

# TOURISM SNAPSHOT

Canadian Tourism Commission  
canadatourism.com

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

APRIL 2006

## KEY HIGHLIGHTS

In April 2006, US travel to Canada increased for the first time in 13 months (up 1.9% over April 2005).

CTC's key overseas target markets rebounded, increasing 11.2% in April.

Canadians continue to travel more abroad this month (up 12.1%), with trips to the U.S. accounting for the majority (84%) of the increase.

Canadian occupancy rates continue to see steady gains, surpassing the 2002 level.

## TOURISM REVIEW

### INTERNATIONAL TRIPS

- International travellers made 1.1 million trips to Canada this month, increasing 4.1% over April 2005.
- Visits to Canada increased from all key regions in April 2006.
- Year-to-date, international visits to Canada declined 3.8% - a slower rate of decline than in March 2006 (-6.9%).
- Trips by non-US countries - which account for one quarter of total international trips to Canada -- continued to climb -- up 3.5% in Jan.-Apr. 2006.

### UNITED STATES

- This month, overnight trips from the US increased for the first time since March 2005. In April 2006, US visits to Canada rose 1.9% (or 15,238 trips). US automobile trips increased 4.4% while non-automobile trips fell 1.9%.
- Year-to-date, US visits reached 2.7 million trips, however, 6.0% below the same period in 2005.
- From Jan-Apr. 2006, automobile trips to Canada declined by 5.0% to reach 1.6 million trips. While US automobile trips to New Brunswick (+3.5%) and Saskatchewan (+3.1%) increased, trips to all other provinces decreased.
- Non-automobile trips to Canada fell 7.5% to reach 1.1 million trips in the first four months of 2006. While US non-automobile trips to the Yukon (+16.3%), Manitoba (+1.7%), and Saskatchewan (+1.5%) increased, trips to all other provinces decreased.

### OVERNIGHT TRIPS TO CANADA

	April 2006	06/05 Apr % Change	Jan-Apr 2006	Year-to-date % Change
<b>United States</b>				
Automobile	507,059	4.4	1,637,844	-5.0
Non-Automobile	319,133	-1.9	1,098,324	-7.5
<b>US Total</b>	<b>826,192</b>	<b>1.9</b>	<b>2,736,168</b>	<b>-6.0</b>
<b>Europe/Latin America Key Markets</b>				
France	19,989	4.3	76,262	3.8
Germany	15,490	11.1	50,158	2.3
UK	54,206	17.2	184,336	-2.3
Mexico	19,165	84.8	46,933	20.3
<b>Asia/Pacific Key Markets</b>				
China	8,799	25.8	28,817	19.8
Japan	24,334	-15.4	89,543	-4.1
South Korea	11,514	-1.4	44,334	3.3
Australia	10,250	1.1	39,348	-7.0
<b>Overseas Key Markets</b>	<b>163,747</b>	<b>11.2</b>	<b>559,731</b>	<b>1.2</b>
<b>As % of Key Markets and US</b>	<b>16.5</b>		<b>17.0</b>	
<b>Other Overseas Countries</b>	<b>108,263</b>	<b>11.6</b>	<b>347,074</b>	<b>7.4</b>
<b>Total Non-US Countries</b>	<b>272,010</b>	<b>11.3</b>	<b>906,805</b>	<b>3.5</b>
<b>TOTAL INTERNATIONAL COUNTRIES</b>	<b>1,098,202</b>	<b>4.1</b>	<b>3,642,973</b>	<b>-3.8</b>

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

### OVERNIGHT TRIPS BY CANADIANS

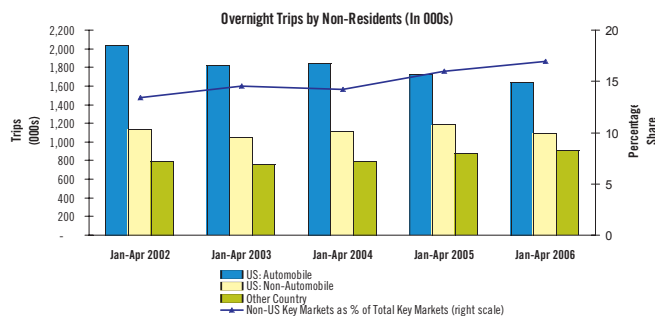
	April 2006	06/05 Apr % Change	Jan-Apr 2006	Year-to-date % Change
<b>United States</b>	<b>1,439,437</b>	<b>15.2</b>	<b>4,972,775</b>	<b>7.3</b>
<b>Other Countries</b>	<b>638,201</b>	<b>5.8</b>	<b>2,848,094</b>	<b>6.3</b>
<b>Total Trips from Canada</b>	<b>2,077,638</b>	<b>12.1</b>	<b>7,820,869</b>	<b>6.9</b>

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

## OVERSEAS KEY MARKETS

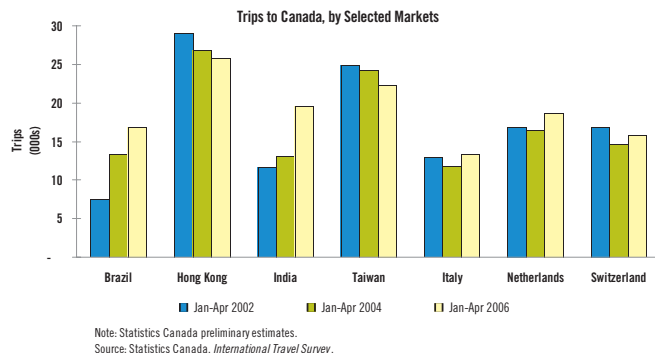
- In April, visits from all our non-US key markets experienced double-digit growth (+11.2%). Notable is the increase in trips from Mexico (+84.8%). China also posted a high growth rate (+25.8%) while Japan posted the largest decline (-15.4%).
- Year-to-date, visits from our non-US key markets increased slightly (+1.2%) to reach a 5-year high of 559,731 visits. Mexico posted the largest growth rate (+20.3%, or 7,922 visits), followed by China (+19.8%, or 4,762 visits). Australia posted the lowest easing off (-7.0%, or 2,976 visits less).
- Notable, visits from France, Germany, Mexico, China, and South Korea have reached their highest level of the past five years.



## SHARE OF ENTRY

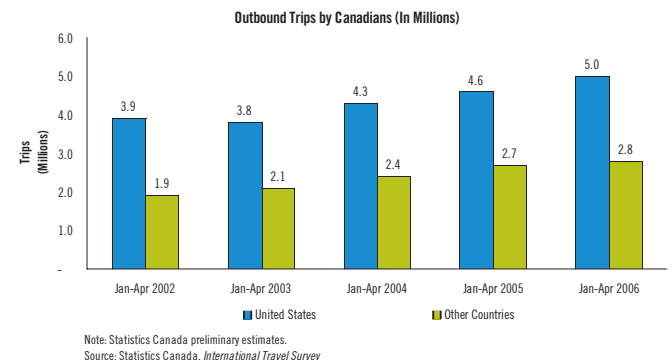
- From Jan.-Apr. 2006, there were 2.7 million US visitors, accounting for 83.0% of the total visitors from our key markets (75% of all visitors to Canada). Visitors from our key Europe/Latin America markets totaled 357,689, accounting for 10.9% of the total. 202,042 visitors from Asia/Pacific key markets visited Canada, accounting for 6.1% 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 (17.0%) in Jan.-Apr. 2006 -- up from 16.0% in 2005 and 13.4% in 2002.

## MARKET WATCH



- Compared to Jan.-Apr. 2005, India posted the largest growth rate (+28%), followed by Brazil (+11%), and the Netherlands (+9%).
- Compared to Jan.-Apr. 2002, trips from Brazil and India posted the highest growth rates (127% and 68%, respectively).
- Italy and the Netherlands have recovered from the 2004 slump to surpass 2002 levels by 11% and 3%, respectively.
- Trips from Hong Kong, Taiwan, and Switzerland, are still lagging behind 2002 levels by 11% (3,238 trips), 10% (2,479 trips), and 6% (1,003 trips), respectively.

## CANADIAN OUTBOUND TRIPS



- Spurred by a stronger dollar, Canadian outbound travel increased 6.9% in Jan.-Apr. 2006, surpassing the number of overnight trips made in the first four months of 2002 by about 2 million trips.
- With the exception of Nova Scotia (-7.8% or 2,150 trips), Canadian visits to the US increased from all provinces in Jan.-Apr. 2006.
- Year-to-date, overseas visits by Canadians fell from the Yukon (-73.9%), Manitoba (-11.2%), Newfoundland (-2.9%), and Saskatchewan (-2.4%), but increased from all other provinces.

## CONSUMER OUTLOOK

## CONSUMER CONFIDENCE

**CANADA:** With a strong economy, Canadian consumer confidence rebounded in April 2006 (+2.0 points over March 2006 and +3.3 points over the previous year) to reach 124.4 - the highest level since April 2002 (126.6).

**UNITED STATES:** The US consumer confidence rose for the second consecutive month (+2.1 points) in April 2006 to reach 109.6 points - the highest level since May 2002 (110.3). An improving labour market boosted consumer confidence.

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

## ACCOMMODATIONS

- In April 2006, occupancy rates in Canada decreased slightly (-0.6 of a percentage point) over the same month last year. Only Alberta (+2.8 points), British Columbia (+0.5), and P.E.I. (+2.4) saw increases in occupancy rate over April 2005. Newfoundland registered the largest decline (-11.4 points).

\$53.91 in April, year-to-date. Alberta posted the highest RevPAR (\$75.16), followed by British Columbia (\$70.27). P.E.I. posted the lowest RevPAR (\$29.26).

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

## CANADIAN OCCUPANCY RATES, BY PROVINCE

	Apr. 2006	06/05 Change*	Jan-Apr 2006	Year-to-date Change*	No. of Rooms as of Apr 2006	06/05 % Change
Alberta	66.4	2.8	66.2	5.4	23,643	5.2
British Columbia	62.2	0.5	58.2	2.5	27,786	7.6
Saskatchewan	61.2	-2.7	60.0	3.0	5,696	6.9
Manitoba	58.5	-5.1	57.0	-0.5	4,705	8.3
Ontario	60.1	-0.8	55.8	1.2	67,483	7.6
Quebec	58.4	-2.8	54.6	0.2	22,581	1.2
New Brunswick	55.7	-4.6	54.5	-0.3	3,495	21.5
Nova Scotia	58.9	-3.7	54.1	-0.3	4,482	34.1
Newfoundland	50.7	-11.4	47.8	-7.3	1,895	16.8
Prince Edward Island	40.2	2.4	40.1	3.9	831	-6.5
Northwest Territories	...	...	...	...	66	0.0
Yukon	...	...	...	...	234	29.3
<b>Canada</b>	<b>56.0</b>	<b>-0.6</b>	<b>53.5</b>	<b>1.5</b>	<b>162,897</b>	<b>7.2</b>

\* percentage points

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

- As of April 2006, 162,897 rooms were available in Canada, an increase of 7.2% (or 10,917 rooms) over 2005. The number of rooms available increased in all provinces with the exception of P.E.I. Most notable are the increases posted by Nova Scotia (+34.1%) and Yukon (+29.3%)
- Year-to-date, the average room rate in Canada was \$100.77, up from \$96.34 in 2005. Quebec posted the highest rate (\$122.98), followed by B.C. (\$120.74), while P.E.I. posted the lowest rate (\$72.98).
- The national average room revenue per available room (RevPAR) was

## COMPETITIVE REVIEW (MARCH 2006)

- In the first three months of 2006, **Australia** saw a 3% drop in international travelers. Regionally, while trips increased from the Americas (+4%), Africa (+12%), and South Asia (+22%), trips fell from all other regions. Visitor trips from Australia's top three markets (UK, New Zealand, and Japan) fell over the same period in 2005 (by 4%, 3%, and 2%). However, trips from the US, another major market, increased slightly (+1%).
- International visits to the **United States** fell 7.5% in the month of March. Year-to-date, international trips to the US increased slightly (+1%). Regionally, the US saw increases in trips from Eastern Europe (+8.0%), Asia (+2.2%), Middle East (+11.3%), Oceania (+1.7%), and S. America (+4.3%), but decreases in trips from all other regions. Trips from major Western European markets posted decreases - UK (-10.5%), France (-15.2%), Germany (-7.4%). Trips from most Asian markets saw increases - China and Hong Kong (+9%) and South Korea (+7%).

## INTERNATIONAL TRAVEL, JANUARY - MARCH 2006 (In 000s)

TRIPS FROM:	TRIPS TO:					
	Canada		United States		Australia	
	#	06/05 Change	#	06/05 Change^	#	06/05 Change
Total International	2,545	-7	9,049	1	1,431	-3
United States	1,910	-9	...	...	124	1
<b>Other Key Markets</b>						
France	56	4	147	-15	17	10
Germany	35	-1	275	-7	44	3
United Kingdom	130	-9	886	-11	225	-4
Mexico	28	-3	996'	5	...	...
China	20	17	96*	9	89	-5
Japan	65	1	932	0	189	-2
South Korea	33	5	173	7	69	-7
Australia	29	-10	118	1	...	...
Canada	...	...	3,533	4	37	7
<b>Total Key Markets</b>	<b>2,306</b>	<b>-8</b>	<b>7,157</b>	<b>1^</b>	<b>794</b>	<b>-2</b>

...Data not available or not applicable. \*Includes Hong Kong, SAR. ^Estimation. ^Arrivals to the interior only.

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

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

## STRATEGIC PERFORMANCE

- Against the set target of all CTC's core markets, we have a shortfall of 208,000 overnight trips, as of April 2006.
- Trips from the US have fallen short from its target by 6% (or 164,000 trips). Trips from Europe/Latin America have a short fall of 8% (or 33,000 trips), and Asia/Pacific has fallen short by 11% (or 24,000 trips).
- Mexico exceeded the targets set by about 4,000 in the first four 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 4 months of data.

## TRAVEL VOLUMES, JANUARY-APRIL 2006

	Trips Made (000s)		
	Target	Actual	Difference (%)
Europe/Latin America			
France	81	76	-6
Germany	53	50	-6
UK	213	184	-14
Mexico	43	47	9
Asia/Pacific			
China	31	29	-6
Japan	100	90	-10
S Korea	46	44	-4
Australia	49	39	-20
United States	2,900	2,736	-6
<b>Total</b>	<b>3,503</b>	<b>3,295</b>	<b>-6</b>

*Note: As per strategic plans.*