



Tourism Snapshot

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

Key highlights

In August 2011, the US experienced a drop (-4.6%) in overnight arrivals, largely driven by a decline in auto travel (-6.5%). Year-to-date to August, overall arrivals from the US declined by 2.3%, falling to 8.2 million overnight trips;

CTC's overseas key markets experienced a 1.3% decline in overnight travel to Canada, mainly driven by a dip in arrivals from the CTC's core markets (-3.8%);

China continued its upward momentum and recorded a fifth consecutive month of double-digit increase in overnight arrivals, up 28.6% in August 2011;

Mexico maintained its upward trend with a fifth consecutive monthly increase, up 11.1% in August, while conversely South Korea posted the largest drop in overnight arrivals (down 17.4%), recording its seventh consecutive monthly decline since February this year;

Year-to-date to August, CTC overseas key markets recorded a minimal 0.1% decrease; mainly contributed by negative growth from Japan (-14.4%), South Korea (-8.7%), Germany (-5.9%) and the UK (-5.6%), which more than offset the strong performance from China (+23.4%), Brazil (+9.7%) and Mexico (+7.0%).



Tourism review **Inbound highlights**

Overnight trips to Canada, August 2011

| | Aug. 2011 | 11/10 Aug. % Change | Jan.- Aug. 2011 | Year-to-date % Change |
|---|------------------|------------------------|--------------------|--------------------------|
| United States | | | | |
| Automobile | 1,010,699 | -6.5 | 4,784,675 | -5.1 |
| Plane | 406,470 | -1.7 | 2,415,713 | 2.3 |
| Other | 256,315 | -0.9 | 1,003,262 | 0.9 |
| US Total | 1,673,484 | -4.6 | 8,203,650 | -2.3 |
| Core Markets | | | | |
| UK | 89,154 | -7.4 | 469,818 | -5.6 |
| France | 71,983 | 1.1 | 320,054 | 5.8 |
| Germany | 50,625 | -6.5 | 219,401 | -5.9 |
| Australia | 27,718 | 1.0 | 167,731 | 5.1 |
| Core Total | 239,480 | -3.8% | 1,177,004 | -1.4% |
| Emerging/Transition Markets | | | | |
| Japan | 28,268 | -9.0 | 132,490 | -14.4 |
| South Korea | 16,707 | -17.4 | 109,074 | -8.7 |
| Mexico | 15,769 | 11.1 | 97,285 | 7.0 |
| Brazil** | 9,264 | 8.4 | 58,935 | 9.7 |
| China | 35,772 | 28.6 | 163,454 | 23.4 |
| India** | 16,784 | 5.1 | 100,066 | 5.8 |
| Emerging/ Transition Markets Total | 122,564 | 4.0% | 661,304 | 2.3% |
| Overseas Key Markets | 362,044 | -1.3% | 1,838,308 | -0.1% |
| Other Overseas Countries | 242,030 | 2.7% | 1,251,490 | 1.8% |
| Non-US Countries | 604,074 | 0.3% | 3,089,798 | 0.7% |
| Total Countries | 2,277,558 | -3.3% | 11,293,448 | -1.5% |

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, *International Travel Survey*.

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

International trips

- Canada received approximately 2.3 million international visitors for the month of August 2011, down 3.3% compared with the same month in 2010. Year-to-date to August, travel to Canada dropped slightly by 1.5% to 11.3 million overnight arrivals;
- In August 2011, overnight arrivals from CTC Core Markets (the UK, France, Germany and Australia) fell by 3.8%, totaling 239,480 overnight arrival, while year-to-date, there were 1,177,004 overnight arrivals, down 1.4% relative to the same period last year;
- Overnight trips to Canada from CTC's Emerging/ Transition Markets (Japan, South Korea, Mexico, Brazil, China and India) grew by 4.0% in August 2011, reaching 122,564 trips, while in the first eight months of 2011, those markets experienced a 2.3% increase over 2010, totaling 661,304 trips;
- Year-to-date to August, only two provinces recorded positive growth in overnight visits with Nova Scotia posting the largest gain (+14.4%) followed by Québec (+1.5%).

United States

- In August 2011, the US experienced a drop (-4.6%) in overnight arrivals, largely driven by a decline in auto travel (-6.5%);
- Year-to-date to August, overall arrivals from the US declined by 2.3%, falling to 8.2 million overnight trips, while travel by air grew by 2.3% compared with the same period last year;
- In August 2011, the number of overnight visits from the US to Prince Edward Island jumped 44.1% over August 2010, while the remaining provinces with the exception of Manitoba (+11.9%) and Nova Scotia (+3.4%) posted negative growth with Newfoundland and Labrador seeing the largest decline (-24.4%);
- Year-to-date to August 2011, Nova Scotia recorded the largest gain (+21.7%) in overnight visits from the US, while New Brunswick saw the largest drop (-12.8%) compared with the same period last year.

Core Markets

- In August 2011, UK experienced another drop (-7.4%) in overnight trips and recorded its third consecutive monthly decline, while Germany maintained downward momentum with a 6.5% drop relative to August 2010;
- Year-to-date to August, Germany and the UK saw declines in overnight trips, down 5.9% and 5.1% respectively;
- France (+1.1%) and Australia (+1.0%) posted slight increases in overnight arrivals to Canada in August 2011. Year-to-date to August, these two markets expanded by 5.8% and 5.1% respectively.

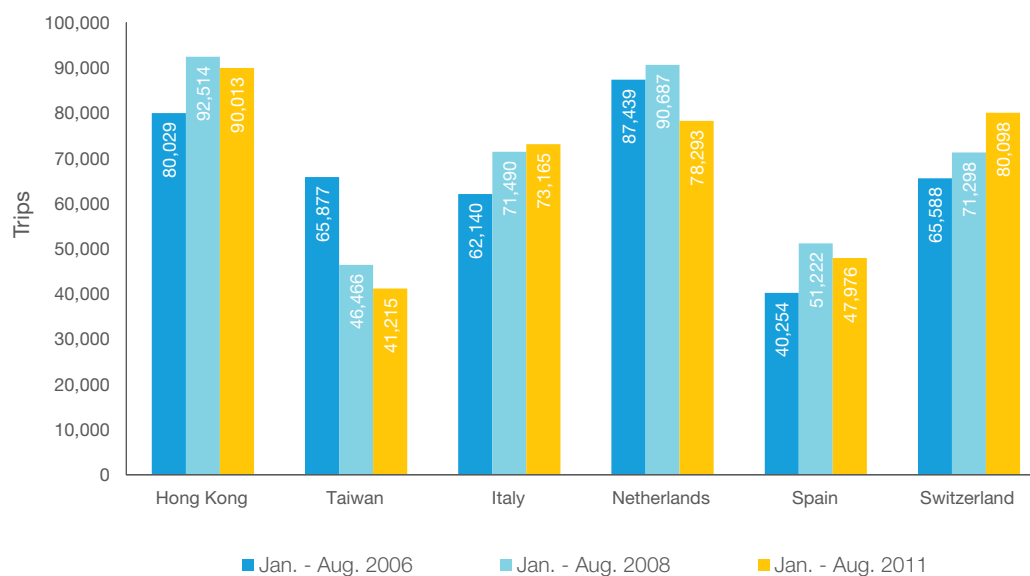
Emerging / Transition Markets

- China continued its upward momentum and recorded a fifth consecutive month of double-digit increase in overnight arrivals, up 28.6% in August 2011;
- South Korea posted the largest drop in overnight arrivals (down 17.4%), recording its seventh consecutive monthly decline since February this year, while conversely, Mexico maintained its upward trend with a fifth consecutive monthly increase, up 11.1% in August 2011;
- In August 2011, Japanese overnight arrivals fell by 9.0%, recording its tenth consecutive monthly decline since November, 2010. Japan continues to face significant challenges with year-to-date arrivals dropping by 14.4% over last year;
- Year-to-date to August 2011, China leads all CTC target markets with a 23.4% increase over the same period in 2010 followed by Brazil (+9.7%).

Market Watch

- In August 2011, Hong Kong (+9.5%), Switzerland (+7.0%) and Italy (+5.2%) posted positive growth while Spain (-8.0%), Netherlands (-6.4%) and Taiwan (-2.0%) experienced declines compared with August 2010;
- Year-to-date to August 2011, Hong Kong posted the largest gain (+8.9%) among those selected secondary markets, while Netherlands saw the largest drop (-4.5%) relative to the same period in 2010;
- Over the first eight months of 2011, Switzerland (+22.1%) saw the strongest performance in overnight arrivals to Canada, followed by Spain (+19.2%), Italy (+17.7%) and Hong Kong (+12.5%) when compared with the same period in 2006.

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

| | August 2011 | 11/10 August % Change | Jan.- Aug. 2011 | Year-to-date % Change |
|-------------|-------------|-----------------------|-----------------|-----------------------|
| Italy | 23,673 | 5.2 | 73,165 | -2.6 |
| Netherlands | 14,996 | -6.4 | 78,293 | -4.5 |
| Spain | 13,551 | -8.0 | 47,976 | -4.2 |
| Switzerland | 15,883 | 7.0 | 80,098 | 2.5 |
| Hong Kong | 13,194 | 9.5 | 90,013 | 8.9 |
| Taiwan | 6,191 | -2.0 | 41,215 | 5.5 |

Travel Characteristics Highlights (Q1-2011)

Overnight Travel Spending

| | Trips '000 | 11/10 Q1 % | Spend \$M | 11/10 Q1 % | Average Trip Duration | 11/10 Q1 % | Average Spend per Trip | 11/10 Q1 % | Average Spend per Night | 11/10 Q1 % |
|---|--------------|---------------|--------------|---------------|--------------------------|---------------|---------------------------|---------------|----------------------------|---------------|
| United States | | | | | | | | | | |
| United States Leisure | | | | | | | | | | |
| Automobile | 767 | -3.5 | 249.2 | -5.8 | 3.1 | 2.9 | 325 | -2.4 | 106 | -5.1 |
| Plane | 254 | -7.3 | 185.3 | -11.6 | 5.1 | -2.3 | 729 | -4.6 | 142 | -2.4 |
| Other | 86 | -4.6 | 31.0 | -15.9 | 2.7 | -4.8 | 361 | -11.9 | 135 | -7.5 |
| U.S. Leisure Total | 1,107 | -4.5 | 465 | -8.9 | 3.5 | 0.1 | 420 | -4.6 | 120 | -4.7 |
| Total U.S. MC & IT | 396 | -1.5 | 332 | 8.6 | 3.1 | 1.9 | 839 | 10.3 | 268 | 8.2 |
| Total U.S. | 1,503 | -3.7 | 797 | -2.3 | 3.4 | 0.5 | 530 | 1.4 | 156 | 0.9 |
| Overseas Key Markets | | | | | | | | | | |
| Core Markets | | | | | | | | | | |
| United Kingdom | 90.9 | -14.6 | 117.4 | -13.5 | 10.5 | -9.2 | 1,291 | 1.3 | 124 | 11.5 |
| France | 66.8 | -0.4 | 80.0 | -9.3 | 16.3 | -0.5 | 1,325 | 0.8 | 73 | -8.5 |
| Germany | 30.7 | -27.1 | 48.3 | -26.5 | 15.4 | -14.7 | 1,520 | -2.6 | 102 | 18.1 |
| Australia | 34.4 | 13.5 | 65.5 | 21.4 | 13.0 | 0.9 | 1,905 | 7.0 | 147 | 6.0 |
| Total Core Markets | 222.8 | -9.4 | 311.2 | -9.4 | 13.3 | -6.0 | 1,397 | 0.0 | 105 | 6.3 |
| Emerging/ Transition Markets | | | | | | | | | | |
| Japan | 26.9 | -24.6 | 38.3 | -26.6 | 13.6 | -12.0 | 1,491 | 2.1 | 105 | 10.6 |
| South Korea | 26.2 | -6.1 | 43.3 | -15.8 | 31.7 | -8.7 | 1,652 | -10.3 | 52 | -1.7 |
| Mexico | 20.2 | -1.9 | 28.4 | -6.6 | 27.5 | -6.2 | 1,408 | -4.8 | 51 | 1.6 |
| Brazil | 11.0 | -19.1 | 23.2 | -15.5 | 27.2 | 7.0 | 1,719 | -14.8 | 78 | -2.4 |
| China | 34.0 | 11.8 | 60.1 | 10.5 | 27.9 | -21.0 | 1,634 | -8.7 | 54 | 7.4 |
| India | 21.7 | -0.5 | 24.8 | -1.1 | 18.7 | -1.5 | 1,141 | -0.7 | 61 | 0.8 |
| Total Emerging/ Transition Markets | 140.0 | -6.7 | 218.0 | -9.5 | 25.4 | -3.6 | 1,557 | -3.0 | 61 | 0.6 |
| Total Overseas Key Markets | 362.8 | -8.4 | 529.3 | -9.5 | 26.1 | -5.1 | 1,459 | -1.2 | 56 | 4.2 |

Source: Statistics Canada, International Travel Survey, preliminary estimates

Overnight Travel Spending

- During the first quarter 2011, overall travel spending by US visitors decreased slightly by 2.3% to \$797 million, largely driven by a drop (-8.9%) in US leisure spending, which more than offset a 8.6% gain in overnight spending recorded by US MC & IT. While the average trip duration of US visitors remained relatively unchanged (+0.5%), the average spend per trip grew by 1.4%, reaching \$530 per trip;
- In Q1 2011, Australia experienced a gain in overnight travel spending (+21.4%) while the rest of the core markets (Germany, the UK and France) posted drops, down 26.5%, 13.5% and 9.3% respectively. With expenditures averaging \$1,905 per overnight visitor, Australia reported the highest average spend per trip among CTC's core markets;
- From January to March 2011, China posted the strongest gain (+10.5%) in overnight spending, reaching \$60 million, while the rest of the emerging/transition markets (Japan, South Korea, Brazil, Mexico and India) experienced declines. Despite average expenditures dropping to \$1,719 per overnight visitor, down 14.8% over 2010, Brazil posted the highest average spend per trip among CTC's emerging/transition markets.

Competitive review (July 2011)

International Travel (in thousands)

| Trips From: | Trips To: | | | | | |
|-------------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| | Canada | | United States | | Australia | |
| | # | 11/10 Change | # | 11/10 Change | # | 11/10 Change |
| Total International | 9,016 | -1% | 35,240 | 5% | 3,283 | 0% |
| United States | 6,531 | -2% | ... | ... | 269 | -3% |
| Canada | ... | | 12,121 | 6% | 67 | -5% |
| Core Markets | | | | | | |
| United Kingdom | 381 | -5% | 2,127 | 2% | 333 | -5% |
| France | 248 | 7% | 870 | 18% | 50 | -8% |
| Germany | 168 | -6% | 986 | 6% | 83 | -3% |
| Australia | 140 | 6% | 576 | 21% | ... | ... |
| Emerging/ Transition Markets | | | | | | |
| Japan | 104 | -16% | 1,762 | -7% | 176 | -19% |
| South Korea | 92 | -7% | 668 | 7% | 114 | -8% |
| Mexico ¹ | 82 | 6% | 7,619 | -1% | ... | ... |
| Brazil | 50 | 10% | 833 | 27% | 16 | 9% |
| China | 128 | 22% | 588 | 38% | 327 | 19% |
| India | 83 | 6% | 420 | 3% | 87 | 8% |
| Total Key Markets | 8,006 | -1% | 28,570 | 4% | 1,522 | -1% |

...Not applicable or data not available.

¹ US figures for Mexico include arrivals to interior only.

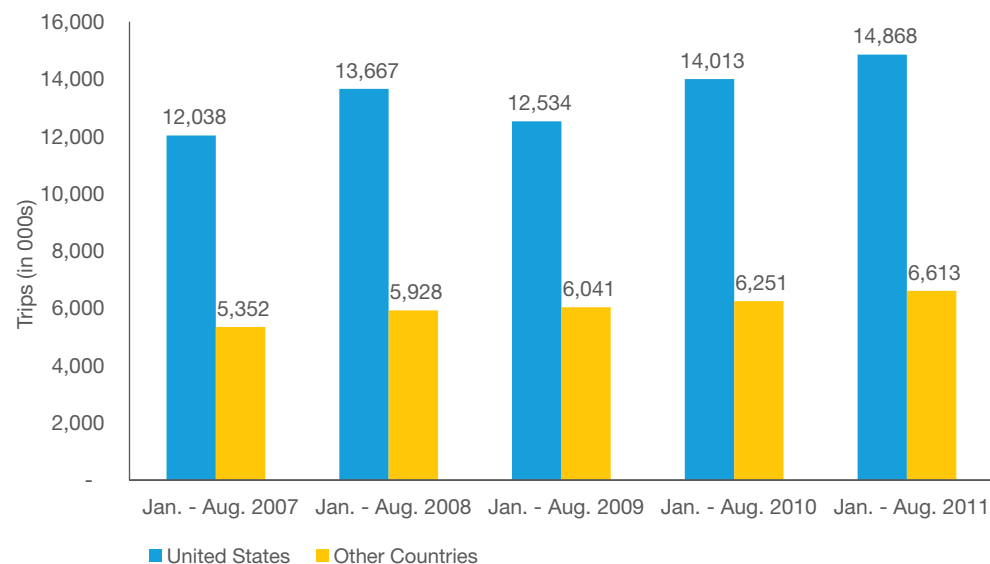
Note: Statistics Canada preliminary figures.

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

- Year-to-date to July 2011, international travel to Canada contracted by 1%, while the US reported growth of 5%;
- From January to July 2011, the US outperformed Canada in arrivals from Australia and France, posting 21% and 18% gains while Canada recorded 6% and 7% increases respectively;
- While both Canada and Australia experienced declines from Germany and the UK, the US posted gains from these two markets, up 6% and 2% respectively;
- The US also outperformed both Australia and Canada in arrivals from China, reporting an impressive 38% increase while Canada and Australia posted gains of 22% and 19% respectively;
- Year-to-date to July, the US experienced positive growth in overnight arrivals from South Korea (+7%), while both Australia and Canada struggled with negative growth, down 8% and 7% respectively;
- During the first seven months of 2011, the US saw a notable 27% increase in visitation from Brazil, outperforming Canada (+10%) and Australia (+9%);
- In the first seven months of 2011, Australia (-19%) and Canada (-16%) experienced larger declines in overnight arrivals from Japan than the US (-7%).

Canadian outbound trips

Overnight trips by Canadians



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

- Compared with August 2010, Canadian outbound travel grew by 4.5% to 3.5 million overnight trips. Year-to-date to August 2011, there were 21.5 million Canadian outbound trips, up 6.0%;
- The number of Canadians visiting the US during August 2011 increased by 4.8%, reaching 2.7 million overnight trips. During the first eight months in 2011, approximately 15 million Canadians made overnight trips to the US;
- Canadian overnight travel to overseas destinations (excluding the US) grew by 3.4% in August, with a year-to-date increase of 5.8%;
- In August 2011, Saskatchewan is the only province seeing a decline in the number of Canadian residents returning from the US (-13.3%);
- Year-to-date to August, Yukon and Nova Scotia recorded two-digit increases in outbound travel to overseas (excluding the US), up 22.9% and 16.4% respectively.

Overnight trips by Canadians

| | Aug. 2011 | 11/10 Aug. % Change | Jan.-Aug. 2011 | Year-to-date % Change |
|--------------------------------|------------------|---------------------|-------------------|-----------------------|
| United States | 2,747,531 | 4.8 | 14,867,859 | 6.1 |
| Other Countries | 776,549 | 3.4 | 6,612,703 | 5.8 |
| Total Trips from Canada | 3,524,080 | 4.5 | 21,480,562 | 6.0 |

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence in August continued its recent downward trend, dropping 6.6 points to 74.7 (2002=100). Similar to last month, negativity toward future job creation and making a major purchase was the primary cause of the waning consumer confidence.
- **USA:** The Conference Board Consumer Confidence Index, which had improved slightly in July, plummeted in August. The Index now stands at 44.5 (1985=100), down from 59.2 in July.

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

Accommodations

- In August 2011, the National Occupancy Rate remained unchanged at 72%. The Northwest Territories posted the largest increase (+11.2%) while Ontario recorded the largest decline (-1.9%);
- Year-to-date to August, the National Occupancy Rate saw a marginal increase of 0.8%, standing now at 61.6%;
- The August Average Daily Rate increased marginally by 0.3% to \$131.08 compared with \$130.67 in August 2010;
- In the first eight months of 2011, the average Revenue per Available Room (RevPAR) recorded a minimal 0.2% decrease, slipping to \$78.27. The Northwest Territories, Newfoundland and Labrador, Québec, Saskatchewan, British Columbia and Yukon posted rates above the national average.

Canadian Occupancy Rates, By Province*

| | Aug. 2011 | 11/10 Change [^] | Jan. - Aug. 2011 | Year-to-date Change [^] |
|-----------------------|-------------|---------------------------|------------------|----------------------------------|
| Alberta ¹ | 65.8 | 3.2 | 61.8 | 3.8 |
| British Columbia | 77.4 | 1.3 | 62.1 | -0.6 |
| Saskatchewan | 71.3 | -0.7 | 68.2 | -0.9 |
| Manitoba | 69.9 | 3.8 | 66.2 | 0.8 |
| Ontario | 69.1 | -1.9 | 60.6 | 0.2 |
| Quebec | 75.3 | -1.6 | 63.0 | 2.1 |
| New Brunswick | 74.0 | -0.2 | 56.4 | -0.5 |
| Nova Scotia | 77.4 | -0.8 | 60.8 | -0.4 |
| Newfoundland | 89.6 | 6.3 | 68.1 | -0.6 |
| Prince Edward Island | 75.8 | 1.4 | 52.8 | 3.5 |
| Northwest Territories | 68.6 | 11.2 | 67.7 | 7.8 |
| Yukon | 89.8 | 0.4 | 75.7 | 1.4 |
| Canada | 72.0 | 0.0 | 61.6 | 0.8 |

* Note: Based on the operating results of 222,002 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

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