



# Tourism Snapshot

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



A photograph of four hikers in a mountain landscape. One hiker in a red jacket stands looking out over a lake and jagged mountains. Three other hikers (two women and one man) are sitting on a rocky shore, looking towards the same view. The scene is set in a high-altitude, mountainous region with a clear blue sky and a calm lake.

## Key highlights

For a second consecutive month, July inbound travel to Canada was up among the majority of CTC's core markets.

International visitors made 2.7 million overnight trips to Canada in July, with both the US (+5.2%) and overseas markets (+7.4%) registering gains in visitation.

Year-to-date, with the exception of the UK (-0.8%) and Mexico (-39.8%), increases were registered across all key markets, with notable gains seen in Japan (+29.3%) and Brazil (+25.5%) arrivals.

# Tourism review Inbound highlights

## Overnight trips to Canada

	July 2010	10/09 July % Change	Jan.-July 2010	Year-to-date % Change
<b>Americas*</b>				
<b>United States</b>				
Automobile	1,289,466	6.1	3,961,457	-2.5
Plane	459,791	1.4	1,945,028	4.4
Other	269,314	7.5	724,020	0.1
<b>US Total</b>	<b>2,018,571</b>	<b>5.2</b>	<b>6,630,505</b>	<b>-0.3</b>
Mexico	21,484	-31.5	76,759	-39.8
<b>Americas Total</b>	<b>2,040,055</b>	<b>4.6%</b>	<b>6,707,264</b>	<b>-1.0%</b>
<b>Overseas Key Markets</b>				
France	66,183	4.6	231,471	6.8
Germany	46,408	4.6	179,027	8.4
UK	96,436	2.0	401,528	-0.8
China	28,074	49.8	104,705	19.1
Japan	27,294	30.7	123,769	29.3
South Korea	25,800	17.8	99,297	18.0
Australia	26,147	8.0	132,181	10.6
India**	15,270	19.3	78,595	17.8
Brazil**	12,112	43.6	45,192	25.5
<b>Overseas Key Markets</b>	<b>343,724</b>	<b>11.2%</b>	<b>1,395,765</b>	<b>9.3%</b>
<b>As % of Overseas and Americas</b>	<b>14.4%</b>		<b>17.2%</b>	
Other Overseas Countries	280,010	7.5%	994,007	7.1%
Non-US Countries	645,218	7.4%	2,466,531	5.7%
<b>Total Countries</b>	<b>2,663,789</b>	<b>5.7%</b>	<b>9,097,036</b>	<b>1.3%</b>

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, *International Travel Survey*.

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

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

## International trips

- There were approximately 2.7 million overnight visitor arrivals to Canada during July 2010, a 5.7% increase over the same month in 2009. This marked the second consecutive month of improvements in total overnight travel to Canada;
- Driven by improvements in the US market, arrivals from the Americas accelerated, up 4.6% over 2009. For a sixth consecutive month, travel from CTC's other core overseas markets improved, increasing 11.2%, to reach 343,724 overnight trips;
- Overnight trips to Canada from countries other than CTC key markets continued to grow, totalling 280,010 trips (+7.5%). Following this trend, visits from all countries excluding the US, grew by 7.4% in July;
- For the first time in 2010, year-to-date international overnight visitors improved over 2009 (1.3%), reaching 9.1 million visitors.

## United States

- US overnight visitation posted its strongest monthly gain (5.2%) in 2010, an improvement compared to May's 9.2% decline. This increase was largely driven by a 6.1% boost in auto trips in July, while "other" and plane trips posted increases of 7.5% and 1.4% respectively;
- Overall, year-to-date July, US overnight trips edged down by a moderate 0.3% over 2009, totalling 6.6 million trips;
- In July 2010, Ontario posted a 6.8% increase in overnight visits from the US, while British Columbia and Québec also reported gains of 4.5% and 4.4% respectively;

Year-to-date July, Yukon (+10.1%) registered the strongest improvement in US overnight visits, followed by New Brunswick (9.4%) and Saskatchewan (8.2%) compared against the same period in 2009.

## Mexico

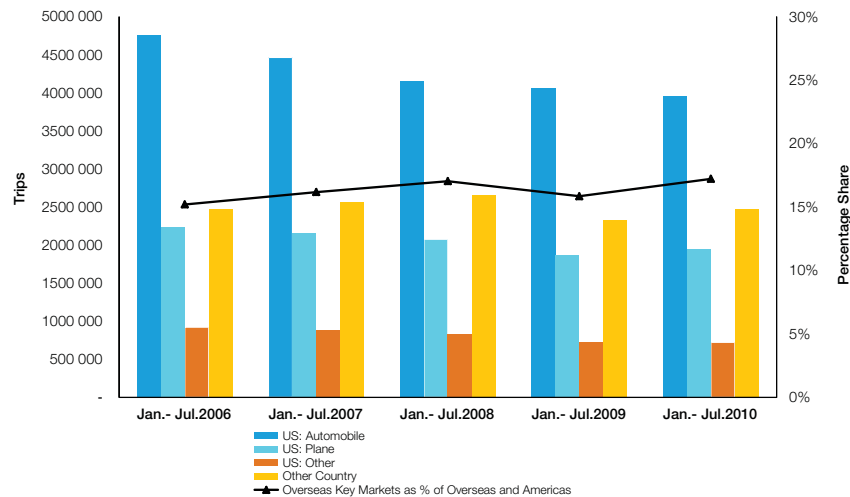
- In July 2010, overnight visits from Mexico dropped by 31.5%, a slight improvement against the 38.6% decline seen in June 2010;
- In the first seven months of 2010, travel from Mexico contracted 39.8%, falling to 76,759 overnight trips.

## Overseas key markets

- For a third consecutive month, overnight travel volumes from CTC's overseas key markets continued to improve, with all 9 markets posting gains and overall trip volumes up by 11.2% in comparison with July 2009;
- Year-to-date July 2010, trips from key markets grew by 9.3% reaching 1.4 million trips;
- In July 2010, China (+49.8%) saw the most significant increase in overnight visitors to Canada, followed by Brazil (+43.6%) and Japan (+30.7%);
- Year-to-date July, overnight trips from France improved 6.8% relative to 2009. Further to this trend, year-to-date France arrivals are also 7.2% above 2000 arrivals over the same period;
- Year-to-date July, arrivals from China has posted a 19.1% increase over 2009, a 17.0% over 2008 and a 171.3% increase over 2000;
- In July 2010, Manitoba (+20.6%) followed by British Columbia (+10.7%) posted the strongest gains in the number visitors from countries other than the US, while P.E.I (-18.5%) and Nova Scotia (-10.8) recorded the largest declines over 2009;
- Year-to-date July, British Columbia, Québec and Ontario saw increases in visitors from countries other than the US, up 7.7%, 6.1% and 5.7% respectively while Alberta experienced a 2.8% decline.

# Share of entry (July, 2010)

## Overnight trips to Canada by non-residents



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

- In the first seven months of 2010, Canada received 6.6 million overnight US visitors, representing 81.8% of international travellers from CTC's key markets. Of those US travellers, 48.9% came by automobile, 24.0% came by plane and 8.9% came by "other" non-automobile transportation;
- Year-to-date, overnight visitors from key European markets made 812,026 trips to Canada accounting for 10.0% of total trips from key markets, a 1.9 point increase in share of entry over the same period in 2005. Compared against other key European key markets, the UK accounted for the largest portion of inbound visitors at 5.0%, followed by France (2.9%) and Germany (2.2%);
- Visitors from Asia Pacific key markets made 459,952

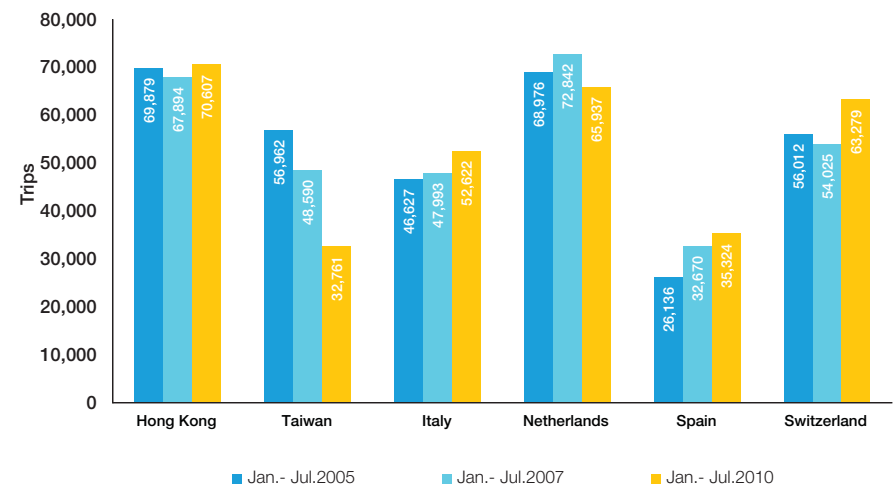
trips from January to July, accounting for a 5.7% share of total trips from key markets, marking a 1.0 point increase over the same period in 2005. Of all CTC's key market trips, Australia represented 1.6% of the share of total trips, while Japan accounted for 1.5%;

- Travellers from emerging markets (India and Brazil) made 123,787 trips to Canada from January to July, representing 1.5% of total trips from key markets, a 0.8 point increase compared with the first seven months of 2005.

### Market Watch

- For July year-to-date, four of the six selected secondary markets posted increases in overnight trip volumes over 2005;

## Overnight trips to Canada, by selected markets



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

- Compared with January to July 2005, Spain continued to post the strongest increase (+35.2%) in visitors to Canada, reaching 35,324 overnight trips;
- To July, the increase in overnight visitor arrivals from Switzerland and Italy were almost tied with increases of 13.0% and 12.9% respectively over the first seven months of 2009;
- While Hong Kong represented the largest market share among the selected markets, it only reported a moderate 1.0% improvement compared with 2005. Over the same period, Taiwan posted the most significant decline (-29.7%) falling to 32,761 visitors, over the first seven months of 2005.

# Competitive review (July 2010)

## International Travel, January - July 2010

Trips From:	Trips To:					
	Canada		United States		Australia	
	#	10/09 Change	#	10/09 Change	#	10/09 Change
<b>Total International</b>	9,097	1%	N/A	N/A	3,111	5%
<b>Americas</b>						
United States	6,631	0%			349	-4%
Mexico <sup>1</sup>	77	-40%	N/A	N/A	...	...
<b>Overseas Key Markets</b>						
France	231	7%	N/A	N/A	55	11%
Germany	179	8%	N/A	N/A	86	2%
United Kingdom	402	-1%	N/A	N/A	349	-4%
China <sup>2</sup>	105	19%	N/A	N/A	275	19%
Japan	124	29%	N/A	N/A	216	12%
South Korea	99	18%	N/A	N/A	124	15%
Australia	132	11%	N/A	N/A	...	...
India	79	18%	N/A	N/A	81	7%
Brazil	45	25%	N/A	N/A	14.9	6%
Canada	...	...	N/A	N/A	71	2%
<b>Total Key Markets</b>	<b>8,103</b>	<b>1%</b>	<b>N/A</b>	<b>N/A</b>	<b>1,604</b>	<b>4%</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.

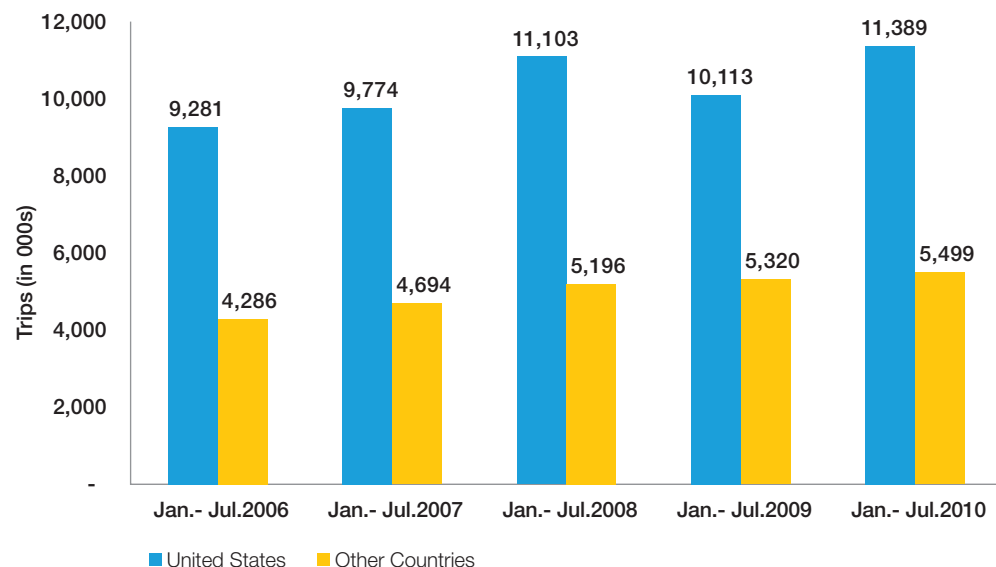
Sources: Statistics Canada; Tourism Australia; and ITA, and Office of Travel and Tourism Industries (USA).

Note: Statistics Canada preliminary figures.

- Between January and July 2010, international travel to Canada grew by 1%; this moderate upturn was dampened due to stagnant growth in the number of US arrivals and a continued contraction of Mexican arrivals. In contrast, Australia saw a 5% increase in international arrivals compared with the same period in 2009;
- Year to date July, there were gains posted in the majority of overseas key markets for both the Canada and Australia, signalling an overall upward trend among long-haul international travel in the first seven months of 2010;
- The UK was the only overseas key market to post a year to date July decline in both Canada (-1%) and Australia (-4%), compared with the same seven months in 2009;
- Australia slightly outperformed Canada in the growth of France visitors, with Canada posting a 7% increase and Australia enjoying a 11% increase in travel from January to July 2010;
- Compared with Australia, Canada posted significantly stronger growth from Japan (+29%) and Brazil (+25%), while Australia had growth of 12% and 6% respectively over the same seven month period.

# Canadian outbound trips

## Overnight trips by Canadians



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

- The strong appreciation of the CDN against the USD to date in 2010 relative to the same period in 2009 has contributed to a 16.4% surge in Canadian overnight travel to the US in July;
- Year-to-date July 2010, Saskatchewan, Manitoba and New Brunswick posted the largest increases in the number of Canadian residents visiting the US for one or more nights, up 30.7%, 26.2% and 18.0% respectively;
- In the first seven months of 2010, there was a 3.4% increase in the number of Canadian residents that travelled internationally (excluding the US). The largest increases were seen by residents of Yukon (79.4%), New Brunswick (40.0%) and Saskatchewan (25.9%) compared with the same period in 2009;
- Overall, the total number of Canadian outbound tourists grew in July by 15.1%, contributing to a 9.4% year-to-date gain.

## Overnight trips by Canadians

	July 2010	10/09 July % Change	Jan.-July 2010	Year-to-date % Change
United States	2,164,539	16.4	11,388,659	12.6
Other Countries	642,502	10.8	5,499,454	3.4
<b>Total Trips from Canada</b>	<b>2,807,041</b>	<b>15.1</b>	<b>16,888,113</b>	<b>9.4</b>

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

# Consumer outlook

## Consumer confidence

- **Canada:** Consumer confidence dropped 3.7 points in July to 80.0 (2002=100); compared with the same month in 2009, Canadian consumer confidence has decreased 2.9 points.
- **USA:** The Conference Board Consumer Confidence Index® which had declined sharply in June retreated further in July. The Index now stands at 50.4 (1985=100), down from 54.3 in June.

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

# Accommodations

## Canadian occupancy rates, by province\*

	July 2010	10/09 Change^	Jan.-July 2010	Year-to-date Change^
Alberta <sup>1</sup>	64.4	0.8	57.4	-2.3
British Columbia	74.0	3.2	61	1.7
Saskatchewan	73.8	-0.4	68.9	-0.4
Manitoba	70.9	4.4	65.2	1.7
Ontario	69.4	6.8	58.8	3.3
Quebec	69.9	2.6	58.3	2.8
New Brunswick	74.4	2.3	54.2	0.6
Nova Scotia	73.1	-2.1	57.9	0.6
Newfoundland	87.7	8.7	66.6	3.7
Prince Edward Island	72.6	5.6	45.1	-0.1
Northwest Territories	59.2	-5.9	60.3	-0.7
Yukon	89.4	-0.4	74.8	6.3
<b>Canada</b>	<b>70.4</b>	<b>4.0</b>	<b>59.2</b>	<b>1.7</b>

\* Note: Based on the operating results of 210,775 rooms (unweighted data).

^ Percentage points.

<sup>1</sup> Excluding Alberta resorts.

Source: PKF Consulting Inc.

- In July 2010, there was a 4.0 point increase in hotel occupancy rates compared with July 2009, reaching 70.4%;
- This month Ontario, British Columbia, Québec, and Alberta all posted gains in hotel occupancy rates up 6.8, 3.2, 2.6 and 0.8 points respectively over July 2009;
- Following this trend, central Canada led the country in posting the largest increase in Revenue per Available Room (RevPAR) jumping 11.5% over July 2009. This month Québec saw a 4.7% increase in RevPAR, while Ontario posted an overall gain of 14.3%;
- Year-to-date July 2010, British Columbia has posted the greatest increase in the average daily rate increasing 11.1% to \$144.12. In contrast, Alberta posted the most significant decline in the average daily rate falling 2.7% to \$126.62 year-to-day July 2010.



# Strategic performance

- International trips by key markets missed CTC's set targets by a marginal 18,000 (-0.3%) in the first seven months of 2010;
- Year-to-date, trips from Brazil, South Korea and China most notably outperformed their targets by 23.7%, 19.9% and 17.2% respectively;
- The US and Mexico fell short of their CTC set target by 2.3% and 5.0% respectively.

## Travel Volumes, January-July, 2010

	Target	Actual	% Difference
United States	4,727	4,619	-2.3
Mexico	81	77	-5.0
<b>Americas (Total)</b>	<b>4,808</b>	<b>4,695</b>	<b>-2.3</b>
France	213	231	8.9
Germany	169	179	5.8
UK	400	402	0.3
China	89	105	17.2
Japan	114	124	8.8
S Korea	83	99	19.9
Australia	118	132	11.9
India	78	79	0.1
Brazil	37	45	23.7
<b>Overseas Key Markets (Total)</b>	<b>1,301</b>	<b>1,396</b>	<b>7.3</b>
<b>Total</b>	<b>6,109</b>	<b>6,091</b>	<b>-0.3</b>

\* Note: As per strategic plans.<sup>1</sup> Excluding Alberta resorts.  
Source: PKF Consulting Inc.