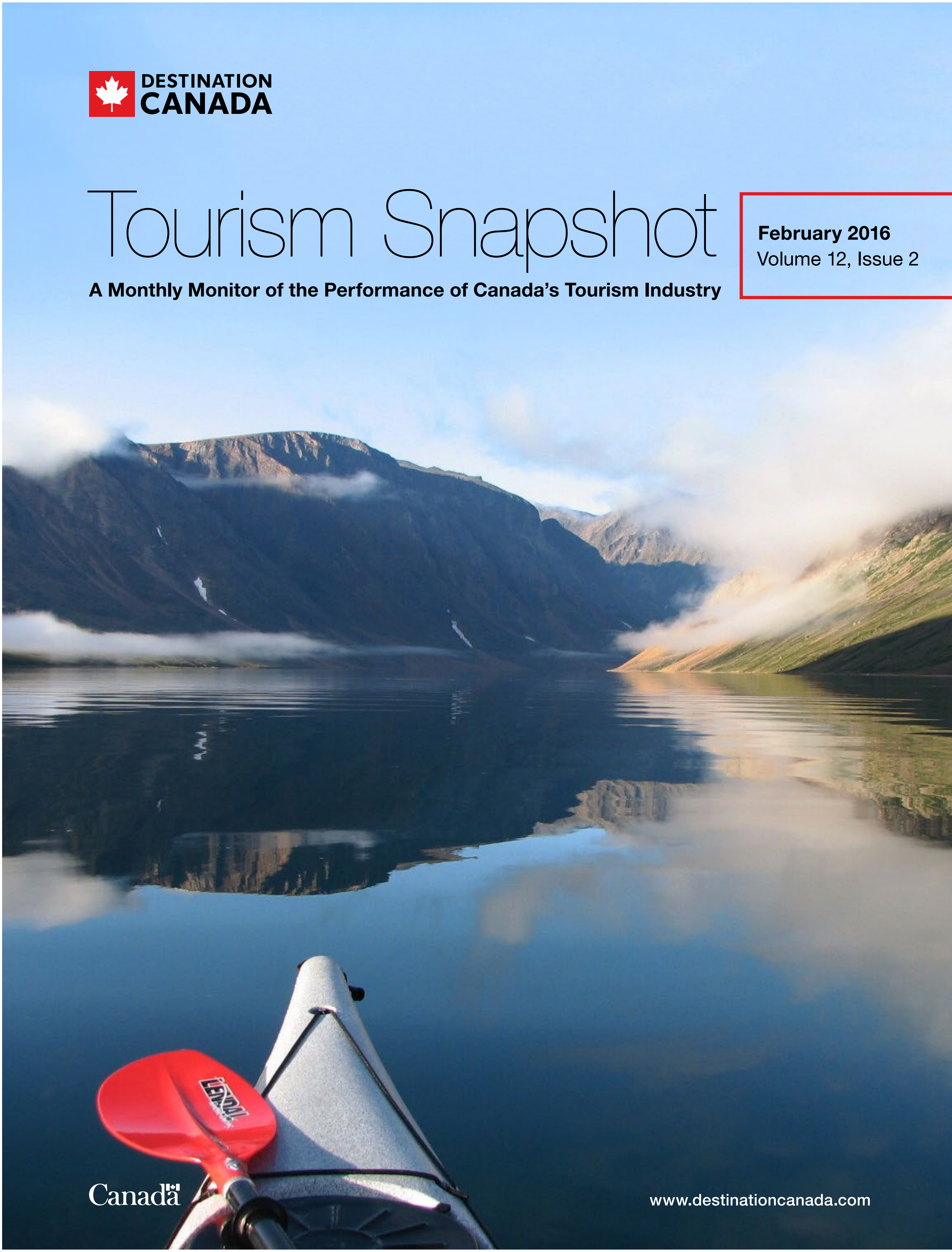
DESTINATION CANADA

Tourism Snapshot

A Monthly Monitor of the Performance of Canada's Tourism Industry

February 2016
Volume 12, Issue 2



Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- In February 2016, Canada welcomed over 790,000 overnight visitors from DC's 11 international markets – up 17.7% relative to 2015 and representing the highest level of overnight arrivals since 2005.
- Overnight arrivals from DC's 11 international markets recorded gains from all four world regions, including the US (+20.5%), Asia-Pacific (+11%), Latin America (+8%) and Europe (+6.9%) in February 2016. All five DC Asia-Pacific markets recorded growth, including double-digit growth from South Korea (+29%), Japan (+25.7%) and India (+13.5%), and more moderate growth from China (+2.7%) and Australia (+2.2%) in February 2016.
- During the two first months of 2016, overnight arrivals from DC's 11 international markets rose 13.9% to 1.48 million visitors.
- Arrivals growth occurred across all four DC regions with the US leading the way (+15.5%), followed by Asia-Pacific (12.4%), Europe (+5.7%) and Latin America (+4.4%). All DC markets except Brazil recorded visitation growth during January and February 2016 relative to 2015, including double-digit growth from the US (15.5%), South Korea (+22.8%), Mexico (+18.9%), Japan (+14.7%), China (+12.8%) and India (+10.1%).

Industry Performance Dashboard

	Current Month	YTD
Overnight Arrivals[1]		
Total International	↑ 16.5%	↑ 13.5%
11 DC Markets**	↑ 17.7%	↑ 13.9%
Non-DC Markets	↑ 7.2%	↑ 10.6%
Air Seat Capacity[2]		
Total International	↑ 7.8%	↑ 6.3%
11 DC Markets**	↑ 6.7%	↑ 5.2%
Non-DC Markets	↑ 10.0%	↑ 8.2%
National Hotel Indicators[3]		
Occupancy Rate*	↓ -0.8	↓ -1.1
Revenue Per Available Room (Revpar)	↑ 2.0%	↑ 1.8%
Average Daily Rate (ADR)	↑ 0.5%	↓ -0.3%

Notes:
The Industry Performance Dashboard figures are year-on-year (2016/2015) variations.
* Percentage point variations.
** The 11 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea, Brazil and Mexico.

Sources:
1. International Travel Survey, Statistics Canada.
2. Diio Mi.
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

QUICK LINKS

MARKET MONITOR SUMMARY

		Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
	Market	Current Month	Full Year	Current Month	Full Year	Current Month	Full Year	Current Month Average	Full Year Average
United States	United States	613,377	1,139,390	20.5%	15.5%	5.1%	3.8%	10.3%	13.9%
DC Europe	France	31,187	53,309	6.3%	6.2%	7.6%	5.1%	7.9%	9.0%
	Germany	12,523	24,097	5.2%	6.4%	9.6%	5.2%	7.9%	9.0%
	United Kingdom	32,450	58,776	8.1%	4.9%	3.3%	-0.1%	2.9%	7.4%
DC Asia-Pacific	Australia	11,323	31,965	2.2%	4.4%	-19.9%	-11.3%	1.0%	1.5%
	China	35,209	65,776	2.7%	12.8%	20.0%	19.2%	5.3%	8.3%
	India	8,353	16,726	13.5%	10.1%	61.5%	59.0%	0.2%	4.4%
	Japan	17,550	28,131	25.7%	14.7%	9.8%	8.3%	14.4%	16.2%
	South Korea	11,348	23,545	29.0%	22.8%	32.9%	27.4%	0.0%	3.2%
DC Latin America	Brazil	6,179	14,460	-2.6%	-12.6%	11.2%	15.8%	-21.6%	-22.5%
	Mexico	10,519	23,030	15.4%	18.9%	59.2%	57.7%	-10.7%	-7.3%
Total 11 DC Markets		790,018	1,479,205	17.7%	13.9%				
Rest of the World		91,664	189,005	7.2%	10.6%				
Total International		881,682	1,668,210	16.5%	13.5%				

Sources:
i. International Travel Surey, Statistics Canada.
ii. Diio Mi.
iii. Bank of Canada.

Notes:
i. Arrival figures are preliminary estimates and are subject to change.
ii. Air seat capacity is the variation in the total number of seats on direct commercial scheduled flights in the current month and year-to-date relative to the same periods in 2015.
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during the current month and the year-to-date compared to the same periods in 2015.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

+20.5% ↑ YOY

YTD:

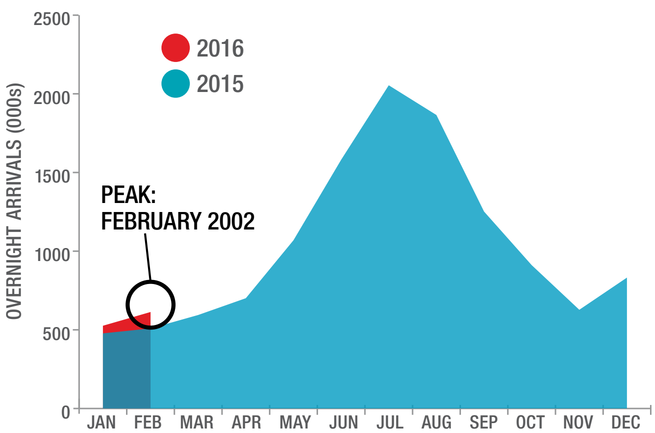
+15.5% ↑ YOY

Overnight Arrivals

	Feb. 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	356,668	19.0	658,974	15.1
Air	226,448	27.2	419,885	19.4
Other	30,261	-2.6	60,531	-2.9
US Total	**613,377**	**20.5**	**1,139,390**	**15.5**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total United States Arrivals



United States: Key Indicators

Air Seat Capacity[i]	Current Month	5.1%
	YTD	3.8%
Exchange Rate[ii]	Current Month	10.3%
	YTD	13.9%
Consumer Confidence Index (1985=100)[iii]	Current Month	96.3
	Previous Month	90.4
YTD Arrival Peak[iv]	Peak Year	2003
	Current % of Previous Peak	86.3%

Source:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, International Travel Survey.

UNITED STATES

- Canada welcomed about 613,400 overnight visitors from the US in February 2016. The US visitor peak on record during the month of February occurred in 2002, with about 742,000 overnight trips.
- In February 2016, overall arrivals from the US rose 20.5% over 2015, with growth recorded in arrivals by auto (+19%) and by air (+27.2%) while arrivals by other modes of transport recorded a minor decline (-2.6%). February 2016 was the fourth consecutive month of double-digit overnight arrival growth from the US.
- During January and February 2016, total US visitation to Canada rose 15.5% to 1.14 million overnight visits. Arrivals by auto and by air – the two primary modes of arrivals – registered strong increases of 15.1% and 19.4% respectively. Arrivals by other modes of transport – such as rail, bus and sea – recorded a minor 2.9% decline during the two first months of the year.
- Overnight inbound arrivals from the US were helped by the continued appreciation of the US dollar relative to the Canadian dollar (+10.4% in February 2016 and 13.8% YTD February relative to 2015) as well as by improvements in the US economy amid solid job creation and GDP growth numbers. Fewer Canadians travelling by air to the US (-9.2%) together with a minor increase in air seat capacity (+5.1% in February 2016 and +3.8% during the two first months of the year) provided additional available seats on planes to Canada, which facilitated the growth of US arrivals to Canada.
- The consumer confidence index published by the US Conference Board was lower than expected in February at 94.0, down from a revised 97.8 in January 2016, as consumers' short-term economic outlook weakened in the face of less favorable business, financial and employment conditions.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+6.9% ↑ YOY

YTD:

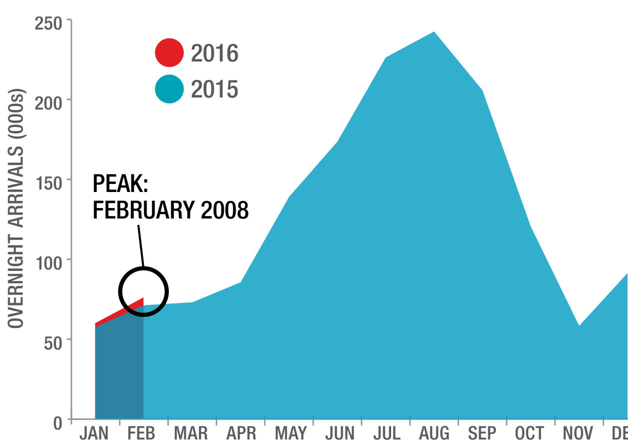
+5.7% ↑ YOY

Overnight Arrivals

	Feb. 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**76,160**	**6.9**	**136,182**	**5.7**
United Kingdom	32,450	8.1	58,776	4.9
France	31,187	6.3	53,309	6.2
Germany	12,523	5.2	24,097	6.4
Secondary Markets				
Italy	3,934	-6.0	9,265	1.8
Netherlands	4,011	15.8	8,001	19.4
Spain	2,163	18.3	4,799	23.8
Switzerland	5,167	5.3	9,947	9.4
Rest of Europe	26,695	16.1	55,580.0	16.1
Total Europe	**118,130**	**8.7**	**223,774**	**8.9**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	Current Month	7.6%	9.6%	3.3%
	YTD	5.1%	5.2%	-0.1%
Exchange Rate[ii]	Current Month	7.9%	7.9%	2.9%
	YTD	9.0%	9.0%	7.4%
YTD Arrival Peak[iii]	Peak Year	2015	1996	2008
	Current % of Previous Peak	106.2%	93.1%	67.5%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

EUROPE

- Canada welcomed 76,160 visitors from DC's markets in Europe in February 2016, up 6.9% compared to 2015. During January and February 2016, arrivals from DC Europe rose 5.7% relative to the same period in 2015.

- As a result of increased air seat capacity (+3.3% in February, stable YTD) and a more favorable exchange rate relative to the Canadian dollar (+2.9% in February, +7.2% YTD year-on-year), UK arrivals rose 8.1% in February 2016 and 4.9% in the first two months of the year.

- France recorded a new arrival record for a month of February in 2016 at 31,200 overnight visits, up 6.3% relative to February 2015. A stronger Euro relative to the CAD (+7.9% in February, +8.9% YTD year-on-year) combined with additional air capacity to Canada (+7.6% in February, +5.1% YTD year-on-year) helped drive visitation to Canada from the Hexagon. During the two first months of 2016, arrivals from France rose 6.2%.

- German arrivals rose 5.2% in February and 6.4% in the first months of the year relative to 2015. The more favorable exchange rate for German visitors – the Euro gained 7.9% year-on-year relative to the CAD in February and 8.9% YTD – and improved air seat capacity (+9.6% in February, + 5.2% YTD year-on-year) helped increase visits from Germany.

DC Europe Arrivals by Port of Entry

- During January and February 2016, about 70% of arrivals from DC markets in Europe were direct air arrivals from overseas. Air arrivals via the US accounted for about 27% of total arrivals from France, 22% from Germany and 16% from the UK. Land arrivals made up about 5% of French and German arrivals and 10% of UK arrivals.

- Notable year-on-year variations include the 96% increase in arrivals from France at YVR airport thanks to the new Air France flight from Paris and the strong increases in the number of UK (+18.1%) arrivals at Montreal-Trudeau.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	5,327	7,667	17,395
		YOY%	-1.6%	12.7%	8.8%
		% of Total	**10.0%**	**31.8%**	**29.6%**
	YVR	Arrivals	1,491	3,830	11,362
		YOY%	96.2%	-3.2%	-2.4%
		% of Total	**2.8%**	**15.9%**	**19.3%**
	YUL	Arrivals	28,623	3,054	5,986
		YOY%	3.3%	11.1%	18.1%
		% of Total	**53.7%**	**12.7%**	**10.2%**
	YYC	Arrivals	359	2,716	6,248
		YOY%	-29.6%	4.3%	-1.2%
		% of Total	**0.7%**	**11.3%**	**10.6%**
	All other airports	Arrivals	721	441	2,450
		YOY%	2.1%	2.7%	6.0%
		% of Total	**1.4%**	**1.8%**	**4.2%**
	Subtotal	Arrivals	36,521	17,708	43,441
		YOY%	4.4%	7.7%	5.9%
		% of Total	**68.5%**	**73.5%**	**73.9%**
Air Arrivals via the US	All airports	Arrivals	14,395	5,271	9,632
		YOY%	14.4%	0.6%	2.7%
		% of Total	**27.0%**	**21.9%**	**16.4%**
Sea Arrivals	All sea borders	Arrivals	10	5	5
		YOY%	25.0%	0.0%	-99.9%
		% of Total	**0.0%**	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	2,383	1,113	5,698
		YOY%	-8.7%	14.5%	1.2%
		% of Total	**4.5%**	**4.6%**	**9.7%**
Total Overnight Arrivals			**53,309**	**24,097**	**58,776**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

ASIA-PACIFIC

DC Asia-Pacific Arrivals to Canada

CURRENT MONTH:

+11% ↑ YOY

YTD:

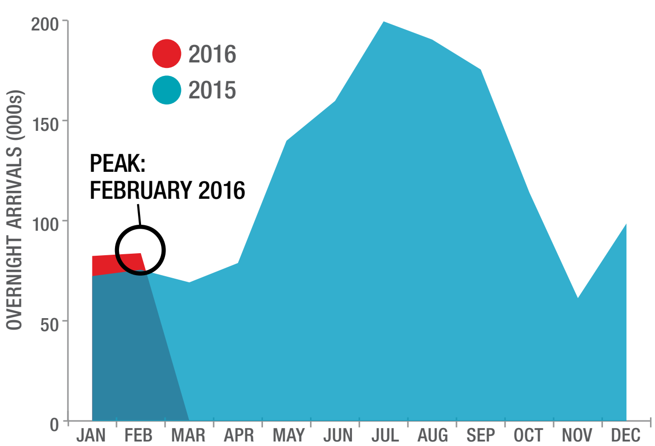
+12.4% ↑ YOY

Overnight Arrivals

	Feb. 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**83,783**	**11.0**	**166,143**	**12.4**
Australia	11,323	2.2	31,965	4.4
China	35,209	2.7	65,776	12.8
India	8,353	13.5	16,726	10.1
Japan	17,550	25.7	28,131	14.7
South Korea	11,348	29.0	23,545	22.8
Secondary Markets				
Hong Kong	9,737	-11.8	16,883	-1.3
Taiwan	5,531	44.3	9,166	44.1
Rest of Asia-Pacific	15,267	-0.6	34,985	4.9
Total Asia-Pacific	**114,318**	**8.1**	**227,177**	**11.0**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	Current Month	-19.9%	20.0%	61.5%	9.8%	32.9%
	YTD	-11.3%	19.2%	59.0%	8.3%	27.4%
Exchange Rate[ii]	Current Month	1.0%	5.3%	0.2%	14.4%	0.0%
	YTD	1.5%	8.3%	4.4%	16.2%	3.2%
YTD Arrival Peak[iii]	Peak Year	2015	2015	2015	1997	2007
	Current % of Previous Peak	104.4%	112.8%	110.1%	52.9%	95.8%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

ASIA-PACIFIC

- Canada welcomed 83,800 visitors from DC Asia-Pacific in February 2016, up 11%, achieving a new all-time record for a month of February. During the two first months of 2016, overnight visitation rose 12.4%.
- South Korea achieved a robust 29% growth in arrivals in February 2016 and 22.8% in the first two months of 2016. This performance was supported by a 27.4% increase in seat capacity, year-to-date, and the strength of the Won relative to the Canadian dollar.
- Double digit gains in overnight arrivals from Japan February (+25.7%) buoyed by a lift in air seat capacity (+9.8% in February, +8.3% YTD) and a more favorable exchange rate relative to the CAD. In the first two months of 2016, arrivals from Japan are up 14.7%.
- Visitation from India grew 13.5%in February 2016 achieving a new arrival peak for that month. Year-to-date, Indian arrivals rose 10.1%. A significant increase in direct air capacity (+61.5 in February, 59% YTD) as a result of the new nonstop Air Canada flight to Delhi fuelled visitation from India.
- China recorded moderate growth in February with arrivals up 2.7% relative to 2015. Air seat capacity rose significantly and Chinese visitors benefited from a more favorable exchange rate relative to the CAD. As a result, the number of Chinese visitors rose 12.8% during January and February, laying the foundations for another record year.
- Australia posted modest growth in February 2016 (+2.2%) and year-to-date (+4.4%) despite the downturn in the commodity sector and the decline in air seat capacity (-19.9% in February, -11.3% YTD).

DC Asia-Pacific Arrivals by Port of Entry

- About 80% of arrivals from China, two thirds from India and Japan, half from South Korea and a third from Australia were direct air arrivals from overseas during January and February 2016.
- Air arrivals via the US accounted for about 52% of total arrivals from Australia, 23% from Japan, 20% from South Korea, 18% from China and 11% from India.
- Arrivals from China to YUL increased 405% thanks to the new Air China flight from Beijing.

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	1,558	20,543	6,944	6,427	3,630
		YOY%	18.2%	1.3%	15.8%	10.6%	18.5%
		% of Total	**4.9%**	**31.2%**	**41.5%**	**22.8%**	**15.4%**
	YVR	Arrivals	9,638	26,786	1,652	11,989	9,098
		YOY%	-6.7%	16.0%	5.8%	17.8%	15.6%
		% of Total	**30.2%**	**40.7%**	**9.9%**	**42.6%**	**38.6%**
	YUL	Arrivals	198	2,198	733	159	122
		YOY%	-10.0%	405.3%	-9.4%	84.9%	-37.4%
		% of Total	**0.6%**	**3.3%**	**4.4%**	**0.6%**	**0.5%**
	YYC	Arrivals	205	59	591	1,119	108
		YOY%	48.6%	-20.3%	-20.8%	14.0%	-45.5%
		% of Total	**0.6%**	**0.1%**	**3.5%**	**4.0%**	**0.5%**
	All other airports	Arrivals	64	97	313	31	23
		YOY%	0.5%	0.2%	3.4%	0.2%	0.2%
		% of Total	**0.2%**	**0.1%**	**1.9%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	11,663	49,683	10,233	19,725	12,981
		YOY%	-3.8%	12.5%	11.3%	15.1%	14.0%
		% of Total	**36.5%**	**75.5%**	**61.2%**	**70.1%**	**55.1%**
Air Arrivals via the US	All airports	Arrivals	16,530	12,041	1,879	6,495	4,632
		YOY%	10.6%	17.4%	32.7%	10.8%	20.3%
		% of Total	**51.7%**	**18.3%**	**11.2%**	**23.1%**	**19.7%**
Sea Arrivals	All sea borders	Arrivals	6	6	18	4	5
		YOY%	50.0%	500.0%	-55.0%	100.0%	400.0%
		% of Total	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	3,766	4,046	4,596	1,907	5,927
		YOY%	6.6%	3.9%	1.1%	25.3%	50.4%
		% of Total	**11.8%**	**6.2%**	**27.5%**	**6.8%**	**25.2%**
Total Overnight Arrivals			**31,965**	**65,776**	**16,726**	**28,131**	**23,545**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

LATIN AMERICA

DC Latin America Arrivals to Canada

CURRENT MONTH:

+8.0% ↑ YOY

YTD:

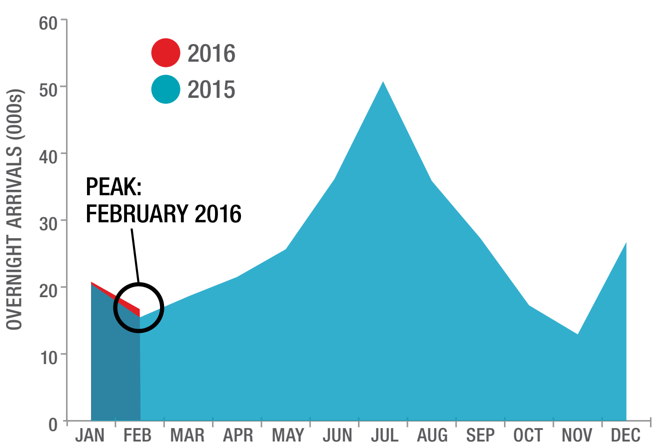
+4.4% ↑ YOY

Overnight Arrivals

	Feb. 2016		YTD 2016	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**16,698**	**8.0**	**37,490**	**4.4**
Brazil	6,179	-2.6	14,460	-12.6
Mexico	10,519	15.4	23,030	18.9
Rest of Latin America	14,441	6.6	29,356	7.6
Total Latin America	**31,139**	**7.3**	**66,846**	**5.8**

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total DC Latin America



DC Latin America: Key Indicators

		Brazil	Mexico
Air Seat Capacity[i]	Current Month	11.2%	59.2%
	YTD	15.8%	57.7%
Exchange Rate[ii]	Current Month	-21.6%	-10.7%
	YTD	-22.5%	-7.3%
YTD Arrival Peak[iii]	Peak Year	2015	2008
	Current % of Previous Peak	87.4%	90.4%

Sources:
i. Diio Mi, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, International Travel Survey.

- Canada welcomed 16,700 visitors from DC Latin America markets in February 2016, up 8% compared to 2015, establishing a new arrival peak for a month of February. During January and February 2016, arrivals from DC Latin America rose 4.4%.

- February 2016 was the fourth consecutive month of double-digit arrival growth from Mexico (+15.4%), contributing to strong growth in the two first months of the year (+18.9%). A significant air seat capacity increase (+59.2% in February, +57.7% YTD) relative to the same period in 2015 - with the introduction of new flights from Mexico City to Montreal and Vancouver – has greatly benefited inbound arrivals from Mexico.

- Arrivals from Brazil declined in the beginning of the year following strong numbers during 2015. At 6,180 overnight visitors in February 2016, arrivals declined by 2.6% relative to the same month in 2015. During January and February 2016, Brazilian arrivals declined 12.6%. The benefits of the strong increase in air seat capacity to Canada (+11.2% in February 2016, +15.8% YTD) was offset by a plummeting Brazilian Real (-22%), a declining economy and political unrest since the beginning of 2016.

DC Latin America Arrivals by Port of Entry

- About half of arrivals from Mexico and Brazil were direct air arrivals from overseas during January and February 2016.

- Air arrivals via the US accounted for about 43% of total arrivals to Canada from Brazil and 18% from Mexico. Arrivals by land accounted for 32% of total arrivals from Mexico and 5% from Brazil.

- Notable year-on-year variations include significant increases in arrivals from Mexico at Toronto-Pearson (YYZ) (+16%), Montreal-Trudeau (YUL) (+18%) and Vancouver International (YVR) (+65%). A 75% increase in arrivals from Brazil was recorded to YVR (although the number of arrivals remains small) as a result of the new AeroMexico flight to Vancouver which provides easier air access from Latin America via the Mexico City hub.

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	7,093	4,987
		YOY%	-10.5%	16.1%
		% of Total	**49.1%**	**21.7%**
	YVR	Arrivals	214	4,497
		YOY%	75.4%	65.3%
		% of Total	**1.5%**	**19.5%**
	YUL	Arrivals	173	1,654
		YOY%	-0.6%	17.6%
		% of Total	**1.2%**	**7.2%**
	YYC	Arrivals	9	204
		YOY%	-35.7%	-20.3%
		% of Total	**0.1%**	**0.9%**
	All other airports	Arrivals	28	197
		YOY%	0.3%	2.3%
		% of Total	**0.2%**	**0.9%**
	Subtotal	Arrivals	7,517	11,539
		YOY%	-8.9%	29.6%
		% of Total	**52.0%**	**50.1%**
Air Arrivals via the US	All airports	Arrivals	6,159	4,155
		YOY%	-18.2%	4.1%
		% of Total	**42.6%**	**18.0%**
Sea Arrivals	All sea borders	Arrivals	0	0
		YOY%	-100.0%	-100.0%
		% of Total	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	784	7,336
		YOY%	-89.6%	83.9%
		% of Total	**5.4%**	**31.9%**
Total Overnight Arrivals			**14,460**	**23,030**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

Trips From:		Trips To: Canada	% YOY Variance	Trips To: Australia	% YOY Variance
Total International		**1,668,210**	**13.5%**	**1,417,200**	**11.7%**
United States		1,139,390	15.5%	123,100	15.3%
Canada		…	…	33,600	5.7%
Europe	**United Kingdom**	58,776	4.9%	152,900	7.1%
	France	53,309	6.2%	23,800	5.8%
	Germany	24,097	6.4%	40,000	6.1%
Asia-Pacific	**Australia**	31,965	4.4%	…	…
	Japan	28,131	14.7%	66,800	29.7%
	South Korea	23,545	22.8%	57,000	25.6%
	China	65,776	12.8%	287,900	21.1%
	India	16,726	10.1%	36,700	-4.4%
Latin America	**Mexico**	23,030	18.9%	1,600	14.3%
	Brazil	14,460	-12.6%	8,000	-18.4%
Total DC Key Markets		**1,479,205**	**13.9%**	**831,400**	**14.5%**

Sources:
Statistics Canada, International Travel Survey Border Counts.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- During January and February 2016, Canada registered a slightly higher increase in total international arrivals (+13.5%) than Australia (+11.7%) over 2015. Canada welcomed 1.67 million international visitors, compared with 1.42 million in Australia.
- In DC's markets, Canada registered stronger growth than Australia, with arrivals increasing 13.9% - compared to 8.7% in Australia. Arrivals from DC markets totalled nearly 1.5 million trips to Canada compared to 790,000 in Australia.
- Tourism flows between Canada and Australia are relatively on par. Approximately 33,600 Canadian travellers visited Australia year-to-date (+5.7%), while nearly 32,000 Australia travellers visited Canada (+4.4%).
- Australia and Canada registered equivalent growth from the US (+15.5% vs +15.3%) since the start of the year, although Canada welcomed nearly ten times more American visitors than Australia (1.14 million vs 123,000 visits).
- Australia saw a surge in arrivals from China (+21.1%), outpacing the growth rate recorded in Canada (+12.8%). China remains Australia's main long-haul inbound market with 288,000 visitors, compared to just short of 66,000 Chinese visitors to Canada.
- In addition to China, Australia recorded stronger growth than Canada from Japan (+29.7% vs +14.7%), South Korea (+25.6% vs +22.8%) and the UK (+7.1% vs +4.9%) year-to-date.
- Canada registered larger gains than Australia in arrivals from all other DC markets, includingFrance (+6.2% vs 5.8%), Mexico (+18.9% vs +14.3%), Germany (+6.4% vs 6.1%) and India (+10.1% vs -4.1%).

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry

		Newfoundland and Labrador	Prince Edwad Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2016	3,192	6	4,865	10,866	278,838	724,167
	Variance YOY%	-12.5%	-73.9%	-12.8%	27.0%	17.1%	12.6%
	Change YOY	(456)	(17)	(717)	2,313	40,702	80,839
US Residents by Automobile	2016	0	0	0	10,503	110,639	289,968
	Variance YOY%	0.0%	0.0%	0.0%	29.6%	26.0%	11.6%
	Change YOY	-	-	-	2,396	22,842	30,077
US Residents by Non-Automobile	2016	536	6	2,722	274	71,891	220,054
	Variance YOY%	-43.2%	0.0%	-20.5%	-13.6%	12.7%	18.8%
	Change YOY	(407)	6	(704)	(43)	8,079	34,816
Residents from Other Countries	2016	2,656	0	2,143	89	96,308	214,145
	Variance YOY%	-1.8%	-100.0%	-0.6%	-31.0%	11.3%	8.0%
	Change YOY	(49)	(23)	(13)	(40)	9,781	15,946

Source: International Travel Survey, Statistics Canada.

Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2016	18,346	6,678	83,717	534,646	2,889	**1,668,210**
	Variance YOY%	12.8%	-9.0%	3.4%	15.3%	19.9%	**13.5%**
	Change YOY	2,076	(662)	2,733	71,007	480	**198,298**
US Residents by Automobile	2016	9,995	3,392	6,925	224,918	2,634	**658,974**
	Variance YOY%	14.2%	21.1%	13.2%	14.2%	24.7%	**15.1%**
	Change YOY	1,246	591	806	27,968	522	**86,448**
US Residents by Non-Automobile	2016	7,539	2,986	50,053	124,293	62	**480,416**
	Variance YOY%	15.3%	-17.1%	4.8%	21.6%	-28.7%	**16.1%**
	Change YOY	1,000	(618)	2,279	22,120	(25)	**66,503**
Residents from Other Countries	2016	812	300	26,739	185,435	193	**528,820**
	Variance YOY%	-17.3%	-67.9%	-1.3%	12.7%	-8.1%	**9.4%**
	Change YOY	(170)	(635)	(352)	20,919	(17)	**45,347**

- During January and February 2016, the largest increases in total international arrivals to Canada were recorded through Ontario (+80,840, +12.6%), British Columbia (+71,000, +15.3%), and Quebec (+40,700, +17.1%).
- All three provinces (Ontario, BC and Quebec) registered strong gains in US arrivals by auto and non-auto modes as well as from overseas during January and February 2016.
- Eight provinces recorded double-digit growth in arrivals by automobile from the US, with New Brunswick leading the way (+29.6%), followed by Quebec (+26%), the Yukon (+24.7%), Saskatchewan (+21.1%), BC (+14.2%), Manitoba (+14.2%), Alberta (+13.2%) and Ontario (+11.6%).
- Saskatchewan, Nova Scotia and Alberta recorded a contraction of total international arrivals (mainly US residents arriving by non-auto modes and residents from overseas) during January and February 2016 partly because of the decline in business travel resulting from the downturn in the oil and gas and commodity sectors.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	Feb. 2016	YOY % Variance	Jan.- Feb. 2016	YOY % Variance
United States			2,586,389	-13.4
Other Countries	1,116,405	8.5	2,450,145	9.1
Total Trips from Canada	2,346,927	-4.1	5,036,534	-3.7

Note: The figures are preliminary estimates and are subject to change.
Source: Statistics Canada, International Travel Survey.

- In February 2016, the number of overnight trips by Canadians to international destinations declined by 4.1% to 2.35 million. While the number of overnight trips by Canadians to the US fell by 13.3% year-over-year, it rose by 8.5% to overseas destinations.
- During the first two months of 2016, total Canadian outbound travel fell 3.7% to 5.04 million trips. As a result of the depreciation of the loonie relative to the US dollar, Canadians reduced their travel to the US by 13.4%, choosing overseas countries (+9.1%) as alternative destinations.
- Amid some signs of a recovering Canadian economy in early 2016, the index of consumer confidence published by the Conference Board of Canada improved by 3.7 points in February to land at 83.7 (2014 = 100), up from 80 in January. It was the first gain recorded in this index since October 2015.
- In February 2016, most Canadian residents returned to the country from abroad through Ontario (2.39 million re-entries, -2.6%), Quebec (930,500 re-entries, +0.7%) and BC (915,630 re-entries, -5.7%).
- In February 2016, Canadian residents returning home from the US primarily re-entered Canada through Ontario (1.19 million re-entries, -13.8%), BC (557,000 re-entries, -13.2%) and Quebec (389,100 re-entries, -5.5%).

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Feb. 2016	YOY^ Variance	Jan.- Feb.	YOY^ Variance	Feb. 2016	YOY Variance	Jan.- Feb.	YOY Variance	Feb. 2016	YOY Variance	Jan.- Feb.	YOY Variance
Alberta[1]	41.0%	-11.0	58.7%	-9.1	$129.04	-6.6%	$140.03	-2.4%	$52.91	-26.4%	$82.24	-15.6%
British Columbia	50.3%	1.9	66.1%	2.2	$153.07	7.3%	$153.15	8.8%	$76.95	11.6%	$101.23	12.6%
Saskatchewan	43.3%	-5.8	58.7%	-5.2	$126.65	-2.8%	$131.85	-0.9%	$54.84	-14.3%	$77.44	-9.0%
Manitoba	49.1%	-0.7	62.6%	0.2	$115.86	0.0%	$120.09	2.2%	$56.91	-1.5%	$75.14	2.5%
Ontario	49.4%	1.2	65.2%	1.1	$129.75	3.5%	$138.62	5.8%	$64.08	6.1%	$90.39	7.6%
Quebec	52.9%	0.6	66.4%	1.2	$149.94	3.8%	$151.86	4.7%	$79.26	5.1%	$100.76	6.6%
New Brunswick	35.5%	1.5	54.4%	-0.3	$105.69	4.0%	$114.90	4.1%	$37.50	8.5%	$62.54	3.5%
Nova Scotia	41.3%	4.7	61.7%	2.1	$120.26	4.9%	$127.84	4.9%	$49.63	18.3%	$78.85	8.6%
Newfoundland	41.3%	-3.3	63.7%	-2.7	$132.79	0.2%	$146.99	-0.2%	$54.85	-7.2%	$93.58	-4.3%
Prince Edward Island	34.2%	5.5	53.1%	2.6	$92.56	-0.1%	$128.19	3.8%	$31.69	19.3%	$68.02	9.1%
Northwest Territories	66.2%	7.2	65.8%	-1.9	$155.31	-1.6%	$156.77	-0.3%	$102.88	10.4%	$103.15	-3.1%
Yukon	42.4%	-4.2	63.7%	-1.8	$109.84	11.1%	$119.32	7.7%	$46.55	1.2%	$76.05	4.7%
Canada	**47.5%**	**-1.1**	**63.6%**	**-0.7**	**$138.14**	**2.5%**	**$143.71**	**4.5%**	**$65.67**	**0.2%**	**$91.34**	**3.3%**

*Based on the operating results of 223,202 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

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- During February 2016, the National Occupancy Rate decreased 0.8 points (relative to February 2015) to 56.9% amid mixed performance indicators for the accommodation sector across Canada. Since the start of the year, the National Occupancy Rate declined 1.1 points to 52.5%.
- With the downturn in the resource and commodity sectors impacting business travel, hotel performance in oil and gas producing provinces sustained contractions in occupancy rates in February relative to the previous year, with the strongest impact being felt in the three provinces with a large oil and gas sector: Alberta (-12.1 points), Newfoundland and Labrador (-7.3 points) and Saskatchewan (-5.2 points). Both the average daily rate and the revenue per available room (RevPar) declined significantly in the face of lower demand and occupancy. Alberta recorded the strongest decline (-26.1%) in the February RevPar (relative to the previous year), followed by Newfoundland and Labrador (-15.4%) and Saskatchewan (-12.5%).
- On a brighter note, most other Canadian regions recorded good overall hotel performance in February 2016. Occupancy rose 7.7 points in PEI, 7.2% in the Northwest Territories and 2.8% points in Ontario compared to 2015. Particularly strong monthly RevPar increases were recorded in PEI (+31%), Ontario (+10.1%), the Northwest Territories (+8.3%) and BC (+7.9%).
- Resort destinations in Alberta and British Columbia (Whistler) registered a strong performance during February 2016 with RevPar up 10.7% and 15% respectively relative to 2015. The year 2016 started with strong performance for resort properties in Alberta and BC, with the YTD RevPar increasing 11.8% in the former and 18.9% in the latter.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	Feb. 2016	YOY^ Change	Jan.- Feb.	YOY^ Variance	Feb. 2016	YOY Variance	Jan.- Feb.	YOY Variance
Property Size								
Under 50 rooms	40.2%	-4.9	37.1%	-5.1	$101.65	0.2%	$99.80	0.3%
50-75 rooms	48.5%	-1.9	45.0%	-2.4	$105.63	-1.7%	$104.39	-2.1%
76-125 rooms	53.9%	-2.0	49.9%	-2.6	$119.76	-2.2%	$119.39	-1.5%
126-200 rooms	58.0%	-0.8	53.8%	-0.6	$125.87	0.6%	$124.38	0.8%
201-500 rooms	62.1%	0.1	57.0%	0.1	$162.55	4.8%	$158.65	3.9%
Over 500 rooms	66.2%	3.5	60.7%	3.0	$183.23	5.7%	$175.99	4.2%
Total	56.9%	-0.8	52.5%	-1.1	$138.09	2.0%	$135.49	1.8%
Property Type								
Limited Service	50.1%	-2.4	46.6%	-3.0	$109.34	-1.4%	$108.40	-1.1%
Full Service	59.5%	-0.2	54.7%	-0.4	$142.60	2.1%	$139.42	1.6%
Suite Hotel	66.9%	1.0	62.5%	0.7	$145.56	2.4%	$142.92	2.3%
Resort	61.4%	1.8	55.8%	2.4	$222.16	10.3%	$217.72	8.2%
Total	56.9%	-0.8	52.5%	-1.1	$138.09	2.0%	$135.49	1.8%
Price Level								
Budget	48.1%	0.9	44.5%	0.4	$87.03	1.1%	$86.21	1.6%
Mid-Price	58.1%	-2.0	53.6%	-2.1	$131.44	-0.2%	$129.51	-0.1%
Upscale	65.1%	1.4	59.6%	1.0	$220.31	8.8%	$213.56	7.0%
Total	56.9%	-0.8	52.5%	-1.1	$138.09	2.0%	$135.49	1.8%

- Since the beginning of 2016, the larger hotels (greater than 125 rooms) generally fared better in terms of occupancy and average daily rates, particularly in Central Canada and to a lesser extend in Atlantic Canada. The largest properties (hotels with over 500 rooms) registered the strongest performance with occupancy up 3 points and ADR up 4.2% during January and February 2016.
- Suite hotels were the property type with the highest occupancy (62.5%) since the start of the year. Suite hotels were the best performers of hotel classes in Atlantic, Central and Western Canada since early January.
- Resorts recorded the highest growth in occupancy rate (+2.4 points) and ADR (+8.2 points) nationwide during January and February 2016 relative to last year, particularly in Western Canada.

DC CONSUMER AND MARKET INTELLIGENCE