

Ontario Tourism **Facts & Figures**

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International Travel Account

- In the first quarter of 2007, Ontario's travel deficit reached \$2.2 billion, a 10% increase over the same quarter of 2006, while Canada's travel deficit increased 9% to \$4.1 billion over the period.
- Preliminary results for the second quarter of 2007 indicate that Ontario's travel deficit increased almost 30% to \$1.4 billion over the second quarter of 2006, while Canada's travel deficit increased 15% to \$2.0 billion over the period.

Source: Ontario Ministry of Tourism

Economic Outlook

Short Term Economic Indicators* Canada & Ontario

		2006	2007	2008
Real Gross Domestic Product** % change over previous period	Can	2.7	2.7	3.4
	ON	1.9	2.3	3.4
Consumer Price Index % change over previous period	Can	2.0	2.4	2.1
	ON	1.8	2.2	2.1
Unemployment Rate (%)	Can	6.3	6.1	6.0
	ON	6.3	6.5	6.6
Personal Disposable Income % change over previous period	Can	5.4	4.2	3.0
	ON	4.0	3.1	2.9

*Forecast data **GDP at basic prices (constant\$ 1997)

Source: Conference Board of Canada

Tourism Statistics

International Border Crossings

U.S. travel market sees a decline of 16% in the first half of 2007

For the period of January to June 2007, there were 7.3 million border crossings from the U.S. to Ontario, 16.4% fewer crossings over the same period in 2006.

- The decline in U.S. same-day trips to Ontario remains the driving factor behind this significant decrease. For the period January to June 2007, American day trips to Ontario decreased by 21.9% over the same period of 2006.
- Meanwhile, U.S. overnight entries to Ontario over the period decreased by 6.6% over the same period of 2006. The decline is spread across both overnight auto entries (-4.6%) and overnight non-auto (plane, train, bus, boat) entries to Ontario (-10.5%).

Overseas market remains stable in the first six month of 2007

For the period of January to June 2007, there were 740,000 overseas entries to Ontario, an increase of just 0.3% over the same period of 2006.

- Direct entries to Ontario were up by 1.9%, while entries via the U.S. were down by 3.2%.
- Two of Ontario's four traditional overseas markets posted declines in the first six months of 2007: Japan (-21.3%) and France (-7.2%). The U.K. market was stable (-0.6%), while Germany posted a modest increase (+1.5%). A broader set of emerging markets – including Mexico, India, China and South Korea – are making up for losses in traditional markets and keeping Ontario's overseas arrivals stable.

International Border Crossings into Ontario*

	2006	Q1 2007	Q2 2007	Jan-June 2007
Total International (%)	-9.0	-19.5	-11.9	-15.0
Total U.S. (%)	-9.9	-21.1	-13.2	-16.4
Same Day (%)	-12.7	-25.8	-18.7	-21.9
Overnight (%)	-5.1	-9.8	-5.1	-6.6
Total Overseas (%)	+0.5	+1.3	-0.1	+0.3

*Percent change over same period of previous year

Source: Statistics Canada

Accommodations

Small drop in occupancy and healthy gains in average daily rates in the first half of 2007

- For the first six months of 2007, occupancy rates at Ontario hotels averaged 59.9%, a decrease of 0.4 of a percentage point over the same period in 2006 – still below 2001 levels, the peak for the period.
- Over the same period, the average daily room rate (ADR) at Ontario hotels increased by 1.9% to \$124.42, resulting in a modest 1.3% increase in Revenue per Available Room (RevPAR) over the first six months of the year.

The table (to the right) shows occupancy and average daily rates for several different markets across Ontario for first six months of 2007.

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 June

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	2007	2006	Pointchange*	2007	2006	% Change
Ontario	59.9%	60.3%	-0.4	\$124.42	\$122.08	1.9%
Greater Toronto Area (GTA)	64.6%	64.4%	0.2	\$135.87	\$133.53	1.8%
Downtown Toronto	68.1%	66.4%	1.7	\$167.29	\$163.16	2.5%
Toronto Airport	71.0%	69.6%	1.4	\$118.48	\$117.38	0.9%
GTA West	61.0%	59.7%	1.3	\$106.84	\$106.47	0.3%
GTA East/North	56.8%	60.4%	-3.6	\$115.19	\$113.38	1.6%
Eastern Ontario	53.4%	54.2%	-0.8	\$100.87	\$97.66	3.3%
Kingston	58.9%	57.7%	1.1	\$114.33	\$108.60	5.3%
Other Eastern Ontario	50.8%	52.4%	-1.6	\$93.51	\$91.61	2.1%
Ottawa	69.3%	68.4%	1.0	\$133.19	\$128.00	4.1%
Downtown Ottawa	70.4%	70.3%	0.2	\$139.79	\$134.75	3.7%
Ottawa West	67.3%	63.5%	3.8	\$121.75	\$116.83	4.2%
Ottawa East	64.6%	63.3%	1.3	\$101.23	\$95.04	6.5%
Southern Ontario	51.6%	52.8%	-1.2	\$110.09	\$109.60	0.4%
London	59.5%	63.1%	-3.6	\$101.40	\$100.00	1.4%
Windsor	51.2%	53.6%	-2.4	\$98.83	\$109.83	-10.0%
K/W/Cambridge/Guelph	57.5%	58.6%	-1.2	\$103.74	\$100.20	3.5%
Hamilton/Brantford	61.1%	60.0%	1.2	\$103.47	\$95.94	7.8%
Niagara Falls	49.3%	50.0%	-0.6	\$126.09	\$126.02	0.1%
Other Niagara Falls Region	42.2%	42.4%	-0.1	\$90.35	\$86.75	4.1%
Other Southern Ontario	43.1%	45.1%	-2.0	\$100.01	\$96.02	4.2%
Central Ontario	45.1%	48.1%	-3.0	\$114.81	\$122.14	-6.0%
North Eastern Ontario	63.1%	65.0%	-1.9	\$89.77	\$86.71	3.5%
North Bay	63.5%	64.4%	-0.9	\$94.10	\$90.73	3.7%
Sudbury	67.7%	65.8%	1.9	\$93.61	\$91.44	2.4%
North Central Ontario						
Sault Ste. Marie	45.2%	51.2%	-6.0	\$85.28	\$81.00	5.3%
North Western Ontario	63.1%	63.2%	-0.1	\$92.12	\$90.46	1.8%
Thunder Bay	65.5%	66.9%	-1.4	\$93.86	\$92.44	1.5%

*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

www.research.tourism.gov.on.ca

- New reports from the 2006 Travel Activities and Motivations Survey (TAMS) continue to be added to the website:
 - Travellers with an interest in Wine and Cuisine (separate reports for the U.S. and Canadian markets)
 - U.S. travel market profile reports on a variety of cultural travel activities, including: visiting historic sites, museums and art galleries; shopping and dining; attending fairs and festivals; theme parks and exhibits; high art performances; theatre, film and musical festivals; tastings and others
 - The Niagara Region's Tourism Opportunity report, based on the Travel Activities and Motivations Survey (TAMS) and other sources

Please visit the website under **Reports > TAMS** for the reports listed above and others and for a schedule of upcoming reports.

- An Ontario-specific report on Q2 2007 results and Q3 2007 outlook from the Business Conditions Survey on the travel accommodation sector is available under **Reports > Business Conditions**.
- Updated Historical Statistics tables, showing U.S. and Overseas visits and spending for 2005, are available under **Tourism Research > Historical Statistics**.
- A new tool called The Travel Patterns Of Ontario's Foreign Visitors, which provides information about how tourists from the U.S. and overseas enter, exit and travel through Ontario for selected Ontario Census Divisions, Tourism Regions and Ports of Entry is available under **Tools > Travel Patterns**.

Special Topics:

Travellers with an interest in Wine and Cuisine

The findings presented in this section are from the 2006 Travel Activities and Motivations Survey (TAMS).

In the two-year period, 2004 and 2005, 15.4 million Canadian travellers – 74% of all Canadian travellers – participated in at least one type of activity associated with wine and cuisine while on an out-of-town overnight trip.

- 4.9 million pursued wine-related activities
- 14.8 million pursued cuisine-related activities
- 1.6 million attended food/drink festivals or took cooking/wine tasting courses

Of these, 16% (or 2.5 million travellers) told us that these activities were the main reason for taking at least one of their trips.

Table 1: Canadian travellers who engage in wine and cuisine associated activities

	# travellers (000s)	% of total Canadian travellers	% main reason for trip ¹
Total Number (000s)	15,390	20,875	2,520
Wine and Cuisine Activities (Net)	15,390	74%	16%
Wine (All Activities)	4,875	23%	19%
Visited wineries for day visits & tasting	3,349	16%	18%
Visited breweries for day visits & tasting	1,215	6%	12%
Stayed at a wine tasting school	68	0%	0%
Stayed at Country Inn with gourmet restaurant	1,010	5%	33%
Same-day tour to winery/wineries	1,440	7%	n/a
Cuisine Activities (Net)	14,844	71%	12%
Aboriginal cuisine (tasted or sampled)	666	3%	18%
Dining - local ingredients and recipes	11,650	56%	10%
Dining - high-end international reputation	3,533	17%	12%
Dining - other high-end restaurants	5,524	26%	11%
Dining at a farm	1,021	5%	16%
Went to local outdoor cafés	7,875	38%	7%
Visited food processing plants	1,322	6%	13%
Stayed at a cooking school	73	0	0
Wine/Cuisine Combined (Net)	1,618	8%	25%
Attended food/drink festivals	1,108	5%	24%
Participated in cooking/wine tasting courses	722	3%	23%

¹ % of travellers who had participated in the specific wine/cuisine activity/experience who reported the activity was the main reason for taking at least one trip

How many Wine and Cuisine Enthusiasts are there, and who are they?

Fifteen types of wine and cuisine activities were included in the analysis (see Table 1). Depending on the degree to which they were engaged in the specific activities, travellers were divided into three segments: those with high interest, moderate interest, and low (or no) interest.

More than a third of Canadian travellers (37%, or 7.7 million travellers) are Wine and Cuisine Enthusiasts, exhibiting either high or moderate interest in wine and cuisine-related activities when taking a trip. The largest potential market is in Ontario, where almost 3 million travellers have shown themselves to be Wine and Cuisine Enthusiasts.

- There were strong associations between interest in wine and cuisine and levels of education and household income. Travellers holding a university degree and with household incomes over \$80,000 were more likely to be interested in wine and cuisine.
- Wine and Cuisine Enthusiasts were frequent travellers, taking an average of 4.1 trips over the study period, compared to 3.2 trips for the average Canadian traveller.

What activities does this segment participate in?

- Wine and Cuisine Enthusiasts are very active while travelling, participating in a variety of outdoor, cultural and entertainment activities. They were particularly interested in such outdoor activities as exercising, cycling, cross-country skiing, snowshoeing and looking at wildlife. They were also more likely than the average traveller to have participated in agri-tourism, to have visited historic sites, museums and galleries and to have attended high art performances.

Why do they travel?

- Wine and Cuisine Enthusiasts, like most other travellers, travelled to relax and relieve stress, to take a break from the day-to-day environment and to create lasting memories. This group, however, was more likely to seek out vacation experiences that would allow them to enrich their perspective on life, to gain knowledge of history and different cultures, and to stimulate the mind/be intellectually challenged.

What do they consider when choosing a travel destination?

- Feeling safe at a destination is the most important consideration for the majority of travellers when choosing a destination, regardless of their interest in wine and cuisine-related activities.
- Relative to other travellers, however, Wine and Cuisine Enthusiasts were more likely to consider it important that a destination has luxury accommodation, and a different culture from their own, and be directly accessed by air.

Look for the full report, and the corresponding U.S. Market report, on the research website www.research.ontario.gov.on.ca under **Reports > TAMS**.

Upcoming Conferences & Events

- The 2007 Travel and Tourism Research Association (TTRA) Canada Chapter Conference **Tourism With(out) Borders** will be held in Charlottetown, Prince Edward Island from October 18 to 20, 2007. Please visit www.ttracanada.ca for more information.
- Canada's Tourism Leadership Summit 2007 **Red, White and Blues: Renewing American Travel to Canada**, organized by the Tourism Industry Association of Canada (TIAC), will be held at the Fairmont Empress in Victoria, British Columbia on November 2-4, 2007. Visit www.tiac-aitc.ca for more information.

- The Nature and Outdoor Tourism Ontario (NOTO) Association Annual Conference will take place November 13-14, 2007 in North Bay, Ontario. For more information, please contact Laurie Marcil at laurie@noto.net or (705) 472-5552.

Travel Price Index

Price of travel in Ontario decreased in June 2007 over 2006

- In June 2007, Ontario's Travel Price Index (TPI) was 2.8% lower than in June 2006. Increases in the cost of auto operation, food purchases at restaurant and stores and other recreational services were more than offset by decreases in the costs of air and inter-city transportation, clothing and footwear, and recreational equipment and services. The cost of traveller accommodations remained flat over the period.
- Ontario's Consumer Price Index (CPI) was up by 1.6% over June 2006.

Source: Statistics Canada; Ontario Ministry of Tourism

Visitor Inquiries

User sessions at OntarioTravel.net show strong gains in the first six months of 2007, while call volume at 1-800-Ontario grows modestly

- User sessions at www.OntarioTravel.net for the period January to June 2007 grew 19% over 2006 to more than 1.7 million sessions. Traffic to the seasonal site (+38%) outpaced growth on the main website (+15%).
- Over the same period, calls to the 1-800-ONTARIO Call Centre totalled almost 100,000, an increase of 2% over the same period in 2006.

Source: Electronic Data Systems

Visits to Ontario's Travel Information Centres continue to decline

- There were about 480,000 visits to Ontario's Travel Information Centres (TICs) over the first six months of 2007, a 10% decrease over 2006.

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, 2007
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)

