

# TOURISM SNAPSHOT

Canadian Tourism Commission  
canadatourism.com

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

JULY 2006

## KEY HIGHLIGHTS

International trips to Canada fell 8.6% in July 2006, while CTC's key overseas markets declined at a slower rate (-4.7%). Notable is China which posted an impressive growth of 35.2%.

Canadians continued to travel more abroad in July (up 8.4%), with overseas trips growing at a faster pace (+12.3%) than visits to the US (+7.3%).

Canadian occupancy rates fell in July (-3.6%) - the highest decline in 2006 to date.

## TOURISM REVIEW

### INTERNATIONAL TRIPS

- International travellers made 2.9 million trips to Canada this month, down 8.6% over July 2005.
- With the exception of Asia and South America, visits from all key overseas regions declined in July 2006.
- Following a sharp increase in Jan.-July 2004 (+11.3%) and modest rise in 2005 (+0.1%), total international visits to Canada declined 4.5% in 2006.
- In the first seven months of 2006, visits from Oceania and Europe fell (-2.6%, and -1.5%, respectively), while trips from all other regions increased.
- Year-to-date, trips by non-US countries increased 0.9% to reach 2.5 million.

### UNITED STATES

- This month, overnight trips from the US fell 10% and was led by a decrease in automobile trips (-11.7%).
- Year-to-date, US visits reached 7.8 million trips, however, 6.0% below the same period in 2005. US non-automobile trips have fallen at a slower rate (-4.0%) than automobile trips (-7.3%).
- Following a peak in Jan.-July 2005, US plane trips fell 2.7% in 2006. However, the 2006 level is still higher than the levels achieved in 2002-2004.
- For the second consecutive year, US automobile visits decreased (-7.3% this period) to reach 4.8 million trips. US automobile trips to all provinces fell in Jan.-July 2006.

### OVERNIGHT TRIPS TO CANADA

	July 2006	06/05 Jul % Change	Jan-Jul 2006	Year-to-date % Change
<b>United States</b>				
Automobile	1,448,078	-11.7	4,751,143	-7.3
Plane	493,649	-6.5	2,202,653	-2.7
Other	321,133	-7.4	881,024	-7.1
US Total	2,262,860	-10.0	7,834,820	-6.0
<b>Europe/Latin America Key Markets</b>				
France	57,533	1.4	194,009	3.8
Germany	44,289	-14.9	161,654	-7.3
UK	117,500	-11.2	485,168	-5.0
Mexico	42,137	1.1	127,523	9.2
<b>Asia/Pacific Key Markets</b>				
China	19,452	35.2	74,913	24.4
Japan	42,092	-4.3	208,553	-4.0
South Korea	29,601	4.6	111,733	5.2
Australia	22,420	-7.6	116,295	-2.2
<b>Overseas Key Markets</b>	375,024	-4.7	1,479,848	-0.8
<b>As % of Key Markets and US</b>	14.2		15.9	
<b>Other Overseas Countries</b>	273,207	-1.3	992,567	3.4
<b>Total Non-US Countries</b>	648,231	-3.3	2,472,415	0.9
<b>TOTAL INTERNATIONAL COUNTRIES</b>	2,911,091	-8.6	10,307,235	-4.5

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

### OVERNIGHT TRIPS BY CANADIANS

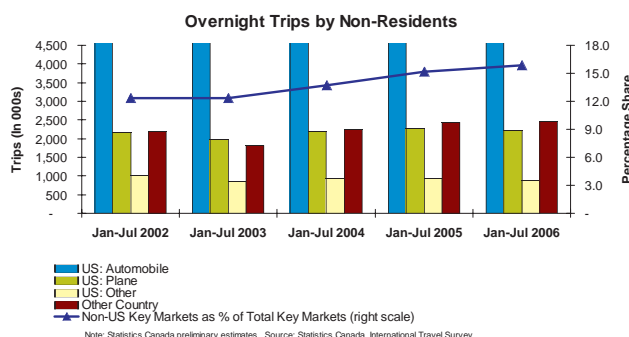
	Jul 2006	06/05 Jul % Change	Jan-Jul 2006	Year-to-date % Change
<b>United States</b>	1,858,630	7.3	9,276,725	6.2
<b>Other Countries</b>	504,248	12.3	4,279,969	6.7
<b>Total Trips from Canada</b>	2,362,878	8.4	13,556,694	6.4

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

## OVERSEAS KEY MARKETS

- In July 2006, CTC's non-US key markets experienced a decline (-4.7%) over the same month in 2005 (less 18,685 trips). Most notable is the strong growth from China (+35.2%) and the easing off from Germany (-14.9%) and the UK (-11.2%). The World Cup finals that took place in Germany are a likely factor in the declines.
- Following a high in 2005, visits from our non-US key markets decreased slightly (-0.8%) in Jan.-July 2006 to reach 1.5 million visits.
- Increases from China (+24.4% or 14,690 trips), Mexico (+9.2%, or 10,773 visits), South Korea (+5.2% of 5,516 trips), and France (+3.8% or 7,130 trips) offset declines from Germany (-7.3%, less 12,807 visits), the UK (-5.0%, less 25,355 visits), Japan (-4.0%, less 8,773 trips), and Australia (-2.2%, less 2,676 visits).
- Notable, in Jan.-July 2006, visits from France, Mexico, China and South Korea have reached a 5-year high, surpassing their 2002 levels by 15%, 29%, 48%, and 24%, respectively.



## SHARE OF ENTRY

- From Jan.-July 2006, there were 7.8 million US visitors, accounting for 84.1% of the total visitors from our key markets (51% automobile trips, 24% plane trips, and 9% by other modes of transportation). Visitors from CTC key Europe/Latin America markets totaled 968,354, accounting for 10.4% of the total. 511,494 visitors from Asia/Pacific key markets visited Canada, accounting for 5.5% of total tourists from CTC key markets.
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a 5-year high (15.9%) year-to-date -- up from 15.2% in 2005 and 12.4% in 2002.

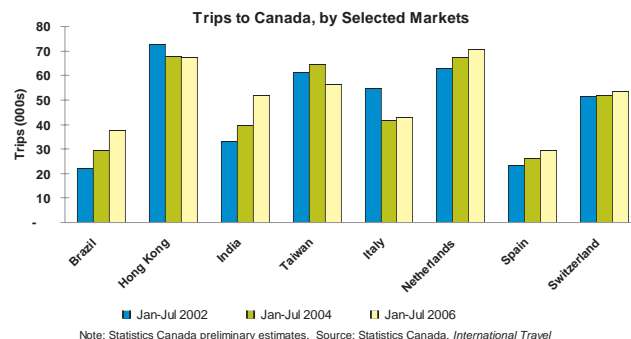
## COMPETITIVE REVIEW

- Please note: At the time the Tourism Snapshot was published, the complete set of statistics were not yet released.

## MARKET WATCH

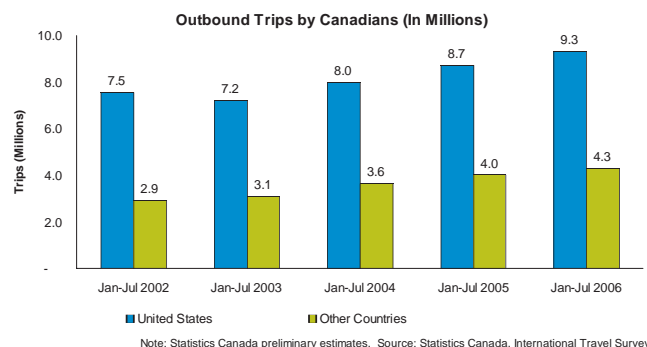
- Compared to Jan.-July 2005, trips from India, Spain, Brazil, and the Netherlands increased (13%, 13%, 8%, and 2%) while visits from Italy, Switzerland, Hong Kong, and Taiwan fell 8%, 5%, 4%, and 1%, respectively.

- Compared to Jan.-July 2002, trips from Brazil and India posted the highest growth rates (+70% and +57%, respectively), followed by Spain (+27%), the Netherlands (+12%) and Switzerland (+3%).
- Trips from Italy, Taiwan, and Hong Kong, are still lagging behind 2002 levels by 22% (12,071 trips), 9% (5,212 trips), and 7% (5,239 trips), respectively.



## CANADIAN OUTBOUND TRIPS

- In 2003, Canadian outbound travel dropped slightly (-1.3%), but has recovered in the three years following to reach 13.6 million in the first seven months of 2006.
- With the exception of the Yukon (-7.2% or 1,806 trips) and Nova Scotia (-5.9% or 2,838 trips), Canadian visits to the US increased from all provinces in Jan.-Jul. 2006.
- Year-to-date, overseas visits by Canadians fell from the Yukon (-24.6% or 88 trips), Manitoba (-10.1% or 6,242 trips), Saskatchewan (-2.0% or 534 trips), and Newfoundland (-1.7% or 526 trips), but increased from all other provinces.



## CONSUMER OUTLOOK

## CONSUMER CONFIDENCE

**CANADA:** Canadian consumer confidence fell in July 2006 (-4.1 points over June 2006 and -3.9 points over the previous year) to reach 120.0 - the lowest level in 2006 to date.

**UNITED STATES:** For the second consecutive month, the U.S. consumer confidence increased slightly (+1.1 points) to reach 106.5 points in July 2006. Consumer confidence was higher in July 2006 than in the previous year (105.8 points).

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

## ACCOMMODATIONS

- In July 2006, the national occupancy rate fell 3.6 percentage points over the previous year -- the highest decline in 2006 to date. British Columbia was the only province to post an increase this month (+0.6%). Manitoba and Quebec posted the largest declines (-7.1% and -5.4%, respectively).
- Year to date, the national occupancy rate rose slightly (0.2 point) to reach 58.1% - close to reaching the level achieved in 2002 (58.5%), but still 3.3 points below the peak of 2001.
- As of July 2006, 166,194 rooms were available, an increase of 3.1% over the same time last year. Ontario accounted for nearly one-third of the increase.
- In Jan.-July, the national average room revenue per available room (RevPAR) was \$62.86, up \$3.11 from the same time last year. Alberta, Quebec, and British Columbia posted the highest RevPAR (\$88.81, \$84.79, and \$83.99, respectively).

## CANADIAN OCCUPANCY RATES, BY PROVINCE

	Jul-06	06/05 % Change	Jan-Jul 2006 Occupancy Rate	Year-to-date % Change	No. of Rooms as of Jul 2006	06/05 % Change
Alberta	81.0	-1.4	71.0	4.1	23,600	4.0
British Columbia	79.1	0.6	64.4	1.3	29,238	2.8
Saskatchewan	64.0	-0.8	60.9	0.0	5,537	...
Manitoba	63.2	-7.1	60.7	-0.2	4,800	...
Ontario	68.6	-3.6	61.3	0.0	68,554	2.2
Quebec	73.1	-5.4	62.1	0.0	22,960	2.0
New Brunswick	74.4	-3.6	60.1	-0.9	3,698	19.7
Nova Scotia	76.1	-4.0	62.4	-1.0	4,381	20.2
Newfoundland	81.2	-0.3	59.5	-4.2	1,836	5.0
Prince Edward Island	76.6	-3.5	50.2	2.5	939	0.1
Northwest Territories	...	...	...	...	66	0.0
Yukon	74.4	0.4	57.4	-0.7	585	-8.3
Canada	69.8	-3.6	58.1	0.2	166,194	3.1

Source: HVS International and Smith Travel Research, Lodging Outlook.  
... not available.

## STRATEGIC PERFORMANCE

- Against the set target of all CTC's core markets, we have exceeded the goal by 190,000 trips, as of July 2006.
- Trips from the US and Asia/Pacific key markets have exceeded targets by 3% (234,000 trips) and 2% (10,000 trips), respectively. Trips from Europe/Latin America key markets have a shortfall of 5% (less 54,000 trips).
- The most notable performances are from Mexico and China, which exceeded the set targets by 11,000 and 9,000 trips, respectively.

## Please note:

- Targets have been adjusted based on Statistics Canada's final data.
- While these figures are indicative, generalizations concerning the state of visits from Canada's key markets should not be drawn from only 7 months of data.

## TRAVEL VOLUMES, JANUARY-JULY 2006

	Trips Made (000s)		
	Target	Actual	Difference (%)
<b>Europe/Latin America</b>			
France	197	194	-2
Germany	175	162	-7
UK	534	485	-9
Mexico	117	128	9
<b>Asia/Pacific</b>			
China	66	75	14
Japan	214	209	-2
S Korea	111	112	1
Australia	111	116	5
United States	7,600	7,834	3
<b>Total</b>	<b>9,125</b>	<b>9,315</b>	<b>2</b>

Note: As per strategic plans.

CTC MARKETING  
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