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Tourism Snapshot

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

Key highlights

- Total arrivals from CTC's international markets rose 1.6% in December 2012, as a flat performance from the Core Markets (+0.1%) was outpaced by growth in Emerging and Transition Markets (+3.9%).
- A strong December from Australia (+10.2%) stood in contrast to weak performances from CTC's other Core Markets: the UK (-3.9%), France (0%) and Germany (-2.0%).
- December arrivals from China rose 14.6%, while South Korea reversed previous losses to post gains of 3.2%.
- For all of 2012, key CTC overseas markets recorded gains (+2%): growth in China (+18.3%), Japan (+7.2%), India (+5.3%), Mexico (+7.3%) and Brazil (+6.4%) outpaced losses in South Korea (-7.4%) and the CTC Core Markets (-1.1%) to yield an overall increase in arrivals. Among the Core Markets, Australia posted gains (+6.5%) for the year, while the UK (-3.8%), France (-0.8%) and Germany (-1.3%) incurred losses.



Tourism review Inbound highlights

Overnight trips to Canada

	Dec. 2012	12/11 Dec. % Change	Jan. - Dec. 2012	Year-to-date % Change
United States				
Automobile	448,941	-2.5	6,932,085	2.3
Plane	260,644	8.6	3,534,659	2.4
Other	39,843	6.4	1,387,237	1.4
US Total	749,428	1.5%	11,853,981	2.2%
Core Markets				
UK	45,122	-3.9	653,921	-3.8
France	28,648	0.0	455,300	-0.8
Germany	13,478	-2.0	311,692	-1.3
Australia	23,327	10.2	258,115	6.5
Core Total	110,575	0.1%	1,679,028	-1.1%
Emerging/Transition Markets				
Japan	12,977	3.4	226,215	7.2
South Korea	10,496	3.2	139,999	-7.3
Mexico	10,678	-1.1	141,921	7.3
Brazil	9,145	0.1	93,570	6.4
China	19,036	14.6	288,279	18.3
India	10,022	-3.1	146,652	5.3
Emerging/Transition Markets Total	72,354	3.9%	1,036,636	7.4%
CTC Overseas Key Markets	182,929	1.6%	2,715,664	2.0%
Other Overseas Countries	121,674	3.1%	1,741,399	-0.9%
Total Non-US Countries	304,603	2.2%	4,457,063	0.9%
Total Countries	1,054,031	1.7%	16,311,044	1.8%

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

International trips

- Canada received approximately 1,054,000 international visitors during the month of December, an increase of 1.7% compared with December 2011.
- Despite a continued strong performance by Australia (+10.2%), overall arrivals from CTC's Core Markets were flat in December (+0.1%), bringing the total number of overnight visitors for the year to 1,679,028, down slightly (-1.1%) over the 2011 total.
- Total arrivals from CTC's Emerging and Transition Markets (Japan, South Korea, Mexico, Brazil, China and India) increased 3.9% in December. Total arrivals for 2012 were up 7.4% to 1,036,636 compared with 2011.

United States

- The US market recorded a modest increase (+1.5%) in overnight arrivals in December, as an 8.6% gain in air arrivals outpaced a 2.5% decline in auto travel.
- For 2012, total overnight trips to Canada by US residents grew 2.2% over 2011 for a total of 11.85 million arrivals.
- In December, nine provinces recorded gains in border crossing arrivals by US visitors. Prince Edward Island (+55.6%), Newfoundland and Labrador (+40.2%) and Yukon (+13%) saw the largest increases.

Core Markets

- Overnight arrivals from the UK (-3.9%) and Germany (-2%) continued to decline in December. Arrivals from France were unchanged in December compared with December 2011.
- Australia recorded a strong 10.2% gain in December, with 6.5% year-over-year growth for 2012.
- For all of 2012, all three European markets performed weakly: the UK declined the most (3.8%), followed by Germany (-1.3%) and France (-0.8%).

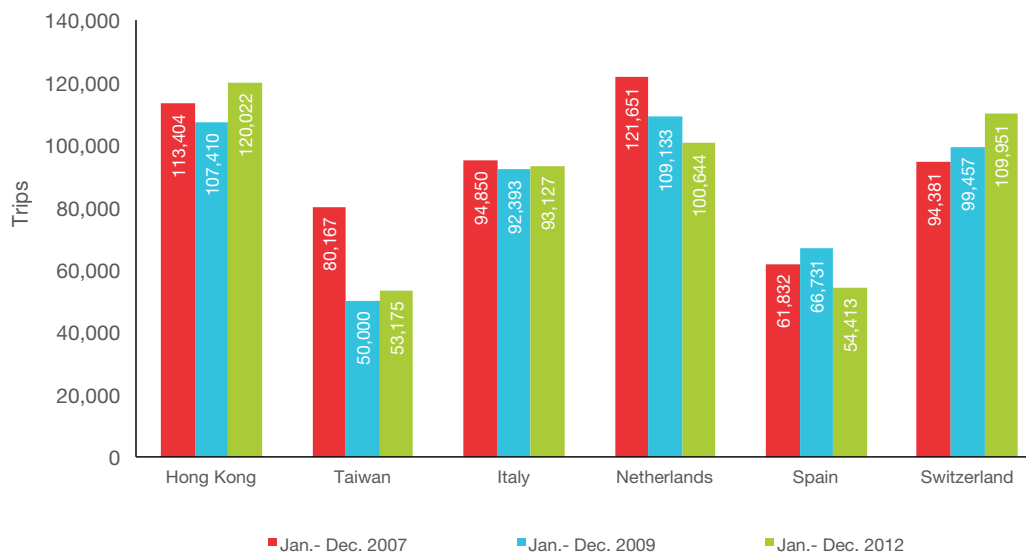
Emerging and Transition Markets

- On the back of strong growth from China (+14.6%), arrivals from Emerging and Transition Markets grew 3.9% in December, which was superior to growth achieved by Japan (+3.4%) and Brazil (+0.1%). Arrivals from India slid 3.1%.
- Growth in arrivals from South Korea (+3.2%) more than offset the contraction sustained from Mexico (-1.2%).
- For all of 2012, overall arrivals from CTC's Emerging and Transition Markets grew 7.4% compared with last year. China (+18.3%), Mexico (+7.3%) and Japan (+7.2%) were the best performers.

Market Watch

- In December, Italy (+13.1%) and Taiwan (+18.1%) posted strong gains in visitor numbers to Canada for the second and third consecutive months respectively.
- Spain (-6.8%) and Switzerland (-4.3%) posted declines in December, while The Netherlands (+0.7%) and Hong Kong (+1.4%) eked out small gains.
- Arrivals from all secondary markets decreased in 2012 compared with 2011.
- When compared with the year-end results for December 2007, Switzerland saw the largest gain in overnight arrivals (+16.5%), followed by Hong Kong (+5.8%). Taiwan and The Netherlands posted significant declines, down 33.7% 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

	Dec. 2012	12/11 Dec. % Change	Jan. - Dec. 2012	Year-to-date % Change
Italy	5,542	13.1	93,127	-5.2
Netherlands	4,822	0.7	100,644	-4.9
Spain	2,303	-6.8	54,413	-14.8
Switzerland	6,002	-4.3	109,951	-0.7
Hong Kong	9,737	1.4	120,022	-2.5
Taiwan	2,666	18.1	53,175	-7.8

Competitive review (January - November 2012)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		12/11 Change		12/11 Change
Total International	15,254.0	1.8%	5,424.6	4.3%
United States	11,104.0	2.3%	422.8	4.8%
Canada	...		104.1	1.5%
Core Markets				
United Kingdom	606.5	-4.2%	498.8	-3.2%
France	426.6	-0.9%	85.3	3.3%
Germany	298.2	-1.3%	135.0	-0.4%
Australia	234.8	6.1%
Emerging/Transition Markets				
Japan	213.2	7.4%	320.8	6.3%
South Korea	129.5	-8.1%	176.1	-0.7%
Mexico ¹	131.2	8.1%
Brazil	84.4	7.2%	25.8	6.6%
China	269.2	18.6%	572.3	15.8%
India	136.6	6.0%	136.8	3.6%
Total Key Markets	13,634.4	2.2%	2,478	4.6%

...Not applicable. or data not available.

¹ US figures for Mexico include arrivals to interior only.

Note: Statistics Canada preliminary figures.

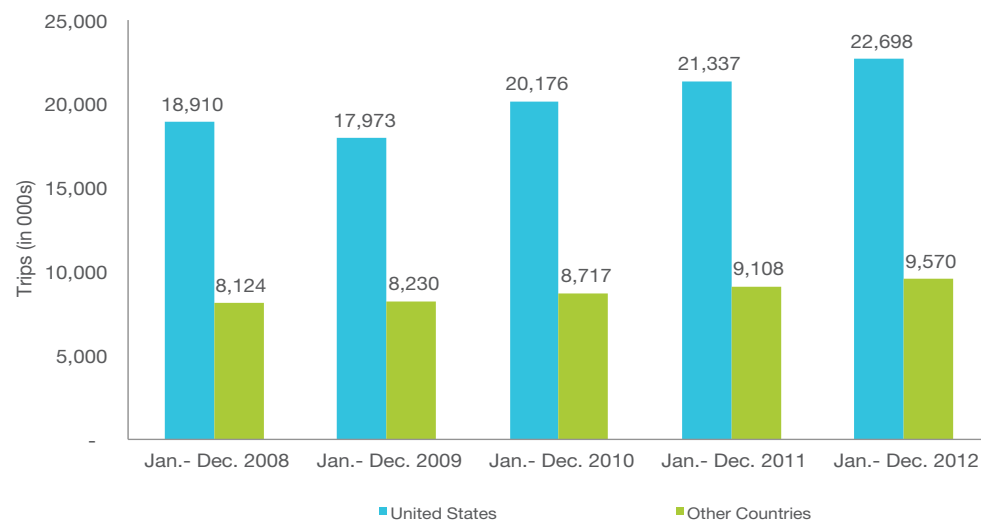
Sources: Statistics Canada; Tourism Australia.

** U.S. Visitation data for November 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 November 2012, Australia and Canada both registered growth in international arrivals, up 4.6% and 2.2% respectively compared with the same period in 2011.
- International visitor growth for Canada and Australia continued to be driven by their Emerging and Transition Markets, with China posting the largest growth (+18.6% and +15.8%) followed by Japan (+7.4% and +6.3%).
- Arrivals from the UK to Canada (-4.2%) and Australia (-3.2%) declined in both countries. Visitor numbers from France to Canada were down 0.9%, while Australia saw a 3.3% increase in arrivals from France.
- Both Canada and Australia saw further deterioration in overnight arrivals from South Korea, down 8.1% and 0.7% respectively.
- Canada outperformed Australia in growth in overnight arrivals from three CTC Emerging and Transition Markets: Japan (+7.4%), China (+18.6%) and India (+6%).

Canadian outbound trips

Overnight trips by Canadians



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

- Canadian outbound travel continued to grow in December 2012, up 11.6% compared with the same period last year, to approximately 2.25 million trips.
- The number of Canadians visiting the US during the month of December grew 13.5% to nearly 1.51 million trips.
- Canadian overnight travel to overseas destinations (excluding the US) registered an 8% increase to 745,029 trips.
- For all of 2012, outbound trips by Canadians grew 6% to nearly 32.3 million overnight trips.
- In December, most Canadians re-entered the country from the US through Ontario (712,150 entries, +14.2%), followed by British Columbia (352,517 entries, +17.5%) and Quebec (189,151 entries, +6.7%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in December 2012 (354,976 entries, +7.6%), followed by Quebec (164,629 entries, +8.8%) and British Columbia (121,928 entries, +9.2%).

Overnight trips by Canadians

	Dec. 2012	12/11 Dec. % Change	Jan. - Dec. 2012	Year-to-date % Change
United States	1,508,499	13.5	22,697,712	6.4
Other Countries	745,029	8.0	9,569,923	5.1
Total Trips from Canada	2,253,528	11.6	32,267,635	6.0

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence declined for the third consecutive month in December, falling 2.4 points to 77.9 (2002 = 100). An unstable global economy and a soft US recovery continued to weigh on the results.
- **USA:** The Conference Board Consumer Confidence Index® reversed its recent gains and slid to 66.7 (1985=100) in December 2012, down 4.8 points from November.

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

Accommodations

- In December 2012, the National Occupancy Rate declined marginally (-0.2 points to 46%) compared with the previous year. Five provinces saw improvements in occupancy, with Northwest Territories (+4.3 points), Newfoundland and Labrador (+2.8 points), and Prince Edward Island (+2 points) realizing the largest gains.
- For all of 2012, the National Occupancy Rate recorded a marginal increase of 0.7 points to 61.8%. Alberta registered the largest increase (+3.4 points), followed by Newfoundland and Labrador (+0.7 points).
- In 2012, the National Average Daily Rate improved to \$129.37, up 1.9% compared with the same period in 2011. Northwest Territories, British Columbia, Alberta, Quebec, and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- The Average Revenue per Available Room (RevPAR) was \$79.94 (+3.1%) in 2012, with Alberta posting the strongest growth (+11.1%, \$86.79) followed by Newfoundland and Labrador (+4.2%, \$93.66).

Canadian Occupancy Rates, By Province*

	Dec. 2012	12/11 Change [^]	Jan.-Dec. 2012	Year-to-date Change [^]
Alberta ¹	50.9	0.1	65.6	3.4
British Columbia	43.3	-0.6	59.6	0.2
Saskatchewan	51.7	-2.8	67.8	-0.5
Manitoba	48.1	-4.0	63.5	-2.7
Ontario	45.3	0.0	61.5	0.5
Quebec	48.8	0.6	62.0	-0.4
New Brunswick	35.1	-1.0	54.8	-0.1
Nova Scotia	37.3	-0.4	60.4	0.4
Newfoundland	49.3	2.8	68.8	0.7
Prince Edward Island	28.0	2.0	47.7	-2.3
Northwest Territories	56.6	4.3	64.0	-3.1
Yukon	49.1	-0.3	69.9	0.1
Canada	46.0	-0.2	61.8	0.7

* Note: Based on the operating results of 220,277 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.

Economic indicators Q3 2012 – Q4 2012

- GDP growth worldwide was mixed in Q4. While the UK (+0.1%), Brazil (+1.9%), China (+7.5%) and South Korea (+1.7%) expanded at a quicker pace compared with Q3 over the year-ago period, all other CTC markets experienced slowing growth. The economy of France shrank -0.2% compared with Q4 2011.
- In Q4 2012, the inflation rates of the US, Brazil, the UK and South Korea rose, while those of all other CTC markets were flat or declined. Japan (-0.2%) remained in deflation compared with the same period last year.
- Compared with Q3 2012, the Canadian dollar appreciated during the fourth quarter relative to the currencies of the US, Australia, Brazil and Japan, thereby making Canada a more expensive travel destination for visitors from these countries. Conversely, France, Germany, the UK, Mexico, China and India all saw an increase in purchasing power from their currency appreciating against the Canadian dollar.

Economic Indicators, Q3 2012 – Q4 2012

America	Canada		USA		Mexico		Brazil	
	Q3 2012	Q4 2012	Q3 2012	Q4 2012	Q3 2012	Q4 2012	Q3 2012	Q4 2012
Real GDP growth (yoy, %)	0.6	1.5	2.6	1.5	3.3	2.8	0.9	1.9
Consumer Price Index (yoy,%)	0.1	2.7	1.7	1.9	4.6	4.3	5.2	5.4
Exchange Rate (1LCU:C\$)	1.000	1.000	0.995	0.991	0.0756	0.0766	0.490	0.482

Europe	France		Germany		UK	
	Q3 2012	Q4 2012	Q3 2012	Q4 2012	Q3 2012	Q4 2012
Real GDP growth (yoy, %)	0.2	-0.2	0.9	0.8	-0.1	0.1
Consumer Price Index (yoy,%)	2.0	1.9	1.9	1.7	2.4	2.7
Exchange Rate (1LCU:C\$)	1.245	1.286	1.245	1.286	1.573	1.592

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q3 2012	Q4 2012	Q3 2012	Q4 2012	Q3 2012	Q4 2012	Q3 2012	Q4 2012	Q3 2012	Q4 2012
Real GDP growth (yoy, %)	3.0	2.8	7.4	7.5	0.5	0.0	1.5	1.7	5.3	5.0
Consumer Price Index (yoy,%)	2.0	2.0	1.7	1.2	-0.4	-0.2	1.6	1.8	9.8	9.5
Exchange Rate (1LCU:C\$)	1.034	1.030	0.157	0.159	0.0127	0.0122	0.0009	0.0009	0.0181	0.0183

Source: Oxford Economics
Bank of Canada

Note: Exchange rates, average of 20-22 days / October - December 2012

CTC Market Research & Evaluation