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Economic Outlook

Economic Indicators Canada & Ontario

		2008	2009*	2010*
Real Gross Domestic Product** % change over previous year	ON	-0.2	-2.4	2.5
	Can	0.5	-1.7	2.5
Consumer Price Index % change over previous year	ON	2.3	0.7	2.5
	Can	2.5	0.5	2.6
Unemployment Rate (%)	ON	6.5	9.2	10.3
	Can	6.1	8.3	9.4
Personal Disposable Income % change over previous year	ON	5.1	-0.2	3.8
	Can	4.2	0.7	2.3

*Forecast data

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

Source: Conference Board of Canada, Key Economic Indicators, Spring 2009

Tourism Statistics

International Border Crossings



U.S. border crossings to Ontario declined 4% in Q1 2009

During the first 3 months of 2009, there were 2.1 million border crossings from the U.S. to Ontario, a decrease of 3.7% versus 2008.

- The decline in crossings associated with overnight trips was larger than the decline of same day crossings. In Q1 2009, U.S. crossings associated with same day trips to Ontario decreased 2.2% or 29,000 fewer crossings while crossings for overnight trips dropped 5.9% or 49,000 fewer crossings compared to Q1 2008.

Overseas crossings to Ontario decreased 11% in Q1 2009

In Q1 2009, there were 224,000 overseas entries into Ontario, a decline of 10.9% over Q1 2008.

- Direct entries to Ontario decreased 10.6% and entries via the U.S. were down by 11.5%.

- During the first 3 months of 2009, arrivals from France grew 14.0% while arrivals from other traditional markets declined compared to Q1 2008. German arrivals declined 3.1%, while arrivals from the U.K. and Japan fell 18.3% and 48.0% respectively.
- Arrivals were up in Q1 2009 from a number of emerging markets, including the Netherlands (+9.4%), Brazil (+6.0%), and China (+5.9%).

International Border Crossings into Ontario, % Change versus year ago

	Q1 2009	Q1 2008
Total U.S. (%)	-3.7%	-12.6%
Same Day (%)	-2.2%	-18.3%
Overnight (%)	-5.9%	-5.3%
Total Overseas (%)	-10.9%	0.8%

Source: Statistics Canada

Special Topic:

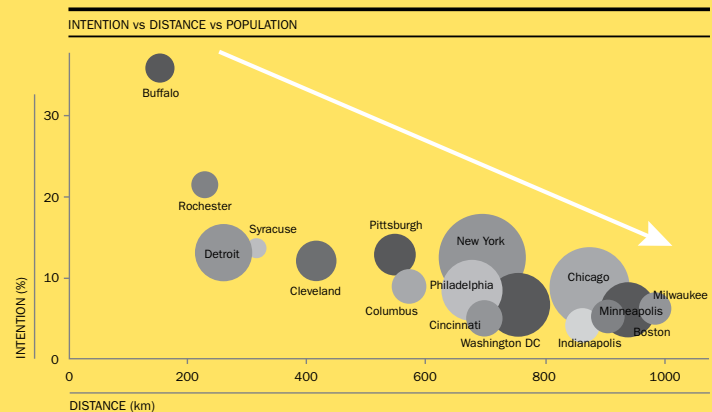
Relationship between Intention to Travel, Follow Through on Intention and Distance



In the fall of 2008, the Ministry of Tourism, along with the Ontario Tourism Marketing Partnership Corporation conducted a follow up study with Americans who indicated in the spring that they intended to visit Ontario in the following summer. Among many questions, respondents were asked if they did in fact follow through on their intention to visit Ontario in the summer of 2008. One of the insights coming out of this research was the relationship between intention to travel to Ontario, following through on this intention and distance to Ontario.

Intention versus Distance

Not surprisingly, US residents' intention to visit Ontario decreased as the distance from their home city to Ontario increased. Americans living closest to the Ontario border, e.g. New York State, Detroit, Pittsburgh, and Cleveland were more likely to plan a trip to Ontario. Other than Detroit, the US cities closest to Ontario tend to have lower populations while the more highly populated US cities are farther away from Ontario.



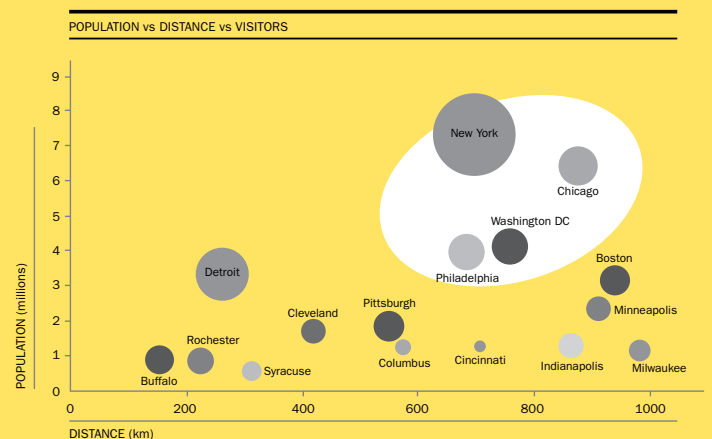
Intention Follow Through versus Distance

Following through on plans to visit Ontario was higher among residents of US cities which are both nearby and distant to Ontario. Americans living within a closer proximity to Ontario are able to make shorter trips with less planning and travel time so their follow through rates are high. US residents living farther away from Ontario need to plan their trips more, take longer trips and therefore are more likely to follow through with these plans. These distant trips often involved visiting friends and relatives.



Opportunity

There is an opportunity to increase the number of visitors to Ontario from some distant US cities. A small proportion of visitors from highly populated metropolitan areas such as Chicago, Washington and Philadelphia could yield a large number of visitors to Ontario. Although these cities are farther away from Ontario, their residents are more likely to follow through on their travel plans to visit Ontario and therefore it is important to get Ontario top of mind and into their vacation destination consideration set.



Source: Travel Intentions Study, 2008; Travel Intentions Return to Sample 2008,

Note: distance to Ontario is a weighted average of distance from home city to top cities visited in Ontario

International Travel Account



Ontario's travel deficit declined to \$2.5 billion in Q1 2009, a decrease of 6.7% from a deficit of \$2.7 billion recorded in Q1 2008. Ontarians spent \$3.6 billion outside of Canada, a decrease of 4.7%, while travellers from the U.S. and overseas countries spent \$1.2 billion in Ontario, a slight decrease of 0.2%.

- **Ontario's travel deficit with the U.S. was \$1.5 billion**, down 14.5% from a deficit of \$1.8 billion in Q1 2008. Ontarians spent \$2.0 billion in the U.S., 11.7% less than in Q1 2008, while U.S. travellers spent \$472 million in Ontario, or 1.3% less.
- **Ontario's travel balance with overseas countries was \$974 million**, up 8.5% from Q1 2008. Ontarians spent \$1.7 billion in overseas countries, 5.1% more than in Q1 2008, while overseas travellers spent \$700 million in Ontario, a slight increase of 0.7%.

Canada's travel deficit decreased to \$5.1 billion in the first quarter of 2009, down 5.5% from a deficit of \$5.4 billion in Q1 2008.

Source: Statistics Canada, Ontario Ministry of Tourism



Accommodations

Both Occupancy Rates and Average Daily Rates declined in Q1 2009

- In Q1 2009, occupancy rates averaged 49.8%, down 3.2 percentage points over Q1 2008.
- The average daily rate dropped 3.0% to \$119.06 in Q1 2009.
- Revenue per available room of \$59.35 in Q1 2009 decreased 8.9% compared to Q1 2008.

Ontario Hotel Occupancy and Average Daily Rates January to March

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	Q1 2009	Q1 2008	Point change	Q1 2009	Q1 2008	% Change
ONTARIO	49.8%	53.1%	-3.2	\$119.06	\$122.77	-3.0%
Greater Toronto Area (GTA)	55.0%	59.3%	-4.3	\$127.16	\$132.74	-4.2%
Downtown Toronto	58.3%	60.3%	-2.1	\$145.38	\$155.84	-6.7%
Toronto Airport	60.4%	67.7%	-7.3	\$120.15	\$123.32	-2.6%
GTA West	52.6%	57.9%	-5.3	\$108.21	\$110.38	-2.0%
GTA East/North	47.8%	52.2%	-4.3	\$115.80	\$118.20	-2.0%
Eastern Ontario	45.2%	46.9%	-1.7	\$100.87	\$99.56	1.3%
Kingston	54.3%	52.1%	2.2	\$107.61	\$108.78	-1.1%
Other Eastern Ontario	41.0%	44.6%	-3.6	\$96.82	\$94.79	2.1%
Ottawa	62.6%	63.3%	-0.8	\$134.89	\$134.67	0.2%
Downtown Ottawa	64.6%	63.4%	1.2	\$138.56	\$139.64	-0.8%
Ottawa West	55.1%	63.7%	-8.6	\$128.37	\$124.18	3.4%
Ottawa East	61.9%	62.1%	-0.3	\$113.99	\$111.24	2.5%
SOUTHERN ONTARIO	38.3%	40.6%	-2.3	\$103.71	\$104.88	-1.1%
London	49.2%	51.5%	-2.3	\$100.01	\$103.37	-3.3%
Windsor	37.9%	43.1%	-5.2	\$100.20	\$99.58	0.6%
K/W/Cambridge/Guelph	39.9%	47.0%	-7.1	\$106.55	\$107.36	-0.7%
Hamilton/Brantford	42.9%	55.6%	-12.8	\$107.52	\$109.72	-2.0%
Niagara Falls	34.9%	32.5%	2.4	\$107.46	\$111.25	-3.4%
Other Niagara Falls Region	31.8%	33.9%	-2.1	\$89.31	\$89.67	-0.4%
Other Southern Ontario	33.6%	39.4%	-5.8	\$101.79	\$95.13	7.0%
Central Ontario	38.6%	46.3%	-7.7	\$115.07	\$130.80	-12.0%
North Eastern Ontario	54.1%	58.7%	-4.6	\$97.96	\$96.61	1.4%
North Bay	59.3%	56.8%	2.5	\$100.31	\$96.98	3.4%
Sudbury	50.6%	62.7%	-12.1	\$104.67	\$104.54	0.1%
North Western Ontario	41.5%	42.9%	-1.4	\$84.20	\$88.68	-5.0%
Thunder Bay	64.6%	63.4%	1.2	\$138.56	\$139.64	-0.8%
Sault Ste. Marie	55.1%	63.7%	-8.6	\$128.37	\$124.18	3.4%

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



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Visitor Inquiries



Visits to Ontario's Travel Information Centres increased while both user sessions at OntarioTravel.net and call volume to 1-800-Ontario declined.

- In the first quarter of 2009, there were approximately 160,000 visits to Ontario's Travel Information Centres (TICs), 7% more than in the first quarter of 2008.

Source: Ontario Ministry of Tourism

- There were approximately 661,000 user sessions at **www.OntarioTravel.net** in Q1 2009, a decrease of 1% over Q1 2008.

Source: Ontario Tourism Marketing Partnership Corp. (OTMPC)

- Calls to the 1-800-ONTARIO Call Centre totalled about 20,000 in the first 3 months of 2009, a decrease of 18% over the same period in 2008.

Source: Electronic Data Systems

Tourism Related Employment



Employment in tourism related industries increased 2.3% in Q1 2009

- Employment in accommodations and food services, air transportation, performing arts, and gas stations grew in Q1 2009 compared to Q1 2008. This growth was slightly offset by declines in employment in heritage institutions, gambling industries and other amusement and recreation sectors.
- Ontario's tourism related employment grew in Q1 2009 while total employment in Ontario declined 1.9% in Q1 2009 versus Q1 2008.

Source: Statistics Canada; Ontario Ministry of Tourism

Travel Price Index



Price of travel in Ontario increased 3.5% in Q1 2009

- Ontario's Travel Price Index (TPI) was up by an average of 3.5% in Q1 2009 compared to Q1 2008. Increases in the cost of local and inter-city transportation, food and beverage, and air transportation were the sources of the growth. These were partially offset by declines in the cost of auto rentals and retail.
- The increase in Ontario's TPI was more than double the increase in Ontario's Consumer Price Index (CPI). In Q1 2009 Ontario's CPI grew 1.6% over Q1 2008 while Ontario's TPI increased 3.5%.

Source: Statistics Canada; Ontario Ministry of Tourism

Upcoming Conferences & Events



- The 2009 Travel and Tourism Research Association (TTRA) Canada Chapter Conference **Away from the Mainstream - Niche tourism in urban fringes, rural roads, cultural quarters and emerging destinations** will be held in Guelph, Ontario from October 14 - 16, 2009. The conference will be preceded with a Student Symposium on October 13, and followed with a Parks Canada workshop on October 17. Please visit www.ttracanada.ca for more information.
- The Ontario Tourism Marketing Partnership Corporation (OTMPC) and the Tourism Industry Association of Ontario (TIAO) are once again co-hosting the **Ontario Tourism Summit**. The conference will be held September 29 - October 1, 2009 at the Caesars Windsor in Windsor, Ontario. Details are posted at www.tourismpartners.com.
- The 2009 edition of **Canada's Tourism Leadership Summit**, hosted by the Tourism Industry Association of Canada (TIAC) will be held from November 2 - 4, 2009 in Saint John, New Brunswick. Visit www.tiac.travel for more information.
- The Canadian Tourism Human Resource Council (CTHRC) is developing an exciting program for its 8th annual **Tourism HR Forum** which is taking place November 2009 in Montreal, Quebec. Details will be posted on www.cthrc.ca/hrforum as they become available.

Food Service and Drinking Places



Sales at Ontario's Restaurants & Bars grew 1.0% in Q1 2009

- Current dollar sales for the Ontario food services and drinking places industry increased 1.0% in Q1 2009 over Q1 2008 to \$4.5 billion. Ontario accounted for 38% of Canada's restaurant and bar sales.
- During the same time period, Canadian food service and drinking places sales rose 2.3%, driven by sales growth at limited service eating places and drinking places.

Source: Statistics Canada; Ontario Ministry of Tourism

What's New in the Ministry's Tourism Research?



www.research.tourism.gov.on.ca

New Research and Publications

We have introduced a new subscriber system to ensure that Ontario's tourism stakeholders receive the research publications which are of interest to them. Existing recipients of research publications were sent an email to complete their profile, select a password and to confirm their preferences while new subscribers are invited to register at www.research.tourism.gov.on.ca. This is a free service.

Subscribers can then update their profile information and preferences at any time.

Travel Intentions Survey

- This study includes trend data on intent to visit Ontario, perceptions of Ontario and specific destinations within the province, barriers to visiting Ontario, and general traveller behaviours and attitudes. This report also includes a detailed analysis on Northern Ontario.
- Results from the Spring 2009 wave are available at **Reports > Travel Intentions**

Convention Centre Activities Module

- A Convention Centre Activity module has recently been added to the Tourism Regional Economic Impact Model (TREIM). This new component will enable organizations to estimate the economic impact of events held at convention centres.
- The TREIM tool is available at **Tools > TREIM**

Research Catalogue

- This guide to the Ministry's data, reports and tools includes the name of the research product, a description of the contents and the frequency in which the items are updated.
- The Research Catalogue can be found at **Tourism Research > Research Catalogue**

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.canada.travel

Statistics Canada
www.statcan.gc.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.travel

Tourism Industry Association of Ontario
www.tiao.travel



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Just ask.

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www.research.tourism.gov.on.ca

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

Questions? Suggestions?



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