

Tourism Snapshot

A focus on the markets in which Destination Canada (DC) and its partners are active.

Key highlights

- In October 2015, overnight arrivals from Destination Canada (DC)'s eleven target markets increased by 5.7% with gains from all four world regions, including the US (+5.5%), Asia-Pacific (+7.8%), Latin America (+4.4%) and Europe (+5.0%).
- Year-to-Date October 2015, arrivals from DC's eleven international markets rose 7.6% on the basis of results recorded in ten of DC's eleven markets.
- In October 2015, all of DC's key markets outside of Brazil registered gains, with strong growth from India (+24%), South Korea (+16.5%), Mexico (+9.1%), France (+8.2%) and Japan (+6.7%).
- Arrivals from the two Latin American markets recorded mixed results in October 2015, with gains from Mexico (+9.1%) but a minor contraction from Brazil (-1.9%). From January to October 2015, arrivals are up 15.7% from Brazil and 12.6% from Mexico.
- Following robust growth in September 2015, overall overnight arrival from the United States rose moderately in October 2015 (+5.5%) with growth in arrival by auto (+8.3%) and by air (+4.5%).



Tourism review Inbound highlights

Overnight trips to Canada

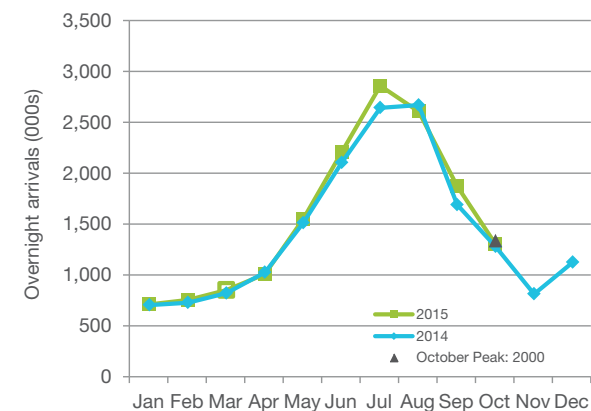
	Oct. 2015	15/14 Oct. % Change	Jan. - Oct. 2015	Year-to-date % Change
United States				
Automobile	525,151	8.3	6,588,335	9.3
Air	296,165	4.5	3,132,168	6.2
Other	90,020	-5.8	1,294,465	4.9
US Total	911,336	5.5	11,014,968	7.9
Europe Markets*				
UK	51,411	2.2	642,007	6.3
France	42,530	8.2	451,876	4.5
Germany	26,481	5.5	301,289	-0.2
Europe Markets Total	120,422	5.0	1,395,172	4.2
Asia-Pacific Markets*				
Japan	29,812	6.7	244,295	5.7
South Korea	18,411	16.5	167,309	15.5
China	36,950	3.1	444,017	9.4
India	12,312	24.0	169,744	10.0
Australia	16,629	1.8	249,623	2.9
Asia-Pacific Markets Total	114,114	7.8	1,274,988	8.2
Latin America Markets*				
Mexico	10,401	9.1	170,563	12.6
Brazil	6,866	-1.9	98,458	15.7
Latin America Markets Total	17,267	4.4	269,021	13.7
Overseas Key Markets	251,803	6.2	2,939,181	6.7
Total 11 DC Markets	1,163,139	5.7	13,954,149	7.6
Other Overseas Countries	139,993	1.6	1,788,089	5.3
Non-US Countries	391,796	4.5	4,727,270	6.2
Total Countries	1,303,132	5.2	15,742,238	7.3

Note: Statistics Canada preliminary estimates.

**In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included European markets and Australia. As of January 2015 we changed the classification to a geography-based approach, which better reflects the reality of the markets.

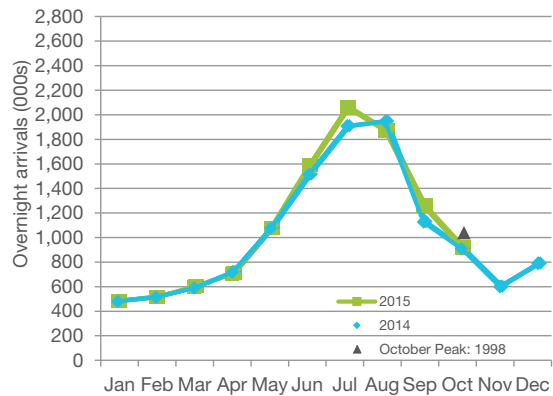
Source: Statistics Canada, International Travel Survey.

International trips



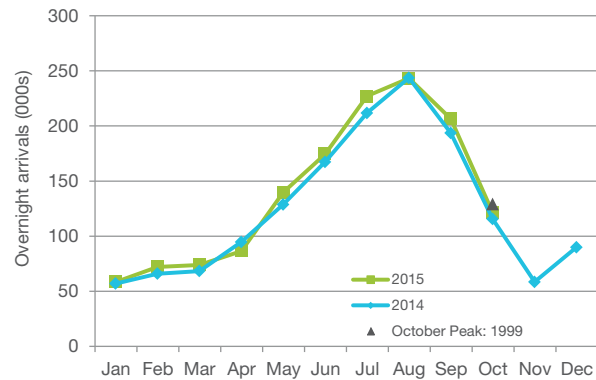
- Canada welcomed 1,303,132 international visitors in October 2015, up 5.2% compared to October 2014. From January to October 2015, Canada recorded 15,742,238 international arrivals, up 7.3% relative to 2014.
- The international visitor peak on record during the month of October was recorded in 2000, with 1,336,443 overnight trips, which was 2.5% higher than the number of overnight visitors in October 2015.

United States



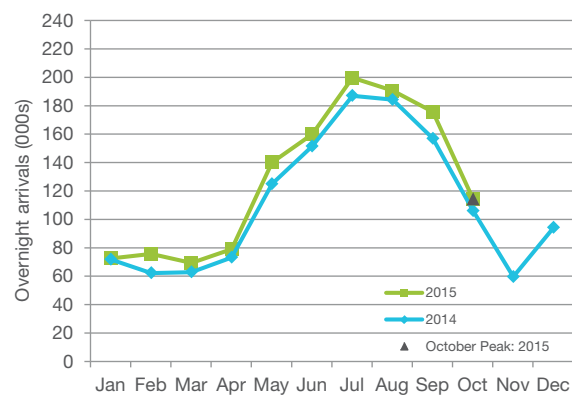
- In October 2015, overall arrivals from the US rose 5.5% over October 2014, with growth recorded in arrivals by auto (+8.3%) and by air (+4.5%) but a decline in arrivals by other modes of transport (bus, rail, sea) (-5.8%). Year-to-date, total arrivals from the US are up 7.9%.
- Canada welcomed about 911,300 overnight visitors from the US in October 2015. The US visitor peak on record during the month of October occurred in 2004, with 1,031,000 overnight trips.

Europe Markets



- In October 2015, overnight arrivals from DC's European markets increased 5.0%. Year to date, arrivals from these markets are up 4.2%.
- All three DC markets in Europe registered gains in October 2015. Amid a stabilized Euro and stronger British pound relative to the CAD over the second half of 2015, arrivals from the France (+8.2%), Germany (+5.5%) and UK (+2.2%) all rose relative to October 2014.
- Canada welcomed 120,400 visitors from key markets in Europe in October 2015. The arrivals peak of 128,300 was registered in October 1999, which was 6.2% higher than in October 2015.

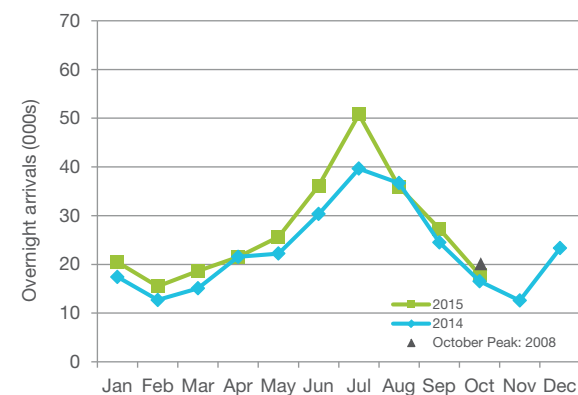
Asia-Pacific Markets



- Overnight arrivals from DC markets in the Asia-Pacific region showed a continued robust expansion (+7.8%) despite slower growth from China. Year-to-date October 2015, arrivals from DC's Asia-Pacific markets are up 8.2%.
- Arrivals from China rose modestly (+3.1%) in October 2015 following a strong increase in September. While the nation-wide increase in arrivals from China was modest, Montreal-Trudeau registered a significant lift in Chinese arrivals thanks to the new non-stop Air China flight from Beijing. Year to date October 2015, China arrivals are up 9.4% compared to the same period in 2014.
- Arrivals from Australia rose slightly (+1.8%) in October 2015, following a minor loss in September. Year to date, arrivals from Australia are up 2.9% compared to the same period in 2014.
- Arrivals from South Korea (+16.5%) rose significantly in October amid a more favourable exchange rate for South Korean visitors to Canada. The gains from South Korea were also facilitated by increased air capacity between Seoul and Vancouver in recent months. Year to date, South Korean arrivals are up 15.5% compared to 2014.

- In October 2015, India (+24%) registered healthy gains in overnight visits to Canada. The introduction in 2014 of the CAN+ Visa program in India continues to be a contributing factor to the robust growth from market over the past year. Year to date, India arrivals are up 10% compared to the same period in 2014.
- Supported by a greater air capacity between the two countries (seats up 20% in October, year over year), overnight arrivals from Japan to Canada increased 6.7% in October 2015. From January to October 2015, arrivals from Japan have increased 5.7% relative to 2014.
- The 114,000 overnight visitors to Canada from DC's Asia-Pacific markets in October 2015 set a new all-time record high for the month.

Latin America Markets



- Arrivals from DC's two Latin American markets recorded moderate growth (+4.4%) in October 2015 following strong growth in September. Year to date October 2015, Latin American arrivals to Canada from Mexico and Brazil are up 13.7%.
- In October 2015, arrivals from Mexico rose 9.1% relative to October 2014. Over the first nine months of 2015, arrivals from Mexico are up 12.6% compared to the same period in 2014. The vigorous increase in overnight arrivals from Mexico was facilitated by a 21.5% increase in air capacity between Canada and Mexico since the beginning of 2015 and by the CAN+ visa program.
- In October 2015, overnight arrivals from Brazil decreased 1.9% following strong growth in September. Year to date, arrivals from Brazil are up 15.7%, which were facilitated by the CAN+ visa and strong increase in air seat capacity (+35%) between Brazil and Canada since the start of 2015.
- In October 2015, Mexico and Brazil recorded a combined total of 20,950 visitors to Canada, just 4,000 visitors shy of the peak for the month of October recorded in 2008.

Peak Year Review of Overnight Trips to Canada by Market – January to October

Markets	Europe			United States		Asia Pacific			Latin America			
	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Brazil	Mexico
Previous Peak Year	2014	1996	2007	2002	2014	2014	2014	2014	1996	2007	2014	2008
Arrivals During												
Previous Peak Year	432,550	427,310	769,886	13,836,067	3,398,467	242,494	405,785	154,314	588,279	176,005	85,101	237,811
YTD October 2015												
Total Arrivals	451,876	301,289	642,007	11,014,968	3,132,168	249,623	444,017	169,744	244,295	167,309	98,458	170,563
Current % of Previous Peak	104.5%	70.5%	83.4%	79.6%	92.2%	102.9%	109.4%	110.0%	41.5%	95.1%	115.7%	71.7%

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

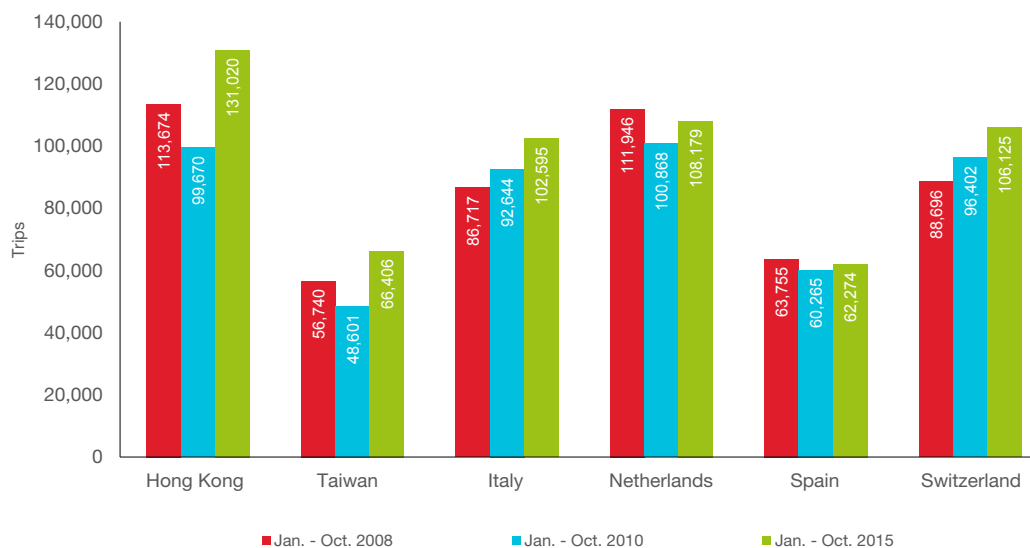
Peak achieved during 2015

- From January to October 2015, five markets—Australia, France, India, Brazil and China —achieved their highest level of overnight arrivals ever.
- In the first ten months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 70% to 95% of their peaks, recorded in 2007, 1996, 2008, 2007 and 2002 respectively.
- US arrivals by air during the ten first months of 2015 totalled over 3.1 million overnight visits to Canada—92% of the peak recorded in 2014.
- From January to October 2015, arrivals from Japan achieved 41.5% of the peak recorded in 1996.

Market Watch

- In October 2015, three secondary European markets recorded strong gains compared to 2014. Arrivals rose from Spain (+21.7%), the Netherlands (+21.7%) and Switzerland (+2.5%), while arrivals from Italy (-1.5%) declined.
- From January to October 2015, all four secondary European markets saw healthy increases in visitation, with the Netherlands (+14.8%) leading the way, followed by Spain (+9.0%), Italy (+2.4%) and Switzerland (+2.1%).
- In October 2015, arrivals declined from both Taiwan (-2.7%) and Hong Kong (-0.9%) compared to the same month in 2014, following robust growth from these two countries registered in September.
- Since the beginning of the year, both secondary markets in Asia posted healthy growth, with Hong Kong arrivals up 9.1% and Taiwan arrivals up 5.5% over the same period in 2014.

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. 2015	15/14 Oct. % Change	Jan. - Oct. 2015	Year-to-date % Change
Italy	7,597	-1.5	102,595	2.4
Spain	4,425	21.7	62,274	9.0
Netherlands	8,201	21.7	108,179	14.8
Switzerland	7,799	2.5	106,125	2.1
Hong Kong	9,093	-0.9	131,020	9.1
Taiwan	7,247	-2.7	66,406	5.5

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

International Arrivals by Province of Entry to Canada

Non-Residents Overnight Arrivals to Canada by province of Entry, January to October 2015

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	56,205	4.5%	2,420	-	-	-	777	-34.4%	(407)	2,692	8.1%	201
Prince Edward Island	298	-87.7%	(2,129)	-	-	-	9	-60.9%	(14)	6	50.0%	2
Nova Scotia	208,528	-1.7%	(3,584)	935	-19.3%	(223)	24,960	-1.4%	(363)	8,547	-2.8%	(243)
New Brunswick	295,342	1.4%	4,063	17,692	10.7%	1,706	24,199	-16.0%	(4,598)	2,378	-7.8%	(202)
Quebec	2,289,663	7.3%	155,177	73,971	7.1%	4,934	63,344	7.9%	4,649	88,507	15.2%	11,669
Ontario	7,281,728	9.1%	605,268	292,419	7.6%	20,613	162,127	6.0%	9,142	176,165	1.9%	3,298
Manitoba	204,178	14.1%	25,210	12,180	15.0%	1,591	5,929	-7.3%	(469)	439	-42.2%	(320)
Saskatchewan	75,108	-13.1%	(11,359)	5,983	10.5%	567	3,357	-30.0%	(1,438)	240	-9.4%	(25)
Alberta	816,722	-0.7%	(5,672)	6,461	11.8%	684	34,822	-4.0%	(1,441)	15,134	-12.8%	(2,219)
British Columbia	4,367,920	7.6%	308,052	111,629	10.4%	10,522	66,611	3.5%	2,226	97,447	5.1%	4,772
Yukon	146,546	-0.5%	(724)	3,881	-2.1%	(83)	50	22.0%	9	241	19.3%	39
Canada	15,742,238	7.3%	1,076,722	525,151	8.3%	40,311	386,185	1.9%	7,296	391,796	4.5%	16,972

Source: ITS Border Counts, October 2015, Statistics Canada

- During the ten first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+605,268, +9.1%), British Columbia (+308,052, +7.6%) and Quebec (+155,177, +7.3%).
- All three provinces (Ontario, BC and Quebec) registered gains in US arrivals by auto and non-auto modes as well as from overseas.
- Manitoba benefited from a significant surge in overnight car arrivals from the US (+15%), resulting in a 14.1% growth in total international arrivals in the province compared to the same period last year.
- Saskatchewan, Nova Scotia, Alberta, PEI and the Yukon recorded a contraction of direct total international arrivals since the beginning of the year.

Competitive Review – Australia vs Canada (January - October 2015)

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		15/14 Change		15/14 Change
Total International	15,742,238	7.3%	5,862,000	7.4%
United States	11,014,968	7.9%	469,500	8.8%
Canada	111,700	6.1%
Europe				
United Kingdom	642,007	6.3%	509,200	4.4%
France	451,876	4.5%	94,500	1.6%
Germany	301,289	-0.2%	148,200	1.7%
Asia-Pacific				
Australia	249,623	2.9%
Japan	244,295	5.7%	267,000	0.0%
South Korea	167,309	15.5%	177,200	8.7%
China	444,017	9.4%	843,100	20.5%
India	169,744	10.0%	186,700	19.4%
Latin America				
Mexico	170,563	12.6%	6,700	9.8%
Brazil	98,458	15.7%	35,800	8.2%
Total DC Key Markets	13,954,149	7.6%	2,849,600	10.1%

...Not applicable.

n/a - not available.

Sources:

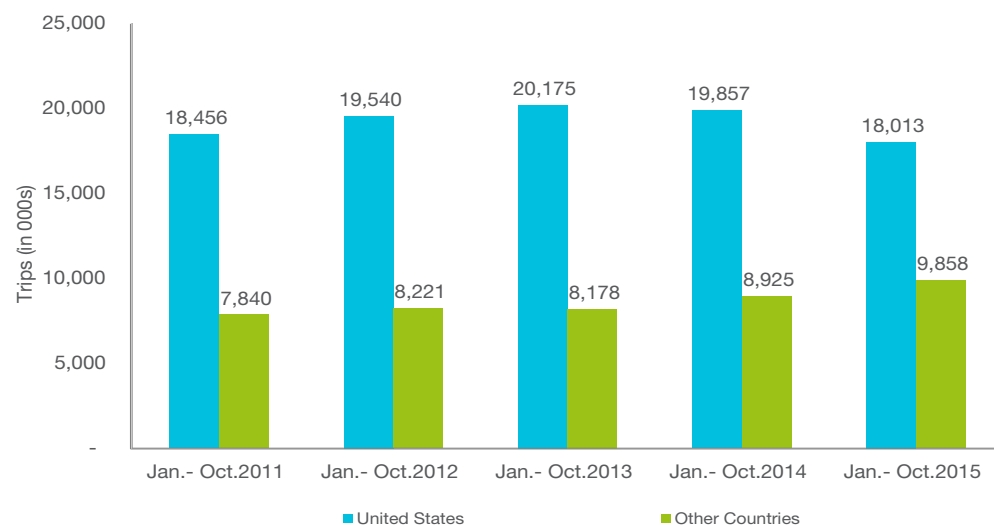
Statistics Canada, International Travel Survey Frontier Counts

Australian Bureau of Statistics, Overseas Arrivals and Departures

- Since the beginning of 2015, Canada registered a larger increase in total international arrivals (+7.5%) relative to growth recorded in Australia (+6.6%) over 2014.
- In DC's key markets, Canada registered lower growth, with arrivals increasing 7.8% compared to 9.1% in Australia relative to YTD September 2014.
- Australia posted a 5.1% increase in arrivals from Canada from January to September 2015. In comparison, Australian arrivals to Canada increased 3.0% during the same period.
- Australia registered larger gains than Canada in arrivals from China (+20% vs +10%) and India (+19.5% vs +9%) since the beginning of the year relative to 2014.
- Canada registered larger gains than Australia in arrivals from all other DC key markets over the first nine months of 2015, outpacing it on overnight arrivals from Brazil (+17.3% vs +8%), France (+4.1% vs +1.9%), Japan (+5.6% vs -0.5%), Mexico (+12.8% vs +1.6%), South Korea (+15.4% vs +7.7%), the UK (+6.6% vs +3.7%) and the US (+8.1% vs +7.9%).

Canadian outbound trips

Overnight trips by Canadians



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

- In October 2015, the number of overnight trips by Canadians to international destinations declined by 5.3% to 2,272,000, 65% of which were to US destinations. While the number of overnight trips by Canadians to the US fell by 14.3% year-over-year, it rose by 16.8% to overseas destinations.
- Over the first ten months of 2015, outbound trips by Canadian residents declined 3.2% compared to 2014 to 27,870,000. The number of trips south of the border declined by 9.3%, while trips to other destinations increased 10.5% relative to the same period in 2014.
- In October 2015, most Canadian residents returned to the country from abroad through Ontario (1,118,000 re-entries, -3%), BC (435,850 re-entries, -7.6%) and Quebec (404,640 re-entries, -2.3%).
- In October 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (680,000 re-entries, -14.8%), BC (313,000 re-entries, -11.4%) and Quebec (228,300 re-entries, -12.4%).

Overnight trips by Canadians

	Oct. 2015	15/14 Oct. % Change	Jan. - Oct. 2015	Year-to-date % Change
United States	1,465,517	-14.3	18,013,402	-9.3
Other Countries	806,595	16.8	9,858,367	10.5
Total Trips from Canada	2,272,112	-5.3	27,871,769	-3.2

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

Consumer outlook

Consumer confidence

- **Canada:** Despite signs of a slowing Canadian economy in the third quarter, the index of consumer confidence rose 4.7 percentage points in October to land at 95.3 (2014 = 100).
- **USA:** The Conference Board Consumer Confidence Index® retreated in October. The Index stood at 99.1 (1985=100) in October, down from 102.6 in September amid a less favorable view of the job market by the labour force in the US.

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

Accommodation

Hotel Performance Indicators by Province*

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Oct. 2015	15/14 Change [^]	Jan. - Oct. 2015	Year-to-date Change [^]	Oct. 2015	15/14 Change [^]	Jan. - Oct. 2015	Year-to-date Change [^]	Oct. 2015	15/14 Change [^]	Jan. - Oct. 2015	Year-to-date Change [^]
Alberta ¹	57.9%	-13.8%	61.2%	-8.3%	\$137.83	-5.1%	\$141.06	-2.0%	\$79.86	-23.3%	\$86.28	-13.6%
British Columbia	63.7%	2.0%	68.9%	2.5%	\$139.20	9.2%	\$155.03	9.4%	\$88.62	12.7%	\$106.76	13.6%
Saskatchewan	63.4%	-8.4%	60.3%	-4.8%	\$132.17	-2.5%	\$131.94	-0.8%	\$83.76	-13.9%	\$79.57	-8.1%
Manitoba	66.7%	-4.3%	63.7%	0.4%	\$118.72	-0.8%	\$119.42	1.8%	\$79.19	-6.8%	\$76.02	2.5%
Ontario	70.7%	1.2%	67.0%	1.1%	\$141.92	6.2%	\$139.65	6.1%	\$100.35	8.0%	\$93.56	7.8%
Quebec	71.1%	0.7%	68.5%	1.4%	\$158.16	6.8%	\$153.05	5.0%	\$112.44	7.9%	\$104.83	7.2%
New Brunswick	56.4%	0.9%	56.7%	-0.7%	\$113.16	5.4%	\$115.80	4.0%	\$63.81	7.2%	\$65.71	2.7%
Nova Scotia	66.3%	0.1%	63.9%	1.6%	\$134.00	6.1%	\$128.85	5.0%	\$88.88	6.2%	\$82.36	7.7%
Newfoundland	67.1%	-7.4%	66.3%	-2.1%	\$151.32	-0.6%	\$148.65	-0.2%	\$101.59	-10.4%	\$98.58	-3.3%
Prince Edward Island	51.9%	2.4%	55.2%	2.3%	\$116.55	3.7%	\$131.98	4.6%	\$60.52	8.8%	\$72.87	9.1%
Northwest Territories	61.8%	-3.6%	65.9%	-2.8%	\$153.46	-5.4%	\$156.72	0.2%	\$94.88	-10.6%	\$103.29	-3.9%
Yukon	47.7%	-18.2%	67.0%	-1.8%	\$118.35	29.6%	\$120.24	6.9%	\$56.45	-6.1%	\$80.51	4.2%
Canada	65.8%	-1.9%	65.7%	-0.5%	\$141.80	4.2%	\$144.99	4.9%	\$93.33	1.3%	\$95.30	4.1%

** Based on the operating results of 222,019 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.

- In October 2015, the National Occupancy Rate decreased 1.9 points to 65.8%. PEI (+2.4 points) and BC (+2.0 points) registered the largest increases, while Alberta (-13.8 points), Saskatchewan (-8.4 points) and Newfoundland (-7.4 points) recorded the largest declines in hotel occupancy rates due to the financial hardship of the oil and gas sector. The hotel markets with the highest occupancy rates in October 2015 were in Quebec (71.1%), Ontario (70.7%) and Nova Scotia (66.3%).
- Since the beginning of 2015, the National Occupancy Rate declined slightly (-0.5 points to 65.7%) compared to last year. BC (+2.5 points), PEI (+2.3 points), Nova Scotia (+1.6 points) and Quebec (+1.4 points) recorded the strongest gains. The largest declines were recorded in Alberta (-8.3 points), Saskatchewan (-4.8 points) and Northwest Territories (-2.8 points), mainly because of the decline in the commodity sector over the past year. The provincial and territorial markets with the highest hotel occupancy rates during the first ten months of the year were BC (68.9%), Quebec (68.5%) and Yukon (67%).
- Since the beginning of 2015, the National Average Daily Rate (ADR) rose to \$144.99, up 4.9% compared to 2014. BC (+9.4%, \$139.30), Yukon (+6.9%, \$120.24), Ontario (+6.1%, \$139.65), Nova Scotia (+5.0%, \$128.85), and Quebec (+5.0%, \$153.05) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates were in Northwest Territories (\$156.72/night), BC (\$155.03/night) and Quebec (\$153.05/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$95.53 (+4.1%), with the largest revenue growth in BC (+13.6%, \$106.76), PEI (+9.1%, \$72.87), Ontario (+7.8%, \$93.56), Nova Scotia (+7.7%, \$82.36), and Quebec (+7.2%, \$104.83). Provincial and territorial hotel markets with the highest RevPar were BC (\$106.76), Quebec (\$104.83) and the Northwest Territories (\$103.29).

DC Consumer and Market Intelligence