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International Border

Crossings: down in first three quarters of 2003

- Total border crossings by American and overseas visitors into Ontario were down by 17.4% in the first three quarters of 2003 over the same period of 2002, while border crossings into Ontario by visitors who spent one night or more decreased by 19.8%.
- International border crossings into Canada as a whole were down by 13.8% in the first nine months of 2003 over the same period of 2002. Border crossings into Canada by visitors who spent one of more night decreased by 14.2%.
- International border crossings into Ontario decreased by 16.9% in September 2003 over September 2002. Border crossings from the U.S. decreased by 16.5% and from overseas countries by 21.4%. Overnight international border crossings decreased by 16.4% in September 2003 over September 2002.
- In September 2003, all overseas markets' border crossings into Ontario decreased, with the exception of South America and the Netherlands.

Message from the Minister

Dear Tourism Partners:

As Ontario's new Minister of Tourism and Recreation, I am pleased to present to you this issue of Ontario Tourism Facts and Figures.

I am privileged to be entrusted with this exciting portfolio at a time when the tourism industry in Ontario is striving to recover from the many challenges it has had to weather recently. I want you to know that I am deeply committed to working with our partners at all levels of government, and with the tourism industry, to rebuild the province's image and regain the industry's footing as a vital part of our economy. Together, we will strongly and effectively promote Ontario as a destination of exceptional quality, one that offers a rich array of experiences and activities to entice visitors from all points of the globe, as well as those of us who live right here.

This report contains valuable information about the state of our tourism industry and its prospects for the future. I hope you will find it to be helpful in gaining insight and making decisions about your business.

I have great confidence that 2004 will bring renewed growth and vigour to Ontario tourism. I look forward to working with you to build the momentum we need to ensure a solid recovery and a sure place in this competitive market.

Yours sincerely,



Jim Bradley,
Minister

**International (Int'l) Border Crossings into Ontario
July to September 2003
Percent Change Over Same Periods of 2002**

	July 2003	Aug 2003	Sept 2003	YTD* 2003
Total U.S.	-15.1	-16.1	-16.5	-17.0
Overnight U.S.	-19.5	-17.5	-15.2	-19.2
Total Overseas	-35.3	-27.0	-21.4	-23.9
Overnight Overseas	-33.4	-24.8	-21.4	-23.3
Total International	-16.6	-16.7	-16.9	-17.4
Overnight Int'l	-21.7	-18.5	-16.4	-19.8

Source: Statistics Canada

*YTD – Year-to-date January 2003-September 2003

Economic Outlook

Ontario's economy better in third quarter 2003, Improvement expected in 2004

Canada

The Conference Board of Canada data indicates that Canada's Real Gross Domestic Product (GDP) decreased by 0.09% in the second quarter of 2003. Results for the third quarter of 2003 are expected to show minimal growth of 0.17%. Canada's Real GDP is expected to grow by 1.67% in 2003, and is expected to increase by 2.97% in 2004.

In 2003, the unemployment rate is expected to reach 7.83%, but decrease to 7.50% in 2004.

Personal disposable income of Canadians is expected to increase by 2.97% in 2003, and grow by 4.75% in 2004.

The Canadian dollar closed the year in 2002 with a rate of \$0.64 USD. The Conference Board of Canada has forecast that the dollar will reach \$0.705 USD at the end of 2003 and reach \$0.710 USD in 2004.

Ontario

Real GDP in Ontario decreased by -0.2% in the second quarter of 2003 over the first quarter of 2003. A marginal increase of 0.04% is expected for the third quarter of 2003.

Ontario's Real GDP is expected to grow by 1.48% in 2003 – below Canada's growth of 1.67%. This trend is not expected to continue in 2004, with Ontario's expected growth rate of 3.21%, outperforming Canada's anticipated growth rate of 2.97%.

Ontario's 7.08% unemployment rate during the second quarter of 2003 was below the national level. Ontario's projected annual unemployment rate of 7.05% for 2003 and 6.52% for 2004 are also below the national level.

Ontario Travel Information Centres (TICs) –Ontario TICs visitation down in Q3

- Visitation to TICs to decreased by 19.7% in the third quarter of 2003 over the same period of 2002.
- Visitation to TICs dropped by 10.5% in the first nine months of 2003 over the same period of 2002.

Accommodations: Hotel occupancy rates down by 10% in first nine months of 2003

- Hotel occupancy rates in Ontario reached 57.1% in the first nine months of 2003, 10.0% lower than the same period of 2002. The overall average daily rate dropped 7.4% in to province to \$111.10.
- Downtown Toronto was the most affected area in the province in terms of occupancy and average daily rate. Occupancy was down 17.5% in the January to September 2003 period and average daily rate was down 14.6% over the same period of 2002.
- While all areas in the province experienced decreases in occupancy rate, Sudbury's hotel occupancy increased by 3.0% in the first nine months of 2003.
- Increases in average daily rate were experienced in Eastern Ontario, Hamilton/Brantford, North Eastern and North Western Ontario

The following table outlines actual occupancy and average daily rates for several different markets across the province for the first nine months of 2003.

Occupancy and Average Daily Rates January to September 2003				
Market	Occupancy Rate		Average Daily Rate	
	Jan-Sep 2003	% ch*	Jan-Sep 2003	% ch*
Greater Toronto Area	56.0%	-14.3	\$117.69	-10.4
Downtown Toronto	56.5%	-17.5	\$140.37	-14.6
Toronto Airport	60.5%	-7.5	\$109.22	-4.7
GTA West	56.9%	-11.5	\$98.10	-1.5
GTA East/North	51.5%	-15.6	\$101.79	-5.3
Eastern Ontario	56.4%	-7.4	\$93.62	0.3
Kingston	60.8%	-5.2	\$103.54	0.6
Other Eastern Ontario	54.4%	-8.4	\$88.28	0.5
Ottawa	63.3%	-3.8	\$123.46	-1.2
Downtown Ottawa	65.2%	-3.6	\$130.95	-1.2
Ottawa West	57.7%	-2.7	\$106.09	-0.6
Ottawa East	58.4%	-5.5	\$89.79	-0.1
Southern Ontario	55.1%	-7.5	\$101.91	-5.6
London	57.5%	-2.6	\$91.22	-2.8
Windsor	60.1%	-7.9	\$103.83	-2.5
KW/Cambridge/Guelph	61.3%	-3.4	\$91.76	-0.1
Hamilton/Brantford	56.1%	-5.8	\$90.60	2.8
Niagara Falls	52.8%	-12.8	\$121.94	-10.1
Other Niagara Region	50.6%	-5.5	\$87.69	-2.6
Other Southern Ontario	50.1%	-5.3	\$93.21	-1.1
Central Ontario	53.9%	-6.7	\$121.51	-0.6
North Eastern Ontario	62.1%	-0.6	\$81.75	0.3
North Bay	59.9%	-0.6	\$88.02	-2.5
Sudbury	66.2%	3.0	\$84.97	2.4
North Central Ontario	60.5%	-0.2	\$87.31	-2.9
TOTAL ONTARIO	57.1%	-10.0	\$111.10	-7.4

* percent change over the same period of 2002

Data based on PKF's unweighted sample, which tends to be branded properties of 30 rooms or more. Source: PKF Consulting Inc.

Visitor Inquiries – Potential visitors not calling, but ‘clicking’

- In the first ten months of 2003, inquiries to 1-800-ONTARIO were down by 20.5% compared to the same period of 2002. Inquiries decreased by 23.6% in October 2003 over October 2002.
- Meanwhile, during the first ten months of 2003, user sessions at www.ontariotravel.net (the Ontario Tourism Marketing Partnership Corporation’s consumer web site) increased by 7.9% over the same period of 2002. User sessions increased by 18.7% in October 2003.

Ontario’s Travel Price Index (TPI): tourism goods and services cost less in third quarter

Ontario’s TPI decreased by 2.3% in the third quarter of 2003 over the same period of 2002, but increased by 1.4% over the second quarter of 2003. This means that the same amount of travel-related goods and services in Ontario cost 2.3% less in the third quarter of 2003 than in the same period of 2002 and 1.4% more than in the second quarter of 2003.

Ontario’s TPI was 1.9% lower in September 2003 than it was in September 2002. The price of traveler accommodation was 19.1% lower than in September 2002, inter-city transportation was 3.3% lower and clothing & footwear was 2.8% lower. This weaker demand for travel in September 2003 over one year ago indicates that tourism has not yet overcome the impact of the events of 2003.

European Air Travel

Based on tickets issued for travel from Europe to Ontario by the end of the second quarter of 2003, there was a 10.8% decrease in air travel bookings for travel in the third quarter of 2003 over the same period of 2002. Actual air tickets used in the third quarter decreased by 9.6% over the same period of 2002.

Based on tickets issued for travel from Europe to Ontario by the end of the third quarter of 2003, there was an 8.9% decrease in air travel bookings for travel in the fourth quarter of 2003 over the same period of 2002.

Source: InterVISTAS Consulting Inc.

Data only available for tickets issued by travel agents for travel from UK, Germany, France, Netherlands, Switzerland and Belgium/Luxembourg

Special Topics

Special Topics: Who uses advertisements to plan their trips?

The full report *Influenced by Ads?* A profile of those who use advertisements to plan their trips can be found at www.tourism.gov.on.ca/english/tourdiv/research/reports.htm.

Approximately, 35% of adult Canadians and 40% of adult Americans who had taken a trip of one or more nights over a two year period indicated that they used advertisements as an information source to plan their getaways or longer vacations. Advertisements in newspapers and magazines are by far the most consulted sources of information by these American and Canadian travellers, followed by visits to travel and trade shows. Advertising pamphlets and brochures received by mail or TV ads are not very significant sources of information for these travellers.

For Canadians and Americans planning a short getaway trip, newspapers and magazines are the most consulted sources of information. Meanwhile, longer trip (4 nights or more) plans are more influenced by advice of friends and relatives and past experience with the destination.

Canadians who are influenced by ads have a higher incidence of reading any newspaper or magazine than those who are not influenced by ads. Americans who are influenced by ads, on the other hand, tend to read more travel magazines and travel sections of newspapers, but otherwise have a lower incidence of readership than those who are not influenced by ads.

Canadians who are influenced by ads tend to watch news television shows, news magazines, nature shows and instructional or hobby shows on television. Those Canadians not influenced by ads tend to watch more daytime TV and professional sports. Americans who are influenced by ads have a lower incidence of watching any TV than their Canadian counterparts.

Canadian and American travellers who resort to ads to plan their trips have a higher education than those who do not and a higher household income. Canadians are on average younger (46 vs. 50 years) than those that do not use ads and Americans are older (46 vs. 44 years). The types of experiences that these Canadians seek while on vacation correlate with their higher income and education (e.g. Experience the good life... fine cuisine, good wine, being pampered). Americans, on the other hand, seek to experience different cultures and ways of life.

Over half of the Canadian travellers and 46% of the American travellers who resort to advertisements to plan their trips had taken a packaged deal over the last two years as opposed to only 20% of other Canadian travellers and 23% of other American travellers. This is a consequence of the fact that many package deals appear as advertisements in newspapers – a source that other groups do not consult. By far, theatre packages seem to be the most popular for both groups.

Useful Web Sites

Ontario Ministry of Tourism and Recreation (OMTR) - www.tourism.gov.on.ca

OMTR Tourism Monitoring - www.tourism.gov.on.ca/english/tourdiv/research/monitor.htm

Ontario Tourism Marketing Partnership – www.tourismpartners.com

Canadian Tourism Commission - www.canadatourism.com

Statistics Canada - www.statcan.ca

TTRA Canada - www.ttracanada.ca

TTRA International – www.ttra.com

Tourism Research Links – www.waksberg.com

Tourism Research Exchange - www.trex.uwaterloo.ca

World Tourism Organization – www.world-tourism.org

US Department of Commerce, Tourism Industries - tinet.ita.doc.gov

Ontario Tourism Education Corporation – www.otec.org

WHAT'S NEW IN RESEARCH?

New Research and Publications

We are updating your establishment's listing in our database of Ontario tourism establishments. If you have received an email or a paper questionnaire, please complete the forms as soon as possible if you have not done so. Complete and accurate data will help us in our research in support of tourism development in Ontario, and prevent errors and duplicate information when this information is being listed at www.ontariotravel.net.

You may send your questions and concerns to nabeel.hamdi@mczcr.gov.on.ca, or call Nabeel Hamdi at 416-325-1848.

The first waves of our new quarterly travel intentions studies in Canada and the U.S. will be available on our web site in early December at www.tourism.gov.on.ca. These studies track where and when travel has been planned and if respondents do not plan to travel, the reasons for not travelling are tracked. The second wave of these studies will be conducted in February 2004.

Upcoming Conferences

The Canadian Marketing Association is holding a seminar on January 27, 2004 on Best Practices in Data Mining in Toronto. Write to info@the-cma.org for more information.

The Ontario Ministry of Agriculture and Food, in conjunction with the Ministry of Tourism and Recreation and the Ministry of Municipal Affairs and Housing, will be holding its Beyond the City Lights 2004 Rural Tourism Conference Series in various locations across the province beginning in February 2004. For more information call 1-877-424-1300 or write to ag.info@omaf.gov.on.ca.

The Economic Development Council of Ontario is holding their annual showcase and conference February 3 to 5, 2004 in Toronto. Two sessions at the conference are dedicated to tourism (cultural tourism and making the case for tourism investment). Please see www.edco.on.ca for more information.

OTIS and CHIC are coming!

The Ministry of Tourism and Recreation's Investment and Development Office (IDO) is pleased to announce the dates for the Ontario Tourism Investment Symposium (OTIS) and the Canadian Hotel Investment Conference (CHIC). IDO will be providing a forum to bring together potential hotel and tourism investors, and municipalities who have specific tourism investment opportunities.

OTIS: March 29th, 2004, 2:00 - 5:00 pm, Royal York Hotel, Toronto, Ontario

CHIC: March 29-30, 2004, Sheraton Centre, Toronto, Ontario

To find out more about OTIS and CHIC, please contact James Lynn, Senior Investment Consultant at 416-325-4630 or james.lynn@mczcr.gov.on.ca

The Tourism Federation of Ontario will hold their 6th Annual Forum on March 30-31, 2004 at Casino Rama in Orillia. Please contact Georgina Smith at (416) 691-4001 for more information.

Questions? Suggestions

Please contact:

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