

MARKET READINESS INDEX | Q4 2023

(*DATA AS OF OCTOBER 18, 2023)

DESTINATION
TORONTO

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.

3 READINESS LEVELS

RESTRICTIVE

Significant challenges to business

CAUTIOUS

Regression in some factors

STABLE

Market stable/growing

ONTARIO

Local travel demand remains strong (arrivals +30% YoY) despite low consumer economic confidence.



- Consumer confidence is at a 10-year low (69.7) and trending down, driven by persistent inflation (3.5%).
- Google search indices show steady interest in travel to Toronto; Toronto search (+1% YoY), flights search (+9.4%).

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CANADA

Domestic travel remains resilient (arrivals +15% YoY) nearly reaching 2019 levels (-3%) despite unfavorable economic conditions.



- Domestic air capacity at Pearson grew +7% YoY; still remains 7% below 2019.
- Consumer confidence at 10-year low (72.2) and trending down, driven by persistent inflation (3.5%).
- Google search indices show steady interest in travel to Toronto YoY; Toronto search (+2%), flights search (+22%); accommodations search (-5%).

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UNITED STATES

U.S. travel demand rebounded in 2023 with arrivals up +45% YoY and flight capacity at Pearson reaching 87% of 2019 levels.



- U.S. air capacity at Pearson grew +10% YoY; still remains 13% below 2019.
- U.S. economy remains steady amidst persistent inflation (3.7%) and stable consumer confidence (97.6).
- Google search indices show growing interest in travel to Toronto; Toronto search (+14% YoY), flights search (+20%), accommodations search (+20%).

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MEXICO

Travel demand grew YoY (arrivals +42%) nearing 2019 levels amidst high consumer economic confidence (104).



- Pearson airport capacity increased significantly YoY (+22%) surpassing 2019 levels by 15%.
- Consumer confidence remains high (104) but so does inflation (5%); Peso remains stronger vs CAD (+16%) YoY & (+12%) vs 2019.
- Google search indices show growing interest in travel to Toronto; Toronto search (+19% YoY), flights search (+11%); accommodations search (+7%).

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UNITED KINGDOM

U.K. travel demand continues steady growth from 2022 with arrivals up +10% YoY; high inflation remains a concern.



- U.K. air capacity at Pearson steady (+1% YoY); still 14% below 2019
- Consumer confidence steady (97.5) amidst high inflation (7.4%)
- Google search indices show growing interest in travel to Toronto; Toronto search (+10% YoY), flights search (+12%), accommodations search (+14%)

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GERMANY

Travel demand recovery from Germany stalled (arrivals -1% YoY), remain 30% below 2019.



- Air capacity at Pearson grew by 5% YoY; still remains 8% below 2019.
- Consumer confidence steady (98.8) amidst high inflation and a slowing economy.
- Google search indices show growing interest in travel to Toronto; Toronto search (+7% YoY), flights search (+13%); accommodations search flat (-2%).

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CHINA

Travel demand increased in 2023 (arrivals +247% YoY) but remains far below 2019 levels (-79%) amidst geopolitical concerns and severely lagging air capacity.



- Canada was denied Approved Destination Status by China; air capacity to Toronto remains 94% below 2019.
- Consumer confidence remains steady (93.6) amidst a slowing economy.
- DC and DO paused sales and marketing investment in the market given geopolitical challenges.

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JAPAN

Travel demand remains far below 2019 levels (arrivals -62%) but recent data for search demand and YoY arrivals (+80%) show positive momentum.



- Pearson airport capacity increased significantly YoY (+206%) surpassing 2019 levels by 28%.
- Consumer confidence remains steady (98.4) as inflation trends downward (3.3%); JPY continues weakening vs CAD (-31% vs 2019).
- Google search indices show growing interest in travel to Toronto YoY; Toronto search (+43%), flights search (+59%); accommodations search (+36%).

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