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Seniors... A market to watch in the next Millennium

by Laurie McDougall

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Highlights:

- Seniors (aged 65 and over) will make up 23% of the Canadian population by the year 2041;
- The share of seniors in the Canadian population will be one of the highest among the industrialized countries;
- The growth in domestic and international trips by seniors over the past decade has outpaced most age groups;
- Research shows that travel participation rates tend to decline among seniors, a challenge for marketers facing an older generation of travellers;
- Seniors account for a disproportionately higher share of overall nights compared to other ages due to their tendency to take longer trips, especially during the winter months;
- Seniors made half of long stay trips (30 or more nights) to the United States in 1998 and 13% of all trips south of the border;
- The states of Washington and Florida continue to be the favourite American destinations for seniors, although the weak performance of the Canadian dollar has caused many seniors to curtail their travel to the United States;
- Seniors are more likely to travel in the off-season when travelling to an international destination;
- Senior women travellers outnumber men by a ratio of 58 to 42.

As the International Year of the Senior Persons winds down, attention on this growing group of consumers will continue well into the next millennium. This event marked the first year that seniors have been recognized by a worldwide designation. And it is no wonder -- the world's

Table 1

Canadian Population Aged 65 and over, 1981 to 2041¹

	Population Aged 65 and over	Proportion of the Population
	000s	%
1981	2,377	9.6
1991	3,217	11.4
1996	3,582	12.1
1998	3,736	12.3
Projections		
2016	5,894	15.9
2021	6,891	17.8
2026	7,997	20.0
2031	8,937	21.7
2036	9,428	22.4
2041	9,670	22.6

¹ Population projections are based on the 1996 Preliminary postcensal estimates

Source: Statistics Canada, Demography Division.

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population is rapidly aging. Over the next few years the proportion of older persons (defined by the United Nations as 60 and over) worldwide will increase from one in 14 to one in four¹.

Canada's theme for the 1999 International Year of the Older Persons (IYOP) is "Canada, a society for all ages". The theme highlights the importance of intergenerational dialogue and cooperation on seniors' issues, the need to involve seniors in decisions, and recognition that seniors play an important and beneficial role in Canadian society. Given the significant role seniors play in the tourism, one of the many initiatives for the IYOP was the creation of a Seniors' Travel Program. The program was aimed at raising awareness about senior friendly travel services and to encourage seniors to travel as an aspect of healthy active living. As part of this program, Air Canada, Greyhound Canada and VIA Rail are offering special senior discounts for those travellers aged 60 and over.

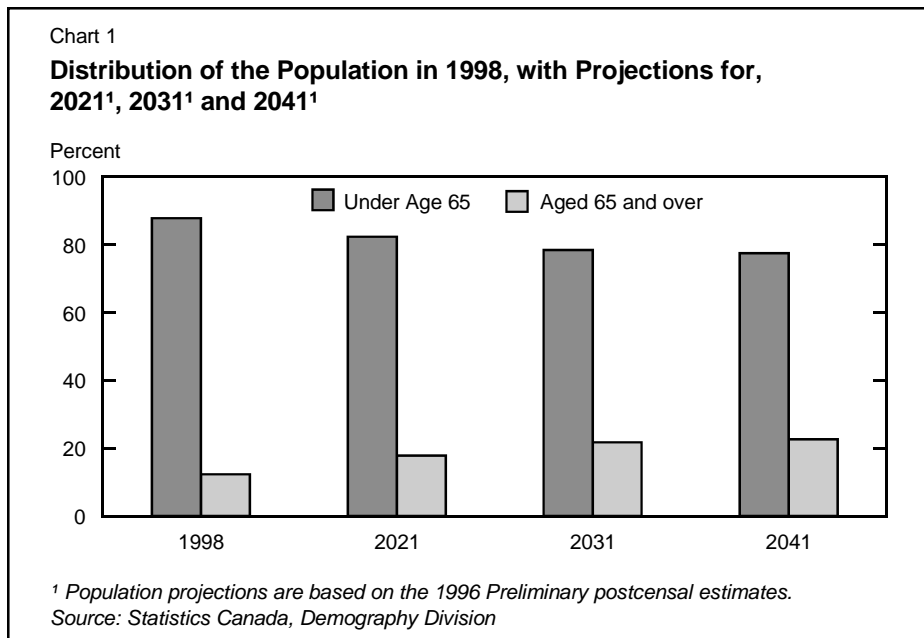
Canada compared to the world

Canada's senior population (defined as aged 65 and over) is among the fastest growing in the world. Despite this

growth, the senior population is still relatively small compared with that of other major industrialized countries. In 1996, for example, 12% of all Canadians were aged 65 and over, compared with 13% in the United States and the Netherlands; 15% in Germany, France and Japan, and Switzerland; 16% in the United Kingdom; and 17% in Sweden and Italy. This situation will change in the next several decades, however, because the number of Canadians nearing the age of 65 is larger than in these other countries. Seniors are projected to make up 18% of the Canadian population by 2021 (Chart 1), compared with only 16% of Americans. By 2031, when the baby boom generation will span the ages of 66 to 86, seniors will represent 22% of the population.

Such a demographic shift will have marked consequences for businesses, services and government organizations responding to their diverse set of needs. Many in the tourism industry have already recognized the importance of this market. But much more will need to be done in the future to fully understand how their changing needs can be addressed. And, although seniors will constitute a

¹ Health Canada, *International Year of the Older Persons Web site: <http://iyop-aipa.ci.gc.ca>.*



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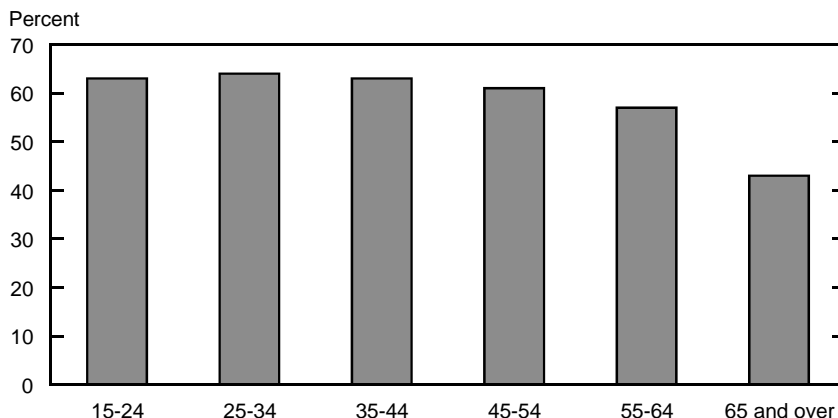


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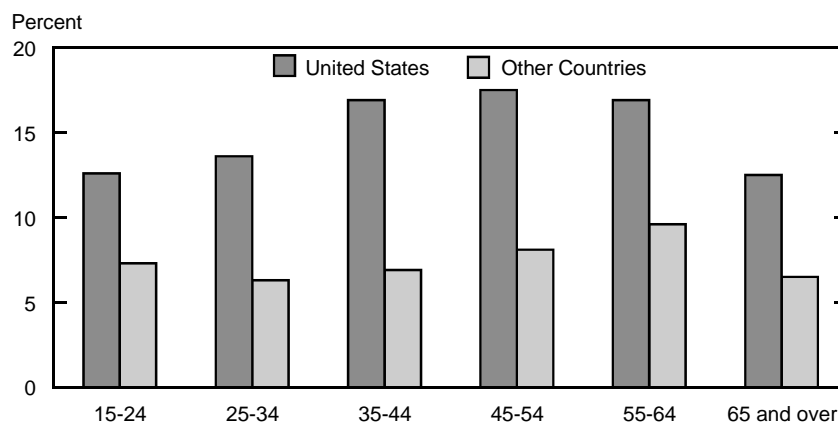
Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Chart 2a

Incidence of Domestic Leisure Travel by Age Groups, 1998

Source: Canadian Travel Survey

Chart 2b

Incidence of International Leisure Travel by Age Groups, 1998

Source: Canadian Travel Survey

rapidly growing population, their propensity to travel decreases with increasing age. Chart 2a shows the drop in domestic travel participation among the 65 and over age group. In 1998, 43% of seniors said they took at least one overnight leisure trip in Canada, compared to a high of 64% among the 25 to 34 age group. The incidence of travel to the United States peaks at 18% among those aged 45 to 54, then declines to 13% among the senior population. Travel propensity to overseas countries is most

prevalent among those aged 55 to 64 (10%), then decreases to 7% among seniors (Chart 2b). Obviously, this presents a challenge for the tourism industry in the next century.

This article is based on the results of the Canadian Travel Survey and the International Travel Survey of Canadians travelling to the United States and Other Countries. For the purposes of this article, seniors were defined as those aged 65 and over.

The size and nature of the senior travel market

In 1998, Canadians of all ages took approximately 92 million overnight trips to a destination in Canada or around the world (Table 2). Seniors accounted for 8% or 7.2 million of these trips, up from 7% in 1990. Their share of domestic travel was lower than their overall share of the population of Canada (12%) in 1998. This is mainly due to the fact that seniors take fewer domestic trips on average compared to all travellers: 1.6 versus 2.6 trips for travellers aged 15 and over. And, as noted above, the incidence of domestic travel drops significantly among the senior population. On the other hand, the proportion of seniors travelling outside Canada reflects their current share of the population (13%). As Chart 3 shows, their share of nights and spending far exceeds their share of trips due to the fact that they stay away more nights on average and therefore have higher expenditures. Furthermore, seniors spent more nights outside Canada in 1998 than they did travelling in Canada: 37.3 million nights outside Canada versus 27.1 million in Canada.

As Table 3 illustrates, their overall growth in international travel over the past decade, particularly to overseas destinations, are especially notable. Between 1990² and 1998 travel to international destinations by seniors grew 5%, however, as with all ages, this was tempered by a dramatic drop in travel to the United States in 1998 due to a weak Canadian dollar. Nonetheless, declines among the seniors market were not as severe as in all other ages. More and more seniors are venturing further afield. Since the beginning of the decade, the number of overseas trips by seniors have almost doubled. This growth far exceeds their increase in the population over the same period. In the next millennium, expansion in international travel will become even more rapid particularly as the older baby boomers enter their senior years.

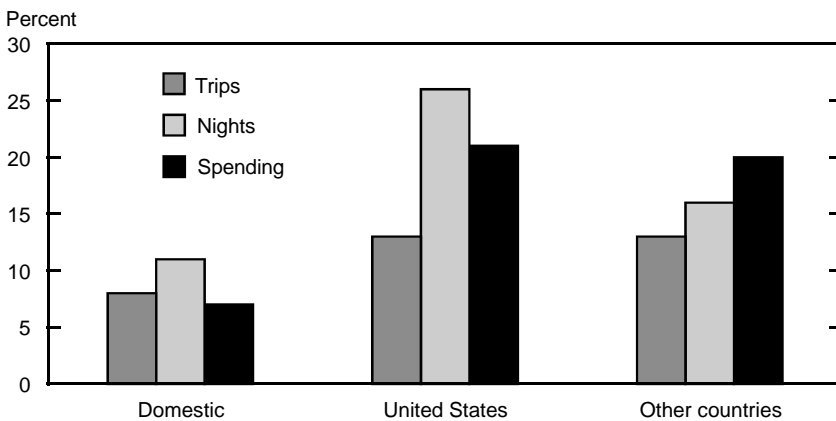
² 1990 was the first year that age was collected on the International Travel Survey.

Table 2
Travel by Seniors Versus All Ages, 1998

	All Ages	Non-Seniors	Seniors	Distribution:		
				All Ages	Non-Seniors	Seniors
				%		
Trips:(000s)						
All Destinations	92,057	84,849	7,208	100	92	8
Canada	74,409	68,566	5,843	100	92	8
United States	13,430	11,700	1,730	100	87	13
Overseas Countries	4,218	3,676	542	100	87	13
Nights:(000s)						
All Destinations	416,982	352,614	64,368	100	85	15
Canada	244,970	217,853	27,117	100	89	11
United States	99,858	73,895	25,963	100	74	26
Overseas Countries	72,154	60,866	11,288	100	84	16
Expenditures:(000,000s)						
All Destinations	29,199	25,602	4,006	100	86	14
Canada	15,352	14,229	1,123	100	93	7
United States	7,923	6,427	1,695	100	79	21
Overseas Countries	5,924	4,946	1,188	100	80	20

Sources: Canadian Travel Survey and International Travel Survey.

Chart 3
Senior Share of Trips and Nights and Spending by Destination, 1998



Sources: International Travel Survey and Canadian Travel Survey

Home sweet home

As with all other ages, travelling in Canada is most common among senior travellers 81% of their trips were to Canadian destinations in 1998. In general, seniors share many of the same travel habits as the overall domestic

travel population. They, like other travellers, prefer to drive their own car, travel predominately in their own province and visit with friends or family. However, seniors are different than other age groups in that they tend to travel for longer periods of time (4.6 nights versus 3.3) (Table 4), travel frequently to visit friends

or family (52% of trips versus 41% for all travellers) and are more likely to travel alone.

Globe trotting seniors

In 1998, seniors took 1.7 million trips to the United States, and stayed 26.0 million nights, just one million fewer than their domestic nights (Table 5). Since seniors are staying in the United States twice as many nights on average, their share of expenditures are also higher. In the United States for instance, they spent \$1.7 billion or 21% of expenditures. Senior's spending per trip averaged \$1,519 versus \$1,187 for other travellers. Senior travel to overseas destinations reveals a similar pattern. In 1998, they represented 16% of nights and 20% of expenditures, but took only 13% of overseas trips. This is explained by their slightly longer stays: 21 nights versus 18 for all travellers.

Seniors, like their younger counterparts, visited the United Kingdom more than any other overseas location (Table 6). In fact, in 1998 two out of every ten overseas visits by seniors were to the United Kingdom. Mexico followed in a distant second place with close to 50,000 visits. Seniors are no doubt attracted to Mexico's warm sunny climate but also the chance to explore a rich culture combined with numerous historical sites, such as ancient Mayan ruins. France and Germany were the third and fourth most popular countries visited by seniors, the same ranking as for all ages. Next on the senior travel destination list was the Netherlands, followed closely by Italy. In comparison, Cuba was the fifth ranked destination for travellers of all ages in 1998.

The state of Washington tops the list of U.S. states visited by seniors in 1998. Florida followed in second place, although ranked in terms of nights, Florida stands out head and shoulders as the favoured destination for seniors as well as all Canadians. New York, a long time favorite among all Canadians, was the top third state visited. Michigan, which is in close proximity for seniors residing in Southwestern Ontario drew 150,000 seniors. Close to 150,000

Table 3
International Trips by Seniors Versus All Ages, 1990 and 1998

	Overnight Trips		Change
	1990	1998	1998\1990
	000s	000s	%
All Ages			
Total International	20,415	17,648	-14
To the United States	17,262	13,430	-24
To Overseas Countries	3,153	4,218	34
Seniors			
Total International	2,175	2,272	5
To the United States	1,869	1,730	-7
To Overseas Countries	305	542	78

Sources: Canadian Travel Survey and International Travel Survey.

Table 4
Domestic Travel by Canadian Seniors Versus All Ages, 1998

	All Ages	Non-Seniors	Seniors
Overnight trips (000s)	74,409	68,566	5,843
Nights (000s)	244,970	217,854	27,116
Expenditures (000,000\$)	15,352	14,229	1,123
Average spending per trip (\$)	206	208	192
Average spending per night (\$)	63	65	41
Average duration (nights)	3.3	3.2	4.6

Source: Canadian Travel Survey.

Table 5
International Travel by Canadian Seniors Versus All Ages, 1998

	All Ages	Non-seniors	Seniors
United States			
Overnight trips (000s)	13,430	11,700	1,730
Nights (000s)	99,858	73,895	25,963
Expenditures (000,000\$)	7,923	6,228	1,695
Average spending per trip(\$)	1,187	1,171	1,519
Average spending per night(\$)	160	179	105
Average Duration (nights)	7.4	6.5	14.5
Overseas Countries			
Overnight trips (000s)	4,218	3,676	542
Nights (000s)	72,154	70,866	1,288
Expenditures (000,000\$)	5,924	4,736	1,188
Average spending per trip(\$)	2,563	2,578	3,133
Average spending per night(\$)	142	148	149
Average Duration (nights)	18.1	17.4	21.0

Source: International Travel Survey.

seniors travelled to Nevada, the well-known gambling destination. Pennsylvania, Maine, Vermont and Oregon received less than 100,000 senior travellers in 1998.

Duration

Since seniors generally have more time on their hands they can often embark on much longer trips, although they tend to take these longer trips outside of Canada. As shown in Table 8, 11% of their trips to the United States and 13% of their overseas trips lasted more than one month. Furthermore, seniors took half of all long stay (30 nights or more) trips by Canadians to the United States in 1998. The majority of these travellers are Snowbirds who travel primarily to the southern states, especially Florida.

Purpose

Friends and family play an increasingly more important role in stimulating domestic travel by seniors. In 1998, over one-half of senior trips were for visiting friends or family (VFR) compared to 42% of trips for all ages. Many of these senior VFR travellers tend to be women (59% versus 41% for men), who are often travelling alone. About one-third of senior domestic trips were for pleasure or holiday reasons. Since the vast majority of seniors are retired, just 4% of trips were business-related (Table 9). When travelling outside the country pleasure is the principal reason cited by seniors, although approximately one-quarter of seniors went to visit friends or family. The distribution of personal and business travel to the United States was similar to domestic travel.

Seasonality

Seniors are often viewed as the salvation of many summer-only tourist resorts, since they are no longer constrained by school holidays³. Travellers can take

³ Travel and Tourism Analyst, *The Seniors Market*, Number 5, 1997.

**Table 6
Top Ten Overseas Countries
Visited by Senior Travellers,
1998**

	Visits	Share
	000s	%
Total all countries	664	100
Top ten countries	394	59
United Kingdom	148	22
Mexico	48	7
France	36	5
Germany	34	5
Netherlands	27	4
Italy	26	4
Ireland	20	3
Switzerland	19	3
Portugal	18	3
Spain	17	3
All Other Countries	270	41

Source: International Travel Survey.

**Table 7
Top Ten US Destinations
Visited by Senior Travellers,
1998**

	Visits	Share
	000s	%
Total United States	2,740	100
Top ten States	1,524	56
Washington	308	11
Florida	249	9
New York	231	8
Michigan	164	6
Nevada	150	6
California	107	4
Pennsylvania	84	3
Maine	78	3
Oregon	77	3
Vermont	76	3
All Other States	1,216	44

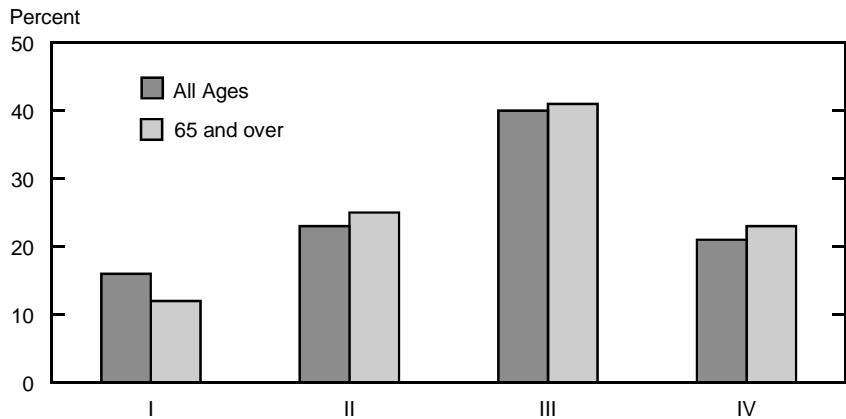
Source: International Travel Survey.

**Table 8
Senior Travel by Duration,
1998**

	Canada	United States	Other Countries
	%		
Total	100	100	100
1-3 nights	64	41	1
4-9 nights	24	30	21
10-16 nights	8	11	34
17-30 nights	3	7	31
31 or more nights	1	11	13

Sources: Canadian Travel Survey and International Travel Survey.

**Chart 4
Distribution of Domestic Travel by Quarter, 1998**



Source: Canadian Travel Survey

**Table 9
Senior Travel by Purpose of
Trip, 1998**

	Canada	United States	Other Countries
	%		
Total	100	100	100
Pleasure	34	61	62
Visiting Friends/ Relatives	52	25	27
Personal	10	10	6
Business	4	4	5

Sources: Canadian Travel Survey and International Travel Survey.

**Table 10
Seasonality of Senior Travel,
1998**

	Canada	United States	Other Countries
	%		
Total	100	100	100
First Quarter	12	23	30
Second Quarter	25	31	29
Third Quarter	41	26	19
Fourth Quarter	22	20	22

Sources: Canadian Travel Survey and International Travel Survey.

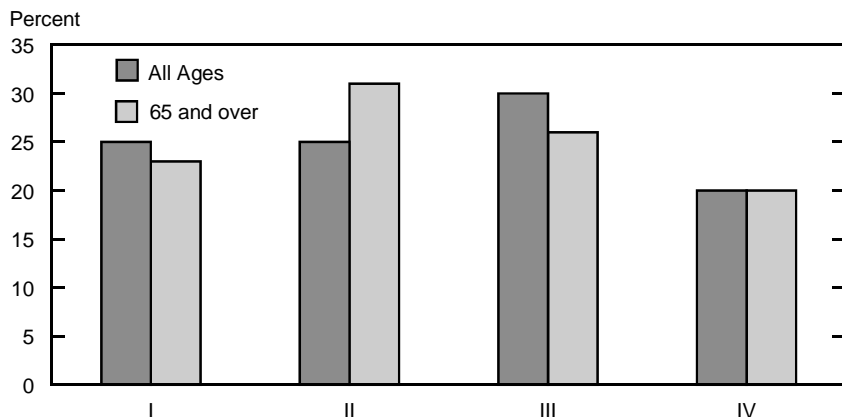
advantage of reduced off-season rates and enjoy travelling during a less busy time of year. Although, as illustrated by Chart 4, the summer quarter remains the preferred travel season for seniors travelling in Canada. In 1998, 41% of their domestic trips occurred in the summer months of July to September (Table 10). On the other hand, seniors take a higher proportion of their overseas trips during the non-peak summer period (Chart 5). This is particularly true for overseas travel where the winter and spring quarters are the most popular travel periods due to the popularity of sun destinations at this time of year.

Transportation

Like most Canadian travellers, getting behind the wheel of their own car is the preferred way to travel to a destination in Canada. This is not too surprising given that over half of seniors living in private households drive. According to the results from the 1996 National Private Vehicle Use Survey, about one-half of seniors reported that they were still driving, especially those living in rural areas: 60% compared with 46% in large urban centres.

Since most domestic travel takes place in their province of residence, only 7% of trips by seniors were by plane.

Chart 5

Distribution of International Travel by Quarter, 1998

Source: *International Travel Survey*

About 5% travelled by bus, which was higher than the share for all travellers (3%). For destinations south of the border, about two-thirds went by car, but there is greater reliance on other modes particularly air travel. In fact, at least two out of ten senior trips south of the border are by plane.

Senior women travellers outnumber men, especially among those seniors travelling to the U.S. where the ratio is 58 to 42 (Table 11). This is generally not the case in all other age groups, where men typically outnumber women. Since women tend to outlive men, their share increases among the older seniors (75 and over). For the tourism industry, this is an important characteristic that will need to be addressed in developing products and services for an aging population.

Seniors generally travel in pairs, although this varies from 59% for domestic destinations to 68% for international destinations. Seniors are more likely to travel alone when going to a domestic destination, although these travellers are usually travelling to visit friends or

family rather than for a holiday. Travel groups consisting of three or more seniors were more common, especially for travel to the United States.

Among the seniors travelling in Canada, 14% were university graduates compared to just 8% of the senior population overall. However, this pattern

Table 11

Characteristics of Senior Travellers, 1998

	Domestic	United States	Other Countries
	%		
Sex:	100	100	100
Women	53	58	56
Men	47	42	44
Party Composition:	100	100	100
Adults Only	99	97	97
One adult	39	10	18
Two adults	59	68	67
Three or more adults	1	19	12

Sources: *Canadian Travel Survey* and *International Travel Survey*.

will change dramatically among future seniors. For example, 21% of domestic travellers aged 55 to 64 reported university education in 1998. This figure climbs to 28% for those aged 35 to 54, the bulk of the baby boom generation. Since the tendency to travel increases with education, seniors in the next century will likely travel more on a per capita basis. A more educated aging consumer may also be more selective and demanding of the travel experiences offered to them in their retirement.

In Summary

As the number of seniors surges in the next millennium, the tourism industry will not be able to ignore this market. This article has presented a summary of the travel patterns of today's seniors. But, will seniors of the next century be similar to seniors of today? Probably not. For one thing, many travellers who will be entering their senior years in the next century will have more travel experience behind them than their older predecessors. This will be particularly true of the baby-boom generation (those born between 1946 and 1965), which will begin entering their senior years starting in 2011. As well, given that the vast majority of women are now in the workforce, when they retire they may have increased financial resources to travel in their retirement. This is especially significant, given that women outnumber men among the senior travel population. The senior in the next century will also have more education credentials than previous generations⁴. All of these factors may result in a higher travel propensity among future seniors, a trend that will bode well for travel in the next millennium.

⁴ *Aging Baby Boomers and What it Means for Domestic Travel in the 21st century*, Travel-log, Vol 17 no 3, Cat. 87-003-XPB.

Quick Facts on Seniors

- Women make up a relatively large share (57%) of the senior population, especially in the very oldest age range (85 and over) where they account for 70%.
- In 1996, about 92% of all people 65 and over lived in a private household.
- Canada's seniors are living longer than ever before. In 1991, a person aged 65 had an average continued life expectancy of 18 years, over one year more than in 1981 and almost five years more than in 1921 to 1941 period.
- On average, seniors have lower incomes than people in most other age groups. Nevertheless, incomes for seniors have risen at a faster rate than other age groups over the past decade and a half.
- Seniors generally have more leisure time than people in younger age groups. In 1992, people aged 65 and over had an average of 7.7 hours of free time each day, two hours more than the 15 to 64 age group. They therefore spend more of their leisure time travelling.
- Seniors are physically active. In 1995, close to 50% of all people aged 65 and over engaged in regular physical activity, while 14% took part in physical activity occasionally.
- In 1996, about one-half of seniors living in private households were driving a car, minivan or truck. Of these drivers, senior men were far more likely to sit behind the wheel than senior women, especially in rural areas.

Sources: Health Canada, Division of Aging and Seniors; Statistics Canada, Transportation Division.

Want to learn more about the Seniors Travel Market?

Pay only \$100 for your copy (Regular price \$350) profiling Travel by Canadian Seniors in 1998 Versus All Age Groups for Travel to:

- *Canadian Destinations* (CTS, product no 87C0035)
- *United States and Other Countries* (ITS, product no 66C0003)

These two Profiles include information of the majority of trip and traveller characteristics asked on the Canadian and International Travel Surveys.



Tourism Statistical Digest

Your essential tool for understanding all facets of tourism in Canada.

Did you know...

- Canada now ranks 8th in the world in terms of tourism arrivals, up from 10th place.
- More and more Americans are choosing Canada as their vacation spot, while the flow of Canadians south of the border recedes.
- Air travel surges in the last half of the decade largely due to the Open Skies agreement. In particular, the domestic charter industry increased almost five-fold so far this decade.
- Hotel and motel occupancy rates and profit margins improved in the later half of the 1990s.
- More than half of Canadian travel agency revenues are generated from the sale of foreign destinations.
- After transportation, the restaurant sector reported the second highest tourism demand with over \$32 billion in revenues.
- If current travel trends with the United States continue, the US travel deficit will reach 0 by the year 2000.

*Find all this and much more in the **Tourism Statistical Digest 1999**, (Catalogue 87-403-XPB \$45 in Canada and US\$45, outside Canada) including over 100 tables and charts highlighting data trends and travel market characteristics.*



A look at Travel Abroad by Canadians Winter 1999

Canadians take fewer overnight trips to the U.S.

Over the first three months of 1999, Canadians travelled 2.9 million times to

visit their southern neighbours, down 5% from the same period one year earlier. Canadian travellers staying one or more nights contributed close to 2.2 billion dollars to the American economy, a drop of 4% from the same months a year earlier. While in the U.S., each Canadian traveller spent approximately \$763 per trip, relatively unchanged from last year.

More business trips

There was a 14% increase in trips primarily for business purposes, whereas trips for pleasure were down by 13% (Table 1). Airplane travel for business purposes increased by 19% from the winter of 1998 to the winter of 1999. Combined with lengthier stays for this type of travel, the result was an increase in expenditures related to business trips,

from \$466 million to \$594 million over the period in question.

Canadians are making shorter visits to the U.S.

The number of trips of 3 to 6 nights' in duration increased sharply. These trips represented 31% of all overnight trips in the first quarter of 1999 compared to 27% in the two previous winters. On the other hand, there was a 17% decrease in trips of 7 to 30 nights' duration from the first quarter of 1998 to the first quarter of 1999. Compared to the winter of 1997, this represents a decrease of nearly 25% in this type of trip.

Also, the breakdown of travellers by age indicates that all Canadians, with the exception of those aged 20-24 and those aged 65-74, travelled to the United States less often in the winter of 1999 than during the winter of 1998.

Table 1

Trips of One or More Nights to the United States by Primary Purpose

	Total	Visiting Friends & Relatives	Pleasure	Business & Convention	Other ¹
	'000				
1 st Quarter:					
1998	3,040	556	1,710	547	227
1999	2,883	520	1,508	625	231
Percentage Change	-5.2%	-6.5%	-11.8%	14.3%	1.8%

¹ This category includes personal reasons and not stated.
Source: International Travel Survey.

More visits to New York

Of the most popular American destinations for Canadian travellers over the winter, only New York recorded a greater number of visitors (Table 2). Despite this growth, there was substantially less spending (17%) in New York due to Canadians staying fewer nights overall in the first quarter of 1999 compared to the first quarter of 1998.

Canadians abandon Florida for other sunspots

Since the peak of 956,000 visits to Florida in the first quarter of 1997, there has been a constant and sizeable drop in the number of visits from one winter to the next. There were 715,000 visits by Canadians to Florida over the winter of 1999, a drop of 11% from a year earlier. Expenditures were down by the same percentage as Canadians spent 6% fewer nights in Florida.

While not the only factor discouraging Canadians from spending time visiting our southern neighbours, the weak Canadian dollar in relation to its American counterpart inevitably results in a desire to seek out other destinations. This change in preference is evidenced by the increased number of visits by

Table 2

U.S. Trips and State Visits by Canadian Residents, One or More Nights, 1998 and 1999, First Quarter

	1998	Share	1999	Share	Change 99/98
	'000	%	'000	%	%
Total One or more Nights Trips:	3,040	100.0	2,883	100.0	-5.2
Selected States Visits ¹ :					
Florida	804	23.5	715	24.8	-11.1
New York	295	10.1	306	10.6	3.7
Washington	266	8.5	258	8.9	-3.0
California	290	8.8	269	9.3	-7.2
Nevada	233	7.2	219	7.6	-6.0

¹ On a trip, Canadians may visit more than one State, therefore the sum of all States Visits will be greater than the total trips.
Source: International Travel Survey.

Canadians to sunshine destinations other than the United States.

A greater number of Canadians travel to countries other than the United States

Canadians took more than 1.4 million trips to overseas countries during the winter of 1999, an increase of nearly 5% over 1998 (Table 3). Expenses incurred during those visits reached \$1.7 billion,

an increase of 9% over the previous year. During that period, Québec residents increased their overseas visits by 20%. However, this is offset by the fact that from the winter of 1997 to the winter of 1998, visits by Quebecers to overseas countries had dropped by 13%, while visits by all other Canadians had increased. During the first quarter of 1999, Ontario residents accounted for 46% of all overseas visits, a similar percentage to a year ago.

Visits by Canadians to Asia increased by 9%, with the number of visits by residents of British Columbia doubling.

Canadians also showed their appetite for change by making 28% more visits to Africa. Twice as many Ontario tourists visited that continent in the first quarter of 1999 as during the same period a year earlier.

Canadians travelled overseas for pleasure more often, while the number of trips taken primarily to visit relatives/friends decreased. The greatest increase in pleasure travel was by Quebecers, who took 39% more pleasure trips. Indeed, during the first quarter of 1999, Québec residents accounted for 24% of all pleasure travel by Canadians, compared to 19% one year earlier.

Lastly, the overall number of trips taken primarily for business purposes was down by 14% for the period in question.

Mexico remains the favourite sunshine destination

The list of sunshine destinations other than the United States has not changed for Canadians. Mexico remains the favourite, followed by Cuba and the Dominican Republic. It is worthwhile noting a sharp increase in the number of visits to Cuba. After two consecutive winters of reduced travel to Cuba – 18% and 21%, respectively – the number of visits to Cuba by Canadians leaped upwards by 90% during the winter of 1999. The Dominican Republic also became much more popular, with the number of visits by Quebecers tripling during the winter months of 1999. In the winter of 1998, 53% of all Canadian visitors to the Dominican Republic were Ontario residents, while 21% were from Québec. A year later, that market was evenly split between Quebecers and Ontarians (45% each).

Overall, there were 439,000 visits by Canadians to the Caribbean, overtaking the number of visits to Europe, which came in at 364,000, down 5% from the first quarter of 1998 (table 4). Visits to France during this period were down by over half, mostly as a result of fewer visits

Table 3

Trips of One or More Nights to Countries other than the United States by Primary Purpose

	Total	Visiting Friends & Relatives	Pleasure	Business & Convention	Other ¹
			'000		
1st Quarter:					
1998	1,395	188	957	186	64
1999	1,461	168	1,061	159	72
Percentage Change	4.7%	-10.6%	10.9%	-14.5%	12.5%

¹ This category includes personal reasons and not stated.
Source: International Travel Survey.

Table 4

Overseas Trips and Region Visits by Canadian Residents One or more nights 1998 and 1999, First Quarter

	1998	Share	1999	Share	Change 99/98
	'000	%	'000	%	%
Total One or more Nights Trips:	1,394.6	100.0	1,460.5	100.0	4.7
Selected Region Visits ¹ :					
Europe:	381.2	27.3	364.1	24.9	-4.5
United Kingdom	114.8	8.2	118.9	8.1	3.6
France	79.1	5.7	47.8	3.3	-39.6
Asia:	201.3	14.4	220.3	15.1	9.4
Central & Other N.Am.:	353.7	25.4	391.1	26.8	10.6
Mexico	332.8	23.9	359	24.6	7.9
Caribbean:	376	27.0	439.5	30.1	16.9
Cuba	89.8	6.4	170.4	11.7	89.8
Dominican Republic	89.1	6.4	108	7.4	21.2
Jamaica	26.2	1.9	26.8	1.8	2.3
South America:	61.1	4.4	60.9	4.2	-0.3
Oceania:	52.5	3.8	43.6	3.0	-17.0

¹ On a trip, Canadians may visit more than one country or region, therefore the sum of all Country Visits will be greater than the total trips.
Source: International Travel Survey.

by Quebecers. The stronger French Franc and, to a lesser degree, the stronger British Pound (graph 1) in relation to the Canadian dollar undoubtedly influenced the choices made by Canadians, who seem to have reacted favourably to the range of all-inclusive packages available to Caribbean destinations.

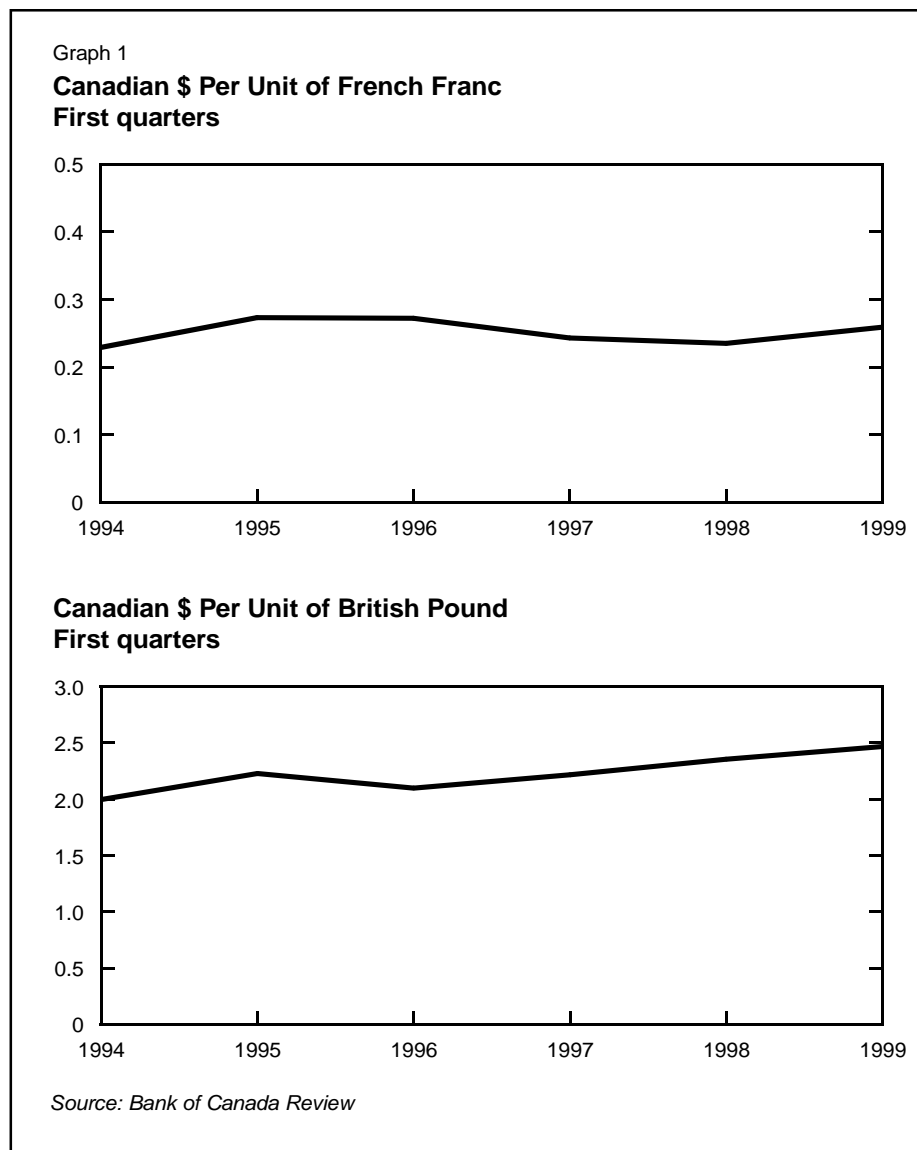
Furthermore, while visits to national and regional parks and historical sites represent only 6% of the activities in which Canadians participate during their trips to overseas countries, this type of activity appears to be becoming more popular. In fact, the number of such visits recorded an interesting 13% increase during the winter months of 1999 over the same period a year earlier.



Characteristics of International Travellers First Quarter 1999

Buoyed by the continued strength of American tourism and the recovery of overseas tourism to Canada, there were over two million overnight trips by international tourists to Canada between January and March 1999, the highest first-quarter level in the 26 years that travel data have been collected.

In total, 2.6 million international tourists made overnight trips to Canada during the first quarter of 1999, up 10.9% from the same quarter in 1998. Overseas travel to Canada expanded a hefty 9.4%, following six quarters of decline. However, the majority, about 2.0 million, came from the United States, up 11.3%,



the highest first-quarter volume ever. The previous first quarter high occurred just last year with 1.8 million trips. A booming U.S. economy, strong American consumer confidence and a cheaper Canadian dollar continued to be key factors in the growth in American tourism in Canada.

Tourism from the United States increased in almost all regions of Canada during the first quarter of 1999. British Columbia recorded the largest increase in American visitors (25.5%), followed by Quebec (20.3%).

American overnight visitors injected almost \$900 million into the Canadian

economy in the first quarter of 1999, up 24.4% over the same period in 1998. They spent about \$445 per trip, an 11.7% increase.

American travellers took more flights to Canada (15.8%), maintaining the trend that began with the implementation of the Open Skies agreement in February 1995. Air travel has climbed steadily from 399,000 trips during the first quarter of 1994 to about 668,000 in the first quarter of 1999. Automobile trips increased 8.8% over the same period.

Visitors from countries other than the United States took 543,000 trips to

Canada between January and March 1999, a 9.4% increase over the same quarter a year ago. This was the first year-over-year quarterly increase in overseas visits since the first quarter of 1997. Overseas visitors spent \$638 million in the first quarter of 1999, 17.3% more than in the same quarter of 1998. Asian travel to Canada expanded a modest 3.9%, the first positive movement in Asian traffic since the winter of 1997. Overnight trips from Europe expanded 9.7%, with most of the gains originating from Canada's traditional markets (the United Kingdom, France and Germany).

Meanwhile, overnight trips by Canadians to the United States declined 5.2% to 2.9 million in the first quarter of 1999, the lowest quarterly level since 1988. This represents the tenth consecutive quarterly decline in Canadian traffic south of the border.

In contrast, Canadians made a record 1.5 million first-quarter overseas trips (4.7%), continuing the growing trend in overseas outbound travel. In the first quarter, sun destinations were particularly popular for Canadians, especially the Caribbean islands, which saw a 16.8% jump in Canadian winter traffic.

than half of this due to the increase in the travel deficit between Canada and the United States. The second quarter deficit is still well below the most recent deficit peak of \$961 million in the third quarter of 1997.

From April to June, Canadians spent \$392 million more outside the country than foreigners spent here, up from \$160 million in the first quarter of 1999.

In total, Canadians spent \$4.1 billion outside the country during the second quarter of 1999, up 0.1% from the previous quarter. Meanwhile, foreigners spent \$3.7 billion in Canada, down 5.7% from the first three months of 1999.

Deficit increased between Canada and the United States

American travellers spent slightly less than \$2.4 billion in Canada from April to June 1999, down 3.3% from the first quarter of the year. At the same time, Canadian spending south of the border increased 3.5% to just under \$2.6 billion.

The result was a deficit with the United States of \$216 million in the second quarter of 1999, up from \$47 million in the previous quarter and back to the level set in the fourth quarter of 1998.

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 and medical-related spending. Payments represent spending by Canadians travelling abroad, including both education-related and medical-related spending.

Overseas countries are countries other than the United States.

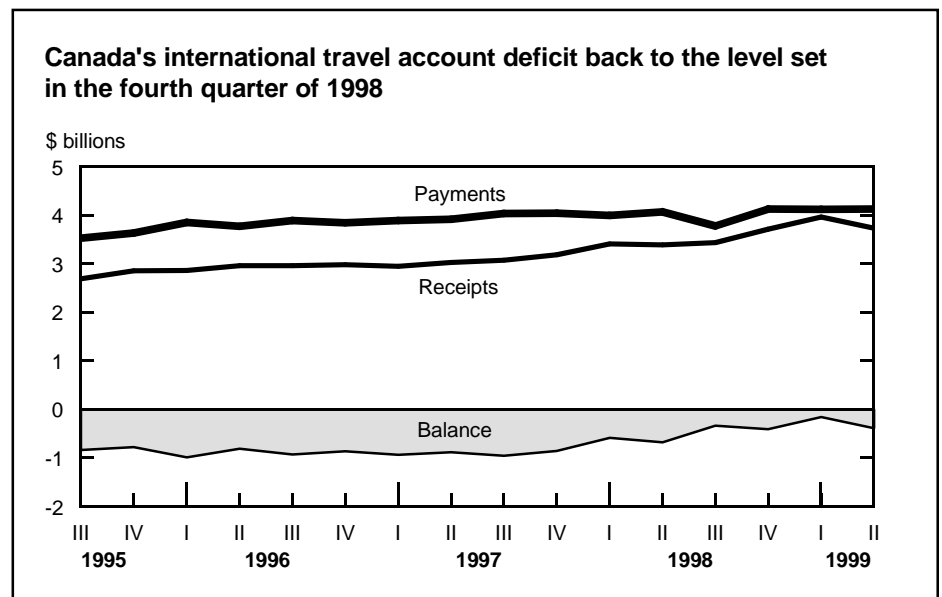
The appreciation of the Canadian dollar against the American currency during the second quarter of 1999 is one factor that may have contributed to the deterioration of Canada's travel balance with the United States. The Canadian dollar gained 3.0% over the American dollar between the first and second quarter of 1999, from an average of US\$0.66 in the first quarter to an average of US\$0.68 in the second quarter.

With the appreciation of the Canadian currency against the American dollar, Canadians increased their trips and spending south of the border. Canadians made 1.7% more trips to the United States during the second quarter



International Travel Account Second Quarter 1999 (preliminary)

The international travel account deficit more than doubled from the first quarter to the second quarter of 1999, with more



of 1999 and increased their spending by 3.5% over the previous quarter. Meanwhile, Americans took 2.3% more trips this side of the border and decreased their spending by 3.3% from the first three months of 1999.

Decrease in spending between Canada and overseas nations

During the second quarter of 1999, Canadians spent more in overseas countries

than residents of these countries spent in Canada. The result was a deficit of \$176 million, up from \$113 million in the previous quarter.

Spending by overseas residents travelling to Canada was down 9.7% from the previous quarter to just under \$1.4 billion, back to the level set in the fourth quarter of 1998. Canadian spending in countries other than the United States declined 5.1% from the first three months of 1999 to \$1.5 billion.

The decrease in spending between Canada and overseas countries might be explained by a decrease in the number of trips between these destinations. In the second quarter of 1999, overseas residents made just under 1.1 million trips to Canada, down 3.7% from the previous quarter. Meanwhile, Canadians travelled to overseas destinations on 1.1 million occasions, down 1.4% from the first quarter of 1999.

International travel account receipts and payments								
	First quarter 1998 ^r	Second quarter 1998 ^r	Third quarter 1998 ^r	Fourth quarter 1998 ^r	First quarter 1999 ^r	Second quarter 1999 ^p	1997 ^r	1998 ^r
seasonally adjusted ¹								
\$ millions								
United States								
Receipts	2,101	2,064	2,143	2,342	2,443	2,362	6,921	8,650
Payments	2,498	2,591	2,278	2,519	2,490	2,577	10,259	9,885
Balance	-397	-526	-136	-177	-47	-216	-3,337	-1,235
All other countries								
Receipts	1,306	1,320	1,290	1,369	1,515	1,368	5,300	5,285
Payments	1,497	1,476	1,493	1,603	1,628	1,544	5,613	6,070
Balance	-191	-156	-203	-234	-113	-176	-313	-785
Total								
Receipts	3,407	3,385	3,433	3,711	3,958	3,730	12,221	13,935
Payments	3,995	4,067	3,772	4,121	4,118	4,122	15,871	15,955
Balance	-588	-682	-339	-411	-160	-392	-3,651	-2,020
unadjusted ¹								
\$ millions								
United States								
Receipts	1,149	2,200	3,734	1,568	1,369	2,473	6,921	8,650
Payments	2,909	2,795	2,155	2,026	2,875	2,802	10,259	9,885
Balance	-1,760	-595	1,579	-459	-1,506	-328	-3,337	-1,235
All other countries								
Receipts	820	1,371	2,100	994	929	1,421	5,300	5,285
Payments	1,621	1,400	1,657	1,392	1,779	1,454	5,613	6,070
Balance	-801	-28	443	-399	-849	-33	-313	-785
Total								
Receipts	1,968	3,571	5,834	2,561	2,298	3,894	12,221	13,935
Payments	4,530	4,195	3,812	3,419	4,653	4,256	15,871	15,955
Balance	-2,562	-623	2,022	-857	-2,355	-362	-3,651	-2,020

¹ Data may not add to totals due to rounding.
^r Revised figures.
^p Preliminary figures.



Domestic Travel First quarter 1999

Canadians made 29.5 million trips within Canada in the first quarter of 1999 and spent \$3.6 billion on these trips. Compared with the same period last year, the number of trips advanced 13.7% while expenditures increased 6.0%. Both same-day trips (13.9% to 16.3 million) and overnight trips (13.5% to 13.2 million) contributed to this upward trend. During the overnight trips, 37.0 million nights were spent in all types of accommodation, up 11.4% compared with the first quarter last year. These increases coincided with an 11% decline in the number of Canadians going to the United States as well as good economic conditions in Canada and relatively low inflation of 3% for travel prices.

Note: Domestic travel is defined as any trip of 80 kilometers or more one way, taken by Canadian residents and having a Canadian destination.

Of the 29.5 million trips recorded in the first quarter, 10.9 million were taken to visit friends or relatives, 9.6 million for pleasure, 4.7 million were for business and conventions and 4.3 million for personal reasons. All these categories of trips increased compared with the same quarter last year, with the largest advance posted in the pleasure (21.2%) trip category.

Canadians travelling outside their own province accounted for 3.5 million trips or just more than 1 trip out of 10 in

the first quarter of 1999. However, the money spent on these trips totalled \$1.5 billion, which represented 40% of total travel expenditures in the first quarter. Average expenditures for inter-provincial trips were \$413 per person and \$111 per person each night with an average distance travelled of 854 kilometres.

Various statistical profiles and micro-data files are available on request.



Travel Price Index Second quarter 1998

The TPI rises 4.8% from the same period last year

In the second quarter of 1999, travellers experienced a 4.8% hike in the cost of goods and services in the Travel Price

Note to readers

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

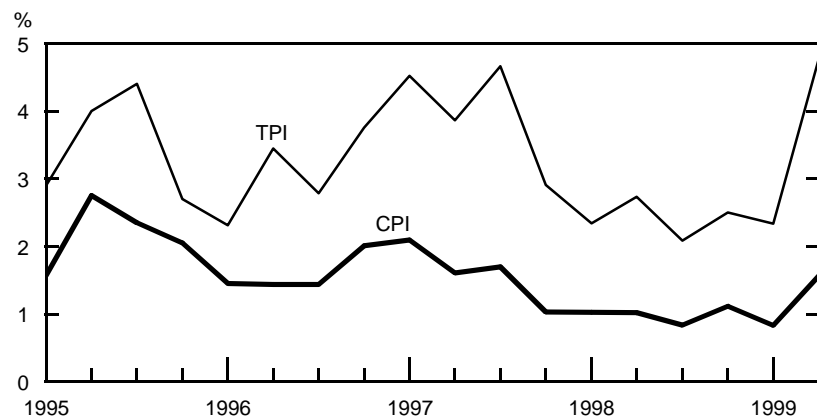
A technical report on the Travel Price Index is available from the Tourism Statistics Program at (613) 951-1673.

Index basket compared to the same quarter a year ago. This increase was led by a rise of nearly 14% in the cost of inter-city transportation, reflecting higher gas prices and airline rates. Inter-city transportation is by far the largest cost for travellers in Canada. Indeed, 23% of the overall travel expenditures are spent on this single item. A major fluctuation in prices in this area therefore has a greater impact on the TPI variation overall and on the traveller's pocketbook than would be the case for a service which is used much less by travellers.

The three other types of services on which travellers spend the most money are: food and beverages consumed in restaurants and bars; the use of motor vehicles; and accommodations. The average traveller spends 17% of his budget on each of these services.

The price of all elements of the TPI rose in the second quarter of 1999

Quarterly percentage change in TPI and CPI from preceding year



Source: Tourism Statistics Program

compared to the same quarter in 1998, except for photographic equipment, which dropped by 3.4 %.

As a comparison, in the second quarter of 1999 the TPI was up 1.6% from the same quarter last year.

The TPI rises 5.0 % from the preceding quarter

In the second quarter of 1999, the Travel Price Index rose 5.0% from the preceding quarter. This TPI increase is mainly due

to the increase in accommodation costs for travellers. Between the first and the second quarter of 1998, accommodation costs increased by 15.8 %, due to the usual high demand during the summer holiday period. Also, the hotel sector is still reaping the benefits of the weak Canadian dollar, which attracts visitors from the United States, and is also taking advantage of the strength of the North American economy.

In the second quarter of 1999, inter-city transportation costs rose 7.4% from the previous quarter. This rise is partly due to the hike in airline rates. Costs related to the use of motor vehicles also increased by 4.4 %.

Only a few components went down in price, and these decreases were very minimal.

Over the second quarter of 1999, the cost of all goods and services recorded by the consumer price index was up 1.0% from the previous quarter.

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

Components of the TPI	Second Quarter 1999	% Change	
		First Quarter 1999	Second Quarter 1998
Inter-city transportation	168.7	7.4	13.6
Local and commuter transportation	123.7	0.8	2.1
Rental of automotive vehicles	115.7	-1.1	2.4
Operation of automotive vehicles	116.3	4.4	2.5
Traveller accommodation	129.0	15.8	5.0
Food purchased from stores	111.0	0.3	0.3
Food purchased from restaurants	112.1	0.6	1.9
Served alcoholic beverages	108.4	0.7	1.0
Alcoholic beverages purchased from stores	112.7	0.4	0.4
Spectator entertainment	126.7	0.7	4.5
Clothing	105.0	-0.1	1.6
Footwear	107.1	1.9	2.0
Clothing accessories and jewellery	98.6	1.0	1.3
Clothing material, notions and services	111.6	0.0	1.5
Medicinal and pharmaceutical products	108.0	0.8	2.4
Personal care	108.0	-0.1	1.0
Photographic equipment	96.2	0.4	-3.4
Photographic services and supplies	100.2	-0.1	1.5
Operation of recreational vehicles	110.8	3.3	1.9
Audio discs and tapes	106.6	-0.9	0.0
Use of recreational facilities and services	120.6	1.7	2.8
Reading material and other printed matter	123.5	1.2	2.0
Tobacco products and smokers' supplies	73.1	1.1	2.2
Travel Price Index (TPI)	124.2	5.0	4.8
Consumer Price Index (CPI)	110.3	1.0	1.6

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



	Second Quarter		% Change
	1998	1999	
VISITORS TO CANADA (000s)			
From United States	11,047	11,609	5.1
One or more nights visits	3,850	3,974	3.2
- By auto	2,367	2,421	2.3
From Overseas	1,152	1,154	0.2
One or more nights visits	1,080	1,106	2.4
Top Seven Countries:			
United Kingdom	216	214	-0.9
Japan	129	132	2.3
Germany	101	107	5.9
France	96	95	-1.0
Taiwan	36	47	30.6
Australia	42	43	2.4
Hong Kong	41	36	-12.2
CANADIANS OUTSIDE CANADA (000s)			
To United States:	11,622	10,688	-8.0
One or more nights visits	3,531	3,525	-0.2
- By auto	2,034	1,960	-3.7
To Overseas (one or more nights)	927	949	2.4
INDUSTRY			
Airline passengers (Level I) (000s)	6,433	6,122	-4.8
Airline passenger-km (Level I) (000,000s)	16,614	16,745	0.8
PRICES 1992 = 100 (not s.a.)			
Travel Price Index	118.1	124.2	5.2
Consumer Price Index	108.6	110.3	1.6
- Restaurant meals	110.0	112.1	1.9
- Inter-city transportation	148.5	168.7	13.6
- Renting and leasing of automotive vehicles	113.0	115.7	2.4
- Gasoline	100.2	105.0	4.8
ECONOMIC			
Gross Domestic Product, 1992 prices (s.a.) (000,000s)	715,456	738,972	3.3
- Amusement and recreation (000,000s)	7,693	7,952	3.4
- Accommodation and food services (000,000s)	18,594	18,498	-0.5
Personal disposable income per capita (s.a.)	18,233	18,580	1.9
LABOUR (000s)			
Labour force (s.a.)	15,575	15,914	2.2
Unemployed	1,307	1,272	-2.7
Employed	14,268	14,642	2.6
- Accommodation and food services (not s.a.)	909	927	2.0
EXCHANGE RATES (in Canadian dollars)			
American Dollar	1.4467	1.4728	1.8
British Pound	2.3927	2.3664	-1.1
Japanese Yen	0.0107	0.0122	14.3
German Mark	0.8069	0.7957	-1.4
French Franc	0.2407	0.2373	-1.4
<i>(s.a.) seasonally adjusted.</i>			