

# Tourism Snapshot

A focus on the markets in which Destination Canada (DC) and its partners are active.





# Key highlights

- Over the first seven months of 2015, total international visitor arrivals from Destination Canada's 11 target markets rose 9% year over year. Strong gains were registered across all regions, led by Latin America (+18.7%), followed by the US (+9.3%), Asia-Pacific (+8.6%), and Europe (+4.8%).
- DC markets in the US (+9.3%) and overseas (+7.8%) continued to expand at a faster rate than international tourism arrivals from other overseas markets (+5.7%) since the beginning of the year.
- Total overnight arrivals from DC's key international markets rose 11.1% in July 2015, driven by strong growth from the two Latin American markets (+28.1%), followed by the US (+11.6%), Europe (+7.3%) and Asia-Pacific (+6.8%).
- In July 2015, Brazil (+44.8%), Mexico (+21.2%), South Korea (+17.7%) and China (+10.6%) recorded double-digit growth in overnight arrivals over July 2014. Japan (-2.7%) and India (-2.9%) recorded minor declines following strong growth in June.
- Overnight arrivals from the US climbed for an eighth consecutive month in July 2015 (+11.6%). Gains were registered across all major modes of entry, including by auto (+13.6%), air (+6.5%) and other modes of transport (+11.9%)—including train, cruises and buses.



# Tourism review Inbound highlights

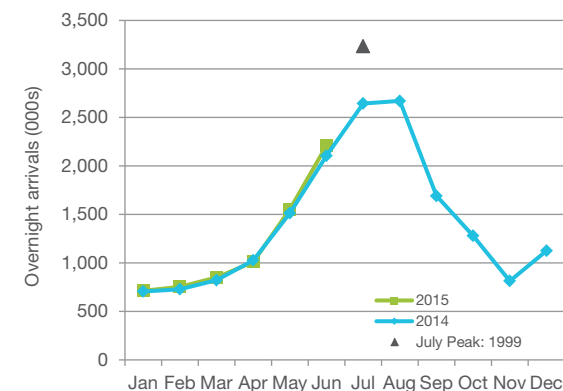
## Overnight trips to Canada

	July 2015	15/14 July % Change	Jan. - July 2015	Year-to-date % Change
<b>United States</b>				
Automobile	1,290,981	13.6	4,192,839	10.8
Air	498,932	6.5	2,046,495	7.0
Other	264,457	11.9	740,740	7.7
<b>US Total</b>	<b>2,054,370</b>	<b>11.6</b>	<b>6,980,074</b>	<b>9.3</b>
<b>Europe Markets*</b>				
UK	106,097	15.0	392,661	7.4
France	75,478	1.9	264,385	3.7
Germany	44,710	0.1	169,460	1.1
<b>Europe Markets Total</b>	<b>226,285</b>	<b>7.3</b>	<b>826,506</b>	<b>4.8</b>
<b>Asia-Pacific Markets*</b>				
Japan	31,295	-2.7	137,233	3.9
South Korea	29,879	17.7	108,965	16.5
China	79,233	10.6	273,114	11.3
India	24,046	-2.9	116,827	9.5
Australia	35,049	6.6	158,867	2.9
<b>Asia-Pacific Markets Total</b>	<b>199,502</b>	<b>6.8</b>	<b>795,006</b>	<b>8.6</b>
<b>Latin America Markets*</b>				
Mexico	34,048	21.2	122,185	15.8
Brazil	16,721	44.8	66,418	24.4
<b>Latin America Markets Total</b>	<b>50,769</b>	<b>28.1</b>	<b>188,603</b>	<b>18.7</b>
<b>Overseas Key Markets</b>	<b>476,556</b>	<b>8.9</b>	<b>1,810,115</b>	<b>7.8</b>
<b>Total 11 DC Markets</b>	<b>2,530,926</b>	<b>11.1</b>	<b>8,790,189</b>	<b>9.0</b>
Other Overseas Countries	328,421	8.0	1,161,799	5.7
Non-US Countries	804,977	8.5	2,971,914	7.0
<b>Total Countries</b>	<b>2,859,347</b>	<b>10.7</b>	<b>9,951,988</b>	<b>8.6</b>

Note: Statistics Canada preliminary estimates.

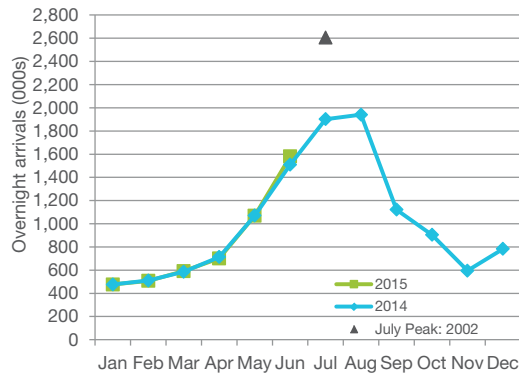
\* In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included European markets and Australia. As of January 2015, markets grouping were reclassified on a geographic basis. Source: Statistics Canada, International Travel Survey.

## International trips



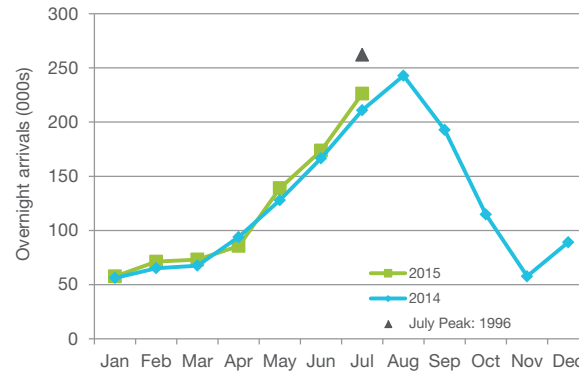
- Canada welcomed 2,859,347 international visitors in July 2015, up 10.7% compared to July 2014. From January to July 2015, Canada recorded 9,951,988 international arrivals, up 8.6% relative to 2014.
- The international visitor peak on record during the month of July is 3,234,000 visitors, which occurred in 1999. The number of international visitors in July 2015 was the highest achieved since 2006.

## United States



- In July 2015, gains in US arrivals by auto (+13.6%), air (+6.5%) and other modes of transport (8.3%) resulted in total US arrivals rising for the eighth consecutive month (+11.6% over July 2014). Strong visitation growth from the US occurred amid exceptionally good weather conditions and a more favourable exchange rate for US visitor; the USD has appreciated 19.8% against the CAD since July 2014.
- Canada welcomed about 2,054,370 US overnight visitors in July 2015. The US visitor peak on record during the month of July occurred in 2002, with 2,606,000 overnight trips.

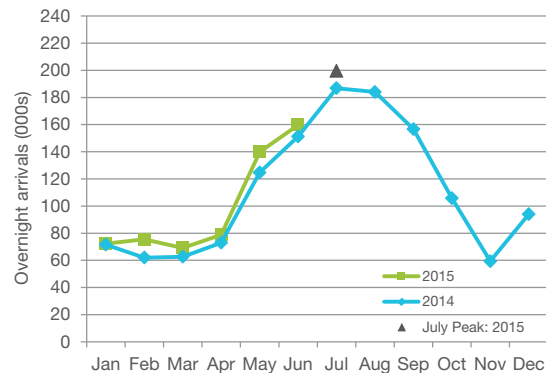
## Europe Markets



- In July 2015, overnight arrivals from DC's European markets increased 7.3%. YTD July 2015, arrivals from these markets are up 4.8%.
- All three DC markets in Europe registered gains in July 2015. Despite a weaker euro (but stronger British pound) relative to the CAD, arrivals from the UK (+15.0%), France (+1.9%) and Germany (+0.1%) rose relative to July 2014.
- Canada welcomed 226,285 visitors from key markets in Europe in July 2015, still short of the arrivals peak of 262,000 registered in July 1996.



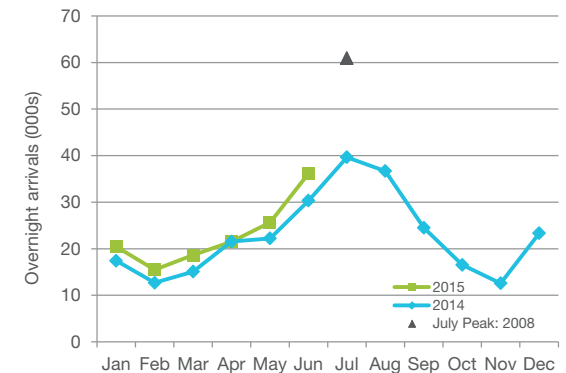
## Asia-Pacific Markets



- Overnight arrivals from DC markets in Asia-Pacific expanded at healthy but slower pace than usual (+6.8%) in July 2015 due to minor losses from India (-2.9%) and Japan (-2.7%).
- Arrivals from China rose in July 2015 (+10.6%) following flat arrivals in June. Year-to-date, China arrivals are up 11.3% compared to the same period in 2014. Since the beginning of 2015, China has emerged as the second-largest overseas inbound market after the UK.
- Arrivals from Australia rose 6.6% in July. Year-to-date July 2015, arrivals from Australia are up 2.9% compared to the same period in 2014.
- Arrivals from South Korea (+17.7%) rose significantly in July, amid a more favourable exchange rate for South Korean visitors to Canada; the won has appreciated 6.6% against the CAD over the past year. The gains from South Korea were also facilitated by increased air capacity on Seoul-Vancouver flights in recent months. Year-to-date July 2015, South Korean arrivals are up 16.5% compared to 2014.

- In July 2015, India (-2.9%) registered a minor decline in overnight visits following several months of sustained growth. The launch of the CAN+ Visa program in India in July 2014 has contributed to this growth over the past year. Year-to-date July 2015, India arrivals are up 9.5% compared to the same period in 2014.
- Arrivals from Japan were down 2.7% in July 2015 following several months of growth. From January to July 2015, arrivals from Japan have increased 3.9% relative to 2014.
- In July 2015, the 199,500 overnight visitors to Canada from DC's Asia-Pacific markets set a new record for this month.

## Latin America Markets



- Arrivals from DC's two Latin American markets recorded strong gains (+28.1%) in July 2015. YTD July 2015, Latin American arrivals from key markets are up 18.7%.
- In July 2015, arrivals from Mexico rose 21.2% relative to July 2014 thanks in part to the recent introduction of new non-stop flights between Mexico City and Toronto and Montréal. Arrivals from Mexico have maintained their momentum since the implementation of the CAN+ Visa program in May 2014. Over the first seven months of 2015, arrivals from Mexico are up 15.8% compared to the same period in 2014.
- In July 2015, overnight arrivals from Brazil rose a staggering 44.8%, amid several factors facilitating travel to Canada, including the launch of the CAN+ Visa program, the new Air Canada Rio de Janeiro-Toronto flight (started December 2014) and the new TAM São Paulo-Toronto flight (started March 2015). Year-to-date July 2015, arrivals from Brazil are up 24.4%.
- In July 2015, Brazil and Mexico recorded a combined total of 50,770 visitors to Canada, just 10,000 visitors shy of the peak for the month of July recorded in 2008.

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

Markets	Europe			United States		Asia Pacific			Latin America			
	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Brazil	Mexico
Previous Peak Year	2014	1996	2005	2002	2008	2014	2014	2014	1996	2007	2013	2008
Arrivals During												
Previous Peak Year	255,055	247,578	496,726	8,740,649	1,892,337	154,337	245,441	106,672	342,573	114,211	54,201	167,510
YTD July 2015 Total												
Arrivals	264,385	169,460	392,661	6,980,074	2,046,495	158,867	273,114	116,827	137,233	108,965	66,418	122,185
Current % of Previous Peak	103.7%	68.4%	79.0%	79.9%	108.1%	102.9%	111.3%	109.5%	40.1%	95.4%	122.5%	72.9%

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

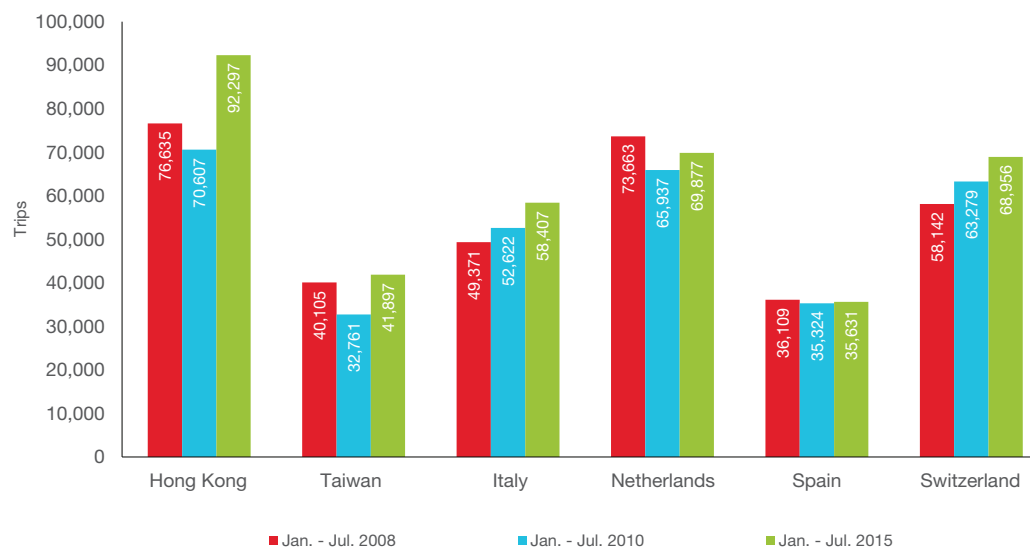
### Peak achieved during 2015

- From January to July 2015, six markets—Australia, France, India, Brazil, China and US (air arrivals)—achieved their highest level of overnight arrivals ever.
- In the first seven months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 68% to 95% of their peaks, recorded in 2005, 1996, 2008, 2007 and 2002 respectively.
- US arrivals by air during the seven first months of 2015 totalled over 2 million overnight visits to Canada—108% of the peak recorded in 2008.
- From January to July 2015, arrivals from Japan achieved 40.1% of the peak recorded in 1996.

## Market Watch

- In July 2015, all four secondary European markets recorded strong gains compared to 2014. Arrivals rose from the Netherlands (+25.5%), Italy (+7.0%), Spain (+4.9%) and Switzerland (+3.0%).
- From January to July 2015, all four secondary European markets saw healthy increases in visitation, with the Netherlands (+16.2%) leading the way, followed by Italy (+5.5%), Spain (+5.3%) and Switzerland (+3.1%).
- In July 2015, arrivals from Taiwan decreased 4.6%, while arrivals from Hong Kong rose 9.4% relative to 2014.
- Since the beginning of the year, both secondary markets in Asia have posted strong growth, with Hong Kong arrivals up 10.2% and Taiwan arrivals up 4% over 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

	July 2015	15/14 July % Change	Jan. - July 2015	Year-to-date % Change
Italy	17,094	7.0	58,407	5.5
Netherlands	26,234	25.5	69,877	16.2
Spain	11,505	4.9	35,631	5.3
Switzerland	26,194	3.0	68,956	3.1
Hong Kong	23,268	9.4	92,297	10.2
Taiwan	10,943	-4.6	41,897	4.0

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

# International Arrivals by Province of Entry to Canada

## Non-Residents Overnight Arrivals to Canada by province of Entry, January to July 2015

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	25,264	2.4%	604	-	-	-	7,864	-1.6%	(124)	17,400	4.4%	728
Prince Edward Island	141	-88.1%	(1,046)	-	-	-	115	-88.3%	(872)	26	-87.0%	(174)
Nova Scotia	89,244	1.8%	1,562	7,303	6.5%	447	46,122	-10.5%	(5,409)	35,819	22.3%	6,524
New Brunswick	131,483	8.7%	10,487	120,151	7.6%	8,475	8,732	18.4%	1,356	2,600	33.7%	656
Quebec	1,438,440	7.7%	102,526	546,404	14.6%	69,409	376,856	4.2%	15,144	515,180	3.6%	17,973
Ontario	4,610,637	10.0%	417,816	2,248,412	9.1%	187,343	1,113,962	11.2%	112,588	1,248,263	10.4%	117,885
Manitoba	138,308	20.0%	23,058	94,031	30.9%	22,198	39,293	3.4%	1,304	4,984	-8.2%	(444)
Saskatchewan	47,450	-11.8%	(6,377)	28,730	8.3%	2,212	16,339	-32.9%	(8,010)	2,381	-19.6%	(579)
Alberta	542,583	1.5%	8,185	85,697	8.0%	6,340	282,478	-0.7%	(2,071)	174,408	2.3%	3,916
British Columbia	2,843,721	8.8%	228,950	1,023,338	12.0%	109,942	860,111	9.1%	71,394	960,272	5.2%	47,614
Yukon	84,717	3.4%	2,757	38,773	2.6%	997	35,363	7.1%	2,354	10,581	-5.3%	(594)
<b>Canada</b>	<b>9,951,988</b>	<b>8.6%</b>	<b>788,522</b>	<b>4,192,839</b>	<b>10.8%</b>	<b>407,363</b>	<b>2,787,235</b>	<b>7.2%</b>	<b>187,654</b>	<b>2,971,914</b>	<b>7.0%</b>	<b>193,505</b>

Source: ITS Border Counts, July 2015, Statistics Canada

- During the seven first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+417,800, +10.0%), British Columbia (+228,950, +8.8%) and Quebec (+102,500, +7.7%).
- All three provinces (Ontario, BC and Quebec) registered gains in US arrivals by auto and non-auto modes as well as from overseas.
- Manitoba benefited from a significant surge in overnight car arrivals from the US (+31.0%) compared to the same period last year.
- Saskatchewan and PEI were the only provinces to see a contraction of total international arrivals since the beginning of the year.



# Competitive Review – Australia vs Canada (January - July 2015)

## International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		15/14 Change		15/14 Change
<b>Total International</b>	<b>9,951,988</b>	<b>8.6%</b>	<b>4,238,500</b>	<b>6.2%</b>
United States	6,980,074	9.3%	342,600	8.1%
Canada	...	...	84,700	5.5%
<b>Europe</b>				
United Kingdom	392,661	7.4%	396,500	3.3%
France	264,385	3.7%	69,300	0.6%
Germany	169,460	1.1%	109,000	-1.4%
<b>Asia-Pacific</b>				
Australia	158,867	2.9%	...	...
Japan	137,233	3.9%	187,500	-2.4%
South Korea	108,965	16.5%	127,000	9.6%
China	273,114	11.3%	567,900	19.9%
India	116,827	9.5%	134,700	20.6%
<b>Latin America</b>				
Mexico	122,185	15.8%	4,900	2.1%
Brazil	66,418	24.4%	27,200	9.7%
<b>Total DC Key Markets</b>	<b>8,790,189</b>	<b>9.0%</b>	<b>2,051,300</b>	<b>8.9%</b>

...Not applicable.

n/a - not available.

Sources:

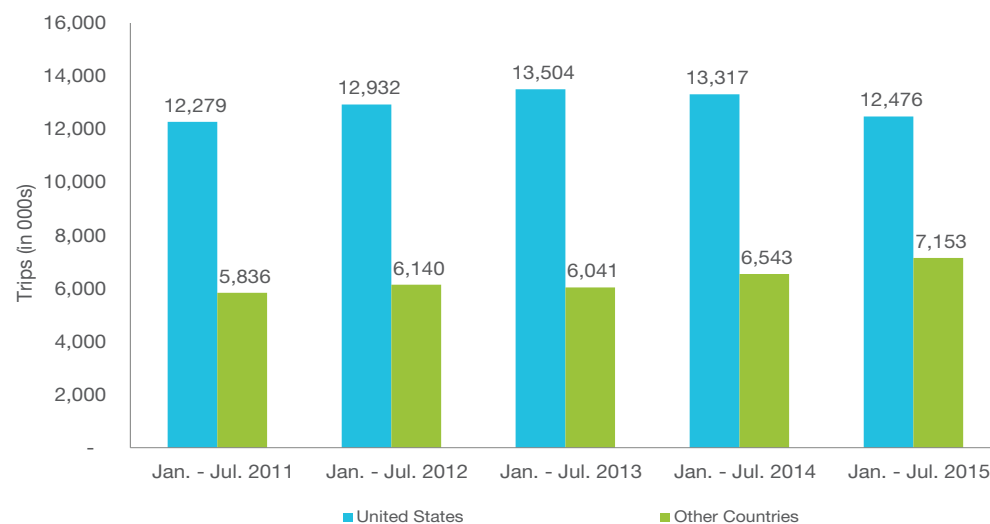
Statistics Canada, International Travel Survey Frontier Counts

Australian Bureau of Statistics, Overseas Arrivals and Departures

- Since the beginning of 2015, Canada registered a large increase in total international arrivals (+8.6%), outpacing the growth recorded in Australia (+6.2%) over 2014.
- In DC's key markets, Australia and Canada registered equal growth, with arrivals increasing 8.9% and 9% respectively relative to 2014.
- Australia posted a 5.5% increase in arrivals from Canada. In comparison, Australian arrivals to Canada increased 2.9% during the same period.
- Australia registered larger gains than Canada in arrivals from China (+19.9% vs +11.3%), and India (+20.6% vs +9.5%) since the beginning of the year relative to 2014.
- Canada registered larger gains than Australia in arrivals from all other DC key markets over the first seven months of 2015, outpacing it on overnight arrivals from Brazil (+24.4% vs 9.7%), France (+3.7% vs 0.6%), Germany (+1.1% vs -1.4%), Japan (+3.9% vs -2.4%), Mexico (+15.8% vs +2.1%), South Korea (+16.5% vs +9.6%) and the UK (+7.4% vs +3.3%).

# Canadian outbound trips

## Overnight trips by Canadians



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

- In July 2015, the number of overnight trips by Canadians to international destinations decreased 2.4% to 3,016,748. While the number of overnight trips by Canadians to the US declined 7.2% year-over-year, it increased by 12.4% to overseas destinations.
- In the first seven months of 2015, outbound trips by Canadian residents declined 1.2% compared to 2014 to 19,629,119. The number of trips south of the border declined 6.3%, while trips to other destinations increased 9.3% relative to 2014.
- In July 2015, most Canadian residents returned to the country from abroad through Ontario (1,330,950 re-entries, -3.1%), Quebec (686,000 re-entries, -1.4%) and BC (599,560 re-entries, -5.6%).
- In July 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (895,000 re-entries, -3.1%), BC (472,900 re-entries, -10.4%) and Quebec (466,000 re-entries, -8.4%).

## Overnight trips by Canadians

	July 2015	15/14 July % Change	Jan. - July 2015	Year-to-date % Change
United States	2,165,136	-7.2	12,476,472	-6.3
Other Countries	851,612	12.4	7,152,647	9.3
<b>Total Trips from Canada</b>	<b>3,016,748</b>	<b>-2.4</b>	<b>19,629,119</b>	<b>-1.2</b>

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

# Consumer outlook

## Consumer confidence

- **Canada:** With signs of a slowing Canadian economy since the beginning of the year, the index of consumer confidence decreased 4.1 percentage points in July to land at 98.6 (2014 = 100).
- **USA:** The Conference Board Consumer Confidence Index® decreased in July. The Index stood at 91.0 (1985=100) in July, down from 101.4 in June, indicating a degradation of consumers' confidence towards the US economy.

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



# Accommodation

## Hotel Performance Indicators by Province\*

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	July 2015	15/14 Change <sup>^</sup>	Jan. - July 2015	Year-to-date Change <sup>^</sup>	July 2015	15/14 Change <sup>^</sup>	Jan. - July 2015	Year-to-date Change <sup>^</sup>	July 2015	15/14 Change <sup>^</sup>	Jan. - July 2015	Year-to-date Change <sup>^</sup>
Alberta <sup>1</sup>	66.5%	-4.1	60.9%	-6.7	\$149.69	-0.2%	\$143.17	-0.7%	\$99.53	-6.0%	\$87.23	-10.5%
British Columbia	83.2%	4.8	65.9%	2.9	\$180.73	16.4%	\$151.10	8.9%	\$150.36	23.5%	\$99.63	14.0%
Saskatchewan	67.0%	-2.0	59.2%	-4.3	\$127.89	-3.1%	\$132.44	-0.6%	\$85.64	-5.9%	\$78.37	-7.3%
Manitoba	66.7%	-0.8	62.8%	2.8	\$115.02	2.1%	\$120.21	2.8%	\$76.75	1.0%	\$75.52	7.5%
Ontario	73.8%	2.7	63.2%	0.9	\$142.48	7.7%	\$135.97	5.7%	\$105.19	11.9%	\$85.97	7.2%
Quebec	78.4%	3.2	64.6%	1.7	\$156.96	6.1%	\$150.22	5.5%	\$123.11	10.7%	\$97.10	8.3%
New Brunswick	75.0%	0.9	52.4%	-1.5	\$123.01	6.0%	\$114.02	3.9%	\$92.23	7.3%	\$59.73	1.1%
Nova Scotia	76.9%	4.3	58.7%	0.5	\$133.24	4.5%	\$125.27	3.9%	\$102.49	10.7%	\$73.50	4.8%
Newfoundland	80.5%	-2.4	62.3%	-0.7	\$156.72	0.4%	\$144.85	0.5%	\$126.23	-2.5%	\$90.24	-0.7%
Prince Edward Island	80.7%	3.3	47.7%	0.8	\$153.67	4.6%	\$125.48	5.3%	\$124.01	9.0%	\$59.86	7.1%
Northwest Territories	57.3%	-6.8	64.1%	-4.4	\$154.71	-1.9%	\$157.71	1.7%	\$88.57	-12.4%	\$101.06	-4.9%
Yukon	87.4%	-2.3	64.6%	-2.3	\$130.89	2.8%	\$117.71	5.4%	\$114.45	0.2%	\$76.02	3.1%
<b>Canada</b>	<b>75.0%</b>	<b>1.6</b>	<b>62.8%</b>	<b>-0.1</b>	<b>\$155.44</b>	<b>7.6%</b>	<b>\$142.33</b>	<b>4.8%</b>	<b>\$116.55</b>	<b>9.9%</b>	<b>\$89.38</b>	<b>4.6%</b>

\* Note: Based on the operating results of 226,788 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).

- In July 2015, the National Occupancy Rate increased 1.6 points to 75%. BC (+4.8 points) and Nova Scotia (+4.3 points) registered the largest increases, while the Northwest Territories (-6.8 points), Alberta (-4.1 points), Newfoundland (-2.4 points) and Saskatchewan (-2.0 points) recorded the largest declines in hotel occupancy rates relative to July 2014. The hotel markets with the highest occupancy rates in July 2015 were in the Yukon (87.4%), BC (83.3%), PEI (80.7%), Newfoundland (80.5%) and Quebec (78.4%).
- Since the beginning of 2015, the National Occupancy Rate has declined slightly (-0.1 points to 62.8%) compared to last year. BC (+2.9 points), Manitoba (+2.8 points) and Quebec (+1.7 points) recorded the largest gains in hotel occupancy, while the largest declines were recorded in Alberta (-6.7 points), the Northwest Territories (-4.4 points), (-4.3 Saskatchewan points) and the Yukon (-2.3 points). The provincial and territorial markets with the highest hotel occupancy rates during the first seven months of the year were BC (65.9%), Quebec (64.6%), the Yukon (64.6%) and Northwest Territories (64.1%).
- Since the beginning of 2015, the National Average Daily Rate (ADR) rose to \$142.33, up 4.8% compared to 2014. Ontario (+5.7, \$135.97), Quebec (+5.5%, \$150.22) and Yukon (+5.4%, \$117.71) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates are in Northwest Territories (\$157.71/night), BC (\$151.10/night) and Quebec (\$150.22/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$89.38 (+4.6%), with the largest revenue growth in BC (+14.0%, \$99.63), Quebec (+8.3%, \$97.10) and Manitoba (+7.5%, \$75.52). Provincial and territorial hotel markets with the highest RevPar were Northwest Territories (\$101.06), BC (\$99.63) and Quebec (\$97.10).

DC Consumer and Market Intelligence