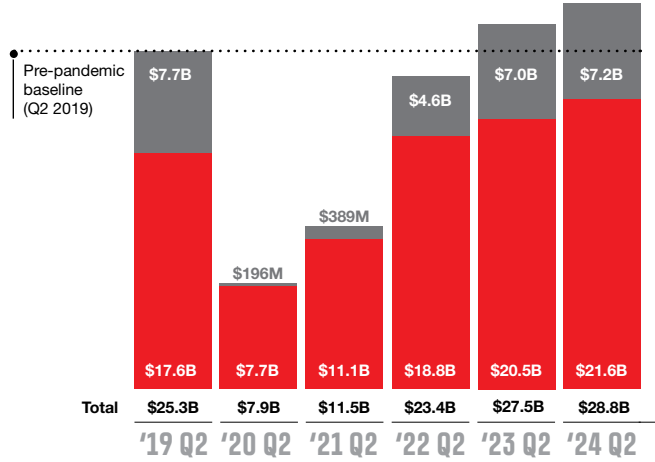
This was supported by generally positive sentiment towards tourism among Canadian residents.

STATE OF THE INDUSTRY

Tourism Spend

Source: Statistics Canada, National Tourism Indicators, Q2 2024 (data released September 23, 2024)

Overall tourism spending continued to surpass pre-pandemic levels in Q2 2024, reaching 114% of Q2 2019 spending in unadjusted-inflation terms. This trend was driven by domestic tourism spending (123% of 2019 levels), while spending by international visitors still lagged slightly behind (93% of 2019 levels).



% OF 2019

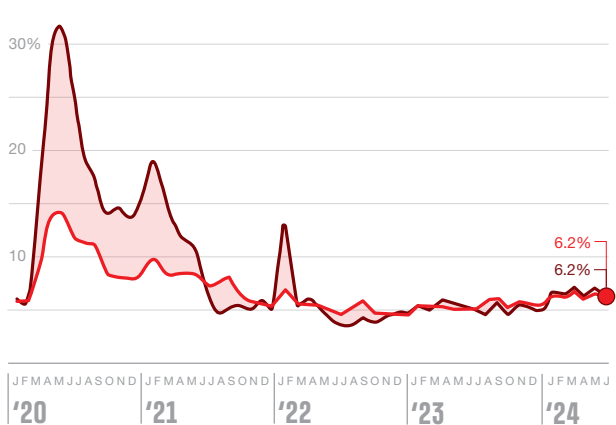
	2023 Q4	2024 Q1	2024 Q2
Canada	110%	120%	123%
International	103%	98%	93%
Overall	108%	115%	114%

Tourism Employment

Source: Statistics Canada, Labour Force Survey, via Tourism HR Canada (data extracted September 11, 2024)
Source: Statistics Canada, Job Vacancy and Wage Survey, Table 14-10-042-01 (data released September 17, 2024)

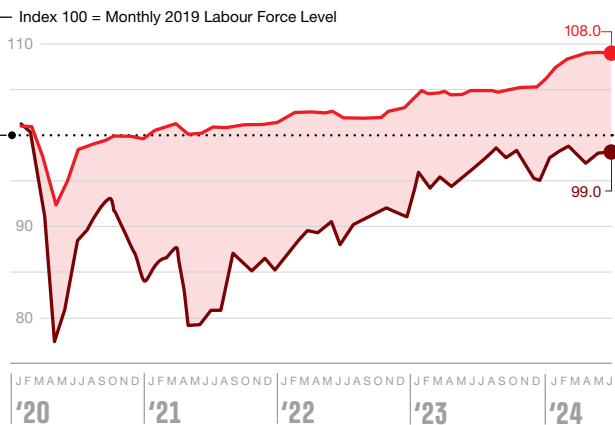
Unemployment Rate

The unemployment rate in the tourism industry was 6.2% in June 2024, on par with the general Canadian economy. The tourism unemployment rate was 1.0 percentage point higher than in June 2023.




Labour Force Active in the Canadian Economy

While the Canadian labour force expanded 8.0% over its pre-pandemic level by June 2024, the labour force active in the tourism sector remained 1.0% below the pre-pandemic level.



Job Vacancy*



5.3% UNFILLED

At the end of Q2 2024, 96,000 jobs in tourism remained unfilled, which equates to 5.3% of tourism jobs.

*Note: Job Vacancy data excludes air transportation and scenic and sightseeing transportation. Q2 data was suppressed to meet confidentiality requirements of the Statistics Act.



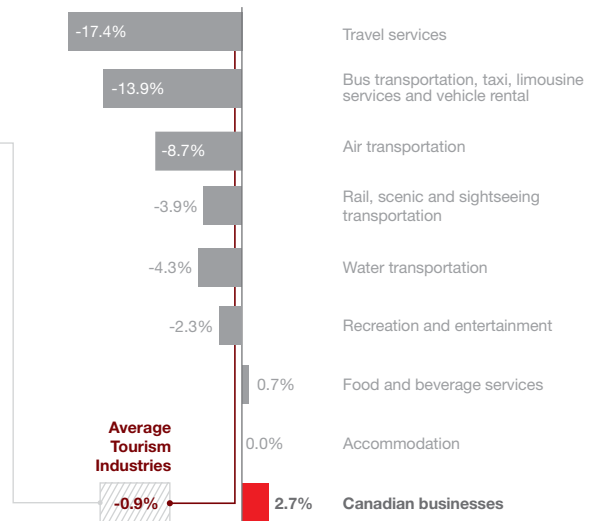
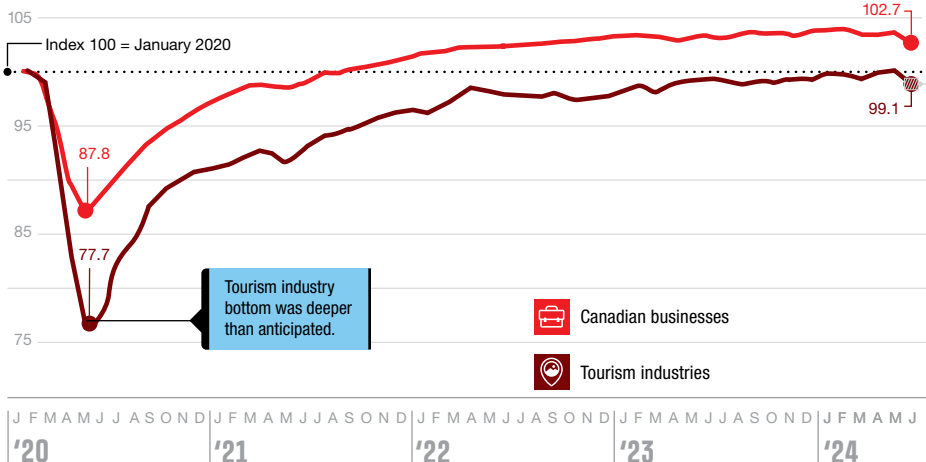
Active Businesses

Source: Statistics Canada, Experimental estimates of business openings and closures for Canada, Table 33-10-0270-01 (data released September 26, 2024)

As of June 2024, active tourism businesses were only 0.9% below pre-pandemic levels but the tourism industry's recovery since the pandemic continued to trail that of the general business sector. Travel services and passenger transportation services remained notably behind their pre-pandemic baselines.

Change in the number of businesses active in tourism industries 2024-June vs 2020-January

Monthly active businesses in Canada



TOURISM PERFORMANCE

Domestic Tourism Sentiment

Domestic: Tourism Sentiment

Canadian residents' general sentiment towards tourism remained positive and well ahead of the global benchmark in Q2 2024, with a marginal improvement since Q1 2024. The Resident Consideration Index slipped slightly and remained below the global benchmark, while other metrics remained relatively stable this quarter.

General Sentiment Towards Tourism

62

↑ Global Benchmark 46

Overall sentiment which measures the balance of positive vs. negative consequences of tourism.

↑ Exceeds Global Benchmark ↓ Does not exceed Global Benchmark

Tourism Growth Support Index

59

↓ Global Benchmark 60

Net proportion of residents that support the growth of tourism.

Resident Consideration Index

17

↓ Global Benchmark 34

The balance between residents considering that tourism policy takes into consideration its effect on their lives vs. those who do not agree with this.

Tourismphobia Index

3

↑ Global Benchmark 4

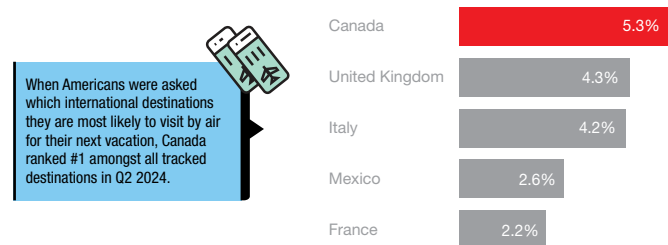
The proportion of residents opposed to tourism and its growth.

Note: Beginning December 2022, Destination Canada uses the Resident Sentiment Index to monitor sentiment and gauge support from Canadians for tourism. The Index is endorsed by the UNWTO, trusted by leading destinations around the world, with a validated and robust methodology. The Index compares Canada with other countries, providing insights into Canada's unique challenges and identifying areas where it is excelling compared to the benchmarked competition. Any data reported on domestic tourism sentiment prior to December 2022 references a different data product.

Source: TCI / Resident Sentiment Index® with Rowe Destination Insight, Q2 2024

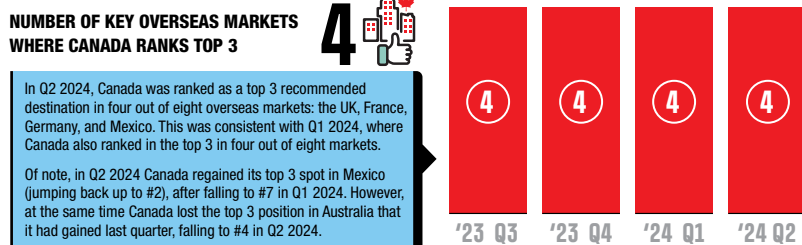
Destination Recommendation and Travel Intent Metrics

US: Travel Purchase Intent



When Americans were asked which international destinations they are most likely to visit by air for their next vacation, Canada ranked #1 amongst all tracked destinations in Q2 2024.

International (non-US): Brand Recommendation

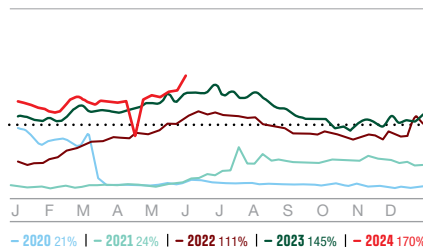


Source: YouGov, DestinationIndex

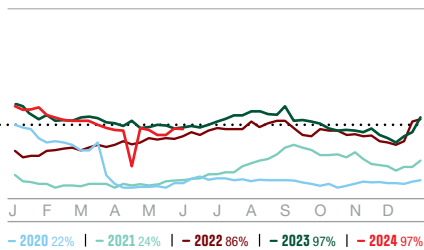
Travel Considerations

Web Search Trends for Air & Accommodation to Canada

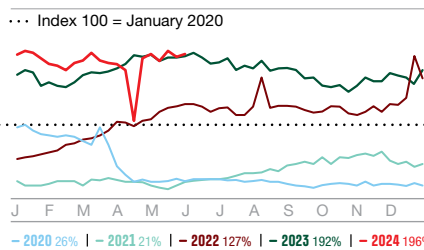
From United States



From Europe (incl. UK, France & Germany)



From Asia-Pacific (incl. Australia, Japan & South Korea)



Despite an outlier in late April, across all markets search remained at or above 2023 levels in Q2 2024.

In the USA there was a moderate increase going into June as search reached a 4-year high.

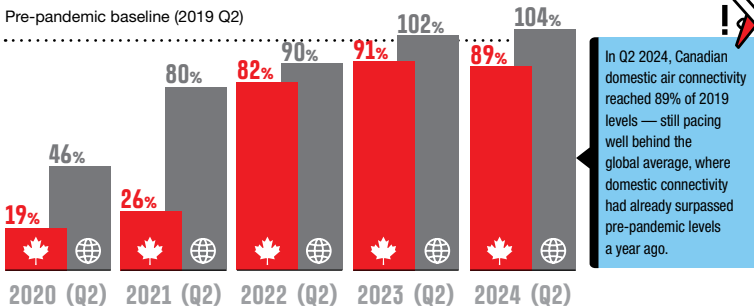
In both Europe and Asia-Pacific search performance has been tracking alongside 2023 seasonal levels.

Source: DC Calculations based on Destination Insights with Google data extracted on September 13, 2024

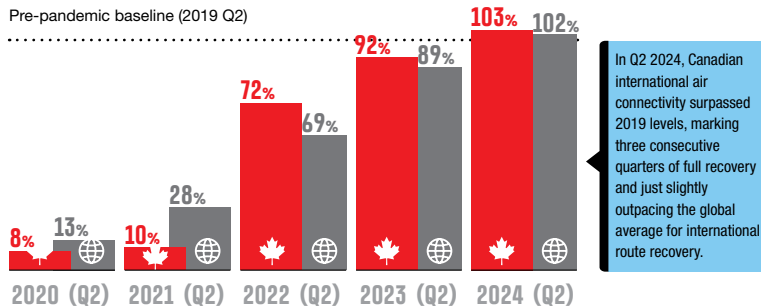
TRAVEL CONNECTIVITY & BOOKINGS

Air Connectivity

Global Domestic Flight Seat Capacity



Global International Flight Seat Capacity

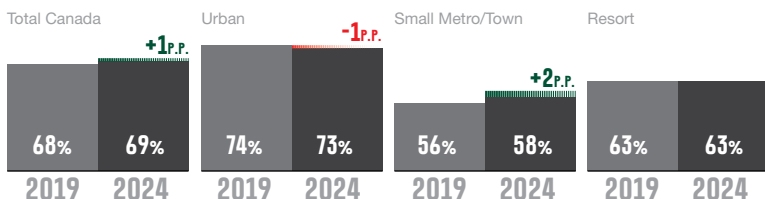


Source: International Air Transport Association, OAG Analyzer (data extracted September 6, 2024)

Hotel Occupancy

At the national level, average occupancy in Q2 2024 was slightly above pre-pandemic levels, driven by growth in small metro/town hotel occupancy.

Occupancy Rate Q2 Data



Source: STR, date extracted on September 11, 2024

Int'l Business Events Booking Pace

International business events scheduled in Canada for Year-to-date June 2024

272

International business events delegates/arrivals estimated for Year-to-date June 2024

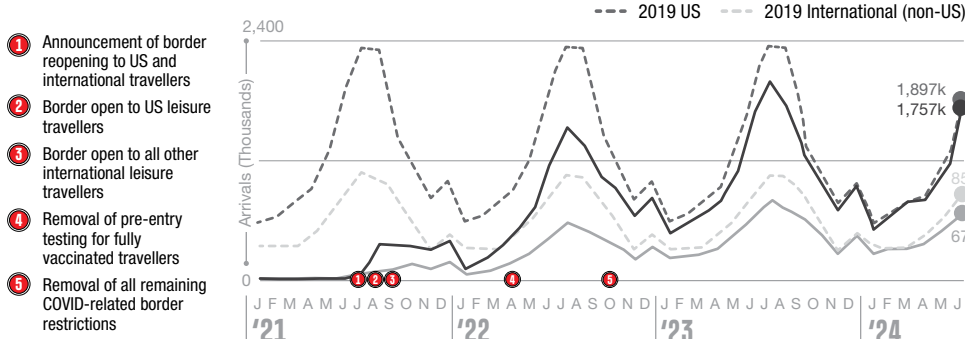
173,063

From January–June 2024 international business events held reached 79% compared to the same period in 2019, which was marginally up from 2023 levels. The number of international delegates over this period reached 94% of 2019 levels arriving in Canada. The average size of int'l events appear to be larger than 2019, this suggests delegates are prioritizing the events they attend (a lower number of events being budgeted for from organizational travel policies to sustainability).

Source: Destination Canada's National Business Events Pace Report, June 30, 2024 dataset

Arrivals

Monthly Arrivals of International Tourists in Canada



- Announcement of border reopening to US and international travellers
- Border open to US leisure travellers
- Border open to all other international leisure travellers
- Removal of pre-entry testing for fully vaccinated travellers
- Removal of all remaining COVID-related border restrictions

92%

With 8.3 million international visitors in the first half of 2024, year-to-date overnight arrivals approached pre-pandemic levels, reaching 92% of arrivals over the same period in 2019. This included 5.8 million visitors from the US (95% of 2019) and 2.5 million visitors from overseas (86% of 2019).

Year-to-date arrivals by mode of entry, border counts

Year-to-Date June 2024

Mode	2024	2019	Total
Airplane	2,250,198	2,223,537	4,473,735
Car	3,405,842	286,003	3,691,845
Ship	133,292	17,070	150,362
Total	5,789,332	2,526,610	8,315,942

Source: Statistics Canada, Table 24-10-0055-01 (data released August 23, 2024)