DESTINATION CANADA

Tourism Snapshot

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

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Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- Arrivals from Destination Canada's international markets were up 8.0% in June 2017 and 5.8% year-to-date, with all 11 markets up year-over-year over the first half of the 2017. The declines observed in May continued into June 2017 for France (-5.1%), the UK (-4.5%), and Japan (-3.4%), while arrivals from Germany recovered (+10.5%).
- Following a slow month in May, US overnight arrivals recovered well in June 2017 (+7.4%), with positive year-over-year growth in auto (+5.8%), air (+8.7%), and other (+10.9%) arrivals. Year-to-date arrivals from the US over the first half of the year were at their highest level since 2005.
- Destination Canada's two Latin American markets continued to reach new heights in June 2017 (+48.3%), with outstanding growth from Mexico (+60.4%) as well as very strong performance from Brazil (+23.0%). Both markets reached new record arrivals for both the month of June and the first six months of the year.
- Destination Canada's Asia-Pacific region also recorded very strong growth in June 2017 (+13.3%), with increased arrivals from four of the five markets – India (+25.3%), South Korea (+17.3%), Australia (+17.3%), and China (+10.4%). The exception was Japan (-3.4%), which observed a drop in arrivals for a second consecutive month. This decline from Japan was most apparent in arrivals via the US, both by land (-23.8%) and by air (-8.9%). However, year-to-date arrivals from all five Destination Canada Asia-Pacific markets were up by double-digits over the first half of the year.
- Year-to-date in 2017, arrivals from all three Destination Canada Europe markets continued to outperform the same period in 2016. However, for June 2017, Europe (-1.5%) is the only one of Destination Canada's regions to record a drop in arrivals compared to last June, due to a second consecutive month of declines from France (-5.1%) and the UK (-4.5%), which were not quite offset by a strong recovery from Germany (+10.5%). The decline in June arrivals from the UK was primarily from air arrivals, both direct (-6.9%) and via the US (-13.3%), amidst a contraction in direct air capacity to Canada (-4.1%).

QUICK LINKS

Industry Performance Dashboard

	June 2017	YTD
Overnight Arrivals[1]		
Total International	↑ 7.9%	↑ 6.2%
11 DC Markets**	↑ 8.0%	↑ 5.8%
United States	↑ 7.4%	↑ 3.1%
10 Overseas Markets	↑ 10.2%	↑ 15.6%
Non-DC Markets	↑ 7.3%	↑ 9.5%
Air Seat Capacity[2]		
Total International	↑ 4.8%	↑ 2.8%
11 DC Markets**	↑ 6.1%	↑ 6.5%
Non-DC Markets	↑ 3.8%	0.0%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 2.0	↑ 1.6
Revenue Per Available Room (Revpar)	↑ 7.3%	↑ 4.5%
Average Daily Rate (ADR)	↑ 10.3%	↑ 7.2%

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]	
		June 2017	YTD 2017	June 2017	YTD 2017	June 2017	YTD 2017	June 2017 Average	YTD Average
United States	United States	1,808,757	5,760,483	7.4%	3.1%	3.8%	2.5%	3.1%	-0.6%
DC Europe	France	49,264	202,502	-5.1%	3.4%	5.0%	7.2%	3.2%	-3.5%
	Germany	43,692	146,049	10.5%	9.4%	12.0%	11.0%	3.2%	-3.5%
	United Kingdom	91,428	323,969	-4.5%	4.5%	-4.1%	6.3%	-6.9%	-12.6%
DC Asia-Pacific	Australia	49,582	160,946	17.3%	21.8%	24.6%	81.4%	5.4%	2.4%
	China	78,329	275,604	10.4%	14.5%	27.9%	36.9%	-0.2%	-5.4%
	India	41,848	128,097	25.3%	25.4%	33.0%	48.4%	7.6%	1.7%
	Japan	27,887	124,557	-3.4%	10.8%	9.5%	11.8%	-2.1%	-1.2%
	South Korea	32,955	118,625	17.3%	24.6%	26.4%	39.6%	6.3%	3.0%
DC Latin America	Brazil	16,184	60,322	23.0%	17.0%	-20.1%	-29.4%	7.1%	15.9%
	Mexico	43,889	169,769	60.4%	60.7%	72.6%	49.2%	6.1%	-7.4%
Total 11 DC Markets		2,283,815	7,470,923	8.0%	5.8%				
Rest of the World		300,008	977,037	7.3%	9.5%				
Total International		2,583,823	8,447,960	7.9%	6.2%				

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:

+7.4% ↑ YOY

YTD:

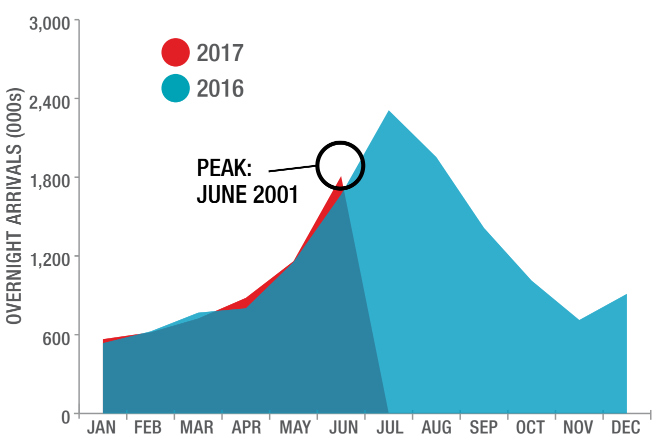
+3.1% ↑ YOY

Overnight Arrivals

	June 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	974,575	5.8	3,150,028	0.5
Air	601,384	8.7	2,079,822	6.7
Other	232,798	10.9	530,633	6.1
US Total	**1,808,757**	**7.4**	**5,760,483**	**3.1**

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]	June 2017	3.8%
	YTD	2.5%
Exchange Rate[ii]	June 2017	3.1%
	YTD	-0.6%
Consumer Confidence Index (1985=100)[iii]	June 2017	117.3
	Previous Month	117.6
YTD Arrival Peak[iv]	Previous Peak Year	2001
	Current % of Previous Peak	89.0%

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

- In June 2017, US overnight arrivals were up +7.4% over June 2016, noting a strong recovery following a marginal downward shift in May. Arrivals increased year-over-year across all modes of entry: auto (+5.8%), air (+8.7%), and other modes of transportation (+10.9%).

- Year-to-date arrivals from the US over the first half of the year were at their highest level since 2005, and up +3.1% over the first half of 2016. Arrivals by air (+6.7%) led this positive trend, followed by other modes of transportation such as bus, train, and cruise (+6.1%). Auto arrivals (+0.5%) were more subdued but still up compared to the same period a year ago, with slight declines in visitors driving across the border in British Columbia, Alberta, and New Brunswick outweighed by increases in other provinces.

- Supporting the persistent growth in air arrivals was the continued expansion of air capacity between Canada and the US (+3.8% in June, +2.5% YTD). Arrivals growth was likely also supported by a slight improvement in the strength of US dollar vs. the Canadian dollar in June (+3.1%) when compared to the same month in 2016, though year-to-date it was still marginally weaker than last year (-0.6%).

- Over the first half of 2017, Canada saw the highest proportion of US overnight arrivals by vehicle[1] originating from New York (18.5% of January-June US auto arrivals), Washington (17.3%), and Michigan (12.1%), as well as Pennsylvania (4.8%), Ohio (4.7%), and Massachusetts (4.5%). Notable growth in cross-border traffic was also observed from several states further from the Canada-US border – including Colorado, Georgia, Maryland, Texas, California, Oregon, Utah, and Virginia.

- Following two consecutive months of decline, the consumer confidence index published by the US Conference Board slipped again by a marginal 0.3 points to 117.3.

[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:

-1.5% ↓ YOY

YTD:

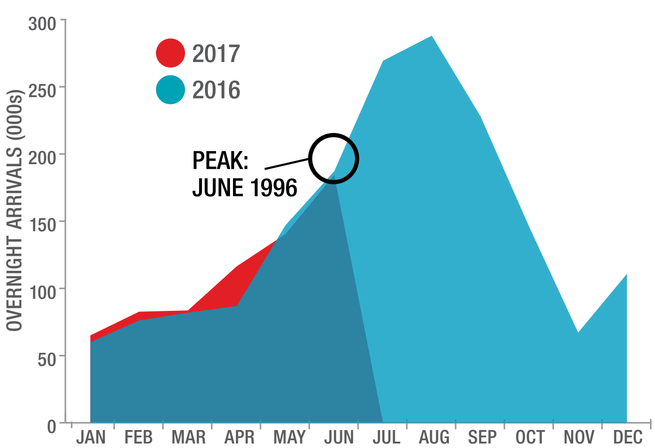
+5.2% ↑ YOY

Overnight Arrivals

	June 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**184,384**	**-1.5**	**672,520**	**5.2**
United Kingdom	91,428	-4.5	323,969	4.5
France	49,264	-5.1	202,502	3.4
Germany	43,692	10.5	146,049	9.4
Other Europe	**127,602**	**35.0**	**428,933**	**34.8**
Italy	14,267	2.1	40,577	-3.4
Netherlands	16,619	17.4	55,169	13.3
Spain	11,034	17.3	31,369	19.8
Switzerland	12,965	-3.4	45,226	-3.7
Rest of Europe	72,717	1.5	256,592	8.8
Total Europe	**311,986**	**0.7**	**1,101,453**	**6.0**

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]	June 2017	5.0%	12.0%	-4.1%
	YTD	7.2%	11.0%	6.3%
Exchange Rate[ii]	June 2017	3.2%	3.2%	-6.9%
	YTD	-3.5%	-3.5%	-12.6%
YTD Arrival Peak[iii]	Previous Peak Year	2016	1996	2007
	Current % of Previous Peak	103.4%	88.0%	84.7%

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.

EUROPE

- In June 2017, Destination Canada's Europe region recorded fewer arrivals compared to the same month last year (-1.5%). This downward shift was driven by a second consecutive month of declines from France (-5.1%) and the UK (-4.5%), which were not quite offset by a strong recovery from Germany (+10.5%) in June 2017. While the decline in arrivals from France was apparent across all modes of entry, the UK drop was concentrated on air arrivals – both direct (-6.9%) and via the US (-13.3%) – amidst shrinking air capacity to Canada in June (-4.1%).

- Over the first half of 2017 the region still reached a new year-to-date peak in arrivals, with all three markets from Europe (+5.2%) outperforming the same period of 2016. This year-over-year growth was led by Germany (+9.4%), followed by the UK (+4.5%). France (+3.4%) noted slightly slower YTD growth but still achieved a new record for January-June arrivals.

- Germany's recovery was supported by continued increased air capacity to Canada (+12.0%) in June, while arrivals from France fell despite a slightly smaller increase in air capacity (+5.0%). The Euro was stronger in June relative to the same month a year earlier (+3.2%), but still down year-to-date (- 3.5%).

- Direct air capacity from the UK (-4.1%) retracted year-over-year for a second consecutive month, alongside the continued decline in the strength of the British pound in Canada (-6.9% in June, -12.6% YTD).

DC Europe Arrivals by Port of Entry

- Year-to-date in 2017, 71.8% of visitors from Destination Canada's three European markets arrived by air directly from overseas. Most of those visitors landed at YYZ (38.4%) and YUL (28.6%), though YUL received fewer arrivals from the UK and Germany compared to the same period in 2016.

- From January-June 2017, UK arrivals by air via the US (-10.6%) and by sea (-57.8%) are down compared to the first half of 2016, whereas arrivals from France via the US by land (-15.6%) have decreased year-over-year.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	25,930	46,008	113,575
		YOY%	32.9%	17.3%	8.7%
		% of Total	**12.8%**	**31.5%**	**35.1%**
	YVR	Arrivals	6,580	26,174	61,268
		YOY%	2.8%	20.5%	17.5%
		% of Total	**3.2%**	**17.9%**	**18.9%**
	YUL	Arrivals	101,973	14,788	21,157
		YOY%	2.4%	-4.0%	-7.8%
		% of Total	**50.4%**	**10.1%**	**6.5%**
	YYC	Arrivals	1,473	10,395	31,826
		YOY%	-26.8%	-2.7%	13.6%
		% of Total	**0.7%**	**7.1%**	**9.8%**
	All other airports	Arrivals	2,318	6,010	13,100
		YOY%	1.8%	6.9%	5.8%
		% of Total	**1.1%**	**4.1%**	**4.0%**
	Subtotal	Arrivals	138,274	103,375	240,926
		YOY%	5.6%	11.1%	7.6%
		% of Total	**68.3%**	**70.8%**	**74.4%**
Air Arrivals via the US	All airports	Arrivals	53,575	25,061	44,545
		YOY%	2.0%	5.0%	-10.6%
		% of Total	**26.5%**	**17.2%**	**13.7%**
Sea Arrivals	All sea borders	Arrivals	683	4,415	12,077
		YOY%	13.8%	25.9%	-57.8%
		% of Total	**0.3%**	**3.0%**	**3.7%**
Land Arrivals via US	All land borders	Arrivals	9,969	13,181	26,394
		YOY%	-15.6%	2.0%	17.6%
		% of Total	**4.9%**	**9.0%**	**8.1%**
Total Overnight Arrivals			**202,502**	**146,049**	**323,969**

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:

+13.3% ↑ YOY

YTD:

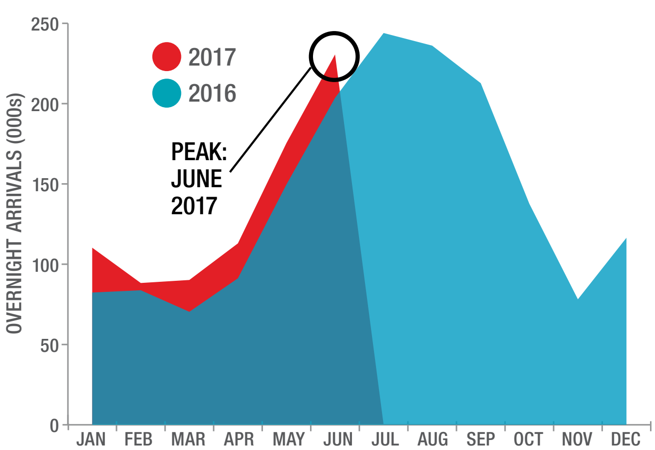
+18.3% ↑ YOY

Overnight Arrivals

	June 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**230,601**	**13.3**	**807,829**	**18.3**
Australia	49,582	17.3	160,946	21.8
China	78,329	10.4	275,604	14.5
India	41,848	25.3	128,097	25.4
Japan	27,887	-3.4	124,557	10.8
South Korea	32,955	17.3	118,625	24.6
Other Asia-Pacific	**107,086**	**-1.5**	**331,231**	**15.4**
Hong Kong	20,045	-2.8	69,717	2.6
Taiwan	12,502	-11.9	40,282	-0.4
Rest of Asia-Pacific	74,539	13.2	221,232	13.2
Total Asia-Pacific	**337,687**	**11.0**	**1,139,060**	**15.5**

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]	June 2017	24.6%	27.9%	33.0%	9.5%	26.4%
	YTD	81.4%	36.9%	48.4%	11.8%	39.6%
Exchange Rate[ii]	June 2017	5.4%	-0.2%	7.6%	-2.1%	6.3%
	YTD	2.4%	-5.4%	1.7%	-1.2%	3.0%
YTD Arrival Peak[iii]	Previous Peak Year	2016	2016	2016	1996	2016
	Current % of Previous Peak	121.8%	114.5%	125.4%	48.7%	124.6%

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.

- Destination Canada's Asia-Pacific region recorded a new peak in arrivals in June 2017, growing 13.3% over June 2016. Four of the five markets recorded double-digit growth, led by India (+25.3%), followed by South Korea (+17.3%), Australia (+17.3%), and China (+10.4%) each setting new records for the month of June as well.
- The exception was Japan, which observed a -3.4% drop in arrivals compared to June 2016. This trend was most apparent in arrivals via the US, both by land (-23.8%) and by air (-8.9%).
- Year-to-date, all five Asia-Pacific markets observed double-digit growth compared to the same period last year, with India again leading the region (+25.4%), followed closely by South Korea (+24.6%), Australia (+21.8%), China (+14.5%) and Japan (+10.8%). With the exception of Japan, these markets also reached record arrivals for the first half of the year.
- Air capacity to Canada from these markets continued to expand at a rapid pace, with the biggest increase in June from India (+33.0%). In line with the subdued arrivals recorded from Japan, air capacity from this market also expanded at a somewhat slower pace compared to the other four Asia-Pacific markets (+9.5%). The strength of the Yen vs. the Canadian dollar also softened compared to 2016 (-2.1% in June, -1.2% YTD).

DC Asia-Pacific Arrivals by Port of Entry

- Year-to-date in 2017, the majority of visitors from Destination Canada's Asia-Pacific markets travelled to Canada by air directly from overseas. Consistent with past trends, Australia remained the exception with nearly equal proportions arriving by air direct (39.3%) or via the US (37.9%).
- All markets except South Korea continued to observe declines in arrivals via the US by land over the first half of 2017. By sea, arrivals were up over 2016 by approximately 30% from China (+33.7%), South Korea (+32.2%), and Australia (+31.8%), but declined from Japan (-9.9%) and India (-3.2%).

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	7,701	78,490	63,855	32,362	27,244
		YOY%	14.2%	11.6%	54.1%	30.8%	84.0%
		% of Total	**4.8%**	**28.5%**	**49.8%**	**26.0%**	**23.0%**
	YVR	Arrivals	53,389	111,657	15,263	50,339	35,518
		YOY%	52.9%	20.4%	19.6%	17.4%	11.3%
		% of Total	**33.2%**	**40.5%**	**11.9%**	**40.4%**	**29.9%**
	YUL	Arrivals	1,040	13,445	4,701	621	404
		YOY%	16.6%	66.0%	17.9%	55.6%	38.8%
		% of Total	**0.6%**	**4.9%**	**3.7%**	**0.5%**	**0.3%**
	YYC	Arrivals	712	5,669	4,934	5,075	430
		YOY%	4.1%	1699.7%	5.0%	-19.0%	-34.4%
		% of Total	**0.4%**	**2.1%**	**3.9%**	**4.1%**	**0.4%**
	All other airports	Arrivals	411	434	1,833	106	96
		YOY%	1.0%	0.3%	2.9%	0.1%	0.2%
		% of Total	**0.3%**	**0.2%**	**1.4%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	63,253	209,695	90,586	88,503	63,692
		YOY%	45.1%	21.8%	40.9%	19.0%	33.3%
		% of Total	**39.3%**	**76.1%**	**70.7%**	**71.1%**	**53.7%**
Air Arrivals via the US	All airports	Arrivals	61,005	40,295	16,334	27,128	17,041
		YOY%	9.5%	-2.2%	7.8%	3.6%	10.4%
		% of Total	**37.9%**	**14.6%**	**12.8%**	**21.8%**	**14.4%**
Sea Arrivals	All sea borders	Arrivals	19,794	6,025	4,475	2,126	2,170
		YOY%	31.8%	33.7%	-3.2%	-9.9%	32.2%
		% of Total	**12.3%**	**2.2%**	**3.5%**	**1.7%**	**1.8%**
Land Arrivals via US	All land borders	Arrivals	16,892	19,589	16,702	6,800	35,722
		YOY%	-4.5%	-13.4%	-7.6%	-22.6%	19.6%
		% of Total	**10.5%**	**7.1%**	**13.0%**	**5.5%**	**30.1%**
Total Overnight Arrivals			**160,946**	**275,604**	**128,097**	**124,557**	**118,625**

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:

+48.3% ↑ YOY

YTD:

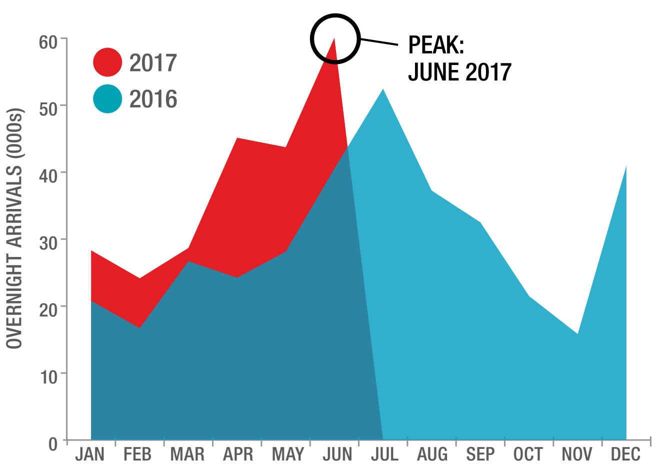
+46.3% ↑ YOY

Overnight Arrivals

	June 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**60,073**	**48.3**	**230,091**	**46.3**
Brazil	16,184	23.0	60,322	17.0
Mexico	43,889	60.4	169,769	60.7
Other Latin America	45,580	9.6	157,600	15.4
Total Latin America	**105,653**	**28.7**	**387,691**	**32.0**

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]	June 2017	-20.1%	72.6%
	YTD	-29.4%	49.2%
Exchange Rate[ii]	June 2017	7.1%	6.1%
	YTD	15.9%	-7.4%
YTD Arrival Peak[iii]	Previous Peak Year	2016	2008
	Current % of Previous Peak	117.0%	146.7%

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 June 2017 Destination Canada's Latin America region continued to lead growth in international arrivals to Canada, setting new arrivals records both for the month of June (+48.3%) and the first half of the year (+46.3%).

- In line with the trend observed since the replacement of the visa requirement with the Electronic Travel Authority (eTA) in December 2016, Mexico continued to shine with year-over-year growth of +60.4% in June 2017 and +60.7% year-to-date. Arrivals from Mexico once again reached new monthly and year-to-date peaks. Ongoing air capacity expansion (+72.6% in June, +49.2% YTD) supported this growth, while a generally weaker Peso (-7.4% YTD) showed signs of improvement against the Canadian dollar (+6.1% in June).

- Brazil also continued to perform very well, with arrivals up +23.0% in June 2017 and +17.0% YTD to hit new peaks for both periods. This ongoing positive trend is particularly impressive given the continued contraction of air capacity to Canada (-29.4% YTD), and may be supported by the recent positive trend observed with the strength of the Real vs. the Canadian dollar.

DC Latin America Arrivals by Port of Entry

- Almost two-thirds of visitors from Mexico flew directly to Canada (63.9%), with nearly equal numbers also travelling via the US either by air (18.8%) or by land (16.0%). Most visitors from Brazil arrived direct by air (55.8%) or via the US by air (40.1%). Brazilian arrivals to Canada via the US by land have declined year-over-year, while arrivals by sea from both countries are also down.

- Almost all direct air arrivals from Brazil landed at YYZ (93.6%), while those from Mexico usually arrived at either YYZ (47.2%) or YVR (28.6%). There was a particularly sharp increase in direct arrivals from Mexico at YUL (+134.6%) as well as at YYZ (+95.9%) over the first half of 2017.

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	31,516	50,955
		YOY%	25.0%	95.9%
		% of Total	**52.2%**	**30.0%**
	YVR	Arrivals	1,027	30,830
		YOY%	57.5%	47.8%
		% of Total	**1.7%**	**18.2%**
	YUL	Arrivals	1,007	22,702
		YOY%	34.1%	134.6%
		% of Total	**1.7%**	**13.4%**
	YYC	Arrivals	49	2,486
		YOY%	-14.0%	57.2%
		% of Total	**0.1%**	**1.5%**
	All other airports	Arrivals	73	1,009
		YOY%	0.3%	1.7%
		% of Total	**0.1%**	**0.6%**
	Subtotal	Arrivals	33,672	107,982
		YOY%	25.9%	82.2%
		% of Total	**55.8%**	**63.6%**
Air Arrivals via the US	All airports	Arrivals	24,200	31,891
		YOY%	9.5%	60.3%
		% of Total	**40.1%**	**18.8%**
Sea Arrivals	All sea borders	Arrivals	757	2,750
		YOY%	-10.9%	-89.7%
		% of Total	**1.3%**	**1.6%**
Land Arrivals via US	All land borders	Arrivals	1,693	27,146
		YOY%	-92.3%	36.4%
		% of Total	**2.8%**	**16.0%**
Total Overnight Arrivals			**60,322**	**169,769**

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

COMPETITIVE REVIEW

January to June 2017		Trips To:			
		Canada		Australia	
Trips From:			YOY Change		YOY Change
Total International		**8,447,960**	**6.2%**	**4,159,900**	**7.2%**
United States		5,760,483	3.1%	386,900	12.1%
Canada		…	…	85,800	13.8%
Europe	**United Kingdom**	323,969	4.5%	356,200	2.8%
	France	202,502	3.4%	55,500	3.2%
	Germany	146,049	9.4%	98,000	7.9%
Asia-Pacific	**Australia**	160,946	21.8%	…	…
	Japan	124,557	10.8%	189,500	5.9%
	South Korea	118,625	24.6%	148,200	5.6%
	China	275,604	14.5%	674,100	8.0%
	India	128,097	25.4%	148,500	13.1%
Latin America	**Mexico**	169,769	60.7%	4,500	15.4%
	Brazil	60,322	17.0%	25,400	21.0%
Total DC Key Markets		**7,470,923**	**5.8%**	**2,172,600**	**8.0%**

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

- Canada welcomed just over double the number of international visitors as Australia over the first half of 2017 (8.45 million vs. 4.16 million). Meanwhile, Australia continued to record slightly faster year-over-year growth over this period (7.2% for Australia vs. 6.2% for Canada).

- A similar trend continued with arrivals from Destination Canada's 11 core international markets, with Canada welcoming well over triple the number of visitors from these markets (7.47 million vs. 2.17 million) but Australia recording faster year-over-year growth (+8.0%, vs. +5.8% for Canada).

- About 14 times more US travellers visited Canada (5.76 million) than Australia (386,900) in the first half of 2017, despite Australia's much faster year-over-year growth in arrivals from this market (12.1% vs. 3.1% for Canada).

- Australia continued to receive more visitors from each of Destination Canada's Asia-Pacific markets, including nearly 400,000 additional travellers from their key market of China, despite Canada's much faster year-over-year growth in arrivals from these markets.

- From January to June 2017, close to twice as many Australian tourists visited Canada (160,946) than Canadian tourists visited Australia (85,800), with Canada also observing faster year-over-year growth (+21.8% vs. 13.8% for Australia).

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	15,739	92	58,022	82,828	1,237,505	4,007,003
	Variance YOY%	-14.5%	-91.0%	15.2%	-8.0%	5.7%	8.4%
	Change YOY	(2,661)	(928)	7,649	(7,199)	67,039	308,875
US Residents by Automobile	2017	0	0	3,111	73,055	439,118	1,650,482
	Variance YOY%	0.0%	0.0%	123.7%	-0.9%	1.1%	1.7%
	Change YOY	-	-	1,720	(653)	4,840	27,663
US Residents by Non-Automobile	2017	2,421	75	34,370	8,147	363,695	1,168,115
	Variance YOY%	-3.0%	4.2%	14.0%	-41.4%	8.5%	8.8%
	Change YOY	(75)	3	4,213	(5,753)	28,604	94,709
Residents from Other Countries	2017	13,318	17	20,541	1,626	434,692	1,188,406
	Variance YOY%	-16.3%	-98.2%	9.1%	-32.8%	8.4%	18.6%
	Change YOY	(2,586)	(931)	1,716	(793)	33,595	186,503

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	94,829	30,590	434,445	2,426,224	60,683	8,447,960
	Variance YOY%	1.6%	-15.6%	7.1%	4.1%	-0.8%	6.2%
	Change YOY	1,480	(5,663)	28,661	94,618	(516)	491,355
US Residents by Automobile	2017	63,670	22,249	55,804	813,910	28,629	3,150,028
	Variance YOY%	8.0%	4.1%	-1.0%	-3.0%	5.9%	0.5%
	Change YOY	4,735	871	(555)	(25,436)	1,599	14,784
US Residents by Non-Automobile	2017	28,238	7,396	240,766	731,358	25,874	2,610,455
	Variance YOY%	-8.4%	-45.2%	8.3%	4.6%	-9.2%	6.6%
	Change YOY	(2,602)	(6,097)	18,407	31,917	(2,618)	160,708
Residents from Other Countries	2017	2,921	945	137,875	880,956	6,180	2,687,477
	Variance YOY%	-18.3%	-31.6%	8.5%	11.1%	8.9%	13.3%
	Change YOY	(653)	(437)	10,809	88,137	503	315,863

- Ontario remained the most popular provincial entry point for international visitors to Canada over the first half of 2017, with approximately 47% of arrivals (4.01 million visitors) crossing the border there, up 8.4% over the first half of 2016.
- Year-over-year growth in international arrivals was primarily concentrated in Ontario (+308,875 additional visitors), British Columbia (+94,618), Quebec (+67,039) and Alberta (+28,661).
- In Ontario and Quebec this growth was apparent across overseas arrivals, US auto and US non-auto arrivals, whereas British Columbia and Alberta saw an increase in overseas and US non-auto arrivals outpacing slight declines in US auto arrivals.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	June 2017	YOY % Variance	Jan.- June 2017	YOY % Variance
United States	1,450,202	5.5	9,499,424	4.9
Other Countries	843,613	18.3	6,966,996	6.2
Total Trips from Canada	2,293,815	9.9	16,466,420	5.4

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

- Following a downturn in May, overnight trips by Canadians to international destinations rebounded in June 2017 to reach 2,293,815, up 9.9% over June 2016. This jump was primarily driven by a sharp increase in Canadian trips to international destinations outside of the US in June (+18.3%), though Canadian trips to the US also increased significantly (+5.5%).

- In the first half of 2017, overnight trips by Canadians to international destinations, including the US, were up a strong 5.4%, including +4.9% to the US and +6.2% to overseas destinations.

- In June 2017, the Canadian Consumer Confidence Index (published by the Conference Board of Canada) was stable at an elevated 111.5, indicating that Canadians remain optimistic about spending.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	June 2017	YOY^ Variance	Jan.-June	YOY^ Variance	June 2017	YOY % Variance	Jan.-June	YOY % Variance	June 2017	YOY % Variance	Jan.-June	YOY % Variance
Alberta[1]	58.6%	0.9	50.9%	0.2	$132.14	-3.4%	$129.25	-1.5%	$77.46	-1.9%	$65.83	-1.1%
British Columbia	80.0%	2.4	67.2%	2.2	$186.29	7.9%	$161.58	5.5%	$149.10	11.3%	$108.64	9.0%
Saskatchewan	58.8%	-0.1	51.4%	-1.8	$121.15	-6.3%	$121.13	-5.1%	$71.28	-6.5%	$62.28	-8.3%
Manitoba	78.0%	6.9	67.2%	5.0	$127.20	-1.0%	$122.59	1.0%	$99.28	8.6%	$82.34	9.2%
Ontario	76.2%	2.5	64.7%	1.7	$163.41	12.7%	$148.52	7.1%	$124.46	16.6%	$96.16	9.9%
Quebec	77.9%	2.4	65.9%	2.9	$185.72	7.3%	$159.12	5.4%	$144.59	10.8%	$104.91	10.3%
New Brunswick	68.9%	2.5	53.9%	2.4	$122.10	3.9%	$115.41	3.2%	$84.16	7.9%	$62.18	7.9%
Nova Scotia	76.1%	2.5	60.7%	2.5	$147.85	7.7%	$131.51	4.7%	$112.44	11.3%	$79.77	9.3%
Newfoundland	74.7%	-5.2	58.6%	2.1	$158.20	-3.3%	$140.58	-1.2%	$118.15	-9.6%	$82.38	2.4%
Prince Edward Island	74.5%	3.9	47.5%	1.1	$161.35	7.0%	$123.62	4.8%	$120.28	12.9%	$58.76	7.4%
Northwest Territories	64.5%	-2.9	67.5%	-1.5	$144.53	-2.2%	$145.18	-4.9%	$93.17	-6.3%	$97.95	-7.0%
Yukon	86.7%	-4.0	62.9%	-1.6	$145.47	9.0%	$128.20	6.1%	$126.19	4.1%	$80.58	3.4%
Canada	**73.2%**	**2.0**	**61.7%**	**1.6**	**$165.61**	**7.3%**	**$147.93**	**4.5%**	**$121.15**	**10.3%**	**$91.22**	**7.2%**

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

Source: CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.
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- The National Occupancy Rate was up slightly year-over-year in June 2017, up 2.0 points at 73.2%, bringing the year-to-date occupancy rate for the first half of 2017 up to 61.7%, up 1.6 points year-over-year.
- Yukon (86.7%) recorded the highest provincial occupancy rate in June 2017, followed by British Columbia (80.0%) and Manitoba (78.0%). Year-to-date, Northwest Territories (67.5%) took the top spot, followed very closely by Manitoba and British Columbia (both at 67.2%). Manitoba also stood out with the strongest provincial year-over-year growth, both for the month of June (+6.9%) and over the first half of 2017 (+5.0%).
- British Columbia also recorded the highest average daily rates (ADR) and revenue per available room (RevPar), both for the month of June and year-to-date. For ADR, Quebec and Ontario were also top performers, with Ontario noting the strongest year-over-year growth. Meanwhile, Quebec and Yukon were among the highest for RevPar in June, with Quebec and Northwest Territories just behind BC year-to-date.
- Several provinces observed declines compared to 2016 performance across the various accommodation measures, including some of the top performers such as Yukon and Northwest Territories.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	June 2017	YOY^ Change	Jan.- June	YOY^ Variance	June 2017	YOY Variance	Jan.- June	YOY Variance
Property Size								
Under 50 rooms	60.2%	4.3	47.2%	2.5	$116.24	3.8%	$107.01	4.0%
50-75 rooms	67.4%	3.0	54.6%	1.8	$121.96	2.5%	$110.94	1.6%
76-125 rooms	70.9%	2.9	59.6%	1.9	$136.09	3.8%	$125.66	2.2%
126-200 rooms	74.0%	2.0	62.8%	1.6	$149.34	6.7%	$136.12	4.9%
201-500 rooms	76.0%	0.7	65.4%	0.9	$199.07	10.4%	$174.93	6.0%
Over 500 rooms	83.8%	0.3	70.8%	1.6	$258.99	13.2%	$215.36	8.3%
Total	73.2%	2.0	61.7%	1.6	$165.61	7.3%	$147.93	4.5%
Property Type								
Limited Service	67.2%	2.9	56.1%	1.9	$120.95	4.5%	$113.73	2.7%
Full Service	76.7%	1.5	64.5%	1.2	$183.65	9.5%	$159.68	5.5%
Suite Hotel	80.5%	1.0	71.3%	1.7	$169.51	3.5%	$153.17	3.2%
Resort	71.5%	1.4	60.2%	2.4	$252.87	8.0%	$225.87	6.9%
Total	73.2%	2.0	61.7%	1.6	$165.61	7.3%	$147.93	4.5%
Price Level								
Budget	66.1%	3.4	54.9%	2.6	$107.20	10.1%	$97.30	6.5%
Mid-Price	73.9%	1.5	62.5%	1.0	$156.08	5.7%	$140.65	3.6%
Upscale	80.5%	1.2	68.0%	1.9	$279.99	9.5%	$239.97	6.0%
Total	73.2%	2.0	61.7%	1.6	$165.61	7.3%	$147.93	4.5%

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

- As observed previously in 2017, both occupancy rate and ADR increased with the size of the property, with the largest properties (500+ rooms) reporting the highest occupancy rates (83.8% in June, 70.8% YTD) and average daily rates ($258.99 in June, $215.36 YTD). These largest properties also recorded very strong year-over-year growth in ADR (+13.2% in June, +8.3% YTD), whereas the smallest properties (<50 rooms) recorded the strongest growth in occupancy (+4.3 points in June, +2.5 points YTD).
- Suite hotels continued to record the highest occupancy rates (80.5% in June, 71.3% YTD), while resorts reported the highest ADR ($252.87 in June, $225.87 YTD).
- In terms of price level, upscale properties continued to report the highest occupancy rates (80.5% in June, 68.0% YTD) and ADR ($279.99 in June, $239.97 YTD), though both were outpaced by budget hotels in year-over-year growth.

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