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Economic Outlook

Short Term Economic Indicators* Canada & Ontario

		Q4 2004	2004	2005	2006
Real Gross Domestic Product – ROC	Can	0.4	3.1	2.8	2.7
	ON	-0.1	3.1	2.6	2.7
Consumer Price Index – ROC	Can	0.3	1.8	1.8	1.9
	ON	0.4	1.8	1.9	2.0
Unemployment Rate	Can	6.8	7.2	7.1	6.8
	ON	6.8	6.8	6.8	6.7
Personal Disposable Income – ROC	Can	0.9	3.6	4.2	5.1
	ON	0.7	3.1	3.9	5.5

*forecast data, ROC = Rate of change over previous period

Source: Conference Board of Canada

Tourism Statistics

International Border Crossings: International crossings into Ontario finish the year below 2003 and 2002

- Total international border crossings into Ontario decreased by 0.8% in 2004 over 2003, and decreased by 17.3% over the same period of 2002. Total overnight crossings increased by 14.2% over 2003, but decreased by 6.4% over 2002. Same day border crossings decreased by 8.7% over 2003, and by 23.2% over 2002.
- Border crossings from the U.S. dropped by 2.9% in 2004 over 2003 and by 23.7% over 2002. Border crossings from overseas countries increased by 15.5% over 2003, but decreased by 2.0% over 2002.
- Travel by Ontario residents to the U.S. and overseas countries increased by 4.7% in 2004 over 2003 and by 3.2% over 2002.

International (Int'l) Border Crossings into Ontario October to December 2004 and 2004 overall Percent Change Over Same Periods of 2003

	October	November	December	2004
Total U.S.	-5.8%	-10.8%	-9.9%	-2.9%
Overnight U.S.	3.3%	-0.2%	3.7%	11.0%
Total Overseas	64.5%	21.0%	15.5%	35.8%
Overnight Overseas	46.6%	22.8%	17.7%	32.5%
Total International	-1.7%	-9.5%	-8.4%	-0.8%
Overnight Int'l	10.3%	3.0%	3.7%	14.2%

Source: Statistics Canada

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Visitor Inquiries

More inquiries via web site, toll-free telephone line down

- Total inquiries to 1-800-ONTARIO decreased by 6.5% in 2004 over 2003 and by 25.6% over 2002.
- In 2004, user sessions on www.ontariotravel.net increased by 60% over 2003.

Source: Electronic Data Solutions

Ontario Travel Information Centres (TICs)

Ontario TICs visitation down in 2004

- Visitation to Ontario Travel Information Centres (TICs) decreased by 1.1% in 2004 over 2003.
- Of the 18 TICs across Ontario, 6 experienced increases in visitation in 2004 over 2003.

Source: Ontario Ministry of Tourism and Recreation

What's New in Research?

New Research and Publications

The Domestic Travel Market, U.S. Travel Market and Overseas Travel Market 2003 reports are available on the MTR web site for download. You can also download the data files for your own analysis at www.tourism.gov.on.ca/english/tourdiv/research/reports.htm.

The Travel Intentions Survey Year-End 2004 Report is available on the MTR web site at <http://www.tourism.gov.on.ca/english/tourdiv/research/travel.htm>. This report is based on information compiled from the four waves of tracking conducted in November 2003, and in February, May and August of 2004. The report delves into market segments in greater detail, isolates key findings and emphasizes salient marketing implications.

Ontario's new tourism forecast, which looks ahead at several markets to 2008, is available on the MTR web site at www.tourism.gov.on.ca/english/tourdiv/research/forecasts.html.

"Making the Case for Tourism: a Toolkit" - The toolkit is a new resource designed to assist economic development and tourism professionals to make the business case for tourism to their communities and their municipal leaders. It is now on-line on the MTR website at www.tourism.gov.on.ca.

Tourism Statistics—continued

Accommodations: Hotel occupancy rates and average daily rates increase in 2004

- Hotel occupancy rates in Ontario increased in 2004 by 4.3 percentage points over the same period of 2003 and were 0.1 percentage points above 2002.
- The overall increase in hotel sector performance was driven by increases in occupancy rates over 2003 in Toronto, Ottawa and Eastern Ontario. However, some regions in Southern Ontario, Central Ontario, North Central Ontario and North Western Ontario experienced decreases in 2004.

The following table outlines actual occupancy and average daily rates for several different markets across the province for 2004.

Location	Occupancy Percentage (%)			Average Daily Rate (\$)		
	2004	2003	*Point Change	2004	2003	% Ch
ONTARIO	61.8	57.5	4.3	119.54	114.29	4.6
Greater Toronto Area (GTA)	65.9	57.9	8.0	127.91	121.64	5.2
Downtown Toronto	69.4	58.9	10.6	154.42	144.01	7.2
Toronto Airport	70.0	63.0	6.9	110.40	110.05	0.3
GTA West	61.0	57.8	3.2	102.61	100.19	2.4
GTA East/North	60.2	52.9	7.3	107.29	105.75	1.5
Eastern Ontario	58.2	55.3	2.9	98.36	95.44	3.1
Kingston	61.0	59.3	1.7	110.12	107.31	2.6
Other Eastern Ontario	56.6	53.2	3.5	91.17	88.49	3.0
Ottawa	64.2	63.3	0.9	124.88	126.14	-1.0
Downtown Ottawa	66.4	65.4	1.0	131.76	133.60	-1.4
Ottawa West	57.0	55.9	1.1	108.39	106.71	1.6
Ottawa East	62.6	61.2	1.3	99.17	97.44	1.8
Southern Ontario	55.5	54.3	1.3	112.45	104.09	8.0
London	61.4	58.5	2.8	96.08	93.12	3.2
Windsor	53.9	57.8	-3.9	104.93	103.19	1.7
K/W/Cambridge/Guelph	61.1	62.4	-1.3	96.50	94.57	2.0
Hamilton/Brantford	60.1	56.4	3.7	95.70	93.42	2.4
Niagara Falls	55.2	51.4	3.8	138.33	123.69	11.8
Other Niagara Falls Region	46.3	50.1	-3.8	91.32	87.99	3.8
Other Southern Ontario	47.8	48.0	-0.2	95.83	92.88	3.2
Central Ontario	50.5	52.6	-2.0	120.85	127.13	-4.9
North Eastern Ontario	64.2	60.7	3.5	80.61	81.08	-0.6
North Bay	60.5	58.0	2.5	84.71	86.37	-1.9
Sudbury	64.3	64.3	0.0	84.88	84.78	0.1
North Central Ontario						
Sault Ste. Marie	56.5	57.3	-0.8	87.40	86.20	1.4
North Western Ontario	64.9	67.0	-2.0	88.60	87.23	1.6

Source: Trends in the Canadian Hotel Industry, PKF Consulting. *percentage point change
Data based on Pannell Kerr Forster's unweighted sample, which tends to be branded properties of 30 rooms or more.

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Upcoming Conferences and Workshops

The Business Improvement Area 2005 National Conference, Innovation on Main Street, Building on 35 Years of BIA Success, will be held on April 3 to 5 in Toronto. The purpose of the conference is to identify new business development opportunities, including tourism development, to contribute to overall revitalization strategies for downtowns. Please visit www.obiaa.com for more information.

The Canadian Sport Tourism Alliance is holding the 2005 Sport Events Congress in Ottawa on April 6 to 8. Visit www.canadiansporttourism.com for more information.

Rendez-vous Canada (RVC) is Canada's premier international tourism marketplace, bringing together international buyers and Canadian sellers of tourism products in a series of prescheduled interviews over a four-day period each spring. Rendez-vous Canada 2005 will take place May 7-11, 2005, in Saskatoon, Saskatchewan. Visit www.rendez-vouscanada.ca for more information.

Useful Web Sites

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

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

World Tourism Organization - www.world-tourism.org

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

Ontario Tourism Education Corporation - www.otec.org

Travel Industry Association of Canada www.tiac-aitc.ca

Special Topics: Tourism in Essex

This article is the fifth in a series that highlights a tourism region in Ontario. The following provides a profile of visitors to Essex (Essex County Census Division 37).

In 2003, Essex received 7.0 million person visits, which represents an 11% decrease over 2002 and a 26% decrease over 2001. Ontario as a whole received 114.9 million person visits in 2003; a 12% decrease over 2002 and a 9% decrease over 2001. Essex received 6% of the total person visits to the province in 2003.

Of the 7.0 million visitors to Essex, 25% were Canadians (of which 98% were Ontario residents travelling to or within the region), 75% were Americans and 0.3% were from overseas countries. Most (84%) of the visitors to Essex did not spend any nights there in 2003. Of the 1.7 million Canadian visitors, 36% or 620,000 stayed in the region for one or more nights. Of the 4.8 million visitors from the USA to Essex, 9% or 456,000 stayed overnight.

Visitors' spending in the region reached \$606 million in 2003 or an average of \$87 per person visit. Residents of Essex spent an additional \$82.9 million on Canadian carrier fares to travel outside of the province.

Two out of every five (41%) visitors to Essex travelled there 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 Essex for 22% of visitors in 2003 compared to 34% for Ontario as a whole. Business was the primary reason for visiting Essex for 6% of the total visitors to the area compared to 9% for Ontario as a whole.

Visitors to Essex were active, participating in an average of 1.9 activities per person trip to the region. The top activities in 2003 were visiting friends and/or relatives (59%), shopping (41%), sightseeing (21%), participating in sports or outdoor activities (15%) and going to bars and nightclubs (15%).

American visitors stayed in the region for an average of 0.2 nights, while domestic visitors stayed for an average of 1.0 night. Essex tends to be a same day market with only 16% of total visitors spending one or more nights in the region.

Tourism Statistics—continued

- Downtown Toronto hotels achieved the highest average daily rate (\$154.42) in 2004, an increase of 7.2% over 2003. Niagara Falls experienced the second highest average daily rate in the province (\$138.33).
- Revenue per available room (RevPar) reached \$73.83 in the province in 2004, a 12.4% increase over 2003. The highest RevPar was achieved in the Downtown Toronto area (\$107.18) and the lowest in Other Niagara Region (\$42.28).

Travel Price Index – Price of travel in Ontario increased in 2004 over 2003

- Ontario's Travel Price Index (TPI) was 1.4% higher in December 2004 than it was in December 2003. Compared to December 2003, the price of all major items increased with the exception of "Travellers' Accommodation" (-5.5%) and "Clothing & Footwear" (-2.4%).
- In comparison, Ontario's Consumer Price Index (CPI) increased by 1.9% over December 2003.
- The increase in the cost of travel in Ontario was below that in the US. The Travel Price Index in the US increased by 5.2% over December 2003.

Source: Statistics Canada; Ontario Ministry of Tourism and Recreation



Visit our website www.tourism.gov.on.ca for information on the industry's current performance, historical statistics, provincial forecasts, market reports and much more.

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© Queen's Printer for Ontario, 2005
Published by the Ministry of Tourism and Recreation
Tourism Branch
15th Floor
700 Bay Street
Toronto, ON M7A 2E1
ISSN 1708-2374 (print)
ISSN 1708-2382 (internet)

