



Canada Fact Sheet

Canada Overview

Canada is Hawai'i's fourth largest source market for visitors to Hawai'i. Weakness in the Canadian economy and devaluation of the Canadian dollar have impacted travel demand for Hawai'i overall. The HTA works with VoX International, its marketing contractor for Canada, to reach aggressive targets set by the HTA and to retain market share.

July 2017 Quick Facts¹

Visitor Expenditures:	\$655.2 million
Primary Purpose of Stay:	Pleasure (295,763) vs. MCI (13,723)
Average Length of Stay:	12.71 days
First Time Visitors:	34.5%
Repeat Visitors:	65.5%

	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb 2017)	% Change 2016P vs 2017 Forecast	YTD Jul. 2017P	YTD Jul. 2016P	% change YTD
CANADA MMA (by Air)								
Visitor Expenditures* (\$ Millions)	1,053.2	958.1	-9.0%	971.2	1.4%	655.2	602.6	8.7%
Visitor Days	6,520,761	6,042,129	-7.3%	6,012,458	-7.8%	4,011,432	3,834,514	4.6%
Arrivals	512,323	478,871	-6.5%	477,941	-6.7%	315,502	295,690	6.7%
Per Person Per Day Spending* (\$)	161.5	158.6	-1.8%	157.0	-2.8%	163.3	157.1	3.9%
Per Person Per Trip Spending* (\$)	2,055.8	2,000.8	-2.7%	2,031.9	-1.2%	2,076.8	2,037.9	1.9%
Length of Stay (days)	12.73	12.62	-0.9%	12.58	-1.2%	12.71	12.97	-2.0%

*Excludes supplemental business spending

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¹ 2016 and 2017 data are preliminary.

Market Summary

- In 2016, decreased arrivals (-6.5% to 478,871 visitors) and lower daily spending (-1.8% to \$159 per person) resulted in a drop in visitor expenditures (-9% to \$958.1 million). Through July 2017, arrivals increased 6.7 percent to 315,502 visitors. Despite a shorter average length of stay (-2.0% to 12.71 days), higher daily spending (+3.9% to \$163 per person) led to an 8.7 percent growth in visitor expenditures to \$655.2 million.
- Airlift: in 2016, scheduled seats from Canada rose slightly (+0.7%) compared to 2015. Through July 2017, scheduled seats declined 4 percent.

Market Insights

- According to the RBC Economic Outlook quarterly report, Canada's economy is performing well. RBC Economics expects real gross domestic product (GDP) to grow by 2.6 percent in 2017 and 2.1 percent in 2018. With business investment on the rise and government spending on infrastructure ramping up, RBC Economics projects the economy will grow at nearly double the average pace of the prior two years.
- The real gross domestic product jumped 0.6 percent in May, triple the predicted growth of 0.2%, and matching the strongest single month growth in the past 6 years. Overall annual economic growth rose by 4.6%, the largest increase in almost 17 years.
- While the Canadian Dollar sits currently (July) at \$0.77 cents USD, it dipped to \$0.74 cents during June. RBC forecasts the Canadian dollar will end 2017 at a challenging \$0.71 U.S. cents. The outlook is brighter for 2018, when the Canadian dollar is expected to rise to 75.2 U.S. cents, as the Bank of Canada starts to raise the overnight rate and oil prices continue to march upward.
- Air Canada and WestJet offered 261 thousand direct seats in the first five months of 2017; a -4.4% drop compared to 2016. Compared to the previous year, Air Canada offered -6.7% fewer seats during the period, while WestJet reduced service by -3.0%. Air Canada offered more seats from Calgary, but, direct capacity from Toronto fell by almost half. In addition, WestJet reduced service from Edmonton by one-third (-33.5%). This loss of service pushed the overall load factor on the routes up to 80.6%, compared to 74.7% one year ago. For the summer (May-Oct) 2017, Canadian carriers are planning to offer 1.8% more seats to Hawai'i than last summer. With load factors from Canadian airports expected to average 83%, direct arrivals are forecast to reach 95 thousand in the coming months. Overall, Hawai'i is expected to welcome 145 thousand Canadian visitors this summer, a 5.7% increase compared to last year.
- The first five months of 2017 saw Canadians make almost 14.2 million overnight trips to the U.S. and other destinations, an increase of 4.7 per cent. Of this total, an estimated 10.7 million trips were for leisure purposes. Compared to 2016, overseas leisure trips grew 4.7 per cent while leisure travel to the U.S. increased 3.4 per cent. Travel to U.S. destinations accounted for 56.1 percent of all outbound leisure trips during the period compared to 64.9 per cent during the peak travel year of 2013. The volume of trips to overseas destinations has set a record high each month this year.
- Boomers and "zoomers" continue as the hottest outbound market. Canada's aging population will continue to be a positive contributor to growth in outbound leisure travel as the propensity to take outbound leisure trips increases with age. Baby boomers (those born between 1946 and 1964) will continue to drive the outbound leisure travel market during the next five years. In 2017 there are more seniors (65+) in Canada than children. Multi-generational travel, wellness tourism and long stay travel will increase.

Visitor Statistics

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*Excludes supplemental business spending

Distribution by Island

	2015	2016P	% Change 2016P vs 2015	YTD Jul. 2017P	YTD Jul. 2016P	% change YTD
CANADA MMA (by Air)						
O'ahu	218,828	209,315	208,542	129,199	117,500	10.0%
Maui County	269,071	274,008	262,271	157,083	151,702	3.5%
...Maui	267,156	272,174	260,290	155,690	149,990	3.8%
...Moloka'i	4,593	5,367	4,714	2,489	3,038	-18.1%
...Lāna'i	6,401	5,098	4,006	3,038	2,610	16.4%
Kaua'i	69,476	77,760	74,710	45,349	42,188	7.5%
Island of Hawai'i	97,817	105,460	103,511	63,920	55,879	14.4%

Airlift

DepCity	2017					2016					CHANGE2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
CANADA	184,534	95,333	55,512	125,326	460,705	198,932	93,367	55,116	115,430	462,845	-7.2%	2.1%	0.7%	8.6%	-0.5%
Calgary	30,884	9,031	0	11,424	51,339	30,620	8,187	0	10,988	49,795	0.9%	10.3%		4.0%	3.1%
Edmonton	6,812	1,834	0	1,834	10,480	10,120	2,882	0	1,572	14,574	-32.7%	-36.4%		16.7%	-28.1%
Toronto	3,666	1,128	0	846	5,640	7,332	846	0	564	8,742	-50.0%	33.3%		50.0%	-35.5%
Vancouver	143,172	83,340	55,512	111,222	393,246	149,170	80,932	55,116	102,306	387,524	-4.0%	3.0%	0.7%	8.7%	1.5%
Victoria	0	0	0	0	0	1690	520	0		2,210	-100.0%	-100.0%			-100.0%

Source: Diio Mii airline schedules, updated June 2017.

Group vs. FIT; Leisure vs. Business

	2015	2016P	% Change 2016P vs 2015	YTD Jul. 2017P	YTD Jul. 2016P	% change YTD
CANADA MMA (by Air)						
Group vs FIT						
Group tour	11,935	9,214	-22.8%	5,601	6,299	-11.1%
True Independent	405,253	376,352	-7.1%	254,140	233,811	8.7%
Leisure vs business						
Pleasure (Net)	475,286	445,724	-6.2%	295,763	274,956	7.6%
MCI (Net)	22,561	17,662	-21.7%	13,723	13,262	3.5%
Convention/Conf.	16,770	11,481	-31.5%	9,282	8,646	7.4%
Corp. Meetings	2,706	2,458	-9.2%	1,746	1,776	-1.7%
Incentive	4,257	4,259	0.0%	3,088	3,294	-6.3%

First Timers vs. Repeat Visitors

CANADA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jul. 2017P	YTD Jul. 2016P	% change YTD
1st timers (%)	33.8	34.1	1.8	34.5	33.7	0.8
Repeaters (%)	66.2	65.9	-1.8	65.5	66.3	-0.8

Tax Revenue

CANADA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jul. 2017P	YTD Jul. 2016P	% change YTD
State tax revenue generated* (\$ Millions)	112.17	111.84	-0.3%	76.48	70.34	8.7%

*State government tax revenue generated (direct, indirect, and induced)

Industry

Major Tour Operators

Presently, the top 7 operators for The Hawaiian Islands, based on room night production reports and confirmation from in-market supplier partners, are:

- Expedia
- Costco Travel
- Pleasant Holidays
- Travelocity
- WestJet Vacations
- TravelBrands
- Air Canada Vacations