

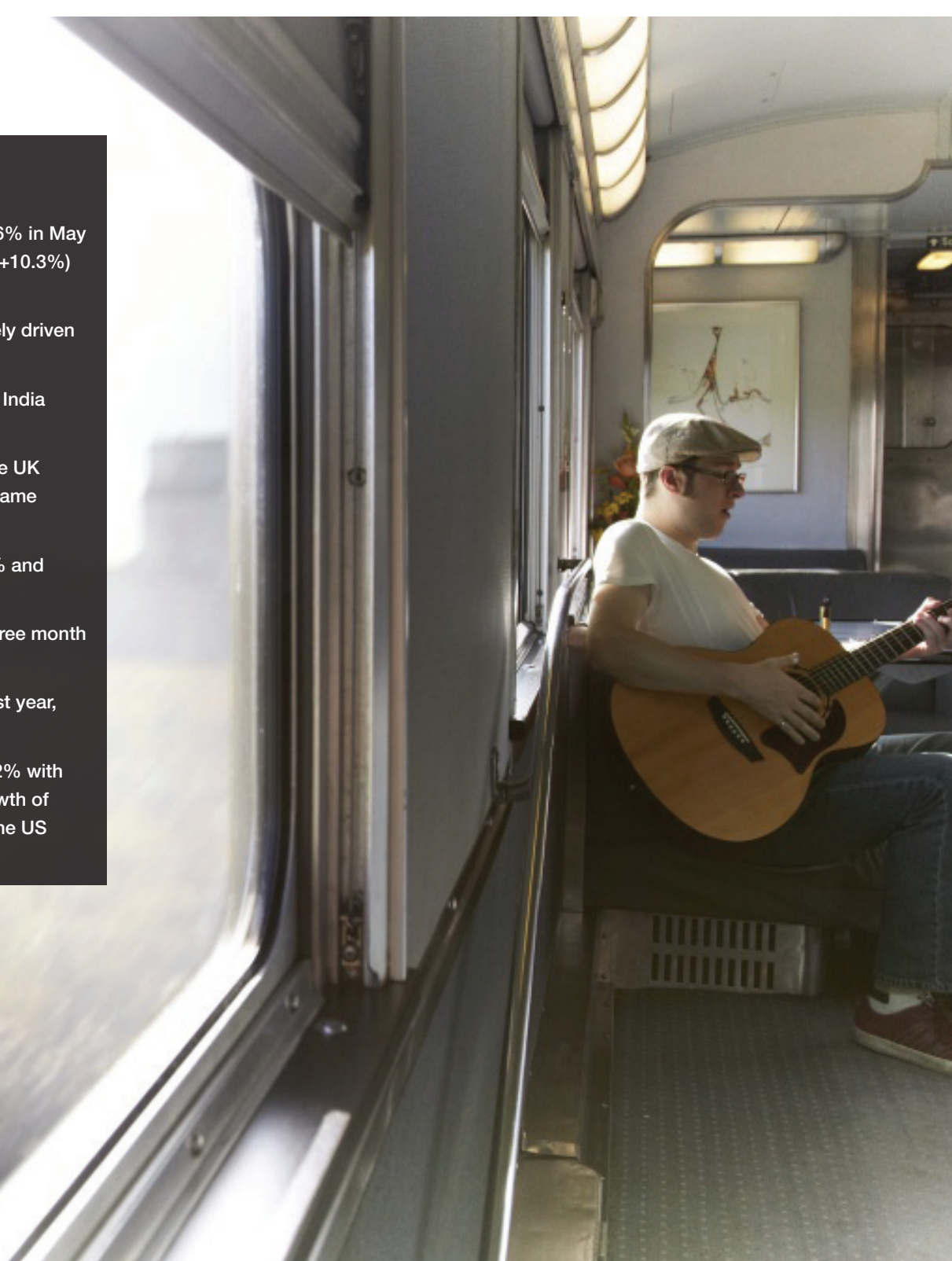


Tourism Snapshot

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

Key highlights

- Overnight trips from CTC's key overseas markets edged up 0.6% in May 2012. The gains recorded in the emerging/transition markets (+10.3%) offset the losses incurred in the core markets (-4.3%).
- The number of overnight arrivals from the US grew 3.0%, largely driven by an increase in auto travel (+5.8%).
- China maintained its upward trend with a 22.0% gain; likewise India registered a 20.8% increase over the same month 2011.
- Brazil stayed in positive territory with a 6.8% increase while the UK maintained its downward trend falling 7.7% compared to the same month in 2011.
- Both Mexico and Japan returned to positive territory, up 10.5% and 4.0% respectively.
- Overnight arrivals from France slipped by 2.1% in May after three months of positive growth in 2012.
- Australia lost momentum and posted a 3.5% decrease over last year, while arrivals from Germany remained flat (+0.1%).
- Year to date May 2012, key overseas CTC markets were up 5.2% with both the core and emerging/transition markets registering growth of 0.7% and 12.9% respectively. Likewise, overnight trips from the US grew 4.2% during the first five months in 2012.



Tourism review Inbound highlights

Overnight trips to Canada

	May 2012	12/11 May % Change	Jan. - May 2012	Year-to-date % Change
United States				
Automobile	563,069	5.8	1,875,650	4.0
Plane	307,894	0.2	1,160,392	3.8
Other	128,701	-1.7	287,779	6.2
US Total	999,664	3.0	3,323,821	4.2
Core Markets				
UK	62,839	-7.7	202,056	-3.1
France	34,899	-2.1	137,410	2.2
Germany	28,556	0.1	86,539	7.6
Australia	30,954	-3.5	80,880	1.5
Core Total	157,248	-4.3%	506,885	0.7%
Emerging/ Transition Markets				
Japan	17,355	4.0	69,513	15.7
South Korea	12,699	-8.7	45,036	-10.0
Mexico	11,675	10.5	49,033	13.0
Brazil**	7,021	6.8	30,239	9.5
China	22,630	22.0	82,553	24.8
India**	20,495	20.8	53,758	18.9
Emerging/ Transition Total	91,875	10.3%	330,132	12.9%
CTC Overseas Key Markets	249,123	0.6%	837,017	5.2%
Other Overseas Countries	147,411	-3.3%	512,454	3.8%
Non-US Countries	396,534	-0.9%	1,349,471	4.7%
Total Countries	1,396,198	1.9%	4,673,292	4.3%

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 1.4 million international visitors during the month of May 2012, a 1.9% increase over the same month in 2011;
- In contrast, overnight arrivals from CTC's core markets (the UK, France, Germany and Australia) contracted 4.3% in May, dropping to 157,248 arrivals;
- Overnight trips to Canada from CTC's emerging/ transition markets (Japan, South Korea, Mexico, Brazil, China and India) grew 10.3%, reaching 91,875 trips.

United States

- In May, the number of overnight arrivals from the US grew 3.0% to nearly 1 million arrivals, largely driven by an increase in auto travel, up 5.8%;
- Year to date May, overnight trips to Canada by US residents increased 4.2%, reaching over 3.3 million arrivals;
- In May, Ontario captured the greatest number of arrivals by US visitors with a 6.9% increase to 516,549 entries while British Columbia experienced a 2.5% decrease, dropping to 252,087 entries.

Core Markets

- Overnight arrivals from France slipped 2.1% in May after three months of positive growth in 2012;
- Australia lost momentum and posted a 3.5% decrease over last year, while arrivals from Germany remained flat (+0.1%);
- The UK maintained its downward trend falling 7.7% compared to May 2011;
- Year to date May, overnight arrivals from CTC's core markets remained relatively flat with a 0.7% increase relative to 2011. A 3.1% decrease in arrivals from the UK was offset by increases posted by Germany (+7.6%), France (+2.2%) and Australia (+1.5%).

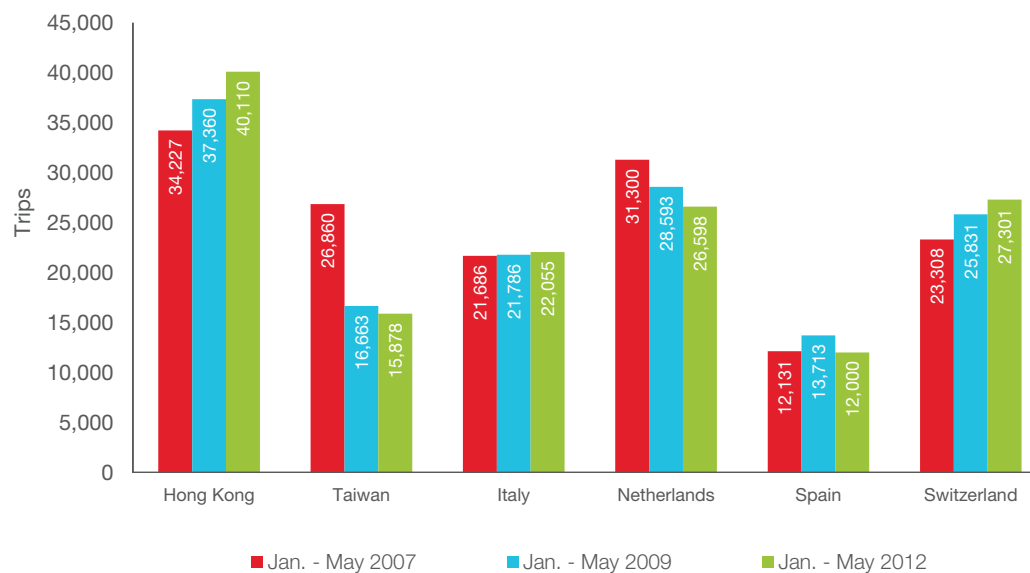
Emerging/ Transition Markets

- China maintained its upward trend with a 22% gain; likewise India registered a 20.8% increase over the same month 2011;
- Brazil stayed in positive territory with a 6.8% increase, while South Korea remained in negative territory with an 8.7% drop;
- Mexico returned to positive territory with a double-digit increase (+10.5%), likewise Japan saw 4.0% year-over-year growth in May;
- Year to date May, the number of overnight trips from CTC's emerging/transition markets grew 12.9%, largely driven by increases from China, (+24.8%), India (+18.9%), Japan (+15.7%) and Mexico (+13%).

Market Watch

- Among the selected European markets, Switzerland registered a 3.3% gain in May 2012, while Spain, Netherlands and Italy posted decreases, down 11.7%, 7.6% and 4.1% respectively;
- In May, Taiwan saw a significant drop in overnight arrivals (-21.9%), while Hong Kong posted a slight 2.5% decrease compared to the same month last year;
- Year to date May 2012, overnight arrivals from Taiwan and the Netherlands contracted 4% and 2.1% respectively;
- When compared to year-to-date results for May 2007, Hong Kong saw the largest gains in overnight arrivals (+17.2%) followed by Switzerland (+17.1 %).

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

	May 2012	12/11 May % Change	Jan. - May 2012	Year-to-date % Change
Italy	6,721	-4.1	22,055	2.0
Netherlands	9,895	-7.6	26,598	-2.1
Spain	3,469	-11.7	12,000	2.5
Switzerland	7,973	3.3	27,301	3.7
Hong Kong	10,981	-2.5	40,110	0.8
Taiwan	4,868	-21.9	15,878	-4.0

Competitive review (January - April 2012)

International Travel (in thousands)

Trips From:	Trips To:					
	Canada		United States		Australia	
		12/11 Change		12/11 Change		12/11 Change
Total International	3,277	5%	19,870	8%	2,068	3%
United States	2,324	5%	166	4%
Canada	...		7,012	7%	48	3%
Core Markets						
United Kingdom	139	-1%	1,087	-2%	236	-4%
France	103	4%	447	6%	32	4%
Germany	58	12%	529	11%	55	-3%
Australia	50	5%	302	7%
Emerging/ Transition Markets						
Japan	52	20%	1,166	13%	120	8%
South Korea	32	-11%	388	15%	71	4%
Mexico ¹	37	14%	4,325	7%
Brazil	23	10%	546	20%	11	2%
China	60	26%	414	48%	246	15%
India	33	18%	208	14%	53	5%
Total Key Markets	2,912	5%	16,425	8%	1,038	4%

...Not applicable. or data not available.

¹ US figures for Mexico include arrivals to interior only.

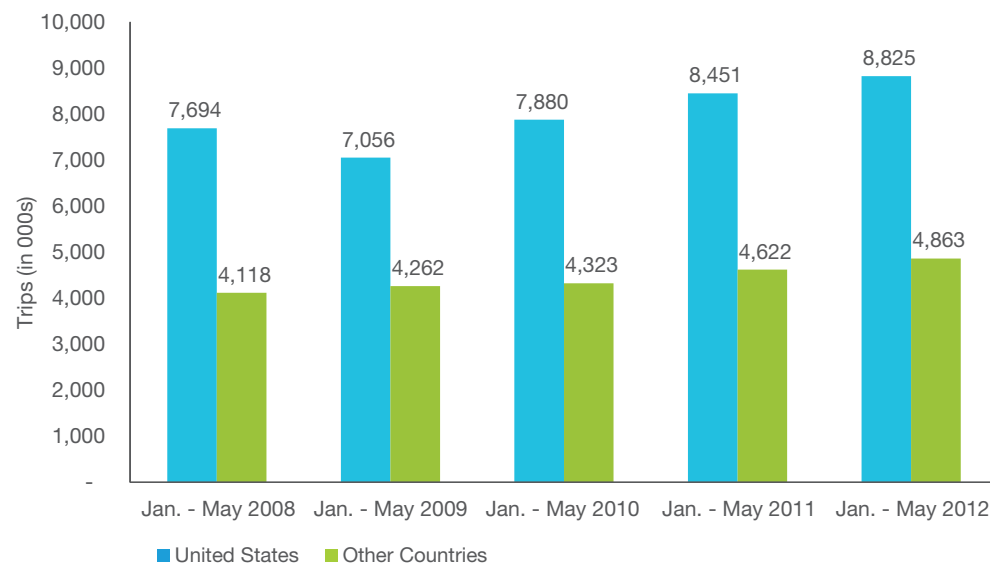
Note: Statistics Canada preliminary figures.

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

- Year to date April, total international travel to the US grew 8%; likewise, Canada and Australia registered growth in international arrivals, up 5% and 3%, respectively;
- UK overnight arrivals to Australia, the US and Canada contracted, down 4%, 2% and 1% respectively, while French arrivals to these three countries expanded over the same period last year;
- Australia saw a 3% decrease in arrivals from Germany, while Canada and the US posted gains of 12% and 11% respectively;
- Canada outperformed the US (+13%) and Australia (+8%) in overnight arrivals from Japan, posting a 20% increase;
- The US and Australia saw growth in overnight arrivals from South Korea, up 15% and 4% respectively, while Canada experienced a 11% drop;
- Canada experienced stronger growth in overnight arrivals from Mexico, up 14% compared to the US at 7%;
- The US posted a notable 20% increase in visitation from Brazil, outperforming both Canada (+10%) and Australia (+2%).
- Although Canada and Australia recorded gains in arrivals from China, up 26% and 15%, the US outperformed both competitors with a remarkable 48% increase;
- Canada outperformed the US and Australia in Indian arrivals, registering a 18% increase over 2011.

Canadian outbound trips

Overnight trips by Canadians



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

- In May, Canadian outbound travel lost momentum and saw a negative growth (-2%) for the first time since October 2009 with overall outbound trips dropping to 2.5 million.
- The number of Canadians visiting the US during the month of May fell 2.8% to 1.8 million trips;
- Canadian overnight travel to overseas destinations (excluding the US) remained relatively flat (+0.2%), totalling 697,851 trips;
- Year to date May, outbound trips by Canadians grew 4.7%, reaching almost 13.7 million overnight trips;
- In May, the largest re-entry of Canadians from the US occurred through Ontario, with 814,750 entries (-3.7%), followed by British Columbia (-3.1%), Québec (+0.5%) and Alberta (+2.2%);
- The largest re-entry of Canadians from overseas markets (exclude the US) were recorded at Ontario port of entries (355,500 entries), followed by Québec (142,341 entries) and British Columbia (112,280 entries) during the month of May, 2012.

Overnight trips by Canadians

	May 2012	12/11 May % Change	Jan. - May 2012	Year-to-date % Change
United States	1,813,078	-2.8	8,824,999	4.4
Other Countries	697,851	0.2	4,863,262	5.2
Total Trips from Canada	2,510,929	-2.0	13,688,261	4.7

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence surged in May, rising 5.8 points to 80.8 (2002 = 100) completely reversing relatively poor performance in April.
- **USA:** Confidence among U.S. consumers unexpectedly fell in May to its lowest level in four months as optimism about employment prospects faded. The Conference Board's Consumer Confidence Index decreased to 64.9 this month from a revised 68.7 in April.

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

Accommodations

- In May 2012, the National Occupancy Rate edged up 1.2 points over the previous year to 64.3%. Yukon posted the largest increase (+9.1 points) followed by Nova Scotia (+6.2 points) Alberta (+5.0 points) and Newfoundland (+4.9 points);
- Year-to-date May, the National Occupancy Rate grew by a moderate 1.3 points, reaching 57.2%. Alberta registered the largest increase (+4.2 points) followed by Newfoundland (+4.0 points);
- Year to date May, the National Average Daily Rate grew to \$125.22, up 1.9% compared with the same period in 2011. Northwest Territories, Québec, Alberta, Newfoundland, Saskatchewan and British Columbia posted rates higher than the Average Daily Rate;
- During the first five months of 2012, the Average Revenue per Available Room (RevPAR) was \$71.68 (up 4.3%) with Newfoundland posting the strongest growth (+13.4%) followed by Alberta (+11.5%).

Canadian Occupancy Rates, By Province*

	May 2012	12/11 Change [^]	Jan.-May 2012	Year-to-date Change [^]
Alberta ¹	66.3	5.0	63.0	4.2
British Columbia	64.3	-1.0	55.8	1.2
Saskatchewan	68.7	-0.9	66.1	0.6
Manitoba	63.4	-8.8	61.3	-1.6
Ontario	64.2	2.2	56.3	0.7
Quebec	64.5	-1.9	56.5	0.3
New Brunswick	57.0	2.9	49.2	1.0
Nova Scotia	65.2	6.2	54.2	0.9
Newfoundland	76.0	4.9	61.6	4.0
Prince Edward Island	40.4	-5.9	37.5	-4.4
Northwest Territories	55.7	-8.8	62.8	-1.8
Yukon	77.3	9.1	64.3	0.6
Canada	64.3	1.2	57.2	1.3

* Note: Based on the operating results of 221,122 rooms (unweighted data).

[^] Percentage points.

¹ Excluding Alberta resorts.

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CTC Market Research & Evaluation