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Spring 1996

## Provincial Overview of Domestic Travel in 1994

by Sylvie Bonhomme

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To meet up with relatives, hurtle down a new mountain, discover a new part of the country, go to a concert, shop... just a few of the reasons why some 13.2 million Canadians made 129 million recreational trips in the country in 1994. Obviously, leisure is not the only reason why Canadians travel; many business trips are also made. Including all main reasons for travelling, Canadians made a total of nearly 152 million trips within the country in 1994.

For the Canadian economy as a whole, and for the transportation, hotel, restaurant and entertainment industries in particular, the revenues generated from trips made by Canadians within their country represented \$16 billion, or 2.3% of the gross domestic product (GDP) in 1994. In fact, revenues generated by domestic travel were 1.6 times greater than those generated by international travel<sup>1</sup> in Canada.

To describe the dynamics of the domestic travel market in Canada more clearly, this paper summarizes the relative standing of the provincial domestic travel markets based on one of their most important aspects, travel expenditures.

### How is the domestic travel market measured?

For many years, volumes of travellers and expenditures have been used to measure the domestic travel market in this country. Seen from this perspective, it is undeniable that, over the years, the most populous provinces post the highest levels of domestic trips and travel expenditures in the country. Thus for demographic and economic reasons, Ontario, Quebec, British Columbia and Alberta represent the largest markets in terms of number of travellers and revenues for domestic travel. However, the place that the domestic travel market occupies in a province's economy is not necessarily related to the size

<sup>1</sup> Data on expenditures by foreign travellers in Canada from the International Travel Study (ITS).

Table 1

### Incidence of trips by residents, by province, 1994

| Province of origin   | Total | In their province | In another province |
|----------------------|-------|-------------------|---------------------|
| Newfoundland         | 63%   | 57%               | 20%                 |
| Prince Edward Island | 59%   | 19%               | 52%                 |
| Nova Scotia          | 66%   | 57%               | 34%                 |
| New Brunswick        | 62%   | 52%               | 36%                 |
| Quebec               | 54%   | 49%               | 14%                 |
| Ontario              | 57%   | 55%               | 13%                 |
| Manitoba             | 56%   | 45%               | 32%                 |
| Saskatchewan         | 78%   | 68%               | 51%                 |
| Alberta              | 80%   | 67%               | 48%                 |
| British Columbia     | 65%   | 56%               | 28%                 |
| Canada               | 61%   | 55%               | 22%                 |

Source: Canadian Travel Survey

## Travel-log

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### About the data

#### Source

Data used in the following text is derived from the Canadian Travel Survey, which is a supplement to the Labour Force Survey. The data cannot be compared with previous years because methodological changes in the 1994 survey caused a break in the historical statistical series.

#### Definition

A domestic trip is defined as being of 80 kilometers or more. It must be done by a Canadian and have a Canadian destination.

Figures on the number of travellers are measured as person-trips, that is the number of trips made by one Canadian multiplied by the number of people from the same household who were on each of those trips. If four persons go on a trip together, it counts as four person-trips. The provincial distribution of trips is made according to the main destination.

Expenditures reported by travellers cover all travel costs, including transportation, gasoline, accommodation, recreation and entertainment, and food and beverages.

When travellers visited more than one province, the expenditures are generally allocated on the basis of the number of nights spent in each province.

of the province; nor is the ability of each of them to generate domestic travel market revenues. It may therefore be misleading to measure the vigour of travel markets by taking into consideration only the amount of expenditures and the number of trips. In this paper, several indicators will be used to compare different provinces to each other and to present a different picture of the country's domestic travel market.

First we shall attempt to define the importance of the market in the different provincial economies. To this end, one of the means used to understand the relative importance is to compare expenditures to the total goods and services produced in a territory, i.e. the GDP.

Then, to provide an indication of a province's ability to generate revenues in the domestic travel market, different indicators, such as the average expenditure per person and per trip, frequency of travel and the incidence of travel, will be used.

### The relative importance of the provinces

#### Domestic travel in Prince Edward Island: the largest contribution to a provincial economy in the country

Prince Edward Island's domestic travel market occupied the most important place in a provincial economy in the country, despite the fact that revenues coming from domestic travel in Prince Edward Island

represented only about 1% of the domestic travel market in the country (Chart A). Total revenues collected from Canadians travelling in Prince Edward Island represented 6.2% of all goods and services produced in that province, the highest ratio in the country.

One of the primary factors explaining the vitality of the domestic travel market in this province is the amount of expenditures by non-residents. In 1994, their spending represented 4.8% of the Prince Edward Island GDP, and these expenditures accounted for more than three-quarters of total travel expenditures in Prince Edward Island.

For the most part, the large number of non-resident visitors that the province attracted justifies this level of expenditures. In 1994, the province received 351 visitors for each 100 residents, by far the highest ratio in the country: six times higher than the national average (Chart B).

The significance of the contribution of trips made by non-residents becomes even clearer in light of the fact that Prince Edward Island has the country's lowest rate of travel by residents within their province<sup>2</sup>.

Only 19% of adult<sup>3</sup> residents stated they had made a trip in their province in 1994 (Table 1).

<sup>2</sup> Since distances in Prince Edward Island are short, this province has a low rate of travel.

<sup>3</sup> Unless otherwise indicated, an adult is defined as a person aged 15 or more.



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**Price:** Canada: \$12.00 per issue, \$40.00 annually  
United States: US\$15.00 per issue, US\$48.00 annually  
Other Countries: US\$17.00 per issue, US\$56.00 annually

**Periodicity:** Quarterly ISSN 0713-2840

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI (Z39.48 - 1984.)



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In comparison to the national average of 33%, one out of two non-residents say their main reason for travelling to Prince Edward Island is for pleasure and to visit friends and relatives. This is, moreover, the most lucrative type of trip for the province, since it represents 33% of total expenditures by visitors from other provinces to Prince Edward Island. In terms of frequency, the residents of this province make an average of 1.7 trips in their province, compared to the national average of 4.6 (Chart C). It should be noted, however, that the residents of Prince Edward Island spent the largest amounts in the country per trip within their province.

#### **Newfoundland: residents who actively contribute to the travel market in their province**

In 1994, Canadian travellers spent approximately \$383 million during stays in Newfoundland (Table 2). These expenditures represented 3.9% of the province's GDP, placing Newfoundland second in the country in terms of the importance of domestic travel revenues for the economy of a province.

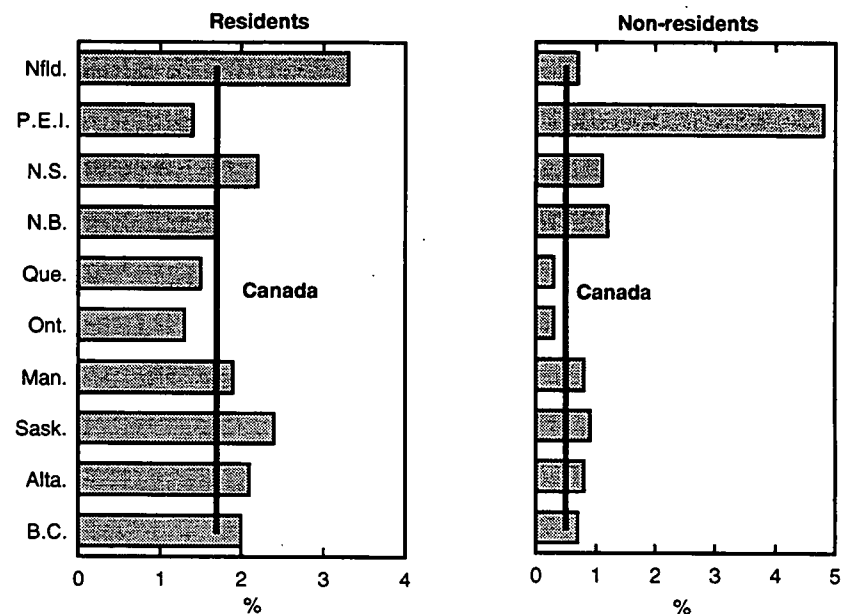
As is the case in the majority of provinces, residents generated the greater part of expenditures in this part of the country. However, their contribution was much more significant in Newfoundland than elsewhere, amounting to 83% of total travel expenditures.

Compared to the national average, Newfoundlanders spent greater amounts during stays in their province, i.e. \$114 per person per trip (Table 3). In total, the amounts spent by residents during intra-provincial trips represented 3.3% of the province's GDP, the highest ratio in the country. Of all Canadians, Newfoundlanders allocated the largest portion of their budget to travel expenses within their province, i.e. \$39 per \$1,000 of personal disposable income in 1994 (Chart D).

Despite the distance separating it from the other provinces, Newfoundland also succeeded in maintaining revenues from its non-resident travel market that were comparable to those collected throughout the country for this market. In 1994, non-residents left about \$85 million here, an amount representing 0.7% of the province's GDP. The average expenditures, amounting to \$398, are the highest

Chart A

#### **Domestic travel expenditures as a percentage of GDP by province, 1994**



Sources: National Accounts and Environment Division, Statistics Canada  
Canadian Travel Survey

in the country. Since the province posted the lowest ratio of visits in the country, attracting only 28 visitors for every 100 residents, these expenditures explain the vigour of the non-resident market.

In terms of non-resident trips to the province, Ontario was Newfoundland's principal client. The approximately 68,000 Ontarians who went there left \$34.9 million, or 54.1% of the non-resident market. Close to three-quarters of these expenditures occurred during trips made primarily to visit friends or relatives. Ontarians travelling mainly for pleasure represented the other significant clientele in this province; they accounted for 21% of travel expenditures by Ontarians in Newfoundland.

#### **Nova Scotia: large numbers of trips compared to its population**

In 1994, Nova Scotia received \$596 million in domestic travel revenues, amounting to 3.2% of its GDP.

Both the non-resident and resident travel

markets brought significant revenues to the province.

Non-resident visitors brought in \$194 million, amounting to 33% of the provincial travel market and 1% of the province's GDP. Average contribution made by this sector in other provincial economy was only 0.5% of GDP. The large number of visitors choosing Nova Scotia as their destination was one of the main factors explaining the size of the market. Receiving nearly 6 million visitors, Nova Scotia posted a ratio of non-resident visitors for each 100 residents that was 1.6 times higher than the Canadian average. Residents of Ontario, New Brunswick and Quebec were the province's main clients, leaving 33%, 25% and 17% of total non-resident expenditures respectively.

The performance of intra-provincial tourism is explained by a slightly higher incidence and frequency of travel than the national average. Residents of Nova Scotia allocate an important proportion

of their personal disposable income to domestic travel, at \$46 per \$1000 of personal disposable income.

**Saskatchewan: great travellers**

Saskatchewan ranked at the same level as with respect to importance of domestic travel revenues for the economy of its province, 3.2% of its GDP.

In brief, residents and non-residents made numerous trips in Saskatchewan, but their expenditures per trip were low.

More than two-thirds of the province's adult residents made at least one trip within their province in 1994, and they made an average of 6.9 trips during the year. This incidence and frequency of intra-provincial travel were the highest in the country, and were reflected in total expenditures, despite low expenditures per trip.

For each \$1,000 of personal disposable income, residents devoted an average of \$36 to trips within their province, the second highest amount in the country.

In total, expenditures for intra-provincial travel amounted to 2.4% of the GDP, ranking second behind Newfoundland.

Saskatchewan was also the destination for numerous trips by non-residents. It received 1.2 million visitors in 1994, that is, a ratio of 114 non-resident visitors per 100 resident, twice the national average. This large number of non-resident visitors to Saskatchewan generated expenditures equivalent to 0.9% of its GDP.

Alberta, Manitoba and British Columbia are the sources of Saskatchewan's principal out-of-province clientele. These provinces respectively generated 43%, 24% and 24% of the non-resident travel revenues.

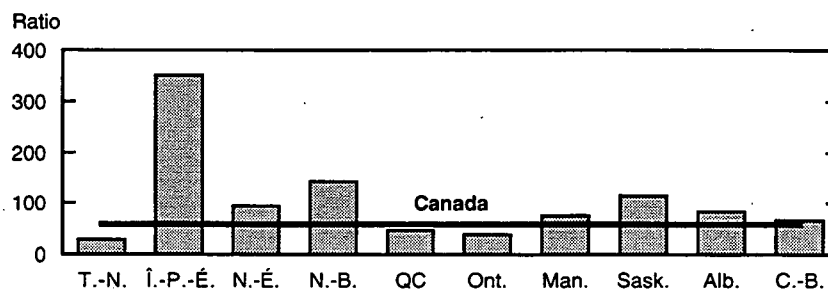
**New Brunswick: a market dominated by non-resident travellers**

Fifth in the country in level of performance, the revenues generated by domestic travel represented 2.9% of the New Brunswick GDP. However, only 60% of domestic travel expenditures in New Brunswick came from travellers living in this province, compared to 77% for the national average.

For every 100 residents, New Brunswick received 143 non-resident visitors in 1994, the second highest ratio of visits in the country. However, just as in

Chart B

**Number of non-resident visitors per 100 residents, per province visited, 1994**



Sources: Demography Division, Statistics Canada  
Canadian Travel Survey

Table 2

**Domestic travel expenditures by source, by province, 1994**

| Receiving province   | in millions           |           |                      |
|----------------------|-----------------------|-----------|----------------------|
|                      | total                 | residents | non-residents        |
| Newfoundland         | \$383                 | \$318     | \$65                 |
| Prince Edward Island | \$150                 | \$33      | \$116                |
| Nova Scotia          | \$596                 | \$402     | \$194                |
| New Brunswick        | \$434                 | \$258     | \$177                |
| Quebec               | \$3,073               | \$2,581   | \$492                |
| Ontario              | \$4,714               | \$3,905   | \$809                |
| Manitoba             | \$673                 | \$484     | \$190                |
| Saskatchewan         | \$745                 | \$545     | \$199                |
| Alberta              | \$2,353               | \$1,729   | \$624                |
| British Columbia     | \$2,765               | \$2,042   | \$723                |
| Canada               | \$15,911 <sup>1</sup> | \$12,297  | \$3,614 <sup>1</sup> |

<sup>1</sup> The Canada total exceeds the sum of the provinces because it includes the Yukon and the Northwest Territories  
Source: Canadian Travel Survey

Saskatchewan, non-residents spent less per trip in this province than elsewhere in the country. Nevertheless, this market brought the province revenues in the order of \$177 million, accounting for 1.2% of the provincial GDP. This performance indicator was 2.5 times higher in New Brunswick than elsewhere in the country. Pleasure travellers made up the clientele generating the most revenue (34%) in this

province. Furthermore, nearly half of these expenditures were generated by the non-resident clientele. Half of these non-resident expenditures were provided by Quebecers.

In the market for visits to friends and relatives, second in size and accounting for 28% of expenditures, Ontarians, with 41% of the market, dominated the market share held by non-residents. Residents of

Nova Scotia and Quebec followed, with 25% and 24% of the market respectively.

#### Alberta: high expenditures and travel volume

For the residents of Alberta, revenues collected from domestic travel represented 2.9% of the province's GDP. This province is in sixth place in the country with regard to the importance of the domestic travel market to the provincial economy.

The strength of the resident travel market is based on several factors. First, like the residents of Saskatchewan, Albertans are great travellers. In 1994, 67% of the province's adult residents made at least one trip within their province, the second highest incidence of intra-provincial travel in the country. Albertan travellers also had a significant frequency of travel, with an average of 6.2 trips compared to the Canadian average of 4.6 trips. These travellers spent an average of \$103 in their province.

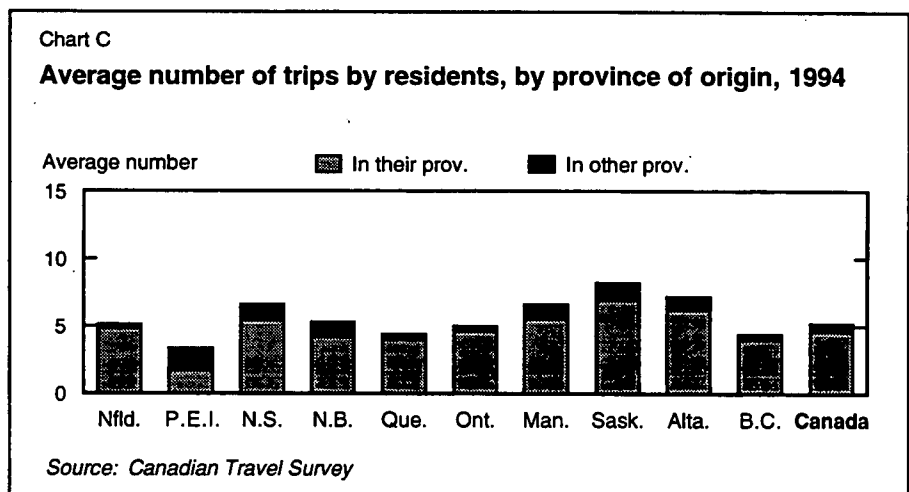
The non-resident travel market also presented a strong profile. A large number of visitors as well as high average expenditures allowed this province to collect nearly \$625 million, 0.8% of the province's GDP.

Residents of British Columbia, Ontario and Saskatchewan represented the primary clientele travelling in Alberta.

#### British Columbia: high travel expenditures

In 1994, British Columbia ranked seventh in the country with regard to the relative contribution of the domestic travel market in the economy of this province. Domestic travel expenditures represented 2.8% of the provincial GDP.

In 1994, the domestic travel market in this province had a similar profile to that of Alberta. Expenditures per trip were high in both provinces. Expenditures per person and per trip by residents and non-residents in British Columbia were among the highest in the country, with \$139 for residents and \$299 for non-residents. The province received 66 non-resident visitors per 100 residents in 1994, a ratio close to the Canadian average. However, since they spent higher amounts per trip, this resulted in travel revenues from non-residents being among the largest in the



country. In fact, these revenues, amounting to \$723 million, are only surpassed by Ontario.

Trips whose primary objective was business constituted the main source of domestic travel revenues (30%) for British Columbia, and three-quarters of that came from residents. In the non-resident market, Ontarians on business trips provided more than 56% of revenues collected for this type of travel in the province. Alberta represented the other important business clientele.

Travel mainly for the purpose of visiting friends and relatives was the second most important market for British Columbia. Furthermore, the non-resident travel market in British Columbia is very concentrated, with Alberta and Ontario generating nearly 80% of the non-resident travel revenues in the province. Of all the inter-provincial markets in the country, these were the largest.

Despite the apparent size of the non-resident travel market, their share of travel expenditures in relation to the province's GDP is the same as in Newfoundland. The non-resident market represented 0.7% of the GDP in these two provinces.

#### Manitoba

Situated more or less midway between the east and west coasts of the country, Manitoba presented a domestic travel market composition most similar to the Canadian profile. Domestic travel expenditures represented 2.7% of the

GDP in this province, of which 1.9% was generated by residents and 0.8% by non-residents.

The ability of this province to generate expenditures by its residents was once again close to the Canadian average. Although fewer Manitobans travelled and spent less per trip, in comparison with the Canadian average, they represented the third highest frequency of travel in the country, with 5.5 intra-provincial trips per resident. In this respect, the travel habits of Manitobans were close to those of their Prairie neighbours.

Compared to the Canadian average, Manitoba received 17 more visitors for every 100 residents, i.e. 75. During their stays in this province, visitors spent \$96 per person and per trip.

Business travellers spent the most in Manitoba (38% of total expenditures). More than 70% of total expenditures on travel primarily for business came from residents of the province. Travellers from Ontario (29% of the non-resident market), Alberta (27%), British Columbia (16%) and Saskatchewan (14%) made up the principal markets coming from outside the province.

The pleasure travel market occupied second place in importance, accounting for 28% of total expenditures. Ontarians and residents of the Prairies and the West made up the principal clientele from outside the province.

Lastly, with 22% of total expenditures, trips primarily to visit friends and relatives

represented the third market in importance in the province. This market was the one where the share held by the non-resident market was the most important, i.e. nearly 40%. Residents of Alberta, Ontario, British Columbia and Saskatchewan spent the most in the province for this type of trip.

**Quebec: sizeable travel expenditures, homebody residents**

Reaping one-fifth of all of the domestic travel revenues in the country, Quebec held second place with regard to the size of expenditures for domestic travel in one province. Amounting to more than \$3 billion, domestic travel expenditures in this province represented 1.8% of the GDP. With regard to the place this market occupied in the provincial economy, Quebec placed next to last in the country. Given the volume of business and the diversification of this economy, it is not surprising that the domestic travel market did not occupy as important a position as that which it occupied in other provinces. Moreover, on examination of other indicators, this market showed some signs of weakness.

In general, the volume of visitors and domestic travel expenditures in Quebec is lower than the Canadian average in both the resident and non-resident markets. In the resident market, only 49% of Quebecers aged 15 and over stated they had made at least one trip in Quebec in 1994, with an average of 4 trips during the year. In addition, they spent an average of only \$89 per trip. The combination of these factors meant that Quebecers spent only \$23 on their intra-provincial trips for each \$1,000 of personal disposable income. With regard to the non-resident market, the province received only 46 visitors for every 100 residents, as compared to the Canadian average of 58. These visitors spent an average of \$148 during a stay in Quebec, the lowest average in the country.

Travellers whose primary purpose for the trip was pleasure generated the most revenues. Among non-residents, Ontarians accounted for 70% of the expenditures for this type of trip; Nova Scotia and New Brunswick followed with 9% and 7%, respectively.

Business trips represent the second main reason for a non-resident to travel in Quebec. Ontarians accounted for more

Table 3

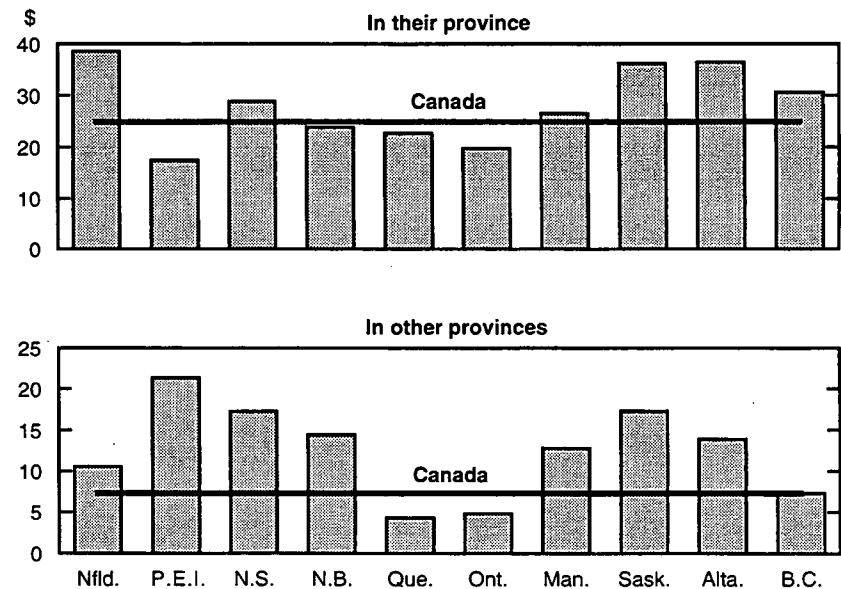
**Average spending during a domestic trip, by province, 1994**

| Receiving province   | Total | Residents | Non-residents |
|----------------------|-------|-----------|---------------|
| Newfoundland         | \$130 | \$114     | \$398         |
| Prince Edward Island | \$213 | \$145     | \$246         |
| Nova Scotia          | \$101 | \$80      | \$221         |
| New Brunswick        | \$102 | \$81      | \$163         |
| Quebec               | \$95  | \$89      | \$148         |
| Ontario              | \$87  | \$78      | \$193         |
| Manitoba             | \$96  | \$78      | \$225         |
| Saskatchewan         | \$92  | \$78      | \$172         |
| Alberta              | \$124 | \$103     | \$275         |
| British Columbia     | \$161 | \$139     | \$299         |
| Canada               | \$105 | \$91      | \$215         |

Source: Canadian Travel Survey

Chart D

**Average propensity to spend on domestic travel per \$1,000 personal disposable income by province, 1994**



Source: Canadian Travel Survey

than half of the total non-resident expenditures for this type of trip. Residents of British Columbia, Alberta, New Brunswick and Manitoba made up the other main clientele for this market, each group representing about 10% of the total.

**Ontario: the highest domestic travel expenditures, the least important market for a provincial economy**

In 1994, Ontario headed the list of provinces with regard to domestic travel expenditures within its borders. In fact, the residents and non-residents who

travelled in this province spent amounts unequalled in other provinces. Thus, in 1994, Ontario collected a third of all revenues from Canadians travelling in their country.

However, as in the case of Quebec, the place occupied by the travel market in the economy of the province was lower than the national average. In Ontario, domestic travel revenues represented only 1.6% of the provincial GDP, the lowest ratio in the country. Once again, this result was predictable, given the magnitude and

Table 5

### Distribution of domestic travel expenditures, by receiving province, 1994

|                      |                   |
|----------------------|-------------------|
| Newfoundland         | 2.4%              |
| Prince Edward Island | 0.9%              |
| Nova Scotia          | 3.7%              |
| New Brunswick        | 2.7%              |
| Quebec               | 19.3%             |
| Ontario              | 29.6%             |
| Manitoba             | 4.2%              |
| Saskatchewan         | 4.7%              |
| Alberta              | 14.8%             |
| British Columbia     | 17.4%             |
| Canada               | 100% <sup>1</sup> |

<sup>1</sup> The Canada total exceeds the sum of the provinces because it includes the Yukon and the Northwest Territories  
Source: Canadian Travel Survey

diversity of the Ontario economy. Just as in Quebec however, other indicators show that there are some weaknesses in the Ontario domestic travel market.

For example, in the resident market, Ontarians spent an average of \$13 less than the Canadian average during trips within their province.

In the non-resident market, Ontario attracted only 38 visitors per 100 residents in 1994, one of the lowest ratios in the country and only ahead of Newfoundland in this area. In addition, during a stay in Ontario, non-residents spend an average of \$193, as compared to the national average of \$215.

Trips made primarily for business accounted for more than a third of the non-resident market in Ontario. Quebecers provided 36% of the revenues generated by this type of trip. Albertans and British Columbians made up the other main

Table 4

### Distribution of domestic travel expenditures, by main purpose of trip, by province, 1994

| Receiving province   | Business | Visiting friends/relatives | Pleasure | Personal reasons |
|----------------------|----------|----------------------------|----------|------------------|
| Newfoundland         | 26%      | 23%                        | 31%      | 20%              |
| Prince Edward Island | 17%      | 32%                        | 42%      | 9%               |
| Nova Scotia          | 28%      | 27%                        | 33%      | 12%              |
| New Brunswick        | 24%      | 28%                        | 34%      | 14%              |
| Quebec               | 31%      | 22%                        | 40%      | 7%               |
| Ontario              | 35%      | 24%                        | 32%      | 9%               |
| Manitoba             | 38%      | 22%                        | 28%      | 12%              |
| Saskatchewan         | 36%      | 23%                        | 25%      | 16%              |
| Alberta              | 38%      | 21%                        | 30%      | 11%              |
| British Columbia     | 30%      | 24%                        | 39%      | 7%               |
| Canada               | 33%      | 23%                        | 34%      | 10%              |

Source: Canadian Travel Survey

business trip clientele in Ontario, accounting for 25% and 18% of the expenditures respectively.

The pleasure travel market is second in importance in Ontario, representing 32% of non-resident expenditures.

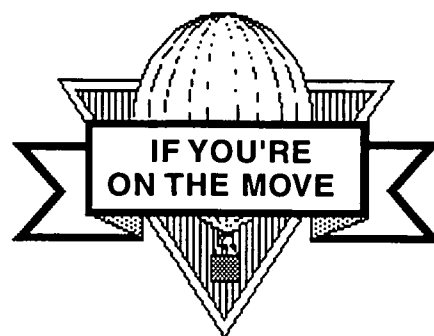
### Conclusion

The existing disparities between the Canadian provinces result in some of them presenting domestic travel revenues that are higher than others. We must, however, keep in mind that although some provinces are not at the head of the list, revenues generated by domestic travel still occupy an important place in this area. It is possible for a province where travel is weak in comparison to other provinces to support a dynamic and vigorous domestic travel industry, as in Prince Edward Island, Newfoundland and Saskatchewan.

Without claiming to judge the performance of the provinces vis-à-vis their domestic travel markets, the use of a different analytical framework has allowed this paper to present the situation from a new angle, with a different perspective that reveals the efforts of some provinces which might otherwise go unnoticed.

For several provinces, the travel market represents a market to be developed to stimulate regional economies and create

jobs. It is now recognised that tourism industry has the ability to create jobs at a faster rate than the economy as a whole. In examining the place that tourism, and indirectly the travel market, occupies in some provincial economies, it appears that a number of provinces are banking on this economic development strategy.



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### Characteristics of International Travellers Third quarter 1995

**Notes to users**  
Data are not seasonally adjusted.  
Comparisons are made to the third quarter of previous years.

Canadians made 6.0 million overnight trips to foreign destinations during the third quarter of 1995. Most of these trips (5.0 million) were to the United States, where they spent close to \$1.7 billion. Nonetheless, the number of overnight trips to the U.S. remained well below the record 7.0 million trips made during the third quarter of 1991. At that time, the Canadian dollar's value averaged US\$0.87 compared to US\$0.74 in the third quarter of 1995.

For the most part, Canadians travel to the U.S. by car. Residents of Canada made 3.8 million overnight trips using this mode of transportation during the third quarter of 1995, unchanged from the same period a year earlier.

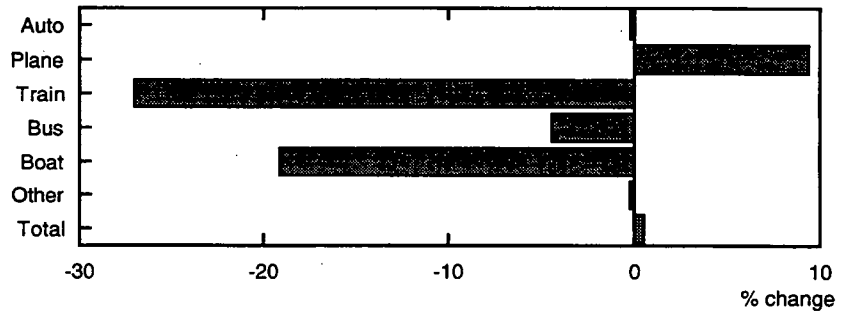
Air travel, facilitated by the signing of the Open Skies bilateral agreement by Canada and the United States in February 1995, increased significantly from the previous year. Canadians made 742,000 overnight plane trips to the U.S., up 9.4% from the third quarter of 1994.

Half of these plane trips were made by residents of Ontario, with residents of Quebec and British Columbia accounting for another 30%. Only Quebec and Newfoundland residents made fewer plane trips during the summer of 1995.

**Growth in business travel to the U.S.**  
An important factor contributing to the increase in air travel was the growth in business trips. Including all modes of transportation, business travel increased 11.9% from the third quarter of 1994. Most Canadians on overnight business

### Overnight travel by plane to the United States on the rise (Third quarter 1994 to Third quarter 1995)

Mode of transportation used for overnight travel to the United States



trips to the U.S. travel by air. During the third quarter of 1995, 61% of such trips were by plane, compared to only 8.6% for all other purposes of travel.

Business travel's share of travel to the U.S. has been growing. During the third quarter of 1990, 7.6% of overnight travel by Canadians to the U.S. was for business purposes. This share stood at 11.6% during the summer of 1995.

This growth in business travel is significant because, although business trips tend to be shorter than trips for other purposes, such as pleasure and visiting friends and relatives, overall spending during business trips is substantially higher. Average trip spending by Canadians on overnight business trips to the U.S. during the third quarter of 1995 was \$610; in comparison, expenditures during overnight trips for other reasons averaged \$300.

### Canadians love New York

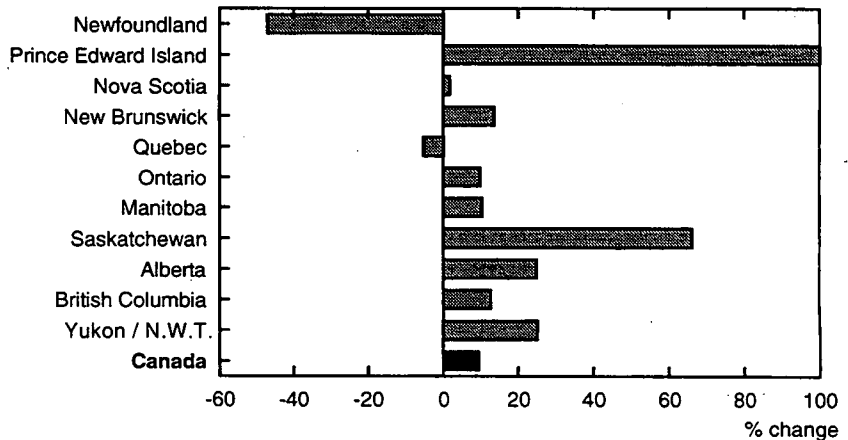
Summer is still the time of the year when Canadian vacationers travel the most. In July, August and September 1995, 61% of overnight trips to the United States undertaken by Canadians were for pleasure, recreation and holidays.

New York was by far the most popular state for this type of travel. Canadians made 1.1 million visits to that state, leaving behind \$197 million. Other states bordering Canada (such as Washington, Vermont, Maine, New Hampshire and Michigan) were also favourite vacation spots for Canadians.

Various statistical profiles and microdata files of characteristics of international travellers for the third quarter of 1995 are now available. For further information, contact Ruth Martin, International Travel Section, (613-951-1791, fax: 613-951-2909).

### Overnight air travel to the U.S. increased in most provinces (Third quarter 1994 to Third quarter 1995)

Province / Territory







## International Travel Account, Annual and Fourth Quarter 1995

(preliminary)

### Note to users

Unless otherwise stated, quarterly data used in this text are seasonally adjusted. Receipts and payments are not adjusted for inflation.

Receipts represent spending by foreigners in Canada as well as international transportation fares paid to Canadian carriers. Payments represent spending by Canadians abroad as well as international transportation fares paid to foreign carriers.

### Annual 1995

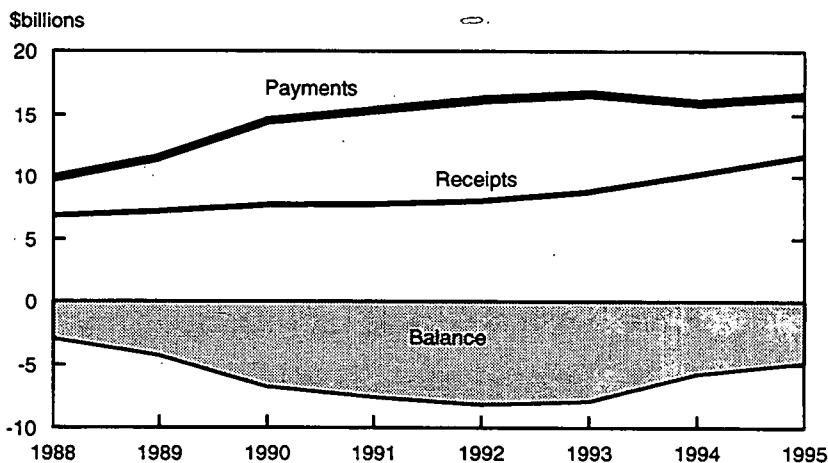
A record number of visitors to Canada and the weakness of the Canadian dollar, which depreciated against the currencies of all G-7 countries except Italy's lira, contributed to generate record international travel receipts in 1995. Foreign travellers spent \$11.7 billion in Canada, 14.6% more than the previous year. During the same period, spending by Canadians travelling abroad increased by substantially less (+3.7%). As a result, the international travel account deficit improved by 15.5% to \$4.9 billion, its lowest level since 1989.

The travel account deficit peaked in 1992, at \$8.2 billion. At the time, that amount represented 31.5% of the current account deficit. By 1994 (the most recent year of available data) that proportion had dropped by nearly six percentage points.

### Overseas visitors spent record amount

Receipts from overseas visitors reached a new high for a fourth consecutive year. They visited in record numbers in 1995 and spent \$5.4 billion, a 20% jump from the previous year.

## Canada's international travel account deficit was at its lowest level since 1989



Overseas visitors have benefited the Canadian economy more and more over the years. In 1991, the long-term upward trend in receipts from residents of overseas countries paused, reflecting the uncertainty caused by the Gulf War. Since then, spending by these visitors has increased 63%. It has doubled since 1988. In 1988, overseas residents generated 38% of Canada's international travel receipts; in 1995, that proportion stood at 46%.

Canadians are also travelling to countries other than the United States in increasing numbers. The amount spent overseas in 1995 (\$6.6 billion) was the highest on record. Nonetheless, the gap between receipts from overseas visitors in Canada and payments by Canadians travelling overseas closed substantially (24%) to \$1.3 billion, the smallest deficit in 9 years.

### Americans spending more in Canada

After dropping by 9.3% between 1993 and 1994, spending by Canadian travellers in the United States was up slightly in 1995. The 0.9% increase brought the payments to our neighbours to the south to \$9.9 billion. This amount is still well below the peak of \$11.0 billion reached in 1992.

This slight increase in payments to the United States was more than

compensated for by increased receipts generated by Americans travelling in Canada (up 10% to \$6.3 billion). As a result, the gap between the two amounts - Canada's travel account deficit with the United States - fell 12%, to \$3.6 billion.

### Fourth quarter of 1995

Both the international travel account receipts and payments reached new peaks in the fourth quarter of 1995, at \$3.1 billion and \$4.3 billion respectively. The difference - the international travel account deficit - represented a 4.3% increase from the previous quarter.

Even though the percentage increase in the receipts from American visitors (8.5%) was greater than the increase of payments by Canadians in the United States (6.4%), the travel account deficit with the United States still went up, reaching \$901 million. Meanwhile, the difference between payments by Canadians travelling in countries other than the United States and receipts from overseas visitors also increased in the fourth quarter, rising by 9.8% to \$302 million.

For further information, contact Ruth Martin (613-951-1791, fax: 613-951-2909), International Travel Section, Education, Culture and Tourism Division.



## Travel Price Index, Year 1995 and Fourth Quarter 1995

The Travel Price Index (TPI) is an aggregate index of goods and services used when travelling in Canada. Price movements are derived from detailed Consumer Price Index (CPI) series.

### TPI increases 3.5% between 1994 and 1995

Between 1994 and 1995, prices for almost all TPI components increased, and the few decreases recorded were too weak to hold back this advance. Travel and car rental prices saw the greatest increases compared to the previous year, being 9.8% and 8.0% respectively. In total, the TPI rose 3.5% between 1994 and 1995.

### TPI up 2.8% compared to the same period last year

The TPI was up 2.8% compared to the fourth quarter of 1994. In fact, almost all travel-related goods and services in Canada cost more in the fourth quarter of 1995. Only the price of personal care products and of photographic supplies and services dipped slightly. During the same period, the CPI rose 2.1%.

### TPI down 3.0% compared to last quarter

During the fourth quarter of 1995, the Canadian Travel Price Index dropped 3.0% compared to the previous quarter. In comparison, the cost of all goods and services recorded by the Consumer Price

**The Travel Price Index (TPI) and its Components,**  
(not seasonally adjusted, 1986 = 100)

| Components of the TPI <sup>1</sup>         | % Change            |                    |                     | Year 1995 | % Change 1994-1995 |
|--|---------------------|--------------------|---------------------|-----------|--------------------|
|  | Fourth Quarter 1995 | Third Quarter 1995 | Fourth Quarter 1994 |           |                    |
| Inter-city transportation                  | 151.0               | -2.5               | 1.1                 | 149.0     | 3.1                |
| Local and commuter transportation          | 166.4               | 3.1                | 5.6                 | 161.3     | 2.7                |
| Rental and leasing of automotive vehicles  | 139.3               | 2.4                | 8.5                 | 132.8     | 8.0                |
| Operation of automotive vehicles           | 140.7               | -0.9               | 3.3                 | 140.9     | 4.4                |
| Traveller accommodation                    | 134.0               | -13.6              | 7.2                 | 135.5     | 9.8                |
| Food                                       | 125.7               | -0.3               | 1.9                 | 126.3     | 2.4                |
| Alcoholic beverages                        | 145.3               | 0.6                | 2.0                 | 144.1     | 1.3                |
| Clothing and footwear                      | 131.2               | -0.2               | 0.1                 | 131.8     | 0.0                |
| Medicinal and pharmaceutical products      | 152.2               | -0.7               | 0.2                 | 152.5     | -0.1               |
| Personal care                              | 130.7               | 0.0                | -0.4                | 131.1     | -0.7               |
| Photographic equipment                     | 109.9               | 0.0                | 0.2                 | 109.7     | 0.3                |
| Photographic services and supplies         | 118.9               | 1.2                | -0.1                | 117.7     | -1.0               |
| Reading materials and other printed matter | 165.7               | -0.1               | 7.0                 | 162.7     | 6.5                |
| Tobacco products and smokers' supplies     | 142.5               | 0.1                | 4.5                 | 140.9     | -2.8               |
| Travel Price Index (TPI)                   | 141.5               | -3.0               | 2.8                 | 141.2     | 3.5                |
| Consumer Price Index (CPI)                 | 133.9               | 0.0                | 2.1                 | 133.5     | 2.1                |

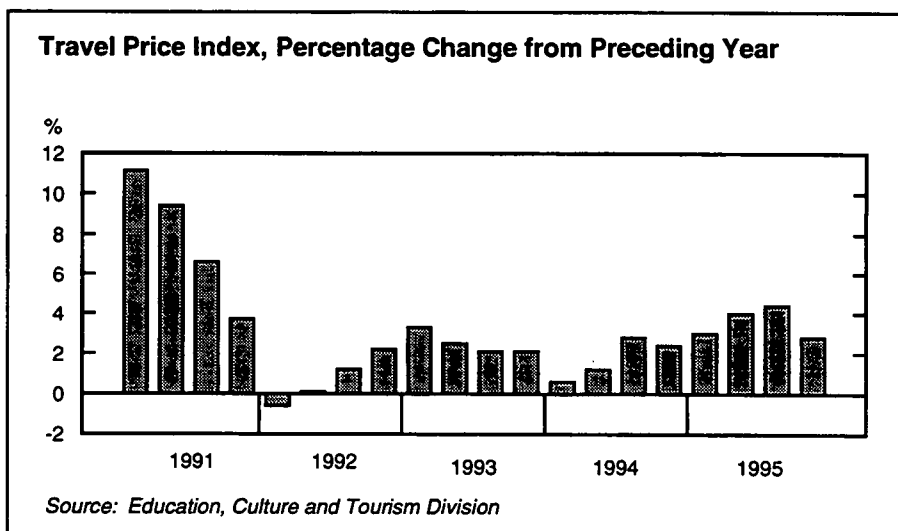
<sup>1</sup> The following TPI components are not published by the Division: Admission to entertainment; Use of recreational vehicles, records, compact discs and pre-recorded audio magnetic tapes; Use of recreational sports and health facilities.  
Source: Prices Division; The Consumer Price Index, Catalogue no. 62-001-XPB.

Index remained stable when measured against the third quarter of 1995 (see *Touriscope Indicators*, page 12).

The decline in the TPI between the third and fourth quarters of 1995 is for the most part attributable to the seasonal dip in the price of accommodation, which was in the order of 13.6%. The record number of foreign visitors to Canada had triggered a strong rise in accommodation expenses in July 1995. The decrease in the last quarter of 1995, particularly in December, was therefore not only seasonal, but also reflected a tentative drop in the increased prices reached during the summer.

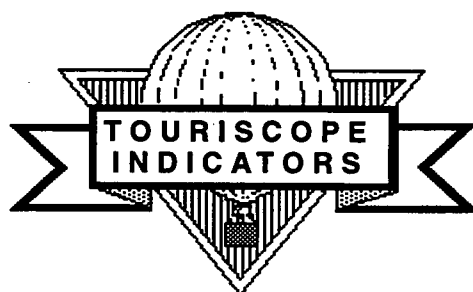
In addition, although travellers also benefitted from lower intercity transportation prices, they paid more for local and suburban transportation and for car rental.

Technical reports on the Travel Price Index are available from the Travel, Tourism and Recreation Section at (613) 951-1673.



### Standards of service to the public

To maintain quality service to the public, Statistics Canada follows established standards covering statistical products and services, delivery of statistical information, cost-recovered services and services to respondents. To obtain a copy of these service standards, please contact your nearest Statistics Canada Regional Reference Centre.



|   | Fourth Quarter |         |          | Year    |         |          |
|---|----------------|---------|----------|---------|---------|----------|
|   | 1994           | 1995    | % Change | 1994    | 1995    | % Change |
| <b>VISITORS TO CANADA (000s)</b>                      |                |         |          |         |         |          |
| From United States                                    | 7,266          | 7,430   | 2.3      | 34,859  | 37,330  | 7.1      |
| Overnight visits                                      | 2,043          | 2,104   | 3.0      | 12,542  | 12,933  | 3.1      |
| - By auto   | 1,357          | 1,315   | -3.1     | 8,642   | 8,702   | 0.7      |
| From Overseas   | 647            | 739     | 14.2     | 3,792   | 4,327   | 14.1     |
| Overnight visits                                      | 590            | 681     | 15.4     | 3,458   | 3,963   | 14.6     |
| Top Seven Countries:                                  |                |         |          |         |         |          |
| United Kingdom  | 99             | 111     | 12.1     | 582     | 645     | 10.8     |
| Japan   | 92             | 116     | 26.1     | 483     | 591     | 22.4     |
| France  | 52             | 58      | 11.5     | 410     | 434     | 5.9      |
| Germany   | 51             | 59      | 15.7     | 372     | 427     | 14.8     |
| Hong Kong   | 25             | 33      | 32.0     | 130     | 174     | 33.8     |
| Australia   | 24             | 27      | 12.5     | 119     | 143     | 20.2     |
| Italy   | 16             | 15      | -6.3     | 97      | 101     | 4.1      |
| <b>CANADIANS OUTSIDE CANADA (000s)</b>                |                |         |          |         |         |          |
| To United States                                      | 12,286         | 11,827  | -3.7     | 54,313  | 52,153  | -4.0     |
| Overnight visits                                      | 2,951          | 2,972   | 0.7      | 14,970  | 14,645  | -2.2     |
| - By auto   | 1,867          | 1,780   | -4.7     | 10,057  | 9,686   | -3.7     |
| To Overseas   | 671            | 701     | 4.5      | 3,374   | 3,543   | 5.0      |
| <b>INDUSTRY</b>                                       |                |         |          |         |         |          |
| Airline passengers (Level I) (000s)                   | 4,498          | 4,996   | 11.1     | 19,126  | 20,781  | 8.7      |
| Airline passenger-km (Level I) (000,000s)             | 10,422         | 11,497  | 10.3     | 45,281  | 50,424  | 11.4     |
| <b>PRICES</b>   |                |         |          |         |         |          |
| 1986 = 100 (not s.a.)                                 |                |         |          |         |         |          |
| Travel Price Index                                    | 137.7          | 141.5   | 2.8      | 136.4   | 141.2   | 3.5      |
| Consumer Price Index                                  | 131.2          | 133.9   | 2.1      | 130.7   | 133.5   | 2.1      |
| - Restaurant meals                                    | 140.2          | 142.8   | 1.9      | 139.3   | 142.0   | 1.9      |
| - Inter-city transportation                           | 149.3          | 151.0   | 1.1      | 144.5   | 149.0   | 3.1      |
| - Renting and leasing of automotive vehicles          | 128.3          | 139.3   | 8.6      | 123.0   | 132.8   | 8.0      |
| - Gasoline  | 117.8          | 120.5   | 2.3      | 117.0   | 122.4   | 4.6      |
| <b>ECONOMIC</b>                                       |                |         |          |         |         |          |
| Gross Domestic Product, 1986 prices (s.a.) (000,000s) | 541,224        | 543,017 | 0.3      | 531,951 | 542,497 | 2.0      |
| - Amusement and recreation (000,000s)                 | 4,736          | 5,014   | 5.9      | 4,615   | 4,975   | 7.8      |
| - Accommodation and food services (000,000s)          | 11,974         | 11,934  | -0.3     | 11,729  | 11,822  | 0.8      |
| Personal disposable income per capita (s.a.)          | 17,117         | 17,260  | 0.8      | 17,018  | 17,283  | 1.6      |
| <b>LABOUR (000s)</b>                                  |                |         |          |         |         |          |
| Labour force (s.a.)                                   | 14,897         | 14,960  | 0.4      | 14,832  | 14,929  | 0.7      |
| Unemployed  | 1,455          | 1,410   | -3.1     | 1,540   | 1,422   | -7.7     |
| Employed  | 13,442         | 13,550  | 0.8      | 13,292  | 13,508  | 1.6      |
| - Accommodation and food services (not s.a.)          | 849            | 858     | 1.1      | 838     | 861     | 2.7      |
| <b>EXCHANGE RATES (in Canadian dollars)</b>           |                |         |          |         |         |          |
| American Dollar                                       | 1.3678         | 1.3560  | -0.9     | 1.3657  | 1.3724  | 0.5      |
| British Pound   | 2.1671         | 2.1158  | -2.4     | 2.0928  | 2.1664  | 3.5      |
| Japanese Yen  | 0.0138         | 0.0134  | -2.9     | 0.0134  | 0.0147  | 9.7      |
| German Mark   | 0.8863         | 0.9525  | 7.5      | 0.8443  | 0.9589  | 13.6     |
| French Franc  | 0.2581         | 0.2753  | 6.7      | 0.2468  | 0.2754  | 11.6     |

(s.a.) seasonally adjusted.