

Ontario Tourism **Facts & Figures**

In This Issue

Economic Outlook

- Canada and Ontario

Tourism Statistics

- International Travel Account
- International Border Crossings
- Accommodations
- Travel Price Index
- Visitor Inquiries

Special Topics

- Immigration and Travel in Ontario

What's New in Research?

- New Research and Publications.
- Upcoming Conferences.
- Useful Websites.

International Travel Account

In Q3 2007, Ontario's travel deficit reached \$406 million, a more than threefold increase in the travel deficit recorded in Q3 2006 (\$84 million)—the worst showing since Q3 1992. Ontarians spent almost \$2.7 billion outside of Canada, an increase of 8% over Q3 2006, while travellers from the U.S. and overseas spent \$2.3 billion in Ontario, a decrease of 4% over Q3 2006.

- Ontario's travel balance with the U.S. showed a surplus of \$7 million, down from a surplus of \$263 million in Q3 2006. Ontarians spent almost 13% more in the U.S. in Q3 2007 vs. Q3 2006, while U.S. travellers spent 6% less when they travelled in Ontario.
- Ontario's travel balance with overseas countries in the Q3 showed a deficit of \$414 million, up 19% from 2006. Ontarians spent 4% more in overseas countries in the Q3 2007 vs. Q3 2006, while overseas travellers spent 2% less in Ontario.

Canada's travel deficit was \$114 million in Q3 2007, down from a surplus of \$696 million in Q3 2006.

Source: Ontario Ministry of Tourism

Economic Outlook

Short Term Economic Indicators* Canada & Ontario

		2006	2007	2008
Real Gross Domestic Product** % change over previous period	ON	2.1	2.6	3.2
	Can	2.6	2.8	3.1
Consumer Price Index % change over previous period	ON	1.9	1.9	2.0
	Can	2.4	2.2	1.9
Unemployment Rate (%)	ON	6.4	6.4	6.4
	Can	6.1	5.9	5.8
Personal Disposable Income % change over previous period	ON	4.6	4.5	4.6
	Can	5.7	4.6	4.4

*Forecast data

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

Source: Conference Board of Canada

Tourism Statistics

International Border Crossings

U.S. travel market declines by 13% in the first ten months of 2007

For the period of January to October 2007, there were 14.8 million border crossings from the U.S. to Ontario, 13.3% fewer crossings than in the same period of 2006.

- The decline in U.S. same-day trips to Ontario remains the driving factor behind this significant decrease, accounting for 88% of the decline in visits. For the period January to October 2007, American day trips to Ontario decreased by 19.6% over the same period of 2006.
- Meanwhile, U.S. overnight entries to Ontario over the period decreased by 4.0% over the same period of 2006.

The overseas market declines marginally in the first ten months of 2007

For the period of January to October 2007, there were 1.6 million overseas entries to Ontario, a decrease of 0.5% over the same period of 2006.

- Direct entries to Ontario were up by 1.4%, while entries via the U.S. were down by 4.7%.
- Three of Ontario's four traditional overseas markets posted declines in the first ten months of 2007: Japan (-19.5%), France (-15.8%) and Germany (-0.4%). The U.K. market, meanwhile, grew by 2.0%. A number of emerging markets—including Mexico, South Korea and China—are making up for losses in traditional markets and keeping Ontario's overseas arrivals almost stable.

International Border Crossings into Ontario*

	2006	Q1 2007	Q2 2007	Q3 2007	Jan–Oct 2007
Total International (%)	-9.0	-19.5	-11.9	-9.3	-12.1
Total U.S. (%)	-9.9	-21.1	-13.2	-10.2	-13.3
Same Day (%)	-12.7	-25.8	-18.7	-16.4	-19.6
Overnight (%)	-5.1	-9.8	-5.1	-3.1	-4.0
Total Overseas (%)	+0.5	+1.3	-0.1	-1.9	-0.5

*Percent change over same period of previous year

Source: Statistics Canada

Accommodations

Small drop in occupancy and modest gains in average daily rates in the first ten months of 2007

- For the first ten months of 2007, occupancy rates at Ontario hotels averaged 64.6%, a decrease of 0.2 of a percentage point over the same period in 2006—still below 2001 levels, the peak year for hotel occupancy rates for the period.
- Over the same period, the average daily room rate (ADR) at Ontario hotels increased 1.4% to \$127.47, resulting in a modest 1.0% increase in Revenue per Available Room (RevPAR) over the first ten months of the year.

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

**Ontario Hotel Occupancy and Average Daily Rates
January to October**

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	2007	2006	Point change*	2007	2006	% Change
Ontario	64.6%	64.8%	-0.2	\$127.47	\$125.75	1.4%
Greater Toronto Area (GTA)	68.0%	67.9%	0.1	\$136.54	\$135.90	0.5%
Downtown Toronto	72.1%	71.1%	1.0	\$169.64	\$169.96	-0.2%
Toronto Airport	70.4%	70.2%	0.2	\$117.95	\$115.58	2.0%
GTA West	64.6%	62.8%	1.9	\$105.89	\$105.69	0.2%
GTA East/North	62.1%	64.8%	-2.7	\$114.65	\$113.27	1.2%
Eastern Ontario	60.5%	60.8%	-0.3	\$105.87	\$103.02	2.8%
Kingston	65.2%	64.3%	0.8	\$121.95	\$117.25	4.0%
Other Eastern Ontario	58.2%	59.0%	-0.8	\$97.35	\$95.39	2.1%
Ottawa	71.9%	70.0%	1.9	\$133.28	\$127.33	4.7%
Downtown Ottawa	73.0%	71.6%	1.3	\$140.49	\$134.37	4.6%
Ottawa West	71.6%	67.6%	4.0	\$121.21	\$115.98	4.5%
Ottawa East	65.2%	63.4%	1.8	\$99.55	\$93.94	6.0%
Southern Ontario	58.4%	59.5%	-1.2	\$120.50	\$119.23	1.1%
London	61.7%	64.1%	-2.4	\$101.07	\$100.27	0.8%
Windsor	52.1%	53.8%	-1.7	\$98.89	\$104.65	-5.5%
K/W/Cambridge/Guelph	61.2%	62.1%	-1.0	\$103.78	\$101.08	2.7%
Hamilton/Brantford	65.6%	65.4%	0.2	\$103.10	\$96.49	6.9%
Niagara Falls	60.8%	62.2%	-1.4	\$148.35	\$145.95	1.6%
Other Niagara Falls Region	50.4%	49.8%	0.6	\$96.67	\$93.08	3.9%
Other Southern Ontario	48.8%	49.4%	-0.7	\$104.02	\$100.27	3.7%
Central Ontario	51.7%	54.0%	-2.3	\$126.10	\$128.13	-1.6%
North Eastern Ontario	66.9%	68.6%	-1.7	\$92.07	\$89.31	3.1%
North Bay	67.4%	70.9%	-3.5	\$96.89	\$93.82	3.3%
Sudbury	70.7%	70.6%	0.1	\$96.34	\$93.37	3.2%
North Central Ontario						
Sault Ste. Marie	54.7%	59.7%	-5.0	\$89.63	\$85.40	5.0%
North Western Ontario	68.4%	69.2%	-0.8	\$94.41	\$91.82	2.8%
Thunder Bay	69.0%	71.6%	-2.6	\$97.32	\$94.82	2.6%

*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.

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

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) have been added to the website:
 - Immigration and its impact on travel in Ontario**, which examines the travel behaviours of Canadian-born and foreign-born residents
 - More than 40 new Canadian travel market profile reports** on a variety of outdoor and cultural travel activities, including: fishing, boating and skiing; visiting historic sites, museums and art galleries; shopping and dining; attending fairs and festivals; and many others

Please visit the website under **Reports > TAMS** for the reports listed above and many others.

- An Ontario-specific report on Q3 2007 results and Q4 2007 outlook from the Business Conditions Survey on the travel accommodation sector is available under **Reports > Business Conditions**.
- International Travel Survey (ITS) results for 2006, including tables on visitation, purpose of trip, accommodation, activities and spending by U.S. and Overseas visitors, are available at **Reports > Canadian and International Travel Surveys**.
- Updated Historical Statistics tables, showing U.S. and Overseas visits and spending for 2006, 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: Immigration and Travel in Ontario

Immigration in Ontario

Ontario's cultural diversity is one of its distinctive and definitive features.

In 2006, 30% (or almost 3 million) of the nearly 10 million people 18 years of age or older living in Ontario, were born outside of Canada. Significantly, for more than half of Ontarians: either one or both parents were born outside Canada.

The continued arrival of immigrants in Ontario will reshape the ethnic and racial landscape of the province over the next 20 years. In fact, by 2025 it is anticipated that 36% of Ontario's population will be foreign-born.

Given the fact that Ontario residents currently account for 75% of all visits in the province, understanding the province's changing demographics is critical to arriving at an informed action plan that will satisfy the residents' changed travel needs and wants and guide the province's tourism development.

Travel Patterns of Foreign-born Residents

Based on the recently completed study by the Ontario Ministry of Tourism, a resident's country of birth does appear to have a significant impact on his or her incidence of overnight travel and travel patterns:

- Foreign-born residents were noticeably less likely to travel in Ontario but are more likely to travel to overseas countries than Canadian-born residents (not unexpected given their motivation to maintain links with relatives and friends in their home country).
- Foreign-born residents were much less likely to visit Northern Ontario than those who were born in Canada. In fact, the incidence of Asian-born residents visiting Northern Ontario was half that of the Ontario residents' average.
- When Ontario's foreign-born residents do travel within the province, they take fewer trips than Canadian-born residents.
- Foreign-born residents expressed below-average levels of interest in outdoor activities as well as in cultural and entertainment activities compared to Canadian-born residents. Foreign-born travellers, however, expressed a higher level of interest in cultural and entertainment-related activities than they did in outdoor activities.
- Foreign-born residents exhibit a strong preference for ethnic language media over the mainstream media.

The analysis showed that it takes many years for the travel behaviours of foreign-born residents to resemble those of Canadian-born residents. In fact, it takes about 40 years for Asian-born residents to develop similar habits to their Canadian-born counterparts with respect to travel within Ontario.

If the industry is going to engage these newer foreign-born residents now, it will need to address both what it is offering and how it is communicating with this market segment.

Ontario's Population in 2025 and its Impact on the Domestic Travel Market

By 2025, Ontario's adult population will reach 12.2 million—an increase of 26% over that of 2006. Over the same period, the number of Ontarians who were born in Canada will increase at slower rates (15%) than the overall average (26%).

By 2025, 36% of Ontario's population will be foreign-born; the province will have 50% more foreign-born residents in 2025 than it did in 2006.

The following select projections provide an indication of the extent of the changes that will unfold in Ontario by 2025:

- The proportion of Ontarians travelling within the province is expected to decline by three percentage points in 2025 over 2006, while the proportion of Ontarians taking trips overseas is expected to increase. Had the population mix in 2025 remained the same as it was in 2006, Ontario would have had 2.3 million trips more than the number projected for 2025—a result which is attributed to the combined “immigrant” and “aging” effects.
- The proportion of Ontarians participating in outdoor activities is expected to decline by 2025, which will affect a host of sectors and stakeholders across the province. The proportion of travellers who participate in non-strenuous activities such as wildlife viewing and golfing is likely to decline at a slower rate than the proportion of those who participate in strenuous activities such as downhill skiing, snowboarding, or cycling.
- However, the proportion of Ontarians participating in cultural and entertainment activities is expected to increase. The growth in the proportion of Ontarians participating in activities related to spectator sports, high art performances, and theatre is expected to exceed the growth rate of the overall Ontario traveller population. These projected changes point to the need to prioritize related projects and initiatives.
- The proportion of Ontarians participating in family-oriented activities—such as visiting theme parks and exhibits—is likely to decline given the higher proportion of Ontarians who will live in one-person or adult-only households in 2025.

The dramatic transformation in Ontario's population, which is projected to occur over the next 15 to 20 years, is at once a significant challenge and an opportunity for Ontario's travel and tourism industry. By recognizing the importance of demographic changes, the industry is in the enviable position of being able to make informed choices and take appropriate action now to shape this emerging market.

Look for the full report on the Ministry's research website at www.research.tourism.gov.on.ca under **Reports > TAMS**.

Upcoming Conferences & Events

- **Tourism Week 2008** will take place June 2–8, 2008. **Tourism, Canada's Passport to Prosperity** is an annual, country-wide celebration that aims to increase the profile of Canada's tourism industry and convey the value of the tourism industry to Canada's local, provincial, territorial and national economies and to the quality of life of all Canadians. Coordinated by the Tourism Industry Association of Canada, **Tourism Week** provides a focal point for activities organized across the country by provincial and territorial tourism industry associations, destination marketing organizations, visitor and convention bureaus, individual businesses and other organizations, in order to raise awareness of tourism and its benefits.



- The 2008 Travel and Tourism Research Association International Conference **Freedom to Travel** will be held June 15–17, 2008 in Philadelphia, Pennsylvania. Details will be posted at www.ttra.com as they become available.
- The 2008 Travel and Tourism Research Association (TTRA) Canada Chapter Conference **Change is the only Constant: Lifestyles, Products and Markets** will be held in Victoria, British Columbia from October 15–17, 2008. Please visit www.ttracanada.ca for more information.
- The 2008 edition of Canada's Tourism Leadership Summit, hosted by the Tourism Industry Association of Canada (TIAC) will be held from November 2–4, 2008 in Gatineau, Quebec. Visit www.tiac-aitc.ca for more information.
- Canadian Tourism Human Resource Council's 7th Annual Tourism HR Forum will take place November 17–19, 2006 in Winnipeg, Manitoba. Visit www.cthrc.ca for details.

Travel Price Index

Price of travel in Ontario decreased in October 2007 over 2006

- The average monthly Travel Price Index (TPI) over the January to October 2007 period was up 0.6% over the same period of 2006. Increases in the cost of auto operation and food and beverage were partially offset by declines in the cost of inter-city transportation, auto rentals, recreational equipment and services and home recreation equipment. The cost of traveller accommodations remained flat over the period.
- Ontario's Consumer Price Index (CPI) was up by 2.3% over October 2006.

Source: Statistics Canada; Ontario Ministry of Tourism

Visitor Inquiries

User sessions at OntarioTravel.net show strong gains in the first ten months of 2007, while call volume at 1-800-Ontario is down

- User sessions at **www.OntarioTravel.net** for the period January to October 2007 grew by 11% over 2006 to almost 2.9 million sessions. Traffic to the seasonal site (+13%) outpaced growth on the main website (+11%).
- Over the same period, calls to the 1-800-ONTARIO Call Centre totalled almost 175,000, a decrease of 4% over the same period in 2006.

Source: Electronic Data Systems

Visits to Ontario's Travel Information Centres continue to decline

- There were about 1.2 million visits to Ontario's Travel Information Centres (TICs) over the first ten 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, 2008
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)

