Market Updates 2024

Yukon

Cover Photo: Robert Postma

Jan. 5, 2024

Dear Tourism Industry Friends,

Tourism Yukon is pleased to provide its annual Market Updates for 2024.

The update was prepared by analyzing a wide variety of empirical and sourced data that is reviewed and validated by the Tourism Yukon marketing program staff members and their teams responsible for a specific market(s). In total, more than 100 data sources were used to prepare this update.

The past year once again saw significant improvement in both visitation and revenues attributable to visitors over the previous year here in the Yukon. While the total number of visitors is still lagging in some markets, many markets will likely surpass 2019 revenue levels.

Looking ahead to 2024, full recovery in all markets will continue the asymmetrical path we've seen over the past couple of years, with Asia still trending behind North America and Europe.

The war in Ukraine, a marked increase in instability in the Middle East in Q4 (2023) and lingering financial pressures fueled by high interest rates here in Canada triggering fears of a mild recession in 2024, will likely impact global outbound travel including long-haul travel destinations such as the Yukon.

Tourism Yukon's ongoing strategy of maintaining multiple markets both within North America and abroad – selected through our proprietary Market Portfolio Assessment model – helps to insulate Yukon tourism businesses from fluctuations that can occur in a specific market(s) or region(s). Losses experienced in one market can be easily offset by gains in another.

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

We wish you all a very successful season ahead.

Robin Anderson

Global Marketing Manager

Canada

The Canadian travel industry is showing strong signs of recovery, with Canadians' appetite for travel continuing to be high.

Interest in domestic travel remains strong with domestic search for Canadian travel destinations well above 2019 levels.

More Canadians are actively reducing their carbon footprint during travel.

0.9%

GDP Forecast 2024

3.1%

Inflation Nov 2023

5.8%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

Although the Canadian economy has managed to avoid a recession, it has struggled to grow during 2023 and significant improvement is not expected until late 2024. Although inflation has dropped from multi-decade highs, it is unlikely to fall to the central bank's desired level of 2% until at least late 2024. Despite high inflation and higher interest rates, consumer spending has held up well in 2023, likely due to higher savings since the pandemic and low unemployment. With the decline of pent-up demand and excess savings, high levels of household debt and rising interest rates, consumers are likely to be further squeezed over the next year. It is widely speculated that the next Federal election will be held during 2024.

General Travel Sentiment and
OUTBOUND TRAVEL

As of October 2023, the Canadian travel industry is showing strong signs of recovery from the pandemic, with Canadians' appetite for travel continuing to be high. Domestic spend is on track to reach 107% of 2019 levels by the end of 2023, reaching $82 billion. Canadians are set to spend more on tourism goods and services and engage in more trips in 2023 than they did pre-COVID. Despite the anticipated economic slowdown and the allure of international destinations, domestic spending is expected to maintain its growth trajectory, with 48% of Canadians prioritizing travel at the expense of other spending.

According to the Canadian Air Transport Security Authority's data, the passenger count on January 01, 2023 increased an enormous 82% compared to the same date in 2019, surpassing pre-pandemic levels.

Recent research by Development Counsellors International revealed that over the past 18 months most Canadian travellers have booked short-haul flights, mainly in the US. Looking forward however, 41% of Canadians are interested in booking an international trip within the next 12 months. 50% of those surveyed say they're considering travel within North America and 40% are also looking to the Caribbean. 27% of respondents are considering Western Europe. Additionally, 47% of Canadian travellers want to leave Canada for the winter.

Government of Yukon

However, due to the rise in international airfare costs, short-haul flights allow travel to remain affordable, at least for the foreseeable future.

In terms of income, those earning over $200,000 per year spend on average 31% more on their international leisure trips than those with lower incomes. Less affluent travellers are relying more heavily on loyalty programs and points to travel.

One key trend of note is that Airbnb and vacation rentals are of less interest now than they were during the pandemic. Canadians are now opting for more traditional accommodation for international travel with 37% saying they prefer a hotel or motel, with 21% preferring private home rentals or resorts.

According to a YouGov and Virtuoso survey, 75% of respondents cited "relaxation and disconnecting" as their primary motivation for leisure trips this year. Adventure is notably more significant for Canadians compared to global travellers (41% vs 25%). Other factors driving travel include sunny destinations, expedition cruises, and a willingness to spend more for extended stays. In 2023, top destinations included Mexico, Canada (Toronto, Vancouver, and Calgary), the US, Dominican Republic, and the UK. The survey also reveals a 12% increase in planned spending compared to 2019. Canadians show a preference for travel advisors when booking their long-haul vacations, and 73% typically research trips 2-8 months in advance.

Interest in domestic travel remains high with domestic search for Canadian travel destinations well above 2019 levels. The return to international travel does pose some headwinds to this momentum, so it remains important to show domestic travellers that Canadian vacations continue to be good value when compared to outbound travel.

Digital Nomadism, or “blended travel”, is a rising trend among Canadian professionals seeking increased flexibility in work and travel schedules. With the proliferation of remote work, more Canadians are opting to work from various global locations. As this trend continues, tour operators are adapting by providing packages tailored to the needs of digital nomads, including amenities like co-working spaces and reliable Wi-Fi. Hub and spoke itineraries are key to maximizing the potential of blended travel which can also see an increased uptake of mid-week experiences.

Travel Trade and AIRLINE UPDATE

Air North, Yukon’s Airline has taken delivery of its first B737-800 and it will go into service in spring 2024. The airline reports that it is returning to its fleet renewal plan which was put on hold during the pandemic. The newer, more efficient aircraft will allow the airline to continue to offer competitive airfares from its gateway cities to Whitehorse and onwards through its northern network. The airline’s expansion into Toronto opens new markets for the Yukon.

In the third quarter of 2023, Air Canada reported a profit of $1.25 billion, a significant improvement from the $508 million loss in the corresponding quarter of the previous year, with operating revenue reaching $6.34 billion, up from $5.32 billion, driven by increased passenger revenues. In summer 2024 Air Canada trans-Atlantic capacity will be back to 2019 levels.

The WestJet Group has successfully integrated its ultra-low-cost carrier Swoop into WestJet's existing 737 operations. They plan to increase seat capacity in the rear section of 737 aircraft while maintaining a premium cabin upfront, allowing for a comprehensive range of in-flight offerings, spanning ultra-low-cost to premium, across the entire fleet. The airline will offer a seasonal service from Calgary non-stop to Whitehorse in summer 2024.

In the past year, Porter Airlines has expanded significantly through an 8 billion (CAD) investment, hiring over 1,000 team members, adding 22 new E195-E2s, unveiling 26 new routes and 14 destinations, and growing its fleet to 51 aircraft, including 29 Dash 8s. After introducing its first E195-E2 on February 01 for flights from Toronto to Ottawa and Montreal, Porter continued to make headlines in 2023 with ongoing announcements, including the recent launch of E195-E2 service to five Florida destinations and additional routes.

Air Transat and Porter Airlines are planning a joint venture to enhance their market presence without the complexities of a merger. The collaboration aims to synchronize routes, schedules, and fares, allowing the airlines to effectively merge operations and expand seamlessly. This strategic alliance seeks to offer travellers more options and improved connections while positioning Porter and Transat as stronger competitors against Air Canada, the current market leader with a 41% share in the Canadian market.

In the Canadian aviation sector, new players like Flair Airlines, Canada Jetlines, and Lynx Air are challenging the longstanding dominance of Air Canada and WestJet. The expansion of airlines in an already crowded market is leading to heightened competition and reduced fares on major routes. Although international travel demand exceeds supply (with the exception of Mexico and the Caribbean), limited regional competition is causing higher fares on smaller domestic routes. Both Air Canada and WestJet have narrowed their focus to specific regions, cutting routes and flights, which contributes to the overall increase in prices. The industry-wide shortage of pilots is impacting regional networks, and the rise in jet fuel prices is further squeezing profit margins. Economic uncertainties, driven by increasing consumer debt, will play a crucial role in shaping Canadians' travel preferences and overall flight occupancy in the coming year.

Yukon Specific

MARKET TRENDS

Some notable trends among Canadian travellers include:

Sustainable Tourism – increasingly, Canadians are actively reducing their carbon footprint during travel by selecting eco-friendly accommodations, participating in sustainable activities, and patronizing local businesses. In response, tour operators are diversifying their offerings to include sustainable travel options like carbon-neutral tours and eco-friendly transportation.

Solo Travel – anticipated growth in solo travel among Canadians is driven by a desire for independence, self-discovery, and personal growth.

Canada Exploration – given lingering international travel uncertainties, outdoor activities like hiking, camping, and skiing are gaining popularity. Trending destinations include Banff, Whistler, and Jasper.

Additionally, some predicted trends include:

A growing number of Canadians are discovering the wonders within their own country, and in the coming year, domestic travel is expected to increase.

The increased awareness and promotion of the Solar Max in 2024-25 by Tourism Yukon and other partners – and the corresponding increase in tour packages that include the Yukon – will fuel increases in fall and winter season leisure travel to the Yukon.

YG/Cathie Archbould

USA

The travel industry is witnessing a post-pandemic surge, with Americans shifting their demand from domestic to international flights. Demand is expected to remain robust.

Overall, US travellers are expected to be more discerning and demanding in 2024. Their preferences will lean towards genuine, immersive, and tailor-made experiences

1.7%

GDP Forecast 2024

3.1%

Inflation Nov 2023

3.7%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

US GDP growth is anticipated to trend around 1.7% in 2024 due increased interest rates and persistent inflation, impacting consumer spending. Despite historically high interest rates expected to remain above 2%, there is concern that the Federal Reserve's stringent monetary policies could lead to recession. A recent University of Michigan survey indicates a decline in consumer confidence, with 47% attributing reduced living standards to high prices. The strength of the US dollar hinges on factors such as inflation, interest rates, and Federal Reserve actions. Legislative activity may slow or stall in 2024 due to deep Congressional divisions and escalating tensions ahead of the November presidential election.

General Travel Sentiment and

OUTBOUND TRAVEL

The latest Longwoods International tracking study reveals a notable decline in concerns among American travellers regarding COVID-19, gas prices, inflation, and airfares. Currently, traveller sentiment is at its highest point since the beginning of the pandemic.

The travel industry is witnessing a post-pandemic surge, with Americans shifting their demand from domestic to international flights. Demand is expected to remain robust.

In 2024, according to Skyscanner, 85% of U.S. travellers are gearing up to match or exceed the number of international trips taken in 2023. Despite economic challenges, 39% plan to spend more on travel next year. Notably, 40% prioritize the overall "vibe" of a destination in their travel decisions, emphasizing the importance of the experience. However, 16% are budget-conscious, focusing on the cost of a hotel when choosing where to go.

With travel demand on the rise, prices are following suit, reaching an average of $1,600 per night for hotel bookings during the festive season of 2023/24 in some destinations. Virtuoso reports booming luxury travel sales, with a 69% increase compared to 2019. Hotel and cruise segments have seen significant growth, soaring by 173% and 122%, respectively. Despite economic and global uncertainties, future sales are tracking 107% higher than the pre-pandemic peak in 2019.

US visitors to Canada YTD July 2023 was 85% of pre-pandemic levels. It is expected to fully recover in 2024. Canada is experiencing a decline in its market share within the United States, despite the fact that the U.S. is anticipated to contribute significantly to future inbound spending growth. While the U.S. is expected to play a major role in driving spending growth, Canada's share of spending from this market has decreased. This drop is attributed to increased demand for long-haul travel, prompting Americans to explore destinations farther away.

Victor Aerden

Canada faces competitive pressures from both established and emerging markets, posing challenges to its market share in the U.S. outbound market.

In 2019, U.S. travelers spent $11.1 billion, with Canada holding a 9.3% market share. However, projections indicate a 1.1% decline in Canada's market share by 2030. This decrease equates to a loss of $2.4 billion in tourism spending, surpassing the total spending from the United Kingdom.

US overnight arrivals to Canada are significantly lagging behind other destinations, with overnight land arrivals hard hit by summer forest fires. Upward momentum of US air arrivals was stalled by the fires.

Canada is a top three long-haul destination for consideration in the US and is the Yukon's top market both in terms of total revenues and visitation. 2022 Data from Destination Canada indicates a total target market in the US of 107.5 million with an immediate potential market (likely to travel within the next 2 years) of 60.5 million. Of these, there are 16 million High Value Guests, with 6 million of those located in the four key states of California, Texas, New York and Florida. These households have a median income higher than US$110K.

Travel Trade and AIRLINE UPDATE

Air North, Yukon's Airline, in addition to taking delivery of its first B737-800 also has a new interline agreement with Alaska Airlines as well as an Interline baggage agreement with Air Canada. These interline partnerships offer a more seamless experience for US travellers bound for the Yukon. The Toronto route inaugurated by Air North, Yukon's Airline in summer 2022 provides one stop access to the Yukon for much of the highly populated US Eastern seaboard. WestJet's expanded partnership with Delta provides new direct and one stop travel to Canada.

PricewaterhouseCoopers International Limited (PwC) projects that the US aviation industry will rebound to pre-pandemic levels by the end of 2023, with a 2024 growth trajectory nearly twice that of GDP. However there are short-term risks, including ongoing supply chain challenges such as staff shortages and escalating labour costs.

The financial performance of US airlines has shown notable improvement in 2023. In the second quarter, airlines reported a pre-tax operating gain of $7.7 billion, marking an increase from $4.7 billion in the corresponding quarter of 2022. This positive trend is attributed to robust passenger demand, increased fares, and reduced costs.

The surge in pent-up demand that drove elevated airfares in 2022 transitioned to a more typical seasonal demand in fall 2023, particularly evident among full-service U.S. carriers. Despite the optimism of these carriers, discount airlines Frontier and Spirit are taking a more cautious stance, pointing to a potential imbalance between capacity and demand.

Bloomberg Intelligence also points to the fact that the expected growth in airline capacity will likely impact pricing power in coming months, particularly if economic conditions remain unchanged. U.S. carriers planned a 2.5% increase in domestic seating in Q4 compared to 2019, with a potential jump to 10.3% in the first three months of 2024.

Looking ahead to 2024, concerns about sustained high fuel costs may prompt airlines to reevaluate their growth plans.

Despite a substantial increase in cruise supply for 2024 and 2025 (up 20% in 2024 from 2019 levels), demand is outstripping availability. Last-minute discounts are rare, the booking window has lengthened, cancellations are significantly lower than pre-pandemic levels, and cumulative booking pace for next year's sailings has surged by 25% to 30% compared to 2019, accompanied by a notable uptick in pricing. The extended booking window, now around 230 days, reflects a robust demand, minimal discounting, and increased consumer commitment to future cruise plans.

Alaska’s 2023 cruise season surpassed pre-pandemic levels, and the 2024 season is expected to build off that banner year. According to projections from Cruise Lines International Association Alaska (CLIA Alaska), in 2024 1.64 million passengers will sail to and within Alaska. Passengers will arrive on an estimated 55 vessels, including smaller U.S.-flagged ships, sailing approximately 696 voyages. Notable new ships to the state include Carnival Cruises’ Panorama (one voyage), Celebrity Cruises’ Edge, Silversea Cruises’ Silver Nova, Hapag-Lloyd Cruises’ Hanseatic Spirit and Peace Boat’s Pacific World (one voyage). Holland America Line is headlining its 2024 Alaska cruise season with a new 28-day Arctic Circle itinerary that includes 12 Alaska ports, complemented by longer 14-day voyages and 117 weeklong journeys across six different ships. Approximately 15,000 Holland America Line passengers travelled through the Yukon on multi-day post-cruise group tours in 2023.

Yukon Specific

MARKET TRENDS

A summer 2023 survey conducted by The Vacationer showed that 7.08% of respondents planned to take a road trip over 1,000 miles, with 39% planning to travel further than 250 miles. And while 2023 saw a good rebound in US travel to the Yukon, there is likely still some pent-up demand for road trips to Alaska that were postponed during the global COVID-19 pandemic.

Some additional trends among American travellers in Skyscanner's Travel Trends 2024 Report of relevance to the Yukon include:

Budget Foodies – many US travellers seek authentic, high-quality, yet affordable dining options. Trying local, authentic cuisine is a top activity for 27% of American travellers.

Rejuvenation Seekers – travellers are prioritizing rejuvenation, including quality sleep, with almost 50% emphasizing sleep during trips. "Sleeping in" now tops the list of activities on American vacation agendas (24%), followed by cooking classes (23%) and outdoor activities like hiking (22%). This trend underscores the demand for holistic experiences that blend relaxation and engagement.


Sheena Greenlaw

Analogue Adventurers – travellers are seeking a break from technology. 31% of 18–24 year-olds pack camcorders, digital, or 35mm cameras. Values such as immersion, mindfulness, and a connection to nature are gaining importance, driven either by nostalgia or a desire for novelty. Despite a desire for tech-free vacations (78%), nearly half still find themselves working or engaging with social media during their trips.

Celebration Vacationers – who prioritize unique destinations for special occasions like birthdays and anniversaries, constitute a significant group. About 79% of American travellers have participated in a celebration vacation with a group to forge shared memories during noteworthy events, and an additional 12% express interest in doing so in the future. In 2024, the most favoured destinations for group trips are Mexico, Canada, and Spain.

Luxe for Less Seekers – travellers are looking to embrace affordable luxury experiences where they can within their budget.

Overall, US travellers are expected to be more discerning and demanding in 2024. Their preferences will lean towards genuine, immersive, and tailor-made experiences, coupled with a focus on sustainability and reasonable pricing.

The three key factors driving destination choice in 2024 are food (45%), attractions (45%) and weather (45%). Destination Canada data shows that more than 50% of American travellers have ranked aurora viewing as their number one most desired activity in a Canadian vacation. This trend is even higher among Destination Canada's HVG target consumers.

The Yukon stands to benefit tremendously from this massive potential audience. Tourism Yukon's work to promote the Yukon as an aurora viewing destination in a 2.2 million dollar campaign targeting HVG's in the US, in partnership with Destination Canada, Tourism NWT and Travel Manitoba ahead of the 2024-25 Solar Max, will help to position Canada and the Yukon as the leading destination for Americans to enjoy this bucket list experience.

Mexico

Spending by Mexican travellers on experience-focused travel continues to outperform, indicating a growing desire for authentic experiences in destinations across the world.

Sustainable travel is of growing interest among High Value Guests (HVGs). They want to leave a positive impact when they travel.

2.5%

GDP Forecast 2024

4.3%

Inflation Nov 2023

2.7%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

Mexico was the 5th best-performing economy in the G20 in the first half of 2023. GDP growth is anticipated to increase to 2.5% in 2024. A key driver of Mexico's growth is resilient private consumption, even during a period of high inflation. The country's economic strength is also fuelled by robust employment growth, with the unemployment rate reaching 2.7%, the lowest since records began in 2005. Since 2018, the administration has significantly increased the minimum wage, leading to substantial growth in real wage income. Inflation is expected to decrease to around 4% in 2024. The peso has appreciated by 19% since mid-2022 but if this trend continues, it may impact the economy by making exports more expensive.

General Travel Sentiment and

OUTBOUND TRAVEL

There were 14.1 million outbound tourism trips from Mexico in 2022. Outbound travel is expected to surpass pre-pandemic levels by 2024, driven primarily by leisure travel, followed by visits to friends and relatives.

However, according to Destination Canada, in 2023 Mexican travellers were negatively influenced by factors such as high prices for flights, hotels, and experiences, leading to a record-high cost of travel in some destinations. There's a perception that Europe may offer more value than North America. It will be important for Canadian destinations to continue to offer good value to stay competitive.

High Value Guests (HVGs) are booking travel further in advance, up to four to six months before departure, deviating from the usual behaviour of Mexican travellers of booking a month (or less) before their departure. HVGs are increasingly conscious of sustainable travel, aiming to leave a positive impact. Mexico is expected to continue promoting both inbound and outbound travel, demonstrating strong recovery among Destination Canada's source countries. This is certainly the case in the Yukon.

Fritz Mueller

Latin American middle-class travellers, including Mexican travellers, are increasingly connecting with diverse cultures, benefitting from enhanced air connectivity and competitive pricing. In March 2023, leisure flight bookings in Mexico surged by 43% compared to March 2019. Since the pandemic there's been a noticeable global shift towards valuing experiences over material possessions. Exemplifying this, spending by Mexicans on experience-focused travel continues to outperform, indicating a growing desire for authentic experiences in destinations across the world.

TGM Research's Travel Survey Mexico 2023 revealed the following trends:

- 66% of Mexicans will likely travel overseas for leisure in the next 12 months
- 28% choose cost and affordability as the most crucial factors when planning international trips
- 65% prefer to make their travel bookings through the internet or websites
- The top 3 sources to learn about new destinations are travel websites (36%), YouTube (24%) and TripAdvisor (20%)
- 3 key factors for planning international trips are cost and affordability (28%), local culture and history experiences (35%), free time to relax (27%)
- The most common travel activities are beach and leisure (67%), cultural and gastronomic activities (43%) and shopping (39%)
- 25% are planning travel within North America in the next 12 months
- 48% of travellers opt for tours organized by travel agencies. While travel agency websites still hold relevance and serve as vital repositories of information, Facebook is also a popular choice.
- Mexicans have an overwhelming preference for family trips, particularly in the 25-34 age group with 69% choosing to travel with their family. Only 3% prefer solo travel.
- The majority of travellers prioritize deluxe accommodation or 3 to 4 star lodges

Sustainable travel is of growing interest among High Value Guests (HVGs). They want to leave a positive impact when they travel and although it is not a decisive factor in choosing a destination, it is a trend that could be leveraged by the Yukon.

Mexico has been one of the fastest recovering markets for Canada, an experience mirrored in the Yukon. 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.

Canada is a top three long-haul destination for consideration in Mexico. It is also ranked as the premier destination for how much consumers like and respect the nation brand – illustrating Canada's positive reputation.

Travel Trade and

AIRLINE UPDATE

In 2023, Mexico became the largest aviation market in Latin America, surpassing Brazil for the first time.

Mexico City International Airport (MEX) is now under the administration of Mexico's Secretariat of the Navy. This is the latest step in an ongoing militarization process in the country's aviation industry. The government deployed 1,500 naval personnel to the airport to ensure user safety and to tackle criminal activities.

The Mexican government has announced plans for a new flag carrier, reviving the Mexicana de Aviación brand, scheduled to start operations in December. This initiative, a significant investment, aims to strengthen the country's aviation industry and provide more affordable fares. However, concerns have been raised about route viability, potential market inequalities, and the impact on existing carriers.

Air Canada is continuing to offer its daily direct service from Toronto and Vancouver to Mexico City, while Aero Mexico connects both Mexico City and Guadalajara with Vancouver. New for 2023–24, Flair Airlines is now providing direct air service from Vancouver to Puerto Vallarta and Guadalajara.

YG/Cathie Archbould

Yukon Specific

MARKET TRENDS

High Value Guests (HVGs) fully engage with a destination, embrace its heritage and culture, and aspire to enhance the destination during their visit. Typically more affluent and educated than the average traveller, they possess a keen curiosity for more profound and enriching experiences.

Destination Canada research shows that 19% of potential HVGs are interested in visiting Canada's North and Northern Lights viewing is of interest to 53% of travellers from Mexico and even higher among the lucrative HVG target, making Mexico an excellent potential market for the Yukon. Given the upcoming Solar-max in 2024-25, packaging new aurora viewing and related experiences specifically for the Mexican market, ideally in Spanish language, should be a priority for Yukon tourism businesses.

More than 80% (83) of travellers in Mexico indicate that they are “Definitely, Very Likely or Somewhat Likely” to use a travel agent or tour operator to help research or book a trip to Canada meaning Yukon tourism businesses wishing to access this lucrative and growing market will need to be prepared to work within the travel trade channel in Mexico.

German-Speaking Europe

Germany, Austria, Switzerland

As the travel industry rebounds, German outbound trips are on the rise, reflecting a keen interest in resuming travel plans.

Germany has the highest number of High Value Guests for Canada at 3.9 million.

Travellers from German speaking Europe stay longer and spend more than any other country.

0.8%
GDP Forecast 2024

3.2%
Inflation Nov 2023

5.9%
Unemployment Dec 2023

ECONOMIC & POLITICAL STATUS

Germany’s GDP growth is forecast to grow to 0.8% in 2024 and 1.2% in 2025 due to an uptick in domestic demand, driven by a real wage increase and recovering foreign demand. Inflation is expected to drop to 3.1%. Unemployment will increase marginally to 6.0%.

Austria's economy is expected to show slight improvement in 2024, with forecast GDP growth of 1.6%, driven by stronger private consumption supported by wage growth. Inflation is forecast to moderate to 3.8% and the unemployment rate is projected to increase slightly to 5.0%.

Swiss GDP is projected to grow by 1.2% in 2024, indicating a slowdown from the post-pandemic surge. Challenges like tighter monetary policy, inflation, and geopolitical tensions, including winter gas supply concerns, will constrain the Swiss economy until Q2 2024. Despite apprehensions related to the Credit Suisse collapse and UBS takeover, the OECD believes concerns about the Swiss banking sector should be manageable. In recent parliamentary elections, the right-wing People's Party emerged as a major winner in Swiss politics, while the Greens and Liberal Greens experienced significant setbacks.

General Travel Sentiment and OUTBOUND TRAVEL

In 2022, Swiss residents, on average, took 2.6 overnight trips and 8 day trips, marking a 30% increase from 2021. The annual total has nearly returned to pre-pandemic levels.

As the travel industry rebounds, German outbound trips are on the rise, reflecting a keen interest in resuming travel plans. While there's no dominance of a single top travel destination for Germans, intra-regional travel is a notable trend, with the top ten destinations for Germans all situated in Europe. ReiseAnalyse estimates the total travel market for Germany in 2023 to be 65 - 75 million, with 8% travelling long-haul.

According to a study by the European Travel Commission, there was been a 4% decline in the number of Europeans intending to travel from June to November 2023 compared to the previous year. However, the overall percentage of Europeans planning trips during this period was still substantial, at 69%.

Higher prices are not deterring Germans who are returning to long-haul destinations this year, with a preference for upscale choices and privacy. Winter demand across all destinations is on par or exceeding pre-pandemic levels, with Southeast Asia experiencing a resurgence and North America, including Canadian ski resorts, showing significant growth. Despite limited immediate price reductions, customers are once again confident in making early bookings. Luxury and privacy continue to be top accommodation preferences, with Germans willing to save costs through all-inclusive packages.

In a new global study by Hilton, 48% of Germans plan to increase their travel spending in the coming year, citing relaxation as the primary motivation. Despite economic challenges, many Germans are reallocating funds to prioritize travel. German travellers also prioritize pampering, indulgence, and access to healthy food. Digital solutions are essential, with 75% preferring easy access to travel information through emails or apps, and 68% using personal devices for services like streaming. Despite the digital focus, 75% emphasize the significance of human interaction in hospitality, marking the highest percentage among countries surveyed in the report.

Research from Visit California reveals that 55% of surveyed Germans are intending to take an international leisure trip in the next year. The main obstacles to travel include cost (36%) and safety concerns (17%). Among those likely to visit North America, social media has the greatest advertising influence (48%), followed by travel websites (41%).

The environment and sustainability are a priority among German travellers. A recent survey shows that 61% of air travellers express "very concerned" attitudes about climate change, a 12% increase since 2019. The study indicates heightened "flight shame" among Germans, with 45% experiencing it in 2023, nearly double the 2019 figure. As a result, there is a reported decrease in air travel, with 40% claiming reduced air travel since the end of the pandemic, and 37% planning further reductions due to climate change.

German travellers are also asking for better information about the environmental impact of their travel from travel agents. The German travel industry is working on a project called Klima Link which will display the CO2 emissions of trips. By 2024 it is hoped that this information will be integrated into booking systems.

Government of Yukon

Canada is a top three long-haul destination for consideration in Germany. It is also ranked as the premier destination for how much consumers like and respect the nation brand - illustrating Canada's positive reputation. 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.

German travellers typically visit Canada from May to October, and they generally prefer trips lasting 14 days or more. When planning a future trip to Canada, their main areas of interest include nature parks (47%) and hiking or walking (51%). The majority of German travellers (40%) lean towards fully independent touring trips rather than opting for independent tours with guided excursions (21%) or fully escorted/group tours (14%).

Germans are particularly attracted to destinations offering abundant outdoor activities, high safety standards, and flexible booking options, all assets the Yukon can deliver on. Noteworthy trends include the sustained popularity of longer trips, a growing demand for self-drive tours and RV experiences, and an increasing emphasis on self-actualization, responsible, and mindful travel options. Additionally, 16% of potential visitors to Canada express interest in exploring the northern regions.

Germany has the highest number of High Value Guests for Canada 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. The German market remains the Yukon's top (non-US) international market with overnight travellers fueled by a strong interest in the Yukon's vast wilderness, wildlife viewing, Klondike Gold Rush history and Indigenous culture. Travellers from German-speaking Europe stay longer and spend more than any other country.

Travel Trade and

AIRLINE UPDATE

Despite considerable overall capacity increases compared to the previous summer, Europe's major airlines are still operating smaller fleets than their pre-Covid levels. In the July-to-September quarter of 2023, Lufthansa Group's scheduled seat capacity was 12% lower than in 2019, Air France/KLM decreased by about 2%, and IAG was down by 7%.

The European Parliament has declared a target for airlines to use 70% Sustainable Aviation Fuel (SAF) by 2050. However, sourcing SAF remains challenging, as reported by Lufthansa, which currently can only secure enough for 0.2% of its consumption. Surveys indicate that while approximately 40% of customers express a desire for sustainable travel options, only 3% are willing to pay for them.

Reconstruction of the Erik-Nielsen Whitehorse International Airport's airfield is scheduled to start in summer 2024, which will interrupt Condor's direct service to Whitehorse for 2024 and 2025. While these upgrades occur, the parallel runway will remain open, permitting the continuation of scheduled air service to/from Whitehorse. Air North, Yukon's Airline's interline agreement with Condor and optimized flight schedules to Edmonton and Vancouver will ensure onward connections to the Yukon for Condor passengers. Key account tour operators are reporting robust early sales under the interline agreement and revised schedule.

Air Canada has ceased the operation of its direct flight from Calgary to Frankfurt due to ongoing fleet and crew restraints and will instead focus its efforts on its Frankfurt – Vancouver codeshare route with Lufthansa. However, Condor announced it will operate an A330 aircraft on the Frankfurt – Vancouver route starting in summer 2024, in addition to Edmonton. Eurowings/Discover has also announced its plans to resume the Frankfurt – Calgary route again in 2024.

Tourism Yukon's key account tour operators in the GSE region are returning to profit. In fact, the TUI Group achieved its highest-ever turnover in the 2022/23 financial year. Positive operating developments across all segments contributed to this improvement in earnings. The hotel and cruise sectors proved to be lucrative growth areas, while the tour operator business is undergoing a transformation for enhanced profitability. Winter 2023/24 bookings exhibit robust momentum, marking an 11% increase year-on-year. Although summer 2024 bookings are in the early stages, 14% of the program is already sold, indicating a promising season with bookings 13% ahead of the previous summer and average prices 4% higher.

FTI group also saw a return to pre-pandemic revenues, reporting high booking levels for the 2023/24 winter season. Customers are also booking earlier again.

Data from the Cruise Lines International Association indicates an ongoing recovery in the industry. In 2022, demand from the German market surged, reaching nearly 1.9 million passengers.

Yukon Specific

MARKET TRENDS

Research from Tourism Australia highlights that hiking and walking appealed to nearly half of those surveyed. The German market exhibits high interest in nature-based experiences, including wildlife adventures which is why the GSE market has been so strong for the Yukon for the past 30+ years. Exploring the Yukon's 500km of highways by RV or car and backcountry wilderness adventures such as lodge stays and canoe trips remain high on the German bucket list.

While winter tourism to Canada from German-speaking Europe has historically been largely limited to ski, there is growing interest in exploring non-ski vacations in Canada, which Tourism Yukon has been actively promoting for the past several years. Destination Canada's new strategic focus on promoting the fall season in Germany will undoubtedly fuel an increase in German's travelling to non-ski destinations in Canada over time.

Fully 76% of German travellers, when asked: How likely are you to use a travel agent or tour operator to help you research or book a trip to Canada? answered "Definitely, Very Likely or Somewhat Likely" underscoring the need for Yukon tourism businesses to focus on the travel trade channel if they are interested in accessing the lucrative HVG travellers in the GSE region.

United Kingdom

Britons are willing to cut back on non-essentials like eating out, leisure activities, and clothing before reducing holiday spending.

In 2024, more consumers are choosing holidays outside the traditional summer season for better value.

Destination Canada expects the UK to remain Canada's largest source market for the next several years.

0.3%
GDP Forecast 2024

3.9%
Inflation Nov 2023

4.2%
Unemployment Oct 2023

ECONOMIC & POLITICAL STATUS

The UK economy is projected to avoid a technical recession, but growth will be weak, with a forecast rate of 0.3% in 2024 and 0.7% in 2025. This consistently low growth – fueled by Brexit, the pandemic, and the effects of the war in the Ukraine – is comparable to periods of past economic shocks, such as the oil crises of the 1970's and the 2008 financial crash. Core inflation remains persistent, with the target 2% level not expected to be reached until Q4 2025. Despite a decline in job vacancies, the slow rate of change suggests that the labour market will stay tight. However, modest growth in the unemployment rate is also expected, rising to 4.7% in 2024. British Prime Minister Rishi Sunak is expected to call a national election in 2024.

General Travel Sentiment and

OUTBOUND TRAVEL

Outbound travel demand for 2024 is expected to stay robust, supported by optimism from reduced financial pressures on consumers and the continued importance of holidays for Brits. According to Price Waterhouse Cooper's UK consumer sentiment survey, around 70% of respondents plan to maintain or increase their holiday spending next year. However, 15% express some uncertainty around their travel planning, a higher percentage than at this time last year. Those anticipating reduced spending in 2024 cite reasons such as taking fewer holidays, staying within the UK, choosing more economical accommodation, or opting for shorter vacations. Additionally, people are indicating that they are willing to cut back on non-essentials like eating out, leisure activities, and clothing before reducing holiday spending.

In the UK, 61% of travellers now factor in sustainability when planning holidays, with 26% of those aged 25-34 ranking it as their top priority, according to a study by InsureandGo. Overall, 18% prioritize sustainability, and 43% are taking small steps toward more eco-friendly travel. Among frequent travellers, 16% prioritize sustainability, while 57% consider it but wouldn't compromise their preferred holiday. Just over a quarter deem it 'extremely important' for airlines or hotels to support sustainable practices, although it's not a decisive factor for the majority. Additionally, a survey by Audley Travel shows that 57% of travellers desire more sustainable travel options.

While managing economic headwinds, the United Kingdom remains a solid market for Canada across multiple metrics, however Canada's standing in the UK faces challenges due to competitive pressures. Although the UK has historically been a reliable market for Canada, ongoing economic instability in the UK and heightened global competition means Canada will have to implement a highly focussed strategy to continue to attract British travellers in numbers.


YG/Cathie Archbould

Travel Counsellors have reported forward bookings are more than 20% higher than last year and "significantly" surpass pre-pandemic levels. According to Mintel's British Lifestyles report, the holiday market is expected to exceed pre-pandemic values, with a projected 13% year-on-year increase in spending to £63 billion in 2023. Additionally, a third (32%) of Brits prioritize holidays as their top discretionary spending choice, demonstrating a commitment to travel despite financial limitations.

In challenging economic times, travellers turn to travel brands for cost-saving solutions like booking calendars, monthly payments, and low/no deposits. The report highlights increased interest in beach resort holidays and luxury experiences abroad, driven by significant pent-up demand following the pandemic.

In 2024, more consumers are choosing holidays outside the traditional summer season for better value. Association of British Travel Agents (ABTA) research shows May and June will likely be the most popular months for overseas breaks, with 21% planning travel during that period, surpassing the usual peak months of July and August. There is a growing preference for package holidays booked through travel agents, with 61% of recent foreign travellers choosing packages, primarily motivated by price. This mirrors Destination Canada Global Tourism Watch data that shows that 69% of of Brits considering travelling to Canada are “Definitely, Very Likely or Somewhat Likely” to use a travel agent or tour operator to help research or book a trip to Canada.

Darren Roberts

Additionally, in 2024, 28% of travellers are keen on water-centric, wellness-related holidays. Booking.com anticipates a growing trend in mindful water experiences, fusing wild swimming and cold water immersions. This emerging trend combines elements of wild swimming and ice therapy, envisioning a new genre of feel-alive wellness travel. Activities like floating yoga, water sound baths, snow meditation, and ice therapy retreats are expected to rise, with underwater hotels also gaining popularity.

Skyscanner notes that word of mouth (43%) is the top travel inspiration source (a trend also noted by Destination Canada), followed by film/TV (28%) and guidebooks (23%). Only 8% use TikTok for inspiration, compared to 20% for YouTube and Instagram and 15% for Facebook. Mobiles are widely used for destination research (39%), comparing options (37%), and booking (29%).

Destination Canada expects the UK to remain Canada's largest source market for the next several years. Indeed, by 2030, they estimate the UK will still rank first in visitors to Canada with 1.3 million, second for total spending at $2.4B and third in annual growth with 5% annual growth from 2023 to 2030. UK traveller spending 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.

Canada is a top three long-haul destination for consideration in the UK. The UK market is clearly an important one for Canada and Yukon tourism businesses should be working to attract these travellers to their businesses.

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

The UK is the key overseas leisure market to be prioritized by Destination Canada in 2024.

Travel Trade and AIRLINE UPDATE

In summer 2023 London Heathrow Airport surpassed 2019 traffic for the first time since the pandemic.

During the summer quarter, British Airways (BA) saw a 50% rise in quarterly operating profits. This was fuelled by a 20% revenue increase and a 25% growth in capacity, primarily through higher frequencies, larger aircraft, and the expansion of its Asian network.

Many agents and tour operators reported a record-breaking summer (2023), however the industry faces numerous challenges including recruiting new talent, dealing with sustained financial pressures, and meeting ambitious targets on sustainability.

Despite the cost-of-living crisis, Tourism Yukon key account tour operator, Audley Travel, notes that premium travellers are spending almost £5,000 per person on a two-week holiday. Preferences include specialist expertise in booking, sustainable travel, and exploring new destinations. Key priorities for these travellers are visiting unexplored places, avoiding large groups, spending time only with travel companions, and engaging with local guides for authentic destination knowledge. Western Europe remains the top destination for UK travellers. Looking ahead, 63% plan long-haul travel in the next year, with 56% planning trips months or years in advance.

Yukon Specific

MARKET TRENDS

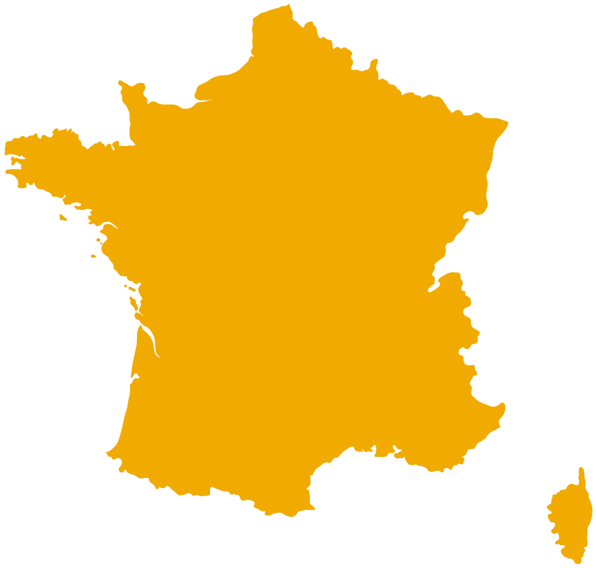
Booking.com research reveals a trend among Brits, shifting from sun-seeking to "cool-cations" in colder climates due to record-breaking global temperatures. Travellers are now prioritizing relaxation in colder places. About 42% of UK travellers anticipate climate change affecting their 2024 travel plans, with 43% planning escapes to cooler destinations as local temperatures rise.

In 2024, Skyscanner data shows increased interest in lesser-known destinations. Cost considerations play a key role, as travellers seek places with significant savings. Value for money remains a priority, with hotel and flight costs influencing travel decisions. Food is a crucial aspect, with 52% of Brits considering it their favourite holiday activity.

Destination Canada Global Tourism Watch Data in 2021shows when asked: How likely are you to use a travel agent or tour operator to help you research or book a trip to Canada? 69% of British travellers answered “Definitely, Very Likely or Somewhat Likely”, highlighting the importance of working within the travel trade channel.

British travellers have long seen the Yukon as a year-round travel destination, but Destination Canada’s new strategic focus on promoting fall and winter travel to the Yukon will undoubtedly inspire the next generation of travellers from the UK wishing to experience the unique winter (non-ski) products and experiences offered in the Yukon. The 2024-25 Solar Max will also generate significant new interest in winter travel to the Yukon over the next couple of years.

France



For 96% of French people, travel is a source of well-being, recognizing its importance in their self-care routine.

The French are spending more now than pre-pandemic when travelling, adding experiences and unusual accommodations to their itineraries. They are also eager to find off-the-beaten-path destinations.

1.2%
GDP Forecast 2024

3.5%
Inflation Nov 2023

7.4%
Unemployment Sep 2023

ECONOMIC & POLITICAL STATUS

GDP growth in France is expected to slowly increase to 1.2% in 2024, as private consumption resumes, and inflation progressively decreases. Inflation is expected to drop from the current rate to 3% in 2024 and 2% in 2025. Unemployment will remain steady at 7.4%.

General Travel Sentiment and

OUTBOUND TRAVEL

According to the European Travel Commission's October 2023 survey, 63% of French respondents are likely to travel in the next 6 months. Of these, 15% plan to travel outside Europe. About 32% have selected a destination but haven't booked, while 29% are yet to choose a destination. The top three trip preferences are culture and heritage (23%), nature and outdoors (16%), and Sun & Beach (13%). The majority plan to stay under 12 nights, with only 11% opting for longer stays. In terms of budget, 25% plan to spend over 2,000 Euros. However, the number of French travellers planning to fly has decreased by 8% compared to the previous year, now standing at 49.4%.

In early 2023, the 180+ day search window for bookings increased by 30%, signalling a shift from last-minute trends that began during the COVID-19 pandemic. French consumers are once again increasingly turning to professional travel companies, with a 6% rise compared to 2022. Indeed, Destination Canada research in 2021 indicates that when asked how likely French travellers were to use a travel agent or tour operator to help research or book a trip to Canada, 70% answered “Definitely, Very Likely or Somewhat Likely”.


Peter Mather

This trend reflects a growing demand for reassurance, service add-ons, and flexible policies. However, inflation is also leading to compromises, as the average overall cost of summer travel has surged by 32% compared to 2019, mainly due to increased air fares. 24% of French travellers are concerned about rising travel costs.

For 96% of French people, travel is a source of well-being, recognizing its importance in their self-care routine.

Canada is a top three long-haul destination for consideration in France. It is also ranked as the premier destination for how much consumers like and respect the nation brand - illustrating Canada's positive reputation.

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.

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. The main travel barriers are cost, health risks, and safety concerns.

Travel Trade and AIRLINE UPDATE

As a step towards eco-friendly transportation and emission reduction, France has officially prohibited domestic flights on short routes achievable by train in less than 2.5 hours. Additionally, the country is planning to increase taxes on airline tickets to support investments in train infrastructure.

Air Canada has announced a new partnership with train companies offering a flight to an airport hub and onward connections by train as an innovative response to environmental concerns by travellers.

Air Canada has launched two direct routes from its Montreal hub to Europe. A year-round service to Toulouse, the airline's fourth destination in France, establishes the only continuous link between North America and southwestern France, connecting two major aerospace centres.

In September, WestJet expanded its codeshare agreement with Air France, incorporating an extra 31 cities throughout Europe accessible via Paris (CDG). This expansion increases WestJet's European network to a total of 53 destinations. The airline has also extended its

Calgary – Paris (CDG) service to year-round operation due to exceptional demand. They will operate a 787 Dreamliner up to seven days per week during peak travel periods.

Air France-KLM had a robust third quarter, benefiting from strong summer demand and fewer operational disruptions. The financial results reveal a €931 million net profit, representing a €431 million increase compared to the previous year. This marks the best Q3 performance in the group's history, with Air France outperforming KLM, as seen in previous quarters.

Air France plans to operate close to pre-pandemic 2019 levels this winter following robust summer demand. The airline will deploy 98% of pre-pandemic capacity on long-haul routes from Paris between November and next March. Additionally, an Ottawa service will be extended into the winter season.

Yukon Specific
MARKET TRENDS

The French are spending more now than pre-pandemic when travelling, adding experiences and unusual accommodations to their itineraries. They are also eager to find off-the-beaten-path destinations with unique spaces and experiences in both urban and regional settings.

Environmental mindfulness is increasing among French travellers. They are looking for authentic experiences while staying longer and giving back to communities. Once in a destination, they're interested in sustainable forms of transportation and slow travel options such as train travel, canoe-camping and cycling.

French travellers are looking for the unknown to discover and reconnect with themselves. They are also interested in interacting with locals and Canada is perceived as a safe destination that provides friendly and welcoming hospitality to travellers.

Destination Canada Global Tourism Watch Data in 2021shows French travellers are very likely to book through a France-based tour operator. When asked how likey How likely are you to use a travel agent or tour operator to help you research or book a trip to Canada? 70 % of British travellers answered "Definitely, Very Likely or Somewhat Likely", highlighting the importance of working within the travel trade channel.

Half of the 2.12 Million potential HVG travellers from France are interested in viewing the Northern Lights offering Yukon tourism operators, particularly those offering services in French, with an excellent opportunity through the next Solar Max in 2024-25.

Benelux

Netherlands, Belgium, Luxembourg

The Netherlands represents a steady annual producer for Canada and the Yukon due to the abundance of direct flights connecting the two countries and the high interest in the Yukon's vast wilderness.

In the Benelux market, there is likely to be a greater emphasis on specialized companies focusing on sustainable, authentic, off-the-beaten-path, and luxury travel.

1.1%

GDP Forecast 2024

1.6%

Inflation Nov 2023

3.5%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

The Dutch economy has slowed due to declining exports and reduced consumer spending. Despite this, a mild recovery is anticipated, supported by a robust labour market, lower inflation, and rising wages. Increased public consumption and investment are also expected to contribute to growth. The forecast for 2024 includes a GDP of 0.4%, inflation at around 2%, and unemployment at 3.9%. The impact of the recently elected Freedom Party and the eventual coalition that will be required to form a government on the economy (and travel) remains to be seen; leaving the European Union was a key campaign commission for the Freedom Party.

Belgium's economy is anticipated to sustain stable growth of 1.4% in 2024. Inflation is projected to peak at 4.2% in 2024, decreasing to 1.9% in 2025, while unemployment is expected to hover around 5.6%. The resilience of private consumption is attributed to the steady purchasing power of households, aided by automatic wage and social benefits indexation.

Luxembourg's GDP is expected to increase to 1.4% in 2024. Inflation will decrease slightly to 3%, while unemployment will rise to 5.9%.


Government of Yukon

General Travel Sentiment and

OUTBOUND TRAVEL

Travellers from the Benelux region remain enthusiastic about exploring. With at least 25 days of paid vacation and an average of 10 public holidays in the region, there is ample time for travel. Additionally, Dutch individuals receive "Vacation-money," equivalent to 8% of their annual salary, paid annually in May, further supporting their travel.

International departures from the Netherlands surged by 86% in 2022. While outbound travel from the country doesn't have a dominant single destination, intra-regional travel stands out as a notable trend. Surprisingly, while the United States commonly ranks in the top 10 for global travellers, it doesn't hold the same appeal for Dutch travellers. The top “wish-list” destinations are destinations with vast wildernesses and outdoor active products (Australia, Iceland) and authentic cultural destinations like Japan.

According to the European Tourism Commission's latest travel sentiment survey, booking behaviour has shifted post-pandemic. Previously, planning occurred a year in advance, but now, influenced by the experience of cancellations and changes, people decide and book as late as a week before departure. While availability and pricing may influence this trend, the increasing importance of flexibility in booking conditions is evident.

Between October 2023 and March 2024, 62% of Dutch individuals plan to travel, while the number unlikely to travel has increased to 23%. Among travellers, 27% are undecided on a destination, and 26% have chosen one without finalizing bookings. Notably, 11% plan to venture beyond Europe, with 12% anticipating stays exceeding 12 nights, and 26% planning a budget exceeding 2000 euros. The preferred trip types include nature and outdoors (21%), city breaks (18%), and sun and beach destinations (16%).

During the same period, 63% of Belgians are inclined to travel, with 25% stating they are unlikely to travel. Among potential travelers, 29% are undecided on a destination, while 32% have selected one without completing bookings. 15% are considering travel beyond Europe. Regarding the duration of their trips, 11% anticipate stays exceeding 12 nights, and 25% plan to surpass a budget of 2000 euros. The preferred types of trips include culture and heritage (23%), nature and outdoors (16%), and sun and beach destinations (13%). Additionally, 16% of Belgians express concerns about personal finances in relation to their travel plans.

In the Netherlands, travel agency websites and reviews are preferred by 72% of individuals aged 35-44 and 78% in the 55-64 age group, emphasizing the significance of these online resources for older generations. Among younger travellers (25-34), 37% use travel websites and reviews. Quality and comfort are top priorities for 65.5% of Dutch travellers, with 39.2% emphasizing competitive pricing and 34.6% valuing robust security measures.

In Belgium, travel information source preferences vary by age group, with older Belgians (45-64) relying on travel agency websites and reviews, while younger generations (18-34) turn to social media platforms like Instagram. Quality and comfort rank highest in travel priorities for 57.6% of respondents, with competitive pricing (44.6%) and robust security measures (32.1%) also valued. Cultural and gastronomic activities are highly favoured by a majority (62%) of Belgian travellers, and there's a preference for modest and affordable accommodation within the three to four-star range (36.5%).

Travel Trade and

AIRLINE UPDATE

Airlines in 2023 are facing performance challenges due to price increases, attributed to elevated flight taxes and EU emissions certificates. The Dutch government initiated an increase in the flight tax on outbound flights starting January 01, 2023.

KLM and other airlines will still be able to operate their complete schedules at Amsterdam's Schiphol Airport next summer, as the Dutch government abandoned its plans to reduce the number of flights to address noise pollution.

Air Canada offers a direct flight to Brussels. Both Air Canada and WestJet offer direct flights from points in Western Canada to key airports in Europe that are commonly utilized by travellers from the region to travel to Canada such as Paris (CDG) and London (LHR).

Tobin Seagel

Yukon Specific

MARKET TRENDS

In the Benelux market, there is likely to be a greater emphasis on specialized companies focusing on sustainable, authentic, off-the-beaten-path, and luxury travel. Certain types of travel like single-purpose business travel and ultra-long-haul flights are expected to fade away.

Most Benelux visitors to the Yukon are independent travellers who prefer a classic road trip vacation by RV's or cars, staying a maximum of two nights per location. They seek nature, outdoor experiences, interactions with local residents and open spaces. The allure lies in experiencing lifestyles, with a keen interest in hospitality, cultures, history, foods, and music not commonly found in Europe.

Key trends include a stronger focus on sustainable travel, increased spending on insurance and financial services for a smooth experience, a demand for seamless and personalized customer experiences anytime and anywhere through technology and a shift towards slow travel. Winter travel to Canada is also emerging as travellers from Benelux look to more experiential and cultural vacations.

The Netherlands represents a steady annual producer for Canada and the Yukon due to the abundance of direct flights connecting the two countries and the high interest in the Yukon'svast wilderness. Although the Dutch market is small relative to Germany, Dutch travellers possess good purchasing power and perceive high value in a vacation to Canada and the Yukon. The Belgian and Luxembourg market, though small, have affluent travellers who prioritize long haul outbound travel in their budgets. The travel trade channel continues to be the preferred way for travellers from Benelux to book their long-haul travel, likely rivalling Germany, and Yukon tourism businessess working in the Benelux market will want to ensure they are developing good relationships with the travel trade in the market.

Australia

Projections suggest there will be 11.3 million resident outbound trips in 2024, approaching parity with 2019 figures.

Australia is experiencing a surge in wellness tourism, where the spotlight is on rejuvenating the mind. Moreover, there's a growing community of 'mindful consumers' who view travel as a catalyst for positive change.

1.5%

GDP Forecast 2024

5.4%

Inflation Sep 2023

3.9%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

In Australia, GDP growth has slowed, labour market conditions eased, and headline inflation dropped from its late 2022 peak of nearly 8% to just under 5.4% in the latest data. Projected GDP growth for 2024 is below average at around 1.5%, primarily due to subdued household consumption amid cost-of-living pressures, higher interest rates, and increased taxes affecting disposable incomes. Australia recently experienced its 13th consecutive interest rate hike as inflation remains challenging to control, and housing prices continue to rise nationwide. The tight labour market conditions of the past year are gradually easing, with the unemployment rate expected to reach around 4.25% in 2025.

General Travel Sentiment and

OUTBOUND TRAVEL

Pre-pandemic, Australia experienced consistent annual growth in outbound trips. After the reopening of the Australian border, outbound travel quickly rebounded. In 2022, 5.2 million international trips by residents reached 46% of the pre-pandemic level, driven by pent-up demand, accessible destinations, restored aviation routes, and Australians' enduring passion for travel.

The National Visitor Survey by Tourism Research Australia shows that despite a decrease in the number of people travelling in the 2022 – 2023 financial year, Australia set new tourism revenue records, with residents spending A$108.3 billion on 404.7 million nights away during the period. This marks a 40% increase in spending compared to 2019, despite a 2% drop in overnight trips. The cost of living impact is evident, leading to fewer trips, especially for visiting friends and family or business, but those who do travel are spending more. The leisure sector saw a 5.9% increase in trips and a substantial 60.2% rise in expenditure for the year ending June 2023. On average, Australians spend four nights away, with A$268 per night and A$972 per trip.

Projections suggest 9.8 million resident outbound trips in 2023 (86% of the pre-pandemic level) and a further increase to 11.3 million in 2024, approaching parity with 2019 figures. Interest in international travel is on the rise, accounting for 17% of bookings in 2023, up from 11% in 2022, according to a recent Webjet survey. Australians are once again booking further in advance, with an average lead time of 81 days compared to 53 days in 2022, and they are also shortening trip lengths by 10%.


Takeshi Hanatani

Looking ahead to 2024, bookings are up 57% compared to the same period last year. The top 10 destinations include Auckland, Bali, London, Queenstown, Christchurch, Fiji, Tokyo, Bangkok, Singapore, and Manila. Notably there are no North American destinations making the top ten. Australia is on track to exceed 2019 levels of spending and visits in 2024 at A$933 million.

The latest Newscorp Consumer Trend forecast for 2024 reveals four cultural themes shaping Australians' travel decisions:

- Escapism – a renewed joy in breaking away from the routine
- Shared Experience – increased sensitivity to social interaction due to pandemic-induced social starvation, termed ‘social facilitation’
- Micro-moments – heightened awareness of 'little luxuries' and an appreciation for savouring small pleasures
- Being Well – a significant expansion of the wellness mental model, with increased importance on personal and community well-being.

Traditionally, Australian travellers spend more and stay longer in Canada than many other markets. High household savings combined with a pent-up demand for tourism will see High Value Guests (HVGs) cast aside economic concerns in favour of once-in-a-lifetime travel experiences. However, with increasing interest rates and cost of living, Canada’s value proposition is critical, with a need for the tourism industry to highlight the value of meaningful travel experiences in Canada.

Travel Trade and AIRLINE UPDATE

Air Canada restored their daily service to Brisbane in June 2023. The airline has increased capacity on both the Brisbane and Sydney services for the northern winter. Brisbane has increased to a 777-300 and Sydney has increased to 10 flights per week (versus daily). These winter capacity increases provide an excellent opportunity to promote Yukon winter products.

Air Canada’s Melbourne service has not yet been reinstated which puts increased pressure on Air Canada’s lift from Sydney resulting in generally higher ticket prices on Canada’s national carrier on it’s outbound flights to Canada.

Qantas returned to profitability in the second half of 2022 after three years of losses. However, 2023 has been a challenging one for the airline, marked by a tarnished image and CEO Allen Joyce's retirement, replaced by former CFO Vanessa Hudson. The airline lost its title as the most trusted travel brand to Virgin Australia, its premium status damaged due to an ACCC investigation into the alleged sale of seats on over 8,000 "ghost flights." (flights already cancelled), employee dismissals, COVID credit system challenges, and high airfares. Additionally, Qantas faces the major hurdle of securing $12.3 billion for new aircraft between

2024 and 2028 to replace its aging fleet.

The recent government decision to block flight increases into Australia by Qatar Airlines has led to a Senate Inquiry into the country's aviation industry. In a submission to the inquiry, the Australian Travel Industry Association (ATIA) urged a fundamental shift in airline decision-making processes, emphasizing consumer-centric approaches. ATIA highlighted significant price hikes since Australia's borders reopened, particularly impacting Economy and Premium Economy. Popular routes, served by multiple airlines, have seen notable increases, such as Sydney to Los Angeles (Economy: A$1254 one-way, +67% increase). They also advocated for a more robust refund policy, akin to Europe, and called for expanding Australia's 'Open Skies' aviation agreement beyond the current nine to levels comparable to the United States (100) and Canada (23).

The Australian cruise industry is undergoing an unprecedented revival, generating A$5.63 billion (USD $3.55 billion) in the fiscal year 2022-2023 after resuming local operations in the second half of 2022. This amount is 22.1% higher than the figures from 2018 to 2019.

Cathie Archbould

Yukon Specific

MARKET TRENDS

Australia is experiencing a surge in the realm of wellness tourism, where the spotlight is on rejuvenating the mind. Moreover, there's a growing community of 'mindful consumers' who view travel as a catalyst for positive change. Australians are leaning towards journeys that not only benefit individuals but also contribute to the well-being of the planet. They are gravitating towards travel experiences that are meaningful and sustainable, actively seeking connections with local and Indigenous communities. The allure lies in regenerative experiences that go beyond personal rejuvenation, extending to giving back to the places they visit. Australians are also increasingly interested in animal welfare and it will be critical for dogsledding touring and horseback riding companies to demonstrate their compliance the Yukon's new animal protection legislation introduced in 2023.

Canada is a destination that holds high appeal for many Australians. They're drawn to iconic outdoor adventures, wildlife encounters and year-round activities. Australian travellers are inclined towards vast landscapes, especially national parks, opting for immersive road trips to uncover the diverse tapestry of Canada's regions, from untamed wilderness to vibrant local communities. This presents a chance for the Yukon to underscore its wide-open spaces, outdoor adventures, unique communities, Indigenous culture, and the hosts and characters of each region. With 'Solar Max' tipped to take place in 2023/25, the northern lights remain a key trip driver for discerning Australian visitors to the Yukon.

Destination Canada reports that Australians continue to look to the travel trade to book their long haul international vacations with 78% of Australians indicating in 2021 that they are "Definitely, Very Likely or Somewhat Likely" to book via travel trade. Tourism Yukon maintains important relationships with several key account tour operators who are actively packaging Yukon tourism experiences in the markets.

Japan

Booming inbound travel to Japan and fewer flights being offered between Canada and Japan, is making it difficult for tour operators to secure seats for outbound Japanese travellers.

The key issues affecting travel demand in Japan include declining real wages, the weaker Yen and rising costs for flights, hotels, and other services.

1.4%

GDP Forecast 2024

2.8%

Inflation Nov 2023

2.5%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

The depreciating Yen has driven a strong export market and reduction in imports. However, domestic demand is sluggish, marked by high inflation and a longer than expected return to long-haul international travel post-COVID-19 pandemic. The economic outlook suggests a slowdown due to weakening external demand and struggling domestic demand. The Bank of Japan should maintain negative interest rates in 2024, potentially leading to upward pressure on prices and wages, setting the stage for rate increases in the first half of 2024. Consumer price inflation is expected to gradually decrease towards 2% in 2024 while wage growth will gain momentum. A general election is expected to be called in 2024.

General Travel Sentiment and

OUTBOUND TRAVEL

Post-pandemic, Japanese consumers have been hesitant to travel internationally, with only 2.8 million going abroad in 2022, a substantial decline from the 20 million recorded in 2019. Between January and October 2023, there has been a nearly 4-fold increase in outbound Japanese travellers to 7.64 million, however, this figure still remains 54.3% below the corresponding period in 2019. JTB Corportion estimates that during the year-end and New Year's holiday period (Dec. 23 to Jan. 3), Japan's outbound traveller count will likely reach only about 70% of the 2019 figure.


Cathie Archbould

One of the main factors for the slow recovery is the weakened Yen, making overseas expenses higher for Japanese travellers. The Yen has dropped around 36% against the USD since 2019. Additionally, the percentage of passport holders among Japanese nationals has dropped from 25% before the pandemic to 17% in 2022, limiting opportunities for group travel. It is believed that some of those whose passports expired during the pandemic have decided not to obtain new passports. On a more positive note, foreign ministry data reveals there was an increase in passport issuance to 1.24 million in 2022, more than double the previous year. This upward trend is expected to continue in 2023, nearing the 2019 level of 4.39 million.

An additional challenge is booming inbound travel to Japan, both from within Asia and international markets, and fewer flights being offered between Canada and Japan, which is making it difficult for tour operators to secure seats for outbound Japanese travellers. The Japanese booking cycle tends to be late, while foreign visitors book earlier to secure more affordable airfares.

Japan, once the fourth-largest inbound market for the US, fell to 13th place in 2022 with 600,000 visitors, compared to 3.75 million in 2019. While that number increased to 1.21 million between January and October 2023, it is still well below pre-pandemic levels. The slow recovery of the Japanese market is leading to fierce competition among destination marketing organizations.

In an attempt to revive the outbound market, the Japan Tourism Agency (JTA) and Japan Association of Travel Agents (JATA) introduced the 'Now, Overseas Travel!' campaign in May 2023. The initiative highlights 24 destinations, including Canada.

According to a survey by marketing research firm Intage Inc., over half of the respondents expressed hesitancy about going abroad, citing concerns related to the weak Yen and rising prices. When asked about their feelings regarding outbound travel, 50.9% indicated they were either "concerned" or "somewhat concerned," significantly surpassing the 20.6% who stated they were "not really concerned" or "not concerned."

The Japan Travel Bureau Foundation also suggests there has potentially been a broader shift in Japanese attitudes toward overseas travel, noting that about 30% of those who enjoyed international travel before the pandemic now lack the desire to go abroad. Even if the rate of inflation were lowered and the Yen recovered, it may not automatically revive outbound travel.

The key issues affecting travel demand in Japan include declining real wages, the weaker Yen and rising costs for flights, hotels, and other services. South Korea, Taiwan, and Hawaii are the popular destinations for Japanese travellers going abroad at present. Japanese reluctance to travel overseas contrasts sharply with many other regions, as Europeans and Americans swiftly regained their enthusiasm for foreign travel following the pandemic.

Many Japanese are also opting for domestic vacations, with JTB estimating 72.5 million people travelling within the country this summer, a marginal increase of 0.1% from 2019.

Spending by Japanese travellers to Canada will recover in 2025, with visits recovering in 2026. 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 the declining Yen and reluctance to take long-haul trips, leading to weak sentiment towards Canada as a travel destination.

Sustainable travel is a growing trend among Japanese travellers. 56% of Japanese respondents to a Booking.com survey expressed a desire to engage in more sustainable travel in the coming year (compared to 76% globally). Additionally, 80% of Japanese participants emphasized the importance of sustainable travel. The additional cost of sustainable travel is a concern to 43%, with 22% indicating a lack of concern about the additional cost. Tour companies are adapting both their tours and daily operations to meet customer expectations for responsible and mindful travel.

Travel Trade and

AIRLINE UPDATE

From April to September 2023, ANA Holdings achieved record-breaking operating revenue and income. Although flight volume has not fully recovered, higher yields are attributed to a supply-demand gap, particularly on routes connecting North America and China, Asia, and Europe. ANA predicts that international flight demand will reach around 80% of the 2019 level by March 2024. While inbound travel demand is on the rise, outbound travel demand remains stagnant, hovering around 35% of the 2019 level.

During the same period, the JAL Group surpassed its net profit of the same period in FY2019, mainly due to a stronger than expected recovery in both international and domestic flight demand. Anticipating this trend to persist in the remainder of the fiscal year, JAL has revised its full-year financial forecast upward.

Earlier this year, WestJet initiated three weekly flights between Tokyo-Narita and Calgary using the three-class Boeing 767-9, operating seasonally from May to October. Narita marks WestJet's inaugural transpacific destination. The airline benefits from a code-sharing arrangement with JAL, providing a significant advantage in catering to Japanese travellers from local cities to Canada. The airline plans to transport Japanese travellers to other Canadian destinations through its Calgary hub.

Zip Air, a subsidiary of JAL, is starting a new service between Narita (Tokyo) and Vancouver in March 2024 starting with a 3 times per week schedule. Zip is categorized as a low cost carrier but it does offer a business class service.

In July 2023, Japan Tourism Agency reported that sales for 43 major travel companies were down 29.4% compared to 2019. Compared to 2019:

- Overseas travel sales were down 48.1%
- Overseas package tour sales were down 82.1%
- JTB Group companies were down 19.6% in sales
- HIS were down 33.7%
- KNT-CT Holdings and Hankyu both saw sales decreases of 43.7% and 37.8%

Yukon Specific

MARKET TRENDS

As is the case in other Canadian and international destinations, the Yukon is experiencing a slower return to pre-pandemic visitation from Japan.

Japanese travellers are increasingly selecting destinations based on their values and purpose. High Value Guests (HVG's) want premium products that align with their interests. Staying longer in one place they seek authentic experiences while also contributing to the community. They want to feel welcomed and act responsibly.

The Yukon's strengths for HVG's are its nature, wildlife and people. The best way to present these strengths is via story based legendary experiences that are uniquely Yukon. There is also opportunity in the increasing popularity of adventure travel and Indigenous tourism experiences.

WIth the increasing interest in sustainable travel, Japanese tour companies are looking at the potential of developing educational programs featuring the Yukon with its unique landscape and local culture. Student travel and educational tours for small groups of up to 15 passengers are a major theme for many major Japanese tour companies. Tourism Yukon is carefully looking at the potential of the program for future development and our ability to differentiate Yukon programs from conventional education programs offered in other parts of Canada and North America.

The upcoming Solar Max in 2024-25 will undoubtedly hold high appeal to Japanese aurora connaisseurs who are keenly aware of the sun's natural cycles and the Yukon's ability to deliver high quality aurora viewing given our location in the auroral band. At least two major tour operators have indicated that they are planning aurora viewing flight charters over the next two winters which is a positive indication that this is the case.

Tourism Yukon's strong relationships with the travel trade in Japan are critical as we work to rebuild the Japanese market to the Yukon. Destination Canada Global Tourism Watch research shows that 89% of Japanese travellers (second highest after China) indicated that they were "Definitely, Very Likely or Somewhat Likely" to use a travel agent or tour operator to help research or book a trip to Canada.

China

Despite travel restrictions being lifted in January, 2023, the outbound recovery for Chinese international travel has been sluggish.

Chinese consumers have increasingly higher expectations for products and services, with a growing preference for local brands based on quality rather than just lower prices.

Outbound Chinese tourists are evolving rapidly, displaying diversity in travel preferences, behaviours, and spending habits.

5.0%

GDP Forecast 2024

-0.5%

Inflation Nov 2023

5.0%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

China's economy is expected to grow by 5.0% in 2024 due to strong consumer spending and increased fiscal spending. However, underlying challenges persist, such as issues in the property sector and a very large debt burden for local governments. While efforts to address these risks should prevent a financial crisis, the subsequent deleveraging and retrenchment will hinder future growth. As a result, GDP is likely to continue to decelerate. Despite signs of discontent with President Xi Jinping's policies and high youth unemployment, the overall threat to political stability is deemed low. Although US-China relations have stabilized somewhat, tensions over advanced technologies and regional security will remain elevated.

General Travel Sentiment and

OUTBOUND TRAVEL

There is currently a surge of respiratory illness in China and this may affect outbound travel in 2024. The news does not appear to be widely reported, but it is something that will need to be monitored closely.

Despite travel restrictions being lifted in January 2023, the outbound recovery for Chinese international travel has been sluggish. Although Canada's ADS status is open, China is restricting Canada's promotion of outbound group travel. Supply-side challenges persist, including disruptions to tourism agencies and passport renewal backlogs. The passport and visa process, compounded by airline capacity shortages, remains a significant bottleneck. Given these challenges, a more realistic expectation is a meaningful recovery of the Chinese outbound market starting in 2024.

Before the pandemic, Chinese tourists led global outbound travel, with the largest market in both trip numbers and spending. Despite short-term uncertainties, a recent McKinsey survey into Chinese Tourist Attitudes reveals a strong desire among the Chinese to travel, with 40% planning outbound leisure trips. Top destinations include Australia/New Zealand, Southeast Asia, and Japan, while interest in long-haul trips to North America has risen from 3% to 4% since the last survey.


Wolfgang Bublitz

Despite ongoing uncertainties, 87% of respondents express a willingness to either increase or maintain their travel spending, with wealthier individuals and those aged 45-65 displaying the highest resilience. In these groups, 45-50% plan to spend more on their next leisure trip. Popular spending categories for upcoming trips include entertainment activities, food, and shopping.

Chinese consumers have increasingly higher expectations for products and services, with a growing preference for local brands based on quality rather than just lower prices. As consumers become more informed, they utilize online resources and social media to educate themselves about product details. Around a third of Chinese travellers prioritize value-for-money options and meaningful discounts over solely seeking the lowest prices.

Most respondents now favour independent travel accommodation over international chain brand hotels, with nearly 60% expressing a preference for options like boutique hotels, B&Bs, and Airbnb. This marks an 8% increase since 2020. Travellers are increasingly discerning in their hotel choices, prioritizing fundamental aspects like local features and value for money. Among all hotel types, local features are identified as one of the most crucial factors influencing selection.

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.

Destination Canada projects that Chinese traveller spending will recover to pre-pandemic levels in 2026, reaching $2.1 billion. Visitation from China will recover in 2027. China offers a substantial opportunity, albeit with some uncertainty. The country is currently in the initial phases of recovering outbound travel, and unfortunately, Canada is not included in China's approved list of destinations for group travel. Overall projections indicate a 33% growth in total outbound visits from 2019 to 2030. In 2030, it is anticipated that China will become Canada's largest overseas market in terms of total spending. Furthermore, by 2033, China is expected to account for approximately one in four global travel dollars.

Of Canada's overseas target 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.

Travel Trade and

AIRLINE UPDATE

As of late August, Chinese international capacity was only 50% of pre-pandemic levels, and the capacity to the US lagged at just 10%.

In terms of increasing capacity, Chinese carriers may face fewer challenges, given their widebody fleets are mostly in service on domestic routes or ready to be redeployed. Conversely, foreign carriers encounter time-consuming processes as they must recalibrate their network and fleet plans for China. Additionally, other markets are either recovering at a faster rate or are more lucrative.

The travel distribution landscape in China has developed into an intricate, fragmented, Chinese-dominated ecosystem, posing challenges to scalability. Travel companies must comprehensively understand the distinct attributes of various channel types, such as online travel agencies (OTAs), online travel portals (OTPs), and traditional travel agencies. These channels cater to diverse customer segments and provide varying degrees of brand control. Effectively managing each distribution channel requires distinct sets of capabilities.

Yukon Specific

MARKET TRENDS

Outbound Chinese tourists are evolving rapidly, displaying diversity in travel preferences, behaviors, and spending habits. Tailoring product offerings, sales channels, and marketing techniques to each group is essential. Social media, particularly short videos, has become a crucial source of travel inspiration across all age groups and consumer types.

China boasts one of the world's most digitally advanced lifestyles, with travellers being mobile-centric, cashless, and impatient. Tech-savvy Chinese tourists often experience "digital homesickness" abroad, presenting an opportunity for overseas destinations and service providers to cater to their preferences with digitally enhanced services.

Trends that are emerging post-pandemic include:

Travellers are prioritizing experiential trips, with culture, history, beaches, resorts, and health and wellness gaining popularity.

- The hyper-digitized trend emphasizes China's tech-savvy consumers, with mobile technologies and social media playing a central role. Short-form videos and livestreaming are top online entertainment choices.
- Chinese travellers show a strong desire to explore new destinations and experiences. Despite travel restrictions, there is enthusiasm for visiting new attractions.

Tourism providers targeting the China market should anticipate a diverse group of travellers willing to spend on exciting experiences and high-quality offerings. The digitally savvy Chinese traveller prioritizes functionality over branding, indicating that providers offering authentic, seamless, and unique experiences are well-positioned to capture this market.

Following the winter Olympics in Beijing, there is growing interest amongst High Value Guests (HVGs) in winter activities. This offers the Yukon an opportunity to raise awareness of its wide range of winter experiences.

Interest in the environment and sustainability is growing rapidly. High Value Guests favour destinations that foster sustainable travel practices and are willing to pay a higher price for responsible travel options.

Booking via Online Travel Agents (OTAs) has accelerated rapidly since the pandemic. Effective leveraging of these digital platforms can help influence and convert HVGs more efficiently.

Destination Canada research shows that fully 97% of Chinese travellers booking their vacations in Canada are "definitely, very likely, or somewhat likely" to use a travel agent or tour operator to research or book a trip to Canada.

The 2024-25 Solar Max will undoubtedly propel an increased interest in the Yukon from both traveller types over the next couple of years.

While Tourism Yukon is currently not actively marketing in mainland China, it has traditionally targeted a small-group and / or FIT traveller through its marketing activities versus the ADS groups favoured by other destinations and larger Canadian cities. The Yukon’s available tourism infrastructure and capacity can provide the higher quality experiences that are of interest for the former.

Taiwan

Tourism Yukon's work to educate Canadian based receptive tour operators (RTO's) targeting the Taiwan market is starting to pay dividends.

Safety, weather, and food are key factors in choosing travel destinations.

3.3%

GDP Forecast 2024

2.9%

Inflation Nov 2023

3.37%

Unemployment Nov 2023

ECONOMIC & POLITICAL STATUS

In 2024, Taiwan's economy is projected to improve with 3.3% GDP growth, driven by increased demand for exports due to the stabilization of the Chinese economy. Unemployment is expected to be around 3.5%, and inflation is forecast to decrease to 1.8% by year-end. The January 2024 presidential election is anticipated to be won by the ruling Democratic Progressive Party (DPP). However, it is highly likely that the opposition will control the legislature, which is expected to have minimal impact on Taiwan's business or foreign investment environment. Prior to the election, China is widely expected to intensify military activities around the island.

General Travel Sentiment and

OUTBOUND TRAVEL

In 2022, Taiwanese citizens made 1.48 million outbound trips, with 77% of them being to Asia. The Americas accounted for 17% of outbound trips. The United States is the top long-haul destination for Taiwan's outbound travelers.

Pre-pandemic, Taiwan recorded 17.1 million outbound trips, with a predominant focus on North Asian destinations. In a recent Mastercard survey conducted in May 2023, 43.4% of frequent travellers aged 20-65 revealed they had ventured abroad since the late 2022 easing of border controls. Among them, 93.1% expressed intentions to travel overseas in the next year, and 42.5% planned to boost both the frequency and duration of their trips.

Global inflation prompted 35.3% of respondents to report an increase of over NT$10,000 in travel expenses compared to the pre-COVID-19 period. In response, 28.6% adjusted their travel plans, avoiding peak seasons, cutting lodging expenses, and trimming their shopping budgets.

In a recent survey conducted by Z.com Engagement Lab, just over half the respondents plan one international trip per year, while 18% have never travelled abroad for leisure. Among those aged 16-20, over 40% have never travelled abroad. However, those who do travel internationally in this age group average 2.6 trips per year, higher than the overall average of 1.6 trips.

Safety, weather, and food are key factors in choosing travel destinations, with safety being highly important for 90% of participants.

Older age groups tend to spend more on travel, with an average overseas expenditure of $36,307 NTD ($1,568 CAD) per trip.

The majority of Taiwanese leisure travellers prefer family companionship (78% for international travel), while younger groups are more inclined to travel with friends. Japan is the top international destination, with 60% of respondents planning a trip there, followed by South Korea (29%) and Thailand (14%).

Frequently, Mandarin-speaking travellers are categorized as a single group, however it is important to differentiate between five different Chinese sub-groups: Mainland Chinese, Hong Kong Chinese, Southeast Chinese, North American Chinese and Taiwanese.

Taiwanese visitors to Canada do not require a visa and English is not as challenging for them as it is for Mainland Chinese visitors as they are more accustomed to western culture. Travellers from Taiwan are very likely to mirror travellers from mainland China in their utilization of the travel trade to reseacrh or book their vacations in Canada.

Travel Trade and AIRLINE UPDATE

EVA Air anticipates sustained high ticket prices into the first half of 2024. This is due to a surge in ridership on international routes, outpacing the gradual recovery of overall operational capacity to pre-pandemic levels. Simultaneously, increased costs in areas such as labor, catering, and fuel are contributing to the elevated airfares. Despite these factors, passenger demand remains robust. Notably, the upcoming winter vacation season is experiencing strong demand.

A shortage of flights from Taiwan has created major concerns and challenges for all the tour companies that sell Canadian tour programs. In addition to higher pricing, they are also unable to secure the number of seats they need to meet demand, which in turn drives up cost.

Air Canada, has not been able to reinstate its service which was suspended during the pandemic due to equipment availability. Therefore, despite a critical need for more lift out of Taiwan, there is one less major carrier operating on the route than pre-pandemic. In order to minimize the impact, Air Canada is persuading key tour companies to fly via Hong Kong, Seoul and Tokyo with some allocated block space. This temporary solution is likely to remain in place until Air Canada can find a spare aircraft to service the route.

Following the reopening of the border in the fall of 2022, China Airlines was operating 3 times a week between Taipei and Vancouver. That has now been increased to daily service in response to the surge in travel demand.

Delta Airlines recently announced that they will also be launching their first route to Taiwan in mid 2024 - a direct service between Seattle and Taipei.

A 2023 survey by Rakuten Insight revealed that 69% of Taiwanese travellers have used an online travel agency. The most popular agencies in Taiwan are Agoda, Booking.com and EZ Travel.

Yukon Specific

MARKET TRENDS

Tourism Yukon's work to educate Canadian based receptive tour operators (RTO's) targeting the Taiwan market, through business development missions to Vancouver and Taiwan in March 2023 to meet with Taiwan-based tour operators, is starting to pay dividends. Interest in the Yukon is increasing with both domestic and international operators. Yukon tourism businesses can likely expect to see growth in the small group and FIT categories from the Taiwanese market in 2024 and beyond. Developing relationships within the travel trade channel will be critical for Yukon businesses wishing to develop their sales in the Taiwan market.

Tourism Yukon will continue to explore Taiwan's potential for fall and winter season aurora viewing products starting in 2024, fueled by the high interest in aurora viewing and the upcoming Solar Max in 2024-25, with the hope that there will be increased lift between the two countries in the near future. Air Canada's Taipei office continues to be staffed by the airline, providing some comfort that services will be resumed in time.

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TOURISM YUKON

Robin Anderson – Global Marketing Manager

North America Team

Jason Marcotte — Market Manager, North America, Consumer

Jennifer Glyka — Marketing Specialist, Media Relations / PR

Annie-Claude Dupuis — Digital Marketing Strategist

Emilie Joslin — Digital Marketing Specialist

Silken Cinq-Mars – Digital Marketing Specialist

International Team

Yas Yamamoto — Market Development Manager, Asia Pacific

Emilie Thibeault-Maloney – Market Development Manager, Europe/UK

Maurine Forlin — MarketingSpecialist — North America, Developing Markets & RTOs

Michelle Williams – Marketing Coordinator

For more information, contact:

Robin Anderson
Global Marketing Manager
Tourism Yukon
T 867-667-3532 / E robin.anderson@yukon.ca