

“The Value of Tourism In Sunset Country Travel Region”¹ Northwestern Ontario”

- Tourism is one of the most important economic sectors in Ontario
- It is a critical part of the economic base in Northwestern Ontario
- Level of economic activity generated through direct expenditures by tourists and by the tourism businesses in the region is second only to the forest industry
- Unfortunately, many do not appreciate the value of the industry – this includes Government agencies whose actions can have a dramatic negative effect
- Impact of the U.S. visitor is of particular importance
- MTR* estimates that across Ontario, tourism generates annual economic activity of \$17.9 Billion of which \$13.1 billion is spent on overnight visits
- 50.2 million overnight visitors
- U.S. visitors represent a critical segment of the travelers to Ontario
- They total 16% of all visitors yet account for 26% of all overnight spending – extremely “high yield” customers
- Average expenditure per visitor is \$431.00 – compare to Ontario at \$162.00 and \$320.00 for other Provinces

*Canadian Travel Survey and International Travel Survey results, Ministry of Tourism and Recreation, 2001

- In the “North-West” Region the value of the U.S. visitor is more significant
- Tourists spend in total \$540 million dollars across 1.8 million visitors
- U.S. visitors represent 34% of overnight visitors and 56% of overnight spending
- Average expenditure by U.S. visitor during their stay is \$486.00
- U.S. visitor is of even more significance within the Sunset Country Travel Region
- \$342 million in visitor spending across 1.1 million visitors
- U.S. citizens represent 44% of overnight visitors and 76% of total expenditures
- Average expenditure is \$545.00 during stay
- NWOTA economic impact study showed the U.S. visitor is even more important in Sunset Country than what MTR data showed
- 88% of all overnight visitors at accommodations were American
- 79% of total expenditures on tourism in Sunset Country were by Americans
- NWOTA study much more “robust” in the data it used to calculate impacts

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- **Capital expenditures** by lodge operators creates additional economic impacts - \$216 million in 2001 – 71% was spent in region
- \$32 million in total GDP of which \$18 million retained in region
- Created 740 jobs in total of which 490 were in the region
- Generated an additional \$20 million in wages of which \$11.5 million was retained in the region
- \$14 million in total taxes to three levels of Government
- Combine total visitor expenditures as well as those by tourism operators an interesting picture emerges
- \$417 million in total economic activity of which \$288 million was retained in the region
- 11,496 jobs with 9,404 direct jobs retained in the region
- \$262 million in wages - \$191 million retained within region
- \$171 million in Federal, Provincial, Municipal taxes
- Did I already say tourism is Big Business in Sunset Country?
- U.S. travel to Sunset Country is of critical importance to the health of the local economy – in all areas
- U.S. travel is much more important to the economy in Sunset Country than it is to other regions in the Province
- MTR data shows Americans spend 60% more when they travel to Northwestern Ontario than they spend on average in all of Ontario
- These figures from U.S. travelers do not include the capital expenditure impacts of the lodges that accommodate them.....

PUTTING ALL THIS IN CONTEXT

- Millions of dollars are spent each year on marketing to bring the American visitor to Sunset Country
- Tourism businesses develop their entire business plan around ways of taking care of their customers
- “In the business of creating memories”
- These customers become friends – many are like family
- The Canadian Border is the U.S. visitor’s first contact with Canada – the first part of their travel experience to our country
- Border personnel have an important job to do – everyone acknowledges that

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- Without compromising this important job, tourism is asking that our customers who arrive at the Border be treated respectfully and fairly – given the economic impacts their expenditures generate this is a reasonable request
- Each year, new border regulations come in to effect – these regulations are poorly communicated to the customers and for that matter to tourism businesses – e.g. potatoes
- Past hours of operation for Immigration checks is not conducive to good business practices for tourism operators
- With integration into CBS – hopefully this will not be an issue anymore
- “Minor Criminality” e.g. DUI – is having a major negative impact on tourism in Sunset Country
- Estimated losses to the industry in 2004 from turn backs was \$14 million in GDP
- This equates to approx. 429 jobs
- Key issue: Is minor criminality as well as other regulations enforced uniformly at all Border crossings into Canada?
- The answer is probably NO!
- Potatoes – not an issue at Manitoba crossing of Emerson
- Manitoba outfitters do not report major problems of guests being turned back at Emerson –this is also not an issue at other Ontario crossing such as Sault Ste. Marie or Windsor
- Why the difference in Northwestern Ontario?
- Minor criminality does also not appear to be an issue at International ports of entry at Airports – few complaints about people being turned back
- TIAC – “This is not even on our radar screen”
- Issues related to changes in regulations at the Border must be communicated to customers from the U.S. and to tourism businesses
- All these issues are critical to the growth of tourism in Sunset Country and they must be addressed – the economic impact on the economy to date has been devastating
- U.S. residents have a perception that Canada is a “difficult” country to get in to
- The economic impact of tourism should also be considered by Provincial policy makers – specifically the Ontario MNR
- MNR has a track record of developing punitive regulations that target the tourism industry and their customers – Spring Bear Hunt, Winnipeg River walleye regs, snowmobile club charges, proposed ice house regulations – all appear to tourist outfitters and their guests to the exclusion of all other users.

Something needs to be done!

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