

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

July 2007

Volume 3, Issue 07

key highlights

In July 2007, CTC key overseas markets experienced a growth rate of 3.2% (about 12,000 overnight trips) over the previous year.

This month, 2.1 million Americans travelled to Canada (-6.9% less than the same month in 2006). Non-automobile trips decreased at a lower rate (-5.1%) than automobile trips (-8.0%).

Most recent data shows Canadian occupancy rates increased 0.9 percentage points to reach 70.8% in July 2007.

tourism review

International trips

- This month, international travellers made 2.8 million overnight trips to Canada, a decline of 4.5% over the same month last year.
- Year-to-date, total international visits to Canada reached over 10 million trips (a decline of 2.9%).
- Non-U.S. markets increased for the fourth consecutive year (+3.8%) to reach 2.6 million in Jan.-Jul. 2007. Visits from the U.S. reached 7.5 million (down 5.0% over the first 7 months of 2006).
- Non-U.S. trips to Canada accounted for 25% of total international trips to Canada in Jan.-Jul. 2007 (up from 24% in 2006).
- With the exception of the Asia region (-1.3%), Canada saw increases from all other overseas regions in Jan.-July 2007.

United States

- U.S. trips to Canada fell in July 2007 (-6.9% over the previous year) to reach 2.1 million trips. Plane trips posted the lowest decline (-3.7%). Automobile trips fell 8.0% and "other" trips dropped 7.3% over the same month last year.
- Year-to-date, US visits fell 5.0% below the same period in 2006 - mainly driven by automobile trips (-6.1%).

Overnight Trips to Canada

	July 2007	07/06 Jul % Change	Jan-Jul 2007	Year-to-date % Change
United States				
Automobile	1,336,367	-8.0	4,465,958	-6.1
Plane	484,747	-3.7	2,144,476	-3.9
Other	314,504	-7.3	902,476	-2.2
US Total	2,135,618	-6.9	7,512,910	-5.0
Europe/Latin America Key Markets				
France	57,953	0.7	201,342	3.8
Germany	46,125	4.1	168,490	4.2
UK	124,705	6.1	507,078	4.5
Mexico	46,540	10.5	149,060	16.9
Asia/Pacific Key Markets				
China	21,048	8.2	81,576	8.9
Japan	35,966	-14.6	174,827	-16.2
South Korea	30,717	3.8	115,993	3.8
Australia	23,890	6.6	126,809	9.0
Overseas Key Markets	386,944	3.2	1,525,175	3.1
As % of Key Markets and US	15.3		16.9	
Other Overseas Countries	289,035	5.4	1,042,896	5.0
Total Non-US Countries	675,979	4.1	2,568,071	3.8
Total International Countries	2,811,597	-4.5	10,080,981	-2.9

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

Overnight Trips by Canadians

	July 2007	07/06 July % Change	Jan-Jul 2007	Year-to-date % Change
United States	1,980,133	6.3	9,764,133	5.2
Other Countries	533,759	4.7	4,693,742	9.5
Total Trips from Canada	2,513,892	5.9	14,457,875	6.6

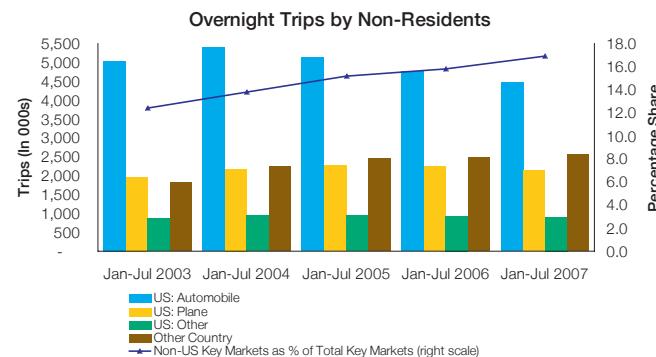
Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

- US trips to P.E.I., Yukon, New Brunswick, and Alberta posted gains of +44.3% (or 574 trips), +23.1% (or 22,800 trips), and +5.4% (or 10,222 trips) and +2.7% (or 9,117 trips), respectively.

Overseas Key Markets

- In the month of July, 7 of the 8 overseas key markets posted increases (Mexico, +10.5%; China, +8.2%; Australia, +6.6%; the U.K., +6.1%); Germany, +4.1%; South Korea, +3.8%; and France, +0.7%).
- Year-to-date, overnight trips from overseas key markets increased for the fourth consecutive year (+3.1% in 2007) to reach a high of 1.5 million visits.
- From Jan.-Jul. 2007, Mexico posted the highest growth rate (+16.9%), followed by Australia (+9.0%) and China (+8.9%). Japan posted a decline of -16.2%. All other markets posted growth between 3%-4%.



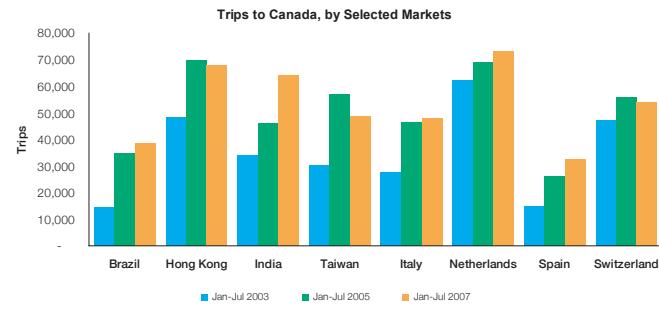
Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Share of Entry

- Year-to-date, overnight trips from the U.S. totaled 7.5 million, accounting for 83% of the total visitors from key markets. (49% were automobile trips and 24% were plane trips and 10% were other non-automobile trips).
- Visitors from our key Europe/Latin America markets totaled a little over a million, accounting for 11.4% of the total visits from key markets (the UK accounted for 5.6%).
- About half a million visitors from Asia/Pacific key markets visited Canada, accounting for 5.5% of total tourists from key markets (Japan accounted for 1.9%).
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a new high of 16.9% in Jan.-Jul. 2007 - up 1.7 percentage points from 2005 and up 4.5 up points from 2003.

Market Watch

- This month, 4 of the 8 markets posted increases: India (+24.5%), Spain (+16.8%), Italy (+10.3%), and Hong Kong (+9.0%) posted increases while all other markets posted a decline over July 2006.
- Year-to-date, India, Italy, and Spain posted double-digit increases (23.2% and 11.8%, 10.8%, respectively). Taiwan posted the only decline (-13.7%). All other countries posted a year-over-year growth between 1%-3%.
- Compared to Jan.-Jul. 2005, trips from India posted the largest growth rate (23% or +18,008 overnight trips), followed by Italy (11.8% or +1,366 trips).
- Compared to Jan.-Jul. 2003, trips from all markets have increased. Note: Travel in 2003 was depressed due to 3 main factors: SARS, Iraq war, and a global economic slow-down.



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

Canadian Outbound Trips

- Canadian outbound travel continued to increase in July 2007 (+5.9%) to reach 2.5 million trips.
- Year-to-date, Canadian trips abroad increased 6.6%. Trips to non-US countries increased at almost twice the rate than trips to the U.S. However, the volume of outbound trips to the U.S. is double the number of trips to non-U.S. countries.
- Compared to the first seven months of 2006, residents of Newfoundland, P.E.I., and the Yukon are making fewer international trips (-33.3% or less 11,498 trips, -25.6% or less 66 trips, and -9.3% or less 2,207 trips, respectively).

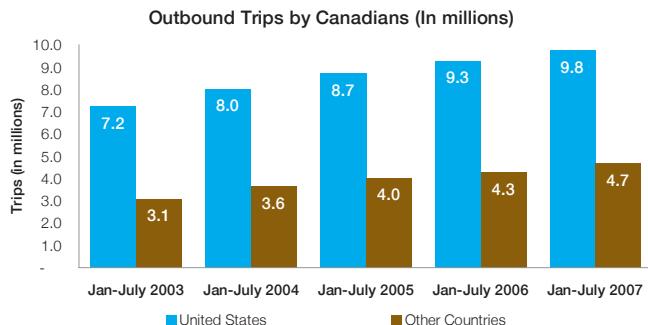
consumer outlook

Consumer Confidence

CANADA: Following a decrease in June 2007, the Canadian consumer confidence rose slightly (+0.5 percentage point) in July 2007 to reach 98.6. In the same month last year, the Canadian consumer confidence index had reached 97.6.

UNITED STATES: The US consumer confidence rose in July 2007 (+7.3 percentage points), following a decline in May 2007. The confidence index is up 5.6 points compared to July 2006.

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



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

accommodations

Canadian Occupancy Rates, By Province

	July 07	07/06 Change^	Jan-Jul 2007 Occupancy Rate	Year-to-date Change^	Rooms as of July 07/06 % Change
Alberta	77.1	-1.6	68.8	-1.0	14.6
British Columbia	77.1	0.9	62.9	1.8	-2.8
Saskatchewan	63.7	-0.9	61.0	4.4	5.7
Manitoba	64.0	-1.4	62.9	3.0	-5.7
Ontario	67.7	0.3	58.7	-0.3	7.0
Quebec	68.7	2.3	55.2	1.4	6.6
New Brunswick	66.6	-2.4	49.1	0.4	-5.2
Nova Scotia	74.6	10.4	52.2	-0.1	2.9
Newfoundland	83.3	-1.1	64.7	10.7	0.2
Prince Edward Island	76.5	1.3	46.6	-7.1	7.1
Northwest Territories	...	...	...	...	87.9
Yukon	77.6	6.9	58.1	0.9	0.0
Canada	70.8	0.9	58.9	0.7	5.5

* 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 July 2007, the national occupancy rate rose slightly (+0.9 percentage points) over the previous year. Nova Scotia posted the highest rate of increase (+10.4 points), followed by the Yukon (+6.9 points). New Brunswick posted the largest decline (-2.4 points).
- Year to date, the national occupancy rate rose slightly (+0.7 percentage points) to reach 58.9% -- higher than the level achieved in 2002 (58.5%), but still 1.7 points below the high in 2001.
- The number of rooms available (as of July 2007) increased 5.5% over the same period last year. Ontario accounted for about half of the increase.
- Canada's average room rate for the January-July period was \$112.90, up from \$107.62 in Jan.-Jul. 2006.
- Year-to-date, the national average room revenue per available room (RevPAR) was \$66.50, up \$3.87 from the same time last year. Alberta and British Columbia posted the highest RevPAR of \$85.75 and \$73.12, respectively.

competitive review (Jan.-May 2007)

- In Jan.-May 2007, Canada posted a decline in international arrivals (-4%), while the U.S. and Australia both posted increases (+8% and +4%, respectively).
- All markets experienced declines from the Japanese market -- Canada (-15% or less 18,000 trips), Australia (-13% or less 36,000 trips), and the U.S. (-6%, or less 93,000 trips).
- Compared to Australia, Canada experienced stronger growth from the UK (+4% compared to a steady level in Australia) and Germany (+3%, compared to 0%).
- Compared to the U.S., Canada experienced stronger growth from the U.K. (+4% compared to 2% in the U.S.)

International Travel, January - May 2007 (In 000s)

Trips from:	Trips to:						
	Canada	United States	Australia	#	07/06 Change	#	07/06 Change
Total International	4,996	-4	17,694	8	2,304	4	
United States	3,648	-6	...	...	190	0	
Other Key Markets							
France	107	5	353	24	26	8	
Germany	84	3	572	5	62	0	
United Kingdom	277	4	1,654	2	313	0	
Mexico'	74	18	2,378	21	...	...
China*	45	9	199	16	161	21	
Japan	107	-15	1,387	-6	239	-13	
South Korea	65	8	311	8	114	9	
Australia	73	10	251	11	...	...
Canada	...	...	6,587	4	52	1	
Total Key Markets	4,479	-5	12,039	-7	1,157	0	

...Data not available or not applicable. *U.S. data: includes Hong Kong, SAR. 'US data: Arrivals to the interior only.
Sources: Statistics Canada; Australian Bureau of Statistics; and ITA, Office of Travel and Tourism Industries (USA).
Note: Statistics Canada preliminary estimates.

strategic performance

Travel Volumes, January - July 2007

	Trips Made (000s)		
	Target	Actual	% Difference
Europe/Latin America			
France	198	201	1.5
Germany	168	168	0.2
UK	501	507	1.2
Mexico	133	149	11.9
Asia/Pacific			
China	85	82	-4.4
Japan	174	175	0.3
S Korea	118	116	-1.4
Australia	108	127	17.7
United States	7,543	7,513	-0.4
Total	9,028	9,038	0.1

Note: As per strategic plans.

- Against the set target of all CTC's core markets, we have exceeded the targets by 18,000 overnight trips (+0.1%), as of July 2007.
- Trips from Asia / Pacific and Europe/Latin America have exceeded their targets (by 2.9% and 2.5%, respectively), while the U.S. has posted a slight short fall of 0.4%.
- Notable, Australia and Mexico have exceeded the targets set by about 19,000 and 16,000 trips respectively in the first seven months of 2007.

Please note: Targets are based on Statistics Canada's preliminary data. June 2007 forecasts.