Canadian Tourism Commission | Commission canadienne du tourisme

Canada

Tourism Snapshot

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

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April 2013 **Volume 9, Issue 4**

Key highlights

- Total arrivals from CTC's international markets declined 8.6% in April 2013 on weakness in the US (-9.6%) and CTC Core markets (-8.5%). A portion of this decline may be attributable to Easter holiday travel commencing in March this year instead of April as in 2012, with Good Friday landing on March 29. Furthermore, arrivals from the UK declined sharply (-13.5%) following a reduction in air capacity by Air Transat.
- Led by China (+14.9%), arrivals from CTC Emerging and Transition markets expanded 2% in April. Japan (+0.3%) and South Korea (+2.9%) also saw gains, while arrivals from Brazil were unchanged from last year. India (-5.3%) and Mexico (-5.7%) saw declines.
- Overnight arrivals from the United States fell 9.6% in April 2013, primarily as a result of a drop in auto arrival (-14.7%). Year-to-date April 2013, overnight arrivals from the United States are unchanged from 2012.
- Over the first four months of 2013, overnight arrivals from CTC overseas markets are down slightly (-0.6%): Emerging and Transition markets (+6.1%), led by China (+18.1%), outperformed CTC's Core markets (-5.2%).
- With the termination of Air India's non-stop service to Canada in June 2012, this traffic is now transiting via hubs in Europe, leading to strains on capacity to Canada in some European markets. Notwithstanding prevailing economic woes in the Eurozone, this may partially explain the decline in arrivals from Germany (-9.6%), and the UK (-8.1%) so far this year.

Tourism review Inbound highlights

Overnight trips to Canada

	Apr. 2013	13/12 Apr. % Change	Jan. - Apr. 2013	Year-to-date % Change
United States				
Automobile	358,536	-14.7	1,309,333	-0.2
Plane	240,166	-1.2	846,756	0.3
Other	48,514	-7.9	160,356	0.3
US Total	**647,216**	**-9.6%**	**2,316,445**	**0.0%**
Core Markets				
UK	35,278	-13.5	127,998	-8.1
France	29,730	-2.5	99,178	-3.3
Germany	15,652	-10.1	52,438	-9.6
Australia	12,502	-4.5	51,738	3.6
Core Total	**93,162**	**-8.5%**	**331,352**	**-5.2%**
Emerging/Transition Markets				
Japan	12,295	0.3	54,510	4.5
South Korea	7,954	2.9	32,457	0.4
Mexico	11,391	-5.7	39,741	6.4
Brazil	5,382	- -	24,032	3.5
China	18,381	14.9	70,752	18.1
India	11,163	-5.3	31,318	-5.8
Emerging/Transition Markets Total	**66,566**	**2.0%**	**252,810**	**6.1%**
CTC Overseas Key Markets	**159,728**	**-4.4%**	**584,162**	**-0.6%**
Other Overseas Countries	110,314	-3.9%	363,541	-0.4%
Total Non-US Countries	270,042	-4.2%	947,703	-0.5%
Total Countries	**917,258**	**-8.1%**	**3,264,148**	**-0.2%**

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

International trips

- Canada received approximately 917,000 international visitors during the month of April, a decrease of 8.1% compared with the same month in 2012.
- Overall arrivals from CTC's Core markets fell 8.5% in April on declining arrivals from the entire group. The year-to-date number of overnight visitors is now 331,352, down 5.2% over the same period last year.
- Total arrivals from CTC's Emerging and Transition markets (Japan, South Korea, Mexico, Brazil, China and India) increased 2% in April, supported by arrivals from China (+14.9%). Year-to-date arrivals through April were up 6.1% to 252,810 compared with the same period last year.

United States

- Overnight arrivals from the US slowed sharply (-9.6%) in April, likely due to Easter travel commencing in March instead of April. Auto arrivals fell 14.7%, while air arrivals decreased 1.2%.
- During the first four months of 2013, total overnight trips to Canada by US residents was virtually unchanged from last year for a total of 2,316,445 arrivals.
- In April, four provinces recorded gains in border-crossing arrivals by US visitors: Yukon (+41.8%), Newfoundland and Labrador (+23.9%), Alberta (+3.9%) and Saskatchewan (+1.2%).

Core Markets

- In April, all three European markets performed weakly: the UK (-13.5%) declined the most, followed by Germany (-10.1%) and France (-2.5%).
- A loss of 10,000 seats on Air Transat's UK (-30% or 6,300 seats) and France (-23% or 3,700 seats) routes during April may have played a large role in the decline in arrivals. Air France also reduced capacity by 12% or 3,900 seats during April. Thus, France performed relatively well given that seat capacity decreased 11% versus last April.
- With the termination of Air India's non-stop service to Canada in June 2012, this traffic is now transiting via hubs in Europe, leading to strains on capacity to Canada in some European markets. This may partially explain the decline in arrivals from Germany (-9.6%) and the UK (-8.1%) seen so far this year.
- Reversing previous growth, Australia recorded a 4.5% decline in April. Arrivals for the first four months of 2013 are up 3.6% over 2012.

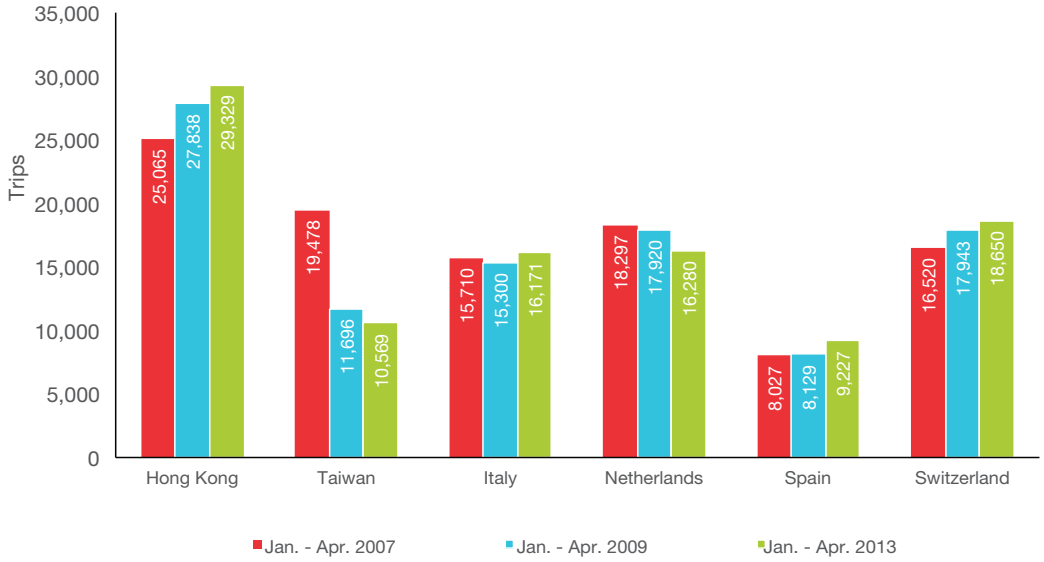
Emerging Markets

- Supported by growth from China (+14.9%), arrivals from Emerging and Transition markets expanded 2% in April. Excluding China, these markets declined 2.1%.
- Following exceptional growth supported by increased air capacity in March, arrivals from Mexico declined 5.7% in April.
- Arrivals from Japan (+0.3%) and South Korea (+2.9%) increased modestly, pushing South Korea to post an increase of 0.4% over 2012 in the first four months of this year.
- Year-to-date April 2013, overall arrivals from CTC's Emerging and Transition markets grew 6.1% compared with last year. The best performers were China (+18.1%), Mexico (+6.4%) and Japan (+4.5%).

Market Watch

- Defying the subdued travel mood elsewhere in Europe, arrivals from Spain (+17.4%), Italy (+5.9%) and the Netherlands (+4.2%) increased in April.
- Switzerland (-14.6%), Hong Kong (-9.8%) and Taiwan (-8.1%) reversed previous growth and posted declines in arrivals to Canada in April.
- Year-to-date April 2013, arrivals from secondary markets were mixed: Italy (+5.5%), Spain (+8.2%) and Hong Kong (+0.7%) realized gains, while the Netherlands (-2.5%), Switzerland (-3.5%) and Taiwan (-4%) saw losses.
- When compared with the year-to-date results for April 2007, Hong Kong saw the largest gain in overnight arrivals (+17%), followed by Spain (+14.9%) and Switzerland (+12.9%). Taiwan and the Netherlands posted significant declines, down 45.7% and 11% respectively.

Overnight trips to Canada, by selected markets



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

Overnight trips to Canada, by selected markets

	Apr. 2013	13/12 Apr. % Change	Jan. - Apr. 2013	Year-to-date % Change
Italy	5,216	5.9	16,171	5.5
Netherlands	6,071	4.2	16,280	-2.5
Spain	2,660	17.4	9,227	8.2
Switzerland	5,320	-14.6	18,650	-3.5
Hong Kong	6,785	-9.8	29,329	0.7
Taiwan	3,031	-8.1	10,569	-4.0

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

Travel Characteristics Highlights (Q4-2012)

Overnight Travel Spending

	Trips '000	12/11 Q4 %	Spend $M	12/11 Q4 %	Average Trip Duration	12/11 Q4 %	Average Spend per Trip	12/11 Q4 %	Average Spend per Night	12/11 Q4 %
United States										
United States Leisure										
Automobile	1,167.7	0.1%	448.7	7.1%	3.4	3.3%	384	7.0%	115	3.6%
Plane	446.8	8.0%	303.6	-5.9%	6.1	-8.1%	680	-12.9%	111	-5.2%
Other	152.3	-6.3%	65.0	12.7%	2.6	-1.0%	427	20.3%	167	21.5%
U.S. Leisure Total	1,766.8	1.4%	817.4	2.3%	4.0	-0.3%	463	0.9%	116	1.1%
Total U.S. MC & IT	417.8	3.5%	312.0	2.7%	3.0	-2.7%	747	-0.8%	246	2.0%
Total U.S.	**2,184.6**	**1.8%**	**1,129.4**	**2.4%**	**3.8**	**-0.7%**	**517**	**0.6%**	**136**	**1.3%**
Overseas Key Markets										
Core Markets										
United Kingdom	111.1	0.0%	135.4	-0.3%	15.4	-6.8%	1,218	-0.3%	79	6.9%
France	72.7	2.3%	84.6	-1.9%	20.0	2.5%	1,163	-4.1%	58	-6.4%
Germany	37.9	-8.2%	48.8	-7.4%	15.9	-11.1%	1,287	0.9%	81	13.5%
Australia	39.4	9.1%	91.2	11.8%	23.5	-3.6%	2,315	2.4%	99	6.3%
Total Core Markets	261.1	0.6%	359.9	1.0%	17.9	-3.6%	1,379	0.5%	77	4.2%
Emerging/Transition Markets										
Japan	39.8	-5.7%	54.6	-1.9%	13.1	-5.6%	1,371	4.0%	105	10.1%
South Korea	27.8	13.5%	46.4	6.2%	29.7	-9.9%	1,668	-6.4%	56	3.8%
Mexico	20.9	4.0%	32.6	-2.1%	18.8	-9.9%	1,559	-5.8%	83	4.5%
Brazil	16.2	9.5%	29.9	7.3%	18.1	-4.2%	1,843	-2.0%	102	2.3%
China	57.6	12.9%	114.5	16.2%	27.9	-10.9%	1,988	2.9%	70	13.8%
India	29.0	-7.6%	28.5	-1.7%	23.3	3.5%	981	6.5%	42	2.9%
Total Emerging/Transition Markets	191.3	4.0%	306.4	6.4%	22.7	-5.0%	1,601	2.4%	71	7.8%
Total Overseas Key Markets	**452.4**	**2.0%**	**666.3**	**3.4%**	**30.3**	**-4.4%**	**1,473**	**1.4%**	**49**	**6.1%**
Total International (Total US + Total Overseas)	**2,637**	**1.8%**	**1,796**	**2.8%**	**5.2**	**-4.3%**	**681**	**0.9%**	**131**	**5.4%**

Source: Statistics Canada, *International Travel Survey*, preliminary estimates

Overnight Travel Spending

- During Q4 2012, overall spending by international visitors (CTC target markets only) grew 2.8% to $1.8 billion.
- Total travel spending by US visitors grew 2.4% to over $1.1 billion, largely driven by increased visitation and spending per night. Average spending per trip by US leisure travellers rose 0.9% to $463, while average spending by US business travellers dropped to $747, down 0.8% compared with the same period last year.
- In Q4 2012, total spending by travellers from CTC's overseas key markets rose 3.4% to $666 million, a modest increase in spending from CTC Core markets (+1%) outpaced by gains from CTC Emerging and Transition markets (+6.4%).
- Among CTC overseas markets, only China (+16.2%), Australia (+11.8%), Brazil (+7.3%) and South Korea (+6.2%) saw increases in spending during Q4 2012.
- Travellers from the UK spent $135 million in Canada during the fourth quarter, the highest of any overseas country. Second place was claimed by China ($115 million), while Australia ($91 million) and France ($85 million) were also big spenders.

Competitive review (March 2013)**

International Travel (in thousands)

	Trips To:			
	Canada		Australia	
Trips From:		13/12 Change		13/12 Change
Total International	2,346.9	3.3%	1,688.1	5.4%
United States	1,669.2	4.3%	141.2	9.1%
Canada	…	…	38.0	-2.1%
Core Markets				
United Kingdom	92.7	-5.8%	193.3	-0.6%
France	69.4	-3.6%	27.2	5.8%
Germany	36.8	-9.3%	47.3	4.2%
Australia	39.2	6.5%	…	…
Emerging/Transition Markets				
Japan	42.2	5.8%	90.8	-7.5%
South Korea	24.5	-0.4%	53.2	-6.8%
Mexico[1]	28.4	12.2%	…	…
Brazil	18.7	4.6%	9.6	14.3%
China	52.4	19.2%	231.7	16.6%
India	20.2	-6.1%	41.1	4.3%
Total Key Markets	**2,093.7**	**3.6%**	**873.4**	**4.5%**

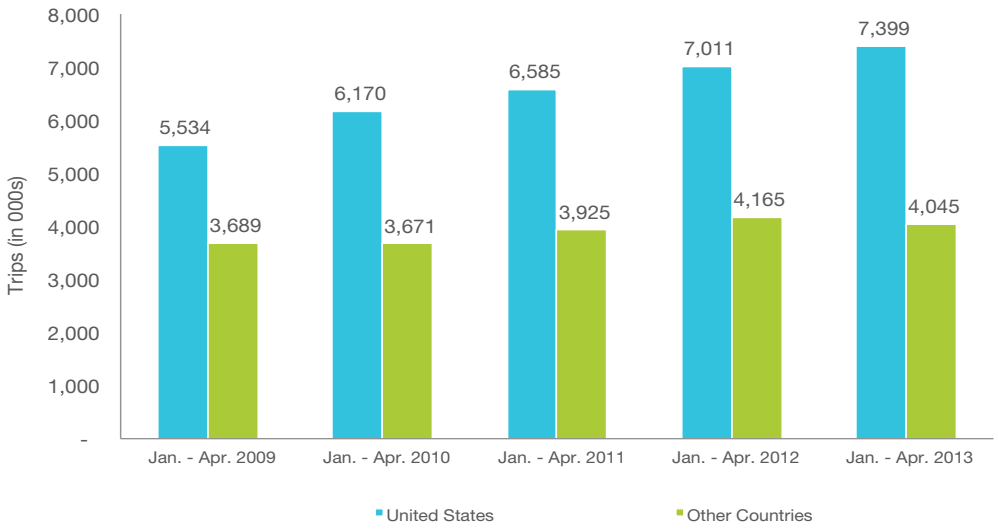
…Not applicable. or data not available.
Note: Statistics Canada preliminary figures.
Sources: Statistics Canada; Tourism Australia.

** US visitation data for March 2013 were not available due to a delay of the change of entry process for US visitors.

- For January-March 2013, Australia saw a 4.5% increase in arrivals, while Canada saw a 3.6% gain over the same period last year.
- Both Australia (+16.6%) and Canada (+19.2%) saw arrivals from China expand during the first quarter of 2013.
- Arrivals from the UK to both Canada (-5.8%) and Australia (-0.6%) declined. Visitor numbers from France to Canada were down 3.6%, while Australia saw a 5.8% increase in arrivals from France.
- Australia experienced decreases in overnight arrivals from Japan (-7.5%) and South Korea (-6.8%), while Canada registered gains in Japanese arrivals (+5.8%) and held steady in South Korea (-0.4%).

Canadian outbound trips

Overnight trips by Canadians



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

- Canadian outbound travel expanded modestly in April 2013, up 0.2% compared with the same period last year to approximately 2.97 million trips.
- The number of Canadians visiting the US during the month of April edged up 0.4% to 2.02 million trips, while Canadian overnight travel to overseas destinations (excluding the US) was virtually unchanged at 946,246 trips.
- For the first four months of 2013, outbound trips by Canadians increased 2.4% over 2012 to 11.4 million trips.
- In April, most Canadians re-entered the country from the US through Ontario (905,487 entries, -0.4%), British Columbia (424,615 entries, +8.1%) and Quebec (298,858 entries, -2.8%).
- Ontario recorded the largest re-entry of Canadians from overseas countries in April 2013 (427,374 entries, +0.1%), followed by Quebec (221,203 entries, +0.6%) and British Columbia (133,408 entries, +1%).

Overnight trips by Canadians

	Apr. 2013	13/12 Apr. % Change	Jan. - Apr. 2013	Year-to-date % Change
United States	2,018,798	0.4	7,398,664	5.5
Other Countries	946,246	0.0	4,045,471	-2.9
Total Trips from Canada	2,965,044	0.2	11,444,135	2.4

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

Consumer outlook

Consumer confidence

- **Canada:** In April, the Index of Consumer Confidence declined 4.9 points to 75.6 (2002 = 100), continuing a disconcerting trend that has seen the index decline in six of the past seven months.
- **USA:** The Conference Board Consumer Confidence Index®, which had declined in March, increased in April. The Index now stands at 68.1 (1985=100), up from 61.9 in March.

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

Accommodations

- In April 2013, the National Occupancy Rate rose 2.3 points to 59.6% compared with the previous year. Given the decline in international arrivals, the higher occupancy rate may suggest an increase in domestic travel.
- Year-to-date April 2013, the National Occupancy Rate recorded a marginal increase of 0.4 points to 55.8%. Five provinces saw higher occupancy, with Northwest Territories registering the largest increase (+3.3 points), followed by Newfoundland and Labrador (+2.9 points) and Alberta (+2.8 points).
- For the first four months of 2013, the National Average Daily Rate improved to $125.96, up 1.8% compared with the same period in 2012. Northwest Territories, Alberta, Saskatchewan, Quebec and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- Year-to-date April 2013, the Average Revenue per Available Room (RevPAR) was $70.24 (+2.7%), with Alberta posting the strongest growth (+9.5%, $87.68) followed by Northwest Territories (+5.4%, $104.04).

Canadian Occupancy Rates, By Province*

	Apr. 2013	13/12 Change^	Jan. - Apr. 2013	Year-to-date Change^
Alberta[1]	68.2	5.4	64.9	2.8
British Columbia	56.3	-0.7	52.0	-1.2
Saskatchewan	67.7	-0.1	65.0	-0.6
Manitoba	61.9	2.9	60.1	-0.8
Ontario	59.6	3.3	54.9	0.8
Quebec	56.3	1.1	54.7	0.1
New Brunswick	54.0	5.6	46.7	-0.5
Nova Scotia	56.3	1.6	50.1	-1.4
Newfoundland	69.1	5.7	61.5	2.9
Prince Edward Island	32.2	-5.0	30.8	-5.4
Northwest Territories	55.3	-0.4	67.8	3.3
Yukon	54.2	-11.9	56.2	-6.7
Canada	**59.6**	**2.3**	**55.8**	**0.4**

* Note: Based on the operating results of 220,246 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

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