



Breaching Whale  
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# Travel and Tourism

## Global and National Travel

Worldwide travel and tourism recovered strongly in 2010. Global international tourist arrivals increased 6.7% to 935 million, according to the World Tourism Organization (UNWTO). Growth was positive in all UNWTO regions, led by robust performance in the emerging economies. With this strong rebound, the level of activity last year exceeded the record year of 2008.

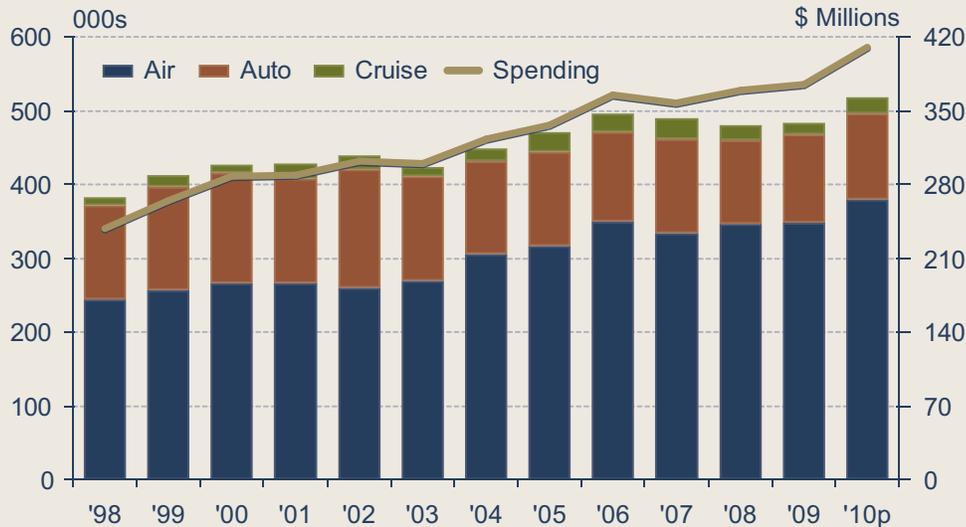
Tourism activity at the national level yielded mixed results in 2010. International inbound travel to Canada remained at historically low levels due to a continued drop in United States short haul same day trips. Such trips to Canada have been on a downward trend for the past decade and, in recent years, reflect a weak U.S. recovery, tighter border crossing regulations and a stronger Canadian dollar. On the positive side, there was a 6.8% increase in visits from other areas (predominantly Asian and European countries) and a slight improvement in overnight visits by U.S. citizens (up 0.7%). Travel within Canada by residents increased in 2010—Canadians made 232.4 million trips within Canada, up 1.3% over 2009.

## Provincial Travel

The Newfoundland and Labrador travel and tourism industry recorded a strong performance in 2010. The number of non-resident visitors to the province is estimated to have grown by more than 7% to a record 518,500. Associated spending increased by 9.6% to an estimated \$410.6 million. A number of factors contributed to this solid performance in travel and tourism

## Non-Resident Travel and Tourism Visitors and Spending

By Mode of Transportation



p: preliminary

Source: Department of Tourism, Culture and Recreation

including an increased marketing budget, award winning promotional materials, enhanced tourism product offerings and generally heightened economic activity. The province has also enjoyed positive exposure associated with hosting the JUNO Awards and the popularity of programs such as *Republic of Doyle*. Indicators suggest that this province's tourism sector outperformed the other Atlantic Provinces, particularly in air travel and related services. Newfoundland and Labrador airports recorded a 7.1% increase in passenger travel in 2010, compared to growth of 4.9% in New Brunswick, 4.3% in Prince Edward Island and 3.1% in Nova Scotia. Increases in accommodation occupancy rates and the number of room nights sold in Newfoundland and Labrador during 2010 also exceeded the other Atlantic Provinces.

Air travel is the largest segment of the province's non-resident tourism sector, accounting for an estimated 73% of visitors and 82% of spending in 2010. Activity in this segment continued to rise in 2010, driving overall growth in tourism. The number of non-resident air travelers reached a record 380,200 in 2010, up by over 9% compared to 2009. The overall increase in non-resident air visitors reflects, in part, improvements in airline seat capacity and more competitive airfares. Inbound direct seat capacity in 2010 grew by almost 10% over 2009, reflecting more seat capacity from other parts of Canada and the return of international direct flights from the United Kingdom.

# JUNO CANADA'S MUSIC AWARDS

During April 12-18, 2010, St. John's hosted the JUNO Awards, recognizing Canadian artists for excellence in recorded music. The weeklong celebration in St. John's included many events. The JUNO Awards created a substantial increase in activity for hotels, taxis, restaurants and airlines operating in the St. John's area. The number of accommodation room nights sold in the St. John's area in April increased more than 20% over the same month in the previous year, resulting in an increase of 30% in associated revenue. In addition, the events provided valuable media exposure for the tourism sector—the value of the media coverage was estimated to be equivalent to \$2.8 million in advertising. It is estimated that 6.5 million Canadians watched all or part of the awards broadcast, up about 59% from the previous year.

Intra-provincial seat capacity has also increased significantly. Seat capacity for flights within the province grew by an estimated 5.9% in 2010, driven by additional capacity for flights to Labrador and to St. John's. The province plans to enhance air transportation access over the next several years through its new air access strategy *Taking Flight: An Air Access Strategy for Newfoundland and Labrador*, launched in October 2010. A total of \$5 million has been committed over three years to support strategy goals including airline/airport business development and route promotion.

Non-resident automobile visitation totalled an estimated 116,200 in 2010, down 2.1% over 2009. Lower non-resident automobile traffic reflected declines in visitors from the Maritimes (down 4.7%), Quebec (down 4.3%), Ontario (down 2.4%) and Western Canada (down 0.6%) that offset increases in visitors from the U.S. (up 10.6%).

Non-resident automobile traffic was impacted by a number of problems with the Marine Atlantic service—primarily capacity constraints and mechanical issues with its older vessels—during the peak travel season. In a move to improve the ferry service between the province and Nova Scotia, the Government of Canada has committed over \$520 million in new funds over five years to renew the fleet and shore facilities, and to increase the available capacity and reliability of the

# Cupid's 400<sup>th</sup> Anniversary Celebrations

The Cupids 400<sup>th</sup> Anniversary Celebrations was a special theme last year. This yearlong celebration commemorated the founding of Cupids, the first English settlement in Canada, by John Guy and his colonists in 1610. Over 200 individual events were staged as part of this celebration throughout the Northern Avalon Peninsula region, culminating in the six-day Cupids Cove Soiree in August that attracted over 25,000 visitors. One of the many highlights of these celebrations was the official opening of the Cupids Legacy Centre, a new state-of-the-art visitor interpretation facility that hosted 9,500 visitors.

service. More than \$300 million of this new funding is earmarked for fleet refits and upgrades, and the chartering of two vessels in 2011 to replace aging vessels. The goal of this investment is to increase capacity to meet current demand and to provide room for future growth.

Scheduled cruise visitations in 2010 were up considerably over the previous year. The number of cruise ship port calls totalled 133, up 24.3% from 107 in 2009. The number of non-resident cruise visitors<sup>5</sup> increased by about 37% to 22,100. Overall, cruise ships visited 48 different ports around the province.

The number of trips taken by residents of Newfoundland and Labrador at home increased in 2010. Preliminary estimates from Statistics Canada indicate that residents took about 3.3 million trips within the province during 2010 compared to 3.1 million in 2009. Expenditure data showed a decline, indicating that travelers may have been more frugal last year than in 2009.

There were solid increases in visitors to provincial and national historic sites, up 7.6% and 4.8% respectively. Gains were also recorded in visitation to provincial visitor information centres (up 3.5%).

<sup>5</sup> This figure is a Department of Tourism, Culture and Recreation estimate based on a review of itinerary information. This estimate counts passengers only once regardless of the number of ports visited. This should be distinguished from "cruise ship passenger visits", which is the industry standard, whereby passengers are counted at each port call made by their vessel. In 2010, cruise ship passenger visits totalled 32,968, an increase of 32.8% over 2009 levels.

2010 was another good year for the accommodations industry. The provincial occupancy rate (includes hotels/motels, bed and breakfasts/inns, cottages) reached 50.3% for the year, up 2.1 percentage points compared to 2009.

Gains were strong in Labrador (up 9.8 percentage points) and the Avalon (up 2.8) region. The advance in rates in Labrador was particularly noticeable and is linked, in part, to a strong mining sector and increased access via the Trans Labrador Highway. While the Central (up 1.1) and Western (up 0.1) regions also reported improved occupancy rates, the increases were more modest. The occupancy rate in the Eastern region (i.e. Burin/Bonavista) was down 0.1 percentage points last year. This performance was notable considering that this area endured significant adverse impacts from Hurricane Igor in September 2010, forcing some operators to close early for the season. Preliminary data also indicate that the number of room nights sold in the province increased by 5.2% and the provincial average daily room rate increased 3.3% during 2010, to average \$111.

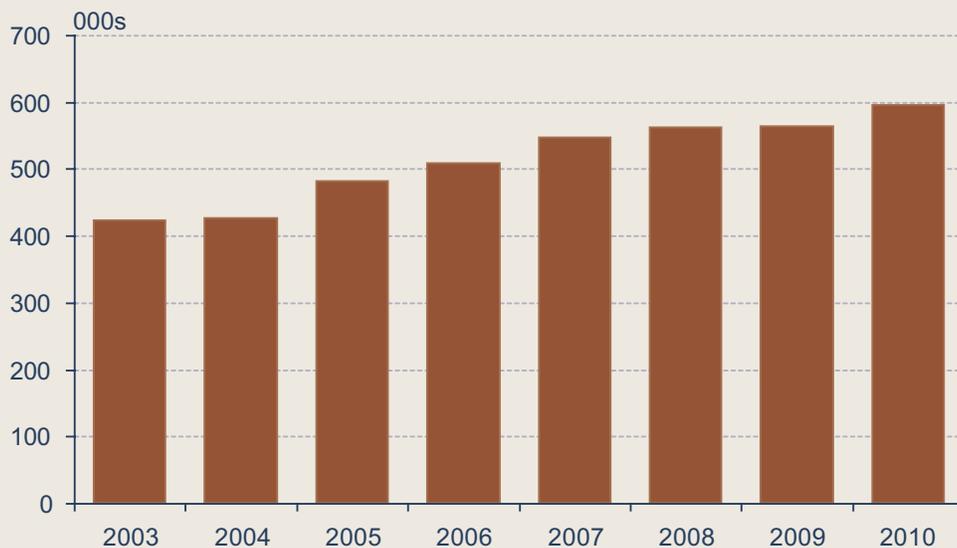
The accommodations sector in the greater St. John's area in particular has enjoyed a period of significant growth over the last decade. This is consistent with the underlying strength in the overall tourism visitor figures and the strong economic growth that the province has experienced. The number of room nights sold by accommodation facilities in the St. John's area has increased steadily since 2003 as indicated in the chart on the opposite page. In 2010, almost 600,000 room nights were sold, up about 40% from seven years previous. This activity has prompted considerable investment in accommodation facilities with a number of hotels having opened in recent years and several new projects in various stages of development.

The major meeting and convention sector in the St. John's Metropolitan Area rebounded sharply in 2010 following a setback in 2009 that was in part caused by the recession and H1N1 fears. The number of large conventions and meetings (i.e. those booking 50 or more guest rooms per night) totalled 95, up from 81 in the previous year, while the number of delegates increased by 31% to 22,900. The number of room nights purchased by the delegates increased almost 19% for the year to about 43,300.



## Accommodation Room Nights Sold

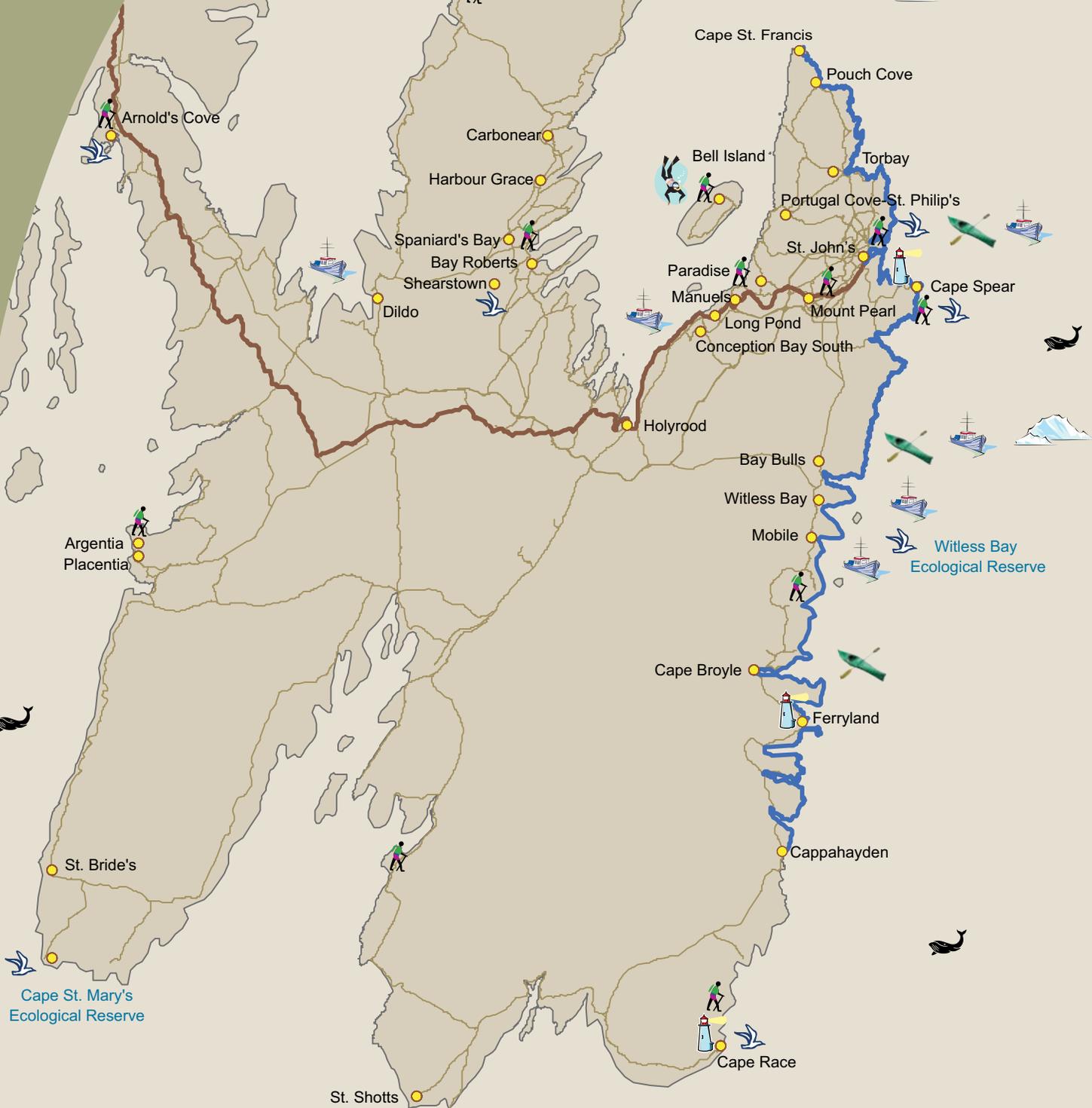
### Greater St. John's Area



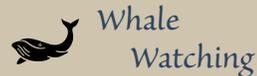
Source: Department of Tourism, Culture and Recreation

The province has increased its marketing effort substantially in recent years, contributing to the growth in tourism activity. In the 2010-11 budget, \$13 million was committed to tourism marketing, more than double the level six years ago. Furthermore, there are new and exciting avenues for marketing the province. Tourism consumers are increasingly accessing travel information through electronic and online resources. During 2010, interest—as measured by enquiries for information and visits to the province’s official tourism web site—increased 10% over 2009. Electronic activities and utilization of social media continue to provide opportunities to significantly increase the awareness of Newfoundland and Labrador as a tourist destination.

# AVALON PENINSULA TOP COASTAL DESTINATION



# Coastal Tourist Attractions



This map displays only a selected number of attractions and is not an exhaustive listing. More detailed information is available by accessing the province's travel and tourism website at [www.newfoundlandlabrador.com](http://www.newfoundlandlabrador.com)

# Travel & Tourism 2011 Outlook

Growth in world tourism is expected to continue in 2011, albeit at a more moderate pace. International tourist arrivals worldwide are forecast to increase by between 4% and 5% in 2011. Emerging economies, especially in the Asia, Pacific and Middle East regions, are expected to continue to lead growth.

The Conference Board of Canada expects total overnight visits to Newfoundland and Labrador (international and domestic combined) to increase 2.1% in 2011.

The outlook for air access remains positive as the province continues to benefit from additional inbound and intra-provincial flight capacity (including new seasonal daily flights between Gander and Toronto as well as Deer Lake and Toronto).

Investments in the ferry link between Newfoundland and Nova Scotia should increase service quality and promote more automobile visits by tourists. The 2011 tourist season will be the first one with the renewed fleet. The MV *Blue Puttees* is already in service and the MV *Highlanders* will join the service in May.

There are 120 port calls tentatively booked for the 2011 cruise season. This number is expected to increase as more itineraries are released by cruise firms.

Bookings for St. John's Meetings Convention and Incentive Travel is currently ahead of 2010 levels.

Resident tourism is expected to benefit from solid growth in provincial employment and personal disposable income, as well as solid consumer confidence.

In its November-December 2010 issue, *National Geographic Traveler* magazine rated Newfoundland's Avalon Peninsula as its top rated coastal destination. The magazine ranked 99 coastal areas from Italy to Mozambique, using a panel of 340 experts on sustainable tourism and destination stewardship. In its commentary, the magazine described the Avalon Peninsula as "home to brightly painted fishing villages and to the lively city of St. John's."

