

2018

PREFERRED PURCHASES

An Analysis of UnionPay Cardholder Spending in Canada

A GREETING FROM UNIONPAY INTERNATIONAL

UnionPay International is honored to have partnered with the Tourism Industry Association of Canada (TIAC) for the past four years. We are pleased to present our 2018 Purchase Preference Analysis of UnionPay Cardholders in Canada report, providing invaluable information to TIAC members, partners and stakeholders to understand consumer behavior of global UnionPay cardholders in Canada.

With about 8 billion cards issued in 58 countries and regions, UnionPay is the world's largest bankcard scheme in terms of card issuance. UnionPay acceptance footprint covers 177 countries and regions, providing cardholders with convenient and secure payment services and a variety of privileges. It is widely used by global shoppers both domestically and internationally.

In Canada, over 70% of merchants currently accept UnionPay as a payment mode, providing consumers with great convenience and benefits. As the world is increasingly moving to digital technology, consumers are embracing mobile technology as an easy way to pay for products and services. UnionPay International is proud to bring its advanced mobile payment solutions to Canada, where UnionPay mobile QuickPass and the UnionPay app made their debut in North America, enabling UnionPay cardholders to make scan-and-go or tap-and-go payments at thousands of local restaurants and retailers.

In the future, UnionPay International is willing to deepen collaboration with our partners in Canada to jointly enhance the payment experience of travellers, visitors, international students to Canada as well as local Chinese.

Sincerely,

Li Xiaofeng
Chief Executive Officer
UnionPay International



A MESSAGE FROM THE TOURISM INDUSTRY ASSOCIATION OF CANADA

The Tourism Industry Association of Canada (TIAC) is a proud partner of UnionPay International as we continue to collaborate on initiatives supporting the Chinese inbound visitor market, including the first report on Purchase Preference Analysis of UnionPay Cardholders in Canada. This on-going partnership is testament of strong ties between Chinese tourists and Canada, as we have experienced impressive visitor growth of 48% since 2015.

In 2018, Canada welcomed 757,205 Chinese visitors who came to take in our breathtaking landscapes, dynamic and diverse cities, and to reconnect with friends and family who make up a large portion of Canada's Chinese diaspora population. As this report shows, Chinese visitors make up a significant part of the Canadian visitor economy. As more Canadian retailers accept UnionPay cards, the market continues on a path to growth.

The 2018 Canada-China Year of Tourism brought record visitors from China. TIAC continues to provide stellar China readiness programs to ensure our industry is prepared to receive increasing numbers of Chinese visitors. TIAC proudly continues to manage the Approved Destination Status (ADS) program for tour operators, and maintains strong advocacy for increased government investment in marketing and Visa Application Centre growth. These will continue to be a priority for TIAC as we believe in the importance of showcasing Canada as a desirable and welcoming destination for Chinese travellers.

Sincerely,

Charlotte Bell
President & CEO
TIAC



SPENDING TRENDS: PEAK PERIODS FOR UNIONPAY CUSTOMERS

UnionPay transaction volumes are strongly correlated with arrivals to Canada from China.

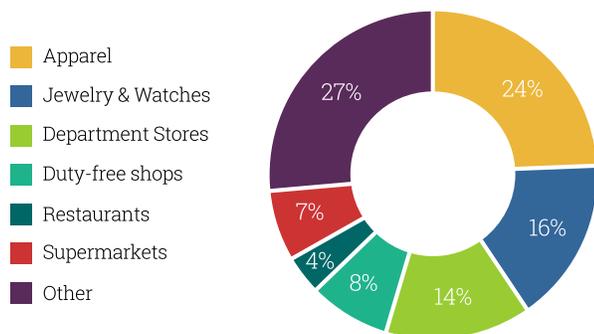
The Chinese lunar new year holiday, summer holidays and Chinese national holiday are the peak periods for UnionPay cardholders to travel and spend in Canada.

SPENDING PATTERNS

UnionPay Cardholders made 76% of purchases in retail stores (Groceries 22%, Apparel 21%, Jewelry & Watches 18%, Department stores 15%).

UnionPay Cardholders are spending more on Transportation, Hotels, Supermarkets and Restaurants than they were last year.

TRANSACTION PROPORTION IN CANADA IN 2018



YOY GROWTH OF UNIONPAY TRANSACTION IN 2019 H1



TRAVELLER PROFILE

Method of Travel: Most of the Chinese tourists to Canada choose to travel with a group.

Trip Purpose: 47% of Chinese trips to Canada are to visit friends and relatives (VFR) and 17% are for pleasure, both of which have been increasing steadily.

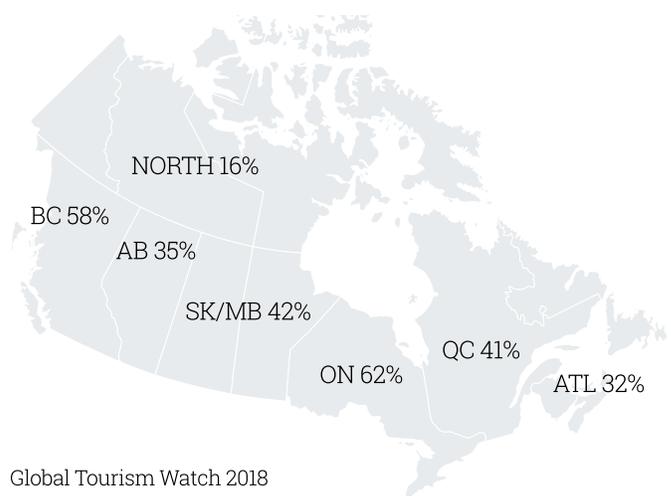
Visitor age: the age from 35 to 54 years old constitute the most sector of tourists to Canada (38%).

GEOGRAPHIC DISTRIBUTION

The top destinations of interest to Chinese visitors are all located within the two most popular provinces – Ontario and British Columbia.

UnionPay Cardholders spent most in the cities of Vancouver and Toronto. Other cities such as Montreal, Calgary, Edmonton and Ottawa shows high growth potential.

DESTINATIONS OF INTEREST TO CHINESE TOURISTS

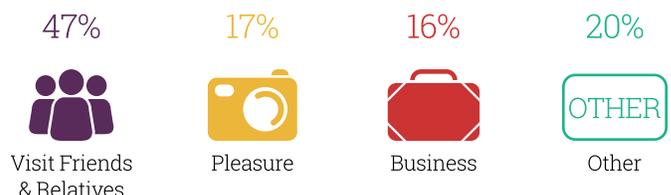


SOURCE OF THE CARDHOLDERS

Top three sources of UnionPay Cardholders from mainland China who spent in Canada are Beijing, Shanghai and Guangdong.

Top five sources of UnionPay Cardholders outside mainland China who spent in Canada are Hong Kong, Canada, Macao, South Korea and Philippines.

TRIP PURPOSE



VISITOR AGE

