

Current Canada Travel Summary

STATS-AT-A-GLANCE 2011 *Year-End*

Last Update: 2012-08-09

2011

Arrivals (inbound)

Canadian visitation of 1+ nights finished 2011 at a record 21.34 million, up 6.9% versus 2010. The 2011 performance solidly built upon 2010's 19.96 million volume level, which had finally broken the previous long-standing record of 19.1 million set in 1991. The growth was steady throughout the year; the YTD growth rate ranged only from a high of +7.8% to a low of +6.9%, where it finished the year.

The largest travel mode, 2+ nights auto, increased 4.1%, while the large air segment grew 8.1%. The large 1-night auto segment claimed the prize for largest growth rate (19%), contributing more than 300,000 additional travelers.

For perspective, Canadian outbound volume to all other countries (30% of total outbound) finished the year up 4.5%, lower than the growth rate of travel to the U.S. This segment started the year up much higher, but YTD growth declined steadily as the year progressed.

Departures (outbound)

American traveler volume to Canada of 1+ nights was 11.60 million in 2011, down 1.3% versus 2010. The decrease was led by the largest segment, 2+ nights auto, which had the poorest performance (-3.7%) among the major travel modes. The important air sector finished down slightly (-0.4%), while the second-largest segment, 1 night auto, improved 5.2%. For perspective, the U.S. accounts for 72% of total Canadian international visitors of one or more nights. Inbound visitor volume from non-U.S. countries was up 1.6% in 2011 compared to 2010.

Spending

In 2011 Canadian spending¹ in the U.S. jumped up 15% to a record \$24.0 billion. This increase reflects the combined impact of 1) 7% additional Canadian visitors, coupled with 2) an average 4% increase in the currency exchange rate; and 3) a

4% increase in the average spending per visitor (itself reflecting change in several factors such as price increases and spending intent). The 2011 performance follows a huge 30% (revised) increase in 2010. Canada overtook Japan in 2007 to become the #1 country for visitor spending for the United States. Behind Canada are the top export countries of Japan (\$14.8B), U.K. (\$12.0 B), and Brazil (\$8.5B).

Thus, the importance of the Canada 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 (+\$16.3 billion—well ahead of #2 Japan (\$9.8 billion). If the OTTI spring 2012 Travel Forecast holds true, Canada will account for nearly one-third of the total expected gain in visitors by 2016 year end, which is the same promotion as its share of 2011 total international visitation. Thus Canada is expected to grow at a rate similar to the average across all countries.

Visitor Profile (1+ nights—2010)

The 2011 profile will be available mid-Sept. 2012. 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 (62%—trending higher). Business accounts for 11%, visiting friends or relatives is 17%, and the remaining small portion includes a multitude of other reasons. One-third of visitors arrive by air (35%—trend stable). Average party size is 2.10 persons (decline in 2011 following five-year increasing trend) and average stay length is 8.06 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 four nights. Activity participation rates are highest for shopping (75%), sightseeing (44%), visiting friends and relatives (35%), and outdoor sports (29%). The border states account for 59% of all Canadian visits, but only 21% of visitor-nights. Florida accounts for 15% of visitors, but a dominant 33% 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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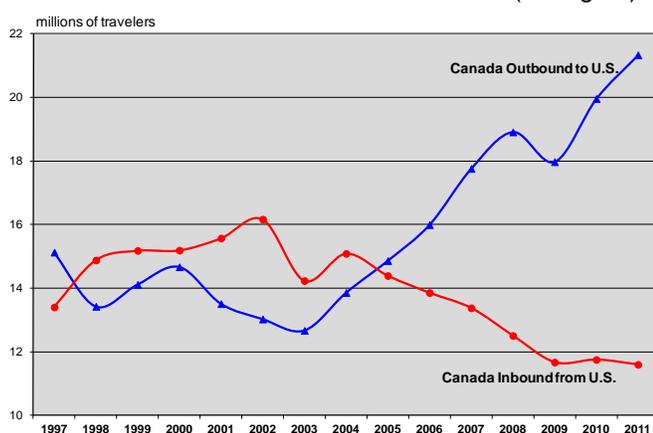
STATS-AT-A-GLANCE 2011 *Trends*

Last Update: 2012-08-08

USA Arrivals (inbound from Canada)

Canada outbound traveler volume to the U.S. and U.S. outbound to Canada continue to experience diverging trends. **Chart 1** (blue line) shows inbound to the U.S. declined over the 2001-2003 period due to several factors (economy, 9/11, and SARS) but has since increased 7 of the past 8 years. Looking ahead, visitor volume is expected to increase a total of 21% by 2016 year end, starting with a 5% increase forecasted for 2012 (OTTI spring Travel Forecast). For perspective, the U.S. accounted for 70% of all overnight Canada outbound travel in 2011. This proportion has been consistent for several years, but is lower than the 77% level of the late 90s. Conversely, auto day trips to the U.S. in 2011 was 28.5 million, half the level of that in the early 90s.

Chart 1: Visitor Volume Trends (1+ nights)



USA Departures (outbound to Canada)

Chart 1 (red line) also shows departures from the U.S. to Canada had an upward climb from the late 90s through 2002, but has since declined in 7 of the past 9 years. The downward trend in auto day trips is more pronounced; 2011 auto day visitor volume of 7 million is one-fourth the level of the late 90s. OTTI does not forecast outbound travel.

Spending

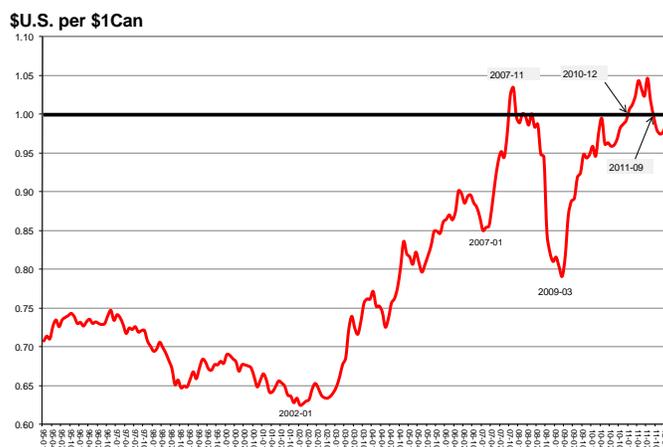
Traveler spending has grown in eight of the past nine years, following two years of declines in 2001 and 2002. A 12% decline in 2009 was followed up with impressive gains of 30% in 2010 and 15% in 2011. Change in spending reflects numerous factors including changes in visitor

volume, exchange rate, prices for travel goods and services, travelers' choice of national or non-national carriers, and spending level "intent." For this reason, OTTI does not forecast traveler spending.

Exchange Rate

Chart 2 shows the Canadian dollar exchange rate in 2011 reached its highest level in the past 15 years. The rate remained above par on an average monthly basis all year through August. The International Monetary Fund's October 2011 forecast calls for the Canadian dollar to remain near par through 2016. Appreciation of the Canada 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 to be even greater for the border states, who receive a large number of day-trip visitors.

Chart 2: Currency Exchange Rate
(\$U.S. per \$1Can)



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.

Sources: U.S. Department of Commerce/Office of Travel and Tourism Industries; Statistics Canada; Bank of Canada.

File location: I:\Tourism Industries\CANADA\000 Canada Program Helper Files\Current Canada Stats-At-A-Glance 2011 YE.doc