



China Market Highlights – Facts at a Glance

Almost 11 million Chinese long-haul pleasure travellers intend to visit Canada in the next two years.

2017 Performance



Arrivals¹

682K (↑12%)



Average Trip Spend²

\$2,387

- Canada saw record numbers of Chinese tourists in 2017.
- China remained Canada's 2nd largest international market for tourist spend.
- Significant increases in direct air capacity (up 27% over 2016) and the strength of the Chinese economy supported arrivals growth in 2017, despite softening in the value of the Yuan relative to the Canadian dollar.
- Eight airlines flew Chinese tourists direct to four Canadian cities - Calgary, Montreal, Toronto and Vancouver.

2018 Forecast



Visitor Forecast²

766K (↑13%)



Spend Forecast²

\$1.79B (↑18%)



Airline Seat Capacity³

↑**8%**



Local Currency vs CAD⁴

↑**2.3%**

Market Insights



Chinese travellers contributed an estimated \$1.6 billion to Canada's economy in 2017.²



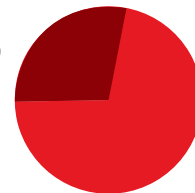
Forecasted expansion in air capacity, resilient economic conditions and increased visa accessibility via 11 application centers across China bode well for continued arrivals growth in 2018.



The Canada-China Year of Tourism 2018 presents significant opportunity for Destination Canada and partners to boost their presence, reputation and business in one of the world's fastest growing economies.

Channel Investment Mix

29%
Travel Trade

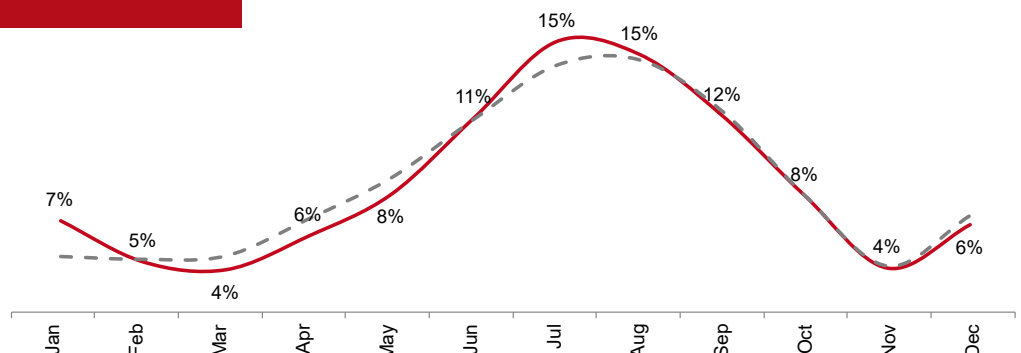


71%
Consumer Direct
& Earned Media

Travel Seasons¹

% of arrivals to Canada by month

— China
- - Destination Canada Market Average



Market Potential⁵



16,337,500

Canada's target market



67%

are definitely/very likely to visit
Canada in the next 2 years



10,930,000

Canada's immediate potential

Top Drivers⁵

The main features that Chinese travellers desire in a destination are...

- 1 Beautiful outdoor scenery and landscapes
- 2 Summer outdoor activities I would participate in
- 3 Good value for money
- 4 Great place for vacations that avoid surprises
- 5 Safe place to visit
- 6 Spend quality time with friends and/or family
- 7 Proud to tell people I have visited
- 8 Experience things that I can't experience at home
- 9 Allows me to de-stress
- 10 Great dining/food experiences

Target Audiences



Aspiring Escapists 35-44

They want to let go of the "daily grind" and have a relaxing vacation where they don't think much, but still have a memorable experience.

Key themes

Provide hassle-free, convenient itineraries and packages that connect Chinese travelers to lesser known experiences and destinations without the hassle of uncovering it themselves.



All-inclusive experiences

Showcase premium getaways and experiences that are luxurious, safe, and convenient.



Authentically experiencing Canada

Feature exhilarating, soft adventure activities through easy-to-buy packages and/or itineraries.



Discovering regional products

Finding gourmet foods and tangible goods that are either made or only found in Canada.



Free Spirits 35-44

They are defined by the places they have travelled to and their experiences there. They want to visit cool places that will elevate their status.

Key themes

Inspire luxurious, iconic and niche experiences that will make their experience in Canada unique and brag-worthy.



Uncovering hidden gems

Discovering the lesser-known attractions and activities that will make their experience in Canada unique and share-worthy.



Discovering epic Canada

Building travel credibility by experiencing epic and unique things that can only be found in Canada.



Experiencing vibrant cities

Experiencing urban icons interspersed with local, niche experiences that take place both in and out of the cities.

Canada

¹ Statistics Canada, Frontier Counts, 2017

² Destination Canada Research estimates, using Statistics Canada preliminary Q1-Q3 ITS, Frontier Counts and e311 adjusted data (April 2018)

³ IATA SRS Analyzer Data, March 2018

⁴ Tourism Economics, March 2018

⁵ Global Tourism Watch 2017

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