



Tourism Snapshot

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

Niagara Helicopters Tour

Key highlights

- Total arrivals from CTC's international markets were flat in October 2012 with a year-over-year decline of 0.2%, as weakness in the US (-0.4%) and the UK (-5.3%) masked impressive gains in Emerging Markets (+6.9%).
- Arrivals from key CTC overseas markets increased modestly (+0.9%), as strong growth in Emerging Markets (+6.9%) offset losses in Core Markets (-3.0%).
- The growth in arrivals in October from Australia (+6.9%) stood in contrast to poor performances from CTC's Core Markets of Germany (-5.5%), the UK (-5.3%) and France (-1.9%).
- Year-to-date October 2012, key CTC overseas markets recorded gains (+1.9%), as growth in China (+19.6%), Japan (+7.6%), India (+6.9%), Mexico (+8.3%) and Brazil (+4.6%) outpaced losses in South Korea (-8.4%) and CTC Core Markets (-1.3%) to yield an overall increase in arrivals.



Tourism review Inbound highlights

Overnight trips to Canada

	Oct. 2012	12/11 Oct. % Change	Jan. - Oct. 2012	Year-to-date % Change
United States				
Automobile	447,663	-2.7	6,134,433	2.5
Plane	280,675	4.7	3,065,928	2.3
Other	92,786	-4.0	1,313,607	1.3
US Total	821,124	-0.4	10,513,968	2.3
Core Markets				
UK	47,538	-5.3	583,369	-4.0
France	34,555	-1.9	409,697	-1.2
Germany	21,971	-5.5	287,816	-1.2
Australia	14,898	6.9	224,854	6.0
Core Total	118,962	-3.0%	1,505,736	-1.3%
Emerging Markets				
Japan	26,056	5.2	202,721	7.6
South Korea	12,167	16.8	122,744	-8.4
Mexico	7,154	2.6	125,734	8.3
Brazil	6,635	-10.7	78,749	4.5
China	24,922	16.3	255,016	19.6
India	8,448	-4.4	130,110	6.9
Emerging Total	85,382	6.9%	915,074	7.8%
CTC Overseas Key Markets	204,344	0.9%	2,420,810	1.9%
Other Overseas Countries	123,143	-0.4%	1,538,096	-1.3%
Total Non-US Countries	327,487	0.4%	3,958,906	0.7%
Total Countries	1,148,611	-0.2%	14,472,874	1.9%

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

International trips

- Canada received approximately 1.15 million international visitors during the month of October, a decline of 0.2% compared with the same month in 2011.
- Despite a strong performance by Australia (+6.9%), overall arrivals from CTC's Core Markets recorded a seventh consecutive monthly decline in October (-3.0%), bringing the year-to-date number of overnight visitors to 1,505,736, down slightly (-1.3%) over the same period last year.
- Total arrivals from CTC's Emerging Markets (Japan, South Korea, Mexico, Brazil, China and India) increased 6.9% in October. Year-to-date arrivals through October were up 7.8% to 915,074 compared with the same period last year.

United States

- The US market recorded a modest decline (-0.4%) in overnight arrivals in October, as a 2.7% decline in auto travel outweighed a 4.8% gain in air arrivals.
- Year-to-date October 2012, total overnight trips to Canada by US residents grew 2.3% compared with the same period last year for a total of 10.5 million arrivals.
- In October, nine provinces recorded gains in border crossing arrivals by US visitors. Yukon (+70.8%), Prince Edward Island (+25.0%) and Nova Scotia (+18.8%) saw the largest increases.

Core Markets

- Overnight arrivals from the UK (-5.3%), France (-1.9%) and Germany (-5.5%) continued to decline in October compared with the same month last year, suggesting that economic conditions in Europe continued to have a negative impact on travel volumes to Canada.
- Australia recorded a strong 6.9% gain in October, with 6.0% year-over-year growth for the first ten months of the year.
- Year-to-date October 2012, all three European markets performed weakly: the UK declined the most (-4.0%), followed by France (-1.2%) and Germany (-1.2%).

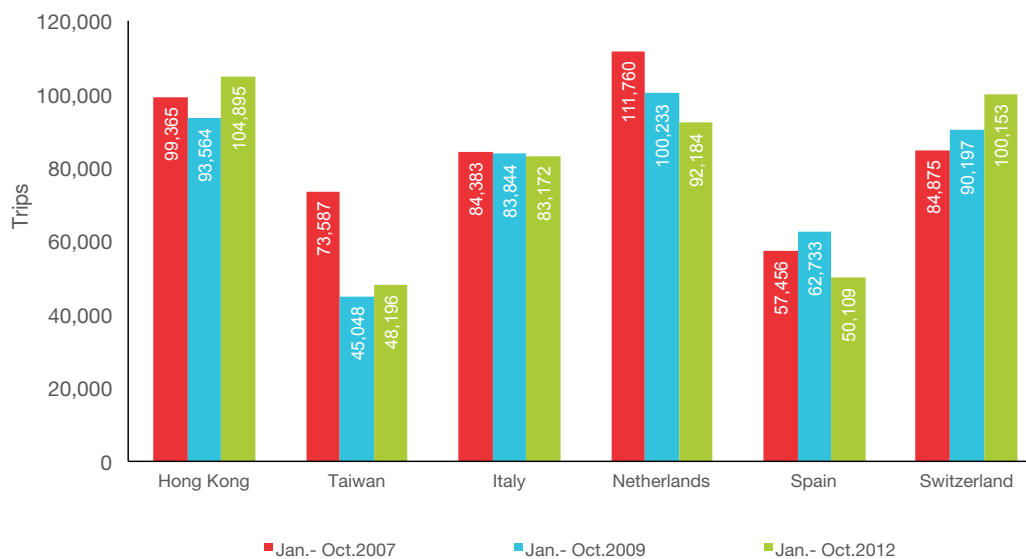
Emerging Markets

- Arrivals from Emerging Markets grew strongly (+6.9%) in October, led by China (+16.8%), South Korea (+16.3%) and Japan (+5.2%).
- Arrivals from Brazil declined 10.7%, while those from India slid 4.4%.
- Year-to-date October 2012, overall arrivals from CTC's Emerging Markets grew 7.8% compared with last year. China (+19.6%), Mexico (+8.3%) and Japan (+7.6%) were the best performers.

Market Watch

- In October, Spain (+0.7%) and Taiwan (+1.3%) reversed previous losses and posted modest gains in visitor numbers to Canada.
- The pace of decline in arrivals from Italy (-9.4%) and Switzerland (-13.0%) accelerated in October.
- Year-to-date October 2012, arrivals from all secondary markets decreased compared with the same period last year.
- When compared with the year-to-date results for October 2007, Switzerland saw the largest gain in overnight arrivals (+18.0%), followed by Hong Kong (+5.6%). Taiwan and the Netherlands posted significant declines, down 34.5% and 17.5% 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

	Oct. 2012	12/11 Oct. % Change	Jan. - Oct. 2012	Year-to-date % Change
Italy	6,149	-9.4	83,172	-7.0
Netherlands	6,581	-4.7	92,184	-5.4
Spain	3,654	0.7	50,109	-15.6
Switzerland	6,754	-13.0	100,153	-0.8
Hong Kong	7,333	-2.4	104,895	-2.9
Taiwan	5,094	1.3	48,196	-9.4

Travel Characteristics Highlights (Q2-2012)

Overnight Travel Spending

	Trips '000	12/11 Q2 %	Spend \$M	12/11 Q2 %	Average Trip Duration	12/11 Q2 %	Average Spend per Trip	12/11 Q2 %	Average Spend per Night	12/11 Q2 %
United States										
United States Leisure										
Automobile	1,756	9.0%	675	10.3%	3.8	-0.8%	384	1.1%	102	1.9%
Plane	574	2.6%	406	5.9%	4.9	-10.0%	707	3.2%	146	14.7%
Other	393	-1.0%	174	3.8%	3.0	3.8%	443	4.8%	150	1.0%
U.S. Leisure Total	2,723	6.1%	1,255	7.9%	3.9	-3.0%	461	1.7%	119	4.8%
Total U.S. MC & IT	520	-1.1%	430	-8.1%	3.1	-9.9%	826	-7.1%	264	3.2%
Total U.S.	3,243	4.9%	1,685	3.3%	3.8	-3.8%	519	-1.5%	138	2.4%
Overseas Key Markets										
Core Markets										
United Kingdom	154.9	-15.4%	227.5	-5.1%	13.4	7.8%	1,469	12.1%	109	3.9%
France	92.7	-3.5%	101.7	-11.0%	15.0	-2.5%	1,097	-7.8%	73	-5.4%
Germany	65.8	-21.6%	103.3	-19.1%	15.3	-5.9%	1,570	3.2%	103	9.7%
Australia	62.1	-7.3%	94.4	-16.2%	11.0	-5.0%	1,520	-9.5%	138	-4.8%
Total Core Markets	375.5	-12.7%	526.9	-11.4%	13.7	0.2%	1,403	1.5%	102	1.3%
Emerging/ Transition Markets										
Japan	43.9	18.6%	70.6	18.2%	14.5	18.7%	1,608	-0.4%	111	-16.1%
South Korea	33.1	-17.5%	50.7	-22.1%	21.4	-7.7%	1,532	-5.7%	71	2.2%
Mexico	31.7	-13.6%	41.7	-7.8%	20.1	-6.1%	1,316	6.8%	65	13.7%
Brazil	18.8	-0.5%	38.7	23.0%	17.7	12.7%	2,061	23.7%	116	9.7%
China	64.4	22.0%	88.6	27.7%	27.9	-4.8%	1,376	4.7%	44	-1.1%
India	57.1	7.3%	55.3	13.0%	24.5	5.1%	969	5.3%	40	0.2%
Total Emerging/ Transition Markets	249.0	4.3%	345.7	8.1%	23.0	4.2%	1,388	3.6%	60	-0.6%
Total Overseas Key Markets	624.5	-6.6%	872.6	-4.6%	25.7	0.7%	1,397	2.2%	54	1.5%
Total International (Total US + Total Overseas)	3,868	2.8%	2,557	0.5%	4.1	-8.5%	661	-2.3%	159	6.8%

Source: Statistics Canada, International Travel Survey, preliminary estimates

Overnight Travel Spending

- During Q2 2012, overall spending by international visitors (CTC target markets only) grew 4.1% to exceed \$2.5 billion.
- Total travel spending by US visitors grew 3.3% to reach nearly \$1.7 billion, largely driven by spending increases (+7.9%) among US leisure travellers. Average spending per trip by US leisure travellers increased 1.7% to \$461, while average spending by US MC&IT dropped to \$826, down 7.1% compared with the same period last year.
- In Q2 2012, total spending by travellers from CTC's overseas key markets fell 4.6% to \$873 million, as a decline in spending from CTC Core Markets (-11.4%) outweighed gains from CTC Emerging Markets (+8.1%).
- Among Emerging Markets, spending from China (+27.7%), Brazil (+23.0%) and Japan (+18.2%) experienced notable growth in Q2 2012.
- Travellers from the UK spent \$228 million in Canada during the second quarter, the highest of any country. Visitors from Germany (\$103.3 million) and France (\$101.7 million) were also big spenders. The top emerging market was China (\$88.6 million).
- Brazilian travellers recorded the highest average spend per trip, reaching \$2,061 (+23.7%) as they stayed longer (average trip 17.7 days, +12.7%) and spent more per night (\$116, +9.7%) compared with Q2 2011.

Competitive review (January - September 2012)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada	12/11 Change	Australia	12/11 Change
Total International	13,337.8	2.1%	4,355.0	4.1%
United States	9,706.4	2.7%	341.9	3.9%
Canada	...		83.6	2.3%
Core Markets				
United Kingdom	535.8	-3.9%	389.2	-4.1%
France	375.1	-1.2%	67.2	2.9%
Germany	265.8	-0.8%	104.5	-1.9%
Australia	210.0	5.9%
Emerging Markets				
Japan	176.7	8.0%	259.9	7.0%
South Korea	110.6	-10.5%	142.5	-0.8%
Mexico ¹	118.6	8.6%
Brazil	72.1	6.2%	21.2	7.1%
China	230.1	20.0%	470.4	15.9%
India	121.7	7.7%	111.6	4.1%
Total Key Markets	11,922.7	3.3%	1,992	4.4%

- Year-to-date September 2012, Australia and Canada both registered growth in international arrivals, up 4.4% and 3.3% respectively compared with the same period last year.
- International visitor growth for Canada and Australia continued to be driven by their emerging markets, with China posting the largest growth (+20.0% / +15.9%) followed by Japan (+8.0% / +7.0%).
- Arrivals from the UK to Canada and Australia declined 3.9% and 4.1% respectively. Visitor numbers from France to Canada were down 1.2%, while Australia saw a 2.9% increase in arrivals from France.
- Both Canada and Australia saw further deterioration in overnight arrivals from South Korea, down 10.5% and 0.8% respectively. Economic uncertainty caused by sluggish export and domestic demand has had a negative effect on South Korean consumers' appetite for long-haul travel.
- Canada outperformed Australia in growth in overnight arrivals from three CTC Emerging Markets: Japan (+8.0%), China (+20.0%) and India (+7.7%).

...Not applicable. or data not available.

¹ US figures for Mexico include arrivals to interior only.

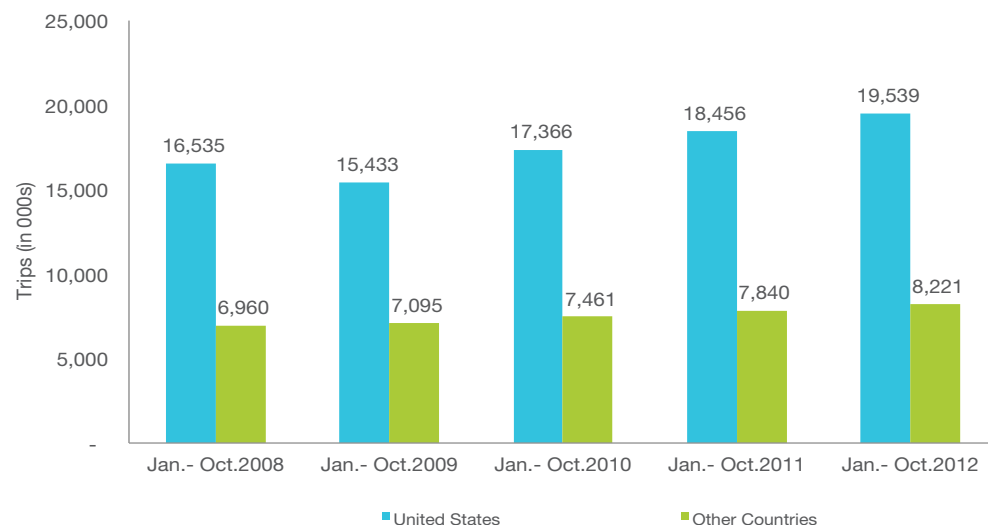
Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia.

** US visitation data for September 2012 were not available. There was a delay in the release of US visitation data due to the change in the entry process for US visitors.

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 October 2012, up 5.0% and reaching approximately 2.3 million trips compared with the same period last year.
- The number of Canadians visiting the US during the month of October grew 6.1% to nearly 1.7 million trips.
- Canadian overnight travel to overseas destinations (excluding the US) registered a 2.0% increase to 601,113 trips.
- Year-to-date October 2012, outbound trips by Canadians grew 5.6% to nearly 27.8 million overnight trips.
- In October, most Canadians re-entered the country from the US through Ontario (793,551 entries, +5.7%), followed by British Columbia (366,514 entries, +13.4%) and Quebec (252,288 entries, -1.2%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in October 2012 (303,230 entries, +3.9%), followed by Quebec (139,909 entries, -5.5%) and British Columbia (100,994 entries, +8.4%).

Overnight trips by Canadians

	Oct. 2012	12/11 Oct. % Change	Jan. - Oct. 2012	Year-to-date % Change
United States	1,720,665	6.1	19,538,516	5.9
Other Countries	601,113	2.0	8,221,278	4.9
Total Trips from Canada	2,321,778	5.0	27,759,794	5.6

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence fell 1.1 points to 81.1 (2002 = 100) in October 2012 after posting a 6.7-point gain in September. The survey followed on the heels of a better-than-expected jobs report, and respondents indicated that they were feeling more optimistic about their future job prospects.
- **USA:** The Conference Board Consumer Confidence Index® continued building on its recent gains, rising to 73.1 (1985=100) in October 2012, up 2.8 points from September.

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

Accommodations

- In October 2012, the National Occupancy Rate increased modestly (+0.8 points to 64.6%) compared with the previous year. Alberta posted the largest increase (+3.0 points) while Northwest Territories experienced the largest decline (-13.3 points).
- Year-to-date October 2012, the National Occupancy Rate recorded a marginal increase of 0.9 points, reaching 63.7%. Alberta registered the largest increase (+3.8 points), followed by Newfoundland and Labrador (+1.3 points).
- Year-to-date October 2012, the National Average Daily Rate improved to \$130.14, up 1.9% compared with the same period in 2011. Northwest Territories, British Columbia, Alberta, Quebec, and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- During the first ten months of 2012, the Average Revenue per Available Room (RevPAR) was \$82.84 (+3.3%), with Alberta posting the strongest growth (+11.8%, \$88.47) followed by Newfoundland and Labrador (+5.2%, \$98.16).

Canadian Occupancy Rates, By Province*

	Oct. 2012	12/11 Change [^]	Jan.-Oct. 2012	Year-to-date Change [^]
Alberta ¹	69.7	3.0	66.7	3.8
British Columbia	57.3	2.1	62.3	0.3
Saskatchewan	73.8	-0.2	69.0	0.0
Manitoba	66.9	-2.8	64.6	-2.8
Ontario	66.2	-0.4	63.1	0.7
Quebec	67.0	-0.1	63.9	-0.4
New Brunswick	58.9	1.8	57.2	0.2
Nova Scotia	65.3	1.6	63.2	0.7
Newfoundland	73.6	0.6	71.3	1.3
Prince Edward Island	46.1	1.8	50.2	-2.6
Northwest Territories	59.2	-13.3	64.6	-3.7
Yukon	61.9	-2.8	73.5	0.7
Canada	64.6	0.8	63.7	0.9

* Note: Based on the operating results of 221,679 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.