



# Tourism Snapshot

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





## Key highlights

This month, Brazil (+44.3%), China (+8.5%) and France (+1.3%) were the only CTC markets to post gains in overnight arrivals to Canada.

In March 2011, seven of CTC's key international markets saw declines in overnight arrivals to Canada. This was largely due to stronger performances in March 2010 caused by the earlier timing of Easter (March 2010 versus April 2011) and by comparison with the number of arrivals during the 2010 Winter Games.

Japan reported the worst drop in overnight arrivals (-30.6%), an early indication of the effects of the March 11<sup>th</sup> disaster. Notable declines were also seen in overnight arrivals from Germany (-21.6%) and the UK (-20.0%).

# Tourism review Inbound highlights

## Overnight trips to Canada

	March 2011	11/10 March % Change	Jan.- March 2011	Year-to-date % Change
<b>United States</b>				
Automobile	300,597	-8.1	824,536	-7.3
Plane	224,080	2.7	580,464	1.1
Other	33,387	-2.4	93,078	-4.0
<b>US Total</b>	<b>558,064</b>	<b>-3.7</b>	<b>1,498,078</b>	<b>-4.0</b>
<b>Core Markets</b>				
UK	32,715	-20.0	93,966	-12.8
France	20,140	1.3	69,164	1.9
Germany	12,430	-21.6	33,577	-19.5
Australia	9,251	-11.1	34,595	4.7
<b>Core Total</b>	<b>74,536</b>	<b>-14.4%</b>	<b>231,302</b>	<b>-7.6%</b>
<b>Emerging/ Transition Markets</b>				
Japan	11,185	-30.6	30,753	-18.2
South Korea	8,006	-17.2	26,666	-4.2
Mexico	8,467	-14.8	20,179	-5.3
Brazil**	4,845	44.3	16,128	18.8
China	10,864	8.5	34,889	16.5
India**	6,848	-3.2	18,764	3.0
<b>Emerging/ Transition Total</b>	<b>50,215</b>	<b>-10.6%</b>	<b>147,379</b>	<b>-0.8%</b>
<b>Overseas Key Markets</b>	<b>124,751</b>	<b>-12.9%</b>	<b>378,681</b>	<b>-5.1%</b>
Other Overseas Countries	76,414	-6.8%	208,543	-9.0%
Non-US Countries	209,632	-10.8%	607,403	-6.5%
<b>Total Countries</b>	<b>767,696</b>	<b>-5.8%</b>	<b>2,105,481</b>	<b>-4.7%</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

## International trips

- In March, there was a 5.8% drop in the total number of overnight visitor arrivals to Canada compared with 2010. This contributed to an overall year-to-date 4.7% decline year-to-date, with the total number of overnight visitors falling to 2.1 million;
- Overall overnight arrivals from CTC Core Markets (the UK, France, Germany and Australia) fell by 14.4% in March 2011, contributing to a year-to-date decline of 7.6% over the same period in 2010;
- Overnight trips to Canada from countries other than CTC key markets contracted by 8.7%, totalling 228,722 in Q1 2011. Overnight visits from all countries excluding the US fell by 6.5% to 607,403.
- In Q1 2011, Quebec had a 2.1% increase in total overnight trips, reaching 36,484. Alberta (-13.2%), British Columbia (-12.8%) and Ontario (-0.1%) all posted declines compared with the same period in 2010.

## United States

- In March 2011, overnight travel to Canada from the US declined by (-3.7%) a more moderate drop compared to the a 8.9% dip in February;
- This month, the number of US overnight arrivals by air improved by 2.7% to 224,080, which contributed to a 1.1% increase in the first quarter of 2011. In March, the number of US overnight arrivals into Canada by automobile contracted by 8.1%, while “other” modes of travel fell by 2.4% over 2010;
- This month, the majority of Canadian provinces/territories saw declines in the number of overnight visitors from the US, with the exception of Saskatchewan and Nova Scotia, who were up 12.8% and 7.9% respectively. British Columbia reported a more moderate decline of 3.0% in March after experiencing a larger 27.1% decline in February, largely linked to a boost in arrivals in February 2010 with the hosting of the Winter Olympic Games;
- In the first quarter of 2011, Newfoundland and Labrador (-27.2%) posted the most significant decline in overnight arrivals from the US, followed by British Columbia (11.4%), and Yukon (-9.7%), when compared with Q1 2010.

- In March 2011, France (+1.3%) was the only CTC Core Market to report an increase in overnight arrivals to Canada, reaching 20,140 trips. This marks the 11th consecutive monthly increase in overnight trips from France to Canada.
- For the fifth month in a row, Germany posted a decline in arrivals to Canada, this time down 21.6%, to 12,430 visitors;
- In the first quarter of 2011, Australia and France were the only two CTC Core Markets to see increases in the total number of trips to Canada, up 4.7% and 1.9% respectively over 2010.

## Emerging/ Transition Markets

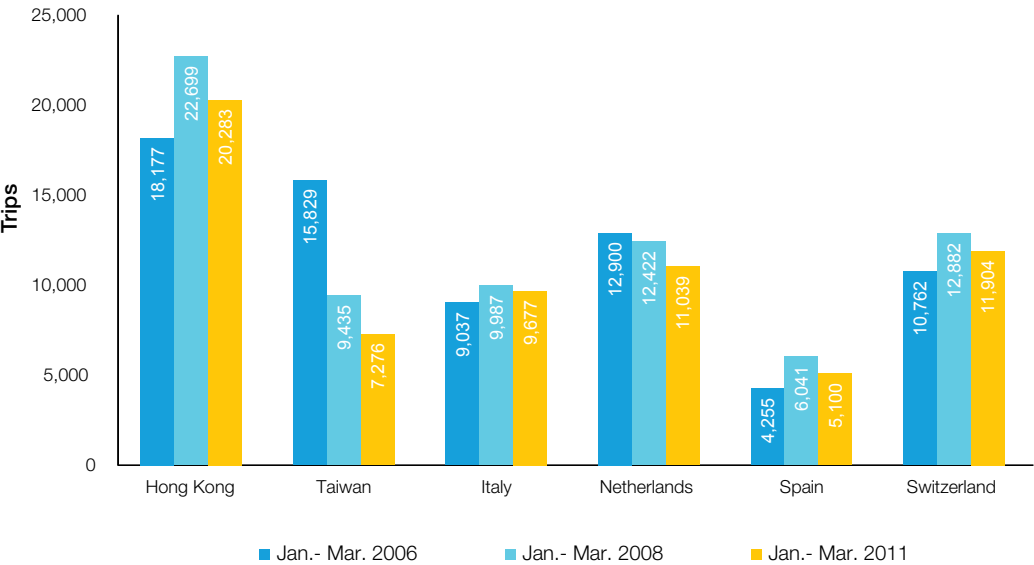
- In March 2011, Japan (-30.6%) reported the worst drop in overnight arrivals among CTC emerging/transition markets (Japan, South Korea, Mexico, Brazil, China and India), an early indication of the impact of the March 11 disaster;
- Brazil (+44.3%) and China (+8.5%) were the only CTC markets to post gains in overnight arrivals to Canada;
- In the first quarter of 2011, Brazil, China and India reported increases in arrival to Canada of 18.8%, 16.5%, and 3.0% respectively over 2010;
- During the first quarter of 2011, Quebec (+6.9%) and Ontario (+2.4%) reported increased in overnight international arrivals (from all destinations excluding the US), while Alberta (-27.3%) and British Columbia (-15.3%) saw declines over the same period.

## Core Markets

### Market Watch

- Year-to-date March 2011, four of the six selected secondary markets posted increases in overnight trip volumes over 2006;
- In the first quarter of 2011, Spain (+19.9%) posted the most notable increase in arrivals to Canada, followed by Hong Kong (+11.6%), when compared against the same quarter in 2006;
- Overnight trips from Taiwan and the Netherlands declined relative to the first three months of 2006, down 19.5% and 14.4% respectively.

### Overnight trips to Canada, by selected markets



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

# Competitive review (January 2011)

## International Travel, January 2011 (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
		11/10 Change		11/10 Change		11/10 Change
<b>Total International</b>	657	2%	4,210	3%	479	5%
United States	452	1%	...	...	37	-4%
Canada	...	...	1,377	6%	12	-11%
<b>Core Markets</b>						
United Kingdom	29	-9%	193	2%	60	-5%
France	21	3%	70	19%	9	-10%
Germany	11	-9%	84	-3%	14	1%
Australia	16	21%	71	27%	...	...
<b>Emerging/ Transition Markets</b>						
Japan	8	-10%	268	4%	23	-17%
South Korea	11	9%	117	19%	22	3%
Mexico <sup>1</sup>	6	-29%	1,010	-10%	...	...
Brazil	8	19%	145	28%	3	10%
China <sup>2</sup>	13	37%	100	49%	61	63%
India	7	2%	47	13%	11	14%
<b>Total Key Markets</b>	<b>582</b>	<b>2%</b>	<b>3,483</b>	<b>2%</b>	<b>251</b>	<b>6%</b>

- In January 2011, international travel to Canada grew by 2%, while Australia and the US reported stronger growth of 5% and 3% respectively over 2010;
- This month, Australia outperformed both the US and Canada in attracting overnight visitors from China, with a 63% increase in arrivals;
- While the US outperformed Canada in all of CTC's priority markets in January, both markets saw strong growth in the number of visitors from China, Brazil and Australia;
- Canada reported a heavier decline in arrivals from the UK (-9%), while the US reported an increase of 2% and Australia saw a 5% drop in UK arrivals.

...Not applicable or data not available.

n/a - not available.

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

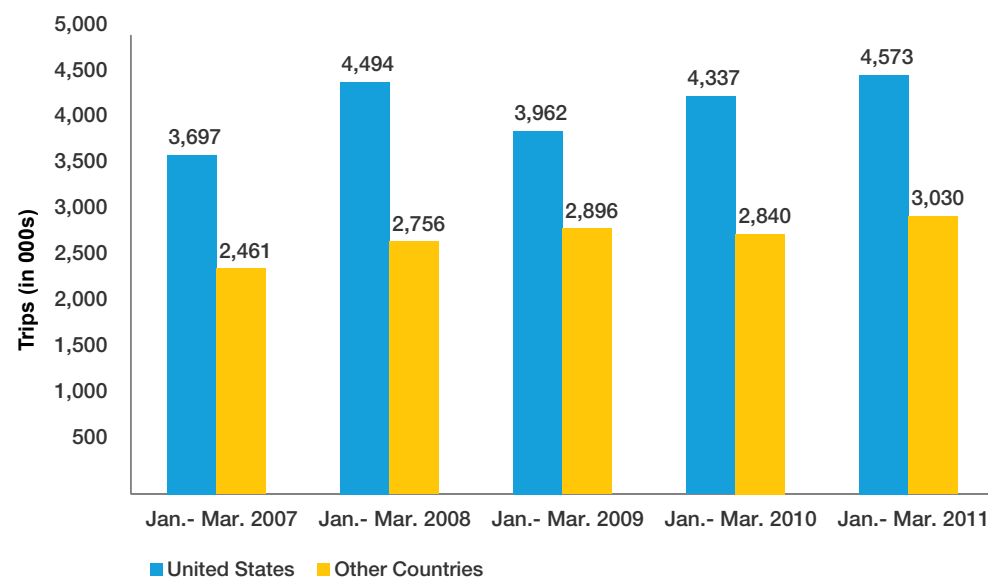
<sup>2</sup> US figures for China includes Hong Kong, SAR;

Note: Statistics Canada preliminary figures.

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

# Canadian outbound trips

## Overnight trips by Canadians



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

- Compared with March 2010, Canadian outbound travel increased by 5.3% to 3.0 million trips;
- Spurred by an appreciation of the Canadian dollar against the US dollar in March 2011, travel to the US (+4.7%) rose for a 18th consecutive month;
- In the first quarter of 2011, four provinces/ territories posted increases in outbound travel to non-US destinations, with Nova Scotia reporting the strongest increase of 24.7%, reaching 51,117;
- From January to March 2011, the majority of provinces/ territories saw increases in outbound travel to the US with the exception of Newfoundland and Labrador (-30.8%) and Prince Edward Island (-4.3%). Nova Scotia also registered the largest increase (+39.9%) in travel to the US.

## Overnight trips by Canadians

	Mar. 2011	11/10 Mar. % Change	Jan.- Mar. 2011	Year-to-date % Change
United States	1,936,602	4.7	4,572,669	5.4
Other Countries	1,073,649	6.3	3,030,174	6.7
<b>Total Trips from Canada</b>	<b>3,010,251</b>	<b>5.3</b>	<b>7,602,843</b>	<b>5.9</b>

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

# Consumer outlook

## Consumer confidence

- **Canada:** Consumer confidence reversed course sharply in March, falling to 83.7 from 89.3 in February (2002 = 100).
- **USA:** The Conference Board Consumer Confidence Index®, which had increased in February, declined in March. The Index now stands at 63.4 (1985=100), down from 72.0 in February.

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

## Accommodations

- In March 2011, the national occupancy rate increased by 1.6 points over the previous year to 57.6%. Northwest Territories posted the largest increase this month (+6.2 points) while Nova Scotia posted the largest decline (-3.1 points);
- Year-to-date March, the national occupancy rate grew by a moderate 0.9 points, reaching 53.3%. Growth was in part hampered by a 5.8-point decline in occupancy rates in British Columbia due to the boost from the Games in the first quarter of 2010.
- From March, the national average Daily Rate was \$122.78, up 0.1% over the 2010. Northwest Territories, Quebec, Alberta and Saskatchewan posted rates higher than the average Daily Rate;
- In March 2011, the average Revenue per Available Room (RevPAR) was \$70.82, up 3.0%, with Alberta posting the strongest growth, up 11.7%, reaching \$81.76.

### Canadian Occupancy Rates, By Province\*

	Mar. 2011	11/10 Change <sup>^</sup>	Jan.-Mar. 2011	Year-to-date Change <sup>^</sup>
Alberta <sup>1</sup>	64.0	5.0	58	4.6
British Columbia	55.7	-0.7	50.4	-5.8
Saskatchewan	70.0	-1.6	63.6	-2.3
Manitoba	65.2	0.7	60.0	0.9
Ontario	56.5	2.2	53.1	2.7
Quebec	55.8	2.8	53.7	3.0
New Brunswick	51.5	-0.2	46.1	0.1
Nova Scotia	56.5	-3.1	50.6	1.6
Newfoundland	59.0	1.0	52.5	-0.9
Prince Edward Island	34.4	-1.0	39.1	3.5
Northwest Territories	72.7	6.2	68.8	8.2
Yukon	78.9	4.0	70.5	4.8
<b>Canada</b>	<b>57.6</b>	<b>1.6</b>	<b>53.3</b>	<b>0.9</b>

\* Note: Based on the operating results of 216,717 rooms (unweighted data).

<sup>^</sup> Percentage points.

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

Source: PKF Consulting Inc.



# Economic indicators Q4 2010 – Q1 2011

- In the first quarter of 2011, the Canadian dollar appreciated or remained constant against currencies in all of CTC's priority markets, compared with the previous quarter;
- In Q1 2011, while the euro and the pound depreciated against the Canadian dollar, France, Germany and the UK did report stronger economic growth than in Q4 2010; the economic momentum in both Japan and Brazil have dropped considerably in the first quarter of 2011.
- In Q1 2011, with the exception of India, Japan, and Mexico, all priority markets saw inflation increase, with China reporting the largest uptake.

## Economic Indicators, Q4 2010 - Q1, 2011

### America

	Canada		USA		Mexico		Brazil	
	Q4 2010	Q1 2011	Q4 2010	Q1 2011	Q4 2010	Q1 2011	Q4 2010	Q1 2011
Real GDP growth (yoy, %)	3.2	2.9	2.8	2.3	4.4	4.9	5.1	3.9
Consumer Price Index (yoy,%)	2.2	2.6	1.2	2.2	4.2	3.4	5.6	6.1
Exchange Rate (1LCU:C\$)	1.000	1.000	1.013	0.986	0.082	0.082	0.597	0.582

### Europe

	France		Germany		UK	
	Q4 2010	Q1 2011	Q4 2010	Q1 2011	Q4 2010	Q1 2011
Real GDP growth (yoy, %)	1.5	1.9	4.0	4.3	1.5	1.8
Consumer Price Index (yoy,%)	1.6	1.8	1.5	2.1	3.4	4.1
Exchange Rate (1LCU:C\$)	1.377	1.349	1.377	1.349	1.601	1.580

### Asia Pacific

	Australia		China		Japan		South Korea		India	
	Q4 2010	Q1 2011	Q4 2010	Q1 2011	Q4 2010	Q1 2011	Q4 2010	Q1 2011	Q4 2010	Q4 2010
Real GDP growth (yoy, %)	2.7	2.3	6.1	6.7	2.5	0.8	4.7	4.2	8.2	8.2
Consumer Price Index (yoy,%)	2.7	3.3	2.8	4.0	0.1	0.0	3.6	4.5	9.2	9.0
Exchange Rate (1LCU:C\$)	1.0005	0.9907	0.1521	0.1498	0.0123	0.0119	0.0009	0.0009	0.0226	0.0218

CTC Market Research & Evaluation