



Tourism Snapshot

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





Key highlights

International travellers made 16.1 million trips to Canada in 2010, a 2.3% increase over 2009; all other CTC target markets posted gains with the exception of Mexico.

In 2010, Brazil and China were the top performers, posting increases in overnight arrivals of 29.7% and 21.2% respectively over 2009. When compared against 2008, China reported a 21.9% increase while Brazil was up 12.0%.

This month, Mexico and the US posted their third consecutive monthly increase in overnight trips to Canada. The US and Mexico markets saw a 0.2% increase in overnight visitors to Canada, reaching 11.9 million trips, for the year 2010.

Tourism review **Inbound highlights**

Overnight trips to Canada

	Dec. 2010	10/09 Dec. % Change	Jan.-Dec. 2010	Year-to-date % Change
Americas*				
United States				
Automobile	427,124	0.8	6,922,469	-1.8
Plane	256,702	1.2	3,459,976	5.5
Other	33,302	11.3	1,361,823	1.9
US Total	717,128	1.4	11,744,268	0.7
Mexico	9,329	27.4	120,499	-28.6
Americas Total	726,457	1.7%	11,864,767	0.2%
Overseas Key Markets				
France	26,967	7.6	435,465	6.8
Germany	13,497	-6.3	332,086	7.2
UK	42,801	-10.3	711,689	0.2
China	12,198	18.2	194,979	21.2
Japan	11,955	-0.2	235,510	19.1
South Korea	11,251	11.4	164,282	18.9
Australia	22,329	28.0	232,855	13.9
India**	7,999	23.4	127,619	18.2
Brazil**	7,924	27.9	80,188	29.7
Overseas Key Markets	156,921	4.8%	2,514,673	9.4%
As % of Overseas and Americas	17.8%		17.5%	
Other Overseas Countries	112,797	3.9%	1,713,383	6.9%
Non-US Countries	279,047	5.1%	4,348,555	6.8%
Total Countries	996,175	2.4%	16,092,823	2.3%

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

- Total overnight trips to Canada in December posted a 2.4% increase with a reported 996,175 visitors;
- In 2010, trips from the Americas markets (the US and Mexico) edged up by a very modest 0.2%, reaching 11.9 million, with both countries posting consecutive growth in overnight arrivals to Canada for the last three months of 2010;
- Year-to-date December, overnight trips to Canada from countries other than CTC key markets grew by 6.9%, totalling 1.7 million. A similar trend was seen in overnight visits from all countries excluding the US: 4.3 million, a 6.8% increase over 2009.

United States

- Overnight travel to Canada from the US increased by a more moderate 1.4% in December, despite the past three consecutive monthly increases in US arrivals to Canada. Overall, travel to Canada from the US has increased by 0.7% for 2010, reaching 11.7 million visitors;
- December 2010 saw a 11.3% spike in “other” forms of US travel to Canada while plane and auto trips saw growth of 1.2% and 0.8% respectively;
- In December 2010, British Columbia again reported a rise (+6.2%) in US overnight visitation, with Quebec also posting a 4.7% year-on-year increase. However, both Alberta and Ontario saw declines this month of 3.5% and 1.3% respectively;
- US overnight arrivals to Yukon posted the strongest growth (+9.3%) for 2010 as a whole, reaching 142,637 visitors, followed by Saskatchewan (up 5.4%) and New Brunswick (up 5.1%).

Mexico

- For a third consecutive month, there was steady growth, up 27.4% compared with December 2009;
- Mexican overnight travel to Canada in 2010 fell 28.6% to 120,499 visitors, compared with a 36.6% fall in 2009 and a 7.8% increase in 2008.

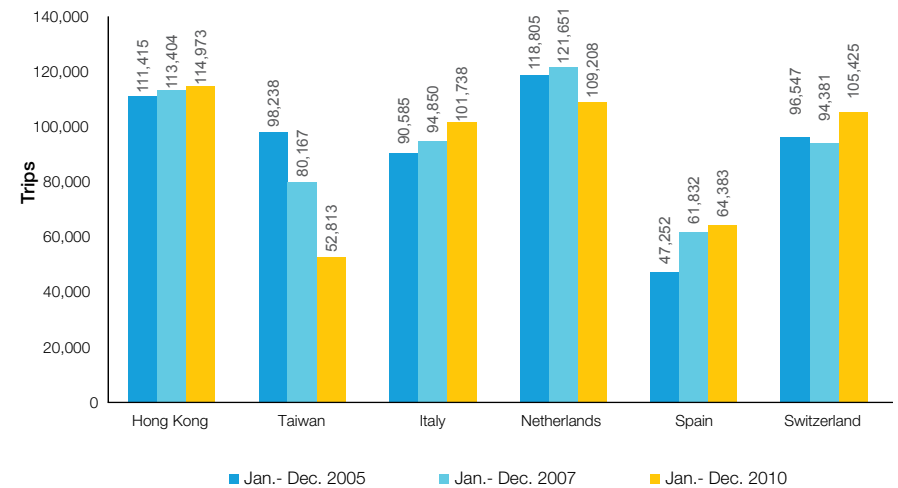
Overseas key markets

- Overnight trip arrivals to Canada from CTC key overseas destinations rose by 9.4% in 2010, reaching 2.5 million trips;
- Year-to-date December 2010, all CTC target markets posted gains, with the exception of Mexico;
- In December 2010, Australia posted the strongest rise (+28.0%) in overnight arrivals to Canada followed by Brazil (+27.9%) and Mexico (+27.4%);
- UK overnight trip arrivals to Canada dipped by 10.3% dip in December, after a rise in November. Germany and Japan also saw declines of 6.3% and 0.2% respectively compared with December 2009;
- In December, Quebec (+12.0%), British Columbia (+7.2%) and Ontario (+5.4%) had gains in overnight visitation from overseas destinations while Alberta posted a significant decline of 17.9% over December 2009;
- Year-to-date December, Saskatchewan posted the strongest increase in overnight trip volumes, (up 36.6%), followed by New Brunswick (+28.5%) and Manitoba (+21.3%).

Market Watch

- In 2010, four of the six selected secondary markets posted increases in overnight trip volumes over 2005;
- Canada experienced a 36.3% increase in trips from Spain in 2010 over 2005, while Italy posted the second strongest growth (+12.3%) over the same period;
- Overnight trips from Taiwan and the Netherlands declined relative to 2005, down 41.7% and 8.1% respectively.

Overnight trips to Canada, by selected markets



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

Competitive review (November 2010)

International Travel, January–November 2010 (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
	#	10/09 Change	#	10/09 Change	#	10/09 Change
Total International	15,097	2%	50,421	11%	5,208	6%
Americas						
United States	11,027	1%	...	...	420	-2%
Mexico ¹	111	-31%	12,235	6%	...	...
Overseas Key Markets						
France	408	7%	1,240	12%	87	6%
Germany	319	8%	1,606	3%	141	0%
United Kingdom	669	1%	3,565	-1%	541	-4%
China ²	183	21%	743	54%	412	23%
Japan	224	20%	3,113	17%	365	14%
South Korea	153	20%	1,015	53%	194	20%
Australia	211	13%	813	25%	...	...
India	120	18%	614	19%	124	11%
Brazil	72	30%	1,049	35%	23	4%
Canada	...	...	18,694	11%	107	-1%
Total Key Markets	13,496	1%	44,686	1%	2,390	6%

...Not applicable or data not available.

¹ US figures for Mexico include arrivals to interior only.

² US figures for China includes Hong Kong, SAR.

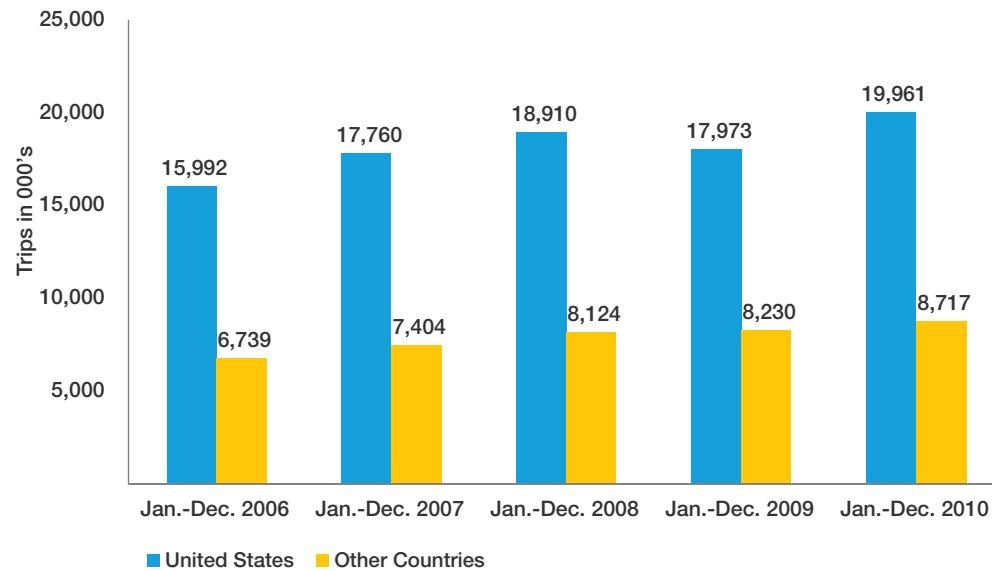
Note: Statistics Canada preliminary figures.

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

- Year-to-date November 2010, Canada continued to post moderate growth (+2%) in visitor arrivals, while the US and Australia had more notable gains of 11% and 6% respectively;
- In the first 11 months of 2010, the US posted the strongest increases in visitor arrivals from China (+54%), South Korea (+53%), Brazil (+35%), Australia (+25%), India (+19%) and France (+12%); this performance contributed to the strong gains in year-to-date November arrivals;
- Canada has maintained its lead in Japanese arrivals, up 20% year-to-date November, compared with a 17% improvement for the US and a 14% increase for Australia over the same time period. Year-to-date November, Alberta posted strong gains in Japanese overnight visitors (+149.5%), with improvements also seen in Quebec (+21.3%), Ontario (+20.5%) and British Columbia (+12.8%);
- Canada outperformed the US and Australia in arrivals from Germany (+8%) and the UK (+1%) when compared with the first 11 months of 2009.

Canadian outbound trips

Overnight trips by Canadians



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

- Canadian outbound travel to the US increased 7.9% in December 2010 over 2009, with travel to non-US destinations also improving by 8.2%;
- In 2010, Saskatchewan (+24.7%) reported the greatest increase in the total number of residents traveling abroad up, followed by New Brunswick (+17.4%) and Manitoba (+17.3%);
- Total outbound travel by British Columbians increased by 10.4% in 2010. However, the majority of this gain was driven by a 13.9% jump in travel to the US, while overseas travel increased by 0.6%. Ontario posted more even growth with an 8.9% increase in travel to the US and 8.2% gain in travel overseas.

Overnight trips by Canadians

	Dec. 2010	10/09 Dec. % Change	Jan.-Dec. 2010	Year-to-date % Change
United States	1,267,175	7.9	19,961,426	11.1
Other Countries	681,686	8.5	8,716,917	5.9
Total Trips from Canada	1,948,861	8.1	28,678,343	9.4

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence fell 2.6 points to 81 (2002 = 100) this month to close out the year virtually unchanged from where it was in December 2009.
- **USA:** The Conference Board Consumer Confidence Index®, which had improved in November, decreased slightly in December. The Index now stands at 52.5 (1985=100), down from 54.3 in November.

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

Accommodations

Canadian occupancy rates, by province and territory*

	December 2010	10/09 Change^	Jan.- Dec. 2010	Year-to-date Change^
Alberta ¹	45.8	2.4	58.3	-0.6
British Columbia	42.6	0.2	60.2	1.4
Saskatchewan	51.7	-4.8	69.3	-0.4
Manitoba	50.9	2.1	65.2	1.3
Ontario	45.1	2.2	60.5	3.3
Quebec	48.0	5.2	60.6	3.6
New Brunswick	36.0	-0.5	55.9	0.8
Nova Scotia	37.0	-0.1	60.1	1.4
Newfoundland	44.3	1.3	67.4	2.8
Prince Edward Island	26.3	-0.3	47.5	-0.5
Northwest Territories	49.9	3.0	59.8	-0.4
Yukon	49.3	-9.0	72.9	2.8
Canada	44.8	1.7	60.3	2.0

* Note: Based on the operating results of 215,669 rooms (unweighted data).

^ Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc.

- In December, the national occupancy rate increased by 1.7 percentage points, reaching 44.8%. Five of the 13 provinces and territory posted declines in December occupancies, with Saskatchewan reporting the largest decline of 4.8 percentage points;
- For 2010, properties with over 500 rooms posted the highest occupancy rate (68.7%), while properties under 50 rooms posted the lowest occupancy rate of 49.0%.
- The average daily rate (ADR) increased by 0.7% over December 2009 to \$119.96. The Northwest Territories posted the highest ADR of \$147.29, followed by Quebec and British Columbia;
- In 2010, revenue per available room rose by 5.5% to \$76.87 compared with \$72.85 in 2009;

Strategic performance

Travel Volumes, January-December 2010

	Target	Actual	% Difference
United States	11,700	11,744	0.4
Mexico	126	120	-4.2
Americas (Total)	11,826	11,865	0.3
France	402	435	8.3
Germany	315	332	5.5
UK	706	712	0.8
China	167	195	16.7
Japan	219	236	7.4
S Korea	139	164	18.0
Australia	203	233	14.7
India	130	128	-1.7
Brazil	64	80	25.9
Overseas Key Markets (Total)	2,345	2,515	7.2
Total	14,171	14,379	1.5

* Note: As per strategic plans.

- In 2010, international trips by key markets exceeded CTC's set targets by 208,000 (+1.5%);
- This year, all markets with the exception of Mexico (-4.2%) and India (-1.7%) exceeded CTC set targets;
- Year-to-date, Brazil most notably outperformed CTC set targets (+25.9%) followed by South Korea (+18.0%) and China (+16.7%).

Economic indicators

America	Canada		USA		Mexico		Brazil	
	Q3 2010	Q4 2010	Q3 2010	Q4 2010	Q3 2010	Q4 2010	Q3 2010	Q4 2010
Real GDP growth (yoy, %)	3.4	2.8	3.2	2.8	5.3	2.4	6.7	5.1
Consumer Price Index (yoy,%)	1.8	2.1	1.2	1.2	3.7	4.2	4.6	5.6
Exchange Rate (1LCU:C\$)	1.000	1.000	1.039	1.013	0.081	0.082	0.594	0.597

Europe	France		Germany		UK	
	Q3 2010	Q4 2010	Q3 2010	Q4 2010	Q3 2010	Q4 2010
Real GDP growth (yoy, %)	1.7	1.6	3.9	4.1	2.7	1.7
Consumer Price Index (yoy,%)	1.5	1.6	1.2	1.5	3.1	3.4
Exchange Rate (1LCU:C\$)	1.354	1.377	1.354	1.377	1.612	1.601

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q3 2010	Q4 2010	Q3 2010	Q4 2010	Q3 2010	Q4 2010	Q3 2010	Q4 2010	Q3 2010	Q4 2010
Real GDP growth (yoy, %)	2.7	2.7	9.6	9.7	5.0	2.6	4.4	4.8	8.9	8.9
Consumer Price Index (yoy,%)	2.8	2.7	3.5	4.7	-0.8	0.1	2.9	3.6	10.3	9.2
Exchange Rate (1LCU:C\$)	0.9410	1.0005	0.1535	0.1521	0.0121	0.0123	0.0009	0.0009	0.0224	0.0226

Source: Bank of Canada; and Oxford Economics January - September 2010

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

- In the fourth quarter of 2010, the majority of CTC key inbound travel markets saw economic growth cool or remain constant with the exception of South Korea, Germany and China, who posted moderate growth over Q4 2009;
- In Q4 2010, most of CTC key markets followed a similar trend, posting declines in inflation rates. Canada, India and Australia were the exception, posting increases;
- In Q4 2010, Canada became a more expensive travel destination for visitors from the US, Australia and the UK, while the majority of other CTC key markets saw their currency appreciate against the Canadian dollar.

CTC Market Research & Evaluation