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# ECONOMIC Summer 2009

Business and Community  
Newsletter Exploring Economic  
and Market Trends in Canada's  
Northwest Territories

# TRENDS

## TOURISM WITHIN THE ECONOMY

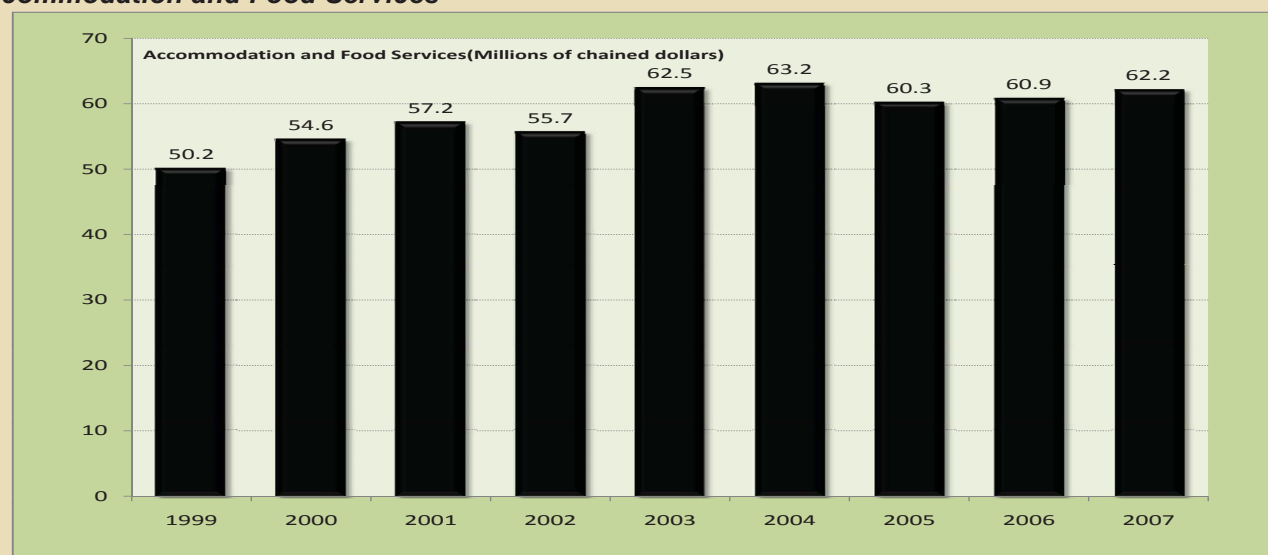
Tourism includes a number of different industries - transportation, accommodation, and food services among others. The national definition of tourism includes both business and leisure travellers, but the forces generating demand can be quite different for these two travel sectors. In 2007/2008, it is estimated that 79,000 vacationers and business travellers spent \$138 million on NWT goods and services. Tourism is the Territory's third largest export behind mining and petroleum products.

Chart 1 shows the contribution by "accommodation and food services" businesses to the economy. As shown, industry sales have increased by 24% since 1999, with

most of this growth concentrated between 1999 and 2003. Overall accommodation and food businesses represent about 2% of the total economy, and their share of total economic activity has changed little over the past decade.

Contributing more to the economy than the combined sales of agriculture, forestry, fishing and trapping, tourism is also our largest renewable resource industry. Tourism provides an excellent market for local arts and crafts, utilizing many traditional skills and contributing to the preservation of local cultures, and is compatible with the principles of sustainable development.

**Chart 1: Accommodation and Food Services**



Source: Statistics Canada

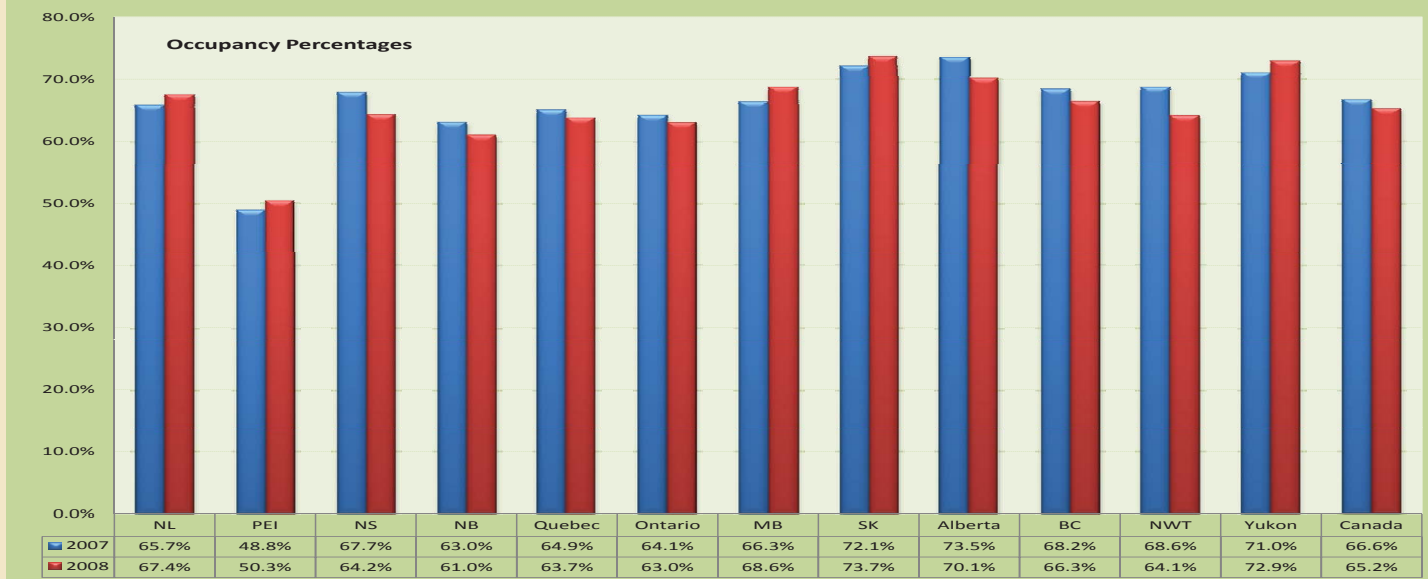
## OCCUPANCY COMPARISONS

The “accommodation industry” includes hotels, motels and bed and breakfast businesses. Chart 2 below, compares occupancy percentages between 2007-2008 for all provinces and territories. While occupancy rates in the NWT are on par with most provinces, performance lags behind Alberta and the Yukon. Saskatchewan, Manitoba,

Newfoundland & Labrador, PEI and Yukon are the only provinces/territories that showed an increase in occupancy in 2008. The small decline in NWT occupancy likely reflects a decline in mining and oil/gas exploration, as well as a small decline in tourism visitation.

**Chart 2:Occupancy**

Source:PKF Consulting

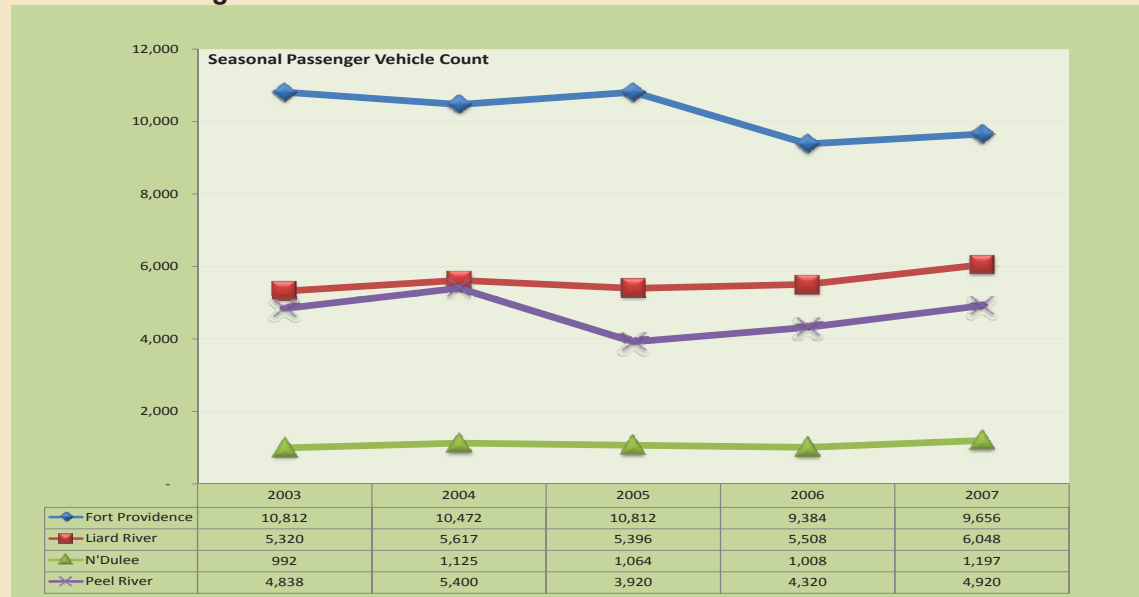


## PASSENGER VEHICLE TRAFFIC AT FERRY CROSSINGS

The NWT has four major Ferry Crossings – Peel River Ferry, Wrigley, Liard River Ferry, and Fort Providence. The ferries operate from May until October with the exception of Fort Providence, which usually operates until January. Chart 3 shows the changes in passenger vehicle counts over the last five years. Vehicle counts include NWT and Non-NWT vehicles. Only Fort Providence and Peel River

crossing have shown fluctuation in vehicle counts. While the number of passenger vehicles at the Fort Providence has been declining since 2005, Peel River shows an increase over the same period of time. The highest vehicle count in Peel River was in 2004, the same year as Yukon and the NWT celebrated 25th Dempster Highway anniversary.

**Chart 3:Seasonal Passenger Vehicle Count**



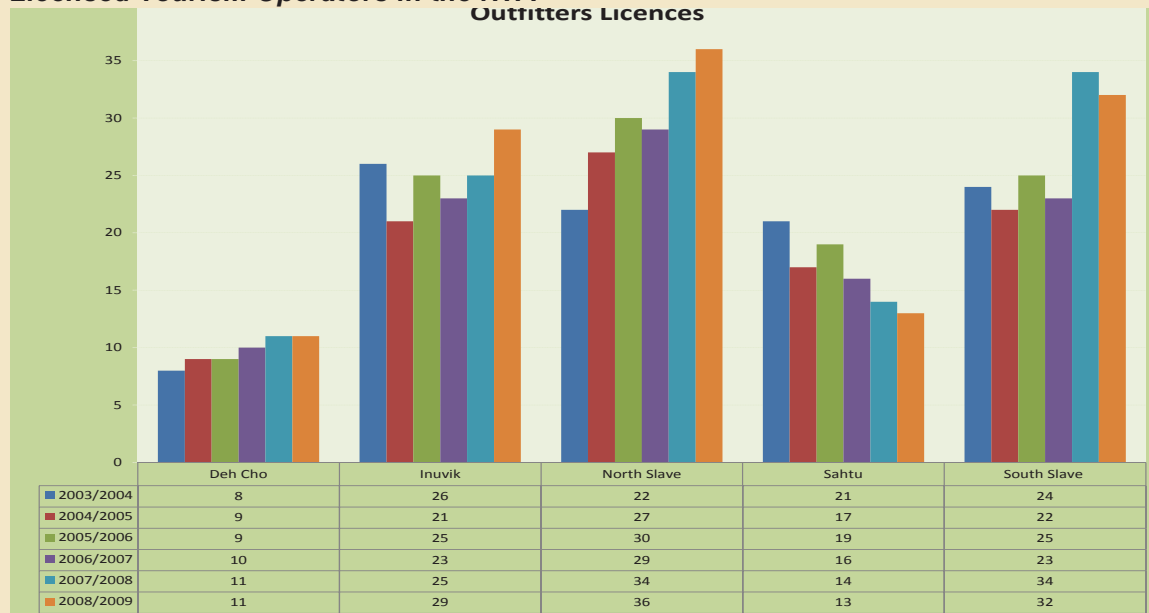
Source:DOT

## LICENSED TOURISM OPERATORS IN THE NWT

Tourism operators play a major role in the NWT. Each region has a lot of tourism products to offer; summer activities include motorized boat tours, canoeing, community and cultural tours, hiking, backpacking, kayaking, mountain biking, hunting and sport fishing. Winter activities include Aurora viewing, dog sled tours, snowmobile tours, and cross country skiing.

As shown in Chart 4, the highest number of licensed operators are in the North Slave, South Slave, and Inuvik regions. All these regions showed a decline in licences over 2006/2007 followed by significant increases; 8.7% in Inuvik region, 17% in North Slave, and 48% in South Slave. The changes were due to changes in the Tourism Act and Licensing requirements which came into effect in 2007/2008.

Chart 4: Licensed Tourism Operators in the NWT



Source: ITI, Tourism & Parks

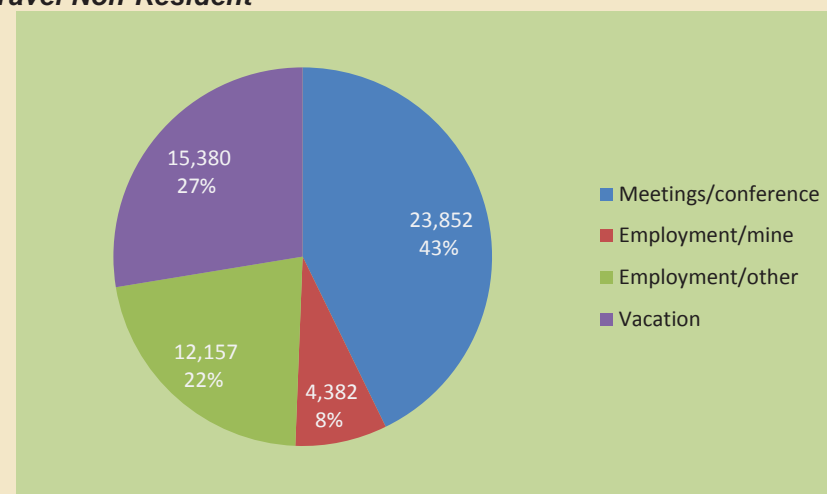
## TRAVEL BY AIR - NON RESIDENT

More than 55,000 travellers, non-NWT residents, arrived by air to the NWT between April 2008 and January 2009.

Most visitors are Canadians, followed by Japanese and American tourists. The convenient and affordable connecting flight from Vancouver to Yellowknife has made the NWT attractive to Asian tourists.

As shown in Chart 5, 43% travelled for meetings/conferences, 30% for employment, and 27% for leisure/tourism. The latter group includes Aurora Viewers, Hunters, Anglers, Travellers Visiting Friends and Relatives, Outdoor Adventures, and General Tourists.

Chart 5: Purpose of Travel Non-Resident



Source: ITI, IEI



## NEW RELEASES

The NWT Bureau of Statistics recently released Consumer Price Index (CPI) numbers for 2008.

- 1) Public and Private Investments in the NWT and Canada for 2008 and projections for 2009, released on February 25
- 2) Gross Domestic Product (GDP) numbers for 2008, released in April.
- 3) Community population estimates for 2008 released in March.
- 4) Employment rates for 2008.
- 5) Employment Income rates for 2008.
- 6) Value of Minerals, Oil and Gas for 2008.
- 7) Interprovincial and International Trade data by the end of May.

Visit the NWT Bureau of Statistics website to access this data: <http://www.stats.gov.nt.ca/>

# CALENDAR

*A listing of business and economic related forums scheduled for the upcoming months in the NWT.*

## OF EVENTS

*The Northern Strategy Group Conference, Yellowknife, NT, October 14-15, 2009*

*For more information visit <http://ykchamber.com/>.*

*The 2009 NWT Aboriginal Business Conference, Yellowknife, NT, September 22-24, 2009*

*For more information visit <http://www.denendeh.ca/conferences/index.shtml>.*

*Northern Construction Trade Fair, Yellowknife, NT, November 17-19, 2009. For more information visit*

*<http://www.nwtca.ca/Tradefair2009.php>.*

*The Second Circumpolar Conference on Geospatial Sciences and Applications (GeoNorth-II),*

*Fairbanks, Alaska, August 4-6, 2009*

*For more information visit <http://alaska.usgs.gov/science/geography/IPYGeoNorth/>.*