Canadian Tourism Commission
Commission canadienne du tourisme

Canada

Tourism Snapshot

A focus on the markets that the CTC and its partners are active in

www.canada.travel/corporate

June 2010 Volume 6, Issue 6

Key highlights

Spurred by economic growth gaining momentum, outbound travel from most CTC target markets continued to show signs of a rebound – with the exception of Mexico (-38.6%), all other target markets posted gains in June 2010.

Asia-Pacific markets posted notable double digit improvements, with Japan up 85.3%, South Korea (+42.5%) and China (+36.1%), compared with June 2009.

US air travel to Canada increased (9.3%) for a fifth consecutive month.

Newfoundland and Labrador

Tourism review Inbound highlights

Overnight trips to Canada

	June 2010	10/09 June % Change	Jan.-June 2010	Year-to-date % Change
Americas*				
United States				
Automobile	804,918	2.3	2,671,991	-6.2
Plane	413,027	9.3	1,487,570	5.6
Other	187,975	-2.5	458,962	-2.9
US Total	**1,405,920**	**3.6%**	**4,618,523**	**-2.3%**
Mexico	14,035	-38.6	55,275	-42.6
Americas Total	**1,419,955**	**2.9%**	**4,673,798**	**-3.1%**
Overseas Key Markets				
France	41,056	6.1	165,288	7.7
Germany	39,641	10.3	132,619	9.8
UK	86,220	1.5	305,092	-1.7
China	20,422	36.1	76,631	10.8
Japan	26,465	85.3	96,475	28.9
South Korea	20,834	42.5	73,497	18.0
Australia	29,901	17.6	106,034	11.2
India**	18,382	26.7	63,325	17.4
Brazil**	8,398	37.3	33,080	19.9
Overseas Key Markets	**291,319**	**16.8%**	**1,052,041**	**8.7%**
As % of Overseas and Americas	17.0%		18.4%	
Other Overseas Countries	218,178	10.1%	713,997	6.9%
Non-US Countries	523,532	11.3%	1,821,313	5.2%
Total Countries	**1,929,452**	**5.6%**	**6,439,836**	**-0.3%**

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.
*Refers to the CTC's marketing group in the US and Mexico.
**India and Brazil are added to the CTC overseas key markets.

International trips

- There were approximately 1.9 million overnight visitor arrivals to Canada during June 2010 a 5.6% increase over the same month in 2009. This was a significant improvement compared with the 5.0% decreased seen during the previous month;
- In June 2010, the Americas markets (the US and Mexico), posted a notable gain in visitation to Canada, up 2.9% over 2009. Travel from CTC's other core overseas markets jumped by 16.8%, reaching 291,319 overnight trips;
- For a second consecutive month, overnight trips to Canada from countries other than CTC key markets grew (+10.1%) totalling 218,178 trips. Following this trend, visits from all countries excluding the US, jumped by 11.3% in June;
- Overall, increases in visitors to Canada during May and June helped to slow the year-to-date decline (-0.3%) to 6.4 million visitors. However, year-to-date overnight trips from overseas countries other than CTC key markets grew by 6.9%.

United States

- In June 2010, US overnight visitation grew by 3.6%, an improvement compared to the 9.2% decline seen in May. Overnight US plane and auto trips saw gains of 9.3% and 2.3% respectively, while "other" US trips posted a decline of 2.5%;
- Overall, year-to-date US overnight trips have fallen by 2.3% over 2009, totalling 4.6 million trips;
- In June 2010, Québec posted a notable 20.0% jump in visitation from the US reaching 170,145 overnight trips. In addition, New Brunswick (+9.4%), Saskatchewan (+8.1%) and Yukon (+8.1%) also posted strong gains in US visitor volumes over June 2009;
- In the first six months of 2010, five provinces (Yukon +11.0%, Saskatchewan +9.7%, Québec +3.9, New Brunswick +2.1% and British Columbia +0.9) registered year-to-date increases in inbound US overnight visits.

Mexico

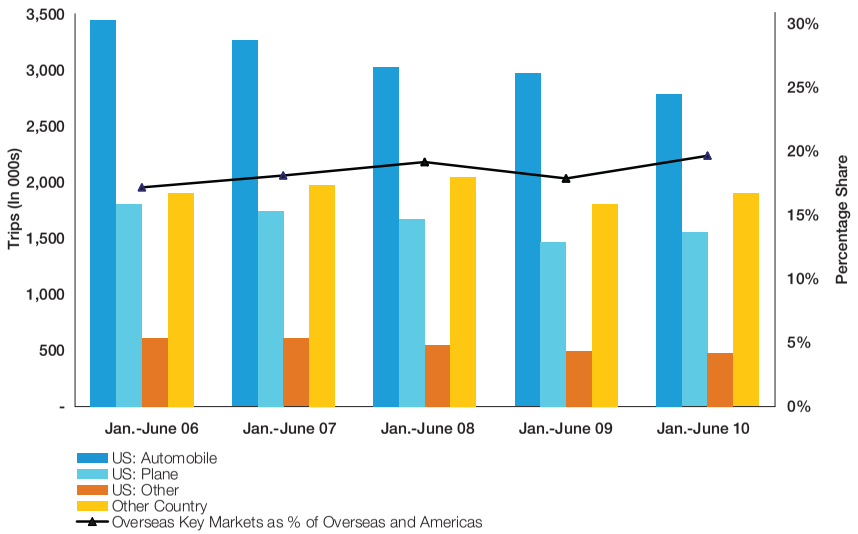
- In June 2010, visitation from Mexico dropped by 38.6%, a slight acceleration from the previous month;
- In the first six months of 2010, travel from Mexico contracted 42.6%, falling to 55,275 overnight trips.

Overseas key markets

- In June 2010, overnight travel volumes from CTC overseas key markets continued to improve, with all 9 markets posting gains and overall trip volumes up by 16.8% in comparison with June 2009;
- In the first half of 2010, trips from key markets grew by 8.7% reaching almost 1.1 million trips;
- Notable, Japan posted a significant 85.3% jump in overnight arrivals in June, while neighbouring Asia-Pacific markets South Korea, China, and Australia also posted double digit gains;
- In June 2010, healthy increases in arrivals were also recorded by CTC emerging markets Brazil (+37.3%) and India (+26.7%) compared with the same month in 2009;
- Germany and France continue to show consistent monthly growth up 10.3% and 6.1% respectively over June 2009;
- British Columbia, Québec and Ontario all posted gains in the number of visitors from countries other than the US, up 16.3%, 13.8%, and 10.0% respectively over June 2009;
- Year-to-date June, Saskatchewan posted the strongest increase of visitors from countries other than the US, increasing by 23.1%.

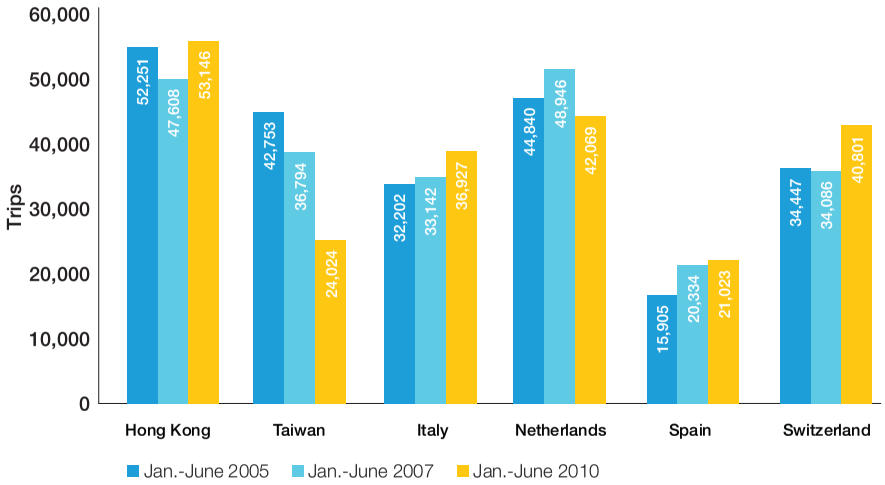
Share of entry (June, 2010)

Overnight trips to Canada by non-residents



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey.*

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey.*

- In the first six months of 2010, Canada received 4.6 million overnight US visitors, representing 80.7% of international travellers from key markets. Of those US travellers, 46.7% came by automobile, 26.0% came by plane and 8.0% came by "other" non-automobile transportation;
- Year-to-date, overnight visitors from key European markets made 602,999 trips to Canada accounting for 10.5% of total trips from key markets, a 2.2 point increase in share of entry over the same period in 2005. Of all key market, the UK accounted for the largest portion of inbound visitors at 5.3%, followed by France (2.9%) and Germany (2.3%);
- Visitors from Asia Pacific key markets made 352,637 trips from January to June, accounting for a 6.2% share of total trips from key markets, marking a 1.0 point increase over the same period in 2005. Of all CTC's key market trips, Australia represented 1.9% of the share of total trips, while Japan accounted for 1.7%;
- Travellers from emerging markets (India and Brazil) made 96,405 trips to Canada from January to June, representing 1.7% of total trips from key markets, a 0.9 point increase compared with the first six months of 2005.

Market Watch

- For June year-to-date, four of the six selected secondary markets posted increases in overnight trip volumes over 2005;
- Compared with January to June 2005, Spain continued to post the strongest increase (32.2%) in visitors to Canada, reaching 21,023 overnight trips;
- June year-to-date, overnight visitor arrivals from Switzerland and Italy were above 2005 levels, with gains of 18.4% and 14.7% respectively;
- In the first half of 2010, there was a moderate 1.7% improvement in the total number of visitors from Hong Kong when compared with 2005. Over the same period, Taiwan posted the most significant decline (-25.4%) falling to 24,024 visitors, over the first six months of 2005.

Competitive review (April 2010)

International travel, January–April 2010 (in 000s)

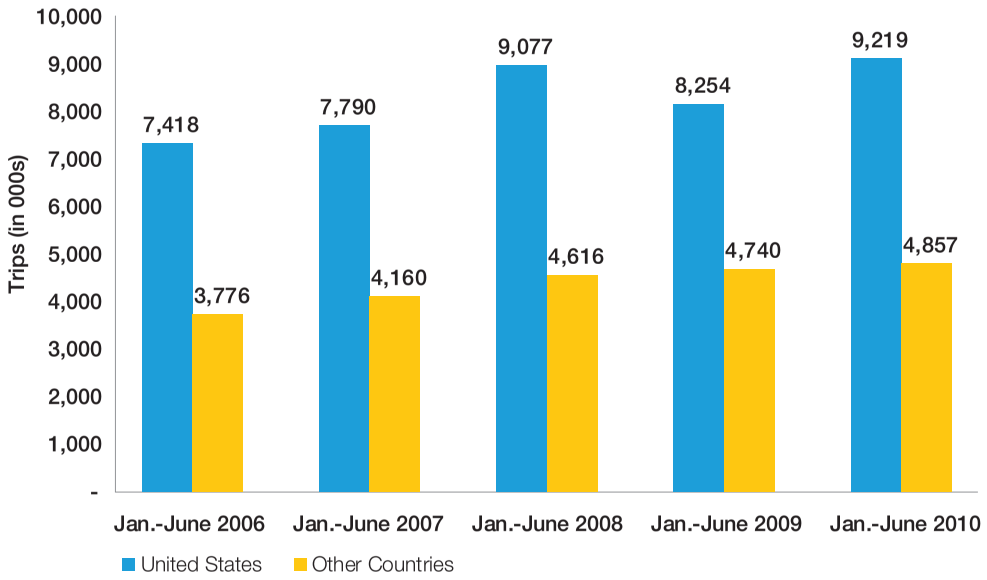
	Trips To:					
	Canada		United States		Australia	
Trips From:	#	10/09 Change	#	10/09 Change	#	10/09 Change
Total International	3,160	-2%	n/a	n/a	1,973	3%
Americas						
United States	2,250	-3%			160	5%
Mexico[1]	31	-47%	n/a	n/a	…	…
Overseas Key Markets						
France	92	8%	n/a	n/a	32	13%
Germany	60	11%	n/a	n/a	58	3%
United Kingdom	152	-4%	n/a	n/a	257	-3%
China[2]	41	0%	n/a	n/a	178	7%
Japan	52	8%	n/a	n/a	135	1%
South Korea	38	4%	n/a	n/a	75	15%
Australia	46	3%	n/a	n/a	…	…
India	28	10%	n/a	n/a	45	8%
Brazil	19	11%	n/a	n/a	…	…
Canada	…	…	n/a	n/a	49	2%
Total Key Markets	**2,808**	**-3%**	**n/a**	**n/a**	**987**	**3%**

…Not applicable
n/a – not available.
[1] US figures for Mexico include arrivals to interior only.
[2] US figures for China includes Hong Kong, SAR.
Sources: Statistics Canada; Tourism Australia; and ITA, and Office of Travel and Tourism Industries (USA).
Note: Statistics Canada preliminary figures.

- Between January and April 2010, international travel to Canada dipped 2% compared with the same period in 2009, while Australia posted a 3% gain in the total number of international visitors;
- Compared to Australia, Canada posted stronger growth from Germany (+11%), India (+10%) and Japan (+8%) during the first four months of 2010;
- Australia most notably outperformed Canada in terms of visitors from South Korea (+15%) and France (+13%), while Canada saw more moderate growth of 4% and 8% respectively during the same period.

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey.*

Overnight trips by Canadians

	June 2010	10/09 June % Change	Jan.-June 2010	Year-to-date % Change
United States	1,345,875	12.3	9,219,456	11.7
Other Countries	533,492	11.7	4,856,952	2.5
Total Trips from Canada	1,879,367	12.1	14,076,408	8.3

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

- In June, the Canadian/US exchange rate remained unchanged at near par compared with the previous month; however, there was a 12.3% increase in Canadian travel to the US and a 11.7% jump in visitation to overseas destinations;
- Year-to-date June 2010, Saskatchewan, Manitoba, and British Columbia posted the largest increases in the number of Canadian residents visiting the US for one or more nights, up 32.1%, 26.3% and 15.8% respectively;
- In the first half of 2010, there was a 2.5% increase in the number of Canadian residents that travelled internationally (excluding the US). The largest increases were seen by residents of Yukon (53.3%), New Brunswick (41.8%) and Saskatchewan (26.1%) compared with the same period in 2009;
- Overall, the total number of Canadian outbound travellers grew in June by 12.1%, contributing to a 8.3% year-to-date gain.

Consumer outlook

Consumer confidence

- **Canada:** Consumer confidence dropped 5.7 points in June to 83.6. The drop cancels out the gains realized as of May, and leaves the index 13 points below where it began the year.
- **USA:** The Conference Board Consumer Confidence Index® which had been on the rise for three consecutive months, declined sharply in June. The Index now stands at 52.9 (1985=100), down from 62.7 in May.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

Canadian occupancy rates, by province*

	June 2010	10/09 Change^	Jan.-June 2010	Year-to-date Change^
Alberta[1]	62.7	1.3	56.1	-2.9
British Columbia	65.5	0.6	58.7	1.5
Saskatchewan	72.8	-0.5	68.0	-0.3
Manitoba	78.1	6.7	64.3	1.3
Ontario	70.7	8.0	57.0	2.7
Quebec	70.7	9.9	56.3	2.9
New Brunswick	58.4	-1.6	50.4	0.1
Nova Scotia	70.0	3.3	55.4	1.1
Newfoundland	81.5	1.6	63.0	2.9
Prince Edward Island	53.2	3.2	39.5	-1.2
Northwest Territories	72.3	8.6	60.5	0.2
Yukon	93.8	6.4	72.9	8.0
Canada	**68.4**	**5.1**	**57.3**	**1.3**

* Note: Based on the operating results of 210,775 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc.

- In June 2010, there was a 5.1 point increase in hotel occupancy rates compared with June 2009 reaching 68.4%. Occupancy rates were influenced by the G8 and G-20 Summits held in Ontario and the 101st Convention of Rotary International held in Montreal Quebec;
- Year-to-date June 2010, Yukon (+8.0 points), Newfoundland (+2.9 points), Québec (+2.9 points) and Ontario (+2.7 points) posted the strongest increases in hotel occupancy rates;
- The national average Revenue per Available Room (RevPAR) for June 2010 was up 14.7% over the same period last year. Newfoundland, Québec, the Northwest Territories, and Ontario posted rates above the national average of $93.62;
- From January through to June 2010, properties with 500 rooms or more posted the highest occupancy rates (65.2%) while those with fewer than 50 rooms had the lowest occupancy rate of (43.9%).

Strategic Performance

- Led by the US, International trips by key markets moderately missed CTC's set targets by 39,000 (-0.7%) in the first six months of 2010;
- Year-to-date, trips from South Korea, Brazil, China, and Australia significantly outperformed their targets by 20.1%, 18.5%, 13.6% and 11.5% respectively;
- India missed the set CTC target for year-to-date arrivals by 3.2%; while the US and Mexico also fell short by 2.3% and 1.1% respectively.

Travel Volumes, January-June 2010

	Trips Made (000s)		
	Target	Actual	% Difference
United States	4,727	4,619	-2.3
Mexico	56	55	-1.1
Americas (Total)	**4,783**	**4,674**	**-2.3**
France	150	165	10.5
Germany	123	133	8.2
UK	303	305	0.8
China	67	77	13.6
Japan	90	96	7.3
S Korea	61	73	20.1
Australia	95	106	11.5
India	65	63	-3.2
Brazil	28	33	18.5
Overseas Key Markets (Total)	**982**	**1,052**	**7.2**
Total	**5,765**	**5,726**	**-0.7**

Note: As per strategic plans.

Economic Indicators

- The recession appears to have ended in all CTC markets;
- During the second quarter, Canada's economy advanced by 3.7%. This compared with a 3.2% growth rate increase in the US;
- The UK's economy rebounded by 1.6% in the second quarter after experiencing an economic contraction in the first quarter. However, the UK's inflation level remains above the 2% target set by the Bank of England;
- Germany and France showed moderate economic growth with GDP reaching 2.1% and 1.4% respectively in Q2 2010. Inflation rates ranged from 1.6% to 1.1% for both countries;
- China continued to boast the most robust economic growth despite a slight dip to 10.3% in Q2 2010. The inflation rate grew from 2.2% in Q1 to 2.9% in Q2 2010;
- Japan's GDP took a notable decline, falling to 2.7% in Q2 from 4.2% in Q1 2010. Japan posted an inflation rate of -0.9%;
- India posted the second-highest growth rate in the second quarter of 2010 (8.9%) slightly up compared with the first quarter of 2010 (8.6%);
- In Q2, the Canadian dollar strengthened against the majority of CTC core markets when compared against the previous quarter.

Economic Indicators, Q1 2010 – Q2, 2010

America	Canada		USA		Mexico		Brazil	
	Q1 2010	Q2 2010	Q1 2010	Q2 2010	Q1 2010	Q2 2010	Q1 2010	Q2 2010
Real GDP growth (yoy, %)	2.2	3.7	2.4	3.2	4.4	5.6	9.0	7.5
Consumer Price Index (yoy,%)	1.7	1.4	2.4	1.8	4.8	4.0	4.9	5.1
Exchange Rate (1LCU:C$)	1.000	1.000	1.056	1.028	0.082	0.082	0.607	0.574

Europe	France		Germany		UK	
	Q1 2010	Q2 2010	Q1 2010	Q2 2010	Q1 2010	Q2 2010
Real GDP growth (yoy, %)	1.2	1.4	1.5	2.1	-0.2	1.6
Consumer Price Index (yoy,%)	1.3	1.6	0.7	1.1	3.3	3.4
Exchange Rate (1LCU:C$)	1.560	1.269	1.560	1.269	1.727	1.533

Asia Pacific	Australia		China		Japan		South Korea		India	
	Q1 2010	Q2 2010	Q1 2010	Q2 2010	Q1 2010	Q2 2010	Q1 2010	Q2 2010	Q1 2010	Q2 2010
Real GDP growth (yoy, %)	2.7	2.7	11.9	10.3	4.2	2.7	8.1	7.2	8.6	8.9
Consumer Price Index (yoy,%)	2.9	3.1	2.2	2.9	-1.2	-0.9	2.7	2.6	15.3	13.7
Exchange Rate (1LCU:C$)	0.9606	0.9076	0.1547	0.1506	0.0118	0.1112	0.0027	0.0009	0.0227	0.0226

Source: Bank of Canada; and Oxford Economics January - June 2010
Note: Exchange rates, average of 20-22 days.

CTC Market, Research Evaluation