



# Tourism Snapshot

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

Baymount Outdoor Adventures, Hopewell Rocks Kayaking Tour  
Bay of Fundy, New Brunswick





# Key highlights

- Total arrivals from CTC's international markets surged 9.1% in March 2013 on the basis of double-digit gains in US overnight visits (+10.3%) and healthy overall improvements from CTC overseas markets (+4%).
- In March 2013, double digit gains were recorded from Mexico (+25.3%), China (+15.3%) and France (+12.9%), which shined in contrast to weak performances from India (-6.8%), Germany (-6.8%) and the UK (-3.2%).
- Year-over-year, overnight arrivals from the US expanded 10.3% in March 2013 primarily as a result of a surge in auto arrivals (+15.7%). For the first quarter of 2013, overnight arrivals from the US are up 4.3%.
- During the first quarter of 2013, overnight arrivals from CTC overseas markets are up 0.9%. Emerging and Transition markets (+7.6%), led by China (+19.2%) and Mexico (+12.2%), outperformed CTC's Core markets (-3.9%), which suffered from declining performances in Germany (-9.3%), the UK (-5.8%) and France (-3.6%).



# Tourism review Inbound highlights

## Overnight trips to Canada

	Mar. 2013	13/12 Mar. % Change	Jan. - Mar. 2013	Year-to-date % Change
<b>United States</b>				
Automobile	392,126	15.7	950,797	6.5
Plane	232,514	3.2	606,590	0.9
Other	41,089	5.4	111,842	4.2
<b>US Total</b>	<b>665,729</b>	<b>10.3%</b>	<b>1,669,229</b>	<b>4.3%</b>
<b>Core Markets</b>				
UK	37,803	-3.2	92,720	-5.8
France	24,678	12.9	69,448	-3.6
Germany	15,150	-6.8	36,786	-9.3
Australia	10,661	1.5	39,236	6.5
<b>Core Total</b>	<b>88,292</b>	<b>0.7%</b>	<b>238,190</b>	<b>-3.9%</b>
<b>Emerging/Transition Markets</b>				
Japan	18,158	4.0	42,215	5.8
South Korea	7,440	0.9	24,503	-0.4
Mexico	13,583	25.3	28,350	12.1
Brazil	5,077	7.8	18,650	4.6
China	15,175	15.3	52,371	19.2
India	7,874	-6.8	20,155	-6.1
<b>Emerging/Transition Markets Total</b>	<b>67,307</b>	<b>8.6%</b>	<b>186,244</b>	<b>7.6%</b>
<b>CTC Overseas Key Markets</b>	<b>155,599</b>	<b>4.0%</b>	<b>424,434</b>	<b>0.8%</b>
Other Overseas Countries	99,120	4.1%	253,227	1.2%
<b>Total Non-US Countries</b>	<b>254,719</b>	<b>4.0%</b>	<b>677,661</b>	<b>1.0%</b>
<b>Total Countries</b>	<b>920,448</b>	<b>8.5%</b>	<b>2,346,890</b>	<b>3.3%</b>

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

## International trips

- Canada received approximately 920,000 international visitors during the month of March, an increase of 8.5% compared with the same month in 2012.
- Overall arrivals from CTC's Core markets expanded slightly in March (+0.7%) thanks to strong growth from France (+12.9%) and a modest expansion from Australia (+1.5%). Declines in arrivals from Germany (-5.8%) and the UK (-3.2%) weighed on the results. The year-to-date number of overnight visitors is now 238,190, down 3.9% over the same period last year.
- Total arrivals from CTC's Emerging and Transition markets (Japan, South Korea, Mexico, Brazil, China and India) increased 8.6% in March, riding a surge in travel from Mexico (+25.3%) and China (+15.3%). Year-to-date arrivals through March were up 7.6% to 186,244 compared with the same period last year.

## United States

- Overnight arrivals from the US rose strongly (+10.3%) in March. Auto arrivals surged 15.7%, while air arrivals increased 3.2%.
- During the first quarter of 2013, total overnight trips to Canada by US residents grew 4.3% compared with the same period last year for a total of 1,669,229 arrivals.
- In March, eight provinces recorded gains in border crossing arrivals by US visitors. Quebec (+19%), Manitoba (+15.2%) and Ontario (+12.9%) saw the largest increases.

## Core Markets

- Defying the subdued travel mood elsewhere in Europe, overnight arrivals from France recovered strongly (+12.9%) in March after declining sharply in February. Germany (-6.8%) and the UK (-3.2%) continued to decline in March; however, the CTC Core markets were able to eke out a modest gain (+0.7%) in overall arrivals.
- Australia recorded a 1.5% gain in March, with 6.5% year-over-year growth for the first quarter of 2013.
- Year-to-date March 2013, all three European markets performed weakly: Germany declined the most (-9.3%), followed by the UK (-5.8%) and France (-3.6%).

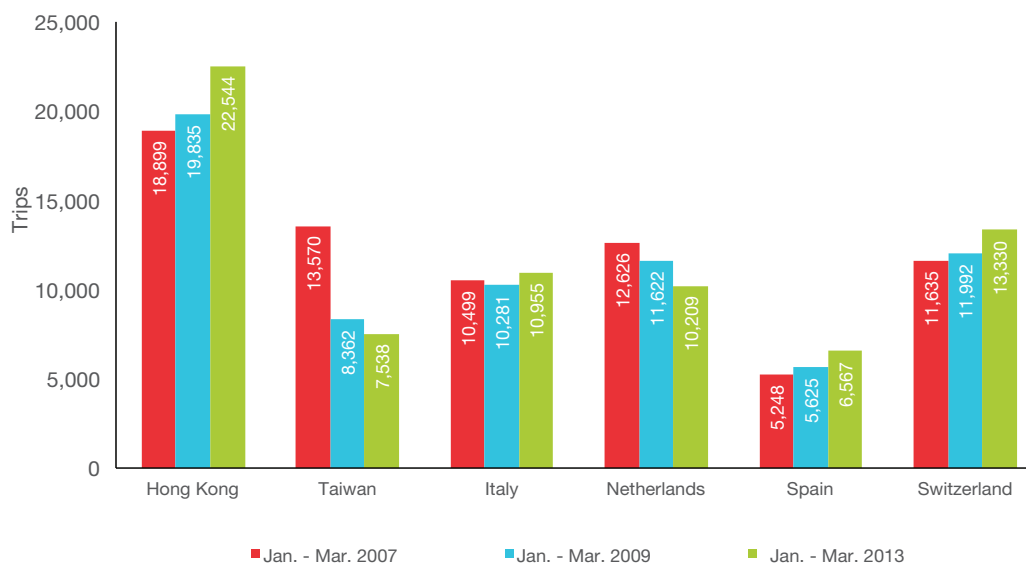
## Emerging Markets

- On the back of broad growth led by Mexico (+25.3%), arrivals from Emerging and Transition Markets expanded 8.6% in March.
- Following an exceptional surge in February surrounding the Chinese New Year, overnight arrivals from China returned to trend growth for this market, expanding 15.3%. Year-to-date March 2013, arrivals from China surged 19.2% compared with this time last year.
- Growth in arrivals from Brazil (+7.8%) and Japan (+4%) was also strong in March, while South Korea expanded more modestly (+0.9%). India (-6.8%) was the only market to post a decline in arrivals, as a lack of direct air capacity continues to hinder access to Canada.
- Year-to-date March 2013, overall arrivals from CTC's Emerging and Transition markets grew 7.6% compared with last year. The best performers were China (+19.2%), Mexico (+12.2%) and Japan (+5.8%).

## Market Watch

- In March, gains in arrivals were recorded from Switzerland (+8.5%) and Spain (+2.7%), while arrivals from the Netherlands (-2.7%) and Italy (-0.5%) declined slightly.
- Following the Chinese New Year travel period in February, overnight arrivals from Hong Kong (+4.5%) and Taiwan (+1.6%) continued to expand in March.
- Year-to-date March 2013, arrivals from secondary markets were mixed: Italy (+5.3%), Spain (+4.8%), Hong Kong (+4.3%) and Switzerland (+1.8%) realized gains, while the Netherlands (-6.1%) and Taiwan (-2.2%) saw losses.
- When compared with the year-to-date results for March 2007, Spain saw the largest gain in overnight arrivals (+25.1%), followed by Hong Kong (+19.3%) and Switzerland (+14.6%). Taiwan and the Netherlands posted significant declines, down 44.5% and 19.1% 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

	Mar. 2013	13/12 Mar. % Change	Jan. - Mar. 2013	Year-to-date % Change
Italy	3,923	-0.5	10,955	5.3
Netherlands	3,621	-2.7	10,209	-6.1
Spain	2,693	2.7	6,567	4.8
Switzerland	5,120	8.5	13,330	1.8
Hong Kong	8,006	4.5	22,544	4.3
Taiwan	2,503	1.6	7,538	-2.2

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



# Competitive review (February 2013)\*\*

## International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		13/12 Change		13/12 Change
<b>Total International</b>	1,426.4	0.2%	1,099.6	4.0%
United States	1,003.5	0.6%	91.2	6.8%
Canada	...	...	25.8	-1.9%
<b>Core Markets</b>				
United Kingdom	54.9	-7.5%	122.0	-3.9%
France	44.8	-10.7%	18.9	3.8%
Germany	21.6	-11.0%	31.3	2.3%
Australia	28.6	8.5%	...	...
<b>Emerging/Transition Markets</b>				
Japan	24.1	7.2%	54.7	-7.8%
South Korea	17.1	-1.0%	37.1	-7.7%
Mexico <sup>1</sup>	14.8	2.3%	...	...
Brazil	13.6	3.4%	6.9	11.3%
China	37.2	20.9%	168.8	16.8%
India	12.3	-5.7%	25.7	1.2%
<b>Total Key Markets</b>	<b>1,272.3</b>	<b>0.3%</b>	<b>582.4</b>	<b>3.4%</b>

...Not applicable. or data not available.

Note: Statistics Canada preliminary figures.

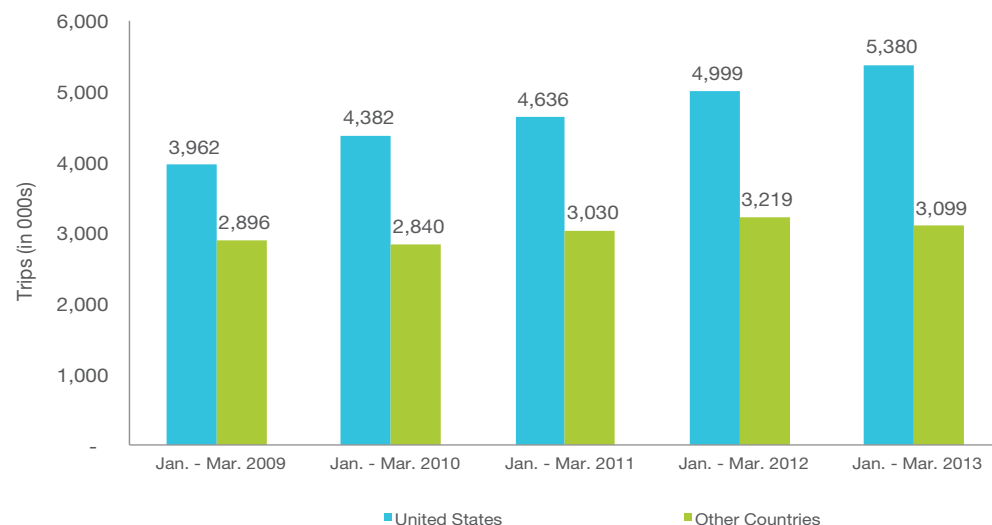
Sources: Statistics Canada; Tourism Australia.

\*\* US visitation data for February 2013 were not available due to a delay of the change of entry process for US visitors.

- For January-February 2013, Australia saw a 4% increase in arrivals during its popular summer travel season, while Canada saw a 0.2% gain over the same period last year.
- Encompassing the Chinese New Year travel periods in 2012 (January) and 2013 (February), both Australia (+16.8%) and Canada (+20.9%) saw arrivals from China expand during the first two months of 2013 compared with the same period last year.
- Arrivals from the UK to both Canada (-7.5%) and Australia (-3.9%) declined. Visitor numbers from France to Canada were down 10.7%, while Australia saw a 3.8% increase in arrivals from France.
- Both Canada and Australia experienced decreases in overnight arrivals from South Korea, down 1% and 7.7% respectively. While Canada registered gains in Japanese arrivals (+7.2%), Australia saw a 7.8% decline in that market.

# 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 March 2013, up 6.9% compared with the same period last year to approximately 3.46 million trips.
- The number of Canadians visiting the US during the month of March grew 11.1% to nearly 2.32 million trips.
- Canadian overnight travel to overseas destinations (excluding the US) registered a 0.8% decline to 1,141,298 trips.
- For the first quarter of 2013, outbound trips by Canadians increased 3.2% to 8.48 million trips.
- In March, most Canadians re-entered the country from the US through Ontario (1,114,491 entries, +10.6%), followed by British Columbia (475,645 entries, +17.4%) and Quebec (333,521 entries, +12.4%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in March 2013 (526,404 entries, -1.5%), followed by Quebec (277,359 entries, -0.9%) and British Columbia (145,391 entries, -3.6%).

## Overnight trips by Canadians

	Mar. 2013	13/12 Mar. % Change	Jan. - Mar. 2013	Year-to-date % Change
United States	2,315,431	11.1	5,379,866	7.6
Other Countries	1,141,298	-0.8	3,099,225	-3.7
<b>Total Trips from Canada</b>	<b>3,456,729</b>	<b>6.9</b>	<b>8,479,091</b>	<b>3.2</b>

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

# Consumer outlook

## Consumer confidence

- **Canada:** The Index of Consumer Confidence was largely unchanged in March, declining 0.4 points to 80.5 (2002 = 100). Consumers continued to display a considerable amount of trepidation about their future finances and, this month, these concerns were enough to outweigh a slightly less pessimistic outlook for job creation and major purchases.
- **USA:** The Conference Board Consumer Confidence Index®, which had improved in February, declined in March. The Index now stands at 59.7 (1985=100), down from 68.0 in February.

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

## Accommodations

- In March 2013, the National Occupancy Rate declined modestly (-0.9 points to 58.1%) compared with the previous year. Only Quebec (+1.6 points), Alberta (+1.4 points) and Northwest Territories (+0.9 points) saw increases in occupancy.
- Year-to-date March 2013, the National Occupancy Rate recorded a marginal decline of 0.2 points to 54.5%. Three provinces saw higher occupancy, with Northwest Territories registering the largest increase (+4.6 points), followed by Newfoundland and Labrador (+2 points) and Alberta (+2 points).
- For the first quarter of 2013, the National Average Daily Rate improved to \$125.93, up 1.4% compared with the same period in 2012. Northwest Territories, Alberta, Saskatchewan, Quebec and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- During the first three months of 2013, the Average Revenue per Available Room (RevPAR) was \$68.64 (+1.1%), with Alberta posting the strongest growth (+7.6%, \$85.62) followed by Northwest Territories (+6.9%, \$110.18).

## Canadian Occupancy Rates, By Province\*

	Mar. 2013	13/12 Change <sup>^</sup>	Jan. - Mar. 2013	Year-to-date Change <sup>^</sup>
Alberta <sup>1</sup>	68.6	1.4	63.8	2.0
British Columbia	55.4	-2.6	50.6	-1.5
Saskatchewan	67.8	-2.5	64.1	-0.8
Manitoba	62.2	-4.4	59.5	-2.0
Ontario	55.6	-1.3	53.3	0.0
Quebec	57.2	1.6	54.2	-0.2
New Brunswick	48.8	-3.3	44.3	-2.5
Nova Scotia	56.0	-3.6	48.0	-2.4
Newfoundland	62.1	-1.6	58.9	2.0
Prince Edward Island	27.2	-6.8	30.4	-5.5
Northwest Territories	75.2	0.9	72.0	4.6
Yukon	63.9	-6.6	56.9	-5.1
<b>Canada</b>	<b>58.1</b>	<b>-0.9</b>	<b>54.5</b>	<b>-0.2</b>

\* Note: Based on the operating results of 220,039 rooms (unweighted data).

<sup>^</sup> Percentage points.

<sup>1</sup> 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](http://www.pkfcanada.com).



# Economic indicators Q4 2012 – Q1 2013

- GDP growth worldwide was mixed in Q1 2013. While Canada (+2%), the US (+1.8%), Brazil (+1.9%), the UK (+0.6%) and South Korea (+1.5%) expanded at a quicker pace compared with Q4 2012 over the year-ago period, all other CTC markets experienced slowing growth. The economy of France was in recession, shrinking 0.5% compared with Q1 2012.
- In Q1 2013, the inflation rates of Canada, Brazil, the UK, Australia, China and India rose, while those of all other CTC markets were flat or declined. Japan (-0.6%) remained in deflation compared with the same period last year.
- Compared with Q4 2012, the Canadian dollar appreciated during Q1 2013 relative to the currencies of the UK and Japan, thereby making Canada a more expensive travel destination for visitors from these countries. Conversely, the US, Mexico, Brazil, France, Germany, Australia, China and India all saw an increase in purchasing power from their currency appreciating against the Canadian dollar.

## Economic Indicators, Q4 2012 – Q1 2013

### America

	Canada		US		Mexico		Brazil	
	Q4 2012	Q1 2013	Q4 2012	Q1 2013	Q4 2012	Q1 2013	Q4 2012	Q1 2013
Real GDP growth (yoy, %)	0.5	2.0	1.7	1.8	3.3	2.4	1.4	1.9
Consumer Price Index (yoy,%)	1.4	1.8	1.9	1.7	4.1	3.7	5.6	6.4
Exchange Rate (1LCU:C\$)	1.000	1.000	0.991	1.009	0.0766	0.0798	0.482	0.506

### Europe

	France		Germany		UK	
	Q4 2012	Q1 2013	Q4 2012	Q1 2013	Q4 2012	Q1 2013
Real GDP growth (yoy, %)	-0.3	-0.5	0.4	0.2	0.2	0.6
Consumer Price Index (yoy,%)	1.5	1.1	2.0	1.5	2.7	2.8
Exchange Rate (1LCU:C\$)	1.286	1.332	1.286	1.332	1.592	1.563

### Asia Pacific

	Australia		China		Japan		South Korea		India	
	Q4 2012	Q1 2013	Q4 2012	Q1 2013	Q4 2012	Q1 2013	Q4 2012	Q1 2013	Q4 2012	Q1 2013
Real GDP growth (yoy, %)	3.1	2.4	8.1	7.7	0.4	-0.6	1.4	1.5	4.5	4.4
Consumer Price Index (yoy,%)	2.2	2.5	2.1	2.4	-0.2	-0.6	1.7	1.4	10.1	10.9
Exchange Rate (1LCU:C\$)	1.030	1.048	0.159	0.162	0.0122	0.0109	0.0009	0.0009	0.0183	0.0186

Source: Oxford Economics  
Bank of Canada

Note: Exchange rates, average of 20-22 days / October - December 2012 and January - March 2013

CTC Market Research & Evaluation