

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

October 2007

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key highlights

Following a 1.1% growth in Sept. 2007, visits from CTC key overseas markets fell slightly in October 2007 (-0.5% overnight trips over Oct. 2006).

Despite the weakened American dollar, 940,680 Americans travelled to Canada this month (+1.8% over Oct. 2006). Non-automobile trips increased at a higher rate (+3.2%) than automobile trips (+0.8%).

Most recent data shows Canadian occupancy rates increased 1.2 percentage points to reach 63.3% in October 2007.

tourism review

International trips

- This month, international travellers made 1.3 million overnight trips to Canada, an increase of 1.6% over the same month last year.
- U.S. visits (which account for 74% of total visits to Canada) rose 1.8% in October; non-U.S. visits rose 1.1% this month.
- Year-to-date, total international visits to Canada reached over 16 million trips (a decline of 1.4%).
- Non-U.S. markets increased for the fourth consecutive year (+3.1%) to reach 4.0 million in Jan.-Oct. 2007. Visits from the U.S. reached 12.0 million (down 2.9% over the first 10 months of 2006).
- With the exception of the Asia region (-1.9%), Canada saw increases from all other overseas regions in Jan.-Oct. 2007.

United States

- Americans made 940,680 trips to Canada in October 2007 (+1.8% over the previous year). "Other" non-automobile trips posted the largest increase (+11.3%), followed by automobile trips (+0.8%), and plane trips (+0.3%).
- Year-to-date, US visits fell 2.9% below the same period in 2006 - mainly driven by the decline in automobile trips (-4.0%).

Overnight Trips to Canada

	October 2007	07/06 Oct % Change	Jan-Oct 2007	Year-to-date % Change
United States				
Automobile	526,994	0.8	7,088,231	-4.0
Plane	296,001	0.3	3,268,036	-2.8
Other	117,685	11.3	1,612,641	2.4
US Total	940,680	1.8	11,968,908	-2.9
Europe/Latin America Key Markets				
France	29,222	-6.8	334,854	1.1
Germany	19,758	-5.1	282,522	1.8
UK	68,636	11.4	812,920	5.0
Mexico	14,027	11.8	215,274	16.9
Asia/Pacific Key Markets				
China	13,453	-1.0	131,811	5.7
Japan	38,252	-16.3	298,120	-14.8
South Korea	14,431	0.2	176,005	3.8
Australia	12,092	10.8	189,069	8.6
Overseas Key Markets	209,871	-0.5	2,440,575	2.3
As % of Key Markets and US	18.2		16.9	
Other Countries	125,992	3.9	1,604,106	4.5
Total Non-US Countries	335,863	1.1	4,044,681	3.1
Total Countries	1,276,543	1.6	16,013,589	-1.4

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

Overnight Trips by Canadians

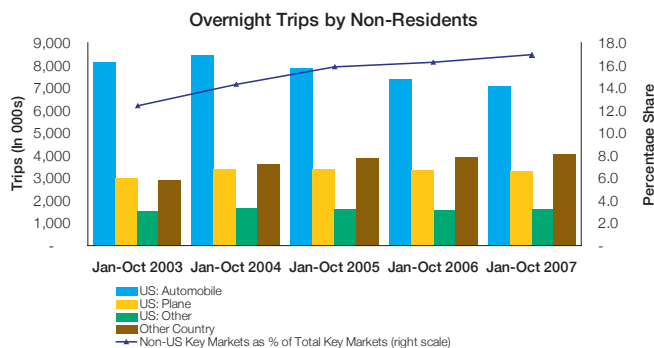
	October 2007	07/06 Oct % Change	Jan-Oct 2007	Year-to-date % Change
United States	1,464,228	17.9	15,044,474	8.7
Other Countries	481,798	10.5	6,354,734	9.5
Total Trips from Canada	1,946,026	16.0	21,399,208	8.9

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

- US trips to New Brunswick, Yukon, Alberta, Nova Scotia, and P.E.I. posted gains of 21,852 trips (+6.4%), 20,113 trips (+11.7%), 17,843 trips (+3.5%), 3,026 trips (+1.6%), and 1,734 trips (+63.5%), respectively.

Overseas Key Markets

- In the month of October, 4 of the 8 overseas key markets posted increases: Mexico (+11.8%); the U.K. (+11.4%); Australia (+10.3%), and South Korea (+0.2%).
- Following a slight decline in 2006, overnight trips from overseas key markets increased in Jan.-Oct. 2007 (+2.3% over 2006) to reach 2.4 million visits.
- During the Jan.-Oct. 2007 period, Mexico posted the highest growth rate (+16.9%), followed by Australia (+8.6%). Japan posted a decline of 14.8%. All other markets posted growth between 1% and 6%.



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

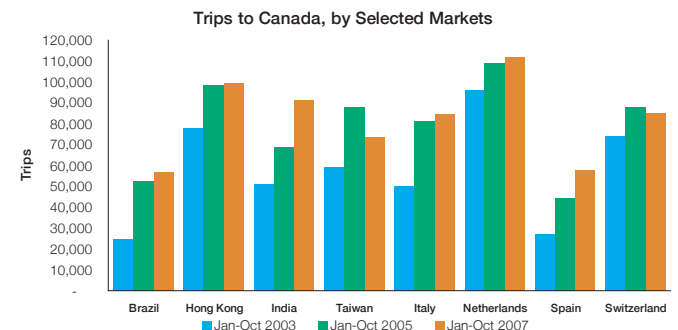
Share of Entry

- Year-to-date, overnight trips from the U.S. totaled almost 12 million, accounting for 83% of the total visitors from key markets. (49% were automobile trips and 23% were plane trips and 11% 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%; France accounted for 2.3%).
- 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%; Australia accounted for 1.3%).

- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a high of 16.9% in Jan.-Oct. 2007 - up 0.7 percentage point from 2006 and up 1.1 points from 2005.

Market Watch

- In October 2007, Spain posted the highest year-on-year growth rate over Oct. 2006 (+23.1%), followed by Italy (+6.9%).
- Year-to-date, 7 of the 8 markets posted increases over 2006. Taiwan posted a decrease of 11.9%.
- Compared to Jan.-Oct. 2005, trips from India posted the largest growth rate (32.2% or +22,185 overnight trips), followed by Spain (30.4% or +13,395 trips).
- Compared to Jan.-Oct. 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

- As the Canadian dollar surged to a record high against the U.S. dollar, Canadians made 17.9% more overnight trips to the U.S. in October 2007 than the same month last year. Canadians also increased travels to other international destinations (+10.5%).
- Year-to-date, Canadians made 21.4 million trips abroad (+8.9% over Jan.-Oct. 2006).
- Compared to the first ten months of 2006, residents of Newfoundland, P.E.I., and the Yukon are making fewer international trips in 2007 (-36.9% or less 17,554 trips, -14.0% or less 100 trips, and -4.3% or less 1,547 trips, respectively).

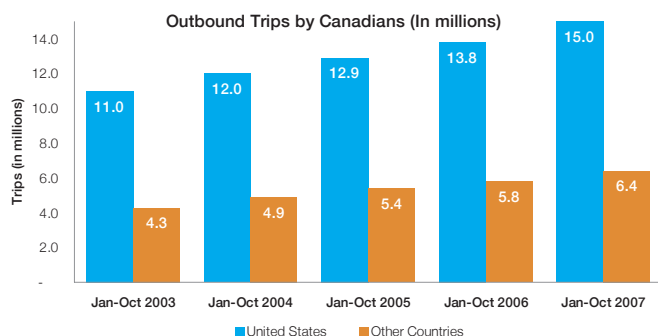
consumer outlook

Consumer Confidence

CANADA: Following an increase in September, the Canadian consumer confidence fell slightly (-1.7 percentage points) in October 2007 to reach 98.2. In the same month last year, the Canadian consumer confidence index was at essentially, the same level (98.3).

UNITED STATES: The US consumer confidence index fell for the third consecutive month in October 2007 (-3.9 percentage points) to reach 95.6. The confidence index is down 9.8 points compared to October 2006.

Sources: October 2007 and 2006 Consumer Confidence Index, 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*

	Oct 2007	07/06 Change^	Jan-Oct 2007	Year-to-date Change^	No. of Rooms as of October 07/06 % Change
Alberta	71.4	1.7	70.7	-0.7	11.3
British Columbia	60.6	0.7	65.7	1.7	-0.6
Saskatchewan	70.3	5.1	64	4.6	-4.1
Manitoba	71.4	2.6	65.3	2.5	-5.8
Ontario	66.6	2.0	62.8	0.2	3.6
Quebec	61.2	-0.6	59.6	1.6	3.4
New Brunswick	49.4	-5.0	52.8	0.1	-2.7
Nova Scotia	58.6	-0.1	56.5	-0.8	7.6
Newfoundland	78.1	9.2	70.2	8.8	5.0
Prince Edward Island	46.5	-6.9	52.8	-6.1	7.0
Northwest Territories	...	...	...	...	87.9
Yukon	...	...	...	...	29.3
Canada	63.3	1.2	62.5	0.8	3.5

* Note: Data based on survey of hotels (15+ rooms) across Canada. ^ Percentage points. Source: HVS International and Smith Travel Research, Lodging Outlook.

- In October 2007, occupancy rates in Canada increased 1.2 percentage points over the same month last year. Newfoundland posted the highest growth rate, followed by Saskatchewan.
- Year-to-date, Canada's occupancy rate increased for the fourth consecutive year (+0.8 percentage point over Jan.-Oct. 2006). Despite a decline in occupancy (-0.7 percentage point), Alberta posted the highest occupancy rate (70.7%). P.E.I. posted the second highest occupancy rate (70.2%) with a growth rate of 8.8%.
- As of October 2007, the number rooms available in Canada increased 3.5% over the same period last year. The Northwest Territories, Yukon and Alberta experienced the largest growth rates.
- Year-to-date, the average room rate in Canada was \$114.44, up from \$110.04 in Jan.-Oct. 2006. Alberta, B.C., and Ontario posted room rates above the average national rate.
- The national average room revenue per available room (RevPAR) was \$71.53 as of October 2007, year-to-date. Alberta, B.C., Newfoundland, and Ontario posted RevPAR above the national RevPAR.

competitive review (Jan.-Aug. 2007)

- In Jan.-Oct. 2007, Canada posted a decline in international arrivals (-2%), while the U.S. and Australia both posted increases (+9% and +4%, respectively).
- All markets experienced declines from the Japanese market -- Canada (-16% or less 42,000 trips), Australia (-12% or less 50,000 trips), and the U.S. (-5%, or less 114,000 trips).
- Compared to Australia, Canada experienced a higher growth rate from the U.K. market (+5% compared to -1%) and the same growth from the German market (+2%). However, Australia experienced higher growth rates in all other key markets.
- Compared to the U.S., Canada posted the same growth rate from the U.K. market (+5%). However, the U.S. outperformed Canada in all other key markets.

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

Trips from:	Trips to:					
	Canada		United States		Australia	
	#	07/06 Change	#	07/06 Change	#	07/06 Change
Total International	12,839	-2	31,991	9	3,629	4
United States	9,664	-4	...	...	310	0
Other Key Markets						
France	257	3	671	29	47.1	8
Germany	216	2	975	8	93.4	2
United Kingdom	629	5	2,824	5	421	-1
Mexico ¹	179	17	4,407	18	...	...
China*	100	8	363	19	242.5	18
Japan	213	-16	2,343	-5	379.9	-12
South Korea	142	5	568	8	174.2	6
Australia	151	9	425	10	...	...
Canada	...	...	12,023	7	72.1	1
Total Key Markets	11,551	-3	24,599	8	1,740	0

...Data not available or not applicable. *U.S. data: includes Hong Kong, SAR. ¹US 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 data are preliminary estimates.

strategic performance

Travel Volumes, January - October 2007

	Trips Made (000s)		
	Target	Actual	% Difference
Europe/Latin America			
France	339	335	-1.2
Germany	290	283	-2.5
UK	788	813	3.1
Mexico	193	215	11.2
Asia/Pacific			
China	142	132	-7.3
Japan	308	298	-3.3
S Korea	181	176	-2.6
Australia	162	189	16.6
United States	11,865	11,969	0.9
Total	14,268	14,410	1.0

Note: As per strategic plans.

- Against the set target of all CTC's core markets, we have exceeded the targets by 142,000 overnight trips (+1.0%), as of October 2007.
- Trips from Europe/Latin America key markets have exceeded its target by 2.2% (or 35,000 trips); trips from the U.S. have exceeded its targets by 0.9% (or 104,000 trips); trips from the Asia/Pacific key markets have essentially matched its target (+0.2% or 2,000 trips).
- Notable, Australia and Mexico have exceeded the targets set by about 27,000 and 22,000 trips respectively in the first ten months of 2007.

Note: Targets are based on past proportions of the January-October period and applied to 2007 forecasts.

CTC Marketing
Market Research