

KEY TAKEAWAYS

#1

Total tourism spend continued to outpace pre-pandemic baseline

While international tourism spending in Q1 2024 fell just short of pre-pandemic levels (97% of 2019), domestic tourism spending far surpassed that target (121% of 2019). Together this brought total tourism revenue in the first quarter of the year to a very healthy \$23.1B, once again outpacing the pre-pandemic baseline (115% of 2019).

#2

International visitation approaching recovery levels

Continuing to build on the strong pace of visitation recovery recorded towards the end of 2023, Canada welcomed 2.9 million international overnight arrivals to reach 96% of 2019 levels in Q1 2024.

Visitation from the US reached 97% of 2019 levels. International (non-US) markets reached 92% of 2019 overall, though the pace of returning visitors varied by market.

#3

Canada is a popular destination among travellers in key markets

In Q1 2024, Canada was the top destination mentioned by Americans asked where they are most likely to fly to for their next vacation.

Canada was also ranked as a top 3 recommended destination in the UK, France, Germany, and Australia.

STATE OF THE INDUSTRY

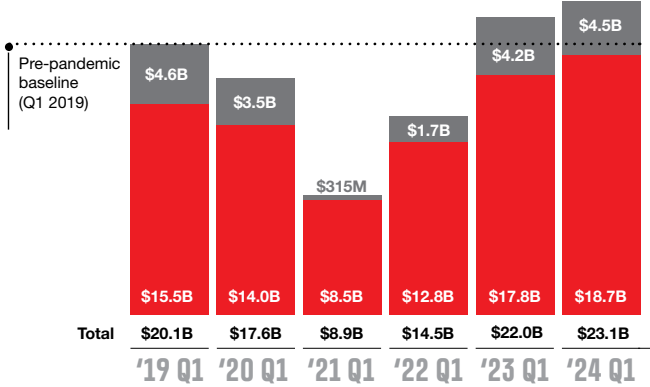
Tourism Spend

Source: Statistics Canada, National Tourism Indicators, Q1 2024 (data released June 26, 2024)

Overall tourism spending continued to surpass pre-pandemic levels in Q1 2024, reaching 115% of Q1 2019 spending in unadjusted-inflation terms. This trend was driven by domestic tourism spending (121% of 2019 levels), while spending by international visitors lagged slightly behind (97% of 2019 levels).

Total tourism expenditures in Q1 of each year on Canadian goods and services

- Domestic
- International
- Overall



	% OF 2019		
	2023 Q3	2023 Q4	2024 Q1
	111%	110%	121%
	92%	103%	97%
	106%	108%	115%

Source: Statistics Canada, Labour Force Survey, via Tourism HR Canada (data extracted June 27, 2024)
Source: Statistics Canada, Job Vacancy and Wage Survey, Table 14-10-0442-01 (data released June 18, 2024)

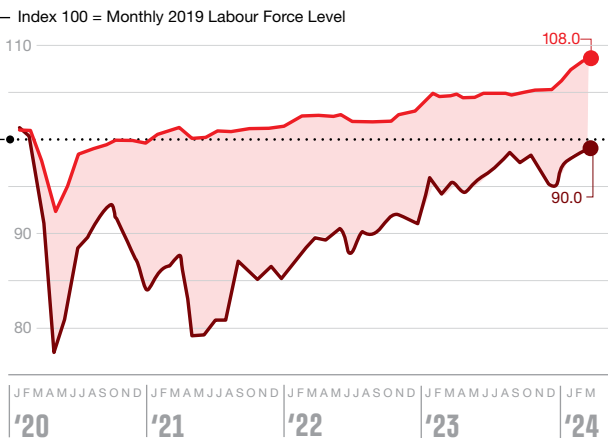
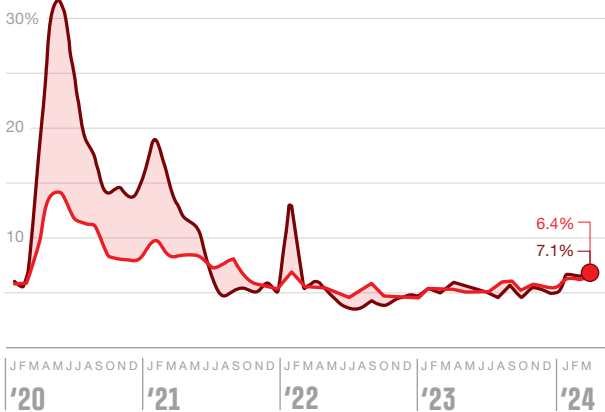
Tourism Employment

Unemployment Rate


The unemployment rate in the tourism industry was 7.1% in March 2024, slightly higher than the general Canadian economy rate (6.4%). The tourism unemployment rate was 1.1 percentage points higher than in March 2023.

Labour Force Active in the Canadian Economy

While the Canadian labour force expanded 8.0% over its pre-pandemic level by March 2024, the labour force active in the tourism sector remained 1.0% below the pre-pandemic level.



Job Vacancy*



4.4% UNFILLED

At the end of Q1 2024, 78,220 jobs in tourism remained unfilled, which equates to 4.4% of tourism jobs.

*Note: Job Vacancy data excludes air transportation and scenic and sightseeing transportation. Q1 data was suppressed to meet confidentiality requirements of the Statistics Act.

- Canadian economy
- Tourism industry

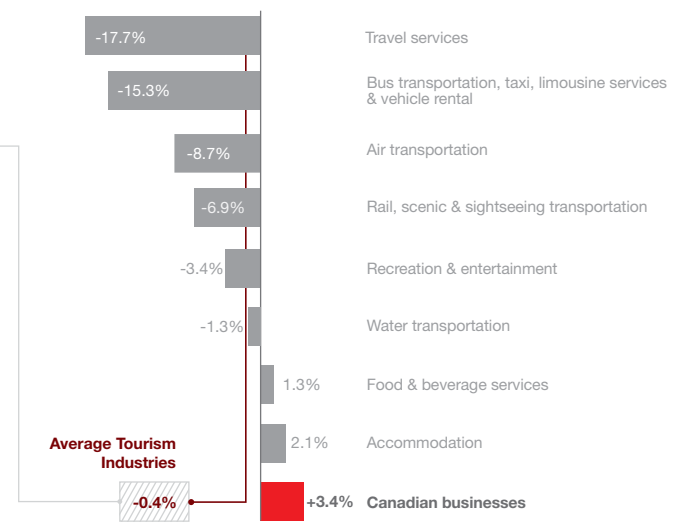
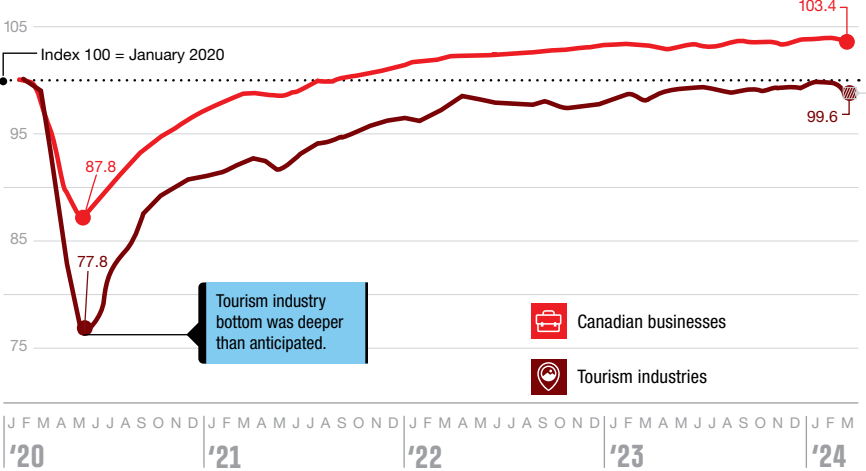
Active Businesses

Source: Statistics Canada, Experimental estimates of business openings and closures for Canada, Table 33-10-0270-01 (data released June 24, 2024)

As of March 2024, active tourism businesses were only 0.4% below pre-pandemic levels but the tourism industry's recovery since the pandemic continued to trail that of the general business sector. Travel services and passenger transportation services remained notably behind their pre-pandemic baselines.

Change in the number of businesses active in tourism industries 2024-March vs 2020-January

Monthly active businesses in Canada



TOURISM PERFORMANCE

Domestic Tourism Sentiment

Domestic: Tourism Sentiment

Despite a marginal decline compared to Q4 2023, Canadian residents' sentiment towards tourism remained positive in Q1 2024, with General Sentiment Towards Tourism sitting 15 points above the global benchmark. The Resident Consideration Index improved this quarter but remained below the global benchmark, while other metrics remained relatively stable this quarter.

General Sentiment Towards Tourism

61

↑ Global Benchmark 46

Overall sentiment which measures the balance of positive vs. negative consequences of tourism.

↑ Exceeds Global Benchmark ↓ Does not exceed Global Benchmark

Tourism Growth Support Index

59

↓ Global Benchmark 60

Net proportion of residents that support the growth of tourism.

Resident Consideration Index

18

↓ Global Benchmark 34

The balance between residents considering that tourism policy takes into consideration its effect on their lives vs. those who do not agree with this.

Tourismphobia Index

3

↑ Global Benchmark 4

The proportion of residents opposed to tourism and its growth.

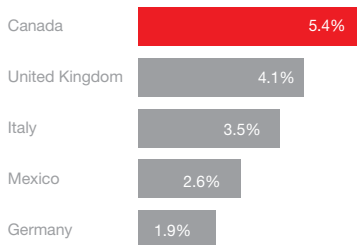
Note: Beginning December 2022, Destination Canada uses the Resident Sentiment Index to monitor sentiment and gauge support from Canadians for tourism. The Index is endorsed by the UNWTO, trusted by leading destinations around the world, with a validated and robust methodology. The Index compares Canada with other countries, providing insights into Canada's unique challenges and identifying areas where it is excelling compared to the benchmarked competition. Any data reported on domestic tourism sentiment prior to December 2022 references a different data product.

Source: TCI / Resident Sentiment Index® with Rowe Destination Insight, Q1 2024

Destination Recommendation and Travel Intent Metrics

US: Travel Purchase Intent

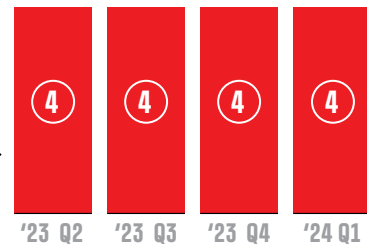
When Americans were asked which international destinations they are most likely to visit by air for their next vacation, Canada ranked #1 amongst all tracked destinations in Q1 2024.



International (non-US): Brand Recommendation

NUMBER OF KEY OVERSEAS MARKETS WHERE CANADA RANKS TOP 3

In Q1 2024, Canada was ranked as a top 3 recommended destination in four out of eight overseas markets: the UK, France, Germany, and Australia. This was consistent with Q4 2023, where Canada also ranked in the top 3 in four out of eight markets. However, there were changes in specific markets over that period. In Q1 2024, Canada fell from the top 3 spot in Mexico (falling from #2 to #7) but gained that position in Australia (jumping from #5 to #3).

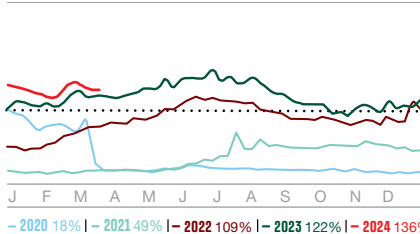


Source: YouGov, DestinationIndex

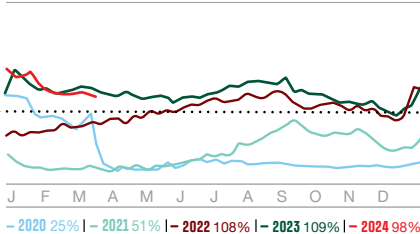
Travel Considerations

Web Search Trends for Air & Accommodation to Canada

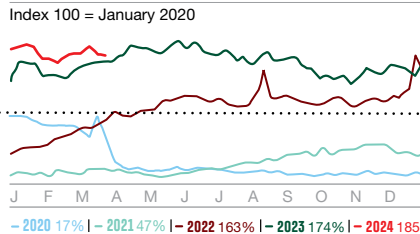
From United States



From Europe (incl. UK, France & Germany)



From Asia-Pacific (incl. Australia, Japan & South Korea)



Search volume for Canada experienced a mix of performance at the start of 2024.

Search volume for the US had an average increase of 17% from the same period in 2023.

In Europe, search volumes remained at similar levels of 2023 with a 2% decline on average.

In the APAC region, search saw a 24% increase in volume from the same period in 2023.

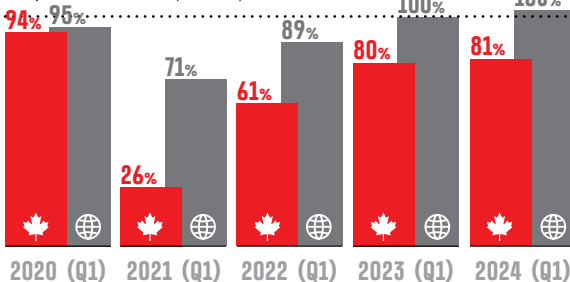
Source: DC Calculations based on Destination Insights with Google data extracted on June 24, 2024

TRAVEL CONNECTIVITY & BOOKINGS

Air Connectivity

Global Domestic Flight Seat Capacity

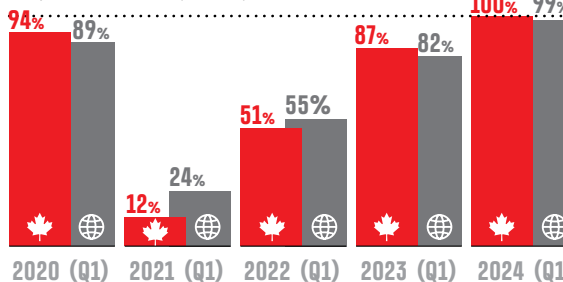
Pre-pandemic baseline (2019 Q1)



In Q1 2024, Canadian domestic air connectivity reached 81% of 2019 levels. This pace of domestic route recovery in Canada was still well behind the global average, where domestic connectivity surpassed pre-pandemic levels.

Global International Flight Seat Capacity

Pre-pandemic baseline (2019 Q1)



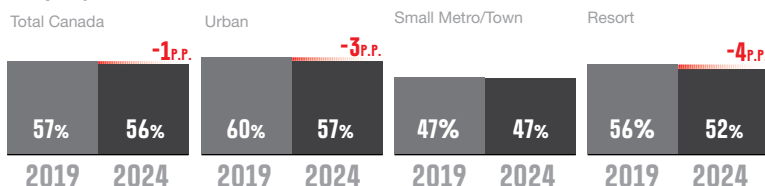
In Q1 2024, Canadian international air connectivity was on par with 2019 levels, making strong progress compared to the same period a year ago, and just slightly outpacing the global average for international route recovery.

Source: International Air Transport Association, OAG Analyzer (data extracted June 15, 2024)

Hotel Occupancy

At the national level, average occupancy in Q1 2024 is slightly below pre-pandemic levels, with drops in resort and urban average occupancy contributing to the decline.

Occupancy Rate Q1 Data



Source: STR, data extracted on June 14, 2024

Int'l Business Events Booking Pace

Source: Destination Canada's National Business Events Pace Report, March 31, 2023 dataset

International business events scheduled in Canada for Year-to-date March 2024

81

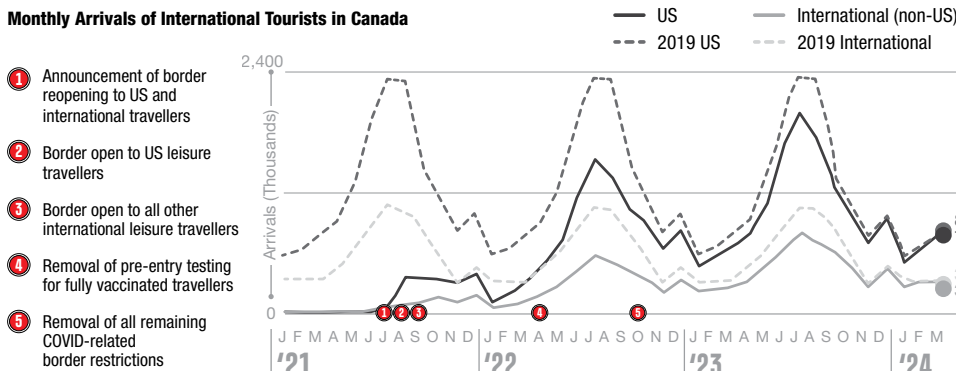
International business events delegates/ arrivals estimated for Year-to-date March 2024

27,325

From January-March 2024 international business events reached 87% compared to the same period in 2019, which was marginally up from 2023 levels. The number of international delegates over this period reached 75% of 2019 levels and was slightly lower than in 2023, due to smaller association events.

Arrivals

Monthly Arrivals of International Tourists in Canada



96%

With 2.9 million international visitors over Q1 2024, year-to-date overnight arrivals have almost recovered to pre-pandemic levels, reaching 96% of arrivals over the same period in 2019. This included 2.0 million visitors from the US (97% of 2019) and 918,000 visitors from overseas (92% of 2019).

Year-to-date arrivals by mode of entry, border counts

Mode	2024	2019	Total
Airplane	770,885	826,827	1,597,712
Car	1,174,249	89,495	1,263,744
Water*	20,092	1,263	21,355
Total	1,965,226	917,585	2,882,811

*Note: The exceptional growth in arrivals by water compared to 2019 is due in part to a change in Statistics Canada's data collection methodology. As of January 2022, all ferry travellers are included in the water mode, in order to align with United Nations World Tourism Organization recommendations. Prior to 2022, most of these travellers were included in the land mode.