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International Border Crossings: down 17% in 2003

- Total border crossings by American and overseas visitors into Ontario were down by 16.6% in 2003 over 2002, while border crossings into Ontario by visitors who spent one night or more decreased by 17.9%.
- In 2003, Ontario's four main overseas markets decreased in the double-digits compared to 2002. The Japanese stayed away in droves with a drop of 55.8% over 2002. France dropped by 29.2%, Germany by 24.4% and United Kingdom by 13.1%.
- International border crossings into Canada as a whole were down by 13.3% in 2003 over 2002. Border crossings into Canada by visitors who spent one or more nights decreased by 12.9%.
- Total international border crossings into British Columbia decreased by 8.0% and into Quebec decreased by 10.0% in 2003 over 2002.
- Next to Ontario, with 60% market share of international border crossings, BC and Quebec received the second and third highest market share of international border crossings in Canada with 19% and 10%, respectively, in 2003.
- Compared to 2002, in 2003 Ontario lost 2 percentage points in market share, while BC lost 1 point and Quebec remained the same.

Message from the Minister

Dear Tourism Partners:

The 2004 spring and summer seasons are fast approaching and the Ministry of Tourism and Recreation is preparing to move forward to rebuild this key sector of Ontario's economy. To this end, the McGuinty government has committed a total of \$30 million from April to September 2004 to help our tourism industry and communities bring visitors back to Ontario this spring and summer.

With \$17.2 million committed for tourism recovery in the first half of the 2004-2005 fiscal year, the Province will invest in strategic partnerships to market events and destinations across Ontario, develop convention business and promote cultural tourism. Effective marketing campaigns, strategic partnerships and other efforts are essential to getting tourism back on track as one of our key economic sectors.

The Province's tourism marketing agency, the Ontario Tourism Marketing Partnership Corporation (OTMPC), will be given \$10 million in additional funding, over and above its base funding of \$14 million. This additional funding will enable the OTMPC to aggressively market Ontario tourism domestically and abroad to regain market share and remain competitive with other jurisdictions.

Marketing Northern Ontario tourism is a priority for this government, with \$2.8 million committed for April to September 2004 to ensure that Northern Ontario can take full advantage of the economic and employment opportunities available through tourism. Last year, Northern tourism marketing was integrated with the OTMPC and continued support will allow the industry to build on the successes of the last year.

Once again, I am pleased to forward for your interest, *Ontario Tourism Facts and Figures*. Together with this information and our recent investments, I am optimistic that the Ministry will play a vital role in supporting the tourism industry. Best wishes for a great start to this year's tourism season!

Yours sincerely,



Jim Bradley
Minister

International (Int'l) Border Crossings into Ontario October to December 2003 Percent Change Over Same Periods of 2002

	Oct 2003	Nov 2003	Dec 2003	2003
Total U.S.	-11.8%	-13.7%	-15.4%	-16.3%
Overnight U.S.	-7.3%	-11.8%	-4.7%	-17.1%
Total Overseas	-17.8%	-19.4%	15.2%	-22.6%
Overnight Overseas	-17.5%	-20.0%	-15.9%	-22.1%
Total International	-12.1%	-13.9%	-15.3%	-16.6%
Overnight Int'l	-9.1%	13.0%	-6.8%	-17.9%

Source: Statistics Canada

Economic Outlook

Unemployment down, GDP up – Improvements expected for 2004

Canada

Canada's Real Gross Domestic Product (GDP) is expected to have grown by 5.2% in 2003, and is expected to increase by 4.8% in 2004. Statistics Canada indicates that Real GDP increased by 1.1% in the third quarter of 2003. Results for the fourth quarter of 2003 are expected to show growth of 0.4 %.

In 2003, the unemployment rate is expected to have reached 7.6%, but decrease to 7.1% in 2004.

Personal disposable income of Canadians is expected to have increased by 1.9% in 2003, and grow by a further 4.2% in 2004.

The Canadian dollar closed the year in 2003 with a rate of \$0.71 USD. The Conference Board of Canada has forecast that the dollar will reach \$0.74 USD in 2004.

Ontario

Real GDP in Ontario decreased (-2.5%) in the third quarter of 2003 over the second quarter of 2003. This was the second consecutive quarter of decline in Real GDP, which is the technical definition of a recession. However, an increase of 0.4% is expected for the fourth quarter of 2003.

Ontario's Real GDP is expected to have grown by 4.4% in 2003 – behind Canada's growth of 5.2%. This trend is not expected to continue in 2004, with Ontario's forecasted growth rate of 5.7%, outperforming Canada's anticipated growth rate of 4.8%.

Ontario's 7.2% unemployment rate during the third quarter of 2003 was below the national level. Ontario's annual unemployment rate of 6.9% for 2003 and forecasted rate of 6.2% for 2004 are also below the national level.

Ontario Travel Information Centres (TICs) –Ontario TICs visitation down in 2003

- Visitation to Ontario Travel Information Centres (TICs) decreased by 6.4% in December 2003 over December
- Visitation to TICs decreased by 10.6% in 2003 over 2002.

Source: Ontario Ministry of Tourism and Recreation

Short Term Economic Indicators Canada & Ontario

		Q3 2003	Q4 2003 (f)	2003 (f)	2004 (f)
Real Gross Domestic	Can	1.1*	0.4	5.2	4.8
Product ROC	ON	-2.5^	0.4	4.4	5.7
Consumer Price	Can	0.4	0.2	2.8	1.7
Index ROC	ON	0.8	0.2	2.7	1.9
Unemployment Rate	Can	7.9	7.5	7.6	7.1
	ON	7.2	6.8	6.9	6.2
Personal Disposable	Can	0.8	1.2	1.9	4.2
	ON	0.6	1.6	2.3	4.2
Income– ROC	Can	0.8	1.2	1.9	4.2
	ON	0.6	1.6	2.3	4.2
Exchange Rate	USD/	0.73	0.76	0.71	0.74
	CAD				

f) = forecast, ROC = Rate of change over previous period

Source: *Statistics Canada, ^Ontario Ministry of Finance, Conference Board of Canada (all other)

Special Topics – Tourism in North Western Ontario in 2002

This article is the first in a series that will highlight a tourism region in Ontario. The following provides a profile of visitors to North Western Ontario in 2002.

North Western Ontario includes the following Census Divisions: Thunder Bay District, Rainy River District, and Kenora District (excluding Marten Falls, Fort Albany, Peawanuck, Attawapiskat and Polar Bear Park).

In 2002 (the latest statistics available from Statistics Canada) North Western Ontario received 3.2 million person visits, which represents a 9% increase over 2001. Ontario as a whole received 129.9 million person visits in 2002, a 3% growth over 2001. North Western Ontario received 2% of total person visits to Ontario in 2002.

Of the 3.2 million visitors to North Western Ontario, 60% were Canadians (of which 73% were Ontario residents travelling to or within the region), 39% were Americans and 1% were from overseas countries. These visitors spent \$623.4 million in the region in 2002 or an average of \$194 per person visit.

The majority (58%) of visitors travelled to North Western Ontario primarily for a pleasure trip compared to 42% of the total visitors to Ontario. Visiting friends and/or relatives was the primary reason for travelling to North Western Ontario for 20% of visitors compared to 34% for Ontario as a whole.

Visitors to North Western Ontario were very active, participating in an average of 2.3 activities per person trip to the region. The top activities in 2002 were participating in sports or outdoor activities (58%), visiting friends and/or relatives (46%), shopping (32%), sightseeing (30%), and visiting a national or provincial nature park (15%).

Visitors from overseas countries stayed in the region for an average of 6.5 nights, while Americans stayed for an average of 2.7 nights and domestic visitors for an average of 2.2 nights. Americans and Canadians tended to stay longer in North Western Ontario than they did in the province overall (1.0 and 1.1 nights, respectively).

Americans visited North Western Ontario in larger party sizes (2.4 persons) compared to Ontario as a whole (2.1). Meanwhile, domestic visitors to North Western Ontario and to Ontario as a whole travelled in groups of 1.7 persons. The vast majority of visitors from any origin to North Western Ontario and to Ontario as a whole travelled in groups of adults only. 84% of domestic visitors to North Western Ontario (and to Ontario as a whole) travelled in groups of adults only.

Source: Statistics Canada, International and Canadian Travel Surveys 2002

Accommodations: Hotel occupancy rates down by 8% in 2003

- Hotel occupancy rates in Ontario reached 57.0% in 2003, 7.8% lower than 2002. The overall average daily rate dropped by 6.4% in the province to \$111.26.
- Downtown Toronto was the most affected area in the province in terms of occupancy and average daily rate. Occupancy was down 13.3% in 2003 and average daily rate was down 13.1% over 2002.
- While all regional areas in the province experienced decreases in occupancy rate, Sudbury (0.8%), London (0.4%) and North Bay (0.3%) experienced minimal increases in hotel occupancy in 2003 over 2002.
- Increases in average daily rate were experienced in Hamilton/Brantford (3.8%), Sudbury (2.6%), North Western Ontario (2.3%), Ottawa East (0.9%), Eastern Ontario (0.8%), Ottawa West (0.6%) and Kitchener/Waterloo/Cambridge/Guelph (0.4%).

The following table outlines actual occupancy and average daily rates for several markets across the province in 2003.

Occupancy and Average Daily Rates—2003				
Market	Occupancy Rate		Average Daily Rate	
	2003	% ch*	2003	% ch*
Greater Toronto Area	57.4%	-10.4	\$118.38	-9.2
Downtown Toronto	58.9%	-13.3	\$140.76	-13.1
Toronto Airport	61.8%	-3.0	\$109.02	-4.0
GTA West	57.0%	-8.6	\$99.07	-0.5
GTA East/North	52.6%	-11.5	\$102.79	-4.3
Eastern Ontario	55.2%	-4.9	\$92.37	0.8
Kingston	59.2%	-3.7	\$101.58	1.4
Other Eastern Ontario	53.2%	-5.3	\$87.47	0.8
Ottawa	62.4%	-3.5	\$123.66	-1.0
Downtown Ottawa	64.3%	-3.1	\$130.89	-1.2
Ottawa West	56.2%	-2.8	\$106.70	0.6
Ottawa East	58.3%	-5.5	\$91.71	0.9
Southern Ontario	53.6%	-6.7	\$101.68	-4.1
London	58.0%	0.4	\$92.17	-1.4
Windsor	57.7%	-8.8	\$103.17	-2.4
KW/Cambridge/Guelph	61.4%	-2.3	\$92.24	0.4
Hamilton/Brantford	55.4%	-4.6	\$92.03	3.8
Niagara Falls	50.1%	-12.6	\$120.33	-8.5
Other Niagara Region	49.2%	-4.8	\$86.96	-2.7
Other Southern Ontario	48.3%	-5.1	\$92.33	-0.6
Central Ontario	51.6%	-5.1	\$118.26	-1.4
North Eastern Ontario	60.3%	-1.1	\$80.96	0.0
North Bay	57.9%	0.3	\$86.57	-2.6
Sudbury	64.3%	0.8	\$84.79	2.6
North Central Ontario	57.6%	-1.4	\$86.30	-2.7
North Western Ontario	66.8%	-5.3	\$87.03	2.3
TOTAL ONTARIO	57.0%	-7.8	\$111.26	-6.4

* percent change over 2002

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

Ontario's Travel Price Index (TPI): Prices lower in 2003

- When compared to 2002, Ontario's TPI decreased by 0.6% in 2003.
- Ontario's TPI decreased by 1.0% in the fourth quarter of 2003 over the same period of 2002 and decreased by 2.4% over the third quarter of 2003. This means that the same amount of travel-related goods and services in Ontario cost 1.1% less in the fourth quarter of 2003 than in the same period of 2002 and 2.4% less than in the third quarter of 2003.
- Ontario's TPI was 0.7% higher in December 2003 than it was in December 2002. This was the first month since July 2003 that Ontario's TPI was higher than the corresponding months in 2002. The increase was primarily attributed to higher gasoline prices, and higher prices for recreational services and inter-city transportation. These increases were partially offset by a 12.3% decrease in the price of "Travelers' Accommodation".
- The price that Ontario residents travelling outbound were faced with increased by 2.1% in December 2003 over December 2002, that of Ontario residents traveling in Ontario increased by 1.1% and that of overseas visitors travel to Ontario increased by 0.6%. Meanwhile the price that visitors from other Canadian provinces and the US were faced with in Ontario decreased by 1.5% and 0.2%, respectively.

Source: Ontario Ministry of Tourism and Recreation

Visitor Inquiries – Changing preferences evident

- In 2003, inquiries to 1-800-ONTARIO were down by 20.3% compared to 2002. Inquiries have been falling steadily since December 2002.
- Meanwhile, user sessions at www.ontario-travel.net (the Ontario Tourism Marketing Partnership Corporation's consumer web site) increased by 8.4% over 2002.
- The increase in web user sessions and decrease in inquiries to 1-800-ONTARIO could be an indication of the shift in consumer preferences for receiving travel information.

Source: Electronic Data Systems

WHAT'S NEW IN RESEARCH?

New Research & Publications

The second wave of the quarterly travel intentions study in Canada and the U.S. will be available on our web site at www.tourism.gov.on.ca in early April 2003. This study tracks where and when travel has been planned and if respondents do not plan to travel, and the reasons for not travelling. The study also looks into how Ontario is perceived as a destination to Americans and Canadians.

The final installment of a study on the impacts of the events that occurred in 2003 on Ontario's accommodation sector will be available on our web site (www.tourism.gov.on.ca) in April 2004.

Useful Web Sites

Ontario Ministry of Tourism and Recreation: www.tourism.gov.on.ca

Ontario Ministry of Tourism and Recreation Tourism Monitoring Web

Page: 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

Upcoming Conferences

This year's **4th Annual Ontario Aboriginal Tourism Conference** will be held in Sault Ste. Marie at the Water Tower Inn from April 27-28, 2004. It will be co-hosted by NONTA (Northern Ontario Native Tourism Association) and ATASO (Aboriginal Tourism Association of Southern Ontario). Please visit www.nonta.net for more information.

The **Travel and Tourism Research Association's 35th annual conference** will be held on June 20-23, 2004 in Montreal, Quebec. The theme for this year's conference is "Measuring the Tourism Experience: When experience rules, what is the metric of success?". Please visit www.ttracanada.ca for more information.

Questions? Suggestions

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