



Working Together on Tourism Issues in
North Western Ontario



Annual NW Ontario Resource Based Tourism Report

May 2008

**Kenora District Camp Owners Association
and
North Western Ontario Tourism Association**

Key Findings:

- 79.6% of lodges reported smaller bookings for 2008 over 2007.
- Overall 2008 bookings are down an average of 15.82%
- For the 2007 year gross income was down and average of 8.97% over 2006.
- Operators named, border issues, fuel costs, exchange rates, the US economy and poor government policy as the reasons for the industries current strife.
- Year over year losses (2007 and 2008) will result in the loss of 2,300 jobs. (direct and indirect)

Kenora District Camp Owners Association and the North Western Ontario Tourism Association

The Kenora District Camp Owners Association or (KDCA) and the Northwestern Ontario Tourism Association or (NWOTA) represent tourism advocacy throughout North Western Ontario. As active lobby groups they address critical issues facing the tourism industry and the economy of North Western Ontario.

Tourism's Role in the Economy of North Western Ontario

Tourism is vital to the economy of North Western Ontario (White River to the Manitoba border). In Sunset Country (Kenora and Rainy River Districts) alone tourism employs nearly 10,000 individuals and contributes \$ 451 million to the economy (2001 Economic Impact Study Figures). More than half a million tourists visit the Sunset Country annual. 97.5% of tourists visiting resource based lodges are from the United States.

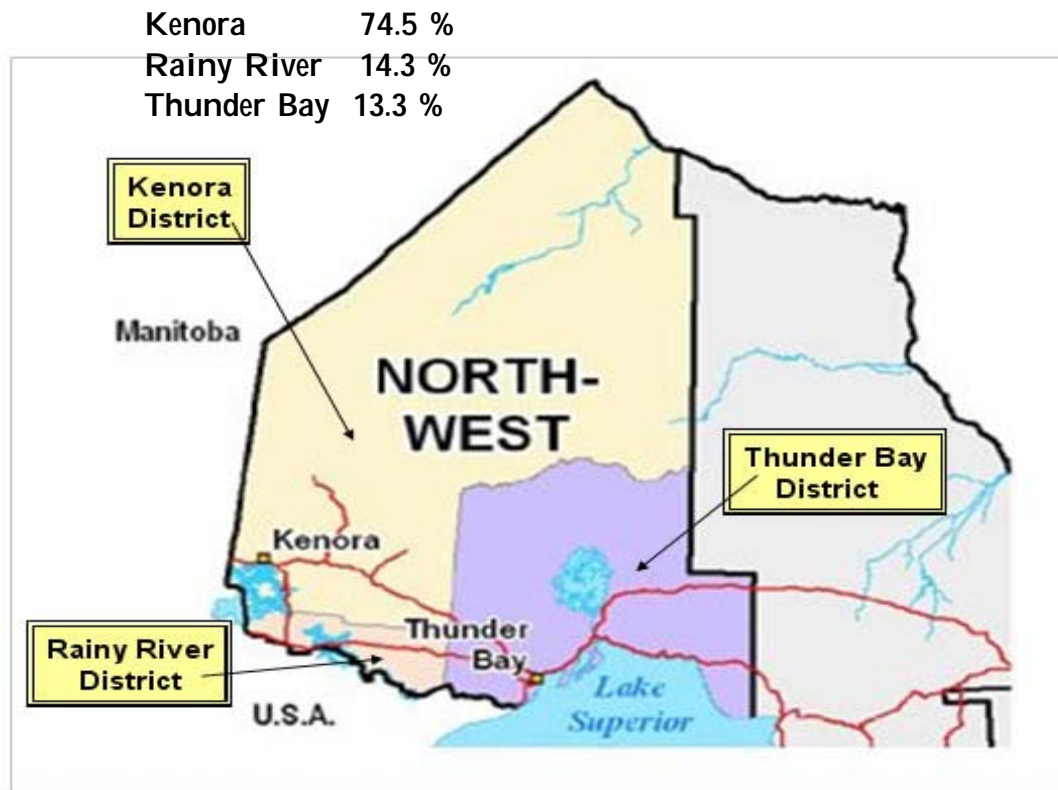
The region offers spectacular opportunities for world class access to environmentally sustainable activities and experiences such as canoeing, camping, angling and hunting. Resorts vary from roadside lodges to remote accommodation accessible only by float plane.

2008 Survey

NWOTA and KDCA surveyed resource based tourism businesses in April 2008. Of the 366 businesses provided with the survey, 99 replied, 2 surveys were incomplete. The response rate was 27%.

All Responses:

1. What travel region is your business located in:



2. What is your main type of operation?

Drive In	58.2 %
Boat In	11.2 %
Fly In	28.6 %
House Boat	2.0 %
Canoe Outfitter	0.0 %

3. How do your 2008 bookings compare to your 2007 bookings?

Up	20.4%
Down	79.6%

4. What is the percent change in your bookings from 2007 to 2008?

All Lodges	-15.82 %
• Drive In	- 21.09 %
• Fly In	- 15.28 %
• Boat Access	- 9.09 %
• House Boat	-17.5 %

By Region:

• Rainy River	- 24.23 %
• Kenora	- 12.84 %
• Thunder Bay	- 20.77 %

5. How does your businesses 2007 gross income compare to your 2006 gross income.

Higher	36.7 %
Lower	63.3 %

6. What is the percent change in your business gross income from 2006 to 2007?

All Lodges	- 8.97 %
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By Type:

• Drive In	- 5.16 %
• Boat In	- 9.30 %
• Fly In	- 14.68 %
• House Boat	-22.5 %

By Region:

- Rainy River - 8.14 %
- Kenora -11.24 %
- Thunder Bay - 4.73 %

7. During the past 10 years what year did you have your highest gross income?

Top Answers:

- 14% of operators reported gross income decreases since 2001
- 13% of operators reported gross income decreases since 2005
- 10% of operators reported gross income decreases since 2004

8. If your bookings for 2008 are down what would you attribute this to? (Please list the top 5 or as many as you can)

9. What issues would you consider having the most negative impact on our industry? (Please list the top 5 reasons)

(ANSWERS FOR #8 and #9 LISTED BELOW TOGETHER)

Border Issues

- 97% of respondents named Border Issues as directly attributable to the to lower gross incomes in their businesses. (8)
- 88% of respondents (even those who expect higher gross income in 2008) believed Border Issues were having a serious negative impact on the industry. (9)

Issues related to the border included: Confusion over US Passport Laws, Cdn DUI screening and turn backs, poor or harassing treatment of Visitors at the Cdn Border.

Fuel Costs

- 72% of respondents named fuel costs as directly attributable to lower gross incomes in their businesses. (8)
- 63 % respondents (even those who expect higher gross income in 2008) believed fuel costs were having a serious negative impact on the industry. (9)

Exchange Rates

- 65 % of respondents named exchange rates as directly attributable to lower gross incomes in their businesses (8)
- 63 % respondents (even those who expect higher gross income in 2008) believed exchange rates were having a serious negative impact on the industry. (9)

The American Economy

- 65 % of respondents named the down turning the US economy as directly attributable to lower gross incomes in their businesses. (8)
- 37 % respondents (even those who expect higher gross income in 2008) believed the downturn in the US economy was having a serious negative impact on the industry. (9)

Government Policy (excluding border security)

- 32 % of respondents named poor Canadian or Ontario government policy as directly attributable to lower gross incomes in their businesses. (8)
- 47 % of respondents listed poor Canadian or Ontario government policy (even those who expect higher gross income in 2008) as having a serious negative impact on the industry. (9)

These policies included:

1. Misdirected and/or under funded marketing efforts
2. Little infrastructure funding in the Northwest
3. Land use and forestry policies
4. Taxation
5. Expensive regulations

Other Impacts Listed Included:

Poor attitudes toward tourists in the Northwest

Changing demographics

Increased competition

Increased cost of business

Wars

Elections

Border line ups

Travel distances