

TOURISM SNAPSHOT

Canadian Tourism Commission
canadatourism.com

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

FEBRUARY 2006

KEY HIGHLIGHTS

The performance of CTC's key overseas target markets softened in February (-3.0%) while US travel to Canada continued to deteriorate (-12.9%)

Canadians continue to travel more abroad this month (up 4.8%), with overseas trips accounting for the majority (58%) of the increase.

Most provincial occupancy rates are above the national average in February 2006.

TOURISM REVIEW

INTERNATIONAL TRIPS

- International travellers made 835,068 trips to Canada this month, declining 10.5% over Feb. 2005.
- While international visits to Canada from South America (+22%), Africa (+16%) and 'Other North America' - excluding US - (+15%) increased in Feb. 2006, visits from all other regions decreased.
- Year-to-date, trips by non-US countries - which account for one quarter of total international trips to Canada -- continued to climb (up 2.9%).

UNITED STATES

- For the eleventh consecutive month, US trips to Canada declined. In February 2006, US trips fell 12.9% to 632,247 visits.
- Year-to-date, US automobile trips to Canada declined by 7.9% to reach 701,151 trips - its lowest level in five years. While US automobile trips to New Brunswick (+1.4%) and Saskatchewan (+14.7%) increased, trips to all other provinces decreased.
- Non-automobile trips to Canada fell 11.5% to reach 486,324 trips in the first two months of 2006. While US non-automobile trips to Saskatchewan (+18.6%) and Manitoba (+5.5%) increased, trips to all other provinces decreased.

OVERNIGHT TRIPS TO CANADA

	February 2006	06/05 Feb % Change	Jan-Feb 2006	Year-to-date % Change
United States				
Automobile	381,223	-11.6	701,151	-7.9
Non-Automobile	251,024	-14.8	486,324	-11.5
US Total	632,247	-12.9	1,187,475	-9.4
Europe/Latin America Key Markets				
France	22,447	0.4	39,817	3.1
Germany	11,430	-1.7	21,923	0.3
UK	44,187	-10.5	81,024	-5.6
Mexico	7,712	21.8	17,155	30.1
Asia/Pacific Key Markets				
China	6,038	15.6	12,898	12.2
Japan	20,813	-3.1	38,130	0.7
South Korea	9,822	8.7	22,080	5.9
Australia	8,165	-11.4	20,896	-12.5
Overseas Key Markets	130,614	-3.0	253,923	0.1
As % of Key Markets and US	17.1		17.6	
Other Overseas Countries	72,207	-0.5	150,220	8.0
Total Non-US Countries	202,821	-2.1	404,143	2.9
TOTAL INTERNATIONAL COUNTRIES	835,068	-10.5	1,591,618	-6.6

Source: Statistics Canada, *International Travel Survey*.

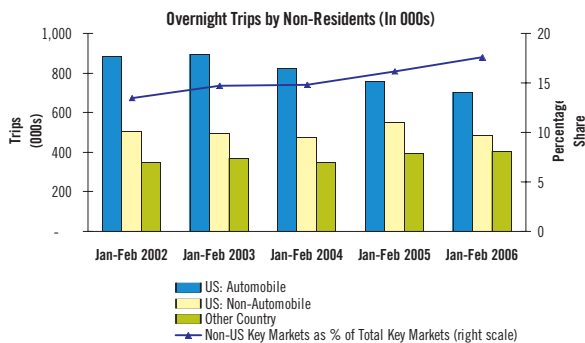
OVERNIGHT TRIPS BY CANADIANS

	February 2006	06/05 Feb % Change	Jan-Feb 2006	Year-to-date % Change
United States	953,289	3.3	2,036,776	7.4
Other Countries	651,715	7.0	1,419,907	5.0
Total Trips from Canada	1,605,004	4.8	3,456,683	6.4

Source: Statistics Canada, *International Travel Survey*.

OVERSEAS KEY MARKETS

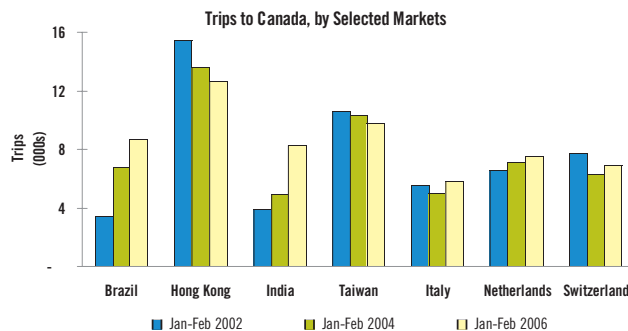
- This month, visits from all our non-US key markets fell 3.0% over Feb 2005. The UK (-10.5%, or down by 5,169 trips) and Australia (-11.4%, or down by 1,047 trips) accounted for the bulk of the decline. Significant gains by Mexico (+21.8%) and China (+15.6%) leveled off the weaker performance by our other key overseas markets.
- Year-to-date, visits from our non-US key markets increased slightly (+0.1%) to reach a 5-year high of 253,923 visits. Mexico posted the largest growth rate (+30.1% or 3,968 trips), followed by China (+12.2%, or 1,402 trips), and South Korea (+5.9%, or 1,230 trips).
- With the exception of the UK and Australia, visits from all other non-US key markets have reached their highest level of the past five years.



SHARE OF ENTRY

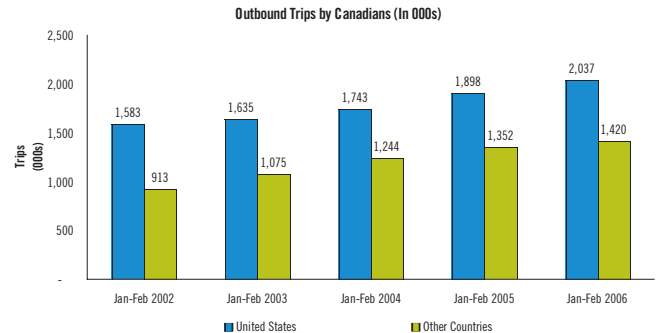
- In Jan.-Feb. 2006, there were 1.2 million US visitors, accounting for 82.4% of the total visitors from our key markets (75% of all visitors to Canada). Visitors from our key Europe/Latin America markets totaled 159,919, accounting for 11.1% of the total. 94,004 visitors from Asia/Pacific key markets visited Canada, accounting for 6.5% of total tourists from our key markets.
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US (17.6% in Jan-Feb 2006), up from 16.2% in 2005 and 13.5% in 2002.

MARKET WATCH



- Year-to-date, India posted the largest growth rate (34%) over the same period last year, followed by Brazil (up 16%).
- In the first two months of 2006, trips from Brazil, India, Netherlands, and Italy surpassed their 2002 levels by 115%, 110%, 14%, and 5%.
- Trips from Hong Kong, Switzerland, and Taiwan are still lagging behind 2002 levels by 18% (2,806 trips), 11% (813 trips), and 8% (856 trips), respectively.

CANADIAN OUTBOUND TRIPS



- For the fifth consecutive year, Canadian outbound trips have increased for the first two months of the year. Spurred by a stronger dollar, Canadian outbound travel increased 6.4%, surpassing the number of trips made in Jan-Feb 2002 by about 962,000 trips.
- Year-to-date, trips to the US grew at a faster pace (+7.4%) than trips to non-US countries (+5.0%); The increase in trips to the US (+139,000) doubled the increase in trips to non-US countries (+68,000)
- With the exception of Nova Scotia (trips abroad fell 16%) and Manitoba (trips to non-US countries fell 12%), outbound travel from all provinces increased year-over-year.

AIR CAPACITY

AIR CAPACITY, FEBRUARY 2004 AND 2005

	Feb 2005	Feb 2006	06/05 Feb Change
Australia	10,440	10,600	1.5
China	21,308	26,280	23.3
Japan	28,896	35,320	22.2
South Korea	16,496	16,496	0.0
France	39,956	46,372	16.1
Germany	44,480	42,472	-4.5
United Kingdom	116,360	138,224	18.8
Mexico	38,576	42,976	11.4
United States	1,338,134	1,428,166	6.7

- Air capacity from our largest market, the US, increased 7% over February 2005.
- China posted the highest growth rate (23%), followed by Japan (22%), and the UK (19%).
- Air capacity from Germany fell 5%.

Source: OAG data as provided by the Conference Board of Canada.

CONSUMER OUTLOOK

CONSUMER CONFIDENCE

CANADA: Canadian consumer confidence fell slightly in February 2006 (-1.1 points) to reach 123.4. Apprehension regarding future job market depressed consumer confidence in Canada.

UNITED STATES: Following three monthly increases, consumer confidence fell 5.1 points in February to reach 101.7 points. Concerns about the short-term health of the economy and job prospects depressed consumer confidence.

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

COMPETITIVE REVIEW, 2005

TOTAL INTERNATIONAL ARRIVALS

- The **UK's** recently released full-year figures for 2005 show that total international arrivals increased by 8% in 2005 to reach 30.0 million visits.
- International arrivals to the **US** also increased by 8% in 2005 to reach 41.1 million visits.
- Australia** received a total of 5.5 million international visitors, an increase of 5% over the previous year.
- International trips to **Canada** fell 2% in 2005 to reach 18.8 million visits.

TOP MARKETS

- Notable for the **UK** are the large increases of tourists from Australia (16%), and Mexico (15%).

- The **US** saw large increases in visitors from China/Hong Kong (+24%) and Mexico (+15%).
- Australia** saw large increases in arrivals from South Korea (18%), China (13%) and France (10%).
- Canada** saw large increases in visitor arrivals from China (15%), Australia (12%), and the UK (10%).

MARKETS IN DECLINE

- UK** saw decreases in Chinese and Japanese visitors (down by 9% and 6%, respectively).
- US visits to the **UK and Canada** fell 5% for both countries in 2005.
- Japanese trips to **Australia** fell 4% in 2005.

Sources: Tourism Australia, Statistics Canada, National Statistics, and ITA, Office of Travel and Tourism Industries.

INTERNATIONAL TRAVEL, 2005 (In 000s)

TRIPS FROM:	TRIPS TO:							
	Canada		United States		Australia		United Kingdom	
	#	05/04 Change	#	05/04 Change	#	05/04 Change	#	05/04 Change
Total International	18,768	-2	41,149	8	5,497	5	29,971	8
United States	14,388	-5	...	...	446	3	3,436	5
Other Key Markets								
France	356	7	879	13	64	10	3,333	2
Germany	324	8	1,416	7	146	4	3,318	12
United Kingdom	906	10	4,345	1	708	5	...	...
Mexico	189	9	4,605	15	...	...	77	15
China	117	15	405*	24*	285	13	127	-9
Japan	424	2	3,884	4	686	-4	326	-6
South Korea	180	6	705	13	250	18	...	...
Australia	202	12	582	12	...	...	915	16
Canada	...	...	14,865	7	103	4	803	9
Total Key Markets	17,086	-3	31,685	8	2,688	4	12,335"	5

...Data not available. *Includes Hong Kong, SAR. ^Estimation. *Arrivals to the interior only. "Excluding S Korea.

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

ACCOMMODATIONS

- In February 2006, occupancy rates in Canada increased 0.7 of a percentage point over the same month last year. Alberta maintained a strong lead, posting the highest occupancy rate (67.0%). Newfoundland registered a monthly decline (-10.4 points).
- As of February 2006, 162,118 rooms were available in Canada, an increase of 0.8% (or 1,232 rooms) over 2005. The large decline in Quebec (down 9% or 2,207 rooms) offset increases in other provinces.
- The average daily rate in Canada was \$102.77 in February 2006, up from \$98.08 in February 2005. Quebec posted the highest rate (\$127.89) in 2006 while P.E.I. posted the lowest rate (\$78.44).
- The national average room revenue per available room (RevPAR) was \$55.80. Alberta posted the highest RevPAR (\$76.78), followed by Quebec (\$75.07). P.E.I. posted the lowest RevPAR (\$39.77).

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

CANADIAN OCCUPANCY RATES, BY PROVINCE

	Feb 2006	06/05 Change*	Jan-Feb 2006	Year-to-date Change *	No. of Rooms as of Feb 2006	06/05 %Change
Alberta	67.0	4.3	61.6	5.2	22,757	0.2
British Columbia	58.1	1.5	53.2	2.4	28,675	4.7
Saskatchewan	55.6	0.5	54.2	2.2	5,743	0.8
Manitoba	59.8	2.3	54.1	2.0	4,490	-3.7
Ontario	56.9	0.6	52.5	0.9	67,718	0.4
Quebec	58.7	1.2	51.6	0.5	22,232	-9.0
New Brunswick	57.0	2.3	50.5	1.2	3,344	11.7
Nova Scotia	54.7	0.0	48.8	-0.1	4,297	12.7
Newfoundland	49.2	-10.4	44.5	-5.5	1,726	6.4
Prince Edward Island	50.7	14.2	41.0	7.4	889	0.0
Northwest Territories	...	...	...	...	66	0.0
Yukon	...	...	...	...	181	0.0
Canada	54.3	0.7	49.8	1.3	162,118	0.8

* percentage points

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