



3.0 PERFORMANCE TARGETS AND FINANCIAL ANALYSIS

3.1 Performance Targets

Demand

The volume of business upon which the financial soundness of the Agency depends is determined fundamentally by demographic, economic and political factors, many of which are beyond the control of the Passport Office.

Historically, there has been a correlation between the rate of growth in the number of Canadian international airline passengers and the rate of growth in the demand for travel documents. Therefore, to estimate demand we employ available statistical forecasts of passenger traffic prepared by Transport Canada and published as *Aviation Aggregate Demand Indicators* (the data used in this Business Plan were published in December 1994).

Transport Canada develops its forecasts by taking into account such factors as demographic data, immigration trends, the international political situation, the economy, personal disposable income, and the price of fuel.

Graph 3-1 points to a 5% average annual increase in the number of Canadian international air passengers until 2007. Transport Canada estimates that the number of passengers will increase in 1995 by 5% over 1994, and in 1996 by an additional 5% over 1995. It is estimated that, by 2007, international passenger traffic will have increased by 75% over 1995. According to these statistics, international travel will have risen by 211% by 2007 over 1986.

The International Civil Aviation Organization (ICAO) also forecasts growth of approximately 4.9% a year in international travel up to the year 2007.

Transport Canada's forecast for the United States market (Graph 3-2) also suggests a progressive growth in the number of air passengers to the year 2007; however, the projected growth is slower than for the international market. It amounts to an annual average growth rate of 3.5%. In 1995 transborder air passenger