Tourism Snapshot

A Monthly Monitor of the Performance of Canada's Tourism Industry

September 2017
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Canada

www.destinationcanada.com

KEY HIGHLIGHTS

- Overnight arrivals from the United States were up 3.2% year-over-year in September 2017, continuing the positive trend observed in August. With September automobile arrivals on par with 2016 and a small increase of 1.9% in air arrivals, the greatest increase in monthly arrivals came via other modes of transportation (+17.9%) primarily composed of commercial boats (+19.4%). The currency exchange may have impacted the flat performance in auto arrivals, with the USD dropping 9.7% against the CAD since May 2017.

- Year-to-date September 2017, overnight arrivals from ten of Destination Canada's eleven international markets increased over the same period in 2016, led by a solid performance from Mexico (+51.7%) in particular. The exception was the UK (-2.4%), where outbound travel in general may have suffered in the midst of concerns for the economy ahead of Brexit.

- Destination Canada's Latin American markets continued to lead international arrivals to Canda, up 33.0% in September and 40.8% YTD over the same periods in 2016. This trend was driven by the increased arrivals from Mexico (+39.7% in September, +51.7% YTD), which following the implementation of the eTA in December 2016, was supported by ongoing air capacity expansion between Mexico and Canada. Changes in visa requirements also supported strong gains in visitors from Brazil (+21.6% in September, +17.6% YTD).

- The Destination Canada Asia-Pacific region also noted positive year-over-year growth in September (+3.3%) and year-to-date (+10.7%), despite another monthly downturn in arrivals from Japan in September (-10.8%). One likely driver of contraction in this case is the depreciation of the JPY:CAD, which lost purchasing power of 13.9% this September against the same month in 2016 or 8.6% since May 2017. Year-to-date arrivals from all five markets outperformed 2016, mainly due to direct air arrivals. Arrivals via the US by land were down for all but South Korea, while Japan and China also noted declines in air arrivals via the US and sea arrivals.

- In September 2017, overnight arrivals from DC Europe were down marginally (-0.5%), due to the continued downward trend from the UK (-6.7%) which slightly outstripped solid growth from France (+5.3%) and Germany (+5.2%). Year-to-date performance was consistent from France (+5.7%) and Germany (+5.8%), while a fifth consecutive month of decline from the UK resulted in a -2.4% YTD drop from the UK.

Note the following caveat from Statistics Canada associated to the September 2017 data: "Data for Statistics Canada's Frontier Counts program are produced using administrative data received from the Canada Border Services Agency (CBSA) on all international travellers who have been cleared for entry or re-entry into Canada. This includes residents of Canada, the United States and overseas entering Canada from abroad.

In 2017, the CBSA began introducing the electronic Primary Inspection Kiosk (PIK) system at airports in Canada. The PIK system replaces the E-311 Declaration Cards that are completed by international travellers to Canada. As of the end of September, the PIK system was deployed at the following airports: Macdonald-Cartier, Ottawa (March 2017), Vancouver (April 2017), Toronto International Airport T3 (June 2017) and Edmonton (September 2017).

While awaiting receipt of PIK data, Statistics Canada has prepared preliminary estimates for airports at which PIK has been deployed. These estimates are based on CBSA reports of total international travelers by airport, while the distribution between Canadian, US and travellers from individual overseas countries are modelled estimates based on historical data and trends, using methods similar to those used to do seasonal adjustment.

Once PIK data are received, Statistics Canada will revise the preliminary estimates for these airports, as well as the provincial and national totals to which they contribute."

QUICK LINKS

UNITED STATES
EUROPE
ASIA-PACIFIC
LATIN AMERICA

Industry Performance Dashboard

	September 2017	YTD
Overnight Arrivals[1]		
Total International	↑ 2.9%	↑ 4.1%
11 DC Markets**	↑ 3.3%	↑ 4.2%
United States	↑ 3.2%	↑ 2.8%
10 Overseas Markets	↑ 3.5%	↑ 9.3%
Non-DC Markets	↓ -0.2%	↑ 3.9%
Air Seat Capacity[2]		
Total International	↑ 4.1%	↑ 3.4%
11 DC Markets**	↑ 5.9%	↑ 6.4%
Non-DC Markets	↑ 2.8%	↑ 1.1%
National Hotel Indicators[3]		
Occupancy Rate*	↑ 1.9	↑ 1.6
Revenue Per Available Room (Revpar)	↑ 4.0%	↑ 4.9%
Average Daily Rate (ADR)	↑ 6.7%	↑ 7.5%

Notes:
The Industry Performance Dashboard figures are year-on-year variations.
* Percentage point variations.
** The 11 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea, Brazil and Mexico.

Sources:
1. Statistics Canada, Frontier counts, custom tabulations
2. IATA-Diio SRS Analyser
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

MARKET MONITOR SUMMARY

	Market	Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
		Sept. 2017	YTD 2017	Sept. 2017	YTD 2017	Sept. 2017	YTD 2017	Sept. 2017 Average	YTD Average
United States	United States	1,461,190	11,568,681	3.2%	2.8%	5.1%	3.5%	-6.3%	-1.2%
DC Europe	France	66,207	462,571	5.3%	5.7%	0.3%	2.2%	-0.5%	-1.5%
	Germany	58,691	321,522	5.2%	5.8%	9.7%	10.7%	-0.5%	-1.5%
	United Kingdom	101,900	666,557	-6.7%	-2.4%	-1.6%	2.8%	-4.9%	-9.6%
DC Asia-Pacific	Australia	47,777	302,499	10.9%	14.3%	3.1%	39.3%	-1.6%	2.0%
	China	79,157	557,178	5.7%	10.6%	14.9%	29.2%	-4.9%	-4.5%
	India	21,339	204,358	0.7%	16.8%	71.6%	56.8%	-3.0%	1.6%
	Japan	36,743	236,371	-10.8%	0.8%	6.2%	9.3%	-13.9%	-4.3%
	South Korea	34,850	221,976	7.5%	12.3%	-2.5%	20.6%	-8.3%	0.8%
DC Latin America	Brazil	14,622	105,187	21.6%	17.6%	-20.1%	-28.1%	-2.7%	10.2%
	Mexico	28,621	288,190	39.7%	51.7%	81.6%	62.2%	1.1%	-4.2%
Total 11 DC Markets		**1,951,097**	**14,935,090**	**3.3%**	**4.2%**				
Rest of the World		**240,191**	**1,901,361**	**-0.2%**	**3.9%**				
Total International		**2,191,288**	**16,836,451**	**2.9%**	**4.1%**				

Sources:
i. Statistics Canada, Frontier counts, custom tabulations
ii. IATA-Diio SRS Analyser
iii. Bank of Canada

Notes:
i. Arrival figures are preliminary estimates and are subject to change.
ii. Air seat capacity is the variation in the total number of seats on direct commercial scheduled flights during the current month and YTD relative to the same periods in the previous year.
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during during the current month and YTD relative to the same periods in the previous year.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

+3.2% ↑ YOY

YTD:

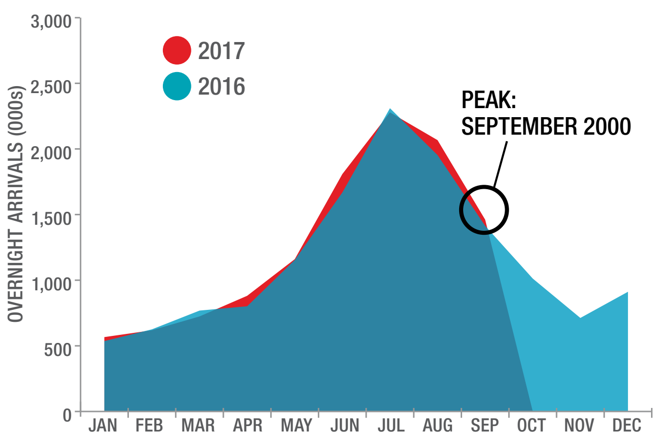
+2.8% ↑ YOY

Overnight Arrivals

	Sept. 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	757,069	0.0	6,511,267	0.1
Air	456,681	1.9	3,746,641	5.4
Other	247,440	17.9	1,310,773	9.5
US Total	**1,461,190**	**3.2**	**11,568,681**	**2.8**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total United States Arrivals



United States: Key Indicators

Air Seat Capacity[i]	September 2017	5.1%
	YTD	3.5%
Exchange Rate[ii]	September 2017	-6.3%
	YTD	-1.2%
Consumer Confidence Index (1985=100)[iii]	September 2017	120.6
	Previous Month	120.4
YTD Arrival Peak[iv]	Previous Peak Year	2002
	Current % of Previous Peak	86.5%

Source:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- Building on the year-over-year growth observed in August 2017, overnight arrivals to Canada from the US were up 3.2% in September 2017. Arrivals by other modes of transport, particularly cruise, drove this growth (+17.9%), along with a marginal increase in air arrivals (+1.9%) and flat auto arrivals (no change vs. September 2016).

- US arrivals were also up YTD September 2017 (+2.8%), with the strongest growth coming via other modes (+9.5%) and by air (+5.4%), while auto arrivals were just above 2016 levels (+0.1%). With over 11.6 million visitors in the first nine months of 2017, arrivals over this period were the highest recorded since 2005.

- The persistent expansion of air capacity between Canada and the US (+5.1% in September, +3.5% YTD) supported this positive performance, despite waning strength of the US dollar relative to the Canadian dollar in September 2017 (-6.3% relative to September 2016 and -9.7% since May 2017).

- Both for the month of September and year-to-date, the largest proportion of US overnight arrivals by vehicle[1] originated from New York (17.3% of September US auto arrivals, 17.9% YTD), Washington (13.5% in September, 14.6% YTD), and Michigan (12.1% in September, 11.3% YTD).

- For a second consecutive month, the consumer confidence index published by the US Conference Board inched up marginally in September 2017 (120.6, up 0.2 points).

[1] States of origin information is based on Integrated Primary Inspection Lane data collected from US residents entering Canada in automobiles with license plate registered in the United States.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

-0.5% ↓ YOY

YTD:

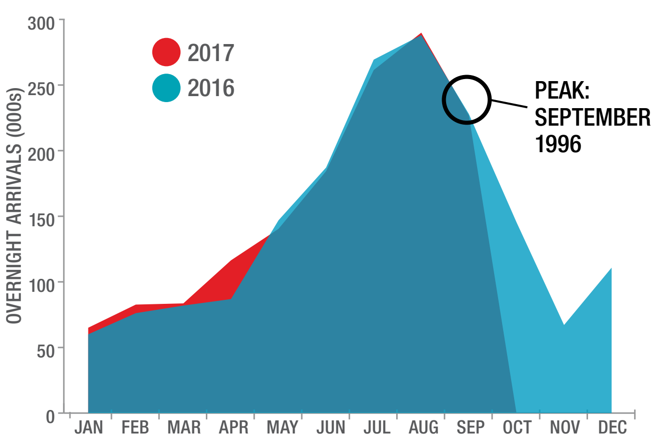
+1.8% ↑ YOY

Overnight Arrivals

	September 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**226,798**	**-0.5**	**1,450,650**	**1.8**
United Kingdom	101,900	-6.7	666,557	-2.4
France	66,207	5.3	462,571	5.7
Germany	58,691	5.2	321,522	5.8
Other Europe	**119,040**	**24.0**	**895,985**	**20.0**
Italy	14,532	12.0	111,117	5.2
Netherlands	14,995	-4.6	115,415	0.7
Spain	11,398	16.9	79,609	11.9
Switzerland	14,735	3.8	106,516	-2.5
Rest of Europe	63,380	-4.1	483,328	4.7
Total Europe	**345,838**	**-0.2**	**2,346,635**	**2.6**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	September 2017	0.3%	9.7%	-1.6%
	YTD	2.2%	10.7%	2.8%
Exchange Rate[ii]	September 2017	-0.5%	-0.5%	-4.9%
	YTD	-1.5%	-1.5%	-9.6%
YTD Arrival Peak[iii]	Previous Peak Year	2016	1996	2005
	Current % of Previous Peak	105.7%	81.1%	89.3%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

EUROPE

- With the continued decline in visitation from the UK in September 2017 (-6.7%) outstripping growth from France (+5.3%) and Germany (+5.2%), overnight arrivals from Destination Canada's Europe region fell marginally compared to September 2016 (-0.5%).
- Over the first nine months of 2017, the region was still +1.8% over the same period last year, and managed to hit a new YTD record for January – September arrivals. This positive YTD performance was buoyed by strong arrivals from Germany (+5.8%) and France (+5.7%), which outweighed a -2.4% drop from the UK.
- Though air capacity to Canada was just slightly up over a year ago (+0.3% in September, +2.2% YTD) and the strength of the Euro in Canada marginally down (-0.5% in September, -1.5% YTD), arrivals from France (+5.3%) in September 2017 were the highest observed in two decades. Year-to-date arrivals (+5.7%) reached a new peak for the first nine months of the year.
- German travellers visited Canada in the highest numbers recorded since 2000, both in September 2017 (+5.2%) and year-to-date (+5.8%). While expanded air capacity (+9.7% in September, +10.7% YTD) supported this positive performance, the strongest growth was actually observed in arrivals by sea (+37.5% in September, +41.9% YTD).
- While UK arrivals (-6.7% in September, -2.4% YTD) fell year-over-year for a fifth consecutive month compared to the elevated levels observed in 2016, with over 100,000 visitors in September the UK firmly remained Destination Canada's largest overseas market. Concerns over the economy ahead of Brexit continued to impact UK consumer confidence, which along with five months of direct air capacity retraction and a struggling British pound likely contributed to the current trend.

DC Europe Arrivals by Port of Entry

- About 70% of visitors from Destination Canada's three European markets arrived by air directly from overseas year-to-date in 2017, mainly via YYZ and YUL.
- While Germany noted an increase in visitors to Canada by sea, both France and the UK recorded a decline in sea arrivals over the first nine months of 2017.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	55,706	84,238	223,399
		YOY%	14.8%	4.4%	-3.4%
		% of Total	**12.0%**	**26.2%**	**33.5%**
	YVR	Arrivals	16,611	59,112	122,360
		YOY%	3.3%	15.5%	5.7%
		% of Total	**3.6%**	**18.4%**	**18.4%**
	YUL	Arrivals	235,962	33,364	41,171
		YOY%	9.6%	1.4%	-3.5%
		% of Total	**51.0%**	**10.4%**	**6.2%**
	YYC	Arrivals	2,890	20,532	59,272
		YOY%	-39.0%	-13.8%	-2.5%
		% of Total	**0.6%**	**6.4%**	**8.9%**
	All other airports	Arrivals	4,453	18,906	34,976
		YOY%	1.6%	10.0%	7.8%
		% of Total	**1.0%**	**5.9%**	**5.2%**
	Subtotal	Arrivals	315,622	216,152	481,178
		YOY%	7.2%	4.2%	-2.0%
		% of Total	**68.2%**	**67.2%**	**72.2%**
Air Arrivals via the US	All airports	Arrivals	118,898	46,947	92,490
		YOY%	6.6%	4.9%	-12.5%
		% of Total	**25.7%**	**14.6%**	**13.9%**
Sea Arrivals	All sea borders	Arrivals	1,916	22,022	41,847
		YOY%	-31.3%	41.9%	-31.4%
		% of Total	**0.4%**	**6.8%**	**6.3%**
Land Arrivals via US	All land borders	Arrivals	25,833	36,199	50,931
		YOY%	-10.9%	0.9%	8.9%
		% of Total	**5.6%**	**11.3%**	**7.6%**
Total Overnight Arrivals			**462,571**	**321,522**	**666,557**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

ASIA-PACIFIC

DC Asia-Pacific Arrivals to Canada

CURRENT MONTH:

+3.3% ↑ YOY

YTD:

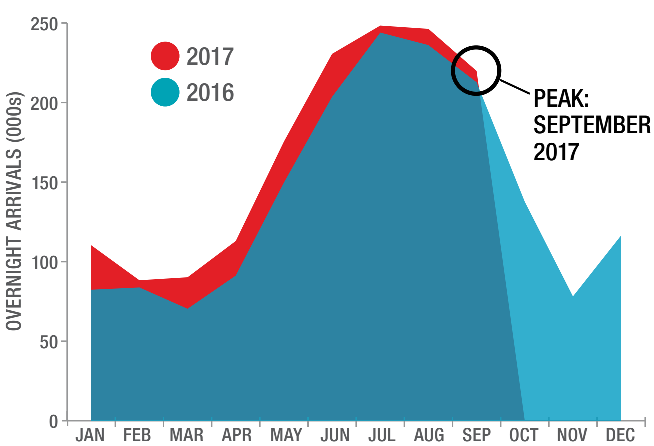
+10.7% ↑ YOY

Overnight Arrivals

	September 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**219,866**	**3.3**	**1,522,382**	**10.7**
Australia	47,777	10.9	302,499	14.3
China	79,157	5.7	557,178	10.6
India	21,339	0.7	204,358	16.8
Japan	36,743	-10.8	236,371	0.8
South Korea	34,850	7.5	221,976	12.3
Other Asia-Pacific	**74,157**	**-17.3**	**599,805**	**0.6**
Hong Kong	12,185	-16.5	121,992	-2.1
Taiwan	13,721	0.0	76,030	-0.2
Rest of Asia-Pacific	48,251	-0.9	401,783	2.9
Total Asia-Pacific	**294,023**	**1.5**	**2,122,187**	**7.9**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	Sept. 2017	3.1%	14.9%	71.6%	6.2%	-2.5%
	YTD	39.3%	29.2%	56.8%	9.3%	20.6%
Exchange Rate[ii]	Sept. 2017	-1.6%	-4.9%	-3.0%	-13.9%	-8.3%
	YTD	2.0%	-4.5%	1.6%	-4.3%	0.8%
YTD Arrival Peak[iii]	Previous Peak Year	2016	2016	2016	1996	2016
	Current % of Previous Peak	114.3%	110.6%	116.8%	44.6%	112.3%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

ASIA-PACIFIC

- September 2017 was a generally a very positive month for Destination Canada's Asia-Pacific region (+3.3% in September, +10.7% YTD). The region set new arrivals records for both the month of September and the first nine months of the year.
- Four of the five markets also achieved monthly and year-to-date peaks, with double-digit growth over the January-September period: Australia (+10.9% in September, +14.3% YTD), South Korea (+7.5%, +12.3%), China (+5.7%, +10.6%), and India (+0.7%, +16.8%).
- The one exception in this region was Japan, which recorded a year-over-year decline in September 2017 (-10.8%) for a fifth consecutive month, but year-to-date was still marginally ahead of January-September 2016 (+0.8%).
- Direct air capacity to Canada continued to expand at a rapid pace in the Asia-Pacific region, with double digit growth over January-September from India (+56.8%), Australia (+39.3%), China (+29.2%), and South Korea (+20.6%), with Japan (+9.3%) just behind. In September, only South Korea (-2.5%) saw a slight retraction, for a third consecutive month.
- The currency exchange rate with Canada was not a positive for any of Destination Canada's Asia-Pacific markets in September or YTD 2017. The strongest impact was observed in the falling visitation from Japan, which saw the strength of the Yen compared to the Canadian dollar fall 13.9% in September 2017 vs. September 2016.

DC Asia-Pacific Arrivals by Port of Entry

- In line with the strong expansion of direct air capacity to Canada, all five Asia-Pacific markets recorded an increase in direct air arrivals to Canada from January to September 2017. YVR and YYZ received the most visitors from these markets, accounting for over 90% of direct air arrivals to Canada.
- Year-to-date in 2017, Japan and China recorded decreased arrivals across all other modes of entry, including by air via the US, by land via the US, and by sea. India and Australia also saw declines in land arrivals over this period.

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	13,262	169,390	100,333	56,514	49,123
		YOY%	6.1%	11.6%	40.2%	6.2%	27.8%
		% of Total	**4.4%**	**30.4%**	**49.1%**	**23.9%**	**22.1%**
	YVR	Arrivals	96,017	215,934	23,242	96,145	61,975
		YOY%	38.7%	12.1%	11.8%	12.2%	-3.6%
		% of Total	**31.7%**	**38.8%**	**11.4%**	**40.7%**	**27.9%**
	YUL	Arrivals	2,131	29,603	7,663	1,072	756
		YOY%	8.0%	99.2%	2.0%	-19.0%	44.8%
		% of Total	**0.7%**	**5.3%**	**3.7%**	**0.5%**	**0.3%**
	YYC	Arrivals	1,173	10,198	7,097	13,364	1,523
		YOY%	-3.3%	103.7%	2.8%	-19.6%	-26.0%
		% of Total	**0.4%**	**1.8%**	**3.5%**	**5.7%**	**0.7%**
	All other airports	Arrivals	835	577	3,106	216	146
		YOY%	1.0%	0.2%	2.9%	0.1%	0.1%
		% of Total	**0.3%**	**0.1%**	**1.5%**	**0.1%**	**0.1%**
	Subtotal	Arrivals	113,418	425,702	141,441	167,311	113,523
		YOY%	32.3%	16.6%	29.2%	6.6%	7.6%
		% of Total	**37.5%**	**76.4%**	**69.2%**	**70.8%**	**51.1%**
Air Arrivals via the US	All airports	Arrivals	110,931	76,385	28,725	49,450	31,024
		YOY%	5.8%	-1.8%	9.3%	-6.0%	7.9%
		% of Total	**36.7%**	**13.7%**	**14.1%**	**20.9%**	**14.0%**
Sea Arrivals	All sea borders	Arrivals	46,387	14,898	9,511	4,034	5,376
		YOY%	19.2%	-1.6%	4.5%	-7.8%	23.4%
		% of Total	**15.3%**	**2.7%**	**4.7%**	**1.7%**	**2.4%**
Land Arrivals via US	All land borders	Arrivals	31,671	40,185	24,681	15,564	72,053
		YOY%	-9.5%	-11.2%	-18.1%	-21.8%	23.0%
		% of Total	**10.5%**	**7.2%**	**12.1%**	**6.6%**	**32.5%**
Total Overnight Arrivals			**302,499**	**557,178**	**204,358**	**236,371**	**221,976**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

LATIN AMERICA

DC Latin America Arrivals to Canada

CURRENT MONTH:

+33.0% ↑ YOY

YTD:

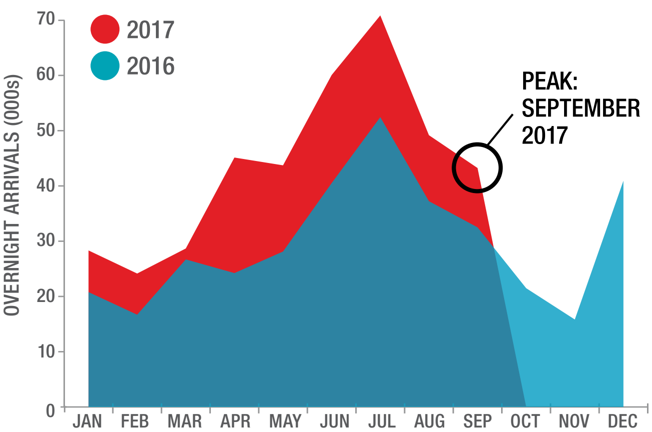
+40.8% ↑ YOY

Overnight Arrivals

	September 2017		YTD 2017	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Latin America	**43,243**	**33.0**	**393,377**	**40.8**
Brazil	14,622	21.6	105,187	17.6
Mexico	28,621	39.7	288,190	51.7
Other Latin America	33,736	9.6	291,838	9.5
Total Latin America	**76,979**	**21.6**	**685,215**	**25.5**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total DC Latin America



DC Latin America: Key Indicators

		Brazil	Mexico
Air Seat Capacity[i]	September 2017	-20.1%	81.6%
	YTD	-28.1%	62.2%
Exchange Rate[ii]	September 2017	-2.7%	1.1%
	YTD	10.2%	-4.2%
YTD Arrival Peak[iii]	Previous Peak Year	2015	2008
	Current % of Previous Peak	114.8%	129.5%

Sources:
i. IATA-Diio SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- Strong double-digit growth from both of Destination Canada's Latin American markets brought the region to new arrivals peaks in September (+33.0%) and YTD 2017 (+40.8%). The region is still leading Canada's international arrivals growth in 2017, thanks in part to supportive changes in eTA/visa requirements for both Mexico and Brazil.

- After outpacing 2016 annual arrivals by August 2017, Mexico continued to break records in September, reaching new arrivals peaks for the month of September (+39.7%) and for the first nine months of the year (+51.7%). For a third consecutive month, Mexico saw the largest expansion of direct air capacity to Canada (+81.6% in September, +62.2% YTD) of all Destination Canada's international markets, which supported particularly strong growth in direct air arrivals (+83.0% in September). The strength of the Mexican Peso relative to the Canadian dollar continued to show signs of stabilizing in September 2017 (+1.1%), though remained weaker year-to-date (-4.2%).

- Brazil's positive 2017 performance continued in September, reaching new arrivals peaks for the month of September (+21.6%) and year-to-date (+17.6%). Despite the ongoing sharp contraction in direct air capacity to Canada (-20.1% in September, -28.1% YTD) and a second month of decline in the strength of the Real vs. the Canadian dollar (-2.7% in September), 2017 arrivals from Brazil broke the 100,000 mark in September – two months earlier than in 2016.

DC Latin America Arrivals by Port of Entry

- In September 2017, Mexico recorded increased arrivals via all modes of entry except by land via the US, and Brazil arrivals increased across all modes except by sea. However, year-to-date in 2017 the opposite trend is apparent – Mexico's only decline was in sea arrivals, while Brazil arrivals by land via the US dropped.

- Year-to-date, just over 60% of visitors from both markets arrived by air directly from overseas, with YYZ being the most popular point of entry, though Mexico continued to record some of its strongest growth at YYC and YUL.

			Brazil	Mexico
Air Arrivals from Overseas	YYZ	Arrivals	49,721	83,227
		YOY%	19.3%	70.6%
		% of Total	**47.3%**	**28.9%**
	YVR	Arrivals	1,552	47,782
		YOY%	37.0%	40.9%
		% of Total	**1.5%**	**16.6%**
	YUL	Arrivals	2,173	45,295
		YOY%	43.1%	132.3%
		% of Total	**2.1%**	**15.7%**
	YYC	Arrivals	149	7,107
		YOY%	33.0%	162.3%
		% of Total	**0.1%**	**2.5%**
	All other airports	Arrivals	194	1,313
		YOY%	0.4%	1.3%
		% of Total	**0.2%**	**0.5%**
	Subtotal	Arrivals	53,789	184,724
		YOY%	20.6%	73.7%
		% of Total	**51.1%**	**64.1%**
Air Arrivals via the US	All airports	Arrivals	45,386	51,910
		YOY%	16.5%	44.3%
		% of Total	**43.1%**	**18.0%**
Sea Arrivals	All sea borders	Arrivals	2,383	12,318
		YOY%	1.9%	-72.6%
		% of Total	**2.3%**	**4.3%**
Land Arrivals via US	All land borders	Arrivals	3,626	39,235
		YOY%	-90.7%	9.1%
		% of Total	**3.4%**	**13.6%**
Total Overnight Arrivals			**105,187**	**288,190**

Source: Statistics Canada, Frontier counts, custom tabulations, Table C.
Note: The figures are preliminary estimates and are subject to change.

COMPETITIVE REVIEW

January to September 2017		Trips To:			
		Canada		Australia	
Trips From:			YOY Change		YOY Change
Total International		**16,836,451**	**4.1%**	**6,281,300**	**6.9%**
United States		11,568,681	2.8%	550,100	9.9%
Canada		…	…	114,700	10.6%
Europe	**United Kingdom**	666,557	-2.4%	474,900	0.9%
	France	462,571	5.7%	90,500	0.1%
	Germany	321,522	5.8%	140,600	6.2%
Asia-Pacific	**Australia**	302,499	14.3%	…	…
	Japan	236,371	0.8%	316,800	5.1%
	South Korea	221,976	12.3%	214,000	6.0%
	China	557,178	10.6%	1,042,700	12.7%
	India	204,358	16.8%	216,700	14.9%
Latin America	**Mexico**	288,190	51.7%	7,800	20.0%
	Brazil	105,187	17.6%	37,900	18.4%
Total DC Key Markets		**14,935,090**	**4.2%**	**3,206,700**	**8.6%**

Sources:
Statistics Canada, Frontier counts, custom tabulations.
Australian Bureau of Statistics, Overseas Arrivals and Departures, cat. no. 3401.0.

- Over the first nine months of 2017, Canada received over 10 million more international tourists than Australia did over the same period (16.84 million vs. 6.28 million), though arrivals to Australia (+6.9%) continued to grow year-over-year at a slightly faster pace than arrivals to Canada (+4.1%).

- Over four times more tourists from Destination Canada's 11 core international markets visited Canada (14.94 million) than visited Australia (3.21 million) year-to-date in 2017, but arrivals to Canada (+4.2%) from these markets grew at half the pace year-over-year compared to Australia (+8.6%).

- Just over 21 times more US travellers visited Canada (11.57 million) than visited Australia (550,100) from January to September 2017, despite Australia's much faster year-over-year growth in arrivals from this market (9.9% vs. 2.8% for Canada).

- Australia continued to welcome more tourists than Canada from China (1.04 million to Australia vs. 557,178 to Canada) and Japan (316,800 to Australia vs. 236,371 to Canada). However, South Korean visitors to Canada (221,976) outpaced Australia (214,000) by September 2017, following the faster growth observed from this market over the first nine months of the year (12.3% vs. 6.0%). Arrivals to Canada from India continued to grow at a slightly faster pace (16.8% vs. 14.9% for Australia), but still fell short in total visitors (204,358 visitors to Canada vs. 216,700 to Australia).

- From January to September 2017, with slightly faster year-over-year growth, more than twice as many Australian tourists visited Canada (302,499, +14.3%) than Canadian tourists visited Australia (114,900, +10.6%).

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Overnight Arrivals by Province of Entry
January to September 2017

		Newfoundland and Labrador	Prince Edwad Island	Nova Scotia	New Brunswick	Québec	Ontario
Total One or more nights	2017	57,789	2,274	187,800	283,388	2,462,229	7,851,927
	Variance YOY%	8.3%	-63.4%	9.7%	-2.6%	6.4%	4.3%
	Change YOY	4,428	(3,944)	16,608	(7,504)	149,128	323,873
US Residents by Automobile	2017	0	0	13,836	214,403	860,097	3,524,232
	Variance YOY%	0.0%	0.0%	18.3%	-0.6%	0.6%	0.6%
	Change YOY	-	-	2,138	(1,319)	4,976	22,098
US Residents by Non-Automobile	2017	12,500	1,929	106,932	60,135	666,981	2,103,489
	Variance YOY%	30.6%	-52.9%	7.4%	-5.3%	9.7%	6.4%
	Change YOY	2,928	(2,169)	7,353	(3,373)	58,963	125,935
Residents from Other Countries	2017	45,289	345	67,032	8,850	935,151	2,224,206
	Variance YOY%	3.4%	-83.7%	11.9%	-24.1%	10.0%	8.6%
	Change YOY	1,500	(1,775)	7,117	(2,812)	85,189	175,840

Source: Statistics Canada, Frontier counts, custom tabulations.
Preliminary estimates subject to change.

Overnight Arrivals by Province of Entry

January to September 2017

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	CANADA
Total One or more nights	2017	177,609	60,701	878,700	4,718,224	155,810	16,836,451
	Variance YOY%	3.5%	-8.9%	5.0%	3.1%	2.5%	4.1%
	Change YOY	5,994	(5,904)	41,919	139,951	3,741	668,290
US Residents by Automobile	2017	117,450	46,130	141,124	1,513,749	80,246	6,511,267
	Variance YOY%	6.5%	8.2%	1.7%	-2.7%	8.5%	0.1%
	Change YOY	7,209	3,496	2,323	(42,762)	6,307	4,466
US Residents by Non-Automobile	2017	52,483	12,679	466,420	1,519,624	54,242	5,057,414
	Variance YOY%	-2.4%	-41.5%	10.5%	6.0%	-5.1%	6.5%
	Change YOY	(1,314)	(9,010)	44,490	85,803	(2,891)	306,715
Residents from Other Countries	2017	7,676	1,892	271,156	1,684,851	21,322	5,267,770
	Variance YOY%	1.3%	-17.1%	-1.8%	6.1%	1.5%	7.3%
	Change YOY	99	(390)	(4,894)	96,910	325	357,109

- Consistent with ongoing trends, Ontario was the most popular province of entry for international visitors from January to September 2017, with approximately 47% of arrivals (7.85 million visitors) crossing the border there, up 4.8% over the first nine months of 2016. British Columbia (4.72 million visitors, +3.1%) and Quebec (2.46 million visitors, +6.4%) were also popular entry provinces.

- Following severe wildfires over the summer of 2017, British Columbia continued to record a significant year-over-year decline in US auto arrivals year-to-date, with 42,762 fewer arrivals compared to the same period in 2016.

- A drop in non-auto US arrivals and overseas arrivals contributed to an overall decline in the number of international visitors crossing the border through New Brunswick, Saskatchewan, and Prince Edward Island.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	Sept. 2017	YOY % Variance	Jan.- Sept. 2017	YOY % Variance
United States	1,707,458	4.3	15,728,155	4.5
Other Countries	975,931	11.5	10,051,918	7.1
Total Trips from Canada	2,683,389	6.8	25,780,073	5.5

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

- Overnight trips by Canadians to international destinations expanded for a fourth consecutive month in September 2017, reaching 2,683,389 (+6.8%). This increase was primarily driven by more Canadian travel to international destinations outside of the US (+11.5%). Travel to the US also increased year-over-year in September (+4.3%), mainly due to increased air travel, while Canadian auto travel to the US (-0.4%) observed a slowdown similar to US auto travel to Canada.
- Year-to-date September 2017, Canadian outbound travel was up 5.5%, including +4.5% to the US and +7.1% to overseas destinations.
- Following two months of strong gains, the Canadian Consumer Confidence Index (published by the Conference Board of Canada) dropped down to 112.4 (down 9.2 points) in September 2017.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Sep. 2017	YOY^ Variance	Jan.-Sep.	YOY^ Variance	Sep. 2017	YOY % Variance	Jan.-Sep.	YOY % Variance	Sep. 2017	YOY % Variance	Jan.-Sep.	YOY % Variance
Alberta[1]	61.8%	3.5	55.0%	1.2	$131.51	0.0%	$130.80	-1.0%	$81.27	5.9%	$71.93	1.3%
British Columbia	81.9%	1.5	73.3%	2.0	$186.55	7.9%	$177.38	6.7%	$152.81	9.9%	$130.01	9.8%
Saskatchewan	61.8%	4.6	54.3%	-0.3	$120.29	-3.1%	$119.92	-4.5%	$74.30	4.8%	$65.06	-5.1%
Manitoba	76.7%	10.4	69.8%	6.6	$124.48	1.5%	$123.56	2.0%	$95.44	17.3%	$86.24	12.6%
Ontario	81.7%	1.0	70.3%	1.3	$168.77	3.2%	$155.43	6.0%	$137.81	4.5%	$109.21	8.0%
Quebec	79.8%	-0.5	71.9%	2.4	$177.25	3.5%	$169.08	6.2%	$141.51	2.9%	$121.52	9.8%
New Brunswick	74.0%	3.2	63.4%	2.9	$126.99	5.2%	$122.86	4.4%	$94.03	10.0%	$77.92	9.3%
Nova Scotia	83.9%	-0.2	69.9%	2.6	$159.06	10.8%	$143.42	8.2%	$133.49	10.5%	$100.31	12.4%
Newfoundland	78.9%	2.0	66.2%	1.9	$156.98	0.0%	$146.80	-1.3%	$123.85	2.6%	$97.22	1.6%
Prince Edward Island	82.3%	1.6	61.4%	0.4	$165.21	8.3%	$150.55	6.5%	$135.98	10.5%	$92.42	7.2%
Northwest Territories	94.2%	3.6	70.7%	0.3	$145.52	-6.4%	$143.03	-5.7%	$137.06	-2.8%	$101.08	-5.4%
Yukon	84.3%	4.7	71.7%	0.2	$144.44	9.0%	$135.60	7.6%	$121.73	15.5%	$97.28	7.9%
Canada	**77.0%**	**1.9**	**67.3%**	**1.6**	**$167.00**	**4.0%**	**$157.22**	**4.9%**	**$128.52**	**6.7%**	**$105.75**	**7.5%**

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

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- The National Occupancy Rate was 77.0% in September 2017, up 1.9 points compared to September 2016. By province, Northwest Territories (94.2%), Yukon (84.3%), and Nova Scotia (83.9%) recorded the highest occupancy rates in September, though Manitoba, Yukon, and Saskatchewan saw the strongest year-over-year growth.

- From January to September 2017, the National Occupancy Rate reached 67.3%, up 1.6 points over the same period in 2016. British Columbia (73.3%), Quebec (71.9%), and Yukon (71.7%) recorded the highest occupancy rates, while Manitoba, New Brunswick, and Nova Scotia led year-over-year growth.

- For both the month of September and year-to-date 2017, British Columbia, Quebec, and Ontario were the top performing provinces in terms of average daily rates (ADR) and revenue per available room (RevPar).

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	Sept. 2017	YOY^ Change	Jan.- Sep.	YOY^ Variance	Sept. 2017	YOY Variance	Jan.- Sep.	YOY Variance
Property Size								
Under 50 rooms	64.6%	2.9	54.6%	2.9	$119.24	4.0%	$114.89	4.2%
50-75 rooms	72.4%	3.3	61.7%	2.4	$125.44	3.8%	$120.18	2.7%
76-125 rooms	75.0%	3.3	65.3%	2.2	$137.73	2.8%	$132.81	2.8%
126-200 rooms	77.0%	0.9	68.1%	1.5	$150.40	5.3%	$143.69	5.6%
201-500 rooms	80.6%	1.8	70.2%	0.9	$200.46	4.6%	$185.63	6.2%
Over 500 rooms	84.5%	-2.3	75.9%	0.4	$263.07	4.0%	$235.85	7.8%
Total	77.0%	1.9	67.3%	1.6	$167.00	4.0%	$157.22	4.9%
Property Type								
Limited Service	72.0%	3.3	62.2%	2.4	$123.58	3.8%	$119.60	3.5%
Full Service	79.6%	1.3	69.7%	1.2	$183.82	4.5%	$169.92	5.8%
Suite Hotel	83.7%	-0.9	75.8%	0.7	$169.30	1.9%	$161.70	3.1%
Resort	76.2%	2.3	67.6%	1.8	$255.74	6.4%	$247.98	6.9%
Total	77.0%	1.9	67.3%	1.6	$167.00	4.0%	$157.22	4.9%
Price Level								
Budget	72.1%	2.7	61.4%	2.7	$109.68	6.7%	$104.63	7.2%
Mid-Price	77.3%	1.8	67.9%	1.3	$156.01	3.1%	$148.64	3.9%
Upscale	82.1%	0.6	73.0%	1.4	$283.98	3.2%	$259.05	5.7%
Total	77.0%	1.9	67.3%	1.6	$167.00	4.0%	$157.22	4.9%

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.

- Both occupancy rates and ADR tended to increase by property size, both for the month of September and year-to-date 2017. The largest properties (500+ rooms) recorded occupancy rates of 84.5% in September and 75.9 YTD, with an ADR of $263.07 in September and $235.85 YTD. Of note, properties with 500+ rooms recorded the only year-over-year decline in occupancy rate in September 2017 (-2.3%).

- Suite hotels recorded the highest occupancy rates in September 2017 (83.7%) and year-to-date (75.8%); however, in terms of year-over-year growth, they were outpaced by all other property types. Resorts report the highest ADR as well as the fastest year-over-year growth in this measure, both in September ($255.74, +6.4%) and year-to-date ($247.98, +6.9%).

- Upscale properties continued to report the highest occupancy rates (82.1% in September, 73.0% YTD) and ADR ($283.98 in September, $259.05 YTD), but budget hotels led with the strongest year-over-year growth in both measures.

DC CONSUMER AND MARKET INTELLIGENCE