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Economic Outlook

Economic Indicators Canada & Ontario

		2008	2009*	2010*
Real Gross Domestic Product** % change over previous year	ON	-0.2	-3.1	3.2
	Can	0.4	-1.9	2.7
Consumer Price Index % change over previous year	ON	2.3	0.7	2.4
	Can	2.4	0.8	2.6
Unemployment Rate (%)	ON	6.5	9.2	10.2
	Can	6.1	8.4	9.2
Personal Disposable Income % change over previous year	ON	5.1	0.0	2.9
	Can	4.2	-0.5	1.4

*Forecast data.

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

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

Tourism Statistics

International Border Crossings



U.S. border crossings to Ontario declined 9% in Q2 2009 and decreased 7% in the first 6 months of 2009.

During April to June 2009, there were 3.1 million border crossings from the U.S. to Ontario, a decrease of 9.1% versus 2008.

In Q2 2009, U.S. same-day crossings, which represented 62% of crossings to Ontario, decreased 13.0% or by 230,000 crossings, while crossings for overnight trips dropped 5.1% or 86,000 fewer crossings compared to Q2 2008.

For the 6 months ending June 2009, there were 5.2 million border crossings from the U.S. to Ontario, a decrease of 7.0% versus Jan-Jun 2008. U.S. crossings declined 3.7% in Q1 2009 and 9.1% in Q2 2009.

As of June 1, 2009 the Western Hemisphere Travel Initiative required all persons, including U.S. residents, to have a passport, a NEXUS card, or an enhanced driver's licence in order to enter or re-enter the U.S.

Overseas crossings to Ontario decreased 16% in Q2 2009 and declined 14% during Jan-Jun 2009.

In Q2 2009, there were 443,000 overseas entries into Ontario, a decline of 15.8% over Q2 2008.

During the first 6 months of 2009, arrivals from France grew 7.3% while arrivals from other traditional markets declined compared to Jan-Jun 2008. German arrivals declined 7.1%, while arrivals from the U.K. and Japan fell 15.9% and 41.7% respectively.

International Border Crossings into Ontario, % Change versus year ago

	Q1 2009	Q2 2009	Jan-Jun 2009
Total U.S. (%)	-3.7%	-9.1%	-7.0%
Same Day (%)	-2.2%	-13.0%	-8.4%
Overnight (%)	-5.9%	-5.1%	-5.3%
Total Overseas (%)	-10.9%	-15.8%	-14.2%

Source: Statistics Canada

International Travel Account



Ontario's travel deficit was \$4.1 billion in the first 6 months of 2009, a decrease of 6.9% from Jan-Jun 2008. Ontarians spent \$6.9 billion outside of Canada, a decrease of 5.5%, while travellers from the U.S. and overseas countries spent \$2.8 billion in Ontario, a decline of 3.4%.

- **Ontario's travel deficit with the U.S. was \$2.5 billion**, down 14.5% compared to 2008. Ontarians spent \$3.9 billion in the U.S., 10.8% less than in 2008, while U.S. travellers spent \$1.4 billion in Ontario, a decrease of 3.2% versus a year ago.
- **Ontario's travel balance with overseas countries was \$1.5 billion**, up 9.0% from 2008. Ontarians spent \$2.9 billion in overseas countries, an increase of 2.5% over 2008, while overseas travellers spent \$1.4 billion in Ontario, a decline of 3.6%.

Canada's travel deficit decreased to \$8.2 billion in the first half of 2009, down 7.0% from the first half of 2008.

Source: Statistics Canada, Ontario Ministry of Tourism



Accommodations

Both Occupancy Rates and Average Daily Rates declined in the first half of 2009

- During Jan-Jun 2009, occupancy rates averaged 54.2%, down 5.1 percentage points over 2008.
- The average daily rate dropped 5.8% to \$119.13 in the first 6 months of 2009.
- Revenue per available room in Jan-Jun 2009 period decreased by 13.9%, compared to 2008, to \$64.60.

Ontario Hotel Occupancy and Average Daily Rates January to June

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	Jan-Jun 2009	Jan-Jun 2008	Point change	Jan-Jun 2009	Jan-Jun 2008	% Change
ONTARIO	54.2%	59.4%	-5.1	\$119.13	\$126.44	-5.8%
Greater Toronto Area (GTA)	58.1%	65.2%	-7.2	\$125.59	\$137.67	-8.8%
Downtown Toronto	62.9%	69.5%	-6.7	\$147.25	\$169.53	-13.1%
Toronto Airport	59.2%	69.2%	-10.0	\$115.13	\$121.12	-4.9%
GTA West	54.8%	61.7%	-7.0	\$105.67	\$109.63	-3.6%
GTA East/North	52.5%	58.2%	-5.7	\$111.18	\$116.18	-4.3%
Eastern Ontario	49.1%	52.7%	-3.5	\$103.61	\$103.22	0.4%
Kingston	58.5%	57.4%	1.1	\$114.74	\$115.96	-1.1%
Other Eastern Ontario	44.9%	50.5%	-5.7	\$97.04	\$96.77	0.3%
Ottawa	65.9%	70.1%	-4.1	\$136.18	\$137.65	-1.1%
Downtown Ottawa	68.7%	71.1%	-2.4	\$142.27	\$145.00	-1.9%
Ottawa West	57.1%	67.6%	-10.6	\$128.24	\$126.28	1.6%
Ottawa East	63.8%	66.9%	-3.1	\$103.41	\$101.17	2.2%
SOUTHERN ONTARIO	45.7%	48.7%	-3.0	\$108.18	\$111.01	-2.5%
London	51.8%	55.3%	-3.4	\$99.96	\$103.15	-3.1%
Windsor	42.0%	46.3%	-4.3	\$103.08	\$99.79	3.3%
K/W/Cambridge/Guelph	44.7%	51.3%	-6.6	\$105.37	\$108.41	-2.8%
Hamilton/Brantford	48.7%	58.6%	-10.0	\$107.21	\$108.93	-1.6%
Niagara Falls	47.5%	46.7%	0.7	\$117.82	\$125.38	-6.0%
Other Niagara Falls Region	38.0%	40.7%	-2.7	\$92.38	\$93.63	-1.3%
Other Southern Ontario	38.7%	45.1%	-6.4	\$102.58	\$97.46	5.3%
Central Ontario	40.9%	47.0%	-6.1	\$111.67	\$122.85	-9.1%
North Eastern Ontario	59.5%	64.0%	-4.5	\$99.44	\$97.80	1.7%
North Bay	62.8%	62.8%	0.0	\$100.85	\$98.76	2.1%
Sudbury	58.5%	70.2%	-11.7	\$106.80	\$105.21	1.5%
North Western Ontario	62.5%	64.4%	-1.9	\$95.18	\$94.16	1.1%
Thunder Bay	62.1%	66.0%	-3.9	\$95.34	\$95.27	0.1%
Sault Ste. Marie	45.1%	47.7%	-2.6	\$85.74	\$88.89	-3.5%

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



Visitor Inquiries



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

- In the first half of 2009, there were approximately 375,000 visits to Ontario's Travel Information Centres (TICs), 1.5% more than in the first 6 months of 2008.

Source: Ontario Ministry of Tourism

- During the first 6 months of 2009, there were approximately 1.5 million user sessions at www.OntarioTravel.net, up 1% over 2008.

Source: Ontario Tourism Marketing Partnership Corp. (OTMPC)

- Calls to the 1-800-ONTARIO Call Centre totalled about 62,000 throughout the first half of 2009, a decrease of 15% over the same period in 2008.

Source: Electronic Data Systems

Tourism-Related Employment



Employment in tourism-related industries increased 0.5% in the first 6 months of 2009

- Employment in Accommodations and Food Services, Air Transportation, and Performing Arts grew in the first half of 2009 compared to 2008. This growth was slightly offset by declines in employment in Heritage Institutions, and the Gambling Industry.
- Ontario's tourism-related employment grew slightly in Jan–Jun 2009 while total employment in Ontario declined 2.8% over the same time period.

Source: Statistics Canada; Ontario Ministry of Tourism

Travel Price Index



Price of travel in Ontario increased 2.2% during the first half of 2009

- Ontario's Travel Price Index (TPI) was up by an average of 2.2% in Jan–Jun 2009 compared to Jan–Jun 2008. Increases in the cost of local transportation, food and beverage, and recreational services were the sources of the growth while the cost of operating a vehicle and accommodations declined.
- The increase in Ontario's TPI was more than double the increase in Ontario's Consumer Price Index (CPI). During the first 6 months of 2009, Ontario's CPI grew 0.9% over 2008 while Ontario's TPI increased 2.2%.

Source: Statistics Canada; Ontario Ministry of Tourism

Upcoming Conferences & Events



- **Canada-e-Connect**, Canadian Tourism's Online Strategy Conference, examines how technology, online communications and Web applications can catalyze growth in the tourism sector. The conference provides delegates with fresh intelligence on the most relevant topics in the online area, including e-distribution and e-marketing strategies; social media marketing and e-communities; mobile marketing strategies; technology for small businesses; e-business strategies; analytics; and strategic blogging. Canada-e-Connect 2010 will take place **January 27–29, 2010** at the Delta Centre-Ville in Montreal, QC.
- **2010 MRIA Conference & 50th Anniversary Celebration In 2010**, the association will turn 50 years young. To help celebrate this milestone, you have an opportunity to participate in what will undoubtedly be the biggest and most memorable event in the history of the market research industry in Canada. The conference will take place **May 30–Jun 2, 2010** at the Westin Harbour Castle in Toronto.
- **Tourism Week in Canada** is the national celebration that highlights the economic impact and social benefits of Canada's tourism sector among the media, general public and governments at all levels. Coordinated by the Tourism Industry Association of Canada and sponsored by Deloitte and Air Canada, Tourism Week 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. **Monday, June 07, 2010 – Friday, June 11, 2010** www.tiac.travel/english/calendar.asp

Food Service and Drinking Places



Sales at Ontario's Restaurants & Bars grew 0.5%

- Current dollar sales for the Ontario food services and drinking places industry increased 0.5% in Jan–Jun 2009 over Jan–Jun 2008 to \$9.0 billion. Ontario accounted for 38% of Canada's restaurant and bar sales.
- During the same time period, sales of Canadian food service and drinking places rose 1.7%, driven by the growth of sales at limited service eating 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.

GeoTravelStats

GeoTravelStats is a user-friendly, map-based web application that gives you quick and easy access to tourism statistics.

GeoTravelStats consists of interactive maps of Ontario, Canada, and the World that include:

- A "Mouse-over" feature that displays statistics for a particular region
- A "Click-on" capability that provides statistics on visits from one region to another

GeoTravelStats can help answer your specific tourism questions, such as:

- What was the impact of tourism in my region? How does my region compare to Ontario? to other regions?
- How many visitors to Toronto arrived from Quebec? From other provinces?
- What is the size of the travel market in France? How many visitors from France came to Canada? to Ontario?

GeoTravelStats is available on the Research website at Tools > GeoTravelStats

www.tourism.gov.on.ca/english/research/geo/index.html

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

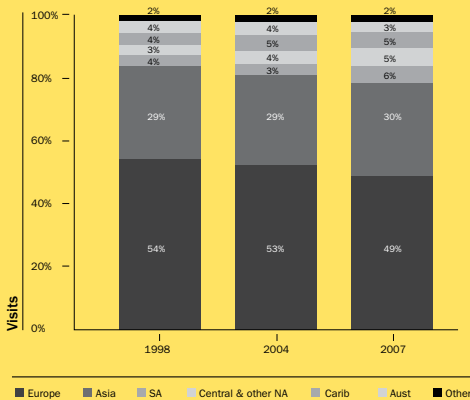
Special Topic:



U.K., Japan, Germany and France Continue to be Key Overseas Markets for Ontario

- In 2007, Ontario received 2.2 million visits from overseas residents, primarily from Europe and Asia with almost half of Ontario's overseas visits from Europeans and 30% from Asians.
- Europe represents the largest proportion of Ontario's overseas visitors, but this segment of visitors has been declining over time while the share of visits from Central and other North America (essentially Mexico), South America (mainly Brazil), the Caribbean, and Asia (largely India) have been increasing.
- The total number of overseas visits to Ontario increased 1.7% from 1998 to 2007. During this same time period, visits from Central and other North America increased 68%, visits from South America were up 37% and trips from the Caribbean grew 34%. Visits from Asia rose 4% while trips from the U.K. declined 8%.

Distribution of Overseas Visitors to Ontario, 1998-2007

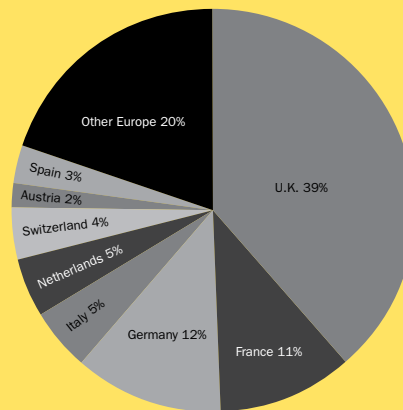


Origin of Overseas Visits to Ontario	% chg 1998 to 2007
Total	1.7%
Europe	-8.0%
Asia	4.3%
Central and other North America	67.6%
Australia	-11.0%
Caribbean	34.1%
South America	37.3%
Other	16.5%

European Visitors

- Ontario received 1.1 million visits from European travellers in 2007. The majority of European visitors to Ontario arrived from the U.K., Germany and France with almost 40% of these visitors arriving from the U.K., 12% from Germany and 11% from France.
- The 8% decrease in European visits to Ontario from 1998 to 2007 was driven by the decline in visits from France, Germany and Italy.

European Visits to Ontario, 2007

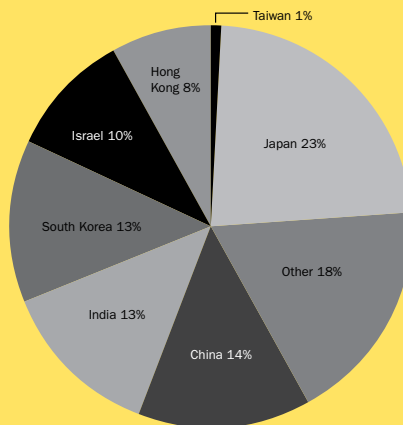


Origin of European Visits to Ontario	% chg 1998 to 2007
Total Europe	-8.0%
U.K.	-2.2%
France	-36.0%
Germany	-24.8%
Italy	-26.3%
Netherlands	1.1%
Switzerland	9.2%
Austria	26.7%
Spain	43.8%
Other Europe	17.9%

Asian Visitors

- In 2007, Ontario received 650,000 visits from Asia. Asian visitors came from a variety of countries including Japan 23%, China 14%, India 13% and South Korea 13%.
- Visits from China, India and South Korea drove the 4% increase in Asian visits to Ontario from 1998 to 2007. This growth was offset by declines in visits from Japan.

Asian Visits to Ontario, 2007



Origin of Asian Visits to Ontario	% chg 1998 to 2007
Total Asia	4.3%
China	111.0%
Hong Kong	-21.5%
Japan	-38.9%
South Korea	99.8%
Taiwan	-84.2%
India	112.8%
Israel	34.3%
Other	30.6%
Other Asia	17.9%

Although there have been some changes to the composition of Ontario's overseas visitors over the years, the U.K., Japan, Germany and France continue to be key overseas markets for Ontario. Also Mexico, China, India and South Korea are all becoming more important markets for Ontario.



We know.
Just ask.

Ontario Tourism **Facts & Figures**

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 the Research Unit at (416) 325-8287
or by email at tourism.research@ontario.ca

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