



# Tourism snapshot

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

May 2009  
Volume 5, Issue 05

## Key highlights

The H1N1 flu coupled with the depressed global economic environment severely impacted overseas inbound travel to Canada, with seven of our core markets registering double-digit drops.

US auto travel to Canada increased (+2.6%) for a second consecutive month.

Economic uncertainty and a weaker Canadian dollar continued to impact Canadian overnight travel intentions to the US as well as overseas destinations – May visits by Canadians to the US were down by -5.9% while visits to overseas destinations declined by -5.2%.

## Tourism review

### International trips

- International travellers made 1.4 million overnight trips in May 2009, a decline of 6.9% over the same month in 2008;
- This month, overnight trips to Canada from the Americas (the U.S. and Mexico) posted a decrease of 2.8%, overseas key markets registered a more severe decrease of 20.1% compared to May 2008;
- Overnight trips to Canada in May 2009 from overseas countries other than CTC key markets dropped 13.7% to 138,039 trips. Together trips from non-U.S. countries decreased by 18.3%;
- Year-to-date, overall international trips to Canada fell 5.5% to 4.6 million trips, while trip volume from overseas countries other than CTC key markets declined 5.9% over the previous year.

### United States

- U.S. travellers made 1.1 million overnight trips to Canada in May 2009, a decrease of 2.3%. Trips by “plane” decreased 14.5%, while trips by “auto” and “other” increased by 2.6% and 0.4% respectively. This marks the second consecutive month of increasing auto trips to Canada;

## Overnight trips to Canada

	May 2009	09/08 May % change	Jan-May 2009	Year-to-date % change
<b>Americas*</b>				
<b>United States</b>				
Automobile	650,989	2.6	2,060,964	1.9
Plane	270,532	-14.5	1,036,362	-11.4
Other	149,512	0.4	288,199	-9.7
<b>U.S. total</b>	<b>1,071,033</b>	<b>-2.3</b>	<b>3,385,525</b>	<b>-3.6</b>
Mexico	14,582	-31.4	73,375	-13.7
<b>Americas total</b>	<b>1,085,615</b>	<b>-2.8</b>	<b>3,458,900</b>	<b>-3.6</b>
<b>Overseas key markets</b>				
France	30,111	-5.1	114,797	-0.9
Germany	30,342	-12.3	84,796	-1.3
UK	66,583	-20.9	225,365	-18.5
China	13,090	-7.5	54,176	7.5
Japan	12,353	-48.4	60,587	-29.1
South Korea	11,078	-36.2	47,647	-26.5
Australia	25,712	-21.6	69,896	-12.9
India**	14,267	-8.1	39,438	3.6
Brazil**	4,580	-24.2	21,464	-8.3
<b>Overseas key markets total</b>	<b>208,116</b>	<b>-20.1</b>	<b>718,166</b>	<b>-12.5</b>
<b>As % of overseas and Americas</b>	<b>16.1%</b>		<b>17.2%</b>	
Other overseas countries	138,039	-13.7	469,601	-5.9
Non-US countries	360,737	-18.3	1,261,142	-10.2
<b>Total countries</b>	<b>1,431,770</b>	<b>-6.9</b>	<b>4,646,667</b>	<b>-5.5</b>

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

\*Refers to the CTC's marketing group in the U.S. and Mexico.

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

## Overnight trips by Canadians

	May 2009	09/08 May % change	Jan-May 2009	Year-to-date % change
United States	1,520,131	-5.9	7,054,549	-8.3
Other countries	572,956	-5.2	4,262,352	3.5
<b>Total trips from Canada</b>	<b>2,093,087</b>	<b>-5.7</b>	<b>11,316,901</b>	<b>-4.2</b>

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

- Overall year-to-date U.S. overnight trips declined by 3.6% over 2008, with 52,435 fewer trips;
- In May 2009, most provinces registered decreases in overnight trips from the U.S. with the exception of three provinces, P.E.I (+71.4%), B.C. (+0.9) and New Brunswick (0.0%);
- During the first five months of 2009, there were increases in inbound U.S. trips for two provinces (Saskatchewan +18.7% and P.E.I +13.6%).

### Mexico

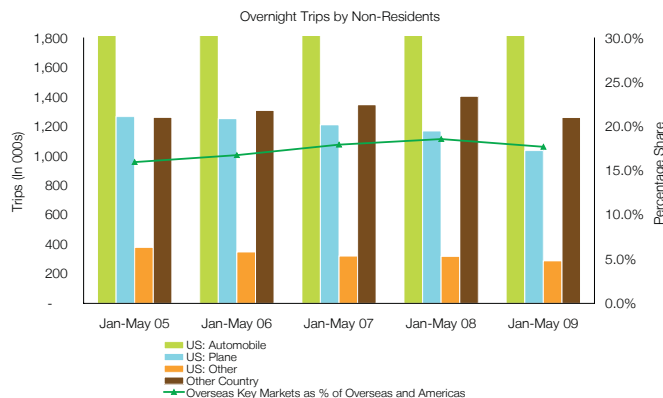
- In May 2009, Mexico registered a significant drop of 31.4% in overnight trips over 2008, with a total of 14,582 trips made to Canada;
- In line with the decline in travel volume in May, year-to-date overnight trips from Mexico recorded a decrease of 13.7%, totalling 73,375 trips.

### Share of entry (January-May, 2009)

- Between January and May 2009, the Americas (the U.S. and Mexico) accounted for 82.8% of total visitors from key markets;
- Canada received 3.4 million overnight U.S. visitors during this period (a 3.6% decline compared to the same period in 2008) and accounted for 81.1% of total visitors from key markets. Of these U.S. visitors, 49.3% travelled by automobile, 24.8% by plane, while 6.9% used "other modes" of transportation;
- 73,375 Mexicans visited Canada accounting for 1.8% of visitors from key markets;
- Visitors from key European markets made 424,958 trips to Canada so far this year, accounting for 10.2% of travellers from key markets. Of these trips the United Kingdom alone accounted for 5.4% of travellers to Canada;
- By the end of May travellers from key Asian markets made 232,306 trips, representing 5.6% of international visitors to Canada.

### Overseas key markets

- In May 2009, the overseas key markets registered a sharp decrease, falling by 20.1% compared to the same month in 2008 with a total of 208,116 overnight trips made to Canada;
- This month, seven of CTC's key markets registered drops (Japan -48.4%, South Korea -36.2%, Australia -21.6%, U.K. -20.9%, Germany -12.3%, France -5.1%, and China -7.5);
- Both Brazil and India showed declines in overnight travel to Canada, falling 24.2% and 8.1% respectively;
- Year-to-date, overseas key markets posted a decline of 12.5%, with only China and India curbing the trend by increasing by 7.5% and 3.6% respectively. Notable declines were seen in Japan (-29.1%), South Korea (-26.5%), and the United Kingdom (-18.5%).

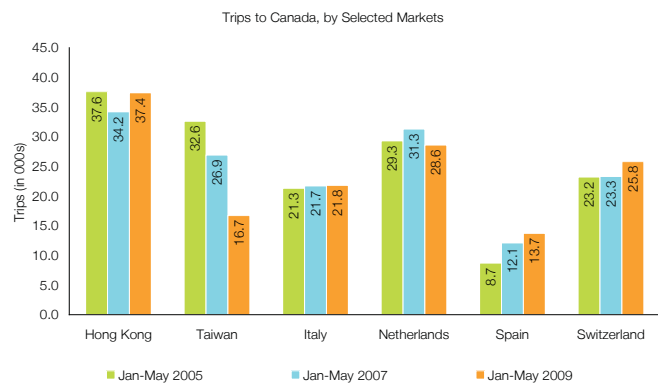


Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

## Market watch

- Canada experienced a 13.2% increase in overnight trips from Spain during the first five months of 2009 over 2007, with Switzerland, Hong Kong and Italy also registering growth of 10.7%, 9.4% and 0.5% respectively;
- Trips from Taiwan declined 37.9% compared to the same period in 2007, in addition the Netherlands also registered a drop of 8.6%;
- Year-to-date, Canada saw a significant increase of 57.5% in trips from Spain over the same period in 2005, while overnight trips from Taiwan fell by 21.6%.



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

## Competitive review

### International travel, January-March 2009 (In 000s)

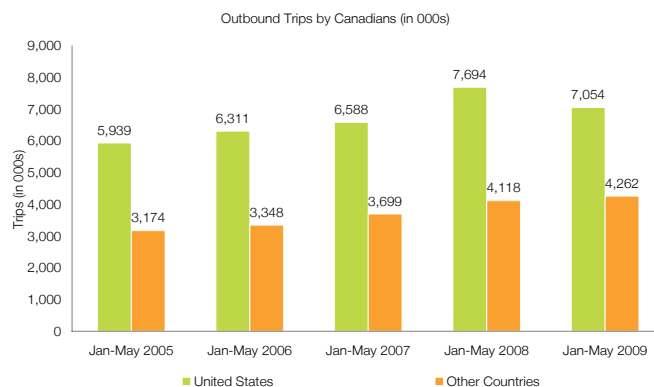
Trips from:	Trips to:					
	Canada		United States		Australia	
	#	09/08 change	#	09/08 change	#	09/08 change
Total international	2,221	-8%	9,764	-10%	1,451	-3%
<b>Americas</b>						
United States	1,594	-8%	...	...	119	-7%
Mexico <sup>1</sup>	38	-21%	1,113	-13%	...	...
<b>Overseas key markets</b>						
France	60	-2%	211	1%	22	9%
Germany	38	4%	310	-12%	45	-4%
United Kingdom	108	-24%	723	-22%	210	-9%
China <sup>2</sup>	30	14%	146	7%	136	12%
Japan	35	-24%	760	-11%	106	-22%
South Korea	28	-22%	160	-21%	51	-23%
Australia	33	-6%	119	-16%	...	...
India	17	12%	101	-14%	30	11%
Brazil	13	7%	188	13%	...	...
Canada	...	...	3,964	-11%	39	-5%
<b>Total key markets</b>	<b>1,994</b>	<b>-9%</b>	<b>7,795</b>	<b>-14%</b>	<b>759</b>	<b>-7%</b>

...Not available or data not applicable.  
<sup>1</sup>US figures for Mexico include arrivals to interior only.  
<sup>2</sup>US figures for China includes Hong Kong, SAR.  
Note: Statistics Canada preliminary figures.  
Sources: Statistics Canada; Tourism Australia; and ITA, Office of Travel and Tourism Industries (USA).

- Between January and March 2009 Canada experienced a decline (-8%) in international arrivals, in line with this trend, the U.S. and Australia posted declines of 10% and 3% respectively;
- Canada was outperformed in terms of growth in visitors from France by both Australia (+9%) and the U.S. (+1%); the U.S. also experienced higher growth in Brazil (+13%) than Canada;
- Compared to Australia and the U.S., Canada posted stronger growth from China (+14%), India (+12%) during the first three months of 2009. Trips from Germany to Canada grew 4% compared to the year prior, while both the U.S. and Australia saw declines of -12% and -4% respectively;
- All three countries experienced declines from Japan, South Korea, and the United Kingdom.

## Canadian outbound trips

- In May 2009, outbound trips by Canadians dropped by 5.7% to 2.1 million, compared to the same month last year;
- With a weakening Canadian dollar and a continued unstable economic environment, trips to the U.S. were down 5.9%, along with a 5.2% decline in Canadian travellers to non-U.S. international destinations;
- Year-to-date Canadians made 11.3 million trips abroad, a 4.2% decrease. Trips to the U.S. were down by 8.3% and trips to non-U.S. countries were up by 3.5%;
- For May 2009, the Yukon and New Brunswick were the only province and territory to post a slight increase in outbound trips to the U.S. over 2008, recording an increase of 2.5% and 0.2% respectively;
- Year-to-date, outbound travel from P.E.I., the Yukon and Alberta posted increases in travel to the U.S., with P.E.I. recording the largest increase (122.6%).



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

## Strategic performance

- Overall, international trips by key markets met the set CTC targets;
- Year-to-date, trips from the U.S. exceeded the target by 0.9%, while there was a shortfall in projected trips from Mexico by 4.5%;
- Germany and China exceeded their set targets by 10.0% and 9.8% respectively; while there were notable declines in projected performance from Japan (-24.4%) and South Korea (-15.5%).

## Travel Volumes, January-May 2009

	Trips Made (000s)		
	Target	Actual	% Difference
United States	3,355	3,386	0.9
Mexico	76	73	-4.5
<b>Americas (Total)</b>	<b>3,432</b>	<b>3,459</b>	<b>0.8</b>
France	110	115	4.7
Germany	77	85	10.0
UK	240	225	-6.1
China	49	54	9.8
Japan	78	61	-21.4
S Korea	57	48	-15.5
Australia	77	70	-8.7
<b>Overseas Key Markets (Total)</b>	<b>687</b>	<b>658</b>	<b>-4.2</b>
<b>TOTAL</b>	<b>4,119</b>	<b>4,117</b>	<b>0.0</b>

Note: As per strategic plans.

## Consumer outlook

### Consumer confidence

**CANADA:** The Index of Consumer Confidence released by the Conference Board of Canada climbed 6.2 percentage points in May to 81.4 (2002=100), a third consecutive monthly gain, with results indicating increased optimism toward future employment prospects and major purchases.

**UNITED STATES:** The Conference Board Consumer Confidence Index™, which had improved considerably in April, posted another large gain in May. The Index now stands at 54.9 (1985=100), up from 40.8 in April.

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

## Accommodations

- According to survey data, in May 2009, the national occupancy rate in Canada decreased by 8.0% over the previous year to 59.3%, due to declines in all provinces except P.E.I.;
- Year-to-date, Canada's occupancy rate fell by 5.3% over last year to 54.4%. Saskatchewan, posted the highest year-to-date occupancy rate of 67.4% (down 2.0%), followed by the Yukon (63.2%) and Manitoba (61.3%);
- For the first five months of 2009, properties with over 500 rooms posted the highest occupancy rate of 59.3%, a 3.7% decline from the previous year. However, properties under 50 rooms posted the lowest occupancy rate of 43.0%;
- Year-to-date the national Average Daily Rate was \$122.74, down from \$126.16 in 2008. Quebec, Alberta, BC and the NWT posted room rates above the national average rate;
- The national average Revenue per Available Room (RevPAR) for the first five months of 2009 was \$66.72, down 11.4% over the same period last year. The NWT posted the highest RevPAR (\$87.20) well above the national average.

### Canadian occupancy rates\*, by province

	May 2009	09/08 change^	Jan-May 2009	Year-to-date change^
Alberta <sup>1</sup>	58.8	-10.9	58.5	-8.4
British Columbia	61.4	-9.2	55.7	-6.3
Saskatchewan	67.9	-6.6	67.4	-2.0
Manitoba	64.8	-1.9	61.3	-3.3
Ontario	58.7	-7.4	52.5	-4.7
Quebec	57.2	-6.9	51.8	-4.2
New Brunswick	52.0	-9.1	48.2	-6.4
Nova Scotia	60.0	-9.1	51.9	-5.5
Newfoundland	67.7	-4.0	56.2	0.4
Prince Edward Island	46.8	6.0	38.5	2.6
Northwest Territories	54.8	-7.3	59.0	-8.2
Yukon	67.2	-8.9	63.2	5.4
<b>Canada</b>	<b>59.3</b>	<b>-8.0</b>	<b>54.4</b>	<b>-5.3</b>

\* Note: Based on the operating results of 205,754 rooms (unweighted data).

^ Percentage points.

<sup>1</sup>Excluding Alberta resorts

Source: PKF Consulting

**CTC Marketing  
Market Research**