



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 slipped 0.2% in December 2013, as a decline in visitors from the US (-1.3%) outweighed gains from CTC's Emerging and Transition (+8.6%) and Core (+2.2%) markets. For all of 2013, arrivals from CTC's international markets rose 1.4% compared with 2012.
- Overnight arrivals from the US declined 1.3% in December 2013. Arrivals by air (+2.6%) continued to outperform those by auto (-3.9%). At year-end 2013, overnight arrivals from the US were up 1% over 2012.
- While the number of overnight visitors from the UK fell 2% in December 2013, increased arrivals from Germany (+7.4%), France (+6.2%) and Australia (+2.6%) led CTC's Core markets to a 2.2% gain overall.
- Led by China (+23.8%), Mexico (+12.7%) and India (+9.2%), arrivals from CTC's Emerging and Transition markets expanded 8.6% in December. Arrivals from Japan increased 1.5%, while those from South Korea (-6.5%) and Brazil (-1%) declined.
- In 2013, overnight arrivals from CTC overseas markets increased 2.8% compared with 2012: Emerging and Transition markets (+7.4%), led by China (+22.3%), outperformed CTC's Core markets (+0.1%).

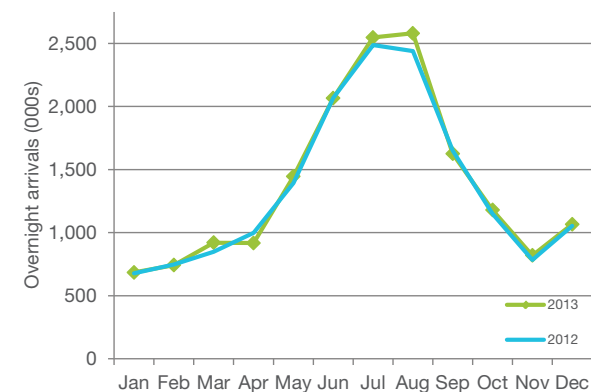
Tourism review Inbound highlights

Overnight trips to Canada

	Dec. 2013	13/12 Dec. % Change	Jan. - Dec. 2013	Year-to-date % Change
United States				
Automobile	431,573	-3.9	6,896,540	-0.5
Plane	276,161	2.6	3,770,362	4.9
Other	40,448	0.4	1,341,074	-1.3
US Total	748,182	-1.3%	12,007,976	1.0%
Core Markets				
UK	44,209	-2.0	645,697	-1.3
France	30,430	6.2	459,475	0.9
Germany	14,472	7.4	311,379	-0.1
Australia	23,927	2.6	264,207	2.4
Core Total	113,038	2.2%	1,680,758	0.1%
Emerging/Transition Markets				
Japan	13,177	1.5	224,858	-0.6
South Korea	9,816	-6.5	144,583	3.3
Mexico	12,038	12.7	150,896	6.3
Brazil	9,050	-1.0	93,757	0.2
China	23,562	23.8	352,597	22.3
India	10,942	9.2	147,099	0.3
Emerging/Transition Markets Total	78,585	8.6%	1,113,790	7.4%
CTC Overseas Key Markets	191,623	4.8%	2,794,548	2.9%
Other Overseas Countries	125,946	3.5%	1,787,170	2.6%
Total Non-US Countries	317,569	4.3%	4,581,718	2.8%
Total Countries	1,065,751	0.3%	16,589,694	1.5%

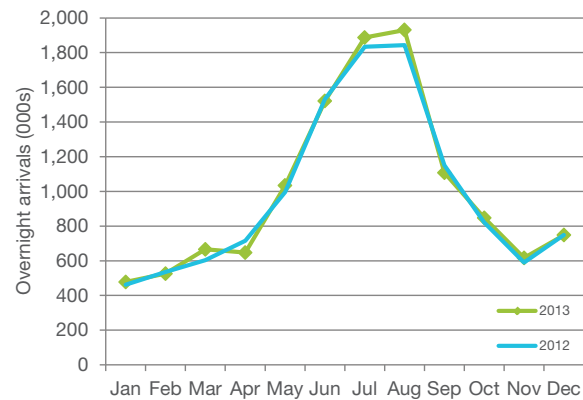
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



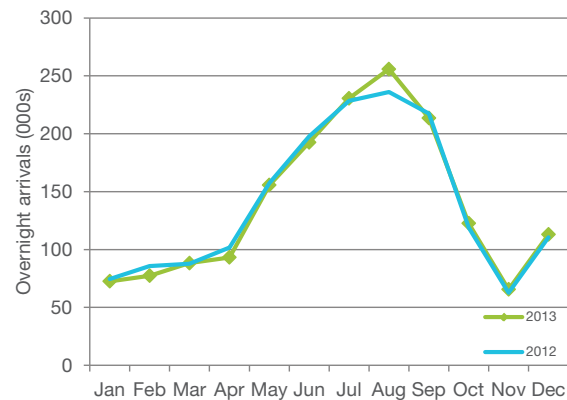
- Canada welcomed approximately 1.07 million international visitors in December, an increase of 0.3% compared with the same month in 2012.
- Overnight arrivals from Germany (+7.4%), France (+6.2%) and Australia (+2.6%) rose in December, while those from the UK declined (-2%). In 2013, the number of overnight visitors from the Core markets was 1,680,758 (+0.1%), virtually unchanged from the previous year.
- Total arrivals from CTC's Emerging and Transition markets (Japan, South Korea, Mexico, Brazil, China and India) rose 8.6% in December on strength from China (+23.8%), Mexico (+12.7%) and India (+9.2%). Arrivals for all of 2013 numbered 1,113,790, up 7.4% over 2012.

United States



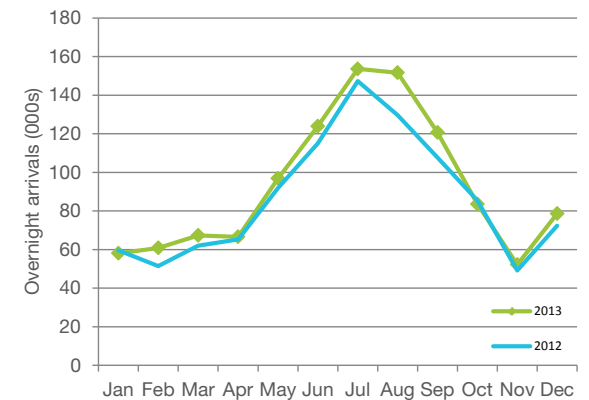
- Overnight visitation from the US fell 1.3% in December due to a 3.9% decline in auto arrivals. Air arrivals increased 2.6%, while the number of travellers arriving by other means edged up 0.4%.
- In 2013, US residents took 12 million overnight trips to Canada, up 1% over the previous year. Overnight air arrivals (+4.9%) outperformed all other entry modes.
- In December, only the provinces of Quebec (+3%) and Alberta (+1.3%) saw gains in the number of overnight US border-crossing arrivals.

Core Markets



- Contrary to the decline seen in the UK (-2%), arrivals from Germany (+7.4%) and France (+6.2%) surged ahead in December.
- Arrivals from the three European Core markets were relatively flat in 2013 compared with the previous year. The UK (-1.3%) and Germany (-0.1%) saw modest declines, while France (+0.9%) came out slightly ahead.
- In December 2013, arrivals from Australia increased 2.6%. For all of 2013, arrivals from this market were up 2.4% over 2012.

Emerging Markets



- Led by China (+23.8%), Mexico (+12.7%) and India (+9.2%), arrivals from Emerging and Transition markets rose 8.6% in December over the same period in the previous year.
- Arrivals from South Korea (-6.5%) and Brazil (-1%) declined in December, while those from Japan increased 1.5%.
- In 2013, overall arrivals from CTC's Emerging and Transition markets grew 7.4% compared with last year. The best performers were China (+22.3%), Mexico (+6.3%) and South Korea (+3.3%).

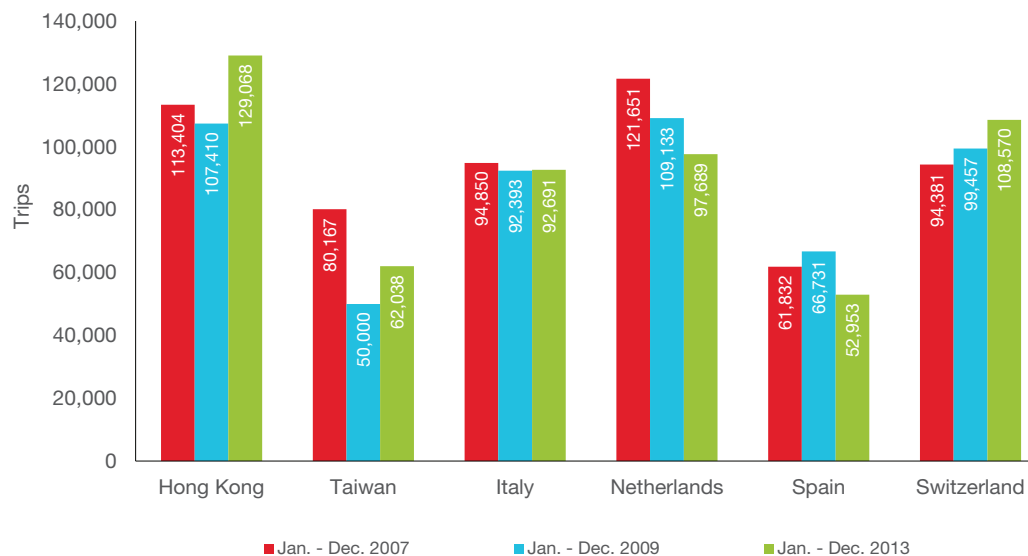
Market Watch

- Arrivals from other selected European markets were positive in December 2013: Switzerland (+12.2%), Spain (+7.3%), Italy (+6.9%) and Netherlands (+4.2%) all moved ahead over the same period in the previous year.
- In December, arrivals from Hong Kong (-2.3%) and Taiwan (-6.3%) declined, breaking a streak of year-over-year gains.
- At year-end 2013, arrivals from secondary markets were mixed: Hong Kong (+7.5%) and Taiwan (+16.7%) expanded, while the European markets of Netherlands (-2.9%), Spain (-2.7%), Switzerland (-1.3%) and Italy (-0.5%) declined compared with 2012.
- When 2013 is compared with the pre-recession results for 2007, Switzerland saw the largest gain in overnight arrivals (+15%), followed by Hong Kong (+13.8%). Taiwan and Netherlands posted significant declines, down 22.6% and 19.7% 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

	Dec. 2013	13/12 Dec. % Change	Jan. - Dec. 2013	Year-to-date % Change
Italy	5,925	6.9	92,691	-0.5
Netherlands	5,022	4.2	97,689	-2.9
Spain	2,471	7.3	52,953	-2.7
Switzerland	6,735	12.2	108,570	-1.3
Hong Kong	9,509	-2.3	129,068	7.5
Taiwan	2,497	-6.3	62,038	16.7

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

Competitive review (January - November 2013)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		13/12 Change		13/12 Change
Total International	15,522.0	1.6%	5,693.0	4.9%
United States	11,257.9	1.2%	445.5	5.4%
Canada	104.0	-0.1%
Core Markets				
United Kingdom	601.5	-1.2%	523.4	4.9%
France	429.0	0.6%	90.9	6.6%
Germany	296.9	-0.4%	140.3	3.9%
Australia	240.3	2.3%
Emerging/Transition Markets				
Japan	211.7	-0.7%	296.1	-7.7%
South Korea	134.8	4.1%	173.3	-1.6%
Mexico	138.9	5.8%
Brazil	84.7	0.3%	28.1	8.9%
China	329.0	22.2%	659.7	15.3%
India	136.1	-0.4%	151.1	10.5%
Total Key Markets	13,860.8	1.5%	2,612.4	5.4%

- Year-to-date November 2013, Australia saw a 4.9% increase in arrivals and Canada saw a 1.6% increase over the same period in the previous year.
- Both Australia (+15.3%) and Canada (+22.2%) saw arrivals from China expand during the first 11 months of 2013.
- Arrivals to Canada from both the UK (-1.2%) and Germany (-0.4%) declined, while arrivals to Australia from the UK (+4.9%) and Germany (+3.9%) increased. Arrivals from France to both Canada (+0.6%) and Australia (+6.6%) rose during the first 11 months of 2013.
- Australia experienced decreases in overnight arrivals from Japan (-7.7%) and South Korea (-1.6%), while Canada had mixed results, with a decline from Japan (-0.7%) and an increase from South Korea (+4.1%).

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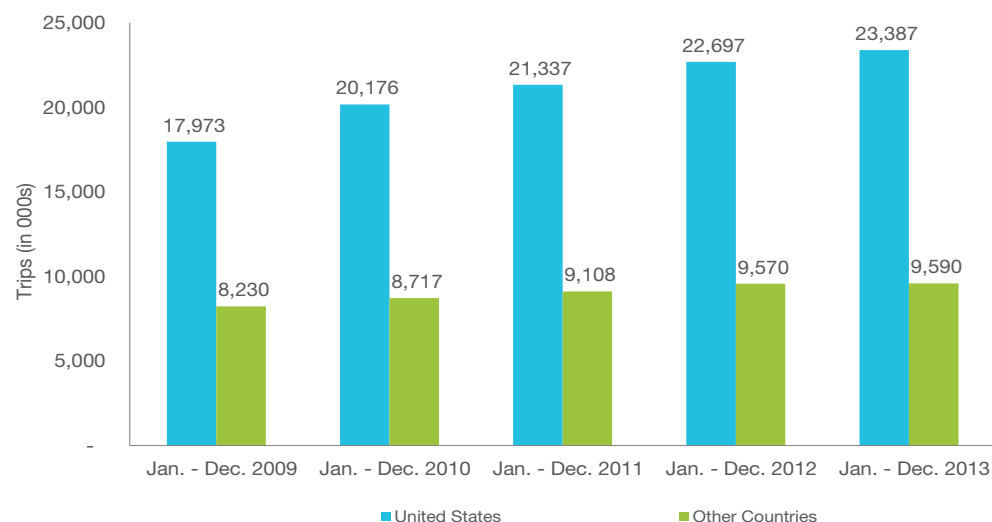
Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia.

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

Canadian outbound trips

Overnight trips by Canadians



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

- In December 2013, Canadian outbound travel increased 4.3% compared with the same period in the previous year to approximately 2.35 million trips.
- The number of Canadians visiting the US during the month of December rose 5.6% to 1.59 million. Canadian overnight travel to overseas destinations (excluding the US) rose 1.8% to 758,324 trips.
- For all of 2013, outbound trips by Canadians increased 2.2% over 2012 to nearly 33 million.
- In December, most Canadians re-entered the country from the US through Ontario (766,314 entries, +7.7%), British Columbia (348,767 entries, -1.1%) and Quebec (218,008 entries, +15.1%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in December 2013 (359,635 entries, +1.3%), followed by Quebec (167,930 entries, +2%) and British Columbia (121,987 entries, +0%).

Overnight trips by Canadians

	Dec. 2013	13/12 Dec. % Change	Jan. - Dec. 2013	Year-to-date % Change
United States	1,592,051	5.6	23,387,275	3.0
Other Countries	758,324	1.8	9,589,501	0.2
Total Trips from Canada	2,350,375	4.3	32,976,776	2.2

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

Consumer outlook

Consumer confidence

- **Canada:** The Index of Consumer Confidence decreased for a third consecutive month in December, this time by 6.6 points to 80.5 (2002 = 100). Pessimistic attitudes were on the rise during the all-important holiday shopping season, which was disheartening to retailers.
- **USA:** The Conference Board Consumer Confidence Index®, which had decreased in November, rebounded in December. The Index now stands at 78.1 (1985=100), up from 72.0 in November.

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

Accommodations

- In December 2013, the National Occupancy Rate rose to 48.2%, up 2.1 points compared with the previous year.
- For all of 2013, the National Occupancy Rate recorded a modest increase of 1 point to 62.8%. Seven provinces saw higher occupancy, with Northwest Territories registering the largest increase (+5.5 points), followed by Alberta (+2.4 points), Newfoundland and Labrador (+1.6 points) and British Columbia (+1.6 points).
- In 2013, the National Average Daily Rate improved to \$132.53, up 2.2% 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.
- At year-end 2013, the Average Revenue per Available Room (RevPAR) was \$83.29 (+3.8%), with Northwest Territories posting the strongest growth (+7.8%, \$107.11) followed by Alberta (+7.7%, \$93.81).

Canadian Occupancy Rates, By Province*

	Dec. 2013	13/12 Change [^]	Jan. - Dec. 2013	Year-to-date Change [^]
Alberta ¹	53.9	3.0	68.2	2.4
British Columbia	45.9	2.6	61.1	1.6
Saskatchewan	50.1	-1.5	67.2	-0.9
Manitoba	48.4	0.3	60.9	-2.7
Ontario	48.4	3.0	62.4	0.8
Quebec	49.3	0.6	62.5	0.5
New Brunswick	35.3	0.2	55.4	0.6
Nova Scotia	38.3	1.1	59.0	-1.5
Newfoundland	45.5	-3.9	70.8	1.6
Prince Edward Island	25.2	-2.9	47.1	-0.2
Northwest Territories	62.2	5.7	69.5	5.5
Yukon	48.8	1.1	64.8	-4.8
Canada	48.2	2.1	62.8	1.0

* Note: Based on the operating results of 220,062 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 2013 – Q4 2013

- GDP growth worldwide was generally positive in Q4 2013. While Mexico (+0.8%), Brazil (+1.7%) and China (+7.7%) expanded at a slower pace compared with Q3 2013 over the year-ago period, all other CTC markets experienced quickening growth.
- In Q4 2013, the inflation rates of the Mexico, Australia, China and Japan rose, while those of all other CTC markets were flat or declined. Due to their strengthening currencies, the European markets in particular saw prices increase at a slower pace.
- Compared with Q3 2013, the Canadian dollar appreciated during Q4 2013 relative to the currency Japan, thereby making Canada a more expensive travel destination for visitors from that country. Conversely, all other CTC markets saw an increase in purchasing power from their currency appreciating against the Canadian dollar, which declined broadly against global currencies in Q4 2013.

Economic Indicators, Q3 2013 – Q4 2013

America

	Canada		US		Mexico		Brazil	
	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013
Real GDP growth (yoy, %)	2.7	2.0	2.0	2.7	1.3	0.8	2.2	1.7
Consumer Price Index (yoy,%)	1.5	0.4	1.6	1.2	3.4	3.7	6.1	5.8
Exchange Rate (1LCU:C\$)	1.000	1.000	1.038	1.050	0.0804	0.0806	0.454	0.461

Europe

	France		Germany		UK	
	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013
Real GDP growth (yoy, %)	0.3	0.8	0.6	1.4	1.9	2.8
Consumer Price Index (yoy,%)	0.9	0.6	1.7	1.3	2.7	2.1
Exchange Rate (1LCU:C\$)	1.376	1.430	1.376	1.430	1.612	1.700

Asia Pacific

	Australia		China		Japan		South Korea		India	
	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013	Q3 2013	Q4 2013
Real GDP growth (yoy, %)	2.3	2.5	7.9	7.7	2.4	2.7	3.3	4.0	4.8	4.8
Consumer Price Index (yoy,%)	2.2	2.7	2.8	2.9	0.9	1.4	1.4	1.1	10.8	10.6
Exchange Rate (1LCU:C\$)	0.952	0.973	0.169	0.172	0.0105	0.0104	0.0009	0.0010	0.0160	0.0169

Source: Oxford Economics
Bank of Canada

Note: Exchange rates, average of 20-22 days / July - September 2013 and October - December 2013

CTC Market Research & Evaluation