I O I N I T I A I R I I I O I
Financing Authority

ECONOMIC & FISCAL FACT SHEET

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- Ontario is centrally located for both the Canadian and United States markets.
- Ontario accounts for approximately 41% of Canada's GDP. In 1999, Ontario's GDP was C$397 billion or US$267 billion.
- Ontario is the industrial heartland of Canada, accounting for:

  > 54.0% of Canada's machinery industry

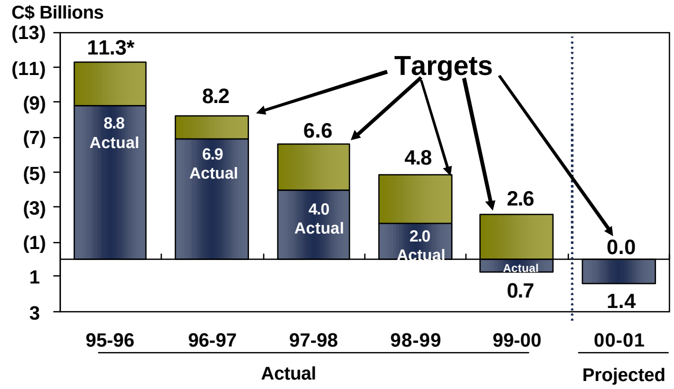
  > 55.1% of Canada's manufacturing output

  > 16.8% of North America's auto assembly
- Toronto, capital of Ontario, is Canada's financial centre and has the third highest concentration of financial services activity in North America.
- As of July 1, 2000, Ontario's population was 11,669,344 or 37.9 per cent of the Canadian population.
- Ontario's economy is comparable to those of nations like Sweden, Switzerland, Belgium and Austria.

Economic Conditions

	GDP (1999) (US$ billion)	CPI (1999) (% Change)
Ontario	**267.0**	**1.9**
Switzerland	258.8	0.8
Belgium	248.9	1.1
Sweden	238.7	0.3
Austria	208.3	0.6

BALANCED BUDGET PLAN ACHIEVED ONE YEAR EARLY



*Potential Outlook in June 1995. Source: Ontario Ministry of Finance

2000-01 on Track for Second Consecutive Budget Surplus

- In each of the past five years, the Balanced Budget Plan targets have been overachieved, and in 1999-2000 Ontario balanced its budget one year early, recording a $668 million surplus.
- With a surplus in 1999-2000 and a 2000-01 surplus projected at $1,366 million, Ontario is on track to record the first back-to-back surpluses in more than half a century.

FISCAL SUMMARY

(C$ Millions)	Actual 1999-00	Budget Plan	2000-01 Q2
Revenue	62,931	62,060	64,053
Expenditure			
Programs	46,649	49,525	50,172
Restructuring and Other Charges	211	—	—
Accounting Changes from 1999-00 Public Accounts*	720	—	606
Total Program Expenditure	47,580	49,525	50,778
Capital*	4,832	2,075	2,209
Public Debt Interest			
Provincial	8,977	8,940	8,910
Electricity Sector	520	520	520
Total Expenditure*	61,909	61,060	62,417
Reserve	—	1,000	—
Net Impact of Electricity Restructuring to be Recovered from Ratepayers**	354	—	270
Surplus/(Deficit)	**668**	**0**	**1,366**

*Accounting changes introduced in the 1999-00 Public Accounts increased total 2000-01 expenditure in-year by $746 million, representing more than 50 percent of the in-year change from the Budget Plan.
**Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.
Source: Ontario Ministry of Finance.

Fourth Straight Year of Strong Economic Growth

- Ontario has been the nation's growth leader over the last several years. In 2000, Ontario is expected to grow 5.5 per cent compared to 4.3 per cent for the rest of Canada. Private-sector economists, on average, expect Ontario to grow 3.7 per cent in 2000, faster than Canada as a whole or any of the other G-7 industrial countries.

Balanced Growth

- Strong domestic demand has been the main engine of Ontario's economic growth, supported by tax cuts and job creation. Consumer spending accounted for 45.6 per cent of Ontario growth since the second quarter of 1995. Business investment has been the next biggest contributor.

Robust Job Growth

- Over the first 11 months of 2000, 184,000 net new jobs have been added to the economy, compared to the same period a year earlier. This follows record job creation of 198,000 in 1999.

ONTARIO'S ECONOMIC OUTLOOK

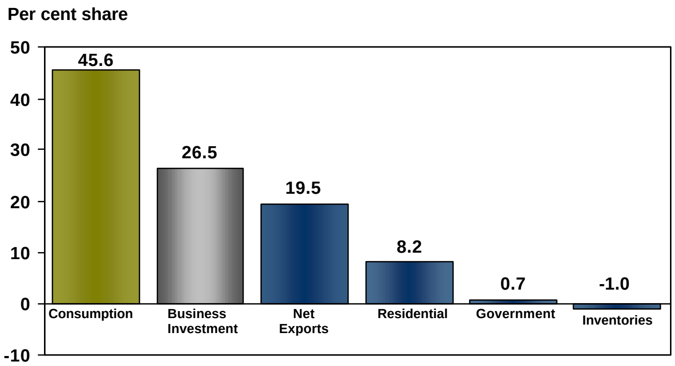
Per cent (Annual Average)	1998	1999	2000e	2001p
Real GDP Growth	4.1	6.1	5.5	3.7
Unemployment Rate	7.2	6.3	5.7	5.6
CPI Inflation	0.9	1.9	2.9	2.5

e= estimate, p= private-sector survey average

Sources: Statistics Canada, Ontario Ministry of Finance and Ontario Finance Survey of Forecasts (November 2000).

SOURCES OF ECONOMIC GROWTH

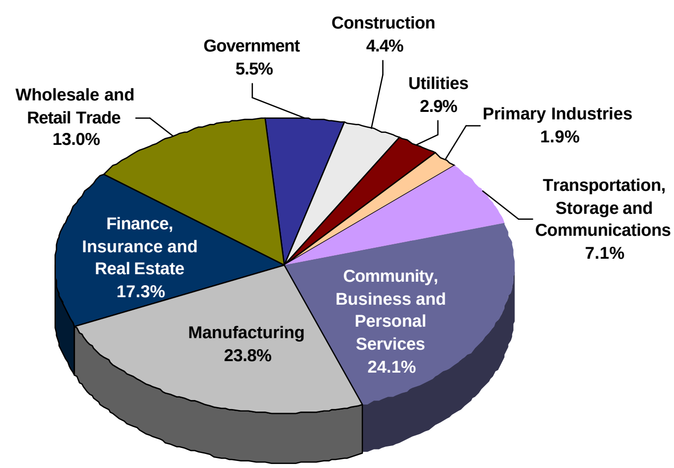
From 1995:2 to 2000:2



Source: Office of Economic Policy, Ontario Ministry of Finance.

Economic and Fiscal Fact Sheet is compiled by the Ontario Financing Authority with sources from the Organization for Economic Cooperation and Development (OECD), Statistics Canada, Ontario Ministry of Economic Development and Trade and Ontario Ministry of Finance.

STRUCTURE OF THE ONTARIO ECONOMY, 1999



Employment by Selected Sectors, 1999

	(000s)	% of total
Services Producing Sectors	4,138	72.7%
Manufacturing	1,049	18.4%
Construction & Utilities	350	6.1%
Primary Industries	152	2.7%
Total	**5,688**	100.0%

Note: numbers may not add due to rounding.

ONTARIO EXPORT SECTOR

International Export Markets, 1999 (%)

United States	93.5
Western Europe (incl. European Union)	3.1
Asia (incl. Pacific Rim)	1.7
Latin America & Caribbean	1.1
Middle East, Eastern Europe & Africa	0.6

Top International Exports in 1999