

Tourism Snapshot

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

May 2019
Volume 15, Issue 5



KEY HIGHLIGHTS

IMPORTANT NOTE REGARDING THE FRONTIER COUNTS DATA:

Land port data: There have been significant changes in how country of residence data is collected and established for non-US visitors entering Canada by land ports, starting in August 2018. As a result of these changes, monthly arrival levels by land are not comparable to data collected before August 2018. Year-over-year arrival performance results should only be evaluated for non-land arrival modes of transportation for non-US arrivals. This does not apply to US Auto arrivals.

Air arrivals data: Destination Canada advises caution in interpreting air arrival data with previous years as air arrivals include same-day and international passengers connecting through Canada between other international origins and destinations. Connecting traffic may have been subjected to material fluctuations in recent months.

Starting with January 2019 data, Statistics Canada updated the method of determining trip durations for US residents travelling to Canada and Canadian residents returning from the United States for non-automobile modes of transportation. This change affects the relative proportions of same-day/overnight travellers. Caution is therefore advised when comparing 2019 data with earlier time periods for these modes of transportation.

- In May 2019, Canada welcomed 1.91 million international overnight arrivals, up 7.6% year-over-year. This brought year-to-date overnight arrivals to 6.29 million, up 5.3%, based on gains from the US (+4.6%) and rest of the world (+6.8%), including Destination Canada's nine key long-haul markets (+5.9%).
- Over the first five months of 2019, expanded air arrivals direct from overseas from Destination Canada's long-haul markets (+4.6%) effectively offset continued declines in air arrivals via the US (-7.6%).
- With the start the school summer vacation period in India, May 2019 overnight arrivals from India reached 47,000, up 26.8% year-over-year. Among Destination Canada's long-haul markets, India ranked fourth in May 2019 and fifth year-to-date in total arrivals.
- Overnight arrivals from the UK increased year-over-year for a second consecutive month in May 2019 (81,000, +18.0%). This included more direct air arrivals (52,000, +4.0%), despite a retraction in direct air capacity between Canada and the UK. However, while total overnight arrivals from the UK from January to May 2019 remained ahead of the same period in 2018 (+6.7%), year-to-date air arrivals from the UK remained at a three-year low as a result of contractions by air direct from overseas and via the US.
- Overnight arrivals from Mexico continued to leap ahead of 2018 levels, both in May 2019 (40,000, +28.1%) and year-to-date (165,000, +29.7%). Increased arrivals by air via the US are of particular note, following steep contractions in 2018.
- Amid a slowing economic outlook and global trade tension jitters, Chinese travel agencies reported a decline in outbound travel from Beijing (-28.1%) over the first quarter of 2019 and from Shanghai (-3.2) over the first two months of 2019. For example, outbound travel to the North America from Beijing fell 20%.² This trend was reflected in decreased overnight arrivals to Canada (-4.7% in May 2019, -0.7% YTD), including declining air arrivals via the US.

¹Note the caveat from Statistics Canada associated with the May 2019 data, available here: <https://www150.statcan.gc.ca/n1/daily-quotidien/190723/dq190723a-eng.htm>

²Source: <https://www.travelchinaguide.com/tourism/2019statistics/>

QUICK LINKS

Industry Performance Dashboard

| | May 2019 | Year-to-date |
|------------------------------------------------|----------|--------------|
| ✈️ Overnight Arrivals¹ | | |
| Total International Overnight Arrivals | ↑ 7.6% | ↑ 5.3% |
| 10 Destination Canada Markets* | ↑ 6.7% | ↑ 4.9% |
| <i>United States</i> | ↑ 6.3% | ↑ 4.6% |
| <i>9 Long-Haul Markets</i> | ↑ 8.1% | ↑ 5.9% |
| Non-Destination Canada Markets | ↑ 13.8% | ↑ 8.3% |
| ✈️ Air Seat Capacity² | | |
| Total International | ↑ 3.3% | ↑ 5.1% |
| 10 Destination Canada Markets* | ↑ 2.4% | ↑ 3.8% |
| Non-Destination Canada Markets | ↑ 5.8% | ↑ 7.5% |
| 🏠 National Hotel Indicators³ | | |
| Occupancy Rate** | ↓ -0.5 | ↓ -0.5 |
| Revenue Per Available Room (Revpar) | ↑ 2.7% | ↑ 1.9% |
| Average Daily Rate (ADR) | ↑ 1.9% | ↑ 1.1% |

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 | |
|--------------------------------------------|----------------|---------------------------------|------------------|----------------------------|-------------|---------------------------------|----------|---------------------------------------|-------------|
| | | May 2019 | YTD 2019 | May 2019 | YTD 2019 | May 2019 | YTD 2019 | May 2019 Average | YTD Average |
| North America | United States | 1,270,137 | 4,194,068 | 6.3% | 4.6% | 3.0% | 4.9% | 4.6% | 5.0% |
| | Mexico | 39,938 | 165,188 | 28.1% | 29.7% | -6.8% | -1.0% | 6.8% | 3.2% |
| Europe | France | 48,973 | 179,416 | 8.3% | 8.3% | 11.0% | 6.3% | -1.0% | -2.7% |
| | Germany | 36,405 | 97,077 | -0.2% | -5.0% | 3.1% | 4.0% | -1.0% | -2.7% |
| | United Kingdom | 81,017 | 234,091 | 18.0% | 6.7% | -5.6% | -5.9% | -0.2% | -1.6% |
| Asia-Pacific | Australia | 40,334 | 111,704 | 5.0% | 5.0% | 22.9% | 16.8% | -3.5% | -4.1% |
| | China | 58,432 | 229,483 | -4.7% | -0.7% | 6.6% | 3.1% | -2.8% | -1.4% |
| | India | 47,076 | 117,360 | 26.8% | 21.1% | -38.4% | -6.8% | 1.1% | -2.3% |
| | Japan | 17,414 | 77,584 | 2.3% | 0.2% | 8.2% | 9.2% | 4.2% | 3.0% |
| | South Korea | 19,274 | 63,833 | -21.0% | -18.8% | 1.8% | -3.1% | -4.8% | -1.2% |
| Total 10 Destination Canada Markets | | 1,659,000 | 5,469,804 | 6.7% | 4.9% | | | | |
| Rest of the World | | 249,580 | 822,356 | 13.8% | 8.3% | | | | |
| Total International | | 1,908,580 | 6,292,160 | 7.6% | 5.3% | | | | |

Sources:

- i. Statistics Canada, Frontier counts, custom tabulations
- ii. IATA-Diio SRS Analyser
- iii. Bank of Canada

Notes:

- i. Overnight arrivals are preliminary estimates and are subject to changes. Overnight arrivals are defined as tourist estimates equal to total travellers entering Canada (by land, air and sea) less same-day land arrivals. The topline statistics published by Statistics Canada are based on total travellers (including same-day), while the topline statistics published by Destination Canada are based on overnight arrivals to Canada.
- 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

United States Overnight Arrivals to Canada

CURRENT MONTH:

+6.3% ↑ YOY



YTD:

+4.6% ↑ YOY

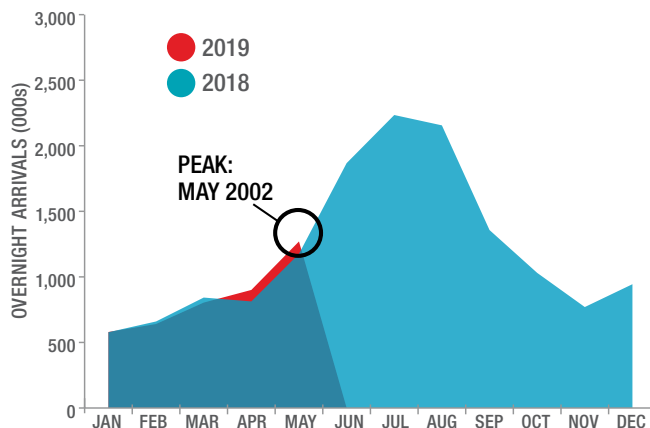
Overnight Arrivals

| | May 2019 | | YTD 2019 | |
|-----------------|------------------|----------------|------------------|----------------|
| | Arrivals | % YOY Variance | Arrivals | % YOY Variance |
| Automobile | 684,780 | 4.5 | 2,283,547 | 3.9 |
| Air | 429,616 | 20.9 | 1,642,572 | 13.5 |
| Other | 155,741 | -15.3 | 267,949 | -26.5 |
| US Total | 1,270,137 | 6.3 | 4,194,068 | 4.6 |

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



Trend Plot: Total United States Overnight Arrivals to Canada



United States: Key Indicators

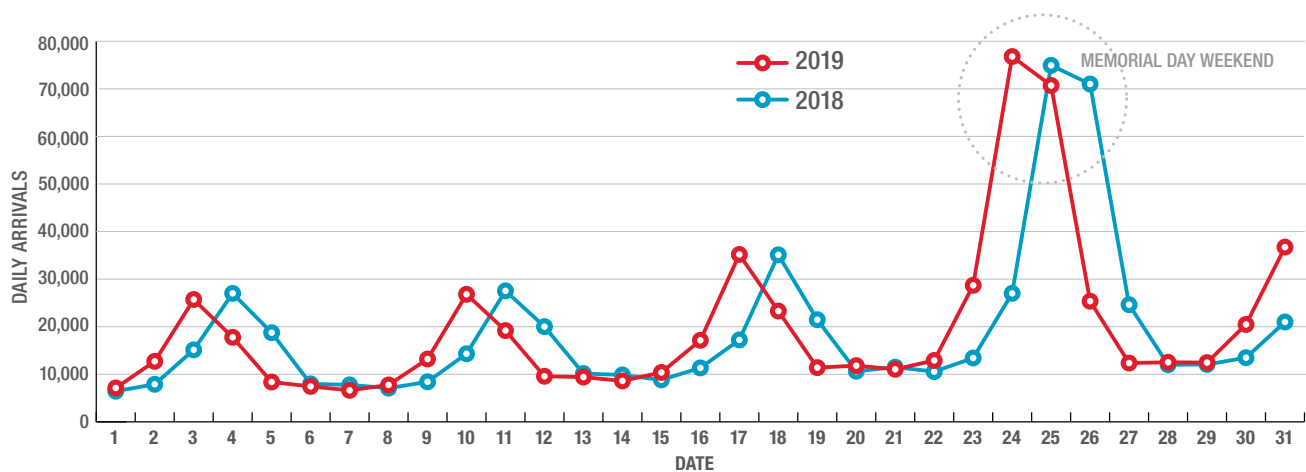
| | | |
|-----------------------------------------------------------|----------------------------|-------|
| Air Seat Capacityⁱ | May 2019 | 3.0% |
| | YTD | 4.9% |
| Exchange Rateⁱⁱ | May 2019 | 4.6% |
| | YTD | 5.0% |
| Consumer Confidence Index (1985=100)ⁱⁱⁱ | May 2019 | 131.3 |
| | Previous Month | 129.2 |
| YTD Arrival Peak^{iv} | Peak Year | 2002 |
| | Current % of Previous Peak | 92.6% |

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

- Canada welcomed 1.27 million overnight visitors from the US in May 2019, up 6.3% compared to May 2018, continuing the positive trend observed last month. This brought total US overnight arrivals over the first five months of 2019 to 4.19 million, up 4.6% over the same period in 2018.
- The strong performance in May was attributable to a fifth consecutive month of increased US air arrivals (+20.9%), as well as growing US auto arrivals (+4.5%). This outpaced the ongoing decline in US arrivals via other modes of transport such as bus, train, and cruise (-15.3%). A similar trend was seen over the first five months of 2019, with increased air arrivals (+13.5%) and auto arrivals (+3.9%), but decreased arrivals by other modes (-26.5%).
- It is important to note that Statistics Canada advises caution when comparing 2019 data with earlier time periods for US arrivals via non-automobile modes of transportation due to methodology changes beginning in January 2019.
- Both in May and year-to-date 2019, the largest proportions of US auto arrivals (based on IPIL arrival estimates) came from New York (17.4% in May, 19.4% YTD), Washington (15.4% in May, 19.9% YTD), and Michigan (11.5% in May, 11.7% YTD).
- The continued growth in US air arrivals so far in 2019 was supported by the ongoing expansion of air capacity between Canada and the US (+3.0% in May 2019, +4.9% YTD). With fewer Canadians flying to the US over this period, the trend suggests that more Americans are filling those extra seats.
- The purchasing power of the USD in Canada was also in a stronger position compared to the same period a year ago (+4.6% in May, +5.0% YTD).
- The consumer confidence index published by the US Conference Board climbed another 2.1 points to reach 131.3 in May 2019, following a 5.0 point jump in April 2019.

Daily US Overnight Auto Arrivals – May 2019



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

MEXICO

Mexico Overnight Arrivals to Canada

CURRENT MONTH: **+28.1% ↑ YOY**



YTD: **+29.7% ↑ YOY**

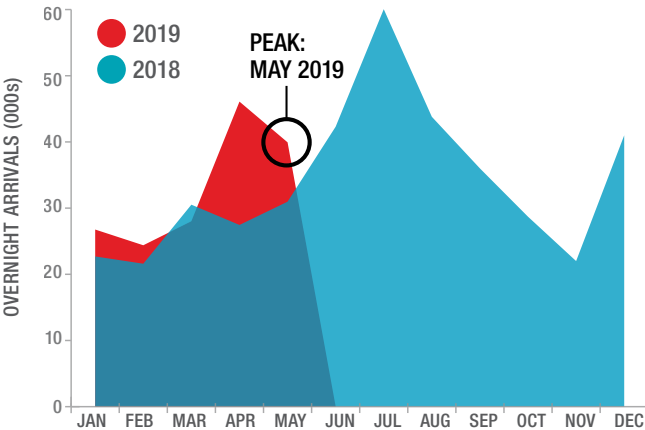
Overnight Arrivals

| | May 2019 | | YTD 2019 | |
|--------|----------|----------------|----------|----------------|
| | Arrivals | % YOY Variance | Arrivals | % YOY Variance |
| Mexico | 39,938 | 28.1 | 165,188 | 29.7 |

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



Trend Plot: Total Mexico Overnight Arrivals to Canada



Mexico: Key Indicators

| | | Mexico |
|---------------------------------|----------------------------|--------|
| Air Seat Capacity ⁱ | May 2019 | -6.8% |
| | YTD | -1.0% |
| Exchange Rate ⁱⁱ | May 2019 | 6.8% |
| | YTD | 3.2% |
| YTD Arrival Peak ⁱⁱⁱ | Peak Year | 2018 |
| | Current % of Previous Peak | 129.7% |

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.

- Overnight arrivals from Mexico maintained positive momentum in May 2019, following the big Easter-related jump in April 2019. Overnight arrivals reached nearly 40,000 in May 2019, up 28.1% year-over-year and a new record for May overnight arrivals from Mexico. Non-land arrivals (primarily via air) accounted for close 34,000 of those May 2019 visitors and were up +12.4% year-over-year.
- From January to May 2019, overnight arrivals from Mexico also reached a new record peak for the first five months of the year (165,000, +29.7%), continuing the long-term positive trend observed since the replacement of the visa requirement for Mexican citizens with the eTA in December 2016. About 143,000 of those were non-land arrivals, up 18.5% year-over-year.
- Mexico was Destination Canada's sixth largest long-haul market in May 2019, and fourth year-to-date in 2019.
- The strength of the Mexican Peso in Canada so far in 2019 remained ahead of the same period last year (+6.8% in May, +3.2% YTD).
- Following a long period of expansion, air capacity between Mexico City and Canada retracted for a third consecutive month in May 2019 (-6.8%), bringing it slightly behind 2018 levels year-to-date (-1.0%).

Mexico Arrivals by Port of Entry

- Between January and May 2019, the majority of visitors from Mexico flew to Canada direct from overseas (69.6%), while another 15.8% flew to Canada via the US.
- Air arrivals via the US (+37.1%) grew at a faster pace than air arrivals direct from overseas (+15.2%), following steep declines in air arrivals via the US in 2018.

Year-to-date Overnight Arrivals by Port of Entry

| | | | Mexico |
|---------------------------------|--------------------|-------------------|----------------|
| Air Arrivals from Overseas | YYZ | Arrivals | 46,597 |
| | | YOY% | 10.8% |
| | | % of Total | 28.2% |
| | YVR | Arrivals | 39,822 |
| | | YOY% | 16.2% |
| | | % of Total | 24.1% |
| | YUL | Arrivals | 23,520 |
| | | YOY% | 25.5% |
| | | % of Total | 14.2% |
| | YYC | Arrivals | 1,828 |
| | | YOY% | -49.1% |
| | | % of Total | 1.1% |
| | All other airports | Arrivals | 3,166 |
| | | YOY% | 183.2% |
| | | % of Total | 1.9% |
| Subtotal | Arrivals | 114,933 | |
| | YOY% | 15.2% | |
| | % of Total | 69.6% | |
| Air Arrivals via the US | All airports | Arrivals | 26,162 |
| | | YOY% | 37.1% |
| | | % of Total | 15.8% |
| Sea Arrivals | All sea borders | Arrivals | 2,170 |
| | | YOY% | 7.8% |
| | | % of Total | 1.3% |
| Land Arrivals via US | All land borders | Arrivals | 21,923 |
| | | YOY% | 237.0% |
| | | % of Total | 13.3% |
| Total Overnight Arrivals | | | 165,188 |

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

EUROPE

Europe Overnight Arrivals to Canada

CURRENT MONTH:

+10.7% ↑ YOY



YTD:

+4.8% ↑ YOY

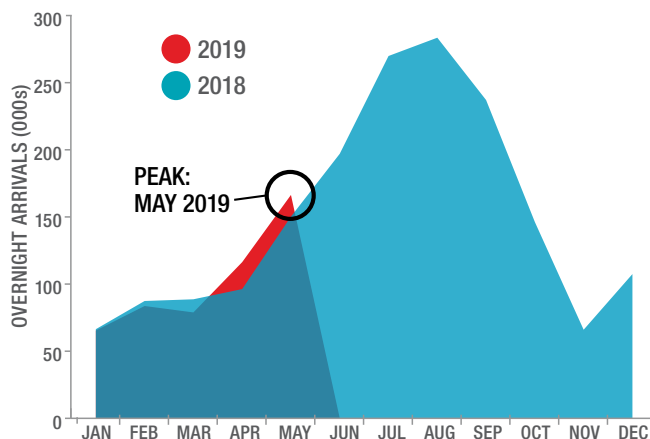
Overnight Arrivals

| | May 2019 | | YTD 2019 | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | Arrivals | % YOY Variance | Arrivals | % YOY Variance |
| Destination Canada Europe | 166,395 | 10.7 | 510,584 | 4.8 |
| United Kingdom | 81,017 | 18.0 | 234,091 | 6.7 |
| France | 48,973 | 8.3 | 179,416 | 8.3 |
| Germany | 36,405 | -0.2 | 97,077 | -5.0 |
| Other Europe | 94,036 | 13.0 | 301,889 | 4.6 |
| Italy | 9,044 | 16.4 | 29,570 | 10.3 |
| Netherlands | 13,180 | -3.8 | 35,553 | -2.6 |
| Spain | 5,879 | 3.4 | 20,433 | 3.8 |
| Switzerland | 9,340 | 4.5 | 32,938 | 7.7 |
| Rest of Europe | 56,593 | 20.1 | 183,395 | 4.8 |
| Total Europe | 260,431 | 11.5 | 812,473 | 4.7 |



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

Trend Plot: Total Destination Canada Europe Overnight Arrivals to Canada



Europe: Key Indicators

| | | France | Germany | United Kingdom |
|---------------------------------------|----------------------------|--------|---------|----------------|
| Air Seat Capacityⁱ | May 2019 | 11.0% | 3.1% | -5.6% |
| | YTD | 6.3% | 4.0% | -5.9% |
| Exchange Rateⁱⁱ | May 2019 | -1.0% | -1.0% | -0.2% |
| | YTD | -2.7% | -2.7% | -1.6% |
| YTD Arrival Peakⁱⁱⁱ | Peak Year | 2018 | 1996 | 2008 |
| | Current % of Previous Peak | 108.3% | 90.2% | 84.6% |

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.

- In May 2019, overnight arrivals from Destination Canada's Europe region reached 166,000, up 10.7% over May 2018. This brought year-to-date overnight arrivals over the first five months of 2019 to nearly 511,000, up 4.8% compared to the same period last year. This region also reached new records for overnight arrivals in the month of May and for the first five months of the year.
- Leading this region in both total arrivals and year-over-year growth, the UK recorded increased overnight arrivals to Canada for a second consecutive month in May 2019 (81,000, +18.0%). May 2019 non-land arrivals from the UK were also ahead of May 2018 (+5.3%), including air arrivals direct from overseas (+4.0%), but were down year-to-date. With this performance, the UK firmly held its spot as Destination Canada's largest long-haul market in May 2019, and also regained the top position in year-to-date arrivals.
- Overnight arrivals from France continued to set new records, with new monthly peaks in May 2019 (49,000, +8.3%) and year-to-date (179,000, +8.3%).
- While overnight arrivals from Germany were marginally down year-over-year in May 2019 (36,000, -0.2%), non-land arrivals were up slightly, particularly by air direct from overseas (+1.9%) and by cruise (+33.0%). However, year-to-date overnight arrivals continued to fall below 2018 levels overall (-5.0%) and across modes of entry.
- Direct air seat capacity to Canada expanded over this period from France (+11.0% in May, +6.3% YTD) and Germany (+3.1% in May, +4.0% YTD), but retracted from the UK (-5.6% in May, -5.9% YTD).

Destination Canada Europe Arrivals by Port of Entry

- From January to May 2019, arrivals by air direct from overseas accounted for approximately three quarters (74.2%) of overnight arrivals from Destination Canada's Europe region. Visitors from France continued to fly to Canada primarily via YUL (80.9% of direct air arrivals and 63.5% of total overnight arrivals from France), while those from the United Kingdom and Germany most often flew via YYZ (46.1% and 41.9%, respectively).

Year-to-date Overnight Arrivals by Port of Entry

| | | France | Germany | UK | |
|---------------------------------|--------------------|----------------|---------------|----------------|--------|
| Air Arrivals from Overseas | YYZ | Arrivals | 15,123 | 30,182 | 76,526 |
| | | YOY% | -19.3% | -11.1% | -2.3% |
| | | % of Total | 8.4% | 31.1% | 32.7% |
| | YVR | Arrivals | 5,822 | 19,668 | 45,328 |
| | | YOY% | 13.4% | 8.4% | -1.4% |
| | | % of Total | 3.2% | 20.3% | 19.4% |
| | YUL | Arrivals | 114,007 | 13,842 | 16,709 |
| | | YOY% | 26.9% | 10.8% | 0.9% |
| | | % of Total | 63.5% | 14.3% | 7.1% |
| | YYC | Arrivals | 1,033 | 6,750 | 20,905 |
| | | YOY% | -1.4% | -4.4% | -10.1% |
| | | % of Total | 0.6% | 7.0% | 8.9% |
| | All other airports | Arrivals | 5,015 | 1,604 | 6,511 |
| | | YOY% | 32.3% | -41.4% | -17.5% |
| | | % of Total | 2.8% | 1.7% | 2.8% |
| Subtotal | Arrivals | 141,000 | 72,046 | 165,979 | |
| | YOY% | 19.0% | -3.2% | -3.5% | |
| | % of Total | 78.6% | 74.2% | 70.9% | |
| Air Arrivals via the US | All airports | Arrivals | 22,800 | 13,531 | 27,080 |
| | | YOY% | -38.7% | -11.2% | -4.9% |
| | | % of Total | 12.7% | 13.9% | 11.6% |
| Sea Arrivals | All sea borders | Arrivals | 197 | 1,918 | 8,675 |
| | | YOY% | -12.8% | -25.5% | 15.9% |
| | | % of Total | 0.1% | 2.0% | 3.7% |
| Land Arrivals via US | All land borders | Arrivals | 15,419 | 9,582 | 32,357 |
| | | YOY% | 57.0% | -3.9% | 180.8% |
| | | % of Total | 8.6% | 9.9% | 13.8% |
| Total Overnight Arrivals | | 179,416 | 97,077 | 234,091 | |

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

ASIA-PACIFIC

Asia-Pacific Overnight Arrivals to Canada

CURRENT MONTH:

+2.4% ↑ YOY



YTD:

+1.6% ↑ YOY

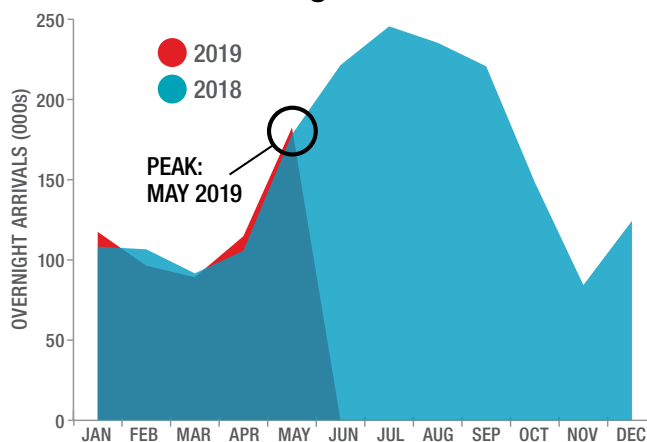
Overnight Arrivals

| | May 2019 | | YTD 2019 | |
|----------------------------------------|----------------|----------------|----------------|----------------|
| | Arrivals | % YOY Variance | Arrivals | % YOY Variance |
| Destination Canada Asia-Pacific | 182,530 | 2.4 | 599,964 | 1.6 |
| Australia | 40,334 | 5.0 | 111,704 | 5.0 |
| China | 58,432 | -4.7 | 229,483 | -0.7 |
| India | 47,076 | 26.8 | 117,360 | 21.1 |
| Japan | 17,414 | 2.3 | 77,584 | 0.2 |
| South Korea | 19,274 | -21.0 | 63,833 | -18.8 |
| Other Asia-Pacific | 89,989 | 14.0 | 283,416 | 12.6 |
| Hong Kong | 15,003 | 9.1 | 53,514 | 10.5 |
| Taiwan | 10,864 | -7.8 | 38,962 | -7.7 |
| Rest of Asia-Pacific | 64,122 | 20.1 | 190,940 | 18.6 |
| Total Asia-Pacific | 272,519 | 6.0 | 883,380 | 4.9 |



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

Trend Plot: Total Destination Canada Asia-Pacific Overnight Arrivals to Canada



Asia-Pacific: Key Indicators

| | | Australia | China | India | Japan | South Korea |
|---------------------------------|----------------------------|-----------|-------|--------|-------|-------------|
| Air Seat Capacity ⁱ | May 2019 | 22.9% | 6.6% | -38.4% | 8.2% | 1.8% |
| | YTD | 16.8% | 3.1% | -6.8% | 9.2% | -3.1% |
| Exchange Rate ⁱⁱ | May 2019 | -3.5% | -2.8% | 1.1% | 4.2% | -4.8% |
| | YTD | -4.1% | -1.4% | -2.3% | 3.0% | -1.2% |
| YTD Arrival Peak ⁱⁱⁱ | Peak Year | 2017 | 2018 | 2018 | 1996 | 2017 |
| | Current % of Previous Peak | 100.7% | 99.3% | 121.1% | 42.2% | 74.6% |

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.

- Canada welcomed close to 183,000 overnight visitors from Destination Canada's Asia-Pacific region in May 2019, up 2.4% over May 2018. This brought overnight arrivals from January to May 2019 up to nearly 600,000, just ahead of the same period last year (+1.6%). This region also reached new records for overnight arrivals in the month of May and for the first five months of the year.
- India led this region in year-over-year growth, both in May 2019 (+26.8%) and year-to-date (+21.1%). With the start of the Indian school summer holiday period, India was the second largest market for overnight arrivals from this region (after China). Australia also saw strong growth in May 2019 (+5.0%) and year-to-date (+5.0%). Both markets also hit new peaks for monthly and year-to-date overnight arrivals.
- Canada welcome more than 17,000 overnight visitors from Japan in May 2019, increasing year-over-year for a second consecutive month (+2.3%). In particular, non-land (mostly air) arrivals were up for a second consecutive month (+4.7%). This brought year-to-date overnight arrivals marginally ahead of 2018 levels for the first time this year, at nearly 78,000 (+0.2%).
- Overnight arrivals from China fell year-over-year in May 2019 (-4.7%) and year-to-date (-0.7%). This may be a reflection of slowing outbound Chinese travel, as Chinese travel agencies reported a decline in outbound travel from Beijing (-28.1%) over the first quarter of 2019 and from Shanghai (-3.2) over the first two months of 2019, including slowing travel to North America.

- As a result of changes in land arrival data processing procedures implemented by Statistics Canada mid-way in 2018, total arrivals from South Korea continued to show a decline (-21.0% in May 2019, -18.8% YTD). In contrast, non-land (mostly air) arrivals were still slightly ahead of 2018 levels (+2.5% in May, +1.8% YTD), indicating a continued growth momentum from this market since the beginning of the year.

Destination Canada Asia-Pacific Arrivals by Port of Entry

- From January to May 2019, two-thirds of visitors from Destination Canada's Asia-Pacific region flew to Canada direct from overseas (67.6%), primarily flying into YVR and YYZ.

Year-to-date Overnight Arrivals by Port of Entry

| | | | Australia | China | India | Japan | South Korea |
|---------------------------------|--------------------|------------|----------------|----------------|----------------|---------------|---------------|
| Air Arrivals from Overseas | YYZ | Arrivals | 4,487 | 68,756 | 49,154 | 12,997 | 16,936 |
| | | YOY% | -6.1% | -4.0% | 2.9% | -23.0% | -1.6% |
| | | % of Total | 4.0% | 30.0% | 41.9% | 16.8% | 26.5% |
| | YVR | Arrivals | 45,599 | 87,064 | 32,601 | 35,277 | 22,499 |
| | | YOY% | 12.6% | -2.6% | 52.2% | 4.5% | 0.7% |
| | | % of Total | 40.8% | 37.9% | 27.8% | 45.5% | 35.2% |
| | YUL | Arrivals | 846 | 12,464 | 3,325 | 2,930 | 402 |
| | | YOY% | 19.8% | 1.1% | -6.4% | 1,105.8% | 15.5% |
| | | % of Total | 0.8% | 5.4% | 2.8% | 3.8% | 0.6% |
| | YYC | Arrivals | 599 | 2,927 | 3,643 | 1,597 | 177 |
| | | YOY% | 15.9% | -16.4% | -11.9% | -46.9% | 43.9% |
| | | % of Total | 0.5% | 1.3% | 3.1% | 2.1% | 0.3% |
| | All other airports | Arrivals | 308 | 202 | 715 | 198 | 67 |
| | | YOY% | 91.3% | -20.5% | -4.9% | 360.5% | 21.8% |
| | | % of Total | 0.3% | 0.1% | 0.6% | 0.3% | 0.1% |
| Subtotal | Arrivals | 51,839 | 171,413 | 89,438 | 52,999 | 40,081 | |
| | YOY% | 11.1% | -3.2% | 15.2% | -1.8% | 0.0% | |
| | % of Total | 46.4% | 74.7% | 76.2% | 68.3% | 62.8% | |
| Air Arrivals via the US | All airports | Arrivals | 38,419 | 22,283 | 11,852 | 14,902 | 9,927 |
| | | YOY% | -4.2% | -17.9% | 6.0% | 1.2% | 6.5% |
| | | % of Total | 34.4% | 9.7% | 10.1% | 19.2% | 15.6% |
| Sea Arrivals | All sea borders | Arrivals | 9,964 | 2,547 | 1,977 | 1,119 | 1,249 |
| | | YOY% | 3.0% | 32.4% | 31.2% | -31.3% | 27.7% |
| | | % of Total | 8.9% | 1.1% | 1.7% | 1.4% | 2.0% |
| Land Arrivals via US | All land borders | Arrivals | 11,482 | 33,240 | 14,093 | 8,564 | 12,576 |
| | | YOY% | 15.2% | 33.3% | 114.3% | 20.3% | -55.5% |
| | | % of Total | 10.3% | 14.5% | 12.0% | 11.0% | 19.7% |
| Total Overnight Arrivals | | | 111,704 | 229,483 | 117,360 | 77,584 | 63,833 |

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

| | May 2019 | YOY % Variance | Jan. - May 2019 | YOY^ % Variance |
|--------------------------------|-----------|----------------|-----------------|-----------------|
| United States | 1,696,950 | -5.5 | 8,358,366 | -5.7 |
| Other Countries | 971,336 | 5.5 | 6,011,802 | 2.2 |
| Total Trips from Canada | 2,668,286 | -1.8 | 14,370,168 | -2.6 |

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

- Canadians took 2.67 million international overnight trips in May 2019, down 1.8% compared to the same month a year ago. Overnight trips to overseas international destinations increased year-over-year (971,000 trips, +5.5%), but that growth was outweighed by a decline in overnight trips to the US (1.70 million trips -5.5%) compared to May 2018.
- From January to May 2019, Canadians travelled internationally less than they did over the same period in 2018 (14.37 million trips, -2.6%). The decline was due to a decrease in overnight travel to the US (8.36 million trips, -5.7%), which outweighed an increase in Canadian overnight travel to other international destinations (6.01 million trips, +2.2%).
- The decline in Canadian overnight travel to the US in May 2019 and year-to-date was seen across all modes of transportation: by automobile (-4.2% in May, -3.9% YTD), by air (-5.4% in May, -6.1% YTD), and particularly by other modes of transportation, such as bus, train, or cruise (-16.5% in May, -23.0% YTD).
 - It is important to note that starting with January 2019 data, Statistics Canada updated the method of determining trip durations for US residents travelling to Canada and Canadian residents returning from the United States for non-automobile modes of transportation. This change affects the relative proportions of same-day/overnight travellers. Caution is therefore advised when comparing this 2019 data with earlier time periods.

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 | Quebec | Ontario |
|--------------------------------|---------------|---------------------------|----------------------|-------------|---------------|-----------|-----------|
| Total One or more nights | 2019 | 7,555 | 31 | 29,874 | 49,441 | 1,002,701 | 2,878,572 |
| | Variance YOY% | -30.0% | 63.2% | -12.5% | 6.1% | 7.7% | 5.2% |
| | Change YOY | -3,245 | 12 | -4,252 | 2,847 | 71,583 | 142,673 |
| US Residents by Automobile | 2019 | 0 | 0 | 0 | 40,243 | 339,451 | 1,141,102 |
| | Variance YOY% | 0.0% | 0.0% | -100.0% | 0.8% | 3.9% | 4.7% |
| | Change YOY | - | - | -2 | 311 | 12,706 | 51,479 |
| US Residents by Non-Automobile | 2019 | 664 | 19 | 19,534 | 7,041 | 297,329 | 814,483 |
| | Variance YOY% | -68.1% | 137.5% | -2.5% | 25.1% | 10.3% | 1.0% |
| | Change YOY | -1,416 | 11 | -491 | 1,413 | 27,657 | 8,086 |
| Residents from Other Countries | 2019 | 6,891 | 12 | 10,340 | 2,157 | 365,921 | 922,987 |
| | Variance YOY% | -21.0% | 9.1% | -26.7% | 108.6% | 9.3% | 9.9% |
| | Change YOY | -1,829 | 1 | -3,759 | 1,123 | 31,220 | 83,108 |

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 | 2019 | 75,119 | 22,243 | 297,264 | 1,901,733 | 27,393 | 234 | 6,292,160 |
| | Variance YOY% | 14.5% | 13.1% | 4.1% | 4.8% | -3.3% | 16.4% | 5.3% |
| | Change YOY | 9,540 | 2,581 | 11,580 | 86,910 | -932 | 33 | 319,330 |
| US Residents by Automobile | 2019 | 45,178 | 15,931 | 30,835 | 655,863 | 14,944 | 0 | 2,283,547 |
| | Variance YOY% | 3.1% | 16.4% | 4.6% | 2.8% | -4.3% | 0.0% | 3.9% |
| | Change YOY | 1,367 | 2,240 | 1,357 | 17,984 | -675 | - | 86,767 |
| US Residents by Non-Automobile | 2019 | 24,975 | 5,357 | 175,554 | 554,260 | 11,286 | 19 | 1,910,521 |
| | Variance YOY% | 30.6% | 3.4% | 8.1% | 8.8% | -0.9% | -32.1% | 5.5% |
| | Change YOY | 5,856 | 177 | 13,225 | 44,804 | -104 | -9 | 99,209 |
| Residents from Other Countries | 2019 | 4,966 | 955 | 90,875 | 691,610 | 1,163 | 215 | 2,098,092 |
| | Variance YOY% | 87.5% | 20.7% | -3.2% | 3.6% | -11.6% | 24.3% | 6.8% |
| | Change YOY | 2,317 | 164 | -3,002 | 24,122 | -153 | 42 | 133,354 |

- From January to May 2019, most international overnight visitors arrived in Canada via Ontario (45.7%), British Columbia (30.2%), Quebec (15.9%) or Alberta (4.7%).
- The 5.3% increase in total international overnight arrivals over this period was seen across most provinces and territories, with the exception of some contractions in Nova Scotia and Newfoundland, which resulted from Air Canada suspending service from the UK on the heel of Transport Canada's decision to close the Canadian airspace to Boeing 737 Max 8 jets earlier in March, as well as a slight decline in Yukon.
- Most provinces that recorded increases in total overnight arrivals saw increased US auto, US non-auto, and arrivals from long-haul markets, though Alberta saw a small decrease in overnight arrivals from long-haul markets (-3.2%).

ACCOMMODATION

Hotel Performance Indicators by Province

| | Occupancy Rates | | | | Average Daily Rate (ADR) | | | | Revenue Per Available Room (RevPAR) | | | |
|---------------------------|-----------------|---------------------------|--------------|---------------------------|--------------------------|----------------|-----------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | May 2019 | YOY [^] Variance | Jan.- May | YOY [^] Variance | May 2019 | YOY % Variance | Jan.- May | YOY % Variance | May 2019 | YOY % Variance | Jan.- May | YOY % Variance |
| Alberta ¹ | 55.2% | -2.2 | 51.7% | -0.6 | \$129.08 | -1.6% | \$126.80 | -1.2% | \$71.20 | -5.4% | \$65.51 | -2.4% |
| British Columbia | 74.1% | 0.6 | 66.4% | 0.8 | \$194.69 | 2.7% | \$176.36 | 3.2% | \$144.32 | 3.5% | \$117.06 | 4.5% |
| Saskatchewan | 58.5% | -0.8 | 53.3% | -1 | \$121.73 | 0.5% | \$118.38 | -0.3% | \$71.20 | -0.9% | \$63.04 | -2.2% |
| Manitoba | 67.8% | -2.4 | 64.2% | -0.3 | \$129.40 | 0.3% | \$125.84 | 0.5% | \$87.73 | -3.1% | \$80.75 | 0.0% |
| Ontario | 71.0% | -1.2 | 63.0% | -1.2 | \$168.31 | 3.7% | \$156.28 | 2.7% | \$119.54 | 2.0% | \$98.45 | 0.9% |
| Quebec | 72.6% | 2.7 | 61.9% | 0.2 | \$178.44 | 5.1% | \$161.84 | 3.3% | \$129.50 | 9.2% | \$100.16 | 3.7% |
| New Brunswick | 61.5% | -1.4 | 50.5% | -1.3 | \$124.95 | 2.1% | \$119.88 | 1.5% | \$76.88 | -0.2% | \$60.52 | -1.1% |
| Nova Scotia | 70.4% | 3 | 57.1% | -0.3 | \$155.46 | 3.8% | \$134.29 | -0.6% | \$109.39 | 8.4% | \$76.65 | -1.2% |
| Newfoundland and Labrador | 55.8% | 6.5 | 44.6% | 1.5 | \$130.00 | -7.7% | \$123.30 | -7.9% | \$72.54 | 4.4% | \$55.02 | -4.6% |
| Prince Edward Island | 52.8% | -5.5 | 46.6% | 2.4 | \$135.36 | -3.7% | \$122.22 | 1.1% | \$71.49 | -12.8% | \$56.95 | 6.6% |
| Northwest Territories | 45.7% | -5.7 | 62.6% | -9.9 | \$142.49 | 5.7% | \$147.99 | -1.4% | \$65.17 | -6.0% | \$92.70 | -14.9% |
| Yukon | 61.5% | 6.3 | 54.6% | 1.7 | \$161.05 | 4.8% | \$137.18 | 4.3% | \$99.05 | 16.8% | \$74.86 | 7.8% |
| Canada | 67.5% | -0.5 | 60.0% | -0.5 | \$165.70 | 2.7% | \$153.12 | 1.9% | \$111.90 | 1.9% | \$91.93 | 1.1% |

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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- In May 2019 the national average occupancy rate was marginally below the same month a year ago (67.5%, down 0.5 percentage points), bringing the year-to-date rate for the first five months of 2019 to 60.0%, a marginal -0.5 percentage points below the same period in 2018.
- In May 2019, the highest occupancy rates were recorded in British Columbia, Quebec, and Ontario. Year-to-date, the highest occupancy rates were recorded in British Columbia, Manitoba, and Ontario.
- The national average daily rate (ADR) increased year-over-year in May 2019 (\$165.70, +2.7%), bringing the ADR for the first five months of 2019 slightly ahead of 2018 levels (\$153.12, +1.9%).
- The national revenue per available room (RevPar) also increased year-over-year in May 2019 (\$111.90, +1.9%), bringing the YTD average just ahead of 2018 (\$91.93, +1.1%).
- Both in May and year-to-date 2019, the top performing provinces/territories for both ADR and RevPar were British Columbia, Quebec, and Ontario.

ACCOMMODATION

Hotel Performance Indicators by Property Type

| | Occupancy Rates | | | | Average Daily Rate (ADR) | | | |
|----------------------|-----------------|-------------|--------------|---------------|--------------------------|--------------|-----------------|--------------|
| | May 2019 | YOY^ Change | Jan.- May | YOY^ Variance | May 2019 | YOY Variance | Jan.- May | YOY Variance |
| Property Size | | | | | | | | |
| Under 50 rooms | 55.2% | 0.4 | 47.3% | 1.5 | \$118.54 | 5.6% | \$113.28 | 4.5% |
| 50-75 rooms | 60.0% | -0.9 | 53.2% | -0.1 | \$121.08 | 2.0% | \$113.21 | 1.0% |
| 76-125 rooms | 65.1% | -1.3 | 58.1% | -0.9 | \$135.17 | 1.8% | \$128.35 | 1.5% |
| 126-200 rooms | 68.7% | -0.2 | 60.8% | -0.4 | \$152.69 | 1.8% | \$141.30 | 1.6% |
| 201-500 rooms | 71.8% | 0.5 | 64.1% | -0.3 | \$198.10 | 2.7% | \$182.87 | 2.2% |
| Over 500 rooms | 74.9% | -1.4 | 66.7% | -1.6 | \$256.54 | 5.7% | \$225.38 | 3.9% |
| Total | 67.5% | -0.5 | 60.0% | -0.5 | \$165.70 | 2.7% | \$153.12 | 1.9% |
| Property Type | | | | | | | | |
| Limited Service | 61.6% | -0.7 | 55.3% | -0.2 | \$123.72 | 2.8% | \$117.57 | 1.9% |
| Full Service | 72.3% | -0.2 | 62.7% | -0.7 | \$186.43 | 3.1% | \$166.24 | 2.5% |
| Suite Hotel | 73.3% | -2.2 | 68.0% | -1 | \$168.60 | 1.5% | \$157.27 | 0.3% |
| Resort | 57.7% | -0.4 | 57.6% | 0.3 | \$227.23 | 2.1% | \$238.61 | 2.8% |
| Total | 67.5% | -0.5 | 60.0% | -0.5 | \$165.70 | 2.7% | \$153.12 | 1.9% |
| Price Level | | | | | | | | |
| Budget | 59.3% | -1.3 | 54.1% | 0.4 | \$110.09 | 3.5% | \$103.92 | 3.1% |
| Mid-Price | 68.7% | -0.5 | 60.4% | -0.8 | \$155.89 | 2.5% | \$143.09 | 1.7% |
| Upscale | 73.4% | 0.3 | 65.7% | -0.3 | \$269.86 | 2.6% | \$246.54 | 1.7% |
| Total | 67.5% | -0.5 | 60.0% | -0.5 | \$165.70 | 2.7% | \$153.12 | 1.9% |

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

- Consistent with historical trends, occupancy rates generally increased by property size, ranging from 55.2% for properties with under 50 rooms to 74.9% for properties with over 500 rooms in May 2019, and from 47.3% to 66.7% year-to-date. ADR also increased by property size, ranging from \$118.54 to \$256.54 in May 2019, and from \$113.28 to \$225.38 year-to-date.
- In May and year-to-date 2019, suite properties (73.3% in May, 68.0% YTD) reported the highest occupancy rates, followed by full service properties (72.3% in May, 62.7% YTD). Resorts reported the highest ADR (\$227.23 in May, \$238.61 YTD), followed by full service properties (\$186.43 in May, \$166.24 YTD).
- Both metrics also increased by price level, with upscale properties reporting the highest occupancy rates and ADR, but budget properties reporting strong growth in ADR year-over-year.