

CANADA

The number of foreign travellers keeps rising slowly

According to Statistics Canada data, the number of international visitors coming to Canada continued to rise this summer. On a seasonally adjusted basis, 2,555,728 foreign travellers came through Canadian customs in July, up 2.3% from June. The numbers are up 10.0% over a year.

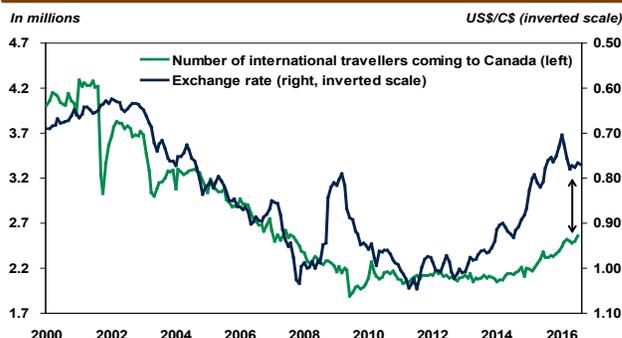
Nearly 8 out of 10 visitors come from the United States. Visitors go to Ontario first nearly 53% of the time. British Columbia ranks second, hosting about 25% of the country's international visitors, with Quebec coming in third at 12%.

After a number of tough years, the number of international visitors to Canada has been on the rise since 2014. The slow climb is due to such factors as better economic conditions in the United States, particularly the job market. The Canadian dollar's value also plays a key role in the increase in foreign visitors. However, since the end of 2012, the Canadian dollar's depreciation has not prompted as fast an increase in the number of foreign travellers as may have been hoped. The difference is probably due to a lack of U.S. consumer confidence. It does attest, however, to fairly big growth potential in terms of the number of visitors to Canada.

In contrast, the loonie's slide has, over the last several years, led to a decline in the number of Canadians travelling abroad. Although the number of Canadians travelling abroad still exceeds the number of international visitors to Canada, the deficit is starting to decline.

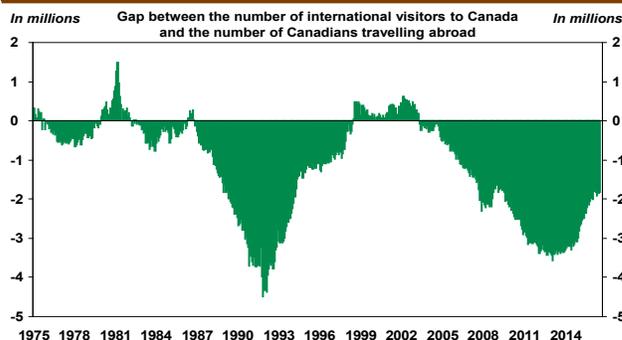
Implications: Although the adjustment to the drop in the Canadian dollar is slower than hoped for, the gradual decline in the Canadian international travel deficit is good news for economic growth. Given the very strong growth potential created by the weak Canadian dollar, additional effort could be made to attract more international travellers to Canada, particularly from the United States.

The weak loonie should bring more international travellers to Canada



Sources: Statistics Canada and Desjardins, Economic Studies

Canada's international travel deficit is slowly declining



Sources: Statistics Canada and Desjardins, Economic Studies

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