

Tourism Snapshot

A focus on the markets in which Destination Canada (DC) and its partners are active.

Banff Trail Riders
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Key highlights

- Year to date (August 2015), growth from DC's 11 international markets was up 6.8% on the basis of gains recorded in the US (+7%) and all overseas markets except Germany (-1.0%).
- In August 2015, overnight arrivals from DC's 11 international markets contracted 0.8% year over year. Gains registered from Asia-Pacific (3.5%) were offset by reductions from Europe(-0.1%), Latin America (-2.2%) and the US (-1.3%).
- In August 2015, overnight arrivals showed mixed results as six of DC's 11 key markets registered gains. South Korea achieved the highest growth rate (+14.2%), followed by Australia (+6.9%), Japan (+5.4%), India (+4.5%), the UK (+3.4%) and France (+0.4%).
- In Europe, gains earned in overnight arrivals from the UK (+3.4%) and France (+0.4%) were offset by losses from Germany (-7.1%). Meanwhile, China (-1.8%) was the only DC market that registered a decrease in the Asia-Pacific region.
- After a period of exceptionally high double-digit growth in the two Latin American markets, overnight arrivals from Brazil (-3.4%) and Mexico (-1.4%) eased back in August 2015.
- Following eight months of consecutive expansion, overall overnight arrival from the US contracted in August 2015 (-1.3%) as entry by auto (-3.6%) and other mode of transport (-1.4%), including bus, train and boats, outpaced gains from entry by air (+5.5%).



Tourism review Inbound highlights

Overnight trips to Canada

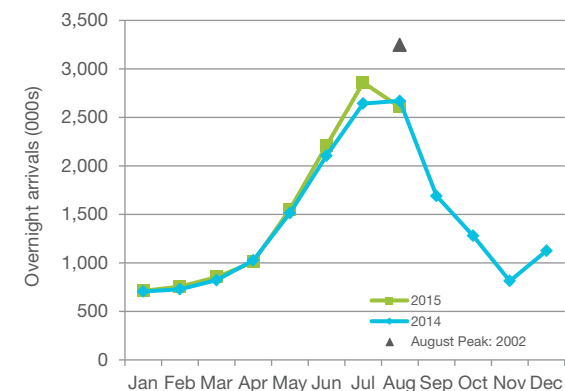
	Aug. 2015	15/14 Aug. % Change	Jan. - Aug. 2015	Year-to-date % Change
United States				
Automobile	1,166,779	-3.6	5,359,618	7.3
Air	446,356	5.5	2,493,681	6.8
Other	252,348	-1.4	998,378	5.8
US Total	1,865,483	-1.3	8,851,677	7.0
Europe Markets*				
UK	107,630	3.4	500,291	6.5
France	80,737	0.4	345,122	2.9
Germany	54,149	-7.1	223,609	-1.0
Europe Markets Total	242,516	-0.1	1,069,022	3.7
Asia-Pacific Markets*				
Japan	36,887	5.4	174,120	4.2
South Korea	20,253	14.2	129,218	16.1
China	73,230	-1.8	346,344	8.2
India	22,775	4.5	139,602	8.7
Australia	37,266	6.9	196,133	3.7
Asia-Pacific Markets Total	190,411	3.5	985,417	7.6
Latin America Markets*				
Mexico	21,602	-1.4	143,787	12.9
Brazil	14,265	-3.4	80,683	18.4
Latin America Markets Total	35,867	-2.2	224,470	14.8
Overseas Key Markets	468,794	1.1	2,278,909	6.4
Total 11 DC Markets	2,334,277	-0.8	11,130,586	6.8
Other Overseas Countries	272,336	2.3	1,434,135	5.0
Non-US Countries	741,130	1.6	3,713,044	5.8
Total Countries	2,606,613	-0.5	12,564,721	6.6

Note: Statistics Canada preliminary estimates.

* In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included European markets and Australia. As of January 2015, markets grouping were reclassified on a geographic basis.

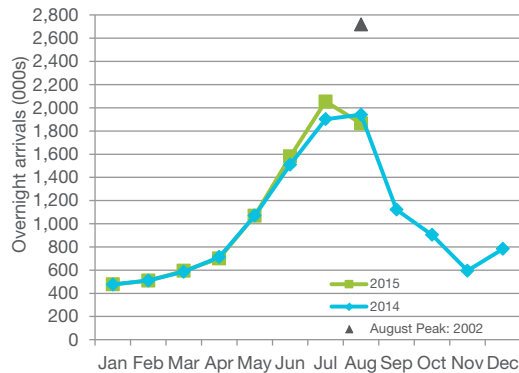
Source: Statistics Canada, International Travel Survey.

International trips



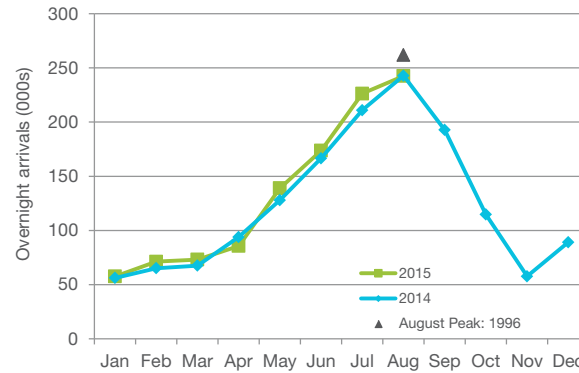
- Canada welcomed 2,606,613 international visitors in August 2015, down 0.5% compared to August 2014. From January to August 2015, Canada recorded 12,564,721 international arrivals, up 6.6% relative to 2014.
- The international visitor peak on record during the month of August occurred in 2002, with 3,248,000 overnight trips.

United States



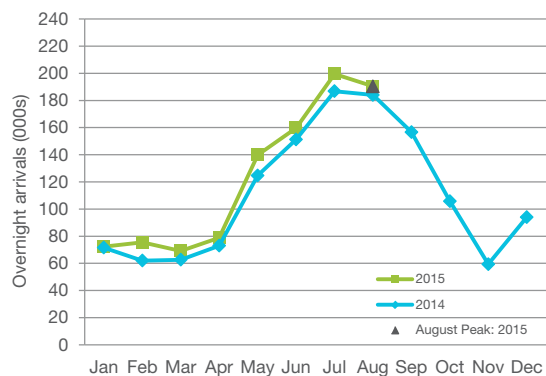
- In August 2015, losses in US arrivals by auto (-3.6%) and other modes of transport (-1.4%) resulted in total US arrivals declining for the first time this year (-1.3% over August 2014). Strong visitation growth from the US recorded in July partly explained the lower visitation levels during the month of August despite the favourable exchange rate.
- Canada welcomed about 1,865,480 overnight visitors from the US in August 2015. The US visitor peak on record during the month of August occurred in 2002, with 2,718,570 overnight trips.

Europe Markets



- In August 2015, overnight arrivals from DC's European markets decreased 0.1%. Year to date, arrivals from these markets are up 3.7%.
- Two DC markets in Europe registered gains in August 2015. Despite a weaker euro (but stronger British pound) relative to the CAD, arrivals from the UK (+3.4%) and France (+0.4%) rose relative to August 2014. Arrivals from Germany declined (-7.1%) in August 2015, compared to an unusually strong visitation level from that country in August 2014.
- Canada welcomed 242,516 visitors from key markets in Europe in August 2015, just short of the arrivals peak of 242,800 registered in June 1995.

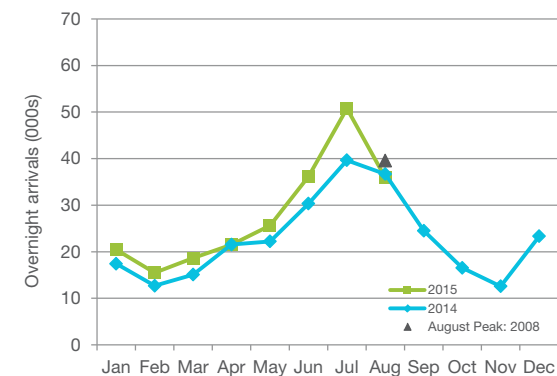
Asia-Pacific Markets



- Overnight arrivals from DC markets in Asia-Pacific expanded at healthy but slower pace than in recent months (+3.5%) in August 2015 due to minor losses from China (-1.8%).
- Arrivals from China fell in August 2015 (-1.8%) compared to strong gains during the same time last year (facilitated by the introduction of the CAN+ Visa program and new air capacity between the two countries). Year to date, China arrivals are up 8.2% compared to the same period in 2014. Since the beginning of 2015, China has emerged as the second-largest overseas inbound market after the UK.
- Arrivals from Australia rose 6.9% in August 2015. Year to date, arrivals from Australia are up 3.7% compared to the same period in 2014.

- Arrivals from South Korea (+14.2%) rose significantly in August amid a more favourable exchange rate for South Korean visitors to Canada—the won has appreciated 6.6% against the CAD over the past year. The gains from South Korea were also facilitated by increased air capacity on Seoul-Vancouver flights in recent months. Year to date, South Korean arrivals are up 16.1% compared to 2014.
- In August 2015, India (+4.5%) registered growth in overnight visits to Canada. The launch of the CAN+ Visa program in India in July 2014 has contributed to this growth over the past year. Year to date, India arrivals are up 8.7% compared to the same period in 2014.
- Arrivals from Japan increased 5.4% in August 2015, partly due to greater air capacity between the two countries. From January to August 2015, arrivals from Japan have increased 4.2% relative to 2014.
- The 190,410 overnight visitors to Canada in August 2015 from DC's Asia-Pacific markets set a new record for the month.

Latin America Markets



- Arrivals from DC's two Latin American markets recorded declines (-2.2%) in August 2015 as August 2014 recorded a unusually high visitation level due to the introduction of the CAN+ Visa program. Year to date, Latin American arrivals from Mexico and Brazil are up 14.8%.
- In August 2015, arrivals from Mexico declined 1.4% relative to August 2014 as arrivals rose significantly in the months following the implementation of the CAN+ Visa program in May 2014. Over the first eight months of 2015, arrivals from Mexico are up 12.9% compared to the same period in 2014.
- In August 2015, overnight arrivals from Brazil fell 3.4%, also because August 2014 registered an unusually high number of visitors because of the introduction of new flights, the CAN+ Visa program and pent-up demand following FIFA 2014 World Cup in Brazil. Year to date, arrivals from Brazil are up 18.4%.
- In August 2015, Mexico and Brazil recorded a combined total of 35,870 visitors to Canada, just 4,000 visitors shy of the peak for the month of August recorded in 2008.

Peak Year Review of Overnight Trips to Canada by Market – January to August

Markets	Europe			United States		Asia Pacific			Latin America			
	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Brazil	Mexico
Previous Peak Year	2014	1996	2005	2002	2001	2014	2014	2014	1996	2007	2014	2008
Arrivals During												
Previous Peak Year	335,496	325,785	609,307	11,459,220	2,783,159	189,200	320,046	128,459	443,627	137,332	68,137	199,091
YTD August 2015												
Total Arrivals	345,122	223,609	500,291	8,851,677	2,493,681	196,133	346,344	139,602	174,120	129,218	80,683	143,787
Current % of Previous Peak	102.9%	68.6%	82.1%	77.2%	89.6%	103.7%	108.2%	108.7%	39.2%	94.1%	118.4%	72.2%

Note: Statistics Canada preliminary figures.
Sources: Statistics Canada.

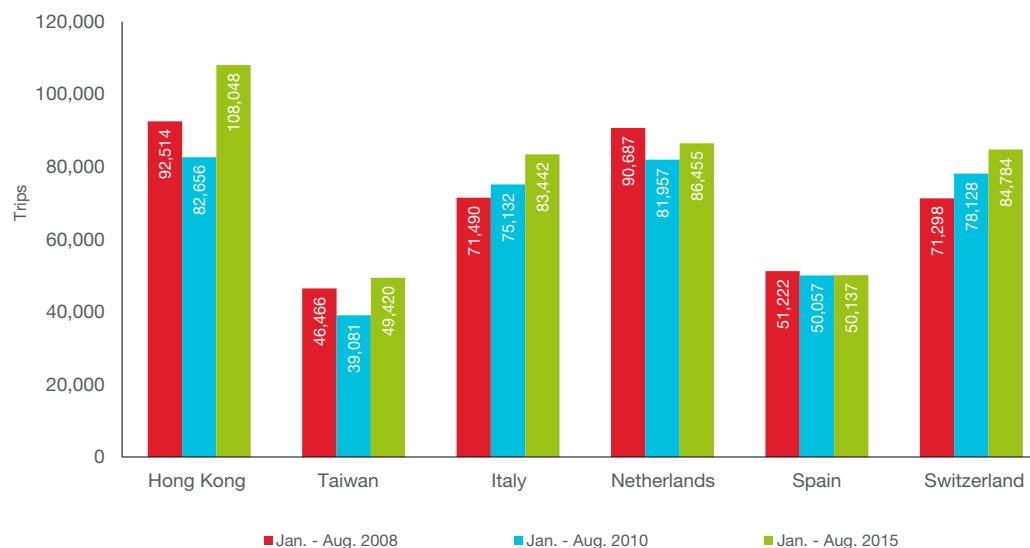
Peak achieved during 2015

- From January to August 2015, five markets—Australia, France, India, Brazil and China—achieved their highest level of overnight arrivals ever.
- In the first eight months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 68% to 94% of their peaks, recorded in 2005, 1996, 2008, 2007 and 2002 respectively.
- US arrivals by air during the eight first months of 2015 totalled nearly 2.5 million overnight visits to Canada—90% of the peak recorded in 2001.
- From January to August 2015, arrivals from Japan achieved 39.2% of the peak recorded in 1996.

Market Watch

- In August 2015, two secondary European markets recorded strong gains compared to 2014. Arrivals rose from Spain (+14.9%) and the Netherlands (+11.4%), while arrivals declined from Italy (-1.6%) and Switzerland (-4.4%).
- From January to August 2015, all four secondary European markets saw healthy increases in visitation, with the Netherlands (+15.2%) leading the way, followed by Spain (+7.9%), Italy (+3.3%) and Switzerland (+1.6%).
- In August 2015, arrivals rose from both Taiwan (+6.8%) and Hong Kong (+8.7%) compared to the same month in 2014.
- Since the beginning of the year, both secondary markets in Asia have posted strong growth, with Hong Kong arrivals up 10% and Taiwan arrivals up 4.4% over 2014.

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

	Aug. 2015	15/14 Aug. % Change	Jan. - Aug. 2015	Year-to-date % Change
Italy	25,035	-1.6	83,442	3.3
Spain	14,506	14.9	50,137	7.9
Netherlands	16,578	11.4	86,455	15.2
Switzerland	15,828	-4.4	84,784	1.6
Hong Kong	15,751	8.7	108,048	10.0
Taiwan	7,523	6.8	49,420	4.4

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

International Arrivals by Province of Entry to Canada

Non-Residents Overnight Arrivals to Canada by province of Entry, January to August 2015

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	35,708	5.6%	1,905	-	-	-	11,758	0.7%	80	23,950	8.2%	1,825
Prince Edward Island	256	-89.1%	(2,090)	-	-	-	223	-88.6%	(1,728)	33	-91.6%	(362)
Nova Scotia	120,207	-5.7%	(7,331)	13,331	-3.4%	(466)	59,049	-17.4%	(12,473)	47,827	13.3%	5,608
New Brunswick	193,088	4.9%	9,043	170,728	5.5%	8,931	18,756	-0.9%	(161)	3,604	8.2%	273
Quebec	1,804,006	5.8%	98,766	697,071	10.2%	64,762	459,498	4.7%	20,815	647,437	2.1%	13,189
Ontario	5,808,609	8.0%	428,326	2,898,591	5.4%	148,044	1,359,658	11.5%	139,968	1,550,360	10.0%	140,314
Manitoba	165,704	15.1%	21,719	111,079	23.4%	21,067	48,171	2.9%	1,360	6,454	-9.9%	(708)
Saskatchewan	56,760	-13.3%	(8,732)	34,598	6.5%	2,113	19,367	-33.7%	(9,828)	2,795	-26.7%	(1,017)
Alberta	668,711	0.1%	999	109,529	5.5%	5,724	344,876	-0.7%	(2,269)	214,306	-1.1%	(2,456)
British Columbia	3,589,560	7.1%	238,809	1,270,829	9.7%	112,768	1,118,340	7.3%	76,250	1,200,391	4.3%	49,791
Yukon	122,112	0.2%	270	53,862	0.9%	457	52,363	2.8%	1,419	15,887	-9.2%	(1,606)
Canada	12,564,721	6.6%	781,684	5,359,618	7.3%	363,400	3,492,059	6.5%	213,433	3,713,044	5.8%	204,851

Source: ITS Border Counts, August 2015, Statistics Canada

- During the eight first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+428,300, +8.0%), British Columbia (+238,800, +7.1%) and Quebec (+98,800, +5.8%).
- All three provinces (Ontario, BC and Quebec) registered gains in US arrivals by auto and non-auto modes as well as from overseas.
- Manitoba benefited from a significant surge in overnight car arrivals from the US (+23.4%) compared to the same period last year.
- Saskatchewan, Nova Scotia and PEI were the only three provinces to see a contraction of direct total international arrivals since the beginning of the year.

Competitive Review – Australia vs Canada (January - August 2015)

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		15/14 Change		15/14 Change
Total International	12,564,721	6.6%	4,666,500	7.1%
United States	8,851,677	7.0%	379,000	7.9%
Canada	90,400	5.6%
Europe				
United Kingdom	500,291	6.5%	409,300	4.8%
France	345,122	2.9%	74,800	1.1%
Germany	223,609	-1.0%	113,600	1.1%
Asia-Pacific				
Australia	196,133	3.7%
Japan	174,120	4.2%	209,000	-2.4%
South Korea	129,218	16.1%	142,800	8.7%
China	346,344	8.2%	691,000	19.3%
India	139,602	8.7%	154,100	22.1%
Latin America				
Mexico	143,787	12.9%	5,600	12.0%
Brazil	80,683	18.4%	29,500	8.5%
Total DC Key Markets	11,130,586	6.8%	2,299,100	9.6%

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n/a - not available.

Sources:

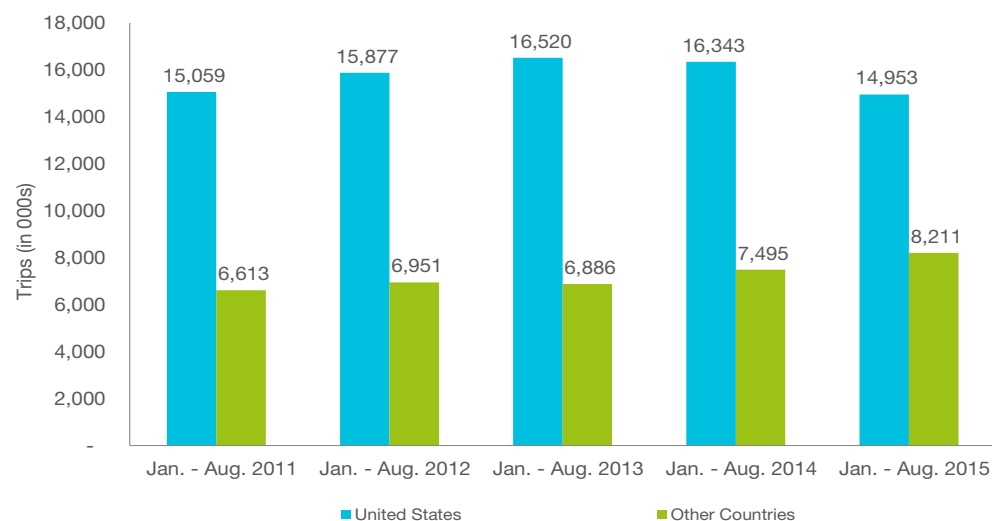
Statistics Canada, International Travel Survey Frontier Counts

Australian Bureau of Statistics, Overseas Arrivals and Departures

- Since the beginning of 2015, Canada registered a slower increase in total international arrivals (+6.6%) relative to growth recorded in Australia (+7.1%) over 2014.
- In DC's key markets, Canada registered lower growth, with arrivals increasing 6.8% compared to 9.6% in Australia relative to YTD August 2014.
- Australia posted a 5.6% increase in arrivals from Canada. In comparison, Australian arrivals to Canada increased 3.7% during the same period.
- Australia registered larger gains than Canada in arrivals from China (+19.3% vs +8.2%), India (+22.1% vs +8.7%) and Germany (+1.1% vs -1.0%) since the beginning of the year relative to 2014.
- Canada registered larger gains than Australia in arrivals from all other DC key markets over the first eight months of 2015, outpacing it on overnight arrivals from Brazil (+18.4% vs 8.5%), France (+2.9% vs 1.1%), Japan (+4.2% vs -2.4%), Mexico (+12.9% vs +12.0%), South Korea (+16.1% vs +8.7%) and the UK (+6.5% vs +4.8%).

Canadian outbound trips

Overnight trips by Canadians



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

- In August 2015, the number of overnight trips by Canadians to international destinations shrank 11.1% to 3,535,961. Overnight trips by Canadians to the US fell 18.1% year-over-year, though rose 11.3% to overseas destinations.
- Over the first eight months of 2015, outbound trips by Canadian residents declined 2.8% compared to 2014 to 23,163,634. The number of trips south of the border declined 8.5%, while trips to other destinations increased 9.6%.
- In August 2015, most Canadian residents returned to the country from abroad through Ontario (1,557,800 re-entries, -9.1%), Quebec (835,700 re-entries, -7.1%) and BC (153,900 re-entries, +10.9%).
- In August 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (1,023,600 re-entries, -16.6%), Quebec (553,400 re-entries, -16.1%) and BC (541,800 re-entries, -17.3%).

Overnight trips by Canadians

	Aug. 2015	15/14 Aug. % Change	Jan. - Aug. 2015	Year-to-date % Change
United States	2,477,678	-18.1	14,952,807	-8.5
Other Countries	1,058,283	11.3	8,210,827	9.6
Total Trips from Canada	3,535,961	-11.1	23,163,634	-2.8

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

Consumer outlook

Consumer confidence

- **Canada:** With signs of a slowing Canadian economy since the beginning of the year, the index of consumer confidence decreased 6.7 percentage points in August to 91.9 (2014 = 100).
- **USA:** The Conference Board Consumer Confidence Index® increased in August. The Index stood at 101.3 (1985=100) in August, up from 91.0 in July, indicating an improvement of consumers' confidence towards the US economy.

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

Accommodation

Hotel Performance Indicators by Province*

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Aug. 2015	15/14 Change [^]	Jan. - Aug. 2015	Year-to-date Change [^]	Aug. 2015	15/14 Change [^]	Jan. - Aug. 2015	Year-to-date Change [^]	Aug. 2015	15/14 Change [^]	Jan. - Aug. 2015	Year-to-date Change [^]
Alberta ¹	64.5%	-10.8%	61.4%	-7.2%	\$135.98	-2.2%	\$142.20	-0.8%	\$87.74	-16.2%	\$87.26	-11.3%
British Columbia	84.7%	-1.5%	68.4%	2.4%	\$183.23	11.6%	\$155.96	9.1%	\$155.14	9.7%	\$106.61	13.0%
Saskatchewan	60.8%	-6.3%	59.4%	-4.6%	\$126.89	-1.8%	\$131.71	-0.7%	\$77.19	-11.0%	\$78.22	-7.8%
Manitoba	68.1%	-2.0%	63.5%	2.2%	\$114.44	-1.1%	\$119.43	2.3%	\$77.99	-3.9%	\$75.83	5.9%
Ontario	78.1%	-0.6%	65.1%	0.7%	\$147.79	8.1%	\$137.85	6.1%	\$115.42	7.2%	\$89.80	7.3%
Quebec	83.7%	-1.9%	67.1%	1.2%	\$160.94	2.9%	\$151.93	5.0%	\$134.75	0.6%	\$101.90	7.0%
New Brunswick	78.4%	-1.3%	55.7%	-1.6%	\$122.69	1.3%	\$115.56	3.4%	\$96.25	-0.3%	\$64.33	0.6%
Nova Scotia	83.9%	2.9%	62.1%	0.9%	\$137.95	7.1%	\$127.64	4.6%	\$115.74	10.9%	\$79.25	6.2%
Newfoundland	84.1%	-4.6%	65.0%	-1.3%	\$162.70	0.4%	\$147.76	0.4%	\$136.86	-4.8%	\$96.10	-1.6%
Prince Edward Island	85.3%	1.6%	53.0%	1.1%	\$156.37	2.9%	\$132.42	4.8%	\$133.39	4.9%	\$70.12	7.1%
Northwest Territories	70.1%	10.7%	64.8%	-2.6%	\$154.31	-1.5%	\$157.29	1.3%	\$108.12	16.2%	\$101.86	-2.6%
Yukon	89.5%	2.9%	67.8%	-0.6%	\$127.25	1.2%	\$119.35	4.8%	\$113.88	4.6%	\$80.97	3.9%
Canada	77.3%	-2.9%	64.7%	-0.4%	\$156.73	6.1%	\$144.53	4.9%	\$121.08	2.2%	\$93.45	4.2%

* Note: Based on the operating results of 227,630 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.

- In August 2015, the National Occupancy Rate decreased 2.9 points to 77.3%. Northwest Territories (+10.7 points) and Yukon (+2.9 points) registered the largest increases, while Alberta (-10.8 points), Saskatchewan (-6.3 points) and Newfoundland (-4.6 points) recorded the largest declines in hotel occupancy rates relative to August 2014. The hotel markets with the highest occupancy rates in August 2015 were in Yukon (89.5%), BC (84.7%), PEI (80.7%), Newfoundland (84.1%) and Quebec (83.7%).
- Since the beginning of 2015, the National Occupancy Rate has declined slightly (-0.4 points to 64.7%) compared to last year. BC (+2.4 points), Manitoba (+2.2 points) and Quebec (+1.2 points) recorded the largest gains in hotel occupancy, while the largest declines were recorded in Alberta (-7.2 points), Saskatchewan (-4.6 points) and Northwest Territories (-2.6 points). The provincial and territorial markets with the highest hotel occupancy rates during the first eight months of the year were BC (68.4%), Yukon (67.8%), Quebec (67.1%) and Northwest Territories (64.8%).
- Since the beginning of 2015, the National Average Daily Rate (ADR) rose to \$144.53, up 4.9% compared to 2014. Ontario (+6.1%, \$137.85), Quebec (+5.0%, \$151.93), PEI (+4.8%, \$132.42) and Yukon (+4.8%, \$119.35) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates are in Northwest Territories (\$157.29/night), BC (\$155.96/night) and Quebec (\$151.93/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$93.45 (+4.2%), with the largest revenue growth in BC (+13.0%, \$106.61), Ontario (+7.3%, \$89.80), PEI (+7.1%, \$70.12), and Quebec (+7.0%, \$101.90). Provincial and territorial hotel markets with the highest RevPar were BC (\$106.61), Quebec (\$101.90) and Northwest Territories (\$101.86).

DC Consumer and Market Intelligence