

Current Canada Travel Summary

STATS-AT-A-GLANCE 2010 YTD

Last Update: 2010-10-07

U.S. Arrivals (inbound 1+ nights)

Most Recent Month: +16% (July)

2010 YTD: +13% (July)

12-Month Rolling Avg. + 7% (July)

Narrative: 9 consecutive months of increases have brought the 12-month moving average trending upward to +7%. Updated forecast is for a +7% increase in 2010 to a new visitor volume record, followed by somewhat lower annual growth through 2014. Fall 2010 performance will be measured against solid growth in Fall 2009. Thus, the 7% growth forecast for 2010 is realistic...perhaps a bit low based on recent monthly performances! For perspective, YTD outbound to all other countries is +3%.

U.S. Departures (outbound 1+ nights)

Most Recent Month: +5% (July)

2010 YTD: -0% (July)

12-Month Rolling Avg. -4% (July)

Narrative: Two consecutive monthly increases in large-volume months—June and July—brought the 12-month rolling average trending upward to -4%—an improvement from the -6% to -8% range level where it had lingered for 21 months. For perspective, inbound to Canada from all other countries is +6%.

2009

Arrivals (inbound)

Canadian visitation (1+ nights stay) finished 2009 at 17.9 million, **down 5.0%**. This decline was led by the one-night auto segment, which accounted for 8% of visitors but 20% of the 2009 total decline due to a 2009 increase of 12% over 2008. The air segment (-4%) accounted for 34% of travelers and only 27% of the total Canadian decline. Visitation levels for the small travel segments of pedestrian, bus, and rail were all lower in 2009. Only the small boat segment had an increase (8%). For perspective, Canadian outbound visitation to all other countries (31% of total outbound) was up 1% in 2009.

Departures (outbound)

Total American visitors to Canada (1+ nights stay) finished 2009 at 11.7 million, **down 6%** from 2008. The decline was led by the one-night auto segment, which accounted for 11% of visitors but 21% of the 2009 total decline due to a 2009 decrease of 11% over 2008. The air segment was also down

proportionally, accounting for 28% of visitors but 39% of the decline. Each of the smaller travel mode segments were down in 2009, except for the boat segment (+2%). For perspective, U.S. outbound accounts for 74% of total Canadian international visitors of one or more nights.

Spending

In 2009 Canadian spending ¹ in the U.S. **plummeted 12%** to \$16.1 billion. This drop reflects the combined impact of fewer Canadian visitors coupled with an decrease in average visitor spending. The 2009 performance completely offsets the strong gain in 2008. Canada overtook Japan in 2007 to become the #1 country for visitor spending for the United States.

Thus, the importance of the Canadian visitor origin market to the U.S. cannot be overstated—it is the #1 origin market for visitors, #1 for visitor spending, and #1 in positive travel trade surplus (+\$9.9 billion—ahead of Japan).

Visitor Profile (1+ nights—2009)

The 2010 profile will be available mid-September 2011. Ontario accounts for 39% of Canadian residents and 45% of overnight visitors. More than one-half of Canadians visit the U.S. for leisure-related purposes (60%—trending higher). Business accounts for 11%, visiting friends or relatives is 19%, and the remaining small portion includes a multitude of other reasons. One-third of visitors arrive by air (34%—trend stable). Average party size is 2.15 persons (trending higher) and average stay length is 7.93 nights (among overnight travelers; trending higher). This average is strongly influenced by a small proportion of visitors who stay three weeks or longer. The median average is five nights. Activity participation rates are highest for shopping (73%), sightseeing (45%), visiting friends and relatives (37%), and outdoor sports (22%). The border states account for nearly two-thirds of all Canadian visits, but less than a fourth of visitor-nights. Florida accounts for 15% of visitors, but 34% of person-nights. One-third of Canadian visitation occurs in the 3rd quarter (32%). The share for other quarters ranges from 22% to 24% of total annual visitors.

¹ DOC/BEA estimates include travel receipts and passenger fare receipts of day trip and overnight visitors. This estimate is comparable to BEA estimates for other countries, but differs from estimates released by Statistics Canada. All spending estimates are subject to revisions.

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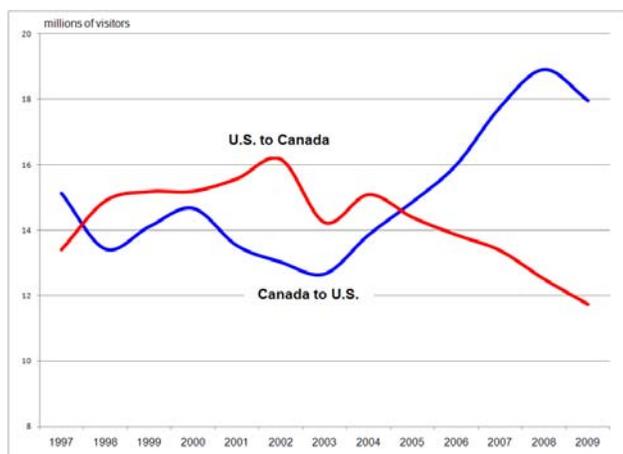
Last Update: 1/5/2011

Trends

Arrivals (inbound)

Arrivals nearly broke the long-standing 1991 visitor record of 19.1 million following five consistent and solid years of growth. The growth string was broken in 2009 but is expected to resume in 2010 and beyond. In 2005, arrivals to the U.S. outnumbered departures from the U.S. for the first time since 1998; 2006 through 2009 built on that trend.

Chart 1: Visitor Volume Trends



Departures (outbound)

Departures from the U.S. to Canada had an upward climb from the late 90s through 2002, but dropped significantly in 2003, partially rebounded in 2004 and declined further in 2005 through 2009. Including both day trips and 1+ night trips, Statistics Canada reports travel from the U.S. to Canada is setting monthly record lows since the early 70s when volume estimates were first estimated.

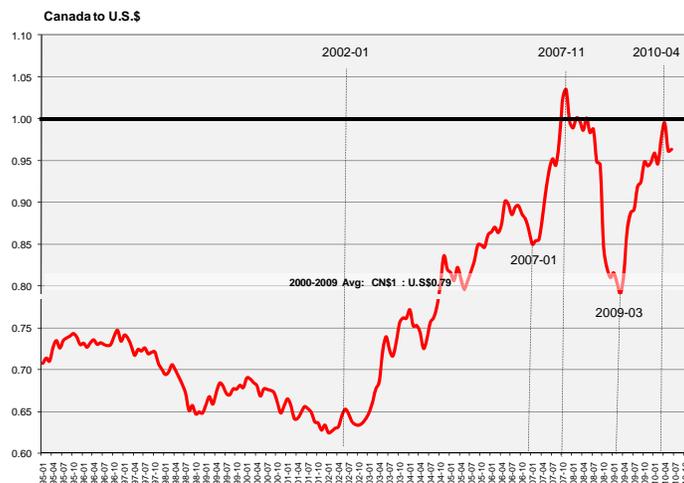
Spending

Traveler spending has rebounded the past six years, following two years of declines in 2001 and 2002. Spending increases reflect an increase in the number of travelers and an even greater increase in average visitor spending. In 2007 Canada became the top-producing traveler receipt origin country for the U.S., ahead of Japan and the United Kingdom. In 2008 Canada became the top producing travel trade surplus country, ahead of the U.K., which has subsequently dropped to 3rd.

Exchange Rate

The Canadian dollar exchange rate reached par with the U.S. dollar in late September 2007, plunged the last 4 months of 2008, only to reverse itself since the Spring of 2009. The average over the past decade is about US\$0.79, but **Chart 2** below shows the exchange rate has been mostly much lower or much higher than this average. Appreciation of the Canadian dollar makes travel to the U.S. cheaper for Canadians. Sensitivity to the exchange rate appears fairly strong, based on tracking over the past decade. This sensitivity is likely even greater for the border states, who receive a large number of day-trip Canadian visitors. For perspective, the exchange rate to the Euro was at par in the Spring of 2008, but is currently EU0.64. The exchange rate to the Mexican Peso has risen greatly over the past nine years and now stands at MP12.20.

Chart 2: Exchange Rate of the Canadian Dollar (in \$U.S.)



Visitor Profile

Most visitor profile trends are very stable at a national level. The greatest change is the increase in spending per traveler and in spending on shopping and souvenirs.

For More Information on Canadian Travelers:

Visit the OTTI website at www.tinet.ita.doc.gov.

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