

A focus on the markets that the CTC and its partners are active in

April 2007

Volume 3, Issue 04

## key highlights

Following strong growth in March 2007, overnight trips from CTC's key overseas markets decreased (-3.1%) in April. Notable is Australia with an impressive growth rate of 13.6%.

Driven by a decline in automobile trips to Canada, arrivals from the U.S. fell 11.8% in April 2007.

Most recent data shows Canadian occupancy rates increased slightly (+0.7 percentage point) to reach 54.9%.

## tourism review

### International trips

- This month, international travellers made a million overnight trips to Canada, a decline of -9.3% over April 2006.
- Year-to-date, total international visits to Canada declined 5.1%. While the U.S. declined 8.1%, Canada's key overseas markets posted an increase of 4.2%.
- Trips by non-US countries increased for the fifth consecutive year (+3.9%) to reach 0.9 million trips in Jan.-Apr. 2007, accounting for 27% of total international trips to Canada.
- With the exception of the Asia region (-0.3%), Canada saw increases from all other overseas regions in Jan.-Apr. 2007.

### United States

- In April 2007, overnight trips from the US reached 733,374, a decline of 11.8%. Both automobile trips (-12.5%) and non-automobile trips (-10.7%) contributed to the slowdown.
- For the period Jan.-Apr. 2007, US visits fell 8.1% below the same period in 2006 - Non-automobile trips decreased 5.9% and automobile trips fell 9.6%.

## Overnight Trips to Canada

	April 2007	07/06 Apr % Change	Jan-Apr 2007	Year-to-date % Change
<b>United States</b>				
Automobile	443,667	-12.5	1,480,499	-9.6
Plane	233,610	-9.5	873,213	-4.3
Other	56,097	-15.2	165,508	-13.4
<b>US Total</b>	<b>733,374</b>	<b>-11.8</b>	<b>2,519,220</b>	<b>-8.1</b>
<b>Europe/Latin America Key Markets</b>				
France	20,681	3.5	81,190	6.5
Germany	14,752	-4.8	52,639	5.0
UK	50,344	-7.1	192,139	4.2
Mexico	18,229	-4.9	55,381	18.0
<b>Asia/Pacific Key Markets</b>				
China	9,216	4.7	31,907	10.7
Japan	22,071	-9.3	78,991	-11.8
South Korea	11,711	1.7	47,883	8.0
Australia	11,641	13.6	42,985	9.2
<b>Overseas Key Markets</b>	<b>158,645</b>	<b>-3.1</b>	<b>583,115</b>	<b>4.2</b>
<b>As % of Key Markets and US</b>	<b>17.8</b>		<b>18.8</b>	
Other Overseas Countries	108,605	0.3	359,204	3.5
<b>Total Non-US Countries</b>	<b>267,250</b>	<b>-1.8</b>	<b>942,319</b>	<b>3.9</b>
<b>Total International Countries</b>	<b>1,000,624</b>	<b>-9.3</b>	<b>3,461,539</b>	<b>-5.1</b>

Note: Statistics Canada preliminary estimates.  
 Source: Statistics Canada, International Travel Survey.

## Overnight Trips by Canadians

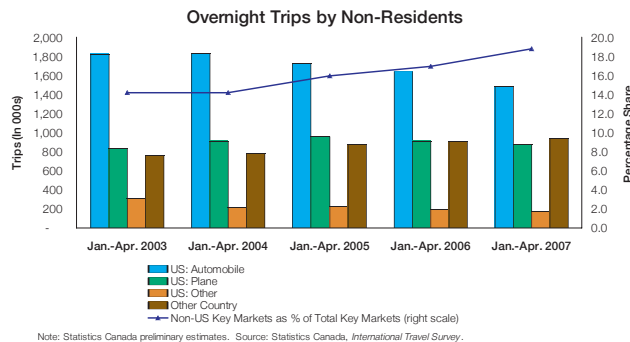
	April 2007	07/06 Apr % Change	Jan-Apr 2007	Year-to-date % Change
United States	1,487,732	3.1	5,186,132	4.3
Other Countries	692,126	8.4	3,152,922	10.7
<b>Total Trips from Canada</b>	<b>2,179,858</b>	<b>4.7</b>	<b>8,339,054</b>	<b>6.6</b>

Note: Statistics Canada preliminary estimates.  
Source: Statistics Canada, International Travel Survey.

- Year-to-date, US trips to Nova Scotia, Alberta, and the Yukon posted gains of +26.1% (or 2,343 trips), +7.3% (or 8,371 trips), and 4.4% (or 350 trips), respectively, while U.S. trips to all other provinces decreased.

### Overseas Key Markets

- In the month of April, 4 overseas key markets posted increases (Australia, +13.6%; China, +4.7%; France, +3.5%; and South Korea, +1.7%) while the other 4 markets posted declines (Japan, -9.3%; the UK, -7.1%; Mexico, -4.9%; and Germany, -4.8%).
- Year-to-date, overnight trips from overseas key markets increased 4.2% to reach a new high of 0.6 million visits.
- For the Jan.-Apr. period, 7 of the 8 overseas key markets posted increases over the previous year. Notable, Mexico, China, and Australia posted the highest growth rates (+18.0%, 10.7%, and 9.2% respectively). Japan posted a decline of -11.8%.



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey.

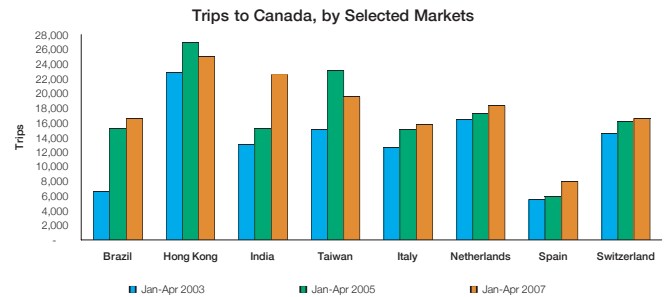
### Share of Entry

- Year-to-date, overnight trips from the U.S. totaled 2.5 million, accounting for 81% of the total visitors from our key markets (73% of all visitors to Canada). 48% were automobile trips, 28% were plane trips, and 5% were other non-automobile trips.
- Visitors from our key Europe/Latin America markets totaled 381,349, accounting for 12% of the total. Notable, trips from the UK and France accounted for 6% and 3%, respectively, of the total.
- 201,766 visitors from Asia/Pacific key markets visited Canada, accounting for 7% of total tourists from overseas key markets. Japan accounted for 3% of the total and South Korea accounted for 2% of the total.

- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a new high of 18.8% in Jan.-Apr. 2007 -- up from 17.0% in 2006 and 14.1% in 2003.

### Market Watch

- This month, India, Italy, and Brazil posted double-digit growth rates (+23%, +22%, and 11%, respectively). Hong Kong posted a double-digit decline of 19%.
- Year-to-date, 4 of the 8 markets posted increases over 2006 - Italy (+18%), Spain (+17%), India (+15%), and Switzerland (+4%). Taiwan (-13%), Hong Kong (-3%), Brazil (-2%), and the Netherlands (-2%) posted declines over Jan.-Apr. 2006.
- Compared to Jan.-Apr. 2003, trips from Brazil posted the largest growth rate (148% or +9,837 overnight trips), followed by India (74% or +9,609 trips).
- Compared to Jan.-Apr. 2005, trips from India posted the largest growth rate (+48% or +7,286 trips), followed by Spain (+36%, or 2,111 trips).



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, International Travel Survey.

### Canadian Outbound Trips

- Canadian outbound travel continued to increase in April 2007 (+4.7%), though at a slightly slower rate than the previous month (+7.1%).
- Year-to-date, Canadian trips abroad increased 6.6%. Trips to non-US countries increased almost 2.5 times faster than trips to the U.S.
- Year-to-date, international visits by Canadians fell from P.E.I. (-42.9%), Newfoundland (-32.5%), and the Yukon (-24.2%), but increased from all other provinces - In particular, Alberta posted the highest growth rate (+21.6%), followed by Saskatchewan (+17.7%).

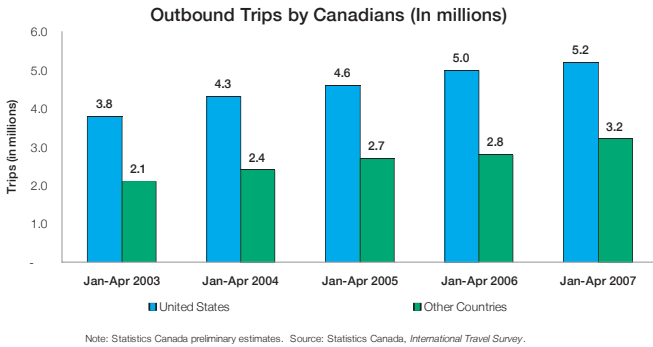
consumer outlook

Consumer Confidence

**CANADA:** Following an increase in March 2007, the Canadian consumer confidence fell 1.1 percentage points in April 2007 to reach 98.8. In the same month last year, the Canadian consumer confidence index had reached 124.4.

**UNITED STATES:** The US consumer confidence fell for the second consecutive month in April 2007 (down 4.2 percentage points to reach 104.0). The confidence index is down 5.6 points compared to April 2006.

Sources: *The Conference Board (USA), and the Conference Board of Canada.*



competitive review (Jan.-Feb. 2007)

- In the first two months of 2007, Canada posted a decline in international arrivals (-4%), while both the U.S. and Australia posted increases (7% and 2% respectively).
- Australia saw declines in 3 key markets -- Japan (-16%), Canada (-4%), and the U.S. (-1%). Growth particularly from China and South Korea offset the declines.
- The U.S. experienced double-digit growth rates in 5 of the 8 key markets -- Mexico (22%), China (20%), France (16%), South Korea (11%), and Australia (10%). For the second consecutive month in 2007, the U.S. has experienced declines from Japan (-7%) and the UK (-1%).
- Notable, is the German market which posted a higher growth rate in Canada than the U.S. or Australia. Compared to Australia, Canada also saw stronger growth in arrivals from France, the U.K., and South Korea.

International Travel, January - February 2007 (In 000s)

Trips from:	Trips to:					
	Canada		United States		Australia	
	#	07/06 % Change	#	07/06 % Change	#	07/06 % Change
Total International	1,528	-4	5,923	7	973	2
United States	1,110	-7	...	...	80	-1
Other Key Markets						
France	42	6	115	16	13	3
Germany	24	8	168	4	30	1
United Kingdom	86	6	524	-1	147	1
Mexico	21	21	768	22	...	...
China	15	16	80	20	83	22
Japan	32	-17	552	-7	105	-16
South Korea	24	8	137	11	53	6
Australia	22	6	87	10	...	...
Canada	...	...	2,126	5	24	-4
Total Key Markets	1,375	-5	4,557	5	535	0

...Not applicable or data not available. Note: 1. US figures for China includes Hong Kong, SAR; US figures for Mexico include arrivals to interior only. 2. Statistics Canada preliminary figures. Sources: Statistics Canada (preliminary statistics); Australian Bureau of Statistics; and ITA, Office of Travel and Tourism Industries (USA).

accommodations

Canadian Occupancy Rates, By Province

In April 2007, occupancy rates in Canada increased slightly (+0.7 percentage point) over the same month last year. Newfoundland posted the highest occupancy rate, followed by Alberta.

Year-to-date, Canada's occupancy rate increased for the third consecutive year (+0.3 percentage points in Jan.-Apr. 2007). Despite a decline in occupancy (-1.5 percentage points), Alberta posted the highest occupancy rate (64.6%), followed by Manitoba (58.8%).

As of April 2007, the number rooms available in Canada increased 6.0% over the same period last year. The Northwest Territories, Alberta, and P.E.I. experienced the largest growth rates.

Year-to-date, the average room rate in Canada was \$106.62, up from \$100.74 in Jan.-Apr. 2006 (+5.8%). Alberta posted the highest rate (\$116.24), followed by Ontario (\$110.89) and B.C. (\$106.84), while P.E.I. posted the lowest rate (\$61.38).

The national average room revenue per available room (RevPAR) was \$55.87 in April, year-to-date. Alberta posted the highest RevPAR (\$75.09), followed by B.C. (\$59.51), and Ontario (\$58.00). P.E.I. posted the lowest RevPAR (\$22.96).

	Apr-07	07/06 Change ^	Jan-Apr 2007	Year-to-date Change ^	No. or rooms as of Apr 07 07/06 %Change
Alberta	62.8	-1.7	64.6	-1.5	14.5
British Columbia	60.0	2.8	55.7	2.0	3.0
Saskatchewan	57.8	5.6	54.7	4.8	1.8
Manitoba	61.0	4.9	58.8	3.2	-3.8
Ontario	55.4	-1.4	52.3	-0.5	5.7
Quebec	50.8	2.2	47.5	1.2	9.3
New Brunswick	43.7	3.3	41.8	0.2	-3.2
Nova Scotia	44.4	-3.6	40.8	-2.8	-6.4
Newfoundland	64.4	20.0	53.3	11.6	-3.0
Prince Edward Island	39.0	-12.0	37.4	-10.6	14.4
Northwest Territories	...	...	...	...	87.9
Yukon	...	...	...	...	0.0
<b>Canada</b>	<b>54.9</b>	<b>0.7</b>	<b>52.4</b>	<b>0.3</b>	<b>6.0</b>

\* Note: Data based on survey of hotels (15+ rooms) across Canada. ... - Insufficient data; ^ - Percentage points. Source: HVS International and Smith Travel Research, Canadian Lodging Outlook.

strategic performance

Travel Volumes, January - April 2007

	Trips Made (000s)		
	Target	Actual	% Difference
<b>Europe/Latin America</b>			
France	79	81	2.5
Germany	51	53	3.9
UK	206	192	-6.8
Mexico	40	55	37.5
<b>Asia/Pacific</b>			
China	28	32	14.3
Japan	93	79	-15.1
S Korea	44	48	9.1
Australia	41	43	4.9
United States	2,748	2,519	-8.3
<b>Total</b>	<b>3,330</b>	<b>3,102</b>	<b>-6.8</b>

Note: As per strategic plans.

- Against the set target of all CTC's core markets, we have a shortfall of 228,000 overnight trips (-6.8%), as of April 2007.
- Trips from Europe/Latin America have exceeded its targets by 1.3%, while Asia/Pacific and the U.S. have a short fall of 1.3% and 8.3%, respectively.
- Mexico, China, and South Korea have exceeded the targets set by about 15,000, 4,000, and 4,000 trips respectively in the first four months of 2007.

**Please note:** Targets are based on Statistic Canada's preliminary data.

**CTC Marketing Market Research**