

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

Consumer confidence holds steady as the Bank of Canada continues with interest rate cuts.



- Air capacity has fallen by 4% YOY and is still 38% below 2019 levels, driving up air travel costs.
- Ontarians' consumer confidence has risen by 5 points compared to Q2.
- Intraprovincial visitor arrivals grew by 5% YOY during the spring and summer months and remained 9% above 2019 level.

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## CANADA

Canadian domestic travel demand stays strong as consumer confidence sees gradual improvement.



- The Index of Consumer Confidence has reached its highest level since August 2023.
- Searches for activities in Toronto increased by 1% YOY, indicating stable interest among visitors. Interprovincial visitor arrivals increased by 4.5% YOY and are now at the same level as 2019.

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## UNITED STATES

U.S. arrivals grew steadily in spring and summer, with a 7% YOY increase, still 15% below pre-pandemic levels.



- Air travel capacity steadily recovered, up 2% YOY and now, 6% below 2019 levels.
- The U.S. currency appreciating against Canadian dollar creates favorable conditions for American travelers to Canada.
- Searches for activities, flights, and accommodations grew in summer, rising 34%, 8%, and 24% YOY.

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## MEXICO

Mexican arrivals declined, with significant drops compared to last year (-43%) and 2019 (-38%) in spring and summer.



- Air capacity growth has flattened, with a 2% YOY decline in Q4, but remains 37% above 2019 levels largely to support Canadian outbound travel demand during the upcoming winter travel season.
- Mexican traveller interest has dropped considerably since the visa changes went into effect in March 2024; search for activities, flight, and accommodations down 48%, 44% and 47% YOY.

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## 3 READINESS LEVELS

### RESTRICTIVE

Significant challenges to business

### CAUTIOUS

Regression in some factors

### STABLE

Market stable/growing

## UNITED KINGDOM

UK arrivals continue to rise, with a 6% YOY increase (Apr-Jun), though they remain 12% below pre-pandemic levels.



- Air travel capacity has decreased by 3% YOY and remains 15% below 2019 levels.
- Searches for activities have increased by 14% YOY, while searches for flights and accommodations have dropped by 5% and 4%, respectively.

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## GERMANY

German arrivals grew steadily in spring and summer, with a 5% YOY increase, but still 22% below 2019 levels.



- Air capacity has grown by 8% YOY, reaching 2019 levels for the first time since the pandemic.
- Searches for activities have increased by 9% YOY, while searches for flights and accommodations have dropped by 4% and 10%, respectively.

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## CHINA

The Chinese market's recovery is constrained by ongoing geopolitical challenges and economic pressures.



- Air travel capacity remains unchanged YOY but is still 93% below 2019 levels.
- While visitor arrivals have increased by 53% YOY (Apr-Jun), they were 66% below pre-pandemic levels, keeping China the furthest from recovery among all international markets.

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## JAPAN

Despite a 4% YOY increase, the Yen remains weak against the Canadian dollar, straining Japanese travelers' finances.



- Air travel capacity has expanded significantly, with an 11% YOY increase and a 61% rise compared to 2019 levels.
- Visitor arrivals have increased by 28% YOY, but are still 46% below 2019 levels. Searches for activities have grown by 42% YOY.

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