

# 2016



## ANNUAL REPORT ON CANADIAN TOURISM

TIAC  AITC

**HLT**  
ADVISORY

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# EXECUTIVE SUMMARY

The Tourism Industry Association of Canada (TIAC) and HLT Advisory (HLT) are pleased to present our fifth annual report on Canadian Tourism.

Since we began production of the report in 2012, Canadian tourism has undergone significant change, as have the political, economic and regulatory parameters within which Canadian (and international) tourism operate. Following robust growth in 2015, Canada's tourism industry continues to post impressive, double-digit, increases in international visitation through 2016.

With the sesquicentennial in 2017, all indications are that Canada's 150th birthday will be an occasion for widespread celebration among the tourism industry. Both opportunities and challenges remain however, as identified throughout our 2016 Report.

## A MESSAGE FROM HLT

HLT values our partnership with TIAC both as co-author of the Annual Report and as one of the Association's Industry Patrons.

HLT contributes to the annual report by providing fact-based strategic insights to assist the Canadian tourism industry to grow and prosper. This role is consistent across the full range of HLT's target clients in the lodging, entertainment, attractions, convention and broader tourism industry.

This year's annual report focuses on the American traveller leading into Destination Canada's Connecting American marketing program. We hope the insights provided are useful and spur more creative approaches to reach this lucrative market.

## A MESSAGE FROM TIAC

The Tourism Industry Association of Canada (TIAC) is pleased to partner with HLT in presenting the fifth Annual Report on Tourism.

As 2016 comes to a close, tourism boasts the highest overseas results ever for the summer season and strong returns on targeted US market campaigns, successes the industry welcomes with caution as increased volume does not compensate lagging market share and policies challenging Canada's global competitiveness.

Given the momentum and the growth goals outlined for 2022, Tourism's path to success requires federal government measures addressing the high cost of travel and consistent marketing funding to secure the industry's role as a job creator and key contributor to Canada's economy.



**Lyle Hall**  
Managing Director  
HLT Advisory



**Charlotte Bell**  
President & CEO  
Tourism Industry Association of Canada

# SECTION 1

## INTRODUCTION

Since 2012, the Tourism Industry Association of Canada (TIAC) has worked collaboratively with HLT Advisory Inc. (HLT) to prepare an annual report on various aspects of the Canadian tourism industry. The objective of the Report is not only to provide a cohesive and clear set of annual metrics and industry statistics but also to underpin the importance of tourism within the Canadian economy and to highlight relevant challenges and opportunities.

From an international perspective, tourism continues to be among the most resilient and fastest growing industries in the world. The United Nations World Tourism Organization ("UNWTO") publication: "World Highlights 2016 Edition" notes that:

- "The number of international tourist arrivals (overnight visitors) in 2015 increased by 4.6% to reach a total of 1,186 million worldwide, an increase of 52 million over the previous year. It was the sixth consecutive year of above-average growth in international tourism following the 2008/09 global economic crisis.
- "Tourism flows were influenced by three major factors in 2015: the unusually strong exchange rate fluctuations, the decline in the price of oil and other commodities, and increased global concern about safety and security.
- Each of "...the Americas and 'Asia and the Pacific' recorded close to 6% growth in international tourist arrivals, with Europe, the world's most visited region, recording 5%. Arrivals in the Middle East increased by 2%, while in Africa they declined by 3%, mostly due to weak results in North Africa.
- "International tourism receipts grew by 4.4% in real terms (taking into account exchange rate fluctuations and inflation) with total earnings in the destinations estimated at US\$1,260 billion worldwide in 2015."

UNWTO's longer-term forecasts project a 3.3% average annual growth in total tourist visits between 2010 and 2030, with total visits expected to reach 1.8 billion by 2030 (see Figure 1).

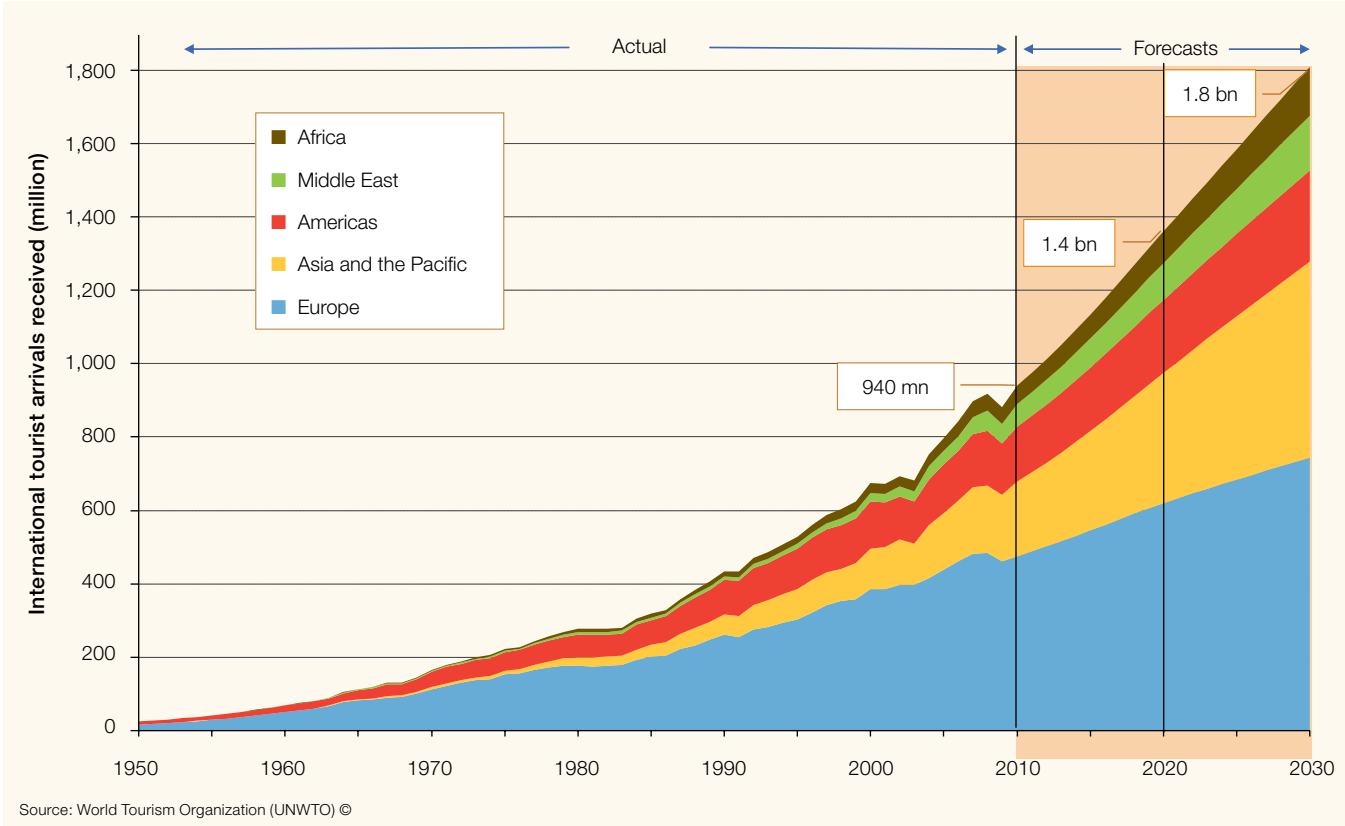
Strong international tourism growth over the past several years has stood in contrast to Canadian performance as a result of:

- Limited marketing budgets and less than ideal alignment between public sector policy makers, marketers and the tourism industry;
- Canada's high aviation costs and restrictive visa policy/processing;
- Ever increasing competition for tourists on the global stage; and
- Non-recoverable taxes on travel and tourism.

Working together, TIAC and its industry partners are proud to have paved the way for significant changes leading to stronger and sustainable tourism growth. In 2015, as well as 2016 year-to-date, impressive increases have been achieved in both US and international visitation and associated spending.

This year's annual report focuses on the key area for a prosperous and growing Canadian tourism industry: the American traveller. Destination Canada's industry-led and supported Connecting America campaign is designed to jump start Canada's position as a favoured travel destination in the minds of this vitally important marketplace. The eve of Canada's sesquicentennial celebration provides the perfect backdrop for such a focus.

**FIGURE 1**  
**UNWTO TOURISM TOWARDS 2030: ACTUAL TREND AND FORECAST 1950-2030**



# SECTION 2

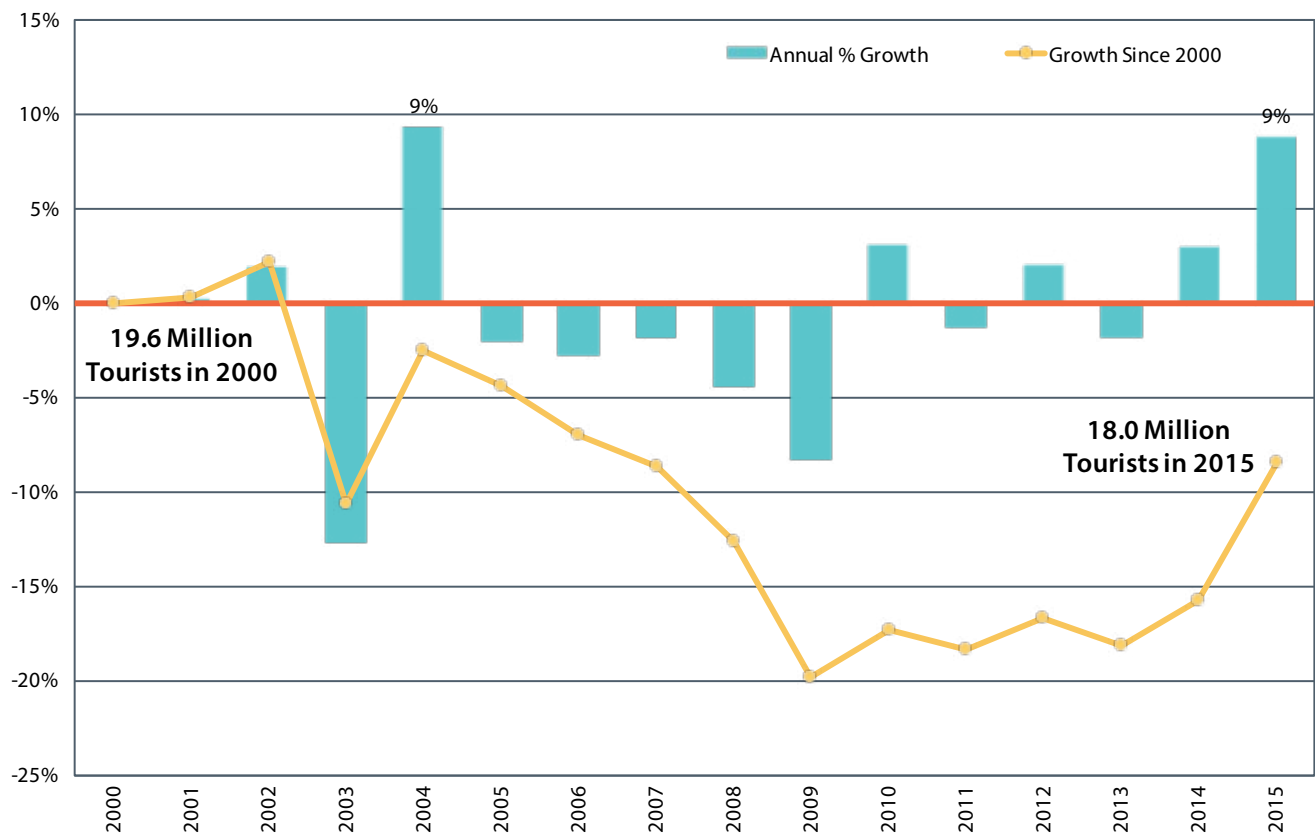
## TURNING A CORNER?

After a decade of annual declines and anemic growth, inbound visitation to Canada grew at a strong pace in 2015. Based on actual results through August 2016, even stronger growth will be achieved in 2016.

### LARGEST ANNUAL INCREASE IN INTERNATIONAL VISITATION IN OVER A DECADE

In 2015, Canada welcomed 18 million international tourists, an impressive 9% growth over 2014 levels and the largest annual growth in tourist arrivals for more than a decade.

FIGURE 2  
INBOUND INTERNATIONAL OVERNIGHT VISITORS TO CANADA



Source: Statistics Canada. Table 427-0004 - Number of international tourists (persons).



Visitor arrivals between January and August of this year increased by 10% compared with the same period in 2015. Growth at this pace could see Canada reach or even break the 20 million mark by the end of 2016.

Not only is overall visitor growth impressive but the nature of the increase is also broad-based. With the exception of Brazil, all eleven of Destination Canada’s target markets (i.e., US, France, Germany, United Kingdom, Australia, China, India, Japan, South Korea, Brazil and Mexico) produced greater numbers of visitors through the end of August when compared with the same period in 2015. Brazil declined by 4%. South Korea and China lead the pack with 28% and 24% increases, respectively. The ever-important United States market grew by a healthy 9%.

**FIGURE 3**  
**OVERNIGHT VISITORS TO CANADA: 2012-16 YTD\* (000)**



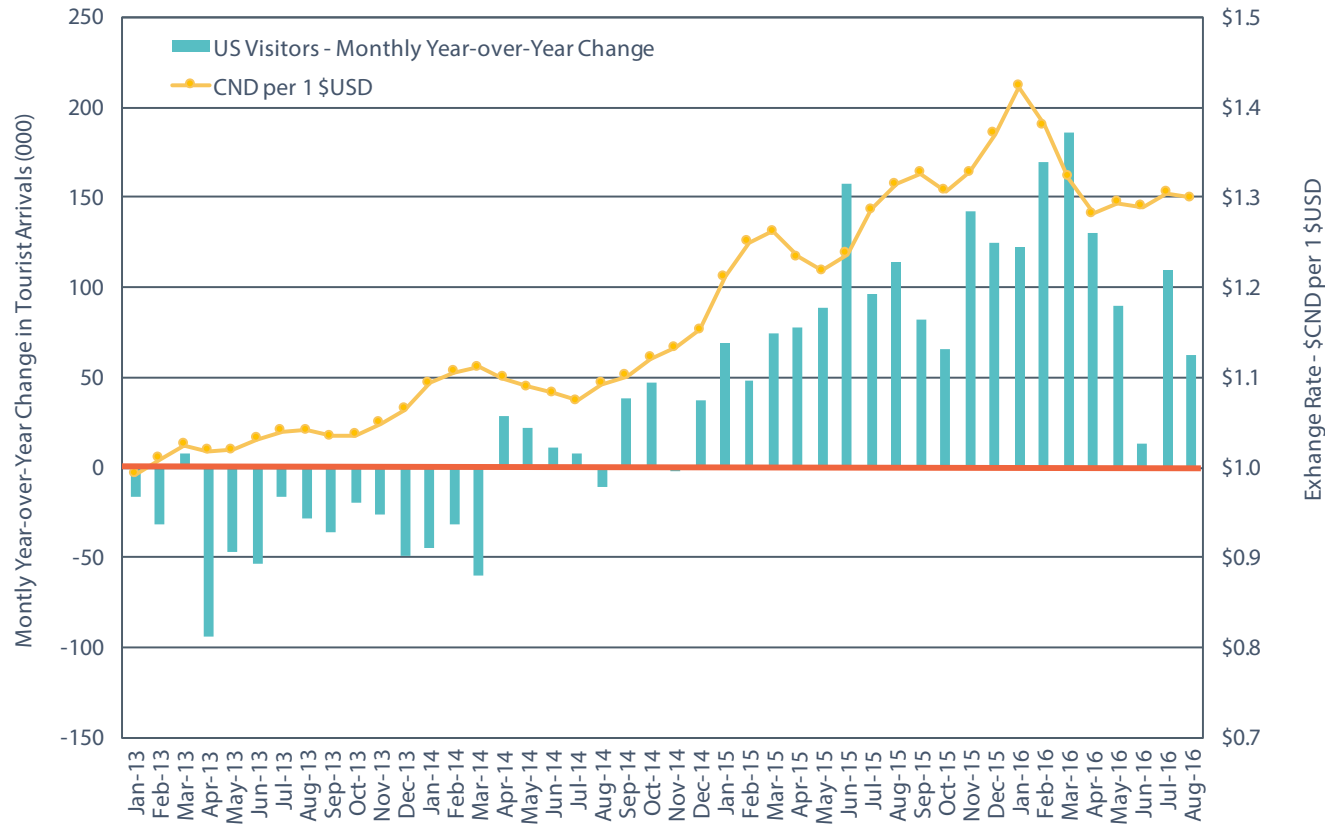
\*YTD - Jan to Aug (seasonally unadjusted data).  
 Source: Table 427-0004 Number of international tourists entering or returning to Canada.

### THE ROLE OF THE LOONIE

What has fuelled the recent influx of international tourists to Canada? Destination Canada, as well as several provincial and destination marketing organizations, will justifiably point to enhanced marketing and targeting efforts, but currency is also a key factor. The relentless appreciation of the Greenback against the Loonie over the past three years has had a consistently positive impact on US visitation to Canada since 2014. While many Americans are unaware of the currency differential, they are taking advantage of the tremendous value of Canadian experiences at the reduced-price point.

It is important to note that the impact of currency on visitation levels should not be confused with market awareness of currency values. Unlike Canadian travelers, who are very aware of the Loonie's value when making travel decisions, American travelers are often unaware there is a difference in currency. Since trip prices and advertising are typically quoted in USD rather than CDN, the advertised price (which appears lower in USD) conveys value and tends to be a draw to visit. American tourists may not even be aware of a currency difference until they purchase Canadian currency, arrive in Canada and realize their dollar goes further or when get their credit card bills after returning from vacation.

**FIGURE 4**  
**GROWTH IN US OVERNIGHT VISITOR ARRIVALS BY MONTH VS. EXCHANGE RATE**

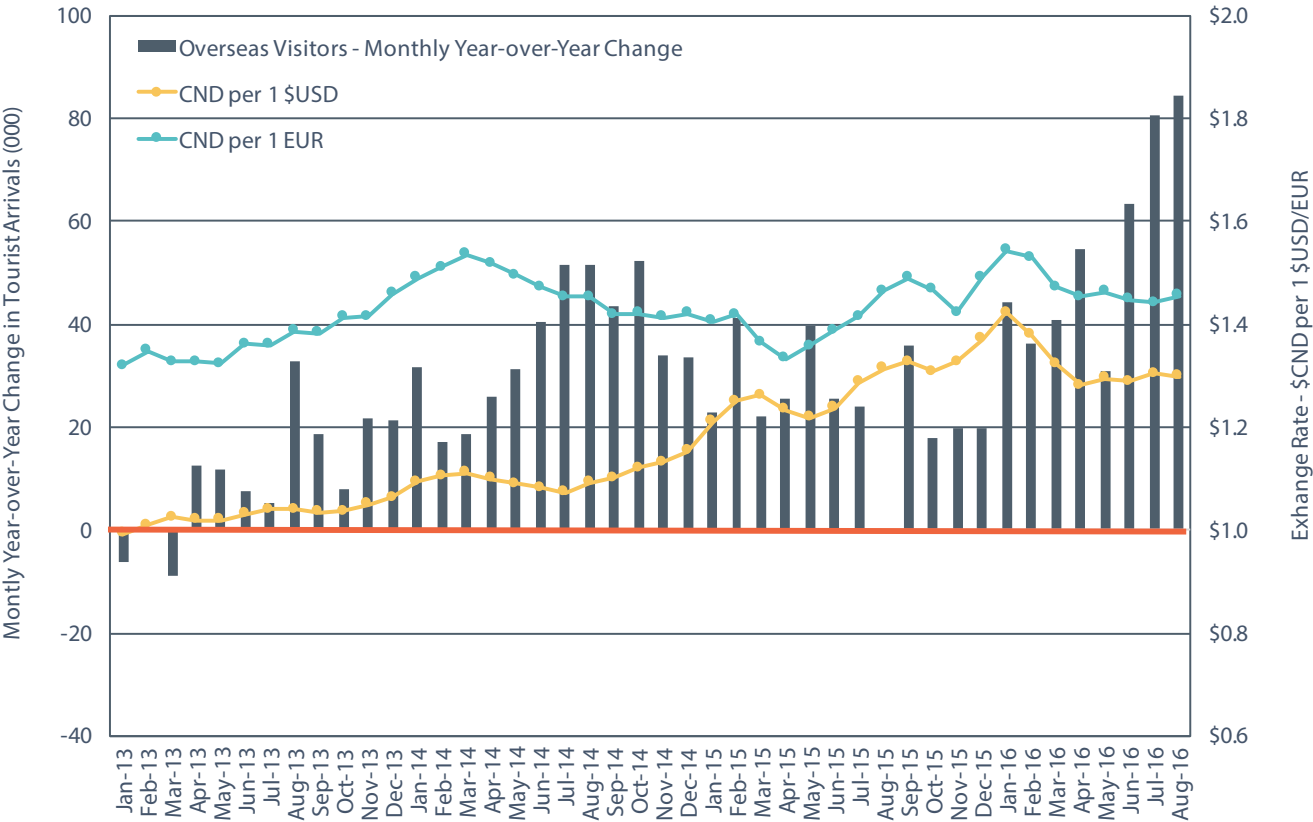


Source: Statistics Canada, Table 427-0004 - Number of international tourists and Bank of Canada (exchange rates).  
Note: Monthly US overnight visitor arrivals based on seasonally adjusted data.



Overseas visitation to Canada has also been strong but the impact of currency is more difficult to establish. At a minimum there seems to be a pronounced lag between currency devaluation and increases in visitation, perhaps a result of a longer planning cycle given distance.

**FIGURE 5**  
**GROWTH IN OVERNIGHT OVERSEAS VISITOR ARRIVALS BY MONTH VS. EXCHANGE RATES**











































Source: Statistics Canada. Table 427-0004 - Number of international tourists and Bank of Canada (exchange rates).  
 Note: Overseas visitor arrivals based on seasonally.

The strength of the US dollar has also profoundly affected the volume of outbound international travel by Canadians. Through the first four months of 2016, Canadian visitation to the US was 14% lower when compared with the same period in 2015. Currency seems to have had a greater impact on Canadian travellers as Overseas and Mexican visits to the US were up by 2% and 4% respectively.

## COUNTRY BRAND

Canada is currently ranked #5 among the top 20 country brands in the world by FutureBrands. Although this overall ranking is lower than the first place position in 2012, Canada's ranking in the tourism dimension has improved substantially, with a 2015 ranking of fourth position up from #13 in 2012.

**FIGURE 6**  
**TOP 20 COUNTRY BRANDS IN THE WORLD BY FUTUREBRANDS**

RANKING	OVERALL RANKING		TOURISM RANKING	
	2012	2015	2012	2015
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Source: HLT Advisory Inc. based on data from Future Brands, Country Brand Index.

FutureBrands identifies major sporting events as having significant positive impacts in increasing awareness of the host country. In this regard, Canada has enjoyed major events this decade. First, the Olympic Winter Games in 2010. More recently, the 2015 Pan American Games and the 2015 FIFA Women's World Cup are expected to further strengthen Canada's brand and recognition building an even stronger platform for tourism growth.

## UNWTO COUNTRY RANKING

Despite the impressive growth in tourist arrivals in 2015 and the strength of Canada's brand among leading destinations, Canada's ranking among the "Top 20" continues to slip – currently at 18th place down from 8th in 2000. While countries like Turkey, Thailand, Hong Kong, Malaysia and Greece (previously trailing Canada in terms of tourist arrivals) have doubled international visitor arrivals since 2000, Canada remains the only country currently in the Top 20 to post an overall decline in arrivals over the last 15 years.

**FIGURE 7**  
**UNWTO TOP 20 COUNTRY RANKING**

RANK	COUNTRY NAME	2000	RANK	COUNTRY NAME	2010	RANK	COUNTRY NAME	2015
	<b>World</b>	<b>674.0</b>		<b>World</b>	<b>950.0</b>		<b>World</b>	<b>1,186.0</b>
#1	France	77.2	#1	France	77.1	#1	France	84.5
#2	United States	51.2	#2	United States	59.8	#2	United States	77.5
#3	Spain	46.4	#3	China	55.7	#3	Spain	68.2
#4	Italy	41.2	#4	Spain	52.7	#4	China	56.9
#5	China	31.2	#5	Italy	43.6	#5	Italy	50.7
#6	United Kingdom	23.2	#6	United Kingdom	28.3	#6	Turkey	39.3
#7	Mexico	20.6	#7	Turkey	27.0	#7	Germany	35.0
<b>#8</b>	<b>Canada</b>	<b>19.6</b>	#8	Germany	26.9	#8	United Kingdom	34.4
#9	Russia	19.2	#9	Malaysia	24.6	#9	Mexico	32.1
#10	Germany	19.0	#10	Mexico	22.3	#10	Russian Federation	34.5
#11	Austria	18.0	#11	Austria	22.0	#11	Thailand	29.9
#12	Poland	17.4	#12	Ukraine	21.2	#12	Austria	26.7
#13	Greece	13.1	#13	Russia	20.3	#13	Hong Kong	26.7
#14	Portugal	12.1	#14	Hong Kong	20.1	#14	Malaysia	25.7
#15	Malaysia	10.2	<b>#15</b>	<b>Canada</b>	<b>16.1</b>	#15	Greece	23.6
#16	Bangladesh	10.0	#16	Switzerland	15.0	#16	Japan	19.7
#17	Turkey	9.6	#17	India	14.2	#17	Saudi Arabia	18.0
#18	Thailand	9.6	#18	Singapore	14.1	<b>#18</b>	<b>Canada</b>	<b>18.0</b>
#19	Hong Kong	8.8	#19	Japan	13.2	#19	Poland	16.7
#20	Switzerland	7.8	#20	Netherlands	12.9	#20	Netherlands	15.0
<b>Total Top 20 Countries</b>		<b>465.5</b>			<b>593.2</b>			<b>733.1</b>
<b>As % of Total</b>		<b>69.1%</b>			<b>62.4%</b>			<b>61.8%</b>

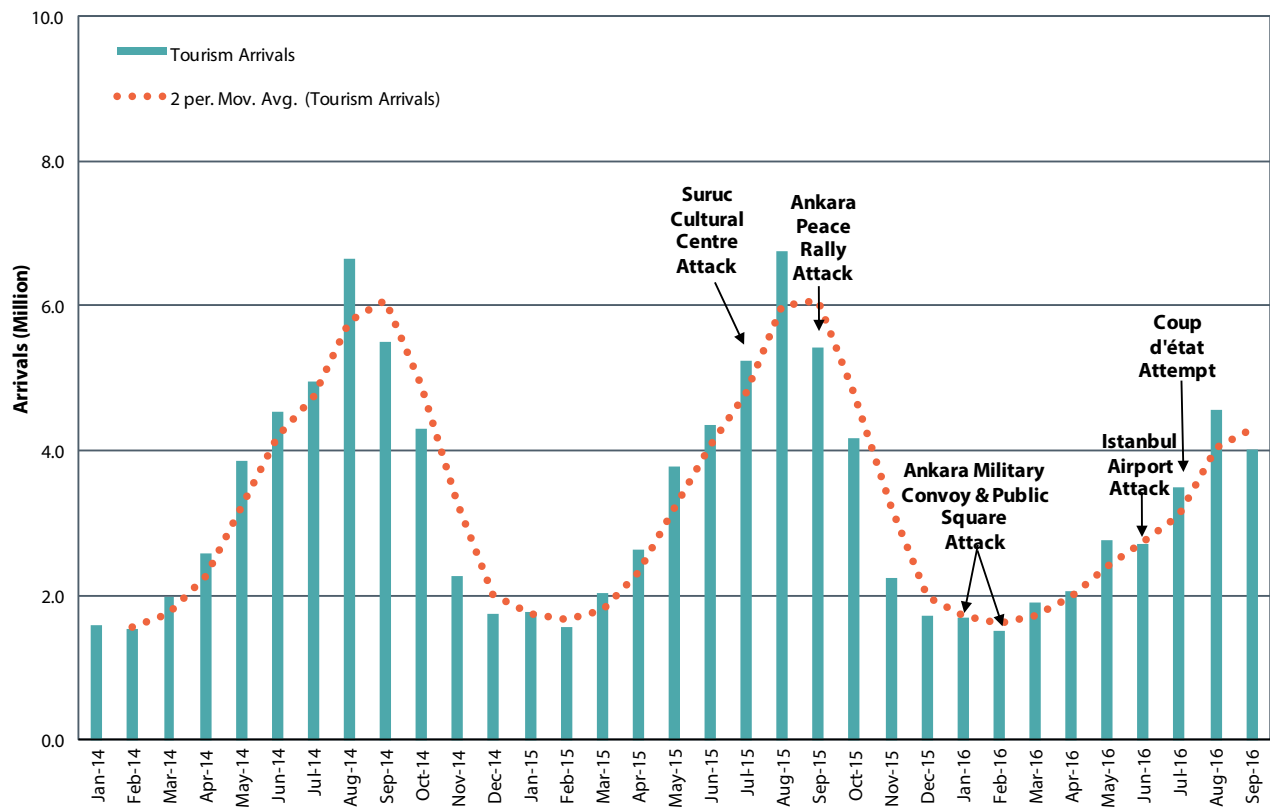
Source: UNWTO, World Tourism Barometer | Notes: Numbers represent international arrivals (excludes same-day travellers)

Canada’s 18th place positioning reflects year-over-year visitation declines for six of the past ten years. By comparison, over that same period, the aggregate global change in visitation declined once, in 2009.

Security fears and a degree of economic uncertainty in some parts of the world are likely to result in noteworthy changes to the UNWTO rankings in 2016. Two countries where these concerns have been most pronounced in 2016 are France and Turkey, both strong international visitor performers.

Turkey’s visitor statistics through September 2016 demonstrate how security and terror-related events have an immediate negative impact on visitation (a 50% decrease in June/July visitor volumes from 2015 to 2016) but also a degree of resiliency. Resilient or not, a “new normal” has been established in many previously popular destinations.

**FIGURE 8**  
**IMPACT OF LATEST MAJOR TERRORIST ATTACKS AND POLITICAL INSTABILITY ON TOURISM ARRIVALS TO TURKEY**



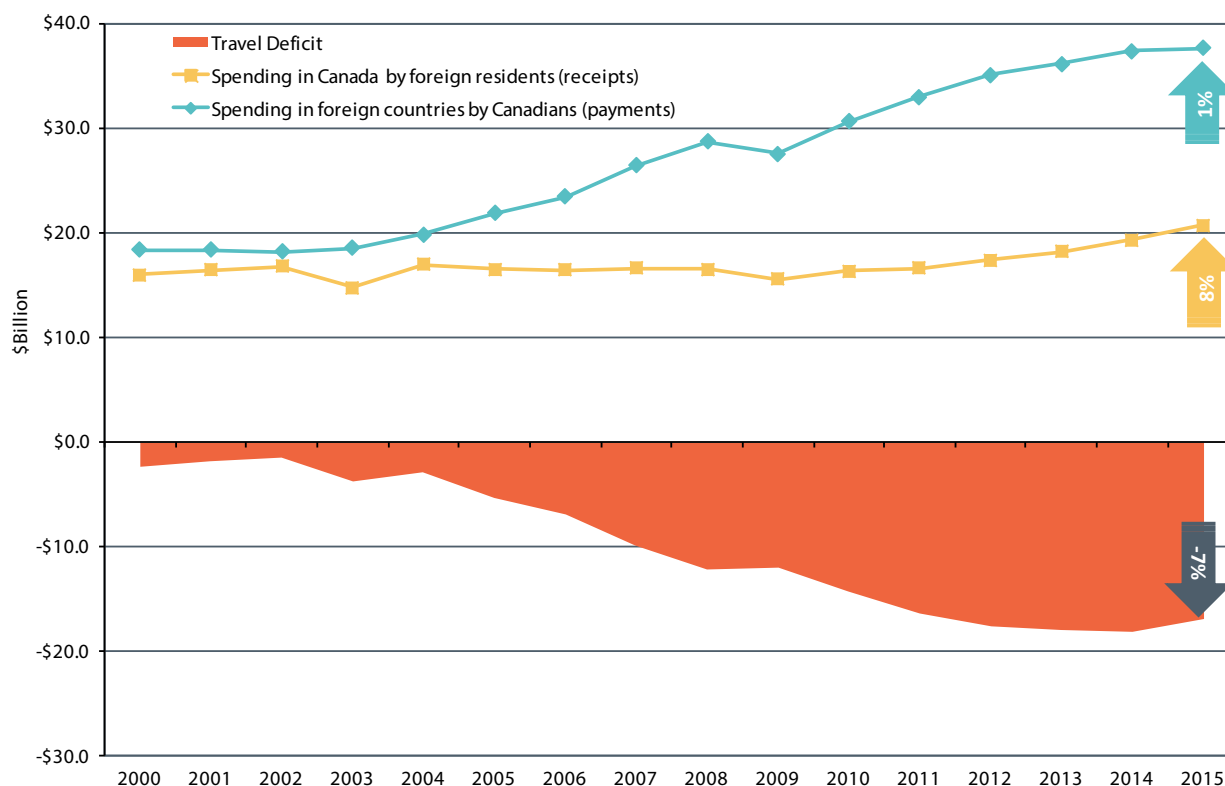
Source: HLT Advisory Inc. based on TurkStat Departing Visitors Survey

In France, according to the President of the Ile-de-France Tourism Bureau (Paris Region), visitation to the Region was down 6.4% over the first six months of 2016 compared with 2015 (a decline of about one million visitors), which has amounted to about €750 million less visitor spending.

## TRAVEL DEFICIT

In 2015, for the first time in over a decade, Canada's travel deficit (the difference between spending by Canadians outside the country and spending by international visitors to Canada) shrunk. Strong growth in inbound visitation combined with almost no increase to the number of Canadians travelling abroad combined to reduce the deficit by \$1.2 billion.

**FIGURE 9**  
**CANADA'S INTERNATIONAL TRAVEL DEFICIT**



Source: Statistics Canada. Table 376-0108 - International Transactions in Services, by Category.

Currency fluctuations contributed to the decline in outbound Canadian travel.

# SECTION 3

## CHARACTERISTICS OF AMERICAN TRAVELLERS

### THE GROWING US OUTBOUND TOURIST MARKET

In 2015, Americans took 73.5 million international overnight trips, up 23 million from 1995 and almost double that in 1985. The US is currently the second largest outbound tourism market in the world (measured in total outbound trips) behind only China at 127.9 million trips. Germany, the United Kingdom and France round out the top five greatest trip generators.

**FIGURE 10**  
**TOP 10 OUTBOUND COUNTRIES - RANKED BASED ON INTERNATIONAL TOURISM EXPENDITURE**

RANK	COUNTRY	EXPENDITURE* (US\$ BILLION)	DEPARTURES (M)
#1	China	\$292.2	127.9
#2	United States	\$112.9	73.5
#3	Germany**	\$77.5	83.0
#4	United Kingdom	\$63.3	64.2
#5	France**	\$38.4	28.2
#6	Russian Federation	\$34.9	36.8
#7	Canada	\$29.4	32.3
#8	Korea	\$25.0	19.3
#9	Italy	\$24.4	27.5
#10	Australia	\$23.5	9.5

Source: UNWTO Tourism Highlights 2016 Edition

\* Due to changes in methodology, China substantially revised its international tourism expenditure series upward for 2015, while the US revised its series downwards from 2013 on

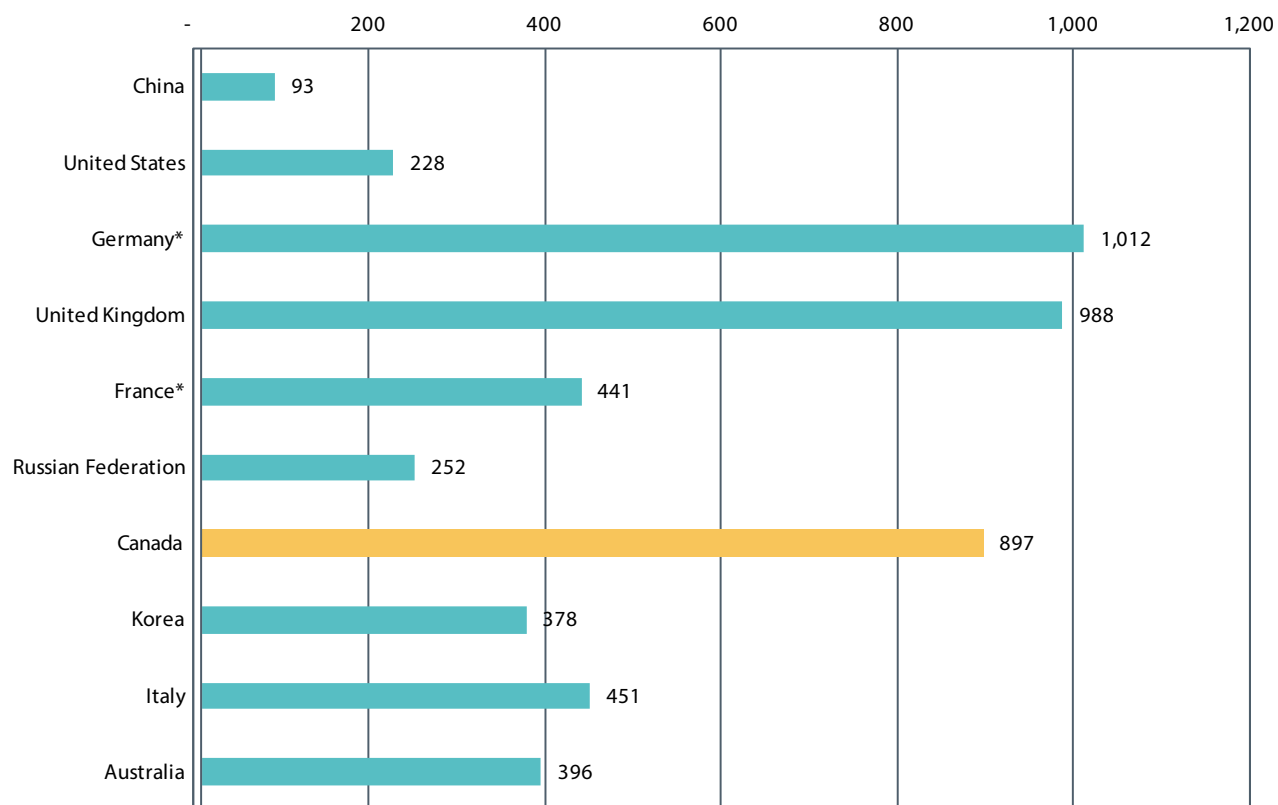
\*\* 2015 departures not currently available, numbers represent 2014 outbound trips

n.a.: not available

Despite leading the pack on a total trips basis, per capita trips (i.e., the number of trips per 1,000 population) for the US and China are the lowest of the major economies. China generates 93 outbound trips/1,000 people while the United States generates 228 trips. By comparison, Canada has the third largest with 897 trips/1,000 people, behind the UK (988 trips) and Germany (1,012 trips).

FIGURE 11

OUTBOUND TRIPS/1000 PEOPLE - TOP 10 OUTBOUND COUNTRIES



Source: UNWTO Tourism Highlights 2016 Edition

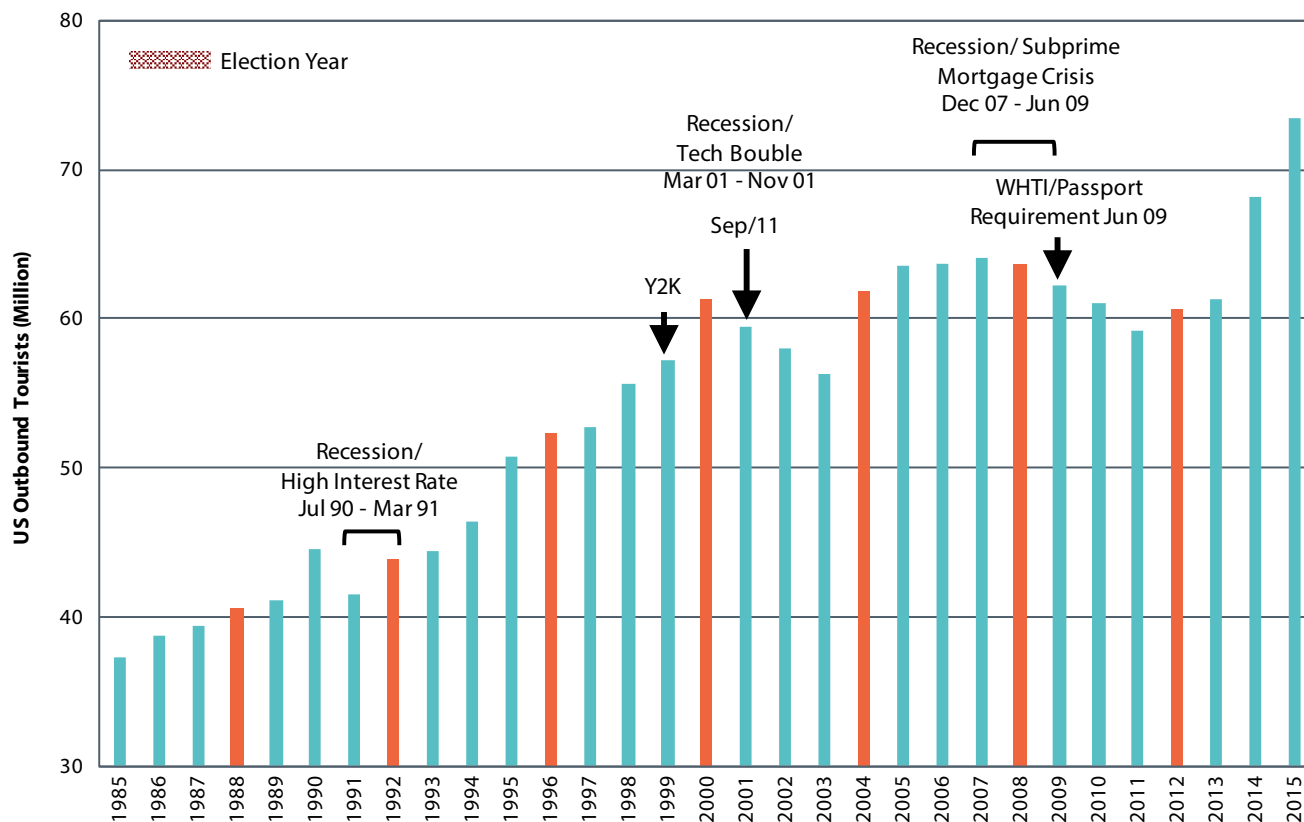
\* 2015 not currently available, numbers represent 2014 outbound trips.

Growth in US outbound visitation has not occurred on a linear basis. Over the past thirty years various world events, policy changes, currency fluctuations and domestic issues have had a marked impact on year-over-year change in the number of Americans travelling outside their borders.



FIGURE 12

US OUTBOUND OVERNIGHT VISITORS TRENDS VS. MAJOR EVENTS

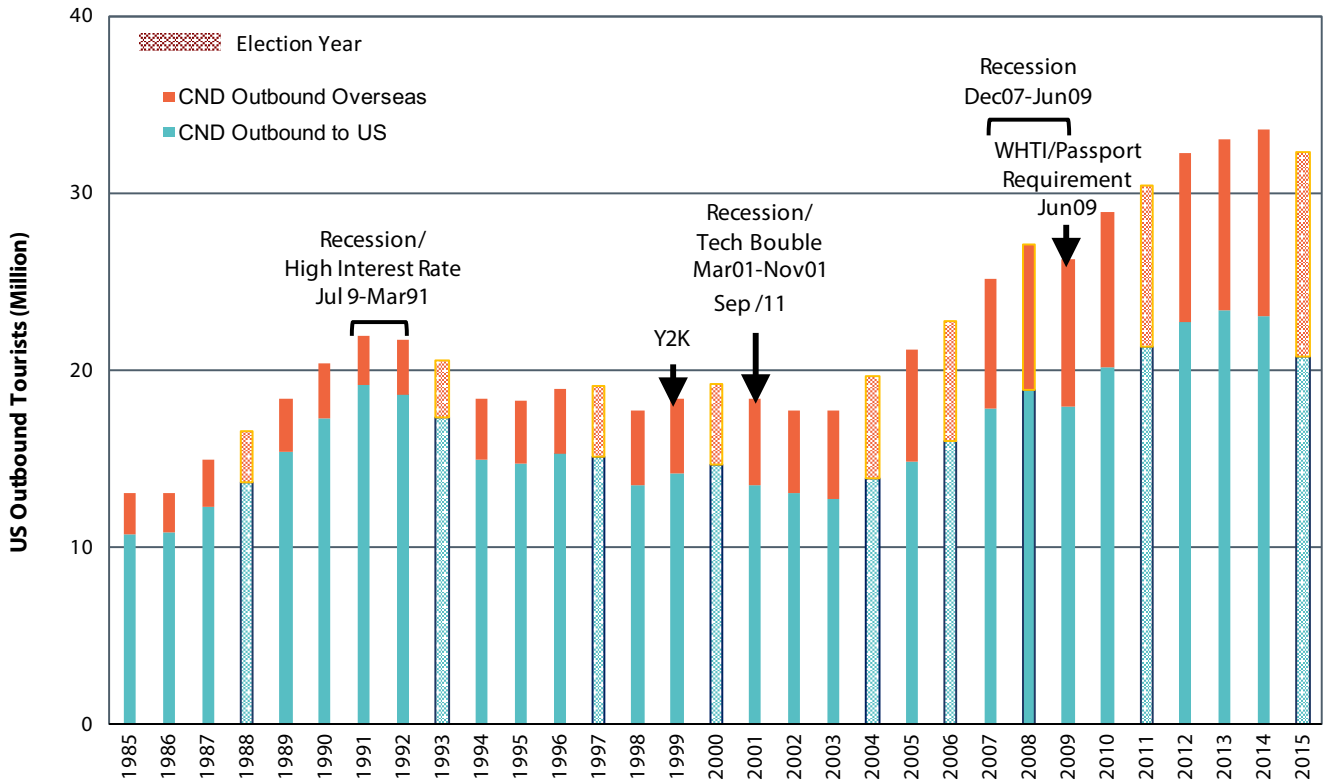


Source: US Department of Commerce, ITA, Office of Travel and Tourism Industries.  
Note: Outbound tourists - 1 or more nights

Interestingly, one commonly-held belief—that American outbound travel declines during election years—is not supported by the facts. Over the past thirty years only once (in 2008) did election-year outbound travel not surpass the previous year's total outbound travel. Further, in most cases the year following an election year also produced greater outbound travel with the exception of 2001 (9/11 events) and 2009 (economic recession).

These major events also impacted the outbound travel of Canadians, however to a much lesser degree.

**FIGURE 13**  
**CANADA OUTBOUND OVERNIGHT VISITORS TRENDS VS. MAJOR EVENTS**



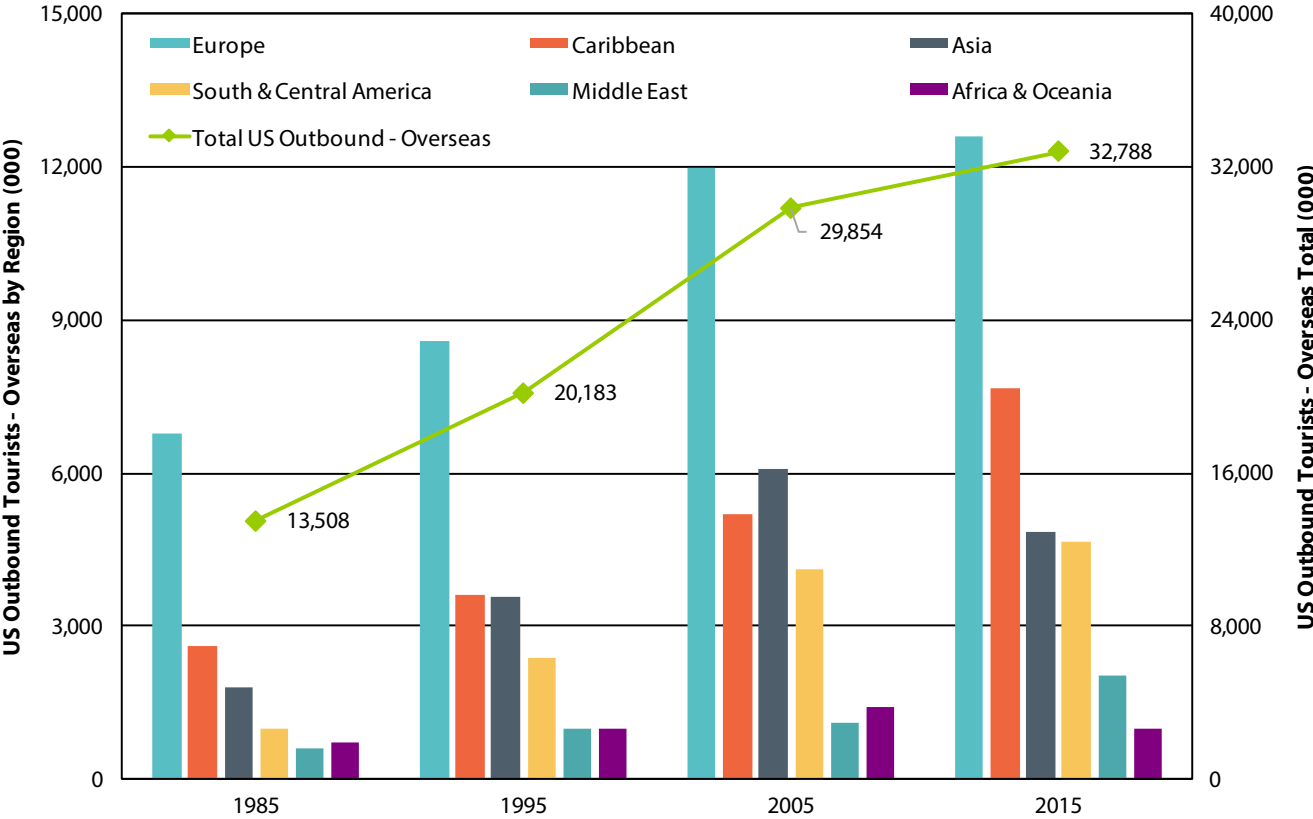
Source: Statistics Canada, CANSIM 427-0004 Number of international tourists entering or returning to Canada  
 Note: Outbound tourists - 1 or more nights.

Outbound travel by Canadians reveals a similar pattern, affected by economic events. Unlike US outbound, Canadian outbound remained relatively strong post 2008 until 2015 (the result of a lower valued Canadian dollar).

# WHERE ARE AMERICANS TRAVELLING INTERNATIONALLY?

Today Americans are travelling to overseas destinations more than ever before. Since 1990, the number of overnight trips taken by Americans to overseas destinations has more than doubled and currently accounts for 45% of all international trips. Trips to Europe and the Caribbean accounted for over 60% of all overseas trips taken by Americans in 2015.

**FIGURE 14**  
**US OUTBOUND OVERNIGHT VISITORS TRENDS - OVERSEAS\***

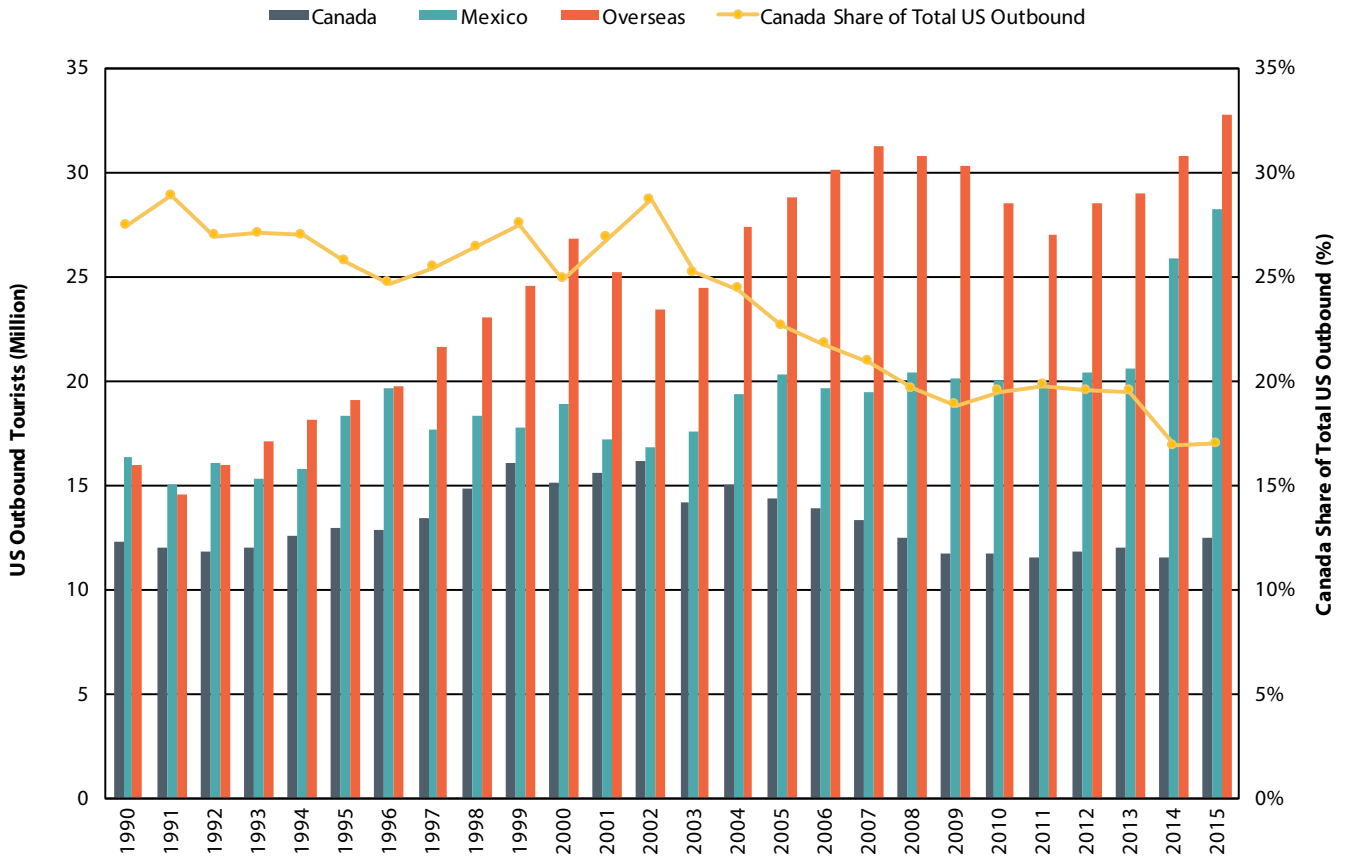


Source: US Department of Commerce, ITA, Office of Travel and Tourism Industries.  
\* Excludes Mexico and Canada.

Mexico and Canada are still however, the two single largest destinations for American travellers.

In 2015, Canada received some 17% of total outbound US overnight trips, down from almost 30% of all trips in the early 2000s. This variance stands in stark contrast to the significant increase in visitation to Mexico. Combined this shift in visitation represents as many as 25 million person trips/annum.

**FIGURE 15**  
**US OUTBOUND OVERNIGHT VISITORS TRENDS MEXICO, CANADA AND OVERSEAS**



Source: US Department of Commerce, ITA, Office of Travel and Tourism Industries.

Mexico, on the other hand, has seen significant growth in American visitors. Overnight trips to Mexico increased by 26% in 2014 and another 9% in 2015. In 2015, Americans generated 28.2 million overnight trips to Mexico (up from 20.9 million in 2013), compared to 12.7 million overnight trips to Canada. Over the first quarter of this year, outbound US travel has increased by 10%, with outbound travel to Canada increasing by 18%, followed by Mexico (9%) and Overseas (8%).

**FIGURE 16**  
**US OUTBOUND OVERNIGHT VISITOR ACTIVITY**

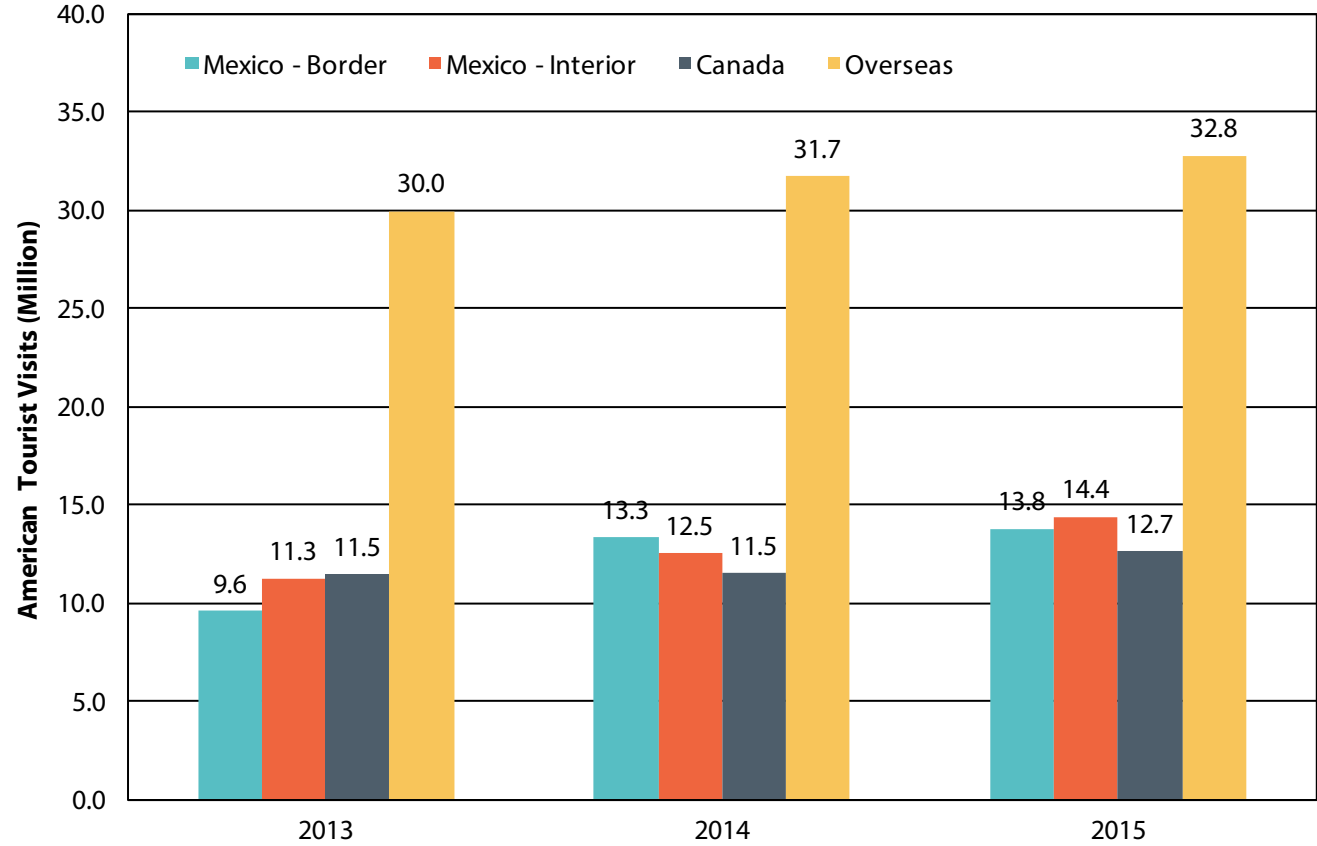
	JAN-APR*				
	2013	2014	2015	2015	2016
<b>Total Outbound</b>	61.3	68.2	73.5	20.8	22.9
<b>% Growth</b>		11%	8%		10%
<b>To Mexico</b>	20.9	25.9	28.2	9.1	10.0
<b>Growth</b>		24%	9%		9%
<b>To Canada</b>	11.5	11.5	12.7	2.3	2.7
<b>Growth</b>		0%	10%		18%
<b>Overseas</b>	29.0	30.8	32.8	9.4	10.2
<b>Growth</b>		6%	7%		8%

Source: US Department of Commerce, ITA, Office of Travel and Tourism Industries.

\* US overnight visitors to Canada - represent seasonally unadjusted data.

A key element of the American overnight travel to Mexico is “border tourism” (i.e., overnight visitors that cross the Mexican/ US border but remain within 200 km, or about 3 hours of the border). According to the Bank of Mexico, there were 13.9 million overnight border tourist trips in 2015, representing 49% of total US overnight visits to Mexico.

**FIGURE 17**  
**US OUTBOUND OVERNIGHT VISITORS GROWTH BY DESTINATION - 2013 TO 2015**



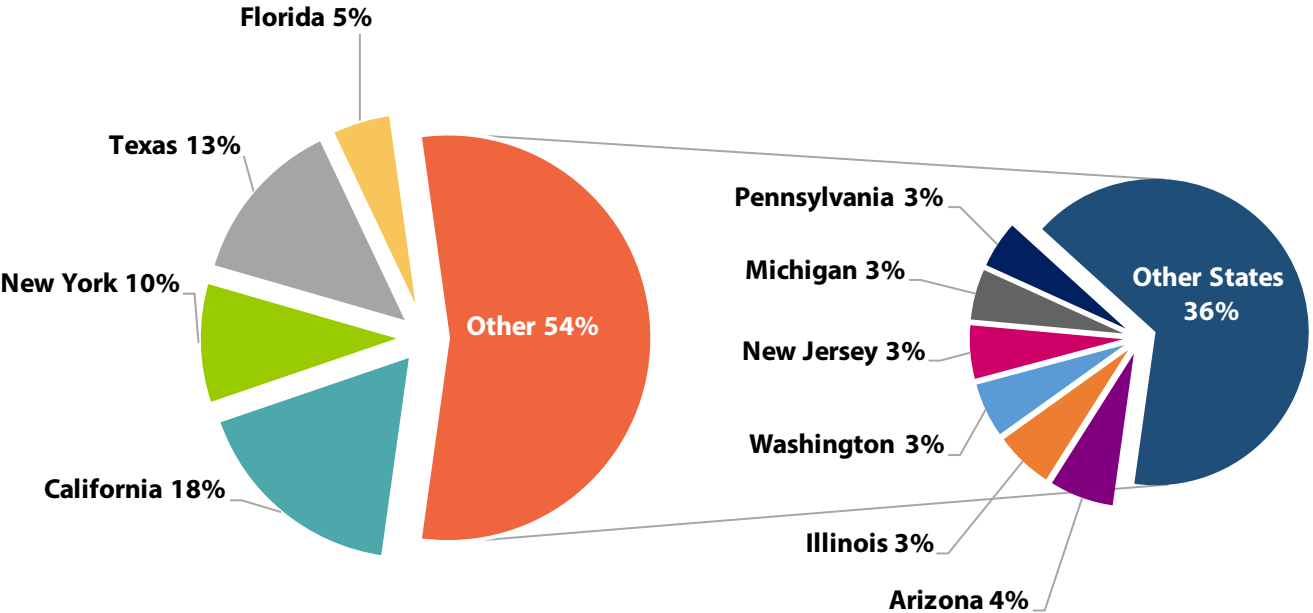
Source: HLT Advisory Inc. based on US Department of Commerce, ITA, Office of Travel and Tourism Industries and Banco de Mexico.

Border trips are clearly where the greatest growth in outbound travel to Mexico has occurred.

# WHICH STATES GENERATE THE MOST INTERNATIONAL TRIPS?

The four most populous US states—California, Texas, Florida and New York—are also the largest source markets for American outbound tourism, but understanding the proportion of travel generated by these states goes beyond just population. California, Texas, Florida and New York comprise about one third of the total US population yet generate about 46% of all international tourist trips made by Americans in 2014. The next six states with the most prolific travelers—Arizona, Illinois, Washington, New Jersey, Michigan and Pennsylvania—accounted for an additional 18% of all US outbound tourist trips. These ten states, representing just half of the total US population produced almost two thirds of all outbound travel.

**FIGURE 18**  
**STATE OF ORIGIN OF US OUTBOUND TRAVELLERS**



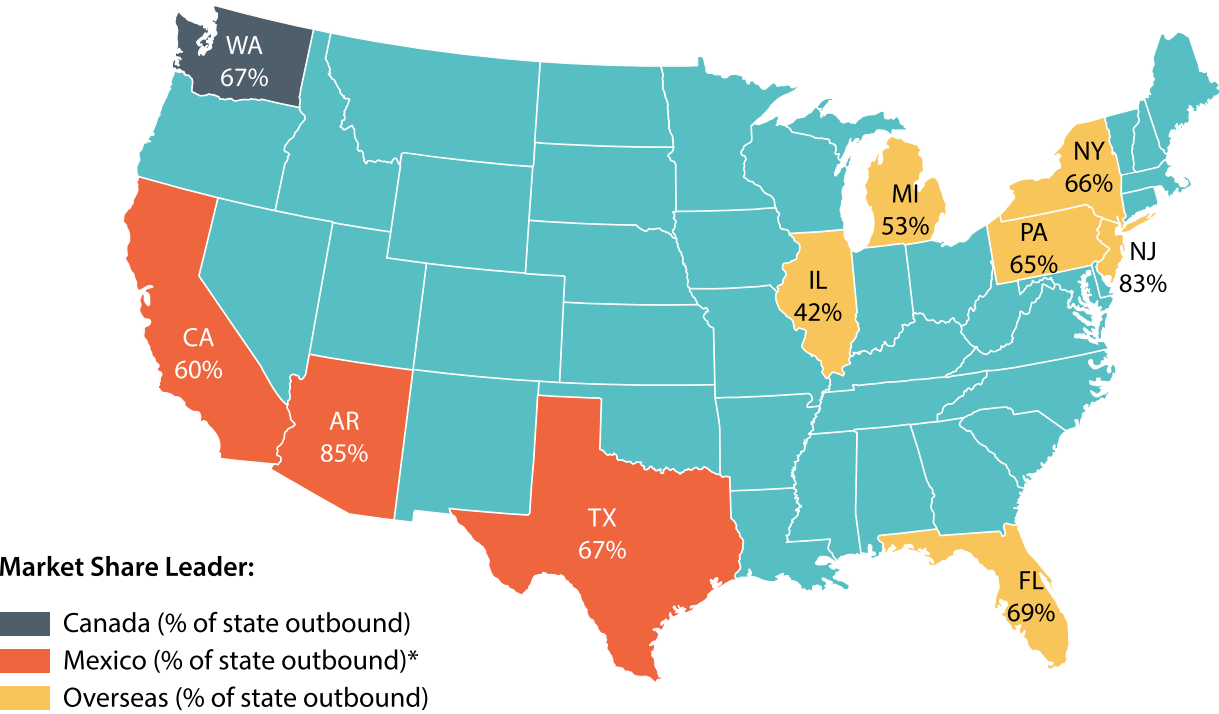
Source: HLT estimates based on data from Statistics Canada ITS 2014, US Department of Commerce - ITA (2014), SECTUR (Mexico), and Bank of Mexico (2014).  
Note: Estimates are based on 2014 data.

\*Estimate includes both border and interior US tourist visitation to Mexico. Estimates based on results from a 2003 and 2007 surveys of border tourists to Mexico - COLEF (Colegio de la Frontera Norte) as well as 2014 data from Bank of Mexico



Of the top 10 states for international outbound travel, Canada is the primary destination for only one: Washington. Canada received close to 70% of all outbound overnight tourist trips generated from Washington. Residents of California, Arizona and Texas (all border states) travelled primarily to Mexico. The primary destinations for residents of Florida, New York, Pennsylvania, Michigan and Illinois were Overseas.

**FIGURE 19**  
**US OUTBOUND OVERNIGHT VISITORS - TOP 10 STATES**



Source: HLT estimates based on data from Statistics Canada ITS 2014, US Department of Commerce - ITA (2014), SECTUR (Mexico), and Bank of Mexico (2014).

Note: Estimates are based on 2014 data.

\*Estimate includes both border and interior US tourist visitation to Mexico. Estimates based on results from a 2003 and 2007 surveys of border tourists to Mexico - COLEF (Colegio de la Frontera Norte) as well as 2014 data from Bank of Mexico

Looking at the Top 15 states for inbound visitation to Canada the pattern is similar with the most populous and closest states generating a significant proportion of visits.

**FIGURE 20**

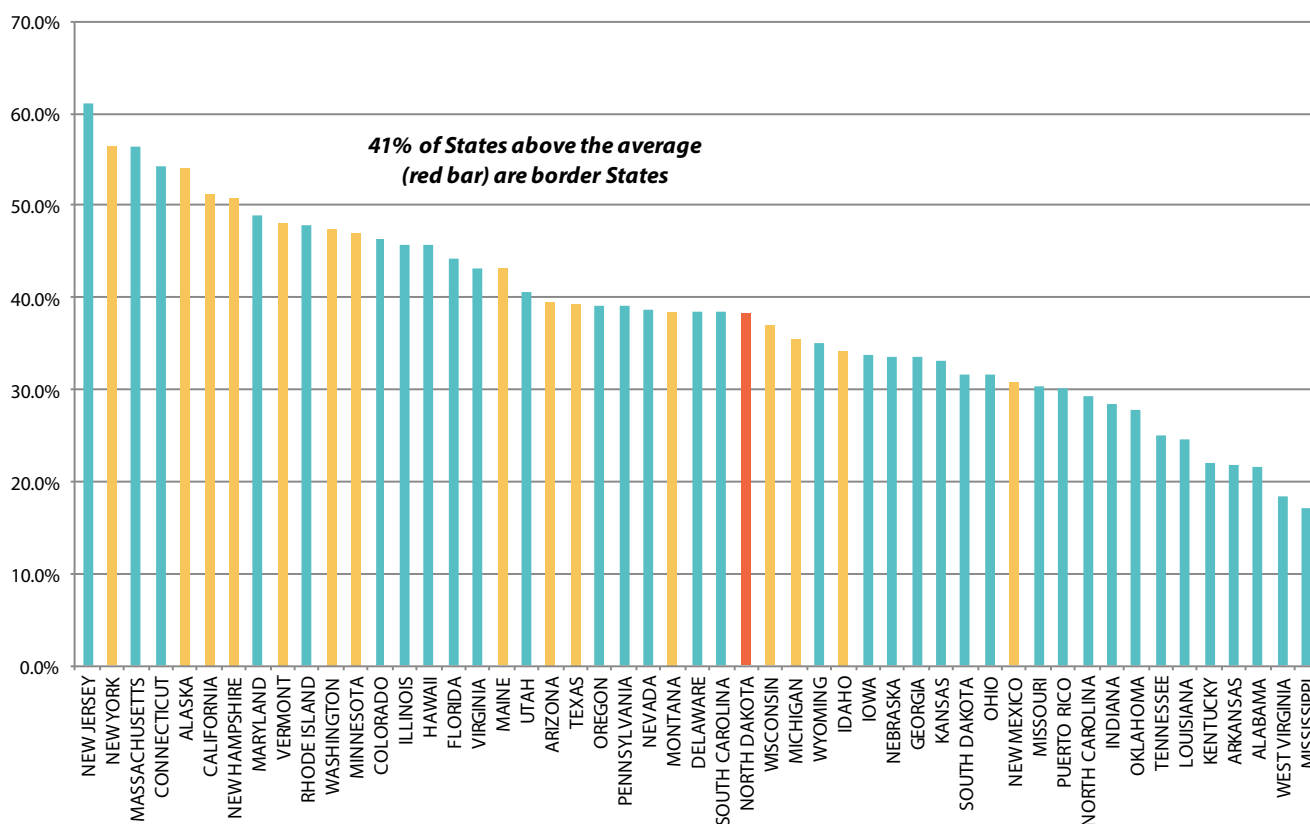
**TOP 15 STATES OF RESIDENCE OF US OVERNIGHT TO CANADA**

		TRIPS (000)			NIGHTS (000)			SPENDING (\$M)		
2015 RANKING	STATE	2010	2015	% CHANGE	2010	2015	% CHANGE	2010	2015	% CHANGE
#1	New York	1,660	1,827	10.1%	5,198	5,947	14.4%	\$594.0	\$799.0	34.5%
#2	Washington	1,260	1,553	23.3%	4,025	5,276	31.1%	\$476.0	\$770.0	61.8%
#3	Michigan	1,132	1,050	-7.2%	3,126	3,146	0.6%	\$380.0	\$423.0	11.3%
#4	California	835	1,003	20.1%	4,601	5,844	27.0%	\$599.0	\$956.0	59.6%
#5	Illinois	433	542	25.2%	2,164	2,293	6.0%	\$292.0	\$369.0	26.4%
#6	Ohio	470	530	12.8%	1,851	1,810	-2.2%	\$211.0	\$268.0	27.0%
#7	Pennsylvania	466	528	13.3%	1,849	2,250	21.7%	\$232.0	\$271.0	16.8%
#8	Massachusetts	582	479	-17.7%	2,217	1,951	-12.0%	\$269.0	\$268.0	-0.4%
#9	Texas	360	380	5.6%	1,901	2,058	8.3%	\$312.0	\$305.0	-2.2%
#10	Florida	378	373	-1.3%	1,955	2,485	27.1%	\$277.0	\$276.0	-0.4%
#11	Minnesota	367	368	0.3%	1,608	1,733	7.8%	\$211.0	\$206.0	-2.4%
#12	New Jersey	436	329	-24.5%	1,763	1,353	-23.3%	\$263.0	\$204.0	-22.4%
#13	Georgia	170	264	55.6%	n.a.	1,371	n.a.	\$115.8	\$187.0	61.5%
#14	Wisconsin	209	233	11.5%	1,038	1,027	-1.1%	\$122.0	\$152.0	24.6%
#15	Oregon	234	232	-0.9%	1,028	1,104	7.4%	\$142.0	\$125.0	-12.0%
<b>Top 15</b>		8,992	9,691	7.8%	34,324	39,648	15.5%	\$4,495.8	\$5,579.0	24.1%

Source: Statistics Canada, Tourism and the Centre for Education Statistics

A valid passport is a requirement for international travel and, while 126 million Americans (about 40% of the population) possess a passport, ownership is not equal across all states. Residents of border states (states bordering Canada or Mexico) and residents of coastal states are far more likely to own a passport.

**FIGURE 21**  
**VALID PASSPORTS AS A PERCENT OF POPULATION BY STATE (2015)**



Note: Orange highlighted bars represents border states, the red bar, North Dakota (also a border state), represents the average. Population figures are not adjusted for undocumented immigrants and legal permanent residents. All passports are assumed to be valid for 10-years.  
Source: US Department of State, US Census Bureau

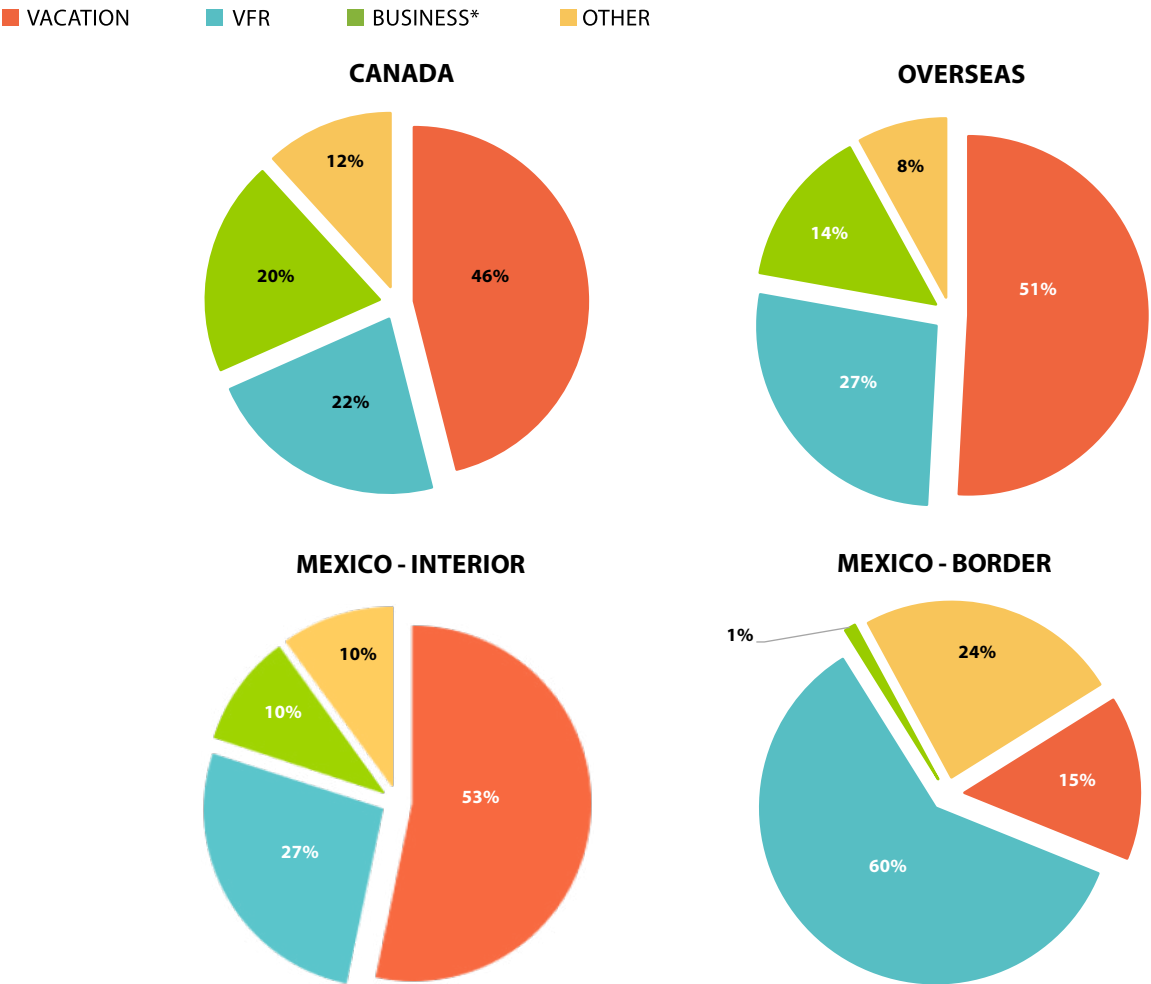
The number of states with 50% (or even 40%) of the population holding a passport is still relatively small, and presents an interesting targeting opportunity for Canadian tourism marketers.

# WHY ARE AMERICANS TRAVELLING INTERNATIONALLY?

Leisure/vacation is the main purpose of international travel for Americans, accounting for 46% of all travel to Canada, 51% of all overseas travel and 53% of all travel to Mexico (beyond the border area). Visiting friends and relatives (separately from leisure/vacation) is however the main reason for Americans travelling across the Mexican border, accounting for 60% of all tourist visits compared to 22% for Canada and 27% for both Overseas and Mexico interior tourists.

The proportion of Americans travelling for business reasons is more significant for Canada, where business travel accounts for 20% of all American visits.

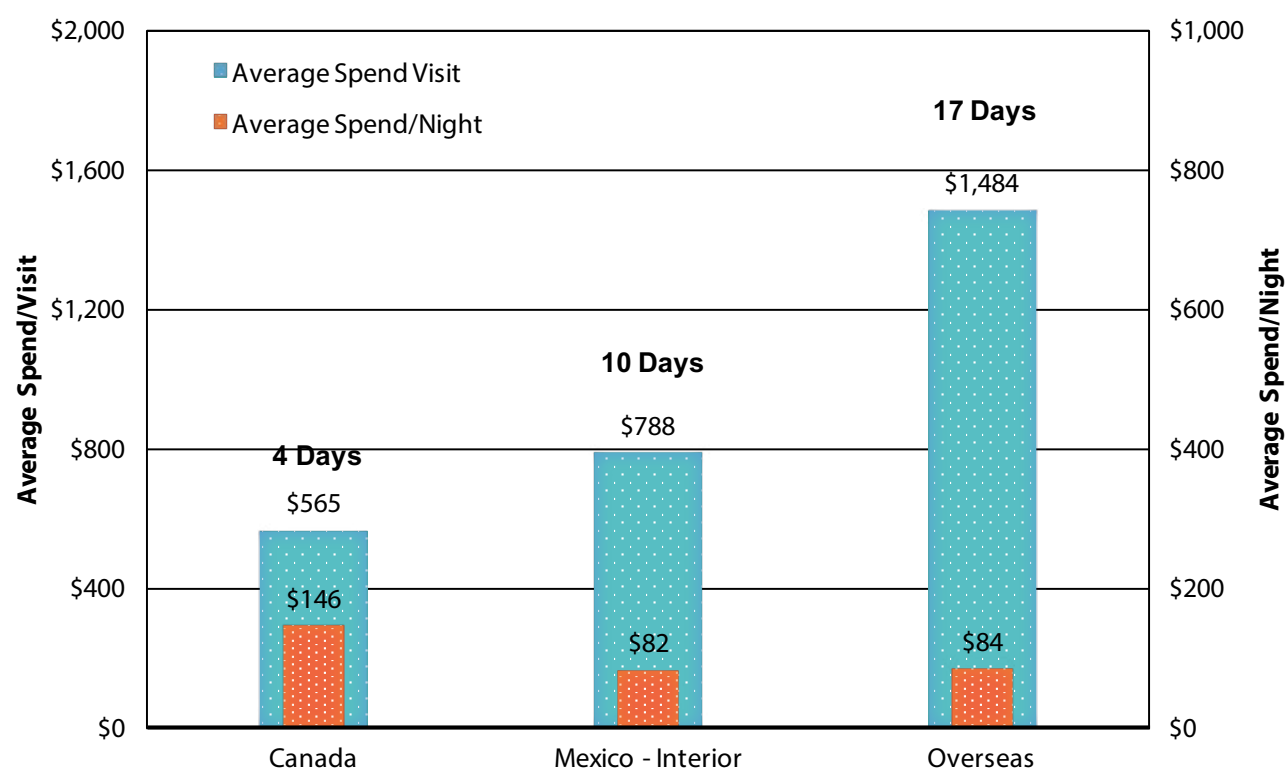
**FIGURE 22**  
**US OUTBOUND OVERNIGHT VISITORS - MAIN TRIP PURPOSE**



Source: Statistics Canada ITS 2015, US Department of Commerce - ITA, SECTUR B14:J15 & Observatorio Turístico de Baja California (2013).

Length of stay and spending varies widely across destination points. The most recent US Department of Commerce National Travel and Tourism Office study (2014) suggests that an average American trip to an Overseas destination lasts 2.5 weeks, compared with ten days in Mexico (beyond the border area) and only 4 days in Canada. Daily spending is higher in Canada (US\$146/day) compared to Mexico and overseas destinations (less than US\$85/day) however, this data likely include Americans living abroad which has the effect of lengthening the average stay and lowering the spend/visit.

**FIGURE 23**  
**AMERICAN OUTBOUND VISITORS - LENGTH OF STAY & SPENDING BY DESTINATION**



Source: Statistics Canada ITS 2015, US Department of Commerce - ITA (2014), SECTUR (Mexico) and Bank of Mexico (2014, and COLEF (Colegio de la Frontera Norte), Observatorio Turístico de Baja California (2013).

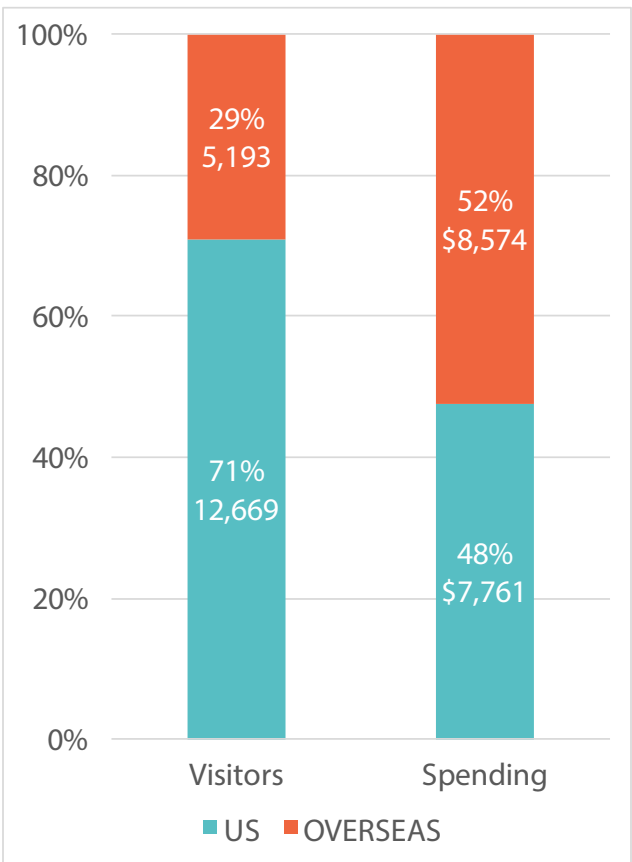
Despite the potential skewing of data given inclusion of Americans living abroad, the data are indicative of proportionality between the destinations (and likely frequency of trips).

# SECTION 4

## TARGETING THE AMERICAN TRAVELLER

Proximity and size means the US will always be the largest source market for Canadian tourism. Although, the average American visitor spends \$613 while visiting Canada – compared to \$1,651 per overseas visitor – American visitors still account for 71% of the total arrivals and for 48% of total international visitor spending in Canada.

**FIGURE 24**  
**TOTAL VISITORS AND TOTAL VISITOR SPENDING**



**FIGURE 25**  
**AVERAGE SPEND PER OVERNIGHT VISITOR**



Source: Statistics Canada, International Travel Survey

The significance of these visitor and spending data was the impetus behind “Connecting America”, an industry-driven program comprising a 3-year coordinated, targeted and aligned tourism marketing co-investment vehicle. Connecting America is designed to take advantage of several opportunities including a recovering US economy, an increasing number of Americans that hold passports who are more inclined to travel abroad, as well as well-established air and road networks.

## SETTING THE STAGE

In 2008 the Canadian Tourism Commission commissioned Insignia Research to undertake a comprehensive study of American travellers in order to gain a better appreciation of travel motivations and barriers. The report, US Travel Market Behavioural Study, identified a nine broad issues affecting travel into Canada, including:

- Recent issues—The barriers to increasing the level of US visitation into Canada as seen by Insignia in 2008. All of the then “recent” issues were uncontrollable factors over which the tourism industry had little to no influence.
- Ongoing issues—The broader-based and systemic issues preventing or dissuading Americans from visiting Canada. Most of these issues were viewed as either manageable or where the industry (or policy makers) could have influence.

The four “recent” issues identified in 2008 are largely not relevant in 2016.

ISSUES DEFINED BY INSIGNIA IN 2008	CURRENT REALITY (2016)
Value of the US\$ versus the CDN\$	January 1, 2008 US\$:CDN\$ = \$1.0003 October 31, 2016 US\$:CDN\$ = \$1.4223 <small>Source: Bank of Canada</small>
Rising price of gas	2008 = US\$3.27 2015 = US\$2.45 <small>Source: www.energy.gov</small>
Perceived border crossing hassles	90% of arrivals to the eight busiest airports processed in less than 15 minutes (2016) <small>Source: Canada Air Transport Security Authority</small>
Weakening economy	US GDP Growth in 2009 = -2.78% US GDP Growth forecast (2017) = 2.21% <small>Source: OECD</small>

The five “ongoing” issues identified by Insignia, while more challenging in many ways, are at least more susceptible to influence/change. First is the cost of airfare to and within Canada. This issue remains and is the result of various factors including airport charges, taxes and fees and the competitive environment.

A study by kiwi.com found that international air travel to Canada is the costliest among 85 countries. When looking at domestic and international airfares Canada is sixth highest out of the same 85 countries.



FIGURE 26

**AIRFARE COSTS PER 100 KM (EURO)**

		DOMESTIC		INTERNATIONAL		
	RANK	LOW	FULL	LOW	FULL	AVG
Japan	5	26.5	65.5	23.8	33.2	37.3
Canada	6	7.2	7.6	39.2	85.0	34.8
Australia	12	37.9	77.4	6.3	6.7	32.1
South Korea	35	16.6	32.9	3.5	9.3	15.6
United Kingdom	44	3.4	15.3	14.2	14.5	11.9
France	48	6.5	9.1	11.0	18.3	11.2
Mexico	54	8.0	16.7	6.1	7.8	9.7
Brazil	58	3.8	6.5	11.0	14.2	8.9
USA	59	3.2	4.3	11.5	16.2	8.8
Germany	60	8.7	14.1	3.9	8.6	8.8
China	65	11.7	15.5	1.1	2.6	7.7

Source: kiwi.com

The remaining issues can be loosely grouped together as perceptions of and marketing efforts by Canada, including:

- no sense of urgency to visit Canada;
- a perception of Canada as more of a gateway than a primary vacation destination;
- limited vision (awareness) of Canadian vacation product; and
- lack of a strong call to action.

In 2008 some 12.5 million overnight and a further 10.1 million same-day visits into Canada were made by Americans. This compares with 12.7 million overnight and 9.4 million same day trips in 2015. The Connecting America campaign is largely designed to address these issues and, fuelled by favourable exchange rates and elimination of some border challenges, is poised to advance visitation beyond 2002 levels.

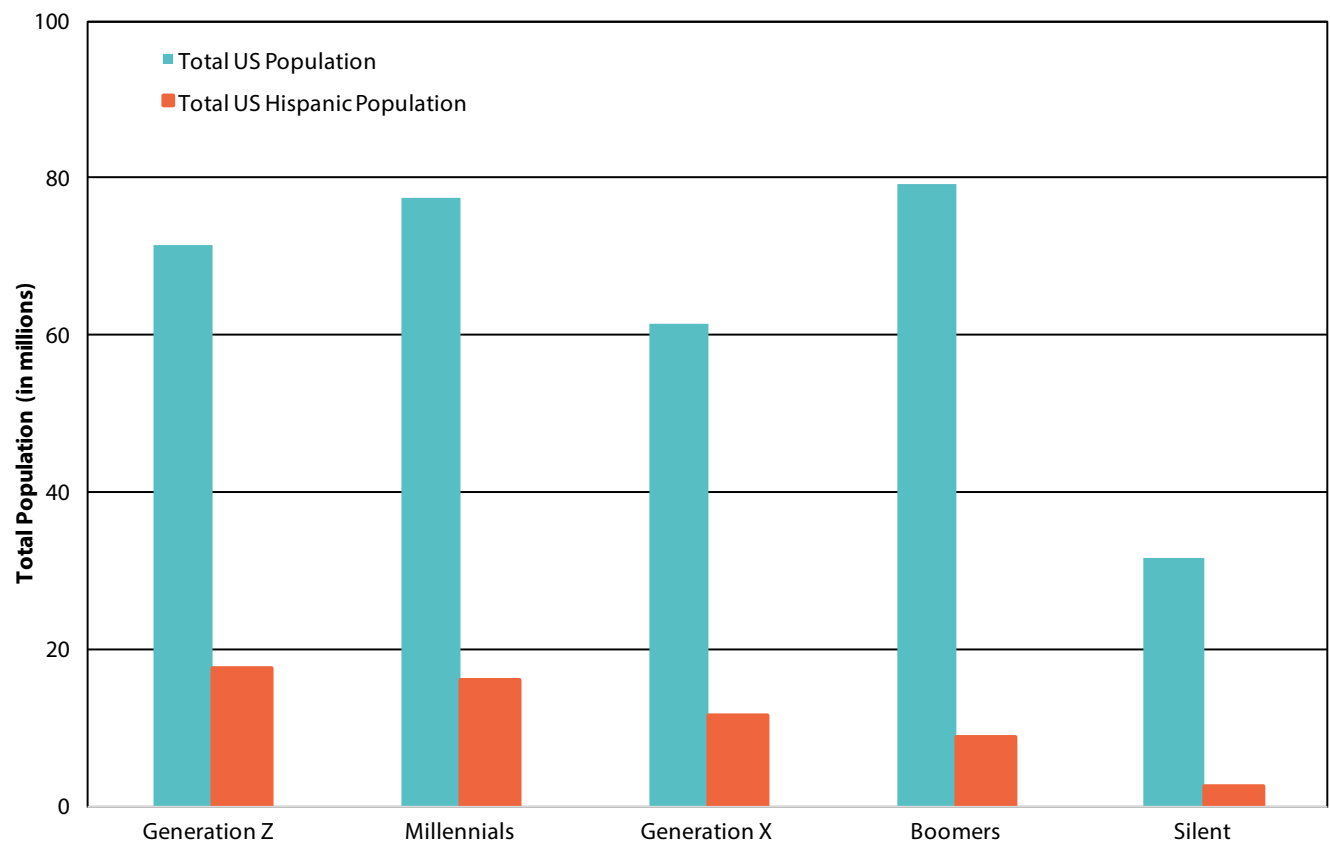
**CONSIDERATIONS FOR CONNECTING AMERICA**

- **Develop calls to action around specific activities (e.g., 150th birthday celebration, major events and festivals)**
- **Showcase specific vacation product**

# THE AMERICAN TRAVELLER AS SEEN BY THE US TRAVEL ASSOCIATION

The US Travel Association recently released a report on the impacts of demography on leisure travel. The report, “Changing Demographics: Current Trends That Drive American Travel” addressed all travellers but focused on domestic travel.

**FIGURE 27**  
**TOTAL US POPULATION AND TOTAL US HISPANIC POPULATION BY GENERATION**



Source: HLT Advisory based on US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2012.

The findings however, are useful for Canadian tourism operators and marketers, particularly the findings associated with three identified key travel markets (recognizing that these groupings will have vastly different characteristics based on region, urban/rural location and various other factors):

- **BOOMERS** – those who see “travel as a necessity rather than a luxury, they have the resources to see the world, often paying for children and grandchildren to come along.” Additional characteristics of Boomers include:
  - » Most likely to take leisure trips given time and financial resources.
  - » As grandparents (Boomers and older) often responsible for multi-generational leisure trips.
  - » More than two thirds of Boomer households still have at least one member working full-time.
- **MILLENNIALS** – those who see “travel as a source of memorable, authentic and social experience and find ways to hit the road cutting costs as needed.” Additional characteristics of Millennials include:
  - » Marriage and children occurring later in life.
  - » Likelihood of living with roommate or friend much greater than Boomers at same age.
  - » More likely to combine leisure trip with business trip.
  - » Most likely to reduce travel budget allocated to transportation.
  - » More likely to rely on referrals and testimonials in making choices.
  - » Significantly more likely to use travel disruptors such as Airbnb.

#### CONSIDERATIONS FOR CONNECTING AMERICA

- Position Canada as a safe, secure and familiar vacation alternative
- Integrate children’s tourism product in broad-based offering to appeal to grandparents
- Piggyback vacation on work-related trips

#### CONSIDERATIONS FOR CONNECTING AMERICA

- Opportunities to partner with travel disruptors
- Importance of social media and testimonials from friends
- Packages including discounted airfare

- **HISPANICS** – (crossing both the Boomer and Millennial subsets) are those “more likely to include extended family, travel closer to home and seek destinations that show diversity and an understanding of their culture and travel needs.” Unique characteristics of Hispanic travellers include:
  - » American Hispanics are significantly younger than the US population at large.
  - » Employment buying power of American Hispanics on steep upward trajectory.
  - » More likely to take shorter trips and trips closer to home.
  - » More likely to bring a family member on a business trip.

With a baby boomer generation expected to remain the wealthiest generation in the US at least over the next decade, a millennial population that just became the largest and most diverse, and a growing Hispanic population – travel destinations that accommodate these individual preferences stand to gain from the demographic shifts taking place in the US

#### CONSIDERATIONS FOR CONNECTING AMERICA

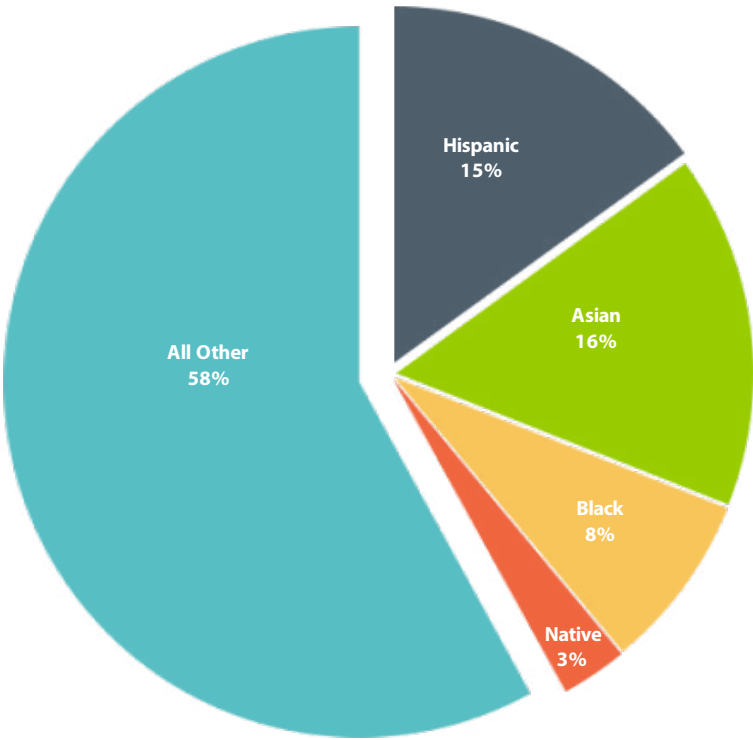
- **Connection with Hispanic culture/communities in major cities**
- **Possible sub-market of youth targets**
- **Target Hispanic markets in located in or near (Canadian) border states**

# CULTURAL TIES AND US OUTBOUND TOURISM

Cultural ties play an important role in selecting a travel destination for many international travellers. This is particularly true for countries with a significantly diverse population base such as the US, according to the US Department of Commerce, International Trade Administration, 42% of American overseas travellers identified themselves as either Asians (16%), Hispanic (15%), Black (8%) or American Indian/Alaskan Native or Hawaiian Islander Native (2%).

Further, The US Department of Commerce, International Trade Administration, also estimated that 58% of all Asian Americans that travelled outside the US in 2014, travelled to Asia, while just over half of Hispanic American travellers travelled to South America.

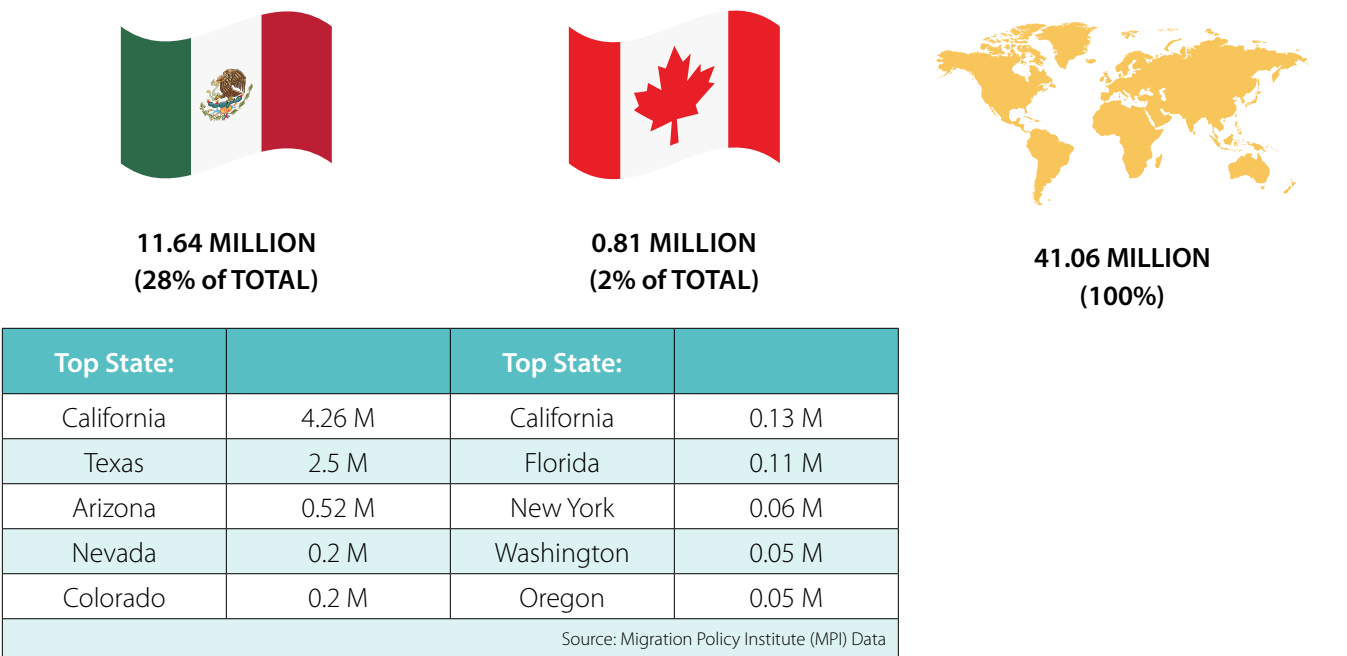
**FIGURE 28**  
**ETHNIC BACKGROUND OF AMERICAN OUTBOUND VISITORS TRAVELLING TO OVERSEAS DESTINATIONS**



Source: US Department of Commerce - ITA

Cultural ties with Mexico are stronger and go beyond just sharing a border. Currently, there are 11.6 million Mexican immigrants residing in the US, representing 28% of the total immigrant US population. This compares to less than a million Canadian immigrants residing in the US

**FIGURE 29**  
**US IMMIGRANT POPULATION**



Further, Americans of Mexican descent account for 11% of the total US population or (35.4 million out of 318.9 million), most of who reside in the border states of California, Texas and Arizona.

The cultural ties with Mexico are the primary factor that has sustained the significant influx of Americans travelling south of the border, particularly for those who visit the border area (and account for about half of the total outbound travel to Mexico).

OPPORTUNITIES FOR CONNECTING AMERICA

- Identify cultural connectivity in major Canadian cities
- Connect with Canadians living in US to act as ambassadors

## A DECLINING NUMBER OF VACATION DAYS

Project Time Off is a national organization trying to transform American attitudes and change behaviour with respect to vacations and free time, essentially ending what Project Time Off labels as “vacation deprivation.”

Project Time Off research found that despite gaining an extra day of vacation for a total of 21.9 days, on average, Americans used only 0.2 more days in 2015. As a result, Americans used some 16 days of vacation per annum, a full five days of vacation fewer than the national average in 1976.

Project Time Off also found that the reduction in vacation days taken was unaffected by stronger consumer confidence and lower average unemployment rates. In short, more than half of Americans left vacation days unused—a total of 658 million vacation days—at the end of the year. About one third of these were completely lost, with no recourse for future use or payments in lieu.

While factors such as the inability to afford a vacation (33%) were noted as justification, the reasons given for forfeiting vacation days were more often job related such as returning to extra work (40%) and a belief that others were incapable of filling in (35%).

Lack of time is a clear underlying factor to diminished vacation time.

### OPPORTUNITIES FOR CONNECTING AMERICA

- Short-haul vacations
- Weekend getaways
- Easy internet connectivity and cost for road warriors

## PIGGYBACKING ON AMERICAN TARGETS FOR INTERNATIONAL VISITATION

Brand USA has established a target of 100 million international visitors to the United States by 2021, roughly a 33% increase from today. Growth rates range from a modest 19% (Japan) to 200% (India).

**FIGURE 30**  
**BRAND USA VISITOR GROWTH TARGETS BY SOURCE MARKET**

COUNTRY	TARGET: 2021 (000'S)	2021/2014 GROWTH (%)	INCREMENTAL VISITORS (000)	SHARE OF GROWTH (%)
Canada	24,978	9%	1,965	8%
Mexico	25,066	47%	7,996	32%
United Kingdom	5,135	29%	1,162	5%
China	4,880	123%	2,692	11%
Japan	4,252	19%	673	3%
India	2,885	200%	1,923	8%
Brazil	2,773	22%	509	2%
Germany	2,773	41%	805	3%
South Korea	2,688	85%	1,238	5%
France	2,308	42%	683	3%
Australia	1,750	37%	474	2%
Colombia	1,449	64%	567	2%
Italy	1,311	40%	377	2%
Netherlands	884	44%	268	1%
Sweden	798	47%	255	1%
Chile	422	69%	173	1%
Others	15,647	21%	3,227	13%
<b>Total</b>	<b>100,000</b>	<b>33%</b>	<b>24,989</b>	<b>100%</b>

Source: Brand USA



About 75% of Brand USA's projected increase is expected to come from the same ten countries Destination Canada has targeted as primary markets, the five most significant of which (excluding Canada) are: Mexico, China, India, South Korea and the United Kingdom. This overlap is advantageous considering the proportion of visitors to Canada and the United States that visit both countries on the same trip

Analysis of international inbound visitors to Canada, based on the first six months of 2016, (about two million international visitors) shows that:

- Almost one third of international visitors entered Canada from the United States (i.e., after having disembarked, cleared customs and spending time in the United States...as opposed to simply transiting through the airport). Data does not exist to quantify international visitors who first arrive in Canada and then travel to the United States meaning the number of international travellers visiting both countries is higher than the 650,000 indicated.
- More than 90% of those flying direct to Canada entered through just four airports (Toronto, Vancouver, Montreal and Calgary). By comparison, of the 38 million international visitors who entered the US by air in 2015 (excluding Canadians and Mexicans), fifteen airports received between 800,000 and 6.75 million travellers each.
- Of these that entered Canada via the United States, one third entered Canada via a land border while the rest entered via air.

FIGURE 31

**INTERNATIONAL ARRIVALS TO CANADA BY ENTRY POINT (JAN TO JULY, 2016) DESTINATION CANADA  
FOCUS COUNTRIES (EXCLUDING US)**

		AIR ARRIVALS (DIRECT TO CANADA)					SEA	VIA US		TOTAL	% VIA US
		Toronto	Vancouver	Montreal	Calgary	Other		Air	Land		
Europe											
	UK	146,332	76,047	30,183	39,483	25,484	20,162	66,682	30,446	434,819	22%
	France	29,549	10,588	144,778	3,092	6,050	973	72,450	17,569	285,049	32%
	Germany	54,189	31,221	20,804	16,316	10,692	5,042	30,112	20,254	188,630	27%
Asia	Australia	8,906	47,474	1,278	910	494	21,675	73,330	23,404	177,471	55%
	China	101,895	130,076	11,109	2,265	730	8,190	52,680	31,392	338,337	25%
	India	51,266	14,889	5,250	5,409	1,836	6,733	18,978	22,654	127,015	33%
	Japan	32,689	56,641	505	8,371	126	2,902	33,206	12,444	146,884	31%
	S. Korea	24,260	46,123	362	1,208	112	2,720	19,796	40,547	135,128	45%
Americas											
	Brazil	31,024	816	1,025	88	111	1,356	28,835	2,521	65,776	48%
	Mexico	36,300	26,477	14,588	2,196	1,356	6,022	28,028	28,781	143,748	40%
Total		516,410	440,352	229,882	79,338	46,991	75,775	424,097	230,012	2,042,857	32%

Source: International Travel Survey, Table C, Statistics Canada

Given the similarities in both countries' targets and the existing propensity for two-country travel, what opportunities exist

**OPPORTUNITIES FOR CONNECTING AMERICA**

- Airline co-ventures
- Pairing relationships between Toronto, Montreal and Vancouver airports and key US airports

for cooperative marketing on a North America-wide scale?

## SECTION 5

### LOOKING AHEAD

Canada is a compelling destination with unsurpassed geographic beauty and quality infrastructure. Canadian tourism operators are currently benefiting from favourable currency exchange rates that serve to lower the price of entry. However, while Canada's travel and tourism industry is a strong and consistent engine of economic growth and job creation, it has yet to reach its full potential. In fact, with some measures such as American visitation, Canada is just now returning to where we were more than a decade ago.

This "lost decade" (where Canada posted year-over-year visitor decreases in six of the ten years) has come to an end. Canada's growth rate in attracting international visitors began to improve in 2014, the following year saw growth of 8.4%. To date, 2016 has been a banner year with visitation levels not seen since 2002.

The current challenge: how to build on this momentum and reach Canada's potential as a leading travel destination.

#### A NEW VISION FOR TOURISM

While the Canadian travel industry is experiencing a period of strong performance, neither the recent growth nor Canada's potential is sustainable without government action to address fundamental issues impacting Canada's competitiveness. TIAC has categorized these factors into three bundles: Marketing, Access and Product/People. Without leadership, these issues will continue to impair Canada's potential.

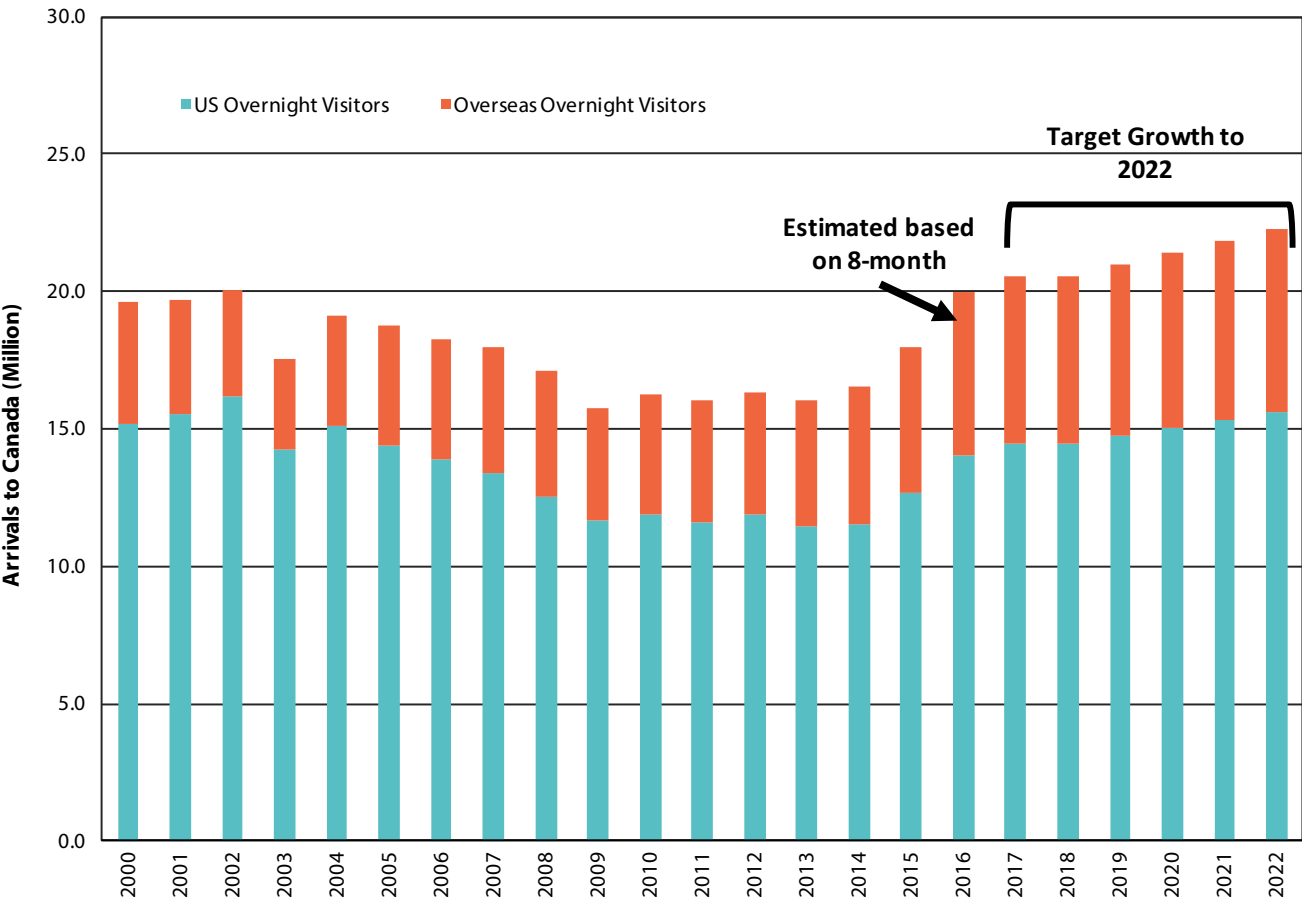
As a result, TIAC eagerly anticipates the Government of Canada's New Vision for Tourism and hopes that this new federal industrial strategy will address cost competitiveness as a destination, travel access to Canada, labour supply, access to capital and product investment. TIAC continues to be actively engaged in several government consultations pertaining to the Canada Transportation Act Review, the Temporary Foreign Worker Program Review, immigration reform and issues pertaining to border access. Through these consultations TIAC believes a stronger, more prosperous Canadian tourism industry will emerge.

#### THE TARGET: 22 MILLION SPENDING \$22 BILLION BY 2022

Destination Canada has established a stretch goal for Canada to attract 22 million international visitors, generating \$22 billion dollars in export revenue by 2022. TIAC is fully supportive of this initiative and is working with Destination Canada to align industry partners including federal, provincial, territorial and destination marketing organizations, large corporations and exporting Canadian small- and medium-sized businesses to engage in this exciting strategy.

This target is aggressive but not unreasonable. Based on performance thus far in 2016, the visitor count should approach 20 million. A visitation bump in 2017 (tied to the sesquicentennial celebrations) of 3%, flat-line growth in 2018 and 2% annually thereafter will produce total visitation by 2022 of roughly 22.5 million.

**FIGURE 32**  
**HISTORIC AND POTENTIAL INTERNATIONAL VISITATION TO CANADA**



Source: Statistics Canada, Table 427-0004 Number of international tourists entering or returning to Canada and HLT estimates.

TIAC’s submission to the federal government Pre-Budget input process identified this target and sought to obtain the policy changes necessary to bolster Canada’s position in international tourism.

## TO ACHIEVE THESE TARGETS, CHANGES ARE NEEDED

TIAC looks for the New Tourism Vision to bring a priority focus to the travel and tourism industry. The pan-government initiative should incorporate the findings of existing consultation initiatives such as the Canada Transportation Act Review, the review of the Temporary Foreign Worker Program, and changes to Immigration policies surrounding the Electronic Travel Authorization (eTA) and visa application process.

The following is a re-iteration of TIAC's positions and recommendations on these priority issues. While these recommendations do not contain direct spending requests, they must be considered in the broader policy discussions over the diversification of Canada's economy.

### MARKETING

Canada's international tourism marketing budget is inadequate to compete for market share. Successive budget reductions and currency exchange significantly diminish Canada's ability to generate demand potential in key markets.

TIAC applauds the supplemental investments made in Destination Canada marketing funding in Federal Budgets 2015 and 2016 which raised the overall marketing budget from \$58 million to \$99.5 million annually through 2017. These investments, while crucial, created very challenging timelines for industry to adequately co-invest with Destination Canada (DC).

- **Increase Destination Canada's marketing budget to \$120 - \$140 million, and:**
  - » **Increase industry partnerships with Destination Canada, and**
  - » **Increase and extend funding for Connecting America leisure marketing**
- **Commit to a minimum five years of funding certainty.**

Industry decisions on marketing investments are made up to 18 months in advance, based on research, consultations and co-investments with local partners. Because of this, it can be very difficult to participate in DC initiatives arriving out of federal budget project funding requiring immediate turn around.

Regardless of the funding-level, TIAC recommends that Destination Canada budget allocations be announced in 5 year commitments thereby providing the certainty and predictability required for industry to maximize its participation DC initiatives.

## ACCESS: COST OF AIR TRAVEL

Canada is the only country that imposes all security and operational-related costs of air travel directly onto travellers thereby inflating ticket prices by as much as 40%. So, while Canada has the best airport infrastructure in the world, the burden of taxes, fees and levies serves to dis-incent air travel to and within Canada.

TIAC believes that reducing the cost burden borne by the air transportation industry would improve its overall competitiveness, entice new entrants to the Canadian market, and allow existing air carriers to re-invest any potential savings into training, fleet renewals, and the development of new routes and markets for travellers.

- Enact the recommendations of the Canada Transportation Act Review Panel's.
- Reduce the fees, taxes and levies imposed on air transportation to and within Canada.
- Support inter-modal infrastructure projects.

## ACCESS: VISAS

TIAC is pleased to see continued incremental improvement to Canada's visa processing system. In particular, the CAN+ program which expedites the application process for legitimate travelers from priority markets, granting visa-waiver status for Mexico and the expansion of Visa Application Centers to additional Chinese cities have been positive steps forward.

However, Canada continues to lag behind its competitors in terms of requirements, processing times and reciprocity programs. The complexity of entering Canada was compounded by the imposition of the Electronic Travel Authorization (eTA) requirement on travelers from visa-waiver countries (excluding US citizens) who were previously able to access Canada with only a passport. The travel and tourism industry is also bracing for the mandatory biometric requirements for all visa applicants commencing in 2018.

- Remove visa requirements for Brazil.
- Streamline the processing of travel documentation.
- Leverage electronic travel authorization to lift restrictions for low risk travellers from key source markets.
- Increase the number of Visa Application Centres (VACs) in key markets to accommodate growth and facilitate biometric collection by 2018.

## PEOPLE

The Tourism Industry Association of Canada (TIAC) believes that as a part of a robust immigration strategy, the government of Canada should consider industries facing imminent labour shortages when assessing who and how many newcomers are accepted into Canada.

One priority that should be made is recruiting immigrants willing to live in non-urban areas. Many of Canada's most popular destinations are remote, resort communities that showcase Canada's natural beauty and breathtaking landscapes. While these places are iconically Canadian, they are not places many will relocate to for work, thus adding to labour shortage issues in high traffic tourist areas.

The current labour shortage, particularly in Western Canada, is forcing many tourism businesses, including attractions, hotels and restaurants to reduce hours of operation and services offered:

- Temporary Foreign Worker Program was drastically changed without warning or transition measures for Canadian employers to maintain work force levels or service standards;
- By 2030 labour shortages in tourism are expected to cost the sector \$31.4 B in forgone revenues.

In 2016, the House of Commons Standing Committee on Human Resources and Persons with Disabilities (HUMA) released a report on its review of the TFWP. TIAC is calling on the Government of Canada to implement the following HUMA recommendations in a timely fashion to help alleviate the acute labour shortage experienced by many Canadian travel and tourism employers across Canada.

- **Long term: Develop solutions to address labour supply issues (immigration reform, labour mobility, training etc.).**
- **Short term: implement short-term solutions to mitigate fallout from changes to the Temporary Foreign Worker program including a seasonal foreign worker stream akin to agricultural labour options.**

## PRODUCT

Canada's cultural assets can be enhanced and our global competitiveness as a tourism destination can be improved through coordinated investments in product development in order to differentiate ourselves from the competition, Canada's tourism products need financial support.

- **Include travel and tourism initiatives like sport and cultural event hosting and indigenous and culinary experiences in economic development and regional infrastructure programs;**
- **Provide policy and funding support for cultural tourism experiences such as major festivals, events and indigenous initiatives that serve to advance Canadian talent to international audiences;**
- **Work with industry to incentivize sustainable practices across the Canadian travel and tourism sectors.**

# APPENDICES

## APPENDIX A: TERMS & DEFINITIONS

The **composition of Canada's tourism industry** includes several distinct – but complementary – business lines. These include:

- Transportation: Including passenger services via air, rail, and boat, as well as interurban, charter and tour buses and vehicle rental.
- Accommodations: Including hotels, inns, hostels, camping and rental properties.
- Food and Beverage: Restaurants and licensed establishments, as well as food service provided by accommodations.
- Meetings and Events: Conventions and business meetings, as well as major events and festivals.
- Attractions: Recreation and entertainment activities, as well as cultural, natural and historical attractions.

**TOURISM:** The definition of tourism follows that adopted by the World Tourism Organization and the United Nations Statistical Commission: “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.”

**TOURISM DEMAND/SPENDING** is defined as the spending of Canadian and non-resident visitors on domestically produced commodities. It is the sum of tourism domestic demand and tourism exports.

**TOURISM DOMESTIC DEMAND** is the spending in Canada by Canadians on domestically-produced commodities.

**TOURISM EXPORTS** are the spending by foreign visitors on Canadian-produced goods and services. It includes spending that may take place outside of Canada, for instance, the purchase of an airline ticket from a Canadian international carrier, to travel to Canada.

**TOURISM GROSS DOMESTIC PRODUCT** is the unduplicated value of production, within the boundaries of a region, of goods and services purchased by tourists. In the NTI, GDP is calculated at basic prices in both current and constant dollars. Only direct GDP is calculated in the NTI. GDP is also generated indirectly in the upstream production chain of a good or service. Although these indirect effects can be linked to tourism, they are not included in tourism GDP.

**TOURISM EMPLOYMENT** is a measure of employment in tourism and non-tourism industries. Tourism employment measures the number of jobs in an industry generated by, or attributable to, tourism spending on the goods and/or services produced by that industry. It is based on an estimate of jobs rather than “hours of work”. Thus, someone who works 10 hours a week counts for as much, by this measure, as someone who works 50 hours a week.

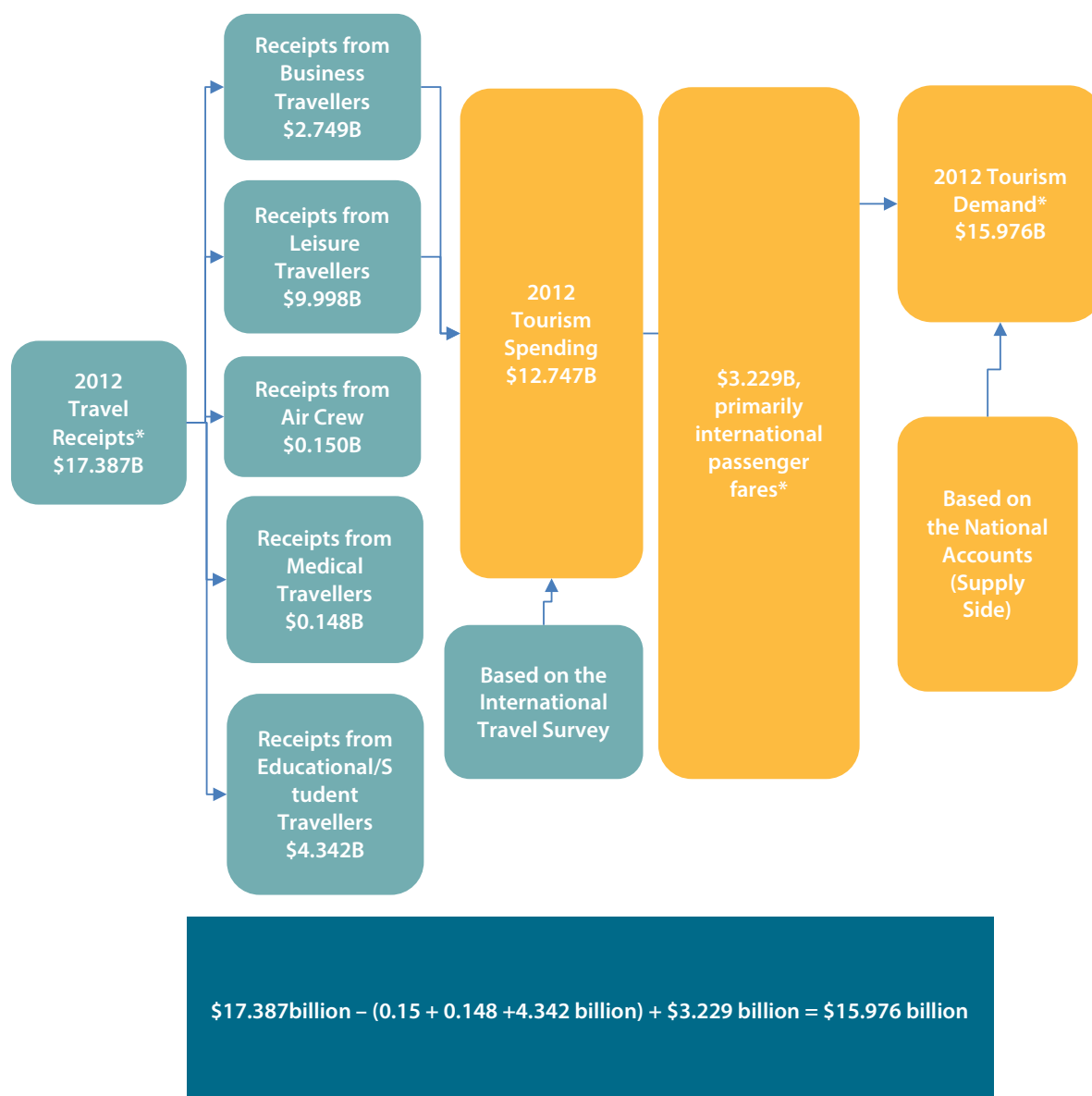
**TRAVEL RECEIPTS** in the travel account are defined to include all expenses incidental to travel in Canada by non-residents. Among these are expenditures in Canada for lodging, food, entertainment, local and intercity transportation and all other purchases of goods and services (including gifts) made by travellers. The series thus includes any purchases of personal goods to be exported by travellers. Medical expenses and education expenses of non-residents in Canada as well as foreign crew members' spending in the country are also included. Travel receipts exclude international transportation fares paid by non-resident travellers to Canadian carriers.



**TRAVEL PAYMENTS** in the travel account are correspondingly defined to include all expenses incidental to travel abroad by residents of Canada. Among these are expenditures abroad for lodging, food, entertainment, local and intercity transportation and all other purchases of goods and services (including gifts) made by the travellers. The series thus includes any purchases of goods to be imported for personal use by travellers. Also included are medical expenses and education expenses of Canadian residents outside Canada as well as Canadian crew members' spending in other countries. Travel payments do not include international transportation fares paid by Canadian residents to foreign carriers.

## TRAVEL RECEIPTS, TOURISM SPENDING & TOURISM DEMAND

The terms Travel Receipts, Tourism Spending & Tourism Demand are often used interchangeably but have distinctly different meanings. Using 2012 data, the terms are differentiated below.



Travel Receipts (net of airline tickets purchased from Canadian carriers to bring international travellers to Canada – an amount included in “transportation” receipts not travel) less air crew spending, medical traveler spending and student spending, plus international passenger fares equals Tourism Demand.

## APPENDIX B: DATA TABLES

### APPENDIX B-1: GROSS DOMESTIC PRODUCT FROM TOURISM

<b>Table 387-0010 Tourism gross domestic product (GDP), annual (dollars x 1,000,000)(1)</b>																
<b>Prices: Current Prices - Not Seasonally Adjusted</b>																
Activities	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Tourism gross domestic product (t)</b>	<b>\$22,406</b>	<b>\$22,490</b>	<b>\$23,318</b>	<b>\$22,571</b>	<b>\$23,906</b>	<b>\$25,216</b>	<b>\$26,548</b>	<b>\$27,808</b>	<b>\$28,958</b>	<b>\$27,512</b>	<b>\$29,186</b>	<b>\$30,876</b>	<b>\$32,037</b>	<b>\$33,030</b>	<b>\$34,443</b>	<b>\$35,545</b>
Total tourism industries	\$17,355	\$17,243	\$17,917	\$17,089	\$17,996	\$18,861	\$19,820	\$20,709	\$21,450	\$20,526	\$21,732	\$22,772	\$23,644	\$24,286	\$25,340	\$26,703
Transportation	\$5,954	\$5,304	\$5,523	\$5,014	\$5,121	\$5,512	\$5,892	\$6,115	\$6,405	\$5,764	\$6,217	\$6,736	\$6,986	\$7,163	\$7,587	\$8,074
Accommodation	\$5,246	\$5,492	\$5,709	\$5,430	\$5,893	\$6,116	\$6,456	\$6,839	\$7,021	\$6,609	\$7,041	\$7,277	\$7,536	\$7,730	\$8,033	\$8,487
Food and beverage services	\$2,691	\$2,768	\$2,898	\$2,860	\$3,035	\$3,170	\$3,315	\$3,460	\$3,604	\$3,618	\$3,762	\$3,910	\$4,105	\$4,268	\$4,472	\$4,676
Other tourism industries	\$3,464	\$3,678	\$3,787	\$3,785	\$3,947	\$4,063	\$4,157	\$4,295	\$4,420	\$4,535	\$4,712	\$4,849	\$5,017	\$5,125	\$5,248	\$5,466
Other industries	\$5,051	\$5,247	\$5,401	\$5,482	\$5,910	\$6,355	\$6,728	\$7,099	\$7,508	\$6,986	\$7,454	\$8,104	\$8,393	\$8,744	\$9,103	\$8,842

Note 1: Current dollar, seasonally adjusted series are no longer updated.

Source: Statistics Canada. Table 387-0010 - Tourism gross domestic product (GDP), annual (dollars)

### APPENDIX B-2: TOURISM EMPLOYMENT

<b>Table 387-0003 Employment generated by tourism, annual (jobs x 1,000)(1,2)</b>																
<b>Survey or program details:</b>																
<b>National Tourism Indicators - 1910</b>																
Activities	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Tourism activities</b>	<b>609.9</b>	<b>608.4</b>	<b>611.0</b>	<b>602.2</b>	<b>610.6</b>	<b>607.1</b>	<b>608.1</b>	<b>613.6</b>	<b>617.4</b>	<b>599.6</b>	<b>592.7</b>	<b>600.3</b>	<b>609.5</b>	<b>618.9</b>	<b>627.6</b>	<b>637.4</b>
Total tourism industries	490.8	488.4	490.4	482.8	490.0	485.6	487.8	492.4	496.8	487.7	483.1	488.7	495.7	503.3	510.3	519.2
Transportation	85.5	82.6	77.8	75.7	73.2	66.6	68.8	71.7	70.9	70.8	69.6	70.2	72.0	73.3	75.0	75.4
Accommodation	159.2	158.4	160.5	155.4	161.6	163.2	160.8	161.8	158.0	150.2	150.6	153.4	154.4	156.5	156.4	158.5
Food and beverage services	143.2	143.8	144.7	144.8	145.3	145.4	147.5	147.2	152.6	153.4	152.8	154.3	158.5	164.1	167.5	171.3
Other tourism activities	102.9	103.6	107.3	107.0	110.0	110.5	110.7	111.7	115.2	113.3	110.0	110.8	110.8	109.4	111.3	114.0
Recreation and entertainment	61.1	61.9	65.5	66.0	68.2	68.1	68.7	69.3	70.3	71.4	71.0	70.4	71.4	71.2	72.4	74.9
Travel agencies	41.8	41.7	41.8	40.9	41.8	42.4	42.0	42.4	44.9	41.8	39.0	40.4	39.5	38.2	38.9	39.0
Other industries	119.1	120.0	120.7	119.4	120.5	121.5	120.3	121.2	120.6	112.0	109.6	111.6	113.8	115.6	117.3	118.2

Footnotes:

1 The tourism employment series are reduced to the following industries: Air transportation, Other transportation, Accommodation, Food and beverage services, Recreation and entertainment, Travel services, and Other (non-tourism) industries.

2 Other transportation includes rail, water, bus, taxi and vehicle rental.

Source: Statistics Canada. Table 387-0003 - Employment generated by tourism, annual (jobs)

Note: Values represent the quarterly average of jobs

## APPENDIX B-3: TOURISM DEMAND (\$2007 DOLLARS)

**Table 387-0001 Tourism demand in Canada, annual (dollars x 1,000,000)(1)**  
**Survey or program details:**  
**National Tourism Indicators - 1910**  
**Prices**  
**2007 constant prices**

Categories	Expenditures	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Tourism demand	Tourism expenditures	\$61,440	\$62,053	\$62,583	\$60,713	\$62,963	\$65,146	\$67,198	\$69,373	\$70,296	\$68,505	\$71,345	\$73,750	\$75,056	\$75,888	\$78,355	\$80,660
	Total tourism commodities	\$52,135	\$52,304	\$52,050	\$50,594	\$52,893	\$54,865	\$56,513	\$58,349	\$58,884	\$57,138	\$59,535	\$61,603	\$62,706	\$63,351	\$65,750	\$67,919
	Transportation	\$22,962	\$22,766	\$21,970	\$21,416	\$22,951	\$24,493	\$25,446	\$26,582	\$26,988	\$25,870	\$27,566	\$29,163	\$29,652	\$29,752	\$31,552	\$33,206
	Accommodation	\$9,416	\$9,612	\$10,005	\$9,625	\$10,019	\$10,072	\$10,328	\$10,626	\$10,547	\$10,116	\$10,585	\$10,928	\$11,058	\$11,219	\$11,460	\$11,627
	Food and beverage services	\$9,618	\$9,666	\$9,747	\$9,419	\$9,631	\$9,795	\$9,962	\$10,133	\$10,279	\$9,959	\$10,061	\$10,181	\$10,375	\$10,567	\$10,884	\$11,051
	Other tourism commodities	\$10,139	\$10,260	\$10,328	\$10,134	\$10,292	\$10,505	\$10,777	\$11,008	\$11,070	\$11,193	\$11,323	\$11,331	\$11,621	\$11,813	\$11,854	\$12,035
	Total other commodities	\$9,305	\$9,749	\$10,533	\$10,119	\$10,070	\$10,281	\$10,685	\$11,024	\$11,412	\$11,367	\$11,810	\$12,147	\$12,350	\$12,537	\$12,605	\$12,741
Tourism (domestic demand)	Tourism expenditures	\$41,124	\$41,784	\$42,720	\$43,595	\$44,265	\$47,533	\$50,288	\$52,770	\$54,562	\$54,558	\$56,420	\$58,604	\$59,650	\$60,376	\$62,395	\$63,779
	Total tourism commodities	\$35,419	\$35,750	\$35,909	\$36,650	\$37,703	\$40,608	\$42,845	\$44,926	\$46,165	\$45,869	\$47,361	\$49,090	\$49,913	\$50,364	\$52,278	\$53,706
	Transportation	\$17,509	\$17,250	\$16,784	\$16,875	\$17,841	\$19,698	\$20,839	\$22,057	\$22,630	\$22,136	\$23,197	\$24,459	\$24,783	\$24,788	\$26,381	\$27,763
	Accommodation	\$4,557	\$4,877	\$5,197	\$5,471	\$5,494	\$5,817	\$6,233	\$6,568	\$6,732	\$6,642	\$6,964	\$7,309	\$7,387	\$7,497	\$7,594	\$7,548
	Food and beverage services	\$6,053	\$6,140	\$6,321	\$6,528	\$6,524	\$6,862	\$7,125	\$7,339	\$7,633	\$7,591	\$7,615	\$7,733	\$7,891	\$8,049	\$8,257	\$8,254
	Other tourism commodities	\$7,300	\$7,483	\$7,607	\$7,776	\$7,844	\$8,231	\$8,648	\$8,962	\$9,170	\$9,500	\$9,585	\$9,589	\$9,852	\$10,030	\$10,046	\$10,141
	Total other commodities	\$5,705	\$6,034	\$6,811	\$6,945	\$6,562	\$6,925	\$7,443	\$7,844	\$8,397	\$8,689	\$9,059	\$9,514	\$9,737	\$10,012	\$10,117	\$10,073
Tourism exports (foreign demand)	Tourism expenditures	\$20,316	\$20,269	\$19,863	\$17,118	\$18,698	\$17,613	\$16,910	\$16,603	\$15,734	\$13,947	\$14,925	\$15,146	\$15,406	\$15,512	\$15,960	\$16,881
	Total tourism commodities	\$16,716	\$16,554	\$16,141	\$13,944	\$15,190	\$14,257	\$13,668	\$13,423	\$12,719	\$11,269	\$12,174	\$12,513	\$12,793	\$12,987	\$13,472	\$14,213
	Transportation	\$5,453	\$5,516	\$5,186	\$4,541	\$5,110	\$4,795	\$4,607	\$4,525	\$4,358	\$3,734	\$4,369	\$4,704	\$4,869	\$4,964	\$5,171	\$5,443
	Accommodation	\$4,859	\$4,735	\$4,808	\$4,154	\$4,525	\$4,255	\$4,095	\$4,058	\$3,815	\$3,474	\$3,621	\$3,619	\$3,671	\$3,722	\$3,866	\$4,079
	Food and beverage services	\$3,565	\$3,526	\$3,426	\$2,891	\$3,107	\$2,933	\$2,837	\$2,794	\$2,646	\$2,368	\$2,446	\$2,448	\$2,484	\$2,518	\$2,627	\$2,797
	Other tourism commodities	\$2,839	\$2,777	\$2,721	\$2,358	\$2,448	\$2,274	\$2,129	\$2,046	\$1,900	\$1,693	\$1,738	\$1,742	\$1,769	\$1,783	\$1,808	\$1,894
	Total other commodities	\$3,600	\$3,715	\$3,722	\$3,174	\$3,508	\$3,356	\$3,242	\$3,180	\$3,015	\$2,678	\$2,751	\$2,633	\$2,613	\$2,525	\$2,488	\$2,668

*Footnotes: Current dollar, seasonally adjusted series are no longer updated.*  
*Source: Statistics Canada, Table 387-0001 - Tourism demand in Canada, annual (dollars)*  
*(accessed: 2016-07-26)*

## APPENDIX B-4: GOVERNMENT REVENUE FROM TOURISM

Government Revenue Attributable to Tourism																
Breakdown	2000	2001	2002	2003	2004	2005	2006	2007	2008R	2009R	2010R	2011L	2012E	2013E	2014E	2015E
Government Revenues Attributed to Tourism	\$14,882	\$14,896	\$16,048	\$15,999	\$16,783	\$17,975	\$18,946	\$19,714	\$19,812	\$18,985	\$20,055	\$21,372	\$21,750	\$21,990	\$22,704	\$23,382
Revenues/ \$100 of Tourism Spending	\$27.7	\$27.5	\$28.4	\$28.9	\$28.6	\$28.8	\$28.7	\$28.4	\$27.3	\$27.6	\$27.3	\$27.2				
Federal																
Government Revenues Attributed to Tourism	\$7,107	\$6,958	\$7,660	\$7,659	\$7,969	\$8,480	\$8,888	\$9,221	\$9,152	\$8,610	\$9,017	\$9,623	\$9,793	\$9,902	\$9,902	\$9,902
Revenues/ \$100 of Tourism Spending	\$13.2	\$12.85	\$13.54	\$13.84	\$13.59	\$13.58	\$13.46	\$13.29	\$12.62	\$12.52	\$12.29	\$12.23				
Provincial/Territorial																
Government Revenues Attributed to Tourism	\$6,949	\$7,038	\$7,458	\$7,396	\$7,829	\$8,417	\$8,916	\$9,290	\$9,467	\$9,233	\$9,821	\$10,454	\$10,639	\$10,757	\$11,107	\$11,433
Revenues/ \$100 of Tourism Spending	\$12.93	\$13.00	\$13.19	\$13.36	\$13.35	\$13.48	\$13.50	\$13.39	\$13.06	\$13.43	\$13.39	\$13.29				
Municipal																
Government Revenues Attributed to Tourism	\$827	\$901	\$930	\$950	\$984	\$1,078	\$1,142	\$1,203	\$1,194	\$1,142	\$1,216	\$1,295	\$1,318	\$1,333	\$1,376	\$1,416
Revenues/ \$100 of Tourism Spending	\$1.54	\$1.66	\$1.64	\$1.72	\$1.68	\$1.73	\$1.73	\$1.73	\$1.65	\$1.66	\$1.66	\$1.65				

*Source: Statistics Canada, Government Revenue Attributable to Tourism, CANSIM Table 387-0001, and HLT estimates.*

Government Revenue Attributable to Tourism																
Breakdown	2000	2001	2002	2003	2004	2005	2006	2007	2008R	2009R	2010R	2011L	2012E	2013E	2014E	2015E
Government Revenues Attributed to:																
Domestic Tourism Spending	\$9,458	\$9,573	\$10,546	\$11,153	\$11,455	\$12,841	\$13,920	\$14,729	\$15,081	\$14,690	\$15,565	\$16,714	\$17,012	\$17,219	\$17,795	\$18,190
Revenues/ \$100 of Tourism Spending	\$26.3	\$26.4	\$27.4	\$28.1	\$27.9	\$28.2	\$28.2	\$27.9	\$26.8	\$26.8	\$26.6	\$26.3				
International Visitors Spending	\$5,424	\$5,324	\$5,502	\$4,846	\$5,328	\$5,134	\$5,026	\$4,984	\$4,731	\$4,295	\$4,490	\$4,658	\$4,738	\$4,771	\$4,908	\$5,192
Revenues/ \$100 of Tourism Spending	\$30.4	\$29.7	\$30.4	\$30.8	\$30.4	\$30.4	\$30.3	\$30.0	\$29.2	\$30.6	\$30.2	\$30.8				
Total Government Revenues Attributed to Tourism	\$14,882	\$14,897	\$16,048	\$15,999	\$16,783	\$17,975	\$18,946	\$19,713	\$19,812	\$18,985	\$20,055	\$21,372	\$21,750	\$21,990	\$22,704	\$23,382

*Source: Statistics Canada, Government Revenue Attributable to Tourism, CANSIM Table 387-0001, and HLT estimates.*

**TABLE B-5: US TRAVELLERS TO CANADA**

<b>US Travellers to Canada</b>			
<b>Year</b>	<b>Total</b>	<b>Same day</b>	<b>Overnight</b>
2000	43,994	28,805	15,189
2001	42,871	27,301	15,570
2002	40,878	24,711	16,167
2003	35,509	21,277	14,232
2004	34,626	19,539	15,088
2005	31,655	17,264	14,391
2006	28,873	15,017	13,855
2007	25,695	12,319	13,375
2008	22,606	10,102	12,504
2009	20,526	8,858	11,667
2010	21,166	9,295	11,871
2011	20,543	8,947	11,597
2012	20,719	8,832	11,887
2013	20,435	8,958	11,478
2014	20,345	8,822	11,523
2015	22,058	9,396	12,662

*Source: Statistics Canada - CANSIM Table 427-0004 & 427-0005*

## APPENDIX B-6: NUMBER OF NON-RESIDENT TRAVELLERS ENTERING CANADA

Table 427-0003 Number of non-resident travellers entering Canada, by country of residence (excluding the United States), annual (persons)(1)																
Survey or program details:																
International Travel Survey: Frontier Counts - 5005																
Country of residence	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
United Kingdom	913,797	876,771	769,005	723,205	846,694	921,208	881,742	925,566	869,926	724,470	727,496	694,581	671,485	663,219	695,787	733,280
China	77,265	86,407	99,292	77,527	104,840	120,313	147,853	155,753	165,823	166,192	200,033	248,888	298,070	365,314	471,823	511,234
France	417,215	368,625	320,662	280,882	341,534	361,968	373,606	379,268	425,409	411,741	440,723	464,569	461,919	465,548	490,185	507,627
Germany	416,889	359,978	311,684	271,568	318,320	336,559	313,025	318,165	332,008	318,844	342,002	324,009	322,380	322,419	341,416	343,716
Australia	179,510	171,918	162,778	156,619	185,135	209,220	206,542	228,726	248,718	213,671	244,172	253,331	272,224	279,936	300,844	307,123
Japan	540,095	449,047	452,546	273,886	437,160	441,783	401,127	343,451	287,198	205,639	243,040	218,813	240,025	238,474	277,305	294,934
Mexico	146,945	154,671	165,097	144,061	177,269	194,344	213,945	250,633	270,828	172,006	123,763	136,931	147,698	156,856	180,052	204,756
South Korea	149,032	157,081	165,101	148,557	190,982	191,319	201,815	212,602	196,564	144,141	169,953	155,683	150,611	158,523	183,770	204,741
India	55,162	58,173	58,729	59,492	71,012	82,037	89,954	105,154	114,975	111,579	132,212	144,409	153,414	154,409	185,888	200,094
Hong Kong	145,139	130,113	122,798	93,961	120,987	113,767	111,866	115,558	132,407	111,779	119,366	126,752	123,916	133,453	141,852	152,624
Italy	125,601	101,445	104,799	62,165	93,736	98,414	93,017	102,592	106,348	99,314	108,380	104,484	101,962	100,795	125,935	128,422
Netherlands	132,450	118,341	110,817	106,248	120,026	122,171	121,754	124,441	123,872	110,746	110,957	107,082	102,864	100,233	106,585	120,504
Switzerland	106,912	98,761	90,737	83,638	92,760	98,787	93,156	95,816	99,294	100,772	107,220	112,241	111,830	110,303	116,358	118,202
Brazil	52,454	40,516	36,941	31,598	50,516	62,155	65,649	66,682	72,126	62,243	80,776	88,489	94,555	94,555	100,947	113,242
Spain	43,995	39,149	45,544	31,899	43,396	50,979	56,830	67,224	75,903	72,897	68,609	68,127	59,124	56,657	68,716	76,212
Taiwan	166,233	119,793	106,605	69,273	108,611	100,635	94,917	82,524	63,455	51,608	54,445	58,501	54,034	64,036	72,436	76,124
Israel	81,597	83,043	77,286	59,872	68,624	82,890	78,144	70,858	67,933	58,829	61,771	64,443	64,973	62,806	66,529	71,361
Philippines	32,740	37,455	41,123	33,263	38,177	44,076	50,484	58,769	62,284	62,674	56,555	61,249	64,690	67,401	75,746	65,409
Belgium	53,309	47,082	41,266	37,786	44,516	43,981	45,520	45,583	50,354	48,637	53,165	55,326	55,119	52,457	55,715	60,479
Ireland	32,035	34,444	31,070	31,061	39,370	43,477	50,035	51,317	50,552	44,648	47,953	43,871	44,577	45,140	52,931	59,178
Source: Statistics Canada. Table 427-0003 - Number of non-resident travellers entering Canada, by country of residence (excluding the United States), annual (persons) Total Overseas Visitors includes same-day and overnight.																

## APPENDIX B-7: INTERNATIONAL TRAVEL ACCOUNT

Receipts and Payments on International Travel Account			
Receipts and payments	Spending in Canada by foreign residents (receipts)	Spending in foreign countries by Canadians (payments)	Receipts minus payments, international travel account
Seasonal adjustment			
2000	\$15,997	\$18,337	-\$2,340
2001	\$16,437	\$18,344	-\$1,907
2002	\$16,741	\$18,222	-\$1,481
2003	\$14,776	\$18,526	-\$3,750
2004	\$16,980	\$19,876	-\$2,896
2005	\$16,533	\$21,870	-\$5,337
2006	\$16,459	\$23,395	-\$6,936
2007	\$16,618	\$26,421	-\$9,803
2008	\$16,545	\$28,644	-\$12,099
2009	\$15,546	\$27,545	-\$11,999
2010	\$16,320	\$30,637	-\$14,317
2011	\$16,624	\$32,975	-\$16,351
2012	\$17,387	\$35,029	-\$17,642
2013	\$18,201	\$36,161	-\$17,960
2014	\$19,295	\$37,351	-\$18,056
2015	\$20,758	\$37,569	-\$16,811

Source: Statistics Canada. Table 376-0108 - International Transactions in Services, by Category.

1) receipts in the travel account are defined to include all expenses incidental to travel in Canada by non-residents. Among these are expenditures in Canada for lodging, food, entertainment, local and intercity transportation and all other purchases of goods and services (including gifts) made by travellers. The series thus includes any purchases of personal goods to be exported by travellers. Also included are medical expenses and education expenses of non-residents in Canada as well as foreign crew members' spending in the country.

2) Payments in the travel account are correspondingly defined to include all expenses incidental to travel abroad by residents of Canada. Among these are expenditures abroad for lodging, food, entertainment, local and intercity transportation and all other purchases of goods and services (including gifts) made by the travellers. The series thus includes any purchases of goods to be imported for personal use by travellers. Also included are medical expenses and education expenses of Canadian residents outside Canada as well as Canadian crew members' spending in other countries.

Note: travel receipts exclude international transportation fares paid by non-resident travellers to Canadian carriers. Also, travel payments do not include international transportation fares paid by Canadian residents to foreign carriers.

## APPENDIX B-8: OUTBOUND TRAVELLERS FROM KEY OVERSEAS MARKETS

Country Name	Number of Departures by Key Overseas Market														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
China	10,473,000	12,133,000	16,602,000	20,222,000	28,853,000	31,026,000	34,524,000	40,954,000	45,844,000	47,656,000	57,386,000	70,250,000	83,183,000	98,185,000	116,600,000
Germany	74,400,000	76,400,000	73,300,000	74,600,000	72,300,000	77,400,000	71,200,000	70,400,000	73,000,000	72,300,000	72,703,000	74,473,000	76,666,000	75,100,000	83,008,000
France	19,886,000	19,265,000	18,315,000	18,576,000	21,131,000	22,480,000	22,240,000	28,103,000	25,506,000	25,140,000	25,041,000	26,155,000	25,450,000	26,243,000	28,180,000
United Kingdom	56,837,000	58,281,000	59,377,000	61,424,000	64,194,000	66,494,000	69,536,000	69,450,000	69,011,000	58,614,000	55,562,000	56,836,000	56,538,000	58,506,887	60,082,000
Hong Kong	n.a.	61,095,000	64,540,000	60,936,000	68,903,000	72,300,000	75,812,000	80,682,000	81,911,000	81,958,000	84,442,000	84,816,000	85,276,000	84,414,000	84,519,000
Japan	17,819,000	16,216,000	16,523,000	13,296,000	16,831,000	17,404,000	17,535,000	17,295,000	15,987,000	15,446,000	16,637,000	16,994,000	18,491,000	17,473,000	16,903,000
Australia*	3,038,000	3,223,000	3,022,000	2,966,000	3,683,000	4,216,000	4,366,000	4,742,000	5,215,000	5,377,000	6,173,000	6,800,000	7,188,000	7,628,000	9,114,000
Brazil	3,228,000	2,674,000	2,338,000	3,229,000	2,968,000	3,365,000	3,880,000	4,651,000	5,244,000	4,950,000	6,498,000	7,805,000	8,466,000	8,666,000	9,048,000
India	4,416,000	4,564,000	4,940,000	5,351,000	6,213,000	7,185,000	8,340,000	9,783,000	10,868,000	11,067,000	12,988,000	13,994,000	14,920,000	16,626,000	18,330,000
Mexico	11,079,000	12,075,000	11,948,000	11,044,000	12,494,000	13,305,000	14,002,000	15,257,000	14,527,000	14,104,000	14,334,000	14,799,000	15,581,000	15,911,000	18,261,000
South Korea**	5,508,242	6,084,476	7,123,407	7,086,133	8,825,585	10,080,143	11,609,878	13,324,944	11,996,094	9,494,111	12,488,364	12,693,733	13,736,976	14,846,485	16,081,000
International tourism, number of departures															
* Tourism Research Australia - Year Ending Sep 30.															
** Korea Tourism Organization															
n.a.: not available.															
Source: The World Bank & Tourism Research Australia															

## APPENDIX B-9: ARRIVALS TO CANADA FROM KEY OVERSEAS MARKETS

Arrivals to Canada by Key Overseas Market															
Country Name	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
China	77,265	86,407	99,292	77,527	104,840	120,313	147,853	155,753	165,823	166,192	200,033	248,888	298,070	365,314	471,823
Germany	416,889	359,978	311,684	271,568	318,320	336,559	313,025	318,165	332,008	318,844	342,002	324,009	322,380	322,419	341,416
France	417,215	368,625	320,662	280,882	341,534	361,968	373,606	379,268	425,409	411,741	440,723	464,569	461,919	465,548	490,185
United Kingdom	913,797	876,771	769,005	723,205	846,694	921,208	881,742	925,566	869,926	724,470	727,496	694,581	671,485	663,219	695,787
Hong Kong	145,139	130,113	122,798	93,961	120,987	113,767	111,866	115,558	132,407	111,779	119,366	126,752	123,916	133,453	141,852
Japan	540,095	449,047	452,546	273,886	437,160	441,783	401,127	343,451	287,198	205,639	243,040	218,813	240,025	238,474	277,305
Australia	179,510	171,918	162,778	156,619	185,135	209,220	206,542	228,726	248,718	213,671	244,172	253,331	272,224	279,936	300,844
Brazil	52,454	40,516	36,941	31,598	50,516	62,155	65,649	66,682	72,126	62,243	80,776	88,489	94,555	94,555	100,947
India	55,162	58,173	58,729	59,492	71,012	82,037	89,954	105,154	114,975	111,579	132,212	144,409	153,414	154,409	185,888
Mexico	146,945	154,671	165,097	144,061	177,269	194,344	213,945	250,633	270,828	172,006	123,763	136,931	147,698	156,856	180,052
South Korea	149,032	157,081	165,101	148,557	190,982	191,319	201,815	212,602	196,564	144,141	169,953	155,683	150,611	158,523	183,770
Source: Statistics Canada, Table 427-0003 & Table 427-0004 - Number of non-resident travelers entering Canada US & Overseas.															

## APPENDIX B-10: US OUTBOUND & US ARRIVALS TO CANADA

US Overnight Visitors to Canada																
Country Name	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
United States Outbound	61,327,000	59,442,000	58,065,000	56,250,000	61,809,000	63,503,000	63,662,000	64,029,000	63,563,000	62,171,000	61,060,000	59,210,000	60,697,000	61,344,000	68,176,000	73,453,000
United States to CND	15,188,971	15,570,211	16,167,228	14,232,408	15,087,515	14,390,700	13,855,468	13,375,202	12,503,880	11,667,240	11,870,848	11,596,942	11,886,949	11,477,625	11,514,572	12,468,380
CND's Share of US Outbound	24.8%	26.2%	27.8%	25.3%	24.4%	22.7%	21.8%	20.9%	19.7%	18.8%	19.4%	19.6%	19.6%	18.7%	16.9%	17.0%

Source: Statistics Canada, Table 427-0003 & Table 427-0004 - Number of non-resident travelers entering Canada US & Overseas & ITA Office of Travel & Tourism

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