



tourism snapshot

Canadian Tourism Commission

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

August 2008

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key highlights

Spurred by Québec's 400th Anniversary, France registered a record increase of 31.3% in overnight trips in August 2008.

Outbound travel by Canadians continued to grow in August with a year-over-year increase of 12.9% compared to 2007 and a 12.7% year-to-date August increase.

Consumer confidence edged up slightly in both Canada (43.2) and the U.S. (56.9) reaching 83.2 and 56.9 respectively.

tourism review

International trips

- International travellers made almost 2.7 million trips to Canada in August, a 3% decrease compared to August 2007;
- The number of non-U.S. trips to Canada increased 3.7% in August compared to last year, with U.S. trips falling 4.9%;
- Year-to-date international trips to Canada reached 12.3 million, down 3.8% over the same period last year;
- Year-to-date overnight trips to Canada from the U.S. fell 6.2% over last year, while visits from overseas key markets increased slightly (0.6%) compared to last year;
- Regionally, trips from key Asian markets fell 1.9% in August, while visits from European key markets increased 5.3%.

United States

- In August, total trips by Americans continued to slide, dropping 4.9%. Plane trips led the decline dropping 7.4%, with automobile falling 4.2% and 'other' non-automobile trips down 4.1%;
- Year-to-date, U.S. trips to Canada declined 6.2%, with automobile trips falling 6.4%, plane trips down 5.1% and 'other' non-automobile trips dropping by 7.7%;

Overnight Trips To Canada

| | August 2008 | 08/07 Aug % Change | Jan-Aug 2008 | Year-to-date % Change |
|---|------------------|--------------------|-------------------|-----------------------|
| Americas | | | | |
| United States (Total) | 2,036,707 | -4.9 | 9,053,524 | -6.2 |
| Automobile | 1,313,824 | -4.2 | 5,466,860 | -6.4 |
| Plane | 433,929 | -7.4 | 2,494,885 | -5.1 |
| Other | 288,954 | -4.1 | 1,091,779 | -7.7 |
| Mexico | 31,576 | 3.8 | 199,086 | 10.9 |
| Total Americas | 2,068,283 | -4.8 | 9,252,610 | -5.9 |
| Overseas | | | | |
| Europe/Latin America Key Markets | | | | |
| France | 73,620 | 31.3 | 294,887 | 14.6 |
| Germany | 50,399 | 6.5 | 220,950 | 2.4 |
| UK | 112,527 | -7.2 | 609,253 | -3.0 |
| Asia/Pacific Key Markets | | | | |
| China | 18,032 | -2.1 | 107,517 | 7.5 |
| Japan | 34,590 | -10.0 | 180,848 | -15.2 |
| South Korea | 23,120 | -9.8 | 137,331 | -3.0 |
| Australia | 28,692 | 19.9 | 166,019 | 10.1 |
| Overseas Key Markets | 340,980 | 3.0 | 1,716,805 | 0.6 |
| As % of Key Markets and US | 15.5 | | 17.5 | |
| Other Countries | 255,991 | 4.6 | 1,372,727 | 6.6 |
| Total Non-US Countries | 628,547 | 3.7 | 3,288,618 | 3.6 |
| Total Countries | 2,665,254 | -3.0 | 12,342,142 | -3.8 |

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

Overnight Trips by Canadians

| | Aug 2008 | 08/07 Aug % Change | Jan-Aug 2008 | Year-to-date % Change |
|--------------------------------|------------------|--------------------|-------------------|-----------------------|
| United States | 2,565,809 | 13.4 | 13,673,594 | 13.6 |
| Other Countries | 731,584 | 11.2 | 5,928,076 | 10.8 |
| Total Trips from Canada | 3,297,393 | 12.9 | 19,601,670 | 12.7 |

Note: Statistics Canada preliminary estimates.

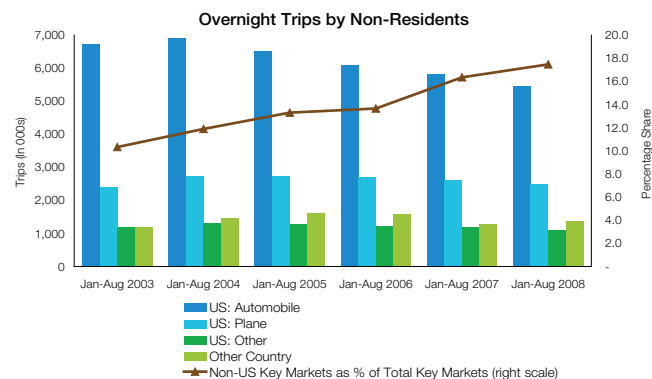
Source: Statistics Canada, International Travel Survey.

Mexico

- This month Mexico posted a 3.8% gain compared to the same period a year ago. Year-to-date August overnight trips from Mexico increased 10.9%, the second largest growth rate of all key markets.

Overseas key markets

- In August 2008, CTC's key overseas markets posted a 3% increase over last year mainly driven by significant gains in trips from France (+31.3 points) and Australia (+19.9);
- Key overseas markets posted a marginal increase of 0.6% year-to-date over last year reaching over 1.7 million trips;
- Notable, France's strong performance in August boasted the highest year-to-date increase of 14.6% over last year.



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

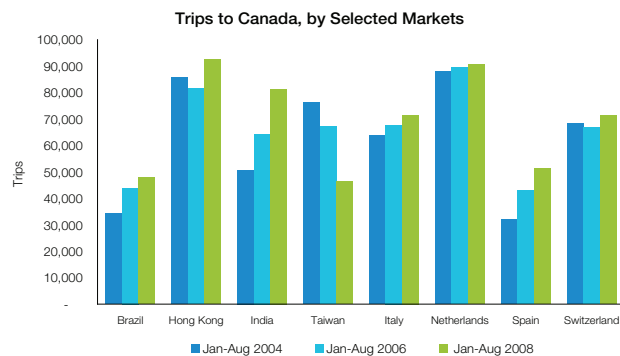
Share of entry

- January to August 2008, there were 9 million U.S. visitors to Canada accounting for 83% of international travellers from key markets. Of those U.S. travellers, 60.4% came by automobile, 27.6% by plane and 12.1% by 'other' trip modes;
- By the end of August 2008, Mexican travel to Canada accounted for 2% of key CTC market travel;
- Visitors from key European markets made 1,125,090 trips to Canada year-to-date August, accounting for 10% of travellers to Canada from international key markets. Of these trips, the U.K. accounted for 54% of international travellers to Canada from European markets;
- Travellers from key Asian markets made 591,715 trips, accounting for 5% of international visitors to Canada January through August;

- Overseas key markets accounted for 16% of international travel to Canada compared to January-August 2007, when the overseas markets accounted for 17%. (note: share is of CTC key markets)

Market watch

- In terms of other source markets to Canada in August 2008, Canada received the largest volume of travellers from Italy (22,119 overnight trips, up 2.5% over 2007), while Brazil (+26.9%) and Spain (19.3%) posted the highest increases over 2007;
- Year to date August, the highest volume of visitors came from Hong Kong (92,514 overnight trips, +12.9%), followed by the Netherlands (90,687, +0.7%). The most significant gains came from Hong Kong at +13% followed by Spain at +12.9%;
- Compared to January – August 2006, India posted the largest gains (+26%), while Taiwan posted the only decline (-31%);
- When comparing to 2004, India and Spain have posted 60% increases in arrivals to Canada, while Taiwan has posted the only decline of -39% over 2004.



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

Canadian outbound trips

- Canadian Outbound travel increased 13.4% to the U.S. in August over the same period last year and 11.2% to other international countries;
- Travel from all Canadian provinces increased in August compared to last year, with the most significant year-over-year gain by P.E.I. (+22.9%), followed by Alberta (+20.4%) and Manitoba (+16.2%);

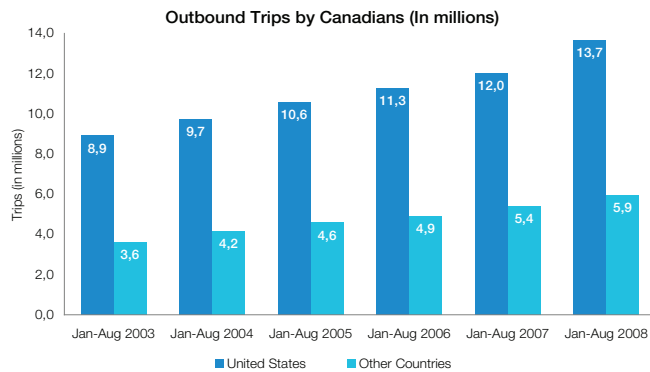
consumer outlook

Consumer confidence

CANADA: After stabilizing in July, Consumer Confidence edged up 2.2 points in August to 83.2 (2002 = 100). Consumer Confidence was at 99.5 in August 2007.

UNITED STATES: Consumer Confidence, which had improved moderately in July, made further gains in August with the index now standing at 56.9 (1985=100).

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



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

competitive review (June 2008)

- The U.S. experienced strong growth from France (+31.3%), China (+25.3%) and Germany (+22.4%) over last year;
- Compared to the U.S., Canada posted higher growth levels from Mexico (+12.9% vs. -12.4% for the U.S.) and Australia (+8.6% vs. +4.4% for the U.S.);
- Australia registered the highest increases from France (+14.2%) and China (+9.8%) January through June;
- Compared to Australia, Canada posted better growth in arrivals from China (+10.5 vs. +9.8 for Australia);
- The U.K. posted the most significant gain from France (+11.2 points). Significant declines were registered from Japan (-39 points), Germany (-21.9 points) and Mexico (-21.4) from January through June 2008. Canada out-performed the U.K. in all key markets with the exception of the U.S. and France.

International Travel, January - June 2008 (In 000s)

| TRIPS FROM: | TRIPS TO: | | | | | | | |
|--------------------------|-----------|--------------|---------------|--------------|-----------|--------------|----------------|--------------|
| | Canada | | United States | | Australia | | United Kingdom | |
| | # | 08/07 Change | # | 08/07 Change | # | 08/07 Change | # | 08/07 Change |
| Total International | 6,978 | -3.9 | 12,477 | 7.7 | 2,691 | 3.6 | 8,424 | -1.0 |
| United States | 5,014 | -6.7 | ... | ... | 228 | -2.2 | 957 | -2.1 |
| Mexico ¹ | 116 | 12.9 | 1,431 | -12.4 | ... | ... | 11 | -21.4 |
| Total Americas | 5,129 | -6.3 | 1,431 | -12.4 | 228 | -2.2 | 968 | -2.4 |
| Other Key Markets | | | | | | | | |
| France | 155 | 8.0 | 328 | 31.3 | 35 | 14.2 | 991 | 11.2 |
| Germany | 126 | 3.0 | 471 | 22.4 | 72 | 5.1 | 765 | -21.9 |
| United Kingdom | 379 | -0.8 | 1,184 | 9.8 | 338 | -0.8 | ... | ... |
| China* | 67 | 10.5 | 161 | 25.3 | 198 | 9.8 | 32 | 3.2 |
| Japan | 114 | -18.0 | 760 | -4.3 | 226 | -18.7 | 47 | -39.0 |
| South Korea | 85 | 0.2 | 192 | -2.1 | 116 | -12.9 | ... | ... |
| Australia | 112 | 8.6 | 189 | 4.4 | ... | ... | 267 | 17.6 |
| Canada | ... | ... | 4,587 | 12.1 | 64 | 11.0 | 247 | -6.8 |
| Total Key Markets | 6,166 | -5.3 | 9,304 | 6.5 | 1,275 | -3.4 | 3,317 | -4.2 |

...Data not available or not applicable. *U.S. data: includes Hong Kong, SAR. ¹US data: Arrivals to the interior only.

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

accommodations

- According to survey data in August 2008, increases in occupancy were registered in many provinces including Manitoba (+2.7 points), Québec (+1.2 points), Ontario (+0.5 points) and Saskatchewan (+0.1 points), however were offset by other provinces facing declines for an overall Canada wide decline of 0.4 points;
- Year-to-date, Canada's occupancy level has fallen 0.9% over last year. The Yukon posted the highest occupancy rate at 73.4% remaining constant compared to last year, followed by Saskatchewan at 71.5% (up 0.6%);
- Year-to-date, properties with over 500 rooms posted the highest average occupancy rate of 70.2%, up 0.7% over last year, followed closely by properties with 201-500 rooms with an occupancy rate of 67.3% (down 0.8%). Properties with less than 50 rooms posted the lowest occupancy rates averaging 54.2% year-to-date;
- Year-to-date, the Average Daily Rate for Canada was \$131.63, up 3.5% over the same period last year. Québec, Alberta, B.C. and the Northwest Territories posted average daily rates over the national average;

Canadian Occupancy Rates, By Province

| | Aug 08 | 08/07 Change^ | Jan-Aug 2008 Occupancy Rate | Year-to-date Change^ |
|-----------------------|--------|---------------|-----------------------------|----------------------|
| Alberta | 74.6 | -2.9 | 69.3 | -3.3 |
| British Columbia | 81.2 | -1.9 | 68.2 | -0.9 |
| Saskatchewan | 75.2 | 0.1 | 71.5 | 0.6 |
| Manitoba | 71.4 | 2.7 | 66.8 | 1.6 |
| Ontario | 73.9 | 0.5 | 62.1 | -0.4 |
| Quebec | 79.3 | 1.2 | 62.9 | -1.1 |
| New Brunswick | 79.4 | -1.8 | 61.6 | -1.5 |
| Nova Scotia | 79.6 | -0.9 | 63.7 | -2.3 |
| Newfoundland | 84.0 | 0.0 | 65.1 | 2.0 |
| Prince Edward Island | 79.4 | -1.8 | 49.8 | 0.9 |
| Northwest Territories | 57.6 | -10.8 | 65.9 | -2.7 |
| Yukon | 87.1 | -1.2 | 73.4 | 0.0 |
| Canada | 76.7 | -0.4 | 64.9 | -0.9 |

* Note: Data based on survey of hotels (15+ rooms) across Canada.

... - Insufficient data; ^ - Percentage points.

Source: PKF Consulting

- The National Revenue Per Available Room (RevPar) was \$85.38, up 2 % over the same period last year. Québec, Alberta, B.C. and the Northwest Territories posted average RevPar over the national average.

Source: PKF Consulting

strategic performance

Travel Volumes, January - August 2008

| | Trips Made (000s) | | |
|-----------------------------|-------------------|--------|--------------|
| | Target | Actual | % Difference |
| Americas | | | |
| United States | 9,233 | 9,054 | -1.9 |
| Mexico | 186 | 199 | 6.9 |
| Overseas | | | |
| Europe/Latin America | | | |
| France | 247 | 295 | 19.3 |
| Germany | 211 | 221 | 4.7 |
| UK | 636 | 609 | -4.2 |
| Asia/Pacific | | | |
| China | 105 | 108 | 2.0 |
| Japan | 166 | 181 | 8.9 |
| S Korea | 134 | 137 | 2.5 |
| Australia | 158 | 166 | 5.0 |
| Total | 11,077 | 10,969 | -1.0 |

Note: As per strategic plans.

- Against all set targets for the CTC's core markets, there was a shortfall in projected trips of 107,500, a difference of -1% for January through August 2008;
- Year-to-date, North American trips have fallen short of meeting their target by 2%, whereas overseas trips have surpassed CTC targets by 3%;
- The most notable performance has been from France exceeding the target set by 19.3% year-to-date.

Please note: While these figures are indicative, generalizations concerning the state of visits from Canada's key markets should not be drawn from only 8 months of data.

**CTC Marketing
Market Research**