



CANADA

2017

INTERNATIONAL INBOUND TRAVEL MARKET PROFILE

U.S. TRAVEL
ASSOCIATION



After three consecutive years of declines, visitations from Canada to the United States grew by 4.8 percent in 2017.

Canadian travel to the U.S. has historically been very closely correlated with the U.S./Canadian dollar exchange rate. The recovery in 2017 can be at least partly attributed to the strengthening of the Canadian dollar. After appreciating significantly in 2010 and 2011, the Canadian dollar was trading at or near parity with the U.S. dollar in 2012 and 2013. This period saw robust growth in visitations from Canada to the U.S., as Canadians took advantage of their stronger purchasing power in the United States compared to earlier years. This trend reversed in 2014-2016, when the U.S. dollar appreciated by nearly 30 percent against the Canadian dollar. During this time, visitations from Canada fell by 16 percent. In 2017 and the first quarter of 2018, the Canadian dollar finally strengthened again (though not nearly to its value against the U.S. dollar in 2012), and visitations from Canada to the U.S. have likewise grown again.

ARRIVALS

- In 2017, 20.2 million Canadian overnight visitors traveled to the U.S., up from 19.3 million in 2016 (a 4.8 percent increase).
- After many months of decline, a recovery for visitation from Canada began in September 2016. Since then, the year-over-year change in monthly arrivals from Canada has been almost consistently positive.
- The United States was the main destination of more than half of all Canadian overnight international trips.
- Canada's 20.2 million overnight visitors to the U.S. in 2017 represented more than a quarter of all international travelers to the United States—higher than any other inbound market but still significantly lower than just a few years earlier. In 2012, Canadians accounted for 34 percent of all visitations to the U.S.

ECONOMIC IMPACT (2016 DATA)

- U.S. travel exports to Canada were valued at \$19.1 billion in 2016 (2017 data is not yet available), down 7.6 percent from 2015—and down 30 percent from the peak of \$27.3 billion in 2013. This was a direct result of the weak Canadian dollar. These numbers are expected to be stronger in 2017, thanks to the strengthening Canadian dollar and nearly 5 percent growth in arrivals.
- Travel exports accounted for 5.9 percent of all U.S. goods and services exports to Canada in 2016, down from a peak of 7.5 percent in 2013. This shows that travel exports suffered more than overall exports in the wake of the unfavorable exchange rate.
- The U.S. ran a travel trade surplus with Canada in 2016, as it has for decades, but the surplus of \$10.5 billion in 2016 was significantly lower than the surplus of previous years (\$12.8 billion in 2015 and \$19.0 billion in 2013).
- Canada's share of total U.S. travel exports declined from 13 percent in 2012 to 7.8 percent in 2016.

Canada Inbound Market Summary, 2016-2017

VISITATIONS (2017)	
U.S. Visitations from Canada (thousands)	20,211
Total Outbound Travel from Canada	36,303
U.S. Share of Travel from Canada	56%
SPENDING AND TRAVEL TRADE (2016)	
U.S. Travel Exports (\$ million)	19,083
Travel spending (\$ million)	14,238
Education-related (\$ million)	1,088
Passenger fare receipts (\$ million)	3,147
Other travel exports (\$ million)	610
Percent of total U.S. exports to Brazil (%)	5.9
U.S. Travel Imports (\$ million)	8,530
U.S. Travel Trade Balance (\$ million)	10,553

Source: U.S. Department of Commerce, U.S. Travel Association and Oxford Economics

1. Travel exports include all spending by international visitors from a given country in the United States. International standards now use a broader definition of travel exports than previously used which, in addition to general travel spending by visitors, includes education-related and health-related spending, as well as expenditures on goods and services by border, seasonal, and other short-term workers in the United States. For more information, please visit <http://travel.trade.gov/pdf/restructuring-travel.pdf>.



LOOKING FORWARD

- The relative strengthening of the Canadian dollar in 2017 and early 2018 is expected to drive a growing number of Canadian visitors to the United States once again.
- After growing by nearly 5 percent in 2017, visitations from Canada are forecast to increase by an additional 4 percent in 2018. Growth is expected to remain positive over the medium term. However, because travel is so closely tied to the exchange rate, it is as difficult to predict future Canadian visitation to the U.S. as it is to predict future currency exchange rates.

Growth in visitations from Canada has closely followed changes in the nominal exchange rate

