Ontario

Tourism Performance

Ministry of Tourism
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Highlights

June 2008 over 2007:

- Trips from the U.S. to Ontario posted a decline of 16.5%, with same-day travel down by 22.2% and overnight trips down by 10.8%.
- Visits from overseas markets to Ontario increased by 4.6%.
- Travel by Ontarians to the U.S. increased by 5.8% (same-day travel and overnight trips up by 2.2% and 13.2%, respectively), while travel to overseas countries increased by 8.9%.
- Occupancy rates in Ontario hotels were down by 1.9 percentage point, while the average daily rate (ADR) was up by 0.8%.
- Ontario's Travel Price Index was up by 16.3%.

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Tourism Industry Statistics

Border Crossings

Total International Entries

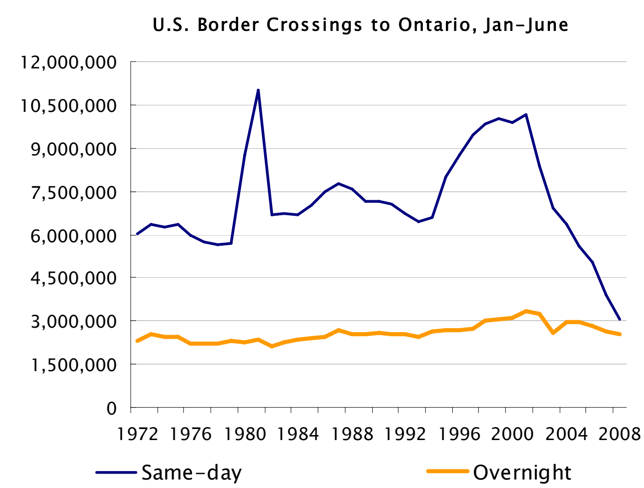
During June 2008, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 14.2% over June 2007, to about 1.7 million crossings (in 2007, June accounted for 11.7% of Ontario's annual international border crossings).

Total international border crossings in the first six months of 2008 were 12.9% below 2007 levels.

U.S. Entries

During the month of June 2008, U.S. border crossings to Ontario fell by 16.5% over 2007 to about 1.5 million crossings. **Two thirds of the decline was attributable to losses in same-day entries**, which were down by 22.2% over 2007. **Overnight entries**, meanwhile, **were down by 10.8%**.

In June, the decrease in overnight travel was the result of a decrease of 11.6% in auto travel and a decrease of 8.5% in non-auto travel.



Source: Statistics Canada

During the first half of 2008, there were 5.6 million border crossings from the U.S. to Ontario, a decrease of 14.9% over 2007 – and 57% fewer entries than in 1998, the peak year for U.S. border crossings.

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For the first six months of 2008, there were 3.1 million same-day U.S. entries to Ontario, a decrease of 21.9% (or 860,000 fewer entries) over the same period in 2007. Overnight entries, which totalled 2.5 million, were down 4.6% (or 120,000 entries) from 2007.

Though all provinces are experiencing large declines in U.S. border crossings over the first half of the year, Ontario's losses are the most significant.

Province	U.S. Entries, June 2008 over 2007		U.S. Entries, YTD: Jan-June 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	**1,451,163**	**-16.5%**	**5,592,058**	**-14.9%**
B.C.	539,381	-13.7%	1,969,127	-11.6%
Quebec	219,277	-17.0%	961,105	-11.3%
Canada	2,554,865	-15.8%	9,627,935	-13.8%

Source: Statistics Canada

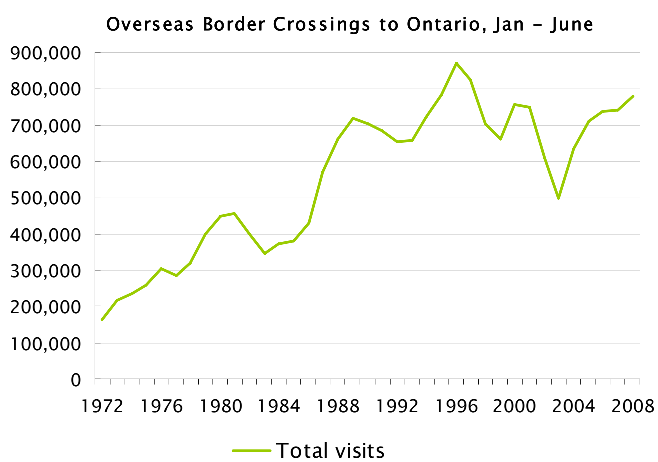
U.S. Entries: Air Travel

In June, commercial air travel[1] from the U.S. to Ontario was down by 6.0% over June 2007. For the first six months of 2008, air travel was down 4.1% over 2007.

Overseas Entries

In June 2008, overseas border crossings to Ontario increased by 4.6% over June 2007.

In the first six months of 2008, overseas border crossings increased by 5.1% over the same period in 2007.



Source: Statistics Canada

Due to a strong performance in the March to June period, the growth of Ontario's overseas crossings in the first half of 2008 is above that of other provinces.

Province	Overseas Entries, June 2008 over 2007		Overseas Entries, YTD: Jan-June 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	**227,545**	**+4.6%**	**777,683**	**+5.1%**
B.C.	185,346	-1.8%	669,879	+0.5%
Quebec	92,998	+2.5%	336,149	+3.8%
Canada	574,575	+2.6%	2,013,781	+3.9%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In June 2008, Ontario saw an increase in arrivals from Germany, while arrivals from the U.K., Japan and France decreased.

Over the first half of 2008, arrivals from Germany and France are up, by 7.1% and 2.1%, respectively, while arrivals from the U.K. and Japan are down significantly over the same period of last year.

Market	June 2008 over 2007		YTD: Jan-June 2008 over 2007	
	Entries*	% change	Entries*	% change
U.K.	42,547	-3.8%	146,632	-4.5%
Germany	13,840	+1.7%	51,879	+7.1%
Japan	10,714	-3.7%	39,627	-19.0%
France	6,547	-9.0%	26,165	+2.1%

Source: Statistics Canada

*Origin markets listed in order, based on YTD entries.

[1] Commercial air travel represents 97% of all air travel.

*Number of non-resident travellers entering Canada, by country of residence (excluding the United States).

Overseas Entries: Emerging Markets

A broader set of origin markets is changing the composition of Ontario's international visitors.

In June 2008, arrivals from India, South Korea and Italy saw the most significant increase over 2007.

In the first half of 2008, arrivals from Mexico, China, the Netherlands and South Korea have seen the most significant increase over the previous year.

Market*	June 2008 over 2007		YTD: Jan-June 2008 over 2007	
	Entries*	% change	Entries*	% change
Mexico	12,072	+4.7%	50,297	+19.6%
South Korea	8,835	+11.2%	32,256	+9.2%
India	9,637	+18.2%	30,882	+10.9%
China	6,744	+2.3%	25,054	+17.8%
Brazil	5,681	-2.6%	24,001	+0.3%
Italy	6,956	+9.8%	21,430	+7.3%
Australia	5,857	+0.3%	21,074	+7.4%
Netherlands	5,919	+2.5%	19,111	+10.3%
Hong Kong	4,888	+4.8%	15,616	+2.5%

Source: Statistics Canada

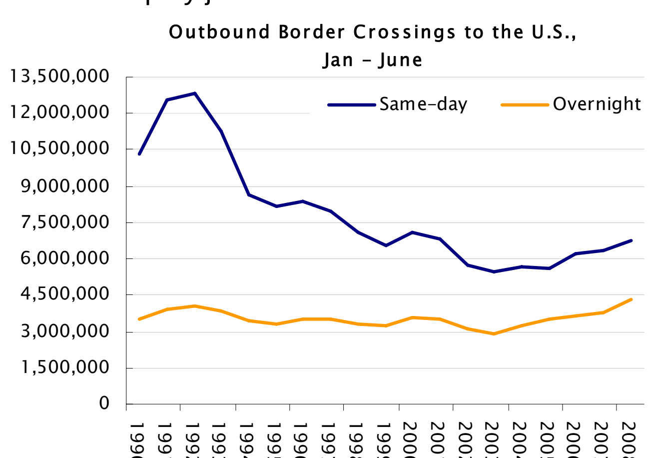
*Origin markets listed in order, based on YTD entries.

Outbound Travel

Ontarians are travelling outside of Canada in record numbers.

Travel to the U.S.

Ontarians made almost 1.8 million crossings to the U.S. in June 2008, an increase of 5.8% over 2007. Overnight visits, which represented 35% of crossings, were up by 13.2% over June 2007, while same-day visits were up by just 2.2%.



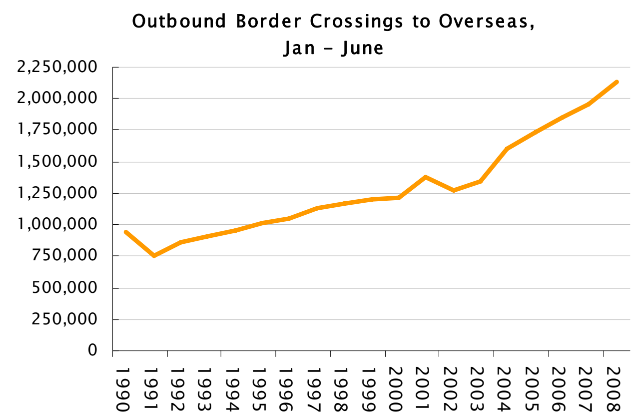
Source: Statistics Canada

Over the first six months of 2008, visits by Ontarians to the U.S. are up 9.4% over 2007, with overnight visits up 14.5% (or 560,000 entries) and same-day visits up by 6.3% (or 400,000 entries).

Travel to Overseas Countries

Ontarians made more than 225,000 trips to overseas countries in June 2008, up 8.9% over 2007.

Over the first six months of 2008, travel by Ontarians to overseas countries was up 9.2%, or almost 180,000 trips, from the same period of 2007.



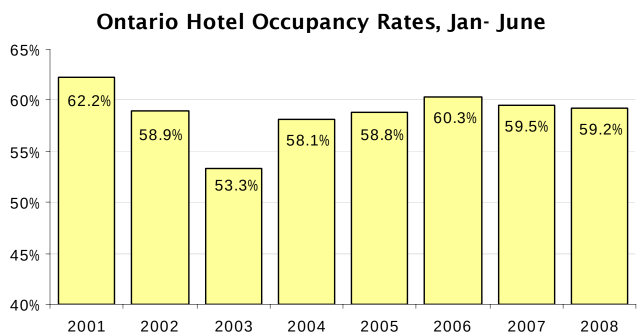
Source: Statistics Canada

Accommodation

Occupancy Rates

The occupancy rate at Ontario hotels in June 2008 was 69.4%, down 1.9 percentage points over 2007. Across the province, occupancy was highest in downtown Toronto (84.6%), downtown Ottawa (82.7%) and in Sudbury (81.1%). The decrease in occupancy rates was spread across most of the province. A few regions experienced growth over June 2007, including Sudbury (+8.5 points), Thunder Bay (+3.6 points), Ottawa East (+3.6 points), GTA East/North (1.5 points) and downtown Toronto (+1.2 points).

Over the first six months of 2008, occupancy rates at Ontario hotels averaged 59.2%, down 0.3 of a percentage point over the same period of last year.

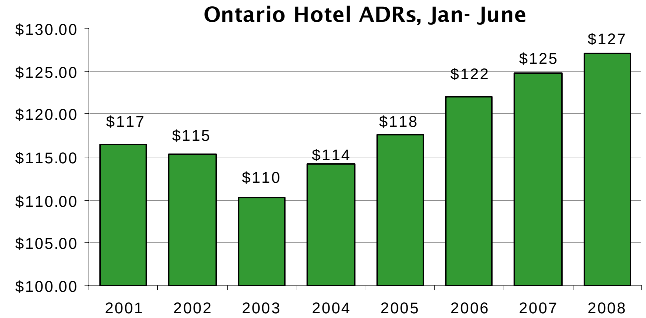


Source: PKF Consulting, Hotel Trends

Average Daily Rates

The average daily rate (ADR) in Ontario increased by 0.8% in June 2008 to $133.09, with downtown Toronto ($186.89) and downtown Ottawa ($152.56) achieving the highest ADRs for the month. Results were mixed across the province, with the North East experiencing stronger growth (+6.3%) than the rest of the province. The Ottawa Region (+2.4%) and Eastern Ontario (+2.2%) also faired better than other regions.

Over the first six months of 2008, the ADR in Ontario increased 1.8% to $127.01 for the period. Results were positive across almost the entire province, with a number of regions enjoying healthy growth in rates.



Source: PKF Consulting, Hotel Trends

Revenue per Available Room

Revenue per available room (revPAR) in June 2008 was down 2.0% over 2007 with most regions seeing a decrease. Over the first six months of 2008, revPAR was up 1.2% over the same period last year.

Canadian Air Carriers Data

Overall passenger traffic for Air Canada, measured in revenue-passenger miles (RPMs), increased by 1.9% in June 2008 over 2007. For the first six months of 2008, passenger traffic increased by 3.3% over the same period of 2007.

In June 2008, overall passenger traffic for WestJet increased by 17.9% over 2007 and by 19.3% in the first half of 2008 over 2007.

Source: aircanada.ca and westjet.ca

Travel Price Index

Ontario's Travel Price Index (TPI) increased by 6.6% in June 2008 over the previous month. The increase was due in large part to increases in the cost of inter-city transportation (+6.1%), while other categories saw either marginal increases or decreases.

Looking back over the last year, Ontario's TPI in June 2008 was up by 16.3% over June 2007. Increases in the cost of auto operation, inter-city transportation and to a lesser extent, local transportation, were the main sources of the increase. These were partially offset by declines in the cost of auto rentals, recreational equipment and services and home recreation equipment.

Ontario's TPI is increasing at a faster rate than the province's Consumer Price Index (CPI), which was up by 0.5% in June 2008 over the previous month, and by 2.8% over June 2007.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index was up 3.0% in June 2008 over the previous month, and was up 8.6% over June 2007.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

In June, the national consumer confidence index fell again, losing 6.2 points to close at 79.6 (2002=100). This follows a 7.0 point drop the previous month.

Consumer confidence fell in all regions of the country, with the coasts seeing the largest declines – the index fell 9.3 points in British Columbia and 9.0 points in Atlantic Canada. In Ontario, confidence continued to decline with another 8.1 point drop in June. The index dropped 4.5 points in Quebec, while in the Prairies, the index was down only 0.9 points.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index which has been declining since last summer fell another 7.7 points in June. The Index now stands at 50.4 points (1985=100).

Source: The Conference Board

Employment

Employment in Canada was unchanged in June over the previous two months. The national unemployment rate in June 2008 edged up 0.1 percentage points to 6.2%. Employment was up by 1.7% in June 2008 over June 2007, with the economy adding 290,000 new jobs.

Employment in Ontario was down in June, over the previous month, with 24,000 fewer jobs. The decline reflects a more substantial loss of full-time jobs being somewhat offset by gains in part-time employment. The unemployment rate edged up by 0.3 percentage points to 6.7%. Ontario saw growth in employment in June 2008 over June 2007 of 1.7%, on par with the national average.

Source: Statistics Canada, Labour Force Survey

Bankruptcies

In June, there were 3,070 bankruptcies in Ontario. Of these, 185 were businesses while the rest were consumers. Business bankruptcies were down 16% over June 2007.

In the first six months of 2008, there were 18,130 bankruptcies in Ontario, including 1,334 by businesses. Business bankruptcies were down by 2% over the same period of 2007. Of these business bankruptcies, 177 were in accommodation and food services sector and 31 were in the arts, entertainment and recreation sector. In the first six months of 2007, there were 159 and 36 bankruptcies recorded in these sectors, respectively.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 21,500 calls to the 1-800-ONTARIO call centre in June 2008, down 22% over 2007.

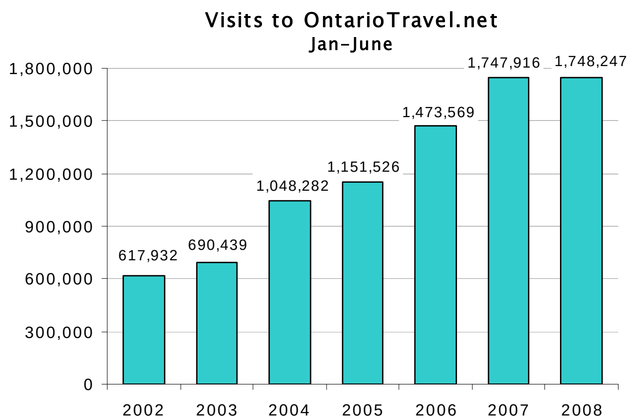
There have been about 73,000 calls over the first six months of 2008, a decrease of 25% over 2007.

Source: Electronic Data Systems

OntarioTravel.net

In June 2008, there were approximately 300,000 user sessions on **ontariotravel.net,** Ontario's travel website, a decrease of 16% over June 2007.

In the first half of 2008, there were approximately 1.75 million user sessions on the province's travel website, unchanged from 2007.



Source: Ontario Tourism Marketing Partnership Corp.

Note: Starting on April 1, the OTMPC's seasonal micro site strategy transitioned to a segmentation strategy, which launched on April 21. This could account for the difference in visitation.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 135,000 in June 2008, a decrease of 21% over 2007.

Over the first six months of 2008, there were about 370,000 visits to Ontario TICs, 24% fewer than in the same period of 2007.

Change in Visits to Ontario's TICs

Location	June 2008 over 2007	YTD: Jan-June 2008 over 2007
Barrie	-15.7%	-15.4%
Cornwall	-21.5%	-23.0%
Fort Erie	-50.4%	-50.6%
Fort Frances	-39.4%	-51.3%
Niagara Falls	-19.3%	-26.3%
Sarnia	-8.6%	-13.8%
Sault Ste Marie	-33.5%	-36.2%
St. Catharines	-14.6%	-23.0%
Toronto	0.7%	-2.3%
Windsor Park	3.3%	-9.9%
Windsor HC	-24.8%	-29.1%
Hill Island	-35.1%	-33.4%
Kenora	-10.5%	-5.5%
Lancaster	-57.2%	-51.4%
Pigeon River	-12.8%	-10.5%
Prescott	-32.6%	-33.0%
Rainy River	-6.5%	-20.2%
417	-23.1%	-20.2%
TOTAL	-21.3%	-23.8%

Source: Ontario Ministry of Tourism

Attendance at Agencies

The following table shows the percentage change in total visits at Ontario agencies:

Change in Visits to Ontario's Agencies

Agency	June 2008 over 2007	YTD: Jan -June 2008 over 2007
Royal Ontario Museum	-37%	+65%
Ontario Science Centre	-1%	-8%
Science North	+7%	-8%
Ontario Place	-9%	+19%
McMichael Gallery	-9%	-22%
Ontario Heritage Trust	-19%	+19%
Fort William Historical Park	-19%	-39%
Huronia Historical Parks	+1%	-1%

Source: Individual agencies are self-reporting.

APPENDIX: BACKGROUND

Note: In 2005, the Canadian Travel Survey (CTS) was replaced by the Travel Survey of Residents of Canada (TSRC). The change to the TSRC means that 2005 will be the new baseline year, resulting in a delay in reporting on domestic travel result.
It is anticipated that domestic travel data for 2006 will be available by summer 2008. Statistics Canada is also developing a bridging mechanism to restate data prior to 2005, to enable historical comparisons.

In the interim, travel data for the U.S. and overseas travel markets for 2006 will be provided.

2006 Statistics (U.S. and Overseas only)

- There were 17.5 million U.S. visits to Ontario in 2006, a decrease of 9.5% over 2005. Spending by U.S. visitors amounted to $3.8 billion, a decrease of 3.4% over 2004.
  - Visits from the Border States, which made up 81% of all U.S. visits in 2006, decreased by 11.1% while visits from other states decreased by 2.2% over 2005.
  - Same-day visits, which made up 61% of all U.S. visits in 2006, decreased by 12.5% while overnight visits were down by 4.3% over 2005.
- There were 2.2 million overseas visits to Ontario in 2006, an increase of 1.2% over 2005. Spending by overseas visitors amounted to $2.6 billion, an increase of 6.3% over 2005.
  - Visits from Ontario's traditional markets (the U.K., Japan, Germany and France), which in 2006 made up 39% of all overseas visits, decreased by 25.6% while visits from other travel markets increased by 6.1% over 2005.

2004 Statistics

Overall Results

- Ontario had Canada's largest tourism industry in 2004, accounting for 42% of Canada's visitors and 33% of Canada's tourism revenues.
- The total number of visitors to Ontario in 2004 was 118.3 million (up 3% over 2003), while visitor spending was $17.1 billion (up 8% over 2003).
- The total tourism receipts in Ontario in 2004 reached $21.4 billion, an 8% increase over 2003.

Number of Visitors

- Overseas visitors to Ontario in 2004 increased by 32% over 2003 to 2.0 million while U.S. visitors to Ontario decreased by 3% over 2003 to 21.4 million.
- Domestic visitors to Ontario in 2004 increased by 4% over 2003 to 94.8 million.

Visitor Spending

- Spending by overseas visitors in Ontario amounted to $2.3 billion in 2004, a 30% increase over 2003. Spending by U.S. visitors in Ontario amounted to $4.4 billion, an 11% increase over the previous year.
- Visitor spending by domestic visitors to Ontario reached $10.4 billion in 2004, a 3% increase over 2003 while tourism receipts by domestic visitors in Ontario increased by 5% over the previous year to $14.7 billion. (The difference between visitor spending and tourism receipts is Ontarians' spending on Canadian transportation carriers for travel to destinations outside of Ontario but within Canada. Visitor spending describes the economic importance of inbound travel to the economy while tourism receipts describe the importance of the whole tourism industry to the economy.)

- Ontario's tourism industry is extremely diverse. Its businesses are predominantly small to medium-sized. In 2004, there were 161,850 businesses in tourism-related sectors in Ontario, a 3% increase over 2003. These businesses represented 19% of the total number of businesses in the province.

For more historical Ontario tourism statistics, please visit http://www.tourism.gov.on.ca/english/research/trends/index.html

Economic Impact of Tourism in 2004

Note: Recent updates and improvements to the Ministry of Tourism's Tourism Regional Economic Impact Model (TREIM) have changed the tourism economic impact figures reported. The economic impact figures reported in the following section (GDP, jobs and taxes) reflect the changes that have taken place.

- In 2004, tourism was Ontario's 7th largest generator of foreign exchange, following Transportation Equipment, Machinery, Chemical Products, Computer & Electronic Products, Primary Metals, and Plastics and Rubber Products Manufacturing. Tourism generated $6.7 billion in foreign exchange for the province.
- In 2004, tourism Gross Domestic Product (GDP)[2] in Ontario was $11.6 billion. This means that 2.2% of the provincial economy was directly attributable to the value added of the tourism industry.
- Tourism GDP in Ontario was greater than that of the agriculture, forestry/logging, commercial fishing/hunting and mining industries combined in 2004.
- The total contribution of tourism to the provincial GDP[3] (direct, indirect and induced) amounted to $19.4 billion in 2004.
- In 2004, tourism employment[4] in Ontario reached 205,670 jobs, accounting for 3.3% of Ontario's total employment. Tourism was the 14th largest industry in the province in terms of employment.
- This is the break-down of the 205,670 tourism jobs by sector:
    - 49,850 jobs in Accommodations
    - 49,380 jobs in Food & Beverage services
    - 19,670 in Arts, Recreation and Entertainment
    - 36,780 in Transportation
    - 22,960 in Retail
    - 16,930 in Travel Services
    - 1,500 in Car Rental and
    - 8,600 in other service sectors

- Total contribution of tourism to the employment in the province[5] (direct, indirect and induced) reached 310,518 jobs in 2004.

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[2] Gross Domestic Product (GDP): Value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. This GDP is measured at market prices. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

[3] The total contribution of tourism to the provincial GDP includes: tourism GDP, indirect GDP (the GDP generated from the expansion of demand from tourism-related businesses to other businesses or sectors) plus induced GDP (the GDP associated with the re-spending of labour income and /or profits earned in the industries that serve travellers directly and indirectly).

[4] Tourism employment: The full-time, part-time and seasonal jobs, as well as both employed and self-employed jobs in those tourism-related businesses that directly produce or provide goods and services for travelers.

[5] Total contribution of tourism to the employment in the province: Includes tourism employment, indirect employment (the jobs generated from the expansion of demand from travellers to other businesses or sectors) plus induced employment (the jobs associated with the re-spending of labour income and /or profits earned in the industries that serve travellers directly and indirectly).

- In 2004, tax revenues from tourism[6] for all three levels of government in Ontario reached $6.4 billion – $3.4 billion in federal tax revenues, $2.9 billion in provincial and $125 million in municipal tax revenues[7].
- For every dollar of tourism receipts in Ontario in 2004, governments received 30 cents in tax revenues directly, of which federal government received 16 cents, provincial government 13 cents and municipal governments 1 cent.
- The total contribution of tourism to tax revenues[8] (direct, indirect and induced) for all three levels of government amounted to $10.0 billion in 2004.

For more information on the economic impact of tourism in Ontario, please visit
http://www.tourism.gov.on.ca/english/research/trends/index.html

[6] Tax revenue from tourism: refers to the personal, corporate, commodity and other taxes generated in those businesses that directly produce or provide goods and services for travelers

[7] Federal tax revenues: refers to personal income tax, corporate income tax, commodity tax (GST, gas tax, excise tax, duty tax, air tax and trading profits) and payroll deduction that collected by the federal government.
Provincial tax revenues: refers to personal income tax, corporate income tax, commodity tax (PST, gas tax, gallon tax, amusement tax and trading profits) and employer health tax that collected by Ontario provincial government.
Municipal tax revenues: refers to business and personal property taxes that collected by the municipalities.

[8] The total contribution to tax revenue of tourism: Includes tax revenue from tourism, indirect tax revenues (the tax revenues generated from the expansion of demand from travellers to other businesses or sectors) plus induced tax revenues (the tax revenues associated with the re-spending of labour income and /or profits earned in the industries that serve travellers directly and indirectly).