



# Tourism Snapshot

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





## Key highlights

- 2014 ended on a positive note for Canada, with total international arrivals increasing 3.2% over 2013. While Canada's tourism arrivals are gaining momentum, this is still below the global average growth rate of 4.7%.
- Overnight arrivals from CTC's overseas markets increased at a double-digit pace from January to December 2014, recording a 10.6% gain compared to 2013.
- Overnight arrivals from the US, which represents 70% of international visitors to Canada, edged up only 0.9% in 2014 over 2013.
- The UNWTO (January 2015) reports that global international arrival increased 4.7% in 2014, well above its long-term projection of 3.8%. Canada must continue to actively promote itself on the world stage to capture its fair share of rapidly growing global tourism demand.
- All CTC markets had gains in overnight arrivals in December 2014, with double-digit growth in Asian (15.5%) and Latin American markets (10.6%), and with moderate growth in the core European and Australian markets (+3.0%).
  - The highest level of international arrivals for the month of December ever was recorded, achieving a new peak of 1.125 million visitors to Canada.
  - In December, five markets had their highest level of overnight arrivals for that month ever: China (+19.6%), India (+15.8%), Australia (+13.8%), Brazil (+8.7%) and France (+3.2%).
  - Overnight arrivals from CTC Latin America rose in December 2014, with strong gains registered from both Mexico (+12.1%) and Brazil (+8.7%).
- Total overnight arrivals from the US rose (+4.7%) in December amid the more favourable exchange rate for US visitors. The increase is attributable to higher arrivals by automobile (+4.2%) and air (+7.4%), offsetting the major decline in arrivals by other modes of transport (-8.2%), such as train, boat, and bus.
- From January to December 2014, overnight arrivals from CTC overseas markets increased 10.6%, supported by improvements across all markets in Europe and Australia (+5.1%), Latin America (+11.4%) and Asia (+20.9%).

# Tourism review Inbound highlights

## Overnight trips to Canada

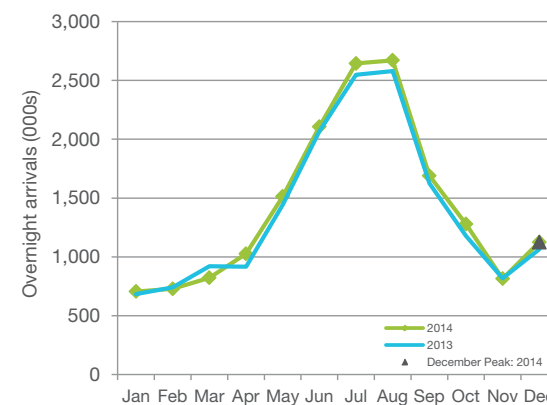
	Dec. 2014	14/13 Dec. % Change	Jan. - Dec. 2014	Year-to-date % Change
<b>United States</b>				
Automobile	449,707	4.2	6,804,383	-1.3
Air	296,716	7.4	4,053,464	7.5
Other	37,144	-8.2	1,255,640	-6.4
<b>US Total</b>	<b>783,567</b>	<b>4.7</b>	<b>12,113,487</b>	<b>0.9</b>
<b>Core Markets</b>				
UK	44,834	1.4	676,328	4.7
France	31,410	3.2	482,362	5.0
Germany	12,927	-10.7	326,808	5.0
Australia	27,228	13.8	280,808	6.3
<b>Core Total</b>	<b>116,399</b>	<b>3.0</b>	<b>1,766,306</b>	<b>5.1</b>
<b>Asia/Latin America Markets<sup>1</sup></b>				
Japan	15,252	15.7	258,457	14.9
South Korea	10,716	9.2	163,089	12.8
Mexico	13,497	12.1	172,604	14.4
Brazil	9,836	8.7	99,901	6.6
China	28,174	19.6	454,030	28.8
India	12,669	15.8	175,536	19.3
<b>Asia/Latin America Markets Total</b>	<b>90,144</b>	<b>14.7</b>	<b>1,323,617</b>	<b>18.8</b>
<b>Overseas Key Markets</b>	<b>206,543</b>	<b>7.8</b>	<b>3,089,923</b>	<b>10.6</b>
<b>Total 11 CTC Markets</b>	<b>990,110</b>	<b>5.4</b>	<b>15,203,410</b>	<b>2.7</b>
Other Overseas Countries	135,219	7.4	1,923,843	7.6
Non-US Countries	341,762	7.6	5,013,766	9.4
<b>Total Countries</b>	<b>1,125,329</b>	<b>5.6</b>	<b>17,127,253</b>	<b>3.2</b>

Note: Statistics Canada preliminary estimates.

<sup>1</sup> In previous editions, Asia/Latin America Markets were referred to as "Emerging/Transition" Markets. The name was changed to more effectively reflect the reality of these markets.

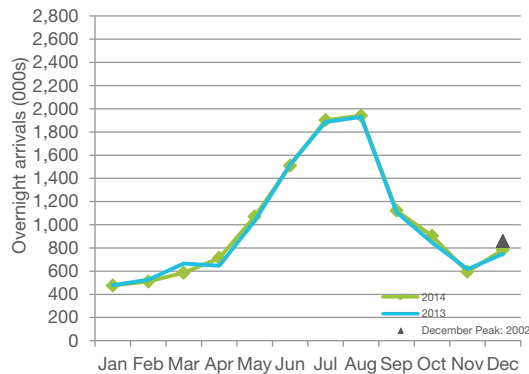
Source: Statistics Canada, International Travel Survey.

## International trips



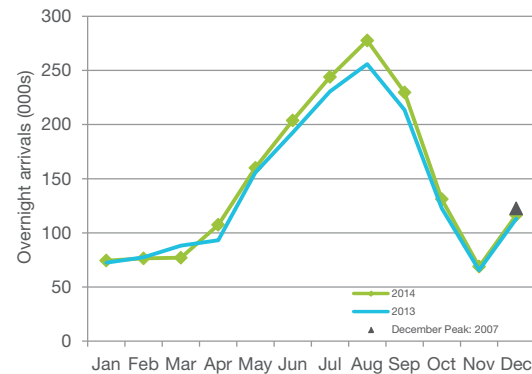
- Canada welcomed 1,125,000 international visitors in December 2014, up 5.6% compared to December 2013 - achieving a new visitor peak for that month. Nearly 9 in 10 international visitors to Canada were from the 11 CTC markets.
- From January to December 2014, Canada received approximately 17.13 million international visitors, up 3.2% over 2013.
- In December 2014, overnight arrivals from CTC's core markets increased 3.0% thanks to growth in arrivals from France, the UK and Australia (German arrivals declined). From January to December 2014, arrivals from these core markets grew 5.1% over 2013 to 1.77 million.
- Overnight arrivals from CTC markets in Asia and Latin America grew 18.8% in December, achieving the highest level of arrival for that month ever, thanks to strong growth from China (+19.6%), India (+15.8%), Japan (+15.7%), Mexico (+12.1%), South Korea (+9.2%) and Brazil (+8.7%). From January to December 2014, arrivals from these CTC markets rose 18.8% over 2013 to 1.32 million.

## United States



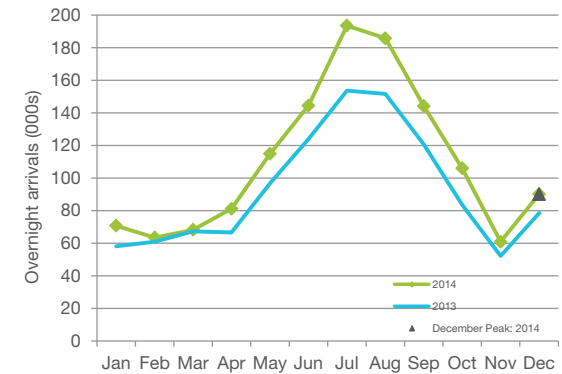
- In December 2014, gains in US arrivals by automobile (+4.2%) and air (+7.3%) offset losses in arrivals by other modes of transport (bus, train, and boat which totalled less than 38,000 arrivals) (-8.2%), resulting in a 4.7% increase in total US overnight arrivals over December 2013. This improvement in visitation from the US occurred amid a much more favourable exchange rate for US visitors.
- Nearly 784,000 US travellers visited Canada in December 2014. The US visitor peak on record during the month of December occurred in 2002 with 860,000 overnight trips.
- From January to December 2014, overnight arrivals from the US rose 0.9% compared to the same period last year to 12.11 million.

## Core Markets



- Three CTC core markets registered gains in December. Australia posted the largest increase (+13.8%), followed by France (+3.2%) and the UK (+1.4%). Germany recorded a decline (-10.7%) over December 2013 partly due to a decrease in direct air capacity to Canada.
- During 2014, overall arrivals from these four markets increased 5.1%, with similar year-over-year gains in all of them: Germany (+5.0%), Australia (+6.3%), France (+5.0%) and the UK (+4.7%).
- In December 2014, Canada welcomed 116,000 visitors from CTC core markets, falling short of the 2007 December peak of 122,500.

## Asia and Latin America



- The CAN+ visa program implemented in May in Mexico continued to facilitate the strong growth (+12.1%) in visitors from that country in December—the eighth consecutive month of double-digit growth.
- The upswing of arrivals from Japan (+15.8%) in December was partly facilitated by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto in recent months.
- In December 2014, China (+19.6%) and India (+15.8%) continued to post strong visitation growth. The launch of the CAN+ visa program in India in July contributed to double-digit growth in arrivals over the past few months.
- Visitation from Brazil was facilitated by the launch of a pilot project of the CAN+ visa program in that country in recent months as well as the new Rio de Janeiro-Toronto flight launched in December, leading to 8.7% growth in December 2014.
- During 2014, arrivals from CTC's markets in Asia and Latin America increased 18.8% over 2013, with all markets registering growth: China (+28.8%), India (+19.3%), Japan (+14.9%), Mexico (+14.4%), South Korea (+12.8%) and Brazil (+6.6%).
- In December 2014, the number of visitors from the six Asian and Latin American markets reached a new peak for that month with about 90,000 overnight visitors to Canada.

## Peak Year Review of Overnight Trips to Canada by Market – January to December

Markets	Core Overseas				United States		Asia and Latin America					
	Australia	France	Germany	United Kingdom	Total	Air Only	Brazil	China	India	Japan	Mexico	South Korea
Previous Peak Year	2013	1996	1996	2007	2002	2005	2013	2013	2013	1996	2008	2007
Arrivals During Peak Year	264,207	460,688	453,580	908,806	15,429,262	3,915,366	93,757	352,597	147,099	650,074	266,295	200,388
Current Arrivals (YTD December 2014)	280,808	482,362	326,808	676,328	12,113,487	4,053,464	99,901	454,030	175,536	258,457	172,604	163,089
Current % of Previous Peak	106.3%	104.7%	72.1%	74.4%	78.5%	103.5%	106.6%	128.8%	119.3%	39.8%	64.8%	81.4%

Note: Statistics Canada preliminary figures.  
Sources: Statistics Canada.

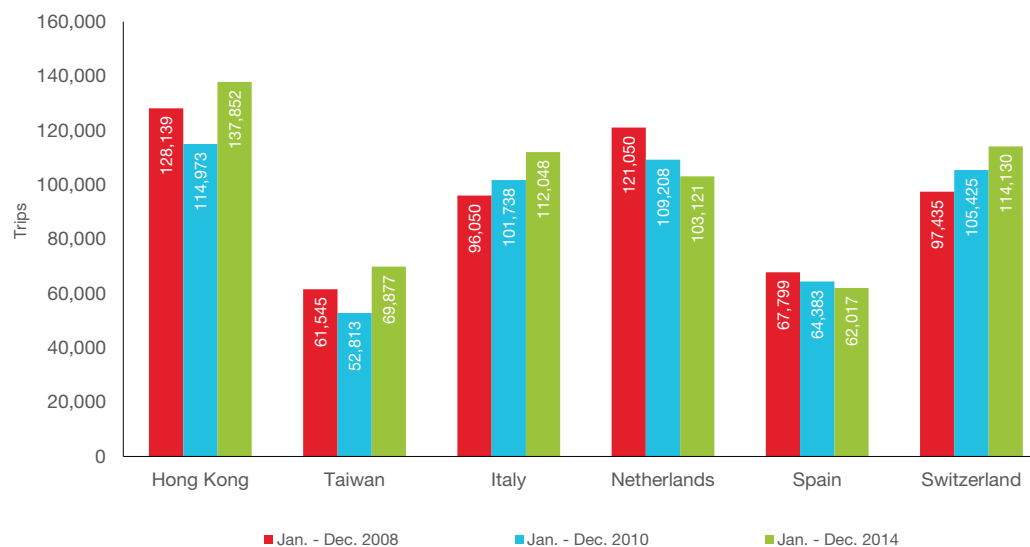
### Peak achieved during YTD December 2014

- During 2014, five markets—China, India, Brazil, France and Australia—achieved their highest level of overnight arrivals ever.
- Arrivals from the UK, Germany and the US achieved 72% to 79% of their respective peaks, recorded in 2007, 1996 and 2002 respectively.
- Arrivals from Australia, Brazil, China and India surpassed their previous arrival peaks registered in 2013.
- Arrivals from France surpassed the previous peak of 461,000 recorded in 1996, with a new peak of 482,000 visitors from January to December 2014.
- Arrivals from South Korea achieved 81% of the peak recorded in 2007.
- During 2014, US arrivals by air achieved a new peak with 4.05 million overnight visits to Canada, surpassing the previous record of 3.93 million visits recorded in 2005.
- Arrivals from Mexico reached 65% of the peak recorded in 2008.
- Arrivals from Japan achieved 40% of the peak recorded in 1996.

## Market Watch

- In December 2014, overnight arrivals from secondary European markets were mixed compared to December 2013. Arrivals from Italy (+13.7%) and Spain (+7.4%) increased, while visits from Switzerland (-4.1%) declined and those from the Netherlands were flat (+0.1%).
- During 2014, arrivals grew from all four secondary European markets, led by Italy (+20.9%), and followed by Spain (+17.1%), the Netherlands (+5.6%) and Switzerland (+5.1%).
- In December 2014, strong visitation growth was registered in secondary Asian markets, with Taiwan leading the way (+45.3%), followed by Hong Kong (+20.0%).
- From January to December 2014, arrivals from both Taiwan (+12.6%) and Hong Kong (+6.8%) increased compared to 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

	Dec. 2014	14/13 Dec. % Change	Jan. - Dec. 2014	Year-to-date % Change
Italy	6,738	13.7	112,048	20.9
Netherlands	5,028	0.1	103,121	5.6
Spain	2,655	7.4	62,017	17.1
Switzerland	6,462	-4.1	114,130	5.1
Hong Kong	11,410	20.0	137,852	6.8
Taiwan	3,627	45.3	69,877	12.6

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



# International Arrivals by Province

## Non-Residents Overnight Arrivals to Canada by province of Entry, 2014

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2014	"Variance 2014/2013"	Change over 2013	2014	"Variance 2014/2013"	Change over 2013	2014	"Variance 2014/2013"	Change over 2013	2014	"Variance 2014/2013"	Change over 2013
Newfoundland	59,809	15.7%	8,121	-	0.0%	-	19,869	8.0%	1,480	39,940	19.9%	6,641
Prince Edward Island	2,577	19.0%	412	-	0.0%	-	2,029	19.4%	330	548	17.6%	82
Nova Scotia	217,216	13.6%	26,056	18,059	0.0%	18,059	130,958	1.6%	2,093	68,199	9.5%	5,904
New Brunswick	308,216	-15.7%	(57,428)	217,230	-6.2%	(14,438)	79,608	-32.3%	(38,052)	11,378	-30.3%	(4,938)
Quebec	2,533,830	4.0%	96,289	881,999	1.2%	10,540	734,217	5.0%	34,742	917,614	5.9%	51,007
Ontario	7,974,312	2.6%	200,523	3,710,428	-3.2%	(123,934)	2,209,515	5.2%	109,869	2,054,369	11.7%	214,588
Manitoba	201,483	-3.1%	(6,469)	123,762	-5.6%	(7,373)	67,541	2.8%	1,830	10,180	-8.3%	(926)
Saskatchewan	98,043	-2.7%	(2,750)	47,830	-5.3%	(2,667)	45,052	0.1%	64	5,161	-2.8%	(147)
Alberta	931,411	5.4%	47,750	130,805	0.7%	928	502,679	5.0%	23,785	297,927	8.4%	23,037
British Columbia	4,651,244	5.3%	234,079	1,603,746	1.9%	30,468	1,459,937	4.9%	68,048	1,587,561	9.3%	135,563
Yukon	149,112	-5.7%	(9,024)	70,524	-5.0%	(3,740)	57,699	-10.2%	(6,521)	20,889	6.3%	1,237
<b>Canada</b>	<b>17,127,253</b>	<b>3.2%</b>	<b>537,559</b>	<b>6,804,383</b>	<b>-1.3%</b>	<b>(92,157)</b>	<b>5,309,104</b>	<b>3.9%</b>	<b>197,668</b>	<b>5,013,766</b>	<b>9.4%</b>	<b>432,048</b>

Source: ITS Border Counts, December 2014, Statistics Canada

- The largest increases in arrivals to Canada were recorded through British Columbia (+234,079 visitors, +5.3%) and Ontario (+200,523, +2.6%). In British Columbia, gains were registered across all streams of overnight visitors to Canada, from US residents travelling primarily by automobile and plane, as well as from other international visitors. The increase in international visitors to BC's port of entries also coincided with an 8% expansion in the number of seats allocated by airlines landing at BC airports from abroad.
- An overall 3% increase in air capacity to Ontario helped support gains in overnight arrivals through that province from US visitors travelling to Canada primarily by plane (+5.2%), as well as from other international visitors (+11.7%), which together more than offset a 3.2% decrease in US visitors travelling to Ontario by car.
- BC, Quebec, Alberta and Nova Scotia reported gains across all modes of entries. In Nova Scotia, the reinstatement of the ferry route between Yarmouth and Portland, Maine, added over 18,000 overnight arrivals of American visitors by automobile.
- Growth in arrivals through Quebec, Alberta and Newfoundland and Labrador were driven by a combination of new flights and additional air services. In Alberta, seat capacity increased 7% following the introduction of a new flight from Iceland and additional services from Germany and the US. Meanwhile, WestJet's new Dublin/St. John's route helped to augment overnight arrivals of non-US international visitors, particularly from Ireland.
- New Brunswick was the only province to see a contraction of arrivals across the three streams of overnight visitors to Canada. Reduction in arrivals through New Brunswick was recorded from US residents entering Canada by modes other than automobile as a result of fewer cruise ships entering Canada through Saint John.
- Small declines in overnight arrivals to Manitoba and Saskatchewan were primary driven by fewer American visitors entering Canada by automobile through these provinces. These declines were in part mitigated by upticks in air arrivals to both provinces. In 2014, air capacity on US flights to Manitoba and Saskatchewan increased by 4% and 5%, respectively.

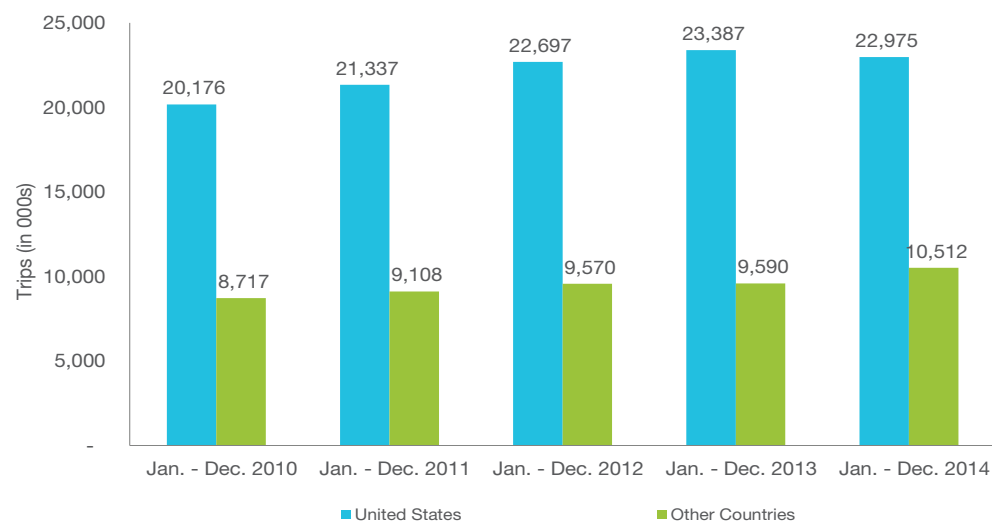
## Competitive review (January - December 2014)\*

\* **Competitive review:** Information for this section of the report was unavailable at time of writing due to delays in the releases of inbound arrivals figures for the month of December from the Australian Bureau of Statistics (ABS) and from the US Office of Travel and Tourism Industries (OTTI).



# Canadian outbound trips

## Overnight trips by Canadians



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

## Overnight trips by Canadians

	Dec. 2014	14/13 Dec. % Change	Jan. - Dec. 2014	Year-to-date % Change
United States	1,487,377	-6.6	22,975,195	-1.8
Other Countries	843,614	11.2	10,511,597	9.6
<b>Total Trips from Canada</b>	<b>2,330,991</b>	<b>-0.8</b>	<b>33,486,792</b>	<b>1.5</b>

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

- In December 2014, Canadian outbound travel decreased 0.8% over the same month last year to 2.33 million trips.
- The number of Canadians visiting the US during the month of December decreased 12.2% to 1.49 million trips, while Canadian overnight travel to overseas destinations rose 11.2% to 843,600 trips—amid the strong depreciation of the loonie relative to the US dollar.
- From January to December 2014, overall outbound trips by Canadians grew 1.5% to 33.5 million trips as travel to overseas destinations (+9.6%) more than offset decreases in the number of trips to US destinations (-1.8%).
- In December 2014, most Canadians returned to the country from the US through Ontario (1.11 million re-entries, -1.2%), BC (481,800 re-entries, +2.4%), and Quebec (373,300 re-entries, -3.3%).
- In December 2014, the top three re-entry points for Canadians returning from overseas countries were Ontario, Quebec and BC. All three provinces recorded modest gains in the number of re-entries, up 1.7%, 0.9% and 1.4% respectively.

# Consumer outlook

## Consumer confidence

- **Canada:** The index of consumer confidence gained 6.3 percentage points in December to land at 88.9 (2002 = 100). December 2014 marked the first improvement of the monthly index in four months.
- **USA:** The Conference Board Consumer Confidence Index®, which had increased in October, decreased in November. The Index stood at 93.1 (1985=100) in December, up from 91.0 in November, indicating an end-of-year regain of consumer confidence.

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

## Accommodations

- In December 2014, the National Occupancy Rate recorded an increase of 0.4 points to 48.6%. PEI registered the largest increase (+3.5 points), followed by Quebec (+3.3 points) and BC (+2.5 points).
- From January to December 2014, the National Occupancy Rate rose (+1.5 points to 64.3%) compared with the previous year. PEI (+3.4 points), BC (+3.0 points) and Quebec (+2.8 points) recorded the largest gains in hotel occupancy during 2014.
- During 2014, the National Average Daily Rate rose to \$137.28, up 3.7% compared to 2013. BC (+4.8%), Newfoundland and Labrador (+4.7%), PEI (+4.5%) and Quebec (+4.0%) recorded the highest increases in average daily hotel rates.
- During the 12 months of 2014, the National Average Revenue per Available Room (RevPAR) was \$88.21 (+3.7%), with PEI (+12.1%, \$62.34) posting the largest growth, followed by BC (+9.9%, \$89.90) and Quebec (+8.7%, \$94.69).

## Canadian Occupancy Rates, By Province\*

	Dec. 2014	14/13 Change <sup>^</sup>	Jan. - Dec. 2014	Year-to-date Change <sup>^</sup>
Alberta <sup>1</sup>	52.0	-1.9	67.8	-0.4
British Columbia	48.2	2.5	64.0	3.0
Saskatchewan	49.1	-1.0	64.0	-3.4
Manitoba	49.4	0.8	62.0	1.4
Ontario	48.3	-0.1	64.1	1.8
Quebec	52.4	3.3	65.3	2.8
New Brunswick	34.0	-1.3	54.8	-0.6
Nova Scotia	37.0	-1.7	60.1	1.3
Newfoundland	44.6	-0.9	66.3	-4.5
Prince Edward Island	28.7	3.5	50.5	3.4
Northwest Territories	59.0	-3.2	67.7	-1.8
Yukon	46.7	-2.1	65.3	0.0
<b>Canada</b>	<b>48.6</b>	<b>0.4</b>	<b>64.3</b>	<b>1.5</b>

\* Note: Based on the operating results of 221,997 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).