



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 increased 1.9% in July 2013, with the US (+1.9%), Core markets (+0.9%) and Emerging and Transition markets (+4.3%) all realizing gains.
- Arrivals from the UK (+5.8%) rose strongly in July. The increase was sufficient to offset declines in the other Core markets of France (-3.4%), Germany (-0.5%) and Australia (-0.1%).
- Arrivals from CTC's Emerging and Transition markets expanded 4.3% in July. In the midst of the ongoing labour disruption at Canadian overseas visa offices, arrivals trends softened in China (+16.3%), India (-0.5%), Mexico (-3.1%) and Brazil (-2.6%).
- Overnight arrivals from the United States rose 1.9% in July 2013. While auto arrivals were unchanged from the year-ago period, arrivals by air surged 9.8%. Year-to-date July 2013, overnight arrivals from the United States are up 0.9% over 2012.
- In the first seven months of 2013, overnight arrivals from CTC overseas markets increased 0.8%: Emerging and Transition markets (+5.9%), led by China (+19.1%), outperformed CTC's Core markets (-2.5%).



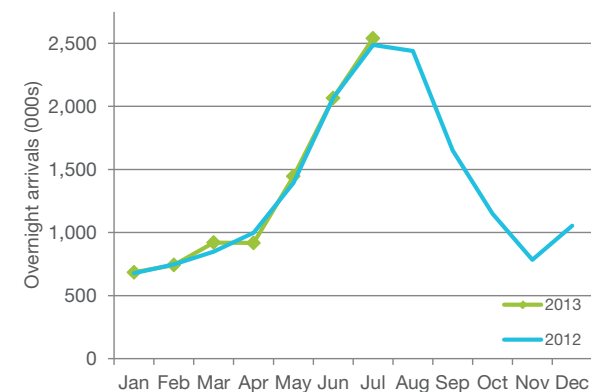
Tourism review Inbound highlights

Overnight trips to Canada

	July 2013	13/12 July % Change	Jan. - July 2013	Year-to-date % Change
United States				
Automobile	1,143,030	0.0	3,869,435	-0.7
Plane	505,106	9.8	2,134,889	4.4
Other	230,663	-4.5	744,997	-0.2
US Total	1,878,799	1.9%	6,749,321	0.9%
Core Markets				
UK	87,451	5.8	356,414	-3.1
France	67,148	-3.4	245,534	-2.4
Germany	43,928	-0.5	162,020	-4.0
Australia	32,096	-0.1	146,193	0.6
Core Total	230,623	0.9%	910,161	-2.5%
Emerging/Transition Markets				
Japan	24,988	-2.2	117,281	0.6
South Korea	21,794	3.2	84,410	2.2
Mexico	24,640	-3.1	93,988	4.1
Brazil	12,576	-2.6	54,201	2.0
China	52,690	16.3	188,930	19.1
India	16,900	-0.5	88,370	-3.2
Emerging/Transition Markets Total	153,588	4.3%	627,180	5.9%
CTC Overseas Key Markets	384,211	2.2%	1,537,341	0.8%
Other Overseas Countries	275,508	-0.6%	1,026,363	1.4%
Total Non-US Countries	659,719	1.1%	2,563,704	1.0%
Total Countries	2,538,518	1.7%	9,313,025	0.9%

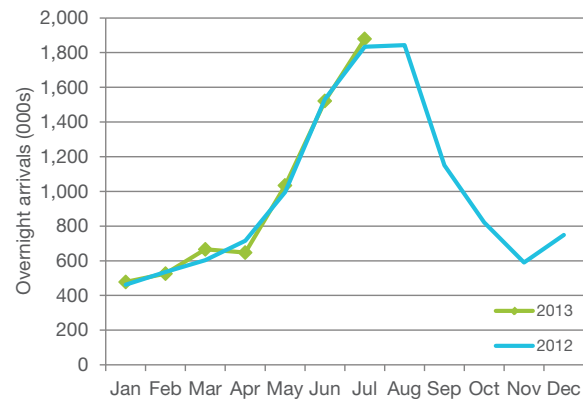
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



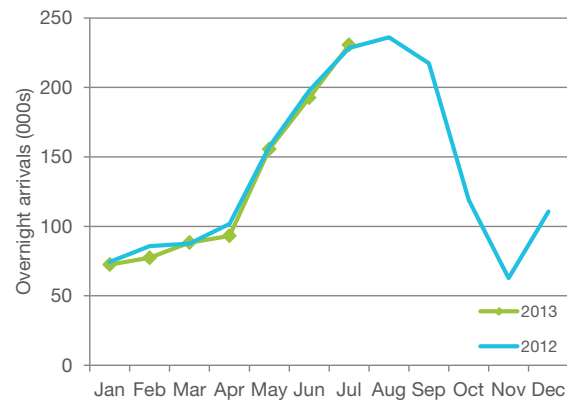
- Canada received approximately 2.54 million international visitors during the month of July, an increase of 1.7% over the number received in the same month in 2012.
- Reversing its previous downwards trend, arrivals from the UK rose 5.8% in July, lifting overall arrivals from CTC's Core markets 0.9% despite declines in France (-3.4%), Germany (-0.5%) and Australia (-0.1%). The year-to-date number of overnight visitors from the Core markets is now 910,161, down 2.5% compared with the same period last year.
- Total arrivals from CTC's Emerging and Transition markets (Japan, South Korea, Mexico, Brazil, China and India) increased 4.3% in July, supported by arrivals from China (+16.3%). Year-to-date arrivals through July numbered 627,180, up 5.9% compared with the same period last year.

United States



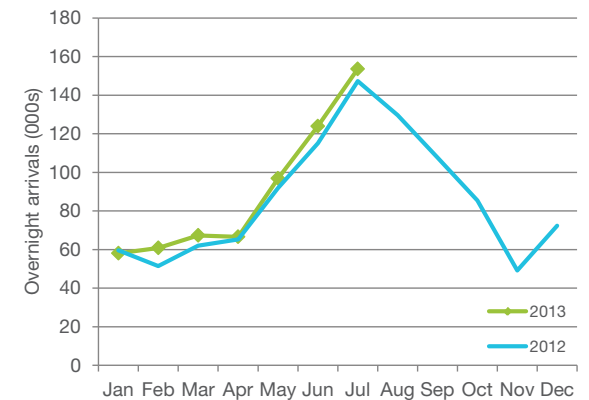
- Overnight arrivals from the US rose 1.9% in July. Auto arrivals were unchanged from last year, while air arrivals surged 9.8%.
- During the first seven months of 2013, US residents took 6.75 million overnight trips to Canada, up 0.9% over last year.
- In July, five provinces recorded gains in border-crossing arrivals by US visitors, with Newfoundland and Labrador (+61.5%), Prince Edward Island (+25.7%) and British Columbia (+8%) seeing the largest increases. For Newfoundland and Labrador, the increase was attributable to a higher number of cruise ship passengers, while Prince Edward Island and British Columbia saw increased air arrivals from the US.

Core Markets



- In contrast to the declines seen from France (-3.4%) and Germany (-0.5%), arrivals from the UK surged 5.8% in July.
- For the first seven months of 2013, all three European markets were below their 2012 levels, with Germany (-4%) posting the largest decline, followed by the UK (-3.1%) and France (-2.4%).
- Arrivals from Australia were flat (-0.1%) in July. Year-to-date arrivals from this market were up 0.6% compared with the same period in 2012.

Emerging Markets



- Supported by growth from China (+16.3%), arrivals from Emerging and Transition markets expanded 4.3% in July.
- Arrivals trends softened in India (-0.5%), Mexico (-3.1%), Brazil (-2.6%) and China (+16.3%) in July amid the ongoing labour disruption at Canadian overseas visa offices.
- Year-to-date July 2013, overall arrivals from CTC's Emerging and Transition markets grew 5.9% compared with last year. The best performers were China (+19.1%), Mexico (+4.1%) and South Korea (+2.2%).

Market Watch

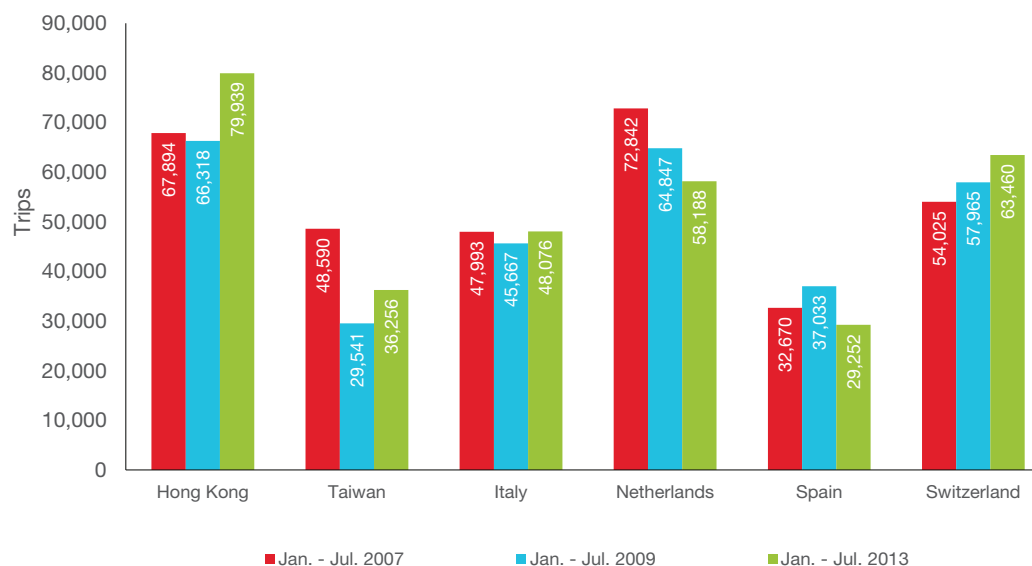
- Arrivals from other selected European markets declined in July, with Spain (-19.8%), Netherlands (-8.6%), Italy (-7.3%) and Switzerland (-5.6%) all posting losses.
- In July, arrivals from Hong Kong (+12.2%) and Taiwan (+18.7%) expanded, building strongly on previous gains.
- Year-to-date July 2013, arrivals from secondary markets were mixed: Italy (+0.1%), Hong Kong (+9%) and Taiwan (+13.3%) realized gains, while the Netherlands (-3.4%), Spain (-2.9%) and Switzerland (-2.7%) saw modest losses.
- When compared with the year-to-date results for July 2007, Hong Kong saw the largest gain in overnight arrivals (+17.7%), followed by Switzerland (+17.5%) and Italy (+0.2%). Taiwan and the Netherlands posted significant declines, down 25.4% and 20.1% respectively.

Travel Characteristics

Highlights (Q1-2013)

The International Travel Survey is currently going through a modernization initiative, and consequently, we anticipate that the next release by Statistics Canada will be at the end of November 2013.

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

	July 2013	13/12 July % Change	Jan. - July 2013	Year-to-date % Change
Italy	13,491	-7.3	48,076	0.1
Netherlands	19,677	-8.6	58,188	-3.4
Spain	8,842	-19.8	29,252	-2.9
Switzerland	24,373	-5.6	63,460	-2.7
Hong Kong	21,018	12.2	79,939	9.0
Taiwan	10,065	18.7	36,256	13.3

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

Competitive review (January - June 2013)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		13/12 Change		13/12 Change
Total International	6,774.5	0.7%	3,010.8	4.4%
United States	4,870.5	0.5%	248.7	5.6%
Canada	58.3	-4.1%
Core Markets				
United Kingdom	269.0	-5.7%	298.4	3.8%
France	178.4	-2.0%	45.3	7.3%
Germany	118.1	-5.2%	71.7	4.7%
Australia	114.1	0.8%
Emerging/Transition Markets				
Japan	92.3	1.4%	143.5	-9.2%
South Korea	62.6	1.9%	95.3	-2.3%
Mexico ¹	69.3	7.0%
Brazil	41.6	3.5%	16.0	11.1%
China	136.2	20.2%	373.3	18.7%
India	71.5	-3.8%	85.0	6.0%
Total Key Markets	6,023.7	0.5%	1,435.5	5.6%

...Not applicable. or data not available.

Note: Statistics Canada preliminary figures.

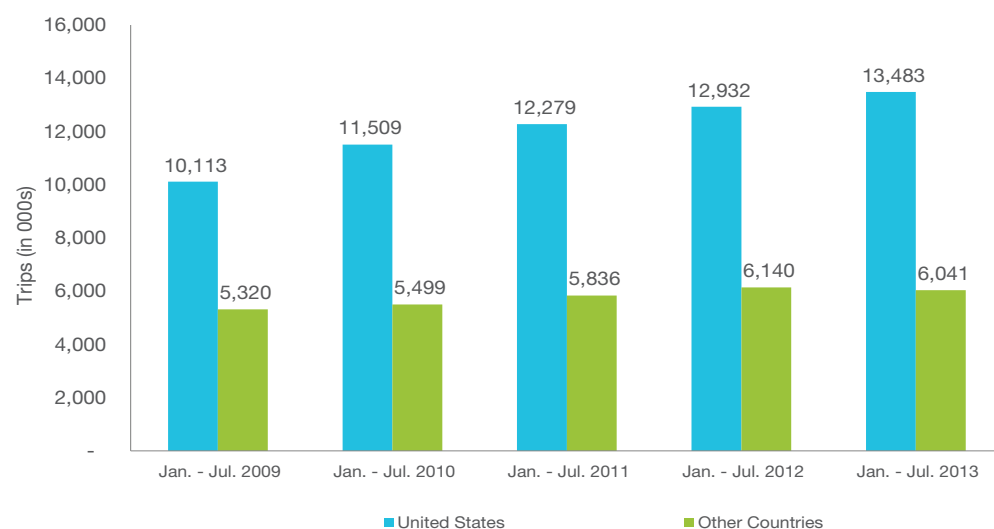
Sources: Statistics Canada; Tourism Australia.

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

- In the first half of 2013, Australia saw a 4.4% increase in arrivals and Canada saw a 0.7% increase over the same period last year.
- Both Australia (+18.7%) and Canada (+20.2%) saw arrivals from China expand during the first six months of 2013.
- Arrivals to Canada from both the UK (-5.7%) and France (-2%) declined, while arrivals to Australia from the UK (+3.8%) and France (+7.3%) increased.
- Australia experienced decreases in overnight arrivals from Japan (-9.2%) and South Korea (-2.3%), while Canada registered gains in Japanese (+1.4%) and South Korean (+1.9%) arrivals.

Canadian outbound trips

Overnight trips by Canadians



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

- In July 2013, Canadian outbound travel declined 2% compared with the same period last year to approximately 3.14 million trips.
- The number of Canadians visiting the US during the month of July fell 2.7% to 2.46 million trips, while Canadian overnight travel to overseas destinations (excluding the US) rose 0.7% to 685,447 trips.
- For the first seven months of 2013, outbound trips by Canadians increased 2.4% compared with 2012 to over 19.5 million trips.
- In July, most Canadians re-entered the country from the US through Ontario (982,496 entries, -5%), British Columbia (555,083 entries, +0.6%) and Quebec (538,448 entries, -0.4%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in July 2013 (339,159 entries, +0.5%), followed by Quebec (185,577 entries, +1.4%) and British Columbia (98,953 entries, -1.7%).

Overnight trips by Canadians

	July 2013	13/12 July % Change	Jan. - July 2013	Year-to-date % Change
United States	2,456,865	-2.7	13,483,140	4.3
Other Countries	685,447	0.7	6,040,975	-1.6
Total Trips from Canada	3,142,312	-2.0	19,524,115	2.4

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

Consumer outlook

Consumer confidence

- **Canada:** After two consecutive months of significant increases, the Index of Consumer Confidence slid marginally in July to 82.6 (2002 = 100), a decrease of 0.9 points. This month's survey results indicate that while Canadians are more negative about their financial situation, they are slightly more positive with respect to future job creation and spending on big items.
- **USA:** The Conference Board Consumer Confidence Index®, which had improved in June, pulled back slightly in July. The Index now stands at 80.3 (1985=100), down from 82.1 in June.

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

Accommodations

- In July 2013, the National Occupancy Rate rose to 72.1%, up 1.1 points compared with the previous year.
- Year-to-date July 2013, the National Occupancy Rate recorded a marginal increase of 0.5 points to 61.4%. Seven provinces saw higher occupancy, with Northwest Territories registering the largest increase (+5.8 points), followed by Alberta (+2 points) and Newfoundland and Labrador (+1.7 points).
- For the seven months of 2013, the National Average Daily Rate improved to \$131.13, up 1.7% compared with the same period in 2012. Northwest Territories, British Columbia, Alberta, Quebec and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- Year-to-date July 2013, the Average Revenue per Available Room (RevPAR) was \$80.58 (+2.5%), with Northwest Territories posting the strongest growth (+8.4%, \$104.97) followed by Alberta (+7%, \$92.44).

Canadian Occupancy Rates, By Province*

	July 2013	13/12 Change [^]	Jan. - July 2013	Year-to-date Change [^]
Alberta ¹	73.0	2.0	67.2	2.0
British Columbia	76.6	3.1	60.0	0.5
Saskatchewan	69.1	-1.3	67.1	-1.0
Manitoba	60.7	-6.6	61.6	-1.9
Ontario	70.0	0.6	60.8	0.6
Quebec	70.4	1.1	60.9	0.2
New Brunswick	72.2	3.3	53.4	0.0
Nova Scotia	73.1	-1.5	56.6	-2.2
Newfoundland	75.0	1.8	69.3	1.7
Prince Edward Island	75.2	7.5	43.8	0.4
Northwest Territories	73.2	12.2	68.3	5.8
Yukon	87.1	-2.9	65.1	-6.4
Canada	72.1	1.1	61.4	0.5

* Note: Based on the operating results of 222,683 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.