DESTINATION CANADA

Tourism Snapshot

February 2017
Volume 13, Issue 2

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

Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- Canada welcomed over 912,000 international overnight visitors in February 2017 (+2.0% over February 2016), the highest number for the month of February since 2005.
- Overnight arrivals from Destination Canada's ten overseas markets exceeded 195,000 visitors in February 2017 to reach a new peak for February arrivals, fueled by exceptional performance from the Latin America markets (+44.6%) and sustained growth from Europe (+8.6%) and Asia-Pacific (+5.4%) markets.
- Following record gains in January 2017, overnight arrivals from China fell -11.5% year-over-year in February 2017. The start of Chinese New Year is typically associated with increased travel, and in contrast to the last two years when Chinese New Year celebrations began during the month of February, the 2017 celebrations started in January. For this reason, a better indication of performance is based on the total for first two months of the year. Year-to-date, overnight arrivals from China established a new high mark in 2017, bettering the previous 2016 record by +15.2%
- Among Destination Canada's other markets in the Asia-Pacific region, buoyant overnight arrivals in February 2017 from Japan (+24.8%), Australia (+20.2%), India (+13.8%) and South Korea (+7.1%) more than compensated for the contraction from China. Year-to-date in 2017, arrivals from the Asia-Pacific region are up 19.5%, benefitting from particularly strong performances from Japan (+27.5%) and Australia (+26.5%).
- For the third consecutive month following the replacement of the Visa requirement with the electronic Travel Authorization (eTA) last December for visitors to Canada from Mexico, overnight arrivals from Mexico shot up to reach a new monthly high (+69.6%).
- Year-over-year growth from the Europe region (+8.6%) was driven by strong performance from the UK (+15.1%), which expanded at a double-digit pace for the 10th consecutive month in February.
- Overnight arrivals from the United States contracted in February 2017 for the first time in over two years, slipping 1.1% year-over-year, due mainly to lower arrivals by air (-3.5%) and by automobile (-0.3%), which more than offset an increase in arrivals by other modes of entry (+8.7%). Year-to-date, overnight arrivals of US residents to Canada (+2.0%) is slightly ahead relative to the first two months of 2016.

QUICK LINKS

Industry Performance Dashboard

	February 2017	YTD
Overnight Arrivals[1]		
Total International	↑ 2.0%	↑ 5.7%
11 DC Markets**	↑ 1.4%	↑ 5.5%
United States	↓ -1.1%	↑ 2.0%
10 Overseas Markets	↑ 10.5%	↑ 17.4%
Non-DC Markets	↑ 7.2%	↑ 7.7%
Air Seat Capacity[2]		
Total International	↑ 7.8%	↑ 6.3%
11 DC Markets**	↑ 3.0%	↑ 4.2%
Non-DC Markets	↑ 19.3%	↑ 10.9%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 0.8	↑ 1.0
Revenue Per Available Room (Revpar)	↑ 1.1%	↑ 2.0%
Average Daily Rate (ADR)	↑ 2.6%	↑ 3.9%

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

Sources:
1. Statistics Canada, Frontier counts, custom tabulations
2. IATA-Diio SRS Analyser
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
		Feb. 2017	YTD 2017	Feb. 2017	YTD 2017	Feb. 2017	YTD 2017	Feb. 2017 Average	YTD Average
United States	United States	618,674	1,185,269	-1.1%	2.0%	-1.8%	-0.9%	-5.1%	-6.2%
DC Europe	France	32,309	55,168	3.6%	3.5%	4.3%	7.1%	-8.5%	-8.9%
	Germany	13,030	24,773	4.0%	2.8%	8.0%	10.9%	-8.5%	-8.9%
	United Kingdom	37,343	67,784	15.1%	15.3%	13.6%	15.8%	-16.9%	-18.7%
DC Asia-Pacific	Australia	13,605	40,430	20.2%	26.5%	109.7%	94.8%	1.7%	0.3%
	China	31,143	75,758	-11.5%	15.2%	37.9%	39.8%	-9.6%	-10.6%
	India	9,502	18,777	13.8%	12.3%	62.8%	62.9%	-3.5%	-5.9%
	Japan	21,901	35,874	24.8%	27.5%	13.8%	13.0%	-3.7%	-4.2%
	South Korea	12,153	27,761	7.1%	17.9%	34.0%	31.9%	0.9%	-2.3%
DC Latin America	Brazil	6,310	15,740	2.1%	8.9%	-37.4%	-39.7%	20.5%	19.1%
	Mexico	17,838	36,733	69.6%	59.5%	32.0%	33.0%	-14.6%	-18.3%
Total 11 DC Markets		**813,808**	**1,584,067**	**1.4%**	**5.5%**				
Rest of the World		**98,279**	**203,598**	**7.2%**	**7.7%**				
Total International		**912,087**	**1,787,665**	**2.0%**	**5.7%**				

Sources:
i. Statistics Canada, Frontier counts, custom tabulations
ii. IATA-Diio SRS Analyser
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 during the current month and YTD relative to the same periods in the previous year..
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during during the current month and YTD relative to the same periods in the previous year..

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

-1.1% ↓ YOY

YTD:

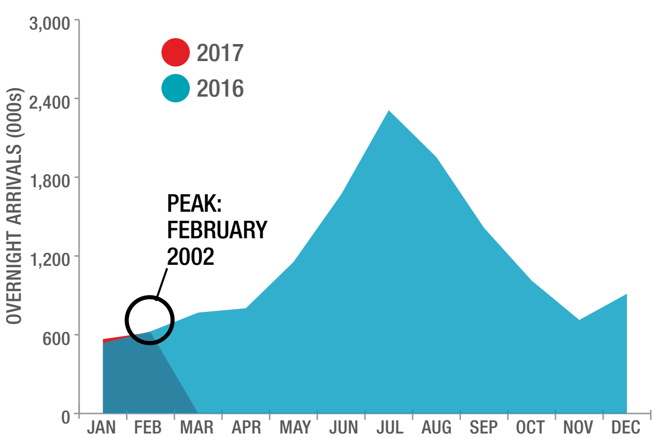
+2.0% ↑ YOY

Overnight Arrivals

	February 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	355,505	-0.3	659,779	0.1
Air	231,532	-3.5	462,667	4.0
Other	31,637	8.7	62,823	8.0
US Total	**618,674**	**-1.1**	**1,185,269**	**2.0**

Source: Statistics Canada, Frontier counts, custom tabulations.
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]	February 2017	-1.8%
	YTD	-0.9%
Exchange Rate[ii]	February 2017	-5.1%
	YTD	-6.2%
Consumer Confidence Index (1985=100)[iii]	February 2017	116.1
	Previous Month	111.6
YTD Arrival Peak[iv]	Peak Year	2003
	Current % of Previous Peak	84.8%

Source:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- Canada welcomed a total of 618,674 overnight visitors from the US in February 2017, marking the first year-over-year decrease (-1.1%) in monthly arrivals from the US in over two years. The decline can mainly be attributed to fewer arrivals by air (-3.5%), though a downward trend in automobile arrivals (-0.3%) was also an important factor, with the combination of the two outweighing an increase in arrivals by other modes of entry such as train, bus, and cruise (+8.7%).

- Combined over the first two months of 2017, US arrivals to Canada were still up 2.0% year-over-year, due primarily to growth in arrivals by air (+4.0%) and other modes of transportation (+8.0%). Auto arrivals were broadly on par with the same period of 2016 (+0.1%), making up the largest proportion of US arrivals (55.7% YTD).

- The softening trend in US overnight visitation also coincided with contractions in air capacity between Canada and the US (-1.8% in February, -0.9% YTD) and a downward trend in the strength of the US dollar against the Canadian dollar (-5.1% in February, -6.2% YTD).

- The top states of origin for US overnight arrivals by vehicle[1] in February 2017 were Washington (25.6% of arrivals), New York (23.0%), and Michigan (11.7%). A notable proportion of US auto arrivals also came from Massachusetts (5.3%), Ohio (3.2%), Pennsylvania (3.2%), New Jersey (3.0%), and Vermont (3.0%). Over the first two months of 2017, year-over-year trends indicated increasing numbers of visitors from Alaska, Colorado, and Wyoming.

- After slipping by 2.1 points in January 2017, the consumer confidence index published by the US Conference Board rebounded in February 2017 to reach 116.1 (up 4.5 points).

1 States of origin information is based on Integrated Primary Inspection Lane data collected from US residents entering Canada in automobiles with license plate registered in the United States.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+8.6% ↑ YOY

YTD:

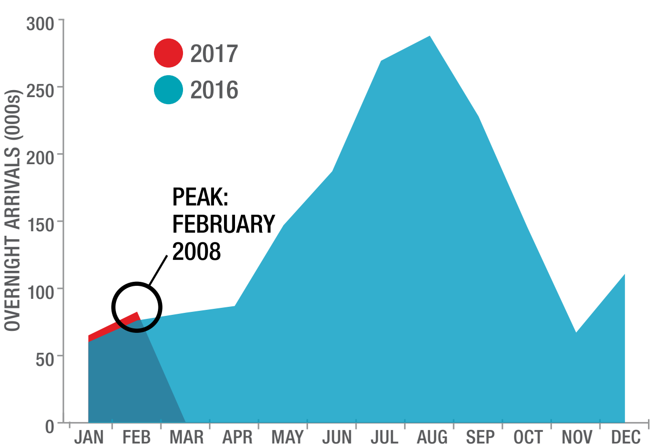
+8.5% ↑ YOY

Overnight Arrivals

	February 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**82,682**	**8.6**	**147,725**	**8.5**
United Kingdom	37,343	15.1	67,784	15.3
France	32,309	3.6	55,168	3.5
Germany	13,030	4.0	24,773	2.8
Other Europe	**46,647**	**44.0**	**92,839**	**18.7**
Italy	3,361	-14.6	7,501	-19.0
Netherlands	5,362	33.7	9,659	20.7
Spain	2,365	9.3	5,280	10.0
Switzerland	5,277	2.1	9,735	-2.1
Rest of Europe	30,282	13.4	60,664	9.1
Total Europe	**129,329**	**9.5**	**240,564**	**7.5**

Source: Statistics Canada, Frontier counts, custom tabulations.
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]	February 2017	4.3%	8.0%	13.6%
	YTD	7.1%	10.9%	15.8%
Exchange Rate[ii]	February 2017	-8.5%	-8.5%	-16.9%
	YTD	-8.9%	-8.9%	-18.7%
YTD Arrival Peak[iii]	Peak Year	2016	1996	2008
	Current % of Previous Peak	103.5%	95.8%	77.8%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- A total of 82,682 travellers from Destination Canada's European markets visited Canada in February 2017, marking year-over-year growth of +8.6% for the region and the highest arrivals since the 2008 peak. This positive regional performance was driven primarily by double-digit growth in monthly arrivals from the UK (+15.1%), but also consistent increases from Germany (+4.0%) and France (+3.6%).
- Year-to-date for the first two months of the year there was a very similar trend, with year-over-year growth of +8.5% and the highest number of arrivals from the DC Europe region since 2008, due mainly to the strength of UK arrivals growth (+15.3%).
- The strong performance observed from the UK was supported by the continued expansion of air capacity to Canada (+13.6%), and this despite the significant depreciation of the GBP since the Brexit vote in June 2016.
- Arrivals from France reached new record peaks both for the month of February (32,309, +3.6% over February 2016) and year-to-date 2017 (55,168, +3.5% year-over-year). Steady growth in air capacity (+4.3%) supported to this performance, in spite of a relatively weaker Euro.
- Though not quite at the peak levels observed in previous years, arrivals from Germany recorded steady growth at the beginning of 2017 compared to 2016 (+4.0% in February, +2.8% YTD) and the highest number of visitors since 2010. Again this positive performance was supported by significantly expanded air capacity (+8.0%) and continued despite a relatively weaker Euro.

DC Europe Arrivals by Port of Entry

- Three quarters of arrivals from DC's European markets entered Canada by air directly from overseas in the first two months of 2017, with visitors from the UK (78.0%) being the most likely to travel to Canada this way. UK travellers were also the most likely among these three markets to come to Canada by land via the US (9.0%), while visitors from France (25.0%) were the most likely to arrive by air via the US. Very few European visitors (<1%) travelled to Canada by sea during this period.
- Direct air arrivals from Germany (34.7%) and the UK (32.2%) most often came through YYZ, while those from France mainly came through YUL (49.9%). However, arrivals from France to both YYZ (+69.4%) and YYC (+67.1%) increased significantly year-over-year.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	9,024	8,607	21,847
		YOY%	69.4%	12.3%	25.6%
		% of Total	**16.4%**	**34.7%**	**32.2%**
	YVR	Arrivals	1,176	3,995	14,810
		YOY%	-21.1%	4.3%	30.3%
		% of Total	**2.1%**	**16.1%**	**21.8%**
	YUL	Arrivals	27,516	2,651	5,176
		YOY%	-3.9%	-13.2%	-13.5%
		% of Total	**49.9%**	**10.7%**	**7.6%**
	YYC	Arrivals	600	2,806	9,102
		YOY%	67.1%	3.3%	45.7%
		% of Total	**1.1%**	**11.3%**	**13.4%**
	All other airports	Arrivals	739	514	1,928
		YOY%	2.1%	3.0%	3.8%
		% of Total	**1.3%**	**2.1%**	**2.8%**
	Subtotal	Arrivals	39,055	18,573	52,863
		YOY%	6.9%	4.9%	21.7%
		% of Total	**70.8%**	**75.0%**	**78.0%**
Air Arrivals via the US	All airports	Arrivals	13,805	5,133	8,835
		YOY%	-4.1%	-2.6%	-8.3%
		% of Total	**25.0%**	**20.7%**	**13.0%**
Sea Arrivals	All sea borders	Arrivals	24	2	5
		YOY%	140.0%	-60.0%	-99.9%
		% of Total	**0.0%**	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	2,284	1,065	6,081
		YOY%	-4.2%	-4.3%	6.7%
		% of Total	**4.1%**	**4.3%**	**9.0%**
Total Overnight Arrivals			**55,168**	**24,773**	**67,784**

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:

+5.4% ↑ YOY

YTD:

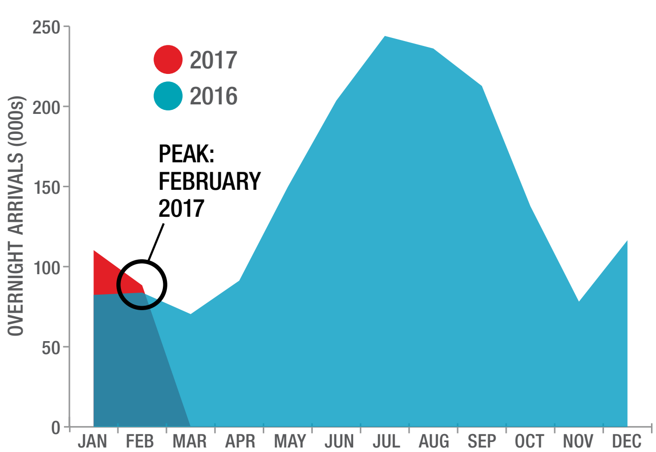
+19.5% ↑ YOY

Overnight Arrivals

	February 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**88,304**	**5.4**	**198,600**	**19.5**
Australia	13,605	20.2	40,430	26.5
China	31,143	-11.5	75,758	15.2
India	9,502	13.8	18,777	12.3
Japan	21,901	24.8	35,874	27.5
South Korea	12,153	7.1	27,761	17.9
Other Asia-Pacific	**28,173**	**-46.4**	**65,088**	**12.0**
Hong Kong	6,494	-33.3	16,893	0.1
Taiwan	3,892	-29.6	9,217	0.6
Rest of Asia-Pacific	17,787	16.5	38,978	11.4
Total Asia-Pacific	**116,477**	**1.9**	**263,688**	**16.1**

Source: Statistics Canada, Frontier counts, custom tabulations.
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]	Feb. 2017	109.7%	37.9%	62.8%	13.8%	34.0%
	YTD	94.8%	39.8%	62.9%	13.0%	31.9%
Exchange Rate[ii]	Feb. 2017	1.7%	-9.6%	-3.5%	-3.7%	0.9%
	YTD	0.3%	-10.6%	-5.9%	-4.2%	-2.3%
YTD Arrival Peak[iii]	Peak Year	2016	2016	2016	1997	2007
	Current % of Previous Peak	126.5%	115.2%	112.3%	67.5%	113.0%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- In February 2017 the Asia-Pacific region continued to observe the positive growth noted in January, with 88,304 arrivals from Destination Canada's five markets in this region, marking an increase of 5.4% over the same month last year and new record peaks both for the month of February and year-to-date.

- This positive performance in February was primarily driven by double digit growth in arrivals from Japan (+24.8%), Australia (+20.2%), and India (+13.8%), as well as continued steady growth from South Korea (+7.1%). The only Asia-Pacific market to note a decline compared to February 2016 was China (-11.5%). This shift is chiefly attributed to an earlier start to Chinese New Year celebrations, which began in January this year vs. in February last year. Chinese visitors still made up the largest proportion of visitors from the Asia-Pacific region, with 31,143 arrivals in February. Combining January and February 2017, overnight arrivals from China were still up by a very respectable 15.2% over 2016.

- Over the first two months of 2017, all five of Destination Canada's Asia-Pacific markets observed strong double-digit growth compared to the same period of 2016, resulting in year-to-date regional growth of +19.5%.

- Australia continued to lead Destination Canada's markets in air capacity expansion (+109.7% in February), with significant increases also observed from India (+62.8%), China (+37.9%), South Korea (+34.0%), and Japan (+13.8%). This expansion of air capacity to Canada supported the ongoing growth in arrivals from this region despite weaker exchange rates in some markets.

DC Asia-Pacific Arrivals by Port of Entry

- Two-thirds of arrivals from DC's Asia-Pacific region were direct air arrivals, with Australia standing out from the other markets with almost equal numbers arriving direct (45.1%) or via the US by air (45.6%). Land arrivals via the US were most common from India (23.8%) and South Korea (23.3%).

- Among direct air arrivals, the most significant year-over-year growth was observed in arrivals through YYZ from South Korea (+85.8%) and Japan (+61.7%), through YVR from India (+78.3%) and Australia (+64.9%), and through YYC from China (+2667.8%).

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	1,703	22,659	7,954	10,390	6,743
		YOY%	9.3%	10.3%	14.5%	61.7%	85.8%
		% of Total	**4.2%**	**29.9%**	**42.4%**	**29.0%**	**24.3%**
	YVR	Arrivals	15,895	33,124	2,946	14,661	9,697
		YOY%	64.9%	23.7%	78.3%	22.3%	6.6%
		% of Total	**39.3%**	**43.7%**	**15.7%**	**40.9%**	**34.9%**
	YUL	Arrivals	275	2,692	746	89	120
		YOY%	38.9%	22.5%	1.8%	-44.0%	-1.6%
		% of Total	**0.7%**	**3.6%**	**4.0%**	**0.2%**	**0.4%**
	YYC	Arrivals	256	1,633	651	1,064	66
		YOY%	24.9%	2,667.8%	10.2%	-4.9%	-38.9%
		% of Total	**0.6%**	**2.2%**	**3.5%**	**3.0%**	**0.2%**
	All other airports	Arrivals	106	143	284	25	22
		YOY%	0.9%	0.3%	2.9%	0.1%	0.2%
		% of Total	**0.3%**	**0.2%**	**1.5%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	18,235	60,251	12,581	26,229	16,648
		YOY%	56.3%	21.3%	22.9%	33.0%	28.2%
		% of Total	**45.1%**	**79.5%**	**67.0%**	**73.1%**	**60.0%**
Air Arrivals via the US	All airports	Arrivals	18,436	11,940	1,705	8,002	4,640
		YOY%	11.5%	-0.8%	-9.3%	23.2%	0.2%
		% of Total	**45.6%**	**15.8%**	**9.1%**	**22.3%**	**16.7%**
Sea Arrivals	All sea borders	Arrivals	4	5	24	1	4
		YOY%	-33.3%	-16.7%	33.3%	-75.0%	-20.0%
		% of Total	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	3,753	3,562	4,467	1,642	6,469
		YOY%	-0.3%	-12.0%	-2.8%	-13.9%	9.1%
		% of Total	**9.3%**	**4.7%**	**23.8%**	**4.6%**	**23.3%**
Total Overnight Arrivals			**40,430**	**75,758**	**18,777**	**35,874**	**27,761**

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:

+44.6% ↑ YOY

YTD:

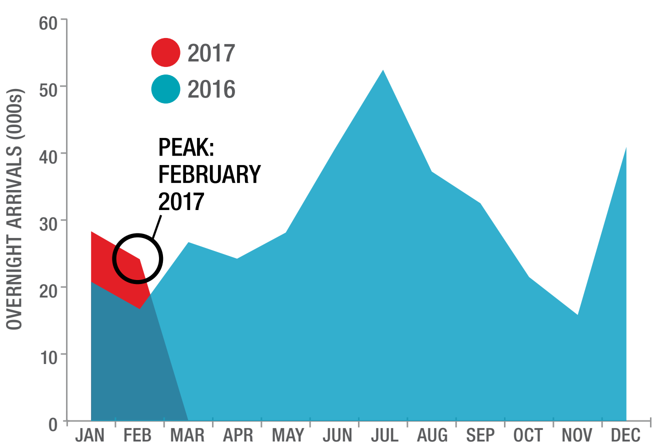
+40.0% ↑ YOY

Overnight Arrivals

	February 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**24,148**	**44.6**	**52,473**	**40.0**
Brazil	6,310	2.1	15,740	8.9
Mexico	17,838	69.6	36,733	59.5
Other Latin America	18,715	29.6	35,209	19.9
Total Latin America	**42,863**	**37.7**	**87,682**	**31.2**

Source: Statistics Canada, Frontier counts, custom tabulations.
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]	February 2017	-37.4%	32.0%
	YTD	-39.7%	33.0%
Exchange Rate[ii]	February 2017	20.5%	-14.6%
	YTD	19.1%	-18.3%
YTD Arrival Peak[iii]	Peak Year	2015	2008
	Current % of Previous Peak	95.1%	144.3%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- The Latin America region continued to lead the growth in international arrivals to Canada in February 2017, with 24,148 visitors (+44.6% year-over-year) marking new record peaks both for the month of February and year-to-date.

- The remarkable growth in arrivals from Mexico (+69.6% in February) following the replacement of the visa requirement with the Electronic Travel Authority (eTA) at the start of December was the driving force behind the Latin America region's strong performance in February. With 17,838 visitors in February 2017, arrivals from Mexico reached a new monthly record as well as a new year-to-date record for January and February combined. This represents more than 7,000 additional travellers compared to the same month a year ago and an increase of 49.6% over the pre-Visa February peak in 2008. Significant expansion of air capacity to Mexico (+32.0%) helped to mitigate the effect of a weaker Peso (-14.6%).

- While overnight arrivals from Brazil did not achieve the same level of gains as Mexico, they did continue to grow at a slow and steady pace, with 6,310 visitors arriving from Brazil in February 2017 (+2.1%). This continued positive trend is particularly notable considering the persistent reduction in air capacity to Canada (-37.4%), and may be supported by alternative air routes to Canada and the recent gains in the purchasing power of the Real vis-à-vis the CAD.

DC Latin America Arrivals by Port of Entry

- Most arrivals from Mexico (58.8%) and Brazil (57.7%) were direct air arrivals from overseas. The remainder of visitors from Brazil primarily landed in Canada by air via the US (37.8%), while visitors from Mexico were almost equally likely to come via the US by air (19.3%) or by land (21.8%). There were no arrivals by sea from DC's Latin American markets in the first two months of 2017.

- The remarkable jump in visitors from Mexico was apparent across most modes of entry, with significant increases in direct air arrivals (+87.3%) – especially at YYZ (+95.8%) and YUL (+93.9%) – as well as air arrivals via the US (+70.8%) and land arrivals via the US (+93.1%).

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	8,545	9,766
		YOY%	20.5%	95.8%
		% of Total	**54.3%**	**26.6%**
	YVR	Arrivals	393	8,059
		YOY%	83.6%	79.2%
		% of Total	**2.5%**	**21.9%**
	YUL	Arrivals	119	3,207
		YOY%	-31.2%	93.9%
		% of Total	**0.8%**	**8.7%**
	YYC	Arrivals	10	326
		YOY%	11.1%	59.8%
		% of Total	**0.1%**	**0.9%**
	All other airports	Arrivals	11	257
		YOY%	0.1%	2.3%
		% of Total	**0.1%**	**0.7%**
	Subtotal	Arrivals	9,078	21,615
		YOY%	20.8%	87.3%
		% of Total	**57.7%**	**58.8%**
Air Arrivals via the US	All airports	Arrivals	5,957	7,096
		YOY%	-3.3%	70.8%
		% of Total	**37.8%**	**19.3%**
Sea Arrivals	All sea borders	Arrivals	0	0
		YOY%	0.0%	-100.0%
		% of Total	**0.0%**	**0.0%**
Land Arrivals via US	All land borders	Arrivals	705	8,022
		YOY%	-88.6%	93.1%
		% of Total	**4.5%**	**21.8%**
Total Overnight Arrivals			**15,740**	**36,733**

Source: Statistics Canada, Frontier counts, custom tabulations, Table C.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

Trips From:		Trips To: Canada	Canada YOY Change	Trips To: Australia	Australia YOY Change
Total International		**1,787,665**	**5.7%**	**1,505,900**	**6.3%**
United States		1,185,269	2.0%	133,600	8.7%
Canada		...	...	36,400	7.1%
Europe	**United Kingdom**	67,784	15.3%	160,700	5.0%
	France	55,168	3.5%	24,100	2.1%
	Germany	24,773	2.8%	43,500	8.2%
Asia-Pacific	**Australia**	40,430	26.5%	...	...
	Japan	35,874	27.5%	70,100	5.1%
	South Korea	27,761	17.9%	62,500	9.3%
	China	75,758	15.2%	308,300	6.9%
	India	18,777	12.3%	43,700	19.1%
Latin America	**Mexico**	36,733	59.5%	1,800	12.5%
	Brazil	15,740	8.9%	9,300	16.3%
Total DC Key Markets		**1,584,067**	**5.5%**	**894,000**	**7.4%**

Sources:
Statistics Canada, Frontier counts, custom tabulations.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- In the first two months of 2017, Canada (+5.7%) and Australia (+6.3%) observed similar year-over-year growth in total international arrivals, with Australia just slightly ahead. However, as observed throughout 2016, Canada (1.8 million) still saw about 19% more total visitors than Australia (1.5 million) over this period.
- Travellers from Destination Canada's 11 core international markets visited Canada in much greater numbers (1.6 million vs. 894,000 – a difference of 78%), though Australia recorded slightly stronger year-over-year growth (+7.4% for Australia vs. +5.5% for Canada).
- This trend is particularly clear with the US (Canada's primary market), where Canada welcomed nearly 8 times more US travellers than Australia (1.2 million vs. 133,600) in January and February 2017, but Australia (+8.7%) saw faster year-over-year growth from this market than Canada (+2.0%) in that period.
- The reverse was true with Australia's primary market of China, where Australia welcomed just over 3 times more Chinese travellers than Canada (308,000 vs. 75,758) but Chinese arrivals to Canada continued grow at a faster rate (+15.2% vs. 6.9%). Tourists from Destination Canada's other Asia-Pacific markets also typically visited Australia in greater numbers (approximately double the number to visit Canada), but typically Canada saw stronger year-over-year growth (with India being the exception).
- Travel between the two countries was relatively similar in the first two months of 2017, with about 10% more Australian visitors to Canada (40,430) than Canadian visitors to Australia (36,400), though the pace of year-over-year growth was much faster for Australian arrivals to Canada (+26.5%) than Canadian arrivals to Australia (+7.1%) over that period.

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	2017	3,392	16	5,679	10,175	283,759	805,367
	Variance YOY%	6.3%	6.7%	16.7%	-6.0%	0.6%	9.0%
	Change YOY	200	1	814	(653)	1,666	66,408
US Residents by Automobile	2017	0	0	0	9,685	112,855	298,753
	Variance YOY%	0.0%	0.0%	0.0%	-7.8%	2.0%	3.0%
	Change YOY	-	-	-	(818)	2,216	8,785
US Residents by Non-Automobile	2017	789	13	3,487	355	77,920	250,002
	Variance YOY%	47.2%	-13.3%	28.1%	50.4%	3.7%	6.5%
	Change YOY	253	(2)	765	119	2,774	15,156
Residents from Other Countries	2017	2,603	3	2,192	135	92,984	256,612
	Variance YOY%	-2.0%	0.0%	2.3%	51.7%	-3.5%	19.8%
	Change YOY	(53)	3	49	46	(3,324)	42,467

Source: Statistics Canada, Frontier counts, custom tabulations.
Preliminary estimates subject to change.

Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2017	18,724	4,726	94,077	558,986	2,764	**1,787,665**
	Variance YOY%	2.1%	-29.2%	13.4%	3.5%	-4.3%	**5.7%**
	Change YOY	378	(1,952)	11,104	19,052	(125)	**96,893**
US Residents by Automobile	2017	11,500	3,002	6,107	215,404	2,473	**659,779**
	Variance YOY%	15.1%	-11.5%	-11.8%	-4.2%	-6.1%	**0.1%**
	Change YOY	1,505	(390)	(818)	(9,514)	(161)	**805**
US Residents by Non-Automobile	2017	6,594	1,486	54,212	130,603	29	**525,490**
	Variance YOY%	-12.5%	-50.2%	9.9%	0.8%	-53.2%	**4.5%**
	Change YOY	(945)	(1,500)	4,903	1,022	(33)	**22,512**
Residents from Other Countries	2017	630	238	33,758	212,979	262	**602,396**
	Variance YOY%	-22.4%	-20.7%	26.3%	14.9%	35.8%	**13.9%**
	Change YOY	(182)	(62)	7,019	27,544	69	**73,576**

- Nearly half of the 1.8 million international arrivals to Canada in January and February 2017 entered the country through Ontario (805,367). Ontario also saw a 9.0% increase in international arrivals compared to the same period in 2016, with the biggest jump coming from overseas visitors (+19.8%).

- The majority of the remaining international visitors to Canada in January and February 2017 crossed the border in British Columbia (558,986), Quebec (283,759) or Alberta (94,007). Nova Scotia (+16.7%) and Alberta (+13.4%) were the provinces that recorded the most substantial year-over-year growth in total international arrivals during this period.

- The slight decrease in US auto arrivals to Canada generally observed in February 2017 was most apparent in the west of Canada – British Columbia, Alberta, Saskatchewan, and Yukon – as well as New Brunswick.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	February 2017	YOY % Variance	Jan.- Feb. 2017	YOY % Variance
United States	1,290,766	4.9	2,765,806	6.9
Other Countries	1,163,494	4.2	2,524,330	3.0
Total Trips from Canada	2,454,260	4.6	5,290,136	5.0

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

- Canadians took more overnight trips to international destinations, including the US, in February 2017 compared to the same month a year ago (2.5 million, +4.6%).
- Canadian residents' overnight trips to the US increased for a third consecutive month, up 4.9% year-over-year (+5.1% by auto, +5.0% by air, <1% change by other modes), while overnight trips to overseas destinations expanded by 4.2% compared to February 2016.
- The Canadian Consumer Confidence Index (published by the Conference Board of Canada) increased by 9.0 points in February 2017 to reach 110.6. This was the largest monthly increase in nearly two years, putting the index at its highest level in more than seven years.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Feb. 2017	YOY^ Variance	Jan.- Feb.	YOY^ Variance	Feb. 2017	YOY % Variance	Jan.- Feb.	YOY % Variance	Feb. 2017	YOY % Variance	Jan.- Feb.	YOY % Variance
Alberta[1]	48.9%	1.0	45.1%	0.0	$129.01	-2.4%	$127.47	-3.1%	$63.03	-0.3%	$57.45	-3.1%
British Columbia	63.3%	2.8	58.4%	2.8	$155.12	5.4%	$154.58	5.6%	$98.22	10.2%	$90.20	11.0%
Saskatchewan	48.5%	-3.1	45.3%	-3.4	$121.37	-5.4%	$120.83	-5.3%	$58.92	-11.0%	$54.75	-11.9%
Manitoba	64.5%	2.7	59.3%	2.6	$119.96	1.0%	$119.27	0.7%	$77.39	5.4%	$70.70	5.4%
Ontario	59.4%	-0.2	55.8%	0.4	$139.84	-0.2%	$137.82	1.9%	$83.02	-0.5%	$76.85	2.6%
Quebec	66.0%	2.3	59.9%	3.3	$152.34	3.2%	$149.80	4.1%	$100.60	6.9%	$89.71	10.2%
New Brunswick	45.7%	2.5	43.1%	3.8	$110.02	1.9%	$109.71	1.9%	$50.23	7.7%	$47.26	11.8%
Nova Scotia	50.9%	1.8	45.5%	-0.1	$118.99	1.4%	$118.61	0.9%	$60.61	5.2%	$53.94	0.6%
Newfoundland	48.6%	1.4	44.2%	1.4	$130.05	-2.3%	$129.48	-2.7%	$63.27	0.6%	$57.29	0.3%
Prince Edward Island	42.2%	3.5	41.0%	0.6	$104.14	2.0%	$104.55	3.2%	$43.96	11.2%	$42.90	4.8%
Northwest Territories	85.5%	-0.9	77.0%	-1.6	$149.70	-3.8%	$148.44	-1.0%	$128.04	-4.9%	$114.32	-3.0%
Yukon	62.9%	-4.0	54.1%	-0.2	$115.37	6.6%	$114.31	3.9%	$72.54	0.3%	$61.87	3.4%
Canada	**57.7%**	**0.8**	**53.5%**	**1.0**	**$141.47**	**1.1%**	**$139.84**	**2.0%**	**$81.68**	**2.6%**	**$74.78**	**3.9%**

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

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- The National Occupancy Rate inched up by a marginal 0.8 points year-over-year in February 2017 to 57.7%, bringing the year-to-date occupancy rate for the first two months of the year up 1.0 points year-over-year to 53.5%.
- The highest occupancy rates both for February and the first two months of 2017 combined were observed in Northwest Territories (85.5% in February, 77.0% YTD), Quebec (66.0% in February, 59.9% YTD), and Manitoba (64.5% in February, 59.3% YTD). Prince Edward Island, New Brunswick, and British Columbia also noted strong performance in terms of year-over-year growth in occupancy rate.
- Quebec and Northwest Territories were also top performers in February and year-to-date for average daily rate (ADR) and revenue per available room (RevPar), but British Columbia took the top spot for both of these measures in terms of both rates and year-over-year growth. Yukon also stood out for growth in ADR, while New Brunswick and Prince Edward Island also noted strong growth in RevPar.
- The leading performance from the Northwest Territories across all three indicators is particularly notable given that they also saw year-over-year declines in those areas both for February and year-to-date. Meanwhile several other provinces, including Alberta, Saskatchewan, and Ontario, also noted a challenging start to 2017 with year-over-year drops in at least two accommodation performance measures.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	Feb. 2017	YOY^ Change	Jan.- Feb.	YOY^ Variance	Feb. 2017	YOY Variance	Jan.- Feb.	YOY Variance
Property Size								
Under 50 rooms	42.5%	2.7	39.6%	2.7	$103.26	1.7%	$102.32	2.6%
50-75 rooms	49.6%	1.1	46.1%	1.2	$104.09	-0.9%	$103.84	-0.1%
76-125 rooms	55.3%	1.0	51.4%	1.2	$121.63	0.2%	$121.07	0.3%
126-200 rooms	58.3%	0.6	54.0%	0.5	$130.82	2.9%	$129.28	3.1%
201-500 rooms	62.2%	0.1	57.5%	0.4	$166.56	1.3%	$164.50	2.8%
Over 500 rooms	67.8%	1.7	62.7%	2.0	$195.14	1.6%	$191.31	3.7%
Total	57.7%	0.8	53.5%	1.0	$141.48	1.1%	$139.84	2.0%
Property Type								
Limited Service	51.6%	1.5	48.1%	1.5	$109.49	0.3%	$108.72	0.4%
Full Service	60.0%	0.4	55.3%	0.5	$147.48	0.8%	$145.22	1.9%
Suite Hotel	67.0%	0.0	63.1%	0.4	$146.46	0.6%	$144.93	1.5%
Resort	63.2%	1.9	58.6%	2.8	$239.44	7.3%	$239.14	8.7%
Total	57.7%	0.8	53.5%	1.0	$141.48	1.1%	$139.84	2.0%
Price Level								
Budget	49.8%	1.8	46.6%	2.0	$92.59	4.3%	$91.22	4.2%
Mid-Price	58.4%	0.3	54.0%	0.4	$133.59	0.8%	$132.18	1.3%
Upscale	66.6%	1.5	61.5%	1.8	$226.79	1.1%	$224.85	3.6%
Total	57.7%	0.8	53.5%	1.0	$141.48	1.1%	$139.84	2.0%

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.

- Consistent with 2016 results, larger properties (500+ rooms) reported the highest occupancy rates (67.8% in February, 62.7% YTD) and average daily rates ($195.14 in February, $191.31 YTD) at the beginning of 2017. However, some smaller properties started the year with stronger year-over-year growth in both areas.

- While Suite Hotels recorded the highest occupancy rates so far in 2017 (67.0% in February, 63.1% YTD), resorts still observed the strongest year-over-year growth in this area while also pulling in the highest ADR ($239.44 in February, $239.14 YTD).

- Similarly, upscale properties outperformed budget and mid-price properties in terms of occupancy rates and average daily rates in the first two months of 2017, but budget properties recorded the strongest year-over-year growth for both measures.

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