

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

November 2006

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key highlights

In November 2006, visits from CTC's key overseas markets decreased 1.8%. Notable, South Korea and France posted their highest increases of the year (+23% and +10%, respectively).

Trips from the U.S. posted its lowest rate of decline (-1.8%) since April 2006. Automobile trips have stabilized (-0.1%) while non-automobile trips have fallen 4.3%.

Survey data shows Canadian occupancy rates decreasing slightly in November (-1.5%), however, still above the levels achieved in 2001-2004.

tourism review

International trips

- This month, international travellers made almost 900,000 overnight trips to Canada, a decline of -1.5% over November 2005.
- Year-to-date, international visits to Canada declined 3.5%. Canada's key overseas markets declined at a slower rate (-1.2%).
- Trips by non-US countries increased for the third consecutive year to reach 4.1 million trips in Jan.-Nov. 2006. Non-US trips accounted for 24% of total international trips to Canada (up from 19% in 2002).
- Regionally, Canada saw slight declines from Oceania (-1.8%) and Europe (-1.7%) during the Jan.-Nov. 2006 period.

United States

- In November 2006, overnight trips from the US decreased 1.8% -- the lowest rate of decline since April 2006.
- Automobile trips have stabilized (-0.1%) while plane trips have declined (-3.8%). Following a rebound in 2005, 'other trips' have posted a decline in November (-6.9%).
- For the period Jan.-Nov. 2006, US visits fell 4.7% below the same period in 2005. US trips to Newfoundland and P.E. I. once again posted double-digit increases (+22% and +20% respectively), while U.S. trips to all other provinces decreased.

Overnight trips to Canada

	Nov. 2006	06/05 Nov % Change	Jan-Nov 2006	Year-to-date % Change
United States				
Automobile	404,402	-0.1	7,788,355	-5.7
Plane	232,042	-3.8	3,561,769	-2.1
Other	40,206	-6.9	1,568,340	-5.3
US Total	676,650	-1.8	12,918,464	-4.7
Europe/Latin America Key Markets				
France	12,983	10.2	344,342	2.8
Germany	10,195	-8.6	287,714	-7.7
UK	31,759	-2.6	806,227	-4.4
Mexico	8,479	13.9	192,687	10.6
Asia/Pacific Key Markets				
China	10,153	5.5	134,899	23.6
Japan	19,632	-19.5	369,543	-8.1
South Korea	9,899	23.4	179,521	6.9
Australia	7,692	-1.7	181,720	-1.6
Overseas Key Markets	110,792	-1.8	2,496,653	-1.2
As % of Key Markets and US	14.1		16.2	
Other Countries	81,964	1.8	1,617,462	3.2
Total Non-US Countries	192,756	-0.3	4,114,115	0.5
TOTAL COUNTRIES	869,406	-1.5	17,032,579	-3.5

Note: Statistics Canada preliminary figures.
 Source: Statistics Canada, International Travel Survey.



Overnight trips by Canadians

	Nov. 2006	06/05 Nov % Change	Jan-Nov 2006	Year-to-date % Change
United States	1,143,081	11.1	14,985,746	7.3
Other Countries	415,958	14.0	6,217,132	7.3
Total Trips from Canada	1,559,039	11.9	21,202,878	7.3

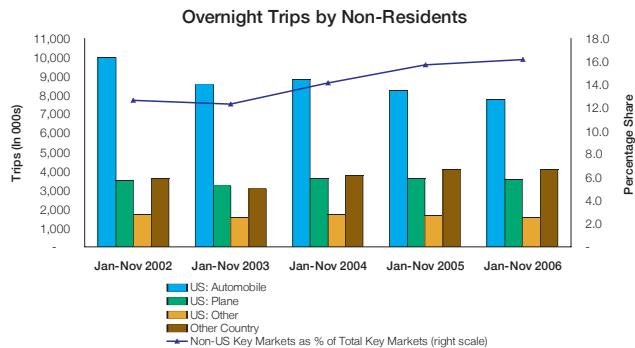
Note: Statistics Canada preliminary figures.

Source: Statistics Canada, International Travel Survey.

- Year-to-date, US plane trips fell 2.1% to reach 3.6 million -- about 81,000 trips below the high in 2004, however, above the levels achieved during the 1997-2003 period. 'Other trips' to Canada fell 5.3% to reach 1.6 million - surpassing the low in 2004 by about 139,000 trips. Automobile trips to Canada declined by 5.7% to reach 7.8 million trips - a four-year low.

Overseas Key Markets

- In Nov. 2006, South Korea, Mexico, and France posted double-digit increases of 23.4%, 13.9%, and 10.2%, respectively -- Notable, South Korea and France posted their largest increases of 2006. Japan (-19.5%) posted the largest decline.
- In contrast to the 8% increase registered in Jan.-Nov. 2005, visits from overseas key markets decreased 1.2% to reach 2.5 million visits, but still above the levels achieved in 2002, 2003, and 2004.
- For the Jan.-Nov. period, China posted the largest growth rate (+23.6), followed by Mexico (+10.6%). South Korea and France also posted healthy gains of 6.9% and 2.8%, respectively. Japan and Germany posted the largest declines (-8.1% and -7.7%, respectively).



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

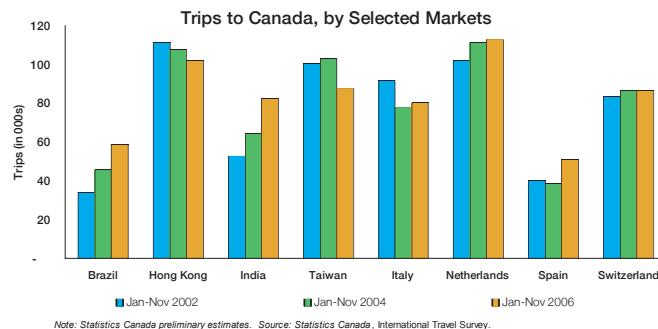
Share of Entry

- Year-to-date, 12.9 million US residents visited Canada, accounting for 84% of the total visitors from our key markets. 50% were automobile trips (down from 57% in 2002) and 33% were non-auto trips (up from 30% in 2002).
- Visitors from our key Europe/Latin America markets totaled 1.6 million, accounting for 11% of the total. 0.9 million visitors from Asia/Pacific key markets visited Canada, accounting for 6% of total tourists from overseas key markets.

- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a 5-year high (16.2%) in Jan.-Nov. 2006 -- up 3.5 percentage points from 2002.

Market Watch

- This month, India posted the largest growth rate (+17.5%) over November 2005, followed by Spain (+12.7%). The Netherlands posted the largest decline (-10.9%).
- Year-to-date, Spain and India posted the largest gains (+12.4% and +12.2%, respectively) over Jan.-Nov. 2005. Italy posted the largest decline (-6.4%), followed by Taiwan (-6.3%).
- Notable, are the number of visits from India in Jan.-Nov. 2006 (82,356 trips) which have surpassed Italy (79,954) and closely trailing Switzerland (86,618).
- Trips from Italy, Taiwan, and Hong Kong, are still lagging behind 2002 levels by 12.8% (11,686 trips), 12.7% (12,785 trips), and 8.5% (9,424 trips), respectively.

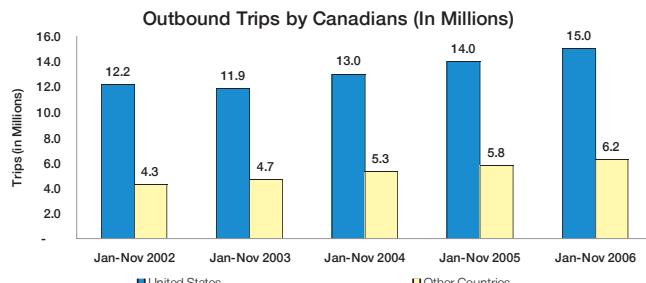


Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey.

Canadian Outbound Trips

- Canadian outbound travel continued to increase in November (+11.9%). Year-to-date, Canadian trips abroad increased 7.3%.
- Year-to-date, non-US international visits by Canadians fell from 4 provinces - Newfoundland (-9%), Manitoba (-8.1%), the Yukon (-4.9%), and Saskatchewan (-1.6%).
- With the exception of the Yukon (-9.4%) and Nova Scotia (-2.3%), Canadian visits to the US increased from all provinces in Jan.-Nov. 2006.

consumer outlook

Consumer Confidence

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

CANADA: With concerns over Canada's manufacturing sector, Canadian consumer confidence fell to its lowest level since November 2002, falling 2 points over the previous month to reach 119.0 in November 2006.

UNITED STATES: With a less favourable view of the job market, the US consumer confidence fell for the second consecutive month, by 2.2 points to reach 102.9 in November 2006.

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

accommodations

- In November 2006, occupancy rates in Canada fell slightly (-1.5 percentage points) over the same month last year. Manitoba posted an impressive gain (+9.9 points), while B.C. posted the largest decline (-2.0 points).
- Year-to-date, Canada's occupancy rate increased for the third consecutive year (+0.4 percentage points in Jan.-Nov. 2006), to surpass the level achieved in 2002. Alberta posted the highest growth (+3.4 points), followed by Manitoba (+2.2 points). Newfoundland registered the largest decline (-1.1 points).
- As of November 2006, the number rooms available in Canada increased 5.4% over 2005. The average room rate was \$104.83, up from \$97.24 in November 2005.

- Year-to-date, the average room rate in Canada was \$109.62, up from \$104.27 in Jan.-Nov. 2005. Again, Quebec posted the highest rate (\$134.69), followed by B.C. (\$130.51), while Saskatchewan posted the lowest rate (\$93.05).
- The national average room revenue per available room (RevPAR) was \$66.54 in November, year-to-date. Alberta posted the highest RevPAR (\$92.49), followed by Quebec (\$88.09). P.E.I. posted the lowest RevPAR (\$60.25).

Canadian Occupancy Rates, By Province*

	Nov 2006	06/05 Change^	Jan-Nov 2006	Year-to-date Change^	No. of Rooms as of November 06/05 % Change
Alberta	71.7	1.8	73.1	3.4	8.1
British Columbia	54.2	-2.0	66.3	1.3	4.6
Saskatchewan	67.9	0.0	64.9	1.8	6.8
Manitoba	69.6	9.9	64.4	2.2	-5.1
Ontario	61.8	-0.8	64.8	0.4	4.7
Quebec	59.4	-0.3	65.4	-0.1	7.3
New Brunswick	61.2	0.6	63.5	0.2	9.6
Nova Scotia	63.1	0.2	67.1	-0.7	12.3
Newfoundland	57.7	1.5	63.7	-1.1	0.5
Prince Edward Island	39.6	-0.3	55.1	1.8	0.0
Northwest Territories	...	...	...	...	...
Yukon	...	...	...	...	...
Canada	53.7	-1.5	60.7	0.4	5.4

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

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

competitive review (September 2006)

During the January to September 2006 period, Canada registered poorer performance than its key competitors, with international trips dropping by 4%; whereas the U.K. and the U.S. increased respectively by 8% and 5% and Australia registered a more moderate decline of 1%. Canada saw a better performance from China (+27%) than competitor countries; however, while visits from the U.S. dropped 5%, U.S. visits to the U.K. increased by 7%.

The U.S. experienced significant growth from one its top markets - Mexico (+28%). Trips from China (+12%), South Korea (+7%), Canada (+7%) and Australia (+5%) also posted healthy gains. The increases were partially offset by a large decline from France (-14%), and other key markets -- Japan (-5%), the U.K. (-4%), and Germany (-3%).

Australia registered upbeat growth from its top Asian market, China (+8%), but decreases from Japan (-5%) and South Korea (-1%). While trips from France (+8%) and Germany (+2%) increased, trips from the UK declined slightly (-1%). Trips from North America increased in Q1-Q3, 2006 (Canada, +8% and the U.S., +2%).

International Travel, January-September 2006 (In 000s)

TRIPS FROM:	TRIPS TO:							
	Canada		United States		Australia		United Kingdom	
#	06/05 Change	#	06/05 Change	#	06/05 Change	#	06/05 Change	
United States	11,279	-5	...	...	341	2	2,914	7
Total International	14,868	-4	32,900	5	3,920	-1	24,710	8
Other Key Markets								
France	300	3	584	-14	48	8	2,905	12
Germany	257	-7	1,048	-3	103	2	2,669	4
United Kingdom	713	-5	3,076	-4	465	-1	...	...
Mexico	172	10	4,147	28	...	...	63	2
China	111	27	350	12	227	8	99	9
Japan	304	-7	2,784	-5	482	-5	255	-3
South Korea	155	5	590	7	184	-1	...	...
Australia	163	-2	453	5	...	...	722	-3
Canada	...	...	12,600	7	78	8	687	9
Total Key Markets	13,454	-5	25,632	6	1,929	0	10,314	7

...Not applicable or data not available. Note: 1. US figures for China includes Hong Kong, SAR; US figures for Mexico include arrivals to interior only. 2. Statistics Canada preliminary figures.

Sources: Statistics Canada; Australian Bureau of Statistics; National Statistics (UK); and ITA, Office of Travel and Tourism Industries (USA).

- The U.K.'s Jan.-Sept. 2006 figures show increases in all markets listed with the exception of Japan (-3%) and Australia (-3%).

strategic performance

Travel Volumes, January - November 2006

	Trips Made (000s)		
	Target	Actual	% Difference
Europe/Latin America			
France	347	344	-0.9
Germany	310	288	-7.1
UK	873	806	-7.7
Mexico	175	193	10.3
Asia/Pacific			
China	118	135	14.4
Japan	390	370	-5.1
S Korea	177	180	1.7
Australia	173	182	5.2
United States	12,912	12,918	0.0
TOTAL	14,697	14,628	-0.5

Note: As per strategic plans.

- Against the set target of all CTC's core markets, we have a shortfall of 69,000 overnight trips (-0.5%), as of November 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 1%.
- Mexico, China, Australia and South Korea have exceeded the targets set by about 18,000, 17,000 9,000 and 3,000 trips, respectively, in the first eleven months of 2006.

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

**CTC Marketing
Market Research**