

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

November 2007

Volume 3, Issue 11

key highlights

In November 2007, spurred by exceptional gains in Australia, France, and the U.K., CTC key overseas markets experienced a growth rate of 3.0% over the previous year.

As the Canadian dollar reached parity with the U.S. dollar, 1.2% less Americans travelled to Canada over Nov. 2006 (to reach 673,914 trips in Nov. 2007).

Trips from Mexico posted the largest growth rate of all CTC key markets (31.3%).

tourism review

International trips

- This month, international travellers made 879,801 overnight trips to Canada, for a marginal increase of 0.6% over November 2006.
- Year-to-date, total international visits to Canada reached 16.9 million trips (a decline of 1.3%).
- Visits from the Americas reached 12.9 million (down 2.5% over the first 11 months of 2006).
- Trips from key overseas markets increased 1.2% to reach 2.3 million in Jan.-Nov. 2007. Other overseas markets increased by 4.7% to reach 1.7 million.
- With the exception of the Asia region (-1.9%), Canada saw increases from all other overseas regions in Jan.-Nov. 2007.

United States

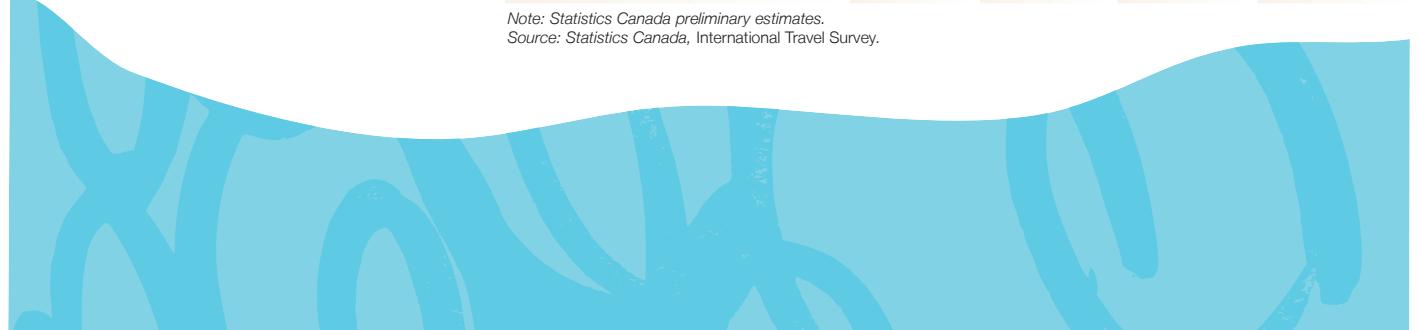
- U.S. trips to Canada fell in November 2007 (-1.2% over the previous year) to reach 673,914 trips. While 'other trips' posted an increase of 6%, automobile trips posted a slight increase of 0.1%, and plane trips posted a decline of 4.5%.

Overnight Trips to Canada

	Nov. 2007	07/06 Nov % Change	Jan-Nov 2007	Year-to-date % Change
AMERICAS				
United States (Total)	673,914	-1.2	12,642,822	-2.8
Automobile	404,820	0.1	7,493,051	-3.8
Plane	226,760	-4.5	3,494,796	-2.9
Other	42,334	6.0	1,654,975	2.5
Mexico	11,131	31.3	226,405	17.5
Americas Total	685,045	-0.8	12,869,227	-2.5
OVERSEAS				
France	14,390	10.8	349,244	1.4
Germany	10,127	-0.7	292,649	1.7
UK	34,132	7.5	847,052	5.1
China	10,225	0.7	142,036	5.3
Japan	17,575	-10.5	315,695	-14.6
South Korea	9,687	-2.1	185,692	3.4
Australia	9,238	20.1	198,307	9.1
Overseas Key Markets Total	105,374	3.0	2,330,675	1.2
As % of Overseas and Americas	13.3		15.3	
Other Overseas Countries	89,382	9.1	1,693,488	4.7
Non-US Countries	205,887	6.8	4,250,568	3.3
Total Countries	879,801	0.6	16,893,390	-1.3

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.



Overnight Trips by Canadians

	November 2007	07/06 Nov % Change	Jan-Nov 2007	Year-to-date % Change
United States	1,478,891	29.5	16,523,365	10.3
Other Countries	472,326	13.6	6,827,060	9.8
Total Trips from Canada	1,951,217	25.2	23,350,425	10.1

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

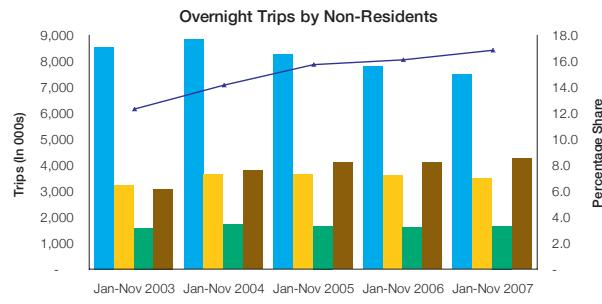
- Year-to-date, US visits fell 2.8% below the same period in 2006. While both automobile and plane trips posted declines (-3.8% and -2.9% respectively), 'other trips' posted a year-to-date increase of 2.5%.
- Gains in US trips to P.E.I., Yukon, New Brunswick, Alberta, and Nova Scotia partially offset declines in other provinces.

Mexico

- This month, Mexico posted the largest growth rate (31.3%) of all CTC key markets to reach 11,131 overnight trips. Year-to-date, trips from Mexico increased 17.5% to reach 226,405.

Overseas Key Markets

- In the month of November, 4 of the 7 overseas key markets posted increases (Australia, +20.1%; France, +10.8%; the U.K., +7.5%; and China, +0.7%).
- Year-to-date, overnight trips from overseas key markets increased for the second consecutive year (+1.2% in 2007) to reach a high of 2.3 million overnight trips.
- From Jan.-Nov. 2007, Australia posted the highest growth rate (+9.1%), followed by China (+5.3%), and the U.K. (+5.1%). Japan posted a decline of -14.6%. All other markets posted growth between 1.4%-3.4%.



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

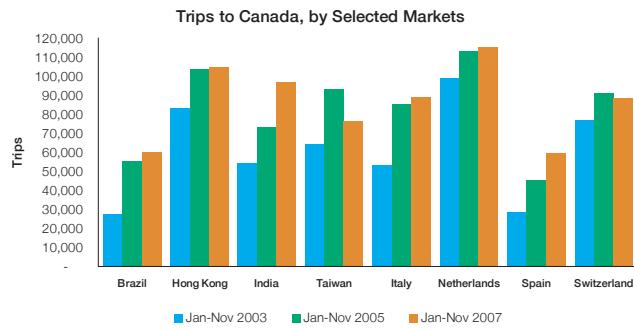
Share of Entry

- Year-to-date, overnight trips from the Americas totaled 12.9 million, accounting for 85% of the total visitors from key markets. (83% were U.S. trips -- 49% were automobile trips and 23% were plane trips and 11% were 'other non-automobile trips').
- Visitors from our key overseas markets totaled 2.3 million, accounting for 15% of the total visits from key markets (the UK accounted for 6%).

- Overseas key markets have gained share of entry over the Americas, reaching a four-year high of 15.3% in Jan.-Nov. 2007 - up 0.7 percentage point from 2005 and up 3.9 points from 2003.

Market Watch

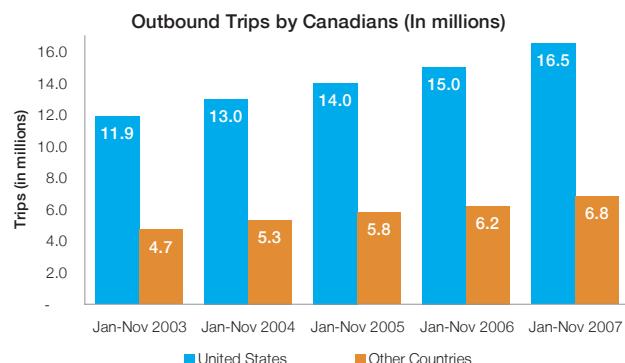
- This month, Spain posted the largest increase over November 2006 (+42.3%) while Taiwan posted the largest decline (-30.1%).
- Year-to-date, 7 of the 8 markets posted increases. India, Spain, and Italy posted double-digit increases (17.2% and 16.8%, 11.2%, respectively). Taiwan posted the only decline (-12.8%). All other countries posted a year-over-year growth of around 2%.
- From Jan.-Nov. 2007, the Netherlands posted the largest volume of trips to Canada (115,468), followed by Hong Kong (104,508 trips), and India (96,515 trips).
- Compared to Jan.-Nov. 2005, trips from India and Spain posted the largest growth rates 31.5% (or +23,092 overnight trips) and 31.3% (or 14,176 trips).



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

Canadian Outbound Trips

- As the Canadian dollar reached parity with the U.S. dollar in the fall of 2007 (for the first time since 1976), Canadian outbound travel to the U.S. increased 29.5%. Outbound travel to other international destinations increased 13.6% in Nov. 2007.
- Year-to-date, Canadian trips abroad increased 10.1%. Trips to U.S. countries increased 10.3% while trips to non-US countries increased 9.8%.
- Compared to the first eleven months of 2006, residents of Newfoundland, P.E.I., and the Yukon are making fewer international trips (-36.0%, -13.2%, and -4.1%, respectively).

**consumer outlook****Consumer Confidence**

CANADA: Following a decrease in October 2007, the Canadian consumer confidence increased by 2 percentage points in November 2007 to reach 100.2. In the same month last year, the Canadian consumer confidence index had reached 96.7.

UNITED STATES: The US consumer confidence which has been declining since August 2007, declined further in November 2007 (-7.9 percentage points from Oct. 2007) to reach 87.3. The confidence index was at 102.9 in November 2006.

Sources: November 2007 Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

competitive review (Jan.- Sept. 2007)**International Travel, January-September 2007 (In 000s)**

Trips from:	Trips to:							
	Canada		United States		Australia		United Kingdom	
#	07/06 Change	#	07/06 Change	#	07/06 Change	#	07/06 Change	
Total International	14,710	-2	36,135	10	4,065	4	25,150	2
Americas								
United States	11,001	-4	...	...	341	0	2,870	-2
Mexico	201	17	4,874	18	...	...	44	-30
Overseas								
France	306	2	749	28	52	7	2,592	-11
Germany	263	2	1,137	8	106	2	2,675	0
United Kingdom	744	4	3,246	6	463	0	...	...
China	118	6	416	19	266	17	140	41
Japan	260	-15	2,671	-4	426	-12	261	2
South Korea	162	4	636	8	191	4	...	...
Australia	177	9	498	10	...	...	744	3
Canada	...	...	13,574	8	80	3	692	1
Total Key Markets	2,030	-3	27,801	8	1,926	0	10,018	-3

...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 preliminary figures. Sources: Statistics Canada; Tourism Australia; National Statistics (UK); and ITA, Office of Travel and Tourism Industries (USA).

- In the first nine months of 2007, Canada posted a decline in international arrivals (-2%), while the U.K., Australia and the U.S. posted increases of +2%, +4%, and +10%, respectively.
- With the exception of the U.K. (+2%), all other countries experienced declines from the Japanese market - Canada (-15%, or less 44,000 trips), Australia (-12%, or less 55,000 trips), and the U.S. (-4%, or less 113,000 trips).
- Compared to Australia, Canada posted a higher growth rate from the U.K. (+4%) than Australia (0%).
- The U.S. outperformed Canada in all key markets.
- Compared to the U.K., Canada posted a higher growth rates from France, Germany, Australia, and Mexico.

accommodations

- In November 2007, occupancy rates in Canada increased 1.1 percentage points over the same month last year. Saskatchewan posted the highest growth rate, followed by Alberta.
- Year-to-date, Canada's occupancy rate increased 0.6 percentage point over Jan.-Nov. 2006. Despite a decline in occupancy (-0.4 percentage point), Alberta posted the highest occupancy rate (73.2%). Saskatchewan posted the second highest occupancy rate (71.7%) with an increase of 4.8 points.
- For Jan.-Nov. 2007, properties with over 500 rooms posted the highest occupancy rate (72.0%), while properties with under 50 rooms posted the lowest occupancy rate (55.0%).
- Year-to-date, the average daily rate in Canada was \$127.48, up from \$123.06 in Jan.-Nov. 2006. Quebec, B.C., and the Northwest Territories posted room rates above the national rate.
- The national average room revenue per available room (RevPAR) was \$85.05 as of November 2007, year-to-date. Quebec, Alberta, B.C., and the Northwest Territories posted RevPAR above the national RevPAR.

Source: PKF Consulting. Note: In order to release this publication to our readers at an earlier date each month, PKF data will be used to provide occupancy rates.

Canadian Occupancy Rates, By Province*

	Nov 2007	07/06 Change^	Jan-Nov 2007	Year-to-date Change^
Alberta'	74.0	-0.9	73.2	-0.4
British Columbia	56.1	1.3	68.5	1.3
Saskatchewan	76.1	4.3	71.7	4.8
Manitoba	68.5	-0.7	66.3	2.8
Ontario	63.7	2.0	64.4	0.0
Quebec	58.8	-1.3	65.1	-0.4
New Brunswick	54.4	-2.4	62.7	2.3
Nova Scotia	60.8	-1.2	67.6	1.2
Newfoundland	65.0	8.7	65.7	4.9
Prince Edward Island	33.4	-1.8	48.7	-1.1
Northwest Territories	68.4	6.3	68.6	5.5
Yukon	58.8	5.9	70.9	4.5
Canada	62.7	1.1	66.7	0.6

* Note: Based on the operating results of 191,214 rooms (unweighted data).

^ Percentage points. ^Excluding Alberta resorts.

Source: Pannell Kerr Forster Consulting Inc.

strategic performance

Travel Volumes, January - November 2007

	Trips Made (000s)		
	Target	Actual	% Difference
Americas			
United States	12,515	12,642	1.0
Mexico	201	226	12.3
Overseas			
France	352	349	-0.8
Germany	301	293	-2.6
UK	823	847	3.0
China	155	142	-8.4
Japan	327	316	-3.4
S Korea	190	186	-2.3
Australia	170	198	16.5
Total	15,034	15,199	1.1

Note: As per strategic plans.

- Overall, trips to Canada from key markets have exceeded the targets set by 1.1% or 165,000 overnight trips, in the first eleven months of 2007.
- Trips from both the Americas and overseas key markets have exceeded their target by 1.2% (151,800 overnight trips) and 0.6% (or 13,500 trips), respectively.
- Again, the most notable performers are Australia and Mexico, which exceeded set targets by 16.5% and 12.3%, respectively.

Please note: Targets are based on past proportions of the January - November period and applied to 2007 forecasts.

**CTC Marketing
Market Research**