



CANADIAN INBOUND TOURISM ASSOCIATION Plus (CITAP+)

Market: France, Germany & UK

OVERVIEW

France

- Slow to recover from Covid, partly because domestic travel is pleasurable
- Strikes and unrest are major issues which have disrupted daily life.
- Airlift back with Quebec centric initiatives.
- 2024 showing good signs of recovery

Germany

- This market had a slower recovery post Covid compared to the swift recovery of the UK, in particular group travel.
- Having weathered the winter with less impact due to the war and energy concerns consumer confidence is coming back.
- Consumer trend to travel with more protection as so book through Tour Operators

UK:

- Outbound travel has remained robust.
- Airlift is back to precovid level. There are some LCCs into the US which makes Canada look even more expensive.
- Announcements for flights into Eastern Canada fro Longand and Scotland are an excellent boost for 2024.
- Booking trend with tour operators for protection.
- Poor summer weather conditions has enticed travel outside of the country and expected to stay in their minds as they make decisions for 2024.

General:

- Overall, there is a concern from operators that Canada is close to outpricing itself as a destination against other destinations in particular for group business.

ECONOMY

France:

- Disrupted by the strikes and unrest.
- Political unrest; Macron lost his majority in parliament.

Germany:

- Running close to full employment.
- Fuel issue has tapered down.

UK:

- Inflation is subsiding. There is an election in 2024.
- Low unemployment rates

FORECAST

France:

- Showing recover for independent travellers
- Sensitive to price increases, especially for group travellers.

Germany:

- Focus on short haul holidays this year and predict further recovery for mid and long haul in 2024.
- Showing good recovery for 2024 winter and summer

UK:

- Recovery from covid complete.
- Organic growth, which will challenge Canada on the world front.



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Market: AUSTRALIA

OVERVIEW

The Australian economy is pretty flat, mortgages are coming up for renewal at higher rates. On the plus side Australians had saved up a lot during the long lockdown so still have some funds to spend.

Whilst interest rates and mortgages are rising, this is barely affecting the senior/retired demographic. If anything, the rising interest rates are benefiting them with increases to savings, rental yields and investments and more disposable income than they've had in a few years. This is translating into record sales.

In other market segments the economy is having some impact. There is no longer that "doesn't matter what it costs just book it" attitude and more of a "it's a bit more than we wanted to spend so what can we do to reduce the cost" response. Definitely belts are tightening and spending is being reduced in many cases.

Airfares remain stubbornly high from Australia to North America. This is impacting sales to a degree.

Canada sales have increased and most operators are now close to or above pre-pandemic levels.

Groups are definitely commenting on how expensive Canada has become, especially at the 3-4 star level. Feedback in 2023 is that although the prices are high the product is not and is often not meeting expectations across many levels. Quality of hotels, need for refurbishment and expenditure to bring everything up to standard and of course staff.

FORECAST

Groups for 2024 are moving slowly as far as passengers booking on and some agents are seeing a reduction in group sizes for 2024 at this stage.

Interest for Canada for 2024 already looks good but we definitely need more affordable product and operators are hoping that after 2024 there might be some more realistic pricing. Demand is there but some is going to other destinations due to the high price for Canada.



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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 November 2023 YTD Statistics Canada figures, U.S. arrivals were pacing at nearly 85% of 2019 levels.

Summer 2023 overnight arrivals were at 84% of Summer 2019 levels (May to October). While it's too early to report on Winter 2023-24, the winter season started strong with November 2023 overnight arrivals coming in at 91% of November 2019 levels.

(\$ millions)	Arrival mode			
	Air	Land	Water	Total
Summer 2023	3.0	5.2	0.3	8.6
% of Summer 2019	93%	90%	32%	84%
November 2023	0.28	0.42	0.01	0.71
% of November 2019	91%	94%	52%	91%

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

Arrivals by water this past summer were just 32% of Summer 2019 volumes suggesting a slower recovery for the cruise market.

ECONOMY

As reported in Destination Canada's Fall 2023 Tourism Outlook, Tourism Economics estimates that U.S. GDP will slow to 0.4% in 2024 and rebound to 1.9% in 2025.

The U.S. dollar generally stayed above 1.34 during 2023. It fell below 1.34 between June and July, and again in December over the holiday season. The strong U.S. dollar continues to help offset the higher costs of travel.

FORECAST

According to a June 2023 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 November 2023 YTD Statistics Canada figures, Mexico arrivals fully recovered and were at 114% of 2019 levels.

Overnight arrivals for November 2023 YTD were at 107% of 2019 levels:

- Summer 2023 overnight arrivals were at 99% of Summer 2019 levels (May to October)
- November 2023 overnight arrivals were 119% of November 2019 levels

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

As reported in Destination Canada's Fall 2023 Tourism Outlook, Tourism Economics estimates that Mexico's GDP will slow to 1.0% in 2024 and rebound to 2.5% in 2025.



CANADIAN INBOUND TOURISM ASSOCIATION Plus (CITAP+)

Market: Taiwan

OVERVIEW

According to statistics from the Tourism Administration, the number of overseas trips in 2023 exceeded 11 million, compared with the total number of overseas trips of 17 million in 2019 before the epidemic. , outbound tourism has recovered by about 70% in 2023, and it is expected to return to pre-epidemic prosperity in 2024.

Still, more group members chose premium economy or business class instead of traditional economy class. In addition to the problematic demand for airline seats, people want to pursue better service quality

Top outbound destination 2023: Japan / Korean/ Thailand/ Singapore/Vietnam/Philippines /Italy/Spain/Austria/US/

Top Incentive, MICE group destination 2023: Japan / Thailand / Austria / Unite State / Singapore /Turkey / cruise

New trend for popular unique products for long-haul and high-end customers: Antarctica cruise, Africa Safari, National Park Bear viewing, Aurora viewing (Ice Land, Finland, Alaska, Yellowknife), Festival: Brazilian Carnival, Carnival of Venice)

Alaska cruise focus in 2024 is around a 25-30% increase compared to 2023.

Economy

2023 GDP rate 4.35% (per capital \$73,344 USD)

2023 The inflation rate was 3%

Unemployment rate 3.48%

Economic growth rate in 2024 is expected to be 3%

Exchange rate January 2024: \$1 USD = \$31.35 NTD
January 2024: \$1 CAD= \$23.25 NTD

TSMC, Nvidia, and those IC (semiconductor) and AI developments that dominate the global economy have benefited Taiwan's economy and maintained stable development.

Political Influence

The Democratic Progressive Party went on to win the presidential election. Mr. Lai, who won, continued the Tsai Ing-wen administration's cross-strait and international foreign policies, strengthened national defence capabilities, established close relations with democratic countries such as the United States and Japan, and worked hard to reduce economic dependence on China. The Chinese government is likely to increase military, economic and diplomatic pressure on Taiwan.

Air access

Major Air access to Canada: (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

Others: (connecting)

Cathy Pacific (CX): 6 direct flights per week from Hong Kong to Vancouver

And adds three more flights during peak season

Daily flight Hong Kong to Toronto

And adds four more flights during peak season

EVA Airline (BR): daily between Taipei to Seattle

daily between Taipei to New York

China Airline (CI): daily between Taipei to New York

New flight to North America:

Delta Airline: (DL): Launch direct flight from Taipei to Seattle daily starting from June 29, 2024

Starlux Airline: (JX): will launch a direct flight from Taipei to Seattle starting from late August, 2024

China Airlines (CI): will planned to resume flights from Taipei to Seattle after Q2, 2024

More flights arriving in Seattle will increase Alaska cruises and winter Fairbanks Aurora itineraries and travel intentions.

Air Canada continues to suspend flights to Taiwan. Agents can book connecting flights to Canada via Seoul, Tokyo, and Hong Kong but must book separate flights departing from Taipei, In addition to high cost and insufficient convenience.

CHALLENGES

Canadian land tour operation cost increases due to inflation, taxes, labour shortage, rising domestic airfares, and supplier churn, which difficult to compete with other long-haul destinations like US or Australia.

There are no group seat allotments for Taiwan agents this year (third years after COVID) since Southeast Asia and mainland China Airlines have yet to recover fully; many of those countries' customers divvied air capacity from Taiwan.

FORECAST

This Market will more focus in special itinerary /high-end products/niche market after COVID.

The new generation focuses on family and reunions travel.

For 2024 Q3, Q4 and 2025 Pre and Post convention, Incentive and reward travel start inquire.

Canada needs more exposure as a leisure or incentive travel destination for the Taiwan market.



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Market: Southeast Asia

OVERVIEW

Southeast Asia comprises many countries with impressive religious, cultural and historical diversity.

We can see some continued selling Canadian products and North America on their website or travel mart: Singapore, Malaysia, Indonesia, the Philippines, Thailand and Vietnam.

Top outbound destination:

Singapore: Malaysia, Thailand, Indonesia, Australia, US

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

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

Malaysia: Thailand, Indonesia, Singapore, Vietnam, UK

Philippines: Singapore, UAE, US, Thailand, Malaysia

Vietnam: Thailand, Singapore, Japan, Cambodia, Malaysia

ECONOMY

2023 record

Country	Singapore	Thailand	Indonesia
GDP rate	2.65	1.2%	2.4%
Unemployment rate	4.1%	1.1%	4.3%
Inflation (CPI)	2.3%	1.2%	1.6%
Exchange rate to CAD as February 2024	1:1	1:0.038	1:000086

Country	Malaysia	Philippines	Vietnam
GDP rate	2.5%	3.1%	5.4%
Unemployment rate	4.5%	2.5%	2.4%
Inflation (CPI)	2.5%	3.9%	1.9%
Exchange rate to CAD as February 2024	1:0.28	1:0.024	1:0.000055

CHALLENGES

Canadian entry visa application has a long process time and higher rejection rate.

Canada e-TA country: Singapore, Thailand (direct flight into Canada only)

Travelling costs are higher than US or Europe.

Lacking destination promotion plan and knowledge

High airfare and less flight

Travel into North America seasonal only

FORECAST

Singapore:

2024 Summer, Alaska cruise+ Pre and Post Canadian Rocky 5-6 days or Vancouver and Seattle 3 days only

2024 Winter aurora viewing

Thailand:

2024 Cross Canada 12-14 days trip

Two nations tour (Canada + US) 12 days

Malaysia

2024 summer, Alaska cruise + Pre and Post Canadian Rocky

2024 Falls, two nations tour (US East coast + Niagara Falls & Toronto)

Indonesia:

2024 summer, Alaska cruise + Pre and Post Canadian Rocky

Vietnam:

2024 Canadian Rocky or Toronto + Niagara Falls tour

Philippines

2024 – convention attending, business visiting, most still VFR travel