



CANADIAN INBOUND TOURISM ASSOCIATION Plus (CITAP+)

Market: United States

OVERVIEW

In its Fall 2022 Tourism Outlook, Destination Canada anticipated that U.S. arrivals would reach 82% of 2019 levels in 2023 and fully recover in 2024. Based on May YTD Statistics Canada figures, U.S. arrivals are tracking at 81% of 2019 levels.

Summer 2022 overnight arrivals were 63% of Summer 2019 levels and Winter 2022-23 overnight arrivals were 84% of Winter 2018-19 levels. (Summer: May to Oct, Winter: Nov to Apr).

(\$ millions)	Arrival mode			
	Air	Land	Water	Total
Summer 2022	2.4	3.8	0.3	6.5
% of Summer 2019	73%	66%	25%	63%
Winter 2022-23	1.5	2.3	0.1	3.9
% of Winter 2018-19	81%	90%	38%	84%

Source: Destination Canada, Tourism Snapshot and Monthly Infographic reports, 2018-2023

Both FIT and Group travel appear to be strong this summer, though the distribution may be uneven. High car rental rates could limit travel to some destinations.

ECONOMY

The U.S. dollar strengthened after last summer and generally stayed above 1.34 until June, which helped offset the higher costs of travel. A mild recession is expected this Fall and into 2024. Currency forecasts vary widely from those forecasting the rate to stay around 1.30 through most of 2024 to those forecasting the U.S. dollar to strengthen to 1.4.

It's also hard to ignore the words of industry veterans who caution about the risk of travel slowdowns during election years.

FORECAST

According to a recent Destination Analysts report, U.S. travellers remain excited about leisure travel and 9% mention that Canada is one of the destinations they most want to visit in the next 12 months. The high cost of travel and wildfires are the main reasons driving some travellers to delay their Canadian travel plans.

Market: Mexico

OVERVIEW

In its Fall 2022 Tourism Outlook, Destination Canada anticipated that arrivals from Mexico would reach 78% of 2019 levels in 2023 and fully recover in 2024. Based on May YTD Statistics Canada figures, Mexico arrivals are tracking at 125% of 2019 levels.

- Summer 2022 overnight arrivals were 71% of Summer 2019 levels (May to Oct)
- Winter 2022-23 overnight arrivals were 124% of Winter 2018-19 levels. (Nov to Apr).

In addition to heightened travel between June and August, Canada is also a popular destination for Mexicans around Easter, and December (likely for ski holidays).

Highlights from Destination Canada's past [research](#) suggest that Mexican long-haul travellers considering a trip to Canada have a stronger preference to travel independently than in a group. Over 80% of travellers are likely to use a travel agent or tour operator to research or book a trip to Canada.

ECONOMY

Fiscal tightening in the U.S. is expected to affect the Mexican economy. As a top U.S. trading partner, a slowdown in the U.S. will impact imports from Mexico.

Market: Australia

OVERVIEW

Generally, tour operators are feeling positive. Staffing and bookings are recovering but travel to Canada is still below 2019 levels. The latest Visitor Arrivals statistics indicate the travel to Canada from Australia was 29% down in May 2023 compared with 2019 and for the period January to May, arrivals to Canada from Australia are down 19.7%.

Airfare price is still high because air seat capacity has not fully recovered. Air seats to Canada in Dec 2023 are 13% higher than 2019 but overall seat capacity to Canada is 7.8% down 2023 vs 2019. Capacity to the US is still 36% down in 2023 from 2019 and this impacts fares to Canada because Australians still travel both direct and via the USA. Interestingly business class and premium economy fares are selling the best!

About 78% of Australian visitors are likely to use a travel agent when booking a trip to Canada. Australian visitors to Canada prefer independent touring trips to Canada with some guided day or overnight excursions guided group tours.

Key activities for Australians in a trip to Canada include trying local food and drink, as well as natural attractions such as mountains, waterfalls, or the northern lights.

Australians book far in advance of most markets so a reminder to have rates ready for the market 15-18 months ahead of travel.

ECONOMY

After 12 consecutive interest rate increases, Australia has held rates for two consecutive reviews. Inflation seems to be stabilising and the economy is not wavering.

DBC/DC are specifically focusing efforts on the “high value guest” (HVG) so those who may not have mortgages and are not facing the same struggles financially as the middle class visitor

FORECAST

Ski bookings to Canada/North America are flat to minus 15% down. Japan is taking market share due to shorter lower cost flights and pent up demand as it only reopened recently.

There is a trend of “conscious consumers” resulting in demand for sustainable travel opportunities.

At Journeys Across Canada, we are seeing some ad hoc and small series groups materialising however with smaller numbers than pre-pandemic. There is still room for recovery.

Market: China

OVERVIEW

The standstill continues with this market for reasons we have known for several years, and there are no signs of progress in the near future, esp. for the segment of leisure tour market.

Business travel and educational tours start to recover slowly with new inquiries or a few small groups materialized in 2023.

ECONOMY

Please refer to the news publicly available for facts and figures of the Chinese economy. They could vary if the economic updates are from within Chinese government agencies or through other news channels.

FORECAST

Hard to forecast based on the current many barriers and the global situation. One thing seems certain that the business rebound from the China tour travel market will continue to be minimal and slowly for the rest of 2023 and beyond.

Most update: China Ministry of Culture & Tourism announced on August 10 to grant their tour operators to sell tour packages and conduct group tours to 138 countries, including the US, UK, Japan, Australia, etc. Canada is not included, still.

Market: Southeast Asia

OVERVIEW

South East Asia is composed of eleven countries of impressive diversity in religion, culture and history: Brunei, Burma (Myanmar), Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. After the covid, many countries promoted inbound travel to stabilize the economy and outbound Travel in recovery status.

Thailand, Indonesia, Malaysia, Philippines, Singapore and Vietnam are still activating in long-haul outbound travel

Increased confidence around COVID-19 protocols, is helping to drive the recovery of Thailand's outbound travel sector.

Overall, international departures from Thailand grew over 100% from 2022 to now

Top outbound destination:

Thailand: Japan, South Korean, New Zealand, Singapore, UK, USA

Indonesia: Saudi Arabia, Malaysia, Singapore, Thailand, Turkey, US

Singapore: Malaysia, Thailand, Indonesia, Australia, US, Canada

Malaysia: Thailand, Indonesia, Singapore, Vietnam, UK, Turkey

Philippines: Singapore, UAE, US, Thailand, Malaysia, South Korea

Vietnam: Thailand, Singapore, Japan, Malaysia, US, Australia

ECONOMY

Country	Thailand	Indonesia	Singapore
GDP rate	3.9% (2.6 % in 2022)	4.9%	1.8
Unemployment rate	1.15%	5.54%	1.9%
Exchange rate with USD	1:35.29	1:15344.95	1:1.36

Country	Malaysia	Philippines	Vietnam
GDP rate	3.9% (2.6 % in 2022)	6%	3.28%
Unemployment rate	1.15%	4.5%	2.3%
Exchange rate with USD	1:4.63	1:56.83	1:23871

CHALLENGES

Canadian entry visa application has a long process time and higher rejection except Singapore
Travelling costs are higher than US or Europe.

Lacking destination promotion plan and knowledge

Hight airfare and less flight

Travel into North America seasonal only

FORECAST

Singapore:

2023-2024 winter aurora viewing for FIT market

2024 summer Alaska cruise + Canadian Rocky will extend from May – September in series group

Thailand:

2024 Cross Canada 12-14 days trip

Malaysia, Philippines:

2024 summer Alaska cruise + Canadian Rocky

Indonesia:

2024 Canada +US city break

Vietnam:

2024 Canadian Rocky or Toronto + Niagara Falls tour

Market: Taiwan

OVERVIEW

Outbound travel number around 54% recovery compared to the same period in 2019
Group size decreased due to limited air space.
More group members chose premium economy or business class instead of traditional economy class.
Popular outbound destination: Japan / Korean/ China/ Thailand/Vietnam
Popular long-haul outbound destination: United State/UK/France/Italy/Australia
Study tour/ESL / summer camp: UK/United State/Canada
ESL and summer camp participants are younger than before pandemic (now 11-15 vs. 15-18 years old before)
Incentive tour destination: Japan / Thailand / Vietnam / United State / Australia/Dubai

Political Influence

Russia – Ukraine crisis force the US to focus on the Pacific region
Beijing pressure vs. US and International support Taiwan
2024 January 13 Presidential and legislators' election

Major Air access: (directly flight):

China Airline (CI): daily between Taipei to Vancouver
EVA Airline (BR): daily between Taipei to Vancouver
EVA Airline (BR): daily between Taipei to Toronto

ECONOMY

GDP rate 2.91% (per capital \$32811 USD and surpass South Korean)
Economic growth rate 2.1%
Unemployment rate 3.49%
Exchange rate July 2023: \$1 USD = \$31.25 NTD
July 2022: \$1 USD = \$29.80 NTD

July 2023: \$1 CAD= \$23.74 NTD
July 2022: \$1 CAD= \$22.80 NTD

The international economic recession and rising oil prices have made Taiwan face a rise in interest rates, obstacles to export trade, and inflation impact.

CHALLENGES

Canadian land tour operation cost fee increases due to inflation, labour shortage, rising domestic airfares, and supplier churn, which difficult to compete with other long-haul destinations like US or Australia.
No group seat allotments for Taiwan agents this year since Southeast Asia and mainland China Airlines have yet to recover fully; many of those countries' customers divvied air capacity from Taiwan.
Airfare is overpriced and very difficult to book seats.
National elections will distract foreign destinations and reduce outbound travel.

FORECAST

This Market will focus in special itinerary / long days/high-end products/niche market
After the pandemic, and younger generation focuses on family and reunions thus, multiple-generation travel become more popular
Due to fewer air seats in peak summer, Q4 2023 will be busier than before. (East and West Coast)
2024, 2025 Pre and Post convention, Incentive and reward travel start inquire.