



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 1.9% in October 2013 on strength from the Core markets (+3.1%) and the US (+2.1%). Arrivals from Emerging and Transition markets slipped 2.1%.
- Overnight arrivals from the US rose 2.1% in October 2013. While air (+2.4%) and auto (+3.3%) arrivals expanded, those coming by other modes (-4.5%) declined. Year-to-date October 2013, overnight arrivals from the US are up 1% over 2012.
- Although arrivals from the UK fell 3.1% in October, arrivals from France (+4.7%) continued their upward momentum, while those from Germany (+12.8%) and Australia (+4.5%) showed healthy gains as well, leading the Core markets to a 3.1% gain overall.
- Arrivals from CTC's Emerging and Transition markets declined 2.1% in October, as seasonal low growth and air capacity reductions weighed on the results. Arrivals from Mexico (+6.4%), China (+5.8%) and India (+3%) increased, while those from South Korea (-0.7%), Brazil (-10.8%) and Japan (-12%) declined.
- In the first 10 months of 2013, overnight arrivals from CTC overseas markets increased 2.7%: Emerging and Transition markets (+7.4%), led by China (+22.5%), outperformed CTC's Core markets (-0.2%).

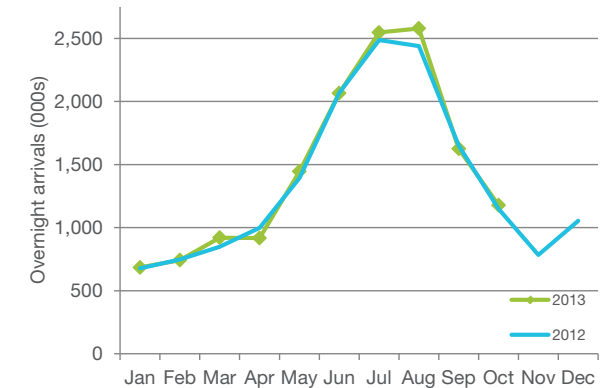
Tourism review Inbound highlights

Overnight trips to Canada

	Oct. 2013	13/12 Oct. % Change	Jan. - Oct. 2013	Year-to-date % Change
United States				
Automobile	462,603	3.3	6,107,041	-0.4
Plane	295,794	2.4	3,267,743	5.0
Other	88,790	-4.5	1,266,830	-1.4
US Total	847,187	2.1%	10,641,614	1.0%
Core Markets				
UK	46,048	-3.1	575,535	-1.3
France	36,194	4.7	412,426	0.7
Germany	24,794	12.8	284,785	-1.1
Australia	15,567	4.5	229,371	2.0
Core Total	122,603	3.1%	1,502,117	-0.2%
Emerging/Transition Markets				
Japan	22,920	-12.0	201,391	-0.7
South Korea	12,088	-0.7	128,079	4.4
Mexico	7,615	6.4	131,961	5.0
Brazil	5,919	-10.8	80,681	2.5
China	26,367	5.8	312,370	22.5
India	8,697	3.0	128,551	-1.2
Emerging/Transition Markets Total	83,606	-2.1%	983,033	7.4%
CTC Overseas Key Markets	206,209	0.9%	2,485,150	2.7%
Other Overseas Countries	124,920	1.4%	1,576,354	2.5%
Total Non-US Countries	331,129	1.1%	4,061,504	2.6%
Total Countries	1,178,316	1.8%	14,703,118	1.5%

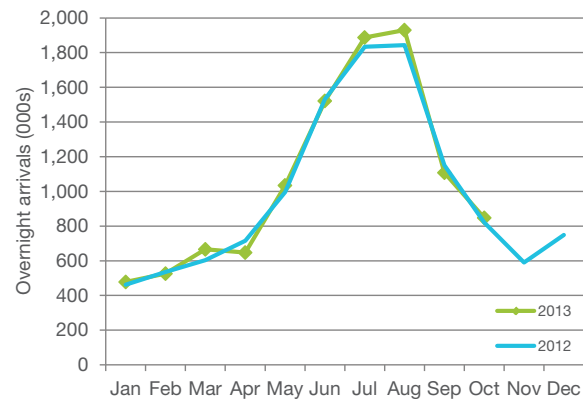
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



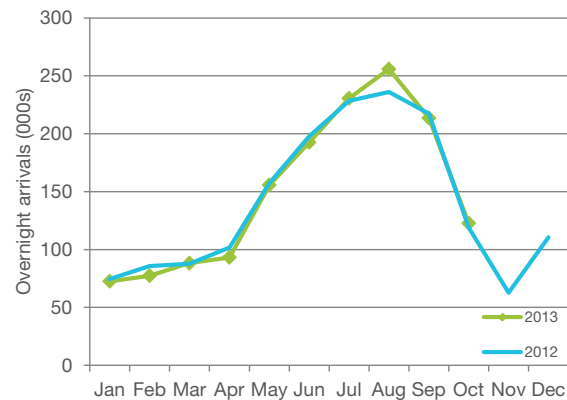
- Canada welcomed approximately 1.18 million international visitors in October, an increase of 1.8% compared with the same month in 2012.
- Overnight arrivals from Germany (+12.8%), France (+4.7%) and Australia (+4.5%) rose in October, while those from the UK declined (-3.1%). The year-to-date number of overnight visitors from the Core markets is now 1,502,117 (-0.2%), slightly below the same period last year.
- Total arrivals from CTC's Emerging and Transition markets (Japan, South Korea, Mexico, Brazil, China and India) slipped 2.1% in October on weakness from Japan (-12%) and Brazil (-10.8%). Year-to-date arrivals through October numbered 983,033, up 7.4% compared with the same period last year.

United States



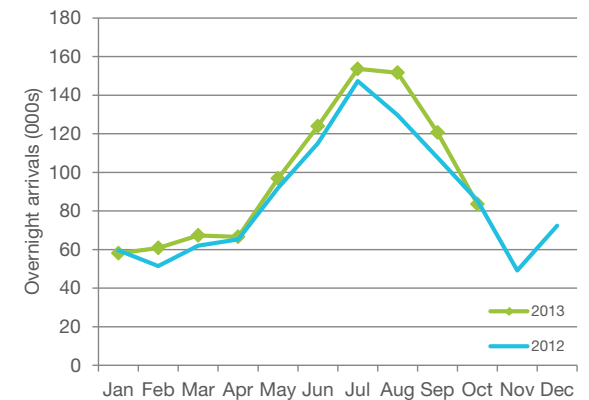
- Overnight visitation from the US rose 2.1% in October on strength from both auto (+3.3%) and air (+2.4%) arrivals. The number of travellers arriving by other means fell 4.5%.
- During the first 10 months of 2013, US residents took 10.6 million overnight trips to Canada, up 1% over last year. Overnight air arrivals (+5%) outperformed all other entry modes.
- In October, seven provinces saw gains in the number of overnight US border-crossing arrivals, with New Brunswick (+25%) reporting the largest increase, due to a 43.8% increase in the number of American visitors arriving by cruise ship.

Core Markets



- Contrary to the decline seen in the UK (-3.1%), arrivals from Germany (+12.8%) and France (+4.8%) surged ahead in October.
- For the first 10 months of 2013, arrivals from the UK (-1.3%) and Germany (-1%) remained below their 2012 levels, while France (+0.7%) came out slightly ahead.
- Arrivals from Australia rose 4.5% in October. Year-to-date arrivals from this market were up 2% compared with the same period in 2012.

Emerging Markets



- In October, arrivals from Emerging and Transition markets were mixed and declined 2.1% overall compared with the same period last year.
- In a period of seasonally low growth, arrivals from Mexico (+6.4%), China (+5.8%) and India (+3%) expanded in October, while those from South Korea (-0.7%) and Brazil (-10.8%) contracted.
- Arrivals from Japan (-12%) were impacted by lower fall air capacity to British Columbia compared with last year. Also, uncertainties surrounding aircraft availability following the grounding of the ANA and JAL 787 Dreamliner fleets earlier this year led tour operators to curtail their offers for fall colours tours to Eastern Canada.
- Year-to-date October 2013, overall arrivals from CTC's Emerging and Transition markets grew 7.4% compared with last year. The best performers were China (+22.5%), Mexico (+5%) and South Korea (+4.4%).

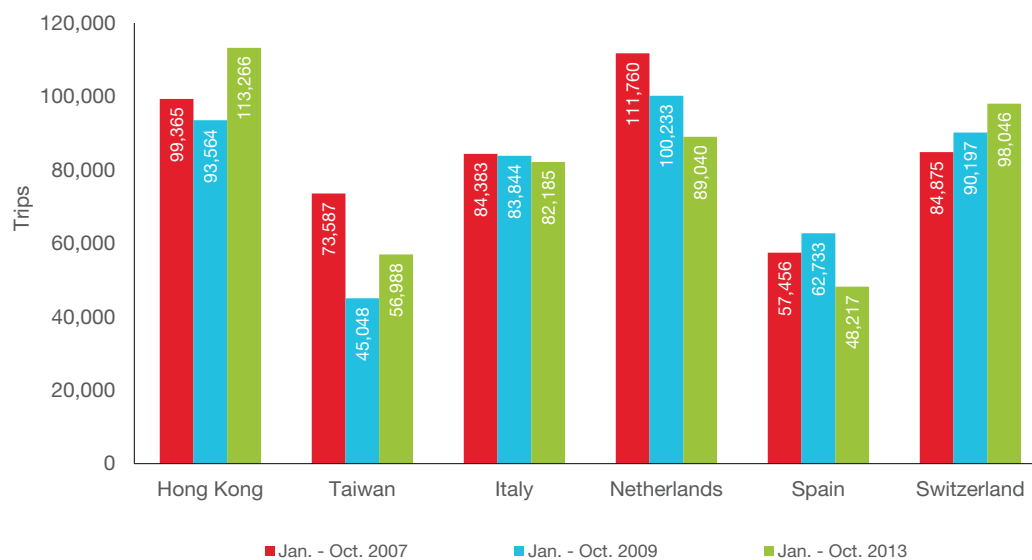
Market Watch

- Arrivals from other selected European markets were generally positive in October: Spain (-6.9%) declined, but those from Netherlands (+0.3%), Switzerland (+1.8%) and Italy (+9.4%) increased.
- In October, arrivals from Hong Kong (+6.7%) and Taiwan (+17.3%) expanded, building on previous gains.
- Year-to-date October 2013, arrivals from secondary markets were mixed: Hong Kong (+8%) and Taiwan (+18.2%) realized gains, while the European markets of Spain (-3.8%), Netherlands (-3.4%), Switzerland (-2.1%) and Italy (-1.2%) saw modest losses.
- When compared with the pre-recession year-to-date results for October 2007, Switzerland saw the largest gain in overnight arrivals (+15.5%), followed by Hong Kong (+14%). Taiwan and Netherlands posted significant declines, down 22.6% and 20.3% respectively.

Travel Characteristics Highlights (Q1-2013)

The International Travel Survey is currently going through a modernization initiative. We anticipate that the next release by Statistics Canada will be in Q1 2014.

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

	Oct. 2013	13/12 Oct. % Change	Jan. - Oct. 2013	Year-to-date % Change
Italy	6,729	9.4	82,185	-1.2
Netherlands	6,600	0.3	89,040	-3.4
Spain	3,403	-6.9	48,217	-3.8
Switzerland	6,872	1.8	98,046	-2.1
Hong Kong	7,821	6.7	113,266	8.0
Taiwan	5,974	17.3	56,988	18.2

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

Competitive review (January - September 2013)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		13/12 Change		13/12 Change
Total International	13,524.8	1.4%	4,570.2	4.9%
United States	9,794.4	0.9%	356.1	4.2%
Canada	80.2	-4.1%
Core Markets				
United Kingdom	529.5	-1.2%	406.7	4.5%
France	376.2	0.3%	71.7	6.7%
Germany	260.0	-2.2%	109.0	4.3%
Australia	213.8	1.8%
Emerging/Transition Markets				
Japan	178.5	1.0%	238.2	-8.3%
South Korea	116.0	4.9%	141.1	-1.0%
Mexico	124.3	4.9%
Brazil	74.8	3.7%	23.2	9.4%
China	286.0	24.3%	564.7	20.0%
India	119.9	-1.5%	121.4	8.8%
Total Key Markets	12,073.4	1.3%	2,112.3	6.0%

...Not applicable. or data not available.

Note: Statistics Canada preliminary figures.

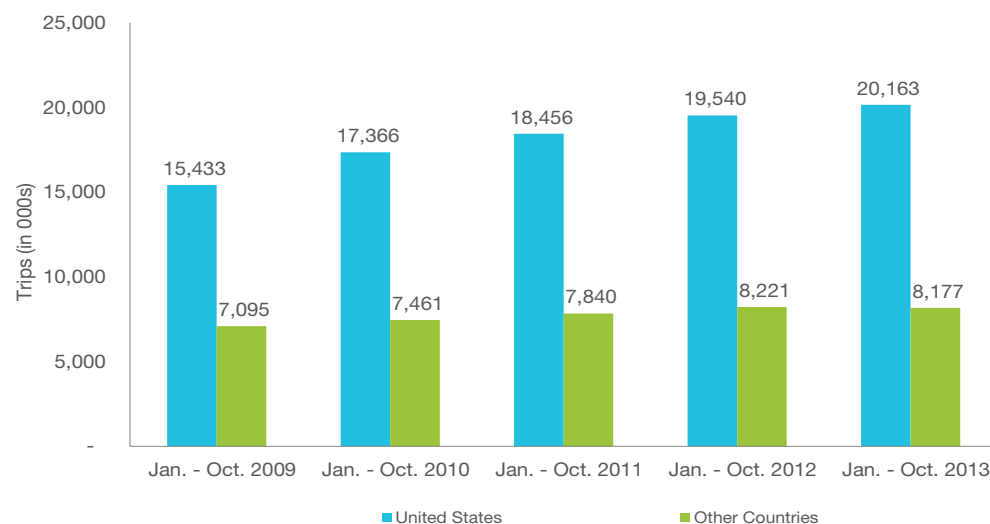
Sources: Statistics Canada; Tourism Australia.

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

- Through the first three quarters of 2013, Australia saw a 4.9% increase in arrivals and Canada saw a 1.4% increase over the same period last year.
- Both Australia (+20%) and Canada (+24.3%) saw arrivals from China expand during the first nine months of 2013.
- Arrivals to Canada from both the UK (-1.2%) and Germany (-2.2%) declined, while arrivals to Australia from the UK (+4.5%) and Germany (+4.3%) increased. Arrivals from France to both Canada (+0.3%) and Australia (+6.7%) rose during the first nine months of 2013.
- Australia experienced decreases in overnight arrivals from Japan (-8.3%) and South Korea (-1%), while Canada registered gains in Japanese (+1%) and South Korean (+4.9%) arrivals.

Canadian outbound trips

Overnight trips by Canadians



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

- In October 2013, Canadian outbound travel increased 1.1% compared with the same period last year to approximately 2.35 million trips.
- The number of Canadians visiting the US during the month of October rose 0.7% to 1.73 million. Canadian overnight travel to overseas destinations (excluding the US) rose 2.2% to 614,051 trips.
- For the first 10 months of 2013, outbound trips by Canadians increased 2.1% over 2012 to 28.3 million.
- In October, most Canadians re-entered the country from the US through Ontario (796,461 entries, +0.4%), British Columbia (361,331 entries, -1.4%) and Quebec (273,886 entries, +8.1%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in October 2013 (315,181 entries, +3.9%), followed by Quebec (139,820 entries, -0.1%) and British Columbia (103,144 entries, +2.1%).

Overnight trips by Canadians

	Oct. 2013	13/12 Oct. % Change	Jan. - Oct. 2013	Year-to-date % Change
United States	1,733,519	0.7	20,162,565	3.2
Other Countries	614,051	2.2	8,177,377	-0.5
Total Trips from Canada	2,347,570	1.1	28,339,942	2.1

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

Consumer outlook

Consumer confidence

- **Canada:** After gaining in each of the last two months, the Index of Consumer Confidence slid back in October, declining two points to 88.9 (2002 = 100). Future job opportunities remain a concern for Canadians.
- **USA:** The Conference Board Consumer Confidence Index®, which had declined moderately in September, decreased sharply in October. The Index now stands at 71.2 (1985=100), down from 80.2 in September.

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

Accommodations

- In October 2013, the National Occupancy Rate rose to 66%, up 1.5 points compared with the previous year.
- Year-to-date October 2013, the National Occupancy Rate recorded a modest increase of 0.8 points to 64.6%. Seven provinces saw higher occupancy, with Northwest Territories registering the largest increase (+6.0 points), followed by Alberta (+2.4 points) and Newfoundland and Labrador (+2.2 points).
- For the first 10 months of 2013, the National Average Daily Rate improved to \$133.16, up 2.1% 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.
- This year through the end of October 2013, the Average Revenue per Available Room (RevPAR) was \$85.98 (+3.4%), with Northwest Territories posting the strongest growth (+8.1%, \$108.28) followed by Alberta (+7.4%, \$95.33).

Canadian Occupancy Rates, By Province*

	Oct. 2013	13/12 Change [^]	Jan. - Oct. 2013	Year-to-date Change [^]
Alberta ¹	73.4	3.7	69.3	2.4
British Columbia	58.7	1.8	63.6	1.4
Saskatchewan	72.9	-0.9	68.6	-0.8
Manitoba	63.0	-4.5	62.1	-2.6
Ontario	67.4	1.4	63.9	0.6
Quebec	67.8	0.7	64.3	0.3
New Brunswick	57.8	-1.1	57.5	0.3
Nova Scotia	65.7	0.3	61.3	-2.0
Newfoundland	75.3	2.6	73.4	2.2
Prince Edward Island	40.0	-6.1	49.6	-0.1
Northwest Territories	61.6	2.4	70.6	6.0
Yukon	60.2	0.4	67.5	-6.0
Canada	66.0	1.5	64.6	0.8

* Note: Based on the operating results of 222,406 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.