



Department of Tourism, Culture and Recreation Backgrounder Year-End Provincial Tourism Performance 2012 and Early Tourism Outlook 2013

Tourism Performance 2012

Overall Visitation and Expenditures:

Newfoundland and Labrador’s tourism industry performed very well during 2012. Departmental estimates indicate that the province received approximately 504,400 non-resident visitors from January 1 to December 31, 2012, representing an increase of 9.9% over 2011. Associated expenditures are estimated to have reached \$456.8M, a 7.6% increase over 2011 levels.

Table I - Summary of Estimates of Non-Resident Tourism Visitation and Expenditures Newfoundland and Labrador 2011 and 2012						
Mode	2011		2012		Percent Change	
	Visitors	Expenditures \$M	Visitors	Expenditures \$M	Visitors	Expenditures \$M
Auto	108,100	\$96.1	106,200	\$96.4	-1.7	0.3
Air	335,600	\$327.5	359,100	\$358.2	7.0	9.4
Cruise	15,400	\$1.0	39,100	\$2.2	153.4	124.9
Total	459,100	\$424.6	504,400	\$456.8	9.9	7.6
<p>Source: Department of Tourism, Culture and Recreation, Tourism Research Division Note: Based on results from the 2011 Newfoundland and Labrador Air and Auto Exit Survey Program and annual Travel Indicator Program. Data subject to revisions. Note: 2011 and 2012 air visitation as well as auto and air spending estimates are based on information from the 2011 Provincial Visitor Exit Survey. Information presented in the table above is not comparable to previous years.</p>						

As in recent years, 2012 once again realized increased passenger levels at the province’s seven major airports as airlines boosted non-stop seat capacity and extended many of their services. Non-resident air travel – the largest segment of our market – is expected to increase by 7% over 2011 levels to an estimated 359,100 visitors. Expenditures for non-resident air visitors are estimated to reach \$358.2 million, up 9% over 2011.

Despite Marine Atlantic's significantly improved performance in terms of customer service and on-time crossings over the past two years, 2012 will be the third year in a row of declining non-resident auto visitation, albeit at a much slower rate than in 2011 (2% compared to 7%). Declines were realized in all auto markets during 2012: Maritimes -1.8%, Ontario -0.7, Quebec -1.1%, other Canada -1.8%, United States -3.9% and other countries -14.4%. Spending by auto visitors is estimated to actually register a small increase (0.3%) to \$96.4 million due to higher prices affecting travel, including gasoline, accommodation rates, ferry rates and food and beverage costs.

Information from Cruise Newfoundland and Labrador indicates that the province received record levels of passenger and crew visits during the 2012 cruise season surpassing the previous record set in 2007. A review of detailed itinerary information indicates that the province received approximately 39,100 unique¹ cruise visitors, up from only 15,400 reported the previous cruise season.

Provincial Tourism Performance

Airport Activity

The number of boarding and deplaning passengers at the province's seven major airports reached record levels with 2,225,374 passengers for the period ending December 2012, an increase of 7.5% compared to 2011. St. John's, Gander, Deer Lake, Wabush and Goose Bay all reported increases in passenger movements (6%, 6%, 5%, 31% and 13% respectively) while Stephenville and St. Anthony reported declines in passenger movements during the period ending December 2012 (-16% and -10%).

Marine Atlantic

Overall Marine Atlantic passenger movements between Newfoundland and Nova Scotia reached 353,722 for the period ending December 2012, a decrease of 3.2% over 2011 levels while the number of passenger related vehicles decreased 2.4% during the same period. The annual service between Port Aux Basques and North Sydney registered 1,787 crossings, 47 fewer than the previous year, resulting in 328,249 passenger movements (-1.8%) and 113,230 passenger related vehicles movements (-0.9%). The seasonal service (June to September) between Argentia and North Sydney registered 70 crossings, 10 fewer than the previous season resulting in 25,473 passenger movements and 11,079 passenger related vehicle movements, declining 17.8% and 15.3% respectively compared to 2011 levels. Fewer crossings at both ports were a result of mechanical issues and weather related cancellations.

Cruise Activity

Newfoundland and Labrador received record levels of passenger arrivals on cruise ships for the 2012 season. Passenger arrivals reached 46,600, up from 21,800 reported in 2011 and surpassing the previous record of 36,900 set in 2007. St. John's and Corner Brook, the province's two largest cruise ship ports, both recorded increases in cruise activity. Corner Brook reported record breaking levels as passenger visits went from 3,900 in 2011 to 26,800 and surpassed the port's previous best set in 2007. This increase has been attributed, in part, to more aggressive promotion of the city as a port of call. Passenger visits to St. John's increased by approximately 25% from 10,700 during 2011 to 13,300. In addition, crew arrivals to the various ports in the province reached 21,700 for the 2012 cruise season, up from 10,700 reported in 2011 and also surpassing the previous record of 18,500 set in 2007.

¹ Unique cruise visitors is Department of Tourism, Culture and Recreation estimate, based on an itinerary review, of cruise visitation counting passengers only once regardless of the number of port calls. This differs from Cruise Newfoundland estimates of passenger visits (discussed later) whereby passengers are counted at every port call

Roofed accommodation occupancy

Roofed accommodation performance in the province was flat as of December 2012. Occupancy rates on a provincial level reached 50.9%, an increase of just 0.2 percentage points over last year's 50.7%.²

Accommodation performance has been mixed at the regional level, with increases reported in Labrador (7.3 points) and on the Avalon Peninsula (1.2 points). Occupancy levels in the Eastern region dropped 0.2 points compared to 2011 while Central region (-1.1 points) and Western Newfoundland (-1.8 points) also recorded decreases in occupancy rates during 2012.

Newfoundland and Labrador Roofed Accommodation Occupancy Levels by Region

Region	2011	2012	Point Change	Average Daily Rate
Province	50.7%	50.9%	0.2 points	\$122
Avalon	62.5%	63.7%	1.2 points	\$132
Eastern	42.1%	41.9%	-0.2 points	\$114
Central	40.3%	39.2%	-1.1 points	\$106
Western	41.1%	39.3%	-1.8 points	\$111
Labrador	53.7%	61.0%	7.3 points	\$118

Accommodation Module, Tourism Destination Management System (TDMS)

Average daily room rates were up across the board, with the provincial average daily rate up 6.0% to \$122. Average daily rates increased in the Avalon region (+4%), Eastern (+7%), Central (+4%), Western (+3%) and Labrador (+14%).

Visitor Information Centres (VICs)

Visitation to the provincial VICs was down 1.4% overall for the operating season ending October 2012. The centres at St. John's Airport (12%), Deer Lake Airport (4%) and Clarenville (3%) registered increases while the remaining centres experienced decreases. Argentia recorded the steepest decline with a drop of 28%, followed by the centre at Deer Lake Highway (-13%), Notre Dame Junction (-11%), Port Aux Basques (-10%), North Sydney (-5%) and Whitbourne (-0.3%). It appears that the Argentia numbers declined to this extent due to the loss of several crossings in July and August, early morning vessel arrival, fewer passengers and a well maintained supply of tourism information on the ferries itself. This latter fact also contributed somewhat to lower visitation at the Port-Aux-Basques VIC.

Provincial Historic Sites

The system of Provincial Historic Sites reported a decrease of 3.8% in visitation for the 2012 operating season ending October. With the exception of the Trinity Interpretation Centre (+37%), all sites experienced declines in visitor numbers. Visitation declined 11% at Point Amour while visitation to the Lester Garland Premises and Hiscock House in Trinity dropped 7% and 6% respectively over the 2011 season. The decline at Point Amour Lighthouse was affected, in part, by Labrador Straits ferry issues while the sites in Trinity were likely impacted by accommodation issues due to the making of the movie "The Grand Seduction" in the area.

² Occupancy rate: This is the total number of rooms or units sold divided by the total number of rooms or units available during the reporting period. It represents the utilization rate of the sample reporting at time of publication. Occupancy levels are subject to revision pending further reporting by the province's accommodation operators.

Other declines included Bonavista Lighthouse (-11%, in part due to fewer icebergs visible from the site), Heart's Content Cable Station (-19%), Mockbeggar Plantation (-6%), Commissariat House (-5%), Boyds Cove (-1%), Newman's Wine Vault (-6%) and Cupid's Plantation (-9%).

Christmas events at Commissariat House held during late November were very successful, attracting 1,066 visitors over the two day period, up from 750 visitors recorded during 2011. Attendance at Christmas events at Commissariat House has been increasing year over year since 2008.

National Historic Sites

Overall, visits to National Historic Sites were up 10.7% for the operating season ending October 2012. On a site by site basis, performance was mixed, with 6 of the 8 sites reporting declines. Visitor increases were reported by Signal Hill (Cabot Tower, +62%) while the number of visitors to Port Au Choix increased 18%. Declines were recorded at L'Anse Aux Meadows (-15%), Hawthorne Cottage (-27%), Ryan Premises (-17%, partly due to earlier closure in 2012), Cape Spear Visitor Centre (-15%), Red Bay (-2%) and Castle Hill (-11%). The drop in visitation to Castle Hill is due in part to the loss of several ferry crossings in July and August, early morning vessel arrivals and a shorter operating season.

Attractions

Visits to the Provincial Museums were mostly down for the 2012 season ending October. The Labrador Interpretation Centre recorded 1,619 visitors, a decrease of approximately 30% over 2011. Visitation at this site during 2012 was impacted significantly by closures of the facility due to forest fires. The number of visitors reported at the Mary March Provincial Museum and The Provincial Seamen's Museum also declined 10% and 7% respectively. The Loggers Life Provincial Museum reported 2,947 visitors, an increase of 7% over 2011 levels.

April 14th of this year marked the 100th anniversary of the sinking of the RMS Titanic which the province commemorated at related sites. Events included special exhibits at the Myrick Interpretation Centre (Cape Race) and Edge of Avalon Interpretive Centre (Portugal Cove South). These centres attracted 9,322 visitors for the June to October time period, an increase of 25% over the same time period of 2011. Prior to June 2012, a traditionally slow period, these centres attracted 1,247 visitors, approximately 6 times the average historical levels for this time of the year. Over half of the people visiting these centres during 2012 (53%) were non-residents, down from 56% recorded during 2011.

Performance of the province's ecological reserves was positive as Burnt Cape Ecological Reserve reported a 23% increase in visitation between May 01 and October 15th, 2012. During the same period, Mistaken Point recorded a 120% increase in visitation due to the availability of additional interpretation staff. Visitation to the Cape St. Mary's Ecological Reserve dropped 23% (May 1st to October 15th) as late season visitation was impacted by damage caused by tropical storm Leslie (the reserve was closed to the public from September 10th to the 16th).

Visits to the Colony of Avalon (Ferryland) decreased 1% for the 2012 operating season of June to September while the Bell Island #2 Mine also experienced a 1% decrease in the number of visitors for the June to September time period. Tropical storm Leslie also impacted visitation to the Salmonier Nature Park, forcing an early closure, resulting in 2012 visitation levels being 6% lower than last year.

Activity at National Parks

Camping activity increased 11% at **Gros Morne National Park** for the 2012 operating season ending October. As well, the number of visitors reported at the Visitor Centre, Broom Point and the Lobster

Cove Lighthouse increased 30%, 11% and 2% respectively. However, the number of visitors recorded at the Discovery Centre and the Western Brook Pond Boat Tour were down -2%, and -8% respectively. While the number of bus tours visiting Gros Morne was down 3% (5 buses) compared to 2011, the average number of passengers was up by 4 people per bus during the 2012 season resulting in an increase of 13% in terms of passengers carried.

Camping activity during 2012 at **Terra Nova National Park** increased 7% over the 2011 season while the number of visitors reported at the visitor centre declined 22%. Terra Nova reported an increase of 4% in the number of bus tours for the 2012 season while the number of passengers carried increased 6%.

Camping Activity at Provincial Parks

The number of camping units registered at the Provincial Parks was up significantly at 8% for the 2012 operating season. Camp sites sold throughout the regions were up across the board, with the two parks in the Eastern region (+14%), the two parks in the Central regions (+14%) and the only Provincial Park in Labrador (+34%) recording the largest increases. The 6 parks located in the Western region (+6%) and the two parks on the Avalon Peninsula (+5%) benefited from the exceptionally good weather during this year's camping season. Camping activity attributed to in-province travel was up by almost 6% while camping activity attributed to non-resident travel increased by almost 25%.

Newfoundland and Labrador Provincial Campsite Nights Sold by Region

	2011	2012	Percentage Change
Province	59,412	64,173	8.0
Avalon	20,372	21,428	5.2
Eastern	8,169	9,288	13.7
Central	9,060	10,293	13.6
Western	21,342	22,537	5.6
Labrador	469	627	33.7

Parks and Natural Areas Division, Department of Environment and Conservation

Newfoundland and Labrador Provincial Campsite Nights Sold by Visitor Origin

	2011	2012	Percentage Change
Province	59,412	64,173	8.0
Newfoundland and Labrador residents	52,130	55,108	5.7
Other Canada	5,370	6,903	28.5
United States	1,304	1,503	15.2
Other Countries	608	659	8.4

Parks and Natural Areas Division, Department of Environment and Conservation

Provincial Ferries

Passenger levels carried on the Labrador Straits ferry reached 79,780 for the period May to October 2012, down 1.3% compared to last year. However, the number of passenger vehicles (TEUs) increased 2.5% to 33,643. The number of passengers on the ferry departing Farewell to Fogo/Change Islands reached 54,569 for the period May to October 2012, an increase of 11% compared to last year, with the number of passenger vehicles (TEUs) decreasing 4% to 27,333.

Meetings, Conventions and Incentive Travel (MC&IT)

2012 MC&IT performance was impacted by the cyclical nature of the meetings market where a destination is likely to experience "off-periods" every 3-5 years. Destination St. John's reported 90

MC&IT events of at least 50 room nights during 2012, down from the 104 reported in 2011. At least two labour related annual conventions (NL Federation of Labour; Professional Institute of the Public Service of Canada) were cancelled due to a labour dispute at the St. John's International Airport. Total room nights attributed to the 90 events reached 32,344, down 27% from 2011 levels while the number of delegates reported was 22,089, a drop of approximately 3% compared to last year. However, while there was a decline in the number of large conferences, the number of small meetings (10 – 49 rooms per night) for 2012 is similar to 2011 levels, with room nights down approximately 3% to 28,110.

Tourism Inquiries

Advanced technologies continue to impact travel planning and communication with travellers, and the department maintains its lead role in the province in utilizing these new means in attracting and informing current and potential visitors. TCR launched its tourism mobile app in July 2012 for iPhone and iPad. It is an extensive, complete and current source of Newfoundland & Labrador travel information and includes smart searching and location services which enable users to discover the nearest tourism product such as accommodations, restaurants to finding a specific activity. Users can also access the latest news, blogs and social media postings. Data covering the period ending December 2012 indicates that the iPhone and iPad HD mobile app was downloaded 5,901 times.

Between January 1 and December 31, 2012, TCR received approximately 54,054 inquiries for travel guides and related material from all sources including web, e-mail, telephone and other correspondence. In addition, in excess of 1.5 million visits were registered at the province's tourism website www.newfoundlandlabrador.com. Compared to 2011, this represents a 25% increase in interest in the province as a travel destination.

Comparative Performance Atlantic Provinces and Canada YTD November/December 2012

Based on available performance measures and travel indicators, Newfoundland and Labrador's tourism performance is on comparable levels with the other Atlantic Canadian provinces. Newfoundland and Labrador outperformed all other Atlantic Canadian provinces with respect to growth in overall airport passenger movements and is also the only province that registered growth in room nights sold. However, while NL's and NB's occupancy rate basically stayed flat, NS's registered an increase of one point and PEI's decreased by 1 point. Summary information on various performance indicators for the Atlantic Provinces is presented in the following tables.

Atlantic Canada Airport Passenger Movements

	2011	2012	Percentage Change
Newfoundland and Labrador	2,070,198	2,225,374	7.5
New Brunswick	1,104,500	1,157,681	4.8
Prince Edward Island	285,158	297,329	4.3
Nova Scotia	3,733,348	3,759,695	0.7

Source: Transport Canada, in co-operation with Airport Managers

Atlantic Canada Roofed Accommodation Occupancy Levels

	2011	2012	Point Change
Newfoundland and Labrador	50.7%	50.9%	0.2

Nova Scotia (November)	48.0%	49.0%	1.0
New Brunswick	50.4%	50.0%	-0.4
Prince Edward Island	40.5%	39.5%	-1.0
<i>Sources: Respective Provincial Departments of Tourism (Websites)</i>			
<i>NL: Accommodation Module, Tourism Destination Management System (TDMS)</i>			

Atlantic Canada Roofed Accommodation Room Night Sales

	2011	2012	Percentage Change
Newfoundland and Labrador	1,342,376	1,345,100	0.2
Nova Scotia (November)	2,391,000	2,348,000	-1.8
New Brunswick	1,708,792	1,652,770	-3.3
Prince Edward Island	565,415	554,328	-2.0
<i>Sources: PEI, NS, NB: Provincial Departments of Tourism (Websites)</i>			
<i>NL: Accommodation Module, Tourism Destination Management System (TDMS)</i>			

Keeping in mind the different methodologies used by the other provinces in collecting and reporting tourism performance indicators, the following is a snapshot of YTD November/December 2012 performance compared to the same time period in 2011.

Nova Scotia is reporting a 1% increase in non-resident visits for the period ending November 2012, with automobile travel increasing 5% but air visitation decreasing 4%. Airport passenger movements to November were up 1.2%. The roofed accommodation occupancy rate was also up one point.

Prince Edward Island is reporting that non-resident automobile traffic on the Confederation Bridge was down 0.6% during 2012 while airport passenger movements increased 4.3% during the same period. The roofed accommodation occupancy rate was down 1 point for the period January to December 2012.

Recording an increase of almost 5%, **New Brunswick's** airport passenger movements were up significantly for January to December 2012, while the roofed accommodation occupancy rate was basically unchanged compared to last year. The number of US residents crossing the border into the province by automobile was down 2% for the period January to December 2012.

For the period January to December 2012, overnight foreign visitation to Canada was up 1.8%. Overnight trips from the US increased 2.2% and included a 2.3% increase in automobile visits and 2.4% increase in visits by air. Visits from other countries were up 1% compared with 2011 levels.

Overnight **trips by Canadians** to the US and other countries increased 6.0% up to December 2012, continuing last year's upwards trend. Due to a strong Canadian dollar, overnight trips by Canadians to the US continued to increase 6.4% while trips to other destinations increased 5.1%.

Key Trends and Tourism Outlook 2013

Global Travel

- 2012 was a milestone year for tourism: over 1 billion tourists travelled in the world in one single year, generating US\$ 1 trillion in exports for the countries they visited. On top of that, one in 12 jobs worldwide is connected to tourism. In 2012, tourism has proven itself yet again as one of the most resilient industry sectors while the world continues grappling with the fallout of one of the worst economic crises in history.
- Despite the economic uncertainty that characterized yet another year, tourism demand remained robust on a global scale. In 2012, international tourist arrivals grew 4% compared to 2011 to 1.035 billion, with all world regions except the Middle East reporting growth. Asia Pacific (+7%) and Africa (+6%) registered above average growth while the Americas (+4%) and Europe (+3%) grew more modestly. While prospects for further tourism expansion are weakening, they remain positive overall. The UN World Tourism Organization expects an annual growth of 3 – 4% in 2013.

Canada

- The Conference Board of Canada (CBoC) is taking a moderately cautious approach to its tourism forecast for Canada. Based on continued employment gains and increases in disposable income, the CBoC expects domestic overnight province visits to grow by 2% in 2013, with business (+2%) and pleasure travel (+2.1%) both contributing to this growth.
- If history is any indication, it is likely that Canadians' travel intensity will remain the same as in previous years, according to CTC / TNS's Global Tourism Watch Canada 2012 study. While only just about 1 in 10 Canadians reported having not taken any trips at all during the past three years, over half (52%) reported three or more trips. These numbers have remained at similar levels since 2009 when the recession was at its worst.
- Given the state of Canadian consumer confidence, economic conditions and consumers' attitude towards their future financial conditions, it does not come as a surprise that affordability ranks as the number one barrier among both potential travellers as well as those who do not plan to travel. It is also notable that the CTC / TNS survey found that for about one in five travellers not being able to find enticing travel deals is also a barrier to out-of region travel. While personal reasons as well as the lack of time off were also identified as barriers, affordability and finding deals are making it ever more essential for operators to offer value to travellers.
- Interest in travelling in Canada is on the rise, with over 9 in 10 out-of region travellers (91%) indicating that they are at least somewhat interested (up from 89% in 2011). Fifty three percent of respondents indicated that they are planning a vacation trip of two or more nights (with at least one night in paid accommodations) in Canada. While BC is the most likely destination for those who plan to travel in Canada in 2013 (45%), 15% indicated that they are most likely to visit this province. This compares to 16% likely to travel to PEI, 17% to NB, with NS being the most popular destination in Atlantic Canada at 24%.
- Nevertheless, CBoC forecasts that Newfoundland and Labrador will see the highest level of growth overall in overnight province visits among the Atlantic Canadian provinces in 2013 at 1.4%. In the domestic arena (+1.4% overall), growth is driven by a 2.3% increase in business travel, with pleasure visits expected to grow 1.4%.

United States

- Economic news from the US remains a mixed bag, contributing to uncertainty that has characterized our neighbour south of the border for the past few years. While signs of recovery of the housing market and gains in the job market are leading the plus side of the balance sheet, consumer budgets remain stretched and continued spending restraint is expected to be the “new normal”.
- While the Traveler Sentiment Index (TSI) as of October 2012 (90.4) continued the slight downward trajectory that began last April (93.5), it is noteworthy that the TSI is still 5.4 points ahead of the October 2011 level. Perceptions of “affordability of travel” declined slightly whereas Americans felt significantly better about their “personal finances available for travel”.
- That affordability remains key to keeping the momentum going for travel and tourism was also revealed in Hotwire.com / Harris Interactive’s second annual American Travel Behavior Survey. This survey among American adults found that 72% of those surveyed would rather take smaller vacations over the course of a year than take one big trip. Furthermore, respondents indicated that they only could, on average, afford about 2.4 leisure vacations for two people per year lasting 2 to 5 days. Continued price sensitivity of Americans will impact on the destinations they choose, with the focus on multiple short trips resulting in preferences for nearby locales that are ideal for a quick, affordable getaway. Potential travellers remain keen on getting “good deals” as more savings mean more potential trips they can afford.
- While Canada is benefiting at some level – albeit moderate – from improved travel sentiment in the US, it is likely that the US as source market will remain flat for at least another year for Newfoundland and Labrador: according to CBoC’s forecast, the province can expect a modest increase (0.7%) in overnight province visits from the US in 2013. The outlook in the near term (2014, 2015) is more positive when US overnight visits are slated to grow at 2.4% and 2.8% respectively.

International

- As the world celebrated the welcoming of the one billionth international tourist in 2012 this past December, the only place Canada is seeing evidence of the world’s increased wanderlust is its emerging source markets (Brazil, India, China, Japan, Mexico) which registered a 7.4% growth in overnight trips through December. The country’s core markets, however, continued their slide southward, with only Australia registering any significant growth at 6.5%, which finally halted this segment’s overall monthly decline but with France, Germany and the UK registering decreases for another month. With a large proportion of Newfoundland and Labrador’s overseas visitors hailing from these countries, the outlook for this segment remains rather uncertain as Europe continues to grapple with weak consumer confidence, high levels of private and public debt and severe government spending cuts.
- As there are signs that the Eurozone’s biggest economies, France and Germany—which have been relatively immune to the crisis—are now beginning to stagnate, CBoC expects visitation from these countries to Canada to post little or no growth (particularly Germany) over the next three years. For this province, CBoC forecasts a 2.5% increase in overnight visits from Overseas in 2013.

Other Indicators

- The St. John’s International Airport expects a 2.5-3% growth in passenger movements in 2013.

- **Cruise Newfoundland and Labrador** has reported 86 tentative port calls for the 2013 cruise season. More are expected as cruise lines release their itineraries.
- Destination St. John's has reported that the **2013 MC&IT** booking pace is 20% ahead of 2012 levels as of January 2013.
- With the recent launch of the new ads, **inquiries and web site visits** for January and February 2013 reached 297,354, an increase of 27% over January and February 2012 levels, indicating increased levels of awareness of the province.

Air Access

- According to industry experts, air travel trends for 2013 are mixed, with passenger travel moving up while flight and capacity forecasts point down. According to the International Air Transport Association (IATA), air transport is expected to see 5% growth year over year, adding some 800 million new fliers over the next four years.
- Carriers have cut capacity and offer fewer discount deals these days but low cost carriers continue to dominate consumer decisions on whether to fly – and with what airline for what price. It appears that in the realm of fees, airlines know no boundaries in their creativity to offer their passengers more “choices” for their “flight experience”. Collecting information on individual travellers has become a tool to increase opportunities to “custom sell” drinks, food, seating and entertainment at perceived values on each flight. On the other hand, new services, e.g. wireless and Internet access, are essential, especially if airlines want to attract the lucrative business traveller.

Inbound direct non-stop seat capacity to Newfoundland and Labrador

- Non-stop inbound seat capacity is a major indicator of the state of air access to the province. According to data from Diiio – Aviation Market Intelligence, the province's overall inbound non-stop seat capacity grew again in 2012, at just over 2% overall compared to 2011, with a net addition of nearly 23,000 seats. This brings the total increase of seats to almost 154,000 over the past three years (2010-2012), which represents an increase of 16% compared to the number of seats in 2009.
- This increase continues to be driven by the domestic sector, with nearly 14,000 additional non-stop seats in 2012. The increase in international capacity (nearly 7,300 additional seats) resulted both from more flights to sun destinations between March and May as well increased capacity to Heathrow where service was also extended to October. The increase reported in the US segment (1,300 additional seats) is driven by WestJet's increased service to Orlando, which in 2012 also included flights during November and December.

Intra-provincial non-stop seat capacity

- With an increase of 5.5% in 2011, intra-provincial non-stop capacity between the province's seven major airports was on the rise for the first time after six consecutive years of decline. 2012 saw a further 11% increase which was almost entirely driven by capacity growth to Goose Bay and Wabush (nearly 38,500 additional seats, +28%).
- Capacity increases were driven by expanded Air Canada (AC) services between Goose Bay – Wabush, Goose Bay – Gander and St. John's – Deer Lake. AC overall boosted its capacity by over 39%. Capacity to all island airports decreased due to cuts by PAL for all its services (exception St. Anthony

and Goose Bay). Overall, PAL dropped its capacity by over 9,500 seats (-4%). However, both AC and PAL boosted their capacity to and within Labrador, with AC almost doubling its seats from 38,000 in 2011 to 74,000 in 2012 while PAL more than doubled its capacity between St. Anthony and Goose Bay.

Marine Atlantic Gulf Ferry Service

- The Marine Atlantic ferry service has been regularly rated among the top five concerns for tourism operators but its impacts are felt across the province. After a successful 2011 when the crown corporation introduced its rejuvenated fleet and recorded significantly improved customer satisfaction levels, expectations for the service remain high.
- In September 2012 Marine Atlantic also announced the implementation of two major projects to improve facilities at the Port-aux-Basques terminal. The projects, scheduled to begin in September, include the decommissioning and replacement of the aging gulfspan dock and the renovation and upgrade of the terminal building. The upgraded docking infrastructure will improve operational flexibility and efficiency while the renovated terminal will provide customers with better amenities. The projects are expected to be completed by spring of 2013. The projects are part of the Government of Canada's recent five-year investment of \$521 million in Marine Atlantic.
- Despite the improvements in service and satisfaction levels of users, overall passenger and vehicle traffic continued to decline in 2012. Passenger and vehicle traffic (both directions) declined 3.2% and 2.4% respectively, with a full year decline in non-resident visitation at 1.7%. However, the rate of decline is significantly lower than that experienced in 2011 (-7%).
- While gas prices in the province have generally been comparable or even lower than in 2011, it remains unclear to what extent gas price volatility / higher than average gas prices contribute to the continued declining trend in non-resident auto visitation to this province. CBoC's spring travel intentions survey found that for travel, "high gas prices remain a significant hurdle, but their impact is likely to be smaller this year, as Canadian travellers appear to be adjusting to the higher prices." (Travel Exclusive May-June 2012) As gas prices revolved around the highs of the summer of 2008, this cost cut deeply into Canadians' household discretionary spending, leaving less for vacations.
- Among those Canadians who did not plan a summer vacation, the share of those who said gas prices were a very important factor in their decision not to take a trip declined from 28% in 2011 to 20% in 2012. Almost 4 out of 10 respondents even indicated that gas prices had no influence at all (38% versus 28% in 2011). In addition, almost half of intenders maintained that gas prices would have no impact on their travel plans. However, if Canadians indeed are adjusting well to high gas prices as the CBoC suggests, the impact on travel sentiment would be limited. The question then becomes how increases in other travel-related prices (hotels, air, restaurants) – trends which have been showing in 2012 – will play out together in the coming year.

Challenges to the Newfoundland and Labrador Tourism Industry

- While tourism worldwide has picked up the pieces after the recession in 2008/09, the state of the world economy remains as fragile as ever and even "small-scale" events may have a large impact on

how people feel about travelling and taking vacations or short get-away trips. While travel to the province has fared well and continued its growing trends over the past few years, Newfoundland and Labrador – as other travel destinations – remains at risk of potentially experiencing negative impacts resulting from the state of the global economy. While recent survey results indicate a reasonably stable demand for domestic tourism, lower sensibility towards a strong Canadian dollar and high gasoline prices, a number of other factors, including increased travel costs and low consumer confidence remain a challenge.

- Access to the province continues to be on top of the tourism stakeholders' minds as airfares remain comparatively high and Marine Atlantic once again raised its fares for the 2013 travel season.

**Detailed 2012 Travel/Tourism Indicators
Newfoundland and Labrador**

Tourism Research Division
Department of Tourism, Culture and Recreation

March 28, 2013

KEY PROVINCIAL TRAVEL AND TOURISM INDICATORS AT A GLANCE				
#	Key Travel/Tourism Indicator	2011	2012	Change
1	Passenger Traffic on Marine Atlantic	365,397	353,722	-3.2%
2	Non-Residents Exiting (auto)	108,054	106,197	-1.7%
3	Residents Exiting (auto)	70,748	66,879	-5.5%
4	Vehicle Traffic on Marine Atlantic	127,333	124,309	-2.4%
5	Airport Passenger Movements	2,070,198	2,225,374	7.5%
6	Non-Residents Exiting (air)	335,592	359,102	7.0%
7	Cruise Ship Port Calls	75	81	8.0%
8	Cruise Ship Passenger Movements	21,828	46,623	113.6%
9	Unique Cruise Ship Passengers	15,423	39,083	153.4%
10	Roofed Accommodation Occupancy Rates	50.7	50.9	0.2 percentage points
11	Provincial Parks (camping units)	59,412	64,173	8.0%
12	Provincial Visitor Information Centres	135,159	133,307	-1.4%
13	Meetings and Conventions (St. John's)	104	90	-13.5%
14	Convention Room Nights (St. John's)	44,425	32,344	-27.2%
15	Convention Delegates (St. John's)	22,700	22,089	-2.7%
16	Inquirers/Website Visits	1,259,865	1,577,438	25.2%

Source: Department of Tourism, Culture and Recreation, Tourism Research Division.

Notes:

1. Passengers carried by Marine Atlantic covers the period January to December.
2. Non-resident Auto visits cover the period January to December.
3. Residents exiting by Automobile cover the period January to December. A decrease in residents means less leaving the province by automobile to travel to destinations outside the province. This may not necessarily translate into more in-province travel by residents.
4. Passenger related traffic carried by Marine Atlantic covers the period January to December.
5. Airport passenger movements at the province's seven major airports cover the period January to December.
6. Non-resident air visitors cover the period January to December.
- 7, 8, 9. The number of cruise ship port calls and associated passengers covers the cruise season.
10. Roofed accommodation occupancy levels cover the period January to December. Data is current as of March 4, 2013 and is subject to revisions pending further reporting by the Province's operators. Increase or decrease is presented as % point change.
11. Camping united registered at the System of Provincial Parks (camping season)
12. Visitors to the system of Provincial VIC's covers the period May to October
- 13, 14, 15. As reported by Destination St. John's for groups of +50 or more delegates.
16. Tourism Marketing Division. Data is for January to December

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Marine Atlantic Traffic	Port Aux Basques to North Sydney, NS Service			Argentia to North Sydney, NS Service			Total Newfoundland to Nova Scotia Service		
	2011	2012	% Change	2011	2012	% Change	2011	2012	% Change
Passengers Carried	334,398	328,249	-1.8	30,999	25,473	-17.8	365,397	353,722	-3.2
Passenger Related Vehicles Carried (PRVs)	114,256	113,230	-0.9	13,077	11,079	-15.3	127,333	124,309	-2.4
# of Crossings	1,834	1,787	-2.6	80	70	-12.5	1,914	1,857	-3.0

Source: Marine Atlantic Traffic Reports
Note: The Port Aux Basques to North Sydney service operates year round while the Argentia to North Sydney service operated between June and September.

Origin	2011	2012	% Change
Maritimes	51,124	50,216	-1.8
Ontario	29,229	29,033	-0.7
Quebec	6,483	6,411	-1.1
Western Canada	7,648	7,510	-1.8
United States	13,419	12,902	-3.9
Foreign	160	137	-14.4
Province	108,054	106,197	-1.7

Source: Marine Atlantic Traffic Reports and CFIA
Note: Categories may not add to the total because of rounding.

Origin	2011	2012	% Change
Newfoundland & Labrador	70,748	66,879	-5.5

Source: Marine Atlantic Traffic Reports and CFIA

Airport	2011	2012	% Change
St. John's	1,371,417	1,448,309	5.6
Gander	119,445	126,225	5.7
Deer Lake	292,019	306,071	4.8
Stephenville	7,401	6,209	-16.1
St. Anthony	18,424	16,655	-9.6
Goose Bay	110,923	125,427	13.1
Wabush	150,569	196,478	30.5
Province	2,070,198	2,225,374	7.5

Source: Airport Managers, Transport Canada. Annual data for Wabush has been estimated

Museum	2011	2012	% Change
Mary March Provincial Museum	5,071	4,584	-9.6
Provincial Seamen's Museum	3,354	3,127	-6.8
Loggers Life Provincial Museum	2,753	2,947	7.0
Overall	11,178	10,658	-4.7

Source: Heritage Division, Department of Tourism, Culture & Recreation.
Notes: Data presented for Mary March Museum covers the period May to October. Data presented for the Loggers Life Museum covers the period May to September.

Visitors	2011	2012	% Change
# of Visitors (January to December)	3,200	2,365	-26.1
# of Visitors (May to October)	2,319	1,619	-30.2

Source: Labrador Interpretation Centre

Table 7. *Occupancy & *Average Daily Rates by Region: January to December 2011 and 2012			
<i>*Change in Occupancy presented as % point Change while *Change in Average Daily Rate is presented as % Change</i>			
	2011	2012	Change
Province			
Occupancy Rate	50.7	50.9	0.2
Average Daily Rate	\$115.64	\$121.68	5.2
Avalon Peninsula			
Occupancy Rate	62.5	63.7	1.2
Average Daily Rate	\$126.27	\$131.79	4.4
Eastern Region			
Occupancy Rate	42.1	41.9	-0.2
Average Daily Rate	\$107.02	\$114.00	6.5
Central Region			
Occupancy Rate	40.3	39.2	-1.1
Average Daily Rate	\$102.05	\$106.38	4.2
Western Region			
Occupancy Rate	41.1	39.3	-1.8
Average Daily Rate	\$108.09	\$111.46	3.1
Labrador			
Occupancy Rate	53.7	61.0	7.3
Average Daily Rate	103.20	\$118.12	14.5
Source: Accommodation Module, Tourism Destination Management System (TDMS II)			
Notes: Data presented is current as of March 4, 2013 and is subject to revision pending receipt of further data from the province=s operators. Occupancy and average daily rate data should be considered as preliminary/estimates and is based on the sample (properties) reporting.			

Table 8. Skier Visits: Operating Season Marble Mountain 2010/11 and 2011/12			
	2010/2011	2011/2012	% Change
Ski Days	82	100	22.0
Skier Visits	72,551	72,470	-0.1
Source: Marble Mountain Development Corporation			

Origin	2011	2012	% Change
Returning Residents	3,209	3,773	17.6
St. Pierre & Miquelon	3,354	3,636	8.4
Other Canadians	2,873	3,416	18.9
United States	383	326	-14.9
Other Countries	231	209	-9.5
Overall	10,050	11,360	13.0

Source: Customs & Excise, Revenue Canada (Fortune Office).

	2011	2012	% Change
Number of Exiting Buses	78	84	7.7

Source: Marine Atlantic Traffic Reports.

Provincial Chalet	2011 Season	2012 Season
Port Aux Basques	19,405	17,435
Deer Lake (Highway)	13,331	11,487
Deer Lake (Airport)	34,397	33,337
Notre Dame Junction	7,508	6,679
Clarendville	7,636	7,823
Whitbourne	9,558	9,497
Argentia	9,433	6,800
North Sydney, NS	9,384	8,808
St. John's (Airport)	47,881	56,442
Total	158,533	158,308

Source: Strategic Tourism Product Development Division, Department of Tourism, Culture & Recreation

Table 11 (b). Provincial Visitor Information Centres Visits: May to October 2011 & 2012			
Provincial Chalet	2011	2012	% Change
Port Aux Basques	19,256	17,435	-9.5
Deer Lake (Highway)	13,258	11,487	-13.4
Deer Lake (Airport)	23,286	24,301	4.4
Notre Dame Junction	7,461	6,679	-10.5
Clarendville	7,594	7,823	3.0
Whitbourne	9,525	9,497	-0.3
Argentia	9,393	6,800	-27.6
North Sydney, NS	9,279	8,808	-5.1
St. John's (Airport)	36,107	40,477	12.1
Province (Total)	135,159	133,307	-1.4
Source: Strategic Tourism Product Development Division, Department of Tourism, Culture & Recreation The Centre statistics do not include telephone calls or e-mails. The table reflects the same operating dates for both years.			

Table 12. Provincial Historic Site Visits: Operating Season 2011 & 2012			
Provincial Historic Site	2011	2012	% Change
Cape Bonavista Lighthouse	11,536	10,230	-11.3
Heart's Content Cable Station	5,366	4,372	-18.5
Ryan Shop Mercantile Building	4,966	4,632	-6.7
Point Amour Lighthouse	5,658	5,057	-10.6
Trinity Interpretation centre	4,933	6,779	37.4
Quidi Vidi Battery	Not Open	Not Open	N/A
Mockbeggar Plantation	4,301	4,038	-6.1
Hiscock House	4,050	3,792	-6.4
Commissariat House	3,782	3,942	4.2
Boyd's Cove	8,905	8,817	-1.0
Newman's Wine Vault	3,612	3,424	-5.2
Cupid's Plantation	3,425	3,132	-8.6
Province (total)	59,784	57,149	-4.4
Source: Heritage Division, Department of Tourism, culture and Recreation			

Table 13. Terra Nova National Park Visitation (Operating Season ending October) 2011 and 2012			
Terra Nova Park	2011	2012	% Change
Camper Nights	15,071	16,134	7.1
Visitor Centre	14,823	11,498	-22.4
Activity Centre	3,994	n/a	n/a
Motorcoach Visits	76	79	3.9
Motorcoach Passengers	2,231	2,367	6.1
Source: Parks Canada, Terra Nova National Park			

Table 14. Gros Morne National Park Visitation: (Operating Season ending October) 2011 and 2012			
Gros Morne Park	2011	2012	% Change
# of Visitors (June to October)	180,500	182,000	0.8
Camper Nights	8,920	9,923	11.2
Visitors (Discovery Centre)	26,239	25,827	-1.6
Visitors (Visitor Centre)	38,195	49,476	29.5
Visitors (Lighthouse)	17,143	17,482	2.0
Visitors (Broom Point)	5,578	6,174	10.7
Motorcoach Visits	200	195	-2.5
Motorcoach Passengers	4,867	5,484	12.7
Boat Tours (People)	24,380	22,400	-8.1
Interpretation Programs	16,945	18,831	11.1
Source: Parks Canada, Gros Morne National Park			

Table 15. National Historic Sites: (Operating Season) 2011 and 2012			
Historic Site	2011	2012	% Change
L'Anse Aux Meadows	28,340	24,226	-14.5
Port Au Choix	8,223	9,676	17.7
Red Bay	6,801	6,669	-1.9
Castle Hill	11,958	10,650	-10.9
Ryan Premises	6,645	5,542	-16.6
Hawthorne Cottage	3,570	2,614	-26.8
Signal Hill (Cabot Tower)	35,296	57,242	62.2
Cape Spear (Visitor Centre)	19,797	16,872	-14.8
Torngat Mountain National Park	554	n/a	n/a
Source: Parks Canada, L'Anse Aux Meadows, Port Au Choix, Red Bay, Castle Hill, Hawthorne Cottage, Ryan Premises, Signal Hill and Cape Spear National Historic Sites.			

Table 16 (a). Provincial Parks: Camping Units Registered (Operating Season) 2011 and 2012 by Park			
Provincial Park	2011	2012	% Change
Barachois Pond	11,901	12,302	3.4
Blow Me Down	917	1,060	15.6
J. T. Cheeseman	2,099	2,918	39.0
Pinware River	469	627	33.7
Pistolet Bay	1,317	1,512	14.8
Sandbanks	1,130	1,101	-2.6
Squires Memorial	3,978	3,644	-8.4
Western & Labrador Straits Region	21,811	23,164	6.2
Dildo Run	2,008	2,682	33.6
Notre Dame	7,052	7,611	7.9
Central Region	9,060	10,293	13.6
Frenchman's Cove	4,889	5,444	11.4
Lockston Path	3,280	3,844	17.2
Eastern Region	8,169	9,288	13.7
Butter Pot	14,326	14,919	4.1
La Manche	6,046	6,509	7.7
Avalon Region	20,372	21,428	5.2
Province	59,412	64,173	8.0
Source: Parks & Natural Areas Division, Department of Environment and Conservation.			
Notes: There are seven parks located in the Western & Labrador region including Barachois Pond, Blow Me Down, J.T. Cheeseman, Pistolet Bay, Sandbanks, Squires Memorial and Pinware River (Labrador Straits). The two parks located in the Central region include Dildo Run and Notre Dame while the Eastern region parks are Frenchman's Cove and Lockston Path. The two parks located on the Avalon Peninsula include Butter Pot and La Manche.			

Table 16 (b). Provincial Parks: Camping Units registered (operating Season) 2011 and 2012 by Origin			
	2011	2012	% Change
Newfoundland and Labrador	52,130	55,108	5.7
Other Canada	5,370	6,903	28.5
United States	1,304	1,503	15.3
Other Countries	608	659	8.4
Province	59,412	64,173	8.0

Table 17. Cape St. Mary's, Burnt Cape and Mistaken Point Ecological Reserve: (May 1 to October 15) 2011 and 2012			
	2011	2012	% Change
Number of Visitors Cape St. Mary's	19,069	14,604	-23.4
Number of Visitors Burnt Cape	466	574	23.2
Number of Visitors Mistaken Point	846	1,857	119.5
Source: Parks & Natural Areas Division, Department of Environment and Conservation.			

Table 18. Salmonier Nature Park: June to October 2011 and 2012			
Visitors	2011	2012	% Change
General Visitation	36,871	34,520	-6.3
School Groups (Visitors)	1,879	4,827	1.1
Community/Recreation Groups (Visitors)	2,894		
# of Visitors (Total)	41,644	39,347	-5.5
Source: Salmonier Nature Park, Inland Fish and Wildlife Division, Department of Environment and Conservation			

Table 19. Colony of Avalon (Ferryland): June to September 2011 and 2012			
Visitors	2011	2012	% Change
# of Visitors	17,925	17,669	-1.4
Source: Colony of Avalon Foundation (Ferryland)			

Table 20. Cupids Legacy Centre/Museum: (Operating Season) 2011 and 2012			
Visitors	2011	2012	% Change
# of Visitors	4,085	4,373	7.1
Source: Cupids Legacy Centre/Museum The Legacy centre opened in 2010 as part of the 400 th celebrations and replaced the museum			

Table 21. Gentara Building Visitors Information Centre (St. John's): January to December 2011 and 2012			
Visitors	2011	2012	% Change
St. John's Residents	2,535	2,387	-5.8
Other Residents of the Province	200	313	56.5
Residents (Total)	2,735	2,700	-1.3
Non-Residents	11,691	11,721	0.3
Total	14,426	14,421	0.0
Source: City of St. John's			

Table 22. MC & IT and Event Statistics City of St. John's: 2011 and 2012			
	2011	2012	% Change
# of MC & IT and Events	104	90	-13.5
# of MC & IT and Event Room Nights	44,425	32,344	-27.2
# of MC & IT and Event Delegates	22,700	22,089	-2.7
Source: Destination St. John's			

Table 23. Strait of Belle Isle Ferry Service: May to October 201 and 2012			
Both Directions	2011	2012	% Change
Passenger Movements	80,842	79,780	-1.3
Passenger Vehicle Movements	32,834	33,643	2.5
Source: Department of Transportation and Works			

Table 24. Bell Island # 2 Mine Tour (Operating Season) 2011 and 2012			
Visitors	2011	2012	% Change
# of Visitors	9,324	9,271	-0.6
Source: Bell Island Heritage Society			

Table 25. Edge of Avalon Heritage Coast (May to October) 2011 and 2012			
Visitors	2011	2012	% Change
Myrick Wireless Interpretation Centre (Cape Race)	1,338	2,379	77.8
Edge of Avalon Interpretive Centre (Portugal Cove South)	6,254	8,190	31.0
# of Visitors (Total)	7,592	10,569	39.2
Mistaken Point Ecological Reserve	846	1,857	119.5

Source: Cape Race-PCS Heritage Inc. Mistaken Point Ecological Reserve courtesy of Parks and Natural Areas Division, Department of Environment and Conservation.

Table 26. Cruise Ship Statistics for Newfoundland and Labrador 2011 and 2012						
Port	2011			2012		
	# of Port Calls	Crew Visits (Approx)	Passenger Visits	# of Port Calls	Crew Visits (Approx)	Passenger Visits
St. John's	9	4,547	10,673	15	6,240	13,318
Corner Brook	5	2,135	3,851	15	12,488	26,811
Rest of the Province	61	3,970	7,304	51	2,974	6,494
Total	75	10,652	21,828	81	21,702	46,623

Source: Cruise Newfoundland and Labrador

2012 port calls, passenger visits and crew visits excludes 4 Wanderbird itineraries as the full itineraries were unknown. Past itineraries have included up to 41 different port calls for these four cruises. Passenger visits and crew visits could be 12 each respectively per port call.