

TOURISM S N A P S H O T

Canadian Tourism Commission
canadatourism.com

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

JANUARY 2006

KEY HIGHLIGHTS

In January 2006, US travel continues to decline (-5.1%), reaching a five-year low.

Spurred by a strong Canadian dollar, Canadians continue to travel more abroad, increasing 7.8% in January 2006 (over the same month in 2005). Trips to the US accounted for a large portion (81%) of the increase.

Canadian accommodation occupancy rates posted a higher rate in January 2006 (44.9%) than in the previous 5 years.

TOURISM REVIEW

INTERNATIONAL TRIPS

- International travellers made 756,573 trips to Canada this month, declining slightly (1.8%) over the previous year.
- Trips from 'Other North America' (excluding the US) posted the largest regional increase (29%), followed by Africa (up 27%), and Asia (up 14%).
- Trips from the United States and Oceania fell 5.1% and 10.4%, respectively in January 2006.
- Trips by non-US countries continue to climb (up 8.5%), accounting for over one quarter of total international trips to Canada.

UNITED STATES

- For the tenth consecutive month, US trips to Canada declined. In January 2006, US trips fell 5.1% (-30,079 trips).
- Total US trips to the top two destinations (Ontario and BC) fell 1.3% and 8.7%, respectively (3,529 and 13,671 trips).
- Automobile trips declined (-3.2%) for the third consecutive year to its lowest level in five years. Automobile trips by Americans to all provinces declined, with the exception of Saskatchewan (up 22.5% or 277 trips).
- US non-automobile trips to Canada fluctuate from year to year -- Following a low in 2004, trips rebounded in January 2005 (14%), then fell again in January 2006 (-7.7%). In the first month of 2006, US non-automobile declined to most provinces, however, gains were recorded in Saskatchewan (11%), New Brunswick (10%), and Manitoba (5%).

OVERNIGHT TRIPS TO CANADA

	January 2006	06/05 Jan % Change
United States		
Automobile	319,928	-3.2
Non-Automobile	235,323	-7.7
US Total	555,251	-5.1
Europe/Latin America Key Markets		
France	17,370	6.7
Germany	10,493	2.6
UK	36,837	1.0
Mexico	9,443	37.8
Asia/Pacific Key Markets		
China	6,860	9.3
Japan	17,317	5.8
South Korea	12,258	3.7
Australia	12,731	-13.2
Overseas Key Markets	123,309	3.7
As % of Key Markets and US	18.2	
Other Overseas Countries	78,013	17.3
Total Non-US Countries	201,322	8.5
TOTAL INTERNATIONAL COUNTRIES	756,573	-1.8

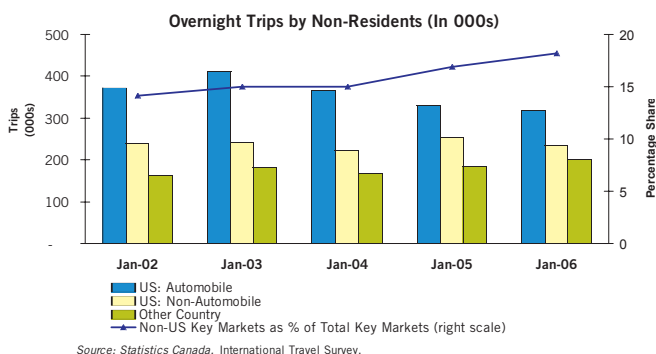
OVERNIGHT TRIPS BY CANADIANS

	January 2006	06/05 Jan % Change
United States	1,083,207	11.2
Other Countries	768,192	3.4
Total Trips from Canada	1,851,399	7.8

Source: Statistics Canada, International Travel Survey.

OVERSEAS KEY MARKETS

- In January 2006, visits from our non-US key markets increased 3.7% over January 2005 to reach 123,309 visits, a 5-year high. Mexico accounted for 59% of the increase.
- Mexico posted the largest growth rate at 38% (+2,588 trips), followed by China and France that posted increases of 9% and 7%, respectively (586 and 1,095 trips). Australia posted a decline of 13% (1,937 trips).

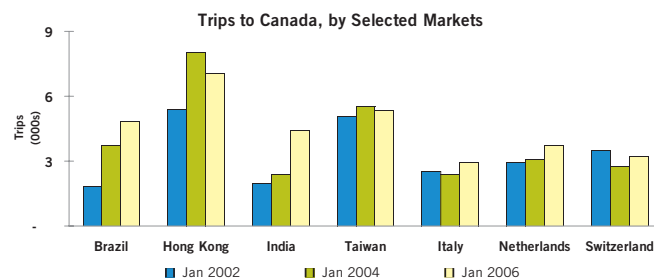


SHARE OF ENTRY

- In January 2006, US visitors to Canada totaled 555,251 and accounted for 82% of the total visitors from our key markets (73% of all visitors to Canada). Visitors from our key Europe/Latin America markets totaled 74,143, accounting for 11% of the total. 49,166 visitors from Asia/Pacific key markets traveled to Canada, accounting for 7% of total tourists from our key markets.

- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US (18.2% in January 2006), up from 16.9% in January 2005 and 14.1% in January 2002.

MARKET WATCH



- Hong Kong posted the largest growth rate (42%) over January 2005, followed by India (38%), and Taiwan (34%).
- Notable are the increases in visitors from Brazil and India since 2002, up 162% (2,980 trips) and 125% (2,446 trips), respectively.
- In the first month of 2006, all markets have surpassed January 2002 levels, with the exception of Switzerland (lagging by 8.5% or 299 trips).

COMPETITIVE REVIEW (JAN-DEC 2005)

- In the **US**, arrivals increased from all regions in the world -- Eastern Europe posted the highest growth rate of (13.9%), while Central America posted the lowest growth rate (0.7%). Arrivals from the top 4 markets (Canada, Mexico, the UK, and Japan) increased 7%, 15%, 1%, and 4%, respectively - together, these 4 markets accounted for 67% of total international arrivals to the US in 2005. Notable is the large increase (24%) in arrivals from China (including Hong Kong).
- In **Australia**, international trips increased from all regions. South Asia posted the highest regional growth rate (20%), driven mainly by trips from India (+22%). Trips from Japan, a major market, fell 4% (24,900 trips) in 2005. However, South Korea (18%), China (13%), and France (10%) posted healthy increases. Trips from other top markets (New Zealand, the UK and the US) also posted increased of 6%, 5%, and 3%, respectively.

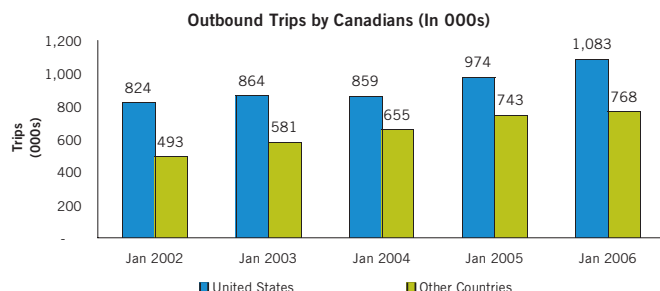
INTERNATIONAL TRAVEL, 2005 (In 000s)

	Trips to:					
	Canada		United States		Australia	
TRIPS FROM:	#	05/04 Change	#	05/04 Change	#	05/04 Change
Total International	18,768	-2	41,149	8	5,497	5
United States	14,388	-5	...	...	446	3
Other Key Markets						
France	356	7	879	13	64	10
Germany	324	8	1,416	7	146	4
United Kingdom	906	10	4,345	1	708	5
Mexico	189	9	4605 ¹	15 ¹	...	...
China	117	15	405 [*]	24 [*]	285	13
Japan	424	2	3,884	4	686	-4
South Korea	180	6	705	13	250	18
Australia	202	12	582	12	...	...
Canada	...	...	14,865	7	103	4
Total Key Markets	17,086	-3	31,685	8	2,688	4

...Data not available. ¹Includes Hong Kong, SAR. ^{*}Arrivals to the interior only.

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

CANADIAN OUTBOUND TRIPS



Source: Statistics Canada, International Travel Survey.

- In January 2006, Canadian outbound travel increased 7.8% over the previous year, surpassing the previous high (in 2005) by 134,130 trips.
- The growth in international travel was led by trips to the US that increased by 108,729 visits.
- Trips to the US (up 11.2%) grew three times faster than trips to non-US countries (up 3.4%).
- Spurred by a more favourable exchange rate, outbound travel from all provinces increased year-over-year with the exception of Nova Scotia (trips to the US fell 9.5%; trips to non-US countries fell 10.3%) and Manitoba (trips to non-US countries fell 19.5%).

ACCOMMODATIONS

CANADIAN OCCUPANCY RATES, BY PROVINCE

	Jan 2006	06/05 Change*	No. of Rooms as of Jan 2006	06/05 Change
Alberta	55.9	5.1	23,407	4.1
British Columbia	48.4	2.8	27,929	6.4
Saskatchewan	50.8	1.7	5,788	0.8
Manitoba	47.5	0.2	4,929	3.7
Ontario	48.0	0.8	68,013	10.4
Quebec	45.1	-0.2	22,995	6.5
New Brunswick	44.6	0.2	3,330	27.4
Nova Scotia	43.8	3.4	4,380	33.8
Newfoundland	40.4	-1.0	1,726	13.5
Prince Edward Island	32.1	1.1	889	0.0
Northwest Territories	...	...	66	0.0
Yukon	...	...	181	0.0
Canada	44.9	1.0	163,633	8.4

* percentage points

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

- In January 2006, occupancy rates in Canada increased 1 percentage point over the same month last year. Alberta maintained its lead, posting the highest occupancy rate in January (55.9%). Newfoundland registered the largest monthly decline, falling 1 percentage point.
- As of January 2006, 163,633 rooms were available in Canada, an increase of 8.4% (or 12,654 rooms) over 2005. -- Half of this growth came from Ontario where the number of rooms increased by 6,387. Also notable are the three Maritime Provinces - New Brunswick, Nova Scotia, and Newfoundland - that posted double-digit growth rates of 27.4%, 33.8%, 13.5%, respectively.

- The average daily rate in Canada was \$98.07 in January 2006, up from \$94.86 in January 2005. B.C. posted the highest rate (\$123.06) in 2006 while P.E.I. posted the lowest rate (\$65.30).
- The national average room revenue per available room (RevPAR) was \$44.03. Alberta posted the highest RevPAR (\$60.94), followed by BC (\$59.56). P.E.I. posted the lowest RevPAR (\$20.96).

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

AIR CAPACITY

AIR CAPACITY, JANUARY 2005 AND 2006

	Jan 2005	Jan 2006	06/05 Jan Change
Australia	11,498	13,144	14.3
China	23,796	28,800	21.0
France	44,332	51,758	16.8
Germany	50,077	47,298	-5.5
Japan	31,992	39,074	22.1
South Korea	18,463	18,140	-1.7
Mexico	42,324	45,720	8.0
United Kingdom	127,244	152,813	20.1
United States	1,466,509	1,576,410	7.5

Source: OAG data (October 2004 and August 2005) as provided by the Conference Board of Canada.

- Air capacity from our largest market, the US, increased 7.5% over January 2006.
- Most notable are the significant increases in air capacity from Japan (22.1%), the UK (20.1%), and China (21.0%).
- Air capacity from Germany and S Korea fell 5.5% and 1.7%, respectively.

CONSUMER OUTLOOK

CANADA: Canadian consumer confidence rose 8 points in January 2006 to reach 124.5 -- the highest level since Spring 2005. Enthusiasm for major purchases rose as consumers felt more confident about the state of household finances and job prospects.

UNITED STATES: Consumer confidence increased for the second consecutive month (2.5 points) to reach 106.3 - the highest level in over three years. Positive assessment of economic conditions, particularly the job market has boosted consumer confidence.

Source: The Conference Board (USA), The Conference Board of Canada.

STRATEGIC PERFORMANCE

Please note strategic performance figures will be posted in the Q1 and subsequent issues.

CTC MARKETING
MARKET RESEARCH