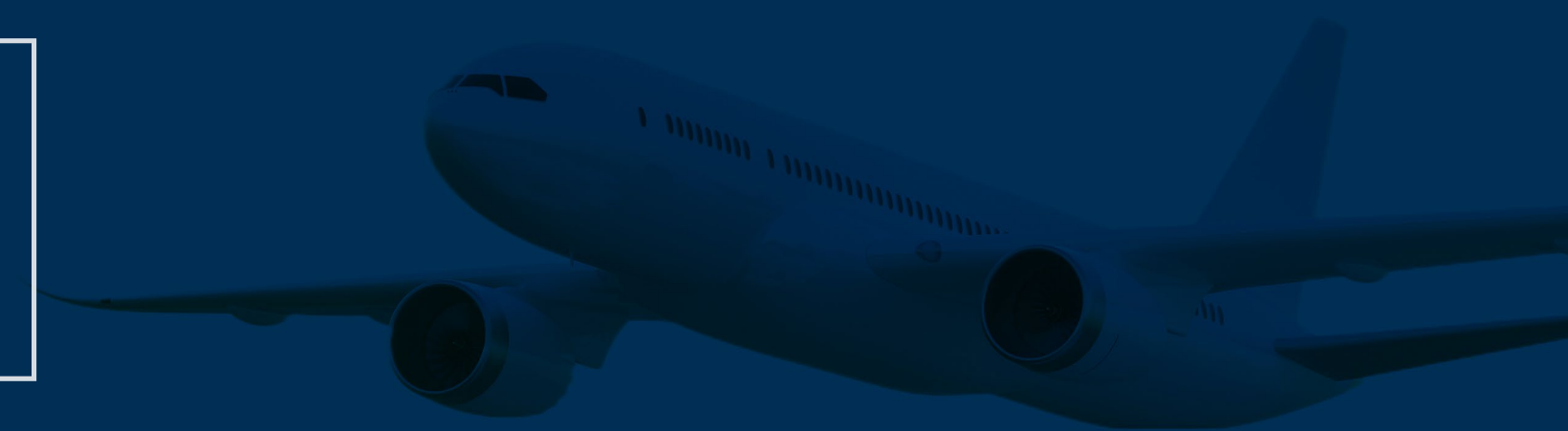




# INBOUND TRAVEL MARKET PROFILE:

## MEXICO & CANADA



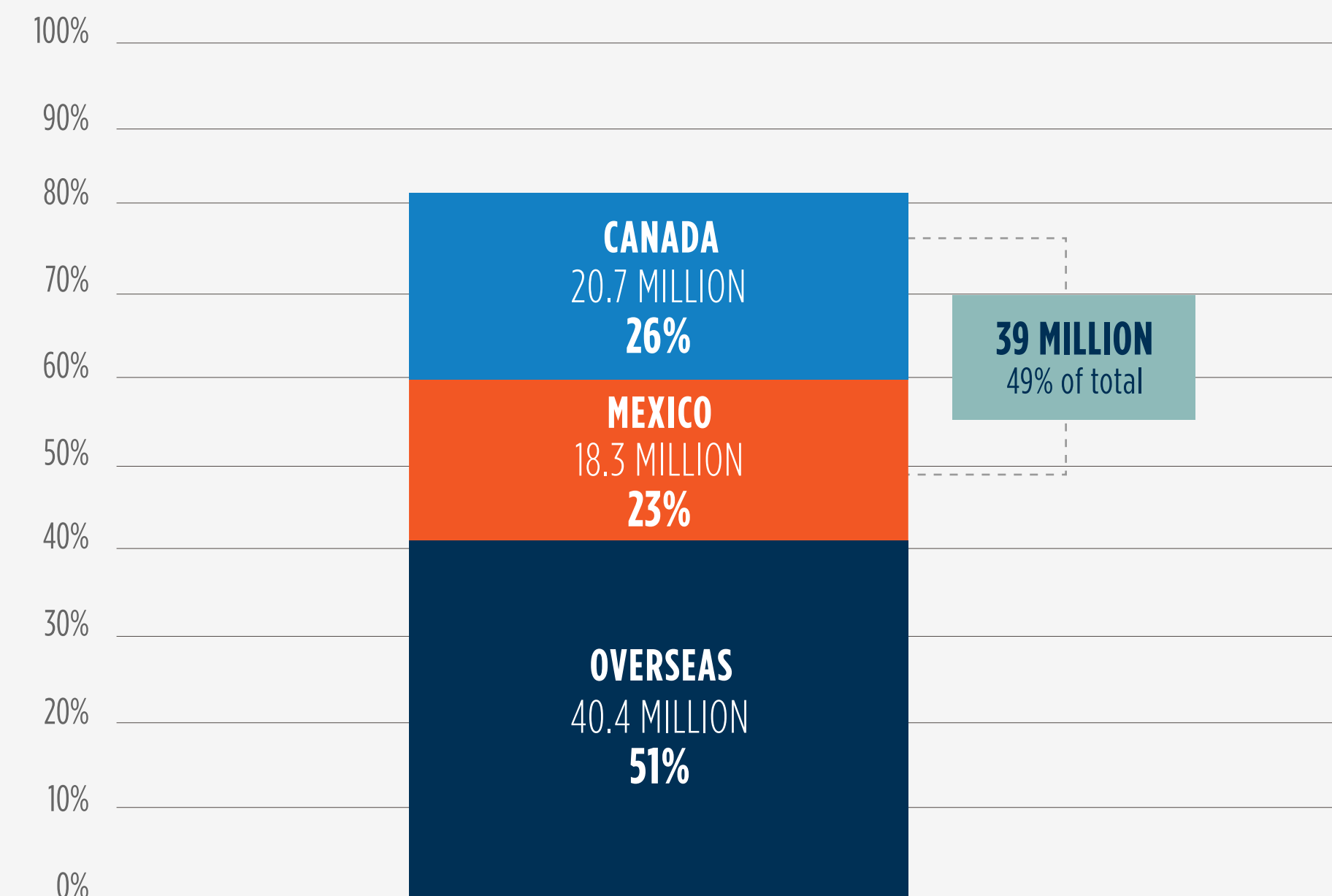


# CANADA & MEXICO TYPICALLY ACCOUNT FOR ROUGHLY HALF OF INTERNATIONAL VISITATIONS

Canada and Mexico have together accounted for **39 MILLION OVERNIGHT VISITATIONS** to the U.S. in 2019, **roughly half of all international visitations**. And this does not even include the millions of day trips by residents of both countries.

- While land travel was—and remains—the dominant method of arrivals from both markets, **travel from Canada typically includes a much higher share of air travelers**.
- In 2019, overnight visitations from Canada (20.7 million) included 9 million air arrivals in 2019, which accounted for 44% of the total.
- Overnight visitations from Mexico (18.3 million), on the other hand, included 2.8 million air arrivals, which accounted for just 15% of the total.

## CANADA AND MEXICO ACCOUNTED FOR ROUGHLY HALF OF INTERNATIONAL VISITATIONS IN 2019



Source of all visitation data in this deck: NTTO

# THE PANDEMIC BROUGHT INCONSISTENT RESTRICTIONS WITH VARYING EFFECTS ON LAND AND AIR TRAVEL



Neither Canada nor Mexico were included in the U.S. travel ban that restricted inbound travel from 33 specified countries. But they were both affected by a different restriction, which largely banned land crossings to the U.S. That ban created an inconsistent situation in which Canadians and Mexicans could technically fly to the U.S. but could not drive. [It lasted until November 2021.](#)



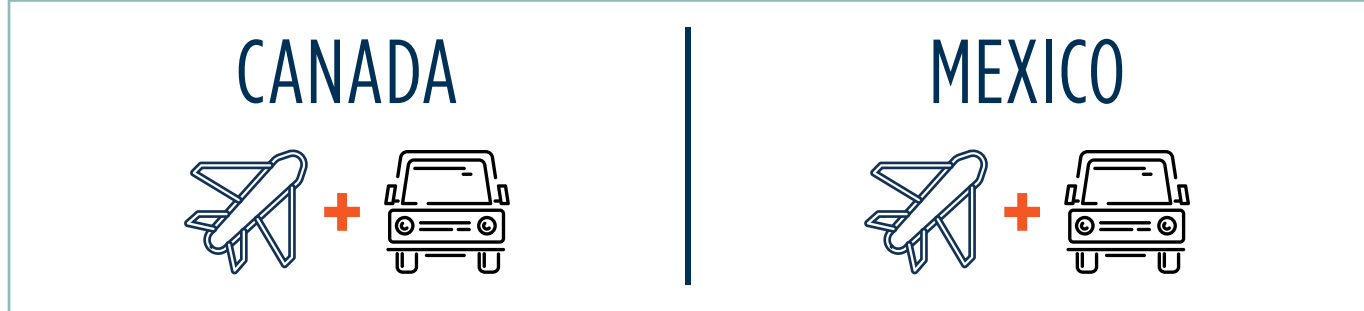
There was also a second inconsistency. For many months, until June 2022, there had been a requirement of pre-departure testing for all visitors who arrive by air, but not by land. Ironically, **while traveling by land from our neighboring countries was the more restricted method through November 2021, traveling by air became the more challenging option from November 2021 to June 2022** due to the ongoing testing requirement.



In addition, while Mexico did not have any significant restrictions on return travel, **Canada implemented extremely strict quarantine requirements on returning Canadians.** These restrictions were particularly stringent with regards to air travel, and for many months in 2021, all arriving air passenger were required to quarantine (at their own expense) at specific approved hotels. All of this had clearly influenced the behavior of travelers.

# CONTINUED STRENGTH FROM MEXICO

## OF THE FOUR CATEGORIES OF TRAVELERS



## MEXICO AIR TRAVELERS WERE THE WINNERS.

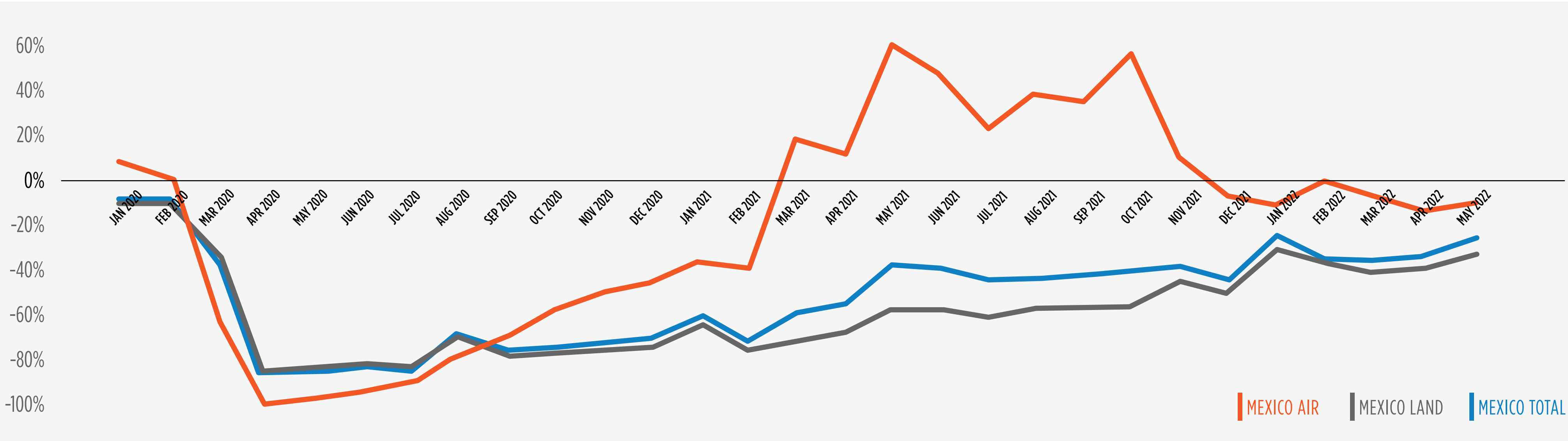
They were permitted entry to the U.S. at all times throughout the pandemic and, **while they were still subject to vaccination and testing requirements while**

traveling to the U.S., they had **virtually no restrictions upon return to Mexico**. And they definitely took advantage of this. As seen in the chart, following a short period of stagnation at the beginning of the pandemic, **air arrivals from Mexico recovered quickly and they significantly surpassed pre-pandemic levels for nine straight months—March 2021 through November 2021—reaching a staggering 60% above 2019 levels in May 2021.**

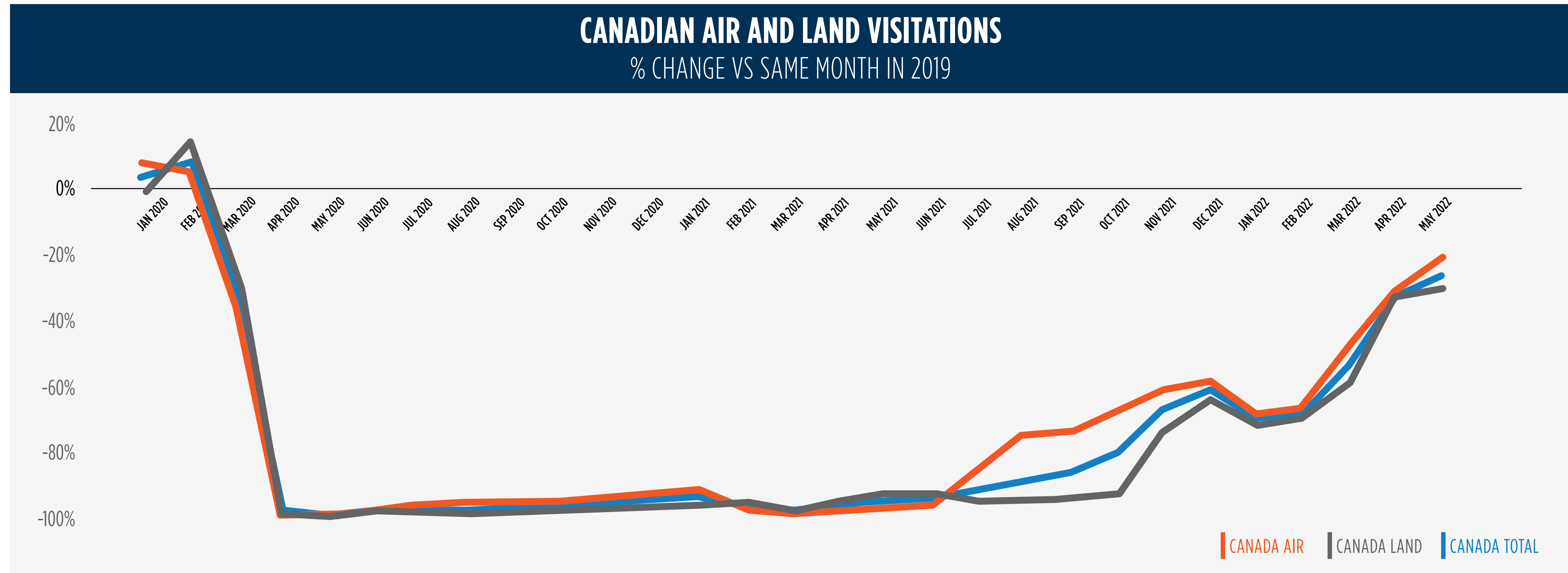
Mexican land visitations were technically bound by the land border restrictions, and they definitely experienced

declines. But, as seen in the chart, many Mexicans still managed to come, likely qualifying for one of the multiple exemptions to the ban. Land visitations rose steadily since the initial declines and hovered at roughly half of pre-pandemic levels from May 2021 until the official reopening at which point they moved into the -30% range.

**MEXICAN AIR & LAND VISITATIONS**  
% CHANGE VS SAME MONTH IN 2019



# BUT NEAR-COMPLETE STAGNATION FROM CANADA

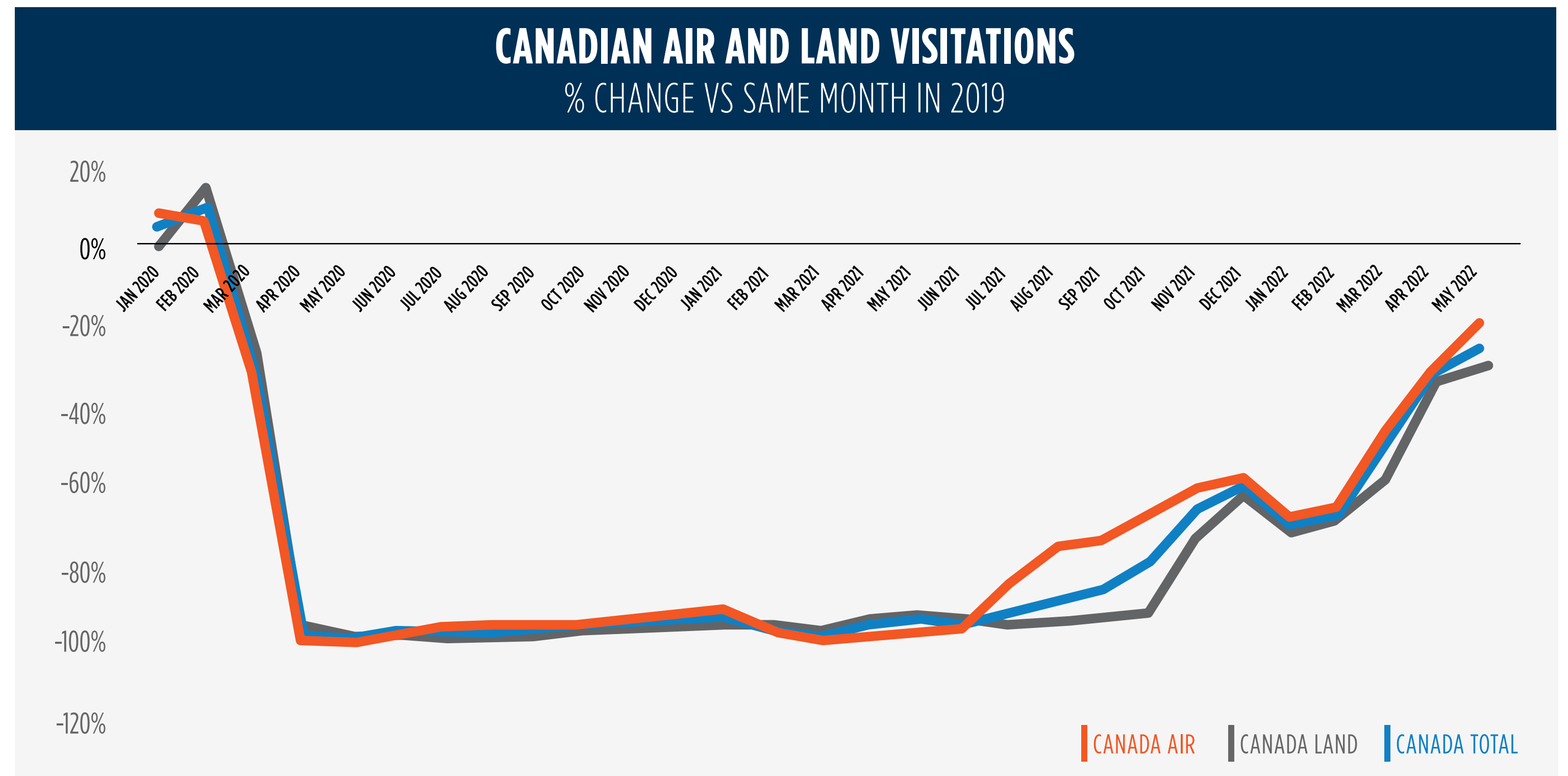


- A direct result of restrictions emanating from both the U.S. and Canada, air and land visitations from Canada were virtually stagnate since the beginning of the pandemic and through much of 2021.
- As a result, **while Canada accounted for roughly half of the combined visitations from both border markets, its share decreased dramatically and reached a low of just 7% in March 2021.**



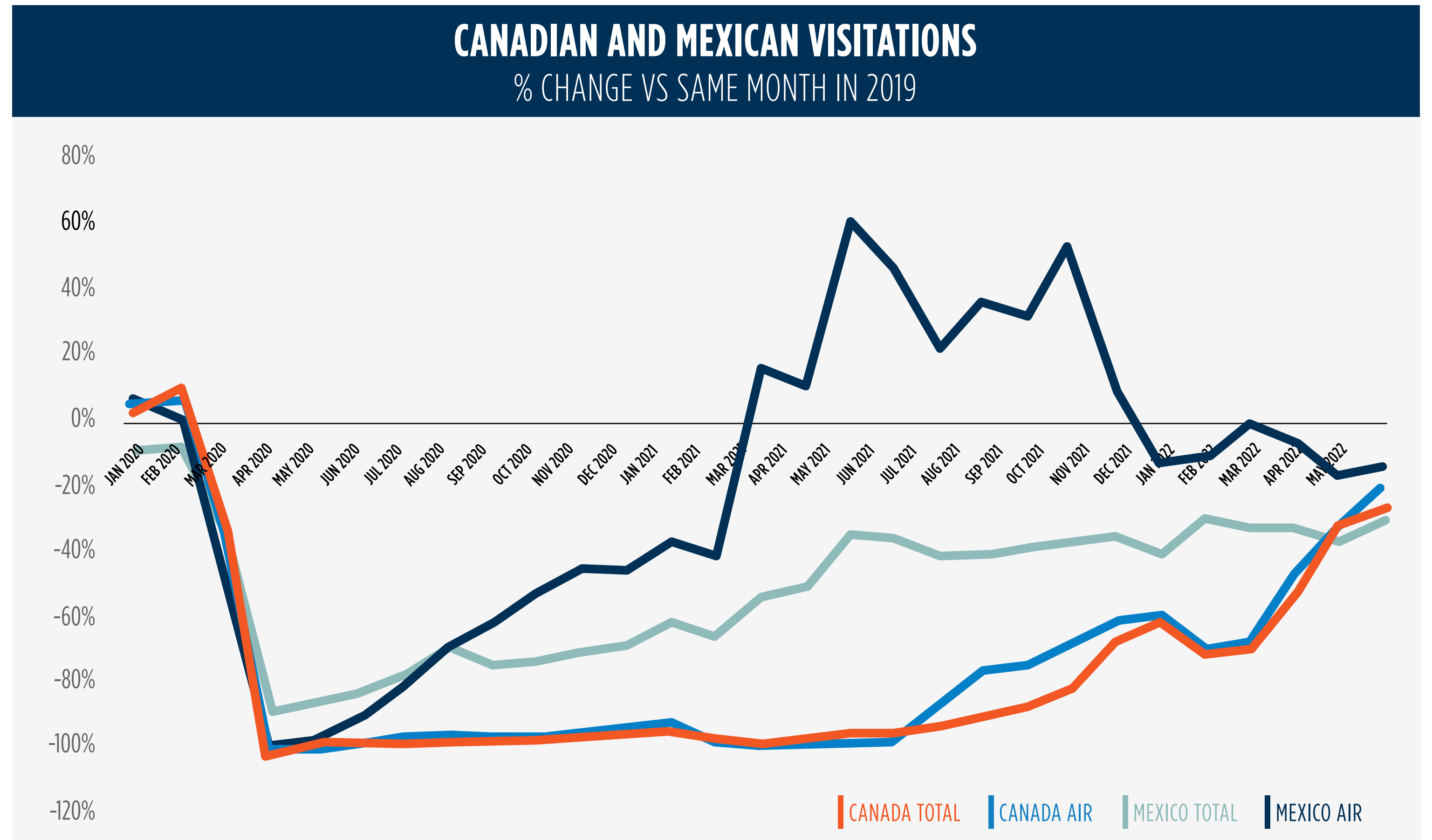
# LOOSENING OF RESTRICTIONS FINALLY PAVES THE WAY FOR CANADIAN RECOVERY

- The loosening of restrictions from Canada in July 2021 brought the first reprieve for Canadians eager to visit family and friends across the border. Vaccinated Canadians were finally able to travel to the U.S. without the requirement to quarantine upon return. Practically, however, **the only travel option was by air since the land border remained closed**. As seen in the chart, Canadian air travel finally increased at that time while land travel remained stagnant.
- The reprieve for land travel finally came in November 2021 with the reopening of the land border to non-U.S. citizens.
- Nevertheless, while the latest trends have been positive, total **visitations from Canada remained down 30% in May 2022**.



# CANADA AND MEXICO ARE FINALLY CONVERGING

- While all visitations from Canada and land travel from Mexico are on the upswing, **air travel from Mexico had actually declined in recent months** and is around—but no longer significantly above—pre-pandemic levels.
- A likely explanation? At the height of covid, Mexican air travelers could not travel to most countries outside of Latin America due to travel restrictions (beyond vaccines and testing). But the U.S. was an exception. Now, there is much more competition.
- **As a result, the trends in both countries are converging, with Canada (-26% in May 2022) finally performing better than Mexico (-30%).**
- **Canada is again accounting for a larger share of total visitations** (29%) than Mexico (24%), as it did in 2019.



# APPENDIX: VISITATION, SPENDING AND TRAVEL TRADE BALANCE FOR CANADA AND MEXICO IN 2019 AND 2021

	2019			2021		
	VISITATIONS 2019 (MILLIONS)	TRAVEL EXPORTS, 2019 (BILLIONS)	TRAVEL TRADE BALANCE, 2019 (\$ BILLIONS)	VISITATIONS 2021 (MILLIONS)	TRAVEL EXPORTS, 2021 (\$BILLIONS)	TRAVEL TRADE BALANCE, 2021 (\$ BILLIONS)
Canada	20.7	22.1	11.9	2.5	3.3	1.7
Mexico	18.3	17.6	-5.3	10.4	13.5	-5.6
<b>CA/MX total</b>	<b>39.0</b>	<b>39.7</b>	<b>6.6</b>	<b>12.9</b>	<b>16.8</b>	<b>-3.9</b>

SOURCE: Bureau of Economic Analysis (BEA)