

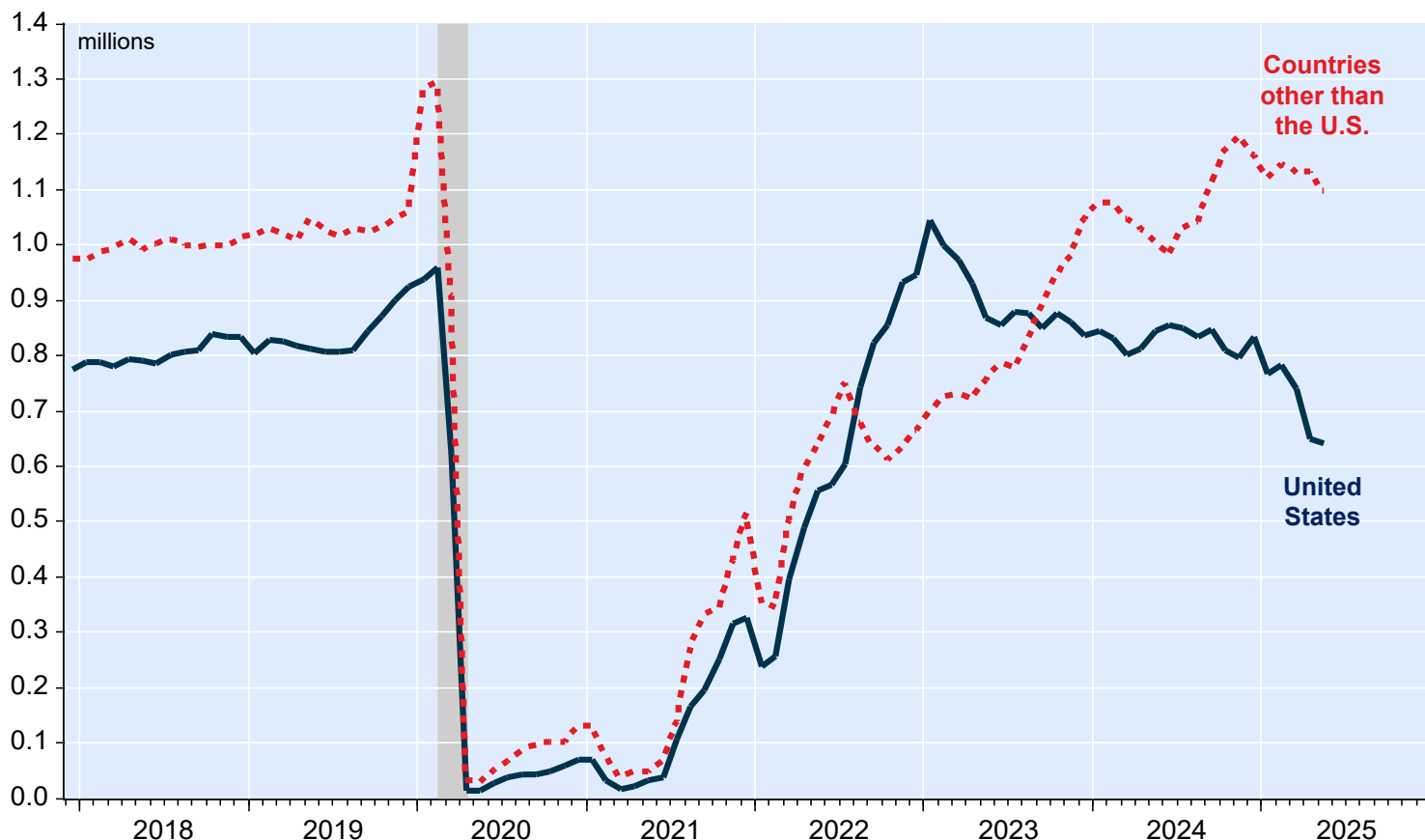
Canada Watch

By Kyle Dahms

Statistics Canada's latest release of its leading indicator of international arrivals for May offered fresh figures on evolving travel behaviors. The data, which catalogs entries by transportation mode and traveler type, reveals a notable shift in sentiment toward cross-border air travel. As highlighted in today's Hot Chart, Canadian air travelers returning from the U.S. declined by **24.2% year-over-year in May**. While this drop is less severe than the 38.1% decline observed for land travel, it still marks a significant contraction in air-based re-entry volumes. Seasonally adjusted figures reinforce this trend. Since December, air entries from the U.S. by returning Canadians have fallen by a cumulative **23%**, suggesting a sustained weakening in demand. This decline, though less dramatic than that of land travel, points to a re-evaluation of short-haul international trips. Interestingly, the decline in air arrivals was not mirrored to the same extent among American travelers entering Canada, where air travel remained relatively more stable. Meanwhile, Canadians appear to be less frigid for overseas travel. Return trips from non-U.S. destinations rose by **9.8% year-over-year**, although were slightly down (-5.4%) from December. Looking ahead, these travel undercurrents could have implications for domestic tourism. Reduced cross-border travel may redirect spending toward Canadian destinations, potentially bolstering local economies and lending modest support to the Canadian dollar.

Canada: Air travel from the U.S. hits turbulence

Canadians returning by air to Canada



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