



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

November 2009

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## Key Highlights

With an economic recovery underway and a strengthening Canadian dollar, Canadian travel abroad in November registered a gain of 2.5%, as overnight travel to the US edged up by 4.8% while visitors to overseas destinations decreased 3.4% over last year.

Overnight travel by US residents to Canada posted its single largest decline in 2009, with Canada welcoming 73,089 fewer US visitors compared with November 2008.

The introduction of visa requirements for Mexican travel to Canada continued to hinder inbound travel with Mexico registering the most significant drop (62.3%) among CTC key markets, followed by Brazil (-25.4%), South Korea (-15.7%) and the UK (-14.0%).

## Tourism Review – In Bound Highlights

### International Trips

- November 2009 showed a 11.3% decline in the number of overnight international travellers, falling to 722,667 visitors;
- Visitors from countries other than the US held a market share of 23.6% in November, a 7.9% increase compared with the same month last year;
- Year-to-date, the number of overnight trips to Canada from overseas countries other than CTC key markets fell by 128,489 trips to 1.5 million compared with November 2008;
- Overall, international trips to Canada during the first 11 months of 2009 fell by 7.9% to 14.8 million, with visitors from non-US countries declining by 12.5%.

### United States

- US travellers to Canada fell by 11.6% over November 2008 to 551,852 overnight trips. This was 2009's largest monthly decline in US visitors;
- Overnight car travel to Canada led the decline, with November trips down 14.6%, followed by "other" mode (-13.8%) and plane (-6.3%);
- Year-to-date, Americans made 6.6 million overnight car trips to Canada, down 4.2% from the same period last year, while plane and "other" mode trips saw declines of 8.9% and 9.2% respectively;

## Overnight Trips To Canada

	Nov 2009	09/08 Nov % Change	Jan-Nov 2009	Year-to-date % Change
<b>Americas*</b>				
<b>United States</b>				
Automobile	323,235	-14.6	6,627,130	-4.2
Plane	199,425	-6.3	3,027,665	-8.9
Other	29,192	-13.8	1,373,520	-9.2
<b>U.S. Total</b>	<b>551,852</b>	<b>-11.6</b>	<b>11,028,315</b>	<b>-6.2</b>
<b>Mexico</b>	<b>3,743</b>	<b>-62.3</b>	<b>161,399</b>	<b>-34.9</b>
<b>Americas Total</b>	<b>555,595</b>	<b>-12.5</b>	<b>11,189,714</b>	<b>-6.8</b>
<b>Overseas Key Markets</b>				
France	14,256	6.6	382,588	-3.4
Germany	9,950	-8.1	295,276	-3.1
UK	26,362	-14.0	662,771	-17.2
China	8,868	-10.4	150,512	0.8
Japan	11,694	10.9	185,762	-29.4
South Korea	6,047	-15.7	128,043	-26.3
Australia	9,564	-2.5	186,938	-14.6
India**	5,047	-12.4	101,478	-3.7
Brazil**	2,512	-25.4	55,633	-14.3
<b>Overseas Key Markets</b>	<b>94,300</b>	<b>-7.0</b>	<b>2,149,001</b>	<b>-13.2</b>
<b>As % of Overseas and Americas</b>	<b>14.5%</b>		<b>16.1%</b>	
Other Overseas Countries	72,772	-7.5	1,493,883	-7.9
Non-US Countries	170,815	-10.1	3,804,283	-12.5
<b>Total Countries</b>	<b>722,667</b>	<b>-11.3</b>	<b>14,832,598</b>	<b>-7.9</b>

Note: Statistics Canada preliminary estimates

Source: Statistics Canada, International Travel Survey.

\*Refers to the CTC's marketing group in the U.S. and Mexico.

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

- In November 2009, Newfoundland reported an increase in US visitors, up 42.0% over 2008. In contrast, Alberta posted a significant decline of 15.1%;
- During the first 11 months of 2009, only New Brunswick (+14.5%) and Saskatchewan (+5.2%) saw increases in the total number of US visitors.

### Mexico

- Still influenced by the new visa requirements for travellers to Canada, Mexico registered the most significant drop (-62.3%) in volume among CTC key markets in November;
- Mexico also posted the largest year-to-date decline, with Canada welcoming 86,343 less visitors from that country compared with the same period last year.

### Overseas Key Markets

- In November, travellers from overseas key markets made 94,300 overnight trips to Canada, a decline of 7.0% over the same month last year but an improvement compared with the 20.1% decline in May 2009;
- This month, overseas key markets represented 14.5% of visitors from CTC markets, an increase of 3.6% over 2008;
- Japan posted the most notable increase in overnight visitors, jumping 10.9% after 10 consecutive months of decline in 2009;
- Overnight travel from China deteriorated in November after three months of growth, falling by 10.4%. In contrast, France broke into positive territory with visitor numbers up 6.6%;
- After experiencing a 15.6% increase in overnight travellers from Germany in October, there was a significant 8.1% drop in November;
- For the first 11 months of 2009, Japan continued to report the largest decline in visitors (-29.4%), followed by South Korea (-26.3%) and the UK (-17.2%).

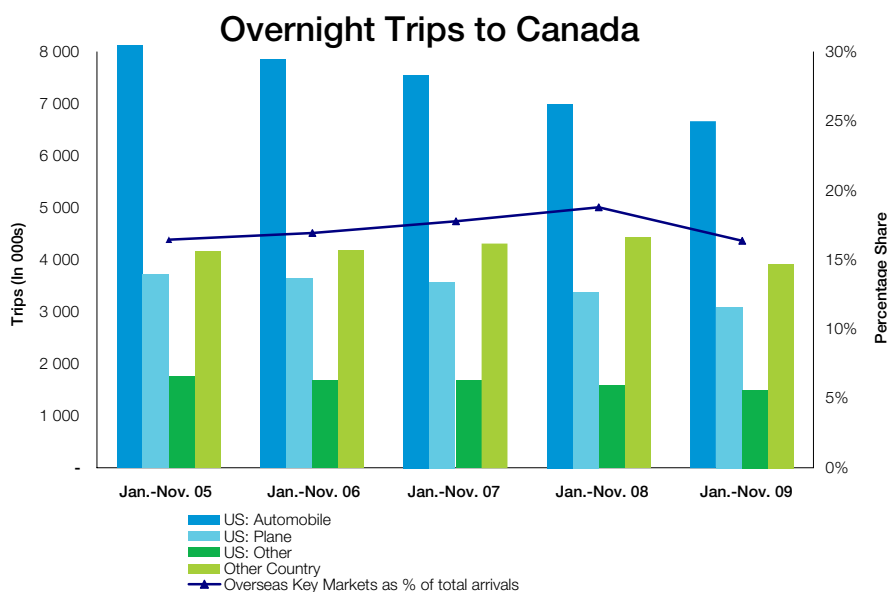
### Overnight Trips by Canadians

	Nov 2009	09/08 Nov % Change	Jan-Nov 2009	Year-to-date % Change
United States	1,363,201	4.8	16,786,187	-5.9
Other Countries	506,509	-3.4	7,601,135	1.6
<b>Total Trips from Canada</b>	<b>1,869,710</b>	<b>2.5</b>	<b>24,387,322</b>	<b>-3.7</b>

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

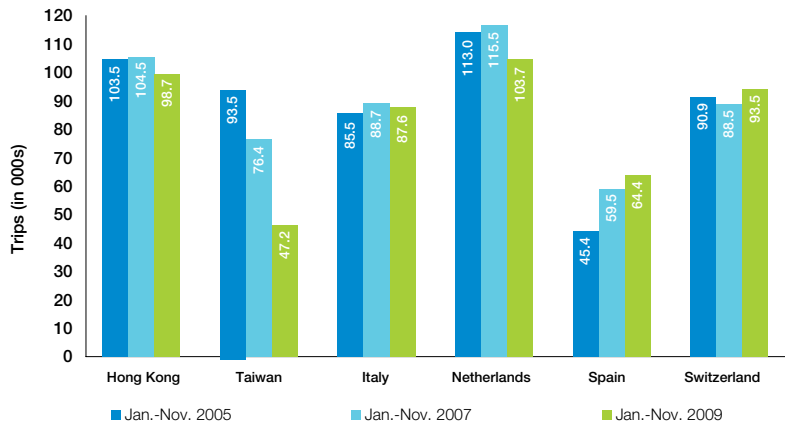
### Share of Entry (January – November, 2009)

- Year-to-date November, there were 11 million overnight US visitors, accounting for 82.7% of the total visitors from key markets: 49.7% were automobile trips, 22.7% were plane trips and 10.3% were “other” mode trips;
- The Americas (US and Mexico) accounted for 83.9% of visitors from key markets, a decline of 0.9% over the same period in 2005;
- Overnight visitors from key European markets made 1.3 million overnight trips to Canada during the first 11 months of 2009, accounting for a share of 10.1%, which was up 9.8% compared to the same period in 2005;
- Visitors from Asian markets made 651,255 trips year-to-date, representing 4.9% of total visitors from key markets. Of all CTC key markets, Japan represented 1.4%;
- 157,111 visitors from emerging markets (India and Brazil) accounted for 1.2% of total key market tourists, a 50.0% increase over 2005.



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

## Trips to Canada, by Selected Markets



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

## Market Watch

- Year-to-date, Spain continued to record the largest growth (+41.9%), with 19,000 additional visitors to Canada compared with the same period in 2005;
- Switzerland posted a more moderate increase of 2.9% over 2005, reaching 93,500 visitors;
- Among the selected markets, the Netherlands represented the largest market share with 103,700 travellers visiting in the first 11 months of 2009, despite experiencing a 8.2% decline over 2005;
- Compared with 2005, Taiwan posted a significant reduction in travellers, falling 44.8% to 47,200 trips.

## Competitive Review (January-September 2009)

- Compared with the first nine months of 2008, international travel to the UK fell 9%, travel to both Canada and the US was down 8%, and Australia posted a moderate decline of 2%;
- Of the three destinations, Australia outperformed Canada, the UK and the US with increases in the number of visitors from India (+7%) and France (+5%);
- Between January and September 2009, Canada posted a larger decline in visitors from Japan (-31%) than Australia (-25%), the US (-14%) and the UK (-8%);
- Canada and Australia experienced stronger growth from China (both up 1%) compared with the US (-3%) and the UK (-8%);
- Throughout 2009, the US outperformed Canada in terms of growth in visitors from Brazil. This trend continued also year-to-date September 2009 (+11%).

## International Travel, January-September 2009 (In 000s)

Trips From:	Trips To:							
	Canada		United States		Australia		UK	
	#	09/08 Change	#	09/08 Change	#	09/08 Change	#	09/08 Change
Total International	13,010	-8%	35,981	-8%	3,966	-2%	22,806	-9%
<b>Americas</b>								
United States	9,680	-6%	...	...	344	1%	2,272	-7%
Mexico <sup>1</sup>	152	-32%	4,295	-6%	...	...	67	26%
<b>Other Key Markets</b>								
France	337	-4%	930	-3%	64	5%	2,938	3%
Germany	259	-5%	1,263	-7%	109	-3%	2,093	-8%
United Kingdom	582	-19%	2,906	-16%	441	-3%	...	...
China <sup>2</sup>	128	1%	489	-3%	277	1%	102	-4%
Japan	152	-31%	2,170	-14%	260	-25%	173	-8%
South Korea	113	-28%	560	-10%	134	-22%	...	...
Australia	165	-16%	526	0%	...	...	709	-7%
India	89	-4%	447	-11%	93	7%	218	-28%
Brazil	48	-14%	613	11%	...	...	...	...
Canada	...	...	14,044	-7%	84	-5%	542	-24%
<b>Total Key Markets</b>	<b>11,704</b>	<b>-8%</b>	<b>28,243</b>	<b>-8%</b>	<b>1,806</b>	<b>-7%</b>	<b>9,114</b>	<b>2%</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.

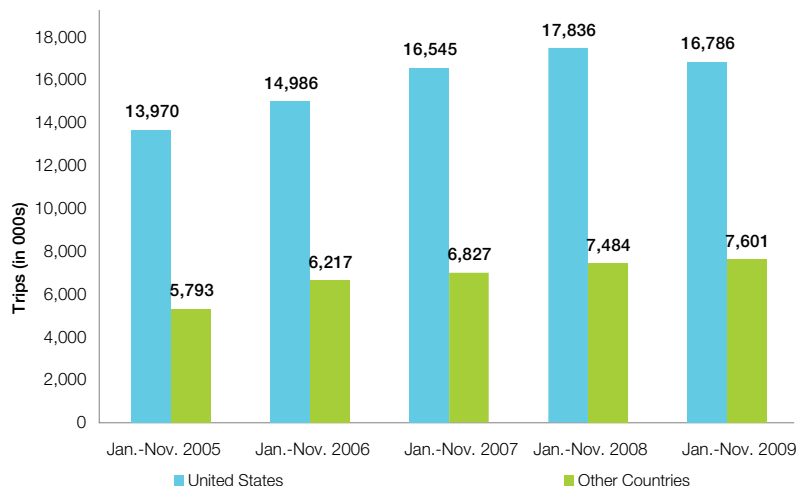
Sources: Statistics Canada; Tourism Australia; and ITA, and Office of Travel and Tourism Industries (USA).

Note: Statistics Canada preliminary figures.

## Canadian Outbound Trips

- Canadian trips abroad were up in November (+2.5%) mainly as a result of a rise in overnight travel to the United States. In comparison with last November, Canadians made 65,851 more overnight automobile trips to the US alone, an increase of 9.2%;
- Despite a strengthening currency, Canadian overnight travel abroad contracted by 3.4% in November. However, there was a notable 42.5% increase in international travellers from Manitoba, totalling 2,449 trips;
- In contrast to November's trend, year-to date Canadian travel to the US was down 5.9% compared with the same period last year, while overnight travel to non-US destinations grew by 1.6%;
- In the first 11 months of 2009, Canadian travel to the US was down among all provinces except for Newfoundland and Alberta who had increases of 3.0% and 1.6% respectively. On the other hand, all provinces saw increases in travel to non-US destinations year-to-date, with the exception of Yukon, BC and Newfoundland, which had declines of 15.4%, 3.9% and 0.2% respectively.

Outbound Trips by Canadians (in 000s)



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

## Consumer Outlook

### Consumer Confidence

**CANADA:** The Index of Consumer Confidence decreased for a second consecutive month in November, falling 5.7 points to 79.0 (2002 = 100) but still ahead of November 2008 (71).

**UNITED STATES:** The Conference Board Consumer Confidence Index®, which had declined in October, increased slightly in November. The index now stands at 49.5 (1985 = 100), up from 48.7 in October.

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

## Accommodatons

- Canadian hotel occupancy rates decreased 4.5% to 54.2% in November after also falling in October;
- The average daily room rate continued to erode in November dipping 3.3% to \$119.16, with NWT, Alberta, Quebec and Saskatchewan posting rates about the national average;
- Yukon posted the most significant improvement in revenue per available room, despite a 4.0% drop in the average daily room rate to \$92.25;
- Year-to-date revenue per available room fell by 12.78% to \$74.78. However Yukon, Saskatchewan, PEI and Newfoundland curbed this trend with increases of 4.1%, 1.9%, 0.2% and 0.2% respectively;
- During the first 11 months of 2009, Alberta registered the greatest decline in occupancy (-9.8%) along with strongest fall in revenue per available room, down 17.4% to \$78.10.

### Canadian Occupancy Rates\*, By Province

	Nov-09	09/08 Change^	Jan-Nov 2009	Year-to-date Change^
Alberta <sup>1</sup>	58.6	-10.7	60.4	-9.8
British Columbia	48.5	-2.6	60.5	-5.7
Saskatchewan	73.9	-5.6	71.1	-2.6
Manitoba	62.4	-11.0	65.2	-3.2
Ontario	55.6	-3.5	58.4	-4.7
Quebec	51.1	-4.1	58.3	-4.6
New Brunswick	51.6	-0.8	56.8	-3.7
Nova Scotia	52.0	-2.3	60.7	-3.8
Newfoundland	61.2	-0.5	66.8	-0.3
Prince Edward Island	41.3	4.3	49.6	-0.7
Northwest Territories	62.8	3.9	61.2	-2.8
Yukon	70.2	9.1	73.2	4.3
<b>Canada</b>	<b>54.2</b>	<b>-4.5</b>	<b>59.7</b>	<b>-5.4</b>

\* Note: Based on the operating results of 210,784 rooms (unweighted data).

^ Percentage points. <sup>1</sup>Excluding Alberta resorts Source: PKF Consulting Inc.

## Strategic Performance (January-November, 2009)

## Travel Volumes, January-October 2009

	Trips Made (000s)		
	Target	Actual	% Difference
United States	11,317	11,028	-2.6
Mexico	239	161	-32.6
<b>Americas (Total)</b>	<b>11,557</b>	<b>11,190</b>	<b>-3.2</b>
<b>Overseas Key Markets</b>			
France	374	383	2.2
Germany	280	295	5.3
UK	730	663	-9.2
China	157	151	-3.9
Japan	239	186	-22.4
South Korea	165	128	-22.5
Australia	209	187	-10.6
Overseas Key Market (Total)	<b>2,155</b>	<b>1,992</b>	<b>-7.6</b>
<b>Total</b>	<b>13,712</b>	<b>13,182</b>	<b>-3.9</b>

- There was a shortfall in projected trips of 530,000, against all set targets for the CTC's key
- markets, a -3.9% difference for January through November;
- The most notable performance was by Germany and France, both exceeding their targets by 5.3% and 2.2% respectively;
- Year-to-date, Mexico posted the largest shortfall, followed by South Korea and Japan, with differences of 32.6%, 22.5% and 22.4% respectively.

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