



Tourism Snapshot

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



Key highlights

- While the US reverted to positive territory in August 2012 (+10.6%), overall CTC key overseas markets still struggled with a mere 1.0% gain year-over-year.
- Key CTC overseas markets growth achieved in six markets in August 2012, marginally compensated for contraction registered in the remaining key CTC overseas markets.
- Growth in overnight arrivals in August 2012 mainly from China (+15.9%), Australia (+7.7%) and Mexico (+5.8%) largely offset poorer performances from South Korea (-8.7%) and the three European markets;
- Year to date August 2012, key CTC overseas markets improved by 2.9% as strong performance by China (+22.4%), Japan (+10.3%), Mexico (+9.9%) and Brazil (+6.6%) more than offset losses mainly incurred by South Korea (-10.3%) and the UK (-2.9%).

Tourism review Inbound highlights

Overnight trips to Canada

	August 2012	12/11 August % Change	Jan. - Aug. 2012	Year-to-date % Change
United States				
Automobile	1,172,800	14.4	5,071,107	4.2
Plane	424,754	7.1	2,458,489	2.5
Other	253,333	0.7	1,020,100	1.5
US Total	1,850,887	10.6	8,549,696	3.4
Core Markets				
UK	88,384	-0.9	456,143	-2.9
France	67,765	-5.9	319,281	-0.2
Germany	50,074	-1.1	218,775	-0.3
Australia	29,843	7.7	175,183	4.4
Core Total	236,066	-1.4%	1,169,382	-0.6%
Emerging/ Transition Markets				
Japan	29,565	4.6	146,176	10.3
South Korea	15,253	-8.7	97,810	-10.3
Mexico	16,683	5.8	106,935	9.9
Brazil**	9,719	4.9	62,839	6.6
China	41,464	15.9	200,122	22.4
India**	16,926	0.8	108,206	8.1
Emerging/ Transition Total	129,610	5.7%	722,088	9.2%
CTC Overseas Key Markets	365,676	1.0%	1,891,470	2.9%
Other Overseas Countries	229,534	-5.2%	1,241,594	-0.8%
Non-US Countries	595,210	-1.5%	3,133,064	1.4%
Total Countries	2,446,097	7.4%	11,682,760	2.8%

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

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

International trips

- Canada received approximately 2.5 million international visitors during the month of August, a 7.4% gain over the same month in 2011;
- Despite strong performance by Australia(+7.7%), overall arrivals from CTC's core markets recorded a fifth consecutive monthly decline in August (-1.4%), bringing year to date to August to 1,169,382 overnight visitors, down marginally (-0.6%) over the same period last year;
- In contrast, total arrivals from CTC's emerging markets (Japan, South Korea, Mexico, Brazil, China and India) grew 5.7% in August, bringing year to date to August to 722,088, a 9.2% increase compared to the same period last year.

United States

- The US reverted to positive territories with a 10.6% gain in overnight arrivals in August, largely driven by a 14.4% increase in auto travel;
- Year to date to August, total overnight trips to Canada by US residents grew 3.4% compared to the same period last year, bringing the total to over 8.5 million arrivals;
- In August, three provinces registered double-digit gains in arrivals by US visitors with Ontario posting the largest increase (+14.7%) followed by Québec (+13.2%) and Saskatchewan (+11.5%).

Core Markets

- Overnight arrivals from the UK remained relatively flat in August (-0.9%) compared to the same month last year, suggesting the London Olympics (July 27th – Aug. 12th) did not appear to have had a significant impact on travel volume to Canada;
- Overnight arrivals from France continued to slide (-5.9%), likewise German arrivals inched down again in August (-1.1%) compared to the same month last year;
- Australia stayed in positive territory with a 7.7% gain, bringing year-over-year growth for the first eight months to 4.4%;
- Year to date August, performance by all three European markets were relatively weak with the UK posting a 2.9% drop and France (-0.2%) and Germany (-0.3%) remaining flat.

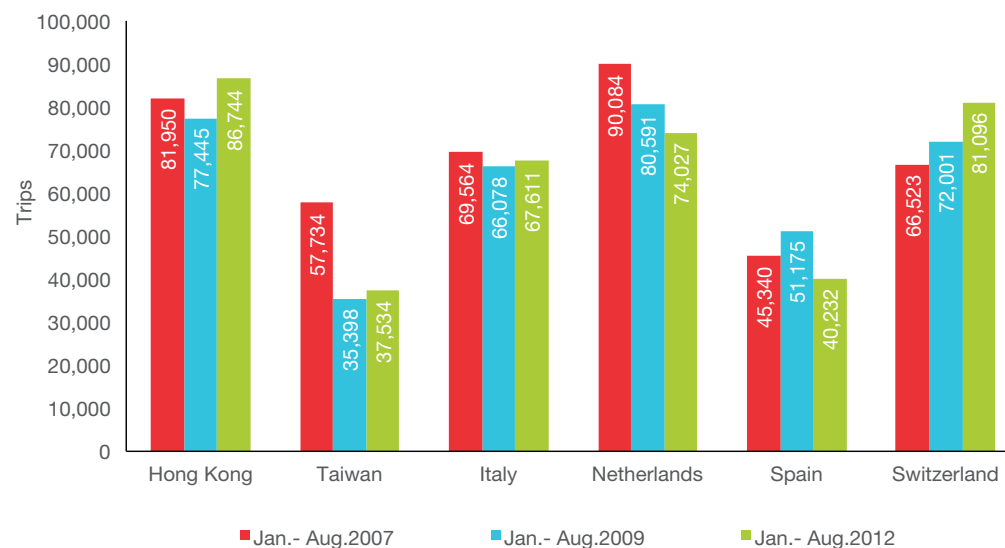
Emerging/ Transition Markets

- All of CTC key emerging markets with the exception of South Korea recorded year-over-year growth in August, with China continuing to demonstrate strong performance, up 15.9%;
- Japan returned to positive territory with a 4.6% gain in August, while India remained relatively flat (+0.8%) relative to the same month last year;
- Year to date August, overall arrivals from CTC's emerging markets grew 9.2% with China leading the pack (+22.4%) followed by Japan (+10.3%) and Mexico (+9.9%).

Market Watch

- In August, overnight arrivals from all European secondary markets dropped with Spain posting the largest decline (-25.3%) followed by Italy (-17.2%), as economic instability in the Eurozone has affected the sentiment of long-haul travel from these countries;
- Hong Kong is the only secondary market that showed a year-over-year growth in August (+1.4%);
- Year to date August, Switzerland was the only market to stay in positive territory, up 1.2% compared to the same period last year;
- When compared to year-to-date result for August 2007, Switzerland saw the largest gain in overnight arrivals (+21.9%) followed by Hong Kong (+5.8%). Taiwan and Netherlands posted significant declines, down 35% and 17.8% respectively.

Overnight trips to Canada, by selected markets



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

Overnight trips to Canada, by selected markets

	August 2012	12/11 August % Change	Jan. - Aug. 2012	Year-to-date % Change
Italy	19,593	-17.2	67,611	-7.6
Netherlands	13,775	-8.1	74,027	-5.4
Spain	10,118	-25.3	40,232	-16.1
Switzerland	15,846	-0.2	81,096	1.2
Hong Kong	13,381	1.4	86,744	-3.6
Taiwan	5,546	-10.4	37,534	-8.9

Competitive review (January - July 2012)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		12/11 Change		12/11 Change
Total International	9,237	2%	3,383	3%
United States	6,699	2%	276	3%
Canada	...		69	2%
Core Markets				
United Kingdom	368	-3%	318	-4%
France	252	1%	53	5%
Germany	169	0%	81	-2%
Australia	145	4%
Emerging/ Transition Markets				
Japan	117	12%	189	7%
South Korea	83	-11%	113	-1%
Mexico ¹	90	11%
Brazil	53	7%	17	4%
China	159	24%	375	15%
India	91	10%	90	4%
Total Key Markets	8,225	2%	1,580	4%

...Not applicable. or data not available.

¹ US figures for Mexico include arrivals to interior only.

Note: Statistics Canada preliminary figures.

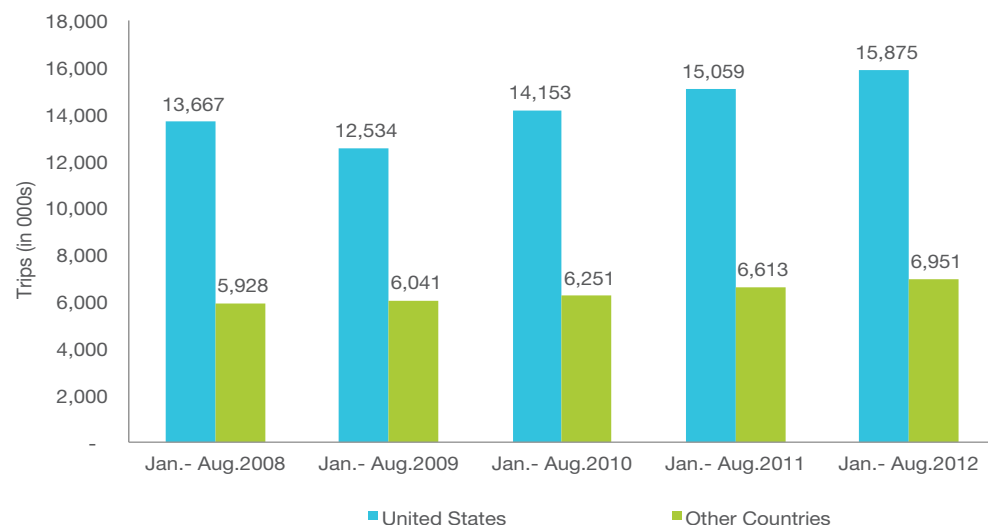
Sources: Statistics Canada; Tourism Australia, ITA Office of Travel and Tourism Industries (USA).

** U.S. Visitation data for July 2012 was not available. There was a delay in the release of U.S. visitation data due to the change in the entry process for U.S. visitors.

- Year to date July, both Australia and Canada registered growth in international arrivals, up 3% and 2% respectively compared with the same period last year;
- International visitor growth for Canada and Australia continued to be driven out of emerging markets, with China posting the largest growth followed by Japan;
- In contrast, performance from three European markets continued to be weak in Canada and Australia, due to the on-going economic uncertainty. The UK remained in negative territory in terms of arrivals to Canada (-3%) and Australia (-4%), while France saw slight increases in arrivals to Australia and Canada, up 5 and 1% compared to the same period last year;
- Both Canada and Australia saw drops in overnight arrivals from South Korea, down 11% and 1% respectively. Concerns over economic uncertainty coming from sluggish export and domestic demand seemed to have had negative effect on consumer's decision in making long-haul travel;
- Canada outperformed Australia in overnight arrivals from two emerging markets, India and Brazil, up 10% and 7%.

Canadian outbound trips

Overnight trips by Canadians



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

- Canadian outbound travel continued to grow in August, up 5.6% and reaching approximately 3.8 million trips;
- The number of Canadians visiting the US during the month of August grew 5.9%, reaching nearly 3 million trips;
- Likewise, Canadian overnight travel to overseas destinations (excluding the US) registered a 4.5% increase, reaching over 800,000 trips;
- Year to date August, outbound trips by Canadians grew 5.3%, reaching almost 23 million overnight trips;
- In August, the largest re-entry of Canadians from the US occurred through Ontario, with over 1.2 million entries (+9.5%), followed by British Columbia (639,707 entries / +5.3%) and Québec (630,416 entries / +1.9%);
- The largest re-entry of Canadians from overseas countries (excluding the US) in August were recorded in Ontario (409,166 entries/ +2.7%), followed by Québec (203,708 entries / +0.8%) and British Columbia (127,163 entries / +20.8%).

Overnight trips by Canadians

	August 2012	12/11 August % Change	Jan. - Aug. 2012	Year-to-date % Change
United States	2,944,533	5.9	15,874,821	5.4
Other Countries	811,240	4.5	6,950,990	5.1
Total Trips from Canada	3,755,773	5.6	22,825,811	5.3

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence dipped slightly in August, registering a 1.3 percentage point drop to 75.6 (2002 = 100). The roller-coaster ride that the confidence has followed these past six months continues to reflect the economic uncertainty surrounding the European sovereign debt crisis.
- **USA:** The Conference Board Consumer Confidence Index®, which had improved in July, declined in August. The Index now stands at 60.6 (1985=100), down from 65.4 in July.

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

Accommodations

- In August 2012, the National Occupancy Rate grew by 2.5 points over the previous year to 74.5%. Prince Edward Island posted the largest increase (+6.4 points) while Manitoba experienced the largest decline (-5.3 points);
- Year-to-date August, the National Occupancy Rate recorded a marginal increase of 1 point, reaching 62.6%. Alberta registered the largest increase (+4.1 points) followed by Newfoundland (+1.5 points);
- Year to date August, the National Average Daily Rate grew to \$129.62, up 2% compared with the same period in 2011. Northwest Territories, Québec, Newfoundland, British Columbia and Alberta posted rates higher than the Average Daily Rate;
- During the first eight months of 2012, the Average Revenue per Available Room (RevPAR) was \$81.12 (+3.7%) with Alberta posting the strongest growth (+12.2% / \$86.88) followed by Newfoundland (+5.9% / \$94.96).

Canadian Occupancy Rates, By Province*

	August 2012	12/11 Change [^]	Jan.-Aug. 2012	Year-to-date Change [^]
Alberta ¹	70.4	4.8	65.7	4.1
British Columbia	78.9	1.4	62.1	0.2
Saskatchewan	69.5	-2.0	67.9	0.0
Manitoba	65.6	-5.3	63.7	-2.9
Ontario	72.4	3.3	61.6	1.0
Quebec	77.0	1.7	62.7	-0.2
New Brunswick	76.2	2.1	56.3	0.0
Nova Scotia	81.3	3.7	61.6	0.8
Newfoundland	84.5	-5.1	69.6	1.5
Prince Edward Island	82.1	6.4	49.1	-3.4
Northwest Territories	71.3	2.7	63.7	-3.3
Yukon	92.3	2.4	73.3	0.3
Canada	74.5	2.5	62.6	1.0

* Note: Based on the operating results of 224,685 rooms (unweighted data).

[^] Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.