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Economic Outlook

Short Term Economic Indicators* Canada & Ontario

		Q1 2005	Q2 2005	2005	2006
Real Gross Domestic Product – ROC	Can	0.3	0.6	2.3	2.9
	ON	0.0	0.6	1.9	2.9
Consumer Price Index – ROC	Can	0.4	0.5	1.8	1.9
	ON	0.3	0.7	2.0	2.3
Unemployment Rate	Can	7.0	7.0	7.0	6.8
	ON	6.8	6.7	6.7	6.6
Personal Disposable Income – ROC	Can	1.1	1.0	4.0	4.6
	ON	1.1	1.0	3.8	4.9

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

Source: Conference Board of Canada

Tourism Statistics

Visitor Inquiries

Call Volume Down; User Sessions at OntarioTravel.net Highest Ever for Period in First Five Months of 2005

- Calls to the 1-800-ONTARIO Call Centre totalled 91,325 for the period January to May 2005, which was a decrease of 16.9% over the same period in 2004.
- For the period January to May 2005, user sessions at OntarioTravel.net grew 5.3% over the same months last year to 892,205. This is the highest level of user sessions ever experienced at the site for the period.
- Compared to the January to May period in 2002, user sessions at OntarioTravel.net have jumped by 83% (or 405,230 user sessions), while calls to the Call Centre have dropped by 38% (or 56,396 calls).

International Border Crossings: U.S. Border Crossings to Ontario Slow in First Four Months of 2005

- For the period January to April 2005, total U.S. border crossings to Ontario dropped 8.3% over the same months in 2004 to the lowest level seen for the period in the past five years.
- The main culprits for this decline are same-day visitors from the US. For the period January to April 2005, American day trips to the province declined by 15.2% over the same period in 2004 to their lowest level in five years.
- For the first four months of 2005, U.S. overnight auto entries to Ontario decreased by 4.3% over the same months of last year. U.S. overnight non-auto (plane, train, bus, boat) entries to the province increased 4.7% over the same period last year, leaving total U.S. overnight entries to Ontario down slightly (-1.1%) over the period January to April 2004.

International (Int'l) Border Crossings into Ontario January to April 2005

Percent Change Over Same Period in 2004

	January	February	March	April
Total U.S.	-6.6%	-12.0%	-5.5%	-8.9%
Overnight U.S.	-1.1%	3.9%	9.3%	-12.6%
Total Overseas	21.0%	15.7%	31.0%	9.4%
Overnight Overseas	23.1%	19.5%	33.4%	9.7%
Total International	-5.3%	-10.8%	-3.8%	-7.7%
Overnight Int'l	2.6%	6.2%	13.0%	-8.9%

Source: Statistics Canada

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What's New in Research?

New Research and Publications

Ontario's Overnight Cultural Tourist Market 2003 report is available on the Ministry of Tourism web site for download at <http://www.tourism.gov.on.ca/english/tourdiv/research/reports.htm#CanadianStudies>.

Results from Wave 6 of the Travel Intentions Survey are available on the Ministry of Tourism web site at <http://www.tourism.gov.on.ca/english/tourdiv/research/travel.htm>. This report is based on information compiled from the wave of tracking conducted in May 2005. The report looks at the intentions of Americans and Canadians to travel to Ontario during the 2005 summer season, as well as passport issues.

A new report on the trip-planning behaviour of American travellers and the causes of last-minute bookings is available on the Ministry of Tourism web site for download at <http://www.tourism.gov.on.ca/english/tourdiv/research/reports.htm#OtherStudies>. The report is based on trip-planning questions asked during the February 2005 wave of the Ministry of Tourism's Travel Intentions Survey.

The Tourism Regional Economic Impact Model (TREIM) is now available for use on the Ministry of Tourism web site at www.tourism.gov.on.ca. The model can be used to estimate the economic impact of specific tourism events, the impacts of business operations by tourism industry sector, or the impact of a capital project for the chosen region.

Ontario's new tourism forecast, which looks ahead at several markets to 2009, is available on the Ministry of Tourism web site at <http://www.tourism.gov.on.ca/english/tourdiv/research/forecasts.html>.

Accommodations: Average Daily Rate at Ontario Hotels Highest in Years in First Four Months of 2005

- Over the first four months of 2005, occupancy rates at Ontario hotels increased by 1 percentage point over the same months last year. For the period, occupancy rates at Ontario hotels were higher (+2.2 percentage points) than those achieved during the same period in 2003, the same as those achieved during the same period in 2002, but still below (-3.3 percentage points) the rates achieved pre-9/11 during January to April 2001.
- The average daily room rate (ADR) at Ontario hotels increased by 3.5% over the period January to April 2004 to \$114.85, resulting in a 5.4% increase in Revenue Per Available Room (RevPAR). January to April's ADR at Ontario hotels was the highest seen during the period in six years.

The following table shows occupancy and average daily rates for several different markets across Ontario for the first quarter of 2005 compared to the first quarter of 2004.

Location	Occupancy Percentage (%)			Average Daily Rate (\$)		
	Q1 2005	Q1 2004	*Point	Q1 2005	Q1 2004	% Ch
ONTARIO	52.6	52.6	0.0	113.80	110.17	3.3
Greater Toronto Area (GTA)	57.4	57.5	-0.1	122.85	119.15	3.1
<i>Downtown Toronto</i>	56.6	58.0	-1.3	139.62	135.84	2.8
<i>Toronto Airport</i>	69.6	71.5	-1.9	116.03	113.02	2.7
<i>GTA West</i>	54.8	54.5	0.4	106.03	102.54	3.4
<i>GTA East/North</i>	51.4	49.5	1.9	110.21	105.78	4.2
Eastern Ontario	45.7	45.2	0.5	91.41	87.44	4.5
<i>Kingston</i>	49.2	48.4	0.8	97.45	92.09	5.8
<i>Other Eastern Ontario</i>	43.8	43.4	0.3	87.73	84.65	3.6
Ottawa	57.2	57.5	-0.3	124.96	121.54	2.8
<i>Downtown Ottawa</i>	59.3	60.2	-0.8	130.25	126.97	2.6
<i>Ottawa West</i>	50.0	47.6	2.5	112.53	109.56	2.7
<i>Ottawa East</i>	54.3	57.1	-2.9	101.83	97.81	4.1
Southern Ontario	43.1	44.1	-1.1	98.44	95.28	3.3
<i>London</i>	56.6	59.9	-3.3	97.34	94.74	2.7
<i>Windsor</i>	49.6	57.3	-7.7	100.60	101.85	-1.2
<i>K/W/Cambridge/Guelph</i>	55.6	54.6	1.0	96.19	94.02	2.3
<i>Hamilton/Brantford</i>	54.6	47.0	7.6	93.23	89.79	3.8
<i>Niagara Falls</i>	32.8	33.0	-0.2	105.63	100.21	5.4
<i>Other Niagara Falls Region</i>	33.1	34.0	-0.9	83.26	81.14	2.6
<i>Other Southern Ontario</i>	38.4	40.7	-2.4	93.23	88.20	5.7
Central Ontario	44.6	44.4	0.2	121.18	118.74	2.1
North Eastern Ontario	59.2	55.5	3.7	80.05	77.26	3.6
<i>North Bay</i>	58.8	50.4	8.4	82.71	81.14	1.9
<i>Sudbury</i>	54.3	53.5	0.8	83.40	82.89	0.6
North Central Ontario						
<i>Sault Ste. Marie</i>	49.2	48.5	0.7	83.74	84.04	-0.4
North Western Ontario	57.3	56.4	0.9	82.77	86.12	-3.9

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

Canada's Tourism Leadership Summit 2005, which includes this year's Tourism Industry Association of Canada (TIAC) Awards will take place October 23-25, 2005 at the Fairmont Manoir Richelieu in Charlevoix, Québec. For detailed information on the Summit, visit TIAC's web site at www.tiac-aitc.ca/. Direct any questions you may have on the awards to jberube@tiac-aitc.ca.

The next Travel and Tourism Research Association (TTRA) Canadian chapter conference will be held November 3-5, 2005 at the Grand Okanagan Resort in Kelowna, BC. The preliminary conference program is available on the TTRA web site at <http://www.ttracanada.ca/en/conferences-events/documents/2005TTRAConferenceProgram.pdf>.

Useful Web Sites

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

Ontario Tourism Marketing Partnership Corporation: 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: Ontario's Tourism Outlook

The Ontario Ministry of Tourism works with Global Insight to forecast travel to and from Ontario over a five year period, and with TNS Canadian Facts to determine the intentions of Americans and Canadians to travel to Ontario for the coming season. This article summarizes the results of the most recent forecast (updated in April 2005) and wave of travel intentions tracking (conducted in May 2005).

For 2005, although still projected to remain below 2002 levels (-5.3%), total travel to and within Ontario is forecast to grow 3.0% over 2004. Beyond 2005, travel to and within the province is expected to increase by an average of 3.6% per year through 2009. Ontario's travel levels are expected to exceed those achieved in 2002 for the first time in 2007.

This rebound is expected even sooner from Ontarians, Ontario's largest travel market. Total visits from the market are expected to exceed 2002 levels in 2006. A slower recovery, however, is forecast for overnight and business travel, which is not expected to pass 2002 levels until 2007. For 2005, travel within the province by Ontarians is expected to grow 2.5% over 2004.

For the summer season (June to August 2005), a smaller proportion of Ontarians (37%) intend to travel in Ontario compared to last year (42%). The decreased interest in Ontario travel this summer can be attributed to a decline in intent to travel in the province among Torontonians (28% in 2005 vs. 36% in 2004).

Similarly, the percentage of Americans intending to travel to Ontario during the June to August 2005 period has dropped over last year (8% in 2005 vs. 10% in 2004). Over the longer term, visits to Ontario from the U.S. are forecast to exhibit slow growth. Travel from the U.S. to Ontario is not anticipated to exceed 2002 levels prior to 2009.

Stronger growth is forecast for the U.S. overnight market. U.S. overnight visits to Ontario are expected to exceed 2002 levels in 2006 (+2.7%). U.S. same day trips to the province, however, are not expected to pass 2002 levels within the forecast period, and are anticipated to be 17.7% lower in 2009 than in 2002. The bulk of U.S. trips to Ontario are day trips.

Travel to Ontario from overseas visitors is projected to have already surpassed 2002 levels (in 2004). Increases over the year were forecast from Japan (26.1%), the U.K. (6.8%) and France (4.7%) in 2004. Growth from the overseas market as a whole is expected to be strong through 2009, with an average yearly increase of 9.3%.

Visits to Ontario from other Canadian provinces are expected to grow slightly in 2005 (+0.6%) over 2004, but are not anticipated to exceed 2002 levels by 2009. This summer, while fewer residents of Winnipeg (19%) intend to travel to Ontario compared to last year (29%), slightly more residents of Quebec City and Montreal intend to visit the province between June and August 2005.

The following table shows the forecast for travel to Ontario in 2005 compared to 2004.

Outlook for Travel to and within Ontario

Market	Growth in Visits, 2005 vs. 2004
Ontario	2.5%
Other Canada	0.6%
U.S.A.	5.0%
Overseas	10.5%

Overseas Entries to Ontario Increase in First Four Months of 2005

- Overseas border crossings to Ontario grew 18.3% in the period January to April 2005 over the same months last year to the highest level seen from the market in the period since 2001.

Travel Price Index

Price of Travel in Ontario Increased in April over Last April

- In April 2005, Ontario's Travel Price Index (TPI) increased by 1% over April 2004. Compared to last April, the price of all major items increased with the exception of "Travellers' Accommodation" (-8.4%) and "Clothing & Footwear" (-1.9%).
- In comparison, Ontario's Consumer Price Index (CPI) increased by 2.3% over April 2004.

Source: Statistics Canada; Ontario Ministry of Tourism

Ontario Travel Information Centres (TICs)

Visits to Ontario's TICs Decrease in First Four Months of 2005

- For the period January to April 2005, visits to Ontario's Travel Information Centres (TICs) decreased 16.8% over the same period in 2004.
- TICs in Niagara Falls and Sault Ste. Marie saw an increase in visitation for the period January to April 2005 over the same months last year. The remaining 9 TICs experienced a decrease in visitation over January to April 2004.



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.

Questions? Suggestions?

Please contact Brooke Heisterkamp at 416-325-8287 or via email at brooke.heisterkamp@mtr.gov.on.ca

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