

Tourism Snapshot

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

September 2018
Volume 14, Issue 8



KEY HIGHLIGHTS

IMPORTANT NOTE REGARDING THE FRONTIER COUNTS DATA:

Via air arrivals: The September frontier counts released on November 20, 2018 are based on new air administrative data from CBSA. The new data contains important adjustments on performance to date. In year-over-year comparisons, September 2018 data is compared against partly modelled data for YVR, YOW, YYZ T3 and YEG (additional details below).

Via land arrivals: There have been significant changes in data collection and how country of residence is established for non-US international travellers entering Canada by land. Statistics Canada advises caution in using this data for comparison with previous months or years. Shifts in land arrivals may have impacted total arrivals in some markets. Among Destination Canada's long-haul markets, overnight arrivals by land via the US account for 11% of total arrivals YTD September 2018. With land arrivals accounting for a 32% share of their arrivals to Canada, South Korea was the most exposed to shifts in arrivals by land.

- Year-to-date September 2018, overnight arrivals of international visitors to Canada are up 0.9%, in spite of a slight contraction in September arrivals (-3.2%), primarily driven by lower arrivals from the US (-6.5%).
- Over the first three quarters of 2018, increased direct air arrivals from Destination Canada's long-haul markets (+5.3%) stood in sharp contrast to a steep decline in air arrivals via the US (-21.0%). YTD direct air arrivals increased from all of Destination Canada's long-haul markets except South Korea (-8.6%) and Japan (-19.7%).
- Lower US auto arrivals in September 2018 (-5.5%) were primarily driven by calendar effects related to the timing of the Labour Day weekend. In 2017, both the Friday and Saturday of the Labour Day weekend fell in September, whereas in 2018 only the Saturday was in September, and the Friday was in August. Excluding that effect, other weekends in September 2018 generally saw higher arrivals than the same weekends the previous year. The cumulative year-over-year shift in US auto arrivals for both August and September 2018 combined was +4.6%.
- Arrivals from China have surged in September 2018 (+18.1%), recovering from a sudden drop in August. Over the first three quarters of 2018, arrivals from China were up 4.9%.
- September 2018 arrivals from France (+8.5%) and Germany (+11.4%) benefitted from double-digit gains in arrivals by air direct from overseas, which compensated for contractions in arrivals via the US by air and by cruise. Meanwhile, subdued arrivals from the UK (-1.4%) in September 2018, resulting from lower arrival levels via the US, were contained by gains in direct air arrivals (+3.6%).

¹Note the caveat from Statistics Canada associated with the September 2018 data, available here: <https://www150.statcan.gc.ca/n1/daily-quotidien/181120/dq181120c-eng.htm>.

QUICK LINKS

Industry Performance Dashboard

	September 2018	YTD
✈️ Overnight Arrivals¹		
Total International	↓ 3.2%	↑ 0.9%
10 DC Markets*	↓ 4.2%	↑ 0.5%
<i>United States</i>	↓ 6.5%	↑ 0.7%
<i>9 Long-Haul Markets</i>	↑ 2.7%	↓ 0.2%
Non-DC Markets	↑ 4.3%	↑ 4.0%
✈️ Air Seat Capacity²		
Total International	↑ 6.4%	↑ 6.0%
10 DC Markets*	↑ 5.8%	↑ 5.3%
Non-DC Markets	↑ 8.0%	↑ 7.7%
🏠 National Hotel Indicators³		
Occupancy Rate**	↓ 0.5	↑ 0.6
Revenue Per Available Room (Revpar)	↑ 5.3%	↑ 4.7%
Average Daily Rate (ADR)	↑ 4.6%	↑ 5.7%

Notes:

The Industry Performance Dashboard figures are year-on-year variations.

* The 10 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea and Mexico.

** Percentage point variations.

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	
		Sept. 2018	YTD 2018	Sept. 2018	YTD 2018	Sept. 2018	YTD 2018	Sept. 2018 Average	YTD Average
DC North America	United States	1,357,181	11,600,128	-6.5%	0.7%	5.1%	4.4%	6.1%	-1.5%
	Mexico	36,097	308,867	26.2%	7.2%	26.8%	47.3%	-0.4%	-2.3%
DC Europe	France	71,344	484,817	8.5%	4.9%	15.2%	9.6%	3.9%	5.8%
	Germany	65,317	340,267	11.4%	5.8%	5.0%	2.6%	3.9%	5.8%
	United Kingdom	100,419	649,428	-1.4%	-2.6%	2.2%	1.6%	4.0%	4.4%
DC Asia-Pacific	Australia	42,537	279,458	-10.9%	-7.6%	24.1%	12.0%	-4.1%	-2.5%
	China	93,508	584,543	18.2%	4.9%	7.6%	6.9%	1.7%	3.0%
	India	25,821	222,021	21.2%	8.7%	19.7%	26.8%	-5.3%	-4.3%
	Japan	29,659	191,273	-19.2%	-19.1%	-6.8%	-5.1%	4.9%	0.6%
	South Korea	22,559	193,983	-35.2%	-12.6%	-8.0%	-0.1%	7.3%	2.8%
Total 10 DC Markets		1,844,442	14,854,785	-4.2%	0.5%				
Rest of the World		264,832	2,081,726	4.3%	4.0%				
Total International		2,109,274	16,936,511	-3.2%	0.9%				

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 the current month and YTD relative to the same periods in the previous year.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

-6.5% ↓ YOY



YTD:

+0.7% ↑ YOY

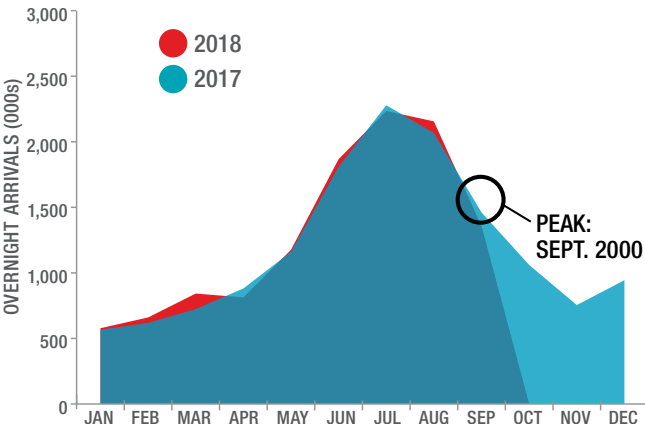
Overnight Arrivals

	September 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	715,709	-5.5	6,657,923	2.3
Air	426,456	-5.1	3,573,441	-3.8
Other	215,016	-12.1	1,368,764	5.7
US Total	1,357,181	-6.5	11,600,128	0.7

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	September 2018	5.1%
	YTD	4.4%
Exchange Rate ⁱⁱ	September 2018	6.1%
	YTD	-1.5%
Consumer Confidence Index (1985=100) ⁱⁱⁱ	September 2018	135.3
	Previous Month	134.7
YTD Arrival Peak ^{iv}	Peak Year	2002
	Current % of Previous Peak	86.8%

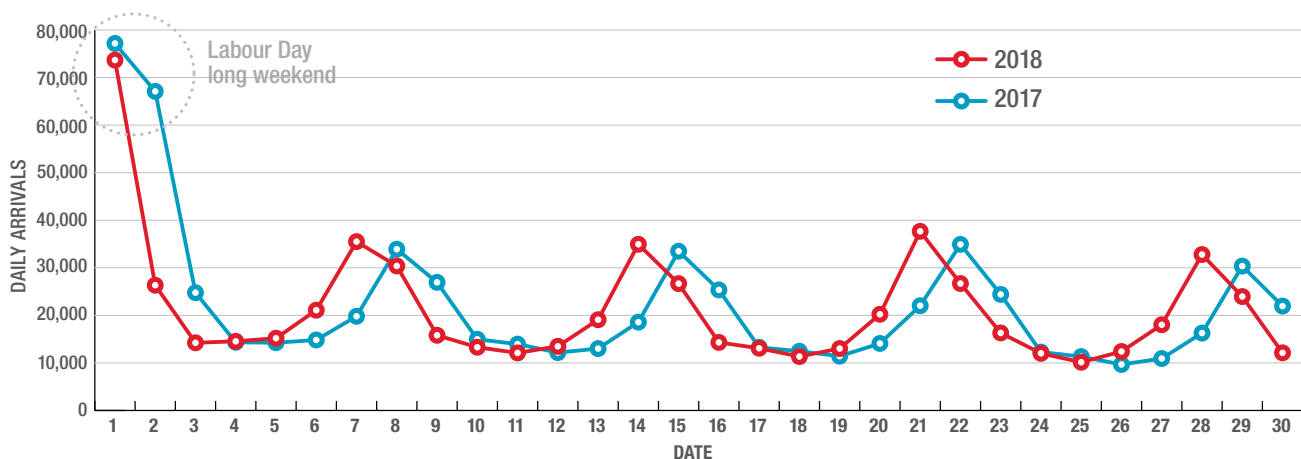
Source:
 i. IATA-Diio SRS Analyser, Year-on-year % variance.
 ii. Bank of Canada, Year on year % variance.
 iii. Consumer Confidence Index, the Conference Board (USA).
 iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- Following a spike in August, overnight arrivals from the US declined year-over-year in September 2018 (1.4 million, -6.5%). US arrivals fell across all modes of entry, including a fifth consecutive month of declining air arrivals (-5.1%), as well as a drop in auto arrivals (-5.5%) and arrivals by other modes of transportation such as bus, train, and cruise (-12.1%).
- Daily US auto arrivals (based on IPIL daily arrivals estimates) show that this performance in September 2018 was impacted by the timing of the Labour Day long weekend this year. The decrease in auto arrivals was primarily seen over that first weekend in September, as both the Friday and Saturday of the Labour Day weekend fell in September in 2017, while in 2018 that Friday fell in August. Excluding that effect, other weekends in September 2018 generally saw higher arrivals than the same weekends the previous year. The cumulative year-over-year shift in US auto arrivals for both August and September 2018 was +4.6%.
- Just over 11.6 million US tourists visited Canada over the first three quarters of 2018, up a marginal 0.7% over the same period in 2017 and the highest for that period since 2005. While US air arrivals declined -3.8% year-to-date, this was offset by +2.3% growth in auto arrivals (the largest proportion of US arrivals, 57.4% YTD) and +5.7% growth in arrivals by other modes of transportation.
- Though the USD has lost some purchasing power in Canada this year (-1.5% YTD), which could have been a contributing factor to lower US air arrivals, the green back showed signs of continued recovery in September relative to September 2017 (+6.1%). While air capacity between Canada and the US continued to expand (+5.1% in September, +4.4% YTD), there is some evidence that many of those additional seats may have been filled by Canadian travellers returning from the US.
- New York, Washington, and Michigan continued to provide the largest share of US vehicle arrivals to Canada in September 2018, contributing a combined total of 41.5% of US auto arrivals in September and 42.3% over the first three quarters of 2018. Much of the September decline in US auto arrivals was seen from New York (-9.9%) and Michigan (-9.3%)¹.
- The consumer confidence index published by the US Conference Board inched up a marginal 0.6 points in September 2018, following a significant jump of 6.8 points in August.

¹ States of origin information is based on Integrated Primary Inspection Lane (IPIL) data collected from US residents entering Canada in automobiles with license plate registered in the United States. Some automobiles driven across the border may be rental vehicles. Rented vehicles in one US state may be registered in different state.

Daily US Overnight Auto Arrivals – September 2018



Note: Daily US resident overnight auto arrivals at land ports with Integrated Primary Inspection Lane (IPIL).

MEXICO

Mexico Arrivals to Canada

CURRENT MONTH:

+26.2% ↑ YOY



YTD:

+7.2% ↑ YOY

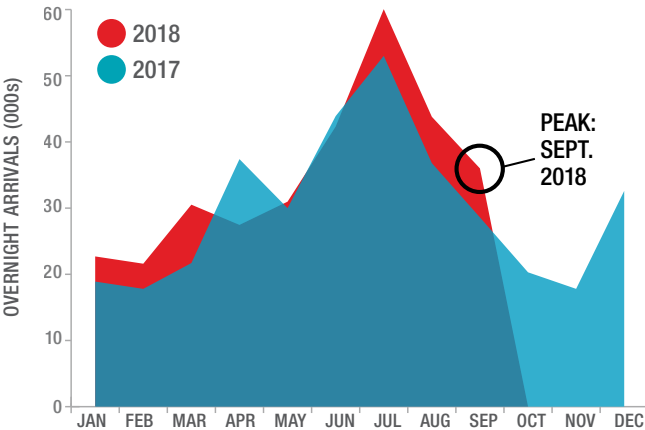
Overnight Arrivals

	September 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Mexico	36,097	26.2	308,867	7.2

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



Arrival Trend Plot – Total Mexico



Mexico: Key Indicators

		Mexico
Air Seat Capacity ⁱ	Sept. 2018	26.8%
	YTD	47.3%
Exchange Rate ⁱⁱ	Sept. 2018	-0.4%
	YTD	-2.3%
YTD Arrival Peak ⁱⁱⁱ	Peak Year	2017
	Current % of Previous Peak	107.2%

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.

- Arrivals from Mexico surged again in September 2018, with a record 36,000 visitors, up 26.2% (an additional 7,500 visitors) over September 2017. Mexico also led Destination Canada's international markets in year-over-year arrivals growth in September 2018.
- Arrivals from Mexico also set new records year-to-date (309,000, +7.2%), continuing to build on the last year's exceptional performance following the replacement of the visa requirement for Mexican citizens with the eTA in December 2016. In 2018, Mexican arrivals reached the 300,000 mark a month earlier than last year, with the number of visitors from January to September 2018 surpassing the number of arrivals from January to October in 2017.
- The continued growth in arrivals from Mexico recorded this year is still being driven by direct air arrivals, which were up 26.4% year-over-year in September and 25.7% YTD. This trend was supported by the continued expansion of direct air capacity between Mexico City and Canada – which expanded at the fastest rate of any of Destination Canada's international markets (+26.2% in September, +47.3% YTD).

Mexico Arrivals by Port of Entry

- Year-to-date in 2018, most visitors from Mexico flew directly to Canada (75.2% YTD). Of those direct air arrivals, most flew into YYZ (41.4%), YVR (32.6%), or YUL (20.9%), while YVR (+58.5%) and YYC (+39.3%) continued to record the strongest year-over-year growth in arrivals from this market.

Year-to-date Arrivals by Port of Entry

			Mexico
Air Arrivals from Overseas	YYZ	Arrivals	96,124
		YOY%	15.5%
		% of Total	31.1%
	YVR	Arrivals	75,739
		YOY%	58.5%
		% of Total	24.5%
	YUL	Arrivals	48,538
		YOY%	7.2%
		% of Total	15.7%
	YYC	Arrivals	9,897
		YOY%	39.3%
		% of Total	3.2%
	All other airports	Arrivals	1,975
		YOY%	1.1%
		% of Total	0.6%
Subtotal	Arrivals	232,273	
	YOY%	25.7%	
	% of Total	75.2%	
Air Arrivals via the US	All airports	Arrivals	43,565
		YOY%	-16.1%
		% of Total	14.1%
Sea Arrivals	All sea borders	Arrivals	13,158
		YOY%	6.8%
		% of Total	4.3%
Land Arrivals via US	All land borders	Arrivals	19,782
		YOY%	-49.6%
		% of Total	6.4%
Total Overnight Arrivals			308,867

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

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+4.8% ↑ YOY



YTD:

+1.7% ↑ YOY

Overnight Arrivals

	September 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	237,080	4.8	1,474,512	1.7
United Kingdom	100,419	-1.4	649,428	-2.6
France	71,344	8.5	484,817	4.9
Germany	65,317	11.4	340,267	5.8
Other Europe	112,477	-32.4	857,432	-17.9
Italy	10,926	-24.8	99,554	-10.4
Netherlands	15,319	2.1	116,380	0.8
Spain	10,196	-9.8	75,003	-5.7
Switzerland	14,210	-2.8	101,477	-4.6
Rest of Europe	61,826	2.9	465,018	2.0
Total Europe	349,557	2.3	2,331,944	0.6



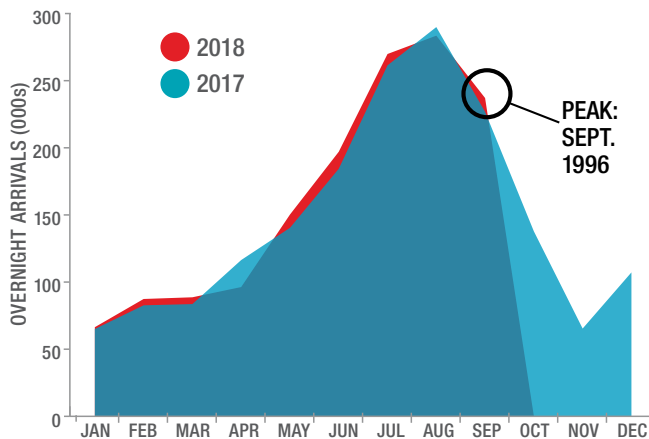
Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacityⁱ	Sept. 2018	15.2%	5.0%	2.2%
	YTD	9.6%	2.6%	1.6%
Exchange Rateⁱⁱ	Sept. 2018	3.9%	3.9%	4.0%
	YTD	5.8%	5.8%	4.4%
YTD Arrival Peakⁱⁱⁱ	Peak Year	2017	1996	2005
	Current % of Previous Peak	104.9%	85.9%	87.0%

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.

Trend Plot: Total DC Europe Arrivals



- In September 2018, 237,000 travellers from Destination Canada's Europe region visited Canada, up 4.8% over the same month a year ago and the highest arrivals from this region in the month of September since 2000.
- Over the first three quarters of 2018, arrivals from this region reached a new peak of nearly 1.5 million visitors, up 1.7% over the same period in 2017.
- Germany recorded the strongest year-over-year growth in this region in September 2018, with 65,000 visitors (+11.4%), the highest level for the month of September since 2000. Year-to-date arrivals reached 340,000 (+5.8%), which is the highest number for the first three quarters of the year since 1997.
- With just over 71,000 visitors, September arrivals from France were up 8.5% year-over-year and the highest on record since the peak in 1996. Year-to-date arrivals from France reached a new record of 485,000 visitors over the first three quarters of the year, up 4.9% over the same period last year.
- The UK continued to lead Destination Canada's long-haul markets in total arrivals, despite falling below 2017 levels, both in September 2018 (100,000, -1.4%) and YTD (649,000, -2.6%).
- The strength of the Euro (+3.9% in September, +5.8% YTD) and British pound (+4.0% in September, +4.4% YTD) in Canada both remained relatively strong compared to a year ago, and expanded air capacity to Canada from all three markets supported increased direct air arrivals growth, including double-digit growth in direct air arrivals from France and Germany.

DC Europe Arrivals by Port of Entry

- In September and year-to-date 2018, arrivals from Destination Canada's Europe region were up across all modes of entry except air arrivals via the US (-33.4% in September, -27.5% YTD).

Year-to-date Arrivals by Port of Entry

		France	Germany	UK	
Air Arrivals from Overseas	YYZ	Arrivals	46,170	87,908	222,715
		YOY%	-17.1%	4.4%	-0.3%
		% of Total	9.5%	25.8%	34.3%
	YVR	Arrivals	20,974	68,259	131,125
		YOY%	26.3%	15.5%	7.2%
		% of Total	4.3%	20.1%	20.2%
	YUL	Arrivals	282,518	37,090	40,771
		YOY%	19.7%	11.2%	-1.0%
		% of Total	58.3%	10.9%	6.3%
	YYC	Arrivals	2,583	21,354	57,718
		YOY%	-10.6%	4.0%	-2.6%
		% of Total	0.5%	6.3%	8.9%
	All other airports	Arrivals	13,463	19,459	35,549
		YOY%	4.3%	9.9%	7.9%
		% of Total	2.8%	5.7%	5.5%
Subtotal	Arrivals	365,708	234,070	487,878	
	YOY%	15.9%	8.3%	1.4%	
	% of Total	75.4%	68.8%	75.1%	
Air Arrivals via the US	All airports	Arrivals	77,931	36,462	73,062
		YOY%	-34.5%	-22.4%	-21.0%
		% of Total	16.1%	10.7%	11.3%
Sea Arrivals	All sea borders	Arrivals	1,360	26,495	41,656
		YOY%	-38.4%	19.5%	-0.6%
		% of Total	0.3%	7.8%	6.4%
Land Arrivals via US	All land borders	Arrivals	39,823	43,033	46,489
		YOY%	54.2%	18.9%	-8.7%
		% of Total	8.2%	12.6%	7.2%
Total Overnight Arrivals		484,817	340,267	649,428	

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:

-2.6% ↓ YOY



YTD:

-3.3% ↓ YOY

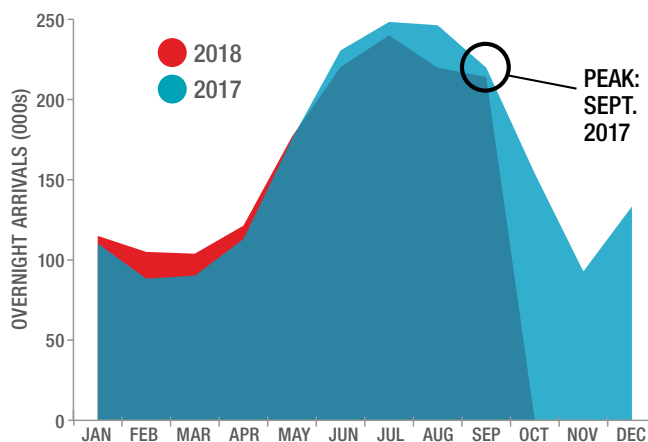
Overnight Arrivals

	September 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	214,084	-2.6	1,471,278	-3.3
Australia	42,537	-10.9	279,458	-7.6
China	93,508	18.2	584,543	4.9
India	25,821	21.2	222,021	8.7
Japan	29,659	-19.2	191,273	-19.1
South Korea	22,559	-35.2	193,983	-12.6
Other Asia-Pacific	85,740	40.2	680,737	41.0
Hong Kong	15,286	25.5	124,191	1.8
Taiwan	14,325	4.2	100,033	31.5
Rest of Asia-Pacific	56,129	10.5	456,513	7.6
Total Asia-Pacific	299,824	1.1	2,152,015	0.4



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	Sept. 2018	24.1%	7.6%	19.7%	-6.8%	-8.0%
	YTD	12.0%	6.9%	26.8%	-5.1%	-0.1%
Exchange Rate ⁱⁱ	Sept. 2018	-4.1%	1.7%	-5.3%	4.9%	7.3%
	YTD	-2.5%	3.0%	-4.3%	0.6%	2.8%
YTD Arrival Peak ⁱⁱⁱ	Peak Year	2017	2017	2017	1996	2017
	Current % of Previous Peak	92.4%	104.9%	108.7%	36.1%	87.4%

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

- September arrivals from Destination Canada's Asia-Pacific region were down compared to the same month a year ago (214,000 visitors, -2.6%), bringing year-to-date arrivals from the region further below 2017 levels (1.5 million, -3.3%). With fewer visitors from three of the five key markets in this region (South Korea, Japan, and Australia) both in September 2018 and over the first three quarters of 2018, this region is no longer the largest of Destination Canada's long-haul regions for total arrivals year-to-date in 2018 (surpassed by the Europe region).
- With a record 26,000 visitors (+21.2%) in September 2018, and a new peak of 222,000 visitors year-to-date (+8.7%), India recorded the greatest increase in arrivals from Destination Canada's Asia-Pacific region.
- China was the only other market from this region to surpass 2017 arrivals levels in September 2018, also setting new arrivals records for both the month of September and the first three quarters of the year. With 94,000 visitors in September 2018, arrivals surged +18.1% over September 2017, recovering from a sudden drop in August. This brought year-to-date arrivals to a new peak of 585,000 visitors, +4.9% year-over-year.
- Both in September and year-to-date 2018, Canada saw fewer visitors from South Korea (-35.2% in September, -12.6% YTD), Japan (-19.2% in September, -19.1% YTD), and Australia (-10.9% in September, -7.6% YTD). In September, arrivals from Japan and Australia were down across all modes of entry, while from South Korea direct air arrivals expanded ahead of September 2017 (+4.3%), the only mode of entry to show a gain this month.

DC Asia-Pacific Arrivals by Port of Entry

- In September 2018, overall arrivals from Destination Canada's Asia-Pacific region were down across all modes of entry except direct air arrivals, which were still +9.0% ahead of September 2017. However, year-to-date only land arrivals via the US from this region were ahead of the first three quarters of 2017.

Year-to-date Arrivals by Port of Entry

		Australia	China	India	Japan	South Korea	
Air Arrivals from Overseas	YYZ	Arrivals	11,965	161,397	93,931	32,600	40,849
		YOY%	-9.8%	-4.7%	-6.4%	-42.3%	-16.8%
		% of Total	4.3%	27.6%	42.3%	17.0%	21.1%
	YVR	Arrivals	98,139	235,770	50,934	83,800	61,125
		YOY%	2.2%	9.2%	119.1%	-12.8%	-1.4%
		% of Total	35.1%	40.3%	22.9%	43.8%	31.5%
	YUL	Arrivals	2,115	32,079	6,632	7,324	793
		YOY%	-0.8%	8.4%	-13.5%	583.2%	4.9%
		% of Total	0.8%	5.5%	3.0%	3.8%	0.4%
	YYC	Arrivals	1,199	8,881	8,668	10,401	887
		YOY%	2.2%	-12.9%	22.1%	-22.2%	-41.8%
		% of Total	0.4%	1.5%	3.9%	5.4%	0.5%
	All other airports	Arrivals	739	391	1,985	190	110
		YOY%	0.7%	0.1%	1.4%	0.1%	0.1%
		% of Total	0.3%	0.1%	0.9%	0.1%	0.1%
Subtotal	Arrivals	114,157	438,518	162,150	134,315	103,764	
	YOY%	0.7%	3.0%	14.6%	-19.7%	-8.6%	
	% of Total	40.8%	75.0%	73.0%	70.2%	53.5%	
Air Arrivals via the US	All airports	Arrivals	95,882	63,187	30,714	35,841	23,068
		YOY%	-13.6%	-17.3%	6.9%	-27.5%	-25.6%
		% of Total	34.3%	10.8%	13.8%	18.7%	11.9%
Sea Arrivals	All sea borders	Arrivals	42,568	11,836	10,696	4,769	5,282
		YOY%	-8.4%	-20.6%	12.5%	17.9%	-1.7%
		% of Total	15.2%	2.0%	4.8%	2.5%	2.7%
Land Arrivals via US	All land borders	Arrivals	26,788	70,959	18,439	16,245	61,865
		YOY%	-15.4%	76.6%	-25.3%	4.4%	-14.1%
		% of Total	9.6%	12.1%	8.3%	8.5%	31.9%
Total Overnight Arrivals		279,458	584,543	222,021	191,273	193,983	

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

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	September 2018	YOY % Variance	Jan.- Sept. 2018	YOY % Variance
United States	1,735,194	1.6	16,744,669	6.4
Other Countries	864,377	-11.4	9,439,078	-6.1
Total Trips from Canada	2,599,571	-3.1	26,183,747	1.5

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

- In September 2018, Canadians travelled internationally slightly less than in September 2017 (-3.1%), and in particular travelled less to overseas international destinations (-11.4%), outpacing a marginal increase in Canadian travel to the US (+1.6%).
- By contrast, increased Canadian travel to the US from January through September 2018 (+6.4%) offset the decline in travel to other international destinations (-6.1%), resulting in a slight increase in total outbound travel compared to the first nine months of 2017 (+1.5%).
- The growth in the number of Canadians returning from the US in September was driven by air travel (+9.5%), while re-entry by automobile (-1.6%) and other modes of transportation excluding air (-14.1%) declined.
- However, these results should be interpreted with caution given the recent incorporation of PIK air arrival data in frontier counts and comparability with 2017 air arrival data, which has not yet been revised. In particular, Statistics Canada noted, “there has been an increased tendency of Canadian travellers returning from overseas trips via the United States to report that they are returning from the United States and not overseas via the United States”.

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Year-to-date Overnight Arrivals by Province of Entry

		Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2018	47,722	280	209,219	282,953	2,528,292	7,627,623
	Variance YOY%	-17.4%	-87.8%	11.5%	-0.8%	2.6%	-2.6%
	Change YOY	(10,067)	(2,015)	21,532	(2,292)	64,166	(203,563)
US Residents by Automobile	2018	0	0	16,664	216,597	875,511	3,593,215
	Variance YOY%	0.0%	0.0%	20.4%	1.0%	1.8%	2.0%
	Change YOY	-	-	2,828	2,194	15,414	68,983
US Residents by Non-Automobile	2018	9,568	255	114,801	52,367	681,464	1,924,515
	Variance YOY%	-23.5%	-86.9%	7.5%	-15.3%	1.8%	-7.6%
	Change YOY	(2,932)	(1,695)	7,982	(9,440)	11,823	(158,554)
Residents from Other Countries	2018	38,154	25	77,754	13,989	971,317	2,109,893
	Variance YOY%	-15.8%	-92.8%	16.0%	54.8%	4.0%	-5.1%
	Change YOY	(7,135)	(320)	10,722	4,954	36,929	(113,992)

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

Year-to-date Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Nunavut	CANADA
Total One or more nights	2018	191,012	65,302	881,990	4,935,407	166,140	571	16,936,511
	Variance YOY%	7.6%	7.4%	0.7%	5.2%	11.0%	-58.8%	0.9%
	Change YOY	13,506	4,505	5,968	241,924	16,403	(815)	149,252
US Residents by Automobile	2018	124,867	48,119	144,136	1,556,104	82,710	0	6,657,923
	Variance YOY%	6.3%	4.3%	2.1%	2.8%	3.1%	0.0%	2.3%
	Change YOY	7,417	1,989	3,012	42,355	2,464	-	146,656
US Residents by Non-Automobile	2018	54,502	15,269	470,233	1,555,324	63,824	83	4,942,205
	Variance YOY%	4.1%	19.5%	1.4%	4.0%	29.0%	3.8%	-1.3%
	Change YOY	2,122	2,494	6,417	60,282	14,349	3	(67,149)
Residents from Other Countries	2018	11,643	1,914	267,621	1,823,979	19,606	488	5,336,383
	Variance YOY%	51.7%	1.2%	-1.3%	8.3%	-2.0%	-62.6%	1.3%
	Change YOY	3,967	22	(3,461)	139,287	(410)	(818)	69,745

- Over the first three quarters of 2018, most international visitors to Canada continued to enter the country via Ontario (45.0%), British Columbia (29.1%), and Quebec (14.9%).
- The 2.3% increase in US auto arrivals to Canada from January to September 2018 was seen across all provinces with land borders, while the 1.3% decrease in US non-auto was primarily seen in Ontario, followed by New Brunswick, Newfoundland and Labrador, and Prince Edward Island.
- The biggest increase in international arrivals over the first three quarters of 2018 came through British Columbia (+242,000 visitors), with more than half of that growth coming from overseas tourists (+139,000 visitors). The biggest decrease in international arrivals over this period was seen in Ontario (-204,000 visitors), and again, more than half of that decline was in overseas tourists.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Sept. 2018	YOY [^] Variance	Jan.-Sept.	YOY [^] Variance	Sept. 2018	YOY % Variance	Jan.-Sept.	YOY % Variance	Sept. 2018	YOY % Variance	Jan.-Sept.	YOY % Variance
Alberta¹	61.8%	0.0	57.3%	2.3	\$132.86	1.1%	\$131.72	0.7%	\$82.16	1.1%	\$75.50	5.0%
British Columbia	81.1%	-0.7	73.4%	0.1	\$199.30	6.7%	\$194.67	9.5%	\$161.68	5.8%	\$142.80	9.7%
Saskatchewan	61.0%	-0.8	57.2%	2.7	\$118.13	-1.2%	\$117.64	-1.9%	\$72.05	-2.4%	\$67.28	3.0%
Manitoba	76.7%	-0.4	69.5%	-0.4	\$125.83	1.3%	\$125.60	1.7%	\$96.47	0.7%	\$87.25	1.1%
Ontario	81.6%	-0.1	71.4%	1.2	\$181.15	6.9%	\$163.36	5.0%	\$147.78	6.7%	\$116.72	6.7%
Quebec	79.3%	-0.5	70.5%	-1.3	\$185.25	4.4%	\$173.99	2.8%	\$146.85	3.7%	\$122.65	0.9%
New Brunswick	73.4%	-0.6	63.2%	-0.3	\$129.34	1.9%	\$126.66	3.1%	\$94.96	1.0%	\$79.99	2.7%
Nova Scotia	84.3%	0.4	68.9%	-1.0	\$167.78	5.4%	\$151.37	5.5%	\$141.36	5.8%	\$104.32	4.1%
Newfoundland	72.6%	-6.3	55.5%	-10.8	\$153.43	-2.3%	\$144.08	-1.9%	\$111.35	-10.1%	\$79.90	-17.8%
Prince Edward Island	81.9%	-0.4	62.6%	1.3	\$169.31	2.5%	\$158.52	5.3%	\$138.66	2.0%	\$99.31	7.5%
Northwest Territories	90.0%	-4.2	71.6%	0.9	\$157.19	8.0%	\$149.58	4.6%	\$141.53	3.3%	\$107.06	5.9%
Yukon	78.7%	-2.8	68.9%	-0.6	\$157.29	9.6%	\$146.51	8.4%	\$123.82	5.8%	\$100.97	7.4%
Canada	76.5%	-0.5	67.9%	0.6	\$176.09	5.3%	\$164.82	4.7%	\$134.62	4.6%	\$111.90	5.7%

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

[^] Percentage points.

¹ Excluding Alberta resorts.

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- In September 2018, the National Occupancy Rate was marginally behind September 2017 (76.5%, -0.5 percentage points), while from January to September 2018 it was just marginally ahead of last year (67.9%, +0.6 p.p.). The highest occupancy rates in September 2018 were reported in the Northwest Territories (90.0%), Nova Scotia (84.3%), and Prince Edward Island (81.9%), while the highest rates year-to-date were registered for British Columbia (73.4%), the Northwest Territories (71.6%), and Ontario (71.4%). Following with the recent trend observed over the past two months, almost all provinces and territories recorded a year-over-year decline or no change in occupancy rates in September 2018, with the sole exception of Nova Scotia (+0.4 p.p.). Year-to-date, about half of the provinces and territories recorded a decline in occupancy rates over the first three quarters of 2018. Among those that saw improvement in this measure, the strongest growth was recorded in Saskatchewan (+2.7 p.p.), Alberta (+2.3 p.p.), and Prince Edward Island (+1.3 p.p.).
- Despite the general decline in occupancy rates in September 2018, the national average daily rate (ADR) continued to climb, reaching \$176.09 in September (+5.3%) and \$164.82 YTD (+4.7%). Both in September and year-to-date, the highest ADRs were recorded in British Columbia, Quebec, and Ontario. The strongest growth was recorded in Yukon in September, and in British Columbia year-to-date.
- Canada's average revenue per available room (RevPar) also continued to grow, now sitting at \$134.62 in September (+4.6%) and \$111.90 YTD (+5.7%). At the provincial level, reported RevPar continued to follow the same trend as the ADR, with British Columbia, Quebec, and Ontario reporting the highest rates both in September and year-to-date.

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	September 2018	YOY^ Change	Jan.- Sept.	YOY^ Variance	September 2018	YOY Variance	Jan.- Sept.	YOY Variance
Property Size								
Under 50 rooms	65.6%	0.9	55.1%	0.5	\$127.03	6.8%	\$120.74	5.1%
50-75 rooms	71.3%	-0.8	62.3%	0.7	\$129.15	2.8%	\$124.49	3.6%
76-125 rooms	74.2%	-0.8	66.3%	0.8	\$142.49	3.3%	\$137.03	3.1%
126-200 rooms	76.0%	-1.1	68.1%	0.0	\$157.18	3.8%	\$150.88	4.6%
201-500 rooms	80.0%	-0.6	71.1%	0.9	\$211.60	5.6%	\$195.23	5.2%
Over 500 rooms	86.3%	1.8	76.2%	0.4	\$289.23	9.8%	\$252.72	7.0%
Total	76.5%	-0.5	67.9%	0.6	\$176.09	5.3%	\$164.82	4.7%
Property Type								
Limited Service	71.9%	-0.2	63.3%	0.9	\$128.07	3.8%	\$123.91	3.7%
Full Service	79.1%	-0.5	70.4%	0.7	\$195.33	6.0%	\$179.01	5.2%
Suite Hotel	83.0%	-0.7	75.3%	-0.4	\$179.99	6.3%	\$170.86	5.7%
Resort	74.2%	-2.0	67.0%	-0.4	\$278.29	9.4%	\$266.70	8.2%
Total	76.5%	-0.5	67.9%	0.6	\$176.09	5.3%	\$164.82	4.7%
Price Level								
Budget	72.7%	0.5	62.2%	0.7	\$115.90	5.4%	\$110.62	5.7%
Mid-Price	76.4%	-0.8	68.4%	0.6	\$162.49	4.5%	\$153.43	3.4%
Upscale	81.4%	-0.9	73.1%	0.1	\$300.60	6.3%	\$273.75	6.4%
Total	76.5%	-0.5	67.9%	0.6	\$176.09	5.3%	\$164.82	4.7%

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

- In line with past trends, the highest occupancy rates across Canada were reported for larger properties (500+ rooms) (86.3% in September, 76.2% YTD). Mid-sized properties were the most likely to see a decline in occupancy rates in September 2018, with the largest properties (500+ rooms) and the smallest properties (under 50 rooms) being the only ones to see improvement in this measure. Suite hotels continued to report the highest occupancy rates by property type, both in September (83.0%) and YTD (75.3%), and upscale properties (81.4% in September, 73.1% YTD) continued to report the highest occupancy rates by price level. The September decline in occupancy rates was seen across all property types, with resorts recording the biggest decline (-2.0 p.p.). By price level, only budget properties saw a slight increase in occupancy rates (+0.5 p.p.).
- Those larger properties (\$289.23 in September, \$252.72 YTD) and upscale properties (\$300.60 in September, \$273.75 YTD) reported the highest average daily rates (ADR) over this period. Meanwhile, resorts continued to report the highest ADR by property type (\$278.29 in September, \$266.70 YTD).