



Tourism snapshot

Canadian Tourism Commission

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

June 2009

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Key highlights

In June inbound travel to Canada continued to be impacted by the global economic downturn and on-going concerns about H1N1 influenza. Similarly to the previous month, the majority of our markets experienced declines, except for France which expanded by 0.2%.

Year-to-date, US trips to Canada declined 5.4% over the same period in 2008, to 4.7 million trips. Automobile trips (which account for 60.0% of all US trips to Canada) decreased by a slower rate (-1.9%), compared to plane trips (-11.3%) and 'other' non-automobile trips (-9.1%).

Despite a strengthening, the Canadian dollar remained weaker than the US dollar; June overnight visits to the US were down 13.4%. In addition, there was a 4.1% decline in Canadian travel to non-US destinations in June.

Tourism review

International trips

- International travellers made 1.8 million overnight trips to Canada in June 2009, a decline of 11.6% over the same month in 2008;
- Year-to-date, overall international trips to Canada declined by 7.2% to 6.5 million trips, while trip volume from overseas countries other than CTC key markets declined 17.7% over the previous year;
- This month, overnight trips to Canada from both the Americas (the US and Mexico) and overseas key markets decreased relative to June 2008, falling 10.3% and 17.4% respectively;
- Overnight trips to Canada in June 2009 from overseas countries other than CTC key markets decreased by 21.1% to 198,166 trips. Overall, non-US countries registered a decline of 15.9%.

United States

- In June 2009, total overnight trips to Canada by Americans fell 10.4% reaching 1.4 million. Automobile trips fell by 10.6%, plane trips were down by 11.1% and 'other' non-automobile trips fell by 8.3%;
- Year-to-date, US trips to Canada declined 5.6% over 2008, to 4.7 million trips. Automobile trips

Overnight Trips To Canada

	June 2009	09/08 Jun % Change	Jan-Jun 2009	Year-to-date % Change
Americas*				
United States				
Automobile	786,599	-10.6	2,847,563	-1.9
Plane	381,714	-11.1	1,418,076	-11.3
Other	190,766	-8.3	478,965	-9.1
U.S. Total	1,359,079	-10.4	4,744,604	-5.6
Mexico	22,843	-25.5	96,218	-16.8
Americas Total	1,381,922	-10.3	4,840,822	-5.6
Overseas Key Markets				
France	38,687	0.2	153,484	-0.7
Germany	35,935	-9.6	120,731	-3.9
UK	84,907	-17.0	310,272	-18.1
China	15,009	-8.7	69,185	3.5
Japan	14,282	-49.8	74,869	-34.3
South Korea	14,624	-29.1	62,271	-27.2
Australia	25,432	-19.4	95,328	-14.7
India**	14,510	-13.7	53,948	-1.7
Brazil**	6,115	-18.3	27,579	-10.7
Overseas Key Markets	249,501	-17.4	967,667	-13.8
As % of Overseas and Americas	15.3%		16.7%	
Other Overseas Countries	198,166	-21.1	667,767	-17.7
Non-US Countries	470,510	-15.9	1,731,652	-11.9
Total Countries	1,829,589	-11.6	6,476,256	-7.2

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

	June 2009	09/08 June % Change	Jan-Jun 2009	Year-to-date % Change
United States	1,198,116	-13.4	8,252,665	-9.1
Other Countries	477,623	-4.1	4,739,975	2.7
Total Trips from Canada	1,675,739	-10.9	12,992,640	-5.1

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

(which account for 60% of all US trips to Canada) declined by a slower rate (-1.9%), compared to plane trips (-11.3%) and 'other' non-automobile trips (-9.1%);

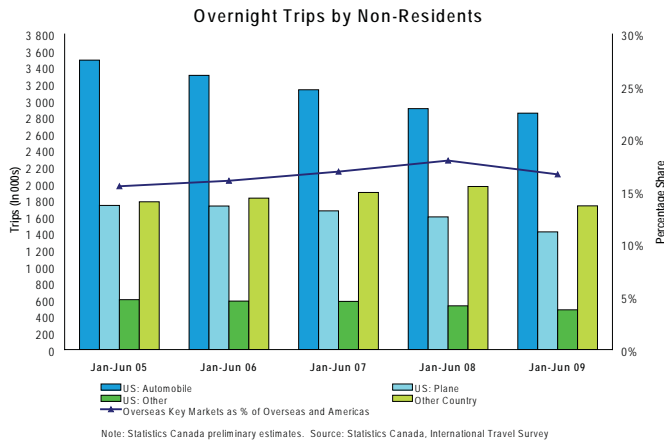
- In June 2009, most provinces registered decreases in overnight trips from the US with the exception of Saskatchewan (+0.6%). P.E.I registered the most significant drop (-33.7%), followed by Ontario (-13.9%) and Quebec (13.8%).

Mexico

- In June 2009, overnight trips from Mexico continued to slide, falling 25.5% compared to the same month a year ago, with total number of trips to Canada reaching 22,843;
- From January to June 2009, trips from Mexico declined 16.8% over the same period in 2008.

Overseas key markets

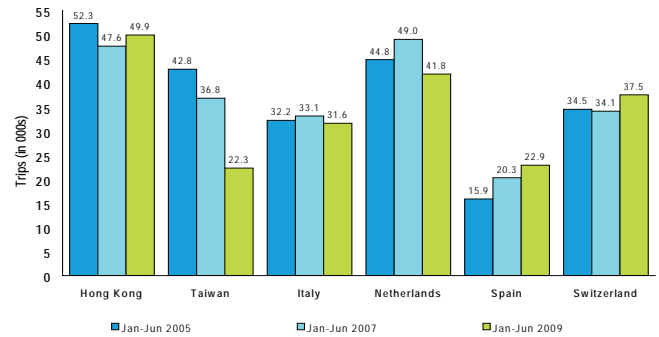
- In June 2009, overseas key markets posted a 17.4% decline. While France registered a 0.2% increase in travel to Canada, this was more than offset by decreases in trips from Japan (-49.8%), South Korea (-29.1%), Mexico (-25.5%), and Brazil (-18.3%);
- Year-to-date overseas key markets registered a decrease of 13.8% over the same period in 2008, reaching a total of 967,667 overnight trips. China was the only CTC key market to post a year-to-date gain of 3.5%.



Market watch

- Spain recorded the largest growth rate in trips to Canada over 2007, increasing 12.8% during the January to June 2009 period, followed by Switzerland and Hong Kong with growth of 10.0% and 4.8% respectively.
- Trips from Taiwan declined 39.4% compared to the same period in 2007, while the Netherlands also registered a drop of 14.7%;
- Year-to-date Spain posted the most significant increase, up 44.0% over the same period in 2005, with overnight trips reaching 22,916 in the first six months of 2009.

Trips to Canada, by Selected Markets



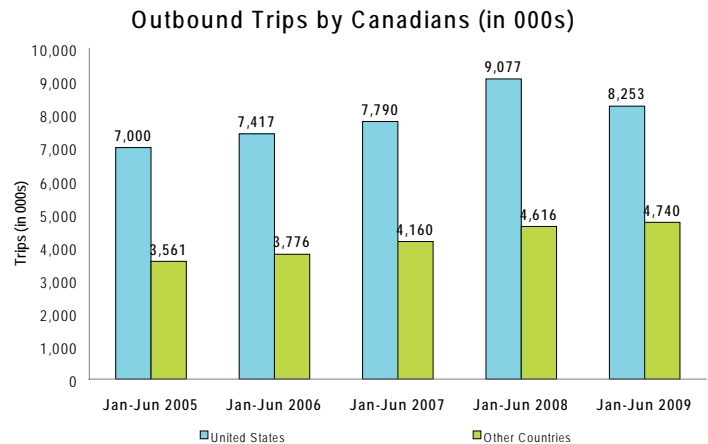
Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey.

Share of entry (January-June, 2009)

- Canada received 4.7 million overnight US visitors in from January to June 2009, accounting for 81.7% of total visitors from CTC's key markets;
- 96,218 Mexicans visited during this period representing 1.7% of total visitors from key markets;
- Year-to-date visitors from European key markets made 584,487 trips to Canada, accounting for 10.1% of total key markets. Of all the key market trips, the UK accounted for 5.3%;
- Visitors from Asian key markets made 301,653 trips year-to-date, accounting for 5.2% of total key markets.

Canadian outbound trips

- In June 2009, outbound trips by Canadians registered a significant drop of 10.9% to 1.7 million, compared to the same month last year;
- Despite a strengthening, the Canadian dollar remained weaker than the US dollar; June overnight visits to the US were down 13.4%. In addition, there was a 4.1% decline in Canadian travel to non-US destinations in June;
- Year-to-date Canadians made 13.0 million trips abroad, a 5.1% decrease over 2008. Trips to the US were down by 9.1%, while trips to non-US countries were up by 2.7%;
- For June 2009, the provinces reported declines in travel to the US, with P.E.I. posting the highest decline (-39.8%) followed by Manitoba (-26.4%) and the Yukon (-20.2%);
- Year-to-date, outbound travel from Newfoundland, P.E.I. and Alberta posted increases in travel to the U.S., with Newfoundland recording the largest increase (+22.5%).



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

Competitive review (January-April 2009)

- Between January and April 2009 Canada experienced a decline (-5%) in international arrivals, to 3.2 million. Canada outperformed the US and Australia in terms of growth in visitors from China (+13%), Germany (+6%) and India (+12%);
- While Australia experienced a 1% decline in overall international arrivals, it posted stronger growth than both Canada and the US in travel from France (+8%);
- For the first four months of 2009 the US saw a 3% increase in international arrivals, receiving 4.2 million visitors. The US outperformed Canada in international arrivals from Brazil (+11%) and France (+2%);
- All three countries experienced declines from Japan, South Korea and the United Kingdom.

International Travel, January-April 2009 (In 000s)

Trips From:	Trips To:					
	Canada		United States		Australia	
	#	09/08 Change	#	09/08 Change	#	09/08 Change
Total International	3,215	-5%	4,199	3%	1,907	-1%
Americas						
United States	2,315	-4%	...	...	152	-6%
Mexico ¹	59	-8%	1,688	-14%	...	...
Other Key Markets						
France	85	1%	345	2%	29	8%
Germany	55	6%	461	-7%	56	-2%
United Kingdom	159	-18%	1,102	-22%	264	-6%
China ²	41	13%	192	0%	166	5%
Japan	48	-22%	976	-9%	134	-20%
South Korea	37	-23%	208	-17%	65	-21%
Australia	44	-7%	178	-9%	...	...
India	25	12%	148	-15%	41	10%
Brazil	17	-3%	258	11%	...	...
Canada	...	...	5,534	-9%	48	-5%
Total Key Markets	2,885	-9%	11,090	-11%	955	-6%

...Data not available or not applicable.

¹US figures for Mexico include arrivals to interior only. ²US figures for China includes Hong Kong, SAR.

Sources: Statistics Canada; Australian Bureau of Statistics; and ITA, Office of Travel and Tourism Industries (USA).

Note: Statistics Canada preliminary estimates.

Accommodations

- In June 2009, the national occupancy rate fell by 8.2% over the same month last year to 63.4%. Most provinces experienced decreases with the exception of Newfoundland (up 4.2%) and the Yukon (up 0.4%);
- Year-to-date, the national occupancy rate decreased 5.8% falling to 55.9% when compared to the same period last year. Saskatchewan posted the highest occupancy rate at 68.4% (down 2.4%) followed by the Yukon at 67.4% (up 5.0%);
- The June 2009 average daily rate (ADR) fell by 8.8% from June 2008 to \$128.82. Quebec, Alberta, BC, PEI and NFL posted room rates above the national average rate;
- For the first six months of 2009, properties with over 500 rooms posted the highest occupancy rate of 61.4%, a 4.4% decline from the previous year. However, properties under 50 rooms posted the lowest occupancy registered of 44.8%;
- From January to June, the national average Revenue per Available Room (RevPar) was \$69.21 down 13.1% compared to \$79.62 over the same period last year. Alberta reported the most significant provincial RevPar decrease (down 15.7%), while PEI reported an increase of 8.2% increase.

Canadian Occupancy Rates*, By Province

	Jun-09	09/08 Change [^]	Jan-Jun 2009	Year-to-date Change [^]
Alberta ¹	61.2	-11.4	58.9	-8.9
British Columbia	65.1	-10.3	57.3	-7.0
Saskatchewan	73.4	-4.4	68.4	-2.4
Manitoba	71.9	-0.3	63.1	-2.9
Ontario	62.5	-7.1	54.2	-5.1
Quebec	61.0	-8.2	53.3	-4.9
New Brunswick	59.9	-5.2	50.1	-6.3
Nova Scotia	66.4	-6.9	54.2	-5.8
Newfoundland	80.4	4.2	60.2	0.9
Prince Edward Island	50.0	-5.9	40.8	0.9
Northwest Territories	63.3	-7.8	59.7	-8.1
Yukon	88.8	0.4	67.4	5.0
Canada	63.4	-8.2	55.9	-5.8

* Note: Based on the operating results of 210,069 rooms (unweighted data).

[^] Percentage points.

¹Excluding Alberta resorts

Source: PKF Consulting

Strategic performance

Travel Volumes, January-June 2009

	Trips Made (000s)		
	Target	Actual	% Difference
United States	4,828	4,745	-1.7
Mexico	105	96	-8.8
Americas (Total)	4,933	4,841	-1.9
Overseas Key Markets			
France	147	154	5.0
Germany	113	121	7.4
UK	333	310	-6.8
China	66	69	3.8
Japan	104	75	-27.6
South Korea	76	62	-19.0
Australia	107	95	-11.2
Overseas Key Market (Total)	945	886	-6.3
Total	5,878	5,727	-2.6

Note: As per strategic plans.

- Against CTC's set targets, international trips by key markets fell short by 151,000 (-2.6%) in the first six months of 2009.
- Year-to-date, trips from the Mexico missed their target by 8.8%, and there was also a shortfall of 1.7% in projected trips from the US;
- Germany, France and China exceeded their set targets by 7.4%, 5.0% and 3.8% respectively while there were declines in projected performance from Japan (-27.6%), South Korea (-19.0%) and Australia (-11.2%).

Economic indicators

- From April to June 2009, Canada's economy contracted (-2.6%), along with the US economy (-3.5%);
- The global economic downturn continued to impact CTC's core markets. In the second quarter all of CTC's core markets experienced declines in GDP growth except for China (+5.8%), India (+5.0%) and Australia (+0.1%);
- In the second quarter of 2009, inflation for all key markets dropped compared to the previous quarter. China, the US, Japan, and France registered negative inflation rates of -1.6%, -1.1%, -0.9%, and -0.2% respectively;
- The Canadian dollar appreciated against the US dollar, the Euro, the Yen and the Yuan but weakened against all other currencies in the second quarter of 2009.

Economic Indicators, Q1 2009-Q2 2009

America	Canada		USA		Mexico		Brazil	
	Q1 2009	Q2 2009	Q1 2009	Q2 2009	Q1 2009	Q2 2009	Q1 2009	Q2 2009
Real GDP growth (yoy, %)	-2.1	-2.6	-2.5	-3.5	-8.9	-9.4	-1.8	-2.5
Consumer Price Index (yoy,%)	1.2	0.1	-0.2	-1.1	6.2	6.0	5.8	5.2
Exchange Rate (1LCU:C\$)	1.000	1.000	1.245	1.167	0.087	0.088	0.538	0.562

Europe	France		Germany		UK	
	Q1 2009	Q2 2009	Q1 2009	Q2 2009	Q1 2009	Q2 2009
Real GDP growth (yoy, %)	-3.2	-3.2	-6.9	-6.7	-4.9	-5.2
Consumer Price Index (yoy,%)	0.6	-0.2	0.8	0.2	3.0	2.1
Exchange Rate (1LCU:C\$)	1.622	1.589	1.622	1.589	1.786	1.807

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q1 2009	Q2 2009	Q1 2009	Q2 2009	Q1 2009	Q2 2009	Q1 2009	Q2 2009	Q1 2009	Q2 2009
Real GDP growth (yoy, %)	0.4	0.1	6.1	5.8	-8.4	-7.1	-4.2	-2.9	5.8	5.0
Consumer Price Index (yoy,%)	2.5	2.3	-0.6	-1.6	-0.1	-0.9	3.9	2.8	9.9	8.4
Exchange Rate (1LCU:C\$)	0.8262	0.8868	0.1822	0.1709	0.0133	0.0120	0.0009	0.0009	0.0251	0.0974

Source: Bank of Canada; and Oxford Economics August 2009

Note: Exchange rates, average of 20-22 days.

Consumer outlook

Travel intentions

CANADA: The Conference Board commissioned an online survey in the first week of May — about two weeks after news of the influenza A(H1N1) outbreak began dominating media headlines — to gauge the impact of the flu outbreak on Canadian travel plans. Among the Canadian respondents not planning a summer vacation this year, only 16.5 per cent said that the flu outbreak had highly influenced their decision not to travel. And of this small proportion of respondents, half indicated they had planned to stay home this summer anyway.

Similar to survey results seen earlier this year, financial concerns continue to have a higher influence on summer travel plans. Among those not planning a summer vacation of a week or more this year, the high cost of travel and concerns about the economy and their jobs were rated as the top reasons for staying home.

UNITED STATES: U.S. travel intentions edged up slightly in June, after dropping to a record low in April, according to the latest U.S. Consumer Confidence Survey report by The Conference Board, Inc. in the United States. Preliminary results showed that 37 per cent of Americans polled planned to take a vacation within the next six months, up from 34.6 per cent in April 2009. Results are adjusted to account for seasonal fluctuations in travel demand.

Consumer confidence

CANADA: According to the Conference Board's Index of Consumer Confidence, confidence edged up in June for the fourth consecutive month, increasing 0.7 points from May to 82.1 (2002 = 100). Since February, the index has increased 13.3 points. Responses indicated that consumers are feeling increasingly confident about their current and future financial situation. However, the indicator measuring consumer attitudes about major purchases decreased in June, breaking a string of seven consecutive months of improvement on that particular question.

UNITED STATES: The Conference Board Consumer Confidence Index™, which had improved considerably in May, retreated in June. The Index now stands at 49.3 (1985=100), down from 54.8 in May.

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

Air capacity

Air Capacity, Q2 (April-June) 2009

	Q2 2009	09/08 % Change
Australia*	22,140	-9.9
China	104,457	-2.5
Japan	82,819	-17.1
South Korea	71,034	22.7
India*	39,808	33.4
France	281,420	1.5
Germany	271,209	1.4
United Kingdom	493,497	-8.6
Mexico	130,099	14.3
Brazil	17,935	-6.6
United States	3,734,861	-0.1

*Note: Non-stop flights. *Includes one stop.*

Source: OAG data as provided by the Conference Board of Canada.

- In the second quarter of 2009, there were notable double digit increases in air capacity for India (+33.4%) and South Korea (+22.7%);
- Japan registered the most significant drop in air capacity (-17.1%) followed by Australia (-9.9%) and the UK (-8.6%).

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