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Travel-log

Touriscope

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FEATURE ARTICLE

Young people now represent almost half of the hospitality industry workforce, compared to only 20% for all industries...

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Reduced airfare costs in 1988 kept travel price increases to a minimum.

Labour Shortage in the Hospitality Industry: Fact or Fiction?

BY MICHEL CÔTÉ

Help Wanted: Cooks; Waiters/Waitresses; Dishwashers; and Frontdesk Clerks required immediately for the Hospitality Industry. Good wages and benefits.

Much has been written over the past few years about the Hospitality Industry's increasing difficulties in recruiting and retaining the largest portion of its workforce: persons aged 15 to 24. The industry's rapid growth has raised concerns about its ability to compete for the shrinking supply of young people.

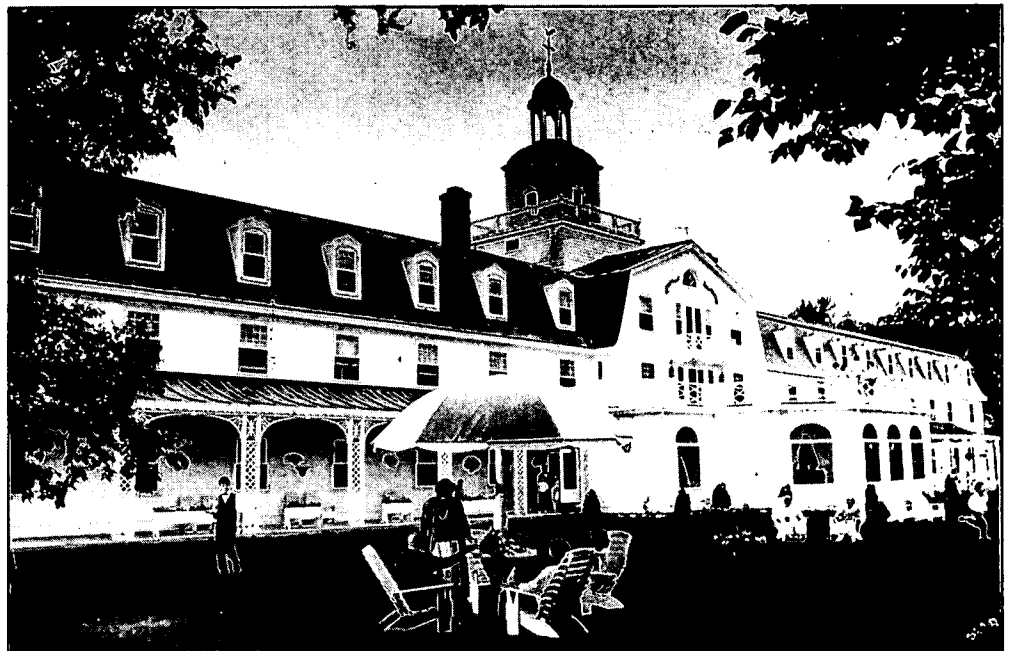
The industry has reason to worry, as almost half of its employees fall within the younger age group (15-24), while in the economy as a whole, this age group represents just 20%. The Hospitality Industry¹ has traditionally attracted young people due to the

relative ease of finding a job, especially during the busy summer season. In addition, most entry level positions have only minimal training requirements and experience.

The Shrinking Youth Population

Canada's declining birth rate has had a dramatic impact on the 15 to 24 age category. Between 1980 and 1988, the number of 15-24 year olds dropped by 650,000, from a peak of 4.7 million. This brought the level back to what it was 17 years earlier in 1971. Under the most optimistic projections, a further drop of about 175,000 is expected between now and the end of the century (Chart 1).

The youth age group represented only 15% of the population in 1988, compared to 20% in the late 1970s.



Continued from page 1

Their share will likely stabilize at approximately 13% in the latter half of the 1990s.

Since the beginning of the decade all sectors of the economy have had to start adjusting to a progressively aging labour force. And compared to other industries, the Hospitality sector appears, so far, to have successfully coped with this fundamental change in the labour market.

Young Employees² Declining Rapidly

The number of younger employees (aged 15-24) working in all industries began to decline in 1982 (as early as 1980 in some provinces) after strong and consistent growth throughout the 1970's. By 1988, their number was actually slightly below what it had been 12 years earlier in 1976 (Table 1).

In most provinces the decline was steeper. Only in Ontario and British Columbia have the number of young workers remained higher than in 1976. Over the same period (1976-1988), total employment grew by 29% as the economy generated jobs that were taken by the growing number of people entering the labour market, especially women with young children.

The proportion of young employees in all industries, has declined from 25% in 1976 to less than 20% in 1988. All of the provinces have witnessed this decline, with Quebec and the Western provinces registering the lowest proportion in 1988: 19%.

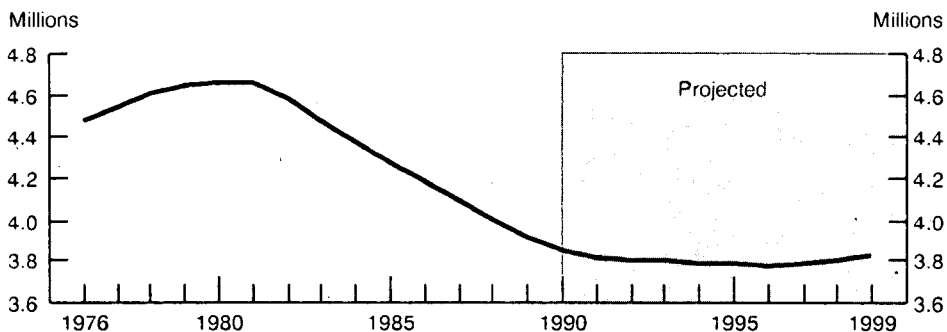
Young Workers in Hospitality Industry Doubles

In complete contrast, since 1976 the number of young people employed in the Hospitality Industry has more than doubled. Over the same period total employment in the industry was 75% greater (Table 1).

The industry grew faster than the national average in all regions except Quebec. Ontario expanded 85% from 1976, the West 79% and the Atlantic provinces 78%. Quebec's employment was 58% higher. But all regions witnessed much stronger growth in the

¹ Hospitality Industry includes Accommodation and Restaurants.
² Includes paid workers, self-employed and unpaid family workers.

Chart 1
Youth Population Estimates and Projections, 1976-1999



Note: The projections used here correspond to the most optimistic scenario for this age group.

Source: CANSIM matrices 006457 and 006900.

Table 1
Employees in All Industries and Hospitality Industry by Age, 1976 and 1988

	All Industries	Hospitality Industry
	000's	
Age 15 +		
1976	9,477.4	409.4
1988	12,244.5	717.9
Age 15-24		
1976	2,391.5	163.7
1988	2,387.8	337.1

Source: Labour Force Survey.

Table 2
Proportion of Young Employees in All Industries and Hospitality Industry, 1976 and 1988

	All Industries		Hospitality Industry	
	1976	1988	1976	1988
	%		%	
Canada	25	20	40	47
Atlantic Prov.	27	20	40	44
Quebec	25	19	33	41
Ontario	24	20	42	50
Western Prov.	27	19	43	49

Source: Labour Force Survey.

number of young workers. Ontario set the pace with 117% growth, followed by the West with 103%, the Atlantic provinces, 96%, and Quebec, 95%.

The Hospitality Industry has seen the proportion of young workers increase from 40% in 1976 to 47% in 1988. Regionally, the picture is similar,

with even higher concentrations of 15-24 year-olds in Ontario and the Western provinces in 1988 (Table 2).

Food Services Outpaces Accommodation

The Hospitality Industry's two component industries did not perform



Travel-log

Editor's Note...

Correction - Winter Issue 1989

"The Changing Fashions of Travel to the Caribbean" (page 6-7).
The ranking of the top ten winter Caribbean and Latin American Sun Spots during 1988 should have read as follows:

Now ...
1988

Mexico
South America
Dominican Republic
Jamaica
Cuba
Bahamas
Barbados
Bermuda
Central America
Puerto Rico

The Dominican Republic, which was originally excluded from the top ten winter Caribbean and Latin American Sun Spots, ranked third in 1988. We apologize for this omission.

Editor: L. McDougall, 613-951-9169

Photos courtesy of Department of Industry, Science and Technology.

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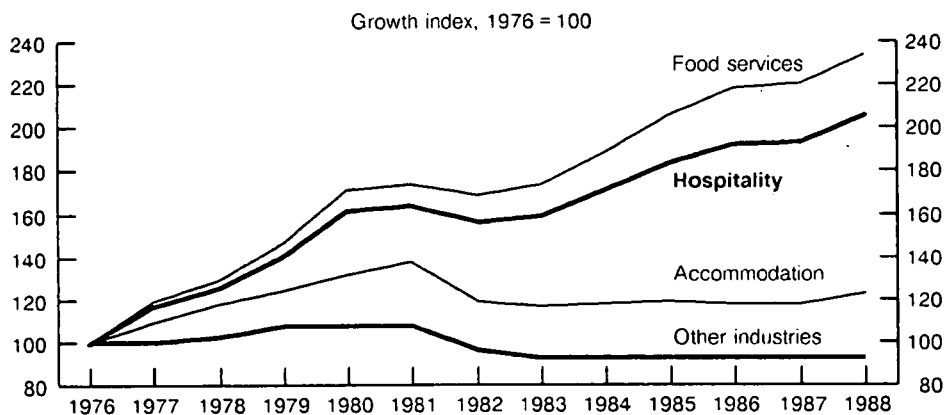
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Chart 2

Young Employees in All Industries and the Hospitality Industry, 1976-1988



identically during this period. The growth in Food Services employment far exceeded the Accommodation sector.

Employment in the Food Services Industry doubled between 1976 and 1988 and the number of young workers shot up by 135% (Chart 2). With this kind of growth, the ratio of young workers reached 51% in 1988 from a starting point of 44% in 1976.

Accommodation Industry employment, on the other hand, actually lagged behind the rest of the economy, increasing by only 24%. The number of young workers also grew by 24%. But this was well ahead of the economy-wide experience and sufficient to maintain the share of young workers within the industry unchanged at 32%.

Hospitality Industry Rejuvenates Itself

These results are striking. The Hospitality Industry has grown phenomenally over the past 13 years and has done so by literally "rejuvenating" its workforce relative to the rest of the economy (Chart 2).

It is possible that, irrespective of its performance so far, the industry has yet to fully satisfy all of its labour requirements, especially where specialized skills are involved or in those areas of the country where tight labour market conditions are now prevalent.

But in view of the fact that the rest of the economy has effectively lost 8% of its young workforce, the Hospitality industry has, year after year, clearly outperformed other industries in attracting young people and will likely continue to do so for some time still.

Further research is required to assess why other industries have not fared as well: are jobs simply not available; are young people inadequately prepared for them; or are other industries no longer willing to invest in training them?

Data Sources:

Labour Force Survey; Population Estimates and Projections.

Michel Côté is a Senior Analyst with Labour and Household Surveys Analysis Division.



The Pacific Rim – A Rapidly Expanding Tourist Market

By John Pachereva

The Pacific Rim¹ is emerging as the most dynamic area in providing visitors to Canada. In 1988, this geographic area generated 777,000 visitors to Canada, an increase of 26% from 615,000 in 1987.

The phenomenal growth of Pacific Rim outbound traffic is continuing at an even faster rate so far this year. In January close to 37,000 Pacific Rim visitors arrived in Canada, 66% more than the same month of 1988.

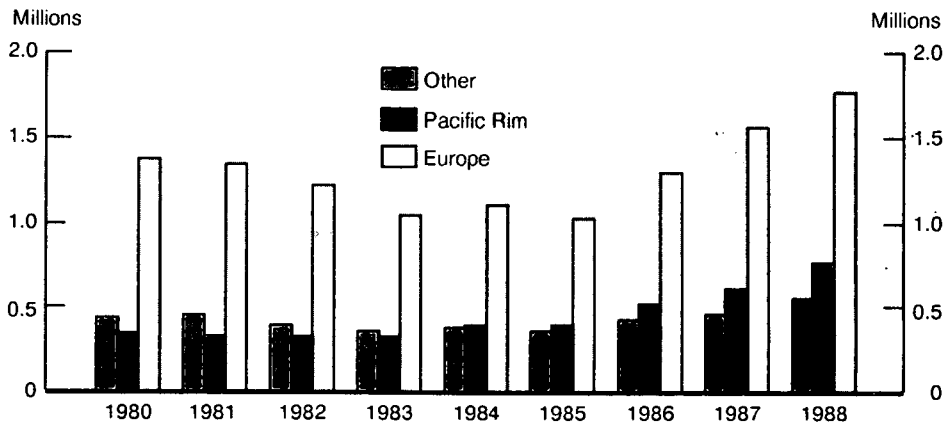
The Japanese are still leading the surge in Pacific Rim traffic with a 72% increase during the first month of the year. In January, there were just one thousand fewer Japanese visitors than U.K. travellers, the narrowest gap ever during this month.

Throughout 1988 a record 3.1 million overseas visitors travelled to Canada (Table 3). Most overseas markets experienced increases compared to a year earlier, however, the Pacific Rim region witnessed the largest gain in traffic. The European market advanced 13% compared to 1987 visitation.

Visitation trends are even more dramatic compared to the start of the decade. The number of Pacific Rim tourists has more than doubled from

¹ For the purposes of this article the Pacific Rim includes the following countries: Japan, Australia, Hong Kong, New Zealand, China, South Korea, Taiwan, Singapore, Malaysia, Thailand, Indonesia and the Philippines.

Chart 3
Overseas Residents to Canada by Geographic Region, 1980-1988



Source: International Travel Survey, special tabulations.

Table 3
Overseas Visitors to Canada, 1980-1988

	Total Overseas	Europe	Pacific Rim	Other
000's				
Visitors				
1980	2,163	1,378	347	439
1987	2,643	1,564	615	463
1988	3,106	1,771	777	558
Market Share %				
1980	100	64	16	20
1987	100	59	23	18
1988	100	57	25	18

Source: International Travel Survey, special tabulations.

Table 4
Pacific Rim Visitors to Canada, 1980 and 1988

	1980	1988	% Change
000's			
Pacific Rim	347	777	124
Japan	162	405	150
Australia	66	101	53
Hong Kong	31	88	184
New Zealand	20	39	95
China	7	29	314
South Korea	8	23	188
Taiwan	10	23	130
Other ¹	42	69	64

¹ Other includes the Philippines, Singapore, Malaysia, Thailand and Indonesia.

Continued from page 4

1980, while European visitation has expanded by only 29%.

As a result of the increased volume of Pacific Rim travellers, Canada now receives a quarter of its overseas visitors from this region, up significantly from just 16% at the beginning of the decade. The European market on the other hand, has declined from 64% in 1980 to 57% of the market share during 1988.

Japan Dominates Pacific Rim Market

The Pacific Rim travel market is dominated by Japanese visitors (Chart 4). In 1988 the Japanese accounted for over half of the Pacific area tourists, as well as the largest absolute growth (Table 4). However, all countries from this region experienced notable gains over 1987 and especially compared to eight years ago.

Pacific Rim visitors left close to \$500 million in Canada during 1988, an increase of 28% from 1987. As a result this area of the world now accounts for 28% of overseas visitor expenditures in Canada.

Japanese Tourist Spending Almost Equal to UK

Japanese tourists, the Pacific Rim's big spenders, had expenditures only 12 million less than U.K. visitors, despite the fact that there were 45% more travellers from the U.K. in 1988. At the beginning of the 80's the spending gap was over \$100 million (Table 5).

Continued economic growth in the Pacific region is likely to promote travel from these countries. Other factors such as the lifting of travel restrictions in certain countries will undoubtedly increase the potential number of outbound travellers. As well, expansion of the Japanese market is inevitable given a program implemented by the Japanese government to double the number of Japanese travelling overseas to 10 million by the end of 1991.

Data Sources:

Touriscope: International Travel Monthly, Catalogue No. 66-001p and special tabulations; Market Assessment: Japanese Pleasure Travellers, 1988, Tourism Canada.

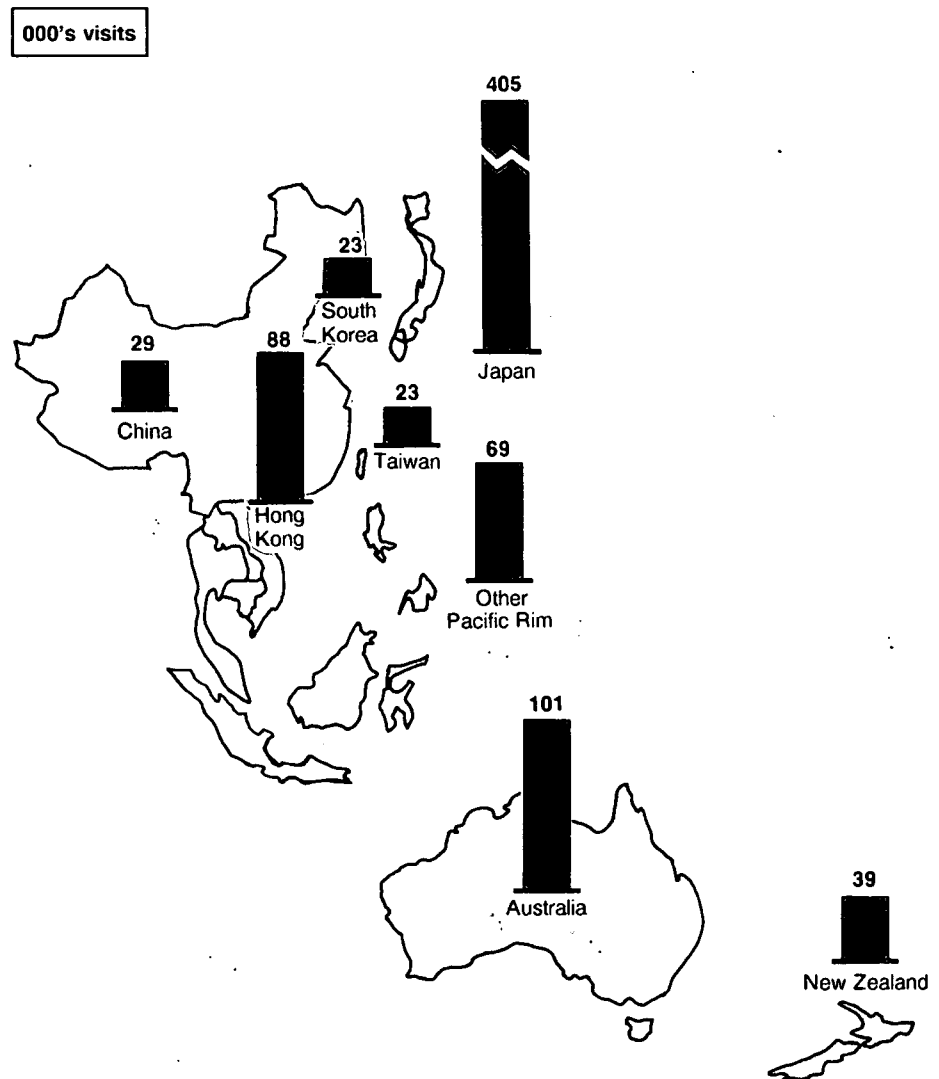
John Pachereva is an Analyst with the Education, Culture and Tourism Division.

Table 5
Overseas Visitor Spending in Canada, 1980, 1987 and 1988

	1980	1987	1988
	\$ 000,000's		
Total Overseas	740	1,378	1,726
Europe	447	751	910
United Kingdom	163	211	257
Pacific Rim	130	380	488
Japan	56	185	245

Source: International Travel Survey, special tabulations.

Chart 4
Pacific Rim Travellers to Canada, 1988



Source: International Travel Survey, special tabulations.



1988 Domestic Summer Travel Reaches a Record High

By Laurie McDougall

Most Canadians will remember the summer of 1988. Temperatures soared into the 90's, humidex readings climbed to uncomfortable levels, drought plagued the prairies and tropical-like storms occurred across the country.

Summer travel, whether it was to escape the heat at a beach, or at the cottage, reached record levels as well. Throughout the summer months of 1988, Canadians took 46.5 million trips, 17% more than 1986 and 1980 (Table 6).

Day trips were popular during the summer of 1988, compared to earlier years. Travellers left for the day on 16.3 million occasions, 38% more than in 1986. Quebecers led the increase in excursion trips with a 65% increase.

Overnight Travel

Over 30 million trips involved at least one night away from home, which represented a 8% rise from 1986. Ontarians accounted for much of the increased overnight travel activity. In the third quarter they reported 12 million trips, 21% more than in 1986.

British Columbia, which had benefited from increased overnight travel in 1986 due to Expo, registered the third highest provincial increase. Although Quebec had the largest jump in same day travel, overnight trip-taking slipped 5%.

Travel for all reasons rose during the summer months of 1988. Business trip activity advanced 22% to 3.3 million trips, setting a record level for the year thus far. This is unusual considering that the summer is not a peak period for this purpose. Over a million additional trips were taken to see friends or family, an increase of 12%. Pleasure travel climbed just 3%.



Table 6
Domestic Summer Travel Activity, 1988

Province of Origin	Trips			% Change 1986/88		
	Total	Overnight	Same day	Total	Overnight	Same day
	000's			%		
Canada	46,482	30,231	16,251	17	8	38
Nfld.	895	600	295	86	57	198
P.E.I.	86	68	18	-18	-17	-22
N.S.	1,482	817	665	1	-11	23
N.B.	1,227	720	507	24	7	59
Que.	10,099	6,168	3,931	14	-5	65
Ont.	17,815	12,009	5,806	23	21	28
Man.	2,478	1,547	931	3	-8	27
Sask.	2,263	1,537	726	3	1	6
Alta.	5,988	3,805	2,183	17	6	44
B.C.	4,149	2,961	1,188	17	13	25

Source: Canadian Travel Survey, special tabulations.

More Canadians travelled by train in the third quarter of 1988 than in the same period of 1986. Although rail accounts for a relatively small share of domestic travel, it witnessed a 33% growth in passenger traffic. Bus strikes and congestion problems at major airports may have spurred some of this increase.

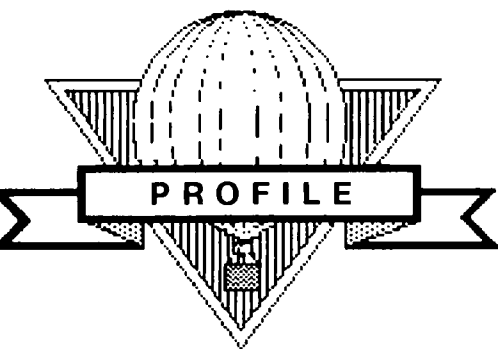
Air travel rose 14% to 1.9 million overnight trips during the summer of 1988. Increased business activity

coupled with availability of more seatsales may have caused increased usage. Canadians used their car on 9% additional trips or approximately 27 million overnight summer outings.

Data Sources:

Canadian Travel Survey, special tabulations.

Laurie McDougall is a Senior Analyst with the Education, Culture and Tourism Division.



Airport Congestion – A General Phenomenon

By Doug Rankin

For those travelling by air, life isn't what it used to be. Consider the scenario below:

A few months ago... A traveller leaving for Florida catches a flight in Ottawa and 3 hours later arrives at his/her destination. **A few months later...** The same traveller is Florida bound again but this time the itinerary includes a 3 to 4 hour stopover at Toronto's Pearson International Airport to make connections. Such is the reality of a deregulated airline environment.

As in the United States, airline deregulation is now a part of life in Canada. Air carriers can fly where they want, when they want, as often as they want and charge the fares they want. For the travelling consumer it has resulted in reduced airfare prices and a larger choice of destinations, particularly to smaller centres. For the airports, especially the heavily utilized Toronto airport, it has meant congestion and delays in flights.

Hubs and Spokes

Canada now has two major airlines, Air Canada and Canadian Airlines International which concentrate their efforts on the large volume and long haul markets with large aircraft. Air Canada and Canadian Airlines each have financial interests in feeder airlines coast-to-coast.

Feeder airlines provide "spoke" services between large centres called "hubs" and smaller centres, using smaller aircraft. The net result is a disproportionately large number of landings, takeoffs and airport passengers handled when compared

Table 7
Airport Activity in Canada, 1985-1987

Year	Passengers handled	Aircraft movements
		'000s
1985	54,565	4,938
1986	58,154	5,201
1987	60,057	5,510

Source: Aviation Statistics Centre Service Bulletin, Catalogue No. 51-004.

Table 8
Air Traffic At Canada's Top Six International Airports, 1987

	Aircraft movements	% change 86/87	Passengers handled	% change 86/87
	'000	%	'000	%
Toronto	314	4	18,351	7
Vancouver	303	8	7,825	-7
Montreal (Dorval – Mirabel)	232	8	7,945	6
Calgary	195	9	4,096	3
Ottawa	163	1	2,443	8
Winnipeg	146	1	2,244	-1

Source: Aviation Statistics Centre Service Bulletin, Catalogue No. 51-004.

to the number of trips taken by air travellers.

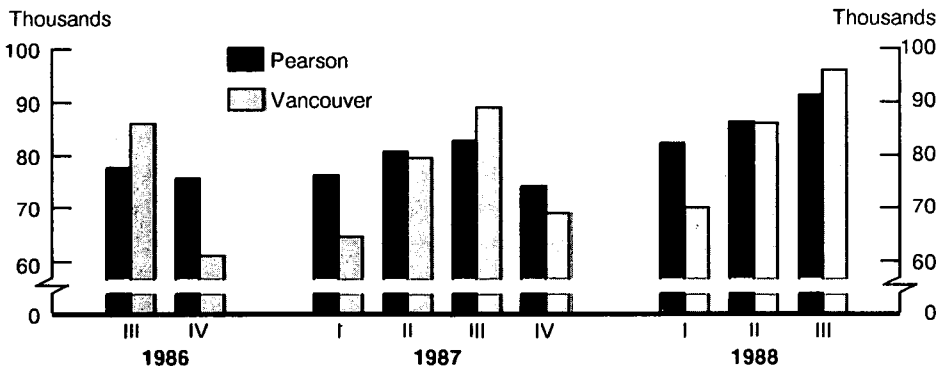
The hub and spoke system is the most efficient method of operation for airlines, now making only thin profit margins in the light of heavy competition in a deregulated era. In 1987, the Canadian air transport industry realized a net profit of \$169 million, or 2.6% of total operating

revenues. And the competition gets tougher all the time as new carriers try to get a foothold in the long-haul international charter market and others try to develop a specialized niche closer to home.

Such was the experience in the United States a few years ago and now it is the case in Canada. With economic deregulation coming in



Chart 5
Airport Activity, Toronto and Vancouver International Airports, 1986-1988



Source: Transport Canada, Publication TP141, Aircraft Movement Statistics, Monthly Report.



Focus on Toronto

By Laurie McDougall

Anyone that has driven on the Don Valley Parkway during rush hour, or sat on the tarmac at the Pearson International Airport, can testify to the fact that Toronto is booming.

Tourism, which is one of Toronto's leading industries, is no doubt benefiting from this growth. In 1987 the tourism industry was estimated to be worth \$2.7 billion to Metro Toronto. Since 1984 the tourism industry has performed better than Toronto's overall economy, even surpassing growth rates exhibited by the other major industries.

Domestic Market

Over 8 million Canadians travelled to Toronto in 1986, an increase of 16% from 1984 and 14% from 1980. Throughout the first three quarters of 1988 travel to Toronto has accelerated by 24% compared to the same period in 1986.

Ontarians are the largest travel market for Toronto, accounting for at least 8 out of 10 visitors in 1986. Approximately half of Ontario visitors stay in Toronto just for the day (3.7 million trips), perhaps on business or to do some shopping in the Eaton Centre.

Ontario residents also took 3.2 million overnight trips to Toronto in 1986. They visited friends or family on almost half of these journeys. Pleasure was the next most prevalent reason (23%), followed by business (22%).

Due to the large influx of travellers visiting friends or family, 6 out of 10 nights are spent in private homes. Toronto hotels are the next most popular accommodation: 1.8 million nights.

Europe in 1992, an already difficult problem will be compounded further.

Case In Point - Toronto's Lester B. Pearson International

Canada's two busiest airports, Toronto's Pearson International and Vancouver International, are experiencing the greatest effects of the deregulated environment. Pearson airport has the largest volume of passengers annually (Table 8). Surprisingly though, Vancouver International handles more landings and takeoffs than Pearson during the third quarter (Chart 5).

In 1987, Pearson handled 314,000 landings and takeoffs (commonly referred to in the business as aircraft movements) and 18.3 million passengers. Compared to a year ago, air traffic controllers directed 4% more aircraft onto the runways. Over the same period terminals 1 and 2 at Pearson witnessed a 7% increase in air travellers (Table 8).

Vancouver air traffic controllers handled 303,000 aircraft, but only 7.8 million passengers in 1987. This represented an 8% growth in aircraft movements and 7% fewer air passengers.

Pearson gets most of the press because the problems seem to be more immediate and more obvious to the travelling public. Near misses in the air along with long delays between flights for travellers in airport terminals have all heightened public awareness and controversy about the situation.

For Better or Worse

Will it get worse before it gets better? If the U.S. experience is an indicator, some potential long-term solutions have emerged.

In the U.S., several communities have identified the value to the local economy of having a substantial airport operation. The result has been the construction of a number of new mini-hub airports to service passengers transferring between major carriers and smaller feeder airlines. Notable examples in the U.S. include Charlotte, Memphis, Nashville, Orlando and Salt Lake City.

Data Sources:

Canadian Civil Aviation, Catalogue No. 51-206; Aircraft Movements Statistics, Transport Canada, Catalogue No. TP141, Aviation Statistics Centre Service Bulletin, Catalogue No. 51-004.

Doug Rankin is the Senior Staff Statistician with the Aviation Statistics Centre, Transportation Division.

Continued from page 8

Quebecers generated two-thirds of the 1.2 million interprovincial overnight trips to Toronto in 1986. Montreal residents were the largest market travelling from Quebec to Toronto: 60% of Quebec outbound travel to Toronto originated from Montreal. Business was often cited as the primary reason.

Approximately 56% of out-of-province visitors to Toronto arrived by air, while most of the remainder drove their car. Business is a predominant activity for this market, accounting for 41% of the trips. Visitors also frequently (35%) drop in on friends or family, or go for a holiday.

As with the Ontario travellers, residents of other provinces were frequently guests at the homes of friends or family (60%). The next largest group of travellers checked into hotels (28%).

Across the Border

It is not possible to get an exact estimate of international visitors to Toronto. However, the volume of traffic arriving at the Pearson Airport and nearby border crossings, such as Niagara Falls and Fort Erie, may signal some trends.

In 1987, almost 2 million U.S. and Overseas visitors travelled to their destination via the heavily utilized Pearson International Airport. In contrast to 1986, the number of air travellers has risen 10% and by 31% from 1980.

In 1987, Canada customs officers at Niagara Falls greeted 1.5 million Americans, 12% more than the previous year. In addition, approximately 245,000 overseas residents drove across the Niagara Falls border, representing a 30% jump from 1986.

Further east at Fort Erie close to a million U.S. residents entered Ontario which was slightly more than traffic in 1986 but below 1980 levels. During 1987 the number of overseas residents increased 15% to 62,000.

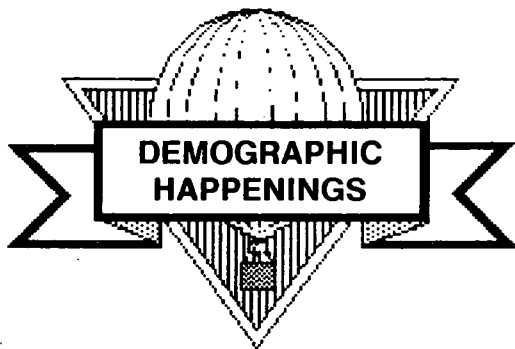
Other potential visitors to Toronto may have travelled via other Ontario/U.S. border crossings. In addition, some visitors may enter another province such as Quebec and then travel to Toronto.

The rising importance of Toronto as an international centre, coupled with the addition of new tourist attractions such as the skydome, will continue to fuel an already booming tourist industry.

Data Sources:

International Travel Survey, special tabulations;
Canadian Travel Survey, special tabulations;
Touriscope: 1988 Tourism in Canada, A
Statistical Digest, Catalogue No. 87-401.





People on the Move

By Bob Chadwick

When family and friends move to a new location, visits back and forth often follow. For Canadians, long distance travel to visit friends or relatives is a fact of life, especially given our high rate of mobility.

For the tourism industry, visits to friends and relatives (VFR) is a major market segment. In the case of overseas visitors to Canada, this reason is particularly dominant (Table 9).

Interprovincial Migration - East vs West

The old adage "Go West young man" changed direction between the censuses of 1981 and 1986. Canadians took up roots in the East in greater numbers than in the West. This is in contrast to the previous five-year period (1976-1981) when the oil boom drew people westwards.

In 1986, just under one million people were living in a province different from the one that they called home in 1981. Ontario became the new address for close to 300,000 provincial migrants between 1981 and 1986. The new neighbours on the block were former Albertans or Quebecers.

Between 1981 and 1986 more Albertans relocated to Ontario than Ontarians moved to Alberta, resulting in a population gain of 25,000 for Ontario. This situation is in direct contrast to a few years ago (1976-1981) when Alberta gained 100,000 people in migration exchanges with Ontario.

Despite this loss of population, Alberta still posted the largest net population increase, thanks to a young population providing a high birth rate and a low death rate.

Table 9
Distribution of VFR Travel Volumes, by Destination, 1980-1986

Destination	1980	1982	1984	1986
(VFR as a % of overnight person-trips)				
Canadians to:				
Other Provinces	34	37	39	35
United States	25	25	24	25
Overseas	30	30	28	26
Visitors from:				
United States	17	19	20	18
Overseas	43	45	43	40

Source: Canadian Travel Survey, Catalogue No. 87-504; International Travel Survey, Catalogue No. 66-201.

Table 10
Migration Activity By Province, 1981-1986

Province/Territory	Interprovincial Migration			Immigration from outside Canada ¹
	In-migration	Out-migration	Net migration	
000's of persons				
Canada	924	924	-	464
Nfld.	17	34	-17	2
P.E.I.	9	8	2	1
N.S.	55	49	6	8
N.B.	37	38	-1	5
Que.	67	130	-63	72
Ont.	286	186	99	221
Man.	57	58	-2	19
Sask.	55	58	-3	9
Alta.	177	205	-28	56
B.C.	152	142	10	70
Yukon	5	7	-3	1
N.W.T.	9	10	-1	

¹ Includes Canadians returning after absence of more than one year.

Source: Statistics Canada Daily, Catalogue No. 11-001.

Quebec lost the largest numbers through interprovincial migration during 1981-1986. Approximately 130,000 Quebecers moved to another province, and 67,000 arrived. The negative net flow, however, was less than in the previous intercensal period of 1976-1981.

International Migration

Close to 500,000 immigrants arrived in Canada between 1981 and 1986. Almost half of these new Canadians went to Ontario, while most of the others went to Quebec, British Columbia or Alberta.

Quite apart from swelling the general demand for tourism in these provinces, new arrivals inevitably inflate demand for travel to and from their former places of residence.

Bob Chadwick is Special Adviser, Tourism, in the Education, Culture and Tourism Division.



Travel Price Index, Fourth Quarter and Year 1988

By Jocelyn Lapierre

Fourth Quarter Travel Prices Shift Downward

Year end travel prices ended on the same downward note as they had at the beginning of the year. The fourth quarter Travel Price Index (TPI) dropped 1.3% from the third quarter, marking the second period in 1988 that the cost of travel declined.

Falling inter-city travel costs, particularly air travel, drove travel prices downward during this quarter. The 2.4% drop in accommodation prices also helped to more than offset the 4.8% extra travellers paid for entertainment tickets. Food and car costs also declined slightly compared to the summer period.

In comparison, the cost of all goods and services (CPI), achieved 146.0, 0.8% more than the third quarter of 1988.

From a year ago, the fourth quarter TPI recorded no increase, compared to a 4.1% rise in the CPI. A 15.2% downswing in inter-city transportation costs during this 12-month period was enough to countervail all increases recorded in the other components.

Inter-city Travel Costs Keep Annual Increase Down

The 1988 TPI averaged 147.9, 1.4% more than last year. This small variation, which is three times less than that recorded in the CPI, was the result of offsetting movements in its components.

A 13.2% reduction in inter-city travel costs between 1987 and 1988 offset other rising travel costs. Lower fares, resulting from more seat sales in 1988,

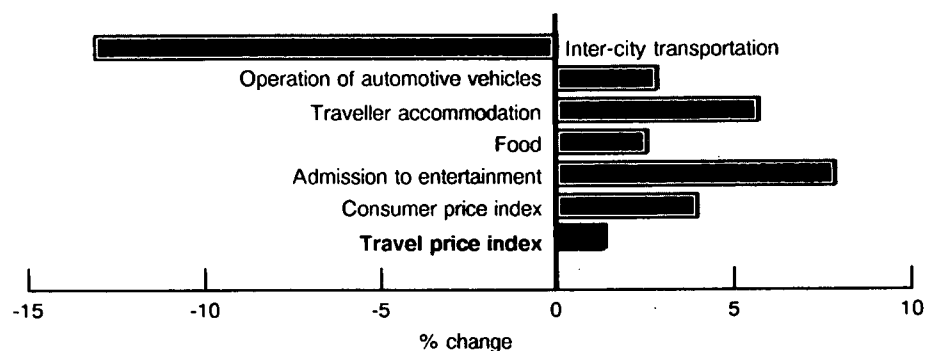
Table 11
Travel Price Index and Components
(Not Seasonally Adjusted, 1981 = 100)

TPI components	Fourth quarter 1988	% change		Year 1988	% change 1987- 1988
		Previous quarter	Previous year		
Inter-city transportation	151.2	-10.6	-15.2	162.0	-13.2
Operation of automotive vehicles	142.9	-0.6	0.7	143.0	2.9
Traveller accommodation	163.6	-2.4	5.5	159.5	5.7
Food - total	137.0	-0.4	3.2	135.9	2.6
Admission to entertainment	174.1	4.8	8.7	167.2	7.9
Consumer price index	146.0	0.8	4.1	143.8	4.1
Travel price index	148.1	-1.3	0.0	147.9	1.4

Source: Consumer Price Index, 1988, Catalogue No. 62-001.

Chart 6

Travel Price Index and Components, Annual Per Cent Change, 1987-1988



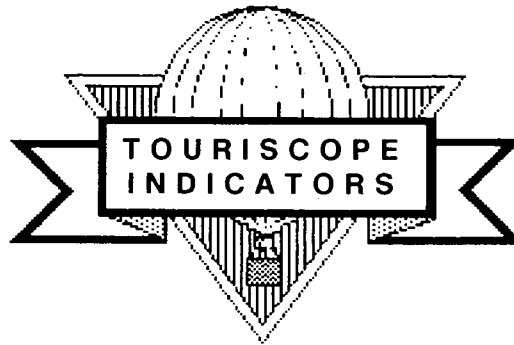
Source: Consumer Price Index, Catalogue No. 62-001.

accounted for most of the transportation decline.

Rising entertainment admissions, coupled with increased accommodation costs, were the main factors in the advance of the TPI between 1987 and 1988. Growth in food and car

operation prices also contributed to the upswing.

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		Fourth Quarter	Percentage change		Year 1988 ^P	% Change
		1988 ^P	Previous Quarter	Previous Year		1987-1988
			%	%		%
VISITORS TO CANADA						
From United States	T	6,706	-53.8	-2.9	T 36,147	-2.2
Overnight visits	T	1,999	-67.1	2.3	T 12,772	0.4
By auto	T	1,319	-70.5	0.8	T 8,914	-0.2
From Overseas	T	475	-62.2	31.2	T 2,731	21.1
Top seven Countries						
United Kingdom	T	84	-66.9	25.4	T 529	20.5
Japan	T	57	-61.7	50.0	T 325	30.5
West Germany	T	36	-72.1	20.0	T 265	13.2
France	T	32	-72.6	23.1	T 231	22.9
Australia	T	19	-44.1	0.0	T 92	15.0
Netherlands	T	14	-65.9	7.7	T 90	15.4
Italy	T	16	-61.0	23.1	T 87	13.0
CANADIANS OUTSIDE CANADA						
To United States	T	12,150	-26.4	20.6	T 51,308	14.8
Overnight visits	T	2,797	-44.3	18.5	T 13,674	11.6
By auto	T	1,795	-55.4	21.4	T 9,315	13.4
To Overseas	T	558	-22.7	11.6	T 2,801	5.8
INDUSTRY SECTOR						
Airline passengers (Level I)	T	5,476	-17.3	6.5	T 24,321	3.4
Airline passenger-km (Level I)	M	11,795	-27.9	20.4	M 54,288	12.1
Inter-city bus passengers	T	4,565	-15.5	-8.3	T 19,139	-9.6
Restaurant receipts	M	3,945	-9.4	8.6	M 15,788	11.5
PRICES						
1981 = 100 (not s.a.)						
Travel price index		148.1	-1.3	0.0	147.9	1.4
Consumer price index		146.0	0.8	4.1	143.8	4.1
Restaurant meals		146.9	1.2	5.4	144.0	4.6
Inter-city transportation		151.2	-10.6	-15.2	162.0	-13.2
Gasoline		130.0	-3.0	-6.5	133.3	-0.9
ECONOMIC						
1981 = 100 (s.a.)						
Gross domestic product	M	400,737	0.8	3.2	M 395,888	4.4
Amusement and recreation	M	2,693	4.3	7.9	M 2,632	9.0
Accommodation and food services	M	8,945	1.5	5.0	M 8,778	7.0
Personal disposable income per capita		15,496	2.2	7.1	14,990	5.6
LABOUR FORCE						
Labour force(s.a.)	T	13,353	0.4	1.8	T 13,275	2.0
Unemployed	T	1,033	-1.0	-3.4	T 1,031	-10.3
Employed	T	12,320	0.5	2.2	T 12,244	3.2
Accommodation and food services	T	717	-5.7	5.4	T 718	2.4
EXCHANGE RATES						
In Canadian Dollars:						
American Dollar		1.2062	-1.1	-8.0	1.2309	-7.2
British Pound		2.1614	4.6	-6.1	2.1929	0.9
Japanese Yen		0.009650	5.8	-0.4	0.009614	4.6
German Mark		0.6808	4.2	-11.6	0.7028	-4.8
French Franc		0.1994	3.4	-12.6	0.2072	-6.2
Mexican Peso		0.000517	-1.7	-26.2	0.000535	-46.8

(M) Millions. (T) Thousands. (s.a.) seasonally adjusted. (p) preliminary.