

Market Updates 2023 - 2024



01 Introduction

02 The Americas

02 Canada

07 United States

11 Mexico

14 Europe

14 German Speaking Europe

18 United Kingdom

22 France

26 Benelux

29 Asia Pacific

29 Australia

34 Japan

38 China

42 Appendix

Dear Tourism Industry Friends,

Tourism Yukon is pleased to provide its annual Market Updates for 2023 / 24.

The past year saw significant improvements in both visitation and revenues attributable to visitors over the previous year here in the Yukon. With travel restrictions now lifted in all of Tourism Yukon's target markets, more gains are anticipated in 2023/24 with some markets approaching or surpassing 2019 levels of visitors and/or spending. This will no doubt be welcomed by Yukon tourism businesses still trying to recover revenues lost during the pandemic.

Full recovery in all markets will continue to be asymmetrical however, with Asia lagging behind North America and Europe. Tourism Yukon's strategy of maintaining multiple markets — both within North America and abroad — helps to insulate Yukon businesses from fluctuations that can occur in one market or region.

We hope you find the enclosed information helpful as you plan your own strategies and develop new products and experiences in 2024. As always, the Tourism Yukon team is standing by to offer any assistance or clarification on the information enclosed here.

Wishing you a successful season ahead.

Robin Anderson

Global Marketing Manager

Canada



Domestic tourism spending is forecast to regain pre-pandemic levels in 2023 (Destination Canada)

60% of Canadians are concerned about inflation impacting their travel plans in the next 12 months

Canadians are increasingly prioritising travel options that align with their personal values, such as sustainability, benefiting locals and the environment

0.9%

GDP Forecast 2023

6.3%

Inflation Dec 2022

5.0%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

Economic growth is predicted to slow even further in 2023 to a below-average pace through 2024 with a possible moderate recession expected in the first half of this year. Inflation has slowed from its multi-decade highs and is expected to continue to decrease throughout 2023. High inflation and increasing interest rates will have a negative impact on spending and hiring in 2023 and through 2024. Unemployment is projected to peak at 6.5%.

General Travel Sentiment and **OUTBOUND TRAVEL**

Domestic travel saw looser restrictions during the pandemic. Consequently, it is now rebounding from a larger base and robust spending on travel is setting the stage for a brisk recovery. While there may be challenges from a weak economy, domestic travel is still anticipated to grow even through a mild to moderate recession.

According to Destination Canada, there are approximately 6.73 million Canadian High Value Travellers (HVTs), with the majority (5.29 million) in Ontario, British Columbia and Alberta. In terms of the number of travellers seriously considering travel to the Yukon, the top three provinces are British Columbia (13.6%), Alberta (8.3%) and Ontario (6.0%).

Canadians typically spend four times more per international trip compared to domestic trips, despite cost being a significant obstacle for domestic travel. Shifting attitudes towards the value of domestic travel will play a crucial role in boosting long-haul domestic travel growth.

A recent survey conducted by YouGov among over 26,000 consumers from 25 countries found that Canadians will be the second biggest travel spenders in 2023, with only Australians spending more.

However, Expedia Group's 2023 Traveler Value Index found that 60% of Canadians are concerned about inflation impacting their travel plans in the next 12 months, the highest among all countries surveyed. Despite this, 41% of Canadians are very likely to book or have already booked an international trip in the next 12 months, higher than the global average of 30%.

KAYAK's 2023 Travel Trends Forecast suggests 2023 will be the year for "revenge travel" by Canadians, with international flight searches up by 98% year-over-year, despite rising flight prices (up 21% year over year).

Domestic staycations appear to be losing popularity as searches for accommodations within Canada have only increased by 10% compared to last year. However, international trips by Canadians are on the rise with searches up 94% compared to the previous year.

Similarly, rental car searches by Canadians are also increasing, with searches for both international (78% year over year) and domestic rentals (4% year over year) on the rise.

Canadians are booking their long haul travel further in advance, as the average flight booking window has increased by 21% for domestic travel and 14% for international travel compared to the previous year. This means that Canadians are now booking domestic flights more than a month in advance (44 days) and international flights around two months ahead of time (56 to 64 days).

Travel Trade and **AIRLINE UPDATE**

The Canadian airline industry is undergoing transformation, with the arrival of new ultra low-cost carriers, expansion of smaller airlines who are making significant investments in new aircraft and routes, and changes in network focus by the two largest carriers. This dynamic environment creates both challenges and opportunities for the tourism sector.

Due to lingering debt from the pandemic, the ongoing recovery of passenger numbers and increased competition, Air Canada and Westjet face challenges in balancing cost management and competition for passengers. This has led both airlines to shift away from offering nationwide service towards a greater focus of their regional strengths with Air Canada concentrating its services in the east, while WestJet focuses on its traditional hubs in the west. Both national carriers have recently announced new summer routes however. Peak season operational challenges experienced by many airlines in late 2022 may also contribute to an erosion of confidence for some travellers.

Citing staff shortages and aircraft deployment reasons, WestJet have scaled back their 2023 route map to Europe, suspending all trans-Atlantic flights from Halifax, Toronto and Vancouver. All their European routes will now operate from Calgary airport. WestJet is continuing to service the UK (Gatwick) and has introduced a new Tokyo route.

Porter Airlines has committed nearly \$6 billion to acquiring new aircraft and recently became the first airline in North America to receive the latest Embraer jet. The airline aims to expand its network, operating flights to popular business and leisure destinations in Canada, the US, Mexico and the Caribbean from key cities including Ottawa, Montreal, Halifax, and Toronto. With a refined passenger experience, increased competitiveness, and the potential to create up to 6,000 new jobs, Porter Airlines is poised to disrupt the North American aviation industry.

Continued route expansion and frequency by Air North, Yukon's Airline provides Canadians with a compelling reason to book and continues to level to competitive market leading to affordable airfares that makes the Yukon stand out among its Northern competitors. Air VNorth, Yukon's Airline, Toronto service continues to be a game changer for the Yukon.

Yukon Specific **MARKET TRENDS**

Canadians are increasingly prioritising travel options that align with their personal values, such as sustainability, benefiting locals and the environment. As a result, there is a growing interest in experiences over traditional sightseeing. More families are travelling together and multigenerational trips are likely to continue growing this year. The trend of community-building post-pandemic persists and brands must concentrate on creating more personal and understanding connections with consumers.

Canadians mainly book their travel through online travel agencies (OTAs), with Expedia being the most favoured. Credit card loyalty programs offering travel redemption options such as AirMiles, Aeroplan, CIBC Aventure, and RBC Avion are also widely used.

Luxury travel is experiencing a resurgence as more travellers in the mid-range market are opting to splurge with some of their pandemic savings. This trend is expected to continue, with luxury travel expected to fully recover by the second quarter of 2024. While the Yukon's luxury offering is relatively small, the legendary experiences found in the Yukon are attractive to the High Value Traveller target.

In a sea of digital marketing, consumers are seeking captivating and eye-catching content from the consumer brands they are purchasing products and experiences from. Brands must use brief, impactful messaging and incorporate video to grab their audience's attention and stand out. To succeed, brands should consider short-form vertical videos that offer a genuine look into products and experiences, and resonate with consumers' personal experiences and needs.

Tourism businesses cited a significant increase in the number of travellers from Quebec in 2022. This trend is anticipated in 2023, fueled in part by the first fully integrated Yukon marketing campaign – including television advertising – in the province beginning in February, 2023.

USA



US visitor numbers and spending are rebounding faster than overseas markets

US consumers are increasingly basing their purchase decisions on environmental sustainability

90% of travellers want to experience a destination as a local. This desire is particularly strong among Millennials, who prioritise authentic experiences. (GetYourGuide Survey)

0.5%

GDP Forecast 2023

6.4%

Inflation Jan 2023

3.4%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

The US economy is expected to experience slow growth in 2023. High inflation and tighter financial conditions are causing a decrease in consumer spending, and a weakening in investment, particularly in the housing market. The most recent University of Michigan sentiment survey indicates that a majority of consumers anticipate an economic downturn or possibly a recession in the next year. The US dollar is expected to remain strong against all currencies throughout 2023.

General Travel Sentiment and **OUTBOUND TRAVEL**

The elimination of travel restrictions, proximity, and a robust US dollar are driving US travel to Canada. US visitor numbers and spending are rebounding faster than overseas markets. In 2023, US visits are forecast to hit 82% of the 2019 level and US traveller visits and spending are expected to fully recover by 2024. Business travel is slower to recover, however forward indicators on overall US corporate business travel are encouraging.

According to the latest tracking study by Longwoods International, the current high demand for travel may be at risk due to economic concerns. Half of surveyed travellers reported that their personal financial situation will influence their travel decisions in the next six months. There has also been a significant increase in the percentage of travellers, particularly Americans in lower income brackets, who say that economic concerns will greatly impact their upcoming travel plans, rising from 23% in August to 30% in January. The HVT traveller target continues to show resilience in spite of the economic slowdown.

Additionally, after a steady decrease in travellers' anxiety about gas prices from July to November, there was a sudden increase in concern about the cost of gas in January, with a seven-point jump in one month among those who say it will greatly impact their travel decisions. Over half of surveyed travellers (56%) also stated that the cost of air travel will impact their travel plans in the next six months. Demand, however, remains at near record levels with 91% planning to travel in the next six months with lower spending only expected to impact travel if economic uncertainty is prolonged.

Booking.com and Expedia surveys show that travellers are eager to spend more on travel to make up for lost time. The strong US dollar is making international travel particularly appealing. Additionally, travellers are becoming more comfortable with booking trips well in advance, with bookings for 2023 being made even earlier than in 2019, according to Virtuoso.

Travel Trade and **AIRLINE UPDATE**

Air Canada will be introducing new services in 2023, including double-daily flights between Toronto and JFK, and daily flights between Montreal and JFK (starting in March), as well as a four times weekly service between Toronto and Sacramento (beginning in June). The airline will also be restoring services on 13 routes starting May 1, including flights between Montreal and Nashville, Calgary and Los Angeles, and Vancouver and Austin. Additionally, there will be increased frequency on more than a dozen other trans-border routes in the summer. Westjet has also added new US destinations to its routes.

Despite the potential of an economic downturn, United Airlines and other US-based carriers are reporting strong financial performance and remain optimistic about travel demand. Delta Air Lines has announced that it expects to nearly double its full-year earnings in 2023.

2023 looks to be a relatively stable year for US airlines with the challenges of last spring and summer now largely resolved. Airfares are expected to stay elevated due to strong demand and limited seats.

A recent economic impact study conducted by the United States Tour Operators Association (USTOA) found that tour operator business was expected to finish 2022 at around 87% of 2019 levels. Additionally, 82% of members anticipate "optimistic" to "significant" growth of 7% to over 10% in volume of sales next year. 80% expect to see this growth in volume of passengers as well. However, while tour operators are generally optimistic, they do see risks to the recovery with rising cost of living, continued public health crises, staffing shortages and global instability.

The cruise sector predicts a resurgence to pre-pandemic passenger levels in 2023. The industry is hopeful that inflation won't significantly affect customers, as cruises offer favourable value for consumers.

Yukon Specific

MARKET TRENDS

There is a growing focus on responsible travel, with some individuals willing to pay more to support local economies. A study by YouGov Travel and Tourism Practice found that 44% of consumers try to buy from companies that are socially and environmentally conscious, including in the travel industry.

Another emerging trend is that of "hush" trips, where remote workers take several weeks off to travel to a destination without informing their employer, to enjoy part-time digital nomadism.

Data from Destination Canada suggests that 60.5 million American leisure travellers plan to visit Canada in the next two years, with many seeking an alternative to European destinations due to the ongoing conflict in Ukraine. To attract and retain these travellers, a smooth and effortless travel experience, from the initial research phase to in-destination activities, is essential for generating positive sentiment and repeat visits.

Key markets for Destination Canada are California, Texas, Florida, New York, and New Jersey. Potential US travellers are looking for safety and outdoor adventures, while health risks and cost are their main travel obstacles. The most sought-after activities include trying local cuisine and drinks, hiking or walking in nature, visiting natural attractions (e.g. waterfalls, mountains), and wildlife and marine life viewing. More than half of these visitors (55%) are interested in seeing the Northern Lights (specifically in winter), and travellers in 3 of 4 Destination Canada markets in the USA rank aurora viewing as their top activity to build a vacation around, presenting a valuable opportunity for the Yukon, particularly as we approach the next solar max (predicted to peak in 2025).

Air North, Yukon's Airline's codeshare partnership with Alaska Airlines provides an affordable alternative for Americans travelling to the Yukon, particularly those in the Western USA, to travel to the Yukon via Alaska Airlines' extensive US flight network.

Mexico



Mexico is projected to be the second-fastest market to recover for Canada after the US, despite facing economic hurdles.

It's estimated that visitor numbers will return to 100% of the 2019 levels by 2024 and spending by Mexican visitors will reach 120% of pre-pandemic levels in the same year.

1.6%

GDP Forecast 2023

7.9%

Inflation Jan 2023

2.8%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

Mexico's economy will slow in 2023 with increasing inflation impacting consumer spending. The Mexican peso has lost value compared to the Canadian dollar, leading to a 1.4% decrease in purchasing power for Mexican travellers in 2023 compared to 2019. The peso is projected to continue to decline against the Canadian dollar from 2023 to 2025. The devaluation of the currency should have little impact on the wealthy travelling population who are better insulated from these kinds of fluctuations.

General Travel Sentiment and **OUTBOUND TRAVEL**

Between January and July 2022, Mexico saw a 32.4% year-on-year increase in international tourist departures, totalling 7.7 million. Outbound travel from Mexico is projected to return to pre-pandemic levels by 2024. Travel operators have been focused on cost-saving measures and finding new ways of conducting business globally. With inflation expected to slow in 2024, Mexican households will have more disposable income. This, along with pent-up demand for travel, is likely to contribute to a potential boom in outbound travel starting in 2024.

Canada holds high appeal for Mexican travellers — they had the third highest number of eTA applications during the first 11 months of 2022, notably, ahead of the UK and France.

Mexican travellers have a favourable view of Canada and a strong alignment with Canada as a market. Mexico's proximity and numerous direct flights make it easily accessible. By 2030, it is predicted to be the fourth-largest overseas market for visits to Canada and the sixth-largest overseas market in terms of spending, although the growth rate of spending will be slower than other markets.

Compared to Canada's other key international markets, Mexico has a low number of target households with a yearly income of \$150,000. Additionally, Mexico has the lowest real GDP and the fewest High Value Guests, with a count of 227,500.

Travel Trade and **AIRLINE UPDATE**

Mexico's less restrictive Covid policies allowed its Ultra Low Cost Carriers to restart capacity growth by the end of 2020, and Aeromexico successfully emerged from Chapter 11 restructuring in late 2022. Air traffic returned to pre-pandemic levels in 2022. However, there is a possibility of overcapacity in the aviation sector due to the potential entrance of new airlines and a proposed government-owned airline.

Mexico's top three carriers, Volaris, Aeromexico, and Viva Aerobus (in that order), have all recovered and are carrying more passengers than in 2019. It's uncertain if this means a return to profitability though, as the outcome will only be known after the release of Q4 2022 results.

Mexican travellers can easily travel to Canada. In 2022, there were 572,065 seats available on direct flights between Mexico and Canada, representing 78% of the level in 2019.

Wholesale operators remain a significant distribution channel in Mexico's travel and tourism market. Mexican travellers have a preference for buying vacation packages through travel agencies, and credit card companies, although buying airfare and hotel packages online is becoming increasingly popular.

Yukon Specific MARKET TRENDS

Mexican travellers seek out destinations that offer both a chance to unwind and connect with nature, as well as cultural, shopping, and culinary experiences in cities. They prefer destinations that offer unique and memorable experiences, and are eager to be pioneers in trying new adventures. There is high demand for winter travel from November to December, with December being the most popular month for their main vacation.

Northern Lights viewing is highly popular among Mexican travellers to the Yukon (58%) and active tours such, snowshoeing, and cross-country skiing are of particular interest.

Travellers from Mexico were the first to return to travel following the pandemic and the Mexico market to the Yukon has been steadily growing over the past number of years.

Tourism Yukon will enhance its marketing investments in Mexico in 2023-24.

German Speaking Europe

Germany, Austria, Switzerland



German outbound travel is expected to return to pre-pandemic levels by 2024

There is a growing desire among German travellers for authentic experiences and active outdoor vacations, particularly camping

-0.3%

GDP Forecast 2023

7.9%

Inflation Jan 2023

8.7%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

The German economy is expected to experience a decline in 2023 before recovering in 2024. High inflation rates are impacting individuals' incomes and savings, resulting in decreased private consumption and a lack of confidence among consumers. Additionally, the ongoing energy crisis may lead to rationing of gas, causing disruptions in production, further impacting the economy.

The Swiss economy is forecast to grow by 0.6% in 2023. High inflation due to increasing power prices is expected to persist in 2023. Additionally, disruptions to energy supplies and a decrease in global demand pose significant risks to the economy. Consumer confidence is at an all-time low.

The Austrian economy is expected to see a significant slowdown to 0.1% in 2023. After a sharp rise in inflation in 2022, it is only expected to ease slightly to 6.6% in 2023. This could lead Austria to experience stagflation for the first time since the 1970s.

General Travel Sentiment and **OUTBOUND TRAVEL**

German outbound travel is expected to return to pre-pandemic levels by 2024, with 117.9 million Germans travelling abroad. Research from Skyscanner indicates that despite inflation and the energy crisis, Germans still have a strong desire to travel. Nearly half of them plan to take a vacation this year and 34% want to travel even more than in 2022. Furthermore, the majority (75%) are willing to spend the same or more on their vacation, with 30% prioritising vacation spending over other major expenses. However, for 55% of Germans surveyed by GlobalData, affordability is the main factor in destination choice.

In the first eleven months of 2022, the fourth highest number of Canadian eTA applications were from Germany. Destination Canada expects German visitor spending to reach 104% of 2019 levels in 2024, with visitor numbers returning to 104% of 2019 levels in 2025.

Germany has the highest number of High Value Travellers at 3.9 million. According to the 2022 data, there were 2.5 million target market households in Germany and this number is projected to grow by 630,000 by 2025.

Travel Trade and **AIRLINE UPDATE**

The German Aviation Association (BDL) reports that Germany is lagging behind other EU countries in terms of airline seat sales on both inbound and outbound flights. Based on forecasts for the first half of 2023, air travel to and from Germany is expected to reach only 78% of pre-Covid levels. The domestic air travel market has been the most severely impacted, with a notable shift towards road and rail travel. In contrast, long-haul flights, particularly those to North America, have seen a stronger post-pandemic recovery.

In 2022, the number of seats available on direct flights from Germany to Canada reached 1.16 million, representing 88% of the levels seen in 2019. There were 254,132 seats available on direct flights between Switzerland and Canada in 2022, which was a recovery of 80.1% of the levels seen in 2019.

Air Canada reports its summer 2023 bookings from Germany to Canada are approaching 2019 levels. They have announced plans to expand their services to Geneva and Frankfurt. Specifically, the airline will increase its frequency on the Montreal-Geneva route from six flights per week to daily flights, and on the Montreal-Frankfurt route, it will increase from twice daily to 19 flights per week, in partnership with Lufthansa.

DER Touristik, Germany's second-largest tour operator, is currently in advanced talks for a potential acquisition of the country's third-largest operator, FTI Touristik. However, there is significant scepticism within the German travel industry regarding the feasibility and permissibility of this merger.

According to a survey conducted by GlobalData, approximately one-third of German travellers use online travel agents to book their trips, while only 15% prefer to book face-to-face with travel agents. Hootsuite reports that social media usage in Germany has seen a steady uptick, with a 4% increase since 2020. YouTube, Instagram, and TikTok are currently the most popular platforms. The impact of social media on travel planning has also grown, with about one-third of individuals utilising it for travel inspiration. Content from family and friends holds the most sway in the decision-making process, followed by that from destinations and travel operators, with bloggers and influencers coming in last.

Yukon Specific

MARKET TRENDS

According to ReiseAnalyse, there is a growing desire among German travellers for authentic experiences and active outdoor vacations. The popularity of camping, in particular, continues to rise. Given their interest in sustainability and the environment, it's not surprising that nature-based holidays are one of the most popular choices for Germans. They want to engage with nature while also being active, but without having a negative impact on the environment.

According to a survey conducted by MyPostcard and YouGov, 40% of respondents indicated that sustainability factors play a role in their trip planning. This number is even higher among 18–34 year-olds, with 47% stating that sustainability is a consideration in their travel decisions. Additionally, a majority of the respondents (57%) indicated that they are willing to pay more for sustainable travel options.

In the post-Covid era, Germans are opting to book their holidays with shorter lead times in order to ensure the safety of their travel plans. They also place a high value on flexibility in terms of booking conditions.

Condor's summer charter flight program from Frankfurt to Whitehorse continues to help the Yukon to stand out significantly from competitor destinations without direct air access. The route provides convenient access to the Yukon for travellers from all 3 countries in German-speaking Europe and significant profile for the Yukon as a travel destination. Condor passengers also travel to the Yukon via its destinations in southern Canada (Edmonton has been added in 2023) on connecting flights offered by Air North, Air Canada, and WestJet. The latter 2 carriers also drive significant travel to the Yukon through their international route and their Star Alliance / SkyTeam networks.

German travellers, who form the Yukon's largest international market, greatly appreciate the Yukon's wilderness, wildlife, extensive road system, and campground and parks.

United Kingdom



There is high demand for travel, with over a third of UK consumers planning an overseas trip

Luxury travel will be big in 2023 – in addition to wealthy travellers, millions were diligent with saving during the pandemic and are now looking for more upscale bespoke experiences

Consumers are seeking new cultural experiences, diverse languages and off-the-beaten-path destinations

0.4%

GDP Forecast 2023

10.1%

Inflation Jan 2023

3.7%

Unemployment Dec 2022

ECONOMIC & POLITICAL STATUS

Of the world's largest economies, the UK is projected to be the second-worst performing in 2023 (after Russia). The largest energy shock in 40 years is limiting growth and consumer spending will be limited by elevated living costs. The UK's poor performance is attributed to a combination of rising interest rates, government policies, and market turbulence during Liz Truss's brief time as Prime Minister. The UK has its third Prime Minister in a year with Rishi Sunack taking over the leadership in October. The pound has lost value relative to the Canadian dollar leading to less purchasing power for UK travellers to Canada.

General Travel Sentiment and **OUTBOUND TRAVEL**

A recent survey found that 68% of UK travellers are more optimistic about travel this year than last. There is high demand for travel, with over a third of UK consumers planning an overseas trip, an 8% increase from 2022, with families and older travellers (55–64) being the most likely to travel.

Due to the cost of living crisis, value for money is a priority for travellers and cost-saving strategies such as shorter trips, cheaper destinations, all-inclusive holidays, loyalty programs, off-peak travel, and discounts are being considered. While 44% still consider holidays a top priority, 62% are more focused on getting the most value for their money.

Association of British Travel Agents research shows that 29% of individuals plan to go on an all-inclusive holiday to control expenses. More individuals plan to visit a new country, with popular long-haul destinations including the US, Canada, Thailand and the Caribbean for 2023.

32% of travellers have booked a package holiday for the next year to secure the best price, while 42% plan to book closer to the trip due to increased living expenses.

Consumers are showing more caution in planning and booking holidays post-pandemic, with 36% more likely to use a travel agent. Consumers are also supporting travel shows again in large numbers as we recently experienced first hand in January and February 2023, showing that the pent up demand is real.

During the first 11 months of 2022, the UK was the leading source market for Eta applications to Canada. Despite economic difficulties, a strong affinity for Canada is expected to drive travel demand. Higher-income households are likely to sustain travel, with some making up for lost time by spending more on upgrades or longer stays compared to pre-pandemic patterns.

UK traveller spending in Canada is expected to reach 95% of pre-pandemic levels by 2024 and rise to 118% by 2025. Visitor numbers from the UK are also projected to return to 105% of 2019 levels in 2025.

The UK is home to the third largest number of high-value guests at 2.7 million, behind Germany and China. The number of target market households in the UK is expected to increase by 604,000 from 2022 to 2025, with only China seeing a greater increase.

Travel Trade and **AIRLINE UPDATE**

In December, UK airfares posted an annual increase of 44% which was the biggest jump since 1989. Air transport inflation had been falling since August, but a 19.8% month-on-month increase in December pushed the annual rate higher.

Air Canada will boost some of its UK services with an increase from 3 to 4 daily flights between Toronto and London Heathrow, and from 6 weekly to daily flights between Toronto and Edinburgh.

Of all international markets, the UK had the most seats on direct flights to Canada in 2022, reaching 77% of the levels seen in 2019.

UK tour operators report that current enquiry levels are high and many forward bookings/sales are significantly higher when measured against 2019 pre pandemic levels.

Recruitment of experienced sales staff still remains a challenge as does the training of new staff intake who are reluctant to work full time in the office and prefer hybrid working or working from home.

Yukon Specific

MARKET TRENDS

The travel website Booking.com has identified some key 2023 trends for the UK market:

- Consumers are seeking new cultural experiences, diverse languages and off-the-beaten-path destinations. They want to get out of their comfort zones;
- There's a desire for escapism and a return to simpler times. 20% of UK travellers are looking for experiences that evoke emotive memories of past times. Even Gen Z's and Millennials want to experience the pre-digital era;
- The wellness travel trend is set to continue as more people seek mindfulness getaways;
- Micro and niche trends, hobbies and personal passions are driving more tailored experiences;
- Luxury travel will be big in 2023 – in addition to wealthy travellers, millions were diligent with saving during the pandemic and are now looking for more upscale bespoke experiences;
- Off-grid style holidays will be in demand as people seek to switch off and escape reality;
- 28% of travellers will use virtual reality to inspire holiday choices for a “try before you buy” experience.

Destination Canada research shows that potential travellers to Canada are drawn to destinations offering uncrowded spaces and outdoor experiences. They are also increasingly aware of travelling responsibly and with purpose. Travellers from the UK visit the Yukon both in summer and winter making them a highly attractive target for Yukon tourism businesses.

France



French tourist numbers to Canada will recover more slowly than other European markets, but will pick up and surpass them later in the decade

Consumers are showing a growing preference for unique and non-traditional accommodations, such as glamping, log cabins, and boutique hotels.

0.6%

GDP Forecast 2023

6.0%

Inflation Jan 2023

7.2%

Unemployment Dec 2022

ECONOMIC & POLITICAL STATUS

The French economy is expected to slow in 2023 but will probably avoid a recession as growth recovers in the early months of 2023. Inflation likely reached its peak in January at its highest rate since 1984. In April, Emmanuel Macron was re-elected as president, however he no longer holds a parliamentary majority. He is moving forward with a controversial plan to raise the retirement age to 64, which has prompted significant public opposition, including major strikes. Unions have also announced plans for further strikes which could potentially disrupt the country, including travel. The Euro is expected to weaken against the Canadian dollar.

General Travel Sentiment and **OUTBOUND TRAVEL**

According to a recent survey by Camping-and-co.com, 49% of French travellers indicate a desire to take more vacations in 2023. Additionally, 38% plan to take the same number of vacations as in 2022, while only 7% intend to take fewer. The summer season remains the most popular time for travel, with 67% preferring to take vacations during the summer months, compared to 12% who prefer winter vacations. However, it's worth noting that 33% of respondents have no plans for travel in 2023.

The top activities for summer vacations in 2023 include spending time with family and friends (71%), camping or staying in a mobile home (38%), and staying in a hotel (25%).

When it comes to destination preferences, the majority of respondents (59%) plan to take domestic trips, while 38% are interested in exploring other parts of Europe, and 27% are looking to travel internationally.

French tourist numbers to Canada will recover more slowly than other European markets, but will pick up and surpass them later in the decade. French interest in Canada is strong, but economic challenges will temporarily dampen consumer sentiment. Both spending and visitation by French travellers are expected to recover and exceed 2019 levels in 2025.

France was a top source market of electronic travel authorization (eTA) applications in the first eleven months of 2022.

During the pandemic, remote working became widespread and it's a trend that continues in 2023 with 78% saying they would go on a “workation”.

The way French travellers plan their trips is evolving, with a growing number of Millennials and Gen Z using social media to find inspiration and make decisions. Specifically, many are using platforms like Facebook and Instagram to find visually striking images that help them decide on a destination, with around 40% of Millennials basing their destination choices on pictures they find on these platforms.

There is a shift towards increasing digitization through the use of apps and social media platforms, such as TikTok and Instagram, has made it vital for companies to establish a presence on these platforms to attract French travellers.

Destination Canada estimates the market size for French High Value Guests at 2.12 million. The top reasons for visiting Canada are "bucket list" and eco-friendly outdoor experiences. Half of potential travellers are interested in viewing the Northern Lights. The main travel barriers are cost, health risks, and safety concerns.

Travel Trade and **AIRLINE UPDATE**

The European Commission recently gave the green light to France's ban on short-haul domestic flights that can be completed in 2.5 hours or less by bus or train. This is part of the EU's TEN-T project, which aims to reduce the need for short-haul flights by promoting high-speed rail travel. Some activists are calling for the government to take it a step further and ban flights where a bus, train or ferry alternative is available within six hours.

In 2022, there were 1.36 million direct flight seats between France and Canada, the 2nd highest among major overseas markets. The seat number reached 92% of 2019 levels. Air France added a new year round direct flight from Paris to Vancouver in 2022 and recently announced an increase in frequency on the route for summer 2023.

As more travellers prioritise sustainable travel, tour operators are shifting their focus to eco-friendly lodging options. This trend has seen significant growth since the onset of the pandemic. To accommodate this demand, the number of "green" certifications in the travel industry has been on the rise. One of the most recognized labels in France is Agir pour un Tourisme Responsable (ATR), which endorses transparency, collaboration and consistency. This certification is intended for tour operators who are committed to responsible tourism and meet sixteen specific criteria.

Yukon Specific

MARKET TRENDS

As French travellers look to plan their vacations for 2023, customised trips are becoming increasingly popular. Tour operators are seeing an increase in requests for immersive experiences such as dining with local families, participating in small group activity tours, and staying in an apartment rather than a hotel. These types of experiences allow for a deeper connection to the destination and a more authentic travel experience.

Consumers are showing a growing preference for unique and non-traditional accommodations, such as glamping, log cabins, and boutique hotels. They are opting for smaller, more intimate settings over large, commercial hotels. They're also seeking trips that offer a variety of local experiences including outdoor adventures, guided tours, cultural activities and culinary experiences. Lesser-known, off-the-beaten-path destinations, which offer a sense of seclusion and exclusivity are also increasing in popularity.

French travellers desire relaxation and the ability to disconnect from daily life. A change of scenery and experiences that enrich their understanding of different cultures.

Benelux

Netherlands, Belgium, Luxembourg



Dutch travellers are very interested in sustainable and eco-conscious travel, seeking to protect and preserve nature, positively impact other cultures, and support local communities

Belgians are seeking more relaxed, environmentally-friendly experiences, with a particular emphasis among the younger generation on reducing their environmental impact

0.8%

GDP Forecast 2023

7.6%

Inflation Jan 2023

3.6%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

The Dutch economy is forecast to slow in 2023. Inflation has started to ease. Business and consumer confidence has hit an all-time low due to the sudden rise in living costs. The Belgian economy is also predicted to slow during the coming year due to high inflation and increasing uncertainty. Private consumption is likely to remain weak until mid-2023.

General Travel Sentiment and **OUTBOUND TRAVEL**

During the third quarter of 2022, Dutch outbound travellers spent over 8.4 billion euros, a 9% increase compared to the summer of 2019. Germany, France, and Spain remained the top three destinations, as they were in 2019.

Before Covid, 83% of the Dutch population took at least one annual vacation. They receive an 8% yearly bonus known as "vacation payout" and average workers have 25 vacation days and 10 public holidays.

Dutch savings hit record levels during Covid and they are eager to spend some of their savings on travel.

The Netherlands is a highly accessible market for Canada due to the abundance of direct flights connecting the two countries. Although the Dutch market is relatively small compared to other markets to Canada, Dutch travellers possess reasonable purchasing power and offer a high value for each trip. On the other hand, the Belgian market, though small, has affluent travellers who bring good purchasing power to Canada, although they provide less value per trip compared to other markets.

Travel Trade and **AIRLINE UPDATE**

In 2022, the number of passengers at Amsterdam's Schiphol airport saw a significant increase of 105.8% compared to 2021. Intercontinental aircraft movements also increased by 23.2%.

KLM reported ticket revenue growth last summer, reaching levels comparable to those in 2019, even though the airline operated fewer flights. Capacity was estimated at around 80% of what it was in the same period of 2019.

WestJet have cancelled their Amsterdam–Calgary service as of 24 March. KLM's service from Amsterdam to Edmonton continues to provide a significant amount of lift for Dutch travellers to Western Canada.

The pandemic was met with strong support from the Dutch government, resulting in minimal tour operator bankruptcies. However, the number of home-based travel agencies declined as they were not eligible for government support. As a result, the overall number of travel agencies fell from over 2,000 to 900 by early 2022.

Video is the preferred method of communication for destination research. TikTok added a million new users in 2022 compared to 2021 (Coosto 2022). Another marketing trend in outbound travel is the growing influence of micro-influencers, who have smaller but highly engaged and targeted follower bases.

Yukon Specific

MARKET TRENDS

Dutch travellers are very interested in sustainable and eco-conscious travel, seeking to protect and preserve nature, positively impact other cultures, and support local communities. They particularly enjoy exploring wilderness destinations like the Yukon by road, preferring motorhomes and jeeps with rooftop tents over hotel stays.

Authentic experiences are growing in popularity, such as unique accommodations and food that offer firsthand experience of local cultures and traditions. Some other notable trends among Dutch travellers are:

- Preference for more relaxed and unstructured trips with more room for spontaneity;
- Steering clear of overcrowded tourist spots and opting for more unconventional, rural, and slow-paced destinations;
- Booking trips at the last minute – in 2021, almost two-thirds of vacation plans were finalised less than a month before departure, compared to 43% in 2019.

In the past, Belgian travellers were primarily interested in summer travel, but they now embrace travel all year round and are becoming more spontaneous in their booking. Like the Dutch, they are seeking more relaxed, environmentally-friendly experiences, with a particular emphasis among the younger generation on reducing their environmental impact. Vacation homes have become increasingly popular, and Belgian travellers are also avid hikers and campers.

Australia



78% of Australians are confident in travelling internationally again

A growing trend among international travellers is booking trips to destinations they have seen on popular streaming series or movies

To attract Australian travellers, operators will need to offer competitive prices while also emphasising the safety and security measures they have in place

1.9%

GDP Forecast 2023

7.8%

Inflation Dec 2023

3.7%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

Despite a strong economic performance Australia may experience a downturn in 2023, with a potential recession on the horizon. Inflation is at a 30 year high. The Reserve Bank has just raised interest rates again – the 9th consecutive increase. The result has been a significant decline (42%) in new home sales and falling prices on existing homes. Low unemployment has led to labour shortages and significant wage growth. The recent election of a new Federal Labour government, led by Prime Minister Anthony Albanese, has brought a renewed focus on stabilising Australia–China relations and intervention in the energy market. China continues to be Australia's top trading partner.

General Travel Sentiment and **OUTBOUND TRAVEL**

The latest data from the Australian Bureau of Statistics reveals that December 2022 travel activity reached the same levels as February 2019. A total of 1.52 million departures were recorded in December, representing the largest monthly increase of the year. The most popular international destinations, as determined by accommodation demand on Expedia.com.au, are Bali, Tokyo, Singapore, London, and Fiji.

According to Google, searches for flights and travel insurance are currently experiencing a significant increase in Australia. Additionally, there has been a 90% increase in interest for cruise ships this year compared to 2022.

Newscorp's January – June 2023 Trend Forecast has identified a number of travel trends emerging in the first half of 2023:

- A significant majority of Australians (78%) are confident in travelling internationally again, with New Zealand remaining the top destination of choice. However, interest in destinations such as Europe and the US is also on the rise. Canada is currently ranked 6th in terms of countries Australians feel most confident travelling to and 10th in terms of travel intent;
- Shorter term international travel — one to two weeks — is rising quickly;
- To attract Australian travellers, operators will need to offer competitive prices while also emphasising the safety and security measures they have in place. Despite looking for good value, travellers from Australia are not willing to compromise on safety and security;
- Millennials are a key target for market share as 87% of them are now confident in international travel and are more likely to be planning a round-the-world trip;
- Over half the Australians surveyed are planning to take a vacation within the next quarter, but 52% have yet to make any reservations.

Prior to the pandemic, Australia was a leading market for cruise travel, with an annual average of 1.3 million Australians setting sail. The luxury cruise market is

projected to see a significant rebound in 2023, with a 39% increase over pre-pandemic levels. High-income travellers have been identified as a key market segment, with a growing trend of prioritising travel regardless of cost and a willingness to invest in multiple high-cost trips.

Expedia says that 2023 travel will be about disrupting routines and travellers getting away from “normal” and creating their own status quo.

A growing trend among international travellers is booking trips to destinations they have seen on popular streaming series or movies. 69% of Australians have considered visiting such places and 29% have even booked trips as a result. This trend has been on the rise, with 26% of Australians reporting that streaming services have had a greater impact on their travel plans in the past year, citing examples such as the mountains and horseback riding in Montana as seen in Yellowstone, or the luxurious settings of Sicily in *The White Lotus*.

As a result of the closure of Australia’s international border during the pandemic, Australians rediscovered domestic travel, a trend that has continued. According to Stayz, demand for holiday homes in some of Australia's top rural locations has seen an increase of over 90%, while searches for mountain destinations with scenic views of lakes and rivers have risen by 50%.

The recovery of travel from Australia to Canada is expected to be more rapid compared to other markets in the Asia-Pacific region. According to forecasts, the number of visitors from Australia is projected to reach 73% of 2019 levels in 2023, with spending expected to reach 80% of 2019 levels. The lifting of COVID-19 restrictions in September 2022 has led to a significant rebound in travel to Canada among Asia-Pacific markets, with Australia being the top source of eTA applications in the region during the first 11 months of 2022.

The Australian travel market is stable and offers high-value per traveller. Australians have strong buying power and a favourable view of Canada. Australia ranks 7th among Destination Canada's key overseas markets for the number of high-value guests. The number of target market households is expected to grow by 6% from 2.71 million to 2.87 million from 2022 to 2025.

Travel Trade and **AIRLINE UPDATE**

Air travel between Canada and Australia is gradually recovering. In 2022, there were 178,700 seats available on direct flights between the two countries, which is 67% of the seats available in 2019. As of January 2023, the scheduled air connectivity is expected to reach 91% of the levels seen in 2019.

Rising demand and lower network capacity have pushed airfares in Australia to levels 27% above 2019. Although prices have dropped and the number of discounts has increased since Christmas, prices still remain high.

Late last year, Fiji Airways introduced a new direct route from Nadi to Vancouver, operating twice a week on Mondays and Fridays. This new service allows for convenient connections from Sydney, Melbourne, Brisbane, and Adelaide, providing Australian travellers with the opportunity to experience a tropical stopover on their way to Canada.

Air Canada has announced an increase of their Vancouver–Brisbane service from four times weekly to daily.

As travel continues to evolve and become more intricate, the value and expertise of travel agents will become increasingly important. A significant portion of Australians have expressed that they will rely on the knowledge and guidance of travel agents to navigate the complexities of post-pandemic travel.

Yukon Specific

MARKET TRENDS

As people begin to travel again in increasing numbers, there is a growing trend towards purposeful travel among Australians. Instead of just looking for a vacation, many are seeking unique experiences that allow them to immerse themselves in local culture and make a meaningful impact. This can include humanitarian and sustainable travel, as well as inclusivity and cultural immersion. This trend is particularly prominent among Millennials and Gen Z.

As more and more young travellers look for ways to unwind and rejuvenate, relaxation and self-care retreats are becoming increasingly popular. This demographic is particularly interested in group travel experiences, and they're more focused on the overall experience than on getting the best value for their money. They're looking for unique, challenging, and meaningful trips that allow them to give back to local communities, with 25% actively seeking bucket list-worthy holidays.

Younger travellers are also interested in individual or small group travel experiences, which presents an excellent opportunity for the Yukon. Australian travel agents recognize that the Yukon is better positioned for FIT and small groups.

According to Destination Canada research, Australians are seeking iconic, memorable, and authentic experiences that they can touch and feel. They aim to create lifelong memories and take pride in sharing their unique experiences with friends and family.

Additionally, these travellers are increasingly opting for responsible travel options, viewing Canada as a socially and environmentally friendly destination. They are particularly interested in experiences that allow them to connect with local communities. Australian travellers visit the Yukon in both summer and winter and are the Yukon's second largest international market. Lodge stays and aurora viewing coupled with unique day tours draw Australians to the Yukon in the winter, while in summer post cruise tours, guided day trips, Klondike Goldrush experiences and cultural introductions are among the activities enjoyed by Australians.

Japan



While outbound departures are improving, it may be some time before Japanese travellers are confident to travel long haul

Sustainability is a key trend in the Japanese travel market

The depreciated Yen compared to the Canadian dollar has made Canada significantly more expensive for Japanese visitors.

1.8%

GDP Forecast 2023

4.0%

Inflation Dec 2022

2.5%

Unemployment Dec 2022

ECONOMIC & POLITICAL STATUS

The Japanese economy is predicted to grow in 2023. Similar to other countries, high inflation is reducing household wealth, causing a decline in consumer demand. The labour market is expected to gradually improve. Despite the Japanese government's efforts to stabilise the economy with a new economic package, consumer spending will likely be limited due to low confidence and disposable income. This is affecting outbound travel.

General Travel Sentiment and **OUTBOUND TRAVEL**

Narita International Airport saw a 96% increase in passenger traffic year-over-year, reaching 2.15 million in December 2022 (a 42% decrease compared to 2019), marking the first time in two years and ten months that passenger numbers exceeded 2 million. The number of international flight passengers rose by 482% to 1.58 million.

JTB, Japan's largest travel company, has predicted that the number of outbound travellers from Japan will increase by 189.7% year-over-year to reach 8.4 million in 2023 (a decrease of 59.6% compared to 2019). The average travel expenditure is estimated to be 294,900 JPY (C\$3,030), the highest it has been since 2000, mainly due to a weaker yen and an increase in fuel surcharges. The total outbound expenditure is expected to rise 195.2% to 2.5 trillion JPY (C\$25.7 billion). JTB anticipates that the recovery of the outbound travel market will be slower than that of the inbound travel market. Adding downward pressure to outbound travel is an increase in foreign travellers filling available flights to and from Japan.

Tour operator HIS reported a 1375% increase in overseas travel bookings during the fall of 2022 compared to the same period in 2021. However, the number of bookings is still down 85% compared to 2019. The average expenditure per trip has also increased by 30% due to higher fuel surcharges and a greater number of bookings on long-haul flights. The most popular destination among travellers was Hawaii, accounting for around one in every three bookings.

In 2023, Canada is expected to experience sluggishness in its Asian markets, including Japan, as travellers hesitate to embark on long-haul journeys. In 2019, Japan ranked as the 6th largest source of eTA applications, but during the first eleven months of 2022, eTA applications from Japan have been very slow to recover.

Japanese visitor numbers to Canada are not predicted to return to pre-Covid levels until 2026, with spending in 2023 expected to only reach 53% of the 2019 level. Despite this, Japan is the most valuable market for Canada in terms of per traveller spending and has the highest number of repeat visitors at 51%. However, the near-term growth prospects for Canada are limited by a declining Yen and reluctance to take long-haul trips, leading to weak sentiment towards Canada as a travel destination.

Travel Trade and **AIRLINE UPDATE**

WestJet will be introducing a new 787 Dreamliner service from Calgary to Tokyo Narita this spring, marking the first route in its broader expansion plans. Flights will operate three times a week on a seasonal basis starting April 30th, 2023, and will be the only direct transpacific service to Asia from Alberta. Additionally, WestJet has strengthened its codeshare partnership with Japan Airlines (JAL), allowing the airline to place its "WS" code on JAL-operated flights between Vancouver and Narita.

Air Canada has announced an expansion of its services to Japan, with the frequency of its Toronto to Tokyo Narita route increasing from five times a week to daily, and the Montreal to Tokyo Narita route increasing from twice a week to daily. The Toronto to Tokyo Haneda service will operate daily from April 21 to October 27 and Vancouver to Kansai Osaka four times a week from June 02 to October 27. ANA's Vancouver to Tokyo service will once again operate out of Haneda airport from March 21.

In 2022, there were a total of 275,617 seats available on direct flights between Canada and Japan, which is only 49% of the number of seats offered in 2019.

According to data from OAG, Japanese airlines offered approximately 30 million seats in December 2022, which is a 27% increase compared to January 2022, but still only 82% of the seats offered in December 2019. In 2023, the number of available seats is predicted to rise by 41%, yet still 30% lower than the seats offered in 2019.

Yukon Specific

MARKET TRENDS

Sustainability is a key trend in the Japanese travel market, as evidenced by a rise in searches for related terms. According to Google, there was a 33% increase in sustainability-related search words year on year and an 89% increase over 2019. Additionally, searches for "carbon neutral" specifically saw a dramatic increase of 1950%.

An emerging unusual trend is "random trips," in which destinations are chosen through a lottery or other random method, such as a dice roll on an app. To encourage post-Covid travel, rail companies and airlines offer discounted tickets to these randomly selected destinations.

Destination Canada research shows that Japanese travellers are attracted to Canada for its culinary experiences, local community experiences, travel activities and interesting trip itineraries. Activities that appeal to potential travellers include hiking and walking in nature, sampling local cuisines, and engaging in nature-based activities. Long-haul travellers are looking for destinations that inspire them. Aurora viewing both in late summer (coupled with fall colours) and in the traditional winter season, continues to be the major draw for Japanese travellers considering the Yukon. The upcoming solar maximum (set to peak in 2025) will no doubt be a strong draw for the Yukon. However, the market is evolving and is showing signs of being interested in other products and trip styles / lengths that a few years ago would not have been considered.

China



The lifting of COVID-19 travel restrictions in December is a major development that will boost the recovery of the tourism industry globally and in Asia and the Pacific in particular

Chinese travellers are seeking trips that offer a mix of cultural, culinary, and outdoor experiences, along with opportunities to relax

4.5%

GDP Forecast 2023

2.1%

Inflation Jan 2023

5.5%

Unemployment Jan 2023

ECONOMIC & POLITICAL STATUS

China's economy experienced a significant slowdown in Q4 2022 and one of its weakest annual performances in recent history. While private consumption may drive a slight improvement in 2023, challenges such as lack of external demand and issues in the real estate sector may impede recovery. Additionally, increased consumer spending may lead to inflationary pressures. In early December, China abandoned its "zero-COVID" approach, leading to a surge in infections throughout the country. This sudden change in policy has raised concerns among international policymakers, businesses, and health experts.

General Travel Sentiment and **OUTBOUND TRAVEL**

The lifting of COVID-19 travel restrictions in China, the world's largest outbound travel market in 2019, is a major development that will boost the recovery of the tourism industry globally and in Asia and the Pacific in particular. In the near term, Asian destinations are poised to reap the most benefits of the resumption of travel from China. As of early January, Chinese travellers will not be required to quarantine upon return, but will be asked to provide a negative PCR test.

According to ForwardKeys, there has been a significant increase in flight bookings following China's decision to abandon its zero-Covid policy. Removing the requirement for a negative PCR test for air travel between provinces led to a 56% increase in domestic flight bookings the following week, and a continued 69% increase the week after. Once all domestic travel restrictions were lifted, bookings reached 50% of pre-pandemic levels in the final week of 2022.

Despite the recent easing of restrictions, the recovery of international travel is not expected to occur immediately. International travel is not likely to rebound until the second quarter of 2023 due to several factors:

- scheduled international capacity remains at only 10% of pre-pandemic levels, making it difficult for airlines to quickly add more capacity;
- Average fares remain elevated, with prices 160% higher in December than in 2019;
- Many destinations, including Canada now require a pre-flight COVID-19 test for Chinese visitors;
- There may be delays in processing passport renewals and visa applications, further hindering the recovery of international travel;
- A ban on overseas group tours remains in place.

Despite the challenges mentioned above, it is expected that China will regain its position as a significant international market in the coming year, however a full resumption of long-haul travel may take years. Short-haul regional travel will experience rapid growth in the latter half of 2023.

The Chinese Ministry of Transport estimated that 2.1 billion passenger trips occurred during the Chinese New Year holiday period (January 7th – February 15th) as Chinese travellers visited their families and friends for the first time since the onset of the pandemic.

Destination Canada projects that Chinese traveller spending will bounce back in 2025, and the number of visits will return to the levels seen in 2019, either in 2025 or 2026. By 2030, China will become Canada's largest market for overseas tourism spending and the second-largest market for visitors.

Of Canada's key overseas markets, China has the second largest number of target households with incomes of \$150,000 USD and the second highest number of High Value Guests, totaling 3.3 million.

China leads the way in terms of growth potential. The total number of medium and long-haul trips taken from China is expected to grow at an annual rate of 86.7% from 2023 to 2025.

Travel Trade and **AIRLINE UPDATE**

According to data from aviation provider Cirium, January saw an increase in international seat capacity to and from China of 9.5%, though flights remain significantly lower than pre-pandemic levels. The scheduled capacity for February has risen by 23% and for March by 13%. A substantial increase in capacity is projected for April, following the start of the summer airline schedule season on March 26th.

China's aviation industry regulator has stated that the air travel traffic target for this year is to reach 75% of pre-pandemic levels.

In 2022, due to restrictions, there were a limited number of seats (76,277) available on direct flights to Canada from China. However, in 2019, the number of seats on direct flights between China and Canada was 1.6 million. Additionally, between 2010 and 2019, the number of seats available on flights between China and Canada increased by 203%.

There will be no direct flight from Beijing to Canada until after March 31, 2023. Current departures are from Shanghai.

Yukon Specific

MARKET TRENDS

Chinese travellers are seeking trips that offer a mix of cultural, culinary, and outdoor experiences, along with opportunities to relax. The major draw in winter continues to be aurora viewing and day time touring and outdoor winter activities. Summer tours are more varied and can include group travel by road.

Once bookings reopen for foreign travel, health and safety are expected to remain a top concern for Chinese travellers, while they are also likely to continue relying on travel agents to help them navigate the complexities of booking.

Tourism Yukon strategy has always been focused on working with China-based key account tour operators targeting higher end FIT travellers and small groups who are more aligned with our High Values Target versus the larger Approved Destination Status groups targeted by large cities in southern Canada.

Undoubtedly the upcoming solar maximum (expected to peak in 2025) will be a strong draw for both segments.

APPENDIX

Canada

<https://economics.td.com/us-long-term-forecast>

<https://www.cbc.ca/player/play/2165309507933>

<https://www.flyporter.com/en/about-porter/media-centre/news-details?title=Porter+Airlines+Orders+a+Further+20+Embraer+E195E2s+to+Support+Major+Expansion+Plan+2022+07>

<https://www.lsnglobal.com/travel-hospitality/article/28982/stat-international-travel-to-recover-in-2023-led-by-australia>

<https://www.travelweek.ca/news/heres-how-inflation-concerns-are-impacting-canadians-travel-plans-for-2023/>

<https://travelindustrytoday.com/canadian-tourism-recovery-ahead-of-sked-domestic-tourism-leads-the-way/>

<https://www.travelpress.com/looking-for-revenge/>

<https://www.travelpress.com/the-big-picture/>

<https://www.travelweek.ca/news/virtuosos-big-data-approach-highlights-luxury-travel-trends-for-2023/>

<https://ottawa.citynews.ca/spotlight/travel-trends-to-watch-in-2023-6367264>

https://industry.travelsouthusa.com/sites/default/files/Canada_LS_22_FINALonLine.pdf

Destination Canada Market Overview January 2023

Destination Canada Global Tourism Watch

APPENDIX

USA

OECD Economic Outlook United States November 2022

<https://www.travelpress.com/dollars-and-cents-2/>

<https://www.forbes.com/advisor/credit-cards/travel-rewards/travel-trends-predictions-2023/>

<https://www.prnewswire.com/news-releases/2023-travel-trends-us-travelers-aim-to-experience-destinations-as-locals-and-crave-more-authenticity-301678422.html>

<https://www.travelpulse.com/news/airlines/united-reports-strong-fourth-quarter-as-airlines-remain-positive-on-2023-outlook.html>

<https://www.travelagewest.com/Industry-Insight/Opinion/ustoa-tour-industry-outlook-2023>

<https://www.travelweekly.com/Travel-News/Tour-Operators/USTOA-Optimism-but-caution-for-tour-operators-in-2023>

<https://www.travelweekly.com/Travel-News/Airline-News/United-Airlines-earnings-Q4-2022>

<https://www.travelweekly.com/Travel-News/Airline-News/Airfares-continued-to-fall-in-December>

<https://www.travelweekly.com/Preview-2023/Airlines>

<https://www.travelweekly.com/Preview-2023/Cruise>

Destination Canada Market Overview January 2023

Destination Canada Global Tourism Watch

APPENDIX

Mexico

OECD Economic Outlook Mexico November 2022

[https://www.datatur.sectur.gob.mx/RAT/RAT-2022-07\(EN\).pdf](https://www.datatur.sectur.gob.mx/RAT/RAT-2022-07(EN).pdf)

<https://airinsight.com/mexico-airline-industry-in-2022-a-complex-story/>

Destination Canada Market Overview January 2023

German Speaking Europe

OECD Economic Outlook Germany, Switzerland, Austria November 2022

<https://www.schengenvisa.info.com/news/germany-outbound-travel-significantly-improving/>

<https://www.finnpartners.com/uk/news-insights/german-desire-to-travel-continues/>

https://industry.travelsouthusa.com/sites/default/files/Germany_LS_22_FINALonLine.pdf

<https://www.dw.com/en/german-air-travel-slow-to-recover-from-covid-19-pandemic/a-64313174>

<https://www.fvw.de/international/travel-news/takeover-speculation-industry-scepticism-over-possible-der-ffi-deal-231687>

<https://www.tourism-review.com/travel-habits-of-germans-changed-news12631>

Destination Canada January 2023 Market Overview

APPENDIX

United Kingdom

OECD Economic Outlook UK November 2022

<https://www.theguardian.com/business/2022/nov/22/uk-growth-oecd-energy-crisis>

<https://www.morganstanley.com/ideas/global-macro-economy-outlook-2023>

<https://www.ttgmedia.com/news/more-than-a-third-of-uk-consumers-planning-to-holiday-abroad-in-2023-38040>

<https://www.stylist.co.uk/travel/booking-com-travel-trends-2023/725042>

<https://www.countryandtownhouse.com/travel/travel-trends/>

<https://www.abta.com/industry-zone/reports-and-publications/travel-in-2023>

<https://travelweekly.co.uk/news/air/boom-in-experiential-travel-predicted-for-2023>

<https://travelweekly.co.uk/news/air/air-fares-soar-by-record-44-in-december>

Destination Canada 2022 Market Highlights UK

Destination Canada Market Overview January 2023

France

OECD Economic Outlook France and Belgium November 2022

<https://www.tourism-review.com/french-travel-trends-in-2023-news12877>

<https://www.travelweekly.com.au/article/french-ban-on-short-haul-flights-deemed-legal-in-huge-step-for-sustainable-travel/>

https://industry.travelsouthusa.com/sites/default/files/FranceBelguim_LS_22_FINALonLine.pdf

Destination Canada 2022 Market Highlights France

Destination Canada Market Overview January 2023

APPENDIX

Benelux

OECD Economic Outlooks Netherlands and Belgium November 2022

<https://www.schengenvisainfo.com/news/travel-expenditure-of-dutch-travellers-exceeds-pre-pandemic-levels/>

https://industry.travelsouthusa.com/sites/default/files/Netherlands_LS_22_FINALonLine.pdf

<https://www.schiphol.nl/en/schiphol-group/page/transport-and-traffic-statistics/>

<https://news.klm.com/klm-group-records-third-quarter-profits-under-tough-operating-conditions/>

Destination Canada Market Overview January 2023

Australia

OECD Economic Outlook Australia November 2022

<https://www.news.com.au/travel/travel-ideas/best-of-travel/travel-trends-2023-what-aussies-will-want-in-their-next-holiday/news-story/694ea97ad5e190a7ef5586e003fbe8c3>

<https://www.newscorpaustralia.com/news-corp-australia-releases-consumer-travel-trend-forecast-january-to-june-2023-and-announces-travel-show-escape-to-part-1/>

<https://www.newscorpaustralia.com/news-corp-australia-releases-consumer-travel-trend-forecast-january-to-june-2023-and-announces-travel-show-escape-to-part-2/>

<https://www.expedia.com.au/stories/travel-trends-2023/>

<https://www.travelweekly.com.au/article/luxury-tops-the-list-for-travellers-according-to-virtuoso/>

APPENDIX

<https://www.travelweekly.com.au/article/airfares-on-the-decline-though-still-up-to-27-more-expensive-than-2019/>

<https://www.travelweekly.com.au/article/heading-to-canada-a-new-stopover-spot-is-inviting-you-to-relax/>

<https://www.abc.net.au/news/2023-01-17/australia-top-overseas-travel-destinations-2023-international/101859174>

Destination Canada 2022 Market Highlights Australia

Destination Canada Market Overview January 2023

Japan

OECD Economic Outlook Japan November 2022

<https://travelindustrytoday.com/canadian-tourism-recovery-ahead-of-sked-domestic-tourism-leads-the-way/>

<https://www.travelvoice.jp/english/narita-airport-handled-more-than-2-million-passengers-for-the-first-time-in-the-past-two-years-and-10-months>

<https://www.travelvoice.jp/english/the-japanese-leading-travel-company-forecasts-21-million-inbound-travelers-and-8-4-million-outbound-travelers-in-2023>

<https://www.travelvoice.jp/english/more-than-70-000-japanese-travelers-departed-overseas-in-january-2022-the-most-since-the-pandemic-happened>

<https://www.travelvoice.jp/english/the-most-booked-overseas-destination-in-this-autumn-is-hawaii-with-honeymoon-demand-resumed>

<https://www.travelvoice.jp/english/google-talks-about-search-data-based-travel-trends-in-apac-revealing-searches-for-sustainability-skyrocket-in-japan>

<https://www.nippon.com/en/news/yjj2022082000128/>

APPENDIX

<https://www.travelvoice.jp/english/ana-and-jal-together-provide-10-fewer-domestic-seats-and-77-fewer-international-seats-in-2022-than-2019>

<https://www.travelvoice.jp/english/japanese-travel-consumption-was-down-58-to-9-trillion-jpy-in-2021-compared-to-pre-pandemic-2019>

Destination Canada Global Tourism Watch

Destination Canada Market Overview January 2023

China

OECD Economic Outlook China November 2022

<https://www.morganstanley.com/ideas/global-macro-economy-outlook-2023>

<https://www.travelpress.com/forwardkeys-tracks-surge-in-china-flight-bookings/>

<https://www.chinatravelnews.com/article/170611>

<https://www.chinatravelnews.com/article/170227>

<https://www.chinatravelnews.com/article/170327>

Destination Canada Market Overview January 2023

UNWTO Tourism Barometer January 2023



For more information, contact:

Robin Anderson

Global Marketing Manager

Tourism Yukon

T 867-667-3532 / E robin.anderson@yukon.ca