DESTINATION CANADA

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Tourism Snapshot

A Monthly Monitor of the Performance of Canada's Tourism Industry

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Canada

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KEY HIGHLIGHTS

- In May 2017, overnight arrivals to Canada from Destination Canada's eleven international markets rose 2.1% as strong double digits gains from Asia-Pacific (+17.2%) and Latin America (+55.4%) combined to offset contractions from Europe (-4.5%) and the United States (-0.3%). Year-to-date, overnight arrivals from Destination Canada's markets are up 4.8% on the count of gains across all markets except US automobile arrivals (-1.8%).
- Declines in inbound travels to Canada from several Destination Canada markets were primarily attributable to fewer auto arrivals via the United States, most notably US Automobile (-3.7%), Germany (-3.6%), France (-3.4%) and Japan (-0.9%), which coincided with major spring flooding in Eastern Canada in May 2017.
- Overnight arrivals from Destination Canada's two Latin American markets soared by 55.4% in May 2017 on the basis of continued spectacular gains from Mexico (+74.9%) and robust improvements from Brazil (+24.9). Year-to-date, arrivals from both Mexico (+60.7%) and Brazil (+14.9%) reached new record high levels, with Mexico surpassing 100,000 arrivals a full month earlier than ever before.
- Buoyant arrival levels from the Asia-Pacific region (+17.2%) were directly correlated with increased direct air access to Canada (+34.4% in seat capacity). Increased arrivals by air direct from overseas (+30.9%) in DC's Asia-Pacific markets contributed to offset declines in overland arrivals via the US (-9.4%). In Japan, a slight drop in overnight arrivals was linked to lower arrivals via US by land (-35.0%) and by air (-8.8%). Year-to-date, all five Destination Canada Asia-Pacific markets showed double-digit increases relative to the same period in 2016.
- Amid a general slowdown in overnight arrivals from Europe, all three Destination Canada European markets contracted in May 2017. Subdued performances from France and Germany (-3.5% combined) were associated with sluggish performance in arrivals by air direct from overseas (-0.7% combined) and especially contractions in arrivals via the US by air (-7.4%) and by land (-16.7%).
- In the midst of general elections in the UK, the decline in arrivals from that market (-5.5%) was associated with drops in air arrivals direct from overseas (-3.0%) and via the US (-16.3%) as well as cruise arrivals (-37.7%). YTD May 2017, overnight arrivals from the UK are still up a healthy 8.5% over the same period in 2016.
- In May 2017, subdued overnight arrivals from the US (-0.3%) were primarily a result of fewer arrivals of US residents by automobile (-3.7%) as major flooding situations in Eastern Canada contributed to lower crossings through land ports in Ontario (-5.0%), Quebec (-1.4%) and New Brunswick (-2.8%). Based on leading indicators for automobile arrivals, a strong rebound is expected in June 2017.

QUICK LINKS

Industry Performance Dashboard

	May 2017	YTD
Overnight Arrivals[1]		
Total International	↑ 2.5%	↑ 5.4%
11 DC Markets**	↑ 2.1%	↑ 4.8%
United States	↓ -0.3%	↑ 1.3%
10 Overseas Markets	↑ 10.7%	↑ 17.9%
Non-DC Markets	↑ 6.0%	↑ 10.5%
Air Seat Capacity[2]		
Total International	↑ 3.6%	↑ 2.4%
11 DC Markets**	↑ 7.3%	↑ 6.6%
Non-DC Markets	↑ 1.2%	↓ -0.8%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 1.5	↑ 1.5
Revenue Per Available Room (Revpar)	↑ 7.0%	↑ 3.7%
Average Daily Rate (ADR)	↑ 9.6%	↑ 6.3%

Notes:
The Industry Performance Dashboard figures are year-on-year variations.
* Percentage point variations.
** The 11 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea, Brazil and Mexico.

Sources:
1. Statistics Canada, Frontier counts, custom tabulations
2. IATA-Diio SRS Analyser
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
		May 2017	YTD 2017	May 2017	YTD 2017	May 2017	YTD 2017	May 2017 Average	YTD Average
United States	United States	1,160,399	3,950,808	-0.3%	1.3%	4.3%	2.2%	0.6%	-1.3%
DC Europe	France	38,498	153,238	-3.4%	6.4%	1.5%	8.1%	-1.8%	-4.8%
	Germany	33,556	102,357	-3.6%	8.9%	8.7%	10.7%	-1.8%	-4.8%
	United Kingdom	68,349	232,541	-5.5%	8.5%	-1.4%	10.0%	-10.6%	-13.7%
DC Asia-Pacific	Australia	40,403	111,364	23.9%	23.9%	88.8%	98.9%	2.2%	1.8%
	China	53,302	197,275	10.8%	16.2%	33.9%	39.0%	-4.6%	-6.4%
	India	34,809	86,249	24.5%	25.4%	27.9%	51.5%	4.4%	0.6%
	Japan	20,866	96,670	-0.9%	15.7%	7.6%	12.6%	-2.4%	-1.1%
	South Korea	26,088	85,670	30.9%	27.6%	68.8%	43.2%	4.9%	2.4%
DC Latin America	Brazil	13,668	44,138	24.9%	14.9%	-16.1%	-31.1%	11.3%	17.7%
	Mexico	30,059	125,880	74.9%	60.7%	72.6%	43.8%	-2.8%	-9.9%
Total 11 DC Markets		**1,519,997**	**5,186,190**	**2.1%**	**4.8%**				
Rest of the World		**195,794**	**677,029**	**6.0%**	**10.5%**				
Total International		**1,715,791**	**5,863,219**	**2.5%**	**5.4%**				

Sources:
i. Statistics Canada, Frontier counts, custom tabulations
ii. IATA-Diio SRS Analyser
iii. Bank of Canada

Notes:
i. Arrival figures are preliminary estimates and are subject to change.
ii. Air seat capacity is the variation in the total number of seats on direct commercial scheduled flights during the current month and YTD relative to the same periods in the previous year.
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during during the current month and YTD relative to the same periods in the previous year.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

-0.3% ↓ YOY

YTD:

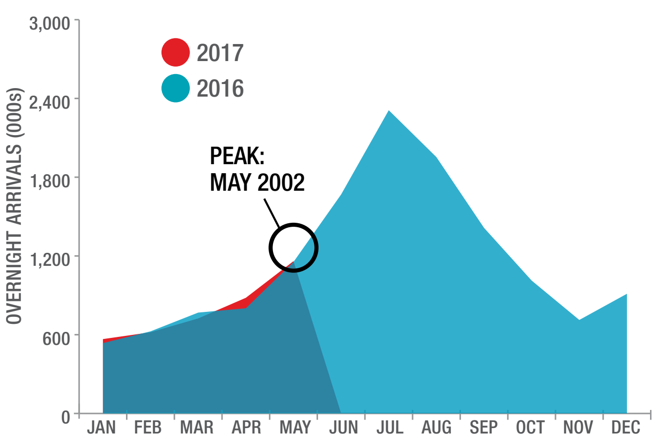
+1.3% ↑ YOY

Overnight Arrivals

	May 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	617,747	-3.7	2,175,453	-1.8
Air	404,406	5.3	1,478,438	5.9
Other	138,246	-0.3	296,917	2.3
US Total	**1,160,399**	**-0.3**	**3,950,808**	**1.3**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total United States Arrivals



United States: Key Indicators

Air Seat Capacity[i]	May 2017	4.3%
	YTD	2.2%
Exchange Rate[ii]	May 2017	0.6%
	YTD	-1.3%
Consumer Confidence Index (1985=100)[iii]	May 2017	117.6
	Previous Month	119.4
YTD Arrival Peak[iv]	Previous Peak Year	2002
	Current % of Previous Peak	87.2%

Source:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- US overnight arrivals to Canada were marginally down year-over-year in May 2017 (-0.3%), due to a decline in arrivals by automobile (-3.7%) and other modes of transportation (-0.3%), which were not quite offset by continued gains in arrivals by air (+5.3%).
- Year-to-date May 2017, US arrivals to Canada were still up slightly (+1.3%), with increases in visitors arriving by air (+5.9%) and other modes (+2.3%) offsetting a downward trend in auto arrivals (-1.8%). This year-to-date auto arrivals trend was consistent across most provinces.
- Ongoing expansion of air capacity between Canada and the US (+4.3% in May, +2.2% YTD) supported the steady growth in air arrivals from the US. The US dollar (-1.3% YTD) also marginally improved against the Canadian dollar in May (+0.6%) when compared to the same month in 2016, but weakened relative to April 2017 (-3.2%).
- Consistent with observations earlier in 2017, the top states of origin for US overnight arrivals by vehicle[1] in May 2017 were New York (17.9% of arrivals), Washington (14.9%), and Michigan (12.6%), with a significant proportion also driving to Canada from Pennsylvania (5.3%), Ohio (4.9%), Massachusetts (4.5%), and New Jersey (4.2%). However, year-to-date some of these key visitor states – including Washington, New York, and Massachusetts – have also seen the largest year-over-year declines in cross-border traffic, while several other states have seen significant growth – including Oregon, California, Alaska, and North Dakota,
- After observing a significant drop of 5.5 points last month, the consumer confidence index published by the US Conference Board fell another 1.8 points in May 2017, currently sitting at to 117.6.

[1] States of origin information is based on Integrated Primary Inspection Lane data collected from US residents entering Canada in automobiles with license plate registered in the United States.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

-4.5% ↓ YOY

YTD:

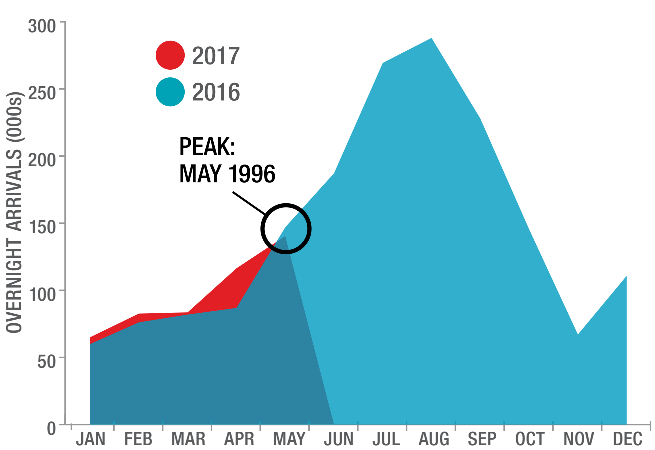
+7.9% ↑ YOY

Overnight Arrivals

	May 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**140,403**	**-4.5**	**488,136**	**7.9**
United Kingdom	68,349	-5.5	232,541	8.5
France	38,498	-3.4	153,238	6.4
Germany	33,556	-3.6	102,357	8.9
Other Europe	**82,418**	**-27.0**	**301,331**	**34.8**
Italy	7,499	-8.1	26,310	-6.1
Netherlands	13,955	-4.2	38,550	11.6
Spain	5,649	-0.4	20,335	21.3
Switzerland	8,880	-19.4	32,261	-3.9
Rest of Europe	46,435	5.0	183,875	12.0
Total Europe	**222,821**	**-3.4**	**789,467**	**8.2**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	May 2017	1.5%	8.7%	-1.4%
	YTD	8.1%	10.7%	10.0%
Exchange Rate[ii]	May 2017	-1.8%	-1.8%	-10.6%
	YTD	-4.8%	-4.8%	-13.7%
YTD Arrival Peak[iii]	Previous Peak Year	2016	1996	2008
	Current % of Previous Peak	106.4%	95.1%	84.1%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

EUROPE

- May 2017 arrivals from Destination Canada's Europe region retracted slightly compared to the same month a year ago (-4.5%). A total of 140,403 visitors from the three key European markets in this region arrived to Canada on an overnight trip in May 2017. This decline was observed across all three markets: UK (-5.5%), Germany (-3.6%), and France (-3.4%). For France and Germany, the trend was mainly driven by decreased arrivals via the US, both by land and by air. For the UK, which was in the midst of general elections in May 2017, the downward trend was associated with a drop in air arrivals both directly from overseas and via the US, as well as cruise arrivals.

- Year-to-date, Destination Canada's Europe region is still performing well, with year-over-year growth of +7.9% and a new YTD peak of 488,136 visitors over the first five months of 2017. All three European markets observed positive growth over this period: Germany (+8.9%), UK (+8.5%), and France (+6.4%), with France also reaching a new YTD May record of 153,238 visitors.

- Alongside the general slowdown in arrivals from this region in May 2017, air capacity to Canada from these markets also slowed, with a retraction observed in capacity from the UK (-1.4%), and relatively subdued expansion from France (+1.5%) and Germany (+8.7%). The Euro softened in May relative to the same month a year earlier (-1.8%), while year to date it lost 4.8% of its purchasing power against the CAD.

DC Europe Arrivals by Port of Entry

- Year-to-date in 2017, nearly three-quarters of visitors from Destination Canada's European markets arrived by air directly from overseas (72.4%). YYZ and YUL were the most popular airports for arrivals from these markets, receiving 39.0% and 29.0% of direct air arrivals, respectively.

- Year-to-date arrivals via the US by land decreased compared to the same period of 2016 among visitors from France (-16.9%) and Germany (-2.7%), whereas among visitors from the UK arrivals via the US by air (-9.6%) and by sea (-74.9%) declined.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	20,755	34,745	82,321
		YOY%	41.3%	20.8%	19.0%
		% of Total	**13.5%**	**33.9%**	**35.4%**
	YVR	Arrivals	4,502	17,263	45,575
		YOY%	-1.7%	13.0%	22.2%
		% of Total	**2.9%**	**16.9%**	**19.6%**
	YUL	Arrivals	76,438	10,898	15,349
		YOY%	5.1%	-5.6%	-8.3%
		% of Total	**49.9%**	**10.6%**	**6.6%**
	YYC	Arrivals	1,216	7,249	24,472
		YOY%	14.8%	4.2%	24.9%
		% of Total	**0.8%**	**7.1%**	**10.5%**
	All other airports	Arrivals	1,965	3,050	7,710
		YOY%	2.1%	4.9%	4.6%
		% of Total	**1.3%**	**3.0%**	**3.3%**
	Subtotal	Arrivals	104,876	73,205	175,427
		YOY%	9.9%	12.4%	14.2%
		% of Total	**68.4%**	**71.5%**	**75.4%**
Air Arrivals via the US	All airports	Arrivals	41,004	18,705	33,286
		YOY%	2.8%	1.5%	-9.6%
		% of Total	**26.8%**	**18.3%**	**14.3%**
Sea Arrivals	All sea borders	Arrivals	376	2,534	5,020
		YOY%	67.9%	21.4%	-74.9%
		% of Total	**0.2%**	**2.5%**	**2.2%**
Land Arrivals via US	All land borders	Arrivals	6,981	7,903	18,805
		YOY%	-16.9%	-2.7%	18.5%
		% of Total	**4.6%**	**7.7%**	**8.1%**
Total Overnight Arrivals			**153,238**	**102,357**	**232,541**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

ASIA-PACIFIC

DC Asia-Pacific Arrivals to Canada

CURRENT MONTH:

+17.2% ↑ YOY

YTD:

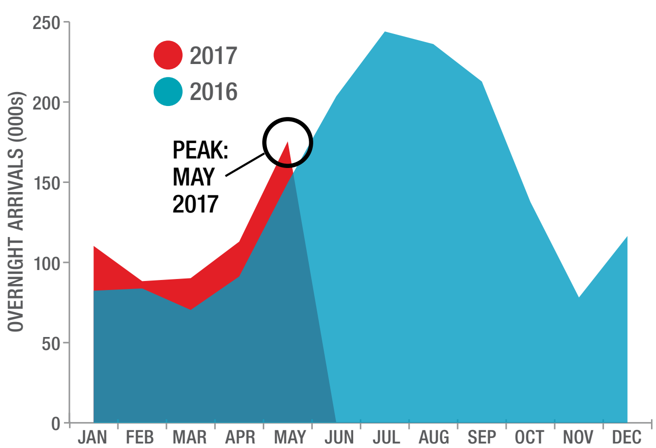
+20.5% ↑ YOY

Overnight Arrivals

	May 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**175,468**	**17.2**	**577,228**	**20.5**
Australia	40,403	23.9	111,364	23.9
China	53,302	10.8	197,275	16.2
India	34,809	24.5	86,249	25.4
Japan	20,866	-0.9	96,670	15.7
South Korea	26,088	30.9	85,670	27.6
Other Asia-Pacific	**69,655**	**15.5**	**224,145**	**24.0**
Hong Kong	14,285	2.9	49,672	4.9
Taiwan	8,906	3.4	27,780	5.8
Rest of Asia-Pacific	46,464	9.3	146,693	13.2
Total Asia-Pacific	**245,123**	**14.2**	**801,373**	**17.5**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	May 2017	88.8%	33.9%	27.9%	7.6%	68.8%
	YTD	98.9%	39.0%	51.5%	12.6%	43.2%
Exchange Rate[ii]	May 2017	2.2%	-4.6%	4.4%	-2.4%	4.9%
	YTD	1.8%	-6.4%	0.6%	-1.1%	2.4%
YTD Arrival Peak[iii]	Previous Peak Year	2016	2016	2016	1996	2016
	Current % of Previous Peak	123.9%	116.2%	125.4%	52.6%	127.6%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- Destination Canada's Asia-Pacific region saw strong arrivals to Canada in May 2017, with a record 175,468 visitors, up 17.2% over the same month a year ago, thanks to record-setting performance from four of the five key markets, with Japan being the exception. China, Australia, India, and South Korea, as well as the Asia-Pacific region overall, also each reached new peak arrivals year-to-date for the January to May period, with regional year-over-year growth of +20.5%.
- This strong regional growth was led by South Korea (+30.9% in May, +27.6% YTD), followed by India (+24.5% in May, +25.4% YTD), Australia (+23.9% in May, +23.9% YTD), and China (+10.8% in May, +16.2% YTD). Visitation from Japan retracted slightly in May (-0.9%) as fewer arrivals via the US overshadowed a 9.4% gain in air arrivals direct from overseas. Year-to-date, Japan continued to observe positive growth (+15.7%).
- Supporting this performance was the ongoing expansion of air capacity to Canada, particularly from Australia (+88.8% in May, +98.9% YTD), South Korea (+68.8% in May, +43.2% YTD), China (+33.9% in May, +39.0% YTD), and India (+27.9% in May, +51.5% YTD). In line with the slower growth observed in arrivals from Japan, air capacity from this market also expanded at a somewhat slower pace compared to the other four Asia-Pacific markets (+7.6% in May, +12.6 YTD).

DC Asia-Pacific Arrivals by Port of Entry

- For four of the five Asia-Pacific markets, the majority of visitors travelled to Canada by air directly from overseas. The exception was Australia, with approximately 40% each arriving either direct (40.7%) or via the US by air (39.8%). All markets except South Korea continued to observe declines in arrivals via the US by land year-to-date.
- Almost all direct air arrivals from Destination Canada's Asia-Pacific markets arrived via YVR (52.0%) or YYZ (40.3%), with nearly half of visitors from India landing at YYZ (49.0%) and about 40% of visitors from China (40.6%) and Japan (40.1%) landing at YVR. However, YYC continued to observe the strongest year-over-year growth in Chinese arrivals (+2798.0%).

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	5,649	58,267	42,221	26,153	19,473
		YOY%	24.5%	14.2%	49.8%	42.4%	102.8%
		% of Total	**5.1%**	**29.5%**	**49.0%**	**27.1%**	**22.7%**
	YVR	Arrivals	38,186	80,175	11,816	38,799	26,485
		YOY%	67.2%	26.2%	38.1%	18.7%	18.2%
		% of Total	**34.3%**	**40.6%**	**13.7%**	**40.1%**	**30.9%**
	YUL	Arrivals	753	9,462	3,586	453	327
		YOY%	30.1%	56.2%	20.7%	34.4%	35.7%
		% of Total	**0.7%**	**4.8%**	**4.2%**	**0.5%**	**0.4%**
	YYC	Arrivals	490	4,376	3,379	3,953	204
		YOY%	16.4%	2798.0%	0.1%	-0.6%	-31.8%
		% of Total	**0.4%**	**2.2%**	**3.9%**	**4.1%**	**0.2%**
	All other airports	Arrivals	234	283	1,242	88	69
		YOY%	0.8%	0.2%	2.9%	0.2%	0.2%
		% of Total	**0.2%**	**0.1%**	**1.4%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	45,312	152,563	62,244	69,446	46,558
		YOY%	58.4%	26.0%	41.2%	25.2%	42.7%
		% of Total	**40.7%**	**77.3%**	**72.2%**	**71.8%**	**54.3%**
Air Arrivals via the US	All airports	Arrivals	44,367	29,769	9,964	21,280	12,287
		YOY%	10.2%	-2.3%	4.2%	7.6%	5.2%
		% of Total	**39.8%**	**15.1%**	**11.6%**	**22.0%**	**14.3%**
Sea Arrivals	All sea borders	Arrivals	9,916	1,909	1,495	769	841
		YOY%	21.2%	-19.5%	1.2%	-20.6%	47.0%
		% of Total	**8.9%**	**1.0%**	**1.7%**	**0.8%**	**1.0%**
Land Arrivals via US	All land borders	Arrivals	11,767	13,034	12,546	5,175	25,984
		YOY%	-7.4%	-16.1%	-8.0%	-22.3%	19.5%
		% of Total	**10.6%**	**6.6%**	**14.5%**	**5.4%**	**30.3%**
Total Overnight Arrivals			**111,364**	**197,275**	**86,249**	**96,670**	**85,670**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

LATIN AMERICA

DC Latin America Arrivals to Canada

CURRENT MONTH:

+55.4% ↑ YOY

YTD:

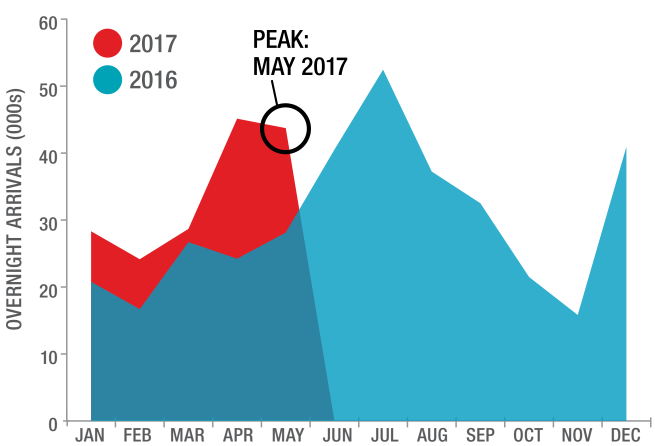
+45.7% ↑ YOY

Overnight Arrivals

	May 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**43,727**	**55.4**	**170,018**	**45.7**
Brazil	13,668	24.9	44,138	14.9
Mexico	30,059	74.9	125,880	60.7
Other Latin America	30,906	24.8	112,020	17.9
Total Latin America	**74,633**	**41.1**	**282,038**	**33.2**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total DC Latin America



DC Latin America: Key Indicators

		Brazil	Mexico
Air Seat Capacity[i]	May 2017	-16.1%	72.6%
	YTD	-31.1%	43.8%
Exchange Rate[ii]	May 2017	11.3%	-2.8%
	YTD	17.7%	-9.9%
YTD Arrival Peak[iii]	Previous Peak Year	2016	2008
	Current % of Previous Peak	114.9%	148.0%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- Destination Canada's Latin America region continued to lead growth in international arrivals to Canada, with a new monthly record of 43,727 visitors from these two markets in May 2017, +55.4% year-over-year. The region's year-to-date growth of +45.7% was also ahead of other regions, setting a new record of 170, 018 visitors over the first five months of the year.
- This promising regional trend is primarily attributable to the impressive growth from Mexico, which grew 74.9% year-over-year to reach a new peak of 30,059 visitors in May 2017, continuing the strong positive trend observed since the replacement of the visa requirement with the Electronic Travel Authority (eTA) in December 2016. Year-to-date arrivals from Mexico also set a new record, with 125,880 visitors from January to May, up 60.7% over the same period in 2016. This ongoing performance was supported by significantly expanded air capacity (+43.8% YTD), mitigating the effect of a weaker Peso (-9.9% YTD).
- Arrivals from Brazil also contributed to the region's success this month, reaching new record peaks in May 2017 (13,668, +24.9%) and year-to-date (44,138, +14.9%). This sustained positive growth in 2017 is particularly notable given the ongoing contraction of air capacity to Canada (-31.1% YTD), and may be supported by the recent positive trend observed with the strength of the Real vs. the Canadian dollar.

DC Latin America Arrivals by Port of Entry

- Visitors from Mexico (61.9%) and Brazil (59.0%) primarily flew directly to Canada. The remainder of Brazilians primarily travelled by air via the US (37.4%), while Mexicans travelled through the US both by air (19.5%) and by land (17.4%).
- Almost all direct air arrivals from Brazil landed at YYZ (94.1%), while those from Mexico usually arrived at either YYZ (46.7%) or YVR (31.6%). However, YUL saw a particularly sharp increase in direct arrivals from Mexico over the January to May 2017 period (+156.6%).

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	24,499	36,461
		YOY%	30.8%	86.8%
		% of Total	**55.5%**	**29.0%**
	YVR	Arrivals	844	24,647
		YOY%	56.9%	54.5%
		% of Total	**1.9%**	**19.6%**
	YUL	Arrivals	618	14,853
		YOY%	36.1%	156.6%
		% of Total	**1.4%**	**11.8%**
	YYC	Arrivals	24	1,115
		YOY%	-25.0%	39.0%
		% of Total	**0.1%**	**0.9%**
	All other airports	Arrivals	51	903
		YOY%	0.3%	2.1%
		% of Total	**0.1%**	**0.7%**
	Subtotal	Arrivals	26,036	77,979
		YOY%	31.4%	83.3%
		% of Total	**59.0%**	**61.9%**
Air Arrivals via the US	All airports	Arrivals	16,497	24,547
		YOY%	-0.9%	65.6%
		% of Total	**37.4%**	**19.5%**
Sea Arrivals	All sea borders	Arrivals	265	1,411
		YOY%	-42.8%	-93.5%
		% of Total	**0.6%**	**1.1%**
Land Arrivals via US	All land borders	Arrivals	1,340	21,943
		YOY%	-92.0%	48.0%
		% of Total	**3.0%**	**17.4%**
Total Overnight Arrivals			**44,138**	**125,880**

Source: Statistics Canada, Frontier counts, custom tabulations, Table C.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

January to May 2017		Trips To:			
		Canada		Australia	
Trips From:			YOY Change		YOY Change
Total International		**5,863,219**	**5.4%**	**3,554,800**	**6.9%**
United States		3,950,808	1.3%	324,800	11.5%
Canada		...	...	78,600	14.7%
Europe	**United Kingdom**	232,541	8.5%	327,800	3.1%
	France	153,238	6.4%	48,100	2.3%
	Germany	102,357	8.9%	89,600	8.3%
Asia-Pacific	**Australia**	111,364	23.9%	...	...
	Japan	96,670	15.7%	167,800	5.7%
	South Korea	85,670	27.6%	130,300	6.6%
	China	197,275	16.2%	598,700	7.2%
	India	86,249	25.4%	124,300	13.3%
Latin America	**Mexico**	125,880	60.7%	3,900	14.7%
	Brazil	44,138	14.9%	22,200	22.7%
Total DC Key Markets		**5,186,190**	**4.8%**	**1,916,100**	**7.8%**

Sources:
Statistics Canada, Frontier counts, custom tabulations.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- While Australia (+6.9%) continued to outpace Canada (+5.4%) in terms of year-over-year growth in international arrivals in the first five months of 2017, in total visitors Canada (5.86 million) saw approximately 65% more arrivals over this period than Australia (3.55 million).
- A similar trend was observed with arrivals from Destination Canada's 11 core international markets, with Australia observing faster year-over-year growth (+7.8%, vs. +4.8% for Canada) but Canada receiving well over double the number of visitors from these markets (5.19 million vs. 1.92 million).
- Despite the slowed year-over-year growth observed for Canada so far this year (+1.3%, vs. 11.5% for Australia), more than 12 times more US travellers visited Canada (3.95 million) than visited Australia (324,800) from January to May 2017.
- However, Australia continued to receive significantly more visitors from each of Destination Canada's Asia-Pacific markets, including over 3 times more travellers from their key market of China (598,700 vs. 197,275), despite much faster year-over-year growth in arrivals from this region to Canada.
- Year-to-date in 2017, Canada continued to lead in tourist arrivals from Australia (111,364, +23.9%) as compared to Canadian visitors to Australia (78,600, +14.7%) both in total visitors and in year-over-year growth.

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry

		Newfoundland and Labrador	Prince Edwad Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2017	10,326	76	24,726	42,875	894,648	2,773,404
	Variance YOY%	-17.8%	28.8%	-12.5%	-6.9%	3.6%	7.9%
	Change YOY	(2,238)	17	(3,534)	(3,193)	31,458	203,602
US Residents by Automobile	2017	0	0	117	39,836	323,685	1,094,254
	Variance YOY%	0.0%	0.0%	0.0%	-3.6%	-2.1%	-0.5%
	Change YOY	-	-	117	(1,470)	(6,789)	(5,416)
US Residents by Non-Automobile	2017	1,437	59	13,919	2,180	263,168	827,700
	Variance YOY%	5.2%	11.3%	-18.0%	-32.8%	7.6%	8.0%
	Change YOY	71	6	(3,058)	(1,064)	18,595	61,169
Residents from Other Countries	2017	8,889	17	10,690	859	307,795	851,450
	Variance YOY%	-20.6%	183.3%	-5.3%	-43.4%	6.8%	21.0%
	Change YOY	(2,309)	11	(593)	(659)	19,652	147,849

Source: Statistics Canada, Frontier counts, custom tabulations.
Preliminary estimates subject to change.

Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2017	61,937	19,037	287,237	1,724,234	24,719	5,863,219
	Variance YOY%	0.0%	-21.3%	8.3%	3.5%	-0.5%	5.4%
	Change YOY	(20)	(5,139)	22,038	58,700	(117)	301,574
US Residents by Automobile	2017	41,139	13,285	28,804	620,017	14,316	2,175,453
	Variance YOY%	8.9%	-2.1%	-4.0%	-4.3%	2.5%	-1.8%
	Change YOY	3,379	(284)	(1,185)	(27,633)	350	(38,931)
US Residents by Non-Automobile	2017	18,805	5,027	160,321	474,211	8,528	1,775,355
	Variance YOY%	-13.2%	-47.8%	5.6%	2.8%	-5.8%	5.3%
	Change YOY	(2,863)	(4,605)	8,449	12,740	(529)	88,911
Residents from Other Countries	2017	1,993	725	98,112	630,006	1,875	1,912,411
	Variance YOY%	-21.2%	-25.6%	17.7%	13.2%	3.4%	15.1%
	Change YOY	(536)	(250)	14,774	73,593	62	251,594

- Ontario was the top provincial entry point for international visitors to Canada year-to-date in 2017, with approximately 47% of arrivals (2.77 million visitors) crossing the border there. This represents an increase of +7.9% over the same period in 2016, with the biggest increase coming from overseas visitors.

- Year-over-year growth in international arrivals was focused in Ontario (+203,602 additional visitors), British Columbia (+58,700), Quebec (+31,458) and Alberta (+22,038), with increased overseas arrivals driving this growth.

- The continued downward trend in US auto arrivals to Canada year-to-date in 2017 was apparent across most provinces, with the notable exception of Manitoba (+8.9%).

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	May 2017	YOY % Variance	Jan.- May 2017	YOY % Variance
United States	1,589,873	-6.0	8,048,613	4.7
Other Countries	988,907	6.3	6,123,383	4.7
Total Trips from Canada	2,578,780	-1.6	14,171,996	4.7

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

- Canadians took fewer trips to international destinations overall in May 2017, down 1.6% year-over-year for a total of 2,578,780 trips. This decline is due to a -6.0% drop in overnight trips to the US, which was primarily due to fewer border crossing by automobile (-11.5%) and other modes of transportation, such as bus and train (-6.3%). Bucking the trend, more Canadians travelled by air to the US in May (+2.0%). Overall, this marked the third consecutive year that Canadian trips to the US have declined in May. While not quite offsetting this decline, Canadians' overnight trips to other international destinations increased in May, up 6.3% year-over-year.
- Over the first five months of 2017, overnight trips by Canadians to international destinations were up 4.7%, with the US contribution (+4.7%) now matching the pace of outbound trips to other international destinations (+4.7%).
- In May 2017, the Canadian Consumer Confidence Index (published by the Conference Board of Canada) gained 2.1 points, marking the third increase in the past four months and offsetting the decline observed last month.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	May 2017	YOY^ Variance	Jan.-May	YOY^ Variance	May 2017	YOY % Variance	Jan.-May	YOY % Variance	May 2017	YOY % Variance	Jan.-May	YOY % Variance
Alberta[1]	52.9%	-4.5	49.4%	0.1	$130.30	3.0%	$128.57	-1.1%	$68.87	-5.1%	$63.54	-0.9%
British Columbia	73.0%	3.4	64.7%	2.1	$169.06	8.1%	$155.60	4.8%	$123.41	13.4%	$100.65	8.3%
Saskatchewan	54.7%	-1.5	49.9%	-2.2	$121.13	-3.9%	$121.13	-4.8%	$66.22	-6.5%	$60.49	-8.8%
Manitoba	71.1%	7.8	65.0%	4.7	$123.37	-0.3%	$121.32	1.3%	$87.70	12.0%	$78.91	9.2%
Ontario	71.5%	2.1	62.4%	1.5	$157.38	8.9%	$144.72	5.6%	$112.54	12.2%	$90.30	8.1%
Quebec	73.0%	4.0	63.6%	2.9	$166.78	7.5%	$152.60	4.7%	$121.76	13.8%	$96.98	9.8%
New Brunswick	60.6%	2.6	51.1%	2.7	$117.83	3.6%	$113.61	3.0%	$71.35	8.2%	$58.09	8.7%
Nova Scotia	70.0%	8.0	57.6%	2.6	$140.52	7.7%	$127.18	3.9%	$98.43	21.6%	$73.20	8.9%
Newfoundland	66.7%	4.7	55.3%	3.4	$145.87	1.6%	$135.66	0.0%	$97.36	9.3%	$74.99	6.6%
Prince Edward Island	47.4%	4.5	41.9%	0.8	$123.51	0.2%	$109.66	3.7%	$58.54	10.7%	$45.96	5.6%
Northwest Territories	49.9%	-2.1	68.1%	-1.3	$135.43	-4.7%	$145.30	-5.4%	$67.54	-8.5%	$98.89	-7.2%
Yukon	61.2%	-4.0	57.6%	-1.3	$142.56	12.5%	$122.51	5.0%	$87.24	5.7%	$70.60	2.7%
Canada	**67.2%**	**1.5**	**59.3%**	**1.5**	**$154.43**	**7.0%**	**$143.53**	**3.7%**	**$103.76**	**9.6%**	**$85.18**	**6.3%**

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

Source: CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.
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- The National Occupancy Rate increased slightly in May 2017, up 1.5 points year-over-year to reach 67.2%, bringing the year-to-date occupancy rate for the first five months of 2017 up to 59.3%, also up 1.5 points year-over-year.

- British Columbia (73.0%) and Quebec (73.0%) tied for the highest provincial occupancy rate in May 2017, with Ontario (71.5%) close behind. Year-to-date, the highest occupancy rates were observed in Northwest Territories (68.1%), Manitoba (65.0%), and British Columbia (64.7%). Nova Scotia and Newfoundland also recorded relatively strong performance on this measure in terms of year-over-year growth.

- Extending this top performance in May 2017, British Columbia, Quebec, and Ontario also recorded the highest average daily rates (ADR) and revenue per available room (RevPar) for the month. British Columbia and Quebec were also strong performers on both measures year-to-date, along with Northwest Territories. Strong year-over-year growth was also observed on these measures from Yukon, Nova Scotia, and Manitoba.

- Alberta, Saskatchewan, and Northwest Territories continued to face challenges with ongoing year-over-year declines across accommodation measures.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	May 2017	YOY^ Change	Jan.- May	YOY^ Variance	May 2017	YOY Variance	Jan.- May	YOY Variance
Property Size								
Under 50 rooms	52.0%	2.0	44.5%	2.0	$109.34	6.2%	$104.34	3.9%
50-75 rooms	60.2%	2.4	52.0%	1.6	$113.54	2.5%	$108.08	1.3%
76-125 rooms	64.9%	2.0	57.3%	1.7	$128.80	4.5%	$123.05	1.7%
126-200 rooms	68.3%	2.0	60.5%	1.5	$141.77	7.6%	$132.78	4.3%
201-500 rooms	71.1%	1.0	63.2%	0.9	$184.76	9.5%	$169.01	4.7%
Over 500 rooms	76.4%	-0.6	68.2%	1.8	$229.99	11.2%	$204.56	6.9%
Total	67.2%	1.5	59.3%	1.5	$154.43	7.0%	$143.53	3.7%
Property Type								
Limited Service	61.2%	2.1	53.8%	1.7	$116.39	5.0%	$111.76	2.1%
Full Service	71.4%	0.9	62.1%	1.1	$171.54	8.3%	$153.82	4.3%
Suite Hotel	75.9%	2.7	69.4%	1.7	$161.30	7.2%	$149.32	3.1%
Resort	57.9%	3.0	58.0%	2.7	$209.19	6.8%	$219.07	6.6%
Total	67.2%	1.5	59.3%	1.5	$154.43	7.0%	$143.53	3.7%
Price Level								
Budget	60.7%	4.0	52.5%	2.5	$100.95	8.4%	$94.71	5.5%
Mid-Price	68.1%	0.5	60.2%	0.9	$147.99	6.1%	$136.83	2.9%
Upscale	73.1%	1.9	65.5%	2.0	$249.88	8.7%	$230.15	4.9%
Total	67.2%	1.5	59.3%	1.5	$154.43	7.0%	$143.53	3.7%

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.

- Consistent with past trends, both occupancy rate and ADR increased with the size of the property, with the largest properties (500+ rooms) reporting the highest occupancy rates (76.4% in May, 68.2% YTD) and average daily rates ($229.99 in May, $204.56 YTD). While these larger properties also noted the strongest year-over-year growth in ADR, some smaller properties noted stronger growth in occupancy rate.

- Suite hotels continued to record the highest occupancy rates (75.9% in May, 69.4% YTD), though resorts report stronger year-over-year growth on this measure. Resorts also reported the highest ADR ($209.19 in May, $219.07 YTD), but were outperformed in terms of growth by both full service and suite hotels in May 2017.

- Upscale properties continued to report the highest occupancy rates (73.1% in May, 65.5% YTD) and ADR ($249.88 in May, $230.15 YTD), though again a fairly positive trend in growth for both measures was observed across price levels.

DC CONSUMER AND MARKET INTELLIGENCE