

Tourism Snapshot

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



Key highlights

- In September 2015, overnight arrivals from Destination Canada (DC)'s eleven target markets increased by 14.6% with gains from all four world regions, including the US (+16.5%), Asia-Pacific (+12%), Latin America (+11.3%) and Europe (+6.7%).
- Year to date September 2015, arrivals from DC's 11 international markets rose 7.8% on the basis of gains recorded in the US (+8.1%) and key overseas markets (+6.8%).
- In September 2015, double-digit gains were registered in seven of DC's eleven key markets registered gains, led by China (+21.7%), followed by the US (+16.5%), Mexico (+12.6%), India (+12%), Japan (+11.8%), France (+11.2%) and South Korea (+10.6%).
- All three DC markets in Europe registered gains in September 2015, with strong growth in France (+11.2%) and the UK (+7.6%) and flat arrivals from Germany (+0.2%). Year-to-date September 2015, arrivals are up from the UK (+6.6%) and France (+4.1%) but slightly down from Germany (-0.8%).
- Arrivals from the two Latin American markets recorded strong growth in September 2015, with Mexico (+12.6%) and Brazil (+9.5%) bouncing back from the minor decline registered in August. From January to September 2015, arrivals are up 17.3% from Brazil and 12.8% from Mexico.
- Following a minor decline in August 2015, overall overnight arrival from the United States bounced back in September 2015 (+16.5%) with growth in arrival by auto (+28.2%), by other mode of entries (i.e. bus, train and boats) (+5.8%) and by air (+3.5%).



Tourism review Inbound highlights

Overnight trips to Canada

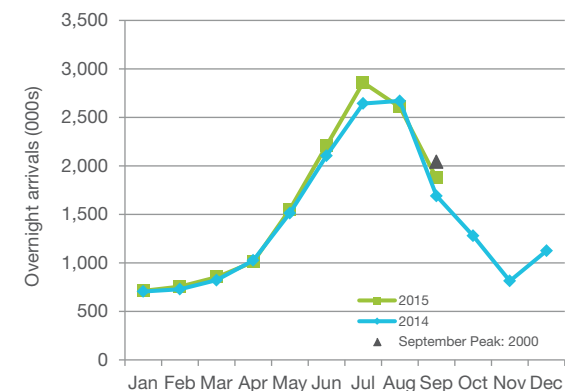
	Sep. 2015	15/14 Sep. % Change	Jan. - Sep. 2015	Year-to-date % Change
United States				
Automobile	703,566	28.2	6,063,184	9.3
Air	342,322	3.5	2,836,003	6.4
Other	206,067	5.8	1,204,445	5.8
US Total	1,251,955	16.5	10,103,632	8.1
Europe Markets*				
UK	90,305	7.6	590,596	6.6
France	64,224	11.2	409,346	4.1
Germany	51,199	0.2	274,808	-0.8
Europe Markets Total	205,728	6.7	1,274,750	4.2
Asia-Pacific Markets*				
Japan	40,363	11.8	214,483	5.6
South Korea	19,680	10.6	148,898	15.4
China	60,723	21.7	407,067	10.0
India	17,830	12.0	157,432	9.0
Australia	36,861	-0.3	232,994	3.0
Asia-Pacific Markets Total	175,457	12.0	1,160,874	8.2
Latin America Markets*				
Mexico	16,375	12.6	160,162	12.8
Brazil	10,909	9.5	91,592	17.3
Latin America Markets Total	27,284	11.3	251,754	14.4
Overseas Key Markets	408,469	9.2	2,687,378	6.8
Total 11 DC Markets	1,660,424	14.6	12,791,010	7.8
Other Overseas Countries	213,961	9.4	1,648,096	5.6
Non-US Countries	622,430	9.3	4,335,474	6.3
Total Countries	1,874,385	14.0	14,439,106	7.5

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.

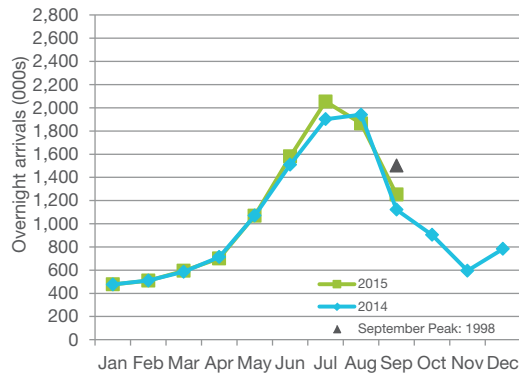
Source: Statistics Canada, International Travel Survey.

International trips



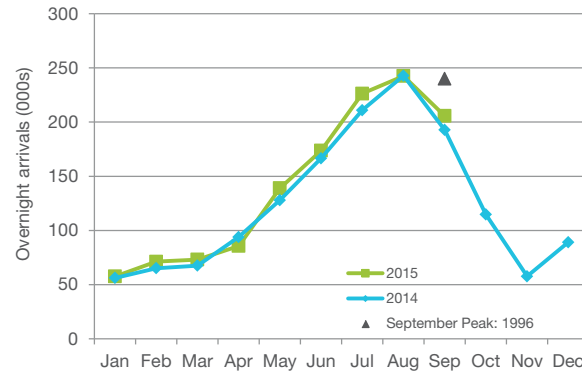
- Canada welcomed 1,874,385 international visitors in September 2015, up 14% compared to September 2014. From January to September 2015, Canada recorded 14,439,106 international arrivals, up 7.5% relative to 2014.
- The international visitor peak on record during the month of September occurred in 2000, with 2,041,700 overnight trips.

United States



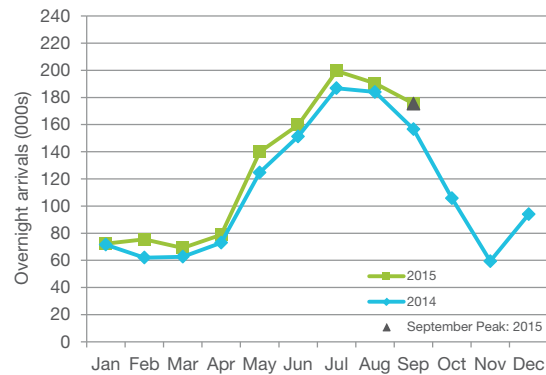
- In September 2015, strong gains in US arrivals by auto (+28.2%) were the prime driver supporting high total US arrivals over that month (+16.5% over September 2014). Over the same period, lower level gains were also recorded from the US by air mode of entry (+3.5%) and other modes of transport (+5.8%), including train, bus and cruise.
- Canada welcomed about 1,252,000 overnight visitors from the US in September 2015. The US visitor peak on record during the month of September occurred in 1998, with 1,500,830 overnight trips.

Europe Markets



- In September 2015, overnight arrivals from DC's European markets increased 6.7%. Year to date, arrivals from these markets are up 4.2%.
- All three DC markets in Europe registered gains in September 2015. Despite a weaker euro (but stronger British pound) relative to the CAD, arrivals from the UK (+7.6%), France (+11.2%) and Germany (+0.2%) all rose relative to September 2014.
- Canada welcomed 205,728 visitors from key markets in Europe in September 2015. The arrivals peak of 240,070 was registered in September 1996.

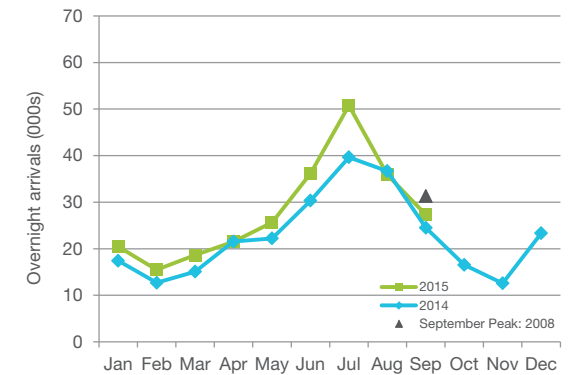
Asia-Pacific Markets



- Overnight arrivals from DC markets in Asia-Pacific expanded strongly (+12.0%) in September 2015 following a slowdown in August.
- Arrivals from China rebounded with 21.7% in September 2015 following a minor decline in August. Year to date September 2015, China arrivals are up 10% compared to the same period in 2014.
- Arrivals from Australia marginally slipped (-0.3%) in September 2015. Year to date, arrivals from Australia are up 3.0% compared to the same period in 2014.
- Arrivals from South Korea (+10.6%) rose significantly in September amid a more favourable exchange rate for South Korean visitors to Canada. The gains from South Korea were also facilitated by increased air capacity between Seoul and Vancouver in recent months. Year to date, South Korean arrivals are up 15.4% compared to 2014.

- In September 2015, India (+12%) registered healthy gains in overnight visits to Canada. The introduction in 2014 of the CAN+ Visa program in India continues to be a contributing factor to the robust growth from market over the past year. Year to date, India arrivals are up 9.0% compared to the same period in 2014.
- Supported by a greater air capacity between the two countries (seats up 20% in September, year over year), overnight arrivals from Japan to Canada increased 11.8% in September 2015. From January to September 2015, arrivals from Japan have increased 5.6% relative to 2014.
- The 175,500 overnight visitors to Canada from DC's Asia-Pacific markets in September 2015 set a new all-time record high for the month.

Latin America Markets



- Arrivals from DC's two Latin American markets recorded strong growth (+11.3%) in September 2015 following a decline in August. Year to date September 2015, Latin American arrivals to Canada from Mexico and Brazil are up 14.4%.
- In September 2015, arrivals from Mexico rose 12.6% relative to September 2014. Over the first nine months of 2015, arrivals from Mexico are up 12.8% compared to the same period in 2014.
- In September 2015, overnight arrivals from Brazil increased 9.5% following a minor decline in August. Year to date, arrivals from Brazil are up 17.3%, which were facilitated by the CAN+ visa and new direct air service capacity between Brazil and Canada.
- In September 2015, Mexico and Brazil recorded a combined total of 27,285 visitors to Canada, just 4,000 visitors shy of the peak for the month of September recorded in 2008.

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

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	2014	2014	2014	2014	1996	2007	2014	2008
Arrivals During												
Previous Peak Year	393,235	396,331	714,165	12,814,572	3,096,443	226,161	369,959	144,385	530,109	155,229	78,103	222,601
YTD September 2015												
Total Arrivals	409,346	274,808	590,596	10,103,632	2,836,003	232,994	407,067	157,432	214,483	148,898	91,592	160,162
Current % of Previous Peak	104.1%	69.3%	82.7%	78.8%	91.6%	103.0%	110.0%	109.0%	40.5%	95.9%	117.3%	72.0%

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

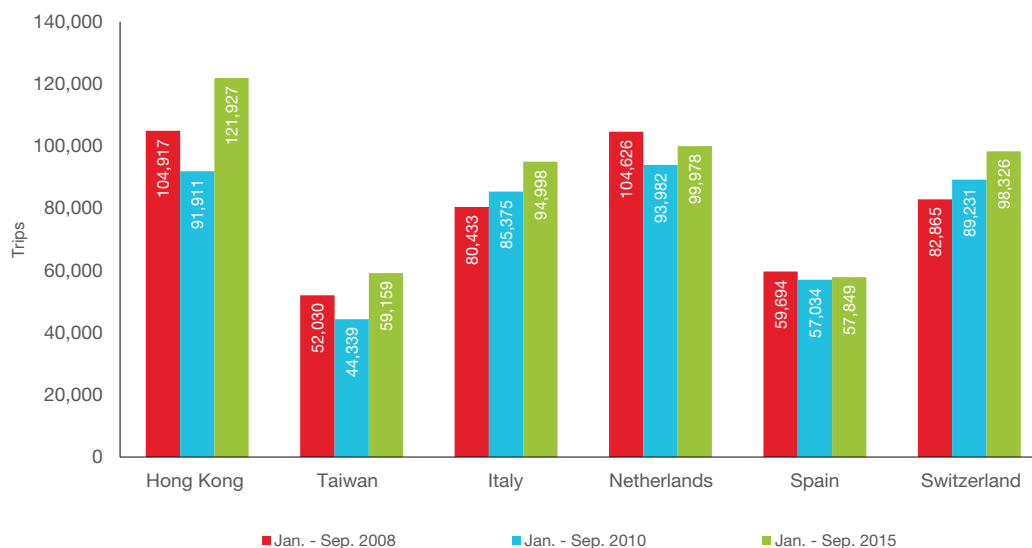
Peak achieved during 2015

- From January to September 2015, five markets—Australia, France, India, Brazil and China—achieved their highest level of overnight arrivals ever.
- In the first nine months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 69% to 96% of their peaks, recorded in 2005, 1996, 2008, 2007 and 2002 respectively.
- US arrivals by air during the nine first months of 2015 totalled over 2.8 million overnight visits to Canada—91.6% of the peak recorded in 2014.
- From January to September 2015, arrivals from Japan achieved 40.5% of the peak recorded in 1996.

Market Watch

- In September 2015, three secondary European markets recorded strong gains compared to 2014. Arrivals rose from Spain (+9.4%), the Netherlands (+8.5%) and Switzerland (+4.6%), while arrivals declined from Italy (-0.9%).
- From January to September 2015, all four secondary European markets saw healthy increases in visitation, with the Netherlands (+14.3%) leading the way, followed by Spain (+8.1%), Italy (+2.8%) and Switzerland (+2.0%).
- In September 2015, arrivals rose from both Taiwan (+19.4%) and Hong Kong (+9.1%) compared to the same month in 2014.
- Since the beginning of the year, both secondary markets in Asia posted healthy growth, with Hong Kong arrivals up 9.9% and Taiwan arrivals up 6.6% over the same period in 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

	Sep. 2015	15/14 Sep. % Change	Jan. - Sep. 2015	Year-to-date % Change
Italy	11,556	-0.9	94,998	2.8
Spain	7,712	9.4	57,849	8.1
Netherlands	13,523	8.5	99,978	14.3
Switzerland	13,542	4.6	98,326	2.0
Hong Kong	13,879	9.1	121,927	9.9
Taiwan	9,739	19.4	59,159	6.6

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 September 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	52,736	5.2%	2,626	-	-	-	16,647	2.1%	336	36,089	6.8%	2,290
Prince Edward Island	283	-88.2%	(2,117)	-	-	-	250	-87.5%	(1,755)	33	-91.6%	(362)
Nova Scotia	174,086	-1.6%	(2,755)	16,680	-1.3%	(221)	95,910	-8.0%	(8,326)	61,496	10.4%	5,792
New Brunswick	251,073	2.9%	7,157	200,011	7.7%	14,318	42,674	-14.0%	(6,930)	8,388	-2.7%	(231)
Quebec	2,063,841	6.9%	133,925	782,092	13.1%	90,694	527,544	5.1%	25,735	754,205	2.4%	17,496
Ontario	6,651,017	9.4%	572,215	3,288,505	7.8%	238,158	1,546,518	11.1%	154,181	1,815,994	11.0%	179,876
Manitoba	185,630	15.1%	24,408	123,876	23.9%	23,895	54,230	2.3%	1,207	7,524	-8.4%	(694)
Saskatchewan	65,528	-13.8%	(10,463)	39,936	7.2%	2,683	22,540	-34.5%	(11,876)	3,052	-29.4%	(1,270)
Alberta	760,305	-0.4%	(2,696)	123,066	6.2%	7,170	391,945	-1.4%	(5,683)	245,294	-1.7%	(4,183)
British Columbia	4,092,233	7.6%	290,532	1,425,300	11.0%	141,346	1,281,749	7.4%	87,847	1,385,184	4.6%	61,339
Yukon	142,374	-0.5%	(689)	63,718	0.3%	164	60,441	2.5%	1,478	18,215	-11.3%	(2,331)
Canada	14,439,106	7.5%	1,012,143	6,063,184	9.3%	518,207	4,040,448	6.2%	236,214	4,335,474	6.3%	257,722

Source: ITS Border Counts, September 2015, Statistics Canada

- During the nine first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+572,215, +9.4%), British Columbia (+290,532, +7.6%) and Quebec (+133,925, +6.9%).
- 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 (+23.9%), resulting in a 15.1% growth in total international arrivals in the province compared to the same period last year.
- Saskatchewan, Nova Scotia, Alberta, PEI and the Yukon recorded a contraction of direct total international arrivals since the beginning of the year.

Competitive Review – Australia vs Canada (January - September 2015)

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		15/14 Change		15/14 Change
Total International	14,439,106	7.5%	5,491,800	6.6%
United States	10,103,632	8.1%	441,700	7.9%
Canada	107,900	5.1%
Europe				
United Kingdom	590,596	6.6%	510,600	3.7%
France	409,346	4.1%	90,400	1.9%
Germany	274,808	-0.8%	140,300	-1.1%
Asia-Pacific				
Australia	232,994	3.0%
Japan	214,483	5.6%	245,800	-0.5%
South Korea	148,898	15.4%	161,800	7.7%
China	407,067	10.0%	747,900	20.0%
India	157,432	9.0%	174,200	19.5%
Latin America				
Mexico	160,162	12.8%	6,300	1.6%
Brazil	91,592	17.3%	35,100	8.0%
Total DC Key Markets	12,791,010	7.8%	2,662,000	9.1%

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Sources:

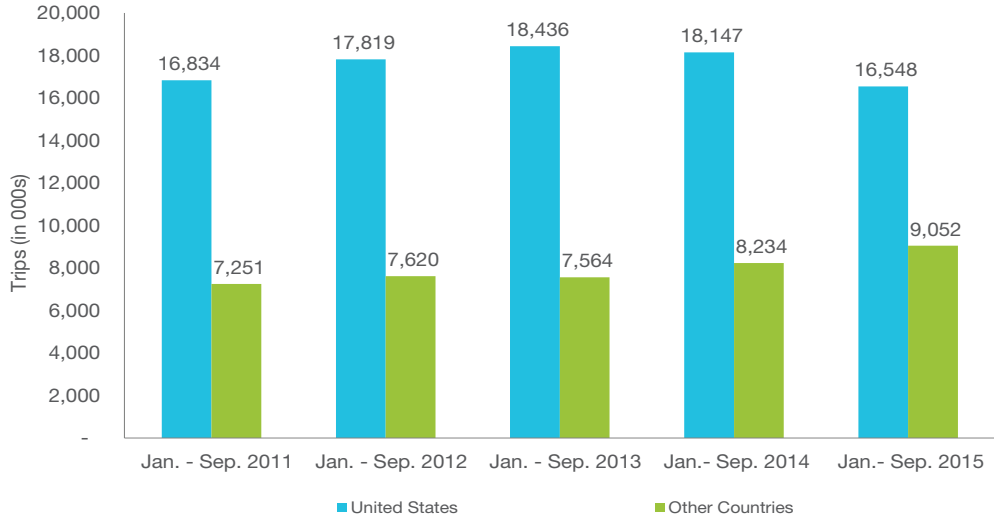
Statistics Canada, International Travel Survey Frontier Counts

Australian Bureau of Statistics, Overseas Arrivals and Departures

- Since the beginning of 2015, Canada registered a larger increase in total international arrivals (+7.5%) relative to growth recorded in Australia (+6.6%) over 2014.
- In DC's key markets, Canada registered lower growth, with arrivals increasing 7.8% compared to 9.1% in Australia relative to YTD September 2014.
- Australia posted a 5.1% increase in arrivals from Canada from January to September 2015. In comparison, Australian arrivals to Canada increased 3.0% during the same period.
- Australia registered larger gains than Canada in arrivals from China (+20% vs +10%) and India (+19.5% vs +9%) 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 nine months of 2015, outpacing it on overnight arrivals from Brazil (+17.3% vs 8%), France (+4.1% vs 1.9%), Japan (+5.6% vs -0.5%), Mexico (+12.8% vs +1.6%), South Korea (+15.4% vs +7.7%), the UK (+6.6% vs +3.7%) and the US (+8.1% vs +7.9%).

Canadian outbound trips

Overnight trips by Canadians



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

Overnight trips by Canadians

	Sep. 2015	15/14 Sep. % Change	Jan. - Sep. 2015	Year-to-date % Change
United States	1,595,078	-11.6	16,547,885	-8.8
Other Countries	799,072	8.1	9,051,772	9.9
Total Trips from Canada	2,394,150	-5.9	25,599,657	-3.0

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

- In September 2015, the number of overnight trips by Canadians to international destinations declined by 11.6% to 2,394,000. While the number of overnight trips by Canadians to the US fell by 11.6% year-over-year, it rose by 8.1% to overseas destinations.
- Over the first nine months of 2015, outbound trips by Canadian residents declined 3% compared to 2014 to 25,600,000. The number of trips south of the border declined by 8.8%, while trips to other destinations increased 9.9% relative to the same period in 2014.
- In September 2015, most Canadian residents returned to the country from abroad through Ontario (1,115,000 re-entries, -1.1%), Quebec (468,700 re-entries, -4.5%) and BC (505,140 re-entries, -10.9%).
- In September 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (745,500 re-entries, -6.8%), Quebec (284,800 re-entries, -10.5%) and BC (373,800 re-entries, -16%).

Consumer outlook

Consumer confidence

- **Canada:** With signs of a slowing Canadian economy since the beginning of the year, the index of consumer confidence decreased 1.4 percentage points in September to 90.6 (2014 = 100).
- **USA:** The Conference Board Consumer Confidence Index® increased in September. The Index stood at 102.6 (1985=100) in September, up from 101.3 in August, indicating an improvement 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)			
	Sep. 2015	15/14 Change [^]	Jan. - Sep. 2015	Year-to-date Change [^]	Sep. 2015	15/14 Change [^]	Jan. - Sep. 2015	Year-to-date Change [^]	Sep. 2015	15/14 Change [^]	Jan. - Sep. 2015	Year-to-date Change [^]
Alberta ¹	63.1%	-10.6%	61.6%	-7.6%	\$140.05	-4.2%	\$141.95	-1.2%	\$88.31	-18.1%	\$87.37	-12.1%
British Columbia	77.4%	3.6%	69.4%	2.6%	\$160.06	10.8%	\$156.56	9.4%	\$123.87	16.2%	\$108.71	13.6%
Saskatchewan	64.8%	-2.5%	60.0%	-4.4%	\$133.47	0.6%	\$131.91	-0.5%	\$86.45	-3.1%	\$79.09	-7.3%
Manitoba	67.0%	-3.2%	63.3%	1.0%	\$119.51	0.9%	\$119.50	2.2%	\$80.12	-3.8%	\$75.69	3.8%
Ontario	78.9%	4.3%	66.6%	1.0%	\$149.40	5.5%	\$139.29	6.1%	\$117.85	11.6%	\$92.75	7.7%
Quebec	77.4%	4.0%	68.2%	1.5%	\$156.08	2.8%	\$152.44	4.8%	\$120.74	8.4%	\$103.96	7.1%
New Brunswick	65.9%	4.9%	56.8%	-0.9%	\$119.78	6.7%	\$116.09	3.8%	\$78.96	15.2%	\$65.92	2.2%
Nova Scotia	81.0%	8.2%	64.2%	1.7%	\$141.12	6.7%	\$129.50	5.0%	\$114.34	18.8%	\$83.09	7.9%
Newfoundland	76.0%	-2.8%	66.2%	-1.5%	\$152.68	-3.3%	\$148.37	-0.1%	\$116.09	-6.7%	\$98.27	-2.3%
Prince Edward Island	75.2%	10.4%	55.6%	2.3%	\$140.38	3.9%	\$133.70	4.8%	\$105.64	20.5%	\$74.34	9.3%
Northwest Territories	81.4%	-1.9%	66.4%	-2.6%	\$155.72	-2.4%	\$157.10	0.8%	\$126.83	-4.6%	\$104.33	-3.1%
Yukon	79.0%	4.6%	69.1%	0.0%	\$127.47	3.3%	\$120.39	4.8%	\$100.73	9.7%	\$83.17	4.8%
Canada	74.5%	1.1%	65.7%	-0.3%	\$151.40	4.7%	\$145.41	4.9%	\$112.87	6.2%	\$95.59	4.5%

* Note: Based on the operating results of 227,630 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.

- In September 2015, the National Occupancy Rate decreased 0.3 points to 65.7%. PEI (+10.4 points) and Nova Scotia (+8.2 points) registered the largest increases, while Alberta (-10.6 points), Manitoba (-3.2 points) and Newfoundland (-2.8 points) recorded the largest declines in hotel occupancy rates relative to September 2014. The hotel markets with the highest occupancy rates in September 2015 were in the Northwest Territories (81.4%), Nova Scotia (81.0%), Yukon (79.0%) and Ontario (78.9%).
- Since the beginning of 2015, the National Occupancy Rate declined slightly (-0.3 points to 65.7%) compared to last year. BC (+2.6 points), PEI (+2.3 points), Nova Scotia (+1.7 points) and Quebec (+1.5 points) recorded the strongest gains, while the largest declines were recorded in Alberta (-7.6 points), Saskatchewan (-4.4 points) and Northwest Territories (-2.6 points). The provincial and territorial markets with the highest hotel occupancy rates during the first nine months of the year were BC (69.4%), Yukon (69.1%), Quebec (68.2%) and Northwest Territories (66.4%).
- Since the beginning of 2015, the National Average Daily Rate (ADR) rose to \$145.41, up 4.9% compared to 2014. BC (+9.4%, \$156.56), Ontario (+6.1%, \$139.29), Nova Scotia (+5.0%, \$129.50), Quebec (+4.8%, \$152.44) and PEI (+4.8%, \$133.70) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates are in Northwest Territories (\$157.10/night), BC (\$156.56/night) and Quebec (\$152.44/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$95.59 (+4.5%), with the largest revenue growth in BC (+13.6%, \$108.71), PEI (+9.3%, \$74.34), Nova Scotia (+7.9%, \$83.09), Ontario (+7.7%, \$92.75) and Quebec (+7.1%, \$103.96). Provincial and territorial hotel markets with the highest RevPar were BC (\$108.71), Northwest Territories (\$104.33) and Quebec (\$103.96).

DC Consumer and Market Intelligence