

VISA

TIAC AITC

2016

SUMMER TRAVEL SNAPSHOT



A Message from Visa Canada

Visa Canada is pleased to partner with the Tourism Industry Association of Canada (TIAC) on our fourth annual travel snapshot, offering TIAC's members, partners and stakeholders insight into the spending patterns of Visa cardholders both in Canada and abroad.

At Visa, our innovative spirit comes from connecting thousands of financial institutions, tens of millions merchants and hundreds of millions of cardholders over the past 50 years. Innovation knows no borders, and with international visitors arriving in record numbers, it is critical that we continue to seamlessly enable new ways to pay, across borders and currencies. Visa is proud to offer both Canadian travellers and visitors to our country fast, easy and secure payment experiences whether they are shopping in store, online or on-the-go, or across borders and currencies.

As mobile technology accelerates the pace of change in the payments industry, it helps open new possibilities for a generation of travellers who increasingly rely on connected devices to shop, pay and travel. Electronic payments have added billions of dollars to the tourism sector, and we will continue to work hard to deliver innovations that benefit TIAC's members and ensure safe, seamless payment experiences for everyone, everywhere.

Sincerely,



Rob Livingston
PRESIDENT
VISA CANADA

A Message from the Tourism Industry Association of Canada

The Tourism Industry Association of Canada (TIAC), in partnership with Visa Canada, is proud to release the fourth edition of the Travel Snapshot - our series of annual reports into the travel spending of Visa cardholders in Canada, and Canadian spending abroad. It has become a valuable tool for the tourism industry to better understand the travel behaviour and spending habits of visitors to Canada from key markets around the world.

Canada welcomed over 8.5 million international summer visitors in 2016, including a record 2.5 million overseas visitors between May and August. Visa Canada reports that during this period international travellers to Canada spent \$3.9 USD billion using Visa cards; a year-over-year bump of over 9%. High currency exchange rates helped keep Canadians at home with Visa reporting a corresponding 7% reduction in Canadian travel spending outside the country.

The United States continues to be a bright spot, accounting for over 53% of summer spending in Canada at \$2.1 USD billion - an increase of over 11% from 2015. A breakdown of US spending by state, reveals that all top ten source States increased spending in Canada with California, New York and Washington topping the list. 2017 is shaping up to be a huge year for Canadian tourism and TIAC is hopeful that this report helps businesses make the most of the opportunity.

Sincerely,



Charlotte Bell
PRESIDENT AND CEO
TOURISM INDUSTRY
ASSOCIATION OF CANADA



OVERVIEW

According to 2016 VisaVue Travel Data*, Canadian inbound tourism during the summer season (May to September) produced sales of \$3.9 billion¹ (increase of 9.2%). Canadians travelling to destinations outside Canada spent \$4.9 billion (decrease of 7%).



INBOUND

Once again, the United States contributed the most in total revenue - summer spending by Americans represented 53% of overall inbound spend, or \$2.1B, an increase of 11.7% from 2015. While American visitors hail from all over the States, US tourists visiting from California spent the most this summer (\$225M), followed by New York (\$173M), Washington (\$144M), Florida (\$88M) and Texas (\$72M). While visitor spend from California, New York and Washington increased, Floridians' spend remained the same and Texans spent slightly less than last year.

The second highest spenders were visitors from China, with 10.4% of overall inbound volume representing \$418M, up 12.4% from the same period last year.



OUTBOUND

During the summer travel season, Canadians spent \$4.9 billion internationally. The United States remains the favourite Canadian destination, with 58% of sales (\$2.9B). Canadians' second favourite destination was the United Kingdom, with 4% of sales (\$220M).

Visitors to Canada spend their dollars all across the nation, with strongest concentration of spend in Ontario, British Columbia and Quebec. American and British visitors spent the most in Toronto; visitors from China and Germany spent the most in Vancouver and Montreal topped the list for French visitors. Each of the top five countries showed strong spending in key categories such as retail, lodging and restaurants.

SUMMER INBOUND



2015
\$3.6B

2016
\$3.9B

+9.2%
Growth

SUMMER OUTBOUND



2015
\$5.3B

2016
\$4.9B

-7%
Growth

Source throughout:
VisaVue Travel (May 2016 – September 2016)

All figures are in US dollars

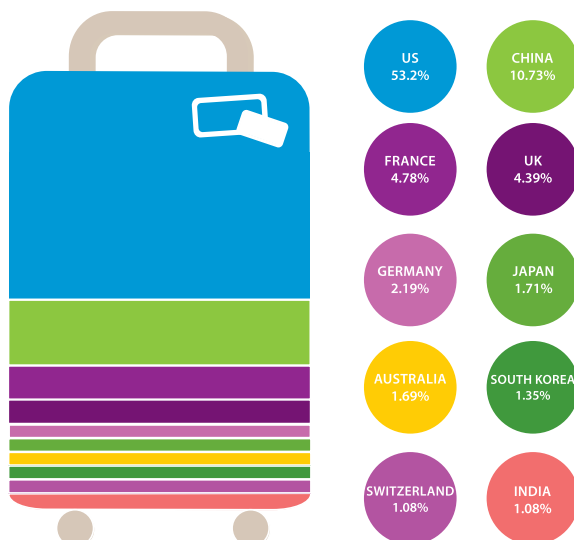
2016 SUMMER INBOUND / OUTBOUND



Visa card spend by visitors to Canada and Canadians abroad from May to September 2016

VISITORS TO CANADA

PERCENT OF TOTAL SALES



CANADIANS ABROAD

PERCENT OF TOTAL SALES



*VisaVue Travel Data includes spending on Visa-branded payment cards by international visitors during the period May 2016-September 2016.

¹Dollar amounts reported in USD (exchange rate applied as of date of purchase). For context, the Bank of Canada's average exchange rate for May-September 2016 saw the loonie at approximately 77 cents USD.



INBOUND SPENDING PATTERNS

General retail purchases yielded \$898M, representing just under a quarter (23%) of tourism spending on Visa accounts by international travellers visiting Canada during summer 2016. Other key spending categories included:



LODGING \$654M

SPENT IN THE SUMMER 2016
PERIOD – 16.7% OF TOTAL



ENTERTAINMENT \$115M

SPENT IN THE SUMMER 2016
PERIOD - 2.9% OF TOTAL



RESTAURANTS \$457M

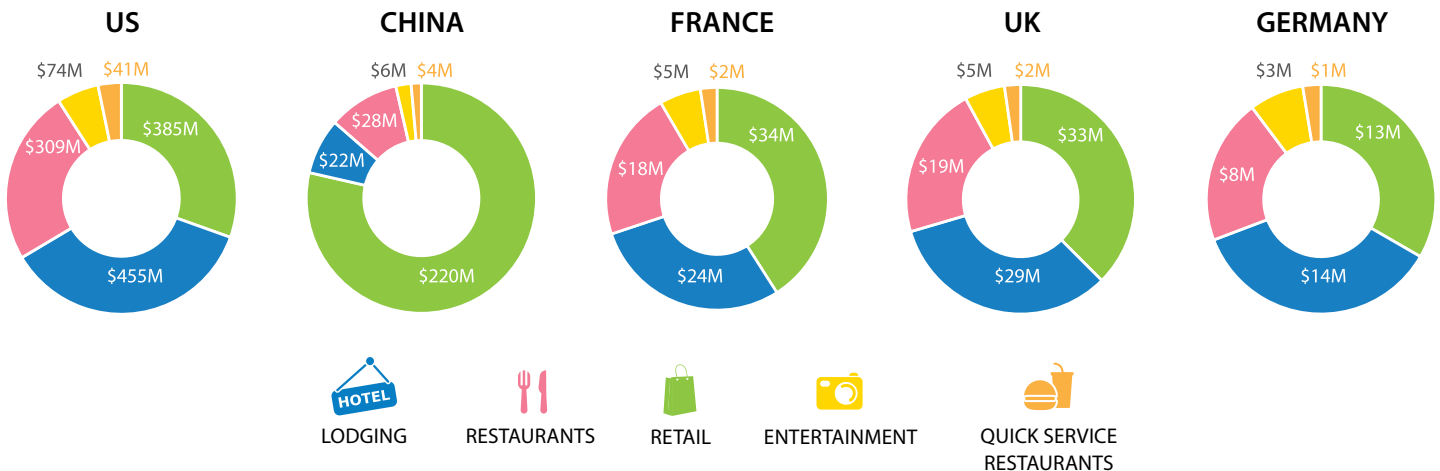
SPENT IN THE SUMMER 2016
PERIOD – 11.7% OF TOTAL



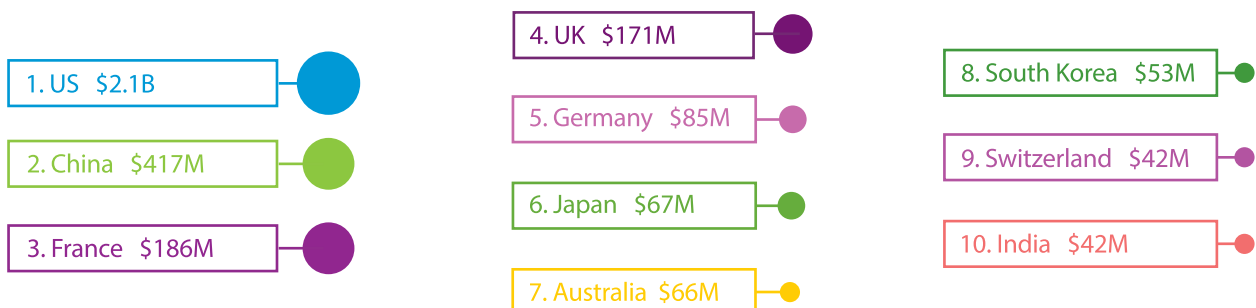
QUICK SERVICE RESTAURANTS \$63M

SPENT IN THE SUMMER 2016
PERIOD - 1.6% OF TOTAL

TOP 5 INBOUND COUNTRIES SPENDING PATTERNS

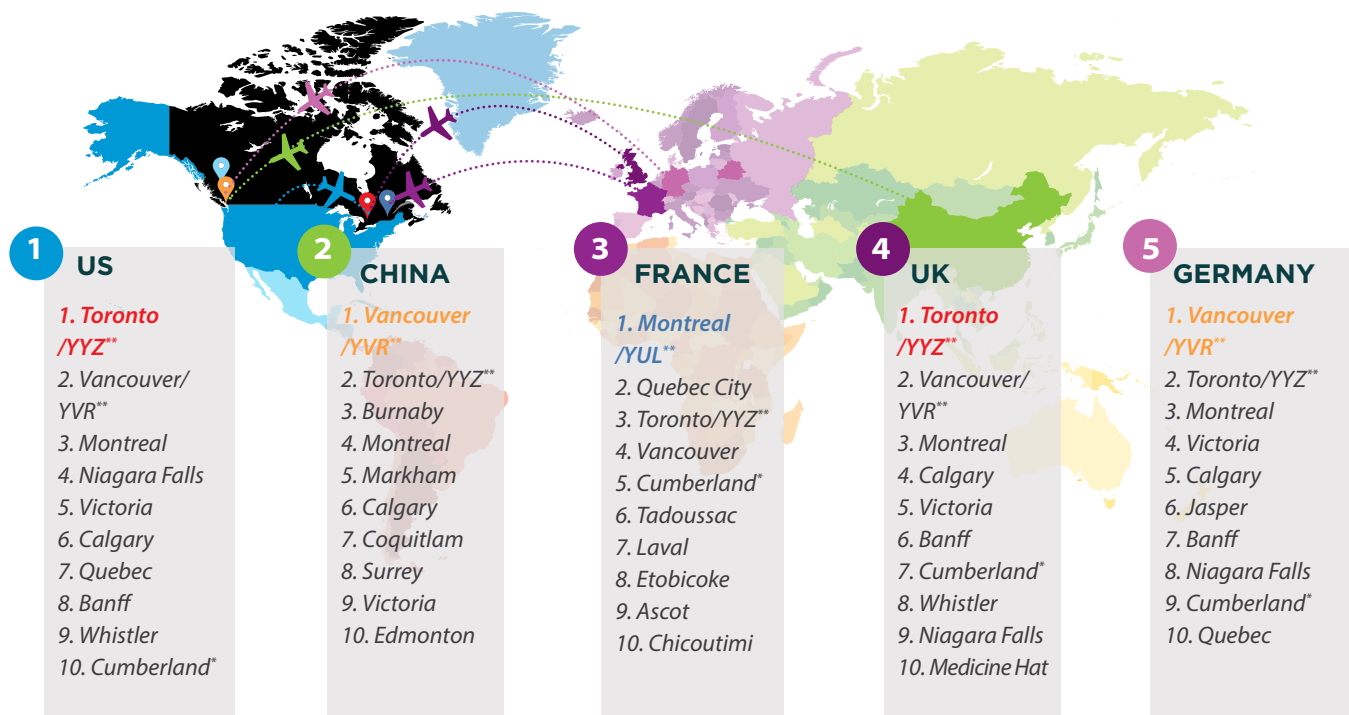


TOP 10 SPENDING BY COUNTRY





TOP 10 CANADIAN CITIES VISITED BY THE TOP 5 INBOUND COUNTRIES



*Mount Washington Ski Resort

**An airport code denotes spending in the city where the airport is located

SPENDING BY TOP 10 INBOUND US STATES

