



Tourism Snapshot

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



A group of people are on a yellow raft navigating a river rapids. They are wearing yellow life jackets. The water is turbulent, creating white spray. The background shows a forested hillside under a cloudy sky. A teal text box is overlaid on the right side of the image.

Key highlights

In June 2011, overnight travel to Canada edged up by 1.7%, as gains in arrivals were recorded both from the US (+1.8%) and overseas markets (+1.7%);

The largest monthly gains in overnight arrivals amongst CTC key markets came from China (+22.9%) and India (+14.1%);

Japanese arrivals fell 29.9% in June 2011, as the disruption and problems triggered by March 2011 earthquake and tsunami prevailed.

Tourism review Inbound highlights

Overnight trips to Canada

	June 2011	11/10 June % Change	Jan.- June 2011	Year-to-date % Change
United States				
Automobile	792,202	-1.6	2,552,872	-4.5
Plane	431,053	4.4	1,542,573	3.8
Other	217,848	9.7	480,211	2.8
US Total	1,441,103	1.8	4,575,656	-1.1
Core Markets				
UK	81,649	-5.3	290,174	-4.9
France	43,092	5.0	177,514	7.4
Germany	43,481	9.7	123,940	-6.5
Australia	32,352	8.2	112,073	5.7
Core Total	200,574	1.9	703,701	-0.8
Emerging/ Transition Markets				
Japan	18,544	-29.9	78,614	-18.5
South Korea	18,401	-11.7	68,461	-6.9
Mexico	15,124	7.8	58,525	5.9
Brazil**	8,682	3.4	36,306	9.8
China	25,108	22.9	91,270	19.1
India**	20,980	14.1	66,186	4.5
Emerging/ Transition Total	106,839	-1.6	399,362	0.3
Overseas Key Markets	307,413	0.7	1,103,063	-0.4
Other Overseas Countries	224,924	3.1	718,690	0.7
Non-US Countries	532,337	1.7	1,821,753	0.0
Total Countries	1,973,440	1.7	6,397,409	-0.8

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

** India and Brazil are added to the CTC key markets

International trips

- Canada recorded close to 2 million international arrivals for the month of June 2011, a slight increase of 1.7% from June 2010. Year-to-date to June, travel to Canada fell 0.8% to 6.4 million overnight visitors;
- In June 2011, overnight arrivals from CTC Core Markets (the UK, France, Germany and Australia) averaged a moderate growth (+1.9%), lessening the year-to-date decline to -0.8% over the same period in 2010;
- Meanwhile, overnight trips to Canada from Emerging/ Transition markets (Japan, South Korea, Mexico, Brazil, China and India) fell 1.6% to 106,839 trips. In the first six months of 2011, total overnight arrivals from Emerging/ Transition markets grew marginally by 0.3% over 2010;
- June 2011 saw five provinces posting healthy gains in total overnight trips from overseas. Nova Scotia posted the greatest increase at 17.6%, followed by Newfoundland & Labrador (+17.5%), Saskatchewan (+1.5.5%), New Brunswick (+12.4%) and Manitoba (+8.0%).

United States

- In June 2011, overnight travel from the US increased by 1.8% to 1,441,103 trips despite a decrease of 1.6% recorded in auto travel;
- The number of US overnight arrivals by “other” modes of travel jumped 9.7% in June to reach 217,848 trips. Air travel also increased, gaining 4.4%;
- Overall for the first six months of 2011, overnight arrivals from the US is down 1.1% to 4.6 million overnight trips;
- In June 2011, Prince Edward Island recorded a whopping 95.3% decline in overnight arrivals from the US while Nova Scotia soared 27.6% over the same month in 2010;
- In the first six months of 2011, Newfoundland & Labrador (+37.8%) and Nova Scotia (+24.9%) posted significant increases in arrivals from the US while Prince Edward Island (-88.7%) saw a large decline.

Core Markets

- In June 2011, Germany rebounded from its downward trend over the first five months of 2011 with an increase of 9.7% relative to the same month in 2010;
- Meanwhile the UK fell back into the negative territory (-5.3%) after two consecutive months of year-over-year gains;
- Australia (+8.2%) and France (+5.0%) continued to show gains in arrivals to Canada. Year-to-date to June, these two markets expanded by 5.7% and 7.4% respectively.

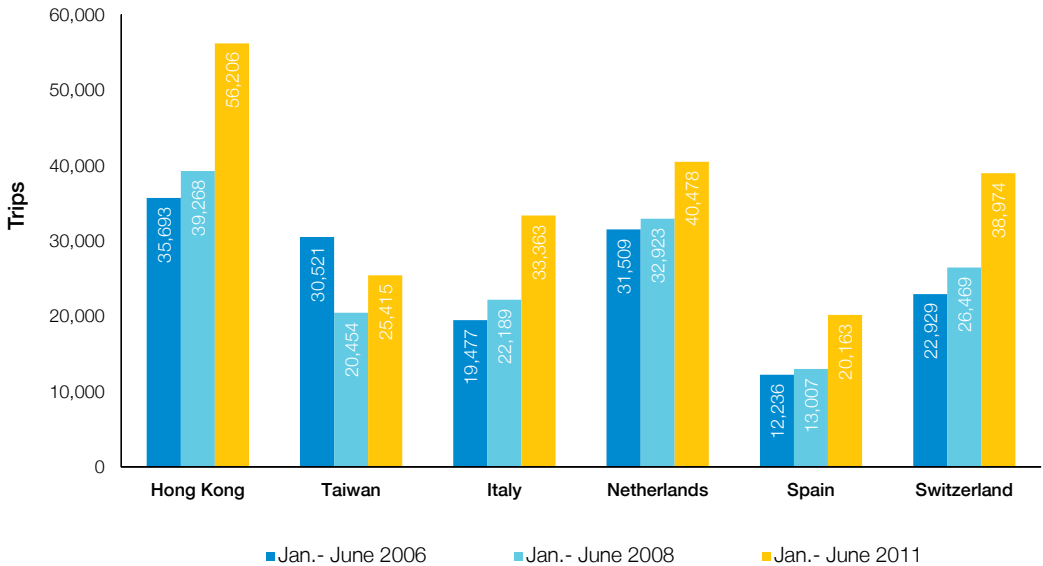
Emerging/ Transition Markets

- The largest monthly gain in overnight arrivals in June 2011 was seen from China (+22.9%) followed by India (+14.1%). Year-to-date to June 2011, China leads all CTC target markets with a 19.1% increase over the same period in 2010;
- In June 2011, Mexico continued its upward momentum with a third consecutive monthly increase, up 7.8% over the same month last year;
- Japanese overnight arrivals (-29.9%) declined for an eight consecutive month in June, exacerbated by the March Tohoku earthquake and tsunami. Japanese arrivals over the first half of 2011 are 18.5% lower relative to the same period in 2010;
- South Korea continued its downward trend and recorded its fifth consecutive month of decline (-11.7%) in June.

Market Watch

- Year-to-date to June 2011, all selected secondary markets with the exception of Taiwan posted increases in overnight arrivals over the same period in 2006;
- Over the first six months of 2011, Italy (+71.3%) saw the strongest performance in arrivals to Canada, followed by Switzerland (+70.0%) and Spain (+64.8%) when compared with the same period in 2006;
- Year-to-date to June 2011, overnight trips from Taiwan (-16.7%) posted the most notable decline in arrivals to Canada relative to the same period in 2006.

Overnight trips to Canada, by selected markets



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

Competitive review

International Travel, May 2011 (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
		11/10 % Change		11/10 % Change		11/10 % Change
Total International	4,424	-2	23,669	5	2,387	2
United States	3,135	-2	...	...	191	-1
Canada	...	...	8,340	6	54	-5
Core Markets						
United Kingdom	209	-5	1,449	5	274	-5
France	134	8	547	24	35	-6
Germany	80	-13	641	1	64	-2
Australia	80	5	382	25	...	...
Emerging/ Transition Markets						
Japan	60	-14	1,242	-7	130	-18
South Korea	50	-5	433	9	83	-8
Mexico ¹	43	5	5,266	0	...	...
Brazil	28	12	568	27	12	11
China	66	18	368	34	245	20
India	45	1	272	2	65	11
Total Key Markets	3,930	-2	19,507	4	1,152	-1

- Year-to-date to May 2011, international travel to Canada contracted by 2%, while the US and Australia reported growth of 5% and 1% respectively;
- From January to May 2011, the US outperformed Canada in arrivals from France, posting a 24% gain while Canada recorded a respectable 8% increase;
- The US also outperformed both Australia and Canada in arrivals from China, reporting a 34% increase while Australia and Canada posted gains of 20% and 18% respectively;
- In the first five months of 2011, Australia sustained a larger decline in arrivals from Japan (-18%) than both Canada (-14%) and the US (-7%);
- During the first five months of 2011, the US saw a notable 25% increase in visitation from Australia while Canada edged up by 5%.

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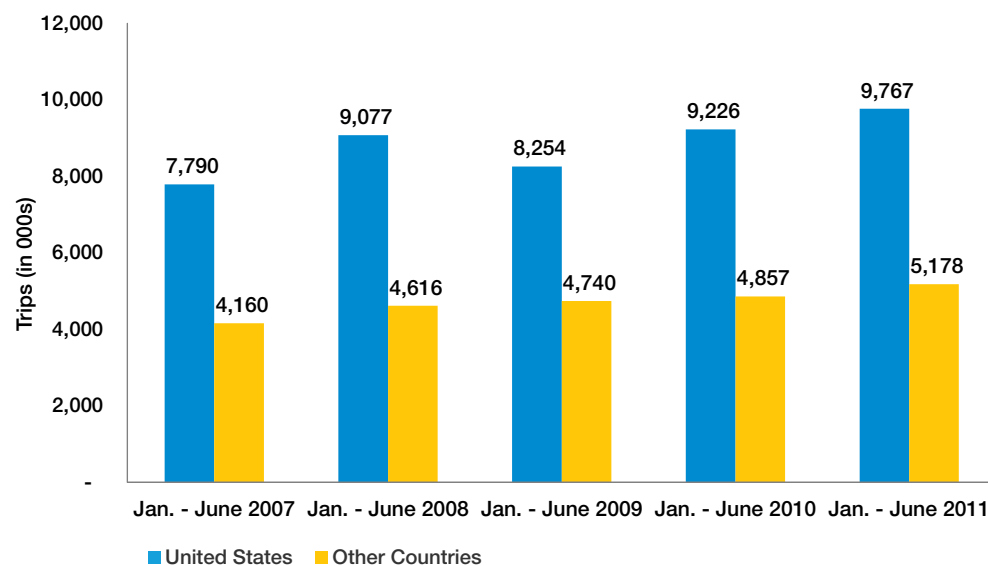
¹ US figures for Mexico include arrivals to interior only.

Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia, ITA 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*.

Overnight trips by Canadians

	June 2011	11/10 June % Change	Jan.- June 2011	Year-to-date % Change
United States	1,427,558	6.0	9,767,312	5.9
Other Countries	556,284	4.3	5,178,228	6.6
Total Trips from Canada	1,983,842	5.5	14,945,540	6.1

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

- Compared with June 2010, Canadian outbound travel grew by 5.5% to 2 million overnight trips. Year-to-date to June 2011, there were 15 million Canadian outbound trips, up 6.1%;
- The number of Canadians visiting the US during June 2011 increased by 6.0%, reaching 1.4 million overnight trips. During the first six months in 2011, 9.8 million Canadians made overnight trips to the US;
- Canadian overnight travel to overseas destinations (excluding the US) grew by 4.3% in June, with a year-to-date increase of 6.6%;
- In June 2011, three provinces posted declines in the number of residents returning from the US, with Prince Edward Island (-62.7%) posting the largest decline followed by Yukon (-24.3%) and Saskatchewan (-6.4%);
- From January to June 2011, Nova Scotia (+16.9%) and Yukon (+15.4%) saw the strongest increases in the number of Canadian residents returning from countries other than the US, followed by Québec (+9.5%), Ontario (+8.3%) and Alberta (+7.0%).

Consumer outlook

Consumer confidence

- **Canada:** Despite the recent solid gains in employment and gross domestic product, a degree of uncertainty prevails among Canadian Consumers. The Index of Consumer Confidence fell for the second straight month in June, this time dropping 2.5 points to 83.1 (2002=100)
- **USA:** The Conference Board Consumer Confidence Index® fell to 58.5 (1985=100) in June, down from 61.7% in May, which was the lowest point since November 2010

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

Accommodations

- In June 2011, the national occupancy rate remained unchanged at 68.4% compared with the same month in the previous year. The Northwest Territories posted the largest increase (+6.8%) while Manitoba (-4.2%), Yukon (-4.0%) and Nova Scotia (-3.6%) recorded year-over-year declines;
- The June average Daily Rate for hotels decreased by 2.1% to \$134.02 compared with \$136.85 in June 2010;
- In the first six months of 2011, the average Revenue per Available Room (RevPAR) was \$72.58, down 1.0%, with Prince Edward Island, New Brunswick, Nova Scotia, Ontario and Yukon posting rates below the national average.

Canadian Occupancy Rates, By Province*

	June 2011	11/10 Change [^]	Jan.-June 2011	Year-to-date Change [^]
Alberta ¹	65.8	3.1	60.1	4.0
British Columbia	69.4	4.0	57.1	-1.4
Saskatchewan	71.4	-0.8	66.8	-1.0
Manitoba	74.0	-4.2	64.7	0.4
Ontario	68.0	-2.5	57.8	0.8
Quebec	70.9	-0.6	58.6	2.1
New Brunswick	60.1	1.7	50.4	-0.1
Nova Scotia	67.3	-3.6	55.6	-0.3
Newfoundland	82.3	0.8	61.4	-1.6
Prince Edward Island	53.4	0.2	44.4	4.9
Northwest Territories	79.1	6.8	68.0	7.6
Yukon	90.1	-4.0	74.1	1.4
Canada	68.4	0.0	58.1	0.9

* Note: Based on the operating results of 220,680 rooms (unweighted data).

[^] Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc.

Economic indicators Q1 2011 – Q2 2011

- In Q2 2011, all of CTC's priority markets showed economic slowdown with lower GDP growth compared with the previous quarter. Japan's economy continued to show stagnation with negative GDP growth and low inflation rate;
- In Q2 2011, with the exception of India, South Korea, and Mexico, all CTC's priority markets recorded inflation increases, with the US reporting the largest uptake from 2.2% to 3.3%. Controlling high inflation rates has continued to be a challenge in India, Brazil and China while higher inflation rates than forecast remain a concern in South Korea and the UK;
- The Canadian dollar appreciated against local currencies in four of CTC's priority markets (the US, the UK, China and India) relative to the previous quarter.

Economic Indicators, Q1 2011 - Q2, 2011

America

	Canada		USA		Mexico		Brazil	
	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011
Real GDP growth (yoy, %)	2.9	2.5	2.2	1.6	4.4	3.2	4.2	3.8
Consumer Price Index (yoy,%)	2.6	3.3	2.2	3.3	3.4	3.3	6.1	6.6
Exchange Rate (1LCU:C\$)	1.000	1.000	0.986	0.968	0.082	0.082	0.591	0.607

Europe

	France		Germany		UK	
	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011
Real GDP growth (yoy, %)	2.2	1.9	4.8	3.1	1.8	0.7
Consumer Price Index (yoy,%)	1.8	2.1	2.1	2.3	4.1	4.4
Exchange Rate (1LCU:C\$)	1.349	1.393	1.349	1.393	1.580	1.578

Asia Pacific

	Australia		China		Japan		South Korea		India	
	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011
Real GDP growth (yoy, %)	1.0	0.9	9.7	9.5	-0.7	-1.2	4.2	3.4	7.8	7.7
Consumer Price Index (yoy,%)	3.3	3.6	5.1	5.7	0.0	0.3	4.5	4.2	9.0	8.9
Exchange Rate (1LCU:C\$)	0.9907	1.0282	0.1498	0.1489	0.0119	0.0119	0.0009	0.0009	0.0218	0.0217

Source: Statistics Canada, *International Travel Survey*.

Note: Exchange rates, average of 20-22 days.

CTC Market Research & Evaluation