

Monday, September 22, 1997 For release at 8:30 a.m.

MAJOR RELEASES

• National tourism indicators, second quarter 1997 Spending on tourism reached \$10.4 billion during the second quarter of 1997, just 2.3% higher than the same period last year. Increased spending by Canadians more than compensated for a slight dip in spending by foreign visitors to Canada.

PUBLICATIONS RELEASED

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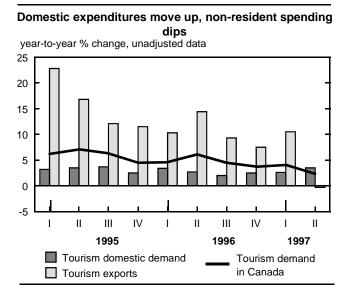
MAJOR RELEASES

National tourism indicators

Second quarter 1997

Spending on tourism reached \$10.4 billion (unadjusted) during the second quarter of 1997, just 2.3% higher than the same period a year earlier. Increased spending by Canadians more than compensated for a slight dip in spending by foreign visitors to Canada.

Overall spending on tourism has been rising since the second quarter of 1995, but at a gradually slower pace. Travellers from the United States and other countries pumped \$3.2 billion into the Canadian economy between April and June, down 0.3% from the same quarter in 1996. Domestic spending on tourism, in contrast, rose 3.5% to \$7.2 billion.



The low Canadian dollar, and casinos in Niagara Falls and Windsor, helped attract 7.0 million same-day visitors from the United States during the second quarter, up 6.2% over a year earlier. However, overnight trips, which bring more dollars per trip to the Canadian economy than a same-day trip, were down. Americans made 3.4 million overnight trips to Canada during the second quarter, down 2.0% from the same quarter of last year. The number of overnight visitors from other countries declined 5.8% to 1.1 million.

Compared with the first quarter of 1997, total tourism spending remained unchanged (after adjusting for inflation and seasonality). In these terms, spending by Canadians (tourism domestic demand) was up 1.5%

from the previous quarter, just enough to offset the 3.3% drop in spending by foreign visitors (tourism exports).

Foreign spending dipped...

The 0.3% drop in foreign spending on tourism was the first year-over-year decline since the first quarter of 1992, when it fell by 0.4%.

Visitors from Australia, France, the Netherlands, Germany, Switzerland and Japan found trips to Canada more costly in the second quarter than a year earlier. Since then, for instance, the Canadian dollar has appreciated up to 10% against the French franc, the German mark and the Dutch guilder, and 12.6% against the Swiss franc.

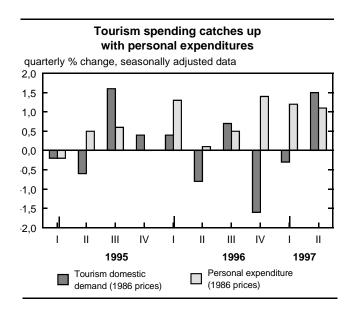
International visitors spent less between April and June on airfares (-2.7%), vehicle rentals (-5.9%), and meals and alcohol (-2.2%). They spent more on lodging (+8.1%), however, as the price of accommodation jumped 7.5% from the same quarter last year.

... while domestic spending grew...

The 3.5% advance in spending on tourism by Canadians in their own country during the second quarter was the highest year-to-year jump in almost two years. This increase was due in part to the continuing weakness of the Canadian dollar against the American dollar, which kept Canadians at home. The number of trips to the United States fell by 5.1%, more than enough to offset the 10% increase in the number of trips to other countries.

Domestic spending rose for all major tourism commodities, especially airfares and vehicle fuel. Canadians continued to take advantage of lower airline ticket prices. After adjusting for seasonality and inflation, spending increased 2.6% on airfares, 0.8% on accommodation and 1.3% on food and beverage services from the first quarter of 1997.

The second quarter also marked a turnaround. For the first time in three quarters, Canadians tourism spending grew more rapidly than personal expenditures on consumer goods and services (+1.5% against +1.1% in real terms, seasonally adjusted). Tourism spending, however, was still outpaced by strong growth in purchases of big-ticket items, particularly automobiles.

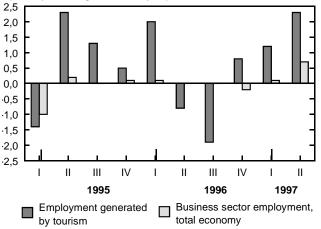


... and tourism created more jobs

Employment in tourism was 518,000 in the quarter, 2.8% above a year ago and at its highest level in 10 years. On a seasonally adjusted basis, tourism employment grew 2.3% from the first quarter, outstripping the 0.7% increase in the business sector as a whole. Casino operations, particularly in Ontario, spurred employment gains in recreation and entertainment.

Tourism creates more jobs

quarterly % change, seasonally adjusted data



The second quarter 1997 issue of *National tourism indicators* (13-009-XPB, \$21/\$70) is now available. To order the publication, contact the information officer (613-951-3640; fax: 613-951-3618), National Accounts and Environment Division.

For further information on this release, contact Katherine Kemp (613-951-3814), National Accounts and Environment Division.

Tourism expenditures

	1995	1996	1995 to 1996	First quarter 1997	Second quarter 1997	First quarter 1997 to second
						quarter 1997
	\$ millions at cu	rrent prices	% change at annual rates	\$ millions at cur (seasonally a		% change at quarterly rates
Tourism expenditures Tourism demand in Canada Tourism exports Tourism domestic demand	39,883 10,957 28,926	41,773 12,102 29,671	4.7 10.4 2.6	10,621 3,157 7,464	10,711 3,096 7,615	0.8 -1.9 2.0
Transportation Tourism demand in Canada Tourism exports Tourism domestic demand	15,618 2,908 12,710	16,539 3,205 13,334	5.9 10.2 4.9	4,235 837 3,398	4,267 807 3,460	0.8 -3.6 1.8
Accommodation Tourism demand in Canada Tourism exports Tourism domestic demand Food and beverage service	5,908 2,329 3,579	5,928 2,588 3,340	0.3 11.1 -6.7	1,511 678 833	1,591 699 892	5.3 3.1 7.1
Tourism demand in Canada Tourism exports Tourism domestic demand Other tourism commodities	6,472 2,509 3,963	6,766 2,759 4,007	4.5 10.0 1.1	1,707 723 984	1,693 692 1,000	-0.8 -4.3 1.7
Tourism demand in Canada Tourism exports Tourism domestic demand Other commodities	3,813 1,011 2,802	4,160 1,132 3,028	9.1 12.0 8.1	1,053 294 759	1,050 285 765	-0.3 -3.1 0.8
Tourism demand in Canada Tourism exports Tourism domestic demand	8,072 2,200 5,872	8,380 2,418 5,962	3.8 9.9 1.5	2,115 625 1,490	2,110 613 1,497	-0.2 -1.9 0.5
	\$ millions at 1	986 prices	% change at annual rates	\$ millions at 1986 prices (seasonally adjusted)		% change at quarterly rates
Tourism expenditures Tourism demand in Canada Tourism exports Tourism domestic demand	29,191 8,168 21,023	30,070 8,914 21,156	3.0 9.1 0.6	7,529 2,314 5,215	7,529 2,238 5,291	0.0 -3.3 1.5
Transportation Tourism demand in Canada Tourism exports Tourism domestic demand Accommodation	11,308 2,300 9,008	11,806 2,544 9,262	4.4 10.6 2.8	2,939 663 2,276	2,977 642 2,330	1.3 -3.2 2.6
Tourism demand in Canada Tourism exports Tourism domestic demand Food and beverage service	4,543 1,798 2,745	4,476 1,957 2,519	-1.5 8.8 -8.2	1,143 513 630	1,133 498 635	-0.9 -2.9 0.8
Tourism demand in Canada Tourism exports Tourism domestic demand Other tourism commodities	4,513 1,750 2,763	4,652 1,898 2,754	3.1 8.5 -0.3	1,165 494 671	1,151 471 680	-1.2 -4.7 1.3
Tourism demand in Canada Tourism exports Tourism domestic demand Other commodities	2,494 641 1,853	2,648 694 1,954	6.2 8.3 5.5	659 177 482	655 171 484	-0.6 -3.4 0.4
Tourism demand in Canada Tourism exports Tourism domestic demand	6,333 1,679 4,654	6,488 1,821 4,667	2.4 8.5 0.3	1,623 467 1,156	1,613 456 1,157	-0.6 -2.4 0.1

Tourism expenditures

	First	Second	Third	Fourth	First	Second			
	quarter	quarter	quarter	quarter	quarter	quarter			
	1996	1996	1996	1996	1997	1997			
		\$ millions at current prices, unadjusted for seasonality							
Tourism expenditures									
Tourism demand in Canada	7,932	10,164	15,554	8,123	8,254	10,398			
Tourism exports	1,471	3,218	5,469	1,944	1,625	3,209			
Tourism domestic demand	6,461	6,946	10,085	6,179	6,629	7,189			
Transportation									
Tourism demand in Canada	3,374	4,020	5,608	3,537	3,539	4,141			
Tourism exports	361	855	1,493	496	401	826			
Tourism domestic demand	3,013	3,165	4,115	3,041	3,138	3,315			
Accommodation									
Tourism demand in Canada	989	1,504	2,421	1,014	1,046	1,633			
Tourism exports	332	700	1,167	389	384	757			
Tourism domestic demand	657	804	1,254	625	662	876			
Food and beverage service									
Tourism demand in Canada	1,183	1,707	2,614	1,262	1,214	1,692			
Tourism exports	362	731	1,189	477	392	715			
Tourism domestic demand	821	976	1,425	785	822	977			
Other tourism commodities									
Tourism demand in Canada	924	993	1,510	733	961	1,003			
Tourism exports	140	315	497	180	151	307			
Tourism domestic demand	784	678	1,013	553	810	696			
Other commodities									
Tourism demand in Canada	1,462	1,940	3,401	1,577	1,494	1,929			
Tourism exports	276	617	1,123	402	297	604			
Tourism domestic demand	1,186	1,323	2,278	1,175	1,197	1,325			

Tourism expenditures

	1st	2nd	3rd	4th	1st	2nd			
	quarter	quarter	quarter	quarter	quarter	quarter			
	1995	1995	1995	1995	1996	1996			
	to	to	to	to	to	to			
	1st	2nd	3rd	4th	1st	2nd			
	quarter 1996	quarter 1996	quarter 1996	quarter 1996	quarter 1997	quarter 1997			
	year-ove	year-over-year % changes, current prices, unadjusted for seasonality							
Tourism expenditures									
Tourism demand in Canada	4.6	6.1	4.5	3.7	4.1	2.3			
Tourism exports	10.3	14.4	9.3	7.5	10.5	-0.3			
Tourism domestic demand	3.4	2.7	2.0	2.5	2.6	3.5			
Transportation									
Tourism demand in Canada	5.1	6.9	5.7	5.8	4.9	3.0			
Tourism exports	10.4	14.9	8.0	9.3	11.1	-3.4			
Tourism domestic demand	4.5	4.9	4.9	5.3	4.1	4.7			
Accommodation									
Tourism demand in Canada	-1.4	1.3	1.3	-1.6	5.8	8.6			
Tourism exports	6.1	12.7	13.0	7.5	15.7	8.1			
Tourism domestic demand	-4.8	-6.8	-7.7	-6.4	0.8	9.0			
Food and beverage service									
Tourism demand in Canada	4.8	6.5	4.2	2.4	2.6	-0.9			
Tourism exports	11.0	14.0	8.9	6.0	8.3	-2.2			
Tourism domestic demand	2.2	1.5	0.6	0.4	0.1	0.1			
Other tourism commodities									
Tourism demand in Canada	11.5	11.4	7.6	6.2	4.0	1.0			
Tourism exports	14.8	16.7	9.5	9.1	7.9	-2.5			
Tourism domestic demand	10.9	9.2	6.7	5.3	3.3	2.7			
Other commodities									
Tourism demand in Canada	3.8	5.6	3.5	2.3	2.2	-0.6			
Tourism exports	12.2	15.1	7.9	6.6	7.6	-2.1			
Tourism domestic demand	2.0	1.7	1.5	0.9	0.9	0.2			

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Pulpwood and wood residue statistics, July 1997 Catalogue number 25-001-XPB (Canada: \$8/\$73; outside Canada: US\$8/US\$73).

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