Canadian Tourism Commission | Commission canadienne du tourisme

Canada

Tourism Snapshot

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

www.canada.travel/corporate

July 2012 **Volume 8, Issue 7**

Key highlights

- Total arrivals from CTC's international markets significantly pulled back -4.4 % on a year-over-year basis as US overnight arrivals dropped -5.4%, largely offsetting a 0.7% increase from CTC overseas markets.
- In the midst of major events hosted in Europe over the summer and on-going concerns over the Eurozone economic situation, monthly overnight arrivals to Canada in July 2012 decreased in all three European markets, with the UK (-8.6%) recording its lowest arrivals since 1990, Germany (-1.6%) falling to its lowest level in 8 years.
- Growth was achieved in only three CTC overseas markets in July 2012 (China +24.4%, Australia +15%, Mexico +10.6%,), which together only marginally compensated for contraction registered in the other CTC overseas markets.

Tourism review Inbound highlights

Overnight trips to Canada

	July 2012	12/11 July % Change	Jan. - July 2012	Year-to-date % Change
United States				
Automobile	1,142,796	-7.5	3,898,307	1.4
Plane	446,048	-1.2	2,033,735	1.6
Other	252,357	-2.4	766,884	1.8
US Total	**1,841,201**	**-5.4**	**6,698,926**	**1.5**
Core Markets				
UK	82,689	-8.6	367,759	-3.4
France	69,523	-1.5	251,516	1.4
Germany	44,135	-1.6	168,701	- -
Australia	32,118	15.0	145,340	3.8
Core Total	**228,465**	**-2.3%**	**933,316**	**-0.4%**
Emerging/ Transition Markets				
Japan	25,545	-0.2	116,611	11.9
South Korea	21,123	-11.6	82,557	-10.6
Mexico	25,433	10.6	90,252	10.7
Brazil**	12,909	-3.4	53,120	6.9
China	45,308	24.4	158,658	24.3
India**	16,980	-0.7	91,280	9.6
Emerging/ Transition Total	**147,298**	**5.7%**	**592,478**	**10.0%**
CTC Overseas Key Markets	**375,763**	**0.7%**	**1,525,794**	**3.4%**
Other Overseas Countries	277,033	-4.7%	1,012,060	0.3%
Non-US Countries	652,796	-1.7%	2,537,854	2.1%
Total Countries	**2,493,997**	**-4.4%**	**9,236,780**	**1.7%**

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.
** India and Brazil are added to the CTC key markets

International trips

- Canada received 2.5 million international visitors during the month of July 2012, a 4.4% drop over the same month in 2011;
- Despite good performance by Australia, overall arrivals from CTC's core markets recorded four consecutive monthly decline in July (-2.3%), bringing the total for the first seven months to 933,316 overnight visitors, down marginally (-0.4%) over the same period last year;
- In contrast, total arrivals from CTC's emerging/ transition markets (Japan, South Korea, Mexico, Brazil, China and India) grew 5.7% in July, bringing the total for the first seven months to 592,478, a 10% increase compared to the same period last year.

United States

- Following seven consecutive monthly gains, total US overnight arrivals to Canada pulled back in July 2012 (-5.4%), largely driven by a 7.5% decline in auto travel;
- Year to date to July, total overnight trips to Canada by US residents remained in positive territory, posting a 1.5% increase over last year with 6.7 million arrivals;
- In July, only two provinces (Saskatchewan and Alberta) registered increases in arrivals by US visitors, up 11.6% and 7.6% respectively relative to the same month in 2011.

Core Markets

- In the midst of major events hosted in Europe over the summer (UEFA EURO 2012 and the London Olympics) and on-going concerns over the Eurozone economic situation, monthly overnight arrivals to Canada contracted in all three European markets;
- The UK experienced the largest decline (-8.6%), recording its lowest monthly arrivals for July since 1990;
- Overnight arrivals from France inched down in July (-1.5%). A decline in air capacity from/to France in July could have contributed to softening arrivals from this country;
- In July, German arrivals dropped another 1.6% following a double-digit decline in June, putting monthly arrivals from Germany to the lowest level in eight years;
- Australia returned to positive territory with a double-digit gain (+15%), bringing year-over-year growth for the first seven months to 3.8%.

Emerging/ Transition Markets

- In July, increases in overnight arrivals from China (+24.4%) and Mexico (+10.6%) largely offset poor performance from South Korea (-11.6%) and Brazil (-3.4%);
- July overnight arrivals from Japan and India slipped marginally, down 0.2% and 0.7% respectively;
- Year to date July, overall arrivals from CTC's emerging/ transition markets grew 10% with all markets exception of South Korea (-10.6%) posted positive growth.

Market Watch

- In July, all secondary markets with the exception of Switzerland recorded drops with Spain posting the largest decline (-22.7%) followed by Taiwan (-11.7%);
- Year to date July, Switzerland was the only market to stay in positive territory, up 1.6% compared to the same period last year;
- When compared to year-to-date result for July 2007, Switzerland saw the largest gain in overnight arrivals (+20.8%) followed by Hong Kong (+8.1%).Taiwan and Netherlands posted significant declines, down 34.2% and 17.3% respectively.

Overnight trips to Canada, by selected markets

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

Overnight trips to Canada, by selected markets

	July 2012	12/11 July % Change	Jan. - July 2012	Year-to-date % Change
Italy	14,557	-9.7	48,018	-3.0
Netherlands	21,539	-5.6	60,252	-4.8
Spain	11,020	-22.7	30,114	-12.5
Switzerland	25,810	2.3	65,250	1.6
Hong Kong	18,725	-9.2	73,363	-4.5
Taiwan	8,482	-11.7	31,988	-8.7

Travel Characteristics Highlights (Q1-2012)

Overnight Travel Spending

	Trips '000	12/11 Q1 %	Spend $M	12/11 Q1 %	Average Trip Duration	12/11 Q1 %	Average Spend per Trip	12/11 Q1 %	Average Spend per Night	12/11 Q1 %
United States										
United States Leisure										
Automobile	821.6	7.0%	284.3	13.9%	3.0	-0.9%	346	6.4%	114	7.3%
Plane	259.1	2.2%	185.3	0.8%	5.5	7.3%	715	-1.4%	129	-8.1%
Other	94.9	10.5%	32.3	4.3%	2.5	-8.0%	340	-5.6%	138	2.6%
U.S. Leisure Total	1,175.5	6.2%	501.9	8.0%	3.5	0.8%	427	1.7%	121	1.0%
Total U.S. MC & IT	425.3	7.4%	329.5	-0.9%	3.0	-2.7%	775	-7.7%	254	-5.1%
Total U.S.	**1,600.8**	**6.5%**	**831.4**	**4.3%**	**3.4**	**-0.1%**	**519**	**-2.0%**	**152**	**-1.9%**
Overseas Key Markets										
Core Markets										
United Kingdom	111.1	0.2%	116.9	0.2%	11.1	0.2%	1,284	-0.1%	116	-0.3%
France	71.2	0.7%	81.4	4.0%	15.7	-0.6%	1,209	3.2%	77	3.8%
Germany	41.2	10.5%	51.1	5.4%	15.2	-8.1%	1,512	-4.6%	99	3.8%
Australia	36.1	0.3%	68.2	8.5%	14.6	8.0%	1,975	8.2%	136	0.2%
Total Core Markets	226.7	1.8%	317.6	3.7%	13.6	-0.1%	1,401	1.9%	103	1.9%
Emerging/ Transition Markets										
Japan	29.1	7.8%	39.9	11.0%	15.2	-3.2%	1,370	3.0%	90	6.4%
South Korea	23.0	-12.5%	34.7	-20.8%	30.8	-10.3%	1,507	-9.5%	49	0.9%
Mexico	25.0	23.2%	37.7	25.2%	28.9	-2.1%	1,509	1.7%	52	3.8%
Brazil	11.5	5.5%	22.8	14.7%	25.9	2.4%	1,987	8.7%	77	6.1%
China	42.2	24.1%	71.7	24.3%	27.9	-21.4%	1,698	0.2%	52	8.1%
India	24.0	10.6%	29.2	19.1%	19.1	-0.2%	1,217	7.6%	64	7.9%
Total Emerging/ Transition Markets	154.8	10.4%	235.9	11.4%	25.9	-4.8%	1,524	0.9%	59	6.0%
Total Overseas Key Markets	**381.5**	**5.1%**	**553.5**	**6.8%**	**26.7**	**-2.0%**	**1,451**	**1.6%**	**54**	**3.7%**
Total International (Total US + Total Overseas)	**1,982**	**6.2%**	**1,385**	**5.3%**	**5.1**	**-3.0%**	**699**	**-0.9%**	**136**	**2.2%**

Source: Statistics Canada, International Travel Survey, preliminary estimates

Overnight Travel Spending

- During the first quarter 2012, overall spending by international visitors (CTC's target markets only) grew 5.3%, reaching almost $1.4 billion;
- Total travel spending by US visitors grew 4.3% to $831 million, largely driven by spending increases among US leisure travellers (+8.0%). Average spend per trip by US leisure travellers increased by 1.7% to $427, while the average by US MC & IT dropped to $775, down 7.7% compared to the same period last year;
- In Q1 2012, total spending by travellers from CTC's overseas key markets grew 6.8% to $554 million. Mexico recorded the largest increase (+25.2%) in overnight travel spending followed by China (+24.3%);
- UK travellers outspent other key overseas markets with total spending of $117 million during the first quarter 2012. China became the third largest contributor with total spending of $72 million after France ($81 million);
- Brazilian travellers recorded the highest average spending per trip, reaching $1,987 (+8.7%) followed by Australia at $1,975 (+8.2%).

Competitive review (January - June 2012)**

International Travel (in thousands)

	Trips To:			
	Canada		Australia	
Trips From:		12/11 Change		12/11 Change
Total International	6,749	4%	2,882	4%
United States	4,864	5%	235	4%
Canada	…		61	3%
Core Markets				
United Kingdom	285	-2%	288	-4%
France	182	3%	42	4%
Germany	125	1%	69	-3%
Australia	113	1%	…	…
Emerging/ Transition Markets				
Japan	91	16%	158	8%
South Korea	61	-10%	98	1%
Mexico[1]	65	11%	…	…
Brazil	40	11%	14	7%
China	113	24%	314	15%
India	74	12%	80	5%
Total Key Markets	**6,014**	**5%**	**1,359**	**4%**

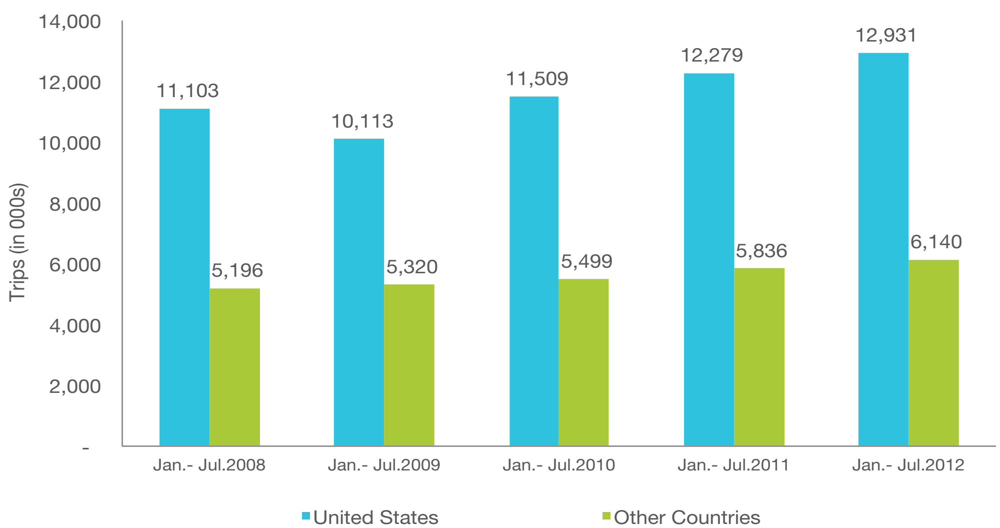
…Not applicable. or data not available.
[1] US figures for Mexico include arrivals to interior only.
Note: Statistics Canada preliminary figures.
Sources: Statistics Canada; Tourism Australia, ITA Office of Travel and Tourism Industries (USA).

** U.S. Visitation data for June 2012 was not available.
There was a delay in the release of U.S. visitation data due to the change in the entry process for U.S visitors.

- Year to date June, both Canada and Australia registered growth in international arrivals, up 4% each compared with the same period last year;
- International visitor growth for Canada and Australia continued to be driven out of emerging/transition markets, with China posting the largest growth, up 24% and 15% respectively;
- In contrast, performance from three European markets remained relatively weak in Canada and Australia, with the region still facing economic uncertainty. The UK remained in negative territory in terms of arrivals to Canada (-2%) and Australia (-4%) while France saw slight increases in arrivals to Australia and Canada, up 4% and 3%;
- Japan was showing signs of recovery in overnight trips to both Canada and Australia with arrivals growing 16% and 8% respectively;
- Canada outperformed Australia in overnight arrivals from two emerging markets, India and Brazil, up 12% and 11%.

Canadian outbound trips

Overnight trips by Canadians



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

Overnight trips by Canadians

	July 2012	12/11 July % Change	Jan. - July 2012	Year-to-date % Change
United States	2,524,081	6.2	12,930,508	5.3
Other Countries	680,999	3.5	6,139,750	5.2
Total Trips from Canada	3,205,080	5.6	19,070,258	5.3

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

- Canadian outbound travel continued to grow in July, up 5.6% and reaching over 3.2 million trips;
- The number of Canadians visiting the US during the month of July grew 6.2%, reaching over 2.5 million trips;
- Likewise, Canadian overnight travel to overseas destinations (excluding the US) registered a 3.5% increase, totalling 680,999 trips;
- Year to date July, outbound trips by Canadians grew 5.3%, reaching over 19 million overnight trips;
- In July, the largest re-entry of Canadians from the US occurred through Ontario, with over 1 million entries (+4.7%), followed by British Columbia (551,211 entries / +10.8%) and Québec (540,259 entries / +4.1%);
- The largest re-entry of Canadians from overseas countries (excluding the US) in July were recorded in Ontario (337,545 entries/ +0.5%), followed by Québec (183,103 / +1.3%) and British Columbia (100,701 / +26.5%).

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence edged up 2.9 points in July to 76.9 (2002=100) but remained at a relatively low level, reflecting the global economic uncertainty stemming from the European sovereign debt crisis.
- **USA:** The Conference Board Consumer Confidence Index®, which had declined in June, improved slightly in July. The Index now stands at 65.9 (1985=100), up from 62.7 in June.

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

Accommodations

- In July 2012, the National Occupancy Rate dropped by 1.1 points over the previous year to 70.6%. Alberta posted the largest increase (+3.4 points) while Québec experienced the largest decline (-6.5 points);
- Year-to-date July, the National Occupancy Rate recorded a marginal increase of 0.8 points, reaching 60.8%. Alberta registered the largest increase (+4 points) followed by Newfoundland (+2.5 points);
- Year to date July, the National Average Daily Rate grew to $128.72, up 1.8% compared with the same period in 2011. Northwest Territories, Québec, Newfoundland, Alberta and British Columbia posted rates higher than the Average Daily Rate;
- During the first seven months of 2012, the Average Revenue per Available Room (RevPAR) was $78.32 (+3.3%) with Alberta posting the strongest growth (+11.9% / $86.35) followed by Newfoundland (+8.3% / $91.49).

Canadian Occupancy Rates, By Province*

	July 2012	12/11 Change^	Jan.-July 2012	Year-to-date Change^
Alberta[1]	70.7	3.4	65.0	4.0
British Columbia	73.5	-2.2	59.6	0.0
Saskatchewan	70.0	-2.2	67.6	0.3
Manitoba	67.3	-4.0	63.4	-2.5
Ontario	68.5	-0.2	60.0	0.7
Quebec	69.3	-6.5	60.7	-0.5
New Brunswick	68.7	-3.4	53.3	-0.3
Nova Scotia	74.4	0.2	58.8	0.5
Newfoundland	85.2	-3.6	67.6	2.5
Prince Edward Island	69.3	-5.0	44.0	-4.8
Northwest Territories	61.0	-4.2	62.6	-4.2
Yukon	90.6	0.3	70.9	0.1
Canada	**70.6**	**-1.1**	**60.8**	**0.8**

* Note: Based on the operating results of 226,059 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

CTC Market Research & Evaluation