



tourism snapshot

Canadian Tourism Commission

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

November 2008

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key highlights

Year-to-date, international visits to Canada reached 16 million trips, a decline of 4.8% over the same period in 2007.

U.S. Consumer Confidence, which had declined to an all-time low in October (38.8), moderately improved in November up 6.1 points to reach 44.9 (1985=100).

In November 2008, outbound trips, mainly driven by a reduction in travel by Canadians to the U.S., dropped for a third consecutive month falling 6.4% over 2007.

tourism review

International Trips

- International travellers made 814,639 overnight trips to Canada in November 2008, a decline of 7.5% over the previous year;
- Year-to-date, international visits to Canada declined 4.8% over 2007, with a total of 16 million trips to Canada during the Jan.-Nov. period;
- This month, trips to Canada from both U.S. and overseas key markets decreased compared to the same period in 2007, falling 7.4% and 12.5%, respectively;
- For the January-November period, trips from the U.S. fell 7.1% to reach just over 11.7 million trips, while trips by non-U.S. countries increased 2.3% over 2007, reaching 4.3 million trips.

United States

- Overall, trips by Americans fell 7.4% in November with automobile and plane trips falling both by 6.6% and trips by "other" modes facing the most significant drop of 20.3% over 2007;
- Although U.S. trips to Canada declined 7.1% year-to-date, 2 provinces (NFLD: 89.7%, PEI: 17.4%) posted increases;

Overnight Trips To Canada

	November 2008	08/07 Nov % Change	Jan-Nov 2008	Year-to-date % Change
Americas				
United States (Total)	624,719	-7.4	11,700,050	-7.1
Automobile	377,968	-6.6	6,917,588	-7.7
Plane	213,697	-6.6	3,319,894	-5.5
Other	33,054	-20.3	1,462,568	-8.2
Mexico	9,930	-10.8	247,741	9.4
Americas Key Markets Total	634,649	-7.5	11,947,791	-6.8
European Key Markets				
France	13,379	-7.0	395,859	13.4
Germany	10,821	6.9	304,712	4.1
UK	30,631	-10.3	800,517	-5.5
Asia/Pacific Key Markets				
China	9,893	-3.3	149,355	5.2
Japan	10,535	-40.1	262,941	-16.7
South Korea	7,169	-26.0	173,794	-6.4
Australia	9,803	6.1	218,915	10.4
Overseas Key Markets Total	92,231	-12.5	2,306,093	-1.1
As % of Key Markets and US	14.0		17.9	
Other Countries	87,759	-1.8	1,792,662	5.9
Total Non-US Countries	189,920	-7.8	4,346,496	2.3
Total Countries	814,639	-7.5	16,046,546	-4.8

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

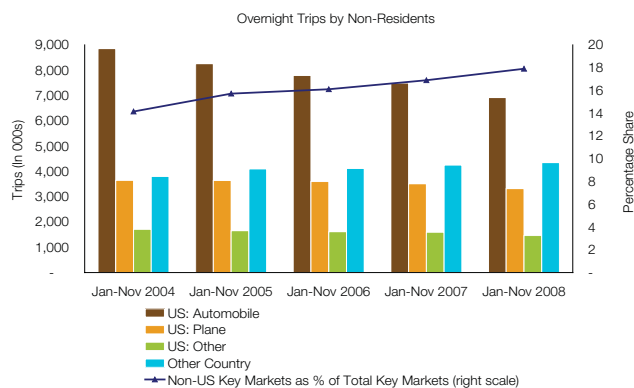
- Automobile trips (which accounted for 59% of all U.S. trips to Canada) declined at a faster rate (-7.7%) than non-automobile trips (-6.3%) in the January-November 2008 period.

Mexico

- This month, Mexico posted its first monthly decline relative to the same period in 2007 since April 2008 falling 10.8%. Year-to-date however, Mexico recorded an increase of 9.4% over last year.

Overseas Key Markets

- In November 2008, overseas key markets fell 12.5% over the same month in 2007, with 92,231 overnight trips to Canada;
- Regionally this month, Canada experienced significant decreases in trips from Japan (-40.1%) and South Korea (-26%). Germany and Australia were the only two key markets showing increases up 6.9% and 6.1%, respectively;
- Year-to-date, trips from Canada's key overseas markets decreased marginally, by 1.1%, to reach just over 2.3 million trips;
- Year-to-date, increases in visitation from France (13.4%), Australia (10.4%), Mexico (9.4%), China (5.2%) and Germany (4.1%) were offset by decreases from Japan (-16.7%), South Korea (-6.4%) and the UK (-5.5%).

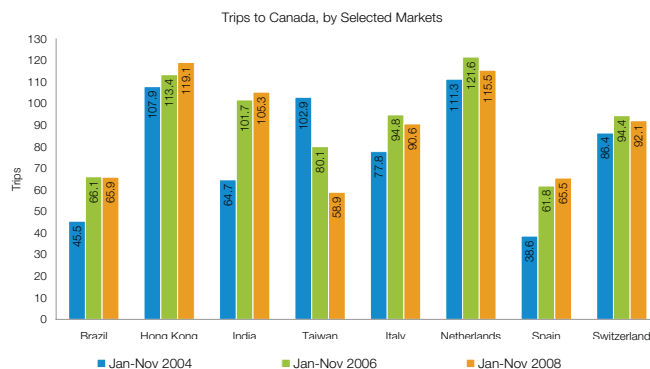


Share of Entry

- Year-to-date November, Canada received 11.7 million U.S. visitors, which accounted for 82.1% of total visitors from core markets. Of these U.S. visitors, 59% travelled by automobile, 28.4% by plane, while 12.5% used "other" modes of transportation;
- Visitors from key European markets made just over 1.5 million trips to Canada year-to-date, accounting for 10.5% of total core markets. Of all core market trips, the UK accounted for 5.6%;
- Visitors from Asian key markets made 805,000 trips year-to-date, accounting for 5.6% of total visitors from key markets;
- Overseas key markets have gained a small share increase over the U.S., and now account for 17.9% of international visitors to Canada, up 2.6% compared to January – November 2007.

Market Watch

- Hong Kong continued to record the largest growth rate over 2007, increasing 14% during the January – November 2008 period, followed by Spain with growth of 10%. Taiwan was the only market that posted a decline over 2007, down by 22.9%;
- Over the last four years, Spain has posted the most significant increase up 69.7% with a total of 65,488 trips in the Jan-Nov 2008 period. India also posted a significant increase, up 62.8% over 2007. Only Taiwan registered a decrease over 2004 (-42.8%).



Overnight Trips by Canadians

	November 2008	08/07 Nov % Change	Jan-Nov 2008	Year-to-date % Change
United States	1,304,899	-12.0	17,846,903	7.9
Other Countries	524,452	11.0	7,484,297	9.6
Total Trips from Canada	1,829,351	-6.4	25,331,200	8.4

Note: Statistics Canada preliminary estimates.

Source: Statistics Canada, International Travel Survey.

Canadian Outbound Trips

- In November 2008, outbound trips by Canadians dropped for the third consecutive month falling 6.4% over 2007;
- Trips to the U.S. were down 12%, while an increase of 11% was recorded to non-U.S. outbound destinations for the month of November;
- Year-to-date, Canadians made 25.3 million trips abroad, an increase of 8.4% over last year, with trips to the U.S. increasing 7.9% and trips to non-U.S. outbound destinations up 9.6%;
- For the month of November, outbound travel increased 66.6% from Newfoundland, 73.7% from PEI and 9.2% from Alberta, while all other provinces experienced decreases compared to the same month last year. Year-to-date, all provinces increased in outbound trips with the exception of New Brunswick and the Yukon both posting 2.4% decreases over 2007.

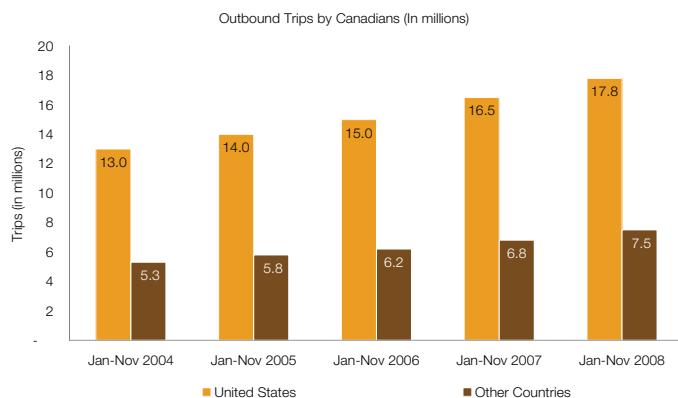
consumer outlook

Consumer Confidence

CANADA: The Canadian Consumer confidence index continued to slide in November and is now standing at 71 down 2.9 points over October. The index stood at 100.2 a year ago. (2002=100)

UNITED STATES: U.S. Consumer Confidence, which had declined to an all-time low in October (38.8), moderately improved in November up 6.1 points to 44.9. The index stood at 87.3 in November of 2007. (1985=100)

Sources: November 2008 Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada



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

competitive review (September 2008)

- From January to September 2008, international visitors to the U.S. increased 7.9% and the U.K. posted a moderate increase (+0.8%), while Australia was unchanged and Canada fell 4.7%;
- The U.S. experienced strong growth from France (+28.1%), China (+20.8%) and Germany (+19.8%) over last year;
- All four competitive destinations posted declines from Japan with the most significant drop to the U.K. (-24.5%) followed by Australia(-18%), Canada (-15.6%) and the U.S. (-6.1%);
- Compared to the U.S., Canada posted higher growth levels from Mexico (+ 10.6% vs. -6.4% for the U.S.) and Australia (+10.9% vs. 6.1% for the U.S.);
- All four competitive destinations registered healthy growth from France with the largest growth to the U.S. (+28.1%) followed by Australia (+18%), Canada (+14.6%) and the U.K. (+8.9%);
- The U.K. posted significant increases from Mexico (+ 26.2%), China (-21.5%), Germany (-13.3%) and the U.S. (-12.3%);
- Australia posted a large decline from South Korea (-11%) while Canada and the U.S. also experienced small declines of -3.9% and -2.4%, respectively.

International Travel, January-September 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	14,003	-4.7	39,018	7.9	4,065	0.0	25,001	0.8
United States	10,176	-7.3	...	...	339	0.0	2,449	-12.3
Other Key Markets								
France	223	10.6	4,560	-6.4	...	...	53	26.2
Germany	350	14.6	959	28.1	61	18.0	2,851	8.9
United Kingdom	271	3.2	1,362	19.8	113	7.0	2,279	-13.3
Mexico ¹	714	-4.0	3,446	6.1	453	-2.0	...	...
China*	126	6.7	503	20.8	274	3.0	106	-21.5
Japan	219	-15.6	2,507	-6.1	347	-18.0	188	-24.5
South Korea	155	-3.9	621	-2.4	171	-11.0	...	...
Australia	196	10.9	528	6.1	...	...	769	5.8
Canada	...	...	15,152	11.5	89	10.0	717	5.4
Total Key Markets	12,431	-3.0	29,638	6.6	1,847	-4.1	25,001	0.8

...Not applicable or data not available.

* US figures for China includes Hong Kong, SAR; ¹ US figures for Mexico include arrivals to interior only.

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

Note: Statistics Canada and National Statistics preliminary figures.

accommodations

- In November 2008, the national occupancy rate fell by 3.2% over the previous year to 59.1%. While most provinces faced decreases in occupancy, Manitoba posted the largest increase this month (+ 5.0%) followed by the Yukon (+4.8%). The Northwest Territories posted the largest decline (-9.5%) followed by the Nova Scotia (-6.3%);
- Year-to-date November, the national occupancy rate decreased 1.4% falling to 65.2% when compared to the same period last year. Saskatchewan posted the highest occupancy rate at 73.7% (up 1.6%) followed by the Yukon at 72.9% (up 1.9%);
- From January-November 2008, the national average Revenue per Available Room (RevPAR) was \$85.65, up 1.0% over last year. Québec, Alberta, British Columbia and the Northwest Territories all posted rates higher than the national average;
- The national Average Daily Rate from January – November 2008 was \$131.40, up 3.1% over the same period last year. Québec, Alberta, British Columbia and the Northwest Territories again posted averages higher than the national average.

Source: PKF Consulting

Canadian Occupancy Rates, By Province*

	Nov 2008	08/07 Change^	Jan-Nov 2008	Year-to-date Change^
Alberta ¹	69.2	-4.8	70.1	-3.4
British Columbia	51.5	-4.1	66.3	-1.8
Saskatchewan	79.5	2.9	73.7	1.6
Manitoba	73.7	5.0	68.6	2.3
Ontario	59.2	-3.5	63.0	-1.0
Quebec	56.5	-2.2	63.7	-1.3
New Brunswick	53.0	-1.3	61.0	-2.0
Nova Scotia	54.0	-6.3	64.2	-3.5
Newfoundland	61.7	-3.3	67.4	1.7
Prince Edward Island	37.0	3.7	50.3	1.5
Northwest Territories	58.9	-9.5	64.1	-4.5
Yukon	63.6	4.8	72.9	1.9
Canada	59.1	-3.2	65.2	-1.4

* Note: Based on the operating results of 202,077 rooms (unweighted data).

^ Percentage points. ¹ Excluding Alberta resorts.

Source: Pannell Kerr Forster Consulting Inc.

strategic performance

Travel Volumes, January - November 2008

	Trips Made (000s)		
	Target	Actual	% Difference
Americas Key Markets			
United States	11,998	11,700	-2.5
Mexico	234	248	6.2
Americas (Total)			
Overseas Key Markets			
France	339	396	16.7
Germany	289	305	5.1
UK	851	801	-5.9
China	152	149	-2.0
Japan	250	263	5.3
South Korea	178	174	-1.9
Australia	208	219	5.0
Overseas Key Markets (Total)			
Total	14,498	14,254	-1.7

Note: As per strategic plans.

- Against all set targets for the CTC's core markets, there was a shortfall in projected trips of 243,000, a difference of -1.7% for January through November 2008;
- Year-to-date, the Americas has fallen short of meeting set targets by 2.3%, whereas trips by overseas key markets have exceeded the set targets by 1.7%. The U.S. fell short by 298,000 trips while Mexico exceeded the set target by 15,000 trips;
- The most notable performance has been from France exceeding the set target by 16.9% year-to-date.

Please note: Targets are based on past proportions of the January – November period and applied to 2008 forecasts.

**CTC Marketing
Market Research**