

## APRIL 2007

### Highlights

- In April, trips from the U.S. to Ontario posted a decline of 21.0% over 2006. Overnight trips decreased by 13.9% while same-day travel was down 24.6% over the same month in 2006.
- In April, visits from overseas markets to Ontario decreased by 2.2% over 2006.
- Meanwhile, in April, travel by Ontarians to overseas countries increased by 4.5% while travel to the U.S. increased marginally (0.2%) over 2006.

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## Tourism Industry Statistics

### Border Crossings

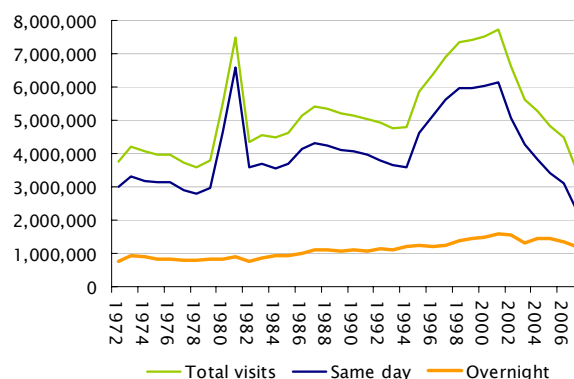
#### Total International Entries

In April 2007, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 19.4% to approximately 1.1 million crossings, almost 275,000 fewer visitors than in April 2006.

#### U.S. Entries

During the month of April 2007, U.S. border crossings to Ontario fell by 21.0% over 2006. For the first four months of 2007, U.S. border crossings into Ontario were down by 21.1% over the same period of 2006 – almost 52% fewer entries for the period than in 1998, the peak year for U.S. border crossings for the period.

U.S. Border Crossings to Ontario, Jan - April



During the month of April 2007, same day U.S. entries to Ontario were down by 24.6% over 2006, while overnight entries were down by 13.9%. During this period, overnight travel by auto declined by 11.8% and overnight non-auto travel declined by 17.5% over the same period in 2006.

In April 2007, commercial air travel<sup>1</sup> was down 15.6% over April 2006. Over the first four months of 2007, commercial air travel was down 10.5% over the same period in 2006.

<sup>1</sup> Commercial air travel represents 97% of all air travel.

In the first four months of 2007, there were 2.3 million same-day U.S. entries to Ontario, a decrease of 24.6% (or almost 800,000 entries) from the same period in 2006. Overnight entries, which totalled 1.2 million for the period, were down 9.8% (or approx. 150,000 entries) over the same period in 2006.

Other provinces also experienced noticeable declines in U.S. entries in April 2007, though Ontario's decline is the most significant.

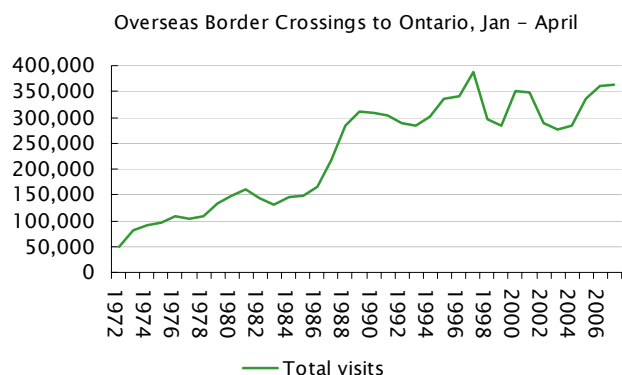
Province	U.S. Entries April 2007 over 2006		U.S. Entries, YTD: Jan - April 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	1,015,949	-21.0%	3,527,829	-21.1%
B.C.	302,805	-11.2%	1,137,762	-7.2%
Quebec	166,276	-16.4%	605,961	-14.5%
Canada	1,655,312	-18.0%	5,895,472	-17.1%

Source: Statistics Canada

### Overseas Entries

In April 2007, overseas border crossings to Ontario were down by 2.2% over 2006.

In the first four months of 2007, overseas border crossings have increased by just 0.1% over the same period in 2006.



In April, direct entries to Ontario from overseas countries were down by 5.8% over April 2006, while entries to Ontario via the U.S. were up by 5.6% - reversing the trend seen in previous months. In the first four months of 2007, direct entries and entries via the U.S. were on par with 2006, up 0.2% and down 0.1%, respectively.

In April 2007, Ontario and British Columbia saw decreases in their overseas border crossings, while Quebec experienced an increase.

Province	Overseas Entries, April 2007 over 2006		Overseas Entries, YTD: Jan - April 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	115,359	-2.2%	362,037	+0.1%
B.C.	86,819	-6.1%	325,927	+3.2%
Quebec	48,378	+4.7%	170,815	+8.1%
Canada	275,418	-1.0%	960,797	+4.0%

Source: Statistics Canada

### Overseas Entries: Traditional Markets

In April 2007, Ontario saw a decrease in visits from all four of its primary overseas markets: the U.K., Germany, France and Japan.

Over the first four months of 2007, only Germany posted an increase (1.3%) over the same period in 2006.

Market	April 2007 over 2006		YTD: Jan - April 2007 over 2006	
	Entries*	% change	Entries*	% change
U.K.	22,423	-9.3%	70,124	-3.8%
Japan	7,965	-1.3%	26,075	-14.6%
Germany	6,172	-14.5%	21,411	+1.3%
France	3,533	-12.2%	12,367	-9.0%

Source: Statistics Canada

\*Arrivals (or border crossings) are an estimate of Ontario's total visits and understate the actual number of visits from these markets, since a number of them visit Ontario but enter Canada through a non-Ontario port.

### Overseas Entries: Emerging Markets

A broader set of emerging markets continues to change the composition of Ontario's international visitors. During April 2007, significant growth was seen in the number of entries from India, China and Italy compared to April 2006. In the first four months of 2007, seven of the markets listed have seen growth over the same period in 2006.

Market	April 2007 over 2006		YTD: Jan - April 2007 over 2006	
	Entries*	% change	Entries*	% change
Mexico	7,130	-12.6%	23,099	+11.0%
Israel	3,513	-31.8%	13,625	-6.8%
Brazil	3,654	+5.8%	13,574	-8.3%
South Korea	3,683	+0.3%	12,911	+8.6%
India	4,333	+14.4%	11,992	+9.8%
China	3,306	+25.4%	9,152	+12.9%
Italy	3,115	+22.5%	8,653	+13.7%
Australia	2,684	+16.0%	8,646	+1.0%
Hong Kong	1,862	-22.7%	7,226	-6.0%
Netherlands	2,582	+6.5%	6,731	-3.4%

Source: Statistics Canada

### Outbound Travel

Travel by Ontarians to international destinations increased by 0.8% in April 2007 over 2006. Travel to the U.S. increased marginally (0.2%), while travel to overseas countries increased by 4.5%.

In the first four months of 2007, outbound travel by Ontarians has grown 1.4%, with growth in travel to overseas countries (5.4%) outpacing growth in travel to the U.S. (0.5%).

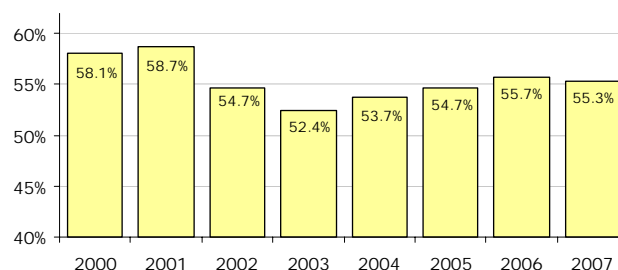
Source: Statistics Canada

### Accommodation

The occupancy rate at Ontario hotels in April 2007 was 57.5%, down 1.9 percentage points over 2006. Across the province, occupancy was highest in downtown Toronto (67.1%), Toronto airport (67.8%), Hamilton/Brantford (67.2%), Sudbury (66.0%) and downtown Ottawa (64.9%). Of all the locations listed, only Sudbury (+5.8), downtown Ottawa West (+2.0) and North Western Ontario (+2.0) did not post declines relative to occupancies in April 2006.

For the first four months of 2007, the occupancy rates at Ontario hotels averaged 55.3%, a decrease of 0.4 of a percentage point over 2006 – still below 2001 levels for the same period.

Ontario Hotel Occupancy Rates, Jan - April



The average daily rate (ADR) in Ontario increased by 0.5% in April 2007 to \$121.74, with downtown Toronto (\$159.52) and downtown Ottawa (\$131.88) achieving the highest ADRs for the month, followed by Niagara Falls (\$120.72). Almost all regions posted increases, with the exceptions of Windsor (-3.7%), Niagara Falls (-1.6%) and Central Ontario (-18.3%). The biggest gains were seen in Hamilton/Brantford (11.4%), Ottawa East (8.0%) and Kingston (6.9%).

The ADR in Ontario for the first four months of the year increased 1.9% to \$120.73. The biggest gains for the period were in Hamilton/Brantford (6.7%), Sault Ste. Marie (5.1%) and Ottawa East (5.1%).

Revenue per available room (revPAR) in April 2007 decreased by 2.7% over 2006, reducing the revPAR in the first four months of the year to 1.1%. There is significant variability across the regions, with Hamilton/Brantford (13.6%), Ottawa East and West (14.2% and 11.5%) and Sudbury (12.1%) showing considerable growth, while Windsor (-22.7%), Central Ontario (-19.9%) and Sault Ste. Marie (-19.2%) experiencing significant declines in their revPAR over the period.

Source: PKF Consulting, Hotel Trends

### Canadian Air Carriers Data

Air Canada's overall passenger traffic, measured in revenue-passenger miles (RPMs), continued to increase in April 2007, up 3.5% over April 2006. Domestic air travel was up by 6.8% on Air Canada's mainline, while Jazz saw an increase of 24.6% in domestic traffic.

In the first four months of 2007, passenger traffic for Air Canada and Jazz combined has increased by 5.1% over the same period of 2006.

Passenger traffic growth continued for WestJet in April 2007 with a 22.6% gain over April 2006, and a 23% increase in overall traffic in the first four months of 2007 over 2006.

*Source: InterVISTAS, aircanada.ca and westjet.ca*

### Travel Price Index

In April 2007, Ontario's Travel Price Index (TPI) increased by 0.8% over the previous month. Increase in the cost of inter-city transportation and travellers' accommodation more than offset small decreases in a number of other categories that make up the TPI.

Looking back over the last year, Ontario's TPI was up just 0.2% in April 2007 over 2006. Increases in the cost of inter-city and local transportation, auto operation and various food and beverage purchases were largely offset by declines in the cost of travellers' accommodation, recreational equipment and services and personal care items.

Ontario's Consumer Price Index (CPI) in April 2007 increased by 0.3% over the previous month, while there was an increase of 1.4% over April 2006, attributed mainly to higher gasoline prices

*Source: Statistics Canada, Ontario Ministry of Tourism*

The U.S. Travel Price Index increased by 1.3% in April 2007 compared to the previous month, while the index was up by 3.5% over April 2006, also as a result of higher gasoline prices.

*Source: Travel Industry Association of America.*

### International Travel Account

Ontario and Canada's international travel accounts continue to have substantial deficits.

The travel deficit is the difference between what Canadian residents (or Ontario residents) spend abroad and what foreigners spend in Canada (or Ontario).

- In 2006, Ontario's international travel deficit was \$4.2 billion, a 1% decrease over 2005. Canada's deficit, meanwhile, increased 25% to \$6.7 billion.
- Preliminary results for the first quarter of 2007 indicate that Ontario's travel deficit increased 10% to \$2.2 billion over first quarter 2006 while Canada's travel deficit increased 9% to \$4.1 billion over the period.

*Source: Statistics Canada, Ministry of Tourism*

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## Economic Indicators

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### Consumer Confidence

The national consumer confidence index edged down in April to 98.8 (2002=100), a 1.1 point decline over March. The drop is attributed to concerns about future financial conditions and to reluctance by consumers to make major purchases.

Regional disparities again mark this month's index with consumer confidence down from Ontario eastward – Ontario's index lost 2.2 points, Quebec's index dropped 0.4 points and the Atlantic Provinces dropped a considerable 5.4 points. Meanwhile, consumer confidence was stronger in the west – the index for the Prairies increased by 1.2 points and the British Columbia index edged up 0.5 points.

*Source: The Conference Board of Canada*

The U.S. Consumer Confidence Index dropped again in April to stand at 106.3 (1985=100).

*Source: The Conference Board (U.S.)*

### Labour Force

Employment in Canada in April 2007 showed little change over the previous month. The national unemployment rate remained unchanged at 6.1%.

Since April 2006, employment is up by 2.3% with the economy adding 374,200 jobs.

Ontario's employment is growing more slowly than the national average as it struggles with weakness in the manufacturing sector. Employment is up only 1.1% (71,400 jobs) over the past 12 months. In April 2007, Ontario's unemployment rate increased 0.1 percentage points to 6.6%.

In April, employment in Ontario's tourism-related industries decreased by 3.2% over the previous month as fewer people were employed in gambling industries, other amusement and recreation industries and full-service restaurants. Employment is up by 16.7% over April 2006 across the sector, with notable increases in people employed in travel arrangement services, travellers' accommodations, air transportation and spectator sports.

*Source: Statistics Canada, Labour Force Survey*

### Bankruptcies

In April 2007, there were 2,869 bankruptcies in Ontario. Of these, 218 were businesses while the rest were consumers. Bankruptcies were up by 9% over April 2006 when there were 2,641 bankruptcies.

Of the business bankruptcies reported in April 2007 in Ontario, 20 were in accommodation and food services and 8 were in the arts, entertainment and recreation sector. In April 2006, there were 27 and 4 bankruptcies recorded in these sectors, respectively.

*Source: Office of the Superintendent of Bankruptcy Canada*

### Consumer Response Indicators

#### 1-800-ONTARIO

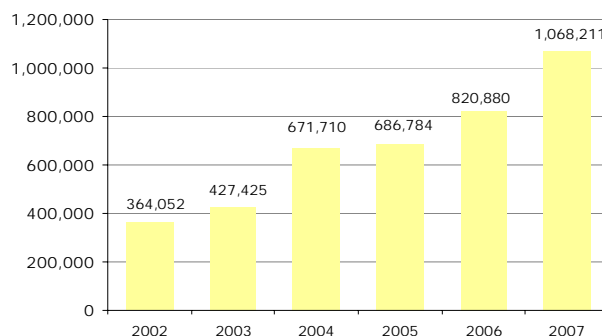
There were approximately 12,000 calls to the 1-800-ONTARIO call centre in April 2007, a decrease of 8% over April 2006. In the first four months of 2007, however, there has been an increase of 8% over the same period in 2006.

*Source: Electronic Data Systems*

#### OntarioTravel.net

In April 2007, there were almost 335,000 user sessions on Ontario's travel website **ontariotravel.net**, an increase of 70% over 2006. The main website saw an increase of 35%, while the seasonal site experienced a surge of more than 1000%.

**Visits to OntarioTravel.net**  
Jan - April



Over the first four months of 2007, there were 30% more user sessions than in the same period in 2006, with 21% more traffic to the main site and 104% more traffic to the seasonal site.

*Source: Electronic Data Systems*

### Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 61,000 in April 2007, a decrease of 17.1% over April 2006.

In the first four months of 2007, there have been approximately 200,000 visits to TICs, a 14.3% decrease over the same period in 2006.

#### Change in Visits to Ontario's TICs

Location	April 2007 over 2006	YTD: Jan - April 2007 over 2006
Barrie	-3.1%	-4.9%
Cornwall	-18.1%	-13.3%
Fort Erie	-11.1%	-12.5%
Fort Frances	-14.9%	-7.1%
Niagara Falls	-13.9%	-7.0%
Sarnia	-26.2%	-21.6%
Sault Ste Marie	-25.5%	-20.6%
St. Catharines	-30.4%	-25.1%
Toronto	-7.2%	-3.8%
Windsor Park	-17.5%	-19.4%
Windsor HC	-13.4%	-16.4%
Hill Island	Closed for season	Closed for season
Kenora	Closed for season	Closed for season
Lancaster	Closed for season	Closed for season
Pigeon River	Closed for season	Closed for season
Prescott	Closed for season	Closed for season
Rainy River	Closed for season	Closed for season
417	Closed for season	Closed for season
<b>TOTAL</b>	<b>-17.1%</b>	<b>-14.3%</b>

Source: Ontario Ministry of Tourism

### Attendance at Agencies

The following table shows the percentage change in total visits at Ontario agencies for both April 2007 over April 2006 and year-to-date 2007 over 2006.

Agency	April 2007 over 2006	YTD: Jan - April 2007 over 2006
Royal Ontario Museum	+23%	-1%
Ontario Science Centre	-4%	-41%
Science North	-6%	-5%
Art Gallery of Ontario	-29%	-17%
McMichael Art Gallery	+4.6%	+28.3%
Royal Botanical Gardens	-16.9%	+10.2%
Huronian Historical Park	+10%	+10%
Fort William Historical Park	+152%*	+213%*

\* Significant variability due to small attendance counts, or significant event occurring in one of the reporting periods.

#### NOTES:

- Attendance at other Ontario agencies will be reported as information becomes available.

## APPENDIX: BACKGROUND

### 2005 Statistics

- There were 19.3 million U.S. visits to Ontario in 2005, a decrease of 9.6% over 2004. Spending by U.S. visitors amounted to \$3.9 billion, a decrease of 10.6% over 2004.
  - Visits from the border states, which made up 82% of all U.S. visits, decreased by 10.7% while visits from other states decreased by 7.5% over 2004.
  - Same-day visits, which make up 63% of all U.S. visits, decreased by 13.3% while overnight visits were down by 3.3% over 2004.
- There were 2.2 million overseas visits to Ontario in 2005, a 6.0% increase over 2004. Spending by overseas visitors amounted to \$2.5 billion, an increase of 6.6% over 2004.
  - Visits from Ontario's traditional markets (the U.K., Japan, Germany and France), which make up 42% of all overseas visits, increased by 2.2% while visits from other travel markets increased by 8.9% over 2004.

### **NOTE: What about domestic travellers to Ontario?**

Domestic travel accounts for about 75% of all person visits to Ontario, and more than 60% of tourism receipts in the province, however, information concerning domestic travel for 2005 **is not yet available**.

In 2005, the Canadian Travel Survey (CTS) which provided information on domestic travel was replaced by the Travel Survey of Residents of Canada (TSRC). The TSRC will offer some significant benefits over its predecessor, including filtering in tourism trips while filtering out routine trips, focusing on decision makers (respondents must be 18+ yrs rather than 15+) and ensuring that all jurisdictions are using a common metric. The change to the TSRC means that 2005 will be the new baseline year, resulting in a delay in reporting on domestic travel results for 2005 as a basis comparable to previous years.

It is anticipated that domestic travel data for 2005 and 2006 will be available by the end of 2007. Statistics Canada is also developing a procedure to restate data prior to 2005, to enable historical comparisons. In the interim, only travel data for the U.S. and overseas travel markets for 2005 will be provided.

### 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.
- Ontarians' outbound travel to international destinations in 2004 increased by 5% over 2003 to 21.0 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/tourdiv/research/trends.html>.

### **Economic Impact of Tourism in 2004**

- In 2004, tourism was Ontario's 7<sup>th</sup> 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)<sup>2</sup> 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<sup>3</sup> (direct, indirect and induced) amounted to \$20.4 billion in 2004.
- In 2004, tourism employment<sup>4</sup> in Ontario reached 213,500 jobs, accounting for 3.3% of Ontario's total employment. Tourism was the 14<sup>th</sup> largest industry in the province in terms of employment.
- This is the break-down of the 213,500 tourism jobs by sector:
  - 50,015 jobs in Accommodations
  - 54,060 jobs in Food & Beverage services
  - 21,345 in Recreation and Entertainment
  - 32,625 in Transportation
  - 25,090 in Retail
  - 16,900 in Travel Services
  - 2,315 in Car Rental and
  - 11,150 in other service sectors

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<sup>2</sup> 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.

<sup>3</sup> 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).

<sup>4</sup> 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.

- Total contribution of tourism to the employment in the province<sup>5</sup> (direct, indirect and induced) reached 322,600 jobs in 2004.
- In 2004, tax revenues from tourism<sup>6</sup> for all three levels of government in Ontario reached \$5.8 billion – 3.2 billion in federal tax revenues, \$2.4 billion in provincial and \$198 million in municipal tax revenues<sup>7</sup>.
- For every dollar of tourism receipts in Ontario in 2004, all three levels of governments received 27.0 cents in tax revenues directly, of which federal government received 14.9 cents, provincial government 11.2 cents and municipal governments 1 cent.
- The total contribution of tourism to tax revenues<sup>8</sup> (direct, indirect and induced) for all three levels of government amounted to \$9.2 billion in 2004.

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

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<sup>5</sup> 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).

<sup>6</sup> 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

<sup>7</sup> 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.

<sup>8</sup> 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).