QUARTERLY TOURISM SNAPSHOT

SUNRN 2022

KEY HIGHLIGHTS

Momentum is building for Tourism’s recovery
Momentum is picking up as we lead into our busiest season. Traveller demand and confidence is strong with March arrivals at 49% of pre-pandemic levels, which is in par with the high of the 2021 holiday season. International business events are currently pacing at 56% of where they should be at this time of the year for events scheduled in 2022.

Key markets, including the US, are in a travel state of mind
US consumers are reporting strong excitement for travel with 86% in a ready-to-travel state of mind and 56% feel safe to do so — both at their highest peaks since the start of the pandemic. As of March, Canada tops their most desired foreign destination.

Uncertainties still remain
Momentum is positive for rebuilding tourism, but there are new uncertainties on the horizon including labour shortages. There are currently 170,000 unfilled jobs in tourism, equating to 10% of all tourism jobs.

STATE OF THE INDUSTRY

Tourism Demand
While domestic tourism is leading the sector’s recovery, international demand has rapidly increased since the re-opening of the Canadian border and the easing of COVID-19 restrictions both in Canada and abroad.

Tourism Activity
Tourism activity, a composite index of air movement, land movement, spending and other sources, has been making strong gains until the onset of the Omicron variant. However, following the slowdown associated with the spread of the Omicron variant, travel started to rebound in February 2022.

Tourism Employment
At the start of 2022, the overall Canadian unemployment rate stood at 5.5%, while the unemployment rate of the tourism sector stood at 5.1%.

Labour Force Active in the Canadian Economy
By April 2022, the Canadian labour force had expanded 3% over its pre-pandemic level. The labour force active in the tourism sector still remained 10% below its pre-pandemic level. By April 2022, the Canadian labour force had expanded 3% over its pre-pandemic level. The labour force active in the tourism sector still remained 10% below its pre-pandemic level.

Active Business
As a result of COVID-19, tourism industries faced the most significant declines in active businesses. While on the road to recovery, tourism has not kept pace with the recovery of the business sector. Travel services remain the most fragile.

Change in the number of businesses active in tourism industries
2022-January vs 2020-January

-23.2%
-25.5%
-13.3%
-8.6%
-3.6%
0.1%
-1.7%
Canadian businesses
Tourism industries
Hotel accommodations
Restaurants
Travel services
Bus transportation, taxi & limousine services...
Rail, scenic & sightseeing transportation
Air transportation
Recreation & entertainment
Food & beverage services
Water transportation

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TOURISM PERFORMANCE

Travel Confidence and Intent
Domestic: Level of Welcome
Level of welcome towards US and other international visitors increased from end of January 2022 to end of February 2022, and has remained steady into April.

Welcome towards visitors from other parts of Canada

Welcome towards travellers from the United States

Welcome towards travellers from other countries

US: Travel Confidence and Intent
Travel Confidence

Most Desired Foreign Destinations (next 12 mos.)

Likely to Take a Trip to Canada (next 9 mos.)

Likely Month of Travel

Likely Province to Visit

Travel Considerations
Web Search Trends for Air & Accommodation to Canada
From United States
From Europe (includes UK, France & Germany)
From Asia-Pacific (includes Australia, Japan & South Korea)

Leading indicators

Travel search for Canada in DC’s key markets surged following the mid-March announcement of the end of pre-arrived COVID testing for travelers entering Canada starting on April 1.

Travel Connectivity & Bookings
Air Connectivity

Global Domestic Flight Seat Capacity

Global Int’l Seat Capacity

Canadian Domestic Air Connectivity stands at 15% below its 2019 level, lagging behind the average recovery pace of 4% below 2019 in other countries.

Booking Pace of Air Tickets in DC Markets

Booking pace of return-ticket to date for 2022.

Hotel Occupancy

Small towns and resorts are almost at pre-pandemic levels as urban centres lag in their recovery pace.

Int’l Business Events Booking Pace

International business events scheduled in Canada for 2022

International business events delegates/arrivals expected for 2022

Arrivals

Monthly Arrivals of International Tourists in Canada

Since the reopening of the Canadian border, Int’l arrivals have improved and currently stand 58% below pre-COVID levels (as of March 2022).

Year to date arrivals, border counts

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Source: Statistics Canada, tables 24-10-0053-01, May 24, 2022