



Tourism Snapshot

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

December 2017
Volume 13, Issue 12

Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- In 2017, international arrivals to Canada reached a new all-time high of 20.85 million (+4.4% over 2016), surpassing the record high of 20.06 million previously set in 2002 by 3.9%.
- US visitors (14.33 million, +3.1%) continued to make up the majority of tourist arrivals to Canada in 2017. Among Destination Canada's core markets, the Asia-Pacific region (1.90 million, +11.4%) led 2017 arrivals, followed by Europe (1.76 million, +0.7%), and Latin America (498,000, +39.3%).
- Overnight arrivals from non-US (overseas) origins (+7.2%) expanded at a pace slightly ahead of global international arrivals as reported by the UNWTO (+6.7%) in 2017, with Destination Canada's ten overseas markets (+9.1%) expanding at twice the rate of non-Destination Canada markets (+4.0%).
- These results reflect a shifting landscape for the Canadian tourism industry when compared with the previous peak in 2002, when just 19.4% of visitors

to Canada came from overseas origins (vs. 31.3% in 2017). Destination Canada's emerging Asia-Pacific and Latin America markets are also playing a larger role in overseas visitation, ahead of the historically strong European markets, with Destination Canada's target markets in Latin America leading year-over-year growth and Asia-Pacific now overtaking Europe as Destination Canada's largest overseas region in 2017.

- Much of the growth recorded in 2017 was driven by increased direct air arrivals, both from the US (+6.6%) and from overseas (+9.5%). This progress was particularly evident in direct air arrivals from Destination Canada's Latin American markets (+60.3%) and Asia-Pacific markets (+16.6%). The ongoing expansion of air access to Canada in 2017 was closely linked with this growth, with seat capacity increasing significantly overall (+7.0%) and in particular in Destination Canada's core markets – Latin America (+45.7%), Asia-Pacific (+22.2%), Europe (+4.4%), and the US (+3.8%).

Note the following caveat from Statistics Canada associated with the December 2017 data: Data for Statistics Canada's Frontier Counts program are produced using administrative data received from the Canada Border Services Agency (CBSA) on all international travellers who have been cleared for entry or re-entry into Canada. This includes residents of Canada, the United States and overseas entering Canada from abroad.

In 2017, the CBSA began introducing the electronic Primary Inspection Kiosk (PIK) system at airports in Canada. The PIK system replaces the E-311 Declaration Cards that are completed by international travellers to Canada. As of the end of November, the PIK system was deployed at the following airports: Macdonald-Cartier, Ottawa (March 2017), Vancouver (April 2017), Toronto International Airport T3 (June 2017), Edmonton (September 2017), Halifax (October 2017), and Pierre-Elliott Trudeau, Montréal (November 2017).

While awaiting receipt of PIK data, Statistics Canada has prepared preliminary estimates for airports at which PIK has been deployed. These estimates are based on CBSA reports of total international travellers by airport, while the distribution between Canadian, US and travellers from individual overseas countries are modelled estimates based on historical data and trends, using methods similar to those used to do seasonal adjustment.

Statistics Canada recently reached an agreement with CBSA on access to this data, and the estimates for these airports, as well as the provincial and national totals to which they contribute, will be revised in the near future.

Note also that figures reported at the Douglas (Peace Arch) land port in BC were partly estimated and will be revised at a future date.

QUICK LINKS

Industry Performance Dashboard

	December 2017	YTD
✈ Overnight Arrivals¹		
Total International	↑ 4.3%	↑ 4.4%
11 DC Markets**	↑ 4.4%	↑ 4.4%
<i>United States</i>	↑ 3.7%	↑ 3.1%
10 Overseas Markets	↑ 7.1%	↑ 9.1%
Non-DC Markets	↑ 3.0%	↑ 4.0%
✈ Air Seat Capacity²		
Total International	↑ 7.6%	↑ 7.0%
11 DC Markets**	↑ 5.9%	↑ 6.5%
Non-DC Markets	↑ 11.2%	↑ 8.1%
🏠 National Hotel Indicators³		
Occupancy Rate*	↑ 1.6	↑ 1.8
Revenue Per Available Room (Revpar)	↑ 3.8%	↑ 4.8%
Average Daily Rate (ADR)	↑ 7.3%	↑ 7.8%

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	
		Dec. 2017	YTD 2017	Dec. 2017	YTD 2017	Dec. 2017	YTD 2017	Dec. 2017 Average	YTD Average
United States	United States	944,412	14,328,645	3.7%	3.1%	4.2%	3.8%	-4.2%	-2.1%
DC Europe	France	38,450	570,803	2.2%	4.6%	2.8%	2.7%	7.5%	-0.1%
	Germany	15,455	388,320	-6.3%	5.2%	-6.6%	8.9%	7.5%	-0.1%
	United Kingdom	53,306	801,339	-6.0%	-3.8%	2.6%	3.0%	2.8%	-6.9%
DC Asia-Pacific	Australia	37,225	375,395	10.0%	12.6%	17.8%	28.6%	-0.4%	0.9%
	China	43,330	682,415	20.8%	11.8%	9.2%	24.8%	0.5%	-3.8%
	India	18,620	254,072	15.9%	17.8%	43.7%	52.7%	1.1%	1.1%
	Japan	16,692	304,318	0.5%	0.2%	2.5%	7.0%	-1.7%	-5.2%
	South Korea	17,485	286,052	24.1%	17.0%	11.2%	17.0%	4.5%	0.6%
DC Latin America	Brazil	13,980	139,385	22.1%	22.0%	61.5%	-16.4%	-2.3%	6.6%
	Mexico	32,623	358,916	10.6%	47.4%	76.0%	70.6%	2.6%	-3.3%
Total 11 DC Markets		1,231,578	18,489,660	4.4%	4.4%				
Rest of the World		164,027	2,356,448	3.0%	4.0%				
Total International		1,395,605	20,846,108	4.3%	4.4%				

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:

+3.7% ↑ YOY



YTD:

+3.1% ↑ YOY

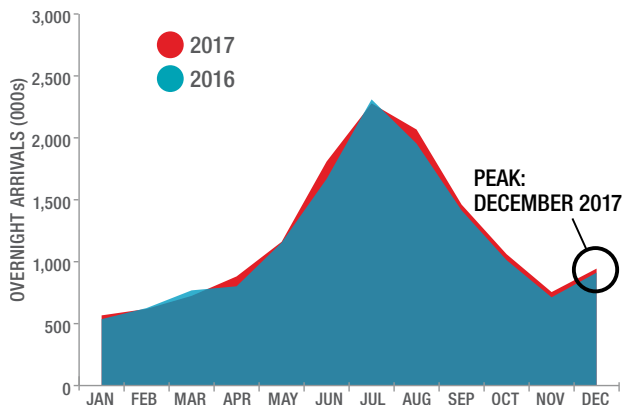
Overnight Arrivals

	Dec. 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	531,727	-0.3	7,988,126	0.0
Air	368,257	10.0	4,811,474	6.6
Other	44,428	4.4	1,529,045	9.9
US Total	944,412	3.7	14,328,645	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	December 2017	4.2%
	YTD	3.8%
Exchange Rate ⁱⁱ	December 2017	-4.2%
	YTD	-2.1%
Consumer Confidence Index (1985=100) ⁱⁱⁱ	December 2017	123.1
	Previous Month	128.6
YTD Arrival Peak ^{iv}	Previous Peak Year	2002
	Current % of Previous Peak	88.6%

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

- After a somewhat rocky start to the year, US overnight arrivals to Canada rounded off the latter half of 2017 with a fifth consecutive month of strong growth in December 2017 (+3.7%), bringing the annual 2017 total to 14.3 million (+3.1% over 2016). Even with the weaker purchasing power of the US dollar in Canada in 2017 (-4.2% in December, -2.1% total 2017), US tourists visited Canada in the highest numbers since 2005.
- Supported by the steady expansion of air capacity between Canada and the US (+4.2% in December, +3.8% total 2017), arrivals by air were a driving force behind the growth in US visitation, up 10.0% in December and 6.6% annually compared to 2016. In 2017, the number of US tourists arriving in Canada by air reached a new peak for the third consecutive year and represented 33.6% of total US overnight arrivals, up more than 10 percentage-points compared to the share of air arrivals in 2002 (23.4%). Arrivals by other modes of transportation, such as bus, train, and cruise, also recorded strong growth (+4.4% in December, +9.9% total 2017). While auto arrivals were generally on par with 2016 levels, they still continued to make up the largest proportion of US visitors (56.3% in December, 55.7% total 2017).
- In 2017, the largest share of US overnight arrivals by vehicle¹ originated from New York (18.0%), Washington (15.1%), and Michigan (11.4%). Among states further from the US-Canada border, the largest proportion of vehicle traffic arrived from California (2.4%) and Florida (2.1%). While the same three states make up the largest share of vehicle arrivals among both US residents and overseas residents driving across the Canada-US border, the data suggest that overseas residents may be more likely than US residents to drive the longer distances from California and Florida².
- Following two months of strong increases, the consumer confidence index published by the US Conference Board dropped 5.5 points to 123.1 in December 2017.

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

² The US state of departure for overseas resident entering Canada by automobile is based on IPI information. Some automobiles driven by overseas resident by be rental vehicles. Rented vehicles in one US state may be registered in different state. The state of car registration may not necessarily be indicative of distance driven.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

-3.3% ↓ YOY



YTD:

+0.7% ↑ YOY

Overnight Arrivals

	December 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	107,211	-3.3	1,760,462	0.7
United Kingdom	53,306	-6.0	801,339	-3.8
France	38,450	2.2	570,803	4.6
Germany	15,455	-6.3	388,320	5.2
Other Europe	67,862	75.1	1,095,512	23.8
Italy	7,481	22.1	133,944	6.4
Netherlands	6,975	26.0	137,716	2.1
Spain	5,672	33.4	94,373	13.2
Switzerland	7,192	-6.6	127,138	-2.2
Rest of Europe	40,542	0.3	602,341	4.2
Total Europe	175,073	0.1	2,855,979	2.0



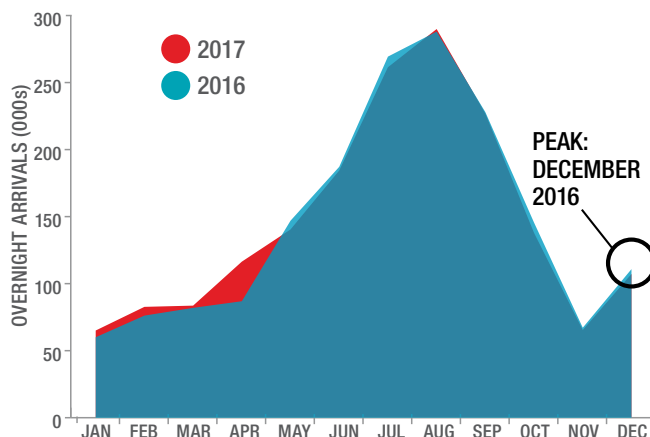
Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity ⁱ	December 2017	2.8%	-6.6%	2.6%
	YTD	2.7%	8.9%	3.0%
Exchange Rate ⁱⁱ	December 2017	7.5%	7.5%	2.8%
	YTD	-0.1%	-0.1%	-6.9%
YTD Arrival Peak ⁱⁱⁱ	Previous Peak Year	2016	1996	2007
	Current % of Previous Peak	104.6%	85.6%	88.2%

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.

Trend Plot: Total DC Europe Arrivals



EUROPE

- In December 2017, Canada welcomed just over 107,000 visitors from Destination Canada's Europe region (-3.3% vs. December 2016), just bringing the 2017 total up to a new annual record of 1.76 million visitors (+0.7% vs. 2016).
- The muted performance from this region in 2017 was mainly due to a consistent decline in arrivals from the UK (-3.8% vs. 2016), which faced a deteriorating consumer mood since May 2017 in the midst of growing concerns over the economy ahead of Brexit and a weakened British pound in Canada (-6.9% vs. 2016). December (-6.0% vs. December 2016) marked eight consecutive months of declining arrivals to Canada from the UK, with outbound British travel to destinations outside of Europe also trending downward in the latter half of 2017.
- Steady gains in arrivals from Germany (+5.2%) and France (+4.6%) over the course of the year compensated for the losses from the UK, resulting in an overall positive trend in arrivals from the region. France was the only Europe market to hit new arrivals records for both the month of December (+2.2%) and annually in 2017, while Germany observed its best year for arrivals to Canada since 1999, despite finishing the year with a downturn in December (-6.3%).

DC Europe Arrivals by Port of Entry

- With overall air capacity for the region up 4.4% year-over-year in 2017, direct air arrivals from Destination Canada's three Europe markets were up slightly compared to 2016 (+0.8%). In 2017, 69.9% of visitors from Destination Canada's three European markets arrived by air directly from overseas, mainly via YYZ (36.3%) and YUL (31.7%).
- Most of the annual decline from the region was in arrivals via the US, both by land (-2.7%) and by air (-1.5%), while arrivals by sea increased significantly (+16.6%) – particularly from Germany (+47.9%).

		France	Germany	UK	
Air Arrivals from Overseas	YYZ	Arrivals	68,834	103,446	274,917
		YOY%	10.0%	1.2%	-6.3%
		% of Total	12.1%	26.6%	34.3%
	YVR	Arrivals	19,473	65,336	143,184
		YOY%	6.6%	13.7%	5.3%
		% of Total	3.4%	16.8%	17.9%
	YUL	Arrivals	293,382	43,618	52,752
		YOY%	9.6%	2.4%	-3.4%
		% of Total	51.4%	11.2%	6.6%
	YYC	Arrivals	3,643	22,939	70,709
		YOY%	-34.8%	-14.6%	-3.0%
		% of Total	0.6%	5.9%	8.8%
	All other airports	Arrivals	5,066	21,104	42,324
		YOY%	1.4%	9.2%	7.8%
		% of Total	0.9%	5.4%	5.3%
Subtotal	Arrivals	390,398	256,443	583,886	
	YOY%	6.7%	2.3%	-3.4%	
	% of Total	68.4%	66.0%	72.9%	
Air Arrivals via the US	All airports	Arrivals	146,877	58,635	114,423
		YOY%	3.8%	4.9%	-10.2%
		% of Total	25.7%	15.1%	14.3%
Sea Arrivals	All sea borders	Arrivals	2,041	31,154	45,140
		YOY%	-40.4%	47.9%	5.7%
		% of Total	0.4%	8.0%	5.6%
Land Arrivals via US	All land borders	Arrivals	31,620	41,904	57,878
		YOY%	-9.1%	1.6%	-1.9%
		% of Total	5.5%	10.8%	7.2%
Total Overnight Arrivals		570,803	388,320	801,339	

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:

+14.5% ↑ YOY



YTD:

+11.4% ↑ YOY

Overnight Arrivals

	December 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	133,352	14.5	1,902,252	11.4
Australia	37,225	10.0	375,395	12.6
China	43,330	20.8	682,415	11.8
India	18,620	15.9	254,072	17.8
Japan	16,692	0.5	304,318	0.2
South Korea	17,485	24.1	286,052	17.0
Other Asia-Pacific	52,676	9.7	747,959	-0.3
Hong Kong	10,859	-17.8	147,335	-5.0
Taiwan	5,308	19.3	101,659	0.7
Rest of Asia-Pacific	36,509	8.2	498,965	3.9
Total Asia-Pacific	186,028	10.8	2,650,211	8.5

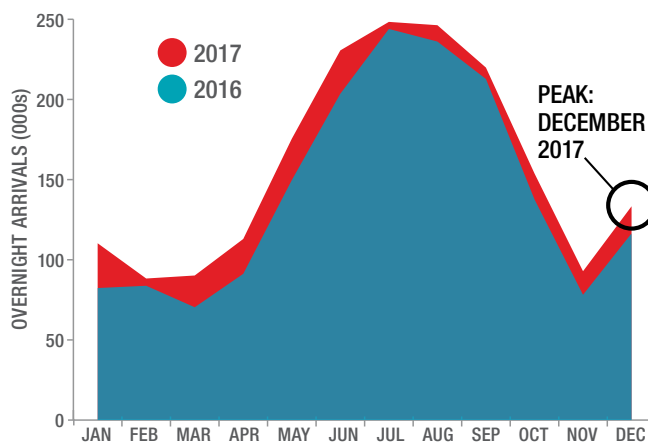


Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity ⁱ	December 2017	17.8%	9.2%	43.7%	2.5%	11.2%
	YTD	28.6%	24.8%	52.7%	7.0%	17.0%
Exchange Rate ⁱⁱ	December 2017	-0.4%	0.5%	1.1%	-1.7%	4.5%
	YTD	0.9%	-3.8%	1.1%	-5.2%	0.6%
YTD Arrival Peak ⁱⁱⁱ	Previous Peak Year	2016	2016	2016	1996	2016
	Current % of Previous Peak	112.6%	111.8%	117.8%	46.8%	117.0%

Trend Plot: Total DC Asia-Pacific Arrivals



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.

- With just over 133,000 arrivals in December 2017 (+14.5%), total 2017 visitation from Destination Canada's Asia-Pacific region reached 1.90 million (+11.4%), setting new monthly and annual peaks for the region. This year's strong performance moved the Asia-Pacific region ahead of Europe as Destination Canada's largest overseas regional market for the first time in 2017.
- Individually, double-digit gains were recorded from all of Destination Canada's Asia-Pacific markets except Japan in 2017 (+0.2%). Arrivals from India (+17.8%) posted the strongest growth, followed by South Korea (+17.0%), Australia, (+12.6%), and China (+11.8%). All but Japan also reached new arrivals records in 2017, both for the month of December and annually.
- The performance from this region in 2017 is especially notable given that the five Asia-Pacific markets saw relatively weak currency exchange rates with Canada this year. The strength of the Yen compared to the Canadian dollar was particularly poor (-5.2% in 2017), which may have contributed to the muted performance from Japan.
- Direct air capacity to Canada from the Asia-Pacific region expanded +22.2% in 2017, led by India (+52.7%), Australia (+28.6%), and China (+24.8%), supporting the particularly strong growth in direct air arrivals (+16.6%).

DC Asia-Pacific Arrivals by Port of Entry

- Direct air arrivals from Destination Canada's Asia-Pacific region soared by an average of +16.6%, while arrivals via the US averaged +3.6% (+3.8% by land and +2.1% by air), despite contractions from China (-0.2%), India (-6.2%), and Japan (-9.7%).
- The majority of direct air arrivals from Destination Canada's Asia-Pacific markets in 2017 entered the country via YVR (50.3% share of direct air arrivals) and YYZ (41.1% share of direct air arrivals). However, YUL and YYC also saw significant growth this year in arrivals from China.

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	17,545	210,466	129,742	74,618	62,667
		YOY%	3.2%	10.7%	42.2%	3.4%	28.6%
		% of Total	4.7%	30.8%	51.1%	24.5%	21.9%
	YVR	Arrivals	124,986	252,929	28,908	122,743	76,193
		YOY%	34.2%	10.4%	9.4%	11.3%	-2.0%
		% of Total	33.3%	37.1%	11.4%	40.3%	26.6%
	YUL	Arrivals	2,743	40,573	9,996	1,704	993
		YOY%	5.3%	121.3%	10.8%	-16.3%	50.7%
		% of Total	0.7%	5.9%	3.9%	0.6%	0.3%
	YYC	Arrivals	1,526	13,114	9,038	16,332	1,782
		YOY%	-1.7%	94.6%	9.2%	-18.9%	-19.8%
		% of Total	0.4%	1.9%	3.6%	5.4%	0.6%
	All other airports	Arrivals	995	734	3,681	277	217
		YOY%	0.9%	0.2%	2.7%	0.1%	0.2%
		% of Total	0.3%	0.1%	1.4%	0.1%	0.1%
Subtotal	Arrivals	147,795	517,816	181,365	215,674	141,852	
	YOY%	28.2%	16.3%	31.1%	5.3%	9.5%	
	% of Total	39.4%	75.9%	71.4%	70.9%	49.6%	
Air Arrivals via the US	All airports	Arrivals	141,872	93,113	34,389	62,715	39,447
		YOY%	5.1%	-1.6%	10.0%	-7.5%	12.6%
		% of Total	37.8%	13.6%	13.5%	20.6%	13.8%
Sea Arrivals	All sea borders	Arrivals	47,652	15,247	9,636	4,387	5,513
		YOY%	18.9%	-2.4%	4.2%	-8.7%	23.7%
		% of Total	12.7%	2.2%	3.8%	1.4%	1.9%
Land Arrivals via US	All land borders	Arrivals	38,003	56,294	28,711	21,569	99,259
		YOY%	-11.3%	2.9%	-22.4%	-15.1%	32.5%
		% of Total	10.1%	8.2%	11.3%	7.1%	34.7%
Total Overnight Arrivals			375,395	682,415	254,072	304,318	286,052

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: **+13.8% ↑ YOY**



YTD: **+39.3% ↑ YOY**

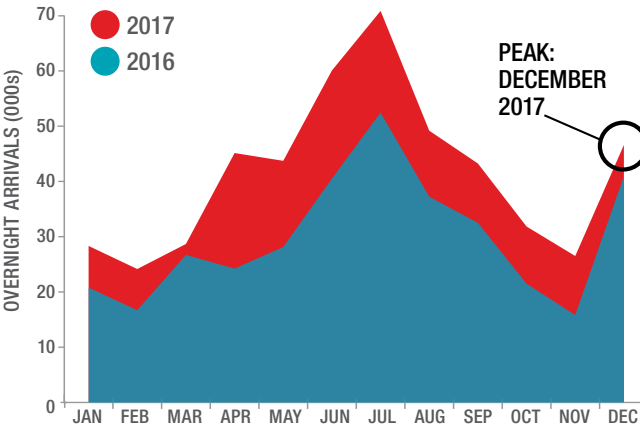
Overnight Arrivals

	December 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	46,603	13.8	498,301	39.3
Brazil	13,980	22.1	139,385	22.0
Mexico	32,623	10.6	358,916	47.4
Other Latin America	31,177	-2.4	366,226	8.3
Total Latin America	77,780	6.7	864,527	24.2

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 Capacityⁱ	December 2017	61.5%	76.0%
	YTD	-16.4%	70.6%
Exchange Rateⁱⁱ	December 2017	-2.3%	2.6%
	YTD	6.6%	-3.3%
YTD Arrival Peakⁱⁱⁱ	Previous Peak Year	2016	2008
	Current % of Previous Peak	122.0%	134.8%

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.

LATIN AMERICA

- Close to 47,000 arrivals in December 2017 (+13.8%) brought annual 2017 total arrivals from Destination Canada's Latin America region to almost half a million (498,000, +39.3% over 2016). Setting new records for both the month of December and annually, growth from this region was well ahead of all other Destination Canada regions. Both Mexico (+47.4%) and Brazil (+22.0%) also hit new arrivals records individually in 2017.
- Both of Destination Canada's Latin America markets benefitted from the replacement of the visa requirement with the eTA over the last year. This was introduced for Mexican citizens on December 1st, 2016 and for some Brazilian citizens in May 2017. After averaging an increase in arrivals of 52.5% over the first 11 months of 2017, tourist arrivals from Mexico expanded by 10.6% in December 2017, which still represented a robust performance given the 69.1% jump in December 2016 following the eTA implementation.
- This region's stellar performance in 2017 was mainly driven by strong gains in air arrivals, primarily direct to Canada (+60.3%), but also by air via the US (+27.3%). Meanwhile, arrivals via the US by land were down (-12.1%), due to a decline from Mexico (-15.3%).
- Supporting this performance, Mexico saw the largest expansion of air capacity to Canada of all Destination Canada's key international markets in 2017 (+70.6%). From Brazil, air capacity was down overall in 2017 (-16.4%) but saw an increase over the last three months of the year (+61.5% in December).
- While the purchasing power of the Mexican Peso in Canada fell overall in 2017 (-3.3%), the Real remained strong compared to 2016 (+6.6%).

DC Latin America Arrivals by Port of Entry

- Overall in 2017, 63.1% of visitors from Destination Canada's two Latin America markets arrived by air directly from overseas. Visitors from Brazil arriving direct by air entered the country almost exclusively at YYZ (92.7%), while those from Mexico primarily crossed the border at YYZ (45.1%), YVR (25.8%), or YUL (24.2%).

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	68,796	108,308
		YOY%	22.4%	72.9%
		% of Total	49.4%	30.2%
	YVR	Arrivals	2,063	61,942
		YOY%	24.8%	40.2%
		% of Total	1.5%	17.3%
	YUL	Arrivals	2,787	58,192
		YOY%	50.3%	141.8%
		% of Total	2.0%	16.2%
	YYC	Arrivals	241	10,063
		YOY%	65.1%	196.7%
		% of Total	0.2%	2.8%
	All other airports	Arrivals	253	1,770
		YOY%	0.4%	1.3%
		% of Total	0.2%	0.5%
Subtotal	Arrivals	74,140	240,275	
	YOY%	23.4%	76.5%	
	% of Total	53.2%	66.9%	
Air Arrivals via the US	All airports	Arrivals	57,394	62,982
		YOY%	20.9%	33.8%
		% of Total	41.2%	17.5%
Sea Arrivals	All sea borders	Arrivals	2,555	12,893
		YOY%	3.6%	33.3%
		% of Total	1.8%	3.6%
Land Arrivals via US	All land borders	Arrivals	5,301	42,775
		YOY%	25.9%	-15.3%
		% of Total	3.8%	11.9%
Total Overnight Arrivals			139,385	358,916

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

COMPETITIVE REVIEW

January to December 2017		Trips To:			
		Canada		Australia	
Trips From:			YOY Change		YOY Change
Total International		20,846,108	4.4%	8,810,200	6.5%
United States		14,328,645	3.1%	781,000	9.0%
Canada		167,300	10.0%
Europe	United Kingdom	801,339	-3.8%	731,900	2.3%
	France	570,803	4.6%	129,700	0.5%
	Germany	388,320	5.2%	208,200	4.4%
Asia-Pacific	Australia	375,395	12.6%
	Japan	304,318	0.2%	434,600	4.0%
	South Korea	286,052	17.0%	301,800	7.7%
	China	682,415	11.8%	1,355,500	12.2%
	India	254,072	17.8%	302,200	15.2%
Latin America	Mexico	358,916	47.4%	11,300	22.8%
	Brazil	139,385	22.0%	55,600	17.5%
Total DC Key Markets		18,489,660	4.4%	4,479,100	8.2%

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

- With just over 20.85 million international arrivals in 2017, Canada welcomed approximately 12 million more international tourists than Australia (8.81 million) this year, while Australia continued to make good progress with slightly faster year-over-year growth (+6.5% vs. Canada's +4.4%).
- Canada welcomed more than four times more visitors than Australia from Destination Canada's 11 core international markets (18.49 million to Canada vs. 4.48 million to Australia). These markets made up 89% of Canada's visitors and 49% of Australia's visitors in 2017, despite Australia's stronger year-over-year growth from these markets (8.4% vs. 4.4% for Canada).
- For Canada's primary market of the United States, this trend was particularly apparent. Canada welcomed US tourists in much higher numbers in 2017 (14.33 million to Canada vs. 781,000 to Australia), but compared to 2016 this market grew at three times the pace in Australia (+9.0%) than in Canada (+3.1%).
- In 2017, Canada welcomed more visitors from Destination Canada's core markets in Europe and Latin America, while Australia received more visitors from Destination Canada's Asia-Pacific markets, including nearly twice as many arrivals from Australia's primary market of China (1.36 million to Australia, vs. 682,415 to Canada).
- Well over double the number of Australian tourists visited Canada (375,395, +12.6%) than Canadian tourists visited Australia (167,300, +10.0%) overall in 2017.

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry January to December 2017

		Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2017	68,821	2,518	249,915	353,253	3,141,261	9,774,194
	Variance YOY%	10.6%	-59.8%	12.5%	-2.3%	7.0%	4.2%
	Change YOY	6,619	(3,744)	27,799	(8,399)	205,011	396,209
US Residents by Automobile	2017	0	0	14,463	251,201	1,096,586	4,286,040
	Variance YOY%	0.0%	0.0%	22.9%	0.1%	0.9%	0.4%
	Change YOY	-	-	2,692	233	10,089	15,845
US Residents by Non-Automobile	2017	14,136	1,958	151,717	88,408	863,818	2,689,280
	Variance YOY%	28.8%	-52.5%	12.7%	-8.5%	10.3%	7.0%
	Change YOY	3,158	(2,168)	17,096	(8,160)	80,350	175,654
Residents from Other Countries	2017	54,685	560	83,735	13,644	1,180,857	2,798,874
	Variance YOY%	6.8%	-73.8%	10.6%	-3.3%	10.7%	7.9%
	Change YOY	3,461	(1,576)	8,011	(472)	114,572	204,710

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

Overnight Arrivals by Province of Entry January to December 2017

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2017	221,227	78,962	1,076,401	5,713,926	165,630	20,846,108
	Variance YOY%	4.0%	-5.9%	6.1%	3.3%	2.8%	4.4%
	Change YOY	8,485	(4,942)	61,578	181,700	4,472	874,553
US Residents by Automobile	2017	143,518	58,001	158,333	1,890,463	89,521	7,988,126
	Variance YOY%	5.9%	6.9%	1.2%	-2.5%	8.4%	0.0%
	Change YOY	7,994	3,764	1,933	(49,180)	6,972	342
US Residents by Non-Automobile	2017	68,628	18,537	589,037	1,800,611	54,389	6,340,519
	Variance YOY%	0.5%	-31.5%	11.9%	7.1%	-4.9%	7.4%
	Change YOY	330	(8,510)	62,427	119,118	(2,792)	436,503
Residents from Other Countries	2017	9,081	2,424	329,031	2,022,852	21,720	6,517,463
	Variance YOY%	1.8%	-7.5%	-0.8%	5.8%	1.4%	7.2%
	Change YOY	161	(196)	(2,782)	111,762	292	437,943

- In 2017, the top provinces of entry to Canada were Ontario (46.9%), followed by British Columbia (27.4%) and Quebec (15.1%). The same provinces also saw the greatest total increase in international arrivals compared to 2016: Ontario (+396,000 arrivals), Quebec (+205,000), and British Columbia (+182,000). Proportionally, strong year-over-year growth was also recorded in Nova Scotia (+12.5%), Newfoundland (+10.6%), and Alberta (+6.1%).
- Overall 2017 auto arrivals to British Columbia fell below 2016 levels (-2.5%), following severe wildfires over the summer of 2017; however, total international arrivals to the province were still up +3.3% year-over-year due to increased non-auto US visitors and overseas visitors. US auto arrivals to all other provinces in 2017 were on par or ahead of 2016 levels.
- For those provinces that saw a decrease in total international arrivals in 2017 – New Brunswick, Saskatchewan, and Prince Edward Island – the declines were attributable to a combination of fewer non-auto US arrivals and overseas arrivals.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	December 2017	YOY % Variance	Jan.- Dec. 2017	YOY % Variance
United States	1,368,266	7.7	20,205,839	4.8
Other Countries	1,012,207	6.4	12,849,820	7.2
Total Trips from Canada	2,380,473	7.2	33,055,659	5.7

Source: Statistics Canada, International Travel Survey.

Note: The figures are preliminary estimates and are subject to change.

- Overnight trips by Canadians to international destinations continued to trend upward in December 2017, reaching 2.4 million (+7.2%), with more outbound trips recorded to the US (+7.7%) and to other international destinations (+6.4%).
- Overall in 2017, Canadians travelled more internationally than they did in 2016 (33.1 million trips, +5.7%). In particular, Canadians took more trips to the US (+4.8%) and especially to overseas destinations (+7.2%) this year.
- While the majority of Canadian residents' trips to the US were taken by automobile (53%), the biggest year-over-year growth was recorded in trips by air (+9.1%).
- The Canadian Consumer Confidence Index (published by the Conference Board of Canada) improved for a third consecutive month in December 2017, climbing a notable 7.3 points to reach 128.4 at the end of the year.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Dec. 2017	YOY^ Variance	Jan.- Dec.	YOY^ Variance	Dec. 2017	YOY % Variance	Jan.- Dec.	YOY % Variance	Dec. 2017	YOY % Variance	Jan.- Dec.	YOY % Variance
Alberta¹	41.3%	2.6	53.7%	1.5	\$122.46	-0.4%	\$130.03	-0.9%	\$50.62	6.3%	\$69.84	2.0%
British Columbia	54.4%	0.9	70.1%	2.0	\$173.11	6.3%	\$172.51	6.5%	\$94.10	8.1%	\$121.01	9.6%
Saskatchewan	41.5%	1.4	54.0%	0.4	\$113.55	-4.6%	\$119.35	-4.7%	\$47.17	-1.3%	\$64.42	-4.0%
Manitoba	53.3%	1.4	68.5%	5.3	\$118.43	2.1%	\$123.39	1.8%	\$63.09	4.9%	\$84.48	10.3%
Ontario	53.2%	1.8	69.3%	1.6	\$141.56	5.2%	\$154.75	6.3%	\$75.34	8.8%	\$107.19	8.8%
Quebec	55.3%	0.9	70.3%	2.3	\$163.27	3.4%	\$167.99	5.9%	\$90.29	5.2%	\$118.16	9.5%
New Brunswick	39.2%	1.3	60.7%	2.5	\$111.43	3.7%	\$121.43	4.3%	\$43.65	7.4%	\$73.68	8.7%
Nova Scotia	43.4%	1.7	67.2%	2.7	\$122.11	2.5%	\$141.20	7.8%	\$53.01	6.6%	\$94.82	12.4%
Newfoundland	36.2%	-3.2	62.4%	0.6	\$129.86	1.1%	\$144.97	-1.0%	\$47.00	-7.2%	\$90.50	0.1%
Prince Edward Island	31.7%	-3.6	57.9%	0.7	\$107.18	11.3%	\$144.91	7.2%	\$33.96	-0.1%	\$83.96	8.4%
Northwest Territories	70.7%	4.7	71.7%	2.7	\$147.45	0.2%	\$142.40	-5.5%	\$104.32	7.2%	\$102.16	-1.8%
Yukon	44.6%	-0.3	67.6%	0.3	\$119.42	5.0%	\$133.11	6.9%	\$53.30	4.3%	\$89.97	7.4%
Canada	50.0%	1.6	65.6%	1.8	\$147.29	3.8%	\$155.10	4.8%	\$73.67	7.3%	\$101.69	7.8%

Note: Based on the operating results of 247,228 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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- In December 2017, the National Occupancy Rate was at 50.0%, up 1.6 points over December 2016, bringing the annual 2017 rate to 65.6%, up 1.8 points over 2016. Both for the month of December and overall in 2017, the highest occupancy rates were recorded in Northwest Territories (70.7% in December, 71.7% total 2017), Quebec (55.3% in December, 70.3% total 2017), and British Columbia (54.4% in December, 70.1% total 2017). Overall in 2017, Manitoba (up 5.3 points), Nova Scotia (up 2.7 points), and Northwest Territories (up 2.7 points) posted the strongest year-over-year growth in occupancy rate.
- Overall in 2017 the national average daily rate (ADR) reached \$155.10, up 4.8% over 2016. Provincially, the highest ADR in 2017 was recorded in the three provinces with the highest international arrivals for the year – British Columbia (\$172.51), Quebec (\$167.99), and Ontario (\$154.75). While year-over-year growth in ADR was

strong in these three provinces, the strongest growth was observed in Nova Scotia (+7.8%), Prince Edward Island (+7.2%), and Yukon (+6.9%).

- At the national level, the revenue per available room (RevPar) also climbed significantly in 2017, reaching \$101.69 (up 7.8% over 2016). Once again, the strongest annual performance on this metric was observed in British Columbia (\$121.01), Quebec (\$118.16), and Ontario (\$107.19). However, the biggest gains compared to 2016 were posted in Nova Scotia (+12.4%), Manitoba (+10.3%), and British Columbia (+9.6%).
- While a handful of provinces and territories registered overall annual declines in ADR and RevPar compared to 2016, occupancy rates were up year-over-year across Canada in 2017.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	Dec. 2017	YOY^ Change	Jan.- Dec.	YOY^ Variance	Dec. 2017	YOY Variance	Jan.- Dec.	YOY Variance
Property Size								
Under 50 rooms	37.0%	1.1	52.5%	2.8	\$109.99	3.3%	\$113.30	4.2%
50-75 rooms	44.8%	2.1	59.8%	2.5	\$108.62	3.4%	\$117.78	2.9%
76-125 rooms	48.0%	1.5	63.6%	2.3	\$122.83	1.8%	\$130.79	2.6%
126-200 rooms	49.4%	1.0	66.1%	1.4	\$133.09	4.7%	\$141.79	5.4%
201-500 rooms	54.6%	2.8	69.0%	1.6	\$176.04	4.4%	\$183.39	6.1%
Over 500 rooms	57.6%	-0.5	74.2%	0.3	\$217.58	5.3%	\$231.28	7.6%
Total	50.0%	1.6	65.6%	1.8	\$147.29	3.8%	\$155.10	4.8%
Property Type								
Limited Service	45.4%	1.7	60.6%	2.5	\$110.28	2.4%	\$118.11	3.4%
Full Service	51.8%	1.5	68.2%	1.4	\$149.78	4.6%	\$167.81	5.9%
Suite Hotel	58.6%	2.2	74.2%	1.1	\$154.97	3.4%	\$159.77	3.1%
Resort	52.7%	1.6	63.5%	1.9	\$314.07	5.3%	\$244.72	6.4%
Total	50.0%	1.6	65.6%	1.8	\$147.29	3.8%	\$155.10	4.8%
Price Level								
Budget	44.7%	1.0	59.7%	2.7	\$95.51	6.0%	\$103.16	7.2%
Mid-Price	50.0%	1.8	66.2%	1.5	\$134.00	2.3%	\$146.39	3.8%
Upscale	57.2%	1.2	71.1%	1.5	\$255.48	4.6%	\$254.66	5.7%
Total	50.0%	1.6	65.6%	1.8	\$147.29	3.8%	\$155.10	4.8%

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

- In 2017, occupancy rate generally increased by property size, ranging from 52.5% for the smallest properties (<50 rooms) to 74.2% for the largest properties (500+ rooms). However, those smaller properties (+2.8 percentage points) saw larger year-over-year increases in occupancy rate than larger properties (+0.3 percentage points).
- ADR also increased by property size in 2017, ranging from \$113.30 to \$231.28; however, larger properties (500+ rooms) also recorded stronger year-over-year growth in ADR than smaller properties.
- Suite hotels recorded the highest occupancy rates in 2017 (74.2%), though Limited service hotels saw the biggest increase over 2016 occupancy rates (+2.5 percentage points). The highest ADR in 2017 was found at resorts (\$244.17), which also saw the biggest increase over 2016 (+6.4%).
- Upscale properties reported the highest occupancy rate (71.1%) and ADR (\$254.66) in 2017, but budget properties posted the biggest increases compared to 2016 for both occupancy (+2.7 percentage points) and ADR (+7.2%).
- These general trends in 2017 may suggest that as room rates climb and room availability falls at larger, more high-end properties, travellers are turning toward smaller, more budget-friendly accommodations characterized by lower occupancy rates and average daily rate, but benefitting from larger increases in both rates.