



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

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## Key Highlights

While the global economic downturn has been easing off, the latest results would suggest that the propensity to travel from many of CTC core markets appears to be reaching a turning point, particularly from Europe and Australia.

From an inbound perspective, international travellers made 1.1 million overnight trips to Canada in October 2009, a decline of 7.1% over the previous year, but during this period Germany (+15.6%), China (+5.4%) and India (+3.1%) registered positive growth.

According to the latest PKF survey, year-to-date October 2009, the national average revenue per room available continued to decline, registering a drop of 12.8%.

## Tourism Review – In Bound Highlights

### International Trips

- The number of overnight international travellers continued its downward trend in October, falling by 7.1% to 1.1 million;
- Overnight trips to Canada in October 2009 from overseas countries other than CTC key markets decreased by 4.0% to 115,081 trips. Overall, non-U.S. countries registered a larger decline of 7.7%;
- Overall, international trips to Canada during the first 10 months of 2009 fell by 7.7% to 14.1 million, with visitors from non-U.S. countries declining by a significant 12.6%.

### Mexico

- In October 2009, overnight trips from Mexico continued their downward slide contracting by another significant 63.6% over 2008;
- Year-to-date, Mexico registered a decrease of 33.7%, a total of 157,656 trips.

## Overnight Trips To Canada

	Oct 2009	09/08 Oct % Change	Jan-Oct 2009	Year-to-date % Change
<b>Americas*</b>				
<b>United States</b>				
Automobile	474,381	-6.5	6,303,895	-3.6
Plane	254,070	-7.8	2,828,240	-9.0
Other	85,556	-6.3	1,344,292	-9.1
<b>U.S. Total</b>	<b>814,007</b>	<b>-6.9</b>	<b>10,476,427</b>	<b>-5.9</b>
<b>Mexico</b>	<b>5,546</b>	<b>-63.5</b>	<b>157,656</b>	<b>-33.7</b>
<b>Americas Total</b>	<b>819,553</b>	<b>-7.9</b>	<b>10,634,083</b>	<b>-6.4</b>
<b>Overseas Key Markets</b>				
France	31,757	-1.9	368,332	-3.7
Germany	26,329	15.6	285,326	-2.9
UK	54,477	-2.2	636,409	-17.3
China	13,857	5.4	141,644	1.6
Japan	22,300	-32.4	174,068	-31.0
South Korea	9,384	-17.7	121,996	-26.8
Australia	12,751	-0.9	177,374	-15.2
India**	7,573	3.1	96,431	-3.2
Brazil**	4,961	-13.6	53,121	-13.7
<b>Overseas Key Markets</b>	<b>183,389</b>	<b>-5.6</b>	<b>2,054,701</b>	<b>-13.5</b>
<b>As % of Overseas and Americas</b>	<b>18.3%</b>		<b>16.2%</b>	
Other Overseas Countries	115,081	-4.0	1,421,111	-7.9
Non-US Countries	304,016	-7.7	3,633,468	-12.6
<b>Total Countries</b>	<b>1,118,023</b>	<b>-7.1</b>	<b>14,109,895</b>	<b>-7.7</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.

## United States

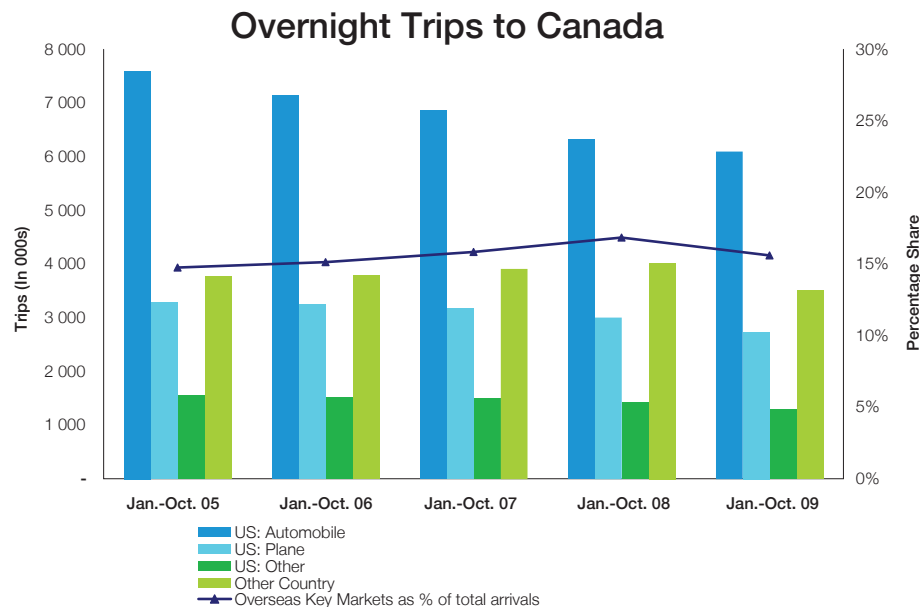
- In October, U.S. overnight travel fell 6.9%, following a 4.7% increase in September. Overnight plane trips saw the largest decline of 7.8%, with auto and other trips declining 6.5% and 6.3% respectively;
- Year-to-date, U.S. overnight trips slipped 5.9% compared with a 6.7% decline in 2008. Overnight U.S. trips by other modes of transport fell by 9.1%, while travel by plane and auto were down 9.0% and 3.6% respectively;
- In October 2009, the majority of provinces registered losses in overnight trips from the U.S. The largest declines were in P.E.I (-40.0%), Newfoundland (-35.7%), and Alberta (-12.2%). Yukon posted the most significant increase in U.S. visitors, up 11.5%, compared with October 2008;
- In the first 10 months of 2009, two provinces (New Brunswick +14.6% and Saskatchewan +6.0%) had an increase in inbound U.S. trips.

## Overseas Key Markets

- In October 2009, travel from overseas key markets fell by 5.6%, an improvement compared with the 15.1% decline in September 2009;
- This month, Japan (-32.4%), South Korea (-17.7%) and Brazil (-13.6%) registered the most significant declines in trip volume;
- October's overnight trip decline was offset by increases originating from Germany (+15.6%), China (+5.4%), and India (+3.1%), compared to October 2008;
- Year-to-date, China is the only country to post a gain (+1.6%), with Japan registering the largest decline of 31.0%, followed by South Korea (-26.8%).

## Share of Entry (January – October, 2009)

- Year-to-date October, there were 10.4 million U.S. visitors, accounting for 82.6% of the total visitors from key markets, a moderate increase compared with the same period in 2008. Of these U.S. visitors numbers, 49.7% were derived from automobile trips, 22.3% from plane trips and 10.6% from "other" non-auto trips;
- By the end of the first 10 months of 2009, the Americas (the U.S. and Mexico) accounted for 83.8% of visitors from core markets, an increase compared to the 78.5% share held in 2005. Year-to-date October 2009, Mexico contributed a share of 1.9%, an increase of 0.9% over 2005;



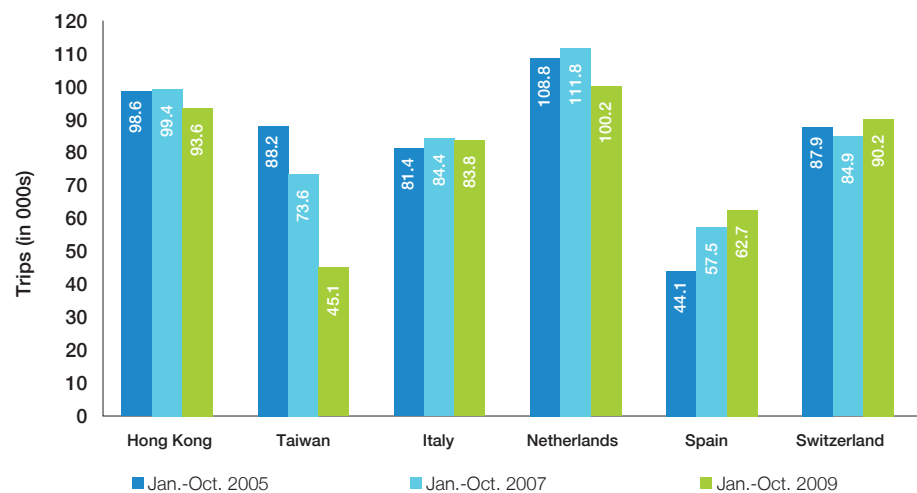
Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey

- Overnight visitors from key European markets made 1.3 million trips to Canada, accounting for a 10.2% share, a slight decline from its 10.4% share in 2008. Of that, the U.K. accounted for 5.0%;
- 615,082 visitors from Asia/Pacific markets accounted for 4.8% of total tourists from CTC key markets. Australia had a 1.4% market share year-to-date.

### Market Watch

- Canada saw a 42.2% increase in trips from Spain in the first 10 months of 2009 over the same period in 2005;
- Year-to-date October, Taiwan posted the most significant decline in visitors to Canada, down 44.6% over the same period in 2005;
- Compared with January to October 2005, Italy and Switzerland posted increases of 2.9% and 2.6% respectively;
- Year-to-date visitors from the Netherlands have fallen below January–October 2005 levels.

### Trips to Canada, by Selected Markets



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

### Tourism Review – Outbound Highlights

#### Overnight Trips by Canadians

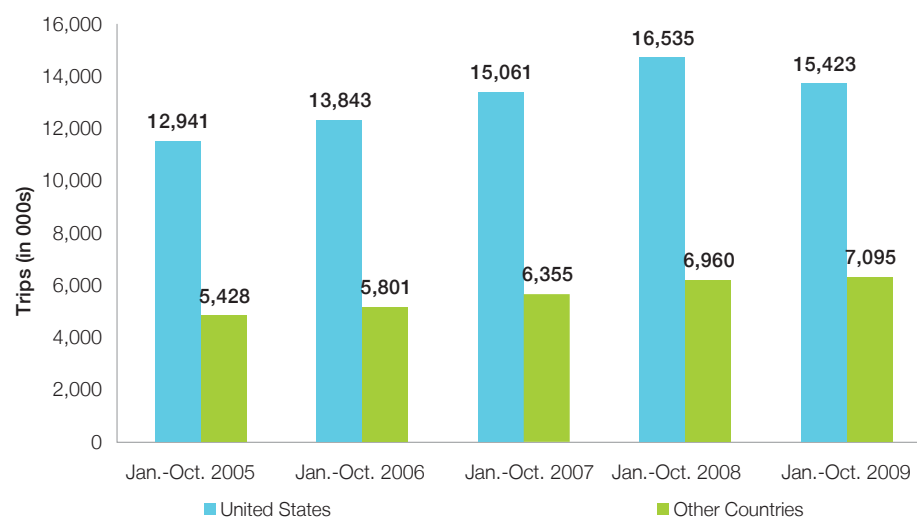
	Oct 2009	09/08 Oct % Change	Jan-Oct 2009	Year-to-date % Change
United States	1,376,127	-1.0	15,422,839	-6.7
Other Countries	503,207	-0.7	7,094,626	1.9
<b>Total Trips from Canada</b>	<b>1,879,334</b>	<b>-1.0</b>	<b>22,517,465</b>	<b>-4.2</b>

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

#### Canadian Outbound Trips

- Compared with October 2008, Canadian outbound travel decreased by 1.0% to 1.9 million travellers;
- Despite a strengthening currency in October 2009, Canadian travel to the U.S. declined by 1.0% to 1.4 million trips. Outbound trips to non-U.S. destinations declined by a lesser 0.7%;
- Year-to-date, eight provinces/territories posted increases in outbound travel to non-U.S. destinations, with New Brunswick posting the largest at (+29.4%). However, Yukon had the largest decline (-12.5%);
- In the first 10 months of 2009, the majority of provinces saw declines in travel to the U.S. with the exception of Newfoundland (+2.1%) and Alberta (+1.4%). P.E.I registered the largest decline (-37.6%) in travel to the U.S.

#### Outbound Trips by Canadians (in 000s)



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

## Competitive Review (January-August 2009)

- From January to August 2009, the U.S., Canada and Australia saw declines in overnight international visitors of 9%, 8% and 3% respectively;
- All three destinations posted declines from Japan during the first eight months of 2009, with the most significant visitation drop in Canada, which was down 33%, followed by Australia (-28%) and then the U.S. (-16%);
- Canada also posted a significant year-to-date decline in Australian visitors (-15%), while the U.S. saw a more moderate decline of 2%;
- Australia experienced growth from India (+7%) and France (+4%), while both Canada and the U.S. continued to see declines in visitors from these markets;
- Compared to the U.S. and Australia, Canada posted higher increases in arrivals from China (+1%).

## International Travel, January-August 2009 (In 000s)

Trips From:	Trips To:					
	Canada		United States		Australia	
	#	09/08 Change	#	09/08 Change	#	09/08 Change
Total International	11,354	-8%	31,884	-9%	3,527	-3%
<b>Americas</b>						
United States	8,480	-7%	...	...	310	-1%
Mexico <sup>1</sup>	142	-29%	3,855	-6%	...	...
<b>Other Key Markets</b>						
France	285	-3%	842	-3%	58	4%
Germany	215	-3%	1,097	-6%	96	-4%
United Kingdom	497	-19%	2,534	-16%	399	-4%
China <sup>2</sup>	108	1%	420	-5%	254	0%
Japan	121	-33%	1,860	-16%	224	-28%
South Korea	100	-27%	504	-11%	123	-22%
Australia	142	-15%	441	-2%	...	...
India	79	-3%	402	-12%	85	7%
Brazil	42	-12%	542	11%	...	...
Canada	...	...	12,527	-8%	76	-6%
<b>Total Key Markets</b>	<b>10,210</b>	<b>-8%</b>	<b>25,024</b>	<b>-7%</b>	<b>1,625</b>	<b>-8%</b>

...Not applicable or data not available.

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

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

Note: Statistics Canada preliminary figures.

## Accommodations

- Canadian hotel occupancy rates continued to slip in October 2009, falling 5.4% over the previous year to 61.0%. While the majority of provinces faced declines in occupancy, the NWT and Yukon posted an increase of 6.5% and 2.5% respectively. Alberta posted the largest decline, down 12.6%;
- In October, the average daily room rate decreased by 4.4%, falling to \$123.54; however, NTW, Alberta, Ontario, Quebec, Nova Scotia and Newfoundland posted rates above the national average;
- Year-to-date, the national occupancy rate decreased 5.5%, falling to 60.2% when compared to the same period last year. Yukon posted the highest occupancy rate (73.5%), followed by Saskatchewan (70.8%) and Newfoundland (67.3%);
- For the first 10 months of 2009, the national average Revenue per Available Room (RevPAR) was \$75.78, down 12.8% over the same period last year. NWT posted the highest RevPAR of \$89.89, compared with the other 11 provinces, while PEI posted the lowest ranking at \$62.93;
- From January to October, properties with more than 500 rooms posted the highest occupancy rate of 67.2%, while properties with less than 50 rooms posted the lowest occupancy rate of 50.7%.

## Canadian Occupancy Rates\*, By Province

	Oct-09	09/08 Change <sup>^</sup>	Jan-Oct 2009	Year-to-date Change <sup>^</sup>
Alberta <sup>1</sup>	59.6	-12.6	60.6	-9.7
British Columbia	56.3	-5.0	61.7	-6.0
Saskatchewan	75.8	-5.2	70.8	-2.3
Manitoba	69.3	-4.1	65.5	-2.5
Ontario	61.9	-4.3	58.6	-4.8
Quebec	63.0	-4.0	59.0	-4.7
New Brunswick	58.3	-1.0	57.3	-4.0
Nova Scotia	63.9	-2.3	61.6	-4.0
Newfoundland	68.4	-8.8	67.3	-0.3
Prince Edward Island	47.1	-4.4	50.3	-1.2
Northwest Territories	59.2	6.5	61.0	-3.5
Yukon	65.7	2.5	73.5	3.8
<b>Canada</b>	<b>61.0</b>	<b>-5.4</b>	<b>60.2</b>	<b>-5.5</b>

\* Note: Based on the operating results of 210,784 rooms (unweighted data).

<sup>^</sup> Percentage points.

<sup>1</sup>Excluding Alberta resorts

Source: PKF Consulting Inc.

## Strategic Performance

## Travel Volumes, January-October 2009

	Trips Made (000s)		
	Target	Actual	% Difference
United States	10,726	10,476	-2.3
Mexico	229	158	-31.2
<b>Americas (Total)</b>	<b>10,956</b>	<b>10,634</b>	<b>-2.9</b>
<b>Overseas Key Markets</b>			
France	361	368	2.1
Germany	271	285	5.4
UK	702	636	-9.3
China	145	142	-2.1
Japan	227	174	-23.2
South Korea	157	122	-22.3
Australia	200	177	-11.2
Overseas Key Market (Total)	<b>2,061</b>	<b>1,905</b>	<b>-7.6</b>
<b>Total</b>	<b>13,017</b>	<b>12,539</b>	<b>-3.7</b>

Note: As per strategic plans.

- Against all set targets for the CTC's core markets, there was a shortfall in projected trips of 478,000, a difference of -3.7% for January through October;
- Mexico led the shortfall for the Americas, down by 31.2% or 71,000 trips, whereas trips from the U.S. were down by a more moderate 2.3%;
- Year-to-date, Germany and France continued to exceed their set targets by 5.4% and 2.1% respectively, while Japan and South Korea posted weaker results than targeted, down by 23.2% and 22.3%.

## Consumer Outlook

## Consumer Confidence

**CANADA:** The Index of Consumer Confidence dipped marginally in October, from 90.9 (2002 = 100) in September.

**UNITED STATES:** The Conference Board Consumer Confidence Index®, which had declined in September, deteriorated further in October. The Index now stands at 47.7 (1985=100), down from 53.4 in September.

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

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