



## 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.

### June 2017 Quick Facts<sup>1</sup>

Visitor Expenditures:	\$608.7 million
Primary Purpose of Stay:	Pleasure (272,494) vs. MCI (11,269)
Average Length of Stay:	12.80 days
First Time Visitors:	33.2%
Repeat Visitors:	66.8%

	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb 2017)	% Change 2016P vs 2017 Forecast	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
CANADA MMA (by Air)								
Visitor Expenditures* (\$ Millions)	1,053.2	958.1	-9.0%	971.2	1.4%	608.7	551.5	10.4%
Visitor Days	6,520,761	6,042,129	-7.3%	6,012,458	-7.8%	3,696,677	3,525,557	4.9%
Arrivals	512,323	478,871	-6.5%	477,941	-6.7%	288,812	269,867	7.0%
Per Person Per Day Spending* (\$)	161.5	158.6	-1.8%	157.0	-2.8%	164.7	156.4	5.3%
Per Person Per Trip Spending* (\$)	2,055.8	2,000.8	-2.7%	2,031.9	-1.2%	2,107.5	2,043.5	3.1%
Length of Stay (days)	12.73	12.62	-0.9%	12.58	-1.2%	12.80	13.06	-2.0%

\*Excludes supplemental business spending

### Contact Information

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<sup>1</sup> 2016 and 2017 data are preliminary.

## Market Summary

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- 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 June 2017, arrivals increased 7.0 percent to 288,812 visitors. Despite a shorter average length of stay (-2.0% to 12.80 days), higher daily spending (+5.3% to \$165 per person) led to a 10.4 percent growth in visitor expenditures to \$608.7 million.
- Airlift: in 2016, scheduled seats from Canada rose slightly (+0.7%) compared to 2015. Through June 2017, scheduled seats declined 4.3 percent.

## Market Insights

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- 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 per cent in 2017 and 2.1 per cent 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.
- 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.
- The first four months of 2017 saw Canadians make almost 11.6 million overnight trips to the U.S. and other destinations, an increase of 6.2 per cent. Of this total, 8.7 million trips were for leisure purposes. Compared to 2016, overseas leisure trips grew 3.0 per cent while leisure travel to the U.S. increased 6.3 per cent. Travel to U.S. destinations accounted for 55.7 per cent of all outbound leisure trips during the period compared to 63.3 per cent during the peak travel year of 2013.
- 67% of Canadians planning to travel to Hawai'i this summer plan on flying with a US connection, leaving only 33% who plan to fly directly. Compared to 2016, Air Canada offered 10 thousand fewer seats to Hawai'i in the first quarter of 2017, more than two-thirds of which had been servicing Vancouver. During the quarter, WestJet added some capacity from Vancouver, but reduced its service from Edmonton. Anticipated direct air arrivals from Canada to Hawai'i for summer 2017 will remain flat compared to 2016 at 89,482.
- Most Canadians planning an outbound trip this summer intend to use the services of a travel agent, including online agents, for information and/or to book their trip. Sixty-seven percent plan to use the services of a travel agent to gather information, and 62.0 percent intend to book their trip with an agent.
- Outbound travel intentions are up slightly compared to last year. Of Canadians planning to take a vacation trip this summer, about one-in-four plan to travel outside the country. Intentions are highest in Ontario and BC, while they have fallen in Alberta and Central Canada.
- 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

	2015	2016	% Change 2016P vs 2015	2017 Forecast (Feb 2017)	% Change 2017 vs 2016 Forecast	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
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Per Person Per Trip Spending* (\$)	2,055.8	2,000.8	-2.7%	2,031.9	-1.2%	2,107.5	2,043.5	3.1%
Length of Stay (days)	12.73	12.62	-0.9%	12.58	-1.2%	12.80	13.06	-2.0%

\*Excludes supplemental business spending

## Distribution by Island

CANADA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
O'ahu	218,828	209,315	208,542	114,413	103,314	10.7%
Maui County	269,071	274,008	262,271	144,686	137,779	5.0%
...Maui	267,156	272,174	260,290	143,365	136,408	5.1%
...Moloka'i	4,593	5,367	4,714	2,395	2,603	-8.0%
...Lāna'i	6,401	5,098	4,006	2,930	2,411	21.5%
Kaua'i	69,476	77,760	74,710	41,946	38,905	7.8%
Island of Hawai'i	97,817	105,460	103,511	58,279	50,865	14.6%

## Airlift

	2017					2016					2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
<b>CANADA</b>	<b>184,534</b>	<b>95,333</b>	<b>55,512</b>	<b>116,809</b>	<b>452,188</b>	<b>198,932</b>	<b>93,367</b>	<b>55,116</b>	<b>115,430</b>	<b>462,845</b>	<b>-7.2%</b>	<b>2.1%</b>	<b>0.7%</b>	<b>1.2%</b>	<b>-2.3%</b>
Calgary	30,884	9,031	0	11,199	51,114	30,620	8,187	0	10,988	49,795	0.9%	10.3%	0.0%	1.9%	2.6%
Edmonton	6,812	1,834	0	1,834	10,480	10,120	2,882	0	1,572	14,574	-32.7%	-36.4%	0.0%	16.7%	-28.1%
Toronto	3,666	1,128	0	846	5,640	7,332	846	0	564	8,742	-50.0%	33.3%	0.0%	50.0%	-35.5%
Vancouver	143,172	83,340	55,512	102,930	384,954	149,170	80,932	55,116	102,306	387,524	-4.0%	3.0%	0.7%	0.6%	-0.7%
Victoria	0	0	0	0	0	1,690	520	0	0	2,210	100.0%	100.0%	0.0%	0.0%	100.0%

Source: Diio Mii airline schedules

## Group vs. FIT; Leisure vs. Business

CANADA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
Group vs FIT						
Group tour	11,935	9,214	-22.8%	4,741	5,365	-11.6%
True Independent	405,253	376,352	-7.1%	233,852	214,115	9.2%
Leisure vs business						
Pleasure (Net)	475,286	445,724	-6.2%	272,494	251,009	8.6%
MCI (Net)	22,561	17,662	-21.7%	11,269	12,927	-12.8%
Convention/Conf.	16,770	11,481	-31.5%	7,308	8,457	-13.6%
Corp. Meetings	2,706	2,458	-9.2%	1,586	1,751	-9.4%
Incentive	4,257	4,259	0.0%	2,645	3,144	-15.8%

## First Timers vs. Repeat Visitors

CANADA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
1st timers (%)	33.8	34.1	1.8	33.2	32.5	0.7
Repeaters (%)	66.2	65.9	-1.8	66.8	67.5	-0.7

## Tax Revenue

CANADA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
State tax revenue generated* (\$ Millions)	112.17	111.84	-0.3%	71.05	64.37	10.4%

\*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