



Travel-log

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Traveller Accommodation Survey: An Overview

by Sam Lee

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Traveller accommodation service industries play a vital role in the support and development of the economic health of tourism in Canada. The performance of the industries is inter-related with the growth of tourism activities. As a major industry group, it generates an annual revenue of \$9 billion and contributes significantly to the national economy and local employment.

This article provides an overview of the financial performance, employment, client base and other business operating characteristics of this industry group by analysing the data from the 1993-1994 Traveller Accommodation Survey.

A general review of the overall Canadian traveller accommodation services will first be presented by providing a snapshot of each of the three industry segments (hotels and motor hotels, motels and other accommodation groups). The hotels and motor hotels are the largest segment of the industry group. Within this segment the Traveller Accommodation Survey collects data from the majority of the operators (refer to methodology on page 2). The second part of this article focuses on the analysis of surveyed hotels and motor hotels based on the 1993-94 survey results.

Snapshots of Traveller Accommodation Service Industries:

The Hotel and Motor Hotel Industry

Hotels and motor hotels traditionally constitute the largest segment of the traveller accommodation market. In 1993-94, the industry generated close to \$7 billion in revenue, amounting to over three-quarters of all accommodation revenue. In terms of physical establishments, the number accounted for one-third of the total. Hotels and motor hotels are generally much larger in room capacity compared with other types of traveller accommodation properties. They typically offer full-service to customers with a wide range of amenities, such as dining, lounge,

¹ Traveller Accommodation Survey.

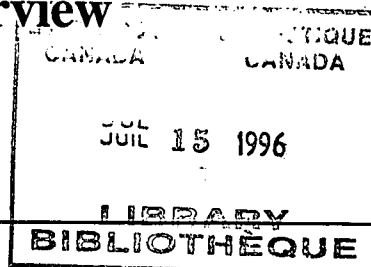


Table 1

Number of Establishments and Total Revenue Traveller Accommodation Service Industries, 1993-94

	Accommodation Service Industries	Hotel and Motor Hotel Industry	Motel Industry	Other Accommodation Industries
Establishments (#)	14,776	5,035	3,728	6,013
Distribution (%)	100	34	25	41
Total Revenue (\$M)	8,886	6,935	1,033	918
Distribution (%)	100	78	12	10

Source: Traveller Accommodation Survey.

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About the data

Source

Data used in the following text is derived from the Survey of Traveller Accommodation. The survey was redesigned for the 1992 reference year, changing from a survey of legal entities to a business establishment base, and has been expanded each year to include many business operating characteristics such as the number of rooms, occupancy rates, facilities, reservation system and market information. The redesign does not affect data comparability at the aggregate level since adjustments were applied on historical data.

Methodology

The basic strategy for the present methodological approach to the survey program for accommodation industries is one which was adopted in 1985 for all service industries in the Services, Science and Technology Division. The strategy is to rely on the direct questionnaire sample survey of a very significant portion of the targeted industries and to supplement this with the utilization of taxation administrative records and data imputation to achieve a full industry coverage.

The survey has, since the redesign in 1992, continued to be expanded to include collection of other business operating characteristics and marketing information to meet the needs of increased interests from outside users. This effort has been done with the cooperation and support of the Canadian Tourism Commission and business associations.

Three thousand traveller accommodation establishments, each with a minimum gross revenue of \$250,000, are sampled from the individual industry populations. The aim of the sample selection is to achieve maximum industry/province coverage in terms of revenue. The current sample survey is by far the largest and most comprehensive for the Canadian accommodation service industries². The overall sample survey represents the bulk of the traveller accommodation activities, and the results are considered to well reflect the general industry performance, structures, and operating characteristics

ballroom, meeting or convention facilities, convenience shops, swimming pools and sports facilities etc. Depending on the geographical concentration of their business operations, hotels exert a significant impact on local employment opportunities and the general economic health

² In the 1993-94 survey, the completed survey responses accounted for 27% of the total business establishments and 68% of total industry revenue in Canada. The sample coverage by province varies from a low of 55% in the Yukon to a high of 95% of total revenue in New Brunswick.

Table 2
Percentage Distribution of Revenue Sources, Traveller Accommodation Service Industries, 1993-94

Revenue by Source	Accommodation Service Industries	Hotel and Motor Hotel	Motel	Other Accommodation Industries
	%			
Accommodation	51	48	69	67
Meals	19	21	14	8
Alcohol	19	21	7	3
Merchandise	2	1	5	10
Services	4	4	2	6
Other Revenue	5	5	3	6
Total Revenue	100	100	100	100

Source: Traveller Accommodation Survey.



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Note of appreciation

Canada owes the success of its statistical system to a long-standing co-operation involving Statistics Canada, the citizens of Canada, its businesses and governments. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Table 7

**Performance Indicators by Establishment Size and Location,
Surveyed Hotels and Motor Hotels, 1993-94**

	Profit Margin	Occupancy Rate	Average Room Revenue
	%		\$
Size:			
Small	4	49	45
Medium	1	57	59
Large	-3	61	86
Location:			
Centre	-2	60	75
Suburban	4	56	59
Highway	-	56	63
Airport	-5	61	71
Resort	2	55	79

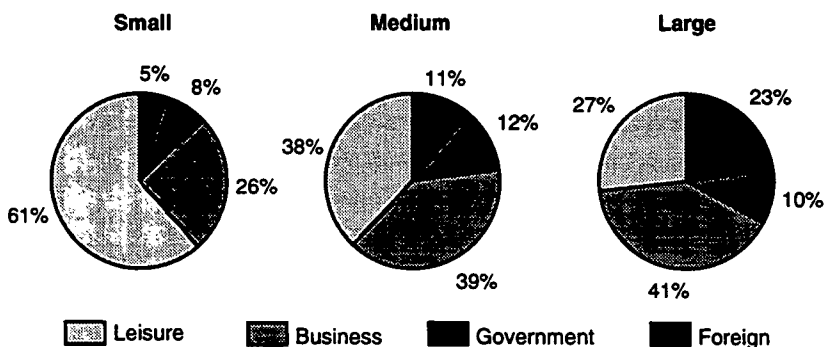
- nil or zero.

Source: Traveller Accommodation Survey.

Hotel size, in terms of the number of rooms, is an important determining factor for the choice of services, amenities and facilities offered and for the types and volume of clientele the business may attract. Hotel business performance, therefore, is affected by the different operating characteristics embodied by the different size groups. In terms of profitability, large size properties⁶ did not fare well in 1993-94, as they reported a profit margin of -3%, despite some increases in occupancy rate and average room revenue. Small properties, on the other hand, recorded a significant gain of 4%.

Geographical market location is another important determinant of traveller accommodation business performance. In 1993-94, the surveyed hotels and motor hotels in city centre, suburban, and highway locations all showed improvements in general performance. Profitability remained negative for hotels in city centre (-2%) and for properties in airport locations (-5%).

Chart 1

**Percentage Distribution of Client Base by Size,
Surveyed Hotels and Motor Hotels, 1993-94**


Source: Traveller Accommodation Survey.

Business Characteristics

In hotels, the proportion of a specific group of customers may change from year-to-year in response to economic and market forces. In 1993-94, the unusually significant drop in domestic leisure travellers (3 percentage points) was offset by increases in demand from business travellers (2 percentage points) and foreign visitors (1 percentage point).

The client base of hotel business varied significantly by size group and by province. In 1993-94, small-size hotels⁷ reported a substantially higher proportion of domestic leisure travellers. A relatively high percentage of foreign customers was reported by large-size hotel establishments. Domestic business travellers, on the other hand, occupied equally important positions in large and medium size properties. Provincially, Prince Edward Island, Manitoba, Saskatchewan and British Columbia all reported higher than national proportion of domestic leisure travellers. A significantly higher number of foreign visitors was recorded by Quebec, Alberta and the Yukon.

The 1993-94 surveyed hotels and motor hotels reported an average of 79 employees. This average number ranged

⁶ Hotels and motor hotels with 200 rooms and over.

⁷ Hotels and motor hotels with less than 50 rooms.

Table 8

**Employment Characteristics by Property Size,
Surveyed Hotels and Motor Hotels, 1993-94**

	Average Number of Employees	Full-time Employment (%)		Part-time Employment (%)	
		Full-Year	Seasonal	Full-Year	Seasonal
All Establishments	79	60	9	25	6
Small	26	55	10	29	6
Medium	64	56	13	25	6
Large	238	64	6	25	5

Source: Traveller Accommodation Survey.

Table 9
Capital Expenditure by Size,
Surveyed Hotels and Motor Hotels, 1993-94

	Average Capital Expenditure per Establishment	Establishments Reporting Capital Expenditure
	\$000	%
All Properties	321	44
Small	95	39
Medium	228	41
Large	783	67

Source: Traveller Accommodation Survey.

from 26 employees in the small-size establishments to 238 employees in the large properties. Sixty-nine percent of the workforce was full-time, of which 9% was seasonal. Of the remaining 31% who were part-time employees, 6% were seasonally employed.

Close to 44% of the 1993-94 surveyed hotel establishments reported capital improvements. The average capital expenditure per establishment was \$321,000. The percentage of hotels making such a financial commitment and the amount of such expenditure both increased dramatically with property size.

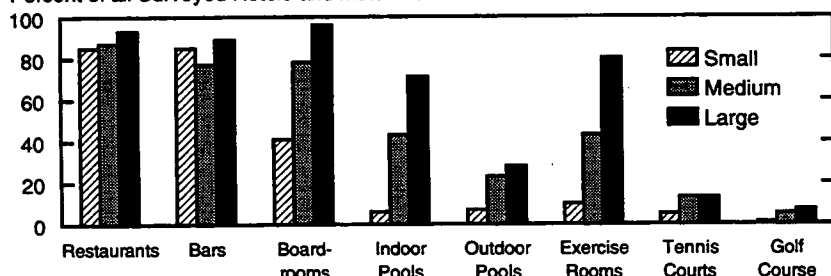
The basic business in hotels is to provide short term lodging services to travellers who are away from home either for leisure or for business purposes. Since most hotels are known to provide full-service accommodation, it is not surprising that they offer numerous amenities and facilities. A very high percentage of hotels and motor hotels are equipped with restaurants (87%), bar/lounges (82%), meeting rooms (64%), indoor pools (35%) and exercise facilities (38%). The proportion of reported facilities also tend to increase with property size.

Hotels and motor hotels, as in other traveller accommodation business, can be categorized into one of four market groupings (economy, mid-scale, upscale and luxury), based on the extent and quality of the amenities, facilities and services provided. Nearly half (47%) of the properties surveyed in 1993-94 placed themselves in the mid-scale category which generated over one-third (36%) of total revenue. Judging the hotel market classes by size, it is interesting to note that most economy-class properties are small, most mid-scale and up-scale establishments are medium-size, and most luxury hotels are large. Economy-class establishments are the only group which showed profitability (4%). Judging by size, small luxury surveyed hotels performed the best followed by the medium-size class.

Having an affiliation with a national or multinational chain or franchise organization has long been a common business practice for hotel operators in Canada. In recent years, however, the industry has undergone rapid restructuring and consolidation because of the slow economic recovery, low occupancy rates and intense competition. In 1993-94, close to 33% of the surveyed hotel

Chart 2
Facilities by Size,
Surveyed Hotels and Motor Hotels, 1993-94

Percent of all Surveyed Hotels and Motor Hotels with . . .



Source: Traveller Accommodation Survey.

Table 10
Operating Characteristics by Class and Size,
Surveyed Hotels and Motor Hotels, Canada, 1993-94

	Economy	Mid-scale	Up-scale	Luxury
	%			
Number of Establishments				
All	100	100	100	100
Small	60	24	16	13
Medium	36	64	50	39
Large	4	12	34	48
Total Revenue				
All	100	100	100	100
Small	50	12	3	2
Medium	42	58	24	17
Large	8	30	73	81
Profit Margin				
All	4	-	-2	-1
Small	4	5	3	12
Medium	6	2	-1	-7
Large	-2	-6	-3	-1

- nil or zero.

Source: Traveller Accommodation Survey.

Table 11

Affiliated Establishments by Size, Surveyed Hotels and Motor Hotels, 1993-94

	All	Small	Medium	Large
Number of Establishments	441	21	274	146
Affiliated Establishments as a % of Total	33%	5%	39%	70%
Affiliated Establishments as % of Total Revenue	57%	4%	42%	79%
Average Revenue per Establishment (\$ millions)	6.1	1.1	2.8	13.1
Profit Margin (%)	-2%	-1%	-1%	-2%

Source: Traveller Accommodation Survey.

establishments were affiliated. The proportion of affiliation increases with hotel sizes from medium (39%) to large property group (70%). Very few of the surveyed small hotels were affiliated. The performance of affiliated hotels and motor hotels (-2% profit margin) was worse than the national average, again, most noticeably in the large properties and in the provinces of Quebec and Ontario.

Having a central reservation system is essential to many hotel businesses, especially those which operated under a chain or franchise arrangement. "Star" or market rating systems are even more common, being popular among operators striving to be properly recognized for their quality standards. The 1993-94 survey results showed that participation in central

reservation systems and "star" or similar market-standard rating programs stood at 42% and 44%, respectively, of the total establishments surveyed. In both cases, the participation rate increased with the size of property.

Conclusion

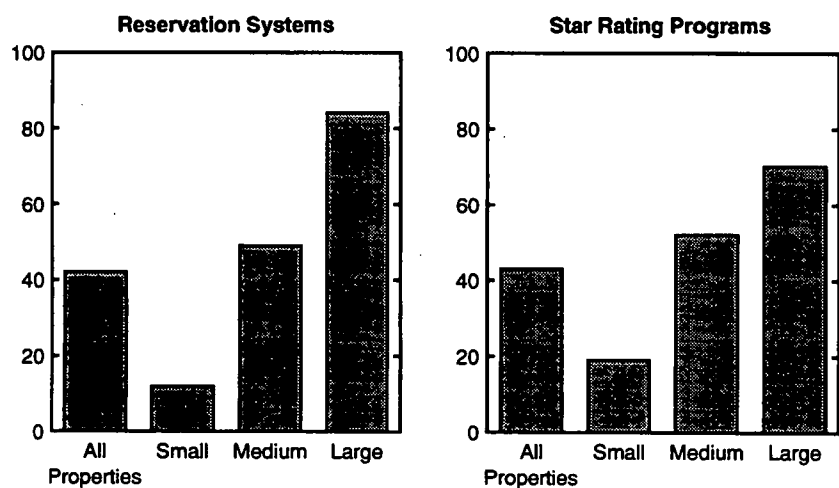
The redesigned survey for traveller accommodation has, since 1992, been receiving much encouragement and appreciation. The collection of much needed data and information on business operating characteristics has been beneficial to many outside users including business associations and the Canadian Tourism Commission. The consensus is that the survey effort for the Hotel and Motor Hotel and the Motel segments has been highly satisfactory. The survey coverage for the "Other Accommodation Industries" segment, however, could further be improved.

The hotel and motor hotel industry, as portrayed by the 1993-94 survey results, showed some signs of improvement from the dismal performance of the previous year. Both occupancy rate and average room revenue were higher. As well, the previous year's negative profit margin was reduced.

The interesting diversion between eastern and western hotel financial performance will probably remain for some time, as business cost structures and operating characteristics are not likely to change very quickly.

The large-size hotel properties which carried a major proportion of the hotel and motor hotel industry were still struggling for a full recovery from the slump of the previous year. Preliminary 1994-95 survey results which will be released in August 1996, indicate further advancement in overall traveller accommodation business performance. It is believed that the industry's outlook for fiscal year 1995-96 has also benefited from the continued growth in general tourism activities due partly to the low Canadian dollar, and increases in occupancy rate and average room prices, as suggested by early industry survey indications.

Chart 3

Participation in Central Reservation Systems and Star Rating Programs by Size, Surveyed Hotels and Motor Hotels, 1993-94

Source: Traveller Accommodation Survey.

Yields by Size of Hub¹

by Bradley Snider

Bradley Snider is a senior analyst in the Aviation Statistics Centre

Note to readers

In this article, cities are classified as "Large hubs", "Medium hubs", or "Small hubs" based on the scheduled domestic traffic of Canadian Level I air carriers and two Level II air carriers. A large hub accounted for 10.0% or more of all enplanements of these carriers in a given year. A medium hub accounted for 2.0% to 10.0% (lower limit included) of enplanements, while a small hub enplaned between 0.5% and 2.0% (lower limit included) of that year's domestic scheduled passengers. For a list of cities included in each hub category in each year, see Table on page 9.

This article is a 12-year summary of domestic yields by hub category derived from the Fare Basis Survey². It shows that, from the beginning of the survey in 1983 to 1994, yield (revenue per passenger-kilometre) for travel between small hubs grew at a rate two and a half times greater than the rate of increase of yields for travel between large hubs. Since 1988, the year of deregulation, yields for travel between small hubs have grown at five times the rate for the largest hubs, despite the presence of significant competition.

Yields were consistently higher for small hubs

Since 1983, the hub combination "small-small" has always had the highest yields, while the combination "large-large" has always had the lowest. In 1983, however, the differences in yields between different sizes of hubs were relatively small. For example, in 1983, the highest yield for "All Fares" was 14.2 cents for travel between small hubs, but this was only 5.3 cents greater than the lowest yield of 8.9 cents for travel among large hubs. The spread actually diminished up to 1988, when the highest yield was only 3.4 cents greater than the lowest yield.

The differences in yields between hub combinations increased rapidly after 1988, reaching a maximum in 1991, when the yield for travel between small hubs reached 35.4 cents, 3.3 times the average yield of 10.8 cents among the large hubs. Since then, the spread has stabilized and even decreased slightly. In 1994, the yield for the combination "small-small" was 28.4 cents, two and a half times the 11.9 cent yield for the "large-large" combination. This is still twice the average spread of the pre-1988 period.

Yields for small hubs have grown at a greater rate

Between 1983 and 1994, the "All Fare"³ yields for travel between the large hubs have risen at an annual rate of 2.7% per year. This is well below the average annual inflation rate of 3.6% during this same period. In contrast, the "All Fare" yields for travel between small hubs increased at an average annual rate of 6.5% between 1983 and 1994, or 2.4 times the rate of increase for large hubs.

Since 1988, the "All Fare" yield for travel among small hubs has increased at a rate of 13.0% per year, or five times the 2.6% annual rate of increase for travel among large hubs.

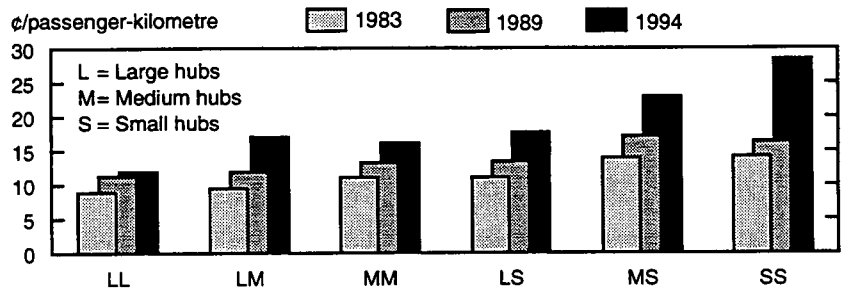
This difference cannot be ascribed to a lack of competition at the small hubs in comparison to the large hubs. In 1983, the small hubs were mostly served by one major or regional carrier, as licensed by the Air Transport Committee of the then Canadian Transport Commission. In 1994, according to the National Transportation Agency 1994 Annual Review, both major carriers, or their affiliates, and some independent carriers provided scheduled services among the small hubs. In addition, at two of the small hubs (Regina and St. John's) charter carriers provided competing domestic services. This level of charter competition was, admittedly, somewhat less than that found at the large and medium hubs, all of which had competing domestic services from charter carriers.

Changing prices caused by changing markets

The observed rise in price per passenger-kilometre is better explained by the changing economics of domestic passenger traffic, where two developments in particular stand out; first, the declining numbers of domestic passengers, and secondly, the ending of cross-subsidization.

The decline in domestic passenger numbers means that the economies of scale are working against domestic travel, and in particular travel among small hubs. The Domestic Passenger Origin and Destination Survey⁴ shows that between 1980 and 1993, total domestic passenger traffic decreased in absolute terms by 21.5%. In terms of market share in comparison to international traffic,

Domestic scheduled yields between small hubs have risen faster than yields between medium or large hubs



¹ The classification of cities by hub category are based only on the scheduled domestic traffic of the Canadian Level I carriers.

² The Fare Basis Survey, initiated in January 1983, represents a regular and comprehensive source of fare type-specific data on passengers and revenue.

³ "All Fares" include business class, discount, economy, first class and other fares.

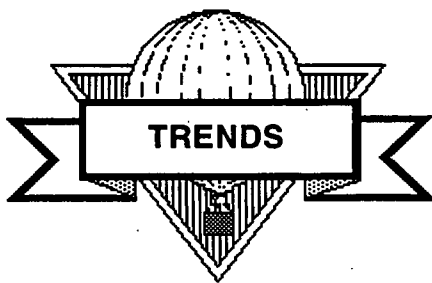
⁴ This survey covers the scheduled services operated within, into or out of Canada by regional and local Canadian air carriers and the scheduled services operated into or out of Canada by foreign air carriers.

domestic travel declined from 50.3% to only 34.9% of all traffic. Traffic among the small hubs has decreased by even more than this. The Domestic Passenger Origin and Destination Survey shows a 39.5% decrease in travel between the small hubs over this same period. This means that the fixed costs borne by each traveller between small hubs has increased by more than those travelling among large and medium hubs.

This increase in unit costs has been compounded by the ending of cross-subsidization. Under regulation, airlines were expected to provide services at comparable rates per kilometre to most of their destinations, using revenue from profitable routes to subsidize losses incurred on uneconomic routes. Since deregulation, yields and prices have tended to move to levels that recover the full economic cost of providing the service.

For travel between large hubs, this has meant increases in yields less than inflation, while yields for travel among medium and small hubs have seen large real increases.

Classification of Cities by Hub Category, 1983-1994						
	1983-1989	1990	1991	1992	1993	1994
Large	Montréal Toronto Vancouver	Montréal Toronto Vancouver	Calgary Toronto Vancouver	Calgary Toronto Vancouver	Calgary Toronto Vancouver	Calgary Toronto Vancouver
Medium	Calgary Edmonton Halifax Ottawa Winnipeg	Calgary Edmonton Halifax Ottawa Winnipeg	Montréal Edmonton Halifax Ottawa Winnipeg	Montréal Edmonton Halifax Ottawa Winnipeg Victoria	Montréal Edmonton Halifax Ottawa Winnipeg Victoria	Montréal Edmonton Halifax Ottawa Winnipeg
Small	Fredericton Kelowna Moncton Prince George Québec Regina Saint John Saskatoon St. John's Thunder Bay Victoria Windsor	Kelowna Prince George Québec Regina Saskatoon St. John's Thunder Bay	Kelowna Prince George Regina Saskatoon St. John's Thunder Bay Victoria	Kelowna Prince George Regina Saskatoon St. John's Thunder Bay Victoria	Kelowna Prince George Québec Regina Saskatoon St. John's Thunder Bay	Kelowna Prince George Québec Regina Saskatoon St. John's Thunder Bay



Characteristics of International Travellers, 1995

Americans pumped \$4.8 billion into Canada's economy in 1995 as overnight travel from the United States reached a nine-year high. Their spending represented a 9.2% increase from the previous year.

U.S. travellers made 13.0 million trips of one or more nights to Canada in 1995, a 3.7% increase over the previous year and the highest volume since 1986.

While overnight trips to Canada from the United States have been increasing, Canadian travel in the opposite direction has been going down.

Canadians travelled to the United States for at least one night on 14.7 million occasions in 1995, a 2.1% drop. One factor in the decline was the weakened Canadian dollar, which was worth on average US\$0.73 in 1995.

Air travel between Canada and the United States on the rise in 1995

The preferred mode of transportation for travel between Canada and the United States is still, by far, the automobile. But

Top countries visited by Canadians (overnight stays)

Country visited	Stays	Nights spent	Spending in country
			\$ millions
			'000
U.S.A.	14,663	105,795	7,142
United Kingdom	714	10,283	769
France	419	5,335	466
Mexico	406	4,291	344
Germany	223	2,565	180
Cuba	184	1,734	119
Netherlands	165	1,551	97
Italy	151	1,860	152
Switzerland	126	743	80
Dominican Republic	126	1,225	86
Hong Kong	115	2,464	137
Austria	93	698	60
Bermuda	90	739	95
Republic of Ireland	85	1,025	93
Spain	78	1,332	86

with the signing of the Open Skies bilateral agreement in February 1995, the popularity of plane travel has been increasing.

Plane travel represented 21% of all overnight trips Americans made to Canada in 1995, an unprecedented share. The number of plane trips to Canada by Americans who stayed at least one night increased 15% from 1994, to a high of 2.8 million. Half of these trips were business trips, which were up 10%. The strongest growth, however, was in pleasure trips, which jumped by 24%.

The rise in overnight plane trips by Canadians to the United States was not as great, at 2.5%, but it went against the trend in the other main modes of transportation. With Canadians making fewer car trips to the U.S., the proportion of overnight trips to the United States

which were made by plane rose to 26% — the highest it has been since 1987.

Residents of all provinces except Newfoundland, New Brunswick and Quebec made more flights to the U.S. in 1995 than during the previous year. Increased air travel to Canada for overnight trips by residents of most states — especially Florida, Texas, Illinois, New York and California — was also registered.

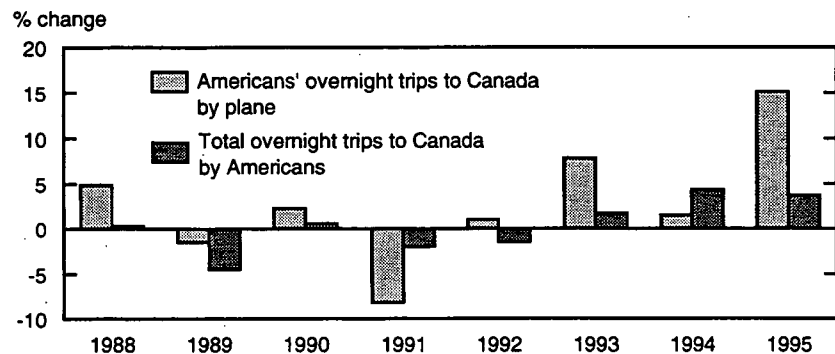
One in five Americans' same-day cross-border car trips made via Windsor Tunnel

Americans continued to make more same-day car trips to Canada in 1995, with a total of 22.7 million. This was the highest level since 1981. In those days, cheaper Canadian gasoline and a favourable exchange rate led Americans to make a record 27.1 million same-day cross-border car trips.

Expenditures by Americans on same-day car trips to Canada reached a record \$920 million in 1995. Spending on trips of this type was relatively stable around \$500 million during the early 1990s, but has risen dramatically since 1993 — the year before the Windsor Casino opened. Another factor is the weakened Canadian dollar, which has fallen a nickel from its 1993 value of US\$0.78.

Same-day cross-border car trips by Americans via the Windsor Tunnel have increased substantially since 1993 — up 73% in this two-year period. Meanwhile, the rest of Canada experienced a more modest 11% gain in trips of this kind.

The increase in Americans' overnight travel to Canada by plane was the largest in nine years



As a consequence, the proportion of Americans entering Canada for a same-day visit by car through the Windsor Tunnel reached a high of 21% in 1995, more than 6 percentage points greater than in 1993.

More Asians travelling to Canada

Since 1994, both the frequency and capacity of flights between Canada and Asia have been increasing. This expansion in air service contributed to making Asia the inbound market with the strongest growth among all the continents in 1995. Asians made 1.3 million overnight trips here in 1995, injecting \$1.4 billion into the Canadian economy.

Asians are more likely to visit western Canada than residents of other continents. While 26% of overnight trips by Americans and overseas residents to Canada during 1995 included at least one night in British Columbia, nearly half the trips by Asians (47%) did. Alberta was visited by 21% of travellers from Asia. Still, Ontario received the most overnight visits, attracting 49% of the Asians who travelled to Canada in 1995.

As for outbound Canadians, the only Asian destination ranking among the top 15 was Hong Kong. During 1995, Canadians made 115,000 trips which included overnight visits to Hong Kong.

Various statistical profiles and microdata files of characteristics of international travellers for both 1995 and the fourth quarter of 1995 are now available.

For further information contact Luc Dubois (613-951-1674, fax: 613-951-2909, Internet: duboluc@statcan.ca), International Travel Section, Education, Culture and Tourism Division.

International Travel Account

First Quarter 1996 (preliminary) Seasonally Adjusted

Foreigners injected a record \$3.1 billion into the Canadian economy in the first quarter of 1996, up 5.4% from the fourth quarter of 1995. Meanwhile, Canadians' spending abroad rose 7.0%, to an unprecedented \$3.9 billion.

The net result was a 13.9% deterioration in the international travel account balance. At \$799 million, this deficit was well below the record \$1.9 billion deficit reached during the fourth quarter of 1991. The Canadian dollar has fallen by US\$0.15 since then.

Americans spent a record amount in Canada

The travel account deficit with the United States, which had grown larger over the previous four quarters, dropped to \$787 million in the first quarter of 1996. This level was less than half of the record \$1.8 billion deficit registered during the fourth quarter of 1991.

Americans travelling in Canada left an unprecedented \$1.7 billion behind, as their spending increased by 13.5% from the fourth quarter of 1995. Meanwhile, Canadians' expenditures in the United States, at \$2.5 billion, were also on the rise.

In the first quarter of 1996, Canadians travelling overseas outspent visitors to Canada from countries other than the United States. The \$13 million travel account deficit with overseas countries followed a record surplus of \$138 million during the fourth quarter of 1995. The deficit peaked at \$297 million in the first quarter of 1990.

Receipts from overseas residents totalled \$1.3 billion. This 3.8% drop was the first in the last nine quarters. Meanwhile, Canadians increased their spending in countries other than the United States to \$1.3 billion.

International Travel Account Revisions

Due to changes in the international Balance of Payments definitions (redefined by the International Monetary Fund in 1993), important components of the International Travel Account have been revised. These new international reporting categories have been used for the first time with the release of estimates for the first quarter of 1996. Historical data from 1961 forward have been revised to reflect these changes.

The following changes impact on the International Travel Account as well as the other components of the Balance of Payments specified:

- education related spending (formerly included in Other Services) has been added, representing payments and receipts for tuition, accommodation and personal spending by full-time college and university students;
- medical related spending (previously contained in Government Services) is now included, covering mainly payments under provincial health plans for hospital and physician services and receipts for hospital services;
- spending by boat and rail crew has been added to the existing plane and truck crew spending estimates; and
- international passenger fares have been moved out of the Travel Account and into the Transportation Account.

The net result of these definitional changes is a substantial improvement in the revised Travel Account balance compared to previously published levels.

International Travel Receipts and Payments

	First quarter 1995 ^r	Second quarter 1995 ^r	Third quarter 1995 ^r	Fourth quarter 1995 ^r	First quarter 1996 ^p
seasonally adjusted ¹					
\$ millions					
United States					
Receipts	1,565	1,480	1,432	1,536	1,742
Payments	2,266	2,236	2,223	2,375	2,529
Balance	-700	-755	-791	-839	-787
All other countries					
Receipts	1,168	1,202	1,253	1,360	1,309
Payments	1,224	1,240	1,242	1,222	1,321
Balance	-56	-39	11	138	-13
Total, all countries					
Receipts	2,734	2,682	2,685	2,896	3,051
Payments	3,490	3,476	3,465	3,597	3,850
Balance	-756	-794	-780	-701	-799
	First quarter 1995 ^r	Second quarter 1995 ^r	Third quarter 1995 ^r	Fourth quarter 1995 ^r	First quarter 1996 ^p
unadjusted					
\$ millions					
United States					
Receipts	806	1,529	2,643	1,035	891
Payments	2,569	2,444	2,177	1,909	2,908
Balance	-1,763	-915	466	-874	-2,017
All other countries					
Receipts	776	1,224	2,008	976	845
Payments	1,303	1,168	1,374	1,084	1,410
Balance	-527	56	634	-108	-565
Total, all countries					
Receipts	1,582	2,753	4,651	2,011	1,736
Payments	3,872	3,612	3,551	2,993	4,318
Balance	-2,290	-859	1,100	-982	-2,582

^r Revised figures.^p Preliminary figures.¹ Seasonally adjusted data may not add to totals due to rounding.Travel Price Index,
First Quarter 1996

The Travel Price Index (TPI) is an aggregate index of goods and services used by travellers in Canada. Price movements are drawn from the derived Consumer Price Index (CPI) series.

TPI up 2.3% from the same period last year

The 2.3% increase in prices from first quarter 1995 to first quarter 1996 was mainly due to increased transportation costs, notably for rental and leasing of automotive vehicles and local and commuter transportation. Automotive vehicle operating costs were also up. In fact, travellers paid more for all goods and services used in travel within Canada in the first quarter of 1996, although the overall rise was slightly attenuated by a marginal decrease in the cost of clothing and personal care items.

TPI component prices were up 2.3% on average, compared to a 1.4% increase in the CPI during the same period.

TPI down 0.6% from last quarter

The Travel Price Index was down for the second consecutive quarter. During the first quarter of 1996, travellers paid 7.4% less for accommodation. They also enjoyed lower prices for automotive vehicle rental and leasing, but paid more for inter-city, local and commuter transportation, food and alcoholic beverages. During the first quarter of 1996, the overall Canadian Travel Price Index dipped 0.6% compared to the previous quarter. In contrast, the cost of all goods and services included in the Consumer Price Index was up 0.4% for the same period.

The Travel Price Index Technical Report is available from the Travel Section at (613) 951-1673.

Travel Price Index, Not Seasonally Adjusted, 1986 = 100

	Quarters				Annual Average
	1 st	2 nd	3 rd	4 th	
1990	116.3	118.5	123.4	124.3	120.6
1991	129.2	129.6	131.6	128.9	129.8
1992	128.4	129.7	133.2	131.7	130.8
1993	132.7	132.9	136.0	134.5	134.0
1994	133.5	134.5	139.8	137.7	136.4
1995	137.5	139.9	146.0	141.5	141.2
1996	140.7				

Source: Education, Culture and Tourism Division.

ANNOUNCEMENTS

CTC Survey Provides a Window on Canada's Accommodation Industry

A survey of 2,900 properties, with a total of 184,000 rooms across Canada has resulted in a report entitled, "A Window on Canada's Accommodation Industry."

It is the largest and most comprehensive survey of its kind ever undertaken. The report provides key industry information on three distinct segments of the industry: **Hotels and Motor Hotels, Motels, and Other Accommodation Types.**

For a copy of the report or for further information, contact the CTC (613-954-3943 fax 613-954-3945).

Launching of the Canadian Academy of Travel & Tourism

The "Canadian Academy of Travel & Tourism" was launched by the American Express Foundation in October, 1995 in four high schools in British Columbia, Ontario and Nova Scotia. It is modelled on the successful National Academy Foundation (NAF) in the United States. There are similar programs in the United Kingdom and other countries.

For further information about the Canadian Academy of Travel & Tourism, contact Bonnie Stevens, Director, Canadian Academy of Tourism & Tourism (613-231-6949, fax: 613-231-6853, Internet: cthrc@globalx.net).

WHAT'S NEW?

Canada's International Transactions in Services, 1994 and 1995

Services are a key component of Canada's international trading performance. This publication provides the latest details on dollar-value services that Canadians exported to foreigners and those purchased from foreigners (transactions that reached records of \$37 billion and \$46 billion respectively in 1995).

Policy-makers, researchers and planners will find this a unique source of information on cross-border trade in services. Historical tables on travel and transportation, with extra detail on commercial services, are accompanied by analysis, definitions and data sources.

For further information on this release, contact Hugh Henderson (613-951-9049), Balance of Payments Division.

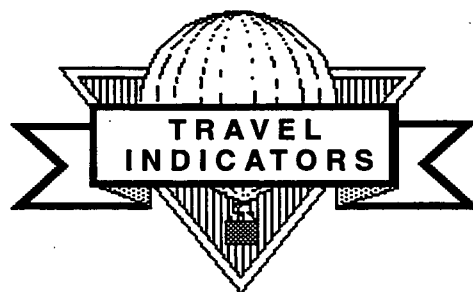
National Tourism Indicators

Statistics Canada, with financial support from the Canadian Tourism Commission, has developed a new set of quarterly indicators, which track the evolution of tourism in Canada.

The indicators show the main goods and services (transportation, accommodation, food and beverage services) purchased by visitors, both Canadian and foreign, as well as the direct employment generated by tourism. They are organized into five categories: total supply; total demand; domestic demand; foreign demand (i.e., tourism exports); and employment. It should be noted that total supply refers to the production of all goods and services related to tourism, while total demand denotes the share of these goods and services purchased by visitors. The two aggregates are therefore not equal.

These new quarterly indicators are benchmarked to the 1988 estimates of the Tourism Satellite Account and are calculated in current and constant dollars, in both seasonally adjusted and unadjusted versions.

For further information, contact the information office (613-951-3640; fax: 613-951-3618), National Accounts and Environment Division.



	First Quarter		% Change
	1995	1996	
VISITORS TO CANADA (000s)			
From United States	5,965	6,484	8.7
Overnight visits	1,573	1,605	2.0
- By auto	1,011	966	-4.5
From Overseas	483	536	11.0
Overnight visits	441	506	14.7
Top Seven Countries:			
Japan	74	85	14.9
United Kingdom	67	81	20.9
France	43	48	11.6
Germany	42	46	9.5
Hong Kong	25	29	16.0
Australia	20	20	0.0
South Korea	13	19	46.2
CANADIANS OUTSIDE CANADA (000s)			
To United States	10,992	11,676	6.2
Overnight visits	3,055	3,377	10.5
- By auto	1,716	1,770	3.1
To Overseas	1,153	1,233	6.9
INDUSTRY			
Airline passengers (Level I) (000s)	4,686	5,327	13.7
Airline passenger-km (Level I) (000,000s)	10,843	12,522	15.5
PRICES 1986 = 100 (not s.a.)			
Travel Price Index	137.5	140.7	2.3
Consumer Price Index	132.6	134.5	1.4
- Food	126.1	126.9	0.6
- Inter-city transportation	145.0	152.0	4.8
- Renting and leasing of automotive vehicles	126.3	134.3	6.3
- Gasoline	117.8	121.6	3.2
ECONOMIC			
Gross Domestic Product, 1986 prices (s.a.) (000,000s)	542,858	545,815	0.5
- Amusement and recreation (000,000s)	4,903	5,010	2.2
- Accommodation and food services (000,000s)	11,836	12,051	1.8
Personal disposable income per capita (s.a.)	17,216	17,297	0.5
LABOUR (000s)			
Labour force (s.a.)	14,917	15,071	1.0
Unemployed	1,441	1,431	-0.7
Employed	13,476	13,641	1.2
- Accommodation and food services (not s.a.)	817	851	4.2
EXCHANGE RATES (in Canadian dollars)			
American Dollar	1.4069	1.3691	-2.7
British Pound	2.2267	2.0964	-5.9
Japanese Yen	0.0147	0.0129	-12.2
German Mark	0.9529	0.9324	-2.2
French Franc	0.2728	0.2719	-0.3
<i>(s.a.) seasonally adjusted.</i>			