

Ontario Tourism **Facts & Figures**

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International Travel Account

Ontario's travel deficit reached \$2.5 billion in the first quarter of 2008, an increase of 20% over the travel deficit recorded in the first quarter of 2007. Ontarians spent almost \$3.7 billion outside of Canada, an increase of 13% over 2007, while travellers from the U.S. and overseas spent \$1.2 billion in Ontario, an increase of just 2% over 2007.

- **Ontario's travel deficit with the U.S. was \$1.6 billion**, up by 24% over Q1 2007. Ontarians spent \$2.1 billion in the U.S., 16% more than in Q1 2007, while U.S. travellers spent \$480 million in Ontario, or 3% less than in the same quarter of last year.
- **Ontario's travel balance with overseas countries was \$884 million**, up 13% from Q1 2007. Ontarians spent \$1.6 billion in overseas countries, 10% more than in Q1 2007, while overseas travellers spent \$868 million, or 6% more than in the same quarter of last year.

Canada's travel deficit reached \$5.4 billion in the first quarter of 2008, up 20% over Q1 2007, with a 40% increase in its travel deficit with the U.S. and an 11% increase in its travel deficit with other countries.

Source: Statistics Canada, Ontario Ministry of Tourism

Economic Outlook

Short Term Economic Indicators* Canada & Ontario

		2007	2008	2009
Real Gross Domestic Product** % change over previous period	ON	2.1	1.6	3.3
	Can	2.5	2.1	3.0
Consumer Price Index % change over previous period	ON	1.8	1.2	2.0
	Can	2.1	1.3	1.9
Unemployment Rate (%)	ON	6.4	6.4	6.5
	Can	6.0	5.8	5.8
Personal Disposable Income % change over previous period	ON	4.1	3.9	3.7
	Can	5.6	4.5	3.7

*Forecast data

**GDP at basic prices (constant\$ 2002)

NOTE: Ministry of Finance is forecasting GDP growth of 2.1%, 1.1% and 2.1% in Ontario for 2007, 2008 and 2009, respectively.

Source: Conference Board of Canada, Key Economic Indicators, Feb. 2008

Tourism Statistics

International Border Crossings

U.S. travel market experiences a decline of 15% in the first quarter of 2008

For the period of January to March 2008, there were about 2.1 million border crossings from the U.S. to Ontario—a decrease of 14.8% over the same period in 2007.

- The decline in U.S. crossings was due entirely to losses in same-day trips to Ontario. Over the first three months of 2008, American day trips to Ontario decreased by 22.3%, or about 375,000 fewer entries over 2007.
- Meanwhile, U.S. overnight entries to Ontario in the first three months of 2008 have remained on par with 2007, showing an increase of 0.2% over the period.

The overseas market grew 2% in the first quarter of 2008

For the period of January to March 2008, there were 250,000 overseas entries to Ontario, an increase of 2.0% over the same period in 2007.

- Direct entries to Ontario were up by 2.2%, while entries via the U.S. were up by 1.3%.
- Two of Ontario's four traditional overseas markets posted declines in the first quarter of 2008: Japan (-25.6%) and the U.K. (-7.4%), while Germany was unchanged and France posted a modest increase of 1.5%.
- A number of emerging markets, including Mexico (+27.5%) and China (+55.0%), are making up for losses in the traditional markets.

International Border Crossings into Ontario*

	2007	Q1 2008
Total International (%)	-12.7	-13.3
Total U.S. (%)	-14.0	-14.8
Same Day (%)	-20.6	-22.3
Overnight (%)	-4.0	+0.2
Total Overseas (%)	+0.1	+2.0

*Percent change over same period of previous year

Source: Statistics Canada

Accommodations

Occupancy rates were down in the first quarter of 2008, while average daily rates were up

- For the period of January to March 2008, occupancy rates at Ontario hotels averaged 53.2%, a decrease of 1.2 percentage points over 2007.
- The average daily room rate (ADR) at Ontario hotels increased 2.0% to \$123.36, resulting in a slight decline (-0.2%) in Revenue per Available Room (RevPAR) for the period.

The table (to the right) shows occupancy and average daily rates for several different markets across Ontario for the first quarter of 2008:

Ontario Hotel Occupancy and Average Daily Rates January to March

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	2008	2007	Point change*	2008	2007	% Change
Ontario	53.2%	54.4%	-1.2	\$123.36	\$120.88	2.0%
Greater Toronto Area (GTA)	59.3%	60.1%	-0.7	\$133.03	\$131.27	1.3%
Downtown Toronto	60.4%	61.4%	-1.0	\$155.80	\$154.33	1.0%
Toronto Airport	67.0%	71.3%	-4.3	\$124.77	\$121.36	2.8%
GTA West	58.1%	56.5%	1.5	\$109.97	\$108.68	1.2%
GTA East/North	52.5%	52.2%	0.3	\$117.22	\$116.70	0.4%
Eastern Ontario	46.2%	46.7%	-0.5	\$99.56	\$97.99	1.6%
Kingston	51.3%	51.0%	0.4	\$110.09	\$105.08	4.8%
Other Eastern Ontario	43.8%	44.6%	-0.8	\$93.63	\$94.03	-0.4%
Ottawa	63.1%	65.0%	-1.9	\$135.40	\$131.99	2.6%
Downtown Ottawa	63.2%	65.4%	-2.2	\$140.19	\$137.29	2.1%
Ottawa West	63.1%	62.9%	0.2	\$125.65	\$120.01	4.7%
Ottawa East	61.7%	65.4%	-3.7	\$112.01	\$109.35	2.4%
Southern Ontario	40.4%	43.7%	-3.2	\$104.72	\$102.72	2.0%
London	51.6%	56.5%	-5.0	\$103.58	\$101.41	2.1%
Windsor	41.4%	48.2%	-6.8	\$98.75	\$97.47	1.3%
K/W/Cambridge/Guelph	47.4%	52.0%	-4.6	\$106.18	\$103.78	2.3%
Hamilton/Brantford	55.6%	59.2%	-3.6	\$106.66	\$104.29	2.3%
Niagara Falls	32.2%	35.4%	-3.3	\$113.13	\$109.81	3.0%
Other Niagara Falls Region	35.1%	35.6%	-0.5	\$86.73	\$84.89	2.2%
Other Southern Ontario	39.6%	39.2%	0.4	\$94.57	\$95.14	-0.6%
Central Ontario	46.3%	44.9%	1.4	\$131.77	\$128.48	2.6%
North Eastern Ontario	58.0%	59.1%	-1.1	\$95.56	\$88.59	7.9%
North Bay	56.6%	59.0%	-2.4	\$97.20	\$90.43	7.5%
Sudbury	62.7%	62.8%	-0.1	\$101.51	\$93.29	8.8%
North Central Ontario						
Sault Ste. Marie	42.1%	40.5%	1.6	\$87.22	\$84.89	2.7%
North Western Ontario	56.9%	55.6%	1.3	\$91.02	\$89.75	1.4%
Thunder Bay	59.7%	59.8%	-0.2	\$93.06	\$92.37	0.7%

*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

Travel Industry Association of America (TIA)
www.tia.org

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

Travel Intention Survey

- A Northern Ontario-focused report from the Travel Intentions Survey was recently completed. The survey examined the intentions of residents of Ontario; select other cities and U.S. states to travel to Northern Ontario during Spring and Summer 2008. The final report is available under **Reports > Travel Intentions**.
- A new wave of the Travel Intentions Survey for summer 2008 was recently completed. Look for a final report in July under **Reports > Travel Intentions**.

Tourism Outlook

- The Ontario Tourism Outlook: 2008–2012, is now available under **Tourism Outlook**. The forecast provides an outlook for travel to and from Ontario.

Accommodations Sector Outlook

- An Ontario-specific report on Q1 2008 results and Q2 2008 outlook from the Business Conditions Survey on the travel accommodation industry is available under **Reports > Business Conditions**.

Special Topics: Mapping Ontario's Tourism Future

The next several months mark a pivotal point for Ontario tourism. A competitiveness study announced in March, 2008 and led by Vaughan MPP and former finance minister Greg Sorbara, will look at ways to increase Ontario's share of the tourism market.

An important step in that process started with the recent release of **Mapping Ontario's Tourism Future**, a discussion paper that asks Ontarians for ideas on how to shape the future of tourism in the province.

Tourism is a multi-billion dollar market. In fact, travellers spent approximately \$22.8 billion last year in Ontario. All over the province we are seeing great new reasons for tourists to visit Ontario: new and expanded cultural facilities in Toronto, great new resorts in Muskoka; convention centres in Niagara, Ottawa and Windsor; and a growing calendar of festivals and events.

But much more can and must be done. Reinventing our tourism industry for the 21st century is an enormous task—for government and the private sector.

Our tourism industry is facing real challenges. Families used to just hop in their cars and drive. But much has changed with the rising price of gas, the increasing challenge of border crossing, the strong Canadian dollar, the slowing US economy and the changing demographics of our traditional US markets. We can't expect to continue as if business will remain the same.

In Ontario, we must find ways to rise above the crowd and be seen as a destination of choice for travellers — especially as new and lucrative markets emerge around the globe. According to the United Nations World Tourism Organization, the number of worldwide travellers is expected to double by 2020.

Ontario wants to be a winner in this global tourism marketplace. It all begins with our discussion paper, which is really a province-wide conversation on how to reinvent Ontario tourism.

To help start this conversation, the government is inviting you to visit the new website www.tourismstudy.ca and to comment on six key discussion points.

The Market: *What are our best prospects? To ensure a healthy tourism industry, we need a clear picture of our highest potential markets. We need to know where potential travellers are, who they are and what they want to do when they travel.*

The Product: *How can we provide the experiences tourists want? That means making the most of what we have and understanding the possibilities of other increasingly popular tourism activities — such as adventure tourism and eco-tourism.*

The Story: *How do we market Ontario? The marketing of Ontario is funded by divergent sources and has no single strategy. At the same time, how people get tourism information has radically changed in recent years. To attract new tourists, we must market ourselves more strategically and come up with inventive ways to reach potential customers.*

The People: *How can we ensure a well-trained workforce? Two key challenges lay ahead: A pending labour shortage and the need to train top notch tourism workers. Youth and new Canadians are not entering the sector in sufficient numbers to meet service demand. At the same time, global travellers are becoming more discriminating so service standards in Ontario must compete with the best in the world.*

The Tools: *Given the challenges facing the industry and its relevance to the economy, all three levels of government in Canada must improve how they help the industry succeed. What changes should government make to support a healthy tourism industry?*

The Industry: *There is a strong need to build creative new partnerships within the industry to help enhance competitiveness. How can the industry work together to achieve success?*

We strongly encourage you to send us your ideas and suggestions — both big and small. In September, Mr. Sorbara will be on the road holding consultations across the province with the goal of producing an innovative and forward-looking action plan based on the findings.

The competitiveness study is a singular opportunity for us to take a long hard look at our tourism industry. It is the input of Ontarians that will help inspire the strength of our plan.

www.tourismstudy.ca

Upcoming Conferences & Events

- The Ontario Tourism Marketing Partnership Corporation (OTMPC) and the Tourism Industry Association of Ontario (TIAO) are joining forces to host the Ontario Tourism Summit in Toronto, from October 6-8, 2008. The theme of the 2008 conference, **Getting Ahead of the Competition**, will focus on competitive strategies for the future health of the industry. For more information, please visit www.tourismpartners.com.
- 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 3-5, 2008 in Gatineau, Quebec. Visit www.tiac-aitc.ca for more information.
- The Canadian Tourism Human Resource Council (CTHRC) will host its seventh annual Tourism HR Forum **Great People. Now.** from November 17-19, 2008 in Winnipeg, Manitoba. Visit www.cthrc.ca for more information and to register.

Travel Price Index

The price of travel in Ontario increased in the first quarter of 2008

- Ontario's Travel Price Index (TPI) for the first three months of 2008 was up by 3.5% over the same period of last year. Increases in the cost of local and inter-city transportation, auto operation, accommodations, and food and beverage were partially offset by declines in the cost of auto rentals, recreational equipment and services and home recreation equipment.
- Meanwhile, the U.S. Travel Price Index was up 8.0% in the first three months of 2008 over 2007.
- For the period January to March 2008, Ontario's Consumer Price Index (CPI) was up by 1.5% over the same period of 2007.

Source: Statistics Canada; Ontario Ministry of Tourism

Visitor Inquiries

User sessions at OntarioTravel.net show steady growth in first quarter of 2008, while both call volume at 1-800-Ontario and visits to Ontario's Travel Information Centres are down

- There were almost 950,000 user sessions at **www.OntarioTravel.net** in the first three months of 2008, an increase of 29% over 2007.
- Calls to the 1-800-ONTARIO Call Centre totalled about 24,000 over the first three months of 2008, a decrease of 36% over 2007.

Source: Electronic Data Systems

- Over the first three months of 2008, there were approximately 100,000 visits to Ontario's Travel Information Centres (TICs), 31% fewer than in 2007.

Source: Statistics Canada; 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

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