

Current Canada Travel Summary

STATS-AT-A-GLANCE 2011 YTD

Last Update: 2011-08-29

U.S. Arrivals from Canada (inbound 1+ nights)

Most Recent Month: +6.0% (June)

2011 YTD: +5.9% (June)

12-Month Rolling Avg. + 8.2% (June)

Narrative: 20 consecutive months of increases have contributed to a 12-month moving average of +8% (trending downward). The +5.9% YTD growth lags the OTTI Spring Forecast of +8% for 2011. For perspective, YTD outbound to all other countries is +6.6%.

U.S. Departures to Canada (outbound 1+ nights)

Most Recent Month: +1.8% (June)

2011 YTD: -1.1% (June)

12-Month Rolling Avg. +1.2% (June)

Narrative: Outbound from the U.S. to Canada has been up and down over the past 18 months, with no easily discernable trends. For perspective, inbound to Canada from all other countries is +0.0% through June.

2010

Arrivals (inbound)

Canadian visitation (1+ nights stay) finished 2010 at a record 19.96 million, up 11.1% versus 2009. The previous long-standing record had been 19.1 million set in 1991. The air segment had the highest growth rate (+13%), but all travel mode segments but one had growth rates higher than +6%. The exception is the relatively small boat travel mode segment (-17%). The air segment accounted for 35% of visitors, but 42% of the growth in 2010. For perspective, Canadian outbound visitation to all other countries (30% of total outbound) was up 5.9% in 2010, or about half the growth rate of travel to the U.S.

Departures (outbound)

American traveler volume to Canada (1+ nights stay) was 11.75 million in 2010, up 0.7% versus 2009. The increase was led by the air segment, which accounts for 29% of travelers and finished up 5.7%. The smaller bus (+14.4%) and rail (+18.5%) segments also finished with growth in 2010. All of the other travel mode segments finished down in 2010, including the largest segment—2-night or longer auto (-0.3%). For perspective, the U.S. accounts for 73% of total Canadian international visitors of one or more nights. Inbound visitor

volume from non-U.S. countries was up 6.8% in 2010 compared to 2009.

Spending

In 2010 Canadian spending¹ in the U.S. jumped up 29% to a record \$20.8 billion. This increase reflects the combined impact of 11% additional Canadian visitors coupled with an 18% increase in average spending per visitor. The 2010 performance follows a big 12% decline in 2009. 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 (+\$13.8 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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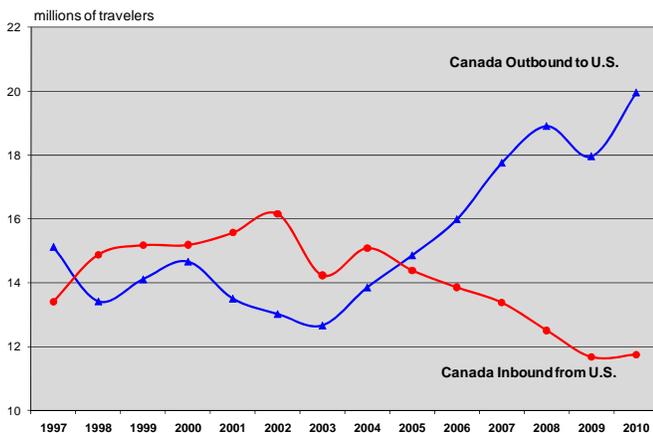
Last Update: 8/29/2011

Trends

Arrivals (inbound)

Following solid growth in five of the past six prior years, 2010 visitor volume finally broke the long-standing 1991 visitor record of 19.1 million. In 2005 arrivals to the U.S. outnumbered departures from the U.S. for the first time since 1998; 2006 through 2010 has built on that trend.

Chart 1: Visitor Volume Trends (1+ nights)



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. The small growth in 2010 of 0.7% was at least that...growth! 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

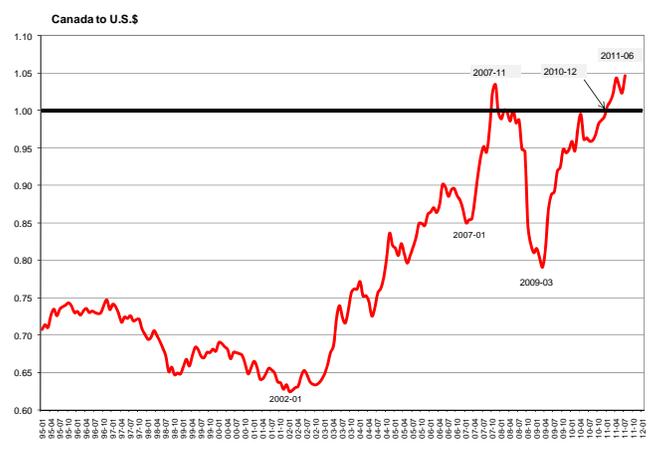
Traveler spending has grown in six of the past seven years, following two years of declines in 2001 and 2002. Spending increases reflect an increase in the number of travelers and an even greater increase in average visitor spending. In 2007 Canada became the top-producing traveler receipt origin country 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 dropped to 4th behind Japan and Brazil.

Exchange Rate

Chart 2 shows the Canadian dollar exchange rate has reached its highest level in the past 15 years. The rate has remained above par on an average month basis all year through June, and in fact only dipped below US\$1 for one day on two separate occasions. As of this writing, the rate was US\$1.0153. The International Monetary Fund October 2010 forecast calls for the Canadian dollar settle in the low \$0.90s over the next few years.

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 rose steadily from 2002 reaching above par in 2008 before dropping nearly 50% in early 2009. It is now EU 0.70 trending down.

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.