Catalogue no. 87-003-XIE

Volume 19, Number 4

Travel-log

Autumn 2000

Characteristics Associated with Bird and Wildlife Viewers Travelling in Canada [1]

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It is late September. A lone canoe glides along the shore of a tranquil blue lake in the early morning sun. The paddlers are silent as they spot a moose in the distance, grazing beneath the orange, red and golden canopy of trees. A couple of quick photographs and the canoe glides on. The paddlers' experience is overwhelming and satisfying. It is one of seemingly endless wildlife viewing experiences available in Canada.

Canada, a country made up of diverse landscapes and ecosystems, is home to a plethora of unique and amazing creatures. It is no wonder that each year both domestic and international visitors flock to Canada to explore the country's vast, relatively unspoiled natural areas and to view the birds and wildlife that live there. From studying puffins in Newfoundland to watching Orcas along the coast of British Columbia, from viewing beavers in Ontario's Algonquin Provincial Park to participating in the "Prairie Waterfowl Spectacular" in Saskatchewan, bird and wildlife enthusiasts are guaranteed a diverse array of experiences that they will remember for a lifetime.

The popularity of bird and wildlife viewing in Canada is increasing. In fact, many towns have begun to promote bird or wildlife viewing in order to position themselves as important destinations for both domestic and international visitors. However, the rapid development of bird and wildlife viewing operations causes some concern over whether destinations are prepared to meet the needs of the tourists that they attract. This study aims to help tourism destination planners understand the characteristics of domestic bird and wildlife viewing markets so that they may be better prepared to meet the demands of these groups of travellers.

[1] This article was submitted within the "1999-2000 Graduate Student Tourism Research Contract Program" sponsored by Statistics Canada and the Canadian Tourism Commission.

In This Issue...

The first section describes some of the different forms of bird and wildlife viewing and discusses why Canada is a country that is well suited for this endeavour. The second section examines the characteristics of Canadians who experience birds and wildlife viewing when travelling in Canada.

Introduction

Bird and wildlife viewing can occur in a variety of forms. The options available to travellers in Canada range from chance encounters of wildlife, to self-guided viewing experiences on platforms and trails, to organized, commercial guided excursions, such as whale watching tours. When travellers make excursions for the main purpose of watching, studying, photographing or feeding wildlife, they are participating in what is commonly referred to as primary or direct wildlife viewing [2].

More common than primary viewing is secondary or indirect bird and wildlife viewing, which occurs when travellers encounter animals on trips that have primary purposes other than to encounter wildlife [2]. In many cases, this type of wildlife viewing enhances the outdoor experience for the traveller. Could you imagine a camping trip without seeing or hearing any forms of wildlife? While all of us likely would agree that we could do without the mosquitoes, most of us would be very disappointed if our camping experiences were not blessed with the presence of other wildlife. Spotting a deer or moose in a nearby meadow, listening to the hoots of owls on a starry night or watching a couple of playful chipmunks scurry from tree to tree can all add to camping and other recreational experiences.

While secondary bird wildlife viewing plays a significant role in tourism in Canada, primary viewing is becoming increasingly important as a form of tourism experience or product. Over the last decade there has been a significant increase in the number of outfitters that offer primary bird and wildlife viewing experiences. One has only to explore the World Wide Web to see that there are a large number of adventure tourism providers who offer a multitude of bird and wildlife viewing expeditions. Additionally, the number of festivals associated with annual migrations of birds and wildlife has been rising. For instance, this year in British Columbia a number of wildlife and nature-related festivals have combined to create the Nature Festival Association of British Columbia [3]. If trends continue along the same path, birds and wildlife will become more important to recreation in Canada, and there will likely be an increase in the demand for tourism products directly related to enjoying opportunities to see these creatures.

Canada as a Bird and Wildlife Viewing Destination

It is no wonder that the demand for bird and wildlife viewing is increasing in Canada, for the Nation is extremely well suited for this activity. Canada has a total area of almost 10 million square kilometres[4] and is estimated to be home to approximately one-third of the world's remaining wilderness[5]. Within this wilderness is a variety of different environments: arctic and alpine tundra, coniferous and deciduous forests, grasslands, deserts, shrublands, woodlands, marine and freshwater, to name a few. Each of these environments is home to distinct and diverse plants and wildlife species. In fact, Canada is home to over 200 species of mammals, 400 species of birds, 1,100 species of fish, 80 species of reptiles and amphibians and 30,000 species of invertebrates[6].

Who is interested in bird and wildlife viewing in Canada? While the Nation's wild creatures may be attractive to international tourists, highlights from a recent study, the *Survey on the Importance of Nature to Canadians* (a joint Federal-Provincial-Territorial initiative), indicated that Canadians themselves are also very interested in birds and wildlife. In 1996, an estimated 9 million Canadians (almost 40% of the population aged 15 and over) participated in residential wildlife-related activities, which included wildlife viewing [6]. With such a high proportion of the population interested in bird and wildlife viewing, Canadians represent a significant market for many rural tourism

2 Federal-Provincial Task Force
3 Malmgren, Jeff K.
4 Statistics Canada, 2000
5 J.S. Peepre and Associates
6 Environment Canada

Travel-log

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Subscription Information

All prices exclude sales tax

This product, Catalogue no. 87-003-XPB, is published quarterly as a standard printed publication at a price of CDN $13.00 per issue and CDN $42.00 for a one-year subscription.
ISSN 0713-2840

The following additional shipping charges apply for delivery outside Canada:

	Single issue	Annual subscription
United States	CDN $ 6.00	CDN $ 24.00
Other countries	CDN $ 10.00	CDN $ 40.00

This product is also available in electronic format on the Statistics Canada Internet site as Catalogue no. 87-003-XIE at a price of CDN $5.00 per issue and CDN $16.00 for a one-year subscription. To obtain single issues or to subscribe, visit our Web site at: **www.statcan.ca**, and select Products and Services.
ISSN 1209-1340

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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Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Methodology

Canadian Travel Survey

The Canadian Travel Survey (CTS) is conducted as a supplement to Statistics Canada's Labour Force Survey (LFS). The CTS was developed to measure the volume, characteristics and spending of domestic travel, which is defined as same-day or overnight trips to Canadian destinations with a one way distance of 80 kilometres or more from home. The CTS data featured in this article are based on information collected on these trips.

Definitions

The CTS questionnaire includes a question on the kind of activities travellers engaged in during their stay. We identified the bird and wildlife viewers' population by selecting travellers who reported their participation to this activity. It is not known however, the relative importance of this activity in relation to the entire trip.

In this article, Eastern Canada includes: Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island. Western Canada includes: Manitoba, Saskatchewan, Alberta, British-Columbia and the Northwest Territories.

Limitations

In 1998, there were 1,207 Canadians reporting participation to bird and wildlife viewing on the CTS questionnaire.

Prince Edward Island, New Brunswick and the Northwest Territories had insufficient sample size for further provincial analysis.

In this article, the note "data are to be used with caution" is used when the coefficient of variation (CV) of an estimate is between 16.6% and 25.0% at one standard deviation. The concept of CV provides an indication of the magnitude of the sampling variability.

destinations. This is especially important since domestic tourism accounts for 80% of the visitor volume in the country.

However, in order to successfully manage the growth of this market, destination managers should have a good understanding of bird and wildlife viewers so that appropriate tourism development can occur. The following section outlines key characteristics associated with domestic viewing markets as reveal the data derived from the 1998 Canadian Travel Survey.

Characteristics Associated with Canadian Bird and Wildlife Viewers

In 1998, roughly half of domestic bird and wildlife viewers who travelled in Canada were married or had common-law relationships, while the other half were either single or were separated, divorced or widowed. The largest proportions of viewers were from Ontario (43%) and Quebec (22%), followed by British Columbia (12%) and Alberta (12%). Many bird and wildlife observers were Baby Boomers who fell into the 35-54 age groups (32%).

Ontario: The Most Frequented Destination for Viewers

A large proportion (41%) of viewers indicated that their province of destination was Ontario. This should come as no surprise, for Ontario offers a variety of enticing bird and wildlife viewing options. Perhaps one of the most well known viewing opportunities in the province is bird watching at Point Pelee National Park. This park is the smallest national park in Canada, but it offers spectacular viewing of numerous bird species. Each year in May, bird enthusiasts from around the world are encouraged to participate in the Point Pelee Festival of Birds to greet some of these feathered creatures during their migratory journey.

Almost a quarter (23%) of domestic viewers chose Quebec as their province of destination, making it the second most frequented location. Opportunities to view birds and wildlife in Quebec are abundant. Examples include whale, dolphin and porpoise viewing in the Gaspé Peninsula, whale and bird watching in the Manicougan Region, and watching Caribou herds during their migrations in the Nunavik and James Bay Regions[7].

British Columbia: Most Frequented on a Per Capita Basis

Travellers to British Columbia have the opportunity to explore the most biologically diverse set of bird and mammal species in Canada. Approximately 70% of the bird species known to breed in Canada can be found in British Columbia, as can 72% of the country's mammal species[8]. British Columbia's bird and wildlife diversity may give the province a comparative advantage for attracting viewers.

In fact, while British Columbia only ranked as the third most frequented destination for domestic bird and wildlife viewers who travelled in Canada (16% of viewers chose British Columbia as their destination), it ranked as the number one bird and wildlife viewing destination on a per capita basis. Each year British Columbians and other Canadians visit the province to participate in a host of bird and wildlife viewing activities. Some of the better-known activities are whale-watching in Tofino, bald eagle viewing and participation in the annual Bald Eagle Festival in Brackendale, and observing the spawning salmon and sometimes even the grizzly bears that feed on them in many of British Columbia's rivers.

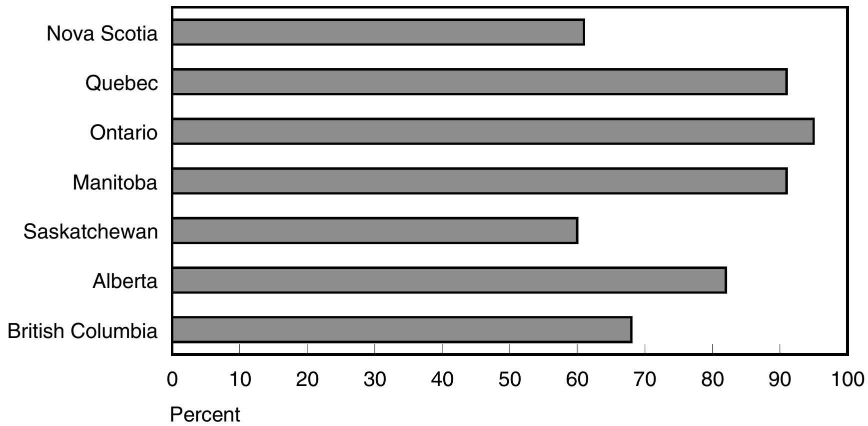
In-Province Travel is Popular

In-province travel (travellers staying within their province of residence) is a very common occurrence for domestic visitors in Canada. This type of travel represents about 80 percent of domestic tourism in the country[9]. It is especially apparent in the adventure tourism sector – almost 89% of adventure travel operators in Canada in 1993 targeted travellers from their own province or territory[10]. In 1998, a large proportion of bird and wildlife viewers took in-province trips (Chart 1). Most notable were viewers from Ontario, 94% of who took their trips within their home province. Additionally, very high proportions of viewers from Quebec (91%), Manitoba (91%) and Alberta (82%) took in-province trips. In

7 Ojori Communication
8 British Columbia Ministry of Tourism
9 Canadian Tourism Commission, November 1, 1999
10 Canadian Tourism Commission, 1995

Figure 1

Share of Intraprovincial Trips for Bird and Wildlife Viewers by Province of Residence, 1998



Source: Canadian Travel Survey

contrast, the majority of viewers from PEI (98%) and New Brunswick (64%) took their trips out of province, mainly to Ontario.

Alberta: Attractive to Neighbouring Provinces

Alberta is not only a popular destination for its own domestic travellers, but it also attracts viewers from British Columbia and Saskatchewan. While the majority of viewers from British Columbia (68%) took in-province trips, about 23%* of them took trips to Alberta. Similarly, although 60%* of viewers from Saskatchewan stayed within their home province for their trips, 36%* of them travelled to Alberta. It is no wonder that these out-of-province travellers are attracted to Alberta, as there are some spectacular viewing opportunities there. For instance, one of the best places in the province to observe wildlife year-round is at Elk Island Provincial Park. The park is densely populated with bird and wildlife species. It is home to approximately 500 plains bison, 400 wood bison, 400 moose and 1,600 wapiti. The park also provides habitats for over 2,000 beavers and over 228 bird species, including red-eyed vireos, least flycatchers, song sparrows, northern saw-whet and great horned owls[11]. The Alberta Rockies also offer excellent bird and wildlife viewing opportunities.

Table 1

Market Segments Trips, 1998

	Total	Overnight Trips	Same-Day Trips
		%	
Non-Viewers	100	56	44
Viewers	100	85	15
Post-secondary certificate/diploma**	100	88	12*
Some post-secondary education and less	100	78	22*

* *Data shoud be used with caution*
** *University degree excluded*
Source: Canadian Travel Survey

Viewers Take Mostly Overnight Road Trips

Almost all of the trips taken by domestic bird and wildlife viewers in 1998 were road trips. A full 93% of viewers indicated that the automobile was the type of transportation used for the longest distance on their trip. Bird and wildlife viewers travelled an average one way distance of over 393 km during their trips, whereas non-viewers only averaged just over 281 km. Additionally, a high proportion (85%) of excursions by viewers were overnight trips compared to 56% for the non-viewers (Table 1). On average, viewers spent 4.2 nights away from home while non-viewers only spent 1.8 nights on their trips.

Those viewers who went on overnight trips tended to have more formal education than same-day travellers. About 64%* of overnight travellers had a post-secondary certificate or diploma, while only 12%* of them had only some secondary education or less. In contrast, 47% of viewers who took same day trips had a post-secondary certificate or diploma or university degree, while 27%* had only some secondary education or less.

A Family-Oriented Activity

Much of the literature related to nature observation has tended to emphasize that bird and wildlife viewing is an activity that is sought out by the aging Baby Boom generation. However, data from the 1998 Canadian Travel Survey indicates that while wildlife viewing is indeed attractive to Baby Boomers (32% of wildlife viewers were travellers between 35-54 years old), it is also important to both younger and older adults. Nineteen percent of viewers were travellers between 20-34 years of age, and 16% were over the age of 55.

Bird and wildlife viewing is quite appealing to younger families. Fifty-eight percent of all viewers indicated that children from their households accompanied them on their trips. Almost half (47%) of these people brought 2 children on their trips. In comparison, the majority (63%)

* Data to be used with caution
[11] Alberta Environment

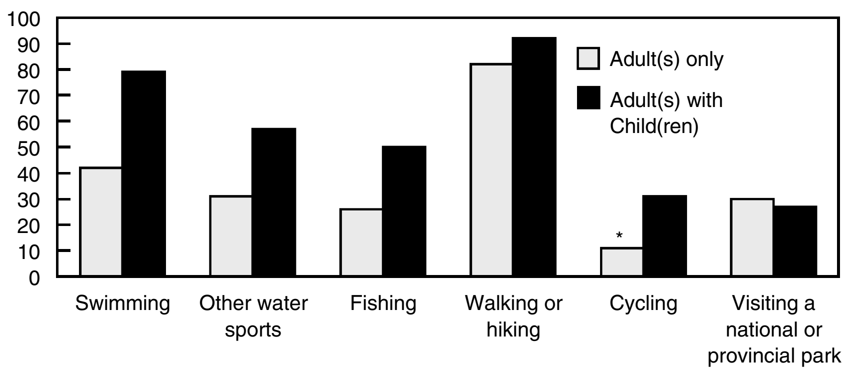
of respondents who did not participate in wildlife viewing indicated that they did not have any children from their households accompany them on their excursions.

Bird and wildlife viewers who travelled without children were generally older than their family-oriented counterparts. In total, 74% of viewers who travelled without children were 35 years or older. About 40% of were between the ages of 35-54, and another 34% were 55 years or older. In contrast, those viewers who travelled with children were generally younger – 40% of them were between 15-34 years old and 53% fell between 35-54 years of age.

There were some noticeable differences between adults who travelled alone compared to those travelling with children. First, those who travelled with children tended to take more summer trips (76%) compared to those who did not take children (58%), perhaps to correspond with the children's summer vacation and possibly to take advantage of the warm weather. In fact, a higher proportion of those who travelled with children tended to participate in outdoor activities that are enhanced by nice weather (Chart 2). Participation in swimming and other water sports was quite high for adults travelling with children (79% and 57% respectively) and was lower for adults travelling alone (42% and 31% respectively). Also, about half of those viewers who brought children on their trips participated in fishing. Only about a quarter (26%) of those who did not bring children went fishing.

Figure 2

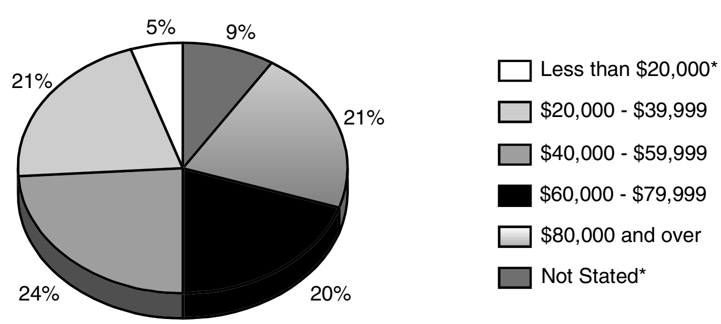
Bird and Wildlife Viewer Participation in Outdoor Activities, 1998



** Data should be used with caution*
Source: Canadian Travel Survey

Figure 3

Income Distribution for Bird and Wildlife Viewers, 1998



** Data should be used with caution*
Source: Canadian Travel Survey

Educated but not Necessarily Wealthy

Bird and wildlife viewers tend to be formally educated. In 1998, 61% percent of Canadian viewers who travelled in Canada were graduates with post-secondary certificates or diplomas, or university degrees. Overnight trips were more popular among viewers who had completed a post-secondary program (88%), and were less for those with only some post-secondary education or less (78%) (Table 1). Of all viewers surveyed, a higher proportion of those who had completed a post-secondary program tended to visit national or provincial parks (34%) compared to those with only some post-secondary education or less (23%).

While many viewers were educated, they were not necessarily wealthy. Since bird and wildlife viewing does not always require a traveller to purchase expensive equipment or to pay lofty participation/entrance fees, it is an activity that can be enjoyed by people within a range of household incomes. In fact, the household income distribution of the domestic bird and wildlife viewer segment was virtually distributed evenly across all income ranges examined in the study (Chart 3), with the exception that few viewers fell into the under $20,000 category.

Summer Months are Favoured

Summers in Canada are generally well suited for outdoor recreation. Temperatures are usually neither too hot nor too cold for most activities. Furthermore, since winter renders some species of wildlife unavailable for observation due to hibernation, and because some forms of wildlife migrate from the south to Canada during the warmer months, summer is an optimal time of the year for bird and wildlife viewing. It should therefore come as no surprise that about 68% of the trips taken by bird and wildlife viewers occurred in the third quarter of the year, between July and September (Chart 4). Trips taken by respondents who did not participate in bird or wildlife viewing, on the other hand, were more spread out throughout the year – only 38% of their trips were taken in the third quarter.

The seasonality of wildlife viewing is more apparent amongst overnight travellers when compared to same-day travellers. In 1998, 71% of overnight trips by wildlife viewers took place in the third quarter, while only 19% took place in the second quarter (April to June). Only 11% of overnight viewers travelled in the first and fourth quarters (January to March, October to December). In contrast, approximately 57% of same-day trips took place in the third quarter, 20% in the second quarter, and 23% in the first and fourth quarters.

Bird and Wildlife Viewers are Active

In addition to watching nature's creatures, viewers also tend to involve themselves in a variety of other outdoor activities. All viewers were involved in sports; 88% indicated that they went walking or hiking, 64% went swimming and 50% went sightseeing. Additionally, 46% of them participated in other water sports, such as kayaking, boating, and scuba diving, 40% went fishing, 28% went to a national or provincial park, and 23% went cycling.

There are, however, a few notable differences in participation incidence between visitors to Eastern and Western Canada. First, 74% of viewers to the West went sightseeing on their trip, while a lower proportion of viewers to Canada East undertook the same activity (39%). Second, 24% percent of viewers who visited Western Canada explored historic sites compared to only 12% of viewers to Eastern Canada. Finally, almost half (47%) of wildlife viewers who travelled to Western provinces but only a fifth (20%) of viewers to Eastern provinces went to a national or provincial park.

Longer Distances, More Nights in the West

There are some additional differences between viewers who visited Western Canada versus those who visited Eastern Canada. For instance, those who took trips to the West tended to travel farther and spend more time on their trips. About 93% of viewers' trips to Western Canada lasted one night or more compare to 82% of trips to Eastern Canada. On average, visitors to Western Canada travelled a one way distance just under 550 km and spent 5.3 nights away from home. In contrast, viewers journeying to Eastern Canada travelled an average distance of just over 321 km and spent 3.7 nights away from home.

Viewers who visited Western Canada also tended to be more family-oriented, with 64% of respondents indicating that children from their households accompanied them. A smaller proportion (55%) of viewers in Eastern Canada had children from their households travelling with them. Seventy-six percent of those viewers who visited Western Canada took their trips in the third quarter, compared to 65% of those who visited Eastern Canada.

Camping is Popular, Especially in Western Canada

Bird and wildlife viewers are often people who enjoy the outdoors. Perhaps this is one of the reasons that camping is the favourite type of accommodation used during their trips – 41% of them indicated camping (including staying in trailer parks) as their main form of accommodation during their trips in 1998. In contrast, only 10% of non-viewers chose camping as their main accommodation type.

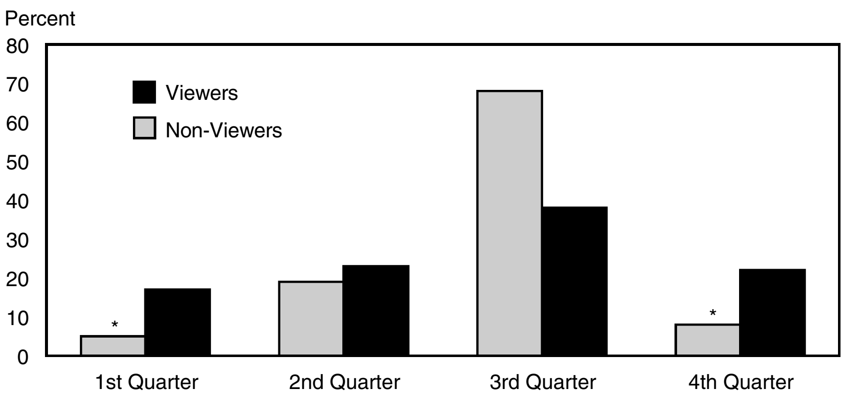
Camping was especially popular for those domestic viewers who visited Western Canada, 48% of whom chose this accommodation type, compared to 37% in Eastern Canada. It was also important to those viewers with families. Forty-three percent of those travelling with their children indicated that camping was their main form of accommodation, while only 23% of those travelling without children camped.

More Cottagers in the East

Cottages were the second most common form of accommodation used by bird and wildlife viewers when travelling in Canada. In 1998, 29% of bird and wildlife viewers indicated that cottaging was their main form of accommodation. Cottaging was more common for those viewers who visited Eastern Canada. About 33% of them indicated that this was their main form of accommodation. In contrast, only 19%* of viewers who travelled to Western Canada chose cottages as their main lodging type.

Figure 4

Distribution of Trips by Quarter, 1998



** Data should be used with caution*
Source: Canadian Travel Survey

So why do more Eastern Canadians favour cabins? The answer may lie in the availability of suitable cottage property. Studies indicate that proximity to water and to urban centres are important determinants for the location of private cottages[13]. In Canada, Quebec and Ontario are home to the largest area of freshwater compared to the remaining provinces[14], and both provinces have larger and more numerous urban centres.

Conclusion

In many regions of the country, large numbers of commercial bird and wildlife viewing operations are beginning to emerge. As Canadians become more concerned for endangered species and their critical habitats, viewing will likely become an increasingly popular tourism activity. It will be important to keep track of the characteristics associated with this tourism market segment so that tourism planners and operators can provide the amenities and services that these travellers require.

This study has revealed several distinct characteristics of Canadian bird and wildlife viewers that may lead to some tourism planning and development considerations. For example, since family participation in bird and wildlife viewing was more prominent in the West, tourism marketers could try to encourage greater family participation in viewing activities in the East. This could possibly be done through innovative marketing in schools or in children's nature magazines.

The majority of viewers from New Brunswick and Prince Edward Island took trips outside their province. These provinces could place more emphasis on promoting primary viewing opportunities in order to attract both in and out-of-province travellers.

Previous studies have indicated that there is a significant proportion of the Canadian population who participate in non-commercial or secondary wildlife viewing. Perhaps future efforts could focus on promoting primary bird and wildlife viewing opportunities to these people. Additionally, since viewing is currently mainly a summer activity, destinations could encourage the development and promotion of off-season viewing opportunities.

Tourism planners and developers could also ensure that infrastructure meets the needs of the different segments of the bird and wildlife viewing travel population. This study has shown that viewers range from children to adults over 55 years old, and that they come from households with a range of incomes. They also tend to camp and participate in several outdoor activities. Tourism infrastructure should therefore be developed keeping these other characteristics in mind.

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[12] Halseth, Greg, 1992
[13] Statistics Canada, 2000

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TRENDS

Characteristics of International Travellers
First quarter 2000

Boosted by the continued strength of American tourism and the growth of tourism from Europe and Asia, international travel to Canada in the the first three months reached the highest first-quarter level in the 26 years that international travel data have been collected.

Canada hosted close to 2.7 million overnight international travellers in first quarter, 5.2% more than in the first quarter of 1999. Seventy-eight percent of them came from the United States.

About 2.1 million Americans visited Canada in the first quarter, 4.5% more than in the first quarter of 1999. Most regions of the country enjoyed increased tourism from the United States.

The Atlantic provinces recorded the largest increase in American visitors (15.9%), followed by Quebec (11.9%), Alberta (8.7%) and Ontario (3.9%). British Columbia saw virtually no change (1.3%).

American overnight travellers injected $953 million into the Canadian economy in the first quarter, 6.7% more than in the first quarter of 1999. They spent about $454 per trip, a 2.1% increase.

Trips by car grew faster than trips by air, a situation not seen since the first quarter of 1997. In the first quarter of 2000, Americans took 1.2 million trips by car, up 7.1% from the first quarter of 1999, compared with 1.6% more air trips. Increases in air travel have generally outpaced the growth in car travel, particularly since the signing of the Open Skies Agreement between Canada and the United States in 1995.

Residents from countries other than the United States took 585,000 trips to Canada in the first quarter, up 7.7% from the first quarter of 1999 and the fifth consecutive quarterly increase. European and Asian markets spurred much of this growth, as the number of travellers from these two areas rose 8.7% and 9.2%, respectively.

The latter increase was the result of a large influx of travellers from Taiwan and South Korea. Traffic from Asian markets has been rising since the first quarter of 1999.

Overseas travel increased to almost all regions in Canada. The Atlantic region recorded the largest percentage increase in overseas visitors (47.7%), followed by Manitoba and Saskatchewan (11.1%). Visits from overseas countries grew 4.5% in Ontario, 3.4% in British Columbia, 2.3% in Alberta, and only 0.3% in Quebec.

Meanwhile, Canadians made 3.2 million overnight trips to the United States in first quarter, up 12.7% from the first quarter of 1999 and the fourth consecutive year-over-year quarterly increase.

In contrast, travel by Canadians to overseas countries declined 3.2% to 1.4 million in the first quarter. This was the third consecutive year-over-year quarterly drop in Canadian travel to overseas destinations.

Visits to Mexico, the most popular overseas destination in the first quarter, reached an all-time high. Canadians made 411,000 visits to Mexico in first quarter, 14.5% more than in the first quarter of 1999. The United Kingdom was the next most popular destination, with 135,000 visits (13.4%).

Top five overseas countries visited by Canadians

	First quarter 1999	First quarter 2000	First quarter 1999 to first quarter 2000
	'000		% change
Mexico	359	411	14.5
United Kingdom	119	135	13.4
Cuba	170	133	-21.8
Dominican Republic	108	120	11.1
France	48	47	-2.1

TRENDS

International Travel Account
Second quarter 2000 (preliminary)

The international travel deficit - the difference between what Canadians spend abroad and foreigners spend in Canada - reached its highest level in two years during the second quarter.

The increase was mostly attributable to a drop in spending by foreigners visiting Canada. Between April and June, foreigners injected $3.8 billion in the Canadian economy, 9.5% less than in the previous quarter. During the same period, Canadian's spending abroad fell 0.4% from the first quarter to $4.4 billion.

This resulted in an international travel deficit of $579 million, up from a revised $201 million in the first quarter.

Spending between Canada and the United States decreases

Americans made 2.5% fewer overnight trips and spent slightly less than $2.2 billion in Canada during the second quarter, down 14.9% from the previous quarter. Canadians decreased their

Note to readers

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

Receipts represent spending by foreigners travelling in Canada, including education-related spending and medical-related spending. Payments represent spending by Canadians travelling abroad, including education-related spending and medical-related spending. Overseas countries are countries other than the United States.

number of overnight trips to the United States by 1.1% and spent just under $2.7 billion, down 3.2% from the previous quarter.

Since the majority of trips between Canada and the United States are made by car, the rise in gas prices may have contributed to the decrease in travel spending between the two countries.

Consequently, the travel deficit with the United States rose from a revised $182 million in the first quarter to slightly less than $478 million in the second quarter.

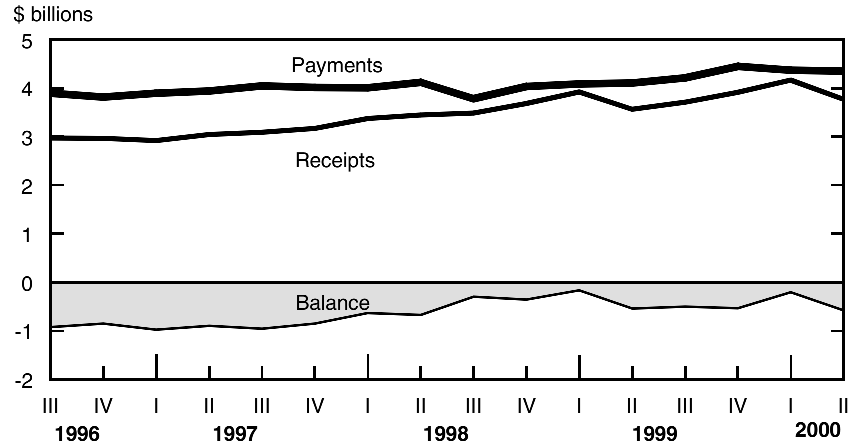
Record spending by Canadians in overseas nations

Canadians increased their number of overnight trips to overseas destinations from the first quarter to the second by 9.0% to a record high of 1.2 million, and increased their spending by 4.5% to a record $1.7 billion. During the same period, overseas residents increased their number of overnight trips to Canada by 1.9% and spent slightly less than $1.6 billion, down 0.7% from the first quarter.

The result was a deficit with overseas nations of slightly less than $102 million, up from a revised $19 million in the first quarter.

The appreciation of the Canadian dollar against most European currencies since the beginning of the year may have contributed to the deterioration of Canada's travel balance with overseas countries.

Decrease in spending by foreigners to Canada brought the travel deficit to its highest level in two years



International travel account receipts and payments

	Second quarter 1999r	First quarter 2000r	Second quarter 2000p
	seasonally adjusted[1]		
	$ millions		
United States			
Receipts	2,149	2,580	2,197
Payments	2,589	2,762	2,674
Balance	-440	-182	-478
All other countries			
Receipts	1,418	1,585	1,574
Payments	1,519	1,604	1,676
Balance	-101	-19	-102
Total			
Receipts	3,567	4,165	3,771
Payments	4,107	4,366	4,351
Balance	-540	-201	-579

r *Revised figures.*
p *Preliminary figures.*
1 *Totals may not add due to rounding.*

TRENDS

Note to readers

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

A technical report on the Travel Price Index is available from the Tourism Statistics Program at (613) 951-1673.

Travel Price Index
Second quarter, 2000

TPI up 4.2% from the same period last year

In the second quarter of 2000, consumers saw a 4.2% increase in the prices of goods and services in the Travel Price Index basket. Most components of the Travel Price Index were up compared to the same of quarter of last year. The advance was led by a rise of 9.6% in the cost of operating automotive vehicles, which in part reflects the increase in gasoline prices. While the cost of gasoline declined in April, it rose in May and June. In the second quarter of 2000, 17.3% of all travel expenditures in Canada went to the use of automotive vehicles.

Since last year, traveller accommodation has risen by 5.0%. Accommodation is the second largest expense for travellers, accounting on average for 18.2 dollars of each hundred dollars spent. During the same period, consumers also saw increases of 3.6% and 2.9% respectively in the costs of local and commuter transportation and inter-city transportation. The costs of local and commuter transportation represent less than 1% of the total travel budget. By contrast, inter-city transportation is the largest expense of travellers, who devoted 20.3% of their travel budget to it in the second quarter of 2000. The increase in the cost of inter-city transportation is the lowest since the second quarter of 1992.

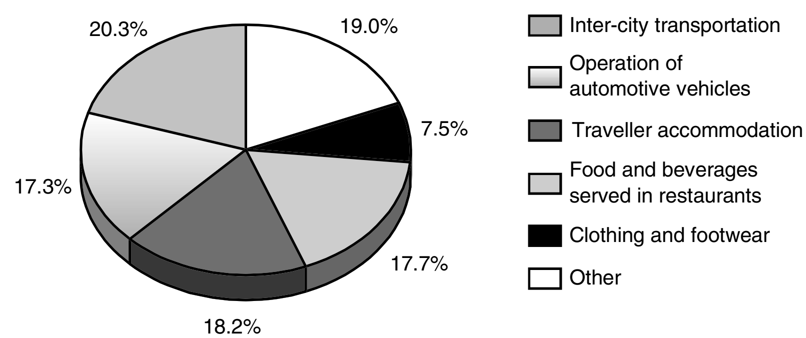
Between the second quarter of 1991 and the same quarter of 2000, the cost of accommodation advanced nearly 36.0%, while the cost of inter-city transportation rose nearly 72.0%. Overall, the TPI increased by 30.6% during the decade, while the CPI grew by 14.8%.

In comparison, the CPI advanced 2.4% in the second quarter of 2000 compared to the same quarter of last year.

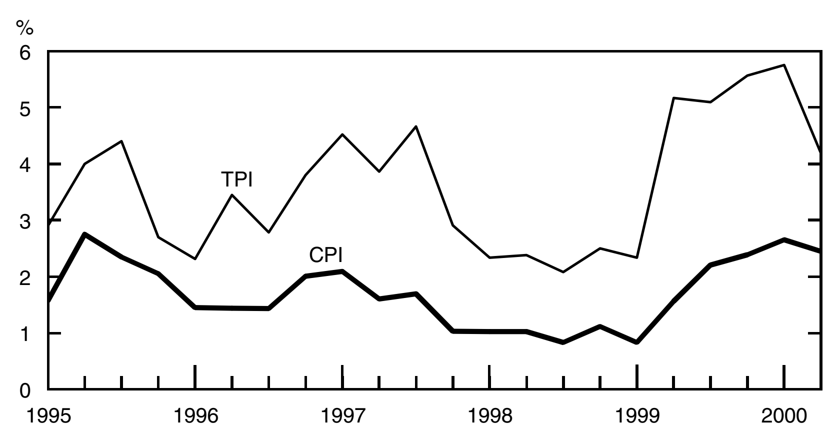
TPI up 3.5% over previous quarter

In the second quarter of 2000, the Travel Price Index grew by 3.5% compared to the previous quarter. The increase is mainly due to the rise in traveller accommodation rates. Accommodation costs were up 13.3% between the first and second quarters of 2000. This increase was due in part to the introduction of higher summer rate resulting from the seasonal increase in the demand for hotel services. From April to May, traveller accommodation rates rose 10.0%,

TPI Weights by Component, Second Quarter 2000



Quarterly Percentage Change in TPI and CPI from Preceding Year



Source: Tourism Statistics Program

primarily because of strong demand, especially in Quebec, Ontario and British Columbia.

After two consecutive quarters of decline, the cost of inter-city transportation was up 4.2% in the second quarter of 2000 compared to the previous quarter.

Only the costs of automotive vehicle rental and clothing declined between the first and second quarters of 2000.

During the second quarter of 2000, the cost of all goods and services included in the consumer price index was up 0.8% compared to the previous quarter.

The Travel Price Index (TPI) and its Components (not seasonally adjusted, 1992 = 100)

Components of the TPI	Second Quarter 2000	% Change First Quarter 2000	% Change Second Quarter 1999
Inter-city transportation	173.6	4.2	2.9
Local and commuter transportation	128.1	1.2	3.6
Rental of automotive vehicles	117.6	-1.3	1.6
Operation of automotive vehicles	127.5	1.8	9.6
Traveller accommodation	135.5	13.3	5.0
Food purchased from stores	111.5	1.5	0.5
Food purchased from restaurants	114.4	0.5	2.1
Served alcoholic beverages	111.1	1.2	2.5
Alcoholic beverages purchased from stores	113.7	0.4	0.9
Spectator entertainment	133.2	0.8	5.1
Clothing	103.8	-1.5	-1.1
Footwear	107.1	2.2	0.0
Clothing accessories and jewellery	101.4	0.6	2.8
Clothing material, notions and services	114.1	0.8	2.2
Medicinal and pharmaceutical products	109.5	0.6	1.4
Personal care	110.1	0.4	1.2
Photographic equipment	93.5	0.4	-2.8
Photographic services and supplies	99.9	0.8	-0.3
Operation of recreational vehicules	117.5	1.0	6.0
Audio discs and tapes	108.9	0.3	2.2
Use of recreational facilities and services	123.8	1.6	2.7
Reading material and other printed matter	126.9	1.5	2.8
Tobacco products and smokers' supplies	76.7	1.5	4.9
Travel Price Index (TPI)	**129.4**	**3.5**	**4.2**
Consumer Price Index (CPI)	**113.0**	**0.8**	**2.4**

Sources: The Consumer Price Index, Cat. No. 62-001-XPB and the Tourism Statistics Program

TRAVEL INDICATORS

		Second Quarter		Percentage Change
		1999	2000	
VISITORS TO CANADA (000s)	**CANSIM**			
From United States	D145002	11,609	11,500	-0.9
One or more nights visits	D146752	3,885	3,938	1.4
- By auto	D145005+D145006	2,421	2,441	0.8
From Overseas	D145024	1,154	1,284	11.2
One or more nights visits	D145764	1,106	1,222	10.5
Top Seven Countries:				
United Kingdom		214	242	13.0
Japan		132	129	-1.6
Germany		107	109	2.1
France		95	94	-1.0
Taiwan		47	51	10.4
Australia		43	49	14.7
Hong Kong		36	41	15.0
CANADIANS OUTSIDE CANADA (000s)				
To United States:	D145035	10,688	10,898	2.0
One or more nights visits	D146777	3,525	3,669	4.1
- By auto	D145038+D145039	1,960	1,959	-0.0
To Overseas (one or more nights)	D145053	949	1,046	10.2
INDUSTRY				
Airline passengers (Level I) (000s)	D462209	6,122	6,438	5.2
Airline passenger-km (Level I) (000,000s)	D462210	16,745	17,589	5.0
PRICES 1992 = 100 (not s.a)				
Travel Price Index	D899726	124.2	129.4	4.2
Consumer Price Index	P100000	110.3	113.0	2.4
- Restaurant meals	P100073	112.1	114.4	2.1
- Inter-city transportation	P100196	168.7	173.6	2.9
- Renting and leasing of automotive vehicle	P100328	115.7	117.6	1.6
- Gasoline	P100182	105.0	130.0	23.8
ECONOMIC				
Gross Domestic Product, 1992 prices (s.a.) (000,000s)	I56001	744,668	779,674	4.7
- Amusement and recreation (000,000s)	I56299	7,795	8,048	3.2
- Accommodation and food services (000,000s)	I56295	19,628	20,043	2.1
Personal disposable income per capita (s.a.)	D14914/D1	19,335	20,345	5.2
LABOUR (000s)				
Labour force (s.a.)	D980562	15,714	15,949	1.5
Unemployed	D980712	1,230	1,062	-13.7
Employed	D980595	14,484	14,886	2.8
- Accommodation and food services (not s.a.)		923	976	5.8
EXCHANGE RATES (in Canadian dollars)				
American Dollar	B3400	1.4728	1.4802	0.5
British Pound	B3412	2.3664	2.2701	-4.1
Japanese Yen	B3407	0.0122	0.0139	13.8
German Mark	B3405	0.7957	0.7071	-11.1
French Franc	B3404	0.2373	0.2108	-11.1

(s.a.) seasonally adjusted.