



# Travel-log

Summer 2000

## Overview of International Travel

by Monique Beyrouti

Overall, the total number of foreign travellers to Canada rose 2.1% in 1999 (Table 1), compared to a 6.6% increase in 1998. This was the seventh consecutive annual increase. The number of United States travellers grew only 1.8% in 1999, after advancing 8.3% in 1998. Visitation from all other countries recovered in 1999, with the total number of travellers rising 5.2% after declining 8.3% in 1998. This rise was mainly due to a 4.1% increase in the number of European travellers and a 7.0% increase in the number of travellers from the Asia Pacific region. In 1998, the number of travellers from that region fell 19.5%.

The number of jobs generated by tourism activities, as measured by the number of persons employed part-time or full-time, rose to 524,300 in 1999, up 1.2% from the previous year. In 1998, job growth was 3.0%. In fact, there was slower growth in all major job categories in 1999. Furthermore, tourism employment growth was outpaced by that of the total business sector (3.5%), while for the year 1998, these increases were almost equal.

### International travel to Canada - 1999

For all trip lengths combined, Canada received 49 million foreign travellers in 1999 (Table 1). As a result of these trips, \$13.8 billion was spent in Canada.

United States residents made a total of 44.6 million trips, of which 66% were same-day trips, while travellers from overseas countries made 4.4 million trips. The latter group accounted for almost 36% of total expenditures of foreign travellers to Canada.

### The overseas market

After two consecutive years of decline, the market consisting of overseas overnight travel to Canada rebounded 6.4% in 1999 (Table 1). This growth was not enough to bring travel back to the level attained in 1996, before the downturn; nevertheless,

<sup>1</sup> Not adjusted for inflation.



### In This Issue...

#### Feature Articles

<i>Overview of International Travel</i>	1
<i>Cruise Ship Industry Booming in Halifax</i>	7

#### Trends

<i>International Travel Account</i>	9
<i>Travel Price Index</i>	10

#### What's New ?

<i>Travel Indicators</i>	12
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Table 1  
International Travel to Canada, 1999

	Trips		Spending	
	'000	Change 1999/1998 %	'000 of \$	Change 1999/1998 %
<b>Total</b>	<b>49,055</b>	<b>2.1</b>	<b>13,803,246</b>	<b>7.6</b>
<b>From the United States</b>	<b>44,630</b>	<b>1.8</b>	<b>8,902,683</b>	<b>6.5</b>
Same-day	29,450	1.7	1,753,982	6.0
One or More Nights	15,180	1.9	7,148,702	6.6
<b>From Overseas</b>	<b>4,425</b>	<b>5.2</b>	<b>4,900,563</b>	<b>9.5</b>
Same-day	239	-11.8	8,918	-24.0
One or More Nights	4,187	6.4	4,891,645	9.6

Source: International Travel Survey.

the spending in Canada was 8.4%<sup>1</sup> higher than in 1996. Between 1998 and 1999, the growth in overnight visits by travellers from all overseas countries resulted in 9.5% increase in travel receipts for the same period.

The robust travel figures reflect a sizable increase in visits to British Columbia, since visits to Ontario remained stable while those to Quebec declined slightly. Those three provinces received three-fourths of overseas visits in 1999, down slightly from the 77% recorded in 1998. As a result, the portion of travel receipts collected by those provinces was also down slightly: 78% in 1999 compared to 80% in 1998.

While the disruption of the overseas travel market to Canada that was caused a few years ago by the crisis in Asian countries seems to be a thing of the past, travel from Asia is recovering fairly slowly. Nevertheless, Asia accounted for

29.3% of all trips to Canada from overseas countries (Table 2), up only slightly from 1998. The Asian share of the overseas travel market to Canada peaked at 34.5% in 1996.

Since 1991, depending on the economic situation and global politics, the overseas travel market has fluctuated widely. Thus, in 1991, there was a small decrease of 1.6% in trips made by overseas residents to Canada. The following year saw a slight recovery, but it was not enough to regain the volume of travel that Canada had experienced in 1990. Only the number of travellers from Germany and France had then exceeded the levels reached in 1990.

Finally, in 1994, Canada's overseas travel market rebounded strongly, rising 11.3% compared to 1993. This recovery lasted two more years, with growth rates of 14.5% and 11.5% respectively for 1995 and 1996.

Table 2  
Overseas Travel to Canada

	1998		1999		Change 98/99 %
	'000	Share %	'000	Share %	
<b>Total</b>	<b>4,207</b>	<b>100.0</b>	<b>4,425</b>	<b>100.0</b>	<b>5.2</b>
Europe	2,359	56.1	2,456	55.5	4.1
Asia	1,206	28.7	1,298	29.3	7.6
Oceania	200	4.8	206	4.7	3.0
Central America	147	3.5	164	3.7	11.2
Caribbean	103	2.5	116	2.6	12.6
South America	130	3.1	118	2.7	-9.6
Africa	61	1.4	67	1.5	10.2

Source: International Travel Survey.



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#### Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

The largest contingent of overseas travellers to Canada in 1999 came from the United Kingdom, followed, in declining order, by Japan, France and Germany (Table 3). These four markets alone accounted for half of overnight visits to Canada in 1999 and generated a corresponding level of receipts.

The biggest spenders came from Taiwan, and it was in Quebec that they spent the most in 1999, namely \$1,492 per visit. One reason that they spent the most was that they stayed longer. On average, the duration of their trips was 17 nights, compared to 9 nights for tourists from Hong Kong and 12 nights for those from Australia.

Among Canada's top ten overseas tourist markets, Hong Kong was the only

one to produce fewer travellers to Canada in 1999 than in 1998. As a result, Taiwan replaced Hong Kong as the fifth largest overseas tourist market; Hong Kong fell to seventh. place. The Taiwanese made 25% more overnight trips to Canada in 1999 than in 1998, and their trips represented 5% of all expenditures made in Canada by overseas travellers.

Furthermore, probably stimulated by the recovery in the value of the yen against the Canadian dollar from 1998 and 1999 (Figure 1), the Japanese increased their trips to Canada by 7.0% between 1998 and 1999. The Japanese share of the overseas market stood at 12.0%, unchanged from 1998.

During their stays in Canada, Japanese travellers spent \$572 million in 1999,

representing 12% of all expenditures made by travellers from overseas. However, despite this growth, Canada has still not recouped the losses incurred in this market, which alone accounted for 17% or the largest share of all overseas travel receipts in 1992.

On the other hand, the Hong Kong overnight travel market fell 8.0% between 1998 and 1999. The losses were registered in the first three quarters of 1999, with the final quarter posting a slight increase.

Except for South Americans, overseas travellers from all continents increased their travel to Canada from 1998 to 1999 (Table 2).

For many reasons, including school vacation, travellers prefer to come to Canada in July, August and September. The seasonal breakdown of visits shows little change over the years, regardless of the province visited.

Approximately one trip out of two was a pleasure or recreational trip and one out of four was to visit family or friends. British Columbia received a higher proportion of travellers in the first quarter compared to the other provinces, while Ontario received slightly more in the second quarter.

Eleven percent of Europeans who came to Canada in 1999 did so primarily for a work-related purpose, while the corresponding figure for Asians was twice as large. Overall, business travel accounted for 17% of trips in the same year.

In all, trips by parties of five or more persons increased at an especially fast pace in 1999, as did trips of 10 to 13 nights and those of more than one month. Foreigners of all age groups increased their trips to Canada, except for travellers aged 25 to 34, whose numbers fell slightly.

In addition, the data show that while overseas residents shopped less in Canada than they did in the previous year, they participated more often in festivals or fairs, sports and visits to national, provincial or regional parks.

By the end of his or her overnight stay in Canada in 1999, each overseas traveller had spent an average of \$1,107.

### Visits to British Columbia up sharply

Overseas visits to British Columbia were up 8% between 1998 and 1999. Among overseas countries, Japan and the United Kingdom were the two largest tourist markets for British Columbia, with each

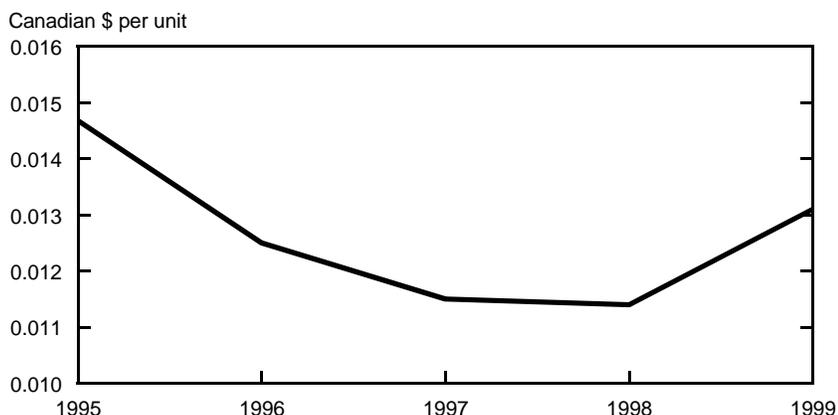
Table 3  
Trips to Canada from the Top Five Overseas Countries, 1999

Visits of one or more nights

	Trips		Nights		Spending	
	'000	%	'000	%	000,000 of \$	%
<b>Total</b>	<b>4,187</b>	<b>100</b>	<b>47,250</b>	<b>100</b>	<b>4,892</b>	<b>100</b>
United Kingdom	780	19	8,725	19	883	18
Japan	516	12	3,192	7	572	12
France	414	10	4,895	10	465	10
Germany	392	9	5,158	11	481	10
Taiwan	155	4	2,628	6	227	5
<b>Sub Total</b>	<b>2,257</b>	<b>54</b>	<b>24,598</b>	<b>53</b>	<b>2,628</b>	<b>55</b>
<b>Other Countries</b>	<b>1,930</b>	<b>46</b>	<b>22,652</b>	<b>47</b>	<b>2,264</b>	<b>45</b>

Source: International Travel Survey.

Figure 1  
Japanese Yen in Canadian dollars



Source: Bank of Canada

Table 4

**Overseas Travel to British Columbia**

Visits of One or More Nights

	1998	Share	1999	Share	Change 98/99
	'000	%	'000	%	%
<b>Total visits</b>	<b>1,288</b>	<b>100.0</b>	<b>1,389</b>	<b>100.0</b>	<b>7.8</b>
Japan	235	18.3	248	17.9	5.6
United Kingdom	226	17.6	247	17.8	9.2
Germany	128	10.0	129	9.3	1.2
Taiwan	89	6.9	107	7.7	20.9
Australia	82	6.4	96	7.0	17.6
Hong Kong	95	7.4	67	4.8	-29.3
Mexico	28	2.2	42	3.1	48.5
France	29	2.3	22	1.6	-24.4

Source: International Travel Survey.

capturing about 18% of the overall overseas market in this province in 1999, the same percentage as in 1998 (Table 4).

Compared to other provinces, British Columbia receives the lowest proportion of business travellers from overseas countries. Thus in 1999, as in 1998, 12% of overnight trips to British Columbia were for business, compared to 16% for Canada as a whole. That province also receives the lowest proportion of travellers visiting family or friends. British Columbia instead attracts a large proportion of vacationers. Travellers mainly stay with family or friends if they

have come to visit them; otherwise they opt to stay in a hotel.

**Older travellers reduce their trips to Quebec**

Compared to 1998, travellers cut back their business visits to Quebec by 13% and their holiday visits by 8%. In fact, Quebec was visited less by travellers from the United Kingdom, Japan and Germany. Those three countries accounted for 22% of overnight visits to Quebec in 1999 compared to 26% in 1998. In economic terms, residents of those countries spent 29% less in Quebec in 1999 than in 1998.

The data show that Quebec was more popular among young foreign travellers and less popular among older persons in 1999. In fact, the decrease in visitation to that province was almost entirely attributable to travellers aged 55 and over. In 1999, 43% of visits to Quebec were made by travellers aged 24 and under, compared to 39% one year earlier. By comparison, in both Ontario and British Columbia, the corresponding proportion was 34% in 1999, one percent less than in the previous year.

Visits to see friends or relatives increased sharply in Quebec, rising 18% in 1999. This was reflected in travellers' choice of accommodation: the number staying in hotels fell by 12%, while the number staying in the homes of relatives or friends rose by 23%.

The French have traditionally been, and continue to be, the main contingent of travellers to Quebec, and no other province receives such a large share of its visitors from a single country.

**Longer stays in Ontario**

Attracting one third of visits in 1999, Ontario remains the most important province visited by overseas travellers (Figure 2). While visitation to Ontario remained fairly stable between 1998 and 1999, spending increased by 6%.

European countries accounted for 54% of overseas tourists to Ontario. The British market, the largest for Ontario and accounting for one out of five overnight visits from overseas, recorded a slight decline from 1998.

Of all the provinces, Ontario had the greatest proportion of tourists staying more than a month. In 1999, one-fourth of visits entailed a stay of more than one month in Ontario.

On average, each tourist spent \$746 during his or her visit to Ontario. As everywhere else in Canada, the Taiwanese were the biggest spenders during their visits to that province.

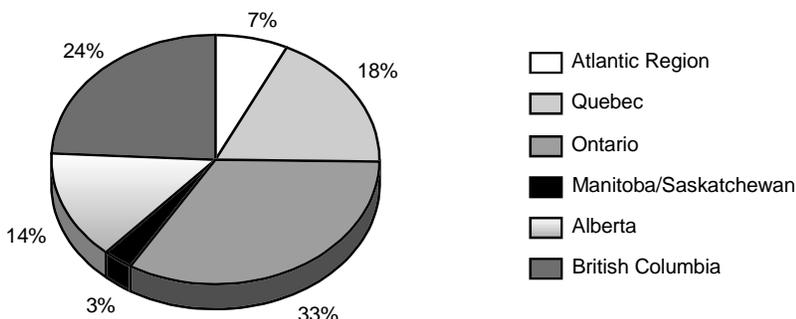
**The American market**

Following consecutive annual decreases from 1988 to 1993, the United States travel market to Canada has been growing since 1994. In 1999, it amounted to

Figure 2

**Overnight Visits to Canada from Overseas Countries by Provinces Visited, 1999**

Province-visits



Source: International Travel Survey

Table 5

**Overnight Visits from U.S. Residents to Canada, Top Six States of Origin and Percent Change from 1998**

Province-visits, 1999

	Canada <sup>1</sup>	Atlantic provinces	Quebec	Ontario	Prairie Provinces	British Columbia
	'000					
<b>Total</b>	<b>16,599</b>	<b>1,125</b>	<b>2,198</b>	<b>7,818</b>	<b>1,557</b>	<b>3,597</b>
% Change	1.0	8.8	5.6	-0.8	-5.3	2.0
New York	2,023	69	334	1,453	50	100
% Change	1.2	2.3	25.5	-4.0	-4.6	11.5
Michigan	1,841	22	50	1,662	44	50
% Change	-0.3	-23.8	-5.2	-1.0	18.7	14.5
Washington	1,714	7	11	51	115	1,509
% Change	-0.1	-31.8	-48.6	11.2	-36.8	5.2
California	1,080	39	77	258	134	554
% Change	3.1	7.0	-3.8	21.3	-13.7	1.5
Ohio	855	21	52	707	33	37
% Change	-0.1	-27.3	37.6	-1.9	23.5	-7.4
Pennsylvania	729	63	95	485	33	43
% Change	5.5	8.9	12.9	5.1	-11.2	-2.6
<b>Sub-total</b>	<b>8,243</b>	<b>222</b>	<b>619</b>	<b>4,617</b>	<b>410</b>	<b>2,293</b>
% Change	1.0	-3.9	14.1	-0.4	-16.6	4.3
<b>Other States</b>	<b>8,357</b>	<b>903</b>	<b>1,579</b>	<b>3,201</b>	<b>1,147</b>	<b>1,304</b>
% Change	1.0	12.4	2.6	-1.3	-0.5	-1.8

<sup>1</sup> Total includes Yukon and Northwest Territories.

Source: International Travel Survey

44.6 million trips (Table 1), a slight increase of 1.8% over the level recorded in 1998.

The American travel market yielded economic benefits totalling \$8.9 billion in 1999. Eighty percent of that amount was spent on overnight trips.

In 1999, American travellers made 29.4 million same-day trips and 15.2 million overnight trips (Table 1). Americans travelling to Canada and returning the same day mainly visited Ontario, in a proportion of three visits out of four. Furthermore, 81% of their total spending in Canada during such visits took place in Ontario. Since 1991, the devaluation of the Canadian dollar against the U.S. dollar has made Canada more attractive to Americans, who have a great appetite for cross-border shopping.

In 1999, 47% of the American overnight travel market was destined for Ontario, 22% for British Columbia and 13% for Quebec (Figure 3). Half of the United States overnight travel market to Canada originated from the states of New York, Michigan, Washington, California, Ohio and Pennsylvania, in that order (Table 5).

United States residents were especially attracted to same-day shopping in Quebec and New Brunswick in 1999; they upped their spending in those provinces by a whopping 46% and 44% respectively. During the same period, their same-day visits increased by 13% and 2% respectively. While Canadians travel to the United States throughout the year, Americans see Canada as primarily a spring or summer destination.

While on an overnight visit Americans spent slightly more in Quebec in 1999 than they did in Ontario, and as a result, Quebec received 13% of total receipts compared to 12% the year before. During this period, Ontario's share of expenditures fell from 50% to 48%. Other provinces' share remained unchanged.

In 1999, 42% of Americans chose to travel to Canada as couples and 21% in parties of three adults, the same proportions as in 1998. On average, these travellers were in Canada for approximately 3.8 nights, spending \$471 during their stay.

### Canadians travelling to other countries

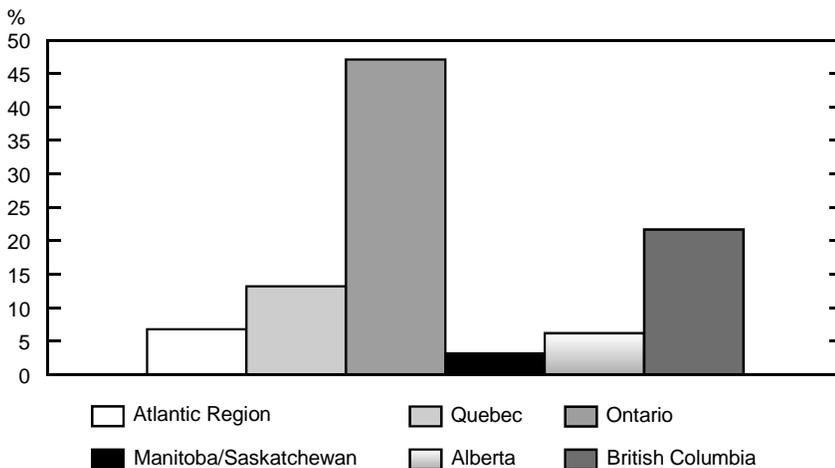
In 1999, trips made by Canadians outside their country totalled 46.4 million, down slightly from 1998 (Table 6).

This decrease was attributable to same-day trips to the United States, with other trips remaining unchanged in relation to 1998.

Figure 3

**Distribution of Overnight American Visits to Canada by Provinces Visited, 1999**

Province-visits



Source: International Travel Survey

## Canadians to overseas countries

Since 1984, Canadians have reduced the number of their overseas trips twice, in 1986 and 1991. On the rise since 1992, these trips totalled 4.3 million in 1999 (Table 6). This was a slight increase over 1998, and it represented an outflow of \$5.9 billion.

In actual fact, travel was up in the first half of the year but declined in the second half, especially during the summer due to Canadians choosing to travel south of the border in the summer and the fall of 1999.

The decline in the value of the French franc, the German mark and the pound sterling against the Canadian dollar do not seem to have motivated more Canadians

to travel overseas (Figure 4). The volume of this type of travel remained relatively unchanged from the previous year.

While the number of trips and travel expenditures showed little change overall between 1998 and 1999, Canadian travellers changed their destinations substantially. More Canadians preferred to relax in the sun, doubling their visits to Cuba, for example; that country was the destination of 7% of all overseas visits of one or more nights made by Canadians in 1999, compared to 3% in 1998. Among European destinations, Canadians as usual preferred the United Kingdom, which accounted for 15% of their overseas visits of one or more nights. Next came France, with 8% of all overnight visits, followed by Italy and Germany, each with 4% of the market.

## Canadians to the United States

In all, Canadians made 42.2 million trips to the United States in 1999, down 1.3% from the previous year (Table 6). This decrease was attributable mostly to a 4.5% decline in the number of same-day car trips. In fact, during the same period, the number of Canadians' overnight trips south of the border climbed 5.1% to 14.1 million. The growth in this type of travel brought an end to the drop in the number of trips by Canadians to the United States which, after plummeting 11%, reached an all-time low in 1998. A look at past trends shows that after making a record 19.1 million overnight trips to the United States in 1991, Canadians cut back until 1995. The rebound in the number of trips of this type was short-lived, and the next two years saw new declines. The rebound in travel in 1999 is therefore good news for the U.S. economy as well as for air transportation companies and travel agencies in Canada.

On the other hand, same-day trips declined 4.3%. However, such trips were more costly for Canadians in 1999, who spent 24% more than the previous year. By comparison, their expenditures during overnight trips rose only 6% over the same period.

One trip out of three included at least one night in the United States in 1999, and such trips accounted for 88% of all

Table 6

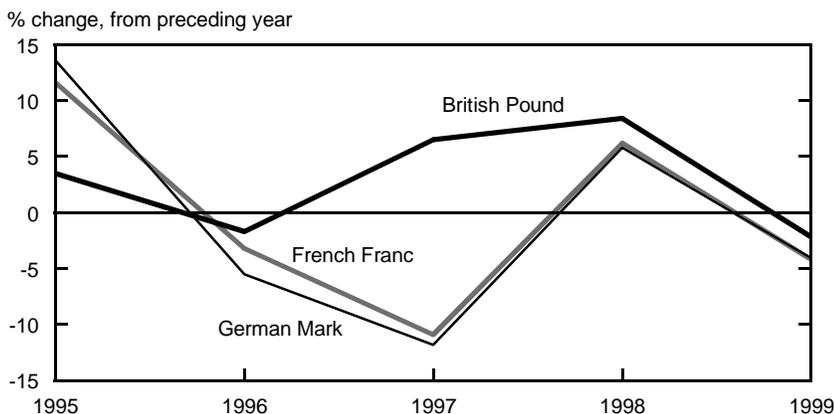
### Canadian Travelling to Foreign Countries

	1998	1999	Change 1999/1998
	'000	'000	%
<b>All Trips</b>	<b>46,985</b>	<b>46,448</b>	<b>-1.1</b>
Spending <sup>1</sup> (in dollars)	14,673,683	15,477,988	5.5
Nights	172,012	169,483	-1.5
<b>Trips to the US</b>	<b>42,767</b>	<b>42,197</b>	<b>-1.3</b>
Spending <sup>1</sup> (in dollars)	8,825,808	9,542,121	8.1
Same-day trips	29,337	28,081	-4.3
Spending <sup>1</sup> (in dollars)	923,594	1,141,108	23.6
Trips of one or more nights	13,430	14,116	5.1
Spending <sup>1</sup> (in dollars)	7,902,214	8,401,013	6.3
Nights	99,858	99,909	0.1
<b>Trips to overseas countries</b>	<b>4,218</b>	<b>4,251</b>	<b>0.8</b>
Spending <sup>1</sup> (in dollars)	5,847,875	5,935,867	1.5
Nights	72,154	69,574	-3.6

<sup>1</sup> Excludes transportation costs.  
Source: International Travel Survey.

Figure 4

### Variation of Selected Exchange Rates, in Canadian Dollars



Source: Bank of Canada

expenditures by Canadians in that country.

In 1999, just under half of Canadians travelling overnight to the United States were Ontario residents. A third of Canadians visiting the United States for at least one night travelled there by air. Business travellers to the United States increased their air travel by 14% while reducing their automobile trips by 21%.

## Travel account

In 1999, Canada's international travel account registered a deficit of \$1.9 billion, a decrease of 6.6% from the previous year. This was the lowest balance since 1988.

The travel account balance between Canada and the United States increased 14.1% in 1999, because expenditures increased more rapidly than receipts. However, the number of Americans travelling to Canada outpaced the number of Canadians travelling to the US for the second year in a row. Since 1975, Canada's travel account balance with the United States has been positive only once, in 1986, when it amounted to \$223 million. Subsequently, Canada's deficit grew steadily, culminating in 1992 with a deficit of \$5.9 billion.

The travel balance between Canada and overseas countries was down 62% in relation to the previous year.

In 1999, travellers from overseas countries spent a record \$5.9<sup>r</sup> billion in Canada, up 10.8% from 1998. Canadians spending in overseas countries reached a record \$6.2<sup>r</sup> billion, up 1.4% over 1998. Revised figures indicate that Canada never achieved a positive travel account with overseas countries.

## Cruise Ship Industry Booming in Halifax

by Laurie McDougall

*Laurie McDougall is an analyst with the Tourism Statistics Program of Statistics Canada*

Some stretch over 8 stories high, boast facilities that rival many hotels or resorts, including skating rinks, theatres, rock climbing walls and casinos, to name a few. Cruise ships come in all shapes and sizes and they are sailing in record numbers to Atlantic Canada and in particular to Halifax.

The boom in the cruise industry is causing a surge in visitation to Atlantic Canada as cruise lines establish new destinations along the Eastern Seaboard. Many of these cruises start in New York and Boston with ports of call in Halifax and Saint John. The cruising industry, which has long been established on the Pacific coast, is still in the infancy stage of development in Eastern Canada. However, more cruise lines are adding the Atlantic provinces to their ports of call each year. For instance, during the 1999 cruising season there were 73 cruise ship calls at Halifax compared to 53 cruise calls in 1998. For this year, the Halifax Port Authority<sup>1</sup> has reported bookings to

date for 102 vessels, bringing an estimated 145,000 passengers to the region.

## Atlantic Region outpaces Pacific Region in cruise growth

In 1999, international cruise arrivals to the Atlantic region jumped 74% (Table 1), outpacing increases of 12% recorded for cruise traffic to British Columbia. Nova Scotia had the busiest season with cruise arrivals more than doubling compared to 1998. New Brunswick cruise arrivals expanded 31% between 1998 and 1999, while traffic to Newfoundland was more stable. British Columbia maintains the lion's share of cruise arrivals with over 400,000 international visitors arriving by cruise ships. Nonetheless, the Atlantic region is emerging as a new destination on the cruise scene.

## Tide of cruise passengers arrive at Halifax

In 1999, close to 72,000 international visitors arrived at the Port of Halifax by cruise ships and other commercial boats<sup>2</sup> (Table 2), making Halifax the second busiest cruise stop in Canada, after Vancouver. This number excludes those passengers aboard cruise ships that visited Halifax, but their ship's first port of call was elsewhere in the region (referred to as *Coasting*). These passengers cleared

Table 1

### International Passenger Arrivals to Canada by Cruise Ships and Other Commercial Boats

	1998	1999	Change 1999/1998
			%
<b>Canada<sup>1</sup></b>	<b>467,700</b>	<b>563,700</b>	<b>21</b>
Atlantic Region	64,300	111,600	74
Nova Scotia	33,900	73,900	118
New Brunswick	20,900	27,500	31
Newfoundland	9,500	10,200	8
British Columbia	389,800	437,400	12

<sup>1</sup> Cruise ship passengers are counted by Canada Customs at the port/province where the ship made its first scheduled stop in Canada. For example, if Halifax was the first port of call for a cruise ship that then continued on to Saint John, passengers would be counted at Halifax but not at Saint John.

Source: International Travel Survey.

<sup>1</sup> Halifax Port Authority web site: <http://www.portofhalifax.ca>

<sup>2</sup> Refers to entries by commercial boats which are predominately cruise ships, but may include others commercial boats.

<sup>r</sup> Revised figures

Canada Customs at their initial port of entry and are not required to do so at subsequent ports. According to the *Halifax Port Authority*, the number of cruise passengers to Halifax, including those on ships that were coasting, was 108,000 in 1999, up from 48,000 in 1998.

Cruise traffic has been climbing steadily since 1995, but surged by 136% in 1999 compared to 1998 due mostly to the inaugural sailing to Halifax by the *Carnival Triumph* of Carnival Cruise Lines. The arrival of this ship, which has a capacity of approximately 3,000 passengers, was the key reason for the unprecedented growth in cruise traffic to Halifax in 1999. This ship alone had 19 calls at Halifax in 1999.

In total, 16 cruise lines will make ports of call at Halifax in 2000. Carnival will operate two ships to Halifax with a weekly presence from late May through to early October. The *Carnival Destiny* and the *Carnival Victory*, both sister ships of the *Carnival Triumph*, will make a total of 26 calls in 2000. These sailings will be four or five night cruises departing from New York and Boston with ports of call at Halifax and/or Saint John. Premier Cruises will also have a weekly

**Cruise Lines With Ports of Call at Halifax, 2000**

	Number of Calls
<b>Total Calls</b>	<b>102</b>
Carnival Cruise	26
Clipper Cruise	1
Crown Cruise Line	1
Cunard	1
Peter Deilmann	1
Delphin	1
Hapag-Lloyd	1
Holland America	5
NYK Cruises	1
Phoenix Seereisen	1
Premier Cruise	47
Princess Cruise	6
Regal Cruises	1
Royal Caribbean	5
Seabourn Cruises	2
Silversea Cruises	2

Source: Halifax Port Authority.

presence operating three ships to Halifax for a total of 47 calls. NYK Cruises will sail to Halifax for the first time with its ship the *Asuka*.

To accommodate the increased flow of cruise passengers to Halifax, the Port

Authority has completed a \$1 million renovation of Pier 21, the primary cruise ship berth. Officially opened in September of last year, the new Cruise Pavilion houses a community kiosk, vendors court, public telephones and restrooms for passengers and crew. Exterior space includes a marshalling area for 40 motor coaches.

**Americans dominate cruise market**

The vast majority of cruise passengers are Americans, since most cruise ships travelling to Halifax originate from U.S. ports, such as New York and Boston. In 1999, 93% of cruise passengers arriving at Halifax were U.S. residents.

**Cruising season busiest in the late summer**

The cruising season generally runs from May to the end of October, with the months of August and September being the busiest periods. In 1999, 37% of all cruise passengers arrived in August followed by 32% in September. The fall foliage cruises are also popular as 16% of cruise traffic arrives in October. About 10% of cruise arrivals are in July. May and June are the least busy times with just 5% of traffic. As cruise companies look to expand in this market they may offer more tours during the shoulder cruise season.

**Growth should continue as cruising expands**

It looks like cruise traffic in 2000 will likely shatter last year's record number of cruise arrivals to Atlantic Canada. With an estimated 102 scheduled calls at Halifax, bringing a potential passenger capacity of 145,000, this should translate into another busy season. Tourism will also be bolstered by the *International Gathering of the Tall Ships* in Halifax in July.

Table 2

**International Passenger Arrivals to Halifax by Cruise Ships and Other Commercial Boats**

	Total	American Residents	Overseas Residents
	in thousands		
1995	22,500	20,300	2,200
1996	26,100	24,100	2,000
1997	30,200	27,600	2,600
1998	30,500	26,700	3,800
1999	71,900	66,800	5,100

<sup>1</sup> Excludes cruise passengers aboard cruise ships that were coasting from another port in Canada and had therefore already cleared Canada Customs.

Source: International Travel Survey.



## International Travel Account First quarter 2000 (preliminary)

The international travel deficit - the difference between what Canadians spend abroad and what foreigners spend in Canada - posted its second lowest result in 10 years during the first quarter.

The deficit was \$172 million, second only to the 10-year low of \$167 million set in the first quarter of 1999 and mostly attributable to record spending by foreign travellers to Canada.

Foreign travellers injected a record \$4.1 billion into the economy during the first quarter of 2000, up 3.7% from the fourth quarter of 1999. At the same time, spending by Canadians abroad declined 4.9% to \$4.2 billion.

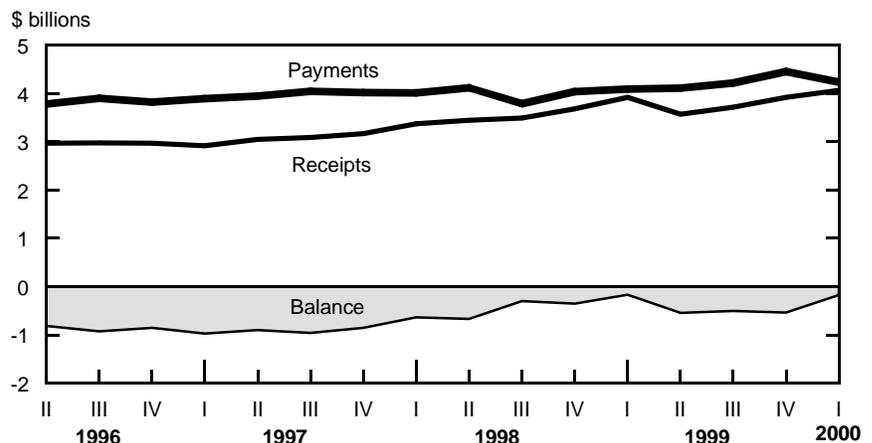
Foreigners made 5.1 million overnight trips to Canada, up 1.6% from the fourth quarter of 1999, while the 4.8 million overnight trips by Canadians abroad was practically unchanged.

### Travel account surplus with overseas countries

Canada's travel account with countries other than the United States posted a surplus in the first quarter of 2000. Overseas residents spent \$58 million more in Canada than Canadians did overseas. Despite making 1.6% fewer overnight trips to Canada, residents of foreign countries other than the United States spent 6.1% more than in the fourth quarter of 1999, a record \$1.6 billion.

Canadians spent and travelled less in overseas countries in the first quarter of 2000 than they did in the fourth quarter of 1999. Canadians made 1.1 million overnight trips to overseas destinations, down 2.1% from the previous quarter. Their spending on those trips fell 5.9% to \$1.5 billion.

**Travel deficit at its lowest level since first quarter of 1999**



### Record spending by Americans

Overnight travel and spending by Americans in Canada rose in the first quarter 2000. Americans took nearly 4.0 million overnight trips north of the border, 2.5% more than in the fourth quarter of 1999. In the first quarter of 2000, Americans increased their spending in Canada by 2.3% from the previous quarter to a record \$2.5 billion.

#### Note to readers

This international travel account analysis is based on preliminary quarterly data that are seasonally adjusted unless otherwise stated. Amounts are in Canadian dollars and are not adjusted for inflation.

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

**International travel account receipts and payments**

	First quarter 1999 <sup>r</sup>	Fourth quarter 1999 <sup>r</sup>	First quarter 2000 <sup>p</sup>
seasonally adjusted <sup>1</sup>			
\$ millions			
<b>United States</b>			
Receipts	2,431	2,403	2,458
Payments	2,493	2,807	2,687
Balance	-62	-404	-230
<b>All other countries</b>			
Receipts	1,489	1,513	1,606
Payments	1,594	1,644	1,548
Balance	-105	-131	58
<b>Total</b>			
Receipts	3,920	3,917	4,063
Payments	4,087	4,451	4,235
Balance	-167	-534	-172

<sup>1</sup> Data may not add to totals due to rounding.

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

Spending by Canadians south of the border declined 4.3% to just under \$2.7 billion. This occurred despite a 1.3% gain of the Canadian dollar over the American and an increase of 1.0% in the number of overnight trips from Canada to the United States. The Canadian dollar increased from an average US\$0.68 in the fourth quarter of 1999 to an average US\$0.69 in the first quarter of 2000. Consequently, the travel deficit with the United States decreased for the second consecutive quarter to \$230 million, down from a revised \$404 million in the fourth quarter 1999.



## Travel Price Index First quarter 2000

### TPI up 5.7% from same period last year

In the first quarter of 1999, consumers experienced an overall increase of 5.7% in the prices of goods and services included in the Travel Price Index basket, compared with the same quarter of last year. This was the largest first-quarter change in the TPI since the 11.0% increase in the winter of 1991.

Most of the components of the TPI registered price increases between the first quarter of 1999 and the same quarter of 2000. The sharpest increase was in the cost of operation of automotive vehicles, which climbed 12.4%. The costs of inter-city transportation and of local and commuter transportation rose 6.0% and 3.2% respectively. These increases were due in part to the rise in gasoline prices, which in turn resulted from production

cutbacks by members of the Organization of Petroleum Exporting Countries. In the first quarter of 2000, consumers devoted 38.4% of their overall travel budget to those three items.

The costs of traveller accommodation also surged (7.4%). In the first quarter of 2000, travellers devoted nearly 16.6% of their travel expenditures to that item.

By comparison, the Consumer Price Index, which measures the change in the prices of all goods and services, stood at 112.1, up 2.7% from the first quarter of 1999.

### TPI down 0.4% from preceding quarter

The Travel Price Index was down 0.4% in the first quarter of 2000 in comparison with the preceding quarter. The reduction in the prices of traveller accommodation, rental of automotive vehicles and inter-city transportation largely offset the increases in almost all other components.

During the first quarter of 2000, the cost of all goods and services covered by the Consumer Price Index was up 0.5% compared with the preceding quarter.

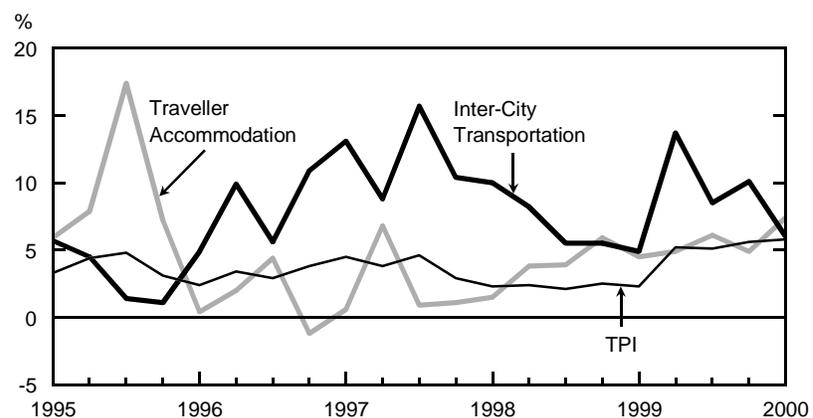
#### The Travel Price Index (TPI) and Selected Components

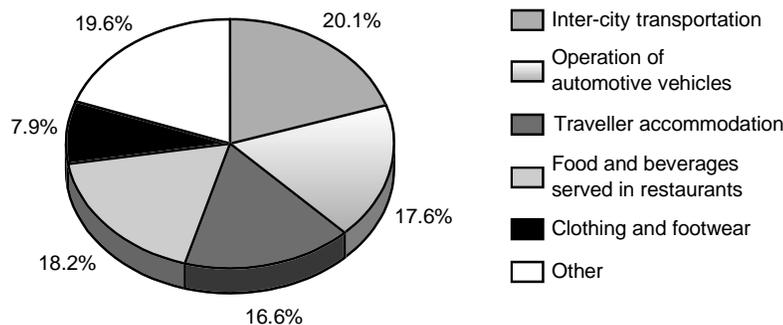
(not seasonally adjusted, 1992 = 100)

Selected Components of the TPI	First Quarter 2000	% Change from:	
		Fourth Quarter 1999	First Quarter 1999
Inter-city transportation	166.6	-1.9	6.0
Local and commuter transportation	126.6	0.7	3.2
Rental of automotive vehicles	119.2	-2.3	1.9
Operation of automotive vehicles	125.2	2.4	12.4
Traveller accommodation	119.6	-4.5	7.4
Food purchased from stores	109.8	0.2	-0.8
Food purchased from restaurants	113.8	0.4	2.2
Served alcoholic beverages	109.8	0.4	2.0
Alcoholic beverages purchased from stores	113.2	0.8	0.9
Clothing	105.4	0.5	0.3
Footwear	104.8	-3.6	-0.3
<b>Travel Price Index (TPI)</b>	<b>125.0</b>	<b>-0.4</b>	<b>5.7</b>
<b>Consumer Price Index (CPI)</b>	<b>112.1</b>	<b>0.5</b>	<b>2.7</b>

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

#### Quarterly Percentage Change from Preceding Year, Selected Indexes



**TPI Weights by Component, First Quarter of 2000****Note to readers****Changes to the Travel Price Index**

The **expenditure weightings for 1996 have been replaced by those for 1998**. In addition, the *clothing* component now includes *footwear* (formerly included in the *other* component). The Travel Price Index (TPI) is an aggregate index of goods and services used by travellers in Canada. Price movements are derived from 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.

## What's New ?

**Air travel between Canada and the United States, and within Canada**

1998 (preliminary)

Air passenger origin and destination data for 1998 have now been released. The data represent passengers who travelled between Canada and the United States, and within Canada, on scheduled flights provided by major air carriers.

For more information, or to inquire about the concepts, methods and data quality, contact Carol Gudz (613-951-0124), Aviation Statistics Centre, Transportation Division.

**Services indicators**

Fourth quarter 1999

*Services indicators* is a quarterly publication that profiles Canada's services industries. It contains updated tables and charts that present output, employment and remuneration figures for various services industries over the past eight quarters.

This issue includes the feature article "*Food services competition in the 1990's*" which examines how food service providers and food stores competed for Canadians' food dollars in the 1990s, and how this intense competition affected both industries. The article outlines some reasons for changes in both the demand for, and supply of, each industry's outputs. It also profiles in detail some characteristics of the consumer market for food services.

The fourth quarter 1999 issue of *Services indicators* (63-016-XIB (internet version) / 63-016-XPB (paper version)) is now available. For more information, contact Don Little (613-951-6739), ([littdon@statcan.ca](mailto:littdon@statcan.ca)), Services Industries Division.

**Travel Agencies**

The research paper *Quit yanking my supply chain – The challenges facing travel agencies in Canada* (catalogue number 50F0003XIF) examines current difficulties faced by travel agencies, such as increased competition via the Internet and erosion of revenue and customers.

This paper is being released to coincide with the National Transportation Week. It can be downloaded **free** at Statistics Canada's Web site, [www.statcan.ca](http://www.statcan.ca). On the Products and services page, choose *Downloadable research papers*.

For more information, or to inquire about the concepts, methods and data quality, contact Jean-Robert Larocque (613-951-2486), ([larocque@statcan.ca](mailto:larocque@statcan.ca)), Transportation Division.



	First Quarter		Percentage Change
	1999	2000	
<b>VISITORS TO CANADA (000s)</b>			
From United States	7,605	7,825	2.9
One or more nights visits	2,008	2,094	4.3
- By auto	1,165	1,247	7.1
From Overseas	564	616	9.2
One or more nights visits	547	590	7.8
Top Seven Countries:			
United Kingdom	118	126	6.7
Japan	67	63	-6.5
France	51	60	17.0
Germany	39	39	-1.9
Australia	26	29	10.2
Taiwan	20	23	15.4
Hong Kong	23	22	-4.7
<b>CANADIANS OUTSIDE CANADA (000s)</b>			
To United States:	8,711	9,515	9.2
One or more nights visits	2,882	3,246	12.6
- By auto	1,318	1,483	12.5
To Overseas (one or more nights)	1,461	1,414	-3.2
<b>INDUSTRY</b>			
Airline passengers (Level I) (000s)	5,423	5,350	-1.3
Airline passenger-km (Level I) (000,000s)	14,325	14,503	1.2
<b>PRICES 1992 = 100 (not s.a)</b>			
Travel Price Index	118.2	125.0	5.8
Consumer Price Index	109.2	112.1	2.7
- Restaurant meals	111.4	113.8	2.2
- Inter-city transportation	157.1	166.6	6.0
- Renting and leasing of automotive vehicles	117.0	119.2	1.9
- Gasoline	94.8	124.8	31.6
<b>ECONOMIC</b>			
Gross Domestic Product, 1992 prices (s.a.) (000,000s)	737,856	771,707	4.6
- Amusement and recreation (000,000s)	7,775	8,036	3.4
- Accommodation and food services (000,000s)	19,777	19,734	-0.2
Personal disposable income per capita (s.a.)	19,110	19,887	4.1
<b>LABOUR (000s)</b>			
Labour force (s.a.)	15,631	15,907	1.8
Unemployed	1,236	1,081	-12.5
Employed	14,395	14,826	3.0
- Accommodation and food service (not s.a.)	881	923	4.7
<b>EXCHANGE RATES (in Canadian dollars)</b>			
American Dollar	1.5113	1.4535	-3.8
British Pound	2.4684	2.3359	-5.4
Japanese Yen	0.0130	0.0136	4.5
German Mark	0.8677	0.7335	-15.5
French Franc	0.2587	0.2187	-15.5
<i>(s.a.) seasonally adjusted.</i>			