

Tourism Snapshot

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

Key highlights

- In November 2015, overnight arrivals from Destination Canada (DC)'s eleven target markets increased by 9.5% with gains from all four world regions, led by the US (+11.1%), Asia-Pacific (+3.3%), Latin America (+2.8%) and Europe (+1.2%).
- In November 2015, year-over-year double-digit gains recorded in half of DC's overseas markets more than offset contractions in the other markets. Gain were registered from South Korea (+20.2%), Germany (+15.5%) India (+12.4%), Japan (+11.3%) and Mexico (+10.4%).
- Year-to-date November 2015, overnight arrivals were up in all eleven DC markets. Leading the way with double-digit growth were South Korea (+15.7%), Brazil (14.3%), Mexico (+12.5%) and India (+10.1%).
- Building on the momentum gained since the beginning of the year, overall overnight arrivals from the United States increased at double-digit pace in November 2015 (+11.1%), spearheaded by growth in arrivals by auto (+13.7%), followed by air (+8.1%) and by other modes of entry (+4.9%). YTD November 2015, total overnight arrivals from the US were up 8.0% relative to 2014.



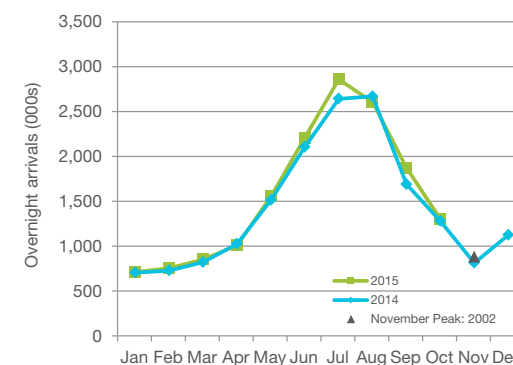
Tourism review Inbound highlights

Overnight trips to Canada

	Nov. 2015	15/14 Nov. % Change	Jan. - Nov. 2015	Year-to-date % Change
United States				
Automobile	369,407	13.7	6,957,742	9.5
Air	225,224	8.1	3,357,392	6.3
Other	32,908	4.9	1,327,373	4.9
US Total	627,539	11.1	11,642,507	8.0
Europe Markets*				
UK	26,827	-2.1	668,834	5.9
France	17,827	-3.1	469,703	4.2
Germany	13,727	15.5	315,016	0.4
Europe Markets Total	58,381	1.2	1,453,553	4.1
Asia-Pacific Markets*				
Japan	13,526	11.3	257,821	6.0
South Korea	9,052	20.2	176,361	15.7
China	19,350	-3.6	463,367	8.8
India	9,611	12.4	179,355	10.1
Australia	9,791	-11.7	259,414	2.3
Asia-Pacific Markets Total	61,330	3.3	1,336,318	8.0
Latin America Markets*				
Mexico	8,404	10.4	178,967	12.5
Brazil	4,520	-8.9	102,978	14.3
Latin America Markets Total	12,924	2.8	281,945	13.2
Overseas Key Markets	132,635	2.3	3,071,816	6.5
Total 11 DC Markets	760,174	9.5	14,714,323	7.7
Other Overseas Countries	94,129	4.9	1,882,218	5.2
Non-US Countries	226,764	3.3	4,954,034	6.0
Total Countries	854,303	9.0	16,596,541	7.4

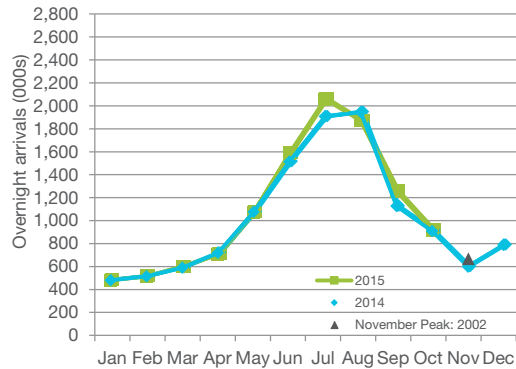
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



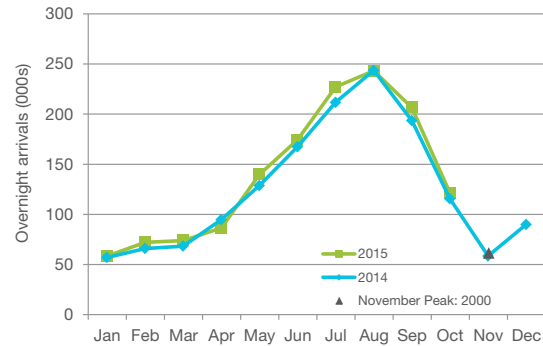
- Canada welcomed 854,300 international visitors in November 2015, up 9% compared to November 2014. From January to November 2015, Canada recorded 16,600,000 international arrivals, up 7.4% relative to 2014.
- The international visitor peak on record during the month of November was recorded in 2002, with 912,000 overnight trips, which was 6.8% higher than the number of overnight visitors in November 2015.

United States



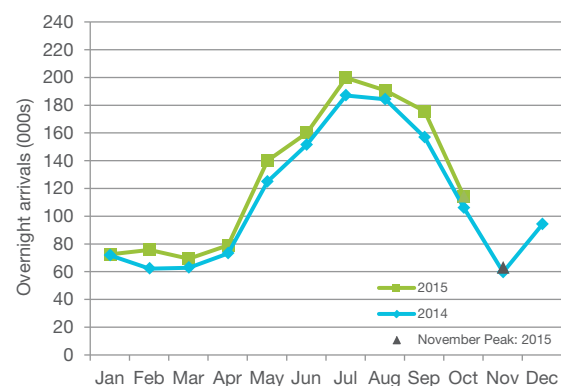
- In November 2015, overall arrivals from the US rose 11.1% over November 2014, with growth recorded in arrivals by auto (+13.7%) by air (+8.1%) and by other modes (+4.9%). Year-to-date November 2015, total arrivals from the US are up 8% while auto arrivals are up 9.5%, air arrivals 6.3% and arrivals by other modes rose 4.9%.
- Canada welcomed about 627,540 overnight visitors from the US in November 2015. The US visitor peak on record during the month of November occurred in 2002, with 734,000 overnight trips.

Europe Markets



- In November 2015, overnight arrivals from DC's European markets increased 1.2%. Year to date, arrivals from these three markets are up 4.1%.
- Germany (+15.5%) was the only of DC's European markets to register gains in November 2015. Despite a stabilized Euro and stronger British pound relative to the CAD over the second half of 2015, arrivals from the France (-3.1%) and the UK (-2.1%) declined relative to November 2014.
- Canada welcomed 58,400 visitors from DC's three key markets in Europe in November 2015. The arrivals peak of 61,500 was registered in November 2000, which was 5.3% higher than the number of arrivals recorded November 2015.

Asia-Pacific Markets

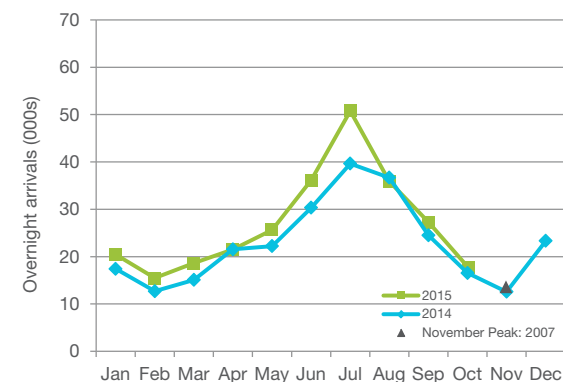


- Overnight arrivals from DC markets in the Asia-Pacific region showed a modest expansion in November 2015 (+3.3%) amid lower arrival figures from China and Australia. Year-to-date November 2015, arrivals from DC's five Asia-Pacific markets are up 8%.
- Arrivals from China declined modestly (-3.6%) in November 2015. While a decrease in arrivals from China was registered nationwide, Montreal-Trudeau International Airport registered a significant lift in Chinese arrivals thanks to the new non-stop Air China flight from Beijing. Year-to-date November 2015, China arrivals to Canada are up 8.8% compared to the same period in 2014.
- Arrivals from Australia declined sharply (-11.7%) in November 2015 amid a 17% reduction in direct air capacity in November relative to the same month on 2014. Year-to-date, arrivals from Australia are up 2.3% compared to 2014.
- Arrivals from South Korea (+20.2%) continue to rise significantly in November amid a more favourable exchange rate for South Korean visitors to Canada and the major air capacity lift between the two countries year-on-year (+11%). Year to date, South Korean arrivals are up 15.7% compared to 2014.

- In November 2015, India (+12.4%) registered healthy gains in overnight visits to Canada. The introduction in 2014 of the CAN+ Visa program in India continues to be a contributing factor to the robust growth from market over the past year. Furthermore, the new Air Canada flight connecting Delhi and Toronto was launched early November, significantly increasing air capacity between the two countries. Year-to-date, India arrivals are up 10.1% compared to the same period in 2014.

- Supported by a greater air capacity between the two countries (seats up 5% in November, 18.5% year-to-date), overnight arrivals from Japan to Canada increased 11.3% in November 2015. From January to November 2015, arrivals from Japan have increased 6% relative to 2014.
- In November 2015, Canada attracted 61,330 overnight visitors from DC's Asia-Pacific markets, setting a new all-time record high for that month.

Latin America Markets



- Arrivals from DC's two Latin American markets recorded moderate growth (+2.8%) in November 2015, amid mixed results from the two markets. Year-to-date November 2015, Latin American arrivals to Canada from Mexico and Brazil are up 13.2%.
- In November 2015, arrivals from Mexico rose 10.4% relative to November 2014. Over the first eleven months of 2015, arrivals from Mexico are up 12.5% compared to the same period in 2014. The vigorous increase in overnight arrivals from Mexico was facilitated by a 14% increase in air capacity between Canada and Mexico since the beginning of 2015 and by the CAN+ visa program introduced in 2014.
- In November 2015, overnight arrivals from Brazil decreased 8.9% following a minor decline in October. Year to date, arrivals from Brazil are up 14.3%, an increase facilitated by the CAN+ visa program and strong increase in air seat capacity (+35%) between Brazil and Canada since the start of 2015.
- In November 2015, Mexico and Brazil recorded a combined total of 12,900 visitors to Canada, just 1,500 visitors shy of the peak for the month of November recorded in 2007.

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

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	2007	2002	2004	2014	2014	2014	1996	2007	2014	2008
Arrivals During												
Previous Peak Year	450,952	438,290	800,529	14,569,801	3,639,640	253,580	425,856	162,867	617,611	185,692	90,065	247,742
YTD November 2015												
Total Arrivals	469,703	315,016	668,834	11,642,507	3,357,392	259,414	463,367	179,355	257,821	176,361	102,978	178,967
Current % of Previous Peak	104.2%	71.9%	83.5%	79.9%	92.2%	102.3%	108.8%	110.1%	41.7%	95.0%	114.3%	72.2%

Note: The figures are preliminary estimates and are subject to change.
Source: Statistics Canada, International Travel Survey.

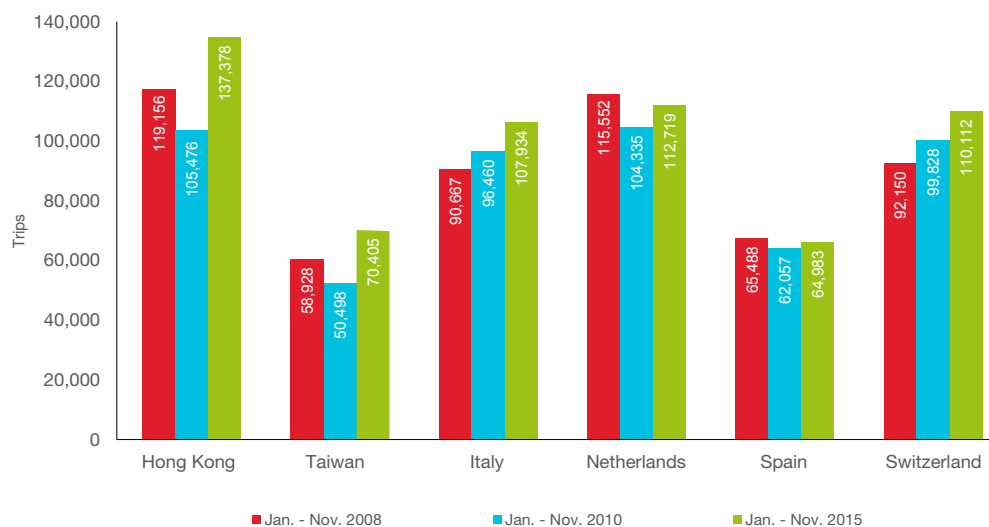
Peak achieved during 2015

- From January to November 2015, five markets—Australia, France, India, Brazil and China—achieved their highest level of overnight arrivals ever.
- In the first eleven months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 72% to 95% of their peaks, recorded in 2007, 1996, 2008, 2007 and 2002 respectively.
- US arrivals by air during the eleven first months of 2015 totalled nearly 3.4 million overnight visits to Canada—92% of the peak recorded in 2004.
- From January to November 2015, arrivals from Japan achieved 41.7% of the peak recorded in 1996.

Market Watch

- In November 2015, all four secondary European markets recorded gains compared to 2014. Arrivals rose from Spain (+22.6%), the Netherlands (+17.6%), Switzerland (+7.7%) and Italy (+3.6%).
- From January to November 2015, all four secondary European markets saw healthy increases in visitation, with the Netherlands (+14.9%) leading the way, followed by Spain (+9.5%), Italy (+2.5%) and Switzerland (+2.3%).
- In November 2015, arrivals rose from both Taiwan (+21.1%) and Hong Kong (+0.5%) compared to the same month in 2014.
- Since the beginning of the year, both secondary markets in Asia posted healthy growth, with Hong Kong arrivals up 8.6% and Taiwan arrivals up 6.3% over the same period in 2014.

Overnight trips to Canada, by selected markets



Note: The figures are preliminary estimates and are subject to change. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Nov. 2015	15/14 Nov. % Change	Jan. - Nov. 2015	Year-to-date % Change
Italy	5,339	3.6	107,934	2.5
Spain	2,709	22.6	64,983	9.5
Netherlands	4,540	17.6	112,719	14.9
Switzerland	3,987	7.7	110,112	2.3
Hong Kong	6,358	0.5	137,378	8.6
Taiwan	3,999	21.1	70,405	6.3

Note: The figures are preliminary estimates and are subject to change. 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 November 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	58,220	4.0%	2,245	-	-	-	17,960	-0.4%	(68)	40,260	6.1%	2,313
Prince Edward Island	309	-88.0%	(2,267)	-	-	-	270	-86.7%	(1,758)	39	-92.9%	(509)
Nova Scotia	213,283	-1.5%	(3,163)	17,615	-2.5%	(444)	122,608	-7.3%	(9,648)	73,060	10.5%	6,929
New Brunswick	303,431	1.7%	5,076	225,611	8.2%	17,112	67,016	-14.7%	(11,575)	10,804	-4.1%	(461)
Quebec	2,426,057	7.2%	162,412	910,929	12.5%	101,117	631,989	5.4%	32,221	883,139	3.4%	29,074
Ontario	7,707,202	9.2%	648,210	3,772,796	8.1%	284,156	1,837,760	10.7%	177,541	2,096,646	9.8%	186,513
Manitoba	215,192	13.6%	25,831	142,062	22.5%	26,077	64,841	1.4%	914	8,289	-12.3%	(1,160)
Saskatchewan	80,389	-12.9%	(11,940)	48,610	7.6%	3,446	28,365	-33.1%	(14,035)	3,414	-28.4%	(1,351)
Alberta	857,385	-1.0%	(8,314)	133,666	6.4%	8,025	453,257	-1.8%	(8,490)	270,462	-2.8%	(7,849)
British Columbia	4,586,682	7.7%	329,673	1,637,100	11.1%	163,545	1,400,183	7.3%	95,297	1,549,399	4.8%	70,831
Yukon	148,391	-0.5%	(765)	69,353	0.0%	32	60,516	2.5%	1,503	18,522	-11.0%	(2,300)
Canada	16,596,541	7.4%	1,146,998	6,957,742	9.5%	603,066	4,684,765	5.9%	261,902	4,954,034	6.0%	282,030

Source: ITS Border Counts, November 2015, Statistics Canada

- During the eleven first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+648,210, +9.2%), British Columbia (+329,673, +7.7%) and Quebec (+162,412, +7.2%).
- 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 surge in overnight car arrivals from the US (+22.5%), resulting in a 13.6% growth in total international arrivals in the province compared to last year.
- Saskatchewan, Nova Scotia, Alberta, PEI and the Yukon recorded a contraction of direct total international arrivals since the beginning of the year.

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

International Travel

Trips From:	Trips To:			
	Canada		Australia	
		15/14 Change		15/14 Change
Total International	16,596,541	7.4%	6,530,900	7.8%
United States	11,642,507	8.0%	528,900	8.8%
Canada	124,800	4.4%
Europe				
United Kingdom	668,834	5.9%	576,000	4.8%
France	469,703	4.2%	104,700	1.0%
Germany	315,016	0.4%	165,500	1.9%
Asia-Pacific				
Australia	259,414	2.3%
Japan	257,821	6.0%	299,500	1.7%
South Korea	176,361	15.7%	199,800	10.6%
China	463,367	8.8%	930,400	21.0%
India	179,355	10.1%	207,000	19.0%
Latin America				
Mexico	178,967	12.5%	7,400	5.7%
Brazil	102,978	14.3%	39,200	6.2%
Total DC Key Markets	14,714,323	7.7%	3,183,200	10.4%

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Sources:

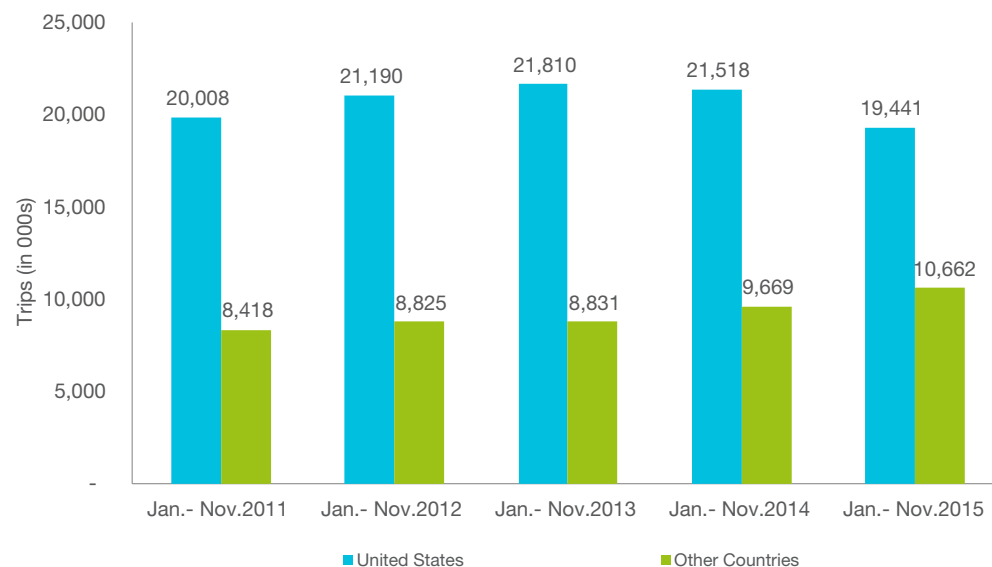
Statistics Canada, International Travel Survey Border Counts

Australian Bureau of Statistics, Overseas Arrivals and Departures

- Since the beginning of 2015, Canada registered a slightly lower increase in total international arrivals (+7.4%) than Australia (+7.8%) over 2014.
- In DC's key markets, Canada registered lower growth, with arrivals increasing 7.7% compared to 10.4% in Australia relative to YTD November 2014. However, arrivals from DC markets totalled over 14.7 million trips to Canada compared to 3.18 million in Australia during that period.
- Australia posted a 4.4% increase in arrivals from Canada from January to November 2015. In comparison, Australian arrivals to Canada increased 2.3% during the same period.
- Australia registered larger gains than Canada in arrivals from the US (+8.8% vs +8.0%), China (+21% vs +8.8%) and India (+19% vs +10.1%) since the beginning of the year.
- Canada registered larger gains than Australia in arrivals from all other DC key markets over the first eleven months of 2015, outpacing its competitor on overnight arrivals from Brazil (+14.3% vs 6.2%), France (+4.2% vs 1%), Japan (+6% vs 1.7%), Mexico (+12.5% vs +5.7%), South Korea (+15.7% vs +10.6%) and the UK (+5.9% vs +4.8%).

Canadian outbound trips

Overnight trips by Canadians



Note: The figures are preliminary estimates and are subject to change.
Source: Statistics Canada, *International Travel Survey*.

- In November 2015, the number of overnight trips by Canadians to international destinations declined by 7.3% to 2,230,000. While the number of overnight trips by Canadians to the US fell by 14.1% year-over-year, it rose by 8.0% to overseas destinations.
- Over the first eleven months of 2015, outbound trips by Canadian residents declined 3.5% compared to 2014 to 30,100,000. The number of trips south of the border declined by 9.7%, while trips to other destinations increased 10.3% relative to the same period in 2014.
- In November 2015, most Canadian residents returned to the country from abroad through Ontario (1,090,000 re-entries, -5.5%), BC (447,100 re-entries, -8.8%) and Quebec (348,000 re-entries, -2.6%).
- In November 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (679,000 re-entries, -13.4%), BC (301,000 re-entries, -15.4%) and Quebec (194,000 re-entries, -6.9%).

Overnight trips by Canadians

	Nov. 2015	15/14 Nov. % Change	Jan. - Nov. 2015	Year-to-date % Change
United States	1,427,385	-14.1	19,440,787	-9.7
Other Countries	803,293	8.0	10,661,570	10.3
Total Trips from Canada	2,230,678	-7.3	30,102,357	-3.5

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

Consumer outlook

Consumer confidence

- **Canada:** Amid signs of a slowing Canadian economy in the fourth quarter, the index of consumer confidence declined 2.7 percentage points in November to land at 92.6 (2014 = 100).
- **USA:** The Conference Board Consumer Confidence Index® retreated in November. The Index stood at 90.4 (1985=100) in November, down from 99.1 in October amid a less favorable view of the job market by the labour force in the US.

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)			
	Nov. 2015	15/14 Change [^]	Jan. - Nov. 2015	Year-to-date Change [^]	Nov. 2015	15/14 Change [^]	Jan. - Nov. 2015	Year-to-date Change [^]	Nov. 2015	15/14 Change [^]	Jan. - Nov. 2015	Year-to-date Change [^]
Alberta ¹	53.2%	-15.7%	60.4%	-9.0%	\$137.22	-4.3%	\$140.75	-2.2%	\$72.94	-26.1%	\$85.04	-14.8%
British Columbia	54.1%	-0.6%	67.6%	2.3%	\$128.87	1.8%	\$153.17	9.0%	\$69.66	0.7%	\$103.49	12.7%
Saskatchewan	58.7%	-9.2%	60.2%	-5.2%	\$134.79	-1.1%	\$132.20	-0.8%	\$79.09	-14.4%	\$79.53	-8.7%
Manitoba	63.3%	-1.9%	63.8%	0.2%	\$129.09	8.4%	\$120.37	2.4%	\$81.67	5.2%	\$76.75	2.8%
Ontario	62.8%	1.2%	66.6%	1.1%	\$134.61	3.8%	\$139.21	5.9%	\$84.47	5.9%	\$92.77	7.7%
Quebec	59.0%	-0.5%	67.6%	1.3%	\$139.52	1.5%	\$151.99	4.7%	\$82.25	0.6%	\$102.80	6.7%
New Brunswick	50.5%	1.2%	56.2%	-0.5%	\$111.27	6.1%	\$115.44	4.1%	\$56.22	8.6%	\$64.86	3.2%
Nova Scotia	58.3%	1.9%	63.4%	1.6%	\$123.18	5.6%	\$128.41	5.1%	\$71.87	9.1%	\$81.47	7.8%
Newfoundland	59.9%	-8.1%	65.7%	-2.6%	\$138.55	-1.6%	\$147.82	-0.3%	\$82.94	-13.3%	\$97.18	-4.1%
Prince Edward Island	47.4%	3.8%	54.6%	2.4%	\$104.15	-2.9%	\$129.97	4.1%	\$49.39	5.6%	\$70.91	8.9%
Northwest Territories	64.3%	-2.3%	65.8%	-2.7%	\$158.71	-3.3%	\$156.91	-0.1%	\$102.13	-6.7%	\$103.18	-4.1%
Yukon	51.5%	-3.6%	65.6%	-1.8%	\$114.66	12.2%	\$119.86	7.4%	\$59.02	4.8%	\$78.63	4.5%
Canada	57.8%	-2.8%	65.0%	-0.7%	\$133.97	1.3%	\$144.10	4.6%	\$77.40	-3.5%	\$93.71	3.5%

** Based on the operating results of 222,019 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 November 2015, the National Occupancy Rate decreased 2.8 points to 57.8%. PEI (+3.8 points) and Nova Scotia (+1.9 points) registered the largest increases, while Alberta (-15.7 points), Saskatchewan (-9.2 points) and Newfoundland (-8.1 points) recorded the largest declines in hotel occupancy rates due to the financial hardship of the oil and gas sector. The hotel markets with the highest occupancy rates in November 2015 were in the Northwest Territories (64.3%), Manitoba (63.3%) and Ontario (+62.8%).
- Since the beginning of 2015, the National Occupancy Rate declined slightly (-0.7 points to 65.0%) compared to last year. PEI (+2.4 points), BC (+2.1 points), Nova Scotia (+1.6 points) and Quebec (+1.3 points) recorded the strongest gains in occupancy. The largest declines were recorded in Alberta (-9 points), Saskatchewan (-5.2 points) and Northwest Territories (-2.7 points), mainly because of the decline in the commodity sector over the past year. The provincial and territorial markets with the highest hotel occupancy rates during the first eleven months of the year were BC (67.6%), Quebec (67.6%) and Ontario (66.6%).
- Since the beginning of 2015, the National Average Daily Rate (ADR) rose to \$144.10, up 4.6% compared to 2014. BC (+9%, \$153.17), Yukon (+7.4%, \$119.86), Ontario (+5.9%, \$139.21), Nova Scotia (+5.1%, \$128.41) and Quebec (+4.7%, \$151.99) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates were in Northwest Territories (\$156.91/night), BC (\$153.17/night) and Quebec (\$151.99/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$93.71 (+3.5%), with the largest revenue growth in BC (+12.7%, \$103.49), PEI (+8.9%, \$70.91), Nova Scotia (+7.8%, \$81.47), Ontario (+7.7%, \$92.77) and Quebec (+6.7%, \$102.80). Provincial and territorial hotel markets with the highest RevPar were BC (\$103.49), the Northwest Territories (\$103.18) and Quebec (\$102.80).

DC Consumer and Market Intelligence