

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

August 2007

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key highlights

In August 2007, spurred by a rebound from the U.S., CTC key markets posted the largest increase (+1.9%) of this year so far.

Driven by a 3.4% increase in automobile trips to Canada, arrivals from the U.S. rose 1.9% in August 2007. Following a decline in Aug. 2006, key overseas markets increased 1.9% this month.

Most recent data shows Canadian occupancy rates increased 1.3 percentage points to reach 75.7% in August 2007.

tourism review

International trips

- This month, international travellers made 2.8 million overnight trips to Canada, an increase of 1.9% over August 2006.
- Year-to-date, total international visits to Canada declined 1.9%. While the U.S. declined 3.6%, Canada's key overseas markets posted an increase of 2.7%.
- Trips by non-US countries increased for the fourth consecutive year (+3.5%) to reach 3.2 million trips in Jan.-Aug. 2007, accounting for 24.7% of total international trips to Canada.
- With the exception of the Asia region (-1.5%), Canada saw increases from all other overseas regions in Jan.-Aug. 2007.

United States

- In August 2007, overnight trips from the US increased 1.9% to reach 2.2 million. Automobile trips increased by 3.4% (or 45,563 trips), while plane trips fell by 1.2% (or -5,465 trips) and other non-automobile trips decreased slightly (-0.1% or less 414 trips).
- For the period Jan.-Aug. 2007, US visits fell 3.6% below the same period in 2006 to reach almost 10 million - Non-automobile trips decreased 2.9% and automobile trips fell 4.0%.

Overnight Trips to Canada

	August 2007	07/06 Aug % Change	Jan-Aug 2007	Year-to-date % Change
United States				
Automobile	1,371,688	3.4	5,837,646	-4.0
Plane	464,629	-1.2	2,609,105	-3.5
Other	315,126	-0.1	1,217,602	-1.7
US Total	2,151,443	1.9	9,664,353	-3.6
Europe/Latin America Key Markets				
France	56,080	2.0	257,422	3.4
Germany	47,335	-5.9	215,825	1.8
UK	121,203	6.2	628,281	4.8
Mexico	30,419	19.2	179,479	17.3
Asia/Pacific Key Markets				
China	18,420	5.0	99,996	8.2
Japan	38,440	-16.9	213,267	-16.3
South Korea	25,631	8.9	141,624	4.7
Australia	23,940	6.6	150,749	8.6
Overseas Key Markets	361,468	1.9	1,629,221	2.7
As % of Key Markets and US	14.4		14.4	
Other Countries	244,793	2.1	1,545,111	4.2
Total Non-US Countries	606,261	2.0	3,174,332	3.5
Total Countries	2,757,704	1.9	12,838,685	-1.9

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

Overnight Trips by Canadians

	Aug. 2007	07/06 Aug % Change	Jan-Aug 2007	Year-to-date % Change
United States	2,259,177	12.8	12,023,310	6.5
Other Countries	657,783	10.7	5,351,525	9.7
Total Trips from Canada	2,916,960	12.3	17,374,835	7.5

- Year-to-date, US trips to P.E.I, Yukon, New Brunswick, and Alberta posted gains of +80.6% (or 1,640 trips), +15.5% (22,380 trips), +7.9% (20,756 trips), or +2.8% (11,757 trips) respectively, while U.S. trips to all other provinces decreased.

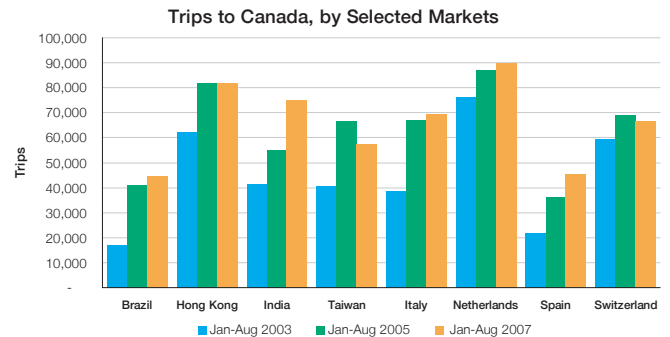
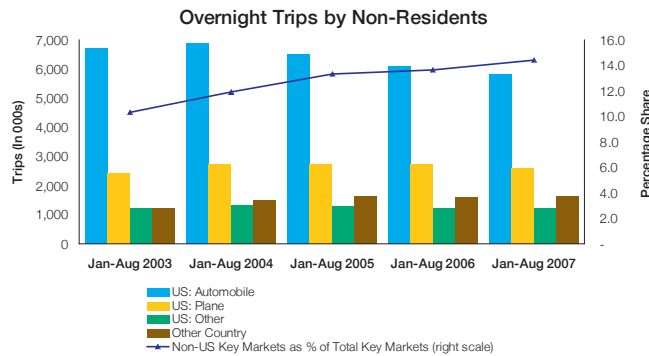
- Asia/Pacific and Europe/Latin America key markets have gained share of entry over the US, reaching a new high of 14.4% in Jan.-Aug. 2007 -- up from 13.7% in 2006 and 10.3% five years ago.

Overseas Key Markets

- In the month of August, 6 overseas key markets posted increases -- Notable is Mexico which posted the highest growth rate (+19.2%), followed by South Korea (+8.9%) and Australia (+6.6%). Japan (-16.9%) and Germany (-5.9%) posted declines.
- Year-to-date, overnight trips from overseas key markets increased 3.5% to reach a new high of 1.6 million visits.
- For the Jan.-Aug. period, 7 of the 8 overseas key markets posted increases over the previous year. Notable, Mexico, Australia, and China posted the highest growth rates (+17.3%, +8.6%, and +8.2% respectively), while Japan posted a sharp decline of 16.3%.

Market Watch

- With the exception of Taiwan (-4.5%), all markets posted an increase this month. Notable are the double-digit growth rates from Spain (+17.8%), Italy (+12.3%), and Hong Kong (+10.5%).
- Year-to-date, 7 of the 8 markets posted increases over 2006 - India (+20.1%), Spain (+12.6%), and Italy (+12%) posted the highest increases. Trips from Taiwan fell 12.4% over Jan.-Aug. 2006.
- Compared to Jan.-Aug. 2005, trips from India posted the largest growth rate (+48% or +19,984 trips), followed by Spain (+25%, or 9,113 trips).
- Trips from Taiwan and Switzerland have fallen 13.1% and 3.7% from the 2005 level (-8,735 and -2,524 overnight trips respectively).



Share of Entry

- Year-to-date, overnight trips from the U.S. totaled 9.7 million, accounting for 85.6% of the total visitors from our key markets (75.3% of all visitors to Canada). 51.7% were automobile trips, 23.1% were plane trips, and 10.8% were other non-automobile trips.
- Visitors from our key Europe/Latin America markets totaled 1.3 million, accounting for 11.3% of the total. Notable, trips from the UK and France accounted for 5.6% and 2.3%, respectively, of the total.
- 605,636 visitors from Asia/Pacific key markets visited Canada, accounting for 5.4% of total tourists from overseas key markets. Japan accounted for 1.9% of the total, while South Korea and Australia each accounted for 1.3% of the total.

Canadian Outbound Trips

- Canadian outbound travel continued to increase in August 2007 (+12.3%). Trips to the U.S. increased by 12.8%; non-US countries increased by 10.7% this month.
- Year-to-date, Canadian trips abroad increased 7.5%. Trips to non-US countries increased 9.7% while trips to the U.S. increased 6.5%.
- Year-to-date, international visits by Canadians fell from Newfoundland (-33.1% or less 13,522 trips), and the Yukon (-6.8% or less 2,113 trips), but increased from all other provinces.

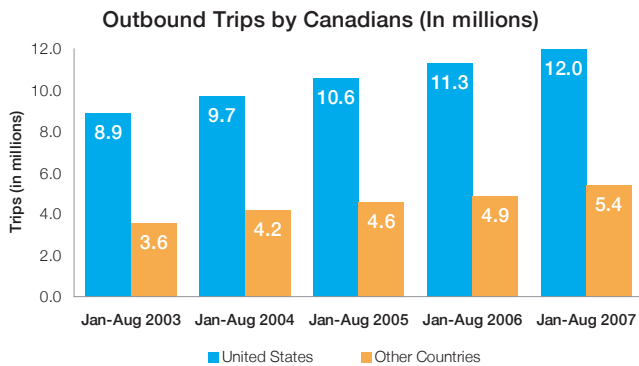
consumer outlook

Consumer Confidence

CANADA: Following an increase in July 2007, the Canadian consumer confidence increased further in August 2007 -- up 0.9 percentage point to reach 99.5. In the same month last year, the Canadian consumer confidence index was at 97.0.

UNITED STATES: Following an increase in July 2007, the US consumer confidence fell 6.9 percentage points in August 2007 to reach 105.0. The confidence index is up 5.4 points compared to August 2006.

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



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

accommodations

Canadian Occupancy Rates, By Province

	August 2007	07/06 Change [^]	Jan-Aug 2007 Occupancy Rate	Year-to-date Change [^]	Rooms as of August 07/06 % Change
Alberta	78.0	-0.5	70.1	-0.9	15.4
British Columbia	80.3	1.1	65.2	1.5	2.4
Saskatchewan	71.6	5.4	62.5	4.7	3.2
Manitoba	70.9	-0.3	63.9	2.5	-4.8
Ontario	74.3	0.8	60.9	0.0	6.6
Quebec	75.6	2.3	58.1	1.8	8.2
New Brunswick	73.1	-0.1	52.2	0.3	-3.6
Nova Scotia	74.7	3.9	54.4	-0.3	4.8
Newfoundland	88.3	0.6	67.7	9.4	5.0
Prince Edward Island	84.0	-0.2	51.3	-6.1	7.1
Northwest Territories	...	...	...	...	87.9
Yukon	79.5	6.9	60.9	1.8	9.1
Canada	75.7	1.3	61.2	0.8	6.7

* 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.

- In August 2007, occupancy rates in Canada increased 1.3 percentage points over the same month last year. Newfoundland posted the highest occupancy rate; Yukon posted the largest growth rate over August 2006.
- Year-to-date, Canada's occupancy rate increased for the fourth consecutive year (+0.8 percentage point in Jan.-Aug. 2007). Despite a decline in occupancy (-0.9 percentage point), Alberta posted the highest occupancy rate (70.1%).
- As of August 2007, the number rooms available in Canada increased 6.7% over the same period last year. The Northwest Territories and Alberta experienced the largest growth rates.
- Year-to-date, the average room rate in Canada was \$114.23, up from \$109.44 in Jan.-Aug. 2006. Alberta, B.C., Ontario, and Quebec posted room rates above the average national rate.
- The national average room revenue per available room (RevPAR) was \$69.91 in August, year-to-date. Alberta, B.C., Newfoundland, and Ontario posted RevPAR above the national RevPAR.

competitive review (Jan.-June 2007)

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

Trips From:	Trips To:							
	Canada		United States		Australia		United Kingdom	
	#	07/06 Change	#	07/06 Change	#	07/06 Change	#	07/06 Change
Total International	7,265	-2	21,453	8	2,706	4	15,566	5
United States	5,373	-4	...	...	233	0	1,717	-2
Other Key Markets								
France	143	5	429	25	31	9	1,793	-8
Germany	122	4	689	7	69	1	1,626	3
United Kingdom	382	4	1,995	2	340	0	...	...
Mexico'	103	20	2,914	21	...	...	24	-44
China*	61	9	245	16	180	20	73	35
Japan	139	-17	1,667	-6	277	-13	161	7
South Korea	85	4	387	8	133	8	...	...
Australia	103	10	313	11	...	...	373	5
Canada	...	...	7,785	5	57	1	399	-2
Total Key Markets	6,510	-2	16,424	7	1,320	0	6,166	-2

...Data not available or not applicable. *U.S. data: includes Hong Kong, SAR. 'US data: Arrivals to the interior only.
 Sources: Statistics Canada; National Statistics (UK); Australian Bureau of Statistics; and ITA, Office of Travel and Tourism Industries (USA).
 Note: Statistics Canada and National Statistics (UK) are preliminary estimates.

- In the first half of 2007, Canada registered a 2% slowdown in total international visitors while Australia (+4%), the U.K. (+5%) and the U.S. (+8%) posted increases.
- Compared to the U.S., Canada experienced stronger growth in arrivals from the U.K. (+4% compared to 2% increase in the U.S.)
- Compared to Australia, Canada posted higher growth rates from Germany (+4% compared to +1% in Australia) and from the U.K. (+4% compared to 0%).
- Compared to the UK, Canada posted stronger growth rates from France (+5% compared to -8%); Germany (+4% compared to +3%), Mexico (+20% compared to -44%), and Australia (+10% compared to +5%).
- The U.S. posted higher international arrival growth rates in Australia, Canada, France, Germany, and Mexico than Canada, the U.K. or Australia.

strategic performance

Travel Volumes, January - August 2007

	Trips Made (000s)		
	Target	Actual	% Difference
Europe/Latin America			
France	256	257	0.5
Germany	218	216	-1.1
UK	617	628	1.9
Mexico	161	180	11.2
Asia/Pacific			
China	107	100	-6.7
Japan	215	213	-0.9
S Korea	145	142	-2.2
Australia	129	151	16.8
United States	9,693	9,664	-0.3
Total	11,542	11,551	0.1

Note: As per strategic plans.

- Against the set target of all CTC's core markets, we have exceeded targets by +0.1% (or about 9,000 overnight trips) as of August 2007.
- Trips from Europe/Latin America and Asia/Pacific have exceeded its targets by 2.3% and 1.6%, respectively, while the U.S. has a slight short fall (-0.3%).
- Notable, Australia, Mexico, and the U.K. have exceeded the targets set by about 22,000, 18,000, and 11,000 trips respectively in the first eight months of 2007.

Please note: Targets are based on past proportions of the January-August period and applied to 2007 forecasts.

**CTC Marketing
Market Research**