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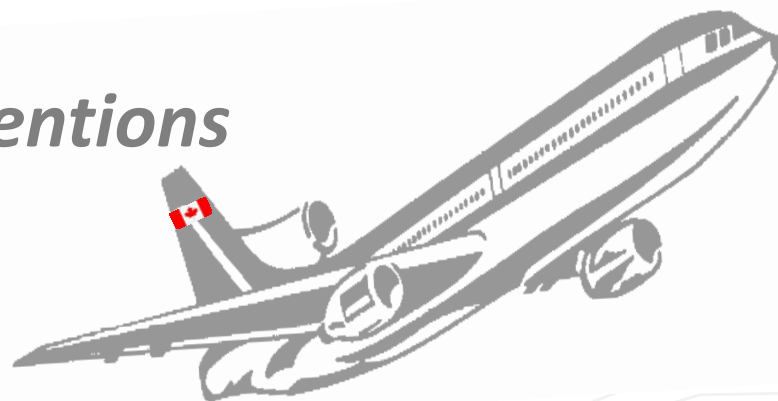
Outbound Canada

Travel Trends & Trip Intentions

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Topics

- Economic trends and the exchange rate
- Canada's aging population
- Outbound travel performance
 - Historical and YTD
- Winter travel intentions
- Short-term outlook for sun destinations
 - Caribbean, Mexico, USA





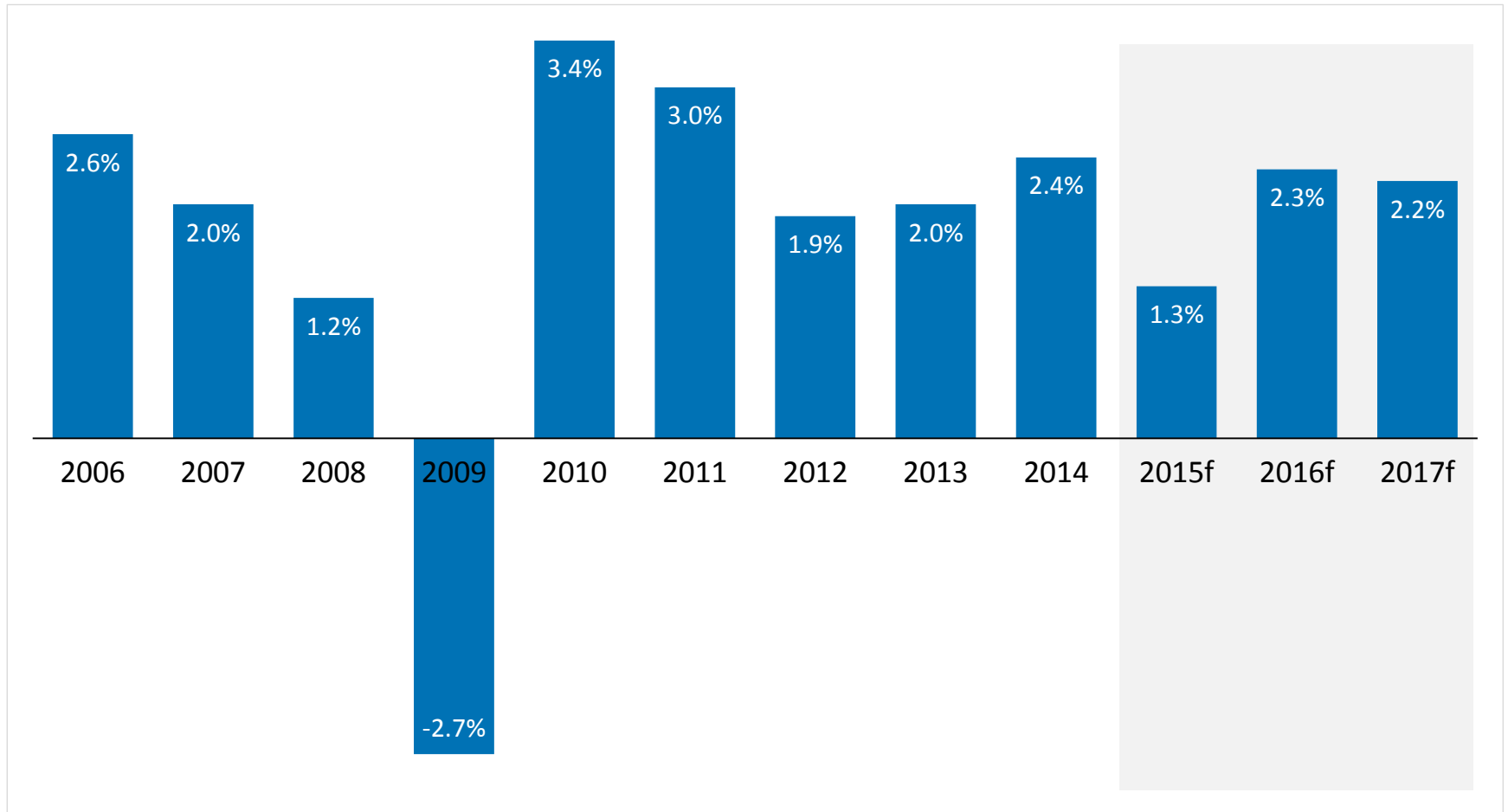
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Economic Outlook and the Outbound Travel Market





Canada's Real GDP Growth



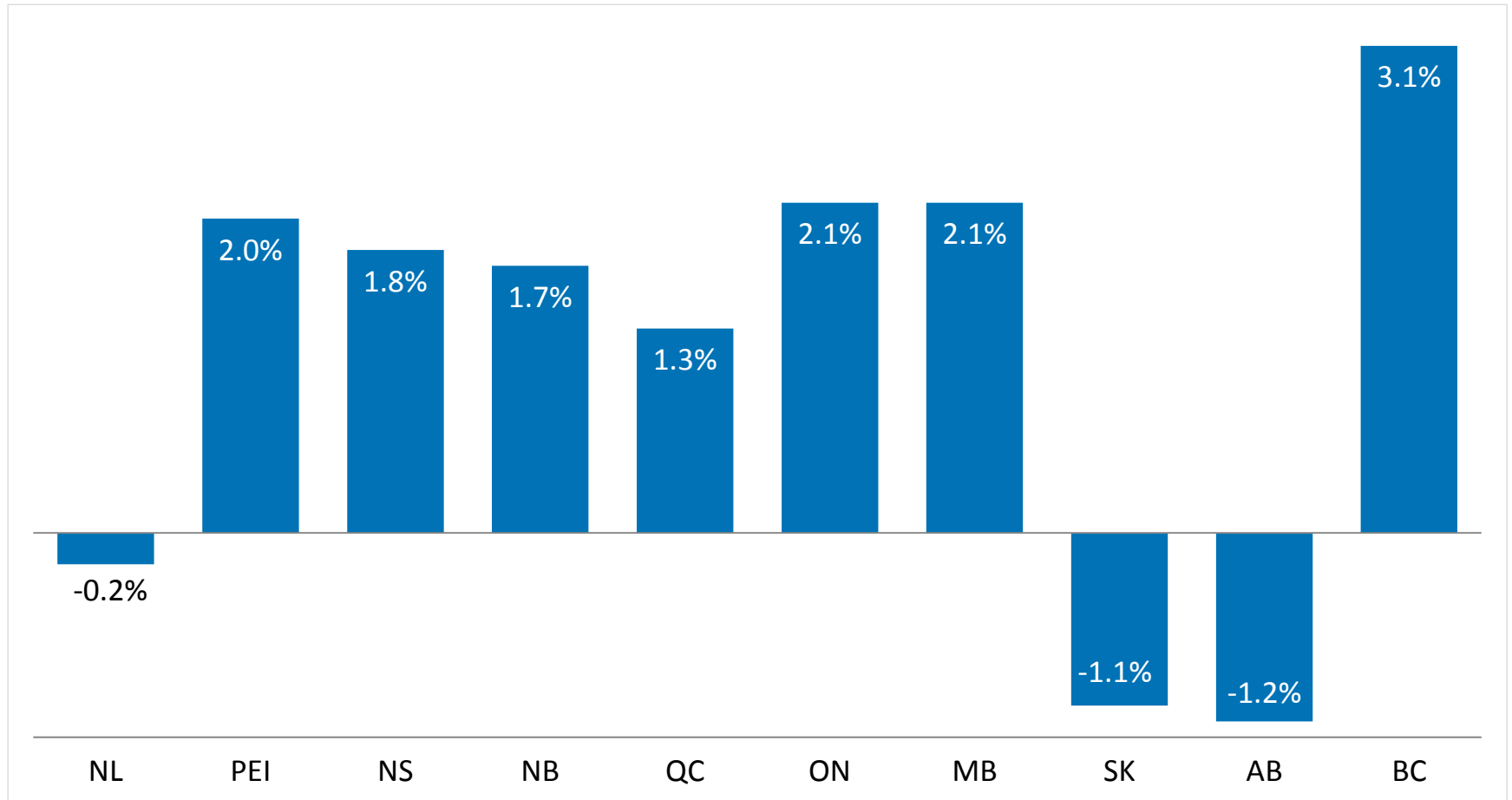
Source: The Conference Board of Canada



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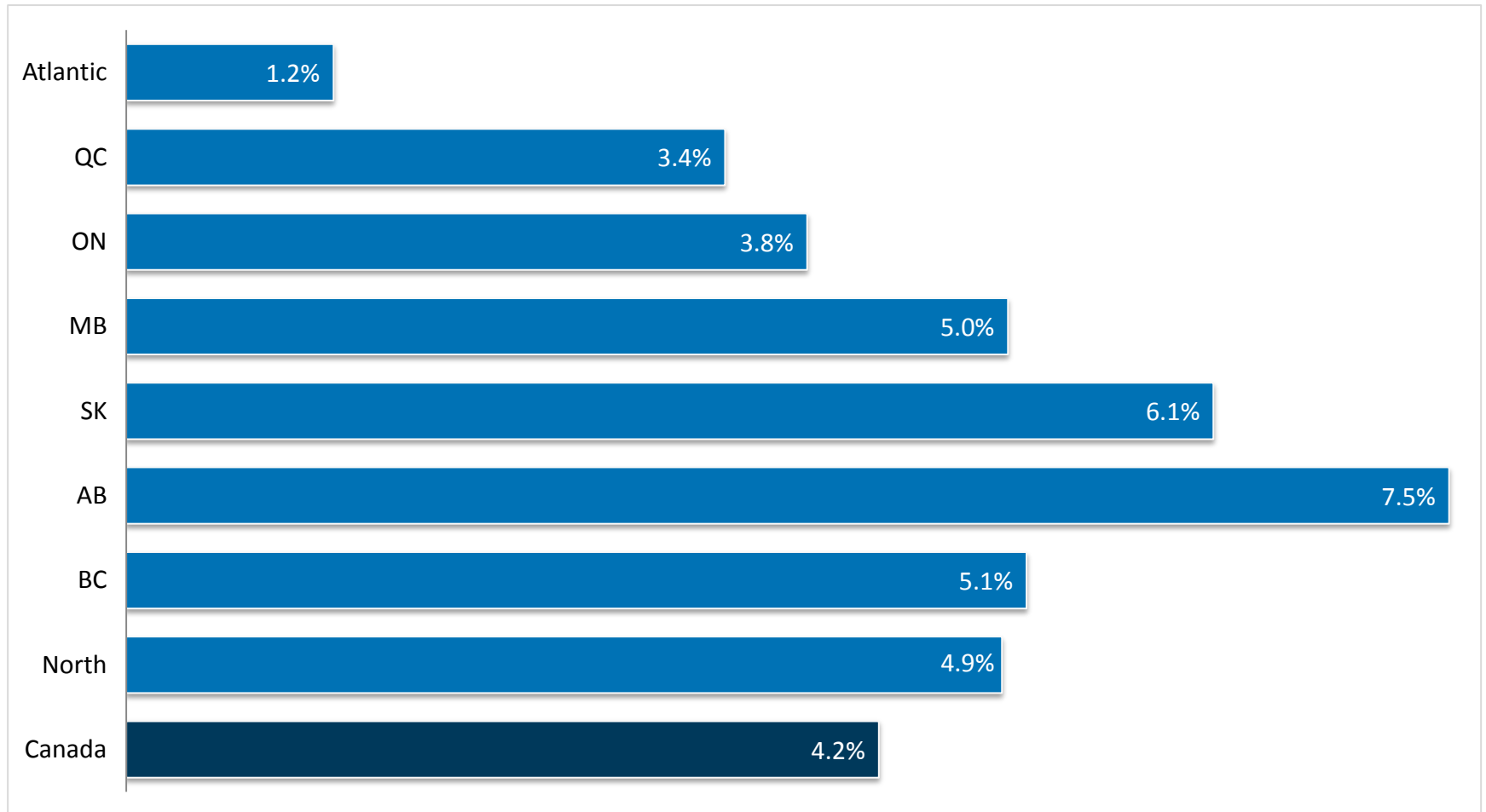
Provincial Real GDP Growth, 2015



Source: The Conference Board of Canada.



Canadian Population Growth, 2015-2019



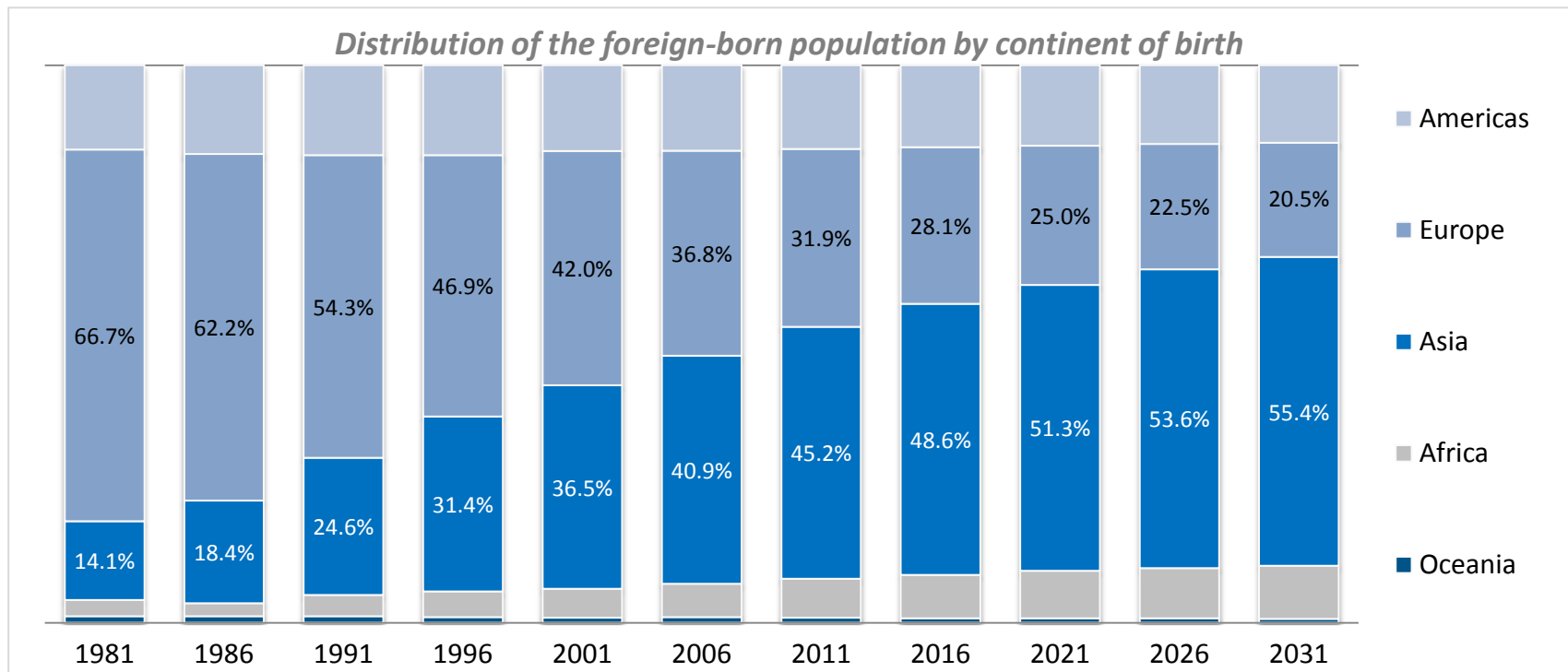
Source: The Conference Board of Canada.



Diversity of Canada's Population

	2006	2031	% change (absolute)
Population (000s)	32,522	42,078	29.4%
Visible minority (000s)	5,285	12,855	143.2%
Rest of the population (000s)	27,237	29,222	7.3%

Source: Statistics Canada, Catalogue number 91-551-X



Source: Statistics Canada, Projections of the Diversity of the Canadian Population, 2006 to 2031



Canada's Population is Aging

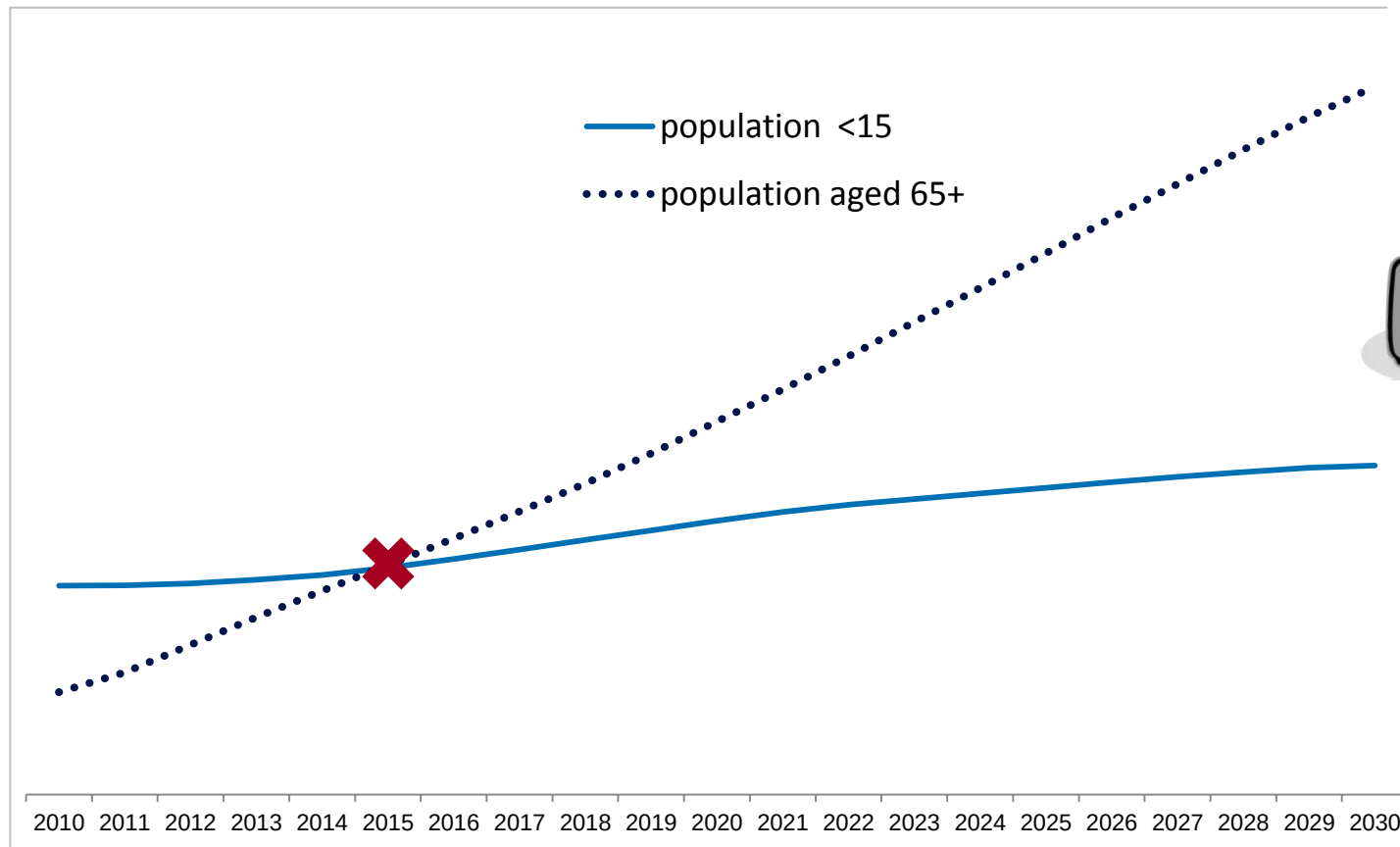
- The share of Canada's population aged 55+ is increasing dramatically.
- Between 2015 and 2019, the proportion of Canadians aged 55-64 will increase 8%, while the share of people aged 65 and older will increase 15%.
- In Ontario, the proportion of residents aged 55-64 will increase 11%
- The proportion of people aged 65+ will increase significantly in both ON (+15%) and QC (14%)

% change in population (2019 vs 2015)			
	Canada	ON	QC
under 15	5.0%	2.6%	6.4%
15-24	-4.5%	-4.4%	-8.0%
25-34	4.2%	5.9%	3.1%
35-44	5.8%	3.0%	7.1%
45-54	-6.2%	-6.7%	-8.3%
55-64	8.4%	10.9%	5.5%
65+	15.0%	14.8%	13.6%

Source: October 2015, CBoC forecast.



More Seniors than Children - First Time in History!



Source: Statistics Canada, CBoC



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Exchange Rates & Household Spending

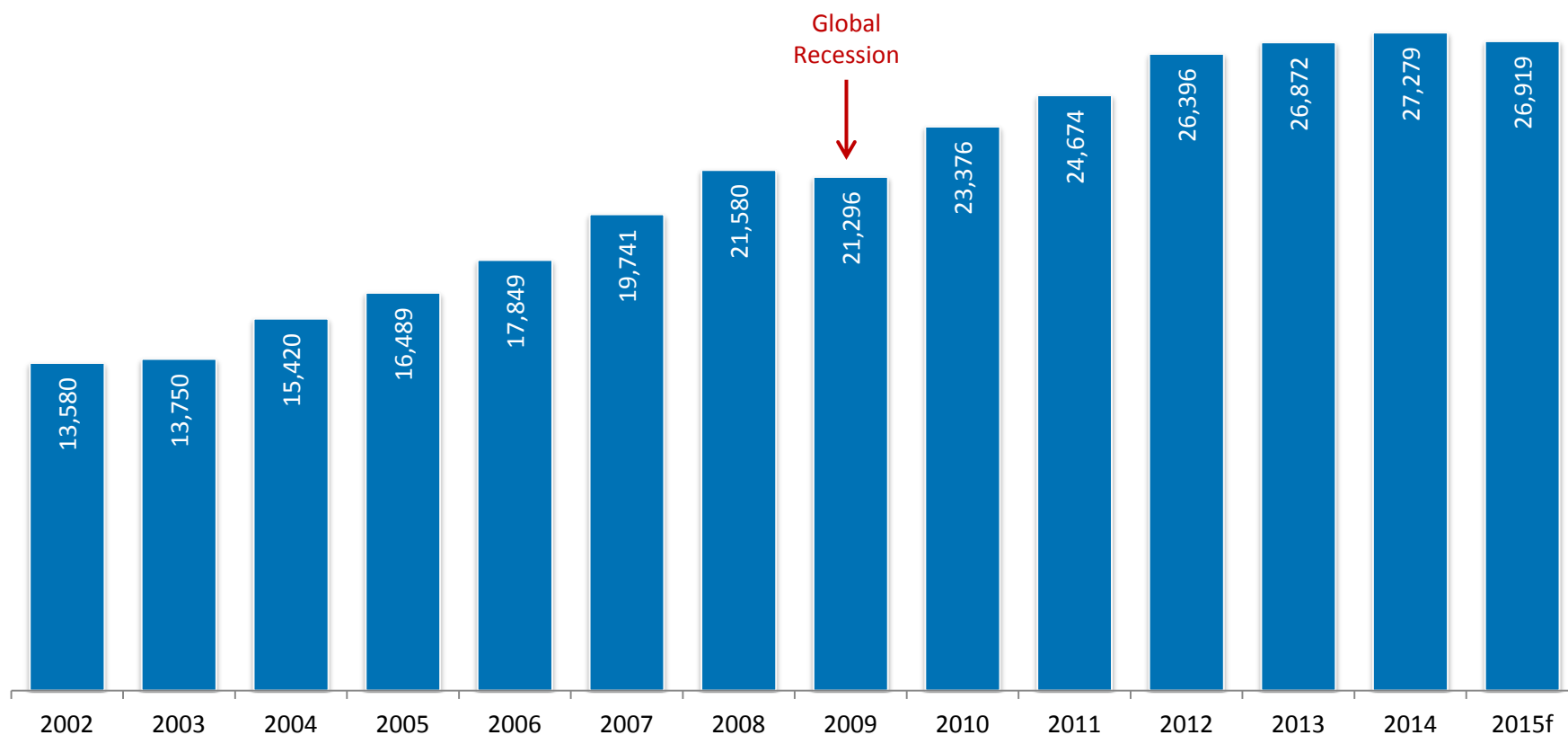
- Household consumption is expected to remain stable
- Real disposable income will average 1.9% annual growth
- Loonie lost 20% of its value from 2013-2015

Economic Indicators (2015-2017)			
	2015f	2016f	2017f
Real GDP (% change)	1.3%	2.4%	2.2%
Real Disposable Income (% change)	2.5%	1.3%	2.0%
Household Consumption (% change)	2.0%	2.2%	2.1%
CAD/USD (annual average)	\$0.78	\$0.75	\$0.79
EUR/CAD (annual average)	\$1.42	\$1.42	\$1.35
GBP/CAD (annual average)	\$1.94	\$1.96	\$1.86

Conference Board of Canada (September 2015 Outlook), Oxford Economics World Outlook.

Canada: Total Outbound Leisure Trips

('000 of outbound leisure trips, all destinations)



Source: Statistics Canada, CBoC

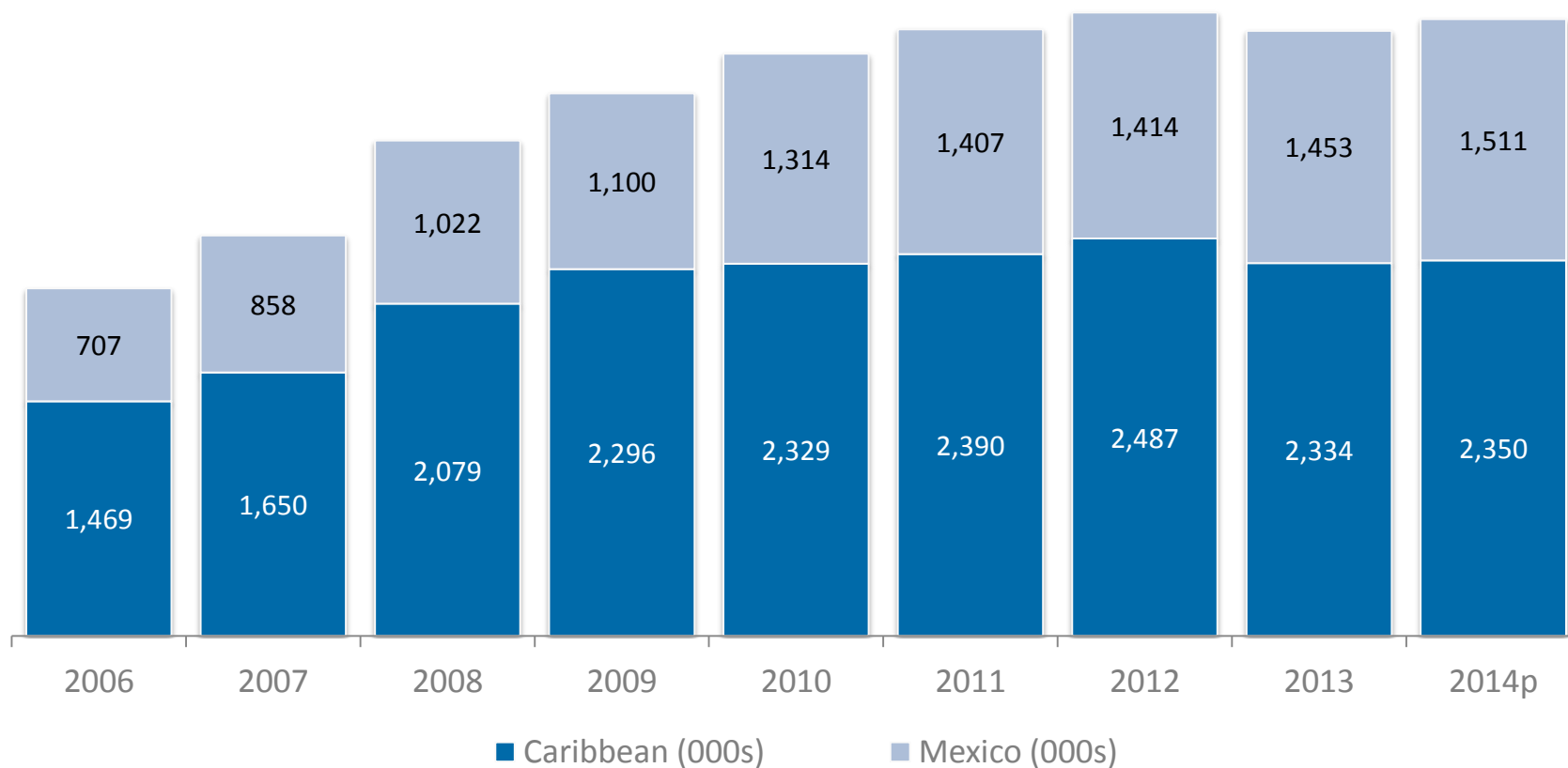


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Annual Leisure Visits to the Caribbean and Mexico

Between 2006 and 2014, leisure visits to Mexico grew 10% and leisure visits to the Caribbean grew 6%.



Source: Statistics Canada, CBoC

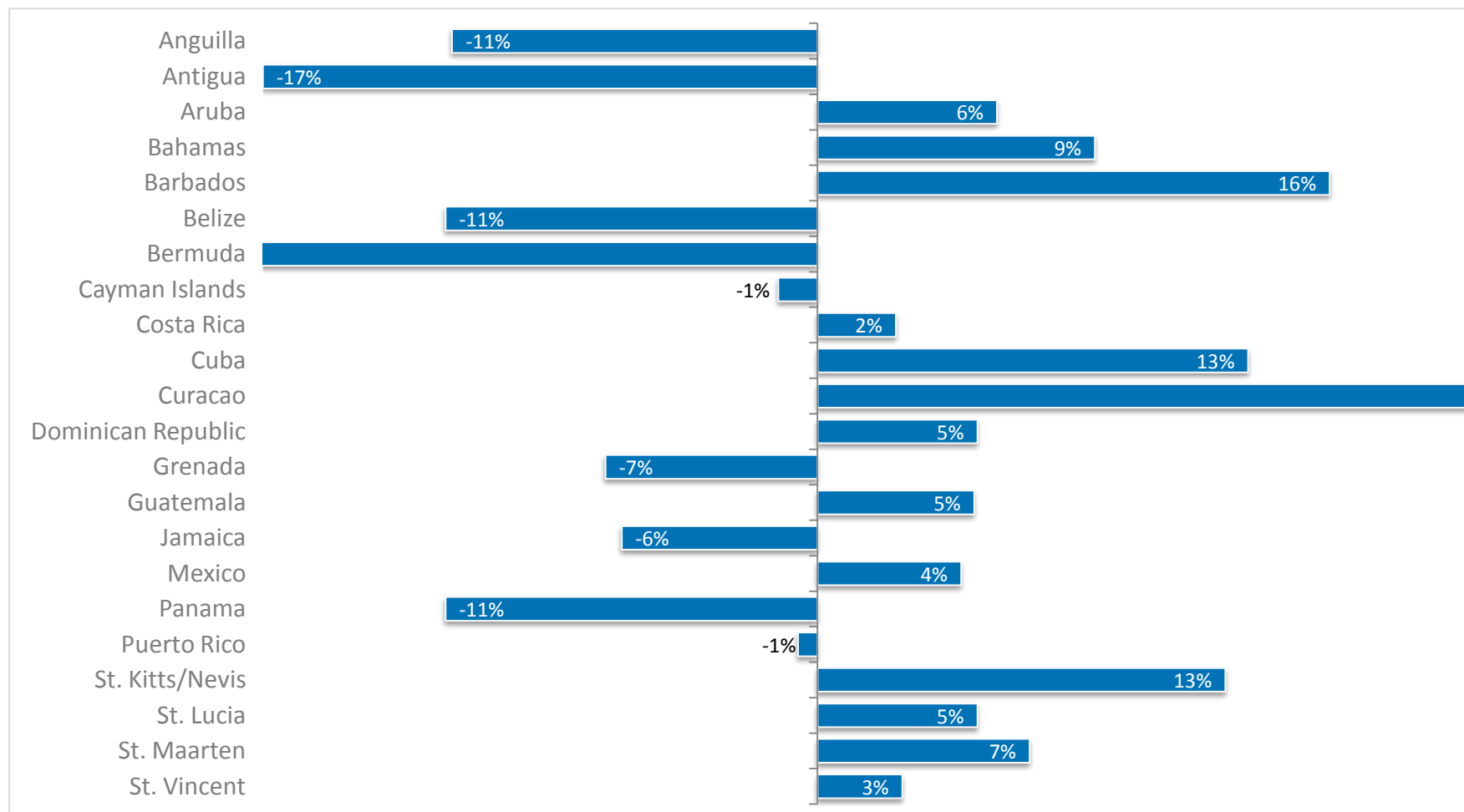


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2015 Sun Destination Performance

(% change, Jan-August 2015 versus 2014)



Source: Country tourism departments and government agencies.





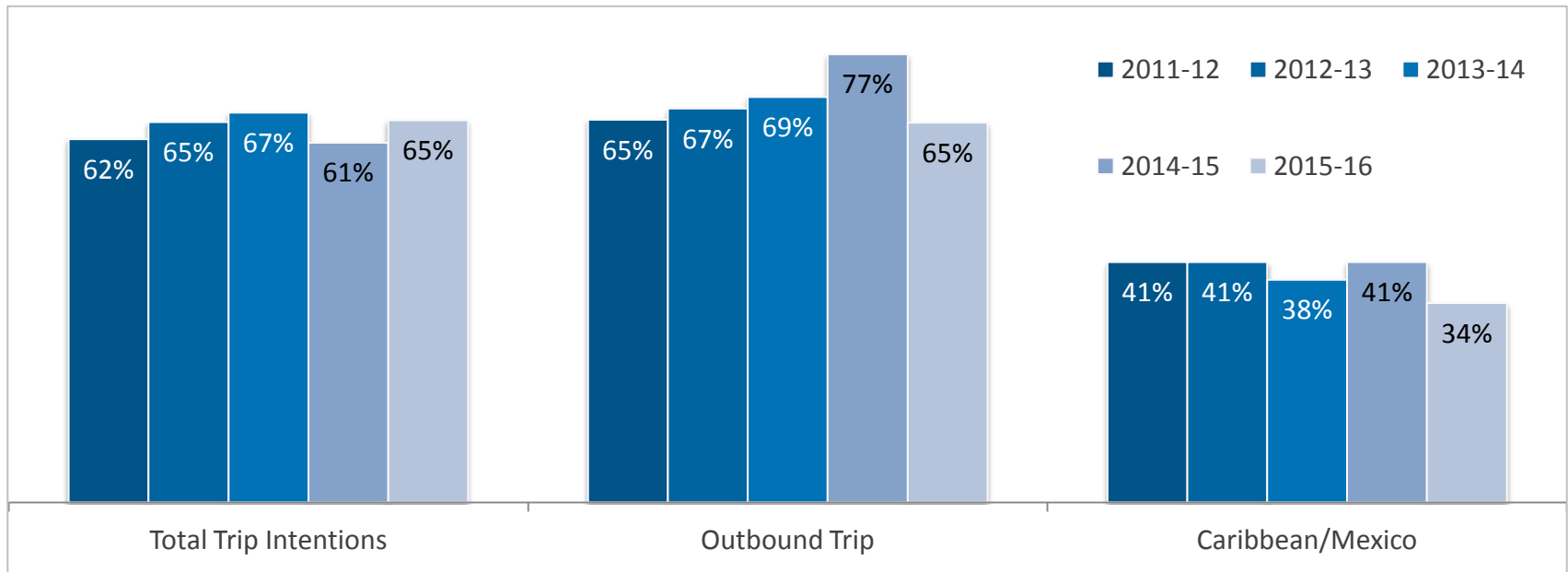
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Winter Travel Intentions



Winter Travel Intentions

- Overall, trip intentions this winter are lower than last year
- Two-thirds intend to spend their longest overnight trip outside the country
- Smaller share plan to travel to Mexico and the Caribbean



Source: CBoC Annual winter travel intentions survey

Winter Travel Intentions

- Still a lot of uncertainty; 8% of those planning an outbound trip this winter have not selected a destination, and 6% of those who have selected the Caribbean have not yet determined where they will go
- Demographics keeping intentions from dropping off more drastically; 36% of those planning a winter trip are 55+
- Lower intentions from largest MX/CARIB market (35-54 yrs) who account for close to half of travel to the region
- MX, Cuba, DR will see some growth
- High prices/low dollar will affect other destinations, but higher income travellers are less price sensitive – 35% of travellers planning a trip south have a household income of at least \$95k
- One-third of all overseas travellers who are still in the dreaming or investigative phases of their trip planning intend to travel to MX/CARIB





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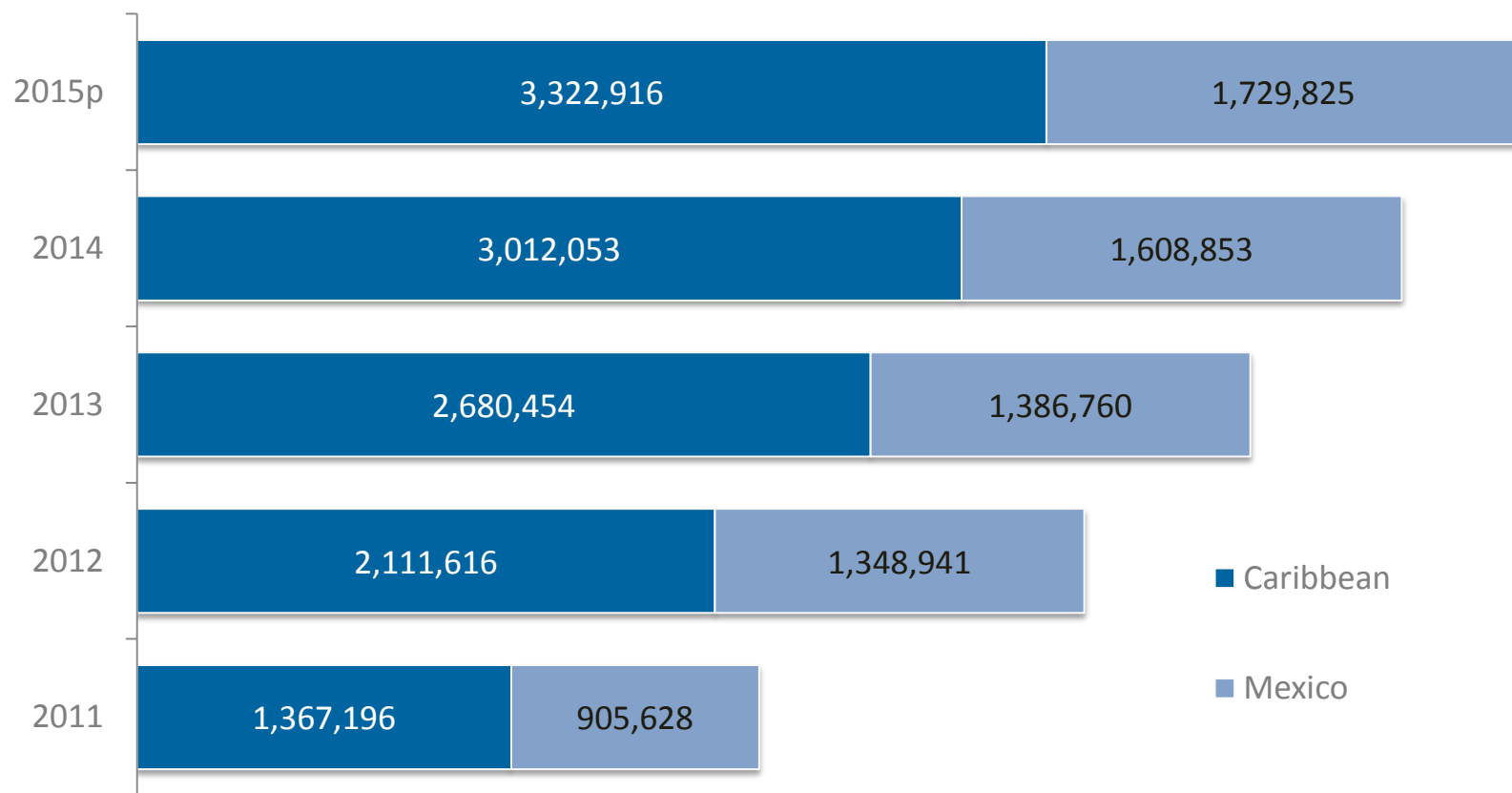
Travel Outlook: Caribbean Destinations



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Caribbean and Mexico, Direct Seat Capacity

Since 2011, direct seat capacity on scheduled carriers has grown at an average annual rate of 22%



Source: OAG

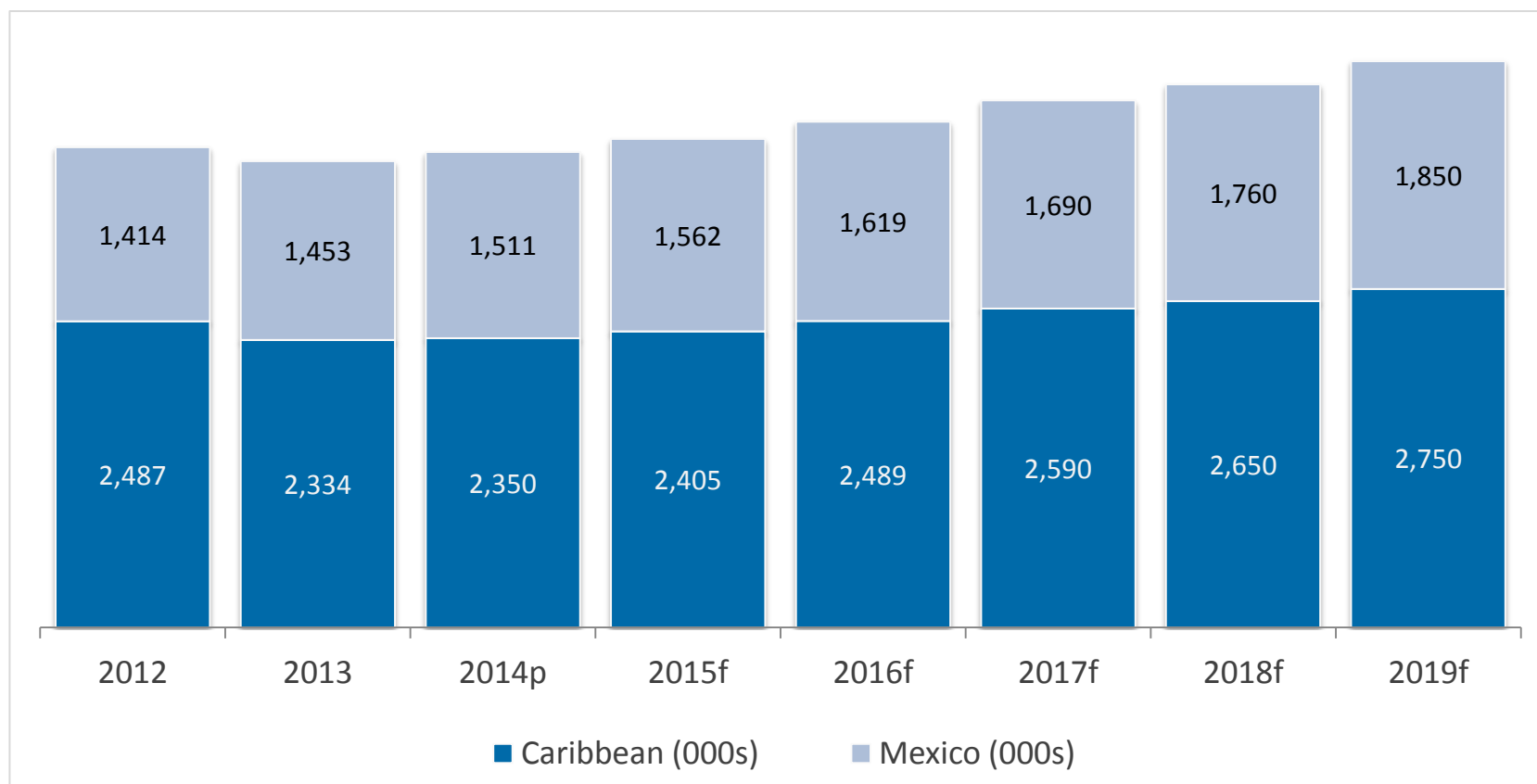


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Canadian Visits to Mexico & the Caribbean

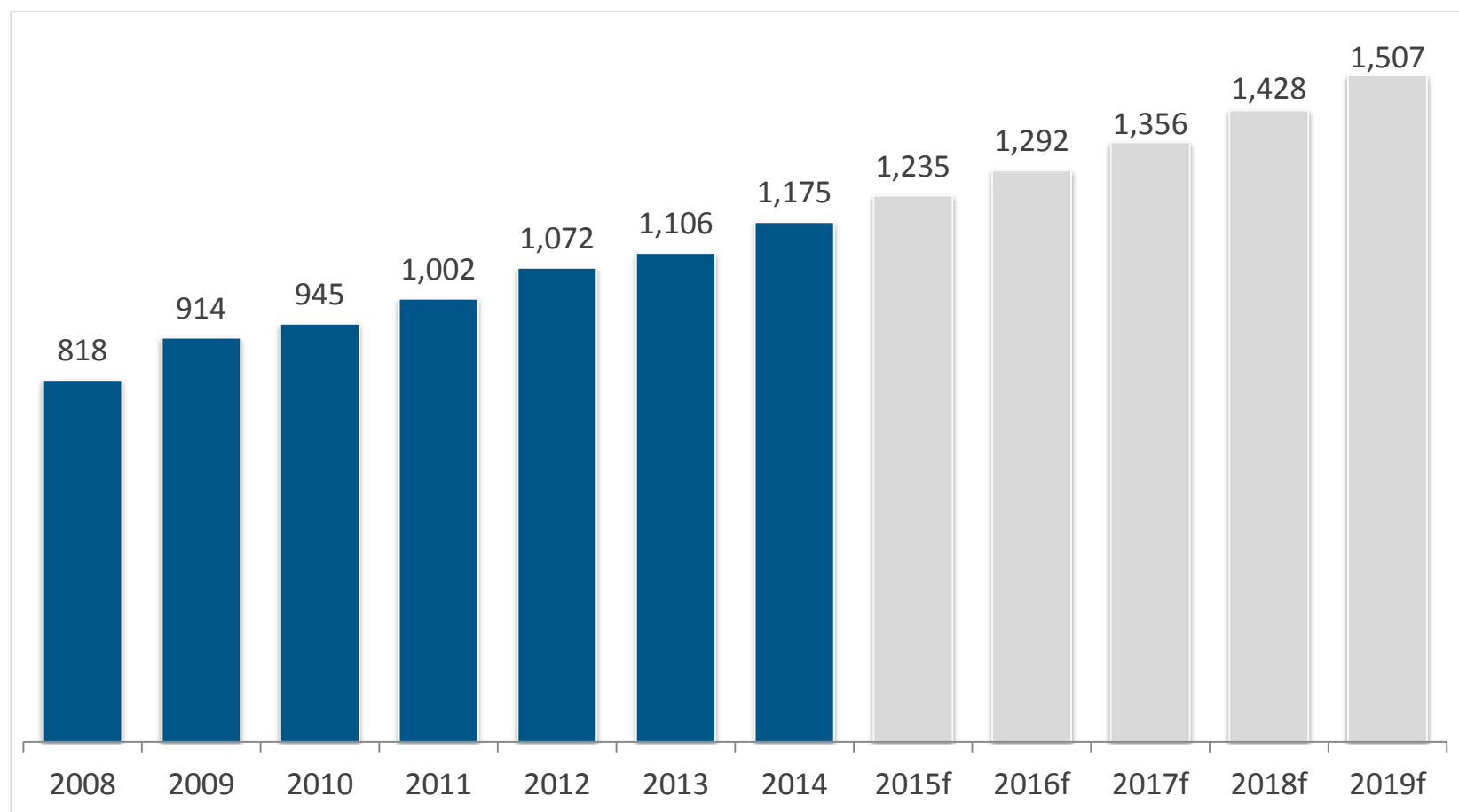
(thousands of overnight visits each year)



Source: Government of Mexico, Statistics Canada, CBoC

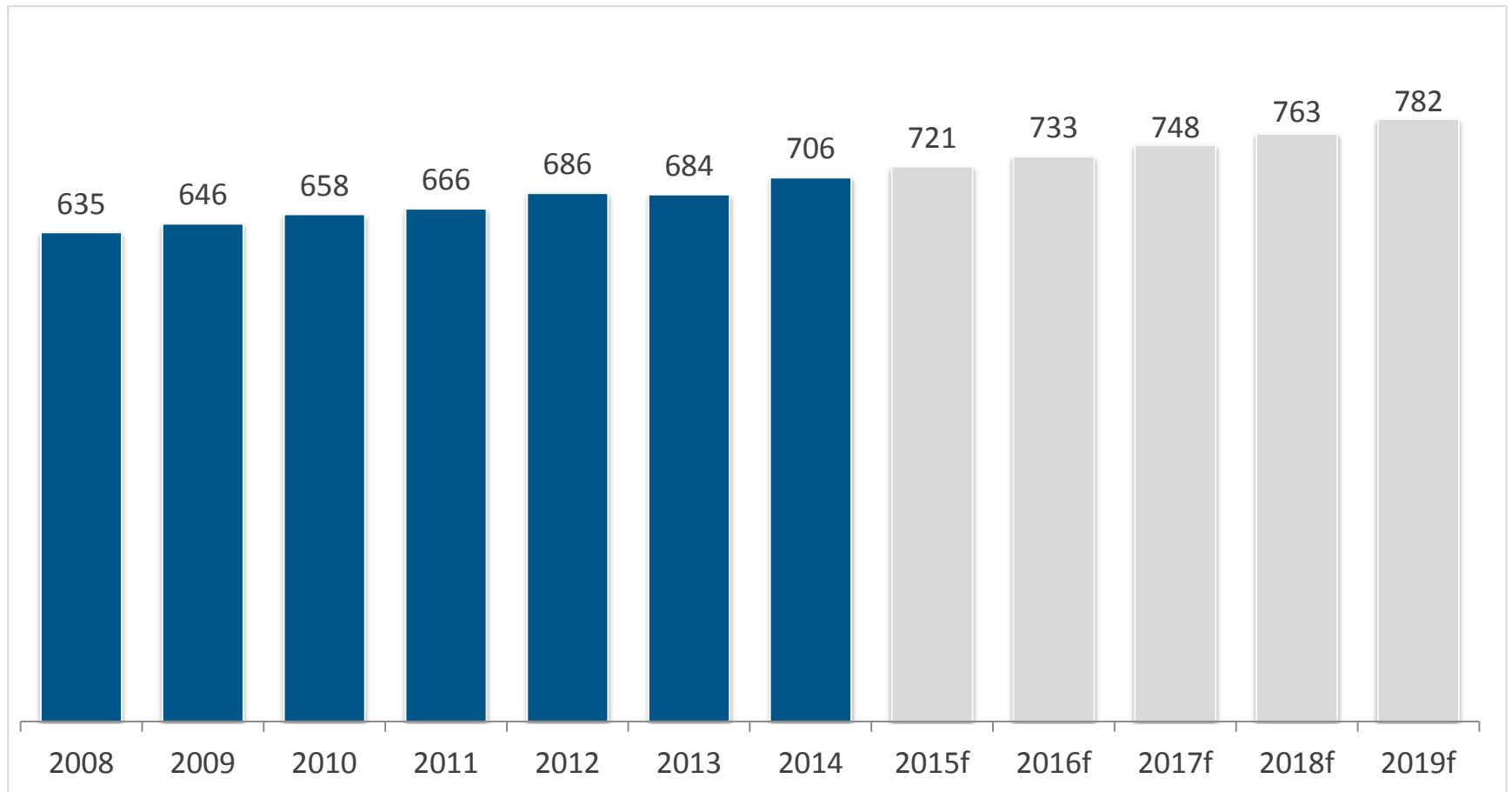


Canadian Visits to Cuba, 2008-2019 (000s)



Source: CBoC forecast

Canadian Visits to the Dominican Republic (000s)



Source: CBoC forecast



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