



*Snowmobiling, Groomed Trails. Courtesy: Newfoundland & Labrador Tourism*

# Tourism

**T**he tourism sector in Newfoundland and Labrador is an important contributor to the economy as it generates economic wealth in all regions of the province. The tourism sector consists of both residents who travel within the province and non-residents who visit the province from other parts of Canada and around the world. Visitors to the province arrive by airplane, automobile and cruise ship. In recent years, tourism spending in the province has totalled around \$1 billion annually. The province's tourism sector has been supported by continued improvements and additions to infrastructure, including airport expansion, improved air access, replacement of ferries, enlargement of convention facilities, and construction of new hotels, restaurants and attractions. The Province's award winning marketing efforts have also played a major role in attracting travellers. Furthermore, the lower Canadian dollar has made travel within Canada more attractive for both international and domestic travellers. Current travel statistics suggest

an increase in overall tourism activity in Newfoundland and Labrador during the 2016 season.

Residents engaging in tourist activities within the province account for the majority of spending in the province's tourism sector, typically representing between 50% and 55%. Although non-resident tourism spending is slightly lower, it is particularly important as it brings new money into the province. Ontario and the Maritimes typically account for the majority of non-resident visitors to Newfoundland and Labrador.

## **Air Visitors**

Air travel visitation is the largest segment of the province's non-resident tourism sector, accounting for 77% of visitors and 81% of spending in 2015. It has also been a major source of growth for the sector over the years. Non-resident air traveller estimates for 2016 will not be available until later this

year.<sup>3</sup> Nevertheless, some indicators of overall air travel, such as the number of passengers and seat capacity, were positive in 2016.

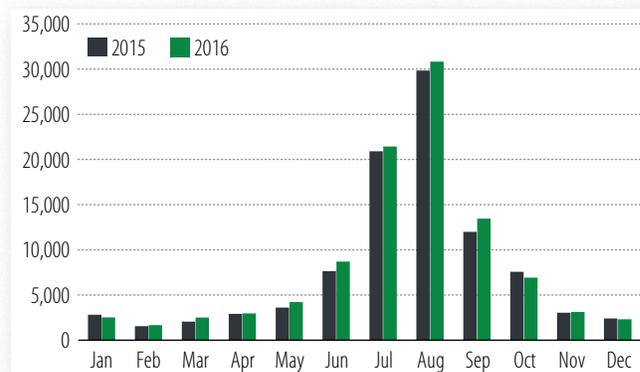
Airport activity (boarding and deplaning passenger movements) for the province's seven major airports reached a record 2.5 million passenger movements in 2016, an increase of 4.1% over the previous year. Higher activity at St. John's, Deer Lake, Stephenville, Goose Bay and St. Anthony more than offset lower activity at Gander and Wabush.

Installation of a Category III Instrument Landing System (Cat 3 ILS) at St. John's International Airport was completed in early 2016. The introduction of this new technology has increased the airfield's accessibility to 99% during low visibility conditions. In its first full year of operation, the newly installed Cat 3 ILS resulted in a significant improvement in the reliability of flight operations at the airport. An estimated 920 flights that would have previously been impacted by low visibility conditions were able to operate on schedule as a result of this new system in 2016. With greater predictability of flight operations for leisure and business travellers, the region will experience increased opportunities for tourism and conventions year-round.

Inbound non-stop seat capacity is a major indicator of the state of air access to the province. Inbound seat capacity rose 2.7% (about 34,400 additional seats) in 2016, representing the ninth consecutive year of growth for this indicator. The increase was driven by capacity growth in domestic and international (excluding U.S.) markets, which saw an increase of approximately 32,100 and 10,300 additional seats, respectively. Growth in international seat capacity was due to the introduction of a seasonal service between St. John's and Gatwick by WestJet. Seat capacity for U.S. flights declined by about 8,000 in 2016.

<sup>3</sup> Non-resident air visitation estimates are based on air exit surveys periodically conducted by the Province. The latest air exit survey was conducted in 2016 and the results from the survey will not be available until later this year.

## Non-Resident Auto Visitation



Source: Department of Tourism, Culture, Industry and Innovation

## Automobile Visitors

Non-resident automobile visitation to the province in 2016 reached an estimated 101,000 visitors, a gain of 4,620 visitors (or 4.8%) over 2015. Non-resident automobile visitor estimates are based on traffic on the Marine Atlantic ferries between North Sydney and Newfoundland.

Marine Atlantic piloted new pricing strategies in both 2015 and 2016, which resulted in not only increased bookings on the discounted crossings, but an increase in bookings on all routes. Lower fuel prices, combined with a low Canadian dollar, also contributed to an increase in bookings as more Canadians opted for domestic travel as a cheaper travel alternative. Marine Atlantic passenger movements (both directions) reached 328,528 in 2016, an increase of 2.9% over 2015 levels. Approximately 45% of non-resident automobile visitation occurs in July and August (see chart).

## Cruise Visitors

The province received approximately 23,545 unique cruise visitors during the 2016 cruise season, an increase of 9.2% compared to the previous year.<sup>4</sup> This increase is due in part to two additional vessels visiting the province combined

<sup>4</sup> This figure is a Department of Tourism, Culture, Industry and Innovation estimate based on a review of itinerary information. This estimate only counts passengers 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.

with the highest overall passenger load factor (95%) in four years. Furthermore, the east coast of Newfoundland experienced ideal conditions for cruise ships in 2016, resulting in no weather related cancellations in the area.

## **Attractions**

Increased visitation for the vast majority of provincial attractions during 2016 indicates a busy season for tourism operators, with visitors taking advantage of the many and varied experiences available. Visitation to Provincial historic sites was up 16.1% to 99,238 visitors, with all sites showing increases. Visitation to national historic sites increased 3.6% to 94,368 visitors for the period ending October 2016. The Rooms (home of the Provincial archives, gallery and museum) attracted 91,403 visitors last year, an increase of 29% over 2015. This increase in visitation is attributable to the July opening of the highly popular Royal Newfoundland Regiment Gallery showcasing the Beaumont Hamel/First World War Exhibit (1916-2016). Visitation to the three Regional Museums was up 11%, with over 10,000 visitors taking in the Mary March Museum in Grand-Falls Windsor, the Seamen's Museum in Grand Bank and the Labrador Interpretation Centre in North West River. Traffic to Provincial visitor information centres increased 8.8% over the May to September operating period in 2016 compared to the same period in 2015. All provincially-operated visitor centres reported increases in activity.

## **Accommodations**

The provincial accommodation occupancy rate (preliminary) was 50.2% for 2016, a decrease of 0.1 percentage points compared to 2015. Performance was mixed at the regional level, with rate declines in the Avalon and Labrador regions and increases in the occupancy rates for the remaining regions. The average room price per night was \$139, an increase of 3.2% compared to the previous year.

## **Meetings/Conventions**

The St. John's Convention Centre re-opened its doors in May 2016 after closing for construction in late 2014. With double its previous capacity, the expanded convention centre provides 47,000 square feet of divisible meeting space. The re-opening of the newly renovated St. John's Convention Centre was an important boost for the major meetings and convention market last year. In 2016, the number of room nights sold in the St. John's area (for large events booking 50 or more rooms per night) increased by 9% to 33,269. The number of events rose from 82 in 2015 to 105 in 2016 and the number of delegates increased from about 21,200 to 24,900.

## **Promotion**

The Province has promoted tourism and engaged travellers through many forums including award-winning marketing campaigns and advanced technologies. In January 2016, the Province unveiled the new Itinerary Planner, which provides travellers with a customizable approach to building a personalized itinerary of activities, attractions and destinations. These itineraries are shareable on social media sites and can be linked to tourism businesses, creating greater exposure and a potential for more bookings/sales. In 2016, visitation to the Province's online sites (including the planner) and various campaign pages reached 3.1 million sessions, an increase of 17% over 2015. This represents an increased level of interest in the province as a travel destination.

Newfoundland and Labrador also actively engages with visitors and potential visitors through its social media postings, which were well received during 2016. While Facebook is the primary channel of social communications for the Province, traveller engagements also include other social media channels such as Twitter, YouTube and Instagram.

## 2017 **OUTLOOK**

- Non-resident pleasure travel to the province should continue to benefit from a low Canadian dollar, which acts as an incentive for American tourists and also makes vacationing within Canada more attractive for Canadians.
  - As of March 2017, the provincial cruise association was expecting a record breaking season with 120 tentative port calls by 30 vessels.
  - While the current pace of bookings for meetings and conventions in the St. John's area is slightly behind the 2016 level, the expectation is that activity should be about the same as last year.
  - Inbound air seat capacity is expected to decline slightly but remain at historically high levels. Based on current airline schedule filings, inbound seat capacity is expected to decrease 3%, as the termination of several U.S. services will offset expected increases in domestic and other international services.
  - The winter tourism season benefitted from the Canadian Men's national curling championship in St. John's which took place in early March. Furthermore, the Province launched a winter resident tourism campaign in January designed to generate resident travel over the winter months by promoting snowmobiling, skiing and other outdoor winter activities.
  - As part of Canada's 150th Anniversary celebration in 2017, Parks Canada has introduced a free pass which allows unlimited opportunities to enjoy National Parks, National Historic Sites and National Marine Conservation Areas. Demand has been high for the pass.
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