

# TOURISM SNAPSHOT

Canadian Tourism Commission  
canadatourism.com

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

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## KEY HIGHLIGHTS

In October 2006, visits from CTC's key overseas markets decreased (-2.1%) for the fifth consecutive month. Notable are the double-digit growth in trips from Mexico (+19%), China (+14%), and South Korea (+13%).

Trips from the U.S. fell 2.4% in October 2006 -- a smaller decline than the previous month (-4.6%). Following 2 consecutive declines, non-automobile trips have stabilized (-0.8%).

Survey data shows Canadian occupancy rates increasing for the third consecutive year in October (+1.4%), surpassing the 2002 level.

## TOURISM REVIEW

### INTERNATIONAL TRIPS

- This month, international travellers made 1.2 million overnight trips to Canada, for a decline of -2.1% over October 2005.
- Year-to-date, international visits to Canada declined 3.6%. Canada's key overseas markets declined at a slower rate (-1.2%).
- Trips by non-US countries increased for the fourth consecutive year to reach 3.9 million trips, accounting for almost a quarter of total international trips to Canada.
- Regionally, Canada saw slight declines from Oceania (-1.8%) and Europe (-1.8%) during the Jan.-Oct. 2006 period.

### UNITED STATES

- In October 2006, overnight trips from the US decreased (-2.4%). Notable, 'Other trips' from the US posted a strong rebound (+10.9%) following a 17.3% decrease in Oct. 2005.
- For the period Jan.-Oct. 2006, US visits fell 4.8% below the same period in 2005. US trips to P.E.I and Newfoundland posted double-digit increases (+19.9% and +19.5% respectively), while U.S. trips to all other provinces decreased.
- Year-to-date, plane trips to Canada fell 2.0% to reach 3.3 million - surpassing the low in 2003 by about 5,090 trips. Automobile trips to Canada declined by 6.0% to reach 7.4 million trips - a five-year low. US trips by other modes of transportation fell 5.3% to reach 1.5 million trips.

### OVERNIGHT TRIPS TO CANADA

	October 2006	06/05 Oct % Change	Jan-Oct 2006	Year-to-date % Change
<b>United States</b>				
Automobile	522,935	-3.5	7,383,953	-6.0
Plane	288,352	-4.5	3,329,727	-2.0
Other	106,329	10.9	1,528,134	-5.3
US Total	917,616	-2.4	12,241,814	-4.8
<b>Europe/Latin America Key Markets</b>				
France	31,363	1.3	331,359	2.5
Germany	20,821	-9.4	277,519	-7.6
UK	61,605	-4.3	774,468	-4.5
Mexico	12,544	19.4	184,208	10.5
<b>Asia/Pacific Key Markets</b>				
China	13,591	14.3	124,746	25.4
Japan	45,694	-11.5	349,911	-7.4
South Korea	14,404	13.4	169,622	6.1
Australia	10,910	4.9	174,025	-1.5
<b>Overseas Key Markets</b>	<b>210,932</b>	<b>-2.1</b>	<b>2,385,858</b>	<b>-1.2</b>
<b>As % of Key Markets and US</b>	<b>18.7</b>		<b>16.3</b>	
<b>Other Countries</b>	<b>121,244</b>	<b>-0.1</b>	<b>1,535,493</b>	<b>3.3</b>
Total Non-US Countries	332,176	-1.4	3,921,351	0.5
<b>TOTAL COUNTRIES</b>	<b>1,249,792</b>	<b>-2.1</b>	<b>16,163,165</b>	<b>-3.6</b>

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

### OVERNIGHT TRIPS BY CANADIANS

	October 2006	06/05 Oct % Change	Jan-Oct 2006	Year-to-date % Change
<b>United States</b>				
	1,242,753	9.1	13,842,665	7.0
<b>Other Countries</b>	<b>435,830</b>	<b>6.7</b>	<b>5,801,174</b>	<b>6.9</b>
<b>Total Trips from Canada</b>	<b>1,678,583</b>	<b>8.5</b>	<b>19,643,839</b>	<b>6.9</b>

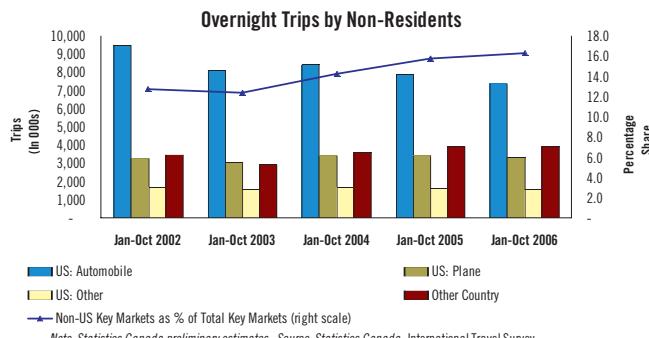
Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

## TOURISM SNAPSHOT

### OVERSEAS KEY MARKETS

- In Oct. 2006, Mexico, China, and South Korea posted double-digit increases of 19.4%, 14.3%, and 13.4%, respectively. Japan (-11.5%) posted the largest decline.
- Year-to-date, visits from overseas key markets decreased 1.2% to reach 2.4 million visits - but still above the levels achieved in 2002, 2003, and 2004.
- For the Jan.-Oct. period, China posted the largest growth rate (+25.4), followed by Mexico (+10.5%). South Korea and France also posted healthy growth rates (+6.1% and +2.5%, respectively). Germany and Japan posted the largest declines (-7.5% and -7.4%, respectively).

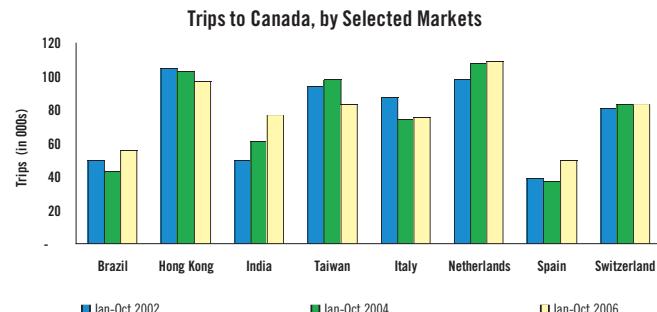


### SHARE OF ENTRY

- Year-to-date, there were 12.2 million US visitors, accounting for 84% of the total visitors from our key markets (76% of all visitors to Canada). 50% were automobile trips, 23% were plane trips, and 10% were other non-automobile trips.
- Visitors from our key Europe/Latin America markets totaled 1.6 million, accounting for 11% of the total. Notable, trips from the UK accounted for 5% of the total.
- 0.8 million visitors from Asia/Pacific key markets visited Canada, accounting for 6% of total tourists from overseas key markets. Japan accounted for 2% of the total.
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a 5-year high (16.3%) in Jan.-Oct. 2006 -- up from 15.8% in 2005 and 12.7% in 2002.

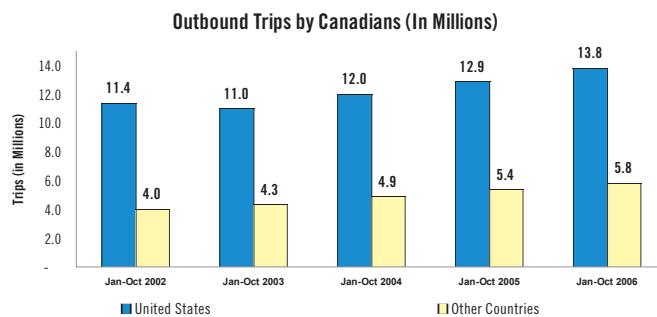
### MARKET WATCH

- This month, Spain posted the largest growth rate (+23.9%) over Oct. 2005, followed by Brazil (+17.4%). Taiwan posted the largest decline (-25.2%).
- Year-to-date, Spain also posted the largest growth rate (+12.4%) over Jan.-Oct. 2005, followed by India (+11.8%). Italy posted the largest decline (-6.7%), followed by Taiwan (-5.2%).
- Compared to Jan.-Oct. 2002, trips from India and Spain posted the largest growth rates (55.2% and 27.6%, respectively).
- Trips from Italy, Taiwan, and Hong Kong, are still lagging behind 2002 levels by 13.6% (11,875 trips), 11.5% (10,841 trips), and 8.0% (8,359 trips), respectively.



### CANADIAN OUTBOUND TRIPS

- Canadian outbound travel continued to increase in October (+8.5%), though at a slightly slower rate than the previous month (+9.1%). Year-to-date, Canadian trips abroad increased 6.9%.
- With the exception of Nova Scotia (-3.2% or less 2,130 trips) and the Yukon (-9.2%, or less 3,589 trips), Canadian visits to the US increased from all provinces in Jan.-Oct. 2006.
- Year-to-date, non-US international visits by Canadians fell from Manitoba (-8.5%), the Yukon (-6.2%), Newfoundland (-5.4%), and Saskatchewan (-1.8%), but increased from all other provinces.
- Notable, residents of Newfoundland and Nova Scotia take many more trips to non-US destinations (42,696 and 85,989 trips respectively) than to the U.S. (4,527 and 64,826 trips respectively) in Jan.-Oct. 2006.



## CONSUMER OUTLOOK

### CONSUMER CONFIDENCE

**CANADA:** With easing gas prices and stabilized interest rates, Canadians are feeling more confident in October 2006 than they were in September 2005. Canadian consumer confidence rose 1.2 points over the previous month to reach 121.5.

**UNITED STATES:** With a less favourable view of the job market and a mixed assessment of business conditions, the US consumer confidence fell in October 2006 after increasing in September. The confidence index fell 0.5 point from the previous month to reach 105.4.

Sources: The Conference Board (USA), and the Conference Board of Canada.

## ACCOMMODATIONS

- In October 2006, occupancy rates in Canada increased 1.4 percentage points over the same month last year. B.C. posted the highest increase (+3.8 points), followed by Saskatchewan (+3.2 points). Newfoundland registered the largest decline (-3.0 points).
- Year-to-date, Canada's occupancy rate increased for the third consecutive year (+0.6 percentage points in Jan.-Oct. 2006), following 5 years of declining occupancy rates. Alberta posted the highest growth (+3.7 points), followed by P.E.I. (+2.1 points). Newfoundland registered the largest decline (-1.4 points).
- As of October 2006, the number rooms available in Canada, increased 5.7% over 2005. The average room rate was \$109.43, up from \$103.07 in October 2005.
- Year-to-date, the average room rate in Canada was \$110.42, up from \$105.07 in Jan.-Oct. 2005. Again, Quebec posted the highest rate (\$135.70), followed by B.C (\$132.17), while Manitoba posted the lowest rate (\$92.40).
- The national average room revenue per available room (RevPAR) was \$67.91 in October, year-to-date. Alberta posted the highest RevPAR (\$93.51), followed by Quebec (\$89.56), and B.C. (\$89.08). Manitoba posted the lowest RevPAR (\$58.95).

## CANADIAN OCCUPANCY RATES, BY PROVINCE\*

	Oct 2006	06/05 Change^	Jan-Oct 2006	Year-to-date Change^	No. of Rooms as of October 06/05 (% Change)
<b>Alberta</b>	72.8	1.6	73.3	3.7	5.9
<b>British Columbia</b>	63.5	3.8	67.4	1.5	6.7
<b>Saskatchewan</b>	69.8	3.2	64.5	1.9	6.1
<b>Manitoba</b>	69.9	3.0	63.8	1.3	-0.4
<b>Ontario</b>	67.1	-0.1	65.1	0.5	5.4
<b>Quebec</b>	68.6	-2.6	66	-0.1	4.6
<b>New Brunswick</b>	63.0	1.9	63.8	0.2	12.3
<b>Nova Scotia</b>	71.5	-2.7	67.6	-0.7	16.3
<b>Newfoundland</b>	65.4	-3.0	64.3	-1.4	-4.3
<b>Prince Edward Island</b>	53.4	-1.0	56.7	2.1	0.0
<b>Northwest Territories</b>	...	...	...	...	0.0
<b>Yukon</b>	...	...	...	...	0.0
<b>Canada</b>	<b>61.9</b>	<b>1.4</b>	<b>61.5</b>	<b>0.6</b>	<b>5.7</b>

\* Note: Data based on survey of hotels (15+ rooms) across Canada. ^ Percentage points.

Source: HVS International and Smith Travel Research, Lodging Outlook.

## COMPETITIVE REVIEW (AUGUST 2006)

- In January to August 2006, the U.S. (+5%) outperformed Canada (-6%), while international trips to Australia remained relatively flat (-1%).
- The U.S. saw strong growth from its top 2 markets - Canada (+7%) and Mexico (+26%). Trips from China (+11%), South Korea (+5%), and Australia (+5%) also posted increases. The increases were somewhat offset by a large decline from France (-16%), and decreases in travel from other top markets -- Japan (-4%), the U.K. (-4%).
- Australia saw strong growth from its top Asian market (China, +7%), along with robust growth from Canada (+8%) and France (+8%). However, decreases from 2 major markets (the UK, -2% and Japan, -4%), along with declines in South Korea (-4%) offset the increases.
- Compared to the U.S., Canada saw stronger performance from France (+3%) and China (+24%). Canada saw stronger growth from top Asian markets, China (+24%) and South Korea (+4%) than Australia.

## INTERNATIONAL TRAVEL, JANUARY-AUGUST 2006 (IN 000s)

TRIPS FROM:	TRIPS TO:					
	Canada		United States		Australia	
#	06/05 Change	#	06/05 Change	#	06/05 Change	#
United States	9,918	-6	...	...	311	1
<b>Total International</b>	<b>12,985</b>	<b>-4</b>	<b>29,240</b>	<b>5</b>	<b>3,494</b>	<b>-1</b>
<b>Other Key Markets</b>						
France	249	3	519	-16	44	8
Germany	211	-7	903	-3	91	2
United Kingdom	599	-5	2,679	-4	424	-2
Mexico	153	10	3,726	26	...	...
China	93	24	306	11	206	7
Japan	255	-5	2,457	-4	430	-4
South Korea	135	4	524	5	165	-4
Australia	139	-2	386	5	...	...
Canada	...	...	11,277	7	71	8
<b>Total Key Markets</b>	<b>11,752</b>	<b>-5</b>	<b>22,777</b>	<b>6</b>	<b>1,742</b>	<b>-0.2</b>

...Not applicable or data not available.

Note: US figures for China includes Hong Kong, SAR; US figures for Mexico include arrivals to interior only.

Sources: Statistics Canada; Tourism Australia; and ITA, Office of Travel and Tourism Industries (USA).

## TOURISM SNAPSHOT

## STRATEGIC PERFORMANCE

- Against the set target of all CTC's core markets, we have a shortfall of 69,000 overnight trips, as of October 2006.
- Trips from the US have essentially matched the set target. Trips from Europe/Latin America have a short fall of 4%, and Asia/Pacific has exceeded its targets by 7%.
- China and Mexico have exceeded the targets set by about 17,000 and 15,000 trips, respectively, in the first ten months of 2006.

**Please note:** Targets are based on Statistic Canada's final data.

## TRAVEL VOLUMES, JANUARY - OCTOBER 2006

	Trips Made (000s)		
	Target	Actual	% Difference
<b>Europe/Latin America</b>			
France	335	331	-1.0
Germany	299	278	-7.3
UK	836	775	-7.4
Mexico	169	184	9.1
<b>Asia/Pacific</b>			
China	108	125	15.0
Japan	369	350	-5.2
S Korea	168	170	0.7
Australia	165	174	5.5
<b>United States</b>	<b>12,247</b>	<b>12,242</b>	<b>0.0</b>
<b>TOTAL</b>	<b>14,697</b>	<b>14,628</b>	<b>-0.5</b>

*Note: As per strategic plans.*