

Ontario Tourism Facts & Figures

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International Travel Account

- In the second quarter of 2006, Ontario's travel deficit increased by almost 24% to \$1.3 billion over the same quarter in 2005, while Canada's travel deficit increased by almost 29% to \$2.1 billion over the period.
- Preliminary results for the third quarter of 2006 indicate that Ontario's travel deficit fell to \$253 million, a 12% decrease over the same quarter of 2005. Canada's deficit, meanwhile, fell 51% to \$576 million.

Source: Ontario Ministry of Tourism

Economic Outlook: Tempered over the near term

Short Term Economic Indicators* Canada & Ontario

		Q3 2006	Q4 2006	2007	2008
Real Gross Domestic Product** % change over previous period	Can	0.5	0.7	2.9	3.2
	ON	0.3	0.7	2.5	3.3
Consumer Price Index % change over previous period	Can	-0.5	0.3	1.4	2.0
	ON	-0.4	0.4	1.4	2.3
Unemployment Rate (%)	Can	6.5	6.8	6.6	6.4
	ON	6.5	7.1	6.7	6.7
Personal Disposable Income % change over previous period	Can	1.3	0.8	3.6	4.4
	ON	0.8	1.0	3.8	4.5

*Forecast data, except unemployment rate Q3 2006. **GDP at basic prices (constant\$ 1997)
Source: Conference Board of Canada

Tourism Statistics

International Border Crossings

U.S. market continues its decline over first nine months of 2006

Compared to 2005, U.S. border crossings to Ontario decreased by 9.5% in the first nine months of 2006.

- A significant decline in U.S. same-day trips to Ontario remains the driving factor behind this significant decrease. For the period January to September 2006, American day trips to Ontario decreased by 11.8% over the same period in 2005. During this nine-month period, the number of same-day car travellers from the U.S. was at the lowest level since record keeping started in 1972, and a full 40% lower than in 2001.
- Over this same nine-month period, U.S. overnight entries to Ontario decreased by 6.0% over 2005. The decrease is due in larger share to the drop in U.S. overnight auto entries to Ontario (-6.6% or about 278,000 fewer entries). U.S. overnight non-auto (plane, train, bus, boat) entries to Ontario decreased by 4.6% (81,000 fewer entries) over the same period.

Overseas market maintains modest growth in the first nine months of 2006

For the period January to September 2006, overseas entries to Ontario grew 1.1% over the same period in 2005. Over this period, increases were seen from two of Ontario's primary overseas markets: France (+5%) and Japan (+5%) while there were decreases from Germany (-10%) and the U.K. (-8%).

- While traffic growth from Ontario's traditional overseas markets is either slowing or negative, emerging source markets are making up for the gap.

International Border Crossings into Ontario January to September 2006*

	July	August	September	Jan-Sep 2006
Total International (%)	-11.5	-9.6	-10.5	-8.6
Total U.S. (%)	-12.2	-10.7	-10.5	-9.5
U.S. Same Day (%)	-13.1	-16.1	-14.0	-11.8
U.S. Overnight (%)	-11.2	-3.9	-5.6	-6.0
Total Overseas (%)	-4.4	0.7	0.3	1.1

*Percent change over same period of previous year
Source: Statistics Canada

See the Special Topics section for details about changes in Ontario's international markets.

Accommodations

Minor gains in occupancy and moderate gains in average daily rates in first nine months of 2006

- For the period January to September 2006, occupancy rates at Ontario hotels grew by 1.0 percentage point over the same period in 2005, to 64.6% – still below the level for the same period in 2001 when occupancy rates reached 65.6% for the period.
- Over the same period, the average daily room rate (ADR) at Ontario hotels increased by 3.2% to \$125.79, resulting in a 4.9% increase in Revenue per Available Room (RevPAR).

The table (right) shows occupancy and average daily rates for several different markets across Ontario for the first nine months of 2006:

Useful Websites

Ontario Ministry of Tourism, Research Unit
www.research.tourism.gov.on.ca

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

Travel and Tourism Research Association
 (TTRA) Canada
www.ttracanada.ca

Travel and Tourism Research Association
 (TTRA) International
www.ttra.com

World Tourism Organization
www.world-tourism.org

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

Ontario Tourism Education Corporation
www.otec.org

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

Ontario Hotel Occupancy and Average Daily Rates January to September 2006

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	Jan-Sep 2006	Jan-Sep 2005	Point change*	Jan-Sep 2006	Jan-Sep 2005	% Change
Ontario	64.6%	63.6%	1.0	\$125.79	\$117.63	3.9%
Greater Toronto Area (GTA)	67.6%	67.8%	-0.2	\$135.20	\$129.88	4.1%
Downtown Toronto	70.5%	70.9%	-0.4	\$169.08	\$158.47	6.7%
Toronto Airport	70.2%	71.1%	-1.0	\$115.05	\$113.73	1.2%
GTA West	62.7%	62.4%	0.3	\$105.56	\$102.29	3.2%
GTA East/North	64.5%	63.7%	0.8	\$112.77	\$109.28	3.2%
Eastern Ontario	61.1%	59.9%	1.3	\$103.67	\$101.60	2.0%
Kingston	64.4%	63.3%	1.0	\$117.31	\$114.24	2.7%
Other Eastern Ontario	59.5%	58.0%	1.5	\$96.19	\$94.14	2.2%
Ottawa	69.1%	65.6%	3.4	\$127.28	\$125.00	1.8%
Downtown Ottawa	70.7%	68.3%	2.4	\$134.46	\$132.46	1.5%
Ottawa West	66.7%	61.1%	5.7	\$116.44	\$112.62	3.4%
Ottawa East	62.4%	56.5%	5.9	\$93.07	\$90.54	2.8%
Southern Ontario	59.4%	57.6%	1.7	\$119.80	\$117.55	1.9%
London	63.9%	63.2%	0.7	\$100.21	\$98.65	1.6%
Windsor	54.0%	53.1%	0.9	\$105.46	\$100.24	5.2%
K/W/Cambridge/Guelph	62.6%	61.7%	0.8	\$101.01	\$97.79	3.3%
Hamilton/Brantford	64.9%	60.6%	4.3	\$95.82	\$94.00	1.9%
Niagara Falls	61.8%	59.6%	2.3	\$147.99	\$145.62	1.6%
Other Niagara Falls Region	49.7%	47.1%	2.6	\$93.14	\$90.85	2.5%
Other Southern Ontario	49.4%	48.4%	1.0	\$100.64	\$98.68	2.0%
Central Ontario	55.1%	54.5%	0.6	\$132.73	\$128.33	3.4%
North Eastern Ontario	68.6%	66.5%	2.1	\$88.84	\$84.28	5.4%
North Bay	70.3%	66.2%	4.1	\$93.57	\$89.53	4.5%
Sudbury	70.4%	66.6%	3.7	\$93.40	\$88.55	5.5%
North Central Ontario						
Sault Ste. Marie	59.5%	58.0%	1.5	\$85.03	\$86.63	-1.8%
North Western Ontario	69.8%	67.2%	2.5	\$92.25	\$87.67	5.2%

*Percentage point change

Source: Trends in the Canadian Hotel Industry, PKF Consulting.

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

What's New in Research?

New Research and Publications

- The 2006 Travel Activities and Motivations Survey (TAMS) has recently been completed. The TAMS project examines recreational activities and travel habits of Canadians and Americans. The first of the reports focusing on the U.S. travel market will soon be completed and available on the Ministry of Tourism's research website at <http://www.research.tourism.gov.on.ca>
- An Ontario-specific report on third quarter results and fourth quarter outlook from the Business Conditions Survey on the travel accommodation sector is available at <http://www.tourism.gov.on.ca/english/tourdiv/research/reports.htm>.
- The Ontario Tourism Outlook: 2006-2010 Forecast, presented in May 2006 provides an outlook for travel to and from Ontario as well as for the global travel market. <http://www.tourism.gov.on.ca/english/tourdiv/research/forecasts.html>

Special Topics: Shifting trends in Ontario's overseas source markets

With decreases in Ontario's four most significant overseas source markets, where are travellers coming from?

In September 2006, there were decreases in each of the province's four traditional overseas source markets – the U.K., Japan, Germany and France.

Market	September 2006		Year-to-date 2006: Jan–Sep	
	Actual Arrivals*	% Change**	Actual Arrivals*	% Change**
U.K.	46,857	–5.0%	306,814	–8%
Japan	16,593	–0.4%	99,820	+7%
Germany	16,450	–13.0%	93,218	–10%
France	14,239	–2.0%	67,094	+7%
Total	94,139	–5.0%	566,946	–4%

*NOTE: Arrivals are an estimate of Ontario's total visits. Arrivals (or border crossings) understate the actual number of visits from these markets, since a number of them visit Ontario but enter Canada through a non-Ontario port.

**Percentage change over the same period of the previous year.

Source: Statistics Canada

Over the first nine months of 2006, arrivals to Ontario from the U.K. and Germany decreased substantially over 2005, down by 10% and 8%, respectively. Fortunately, arrivals from Japan and France increased moderately, by 7% each, partially offsetting the decline. Despite this, in the first nine months of 2006, arrivals from Ontario's traditional four overseas markets decreased by 4%.

Total overseas arrivals over the period remained relatively stable, showing a 1.1% increase over the same nine-month period in 2005. Given the decrease in Ontario's most significant overseas source markets, where are travellers coming from?

In fact, growth in a broader set of emerging markets is changing the composition of Ontario's international travellers. In the year 2000, 48% of overseas visits to Ontario were from the four traditional markets listed above. By 2005, visitors from these four markets accounted for just 42% of the province's overseas visitors.

While some of Ontario's second tier source markets (3,000 to 7,000 visitors per month) also experienced declines in the first nine months of 2006 over 2005, including the Netherlands (–2%), Israel (–4%), Australia (–4%), Italy (–9%), Switzerland (–5%) and Hong Kong (–6%), new markets are making up the gap created by the drop in traffic from Ontario's traditional overseas markets:

Market	September 2006		Year-to-date 2006: Jan–Sep	
	Actual Arrivals*	% Change**	Actual Arrivals*	% Change**
Mexico	8,122	+11.0%	71,038	+8%
South Korea	7,220	+11.0%	49,763	+14%
China	7,115	+60.0%	35,722	+74%
Brazil	5,333	+4.0%	40,443	+10%
India	5,128	+3.0	42,413	+9%
Ireland	4,719	+18.0	26,688	+18%
Total	39,643	+15.0%	268,073	+17%

*NOTE: Arrivals are an estimate of Ontario's total visits. Arrivals (or border crossings) understate the actual number of visits from these markets, since a number of them visit Ontario but enter Canada through a non-Ontario port.

**Percentage change over the same period of the previous year.

Source: Statistics Canada

In the first nine months of 2006, while Ontario saw a modest 1.1% increase in overseas arrivals, there has been a 17% increase in travellers from the six markets outlined above.

When comparing arrivals in the first nine months of 2006 to the same period in 2001, the overall increase for overseas arrivals is just 2% while arrivals from these six markets have increased 65%.

The Current Performance Update, which is published monthly, now includes more detailed information regarding this expanded list of source markets for overseas visitors to Ontario.

www.tourism.gov.on.ca/english/tourdiv/research/performance.html

Upcoming Conferences & Events

- The Tourism Federation of Ontario's 9th Annual Tourism Forum **Together for Ontario** will take place April 3-4, 2007 in Orillia, Ontario. Visit www.tourismfederationofontario.ca for additional details.
- Canadian Tourism Human Resource Council's 6th Annual Tourism HR Forum **Can Tourism Deliver? Responding to the HR Crisis** is taking place May 1-2, 2007 in Vancouver, British Columbia. Visit www.cthrc.ca for details.
- Tourism Week 2007 will take place June 4-10, 2007. **Tourism, Canada's Passport to Prosperity** is an annual, country-wide celebration that aims to increase the profile of Canada's tourism industry among the media, general public and governments at all levels. Coordinated by the Tourism Industry Association of Canada, it provides a focal point



- for activities organized by provincial and territorial tourism industry associations, provincial and territorial marketing organizations, destination marketing organizations, individual businesses and other partners.
- 2007 Travel and Tourism Research Association (TTRA) International Annual Conference **Beating the Odds with Tourism Research!**, will be held June 17-19, 2007 in Las Vegas, Nevada. Visit www.ttra.com for more information.
- The 2007 Travel and Tourism Research Association (TTRA) Canada Chapter Conference will be held in Charlottetown, Prince Edward Island from October 17 to 20, 2007. Please visit www.ttracanada.ca for more information.

Travel Price Index

Price of travel in Ontario increased in September over last year

- In September 2006, Ontario's Travel Price Index (TPI) was 0.9% higher than in September 2005. The recent reduction in the cost of gasoline has moderated the 12-month increase in the TPI, which was 2.4% in August. Significant declines in the cost of auto operation are offsetting more moderate increases in inter-city and local transportation.
- Ontario's Consumer Price Index (CPI) remains virtually unchanged (-0.2%) over September 2005.

Source: Statistics Canada; Ontario Ministry of Tourism

Visitor Inquiries

Call volume continues to fall while user sessions at OntarioTravel.net continue to soar

- Calls to the 1-800-ONTARIO Call Centre totalled 177,545 for the period January to September 2006, which was a decrease of 28% over the same period in 2005.
- For the same period, user sessions at OntarioTravel.net grew 26% over last year to almost 2.3 million sessions. Traffic to the seasonal site (+27%) and the main website (+26%) are both contributing to this growth.

Source: Electronic Data Systems

Ontario Travel Information Centres (TICs)

Visits to Ontario's TICs declined again in first nine months of 2006

- For the period January to September 2006, visits to Ontario's Travel Information Centres (TICs) decreased 9% over the same period in 2005. Only two TICs are seeing growth – Fort Erie (8%) and Niagara Falls (9%).

Source: Ontario Ministry of Tourism

Visit our website

www.research.tourism.gov.on.ca

For information on the industry's current performance, historical statistics, provincial forecasts, market reports and more.

Questions? Suggestions?

Please contact Adele Labine-Romain at (416) 325-8287 or via email at adele.labine-romain@ontario.ca

If you'd like to be added to our distribution list or if you need to change your mailing address, please contact Jackie Ma at (416) 325-1848 or via email at jackie.ma@ontario.ca

© Queen's Printer for Ontario, 2006
Published by the Ministry of Tourism
Tourism Policy and Research Branch
15th Floor
700 Bay Street,
Toronto, ON M7A 2E1

ISSN 1708-2374 (print)
ISSN 1708-2382 (internet)

