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A Close-up of Culture/Heritage Travel in Canada

by Laurie McDougall

Laurie McDougall is an analyst with the Tourism Statistics Program.

- *Domestic Travel involving culture/heritage related activities generated over 14 million leisure trips of one or more nights in 1996 and almost $3 billion in spending in Canada.*
- *Leisure travellers who include a culture/heritage activity in their trip travel greater distances, have longer stays and higher spending per trip compared to other leisure travellers.*
- *Accommodation establishments benefitted from culture and heritage travel, with campgrounds receiving the majority of the commercial nights.*
- *Culture/heritage travel is more susceptible to seasonal peaking, with the majority of trips taking place in the summer.*
- *Canadians who participated in leisure trips with culture/heritage activities are more likely to be women, to have a university or college education, and to have higher incomes than other types of leisure travellers.*

From jazz festivals to local agricultural fairs to World-class heritage sites, Canadians love culture and will travel great distances to attend events or experience unique parts of Canada's history and culture. There are myriad examples of the impact culture/heritage tourism has on local economies, not to mention the role in raising awareness of Canada's rich culture and heritage[1]. The Stratford Theatre Festival contributes many jobs to the local economy; the annual Winnipeg Ethnic Festival attracts visitors from the mid-Western United States and from Canada; the Festival international de

[1] Statistics Canada, *Canada's Culture, Heritage and Identity: A Statistical Perspective,* 1996 Edition, Cat. No. 87-211-XPB.

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jazz de Montréal is one of the largest festivals in Canada, to name just a few.

Tourism is increasingly seen as a means of providing a link between culture, heritage and identity and economic development and job stimulation. Each year, Canadian communities are expanding their repertoire of local events and activities in recognition of their importance in attracting tourists.

As shown on Table 1, participation in cultural activities among the general population is quite evident with over half of Canadians aged 15 and over indicating that in 1992 they had visited a museum or art gallery or attended a festival, fair or exhibition. Given this broad interest among the population, it is not surprising that Canadians often include a culture/heritage activity on their domestic travel agenda. In some instances it may be their main motivation for taking a trip.

Table 1

Participation in culture/heritage activities, Canadian population aged 15 and over, 1992

	(%)
Went to a museum, art gallery or other heritage institution	56
Attended a festival, fair or exhibition	51
Attended a concert or performance	30
Visited a conservation area or nature park	46
Attended a performance of ethnic or heritage dance/music	12

Source: General Social Survey

Culture/heritage travel can include anything from visiting an historic site to watching a festival or performing arts event to appreciating nature. Using the Canadian Travel Survey (CTS) results it is possible to distinguish travellers who participated in specific culture/heritage activities.

The size and nature of the market

In 1996, Canadians took approximately 14 million leisure trips (*travel for pleasure, visiting friends or relatives and personal reasons*) that involved participation in one or more culture/heritage activity, 12% of all leisure trips. The *1996 Domestic Tourism Market Research Study* conducted by the Canadian Tourism Commission (CTC) supports this finding of the relative share of the cultural travel segment. This study estimated that cultural travellers represented an estimated 15% of all travellers[2].

In 1996, participation in culture/heritage activities among Canadian travellers (Table 2) resembles somewhat the 1992 participation rate by the Canadian population aged 15 years and older (Table 1). Attending festivals or fairs is the most popular activity among the culture/heritage travel group. The lowest participation was noted for aboriginal or native cultural events, indicating the niche aspect of this activity.

Table 2

Participation in culture/heritage activities while on a domestic leisure trip of one or more nights, 1996

	Culture/heritage activity participation
	(thousands)
Attended a festival, fair or exhibition	3,852
Visited a museum or art gallery	3,537
Visited an historic site	3,274
Attended cultural events (plays, concerts)	3,208
Visited a zoo or natural exhibit	2,876
Went bird or wildlife viewing	2,149
Attended aboriginal/native cultural event	468

Note: Since travellers may participate in more than one activity, the sum of activities exceeds the total trips for culture/heritage travel.
Source: Canadian Travel Survey

Culture/heritage travel involves further distances and longer stays

Canadians who participated in culture/heritage activities while travelling in

[2] Canadian Tourism Commission, *Domestic Tourism Market Research Study, Main Report, 1996.*

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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.

Note to Readers

For the purpose of this analysis only trips where pleasure/leisure was the main purpose are considered. Culture/heritage travel is defined as trips of one or more nights taken for pleasure, visiting friends or relatives or personal reasons that included participation in one or more of the following activities: attending a festival, fair or exhibition; attending a cultural event; attending an aboriginal/native cultural event; visiting a museum or art gallery; visiting a zoo or natural exhibit; visiting an historic site; bird or wildlife viewing. In the Canadian Travel Survey, respondents are only asked if they participated in these activities while on a trip so the relative importance of these activities to the overall trip is not known.

Visits to national or provincial parks were not considered as part of culture/heritage travel unless the trip included participation in one or more of the selected culture/heritage activities.

Canada in 1996 spent close to $3 billion[3] or approximately one-quarter of the spending by all leisure travellers during trips of one or more nights. They spent more nights away from home and travelled greater distances: 565 km versus 343 km for other travellers. As a result, planes were used more often among culture/heritage travellers – 8% of their trips versus 4% among other travellers. Due to their tendency to take longer and more expensive trips, their average spending of $255 per trip was more than double the spending by other travellers.

Commercial accommodation establishments benefit

Canadians travelling in their country who included culture/heritage activities as part of their itinerary tended to stay with friends or family, resulting in over half their nights being spent in non-commercial accommodations. Their dependency on friends or family for accommodation was however less than that of other leisure travellers: 42% compared to 58% of nights respectively. An estimated 36% of culture/heritage nights were spent in commercial accommodation, with campgrounds representing the largest share. Hotels ranked as the second most popular commercial accommodation choice among culture/heritage travellers.

Summer time travel was more dominant among culture/heritage travellers than other leisure travellers, although this may be somewhat related to the many offerings of festival and special events and the outdoor nature of certain culture/heritage activities. In 1996, 55% of culture/heritage trips occurred in the third quarter (summer) compared to 35% for other leisure travel. About 20% of trips were taken in the spring (April, May and June) compared to 14% in the winter and just 11% in the fall (October, November and December).

Canadian travellers participating in culture/heritage oriented events or activities have some of the same socio-demographic characteristics as other travellers. However, culture and heritage participants were more likely to be women, to have a university or college education and earn higher incomes than other leisure travellers, possibly reflecting a slightly more upscale market segment.

With increasing tourist demand for unique and authentic experiences that add value to an individual's quality of life, there will be expected growth in "learning" type vacations[4]. Many players in the tourism industry are already realizing the advantages in forging partnerships with the culture/heritage community. The Department of Canadian Heritage has made a significant effort to work with the tourism industry, including strong ties

Table 4

Distribution of nights by type of accommodation used by culture/heritage travellers and all other types of travellers, 1996

	Culture/ heritage travellers	Other types of travellers
	(%)	
Total accommodation	**100**	**100**
Non-commercial	**57**	**73**
Home of friends/ relatives	42	58
Private cottages	15	15
Commercial	**36**	**23**
Hotels	10	6
Motels	6	4
Campgrounds	15	10
Resorts, B&Bs & cottages	5	3
Other & not stated	**7**	**4**

Source: Canadian Travel Survey

Table 3

Characteristics of culture/heritage travel and other types of travel, 1996

		Total	Culture/ Heritage Travel	Other types of travel
Total Expenditures	($ millions)	10,967	2,767	8,200
Same day trips	(thousands)	55,030	3,782	51,248
One-or-more-nights trips	(thousands)	63,389	10,133	53,256
Nights	(thousands)	208,072	48,883	159,189
Share of expenditures	(%)	100	25	75
Share of one-or-more-nights trips	(%)	100	16	84
Share of nights	(%)	100	31	69
One-or-more-nights trips:				
Average duration	(nights)	3.3	4.8	3.0
Average spending	($)	136	255	113
Average distance	(km)	378	565	343

Source: Canadian Travel Survey

[3] This refers to the total amount spent by travellers who indicated participation in selected culture/heritage activities. It does not represent the spending directly attributable to culture/heritage since travellers may have participated in other types of activities throughout the trip.

[4] Canadian Tourism Research Institute: *Travel Forecast 2000: Twenty-One Questions for the 21st Century, 1997*.

Table 5

Socio-demographic characteristics of culture/heritage travellers and other types of travellers, 1996

	Culture/ heritage travellers	Other types of travellers
	(%)	
Married	51	55
University/college education	45	41
Women travellers	54	50
Incomes over $60,000	27	22

Source: Canadian Travel Survey

with the Canadian Tourism Commission[5]. Tourism businesses and organizations who take the lead in such initiatives will no doubt reap the benefits now and in the future.

[5] Canadian Tourism Commission: *Fulfilling the Promise of Cultural and Heritage Tourism In Canada: A Discussion Paper*, 1997.

Domestic Package Travel – An Untapped Market[1]?

by Laurie McDougall

Laurie McDougall is an analyst with the Tourism Statistics Program.

Highlights:

- *Domestic package use is still relatively small, accounting for two million trips in 1996, or just 2% of non-business trips.*
- *Average expenditures by the package travel consumer are more than double average spending for other travellers.*
- *Canadians taking package trips tend to travel further distances and spend more nights away from home than most travellers.*
- *Car travel remains dominant among package travellers representing over two-thirds of package trips of one or more nights.*
- *When travelling on a package trip, Canadians are most likely to check into hotels.*
- *Restaurant meals and accommodation are the two most common items included in a package.*
- *The socio-demographic characteristics of package consumers vary by type of transportation. Generally speaking, bus package clients are more likely older and predominantly women.*

Canadian consumers browsing through most travel agency offices are likely to be bombarded with brochures beckoning them to take a cruise to the Caribbean, tour the rich history of Europe, enjoy a theater package in London or sample wines in California, to name a few. But where are the tantalizing Canadian packaged products?

In reality few domestic packages are assembled and sold by Canadian tour operators, travel agents, airlines and other partners. The larger operators focus instead on the high volumes of Canadians going to foreign destinations[2]. This is supported by results from the *1995 Annual Survey of Travel Agencies and Tour Operators* which found that 55% of travel agency revenues were generated from the sale of travel services to foreign destinations[3]. Among tour operators, the ratio was even higher, with 75% of revenues coming from foreign destination travel.

Canadian domestic travellers are an independent group of consumers who typically take their own car and frequently stay with friends or family. When they do travel on a package, it is most likely in the winter to a sun destination. Canadian package tours are a potentially tough sell for travel agents who can more easily promote the merits of a packaged holiday to Florida in the dead of a Canadian winter or the allure of a gourmet tour of France in the spring. However, part of this may be due to the fact that there is very little packaged product in Canada, and what is typically available is the traditional bus tour package aimed at an older market.

Research has shown that Canadians would travel more in Canada, particularly in the off-season, if reasonable travel products were available[4]. In response, the tourism industry has begun to create a wider variety of packaged alternatives for Canadians. Sunflight Holiday's *On Canada* brochure which advertises flights to 24 cities in Canada, and *Club Canada-City and Country* by Regent Holidays are some examples of new packages being developed for the domestic market[5].

There are numerous combinations that can make up a package trip. In addition, the package travel market might mean different things to different businesses. When two or more travel commodities are purchased together (e.g., accommodation and transportation) by domestic travellers before the trip departure, it is recorded as a package trip by the Canadian Travel Survey (CTS). Therefore, someone who pre-paid their hotel accommodation, which included theatre tickets, would be considered a package user.

The size and nature of the market

In 1996, approximately two million domestic trips involved a package component, representing 2% of same-day and non-business trips of one or more nights (*defined as travel for visiting friends or relatives, pleasure or personal reasons*). The majority of these trips (78%) were trips of one or more nights, while same-day excursions represented the remaining 22%. Travellers reported spending over $600 million while on package trips, representing a 6% share of non-business travel spending in 1996. Package travellers spent an average of $333 per trip, compared to just $89 for all other travellers. This is no doubt due to the

[1] This article is adapted from "Package Travel – An Untapped Market?" which appears in *Canadian Travel Survey, Review of 1996 Results*, Cat. No. 87-504-XPB.

[2] Canadian Tourism Commission, *Challenges for Canada's Tourism Industry, 1997.*

[3] Statistics Canada, *Annual Survey of Travel Agencies, Tour Operators, 1995.*

[4] Canadian Tourism Commission, *Domestic Tourism Market Research Study 1995, Main Report.*

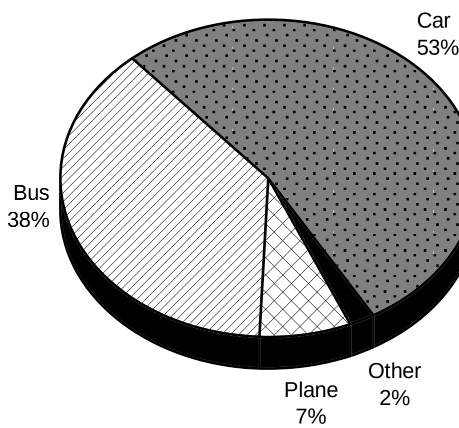
[5] Canadian Tourism Research Institute, *Travel Forecast 2000: Twenty-One Questions for the 21st Century, July 1997.*

Package travel and all other types of travel, 1996

		Package travel	Other types of travel
Expenditures	($ millions)	607	10,366
Total trips	(thousands)	1,821	116,597
Same day trips	(thousands)	403	54,627
Trips of one or more nights	(thousands)	1,418	61,970
Nights	(thousands)	4,938	203,134
Share of expenditures	(%)	6	94
Share of bus travel	(%)	22	78
Average duration	(nights)	2.7	1.7
Average spending	($)	333	89
Average one-way distance	(km)	445	266

Source: Canadian Travel Survey

Distribution of demand for domestic package trips by mode of transportation, 1996



Source: Canadian Travel Survey

fact that Canadians travelling on package trips spent more nights in commercial accommodation establishments and stayed away an average of three nights versus less than two nights for other travellers. They also had higher transportation costs because their trips involved longer distances.

Automobile travel is still dominant

Package consumers, like most other domestic travellers, prefer the freedom and flexibility of driving to their destination. Private cars were used in over half of all package trips in 1996, indicating that marketing strategies will need to take this into account. When only trips of one or more nights are included, auto trips accounted for an even greater share – 67% of package trips. Over one-third (38%) of all package trips involved bus transportation; however, this climbed to 92% for same-day package travel. Packages involving air travel ranked a distant third, accounting for just 7% of trips.

Distribution of package travel components, 1996

	Distribution
	(%)
Total package trips[1]	**100**
Included:	
Meals	74
Accommodation	73
Recreation & entertainment	55
Transportation	53
Vehicle rental	10
Other	12

[1] The sum of the package travel components exceeds the total, since packages include two or more items.
Source: Canadian Travel Survey

Hotels welcome package users

Hotels were the most common form of accommodation for domestic packages, representing four out of ten package trips, compared to just one out of every ten non-business trips. Resorts are also a popular packaged accommodation type with an 18% share of trips of one or more nights. Motels, cottages or cabins and Bed and Breakfasts (B&Bs) accounted for most of the remaining trips.

Package travel components

Meals and accommodation were the two most popular items reported by package travellers in 1996. Recreation and entertainment items were included in 55% of packages while transportation expenses were reported in over half of package trips. Only a handful of packages included car rental expenses, due to the dominance of travel by private car.

Seasonal distribution of package trips

The seasonal spread of packaged travel mirrors the seasonal pattern of the majority of domestic travel activity, with over 38% taking place between the heavily travelled period of July until the end of September. However, there were some seasonal variations by mode. Package trips by car showed the greatest seasonal peak, with almost half (46%) of these being summer trips. Package trips involving bus as the main mode showed greater seasonal spread; however, the summer still represented the bulk of trips.

Ontario and Quebec residents account for largest package use

Ontario and Quebec residents accounted for the largest share of domestic package trips in 1996, corresponding closely with the distribution of travel agency and tour operator revenues. According to the *1995 Annual Survey of Travel Agencies and Tour Operators* travel agency revenues (for both international and domestic destinations) are largely concentrated in Ontario and Quebec (80% of revenues), while Quebec, Ontario and British Columbia accounted for 85% of tour operator revenues.

Quebec revealed a higher share of package trips compared to its share of other trips, possibly reflecting a greater tendency among Quebeckers to purchase packages or a wider availability of packaged products.

Provincial distribution of package travel and other travel, 1996

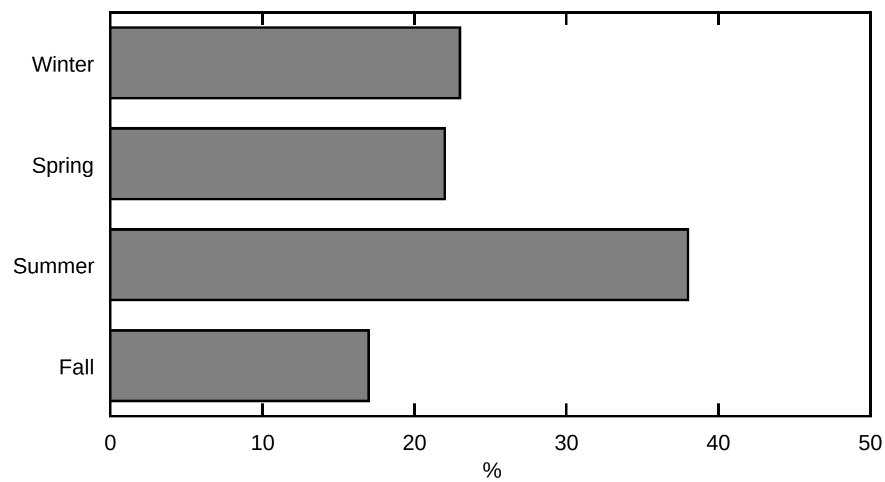
Province/region of origin	Package travel	Other travel
	(%)	
Canada	**100**	**100**
Atlantic Provinces	2	9
Quebec	31	22
Ontario	39	37
Prairies	5	10
Alberta	14	12
British Columbia	9	10

Source: Canadian Travel Survey

Who goes on package trips?

The profile of package users changes dramatically by type of transportation[6] used on the trip. Package users travelling by car tended to be married. Almost half of package car travellers were college or university graduates, compared to one-quarter of bus package travellers.

Seasonal distribution of demand for domestic package trips, 1996



Source: Canadian Travel Survey

Demographic characteristics of package travellers by mode, 1996

	Car	Bus
	(%)	
Total	**100**	**100**
15 years and over	70	89
Married	60	32
Women	42	61
College/university	47	25
Average age	39	49

Source: Canadian Travel Survey

Package users who travelled by bus were dominated by adults, women and older travellers.

An active travel itinerary

Over half of all package trips involved a sporting or outdoor activity compared to only 29% for all leisure trips. Domestic travel packages, therefore, provide an opportunity for Canadians to participate in a favourite activity, pointing to a desire for a more active holiday. Walking, which ranges from a leisurely stroll to an energetic hike, was the key outdoor/sporting activity among the package market, followed by swimming. Downhill skiing was another popular sporting activity among package users. Package travellers also enjoyed sightseeing and shopping. Smaller participation was noted for activities such as cultural or spectator sport events.

Potential for travel market growth

A decade ago in 1986, 2% of domestic travel of one or more nights involved a package component, virtually unchanged from the share in 1996. Given the research suggesting that Canadians would be amenable to domestic packaged products if more were made available and given the relatively low market penetration, it would appear that much opportunity exists for expanding package travel[7]. The *1995 Annual Survey of Traveller Accommodation*[8] found that two-thirds of hotels do not offer package tours.

[6] The characteristics for air, rail and boat package trips cannot be released due to small sample sizes.

[7] Canadian Tourism Commission, *Domestic Tourism Market Research Study 1995, Main Report*.

[8] Canadian Tourism Commission, *A Window on Canada's Accommodation Industry, 1995-1996.*

TRENDS

Characteristics of International Travellers
Third Quarter 1997

Americans travelling to Canada for at least one night increased their spending in the third quarter of 1997 compared with the same quarter of 1996, while residents of overseas countries spent less. The net result was positive for most of the Atlantic provinces, but negative for Alberta and British Columbia.

More Americans flying to Canada for a stay of one or more nights

American tourists injected $2.5 billion directly into the Canadian economy during their 5.9 million stays of one or more nights in the third quarter of 1997. It was a $140-million increase (5.8%) over the amount spent during the same quarter of the previous year.

The fallout from the Open Skies agreement (implemented in February 1995 to liberalize cross-border plane travel between Canada and the United States) has been positive for Canada. In the third quarter of 1997, Americans flew to Canada for almost 1.2 million trips of one or more nights, up 7.7% from the previous summer. Meanwhile, the number of car trips of at least one night by Americans to Canada remained at 3.9 million.

The proportion of Americans who flew to Canada to spend at least one night stood at 20% in the summer of 1997, up from 15% in 1994. The impact of this change in the American market profile is important for the Canadian economy. While still more American tourists drove across the border during the third quarter of 1997 than flew to Canada, the latter generally came from farther away, stayed longer in Canada (five nights compared with four) and spent twice as much on average per night ($160 compared with $80).

Overall, American tourists who flew to Canada spent $1.0 billion during the summer of 1997, up 8.3% from the previous summer.

Note to readers

Summer is the third quarter (July, August and September).

The Atlantic provinces are Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick.

A tourist is a traveller who stays at least one night in a place visited.

Comparisons are made with the same quarter of previous years.

Spending excludes international transportation fares.

Travellers who came to Canada to visit friends and relatives had the largest increase in the number of their trips of one or more nights in the third quarter of 1997 (23.3%, to 195,000). Business (7.7%) and leisure (4.1%) trips of one or more nights were also up.

American business travellers who entered Canada by plane spent 4.5% less on average per night and their total spending in the third quarter dropped from $354 million in 1996 to $343 million in 1997 (3.2%). However, spending by travellers visiting friends and relatives (22.0%) or on holidays (17.3%) jumped.

Americans made more visits of one or more nights to most Atlantic provinces

Most Atlantic provinces received a greater number of visits of at least one night from Americans during the third quarter of 1997. Americans made 153,000 overnight visits to Prince Edward Island, a 50% jump from the summer of 1996. The 13-kilometre Confederation Bridge over Northumberland Strait, which

Number of trips by Americans to Canada, one or more nights
Third quarter of 1997

State of residence	Trips	Average length of stay	Spending per night	Total spending
	(thousands)	(nights)	($)	($ millions)
By car				
Total	**3,886**	**4.0**	**81**	**1,267**
Selected States:				
New York	543	3.3	74	134
Michigan	515	3.0	79	123
Washington	413	3.8	71	109
Ohio	235	4.4	79	81
Pennsylvania	231	4.4	84	86
By plane				
Total	**1,162**	**5.1**	**165**	**968**
Selected States:				
California	202	6.2	140	176
Texas	102	4.8	195	96
Florida	73	6.2	115	52
Illinois	66	4.0	203	53
New York	62	5.2	174	56

facilitates access to the island from New Brunswick, was officially opened to traffic on the last day of May.

During their stays, American travellers spent $40 million in Prince Edward Island, 37% more than the previous year. Americans also made 22% more visits of at least one night to Nova Scotia (266,000) and 13% more to New Brunswick (245,000). However, their visits to Newfoundland were down almost one-third, to 19,000.

The Yukon benefitted from the largest increase of one or more nights visits by Americans (43%) after Prince Edward Island. Americans made 158,000 visits to the Yukon and spent $47 million.

Overseas tourists spent less in Canada

Overseas residents made 1.8 million trips of one or more nights to Canada in the third quarter of 1997, down 5.1%. Leisure travellers seem to have been more sensitive than other travellers to the drop in the value of the currency of many European countries and the Japanese yen compared with the Canadian dollar. Overseas residents reduced the number of their stays of one or more nights in Canada by 15%. Meanwhile, business travellers (16%) and those who came to visit friends and relatives (10%) increased the number of their trips of one or more nights to Canada.

The positive impact of the increased spending by American tourists to Canada in the third quarter of 1997 was tapered by a $43 million decrease in spending by overseas tourists (2.1%), at $2.1 billion.

The reductions in spending by overseas residents were largest in Alberta and British Columbia. Europeans spent $160 million in British Columbia, down 33% from the previous year and the smallest amount since the summer of 1991. Meanwhile, Asians reduced their spending in that province by 20%, to $92 million. In Alberta, Europeans spent 24% less and Asians, 19% less.

Stays by foreigners in Canada, one or more nights
Third quarter of 1997

	Stays			Change from third quarter of 1996		
	Americans	Overseas residents	Total	Americans	Overseas residents	Total
	(thousands)			(%)		
Trips[1] to Canada	**5,939**	**1,842**	**7,781**	**3.9**	**-5.1**	**1.6**
Visits in provinces and Territories						
Newfoundland	19	19	38	-30.7	-17.9	-24.9
Prince Edward Island	153	33	186	50.2	19.1	43.6
Nova Scotia	266	73	339	21.7	-3.1	15.3
New Brunswick	245	47	292	12.6	4.7	11.2
Quebec	792	628	1,421	0.6	2.1	1.2
Ontario	3,091	988	4,079	2.8	3.6	3.0
Manitoba	139	36	176	1.3	-0.8	0.8
Saskatchewan	102	28	130	10.9	7.4	10.1
Alberta	518	334	853	-4.0	-25.5	-13.8
British Columbia	1,393	474	1,867	4.4	-26.7	-5.8
Yukon	158	43	201	43.3	-27.0	18.7
Northwest Territories	27	2	30	272.7	-56.5	132.1

[1] *Numbers may not add to total due to rounding.*

Spending during stays by foreigners in Canada, one or more nights
Third quarter of 1997

	Spending			Change from third quarter of 1996		
	Americans	Overseas residents	Total	Americans	Overseas residents	Total
	(thousands)			(%)		
Spending[1] in Canada	**2,544**	**2,061**	**4,606**	**5.8**	**-2.1**	**2.2**
Spending in provinces and Territories						
Newfoundland	22	15	38	-0.4	-28.8	-14.2
Prince Edward Island	40	13	53	37.4	26.0	34.4
Nova Scotia	123	58	180	18.5	2.7	12.9
New Brunswick	56	17	73	17.0	16.1	16.8
Quebec	355	517	872	-7.2	7.0	0.7
Ontario	953	748	1,701	2.6	16.8	8.4
Manitoba	42	18	59	-5.1	31.0	3.5
Saskatchewan	29	13	42	35.4	38.4	36.3
Alberta	257	232	489	-1.5	-19.7	-11.1
British Columbia	604	415	1,019	16.4	-22.7	-3.5
Yukon	47	13	60	29.0	-42.2	1.3
Northwest Territories	16	2	18	119.4	-71.8	35.6

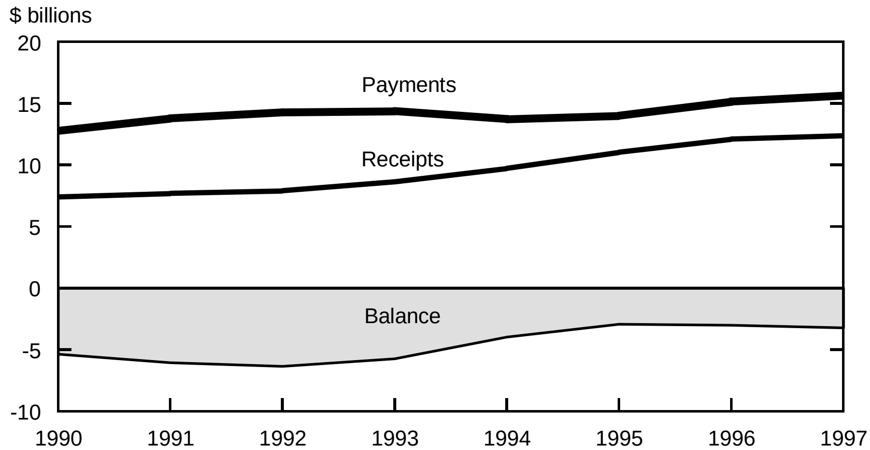
[1] *Numbers may not add to total due to rounding.*

TRENDS

International Travel Account

Year 1997 and Fourth Quarter 1997 (preliminary)

Second consecutive annual increase of Canada's international travel account deficit



The international travel account deficit grew for the second consecutive year in 1997. It reached $3.2 billion, up 6.7% from 1996. The deficit peaked at $6.4 billion in 1992.

Spending by Canadians abroad and receipts from foreign visitors reached unprecedented levels in 1997. Canadians spent $15.6 billion during their international trips, up 3.2% from the previous year. Meanwhile, foreigners travelling to Canada injected $12.4 billion directly into the country's economy, 2.3% more than in 1996.

New deficit in Canada's travel account with overseas countries

After having been in a surplus position the previous two years, the travel account balance between Canada and overseas countries showed a deficit again in 1997. This deficit reached $134 million compared with a surplus of $335 million in 1996.

The strengthening of the Canadian dollar compared with most European currencies and the Japanese yen was an important factor in the deterioration of Canada's travel account balance with countries other than the United States.

Canada became more expensive in the eyes of residents of these countries, which may have deterred them from choosing Canada as a travel destination as much as in 1996. In 1997, the number of overnight trips overseas residents made to Canada decreased by 3.4%. Furthermore, those who came may have been inclined to spend less. Meanwhile, Europe has become a more attractive destination for Canadians. Canadians made a record number of trips to overseas destinations in 1997.

Another factor has been the financial crisis in Asia, one of Canada's tourism markets, which had experienced major growth in the last few years. According to preliminary results from the World Tourism Organization (WTO), residents of Asian countries travelled less in 1997, contributing to slower growth for global tourism.

Residents of overseas countries spent $5.5 billion in Canada in 1997, down 1.6% from 1996. It was the first annual decrease since 1983.

Meanwhile, Canadians spent 7.3% more during their trips in countries other than the United States in 1997 compared with a year earlier, bringing the total to $5.6 billion – the highest on record.

Note to readers

Unless otherwise stated, quarterly 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.

Lower deficit in travel account between Canada and the United States

In 1997, Americans travelled more to Canada and spent more money while here. Spending by Americans increased by 5.6% to $6.9 billion. Meanwhile, Canadians travelling to the United States spent 1.0% more than during the previous year ($10.0 billion). The net result was a decrease in the travel account deficit between Canada and the United States, which reached $3.1 billion.

Fourth quarter of 1997

In the fourth quarter of 1997, a record $1.7 billion in receipts from American travellers combined with lower spending by Canadians in the United States contributed to a 13.8% drop in the travel account between Canada and the United States. This deficit of $672 million was the smallest since the first quarter of 1995.

Meanwhile, the travel account with countries other than the United States showed a deficit for the second consecutive quarter ($142 million). This travel account showed a surplus from the third quarter of 1995 to the second quarter of 1997.

Spending by Canadians in overseas countries reached a new high of $1.5 billion in the fourth quarter of 1997. Meanwhile, spending by residents of overseas countries was at its lowest level ($193 million) since the fourth quarter of 1995. Overall, the international travel account deficit was down 4.7% in the fourth quarter to $815 million.

TRENDS

Travel Price Index
Year 1997 and Fourth Quarter 1997

Note to readers

The Travel Price Index (TPI) is an aggregate index of the goods and services used by travellers in Canada. Price movements are derived from the detailed 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 TPI rises 4.0% between 1996 and 1997

Between 1996 and 1997, the prices of almost all components of the TPI increased; the few decreases recorded were too slight to halt the overall upward trend in the TPI. Inter-city transportation experienced the largest increase, climbing 12% from the previous year. In particular, the cost of air travel contributed the most to this increase. Overall, the TPI was up 4.0% in 1997 over 1996. Between 1981 and 1989, the TPI was regularly below the CPI, except for 1987 when the two indices were the same. However, as the growth in the TPI constantly outpaced that of the CPI, a new phenomenon eventually developed. Accordingly, since 1990, the TPI has exceeded the CPI and the gap between these two indices has grown steadily. In 1997, 13.6 points separated the TPI and the CPI.

The TPI is up 2.9% over the same period last year

In the fourth quarter of 1997, consumers experienced a 2.9% increase in the prices of the basket of goods and services of the Travel Price Index, compared to the same quarter last year. This overall increase was prompted mainly by a 10.4% rise in the cost of inter-city transportation and a 5.4% rise in the cost of tobacco products and smokers' supplies. Travellers did, however, enjoy a 2.0% decrease in the cost of rental and leasing of automotive vehicles. In comparison, the CPI was up 1.0% in the fourth quarter of 1997 over the same quarter last year.

The TPI falls 3.8% from the previous quarter

During the fourth quarter of 1997, the Travel Price Index fell 3.8% from the third quarter. In comparison, the cost of all goods and services included in the Consumer Price Index fell only 0.1% in the fourth quarter of 1997.

The drop in the TPI between the third and fourth quarters of 1997 can be attributed largely to the seasonal drop in traveller accommodation prices, which was in the order of 18.1%. Consumers also paid 2.3% less for inter-city transportation.

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

			% Change		
Components of the TPI	Fourth quarter 1997	Year 1997	Third quarter 1997	Fourth quarter 1996	1997/ 1996
Inter-city transportation	184.8	179.9	-2.3	10.4	12.0
Local and commuter transportation	179.7	178.7	0.4	1.8	3.3
Rental and leasing of automotive vehicles	133.4	132.1	0.2	-2.0	-2.2
Operation of automotive vehicles	149.6	150.3	-1.0	0.7	3.3
Traveller accommodation	133.9	140.7	-18.1	1.1	2.3
Food	130.1	129.9	0.0	1.0	1.5
Alcoholic beverages	150.8	149.5	0.9	2.0	1.7
Spectator entertainment	190.3	186.4	2.4	3.5	3.2
Clothing and footwear	133.6	133.0	0.4	1.6	1.3
Medicinal and pharmaceutical products	152.5	152.5	0.1	-0.2	-0.4
Personal care	134.9	134.2	0.6	2.1	2.1
Photographic equipment	104.1	106.2	-1.6	-3.6	-3.8
Photographic services and supplies	114.6	114.7	3.1	-0.8	-1.5
Operation of recreational vehicles	154.7	154.7	-0.4	1.1	2.6
Audio discs and tapes	126.1	124.3	1.9	2.5	2.1
Use of recreational facilities and services	176.6	175.4	0.1	2.2	2.5
Reading materials and other printed matter	175.3	175.2	-0.4	1.5	3.0
Tobacco products and smokers' supplies	153.4	152.2	0.5	5.4	5.9
Travel Price Index (TPI)	**151.2**	**151.4**	**-3.8**	**2.9**	**4.0**
Consumer Price Index (CPI)	**138.0**	**137.8**	**-0.1**	**1.0**	**1.6**

Sources: The Consumer Price Index, Cat. No. 62-001-XPB; and the Tourism Statistics Program

National Tourism Indicators
Third Quarter 1997

In the third quarter of 1997, tourism spending in Canada reached $16 billion, a slight increase of 2.8% over the same period last year. This is the smallest growth recorded since the fourth quarter of 1992. During this quarter, spending by Canadians in their own country rose by 2.7%, while spending by foreigners in Canada increased 3.1%.

Domestic spending slows

The domestic market continues to be the main source of tourism spending. Canadians spent almost $10.4 billion travelling in Canada. In comparison, foreign visitors spent $5.6 billion in Canada, or 35.5% of the total.

During summer 1997, domestic spending increased for all of the major goods and services. Expenditures by Canadian tourists in their own country rose 2.7% over the previous year. This growth is attributable to the 8.7% rise in expenditures on air transportation – itself attributable to higher prices rather than an increase in passenger volume – as well as to a 6.5% increase in spending on accommodation.

The slowdown in domestic tourism demand is even more obvious after seasonal adjustments and adjustments for inflation, revealing an increase in expenditures of only 0.1% since last spring.

Spending by foreign tourists falls

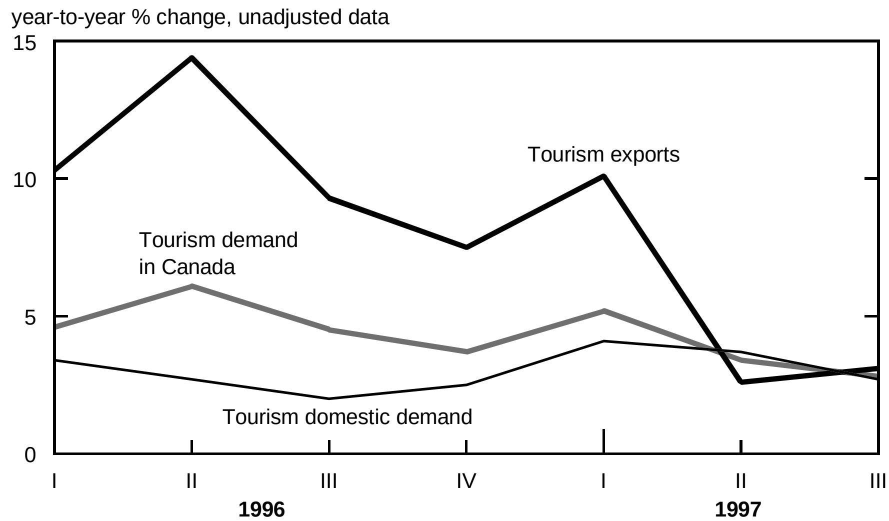
During summer 1997, tourist exports continued to show signs of weakness in the third quarter. Foreign visitors spent $5,6 billion, up slightly by 3.1% from the previous year. Growth was weak in all of the main goods and services sectors, except accommodation, a sector in which foreigners injected $1,2 billion, up 6.2% from last year.

After seasonal adjustments and adjustments for inflation, the slowdown in tourism exports is even clearer, foreign spending having declined 0.8% from the previous quarter.

Tourism creates more jobs

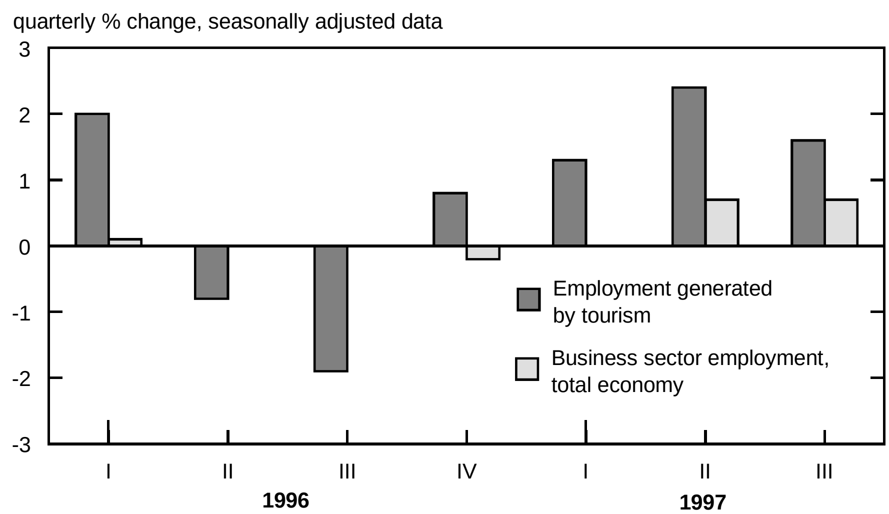
In the third quarter of 1997, there were 538,100 people employed in the tourism industry, a 6.5% increase from a year ago. Seasonally-adjusted, employment rose 1.6% from the second quarter, a growth rate twice that recorded in the whole of the business sector.

Continued slowdown of tourism spending growth



Source: National Tourism Indicators

Employment growth in tourism outpaces business sector



Source: National Tourism Indicators

TRAVEL INDICATORS

	Fourth Quarter 1996	Fourth Quarter 1997	% Change	Year 1996	Year 1997	% Change
VISITORS TO CANADA (000s)						
From United States	7,697	8,281	7.6	38,471	40,490	5.2
Overnight visits	2,089	2,273	8.8	12,909	13,342	3.4
- By auto	1,288	1,382	7.3	8,325	8,399	0.9
From Overseas	806	738	-8.5	4,785	4,586	-4.2
Overnight visits	743	696	-6.3	4,420	4,267	-3.4
Top Seven Countries:						
United Kingdom	121	133	9.3	701	744	6.1
Japan	120	92	-23.0	650	566	-12.9
France	57	61	6.6	461	440	-4.5
Germany	57	55	-4.2	454	403	-11.1
Australia	27	29	5.9	150	151	0.3
Hong Kong	36	27	-26.5	201	147	-27.0
Taiwan	23	24	6.3	135	143	5.8
CANADIANS OUTSIDE CANADA (000s)						
To United States:	11,650	11,178	-4.0	52,699	50,942	-3.3
Overnight visits	2,968	2,962	-0.2	15,301	15,130	-1.1
- By auto	1,676	1,616	-3.6	9,579	9,203	-3.9
To Overseas	734	799	8.7	3,672	3,984	8.5
INDUSTRY						
Airline passengers (Level I) (000s)	5,382	5,756	6.9	23,164	24,363	5.2
Airline passenger-km (Level I) (000,000s)	12,456	14,125	13.4	57,016	62,479	9.6
PRICES						
1986 = 100 (not s.a.)						
Travel Price Index	146.9	151.2	2.9	145.6	151.4	4.0
Consumer Price Index	136.6	138.0	1.0	135.6	137.8	1.6
- Restaurant meals	145.3	147.7	1.7	144.3	146.7	1.7
- Inter-city transportation	167.4	184.8	10.4	160.6	179.9	12.0
- Renting and leasing of automotive vehicles	136.2	133.4	-2.0	135.0	132.1	-2.2
- Gasoline	130.3	128.2	-1.6	127.9	130.3	1.9
ECONOMIC						
Gross Domestic Product, 1992 prices (s.a.) (000,000s)	674,120	700,501	3.9	665,278	691,163	3.9
- Amusement and recreation (000,000s)	6,989	7,414	6.1	6,908	7,220	4.5
- Accommodation and food services (000,000s)	17,803	18,723	5.2	17,599	18,408	4.6
Personal disposable income per capita (s.a.)	17,367	17,343	-0.1	17,320	17,318	0.0
LABOUR (000s)						
Labour force (s.a.)	15,240	15,439	1.3	15,149	15,346	1.3
Unemployed	1,512	1,375	-9.1	1,472	1,414	-3.9
Employed	13,728	14,065	2.4	13,677	13,932	1.9
- Accommodation and food services (not s.a.)	872	898	3.0	893	898	0.6
EXCHANGE RATES (in Canadian dollars)						
American Dollar	1.3503	1.4089	4.3	1.3635	1.3846	1.5
British Pound	2.2119	2.3398	5.8	2.1295	2.2685	6.5
Japanese Yen	0.0120	0.0112	-6.0	0.0125	0.0115	-8.7
German Mark	0.8822	0.8022	-9.1	0.9066	0.7993	-11.8
French Franc	0.2610	0.2394	-8.2	0.2666	0.2375	-10.9

(s.a.) seasonally adjusted.