



Inland Waterways Investment Opportunities

Ministry of Tourism, Culture and Sport
November 20, 2015

Purpose of Presentation

- Provide an overview of the Investment and Development Office, Ministry of Tourism, Culture and Sport, and its investment attraction plan for inland waterways
- Present information on inland waterways as a priority investment attraction sector and potential investments by European canal boat companies on the Rideau Canal
- Discuss economic potential of increased boating on the Rideau Canal through a diversification of the boating ownership/operations model
- Discuss support required to secure investments along the Rideau Canal.

Investment and Development Office

- The Minister of Tourism, Culture and Sport’s mandate includes “partnering to promote Ontario’s global competitiveness and attract international investment”.
- The Investment and Development Office manages grant programs and supports investment attraction for the tourism industry.
- Tourism support programs include:
 - Celebrate Ontario
 - Tourism Development Fund
- The Ministry is in its third year of implementing a Tourism Investment Strategy which includes five objectives:
 - Establish Tourism as a priority sector
 - Position Ontario as a destination of choice for tourism investment
 - Proactively target new international investment leads
 - Support investment with an all-of-government approach
 - Identify provincially owned assets as opportunities for investment attraction

Investment Attraction – Rideau Canal

- Commercializing inland waterways (Rideau Canal, Trent-Severn Waterway, Great Lakes) is a priority investment focus for the Ministry of Tourism, Culture and Sport (MTCS).
- In 2013, Ministry staff met with the world's largest self-hire canal boat company at the World Canals Conference to introduce Ontario's canals as an investment opportunity.
- The potential investor outlined their technical and operational requirements to operate in a new canal system and MTCS completed a full analysis of the Rideau Canal and Trent-Severn Waterway in January 2015 based on the investors requirements.
- MTCS arranged a site inspection of the canals in August 2015 and company executives indicated the company sees the potential and may consider an initial investment on the Rideau Canal in 2017 and expand as business grows.

Potential Investors Self Hire: TUI le boat

IF YOU CAN DRIVE A CAR,
YOU CAN DRIVE A TUI LE BOAT



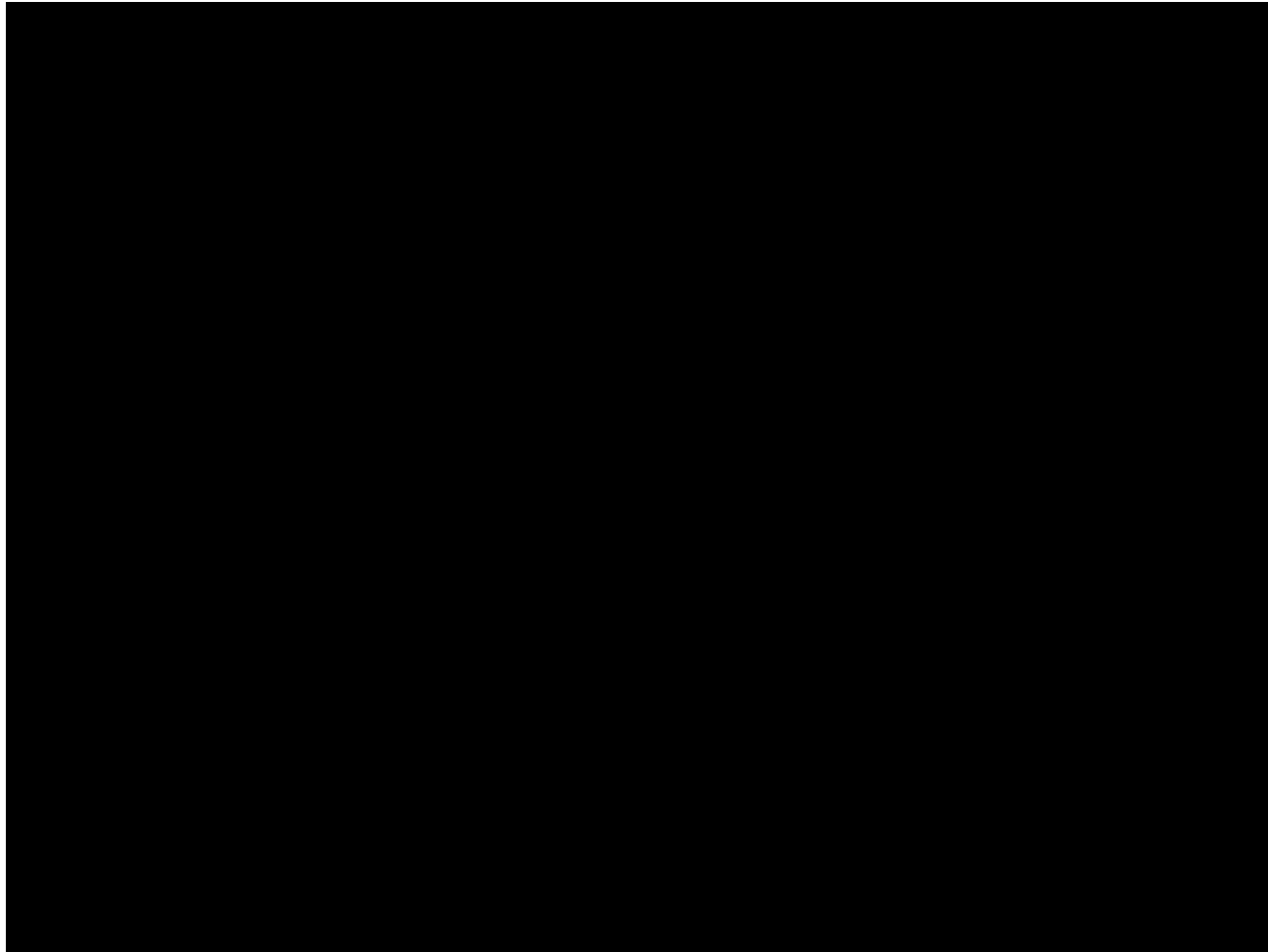
- TUI le boat, part of TUI Group, operates in England, Scotland, Ireland, France, Holland, Belgium, Germany, Italy, and Poland
- TUI is the market leader in self-hire boating
- 900 owned boats in Europe / 39 bases
- 104 new boats currently on order at Delphia
- Unique products / itineraries tied to a Cruising Companion for land experiences
- Global distribution to 30M customer base
- Fleet/bases are of the highest quality. Modern, latest technology, joy-stick, bow thrusters, low speed 7km/hr., safe, bumpers
- Aligns with Parks Canada's Visitor Experience Opportunity Concepts Report

TUI Group: Overview



- TUI Group is the largest leisure, travel and tourism company in the world with the following assets:
 - 1,800 travel agencies (with travel services to 30 million customers annually)
 - 300 hotels with 210,000 beds in 24 countries
 - 13 cruise ships
 - 622 direct and indirect subsidiary companies
 - 6 airline subsidiaries which operate 145 medium and long range aircraft (TUI owns 49% of Toronto-based, SunWing)
- TUI employs 77,000 people in 130 countries
- Group turnover in FY 2013/14 CDN \$27.4 billion
- Operating results (underlying EBITDA) in FY 2013/14 CDN \$1.27 billion
- 2014/15 EBITA forecast growth of 12.5% - 15%

TUI le boat experience



(This video requires a player that allows *.mov files)

Potential Investors Self-Hire: Linssen Boating Holidays

Linssen / Linssen Boating Holidays:

- Dutch boat builder of luxury steel hulled yachts since 1949
- Linssen Boating Holidays operates throughout Western Europe and use only luxury Linssen yachts
- LBH is the umbrella label of currently 11 independent international boat charter operators.
- Potentially seeking Ontario based “affiliate /partner”
- Site inspection of canals - 2016



Potential Investors Self-Hire: Nicols Boating Holidays

Group Nadia, a French company based in Cholet since 1962 is a diverse manufacturer building boats, medical, kitchen and industrial equipment.

- Nicols was founded in July 1986, as part of the NADIA Group. Within a few years, the Nicols shipyard had become one of the leading French companies in the river tourism sector with 23 models of boats.
- Nicols owns over 500 canal boats for hire in 24 bases in Western Europe.
- Various business models
 - Corporately owned
 - Local investment partner (“Affiliate”)



Potential Investors Self-Hire: Other

De Drait

- Dutch boat builder and boat charter company operating in the Netherlands and Germany.

Palme Marin

- German boat dealer and charter company operating in Germany.

Locaboat

- Paris based owner and operator of canal ‘pinechettes’ in possible partnership with Linssen Boating Holidays



Potential Investors: Luxury Crewed Hotel Barges

- Hotel barge cruises include a fully-crewed luxury vessel that accommodates between six and twenty passengers.
- Vessels have a Captain, Master Chef, Housekeeper and Tour Guide.
- Barges have central heating, air-conditioning, a spa-pool on the sundeck & bicycles onboard for land experiences.
- Cruise are slow-paced, 3mph and 70 miles/wk., with immersive land experiences including daily excursions, fascinating cruising, gourmet cuisine, and fine wines.



Economic Impact: For-Hire Sector

- Potential Investments on Ontario canals include:
 - Boat values range from €300,000 to €500,000 per boat
 - Main bases and satellite bases along the canal
 - Job creation – For every 10 direct jobs there are 36.8 indirect and induced jobs created based on OMAFRA's multiplier of 3.68 for the Rideau Corridor.
 - Jobs would include managerial, operations, administrative, mechanics and service staff
 - Acquisition of goods and services through the Ontario supply chain: fuel, pump out, water, parts, laundry, housekeeping services, rentals, capital expenditures for base improvements.
- Additional long term economic impact for Ontario includes:
 - Global promotion of the Rideau Canal and the province by the world's largest travel companies through print, online and apps
 - Increased international visitors on the Rideau for extended stays in Ontario
 - Incentive for businesses along the Rideau to expand/invest/improve quality
 - Ongoing future investment in fleet expansion
 - Community economic development along Rideau Corridor.

For-Hire Operation 5 Year Plan & Spend 2017-2021

	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021
Number of boats	16	20	24	28	32
Daily spend per boat (approx. 6 people per boat)	\$824	\$848	\$874	\$900	\$927
Est. total spend for 1 season (21 weeks)	\$1.5M	\$2.0M	\$2.5M	\$3.0M	\$3.5M

* Represents 10% of total current boater spend on the Rideau.

Parks Canada Rideau Canal Economic Impact Study 2010/11 estimated spend by boat per day on transportation, accommodation, food and beverage, recreation and entertainment at **\$244.52 per day**.

Rideau Canal Partners

- Parks Canada has been a key partner working with the Ministry since initial discussions with TUI le boat in Toulouse, France in 2013.
- Parks Canada is investing in capital improvements to ensure this heritage asset is protected in the future. In addition, new investments to support boating fleets will be required in docks, electricity, fresh water and continued improvements to washrooms and other facilities.
- Ministry is very happy to be here today with Parks Canada to speak to representatives from Leeds Grenville and local tourism stakeholders about potential new investments in the for-hire and luxury hotel barge sectors of the canal boating industry.

Next Steps

- Ongoing work is underway to provide the information, resources and financial support required in order to secure these investments.
- Strong partnerships are required at the federal, provincial, municipal and local business levels to ensure the destination is favourable to investors.
- We need to **THINK BIG** to bring the Rideau Canal to a worldwide audience through these leading companies, to introduce a new concept in boat sharing on the Rideau and to attract a high-end visitor to the water and land offerings of the Rideau Corridor.