MARKET READINESS INDEX | Q2 2025

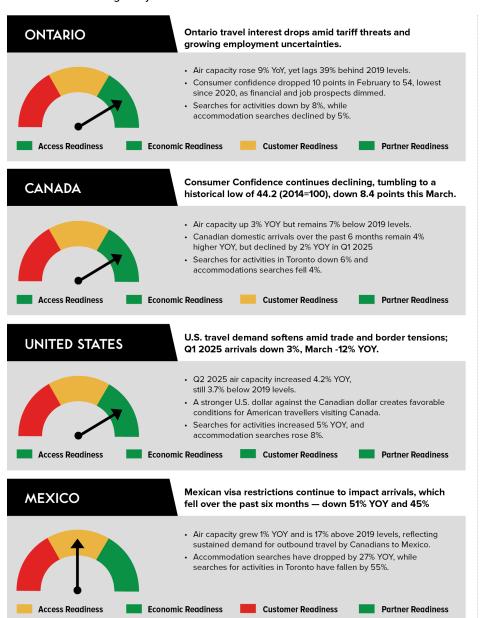
(*DATA AS OF APRIL 2025)



Partner Readiness

Partner Readiness

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

UNITED KINGDOM

UK arrivals averaged +3% YOY over six months but fell 17% in March, reflecting more cautious travel.



- Air travel capacity rose 7.3% year-over-year, reaching 4.9% above 2019 levels—marking the first time it has surpassed pre-COVID volumes.
- Searches for activities grew 6% YOY, while searches for accommodations rose by 3%.

GERMANY

German arrivals soften with a 16% drop in February and March, despite growth YOY (+11%) in the last 6 months.

Customer Readiness



- Air capacity increased by 5.3% YOY, edging 0.2% above 2019 figures, indicating a full recovery in connectivity.
- Based on preliminary reports, Q4 2024 real GDP growth dipped slightly below zero, settling at -0.2%.

Customer Readiness

CHINA

Despite YOY growth in last six months, China's tourism rebound remains hindered by geopolitical and economic challenges.



- Q2 2025 air capacity remains at the same level as last year, and 94% below the 2019 level
- Arrivals rose 23% from during last six months, yet remain 43% below pre-pandemic levels.
- Access Readiness Economic Readiness
- Customer Readiness

Partner Readiness

Partner Readiness

JAPAN

Access Readiness

Japanese arrivals increased by 13% YOY over the past six months but remain 42% below 2019 levels.



Economic Readiness

- Air travel capacity rose 1% YoY and stands 84% above 2019 levels, underscoring steady sustained growth
- The yen has strengthened against the Canadian dollar in recent months, but remains near five-year lows
- Searches for activities dropped slightly by 0.3% YOY while searches for accommodations increased 24%

Customer Readiness