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Economic Outlook

Economic Indicators Canada & Ontario

		2009*	2010*	2011*
Real Gross Domestic Product** % change over previous year	ON	-2.9	3.2	3.9
	Can	-2.3	3.0	3.6
Retail Sales % change over previous year	ON	-3.3	4.3	6.7
	Can	-3.7	4.0	5.5
Unemployment Rate (%)	ON	9.1	9.8	8.6
	Can	8.4	9.0	8.2
Personal Disposable Income % change over previous year	ON	-0.5	2.5	3.3
	Can	-0.1	2.4	3.2

*Forecast data. **GDP at market prices (constant 2002\$)
Source: Conference Board of Canada, Key Economic Indicators, Autumn 2009

Tourism Statistics International Border Crossings



U.S. border crossings to Ontario declined 16% in Q3 2009 and decreased 11% in the first 9 months of 2009.

During July to September 2009, there were 4.0 million border crossings from the U.S. to Ontario, a decrease of 15.9% versus 2008.

- In Q3 2009, U.S. same day crossings, which represented 42% of crossings to Ontario, decreased 24.4% or by 543,000 crossings, while crossings for overnight trips dropped 8.5% or 218,000 fewer crossings compared to Q3 2008.

For the 9 months ending September 2009, there were 10.3 million border crossings from the U.S. to Ontario, a decrease of 11.1% versus Jan-Sep 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 US residents, to have a passport, a NEXUS card, or an enhanced driver's license in order to enter or re-enter the United States.

Overseas crossings to Ontario decreased 15% in both Q3 2009 and the first 9 months of 2009.

In Q3 2009, there were 616,000 overseas entries into Ontario, a decline of 15.3% over Q3 2008.

- During the first 9 months of 2009 arrivals from all traditional overseas markets declined compared to Jan-Sep 2008. U.K. arrivals declined 17.6%, German arrivals were down 6.2%, arrivals from France dropped 3.2% and Japanese arrivals fell 32.7%.

International Border Crossings into Ontario, % Change versus year ago

	Q1 2009	Q2 2009	Q3 2009	Jan-Sep 2009
Total U.S. (%)	-3.7%	-9.1%	-15.9%	-11.1%
Same Day (%)	-2.2%	-13.0%	-24.4%	-15.1%
Overnight (%)	-5.9%	-5.1%	-8.5%	-6.9%
Total Overseas (%)	-10.9%	-15.8%	-15.3%	-14.7%

Source: Statistics Canada

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Ministry of Tourism and Culture

www.research.tourism.gov.on.ca

Special Topic: Ontario Tourism Outlook

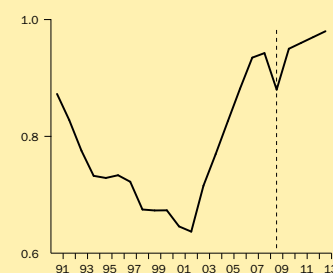
Inbound visits are forecast to grow moderately from 2010 to 2013.



Economic Outlook:

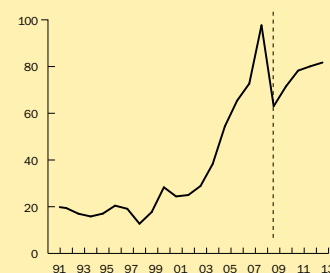
- Although GDP declined in 2009, it is expected to grow moderately in 2010 for Ontario, Canada and the US.
- The Canadian dollar is forecast to rise to 95 cents U.S. in 2010 and gradually reach 97 cents U.S. in 2012.
- Oil prices are projected to rebound along with the economic recovery and estimated to reach \$80/bbl in 2012.

Canadian Dollar vs. US Dollar (Cents US)



Source: Bank of Canada, Ontario Ministry of Finance

Oil Prices (\$US/bbl - WTI)



Source: Oxford Economy

Ontario's Tourism Outlook:

- Inbound non-business visits to Ontario are estimated to decline by 3% in 2009, and are expected to increase only by 0.1% in 2010. Further increases are forecast in 2011 (0.3%), 2012 (1.1%) and 2013 (1.2%).
- Ontario inbound non-business visits are estimated to stay below 100 million visits from 2009 to 2013.
- Ontario's domestic market is predicted to gain market share, from 80% to above 85%, over the forecast period as the domestic market is expected to grow while the US market is projected to decline.

- The proportion of visits from other provinces is estimated to remain steady around 3.4% over the next five years.
- US visits have been declining since 2004 and this trend is expected to continue with US visits representing 10% of Ontario's total visits in 2013.
- Overseas markets are forecasted to remain flat at 1.7% throughout forecast period.

Total Visits (millions)



Tourism Outlook Summary

Origin	Market share in 2009 (%)	Annual Growth Rates (%)				
		2009	2010	2011	2012	2013
TOTAL VISITS	100	-0.3	0.1	0.3	1.1	1.2
Domestic Visits						
Ontario	96	-0.3	1.1	0.7	0.9	1.0
Other Canada	4	-12.2	-3.0	1.7	2.9	2.7
International Visits						
US Border States	65	-15.9	-6.9	-2.4	3.1	1.4
US Non-Border States	19	-11.7	0.7	2.3	2.5	3.2
UK	2.0	-14.9	-0.6	4.4	5.8	0.6
France	1.0	1.2	3.6	3.8	4.1	1.5
Germany	1.0	-4.1	1.2	4.9	3.0	0.2
Japan	1.0	-36.1	0.5	4.9	7.2	6.2
Other Overseas	10	-9.7	0.7	5.8	5.6	3.0

International Travel Account



Ontario's travel deficit was \$7.1 billion in the first 9 months of 2009, an increase of 3.5% from Jan-Sep 2008. Ontarians spent \$11.6 billion outside of Canada, a decrease of 1.1%, while travellers from the U.S. and overseas countries spent \$4.5 billion in Ontario, a decline of 7.6%.

- **Ontario's travel deficit with the U.S. was \$3.9 billion**, down 7.5% compared to 2008. Ontarians spent \$6.4 billion in the U.S., 7.3% less than in 2008, while U.S. travellers spent \$2.5 billion in Ontario, a decrease of 7.0% versus a year ago.
- **Ontario's travel deficit with overseas countries was \$3.2 billion**, up 21.3% from 2008. Ontarians spent \$5.2 billion in overseas countries, an increase of 7.7% over 2008, while overseas travellers spent \$2.0 billion in Ontario, a decline of 8.2%.

Canada's travel deficit was \$9.8 billion in the first 9 months of 2009, up 0.7% from the first 9 months of 2008.

Source: Statistics Canada, Ontario Ministry of Tourism and Culture



Accommodations

Both Occupancy Rates and Average Daily Rates declined in the first 9 months of 2009

- During Jan-Sep 2009, occupancy rates averaged 58.4%, down 4.8 percentage points over 2008.
- The average daily rate dropped 6.2% to \$119.93 in the first 9 months of 2009.
- Revenue per available room in Jan-Sep 2009 decreased by 13.3%, compared to 2008, to \$70.06.

Ontario Hotel Occupancy and Average Daily Rates January to Sept. 2009

	Occupancy Percentage (%)			Average Daily Rate (\$)		
	Jan-Sep 2009	Jan-Sep 2008	Point change	Jan-Sep 2009	Jan-Sep 2008	% Change
ONTARIO	58.4%	63.2%	-4.8	\$119.93	\$127.79	-6.2%
Greater Toronto Area (GTA)	61.5%	67.8%	-6.3	\$123.55	\$136.38	-9.4%
Downtown Toronto	68.5%	73.2%	-4.7	\$146.99	\$168.87	-13.0%
Toronto Airport	59.5%	67.9%	-8.4	\$110.37	\$118.43	-6.8%
GTA West	56.8%	63.7%	-6.9	\$103.38	\$108.43	-4.7%
GTA East/North	56.3%	62.5%	-6.2	\$107.68	\$114.39	-5.9%
Eastern Ontario	55.2%	59.0%	-3.8	\$107.08	\$107.96	-0.8%
Kingston	62.7%	63.8%	-1.2	\$120.68	\$123.28	-2.1%
Other Eastern Ontario	51.9%	56.9%	-5.0	\$99.60	\$100.41	-0.8%
Ottawa	66.7%	71.5%	-4.8	\$132.84	\$135.34	-1.8%
Downtown Ottawa	69.9%	73.1%	-3.2	\$138.25	\$142.44	-2.9%
Ottawa West	58.3%	68.1%	-9.8	\$127.04	\$126.19	0.7%
Ottawa East	60.3%	65.5%	-5.3	\$100.55	\$97.69	2.9%
SOUTHERN ONTARIO	51.4%	54.7%	-3.3	\$116.12	\$119.69	-3.0%
London	52.0%	55.6%	-3.6	\$98.23	\$102.06	-3.8%
Windsor	41.5%	47.0%	-5.5	\$99.87	\$99.66	0.2%
K/W/Cambridge/Guelph	47.0%	53.5%	-6.5	\$104.05	\$107.88	-3.5%
Hamilton/Brantford	52.5%	58.4%	-5.9	\$105.01	\$106.72	-1.6%
Niagara Falls	59.0%	59.0%	0.0	\$136.03	\$143.77	-5.4%
Other Niagara Falls Region	44.2%	47.6%	-3.4	\$96.05	\$97.61	-1.6%
Other Southern Ontario	42.3%	49.3%	-7.0	\$105.09	\$101.94	3.1%
Central Ontario	48.4%	52.4%	-4.0	\$120.73	\$130.43	-7.4%
North Eastern Ontario	63.1%	67.7%	-4.6	\$100.59	\$99.48	1.1%
North Bay	66.8%	66.8%	0.0	\$101.60	\$101.83	-0.2%
Sudbury	62.1%	73.4%	-11.3	\$107.43	\$106.41	1.0%
North Western Ontario	67.4%	69.5%	-2.1	\$97.22	\$96.72	0.5%
Thunder Bay	67.0%	70.2%	-3.2	\$96.84	\$97.16	-0.3%
Sault Ste. Marie	53.7%	54.0%	-0.3	\$93.50	\$91.86	1.8%

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



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Visitor Inquiries



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

- During the first 9 months of 2009, there were approximately 2.5 million user sessions at www.OntarioTravel.net, up 6.1% over 2008.

Source: Ontario Tourism Marketing Partnership Corp. (OTMPC)

- In the first 9 months of 2009, there were approximately 881,000 visits to Ontario's Travel Information Centres (TICs), 1.4% less than in the first 9 months of 2008.

Source: Ontario Ministry of Tourism

- Calls to the 1-800-ONTARIO Call Centre totalled about 115,000 throughout Jan-Sep 2009, a decrease of 16.2% over the same period in 2008.

Source: Electronic Data Systems

Tourism-Related Employment



Employment in tourism related industries decreased 1.4% in the first 9 months of 2009

- Employment in Air Transportation, Performing Arts and Amusement/Recreation industries grew in Jan-Sep 2009 compared to 2008, however this growth was offset by declines in employment in Heritage Institutions, the Gambling industry and Accommodation services.
- Ontario's tourism related employment declined 1.4% in Jan-Sep 2009 while total employment in Ontario declined 2.6% over the same time period.

Source: Statistics Canada; Ontario Ministry of Tourism and Culture

Travel Price Index



Price of travel in Ontario increased 0.7% during the first 9 months of 2009

- Ontario's Travel Price Index (TPI) was up by an average of 0.7% in Jan-Sep 2009 compared to Jan-Sep 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 three times the increase in Ontario's Consumer Price Index (CPI). During the first 9 months of 2009, Ontario's CPI grew 0.2% over 2008 while Ontario's TPI increased 0.7%.

Source: Statistics Canada; Ontario Ministry of Tourism and Culture

Upcoming Conferences & Events



• 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. www.mria-arim.ca

- **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

- The 2010 Travel and Tourism Research Association International Conference **"Rockin' and Rollin' Down the Research River"** will be held **June 20 - 22** at the Grand Hyatt in San Antonio, Texas. www.ttra.com

Food Service and Drinking Places



Sales at Ontario's Restaurants & Bars grew 0.9%

- Current dollar sales for the Ontario food services and drinking places industry increased 0.9% in Jan-Sep 2009 over Jan-Sep 2008 to \$13.5 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 2.2%.

Source: Statistics Canada; Ontario Ministry of Tourism and Culture

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.

WE ARE MOVING

As of March 1, 2010 the Research Unit will be moving.

Our new address is:

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Ministry of Tourism and Culture
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Useful Websites

Ontario Ministry of Tourism and Culture, 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.

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
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