

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

May 2008  
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## key highlights

In May 2008, visits from CTC overseas key markets increased 4.2%. For North America, visits from Mexico (+15%) were offset by declines in trips from the U.S. (-3.2%).

In the first quarter of 2008, Canada was outpaced by its main competitors.

According to survey data, the national occupancy rate fell 0.8 percentage points over May 2007, due to decreases from 7 provinces/territories.

## tourism review

### International Trips

- International travellers made 1.5 million overnight trips to Canada in May 2008 – the same level as in May 2007.
- Canada saw increases from all regions in May 2008 – Europe (+10.7%), Africa (+10.9%); Asia (+5.0%); Oceania (+9.2%); Other North America (+11.9%); and South America (+7.3%).
- Canada's key overseas markets posted an increase of 4.2% in May, while the Americas key markets posted a decline of 2.9%.

### United States

- In May 2008, total overnight trips from the US decreased by -3.2% - automobile trips fell slightly (-0.9%), plane trips were down 6.2% and other non-automobile trips' fell by 5.9%.
- Year-to-date, US trips to Canada fell by 4.1% - automobile trips were down by 4.6%, plane trips were down by 3.7%, and "other trips" were down by 2.0%.
- For Jan.-May 2008, total US trips to Newfoundland, P.E.I. and Nova Scotia increased while US trips to other provinces decreased.

## Overnight Trips To Canada

	May 2008	08/07 May % Change	Jan-May 2008	Year-to-date % Change
<b>Americas*</b>				
United States (Total)	1,095,988	-3.2	3,503,745	-4.1
Automobile	634,799	-0.9	2,022,953	-4.6
Plane	312,834	-6.2	1,165,820	-3.7
Other	148,355	-5.9	314,972	-2.0
Mexico	21,256	14.6	85,044	15.0
Americas Total	1,117,244	-2.9	3,588,789	-3.7
<b>Overseas Key Markets</b>				
France	31,740	22.2	115,889	8.2
Germany	34,606	10.3	85,870	2.2
UK	84,188	-0.2	276,667	0.1
China	14,143	10.4	50,396	12.7
Japan	23,923	-13.2	85,476	-19.8
South Korea	17,371	3.7	64,860	0.3
Australia	32,806	8.1	80,262	9.5
Overseas Key Markets	238,777	4.2	759,420	0.3
As % of Total Key Markets	17.6		17.5	
Other Overseas Countries	181,524	15.2	560,622	8.5
Total Non-US Countries	441,557	9.0	1,405,086	4.3
Total International Countries	1,537,545	0.0	4,908,831	-1.8

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

\*Refers to the CTC's marketing group in the U.S. and Mexico.

## Overnight Trips by Canadians

	May 2008	08/07 May % Change	Jan-May 2008	Year-to-date % Change
United States	1,617,778	15.5	7,693,279	16.8
Other Countries	604,277	10.9	4,118,198	11.3
Total Trips from Canada	2,222,055	14.2	11,811,477	14.8

Note: Statistics Canada preliminary estimates.

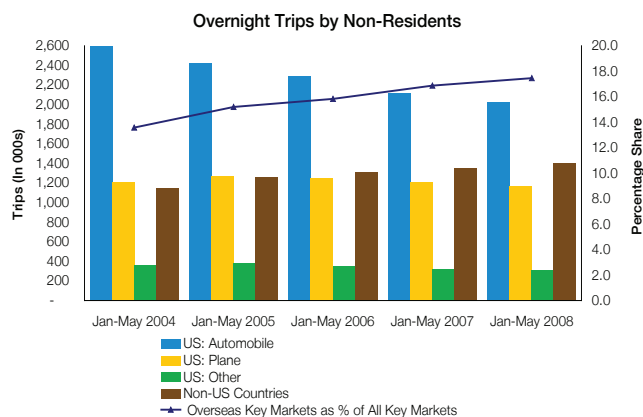
Source: Statistics Canada, International Travel Survey.

### Mexico

- This month, Mexico posted the second-largest growth rate (14.6%) of all CTC key markets. Year-to-date, overnight trips from Mexico increased 15.0% to reach 85,044.

### Overseas Key Markets

- In May 2008, 5 of the 7 key overseas markets posted increases. France (+22.2%), China (+10.4%), Germany (+10.3%), Australia (+8.1%), and South Korea (+3.7%), while the UK and Japan posted declines of -0.2% and -13.2%.
- Notable, Japan posted its lowest monthly decline since January 2008.
- Year-to-date, overseas key markets posted a slight increase (+0.3%). China posted the largest gain (+12.7%), followed by Australia (+9.5%) and France (+8.2%). Japan posted a decline of 19.8%.



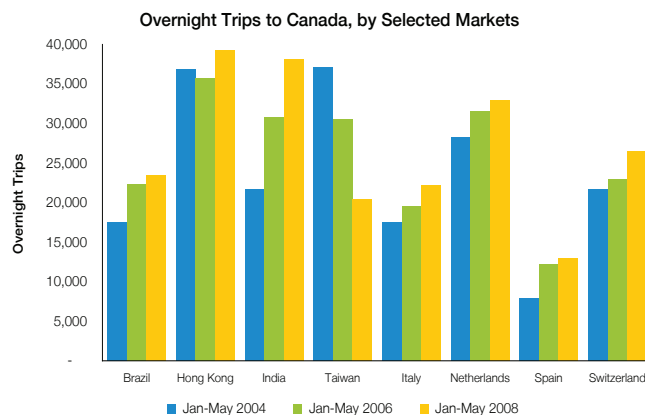
### Share of Entry

- For Jan.-May 2008, there were 3.5 million US visitors, accounting for 81% of the total visitors from our key markets. 47% were automobile trips, 27% were plane trips, and 7% were other non-automobile trips.
- 85,044 Mexicans visited Canada, accounting for 2.0% of our key markets.
- About 478,000 visitors from our key European markets visited Canada, accounting for 11% of the total. Notable, trips from the UK accounted for 6%.

- About 281,000 visitors from Asia/Pacific key markets visited Canada, accounting for almost 7% of total tourists from overseas key markets. Notable, Japan accounted for 2.0% of trips from all key markets.
- Overseas CTC key markets have gained share of entry over the Americas, reaching 17.5% in Jan.-May 2008 -- up from 15.8% in 2006 and 13.6% in 2004.

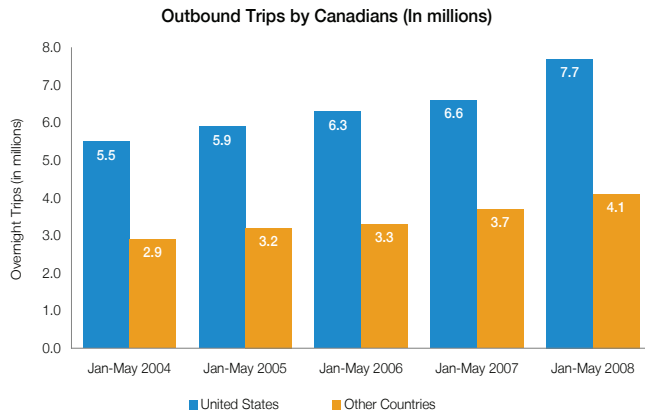
### Market Watch

- In May 2008, Canada received the largest volume of travellers from India (15,520 overnight trips, +15.0% growth). Switzerland posted the highest growth rate over May 2007 (+21.8%).
- In the first five months of 2008, the highest volume of visitors came from Hong Kong (39,268 trips), followed closely by India (38,081 trips). Hong Kong (+14.7%) and Switzerland (+13.6%) posted the highest growth rates.
- Compared to Jan.-May 2006, India (+23.6%) and Switzerland (+15.4%) posted the highest growth rates, while Taiwan (-33.0%) posted the only decline of selected markets.
- Compared to 2004, trips from India posted the largest growth rate (+75.4%), followed by Spain (+64.7%). Taiwan posted the only decline (-44.8%).



## Canadian Outbound Trips

- Canadian outbound travel increased 14.2% in May 2008. Trips to the U.S. increased by 15.5%, while trips to other international destinations increased by 10.9%.
- Year-to-date, outbound travel from all provinces increased. Overall, Canadians made 14.8% more outbound trips over the same period last year. Trips to the U.S. were up by 16.8% and trips to non-US countries were up by 11.3%.



## consumer outlook

### Consumer Confidence

**CANADA:** Canadians are feeling less confident in May 2008 than they were in April, as the consumer confidence fell for the third consecutive month, down 7 percentage points over April to reach 85.8. Over the same month last year, Canadian consumer confidence index was at 99.

**UNITED STATES:** The US consumer confidence fell in May (-5.6 percentage points over April) to reach 57.2 – a 16-year low. Over the same month last year, the consumer confidence index was at 108.0

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

## accommodations

- According to survey data, in May 2008, the national occupancy rate in Canada decreased slightly (-0.8 percentage point) over the same month last year – due to year-over-year declines in New Brunswick, Quebec, Manitoba, Saskatchewan, Alberta, BC, and NWT.
- Year-to-date, Canada's occupancy rate fell slightly (-0.4 percentage points over 2007). Saskatchewan, posted the highest occupancy rate (69.5%) with a growth of 1.1 percentage points. The NWT and Alberta posted the next highest year-to-date occupancy rates.
- For the first five months of 2008, properties with 500 rooms posted the highest occupancy rate (63.6%), followed closely by properties with 201-500 rooms (63.3%). Properties with under 50 rooms posted the lowest occupancy rate (46.0%).
- Year-to-date, the average daily rate in Canada was \$126.03, up from \$120.62 in 2007. Quebec, Alberta, BC, and the NWT posted room rates above the national rate.
- The national average room revenue per available room (RevPAR) was \$75.35 in Jan.- May 2008. Alberta, BC, and the NWT posted RevPAR above the national RevPAR.

Source: PKF Consulting.

### Canadian Occupancy Rates, By Province

	May 2008	08/07 Change <sup>^</sup>	Jan-May 2008	Year-to-date Change <sup>^</sup>
Alberta <sup>*</sup>	70.0	-2.7	67.0	-2.5
British Columbia	71.0	-1.2	62.4	-0.3
Saskatchewan	74.5	-2.7	69.5	1.1
Manitoba	66.8	-2.6	64.7	1.9
Ontario	66.0	1.0	57.1	0.1
Quebec	65.5	-3.3	56.3	-1.0
New Brunswick	61.7	-1.6	54.8	-0.6
Nova Scotia	70.0	2.4	56.7	-1.2
Newfoundland	71.9	4.2	56.0	2.6
Prince Edward Island	40.6	3.3	35.9	0.5
Northwest Territories	62.1	-9.8	67.5	0.2
Yukon	76.3	6.9	64.1	1.1
Canada	67.6	-0.8	59.8	-0.4

\* Note: Based on the operating results of 202,224 rooms (unweighted data).

<sup>^</sup> Percentage points. <sup>\*</sup>Excluding Alberta resorts.

Source: Pannell Kerr Forster Consulting Inc.

## competitive review (Jan. – Mar. 2008)

- For the first quarter of 2008, the US and the UK saw healthy growth in international arrivals (+15% and +5% respectively). Arrivals to Australia were unchanged, while Canada experienced a decline of -2%.
- The **US** experienced strong growth from China (+25%), and Canada (+21%) in Q1 2008.
- Compared to the U.S., Canada posted higher growth in arrivals from Mexico (+28% vs. +18% for the U.S.) and Australia (+12% vs. +7% for the U.S.). Both countries posted declines from Japan.
- Australia** registered highest increases from France (+11%), and Canada (+11%).
- Compared to Australia, Canada posted higher growth in arrivals from the U.K. (+1% vs. -1% for Australia) and China (+16% vs. +6% for Australia). Both countries posted declines from Japan and South Korea.
- The **UK** experienced strong growth from Mexico (+56%), Canada (+38%), and Australia (+13%), but experienced declines for all other markets.

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

Trips from:	Trips to:							
	Canada		United States		Australia		United Kingdom	
	2008	08/07 Change	2008	08/07 Change	2008	08/07 Change	2008	08/07 Change
Total International	2,421	-2	11,385	15	1,503	0	7,193	5
<b>Americas</b>								
United States	1,728	-3	...	...	128	3	619	-12
Mexico'	47	28	1,510	18	...	...	14	56
<b>Overseas Key Markets</b>								
France	61	1	209	16	21	11	830	-8
Germany	37	-4	363	19	47	4	566	-9
United Kingdom	143	1	971	6	230	-1	...	...
China*	26	16	145	25	121	6	27	-23
Japan	46	-20	851	-3	137	-18	57	-28
South Korea	35	-2	200	5	65	-13	...	...
Australia	35	12	141	7	...	...	157	13
Canada	...	...	4,490	21	41	11	173	38
Total Key Markets**	2,158	-3	8,879	15	790	-3	2,443	-7

...Data not available or not applicable. \*US data includes Hong Kong, SAR. ^Estimation.

'Arrivals to the interior only. \*\*Selected markets listed.

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

- Compared to the UK, Canada posted higher growth in arrivals from the France (+1% vs. -8% for the UK) and China (+26% vs. -23% for the UK). Both countries posted declines from the U.S., Germany, and Japan.

## strategic performance

### Travel Volumes, January - May 2008

	Trips Made (000s)		
	Target	Actual	% Difference
<b>Americas</b>			
United States	3,501	3,504	0.1
Mexico	82	85	3.2
<b>Overseas</b>			
France	108	116	6.8
Germany	82	86	4.7
UK	295	277	-6.1
China	55	50	-8.7
Japan	88	85	-3.2
S Korea	64	65	2.1
Australia	83	80	-3.7
Total	4,359	4,348	-0.2

Note: As per strategic plans.

- Against the set targets for CTC's core markets, there is a slight shortfall of 11,000 (-0.2%) in the first five months of 2008.
- Year-to-date, overnight trips from North America have exceeded its target by 0.2% (or 6,000 trips). Overnight trips to Canada from Europe, and Asia Pacific have a short fall of -1.4% and -3.2% (less 7,000 and 9,000 overnight trips respectively).
- The most notable performance is from France which exceeded the target by 6.8% (or 8,000 overnight trips).

**CTC Marketing  
Market Research**