

# 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

Total international trips to Canada fell 2.7% this month. Americans made fewer automobile trips to Canada (-4.1%) setting a new record low, resulting in an overall decline in travel from the US (-3.9%).

CTC's key overseas markets also declined (-1.9%), however China (+24.5%) and Mexico (+14.9%) posted strong gains.

Year-to-date, Canadian outbound travel hit an all-time high reaching 16.2 million trips.

The US confidence index fell sharply in August 2006 (-7.4 points) from the previous month - this combined with a sluggish economy, could further hinder US outbound travel.

## TOURISM REVIEW

### INTERNATIONAL TRIPS

- International travellers made 2.7 million trips to Canada this month, down 2.7% over August 2005.
- Year-to-date, international visits to Canada continued to decline (-4.1%) at a similar rate as July 2006 (-4.5%).
- In the first eight months of 2006, visits from Europe fell slightly (-1.6%), while trips from all other regions increased.
- Trips by non-US countries increased 1.1% over Jan.-Aug. 2005 to reach 3.1 million trips - accounting for almost a quarter of total international trips to Canada.

### UNITED STATES

- Led by the record low US automobile trips to Canada (1.3 million), Americans made fewer overnight trips to Canada this month (-3.9%) compared to August 2005 totaling 2.1 millions trips.
- Year-to-date, US visits reached 9.9 million trips, 5.6% below the same period in 2005. US non-automobile trips have fallen at a slower rate (-3.9%) than automobile trips (-6.6%).
- Following a peak in Jan.-August 2005, US plane trips fell 2.3% in 2006. However, the 2006 level is slightly higher than the level achieved in 2002, but lagging behind 2004.
- US automobile visits decreased (-6.6%) this period, totalling 6.1 million trips. US automobile trips to all provinces fell in Jan.-August 2006.

## OVERNIGHT TRIPS TO CANADA

	August 2006	06/05 Aug % Change	Jan-Aug 2006	Year-to-date % Change
<b>United States</b>				
Automobile	1,323,178	-4.1	6,074,321	-6.6
Plane	461,026	-0.2	2,663,763	-2.3
Other	298,944	-8.3	1,179,988	-7.4
US Total	2,083,148	-3.9	9,918,072	-5.6
<b>Europe/Latin America Key Markets</b>				
France	54,933	0.3	248,942	3.0
Germany	49,702	-6.9	211,358	-7.2
UK	114,113	-5.5	599,281	-5.1
Mexico	25,527	14.9	153,050	10.1
<b>Asia/Pacific Key Markets</b>				
China	17,541	24.6	92,454	24.4
Japan	46,251	-7.6	254,804	-4.7
South Korea	23,547	-0.2	135,280	4.2
Australia	22,432	0.9	138,727	-1.8
<b>Overseas Key Markets</b>	<b>354,046</b>	<b>-1.9</b>	<b>1,833,896</b>	<b>-1.0</b>
<b>As % of Key Markets and US</b>	<b>14.5</b>		<b>15.6</b>	
<b>Other Countries</b>	<b>239,631</b>	<b>8.0</b>	<b>1,233,185</b>	<b>4.4</b>
<b>Total Non-US Countries</b>	<b>593,677</b>	<b>1.8</b>	<b>3,067,081</b>	<b>1.1</b>
<b>TOTAL COUNTRIES</b>	<b>2,676,825</b>	<b>-2.7</b>	<b>12,985,153</b>	<b>-4.1</b>

Note: Statistics Canada preliminary figures.

Source: Statistics Canada, International Travel Survey.

## OVERNIGHT TRIPS BY CANADIANS

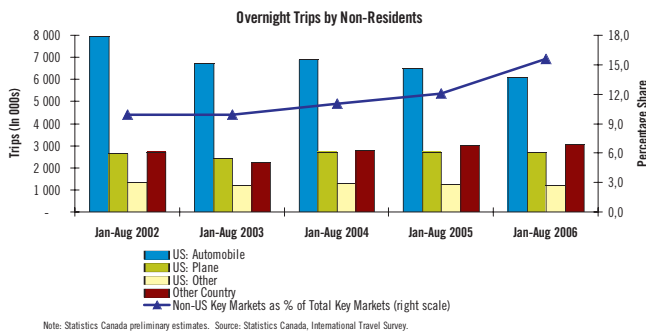
	August 2006	06/05 Aug % Change	Jan-Aug 2006	Year-to-date % Change
United States	2,000,332	7.8	11,277,059	6.5
Other Countries	594,225	4.0	4,879,757	6.5
Total Trips from Canada	2,594,557	6.9	16,156,816	6.5

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

## OVERSEAS KEY MARKETS

- In August 2006, CTC's key markets (excluding US) fell 1.9% (less 6,962 trips) over the same month in 2005. Fewer visits from Japan (-7.6%), Germany (-6.9%) and the UK (-5.5%) accounted for the bulk of the decline. The August terrorists arrests in the UK are a likely factor in the decline from the UK.
- Following a high in 2005, visits from our non-US key markets decreased (-1.0%) in Jan.-Aug. 2006 totalling 1.8 million visits.
- Year-to-date, increases from China (+24.4%, or 18,147 trips), Mexico (+14.9%, 14,085 trips), South Korea (+4.2% or 5,460 trips), and France (+3.0% or 7,305 trips) offset declines from Germany (-7.2%, less 16,464 trips), UK (-5.1%, less 31,948 trips), Japan (-4.7%, less 12,563 trips), and Australia (-1.8%, less 2,484 trips).
- Notable, in Jan.-Aug. 2006, visits from China, Mexico and South Korea have reached a 5-year high, surpassing their 2002 levels by 66%, 29%, and 17%, respectively.

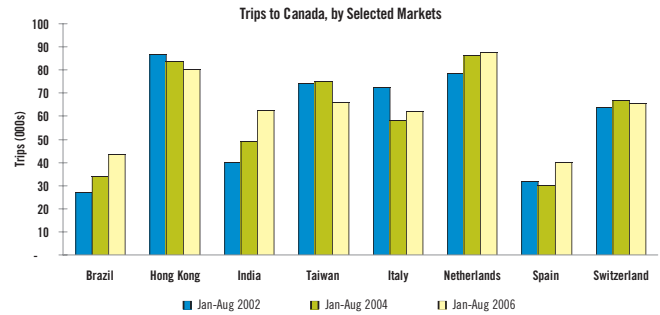


## SHARE OF ENTRY

- From Jan.-August 2006, there were 9.9 million US visitors, accounting for 84% of the total visitors from our key markets (52% automobile trips, 23% plane trips, and 10% other modes of transportation). Visitors from our key Europe/Latin America markets totalled 1.2 million, accounting for 10% of the total key markets. 621,265 visitors from Asia/Pacific key markets traveled to Canada, accounting for 5% of total tourists from our key markets.
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a 5-year high (15.6%) year-to-date - up from 15.0% in 2005 and 13.5% in 2002.

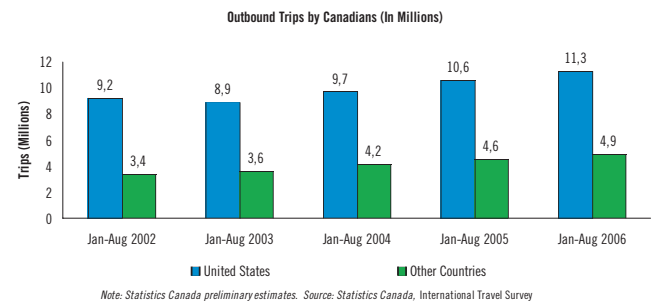
## MARKET WATCH

- Compared to Jan.-Aug. 2005, India posted the largest growth rate (+13.4%), followed by Spain (+11.9%), Brazil (+6.6%), the Netherlands (+0.6%). These four countries have reached their highest level in 5 years.
- Compared to Jan.-August 2002, trips from Brazil and India posted the highest growth rates (+62% and +55%, respectively), followed by Spain (+27%), the Netherlands (+11%) and Switzerland (+3%).
- Trips from Taiwan and Hong Kong are still lagging behind 2002 levels by 11% (8,399 trips) and 8% (6,889 trips), respectively.



## CANADIAN OUTBOUND TRIPS

- Year-to-date, Canadian outbound travel reached an all-time high of 16.2 million trips. Trips to the US increased 6.5% (to reach 11.3 million trips), and trips to overseas countries increased 6.5% (to reach 4.9 million trips).
- With the exception of Yukon (-9.3% or 3,133 trips) and Nova Scotia (-4.8% or 2,637 trips), Canadian visits to the US increased from all provinces in Jan.-Aug. 2006.
- Year-to-date, overseas visits by Canadians fell from Manitoba (-9.6% or 6,046 trips), Yukon (-3.0% or 26 trips), Newfoundland (-2.0% or 747 trips), and Saskatchewan (-1.7% or 455 trips), but increased from all other provinces.



## CONSUMER OUTLOOK

## CONSUMER CONFIDENCE

**CANADA:** Canadian consumer confidence remains essentially the same in August 2006, falling slightly (-0.7 point) over the previous month to reach 119.3. Compared to the same time last year, the Canadian consumer confidence is up by +1 point.

**UNITED STATES:** Following two consecutive increases (+1.1 points in July and +1 point in June), the US consumer confidence fell sharply in August 2006. The confidence index fell 7.4 points from the previous month to reach 99.6. Compared to the previous year, the US consumer confidence is down by 6 points.

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

## ACCOMMODATIONS

- In August 2006, occupancy rates in Canada increased 2.7 percentage points over the same month last year. Newfoundland posted a strong increase (+12.6 points), followed by Manitoba (+4.2 points) and Alberta (+2.7 points). Saskatchewan (-0.8 points), Quebec (-0.5 points), and Prince Edward Island (-0.1%) all posted marginal declines.
- The national occupancy rate increase in the first eight months of 2006 constitutes an eight consecutive year gain reaching 75.4%, however still 4.2 percentage points below the peak in 1998.
- As of August 2006, 167,595 rooms were available, an increase of 6.8% (or 10,603 rooms) from the previous year. Ontario accounted for 46% of the increase and Alberta and B.C. accounted for 26.8%.
- Year-to-date, the average room rate in Canada was \$110.25, up from the \$104.77 in Jan-August 2005. Once again, Quebec posted the highest rate (\$135.76), followed by B.C. (\$133.40), while Saskatchewan posted the lowest rate (\$91.69).
- The national average room revenue per available room (RevPAR) was \$66.59 in August, year-to-date. Alberta posted the highest RevPAR (\$91.69), followed by B.C. (\$90.45), and Quebec (\$87.57). The Yukon Territory posted the lowest RevPAR (\$55.84).

## CANADIAN OCCUPANCY RATES, BY PROVINCE

	Aug. 2006	06/05 Change *	Jan-Aug 2006 Occupancy Rate	Year-to-date Change *	No. of Rooms as of Aug 2006	06/05 % Change
Alberta	80.0	2.7	72.2	4.0	24,007	6.5
British Columbia	81.5	0.7	67.8	2.4	29,155	5.0
Saskatchewan	67.8	-0.8	63.1	1.2	5,717	10.1
Manitoba	70.8	4.2	62.2	0.5	4,754	6.3
Ontario	75.6	2.6	63.5	0.7	69,424	7.5
Quebec	77.8	-0.5	64.5	0.3	23,314	4.4
New Brunswick	79.6	1.5	62.8	-0.4	3,502	13.4
Nova Scotia	83.3	0.9	65.1	-0.7	4,381	22.5
Newfoundland	84.8	12.6	62.9	-2.0	1,751	-4.4
Prince Edward Island	84.2	-0.1	54.7	2.3	939	0.1
Northwest Territories	...	...	...	...	66	0.0
Yukon	77.0	1.7	59.9	-0.4	585	0.0
Canada	75.4	2.7	60.4	0.6	167,595	6.8

\* percentage points ... not available.

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

## COMPETITIVE REVIEW (JANUARY - JUNE 2006)

- International visits to the **US** increased 4% from January-June 2006, compared to the same period in 2005. Strong growth came from Mexico (+29%), and China (+11%). However, all three key European markets declined with France leading the way (-17%), followed by the United Kingdom (-5%), and Germany (-3%). Asia Pacific countries, Japan and Australia, also registered a decrease during this period (-4% and -1%, respectively).
- Canada**, on the other hand, registered a decline (-3%), with 7.4 million arrivals from January to June 2006. Positive gains came from China (+21%), Mexico (+14%), South Korea (+5%) and France (+5%). There were fewer visitors from the US (-4%), Germany (-4%), Japan (-4%), the UK (-3%), and Australia (-1%).
- Australia** also registered a slowdown in international visits from January-June 2006 with a decrease of 1%. Compared to the same period last year, visits from Canada experienced strong growth (+8%). Visits from European countries, Germany (+6%) and France (+4%), also registered gains, while visits from the UK remained steady. Of Asian countries, trips from China increased (+5%) while visits from South Korea (-5%) and Japan (-3%) declined.

## INTERNATIONAL TRAVEL, JANUARY - JUNE 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
Total International	7,396	-3	19,796	4	2,597	-1	14,740	5
United States	5,572	-4	...	...	234	3	1,688	5
Other Key Markets								
France	136	5	343	-17	28	4	1,979	7
Germany	117	-4	641	-3	68	6	1,578	5
United Kingdom	368	-3	1,953	-5	341	0	...	...
Mexico	85	14	2,402 <sup>1</sup>	29	...	...	42	50
China	55	21	211 <sup>*</sup>	11	150	5	51	11
Japan	166	-4	1,768	-4	318	-3	148	-7
South Korea	82	5	357	5	123	-5	...	...
Australia	94	-1	283	4	...	...	340	-13
Canada	...	...	7,421	6	57	8	399	16
Total Key Markets	6,675	-4	15,379	5	1,319	0	6,225	5

...Data not available or not applicable. <sup>\*</sup>Includes Hong Kong, SAR. <sup>^</sup>Estimation. <sup>1</sup>Arrivals to the interior only.  
 Sources: Statistics Canada; Australian Bureau of Statistics; National Statistics (UK); and ITA, Office of Travel and Tourism Industries (USA).

- The **UK's** January to June 2006 figures show positive growth (+ 5%) compared to the same period in 2005. Increases from Mexico (+50%), China (+11%), France (+7%), Germany (+5%) and the US (+5%) helped to offset significant decreases from Australia (-13%) and Japan (-7%).

**STRATEGIC PERFORMANCE**

- Against the target of all CTC's core markets, we have a shortfall of 219,000 overnight trips, as of August 2006.
- Trips from the US have fallen short from its target by 1.5% (or 155,000 trips). Trips from Europe/Latin America have a short fall of 5.5% (or 70,000 trips), whereas Asia/Pacific has a gain of .8% (or 5,000 trips).
- Mexico and China exceeded the target by about 10,000 and 9,000 trips respectively in the first eight months of 2006.

**Please note:** While these figures are indicative, generalizations concerning the state of visits from Canada's key markets should not be drawn from only eight months of data.

**TRAVEL VOLUMES, JANUARY - AUGUST 2006**

	Trips Made (000s)		
	Target	Actual	% Difference
<b>Europe/Latin America</b>			
France	255	249	-2
Germany	226	211	-6
UK	658	599	-9
Mexico	143	153	7
<b>Asia/Pacific</b>			
China	83	92	11
Japan	265	255	-4
S Korea	136	135	-1
Australia	132	139	5
<b>United States</b>	<b>10,073</b>	<b>9,918</b>	<b>-2</b>
<b>TOTAL</b>	<b>11,970</b>	<b>11,751</b>	<b>-2</b>

*Note: As per strategic plans.*