

Tourism Snapshot

A focus on the markets in which Destination Canada (DC) and its partners are active.

Key highlights

- Overnight arrivals over the first four months of 2015 concluded on a positive note with sustained gains from the US market (+5.9%) and from Destination Canada (DC)'s overseas markets (+6.6%), where overall growth was twice the rate of all other overseas markets (+3.5%).
- Total arrivals from DC's international markets rose 4.2% in April 2015 as growth momentum from the US (+5.8%) and Asia-Pacific (+8.0%) more than offset contractions from Europe (-8.9%) and Latin America (-0.1%)
- Overnight arrivals from the US climbed for a fifth consecutive month in April 2015 (+5.8%). Gains were registered across all major modes of entry, including by auto (+5.0%), air (+8.4%) and other modes of transport, including train, cruise and bus (+1.2%).
- In April 2015, arrivals from DC's European markets declined 8.9%, likely due to the Easter holiday shifting from late April last year to early April this year, which had boosted overnight arrivals in late March. Declines were recorded from France (-2.0%), the UK (-7.0%) and Germany (-22.8%), as well as in the key markets of Australia (-6.7%), and Mexico (-1.9%). For this reason, year-to-date figures are more indicative of trends.
- Over the first four months of 2015, total arrivals from DC's 11 markets rose 6.1% year-over-year, with gains registered across all DC regions, led by Latin America (+14.0%), followed by Asia-Pacific (+9.9%), the US (+5.9%) and Europe (+1.7%).



Tourism review Inbound highlights

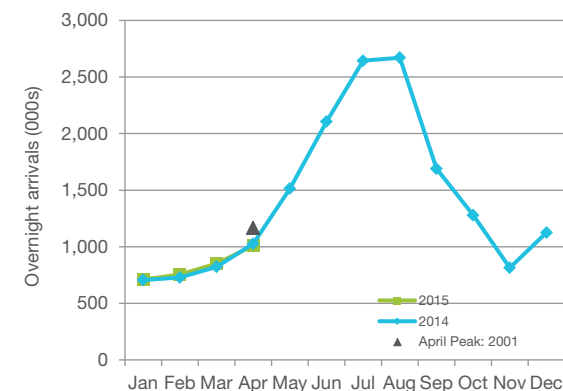
Overnight trips to Canada

	Apr. 2015	15/14 Apr. % Change	Jan. - Apr. 2015	Year-to-date % Change
United States				
Automobile	425,493	5.0	1,335,567	5.6
Air	227,664	8.4	795,222	7.5
Other	47,912	1.2	144,976	0.3
US Total	701,069	5.8	2,275,765	5.9
Europe Markets*				
UK	40,454	-7.0	134,392	4.8
France	29,341	-2.0	100,010	2.9
Germany	15,835	-22.8	53,205	-7.3
Europe Markets Total	85,630	-8.9	287,607	1.7
Asia-Pacific Markets*				
Japan	15,029	4.0	58,143	2.7
South Korea	10,471	9.1	38,362	7.9
China	26,269	17.6	107,351	20.4
India	14,569	10.1	38,724	9.1
Australia	12,511	-6.7	53,262	1.8
Asia-Pacific Markets Total	78,849	8.0	295,842	9.9
Latin America Markets*				
Mexico	15,313	-1.9	48,618	13.6
Brazil	6,198	4.5	27,426	14.7
Latin America Markets Total	21,511	-0.1	76,044	14.0
Overseas Key Markets	185,990	-1.3	659,493	6.6
Total 11 DC Markets	887,059	4.2	2,935,258	6.1
Other Overseas Countries	123,347	-1.0	392,737	3.5
Non-US Countries	309,337	-1.2	1,052,230	5.4
Total Countries	1,010,406	3.5	3,327,995	5.7

Note: Statistics Canada preliminary estimates.

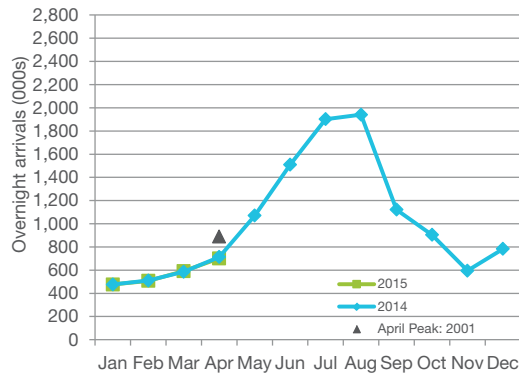
* In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included European markets and Australia. As of January 2015, markets grouping were reclassified on a geographic basis. Source: Statistics Canada, International Travel Survey.

International trips



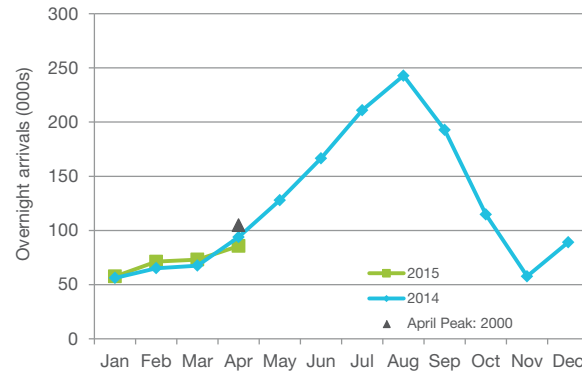
- Canada welcomed 1,010,406 international visitors in April 2015, up 3.5% compared to April 2014. In the first four months of 2015, Canada recorded 3,327,995 international arrivals, up 5.7% relative to 2014. The international visitor peak on record during the month of April is 1,167,371 visitors, which occurred in 2001.
- In April 2015, overnight arrivals from DC's European markets decreased 8.9%, mainly due to the Easter holiday shifting to early April this year (Easter fell in late April in 2014). This decline comes after a strong increase (+8.2%) in arrivals from these markets in March 2015. Germany led the contraction (-22.8%), followed by the UK (-7.0%) and France (-2.0%).
- Overnight arrivals from DC markets in Asia-Pacific grew significantly (+8.0%) in April 2015, achieving the highest level of arrivals for this month on record, thanks to strong growth from China (+17.6%), India (+10.1%) and South Korea (+9.1%).
- Arrivals from DC's two Latin American markets remained stable (-0.1%) in April 2015, following a strong increase in arrivals in March 2015 due to the early Easter holiday. YTD April 2015, Latin American arrivals from key markets were up 14%.

United States



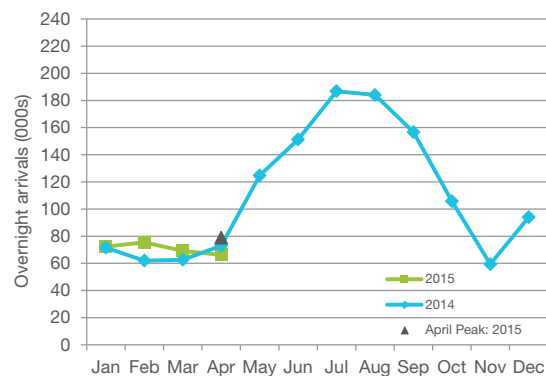
- In April 2015, gains in US arrivals by auto (+5.0%), air (+8.4%) and other modes of transport (1.2%) resulted in total US arrivals rising for the fifth consecutive month (+5.8% over April 2014). The improvement from the US occurred amid a more favourable exchange rate for US visitors; the US dollar has appreciated 12.3% against the Canadian dollar over the past year.
- Canada welcomed about 701,000 US overnight visitors in April 2015. The US visitor peak on record during the month of April occurred in 2001, with 890,000 overnight trips.

Europe Markets



- All three DC markets in Europe registered losses in April 2015. Amid a weaker euro (but stable British pound) relative to the Canadian dollar, arrivals from the UK (-7.0%), Germany (-22.8%) and France (-2.0%) declined 9.7% relative to April 2014. This decrease came after several consecutive months of strong growth.
- The decline in overnight arrivals from Europe is likely due to the early Easter holiday period in 2015, which saw more European travellers visiting Canada in late March.
- In April 2015, Canada welcomed 85,630 visitors from DC Europe markets, considerably less than the peak of 104,800 recorded in April 2000.

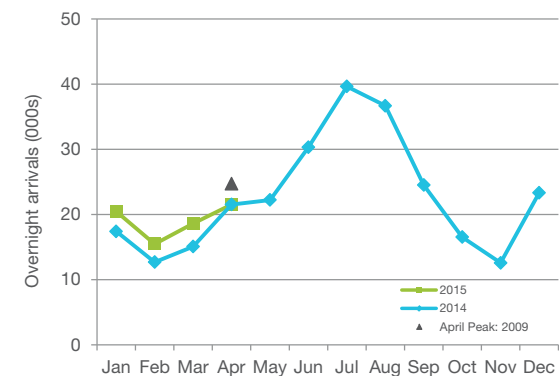
Asia-Pacific Markets



- Arrivals from all DC Asia-Pacific markets—with the exception of Australia—rose, resulting in 8% growth in visits to Canada from that region in April 2015. From January to April 2015, arrivals from DC Asia-Pacific rose 9.9%, with gains in all five markets.
- Arrivals from Japan (+4.0%) rose in April after several months of strong growth, aided by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto. Year-to-date April 2015, Japan arrivals are up 2.7% compared to the same period in 2014.
- In April 2015, India (+10.1%) continued to record strong gains in overnight visits. The launch of the CAN+ Visa program in India in July 2014 has contributed to sustained growth over the past few months. Year-to-date April 2015, India arrivals are up 9.1% compared to the same period in 2014.

- Arrivals from China increased by 17.6% in April 2015 amid sustained growth in the Chinese outbound travel market. Year-to-date, China arrivals are up 20.4% compared to the same period in 2014. China is now the second-largest overseas inbound market after the UK.
- South Korea registered an increase in arrivals (+9.1%) in April 2015, facilitated by a slight increase in air capacity on Seoul-Vancouver flights in recent months. Year-to-date April 2015 South Korea arrivals are up 7.9% compared to the same period in 2014.
- Arrivals from Australia decline 6.7% in April in part due to the early Easter holiday period. Year-to-date April 2015, arrivals from Australia are up 1.8% compared to the same period in 2014.
- In April 2015, the number of visitors from the Asia-Pacific markets reached a new peak for this month with about 78,900 overnight visitors to Canada.

Latin America Markets



- April 2015 put a halt to 11 months of consecutive growth from Mexico, with arrivals falling 1.9% relative to April 2014. Arrivals from that country had risen continuously since the implementation of the CAN+ Visa program in May 2014. This loss is primarily related to Easter occurring earlier in 2015, with Mexican travellers arriving in Canada at the end of March for the four-day holiday weekend. Over the first four months of 2015, arrivals from Mexico are still trending up 13.6% compared to the same period in 2014.
- In April 2015, overnight arrivals from Brazil rose 4.5%, which tempered the decline registered in March (-5.5%). Year-to-date April 2015, Brazil facilitated by the recent launch of the CAN+ Visa program as well as the new Air Canada Rio de Janeiro-Toronto flight (started December 2014) and the new TAM São Paulo-Toronto flight (started in March 2015).

Peak Year Review of Overnight Trips to Canada by Market – January to April

Markets	Europe			United States		Asia Pacific			Latin America			
	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Brazil	Mexico
Previous Peak Year	2012	1996	2001	2002	2001	2014	2014	2014	1997	2007	2013	2008
Arrivals During												
Previous Peak Year	102,511	64,572	194,238	3,010,532	970,329	52,314	89,199	35,507	131,321	47,883	24,032	63,788
YTD April 2015 Total												
Arrivals	100,010	53,205	134,392	2,275,765	795,222	53,262	107,351	38,724	58,143	38,362	27,426	48,618
Current % of Previous Peak	97.6%	82.4%	69.2%	75.6%	82.0%	101.8%	120.4%	109.1%	44.3%	80.1%	114.1%	76.2%

Note: Statistics Canada preliminary figures.
Sources: Statistics Canada.

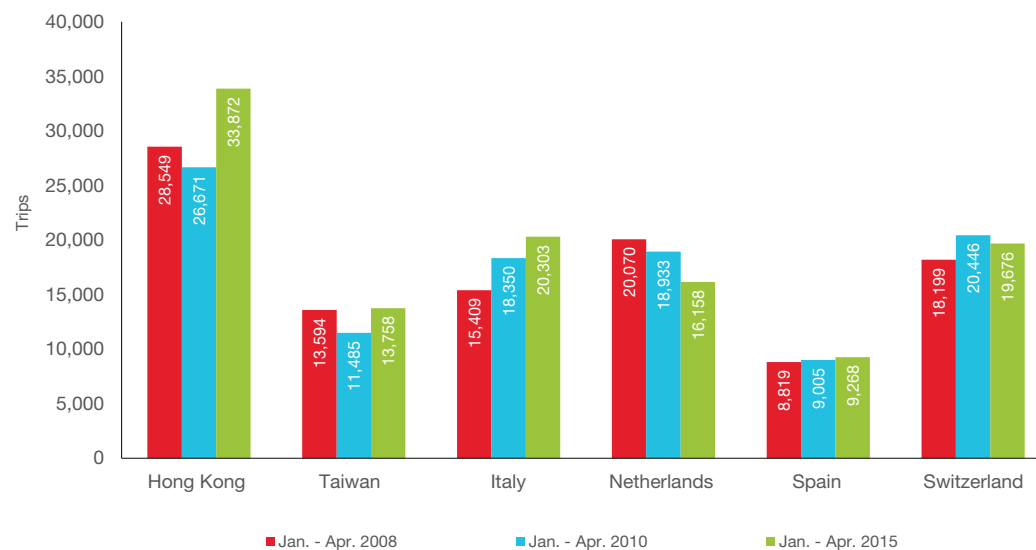
Peak achieved during 2015

- From January to April 2015, four markets—Australia, India, Brazil and China—achieved their highest level of overnight arrivals ever.
- In the four first months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 69% to 82% of their peaks, recorded in 2001, 1996, 2008, 2007 and 2002 respectively.
- Arrivals from France from January to April 2015 were 2,500 arrivals shy of the peak recorded in 2012.
- US arrivals by air during the four first months of 2015 totalled over 795,000 overnight visits to Canada, which represents 82% of the peak recorded in 2001.
- From January to April 2015, arrivals from Japan achieved 44% of the peak recorded in 1997.

Market Watch

- In April 2015, the early Easter holiday caused a decline all secondary European markets except Italy compared to the same period in 2014. Arrivals fell from Spain (-1.9%), the Netherlands (-0.5%) and Switzerland (-12.2%), while arrivals from Italy (+3.1%) increased slightly.
- From January to April 2015, gains were registered from Italy (+12.6%) while declines were recorded from Switzerland (-1.5%), Spain (-0.3%) and the Netherlands (-2.2%).
- In April 2015, arrivals from Taiwan increased 36.5%, while arrivals from Hong Kong fell 1.7% relative to April 2014.
- Since the beginning of the year, both secondary markets in Asia have posted strong growth, with Hong Kong arrivals up 13.9% and Taiwan arrivals up 23.4% to the same period in 2014.

Overnight trips to Canada, by selected markets



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

Overnight trips to Canada, by selected markets

	Apr. 2015	15/14 Apr. % Change	Jan. - Apr. 2015	Year-to-date % Change
Italy	6,416	3.1	20,303	12.6
Netherlands	2,918	-1.9	9,268	-0.3
Spain	5,654	-0.5	16,158	-2.2
Switzerland	6,139	-12.2	19,676	-1.5
Hong Kong	8,326	-1.7	33,872	13.9
Taiwan	4,154	36.5	13,758	23.4

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

International Arrivals by Province of Entry to Canada

Non-Residents Overnight Arrivals to Canada by province of Entry, January to April 2015

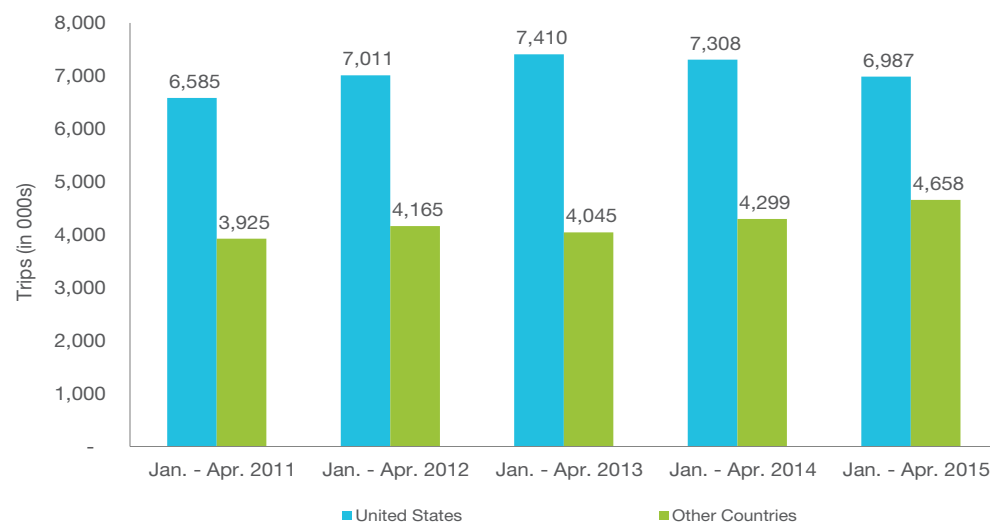
	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	7,874	4.6%	344	-	-	-	1,825	-4.5%	(86)	6,049	7.7%	430
Prince Edward Island	23	53.3%	8	-	-	-	-	0.0%	(3)	23	0.0%	11
Nova Scotia	13,273	-0.6%	(81)	-	-	-	7,426	3.9%	281	5,847	-5.8%	(362)
New Brunswick	22,340	-2.6%	(586)	21,125	0.1%	23	898	-37.5%	(539)	317	-18.1%	(70)
Quebec	532,535	4.7%	23,733	194,054	5.1%	9,393	149,805	4.1%	5,835	188,676	4.7%	8,505
Ontario	1,527,972	6.2%	88,729	646,816	5.1%	31,657	429,866	6.8%	27,419	451,290	7.0%	29,653
Manitoba	38,432	6.3%	2,265	22,354	11.9%	2,376	13,937	-0.1%	(20)	2,141	-4.1%	(91)
Saskatchewan	15,923	-3.7%	(609)	7,502	6.5%	460	7,116	-15.4%	(1,293)	1,305	20.7%	224
Alberta	179,059	-2.0%	(3,660)	16,377	7.7%	1,172	104,265	-4.0%	(4,315)	58,417	-0.9%	(517)
British Columbia	983,246	7.6%	69,208	420,951	6.3%	24,908	224,881	14.4%	28,318	337,414	5.0%	15,982
Yukon	7,318	25.0%	1,462	6,388	20.4%	1,082	179	123.8%	99	751	59.8%	281
Canada	3,327,995	5.7%	180,813	1,335,567	5.6%	71,071	940,198	6.3%	55,696	1,052,230	5.4%	54,046

Source: ITS Border Counts, April 2015, Statistics Canada

- During the four first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+88,729, +6.2%), British Columbia (+69,208, +7.6%) and Quebec (+23,733, +4.7%).
- All three provinces registered gains in US arrivals by auto and non-auto modes as well as from overseas.
- Alberta (-2.0%), Saskatchewan (-3.7%) and New Brunswick (-2.6%) were the only three provinces to see a contraction of total international arrivals since the beginning of the year. The declines were relatively small in real terms.

Canadian outbound trips

Overnight trips by Canadians



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

Overnight trips by Canadians

	Apr. 2015	15/14 Apr. % Change	Jan. - Apr. 2015	Year-to-date % Change
United States	1,922,648	-6.2	6,987,464	-4.4
Other Countries	1,096,698	10.6	4,657,601	8.4
Total Trips from Canada	3,019,346	-0.8	11,645,065	0.3

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

- In April 2015, the number of overnight trips by Canadians to international destinations decreased 0.8% to 3,019,346.
- While the number of overnight trips by Canadians to the US declined 6.2% year-over-year, it increased 10.6% to overseas destinations. Many Canadians chose an overseas destination over the US in April 2015 amid a 12.3% year-over-year depreciation of the loonie relative to the USD.
- In the first four months of 2015, outbound trips by Canadian residents rose 0.3% compared to 2014 to 11,645,065. The number of trips south of the border declined 4.4%, while trips to other destinations increased 8.4% relative to 2014.
- In April 2015, most Canadian residents returned to the country from overseas through Ontario (1,388,352 re-entries, +3.2%), BC (563,223 re-entries, -1.8%) and Quebec (509,655 re-entries, -4.5%).
- In April 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (877,000 re-entries, -2.2%), BC (389,000 re-entries, -7.6%) and Quebec (281,000 re-entries, -10.5%).

Consumer outlook

Consumer confidence

- **Canada:** The index of consumer confidence fell 13.6 percentage points in April to land at 94.7 (2014 = 100), amid signs of a slowing Canadian economy since the beginning of the year.
- **USA:** The Conference Board Consumer Confidence Index® decreased in April following an increase in March. The Index stood at 94.3 (1985=100) in April, down from 101.4 in March, indicating a declining confidence of consumers towards the US economy.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Competitive review

Information for this section was unavailable at the time of writing due to delays in the releases of inbound arrivals figures from the Australian Bureau of Statistics (ABS) and from the US Office of Travel and Tourism Industries (OTTI). The competitive review information will be published when comparable data become available in the coming months.

Accommodation

Hotel Performance Indicators by Province*

	Occupancy Rates				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	Apr. 2015	15/14 Change [^]	Jan. - Apr. 2015	Year-to-date Change [^]	Apr. 2015	15/14 Change [^]	Jan. - Apr. 2015	Year-to-date Change [^]	Apr. 2015	15/14 Change [^]	Jan. - Apr. 2015	Year-to-date Change [^]
Alberta ¹	58.6	-9.0	58.2	-7.3	\$141.06	-0.9	\$140.56	0.1	\$82.69	-14.1	\$81.78	-11.1
British Columbia	60.8	0.8	58.0	2.7	\$131.41	4.1	\$134.88	4.8	\$79.95	5.5	\$78.25	9.9
Saskatchewan	59.4	-4.3	55.9	-4.9	\$134.97	0.9	\$132.96	0.3	\$80.23	-5.9	\$74.28	-7.8
Manitoba	60.6	2.8	58.9	2.5	\$117.96	0.0	\$118.21	0.6	\$71.54	4.8	\$69.64	5.1
Ontario	61.2	-0.1	56.6	0.2	\$131.13	4.8	\$129.56	3.9	\$80.23	4.6	\$73.31	4.3
Quebec	59.6	2.7	57.0	1.7	\$143.87	10.4	\$140.27	5.8	\$85.77	15.7	\$79.97	9.0
New Brunswick	47.2	-3.1	42.7	-4.2	\$109.03	1.3	\$107.19	1.1	\$51.51	-4.9	\$45.73	-7.9
Nova Scotia	58.6	1.9	51.4	0.6	\$122.45	6.0	\$118.74	4.6	\$71.80	9.6	\$61.01	5.8
Newfoundland	62.6	2.1	54.5	0.9	\$137.05	1.0	\$134.94	1.7	\$85.76	4.5	\$73.53	3.4
Prince Edward Island	41.0	-1.4	35.6	1.1	\$104.55	4.3	\$98.95	6.9	\$42.91	0.8	\$35.19	10.2
Northwest Territories	54.7	-9.7	65.9	-5.3	\$155.45	-2.0	\$158.24	1.2	\$84.96	-16.8	\$104.30	-6.3
Yukon	57.7	2.3	53.8	-1.7	\$109.99	6.3	\$108.83	8.2	\$63.42	10.7	\$58.52	4.9
Canada	59.7	-1.0	56.4	-0.5	\$134.04	3.7	\$133.66	3.2	\$79.96	2.0	\$75.40	2.4

* Note: Based on the operating results of 223,456 rooms (unweighted data).

[^] Percentage points.

¹ Excluding Alberta resorts.

Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

- In April 2015, the National Occupancy Rate declined 1.0 point to 59.7%. Manitoba (+2.8 points) and Quebec (+2.7 points) registered the largest increases, while Northwest Territories (-9.7) and Alberta (-9.0%) recorded the largest declines in hotel occupancy rates relative to April 2014. The hotels markets with the highest occupancy rates were in Newfoundland (62.6%), Ontario (61.2%) and BC (60.8%) in April 2015.
- Since the beginning of 2015, the National Occupancy Rate has declined (-0.5 points to 56.4%) compared to last year. BC (+2.7 points), Manitoba (+2.5 points) and Quebec (+1.7 points) recorded the largest gains in hotel occupancy, while the largest declines were recorded in Alberta (-7.3 points), Northwest Territories (-5.3 points), Saskatchewan (-4.9% points) and New Brunswick (-4.2 points). The provincial and territorial markets with the highest hotel occupancy rates during the first four months of the year were the Northwest Territories (65.9%), Manitoba (58.9%), Alberta (58.2%) and BC (58.0%).
- Since the beginning of 2015, the National Average Daily Rate rose to \$133.66, up 3.2% compared to 2014. Yukon (+8.2%, \$108.83), PEI (+6.9%, \$98.95) and Quebec (+5.8%, \$140.27) recorded the highest increases in average daily hotel rates. The highest year-to-date average daily hotel rates are in the Northwest Territories (\$158.24/night), Alberta (\$140.56/night) and Quebec (\$140.27/night).
- During the same period, the National Average Revenue per Available Room (RevPAR) was \$75.40 (+2.4%), with the largest revenue growth in PEI (+10.2%, \$35.19), BC (+9.9%, \$78.25) and Quebec (+9.0%, \$79.97). Provincial and territorial hotel markets with the highest RevPar are the Northwest Territories (\$104.30), Alberta (\$81.78) and Quebec (\$79.97).

DC Consumer and Market Intelligence