



Winter 1997

National Tourism Indicators: A New Tool for Analysing Tourism in Canada

by Lise Beaulieu-Caron

For some years, tourism industry stakeholders have expressed the need to develop a credible instrument for measuring tourism in Canada for purposes of analysis, planning, promotion and management.

There are two main obstacles to doing so. One obstacle to doing so is the fact that tourism focuses on the activities of visitors¹ rather than any intrinsic characteristic of the commodities they buy. Of course, not all commodities purchased by visitors come from the "tourism industry". Many of them are provided by businesses that are not part of the "tourism industry". For example, food bought by visitors in grocery stores are part of "other commodities" (Chart 1). The second obstacle, not all customers of the "tourism industry" businesses are visitors. For example, restaurants serve both local customers and visitors. To estimate how much tourism contributes to the Canadian economy, we need to determine the percentage of total production actually purchased by visitors.

As a first step toward meeting this need, consultations were held with tourism data users and experts in both Canada and other countries. Resulting from these consultations, Statistics Canada in 1994 issued the first **Tourism Satellite Account** (TSA), covering 1988². An important feature of the TSA is that it can be used to make comparisons with other industries in Canada. However, because of the complexity of the very detailed accounting framework required, the TSA cannot be updated more often than once every few years. Data for a second reference year, this time 1992, are scheduled for release in 1997, along with revised data for 1988. To meet a requirement for more detailed and more recent data, the **National Tourism Indicators** were developed on the basis of the TSA.

The purpose of this article is to inform **Travel-log** readers

¹ The term visitor includes tourists and same-day visitors.

² National Accounts and Environment Division, *The Tourism Satellite Account*, Technical series No. 31.

Employment Generated by Tourism in 1995

		'000's of Employed Persons	Percent Change from 1994
Total 378	↗ Transportation	80	0.2
	→ Accommodation	131	0.7
	→ Food and Beverage	136	4.0
	↘ Other Tourism Industries	31	-0.4

Source: National Accounts and Environment Division, National Tourism Indicators, Quarterly Estimates, Cat. No. 13-009-XPB.

In This Issue...

Feature Article

National Tourism Indicators: A New Tool for Analysing Tourism in Canada	1
--	---

Trends

Travel Between Canada and Other Countries	7
International Travel Account	8
Travel Price Index	10

National Tourism Indicators

11

Travel Indicators

12



**Toll-free order service in Canada
1-800-267-6677**

**Editor-in-Chief: Monique Beyrouiti
Tel: (613-951-1673)**

Assistant: Carol Moskaluk

Composition: Francine Simoneau

Chart Design: Rosemarie Andrews

**Printing: Statistics Canada
Printing Centre**

Correspondence may be addressed to the Editor-in-chief, **Travel-log**, 3rd floor, R. H. Coats Building, Ottawa, Ontario, K1A 0T6. Fax number 1-613-951-2909. Internet e-mail: beyrmon@statcan.ca.

Price: Canada: \$12.00 per issue, \$40.00 annually

United States: US\$15.00 per issue, US\$48.00 annually

Other Countries: US\$17.00 per issue, US\$56.00 annually

Periodicity : Quarterly ISSN 0713-2840

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences – Permanence of Paper for Printed Library Materials, ANSI (Z39.48 – 1984.)

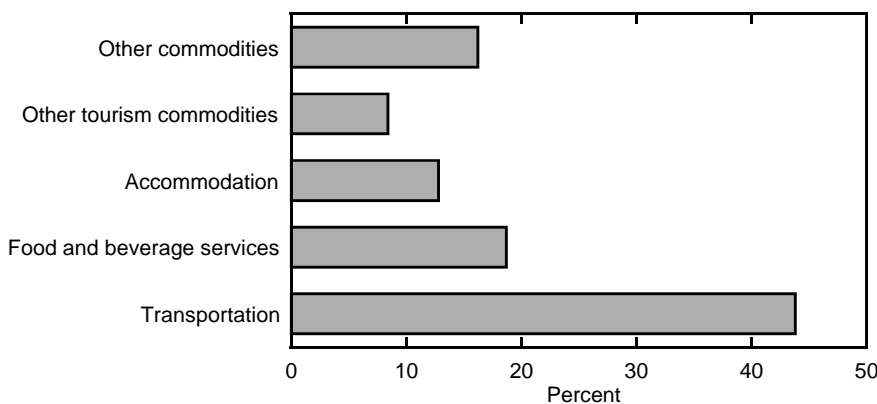


Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 1996. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission from License Services, Marketing Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

Note of appreciation

Canada owes the success of its statistical system to a long-standing co-operation involving Statistics Canada, the citizens of Canada, its businesses and governments. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Chart 1
Distribution of Total Tourism Demand in Canada



Source: National Accounts and Environment Division, *The Tourism Satellite Account for 1988*, Technical series No. 31.

of the availability of a new analytical tool - the National Tourism Indicators. These estimates, which measure trends in tourism in Canada, are placed in perspective here, taking into account the concepts and definitions used in developing them.

National Tourism Indicators

Although the TSA succeeded in measuring the importance of tourism in Canada in 1988, it cannot supply very timely data because of its methodology. To remedy that situation, Statistics Canada, with financial support from the Canadian Tourism Commission, developed a new set of time series. This new set of estimates, known as the **National Tourism Indicators (NTIs)**, was first published in late June 1996³. Using the TSA as its starting point, this pioneering effort produced quarterly and annual estimates from 1986 to the present. The NTIs estimate the following TSA components for each quarter:

- domestic supply of tourism commodities;
- demand by Canadian and non-resident visitors to Canada for these tourism commodities produced in Canada;
- tourism industry employment

generated by tourism.

By showing trends in the principal components of tourism supply, demand and employment, the NTIs provide an enhanced capability to track quarterly and annual changes in tourism in Canada. The estimates are available 2.5 months after the reference period.

Basic concepts

Tourism

The definition of tourism used is the one adopted by the World Tourism Organization and the United Nations Statistical Commission is: “the activities of persons travelling and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other

³ For more information about the NTIs, see the following publications:

Guide to the National Tourism Indicators: Sources and Methods, Catalogue No. 13-594-GPE.

National Tourism Indicators, Quarterly Estimates, Catalogue No. 13-009-XPB.

National Tourism Indicators, Historical Estimates, 1986 to 1995, Catalogue No. 13-220-XPB.

The Tourism Satellite Account

The Tourism Satellite Account (TSA) is a structured information system that allows the statistics describing all the measurable aspects of tourism to be collected, classified and linked. An example of what would be included are the expenses incurred when a tourist rents a hotel room for the night. As far as possible, the measures conform to Canadian System of National Accounts estimates. The TSA follows the guidelines set forth in the "Proposal for Setting Up A Satellite Account and An Information System on Tourism" presented at the International Conference on Travel and Tourism Statistics in June, 1991, and later adopted by the World Tourism Organization⁴.

The Tourism Satellite Account provides a measurement of the economic demand for, and production of, tourism commodities. For the first time, the information contained in this account makes it possible to evaluate the direct contribution of tourism expenses to Canada's Gross Domestic Product (GDP). As the official measure of the country's economy, the GDP takes into account the money value of everything that is produced in Canada during a specified period. In 1988, through commodities provided directly to tourists and same-day visitors, tourism represented 3.0% of all the business sector activity in Canada. That same year, this contribution was greater than that of primary industries such as agriculture (2.6%) and logging (0.8%), and compared favourably to an advanced sector such as communications (3.3%). Moreover, the TSA now allows the number of jobs depending on tourism to be quantified.

Initially, the role of the TSA was to facilitate comparison with other Canadian industries. However, due to the complexity of the highly detailed accounting framework this requires, the TSA can only be updated every few years. A second reference year, focusing on 1992, should be published in 1997 along with a revision of the first exercise focused on 1988. While waiting for the update, it is important to remember that the results of the first TSA are still preliminary and should be used with caution.

purposes"⁴. In Canada, this definition generally includes Canadians travelling in Canada 80 kilometres or more from their residence, Canadians travelling outside the country, and non-residents travelling in Canada.

The definition also covers personal trips to visit relatives or friends and travel for the purpose of obtaining health care, for example. People who engage in such activities are deemed to be tourists if they spend at least one night in the location they visit; otherwise, they are considered same-day visitors. However, not all travel constitutes tourism. According to the above definition, commuting and travel for the purpose of studying or working in a new location do not constitute tourism. Also excluded are migrants, diplomats and members of the Armed Forces on assignment.

Tourism Commodities

Tourism commodities are commodities for which a significant portion of the total demand in Canada comes from visitors, or whose unavailability would discourage people from visiting (e.g. parking and urban public transportation). The tourism commodities in question are aggregated as follows in order to produce an overall estimate:

1. Transportation (passenger air transportation, passenger rail transportation, intercity bus transportation, vehicle rental, vehicle repairs and parts, vehicle fuel, passenger transportation by water, urban public transportation, taxis, parking);
2. Accommodation (hotel and motel accommodation and all other types of accommodation services consisting of tourist cabins, camping grounds and trailer parks, outfitters and other vacation camps);
3. Food and beverage services (meals served by accommodation services, meals served by food and beverage services, alcoholic beverages served by accommodation services, alcoholic beverages served by food and beverage services);
4. Other tourism commodities (recreation and entertainment, travel agency

services, conference fees).

Non-tourism Commodities

Visitors purchase not only tourism commodities such as passenger air transportation and accommodation, but also non-tourism commodities, such as clothing and groceries. Purchases of non-tourism commodities were taken into account in the TSA. Although they are presently excluded, these estimates are included in development plans for the NTIs.

Tourism Industries

An industry consists of all businesses engaged in the production of similar goods or services (e.g. hotels, restaurants, airlines). The NTIs focus on industries that are the primary producers of tourism commodities. Moreover, tourism industries are industries that, without tourism, would cease to exist or would continue to exist at a substantially reduced level of activity. These industries make up the "tourism industry".

Travel agency services meet the first criterion, as they depend on tourism demand for their existence. The food and beverage services industry also satisfies the first criterion, but it would continue to exist, at a lower level of activity, without tourism demand.

Non-tourism Industries

An industry is considered a non-tourism industry if it produces few tourism commodities or if the commodities it produces are unlikely to be sold to visitors.

Thus, retail stores are an example of a non-tourism industry, even though visitor purchases may be an important part of the economy in some areas. This component of the TSA has not yet been incorporated into the NTIs, but it is in the development plans. The steel-making industry is another example of a non-tourism industry, since it does not sell its products to visitors.

Domestic Supply

Domestic supply of tourism commodities

⁴ *United Nations and World Tourism Organization, Recommendations on Tourism Statistics, New York, 1994.*

is defined as the total production of those specific commodities in Canada. It is calculated using revenue reported in surveys of the industries concerned. Local or non-tourism consumption (e.g. meals eaten in restaurants by local customers) is included in the domestic supply of food services. Hence, domestic supply is always greater than tourism demand.

Imports are not included. For example, the sale of a ticket by a foreign airline to a Canadian resident is excluded from the supply of passenger air transportation services. In addition, domestic supply in the NTIs does not encompass non-tourism commodities purchased in Canada by visitors. Such purchases, which include groceries, store-bought alcohol, clothing, souvenirs, pretravel expenses and other commodities, are covered in the TSA. This component of the TSA is part of the development plans for the NTIs.

Also, supply is calculated at market prices and therefore includes taxes such as the Goods and Services Tax. The supply series are expressed in millions of current dollars and constant dollars (at 1986 prices). Finally, the measure is harmonized with the estimates produced by the Canadian System of National Accounts.

Tourism Demand

Tourism demand consists of the principal tourism commodities produced in Canada and bought by visitors before, during and after travel. Tourism demand in Canada includes two categories of expenditures: those by Canadians travelling in Canada and in the Canadian portion of their trips to other countries (tourism domestic demand), as well as expenditures by non-residents travelling in Canada (tourism exports).

Domestic demand covers a Canadian resident's purchase not only of a ticket on a Canadian air carrier flight from Ottawa to Calgary, for example, but also of a ticket for a flight outside Canada on a Canadian-owned international air carrier. Commodities purchased in Canada for trips outside Canada, such as travel agency services, are also part of domestic demand. Conversely, tourism exports also

include expenditures that may occur outside Canada, such as the purchase of a ticket for a flight to Canada on a Canadian-owned international air carrier.

The NTIs do not include a measure of commodities purchased in other countries by Canadian travellers. This component of the TSA is part of the development plans for the NTIs.

The annual estimates of total tourism demand in Canada are based on TSA supply/demand ratios for each tourism commodity. These ratios correspond to

the visitor-related portion of receipts for each tourism commodity (Table 1). The ratios and the estimates derived from them will be modified when the TSA is updated.

An annual estimate of domestic demand (i.e. demand by Canadian residents) is obtained by subtracting demand by non-residents in Canada (exports) from total tourism demand in Canada. The latter is always smaller than the domestic supply of tourism commodities in the NTIs because local or non-tourism consumption (e.g. restaurant meals) always

Table 1
Tourism Demand as a Share of Supply, based on the 1988 TSA

	%
Transportation	42.4
Passenger Air Transport	92.1
Passenger Rail Transport	83.8
Interurban Bus Transport	88.1
Vehicle Rental	83.0
Vehicle Repair and Parts	19.0
Vehicle Fuel	32.4
Other Transportation	22.4
Accommodation	89.8
Hotel	91.4
Motel	95.4
Other Accommodation	75.1
Food and Beverage Services	25.6
Meals from Accommodation Services	51.8
Meals from Food and Beverage Services	25.9
Alcoholic Beverages from Accommodation Services	16.2
Alcoholic Beverages from Food and Beverage Services	14.7
Meals and Alcoholic Beverages for Other Tourism Industries	27.7
Other Tourism Commodities	32.7
Recreation and Entertainment	27.7
Travel Agency Services	97.8
Convention Fees ¹	91.1
Total Supply of Tourism Commodities	38.8

¹ This proportion was not presented in the 1988 TSA, but was used in the NTI.

Source: National Accounts and Environment Division, Guide to the National Tourism Indicators, Cat. No. 13-594-GPE.

accounts for a portion of that domestic supply.

The demand series are expressed in millions of current dollars and constant dollars (at 1986 prices). As a general rule, the data available for calculating demand are less reliable than the data used to estimate supply.

Employment

The employment series in the NTIs reflect the amount of production generated in tourism industries by direct sales to visitors. They consequently exclude tourism industry employment resulting from the sale of commodities to other consumers. Employment in non-tourism industries was taken into account in the TSA. Those estimates are part of the development plans for the NTIs. The employment series are expressed in thousands of employed persons.

In addition, the employment figures include full-time, part-time and casual paid employees, as well as self-employed workers and unpaid family workers. They do not include volunteer workers, most of whom work in museums or at special events such as festivals.

What can the indicators tell us?

Unlike the TSA, which so far covers only 1988, the NTIs can be used to estimate trends. The estimates are expressed in current and constant dollars. Current dollar estimates refer to the price of a good or service at the time of the reference period. The NTIs also contain estimates computed at the prices of another period - specifically 1986. The constant dollar figures show the real value of a current dollar in relation to the value of a dollar in the reference year.

Demand by all visitors for air carrier services increased by 12.3% between 1994 and 1995 (Table 2). However, tourism spending by foreign visitors grew faster (18.0%) than tourism spending by Canadians (10.5%). In 1986 dollars, the 1995 annual growth in demand for Canadian air carrier services (9.3%) was at its highest in seven years (Chart 2).

Canadians accounted for three quarters of tourism expenditures on Canadian air carrier services in 1995, compared with 83% ten years ago. The globalization of markets has helped

Canadian air carriers diversify their tourism-related customer base.

A glance at the accommodation industry reveals that tourism demand in Canada was up 5.2% in current dollars in 1995 (Table 3). A sharp increase in spending by foreign visitors (18.7%) masked the small but stable growth in spending by Canadians (0.7%). Thus, the globalization effect was felt in this industry as well. The proportion of accommodation expenditures by foreign

customers (28%) in the accommodation industry in 1995 was at its highest point in nine years. Partly because of Expo '86 in Vancouver, the record year for the accommodation industry is still 1986, when non-residents accounted for 30% of tourism demand.

Overall, the real growth (in 1986 dollars) of tourism demand in Canada was 3.2% in 1995, a lower annual rate than in 1994 (5.3%). Tourism demand in Canada by foreign visitors was up 10.4%,

Table 2

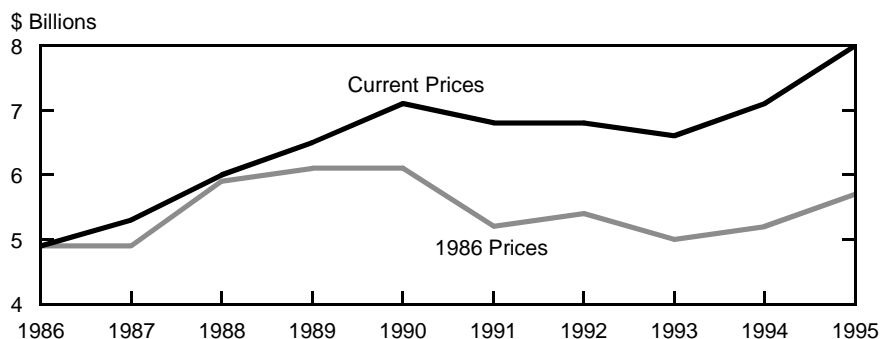
Tourism Demand in Canada, 1995, Passenger Air Transport Services, millions of dollars and percentage change from 1994

	Current Dollars	Constant Dollars
Tourism Domestic Demand	5,975 10.5%	4,246 7.6%
Tourism Exports	2,005 18.0%	1,420 14.8%
Tourism Demand in Canada	7,980 12.3%	5,666 9.3%

Source: National Accounts and Environment Division, National Tourism Indicators, Historical Estimates, 1986 to 1995, Cat. No. 13-220-XPB.

Chart 2

Annual Change of Tourism Demand in Canada – Passenger Air Transport



Source: National Accounts and Environment Division, National Tourism Indicators, Historical Estimates, 1986-1995, Cat. No. 13-220-XPB.

Table 3

**Tourism Demand in Canada, 1995,
Accommodation Services,
millions of dollars and percentage change from 1994**

	Current Dollars	Constant Dollars
Tourism Domestic Demand	3,964 0.7%	2,900 -8.0%
Tourism Exports	1,575 18.7%	1,148 7.6%
Tourism Demand in Canada	5,539 5.2%	4,048 -4.1%

Source: National Accounts and Environment Division, National Tourism Indicators, Historical Estimates, 1986 to 1995, Cat. No. 13-220-XPB.

Table 4

**Change in Tourism Demand in Canada for Tourism Commodities
Produced in Canada in 1995 Compared to 1994
(constant 1986 dollars)**

	Tourism Demand		Total in Canada
	Domestic (by Canadian residents)	Non- Resident (Exports)	
		%	
Transportation	1.9	11.7	4.0
Accommodation	-0.8	7.6	-4.1
Food and Beverage Services	3.5	9.9	5.5
Other Tourism Commodities	4.9	10.7	6.3
Total Tourism Commodities	0.9	10.4	3.2

Source: National Accounts and Environment Division, National Tourism Indicators, Historical Estimates, 1986 to 1995, Cat. No. 13-220-XPB.

compared with only 0.9% for domestic tourism demand (Table 4).

To produce an estimate of total tourism spending in Canada, the demand for non-tourism commodities, which is not measured by the NTIs, must be taken into account. According to the TSA, 83.7% of visitors' expenditures were on tourism commodities in 1988⁵. On the basis of

this ratio, it can be estimated that 16.3% of visitors' expenditures were on non-tourism commodities. Projecting this percentage through the NTIs, we estimate that tourism spending in Canada by Canadians and foreign visitors (tourism demand for tourism and non-tourism commodities in Canada) was approximately \$42 billion in 1995, an all-time

record.

Employment from direct sales to visitors in tourism industries amounted to 378,200 persons in 1995. In addition, on the basis of direct employment in non-tourism industries according to the TSA⁶, it is estimated that in 1995, tourism directly employed 488,500 people, 5.1% of employment in the business sector in Canada.

These are only a few examples of the kind of information that the National Tourism Indicators can supply. This type of analysis can be performed on the 18 categories of supply and demand and the 10 categories of employment. The new data series should serve as an effective line of communication between Statistics Canada and users of tourism data. This new, leading edge statistical tool, the first of its kind, should help those interested in the tourism industry find answers to their questions about the economic facet of the tourism phenomenon. The relevant, more frequent data this tool provides can be used to portray the evolution of tourism and highlight trends.

The current challenge

To promote tourism, industry leaders must foster a better understanding of the tourism business and the markets it generates. It is becoming more vital to make governments and the general public aware of the contribution that tourism makes to Canada's heritage and affluence. The national tourism indicators are a tool that can be used to achieve this goal.

⁵ The percentage of total tourism demand is from the table on page 9 of the *Guide to the National Tourism Indicators: Sources and Methods*.

⁶ Direct employment in non-tourism industries is from Table 2 of the above-mentioned article on the TSA.



Travel Between Canada and Other Countries September 1996

In September, the number of overnight trips to Canada by Americans fell 8.6% compared with August. It was the largest monthly drop in the last 11 years.

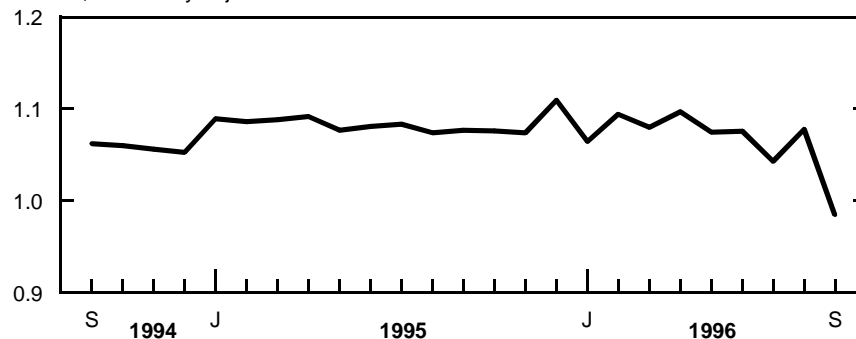
Estimates of the number of trips of one or more nights to Canada by residents of selected overseas countries

Origin	Sept. 1996 ^p	Sept. 1995 to sept. 1996
	unadjusted	
	000	% change
Europe	317	7.7
France	77	2.0
Germany	71	18.0
United Kingdom	93	4.4
Other Europe	77	9.1
Asia	168	5.6
Hong Kong	17	15.9
Japan	86	-1.7
South Korea	15	26.9
Taiwan	15	19.6
Other Asia	35	7.7
Other countries	61	1.8
Australia	17	-9.4
Other countries	44	7.0

^p Preliminary figures.

The drop in overnight trips to Canada by Americans was the largest since September 1985

Millions, seasonally adjusted



Note to readers

Month-to-month comparisons use seasonally adjusted data, that is, data adjusted for variations that repeat annually and for variability caused by the different volumes of travellers associated with different days of the week.

Year-over-year comparisons use unadjusted data (the actual traffic counts).

Overseas countries are countries other than the United States.

Excursions are same-day trips.

September's level of 985,000 trips is the lowest since June 1993. The number of trips of this type has fluctuated around 1.1 million since early 1995.

Overseas residents also made fewer overnight trips to Canada in September. A 0.7% decrease, the third consecutive decline since last June's peak, brought the number of such trips to 364,000. The trend in this type of travel has been rising since mid-1992.

Overall, foreigners made 1.3 million trips of at least one night to Canada, down 6.6% from August.

Canadians also made fewer overnight trips abroad

The number of overnight trips abroad by Canadians declined 0.5% from the previous month, to 1.5 million in September. Since February, when

Canadians made 1.6 million trips of this type, the decrease has totalled 7.1%.

Overnight stays in the United States, Canadians' most popular international destination, dropped 0.5% in September to 1.2 million.

Overnight trips overseas had been on the rise since early 1991, until they peaked at 308,000 in February 1996. Since then, the trend has been downward. A

0.7% decrease in September brought the number of these trips to 294,000, 4.5% below February's peak.

Fewer car excursions between Canada and the United States

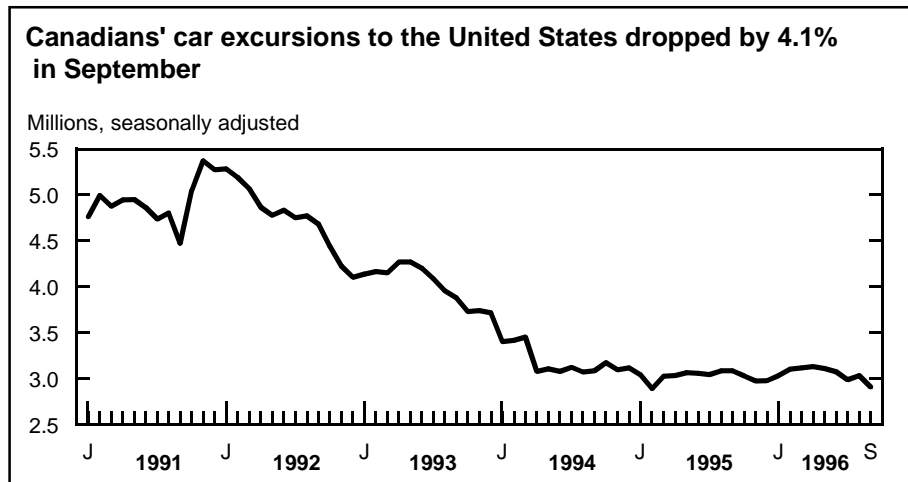
Canadians' same-day car trips to the United States dropped 4.1% in September, to 2.9 million. Trips of this type peaked at 5.4 million in November 1991, then decreased until April 1994. Since then, they have remained relatively stable.

Americans' same-day cross-border car trips have been decreasing since last February; they were down 1.9% in September, to 1.9 million. This type of travel was at a low of 1.5 million in January 1994 and reached a high of 2.0 million in February 1996.

For further information, contact Luc Dubois (613-951-1674; fax: 613-951-2909), Tourism Statistics Program, Culture, Tourism and the Centre for Education Statistics.

Same-day cross-border car trips				
	Americans to Canada		Canadians to the United States	
	Sept. 1996 ^p	Sept. 1995 to sept. 1996	Sept. 1996 ^p	Sept. 1995 to sept. 1996
	unadjusted			
	'000	% change	'000	% change
Canada	2,010	-4.3	2,959	-6.2
Place of entry/ re-entry				
New Brunswick	128	-5.2	397	-12.0
Quebec	110	1.1	288	-4.9
Ontario	1,535	-5.2	1,368	-4.3
Manitoba	27	10.8	63	0.8
Saskatchewan	6	11.3	20	-0.5
Alberta	11	-9.2	15	-7.2
British Columbia	189	-0.2	804	-7.3
Yukon	3	-17.9	3	-3.4

^p Preliminary figures.



**International travel account
Third quarter 1996
(preliminary)**

Receipts from foreigners travelling in Canada were down in the third quarter, while spending by Canadians abroad increased slightly. As a result, Canada's international travel account deficit was up by 21.7%. This deficit, which stood at

\$859 million, was still less than half its \$1.9 billion peak recorded in the fourth quarter of 1991.

Foreigners travelling in this country contributed \$2.9 billion to the Canadian economy between July and September, down 4.2% from the record \$3.0 billion in the previous quarter. Meanwhile, Canadian travellers spent \$3.7 billion abroad, 0.8% more than in the second quarter.

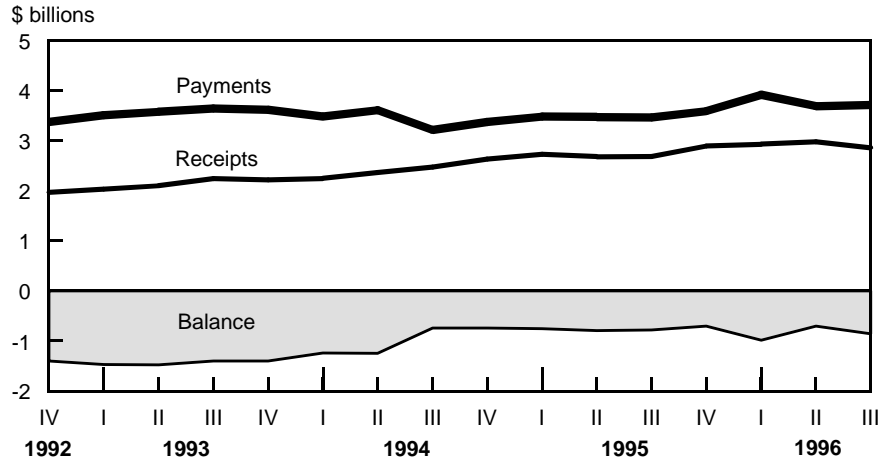
Travel account deficit with the United States increased

The travel account deficit with the United States jumped 17.3% in the third quarter, to \$941 million. The main factor was a 6.4% decrease in spending by Americans who travelled in Canada; these receipts totalled \$1.5 billion.

During the same period, Canadians' spending in the United States was up 1.5%, to \$2.4 billion.

The travel account deficit with the United States peaked at \$1.8 billion in the fourth quarter of 1991. At that time, the Canadian dollar was worth US\$0.88 and same-day car trips to the United States, often used as an indicator of cross-border shopping, had also peaked. The deficit then decreased until it reached its most recent low of \$694 million in the fourth quarter of 1994. Since then, the trend has been upward.

The international travel account deficit jumped by 21.7% in the third quarter



Meanwhile, Canadians made 0.4% fewer trips overseas in the third quarter than in the second. Their spending also decreased slightly (-0.6%) to \$1.3 billion.

For further information contact Luc Dubois (613-951-1674; Tourism Statistics Program, Culture, Tourism and the Centre for Education Statistics, fax: 613-951-2909).

Note to readers

Unless otherwise specified, data used in this release are seasonally adjusted.

Amounts are in Canadian dollars and are not adjusted for inflation.

Receipts represent spending by foreigners travelling in Canada, including education-related and medical-related spending.

Payments represent spending by Canadians travelling abroad, including education-related and medical-related spending.

Overseas countries are countries other than the United States.

Surplus with overseas countries decreased

In the third quarter, travellers from countries other than the United States spent \$82 million more in Canada than Canadians did during their visits overseas. It was the fourth surplus in the travel account with overseas countries in the last five quarters. However, this

surplus was 15.1% below that of the previous quarter.

Even though the \$1.4 billion spent in Canada by overseas residents was 1.6% lower than in the second quarter, this amount represents an increased share of total international travel receipts. This share stood at 48% in the third quarter, compared with only 27% in 1986.

International Travel Receipts and Payments

	Fourth quarter 1995	First quarter 1996 ^r	Second quarter 1996 ^r	Third quarter 1996 ^p
seasonally adjusted ¹ \$ millions				
United States				
Receipts	1,536	1,635	1,596	1,494
Payments	2,375	2,598	2,399	2,435
Balance	-839	-962	-802	-941
All other countries				
Receipts	1,360	1,300	1,387	1,365
Payments	1,222	1,322	1,290	1,283
Balance	138	-21	97	82
Total, all countries				
Receipts	2,896	2,936	2,983	2,859
Payments	3,597	3,920	3,689	3,718
Balance	-701	-984	-706	-859

¹ Seasonally adjusted data may not add to totals due to rounding.

^p Preliminary figures.

^r Revised figures.

Travel Price Index Third Quarter 1996

TPI up 2.8% from the same period last year

In the third quarter of 1996, consumers saw an increase of 2.8% from the same period a year ago in the price of the basket of goods and services that make up the Travel Price Index. This increase was mainly due to a 5.6% increment in inter-city transportation costs and a 9.3% increment in the price of local and commuter transportation. Automotive vehicle operating costs were also up. Overall, however, travellers had to pay 4.4% more for accommodation than during the same period last year.

Compared with the third quarter of 1995, the prices of all the TPI components increased in the third quarter of 1996, with the exception of clothing and shoes, photographic supplies and services, and, to a lesser extent, automotive vehicle rental.

By comparison, the CPI was up 1.3% in the third quarter of 1996 from the same period a year ago.

TPI up 3.7% from the previous quarter

The Travel Price Index was up 3.7% in the third quarter of 1996 compared with the previous quarter. During the third quarter of 1996, travellers paid 22.9% more for accommodation reflecting in part, summer rates. After having experienced a seasonal jump of 22.1% in July and August, accommodation costs fell by 5.6% in September, reflecting a return to fall rates in certain establishments. In other areas, travellers also paid 3.1% more for local and commuter transportation and 2.6% more for inter-city transportation.

Travellers enjoyed a 2.0% drop in automotive vehicle operating costs and a 0.3% drop in food costs.

During the third quarter of 1996, the CPI was up 0.1% compared with the previous quarter. (See page 12 of the Travel Indicators.)

Note to users

The Travel Price Index (TPI) is an aggregate index of goods and services used by travellers in Canada. Price movements are drawn from the derived Consumer Price Index (CPI) series.

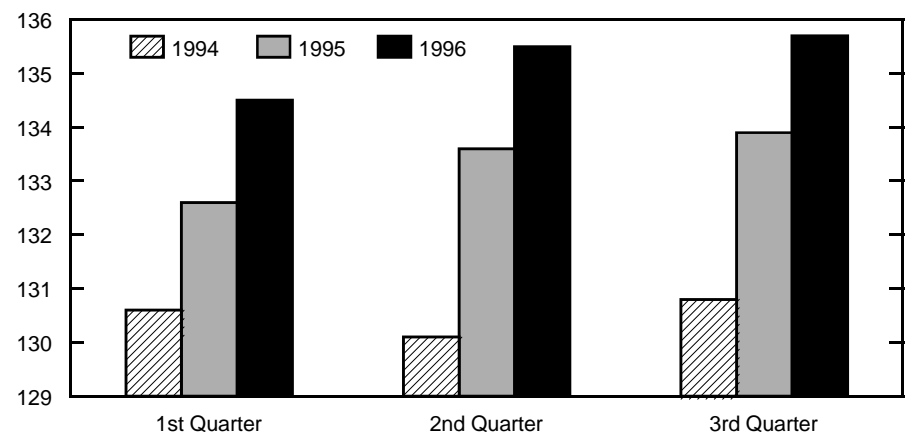
A technical report on the Travel Price Index is available from the Tourism Statistics Program at (613) 951-1673.

The Travel Price Index (TPI) and its Components, (not seasonally adjusted, 1986 = 100)

Components of the TPI ¹	3rd Quarter 1996	% Change	
		2nd Quarter 1996	3rd Quarter 1995
Inter-city transportation	163.5	2.6	5.6
Local and commuter transportation	176.4	3.1	9.3
Rental and leasing of automotive vehicles	135.9	1.6	-0.1
Operation of automotive vehicles	144.3	-2.0	1.7
Traveller accommodation	162.0	22.9	4.4
Food	127.9	-0.3	1.4
Alcoholic beverages	147.1	0.2	1.9
Clothing and footwear	130.9	-0.1	-0.8
Medicinal and pharmaceutical products	153.7	0.2	0.3
Personal care	131.3	0.1	0.4
Photographic equipment	110.7	-1.0	0.7
Photographic services and supplies	115.3	-1.1	-1.9
Reading materials and other printed matter	171.3	1.0	3.2
Tobacco products and smokers' supplies	143.6	0.2	0.9
Travel Price Index (TPI)	150.1	3.7	2.8
Consumer Price Index (CPI)	135.7	0.1	1.3

¹ The following TPI components are not published by Prices Division: Admission to entertainment; Use of recreational vehicles; Records, compact discs and pre recorded audio magnetic tapes; Use of recreational sports and health facilities. Sources: Prices Division, The Consumer Price Index, Cat. No. 62-001-XPB; and Culture, Tourism and the Centre for Education Statistics, Tourism Statistics Program.

Travel Price Index



Source: Tourism Statistics Program.

National Tourism Indicators Second Quarter 1996

Tourism Demand and employment

In the second quarter of 1996, the tourism demand in Canada decreased by 0.3% in constant 1986 dollars from the previous quarter. This decline was due to the domestic demand since the foreign demand (tourism exports) increased by

1.1% over the previous quarter. However, in current dollars, the increase in the domestic demand combined with tourism exports caused the tourism demand to increase by 1.1%. With regard to tourism exports, the demand for accommodation experienced an especially large increase, at 6.4%.

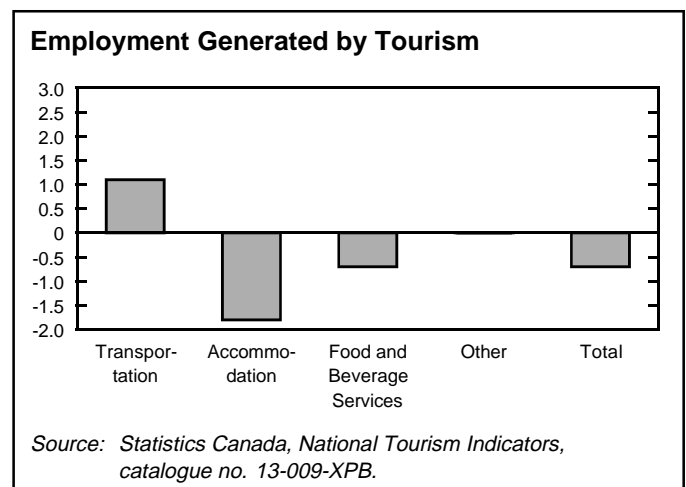
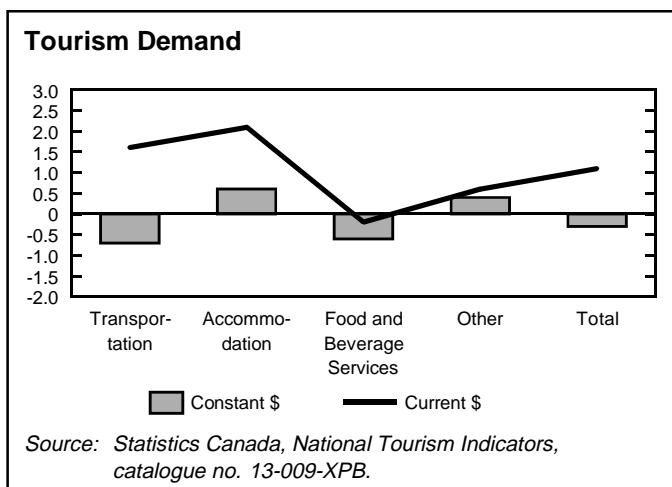
Tourism exports accounted for 27% of the total tourism demand in the second quarter.

Employment in tourism industries generated by direct sales to visitors was down by 0.7% between the first and second quarters. In fact, only the transportation sector increased. The accommodation sector decreased by 1.8% while the food and beverage services industry fell by 0.7%.

TOURISM DEMAND AND EMPLOYMENT
Seasonally Adjusted, Current and Constant Dollars from 1986
Percent Change of the Second Quarter from Previous Quarter of 1996

	Tourism Demand						Employment Generated by Tourism	
	IN CANADA		Domestic		Tourism Exports		TOTAL	
	Change in		Change in		Change in		% Change	
	Constant \$	Current \$	Constant \$	Current \$	Constant \$	Current \$		
Transportation	-0.7	1.6	-1.2	1.0	0.9	3.3	Transportation	1.1
Accommodation	0.6	2.1	-1.2	0.3	5.0	6.4	Accommodation	-1.8
Food & Beverage S.	-0.6	-0.2	-0.9	-0.4	0.0	0.3	Food & Beverage Services	-0.7
Other	0.4	0.6	0.8	1.0	-0.9	-0.8	Other	0.0
Total	-0.3	1.1	-0.9	0.6	1.1	2.5	Total	-0.7

Source: Statistics Canada, National Tourism Indicators, catalogue no. 13-009-XPB.





	Third Quarter		% Change
	1995	1996	
From United States	14,257	14,163	-0.7
Overnight visits	5,845	5,721	-2.1
- By auto	4,082	3,879	-5.0
From Overseas	1,969	2,126	7.9
Overnight visits	1,801	1,959	8.8
Top Seven Countries:			
United Kingdom	294	302	2.9
Japan	253	274	8.3
France	217	231	6.5
Germany	216	230	6.8
Hong Kong	75	77	3.6
South Korea	51	68	33.7
Australia	59	60	1.3
To United States:	15,978	15,733	-1.5
Overnight visits	5,042	5,169	2.5
- By auto	3,815	3,803	-0.3
To Overseas	909	913	0.5
Airline passengers (Level I) (000s)	6,321	6,599	4.4
Airline passenger-km (Level I) (000,000s)	16,610	17,744	6.8
1986 = 100 (not s.a.)			
Travel Price Index	146.0	150.1	2.8
Consumer Price Index	133.9	135.7	1.3
- Restaurant meals	142.6	144.6	1.4
- Inter-city transportation	154.8	163.5	5.6
- Renting and leasing of automotive vehicles	136.0	135.9	-0.1
- Gasoline	124.0	126.7	2.2
Gross Domestic Product, 1986 prices (s.a.) (000,000s)	542,259	551,931	1.8
- Amusement and recreation (000,000s)	5,104	5,345	4.7
- Accommodation and food services (000,000s)	11,812	11,789	-0.2
Personal disposable income per capita (s.a.)	17,133	17,270	0.8
Labour force (s.a.)	14,927	15,157	1.5
Unemployed	1,414	1,477	4.5
Employed	13,512	13,680	1.2
- Accommodation and food services (not s.a.)	912	943	3.4
American Dollar	1.3555	1.3701	1.1
British Pound	2.1328	2.1298	-0.1
Japanese Yen	0.0144	0.0126	-12.9
German Mark	0.9475	0.9151	-3.4
French Franc	0.2742	0.2690	-1.9

(s.a.) seasonally adjusted.