



# tourism snapshot

Canadian Tourism Commission

[www.canada.travel](http://www.canada.travel)

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

October 2008

Volume 4, Issue 10

## key highlights

Despite a globally disturbed economic environment, Germany and France registered healthy growth.

After increasing for three consecutive months, Canadian consumer confidence dropped 11.9 points in October to 73.9, while the US index hit an all time low of 38.8, down 22.6 points from September.

For the second consecutive month outbound trips by Canadians decreased, falling by 2.6%, marking the end of a long period of outbound trip growth from Canada.

## tourism review

### International Trips

- International travellers made just under 1.3 million trips to Canada in October, a 7.2% decrease compared with October 2007;
- Following strong performance by non-U.S. countries year-to-date, the number of non-U.S. trips to Canada fell at a greater rate (-7.6%) than U.S. trips (-7%) in October;
- Year-to-date, international trips to Canada reached 16.4 million, down 5.1% over the same period last year;
- Year-to-date overnight trips to Canada from the U.S. fell 7.1% compared with 2007, while visits from overseas key markets decreased only marginally, down 0.5%;
- Regionally, year-to-date trips from key Asian markets were flat, down 0.03% in October compared with 2007, while a 1.1% increase in trips was experienced from key European markets;

### United States

- Year-to-date, trips by Americans fell 7.1% in 2008 with automobile, plane trips and "other" U.S. trips to Canada falling 7.7%, 5.4% and 7.8%, respectively;

## Overnight Trips To Canada

	October 2008	08/07 Oct % Change	Jan-Oct 2008	Year-to-date % Change
<b>Americas</b>				
United States (Total)	874,486	-7.0	11,075,331	-7.1
Automobile	507,189	-3.8	6,539,620	-7.7
Plane	276,633	-7.3	3,106,197	-5.4
Other	90,664	-21.3	1,429,514	-7.8
Mexico	15,210	8.4	237,811	10.5
<b>Americas Key Markets Total</b>	<b>889,696</b>	<b>1.0</b>	<b>11,313,142</b>	<b>3.0</b>
<b>European Key Markets</b>				
France	32,358	10.7	382,480	14.2
Germany	22,780	15.3	293,891	4.0
UK	55,721	-18.8	769,886	-5.3
<b>Asia/Pacific Key Markets</b>				
China	13,152	-2.2	139,462	5.8
Japan	32,981	-13.8	252,406	-15.3
South Korea	11,396	-21.0	166,625	-5.3
Australia	12,862	6.4	209,112	10.6
<b>Overseas Key Markets Total</b>	<b>181,250</b>	<b>-7.5</b>	<b>2,213,862</b>	<b>-0.5</b>
<b>As % of Key Markets and US</b>	<b>16.9</b>		<b>16.4</b>	
Other Countries	132,012	4.8	1,704,903	6.3
<b>Total Non-US Countries</b>	<b>403,926</b>	<b>-7.6</b>	<b>5,348,279</b>	<b>-0.6</b>
<b>Total Countries</b>	<b>1,278,412</b>	<b>-7.2</b>	<b>16,423,610</b>	<b>-5.1</b>

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

## Overnight Trips by Canadians

	October 2008	08/07 Oct % Change	Jan-Oct 2008	Year-to-date % Change
United States	1,394,374	-5.1	16,542,004	9.8
Other Countries	506,776	5.2	6,959,845	9.5
Total Trips from Canada	1,901,150	-2.6	23,501,849	9.7

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

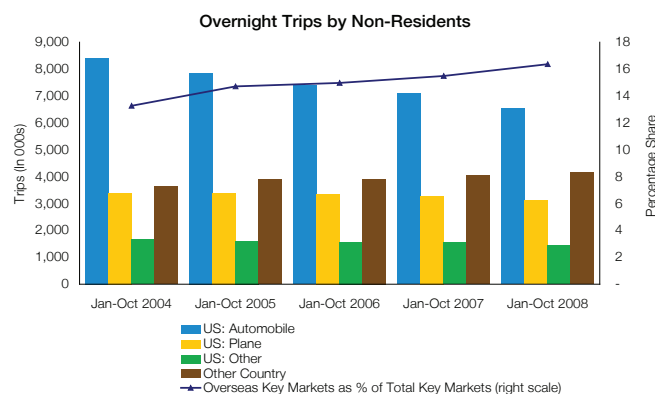
- Newfoundland and Prince Edward Island were the only two provinces showing an increase in trips from the U.S. up 93 and 17.4 points year-to-date compared with 2007, while increases in trips from other countries were seen across all provinces so far this year over last;
- Automobile trips (which accounted for 59% of all U.S. trips to Canada) declined at a faster rate (-7.7%) than non-automobile trips (-6.2%) in the January-October 2008 period.

## Mexico

- Mexico posted another gain in October 2008, up 8.4% and a January-October increase of 10.5% or 22,537 trips over last year.

## Overseas Key Markets

- In October 2008, CTC's overseas key markets fell 7.5% compared with the same month in 2007, reaching just over 181 thousand overnight trips to Canada;
- Year-to-date, trips from Canada's key overseas markets decreased marginally by 0.5% to reach just over 2.2 million trips;
- Increases in visitation from France (+14.2%), Australia (+10.6%), China (+5.8%) and Germany (+4%) were offset by decreases from Japan (-15.3%), the UK (-5.3%) and South Korea (-5.3%).

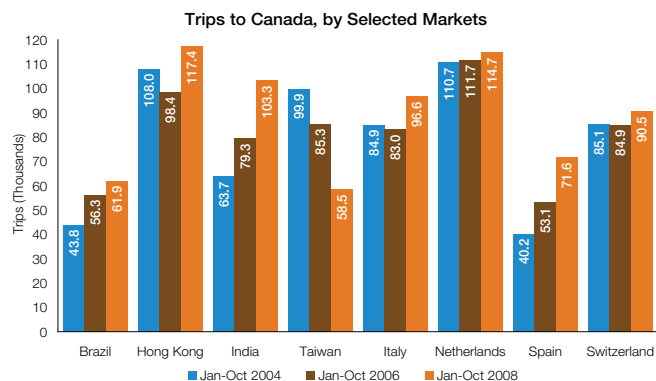


## Share of Entry

- Year-to-date October, there were just under 11.1 million U.S. visitors, accounting for 82% of total visitors from our key markets. Of these U.S. visitors, 59% travelled by automobile, 28% by plane, while 13% used "other" modes of transportation;
- Year-to-date, key European markets made 1.3 million overnight trips to Canada, accounting for 11% of total key markets. Notable, the U.K. accounted for just under 53% of European trips or a 6% share of all key market trips;
- 767,605 visitors from Asia/Pacific markets accounted for just under 6% of total tourists from our key markets year-to-date;
- Although Canada continues to experience setbacks in visitation by Americans, overall the overseas markets have performed well. The share of overseas travel continues to increase, now representing a 16.4% share of all key market travel, increasing one percentage point over 2007 and by almost two points compared to 2006.

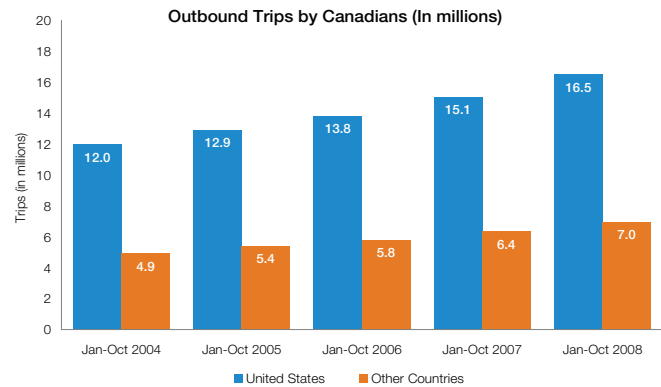
## Market Watch

- Hong Kong posted the largest growth rate over 2007, growing 14.4% or +14,309 trips during the January-October 2008 period, followed by Spain with growth of 11% or +6,299 trips. Taiwan was the only market that posted a decline over 2007, down 16,847 trips or by almost 22.9%;
- Over the course of the last four years, trips from Spain increased 78%, with trips from India registering the second largest increase rising 62%. Taiwan posted the only decrease, down 41% over 2004.



## Canadian Outbound Trips

- In October 2008, outbound trips by Canadians dropped for the second consecutive month falling 2.6% over 2007. Previous to these recent monthly declines, a decline of Canadians travelling to outbound destinations was last experienced in September of 2003.
- Trips to the U.S. by Canadians fell 5.1% for the month of October over 2007, while outbound trips by Canadians to other non-U.S. destinations increased 5.2%;
- Year-to-date, Canadians made 23.5 million trips abroad, an increase of 9.7% over last year, with trips to the U.S. increasing 9.8% and trips to non-US international destinations up 9.5%;
- For the month of October, outbound travel increased 9.2% from Alberta, while all other provinces experienced year-over-year decreases. Year-to-date, all provinces experienced increases over 2007 with the exception of the Yukon dropping by 2.4%.



## consumer outlook

### Consumer Confidence

**CANADA:** Following a three-month upswing, the Canadian Consumer Confidence Index slipped 11.9 point in October to 73.9 (2002 = 100). The index stood at 98.2 one year ago.

**UNITED STATES:** After posting a moderate improvement in September to 61.4 (1985=100), the US Consumer Confidence Index slipped 22.6 points in October to an all time low of 38.8.

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

## competitive review (August 2008)

- From January to August, the United States posted healthy growth from international markets, up 9% over 2007, while Australia remained unchanged and Canada fell 3.7%;
- The U.S. experienced strong growth from France (+28.9%), China (+21.5%) and Germany (+20.1%) over last year;
- Compared to the U.S., Canada posted higher growth levels from Mexico (+10.9% vs. -6.6% for the U.S.) and Australia (+10.1% vs. +5.9% for the U.S.);
- Australia registered healthy increases from France (+17%) and Canada (+13%);
- Compared to Australia, Canada posted better growth in arrivals from China (7.5% vs. 5% from Australia);
- January – August, all three countries posted declines from South Korea and Japan.

Please Note: UK statistics are only available quarterly.

### International Travel, January-August 2008 (In 000s)

Trips from:	Trips to:					
	Canada		United States		Australia	
	#	08/07 Change	#	08/07 Change	#	08/07 Change
Total International	12,367	-3.7	34,872	9.0	3,643	0.0
United States	9,077	-6.1	...	...	312	1.0
<b>Other Key Markets</b>						
France	295	14.6	865	28.9	55	17.0
Germany	221	2.4	1,171	20.1	100	7.0
United Kingdom	609	-3.0	3,030	7.3	414	-2.0
Mexico <sup>1</sup>	199	10.9	4,118	-6.6	...	...
China <sup>*</sup>	108	7.5	442	21.5	255	5.0
Japan	181	-15.2	2,220	-5.3	312	-18.0
South Korea	137	-3.0	565	-0.5	158	-10.0
Australia	166	10.1	450	5.9	...	...
Canada	...	...	13,674	13.6	81	13.0
<b>Total Key Markets</b>	<b>10,993</b>	<b>-4.8</b>	<b>26,535</b>	<b>7.9</b>	<b>1,687</b>	<b>0.0</b>

...Data not available or not applicable. <sup>\*</sup>U.S. data: includes Hong Kong, SAR. <sup>1</sup>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 data are preliminary estimates.

## accommodations

- In October 2008, the national occupancy rate fell by 1.9 percentage points over the same month last year to 66.7%. The most significant provincial occupancy increases occurred in the Yukon (up 9.0%) and P.E.I. (up 7.4%) while the Northwest Territories posted the largest decline (-13.8%);
- Year-to-date October, the national occupancy rate decreased 1.2 percentage points falling to 65.8% when compared to the same period last year. The Yukon posted the highest occupancy rate at 73.8% (up 1.6%) followed by Saskatchewan at 73.1% (up 1.5%);
- Year-to-date, the average daily rate (ADR) for Canada was \$132.17, up 3.2% over the same period last year. Québec, Alberta, B.C. and the Northwest Territories again posted averages high than the national average;
- From January to October, the national average Revenue per Available Room (RevPar) was \$86.96, up 1.3% over the same period last year. Québec, Alberta, British Columbia and the Northwest Territories all posted rates higher than average RevPar during the aforementioned period;

Source: PKF Consulting

## Canadian Occupancy Rates, By Province

	Oct 2008	08/07 Change^	Jan-Oct 2008	Year-to-date Change^
Alberta	71.8	-4.2	70.2	-3.2
British Columbia	61.2	-4.0	67.8	-1.6
Saskatchewan	81.1	6.3	73.1	1.5
Manitoba	73.5	2.7	68.1	2.0
Ontario	66.6	-1.2	63.4	-0.8
Quebec	68.2	-0.9	64.4	-1.2
New Brunswick	60.1	-2.8	61.8	-2.1
Nova Scotia	66.2	-6.7	65.2	-3.2
Newfoundland	77.2	3.6	67.9	2.2
Prince Edward Island	51.6	7.4	51.4	1.4
Northwest Territories	53.8	-13.8	64.6	-4.0
Yukon	66.6	9.0	73.8	1.6
<b>Canada</b>	<b>66.7</b>	<b>-1.9</b>	<b>65.8</b>	<b>-1.2</b>

^ Percentage points.

Source: PKF

## strategic performance

## Travel Volumes, January - October 2008

	Trips Made (000s)		
	Target	Actual	% Difference
<b>Americas Key Markets</b>			
United States	11,371	11,075	-2.6
Mexico	223	238	6.7
Americas (Total)	11,594	11,313	-2.4
<b>Overseas Key Markets</b>			
France	325	382	17.6
Germany	277	294	6.0
UK	814	770	-5.4
China	140	139	-0.1
Japan	234	252	7.9
South Korea	166	167	0.4
Australia	203	209	3.0
Overseas Key Markets (Total)	2,159	2,214	2.6
<b>Total</b>	<b>13,753</b>	<b>13,527</b>	<b>-1.6</b>

Note: As per strategic plans.

- Against all set targets for the CTC's core markets, there was a shortfall in projected trips of 226,000, a difference of -1.6% for January through October 2008;
- Year-to-date, North American trips have fallen short of meeting their target by 2.4%, whereas overseas trips have surpassed CTC targets by 2.6%;
- The most notable performance has been from France exceeding the set target by 17.6% year-to-date.

**CTC Marketing  
Market Research**