

This document provides a summary of market signals and leading indicators assessing the readiness of key source markets for Toronto’s visitor economy. This assessment – and the underlying data that powers it – enables informed decisions on the timing and approach to sales and marketing in key markets.

## ONTARIO

Travel demand within Ontario steady, growing 3% YoY.



- Consumer confidence continues to drop, hitting a decade low at 53 in Q4.
- Searches for flights and accommodations decline gradually; -5% and -2% respectively.

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## CANADA

Canadian visitors continue to lead demand with arrivals surpassing 2019 level by 4%, a first since the pandemic.



- Consumer confidence slides further to 56.7.
- Search for Toronto and accommodations in Toronto remain steady YoY while flight searches increased 11%.

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## UNITED STATES

US arrivals increased by 35% year-over-year, still 22% below pre-pandemic levels.



- Air capacity increased YoY (+11%), still 5% behind 2019.
- US real GDP saw a 3.1% YoY increase in Q4; unemployment steady at 3.7%.
- Search (+10%), flights search (+10%) & accommodations search (+27%) all show strong YoY growth.

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## MEXICO

Significant uncertainty in this key market due to new restrictions on entry for Mexican travelers.



- Air capacity increased by +14% YOY, but new policy likely to impact demand and flights.
- New visa requirement for Mexican travelers could significantly disrupt market growth.
- Key partners suspended marketing and sales activity in market, pending greater clarity on impact of visa policy.

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## 3 READINESS LEVELS

### RESTRICTIVE

Significant challenges to business

### CAUTIOUS

Regression in some factors

### STABLE

Market stable/growing

## UNITED KINGDOM

Visitor arrivals from the UK have rising steadily, +8% YoY, still 20% below pre-pandemic levels; Inflation remains a concern.



- Air capacity from the UK has grown YoY (+14%).
- UK leads in search volume, ranking as the top international market after the US.

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## GERMANY

Search volume from Germany has consistently increased as interest continues upward.



- After early recovery momentum, arrivals leveled out and remain 27% below 2019 level.
- Searches from Germany rose; activities +24%, flights +4%, and accommodations +1% YoY.

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## CHINA

Canada continues to encounter geopolitical challenges with China, severely restraining travel demand.



- Air capacity has seen a slight YoY increase, yet still 94% below pre-pandemic levels.
- Despite some incremental growth, arrivals from China remain 73% below pre-pandemic levels.

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## JAPAN

“Japan leads our target markets with the highest annual increase in search interest, up 45% YOY.



- Air travel capacity is on the rise, growing 41% over the past year and 63% over the past five years.
- Visitor arrivals have surged 76% but are still 55% lower than in 2019.

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