



The Daily

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Canada's international travel deficit — the difference between what Canadians spend abroad and what foreigners spend in Canada — fell in the fourth quarter to its lowest since the third quarter of 1986. The deficit declined from a revised \$368 million in the third quarter to an estimated \$85 million in the fourth.
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September 11 may have aggravated the decline in overseas travel to Canada in the third quarter, but overnight travel from the United States was still up 1.4% from the third quarter of 2000.

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MAJOR RELEASES

International travel account

Fourth quarter 2001 and annual 2001 (preliminary)

Canada's international travel deficit — the difference between what Canadians spend abroad and what foreigners spend in Canada — fell in the fourth quarter to its lowest since the third quarter of 1986. The deficit declined from a revised \$368 million in the third quarter to an estimated \$85 million in the fourth quarter.

This result was mostly due to a drop in spending by Canadian travellers outside the country. From October to December, Canadian residents spent slightly less than \$4.0 billion, down 9.0% from the third quarter and the lowest since the third quarter of 1998. Foreign residents injected \$3.9 billion into the Canadian economy, 2.8% less than in the third quarter; this was the third consecutive quarterly decrease.

The depreciation of the Canadian dollar against many currencies and the events of September 11 were two factors that contributed to the declines in travel spending during the fourth quarter. They also affected the total number of trips taken from and to Canada.

Canadian residents made 9.2 million same-day and overnight trips abroad in the fourth quarter, a 14.4% drop from the third. Travel to Canada by foreign residents fell 8.1% to just under 10.6 million trips.

Lower Canadian spending in the United States

Canada's travel balance with the United States showed an estimated surplus of \$121 million in the fourth quarter, due to a significant drop in both the number of trips made and the amount of travel spending by Canadian residents.

Canadians took 8.1 million same-day and overnight trips south of the border, down 15.1% from the third quarter. They spent an estimated \$2.4 billion in the United States from October to December, down 9.9% from the third quarter. One factor that may have contributed to these declines is the weakening of the Canadian dollar against the American. During the fourth quarter, the dollar averaged a depreciation of 2.2% against its American counterpart.

Americans spent nearly \$2.5 billion on this side of the border, down a slight 0.5% from the third quarter. Their number of trips fell 8.5% to 9.6 million.

Travel deficit with overseas countries falls

Canadian residents took 1.1 million trips to overseas destinations in the fourth quarter, down 9.6% from the

Note to readers

This international travel account analysis is based on preliminary quarterly data, seasonally adjusted unless otherwise stated. Amounts are in Canadian dollars and are not adjusted for inflation.

Receipts represent spending by foreigners travelling in Canada, including education and medical spending. **Payments** represent spending by Canadians travelling abroad, including education and medical spending.

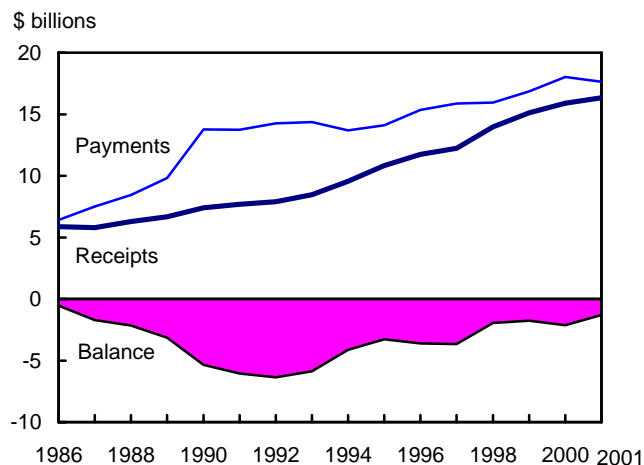
Overseas countries are those other than the United States.

third. Their spending on those trips fell 7.8% to just over \$1.6 billion.

Overseas travellers spent slightly more than \$1.4 billion in Canada, 6.6% less than they did in the third quarter. They made 4.6% fewer trips in the fourth quarter, down to just under 1.0 million.

Consequently, the travel deficit with countries other than the United States declined from a revised \$243 million in the third quarter to \$206 million in the fourth. During the period, the Canadian dollar depreciated against the major European currencies.

Canada's annual travel deficit lowest since 1986



Travel deficit dropped sharply in 2001

Canada's travel deficit with the rest of the world plummeted from a revised \$2.1 billion in 2000 to an estimated \$1.3 billion in 2001, due in part to the low deficit recorded in the fourth quarter. This was the

lowest annual travel deficit since 1986, the year of the world's fair in Vancouver; in 2001, foreign travellers spent a record amount in the country.

Foreign residents spent a record \$16.3 billion in Canada in 2001, up 2.8% from 2000 despite decreases in the final three quarters. However, they took 47.1 million trips to this country in 2001, 3.1% fewer than in 2000. Canadians spent \$17.6 billion and made 43.2 million trips outside the country, down 2.2% and 8.4%, respectively, from 2000.

American spending in Canada rose 5.9% in 2001 from 2000 to nearly \$10.2 billion, but Canadian travellers spent \$10.7 billion, or 5.4% less, in the United States. As a result, Canada's travel deficit with the

United States dropped from a revised \$1,686 million in 2000 to \$502 million in 2001.

Overseas residents spent just under \$6.2 billion in Canada in 2001, down 2.0% from 2000. Overseas spending by Canadians rose 3.3% to a record high of just over \$6.9 billion, resulting in a higher travel deficit with overseas countries — \$790 million in 2001, compared with a revised \$446 million in 2000.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Jocelyn Lapierre (613-951-3720) or Client services (1-800-307-3382; 613-951-7608; fax: 613-951-2909; cult.tourstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

International travel account receipts and payments

	First quarter 2001 ^r	Second quarter 2001 ^r	Third quarter 2001 ^r	Fourth quarter 2001 ^p	2000 ^r	2001 ^p	Third to fourth quarter 2001	2000 to 2001
Seasonally adjusted ¹								
	\$ millions						% change	
United States								
Receipts	2,610	2,606	2,492	2,479	9,618	10,187	-0.5	5.9
Payments	2,930	2,785	2,617	2,358	11,304	10,690	-9.9	-5.4
Balance	-319	-179	-125	121	-1,686	-502		
All other countries								
Receipts	1,657	1,544	1,528	1,426	6,280	6,155	-6.6	-2.0
Payments	1,812	1,730	1,771	1,632	6,726	6,945	-7.8	3.3
Balance	-155	-186	-243	-206	-446	-790		
Total								
Receipts	4,267	4,150	4,019	3,905	15,897	16,342	-2.8	2.8
Payments	4,741	4,516	4,387	3,990	18,030	17,635	-9.0	-2.2
Balance	-474	-365	-368	-85	-2,133	-1,292		

^r Revised figures.

^p Preliminary figures.

¹ Data may not add to totals due to rounding.

Characteristics of international travellers

Third quarter 2001

September 11 may have aggravated the decline in overseas travel to Canada in the third quarter, but overnight travel from the United States was still up 1.4% from the third quarter of 2000. This small increase, however, was well short of the record levels expected for the third quarter based on July and August travel from the United States to Canada.

Canadian travel to overseas countries set a third-quarter record in 2001. Almost 1.2 million Canadians flew to countries other than the United States, a 7.2% increase from the third quarter of 2000. However, this was due mostly to travel in July and August; in September, Canadians took just 1.9% more trips abroad than they did in September 2000. Canadian travel overseas was the only international flow to rise in September.

Small increase in American travel despite September 11

After posting increases of 1.7% in July and 12.1% in August (compared with the same months in 2000), overnight travel from the United States collapsed in September (-18.2%). However, the September decline did not completely offset the gains made in the two preceding months. Americans made 6.6 million overnight trips to Canada in the third quarter, up 1.4% from the third quarter of 2000. This quarterly rise is the result of a 4.0% increase in automobile travel and a decline of 3.0% in air travel.

In September, air travel plunged 28.6%. Since the signing of the Open Skies Agreement, the share of American residents travelling by air to Canada grew from 14.9% in the third quarter of 1994 to 20.6% in the third quarter of 2000. This share declined to 19.3% in the third quarter of 2001.

More than two-thirds of overnight trips to Canada by American residents were for pleasure, and such trips increased 6.4% in the third quarter from the third quarter of 2000. Business travel, however, declined 21.9%. Almost 90% of this drop is the result of fewer trips by air.

Fewer Canadians travelling south of the border

Canadians made 4.4 million overnight trips to the United States in the third quarter of 2001, down 6.9% from the same period in 2000, continuing the downward trend that started in the fourth quarter of 2000. In the third quarter, almost 50% more Americans visited Canada than Canadians visited the United States.

Percentage change in selected characteristics by travel flow

Third quarter 2000 to third quarter 2001

	United States to Canada	Canada to United States	Overseas to Canada	Canada to overseas
	% change			
Total	1.4	-6.9	-8.8	7.2
Auto	4.0	-3.7	...	...
Plane	-3.0	-17.4	...	...
Other modes of transport	-4.2	-3.8	...	...
Direct	...	...	-7.2	9.6
Via the United States	...	...	-11.6	-9.0
Business	-21.9	-27.2	-19.5	-25.5
Visiting friends and relatives	0.3	-1.3	-13.1	-0.2
Pleasure	6.4	-2.3	-8.3	21.3
Other	-8.1	-14.4	49.8	28.8

... Not applicable.

The states most popular with Canadians saw fewer Canadian visitors — except Washington, which posted a slight 0.9% increase. However, New York remained the most popular state for Canadians, despite 9.2% fewer visits compared with the third quarter of 2000. However their visits were relatively short. In contrast, Florida was much less popular in the third quarter, but it (and Hawaii) attracted longer visits. The average stay of Canadians in Florida was 9.3 nights, compared with 2.8 nights in New York state and less than four nights in other border states such as Washington, Michigan, Maine, Vermont and Montana.

In the wake of September 11, air travel to the United States plunged 43.1%, which resulted in a 17.4% drop for the third quarter. Business travel was also affected, as a large portion of business trips (65.8%) are taken by air. Business overnight trips by Canadians to the United States dropped 27.2% from the third quarter of 2000.

Travel from overseas slides further

September 11 aggravated the setback in overnight travel from overseas that started in the second quarter of 2001. Overseas residents took 1.7 million overnight trips to Canada in the third quarter, 8.8% less than in the third quarter of 2000. This decrease was the combination of a 7.2% decline in direct entries to Canada from overseas and an 11.6% drop in entries via the United States.

Among the 12 most important overseas markets, all but Mexico (+5.1%) and South Korea (+9.1%) posted declines in overnight trips to Canada in the third quarter. The increase from Mexico resulted in a 4.8% rise in overnight trips from Central and North America, virtually

the only region in the world from which more travellers came to Canada in the third quarter of 2001.

Growth in Canadian travel overseas

Canadians took 1.2 million overnight trips to overseas countries in the third quarter, up 7.2% from the third quarter of 2000. When travelling overseas, Canadians were less inclined to go through the United States. Trips to overseas via the United States dropped 9.0% in the third quarter, but trips directly to overseas destinations rose 9.6%.

Although travel to the United Kingdom was down 3.8% from the third quarter of 2000, it still remained the most popular overseas destination in the third quarter; Canadians made 267,000 visits. The top five countries visited by Canadians were traditional European destinations. However, three sun destinations that are usually more popular in the winter, Mexico, Cuba and the Dominican Republic, made the top 10 list of destinations in the third quarter.

The number of business trips by Canadians to overseas countries decreased 25.5% in the third quarter to 169,000, while pleasure trips rose 21.3% to 654,000.

Top 10 overseas destinations visited by Canadians

	Third quarter 2000	Third quarter 2001	Third quarter 2000 to third quarter 2001
	Visits ('000)		% change
United Kingdom	278	267	-3.8
France	179	197	9.5
Germany	109	85	-21.5
Italy	78	76	-2.8
Netherlands	62	59	-3.7
Mexico	45	58	28.6
Ireland	36	56	56.7
Cuba	31	54	76.6
Spain	47	42	-10.2
Dominican Republic	21	42	98.8

This release summarizes data now available from the International Travel Survey. Tables as well as various statistical profiles and microdata files of characteristics of international travellers for the third quarter are now available on request.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Danielle Shaienks (613-951-5095) or Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-2909; cult.tourstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics. ■

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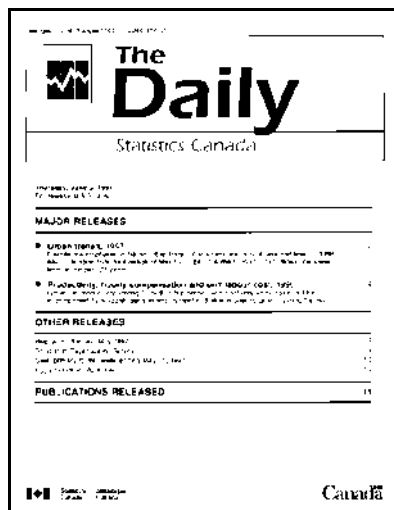
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