

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

February 2007

Volume 3, Issue 02

key highlights

In February 2007, largely driven by continued weakness from the U.S. and Japan, international visits declined by 3.6% to reach 805,276 trips.

Canadians continue to travel more to overseas countries (+9.5%). Travel to the US has softened (+1.8%).

Canada's national occupancy rates remained relatively unchanged this month (+0.2 points over February 2006).

tourism review

International trips

- Canada received 805,276 overnight visitors in February 2007, a decline of 3.6% over the same month last year. -- US residents made 586,809 trips to Canada this month and non-US travellers made 218,467 trips to Canada.
- Year-to-date, international visits to Canada declined by 4.0% to reach 1.5 million overnight visitors.
- In Jan.-Feb. 2007, trips from non-US destinations rose by 3.5% to reach 418,258. Regionally, Canada saw declines from Africa (-2.6%) and Asia (-1.6%).

United States

- This month, Canada received 586,809 overnight trips from the US, a decline of 7.2% over February 2006. Plane trips remained fairly steady (-1.6%) while automobile trips fell by 9.3% and other non-automobile trips fell by 15.7%.
- Year-to-date, US visits reached 1.1 million trips, however, 6.5% below the same period in 2006.

Overnight Trips to Canada

	February 2007	07/06 Feb % Change	Jan-Feb 2007	Year-to-date % Change
United States				
Automobile	345,831	-9.3	643,217	-8.3
Plane	205,306	-1.6	398,475	-2.0
Other	35,672	-15.7	68,536	-14.2
US Total	586,809	-7.2	1,110,228	-6.5
Europe/Latin America Key Markets				
France	23,972	6.8	42,148	5.9
Germany	12,247	7.2	23,644	7.9
UK	47,820	8.2	85,875	6.0
Mexico	9,900	28.4	20,697	20.6
Asia/Pacific Key Markets				
China	7,294	20.8	14,912	15.6
Japan	18,508	-11.1	31,824	-16.5
South Korea	10,490	6.8	23,944	8.4
Australia	8,750	7.2	22,092	5.7
Overseas Key Markets	138,981	6.4	265,136	4.4
As % of Key Markets and US	19.1		19.3	
Other Overseas Countries	79,486	10.1	153,122	
Total Non-US Countries	218,467	7.7	418,258	3.5
Total International Countries	805,276	-3.6	1,528,486	-4.0

Note: Statistics Canada preliminary estimates.
 Source: Statistics Canada, International Travel Survey.



Overnight trips by Canadians

	February 2007	07/06 Feb % Change	Jan-Feb 2007	Year-to-date % Change
United States	969,422	1.8	2,125,589	4.5
Other Countries	713,438	9.5	1,586,041	11.7
Total Trips from Canada	1,682,860	4.9	3,711,630	7.4

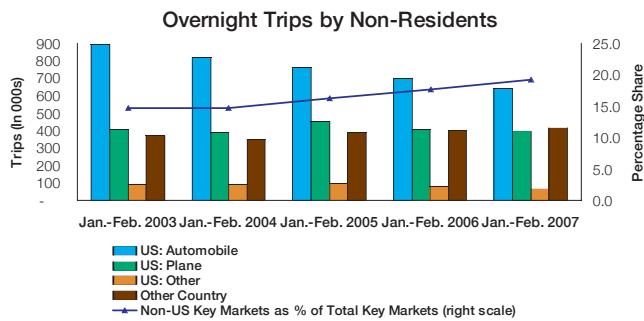
Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

- In the first 2 months of 2007, automobile trips to Canada declined by 8.3% to reach 643,217 trips. While US automobile trips to the Yukon increased slightly (+0.2%) and Nova Scotia remained unchanged, automobile trips to all other provinces decreased.
- Non-automobile trips to Canada fell 4.0% to reach 467,011 trips in Jan.-Feb. 2007. While US non-automobile trips to 3 provinces showed healthy growth -- Alberta (+14.8% or 6,278 trips), Nova Scotia (+11.8% or 486 trips), and B.C. (+6.4% or 6,788 trips) -- trips to all other provinces decreased.

Overseas Key Markets

- In February, visits from all our non-US key markets experienced a 6.4% increase. Notable are the increases in trips from Mexico (+28.4%) and China (+20.8%). Japan was the only key overseas market posting a decline (-11.1%).
- Following a slight increase in Jan.-Feb. 2006 (+0.1%), visits from our non-US key markets increased 4.4% to reach a high of 265,136 visits in Jan.-Feb. 2007.
- Mexico posted the largest growth rate (+20.6%, or 3,541 visits), followed by China (+15.6%, or 2,014 visits). Japan posted a decline of 16.5%.
- UK posted the largest increase in volume - up 4,857 trips over the previous year.



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey.

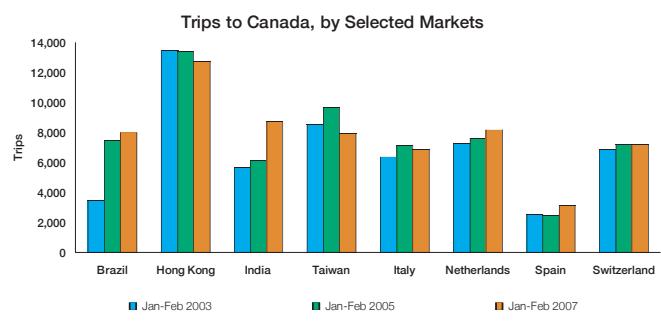
Share of Entry

- From Jan.-Feb. 2007, there were 1.5 million US visitors, accounting for 81% of the total visitors from our key markets (down from 85% in 2003).
- Visitors from our key Europe/Latin America markets totaled 172,364, accounting for 12.5% of the total (up from 9.4% in 2003).

- 92,772 visitors from Asia/Pacific key markets visited Canada, accounting for 6.7% of total tourists from our key markets (up from 5.3% in 2003).
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a 5-year high (19.3%) in Jan.-Feb. 2007 -- up from 17.6% in 2006 and 14.7% in 2003.

Market Watch

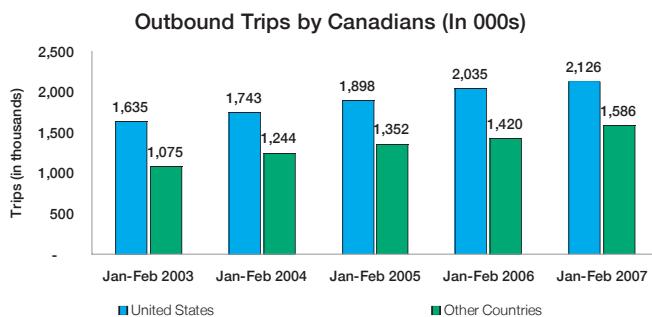
- The highest volume of visitors came from Hong Kong (12,775 trips in Jan.-Feb. 2007), followed by India (8,730 trips) and the Netherlands (8,175 trips).
- Compared to Jan.-Feb. 2006, Italy (+18.7%) and Spain (+15.9) posted the highest growth rates, while Taiwan (-19.1%) posted the largest decline.
- Compared to 2003, trips from Brazil posted the largest growth rate (+133% or 4,569 trips), followed by India (+54% or 3,074 trips) and Spain (+23%, or 595 trips).



Canadian Outbound Trips

- Canadian outbound travel increased 4.9% in February 2007. Notable, trips to the US have softened (+1.8%).
- Year-to-date, outbound travel increased by 7.4% over the same period last year.
- International visits by Canadians fell from Newfoundland, P.E.I, and the Yukon, but increased from all other provinces in Jan.-Feb 2007.

consumer outlook

Consumer Confidence

CANADA: Canadians are feeling less confident in February 2007 than they were in January. Canadian consumer confidence fell 1.6 percentage points over the previous month to reach 99.5. Over the same month last year, Canadian consumer confidence fell 0.6 percentage point.

UNITED STATES: The US consumer confidence rose for the second consecutive month in 2007 (+2.3 percentage points over January) to reach 112.5 in February 2007 - the highest level in five and a half years (114.0 in August 2001). An improving labour market boosted consumer confidence.

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

competitive review (Jan.-Dec. 2006)

International Travel, 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	18,175	-3	43,502	6	5,532	1	32,136	7
United States	13,765	-4	...	...	456	2	3,694	7
Other Key Markets								
France	370	4	790	-10	67	6	3,714	12
Germany	302	-7	1,386	-2	148	1	3,398	3
United Kingdom	866	-4	4,176	-4	734	4	...	...
Mexico	211	11	5,841	27	...	...	81	5
China	144	23	458	13	309	8	128	-2
Japan	386	-9	3,673	-5	651	-5	324	-2
South Korea	194	8	758	8	261	4	...	...
Australia	200	-1	603	4	...	...	911	-1
Canada	...	...	15,995	8	110	7	845	6
Total Key Markets	16,438	-4	17,685	5	2,736	2	13,095	6

...Not applicable or data not available.

Note: 1. US figures for China includes Hong Kong, SAR; US figures for Mexico include arrivals to interior only. 2. Statistics Canada and National Statistics data are preliminary figures.

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

- For 2006, the UK and the US saw strong growth in international arrivals (+7% and +6%, respectively). Australia saw a slight increase of 1%, while Canada experienced a decline of 3%.
- The **US** saw strong growth from its North American markets (Canada +8% and Mexico +27%). Arrivals to the US also increased from Asian markets - China (+13%), South Korea (+8%), and Australia (+4%) which helped to offset declines from Japan (-5%). The US experienced declines in key European markets.
- **Australia** saw increases from all markets, with the exception of Japan (-5%). Arrivals from China posted the

largest growth rate (+8%), followed by Canada (+7%), and France (+6%).

- The **UK** saw decreases in arrivals from Asia/Pacific markets - China (-2%), Japan (-2%), and Australia (-1%). However, the UK saw healthy increases from North American markets - US (+7%), Canada (+6%), and Mexico (+5%).
- Compared to competitor countries, Canada saw strongest growth in arrivals from China (+23%) and South Korea (+8%, tied with the US).
- Japanese arrivals to all countries declined; the UK posted the lowest rate of decrease (-2%).

accommodations

Canadian Occupancy Rates, By Province

	Feb 2007	07/06 Change^	Jan-Feb 2007	Year-to-date Change^	No. of rooms 07/06 % Change
Alberta	66.6	-1.9	62.2	-1.0	7.5
British Columbia	55.1	1.1	50.6	1.2	2.3
Saskatchewan	53.0	6.5	50.7	4.9	3.2
Manitoba	59.3	1.7	55.3	2.4	3.0
Ontario	53.7	0.0	49.2	-0.4	4.4
Quebec	50.7	2.0	44.7	0.9	9.1
New Brunswick	44.7	1.9	39.0	0.3	3.3
Nova Scotia	40.6	-2.2	37.3	-0.5	1.5
Newfoundland	50.4	5.1	46.4	8.4	2.0
Prince Edward Island	39.4	-16.5	35.6	-12.7	7.0
Northwest Territories	...	...	...	...	87.9
Yukon	...	...	...	...	-70.7
Canada	53.8	0.2	49.0	0.1	4.8

* Note: Data based on survey of hotels (15+ rooms) across Canada.

... - Insufficient data; ^ - Percentage points.

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

- In February 2007, Canada's national occupancy rate increased slightly (+0.2 of a percentage point) over the same month last year. Alberta posted the highest occupancy rate (66.6%).
- Survey data shows that the number of rooms available in Canada increased over February 2006. The average room rate is \$111 in Feb. 2007, up from \$102 over the same month in 2006.
- Year-to-date, the national occupancy rate increased 0.1 percentage point over 2006. The average room rate in Canada was \$109, up from \$100 in 2006. Alberta posted the highest rate (\$118), followed by Ontario (\$111), while P.E.I. posted the lowest rate (\$58).
- The national average room revenue per available room (RevPAR) was \$533 in February, year-to-date. Alberta posted the highest RevPAR (\$73), followed by British Columbia (\$56). P.E.I. posted the lowest RevPAR (\$21).

strategic performance

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

CTC Marketing
Market Research