



Working together on Tourism issues in Northwestern Ontario

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NORTHWESTERN ONTARIO RESOURCE BASED TOURISM INDUSTRY¹

Northwestern Ontario is one of North America's truly spectacular wilderness destinations with many thousands of pristine lakes and rivers. The region is known for perhaps the best fishing and hunting on the continent, as well as a range of other outdoor adventure, ecotourism, touring, and culture and heritage attractions. It is a destination that has been popular with the mid-Western U.S. market for several decades, and this remains one of the region's primary sources of visitors.

TOURISM DESTINATION PRODUCT STRENGTHS AND KEY ASSETS

As a premier tourism destination, Northwestern Ontario has a number of product strengths and key assets that make it an attractive destination for visitors from across Canada, the U.S. and overseas. The key product strengths include:

- ◆ **A vast accessible wilderness suited to all types of outdoor activities.** The region encompasses close to one-third of the province's total land area and much is uninhabited wilderness punctuated by many thousands of lakes and rivers and suited to all types of water-based and land-based outdoor activities. It is perhaps one of the largest wilderness areas anywhere on the continent, much of which can be accessed by paved highway, as well as a multitude of air services, and even passenger rail in some parts of the region.
- ◆ **Large inventory of resource-based tourism establishments.** In Northwestern Ontario alone there are more than 700 resource-based tourism operators offering a wide range of lodge, outpost camp and other wilderness accommodation along with fishing, hunting and other outdoor adventures and activities. These operations range from modest, budget-oriented housekeeping cabin-type facilities to super deluxe American Plan resorts and lodges.
- ◆ The range of activities offered typically includes fishing and hunting, other outdoor adventure activities, boating, swimming and water sports, hiking, wildlife viewing and family fun activities for all ages. The RBT establishments range in size from those offering a few units or small cabins to relatively large scale resorts offering accommodation for 100 or more guests. As a result, several thousand visitors can be accommodated by this infrastructure at any one point in time.

Other key assets of Northwestern Ontario for tourism include the abundance of fish and wildlife throughout the region that attracts anglers and hunters by the thousands, plus the well-developed service infrastructure for anglers and hunters. This includes numerous charter air services, marinas, boat and equipment rental operators, and outfitting services.

¹ Northwestern Ontario Destination Marketing Association Five Year Strategic Plan

COMPETITIVE ADVANTAGES OF NORTHWESTERN ONTARIO AS A DESTINATION

The region's principal competitive advantages as a tourism destination relate to its strengths and key assets and can be described as follows:

- ◆ **One of the greatest concentrations of freshwater lakes and rivers anywhere in the world.** In addition to Lake Superior, the world's largest freshwater lake, there are many thousands of lakes and rivers throughout Northwestern Ontario including several others of significant size such as Lake Nipigon, Lake of the Woods, Rainy Lake, and Lac Seul, among others.
- ◆ **The highest concentration of resource-based tourism infrastructure on the continent.** With more than 700 operations in Northwestern Ontario this is likely one of the highest concentrations of this type of infrastructure not only in North America but anywhere in the world. The fishing is truly world-class featuring trophy freshwater fishing in the region's many thousands of lakes and rivers. A significant variety of hunting opportunities are available, in season, throughout most of the region as well. With the widespread adoption of "catch and release" fishing, it is possible to sustain Northwestern Ontario's reputation as one of the best freshwater fishing regions in the world.
- ◆ **Easy access from key markets, particularly the U.S. Midwest.** Highway access from Minnesota via International Falls and Fort Frances is easy via Highways 53, which will soon be four lanes from all major Midwest cities to the border and Highway 71, while Highway 72 provides access to the border crossing at Rainy River at the western edge of the region. Highway access from Manitoba and the City of Winnipeg is primarily by the Trans Canada Highway which is almost completely four-lanes between Winnipeg and the Ontario border. Winnipeg International Airport and Thunder Bay's International Airport provide air access to the region via major scheduled airlines, particularly Air Canada, Westjet and Northwest Airlines.
- ◆ **Large-scale protected wilderness areas for ecotourism and outdoor adventure activities.** These were noted earlier and include the nationally and internationally significant wilderness Provincial Parks such as Quetico, Woodland Caribou, and Turtle River-White Otter, among others. All of these parks include numerous lakes and rivers and significant waterways ideal for canoeing, kayaking and river rafting expeditions, as well as all kinds of world-class hiking, backpacking and wilderness camping opportunities. In spite of being relatively remote wilderness areas, road access is available to the edge of most of these parks.

COMPARISON OF SUNSET COUNTRY TRAVEL AREA TO OTHER REGIONS OF ONTARIO

SSCTA is very dependent on a strong tourism economy. Tourism spending¹ represented \$5,439 for every man woman and child in Sunset Country Travel Area (SSCTA). In comparison it was \$1,593 per capita for NOSTA, \$1,919 for the rest of Northern Ontario and \$1,109 for southern Ontario.^{2 & 3}

Total visitor spending/capita by region (2004)

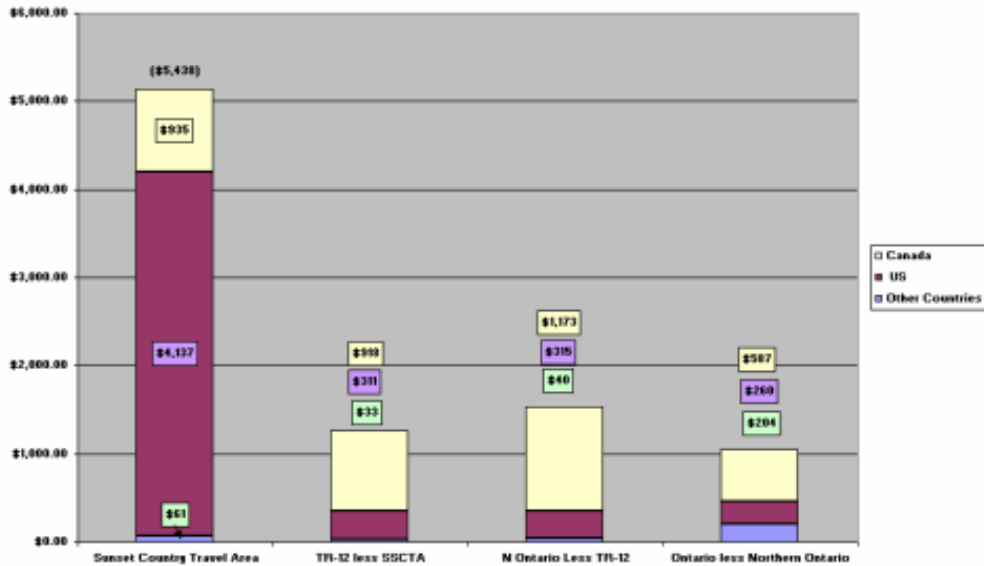


Chart 1

Total visitor spending by region (2004)

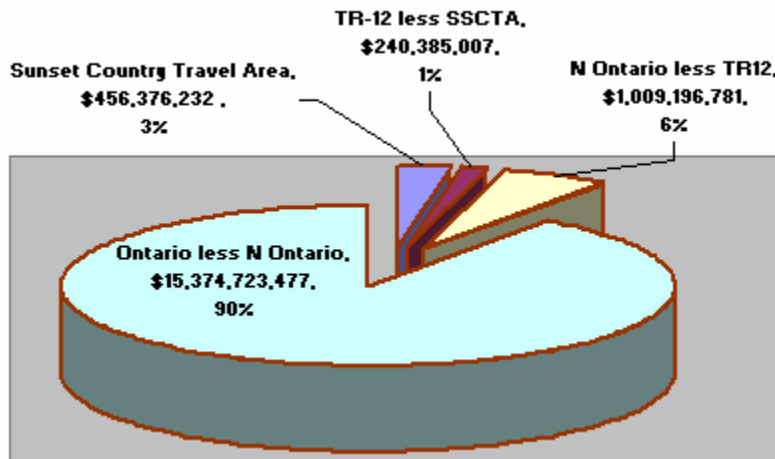


Chart 2

² MTR research site 2004 data

³ Stats Can

Tourism expenditures in Sunset Country Travel Area represent 26% of the Northern travel regions as shown in Chart 3.²

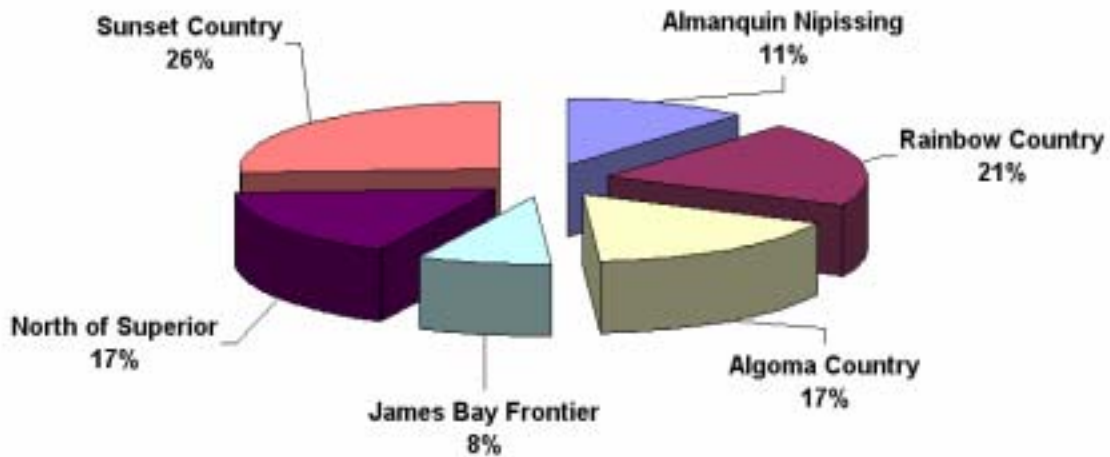


Chart 3

Tourism in Sunset Country Travel Area

Tourism is vital to Northwestern Ontario, providing employment for over 9,900 people in Sunset Country and infusing over \$306 million into the local economy. Over half a million people visited Sunset Country in 2001, drawn to the region for its beauty, seclusion and resource-based tourism. Based on the 2001 financial data provided by accommodation operators, tourism expenditures from both operations and capital expenditures contributed:⁵

- 12,235 full-year jobs, of which 9,898 jobs (81%) were in Sunset Country;
- \$451 Million in economic activity, of which \$306 Million (68%) benefited Sunset Country;
- Wages and Salaries in excess of \$282 Million -- \$203 Million in Sunset Country;
- \$185 Million in Federal, Provincial and Municipal taxes.
- The tourism industry spends \$11.3 million dollars marketing their own businesses.

As can be seen in Chart 4 and 5 U.S. visitors represent a large portion of visitor spending, in Sunset Country Travel Area, while the U.S. visitor represents about 52% of all visitors; **they represent over 80% of visitor spending.**²

Visitors to SSCTA

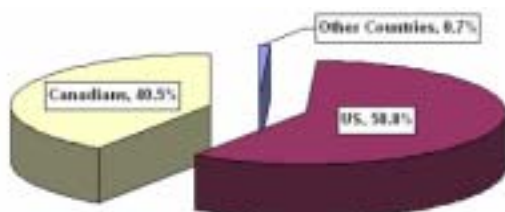


Chart 4

Visitor spending SSCTA

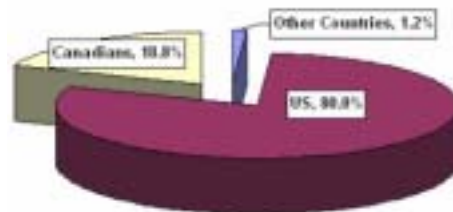


Chart 5

² MTR research site 2004 data

⁵ 2001 Tourism economic impact study

SSCTA has a much different customer base mainly because of infrastructure issues. It is very difficult, both in time and cost, to get to most parts of SSCTA from east or west. There are or will soon be 4 lane highways from all of our major states of origin to the Canadian border in Fort Frances Ontario. While SSCTA is heavily dependent on U.S. visitor spending (80%) you can see in chart 6 that the rest of Ontario is less. NOSTA is at 23.1%, remaining northern Ontario is at 19.9% and S Ontario is at 24.5%.

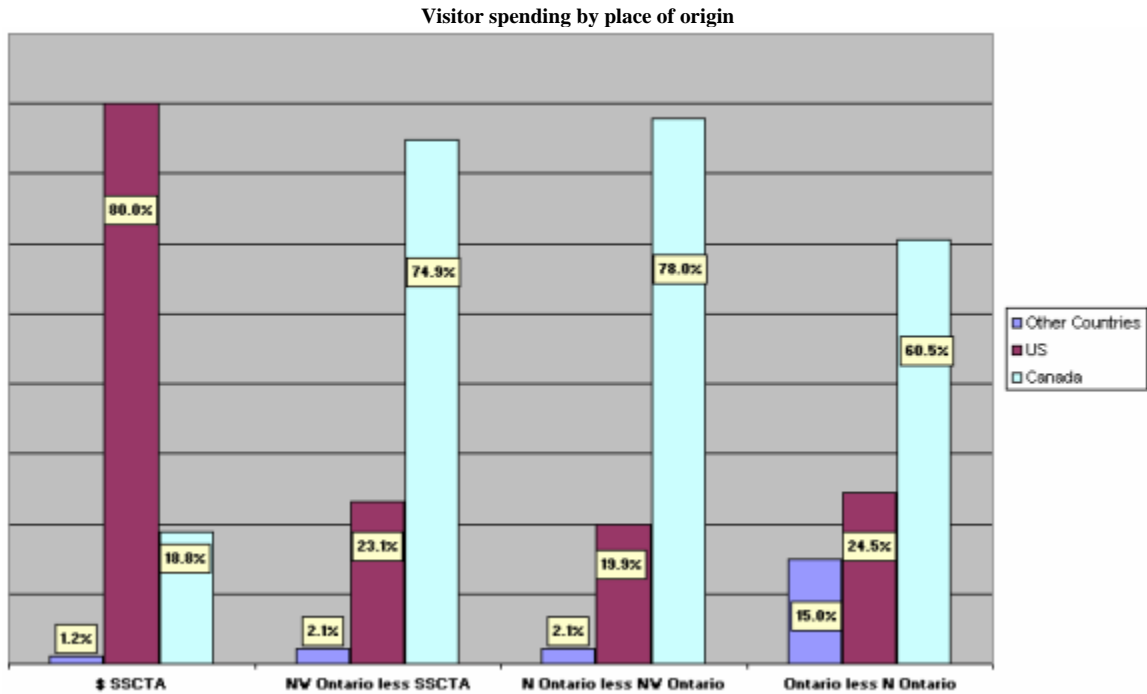


Chart 6

**A review of Sunset Country Travel Area
Overnight visitor spending by state
2004**

Sunset Country Travel Area			
	State of Origin	Spending	%
1	Minnesota	\$93,084,024	26.7%
2	Wisconsin	\$67,675,582	19.4%
3	Illinois	\$56,843,735	16.3%
4	Iowa	\$25,278,562	7.3%
5	Missouri	\$24,208,679	7.0%
6	Indiana	\$16,781,026	4.8%
7	Texas	\$16,410,526	4.7%
8	Kansas	\$6,185,355	1.8%
9	Tennessee	\$6,013,126	1.7%
10	Ohio	\$4,318,000	1.2%

MTR regional profile, CD9 & CD6

Chart 7

² MTR research site 2004 data

COMPARISON OF VISITOR SALES WITH OTHER TOURISM REGIONS

In 1985,^{2,3,4,5} SCTA resort sales were 4.6 times that of Minnesota gross resort sales and 18.4 times that of NE Minnesota gross resort sales. By 2006 the difference had dropped by more than 70% to 1.4 and 4.1 to 1 respectively. During that time between 1985 and 2006 Minnesota resort gross has increased by 6.1% NE Minnesota gross sales by 7.3% while SSCTA has declined by -1.0%.

Between 1985 and 2006,

- **Minnesota** gross resort sales grew at a rate of 6.1%,
- **NE Minnesota** grew at a rate of 7.6%.
- **Sunset Country** declined by a little over (1%).

Between 1994 and 2006,

- **Northern Wisconsin** grew at an average rate of 7.2%.

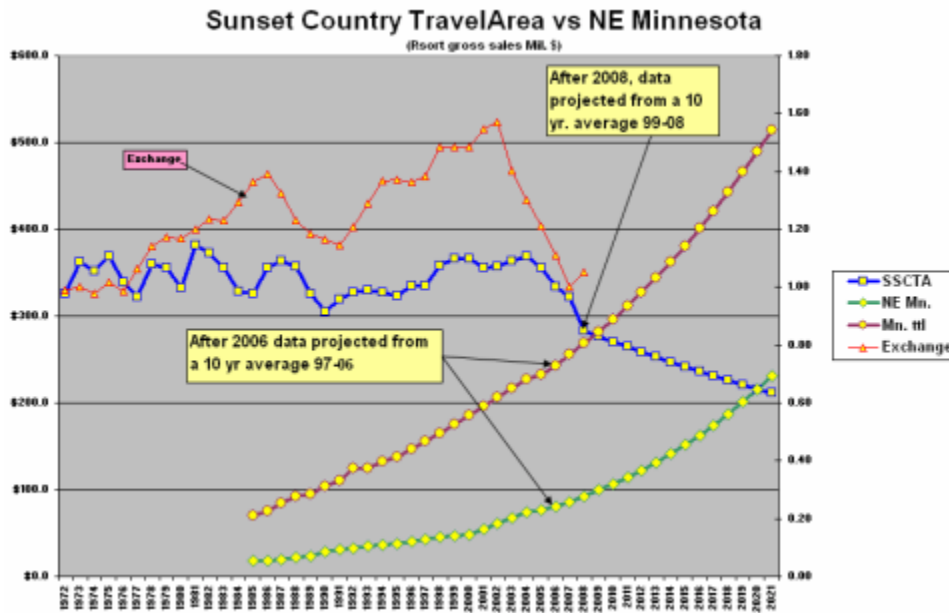


Chart 8

Western Northwestern Ontario can be seen as a microcosm of tourism in general throughout Canada. Because we are so dependent on the U.S. visitor anything that affects our customer becomes very obvious as it is such a high percentage of our overall business.

² MTR research site 2004 data

³ Minnesota tourism web site

⁴ Stats Can

⁵ 2001 Tourism economic impact study