ontario**financing**authority

economic and fiscal fact sheet

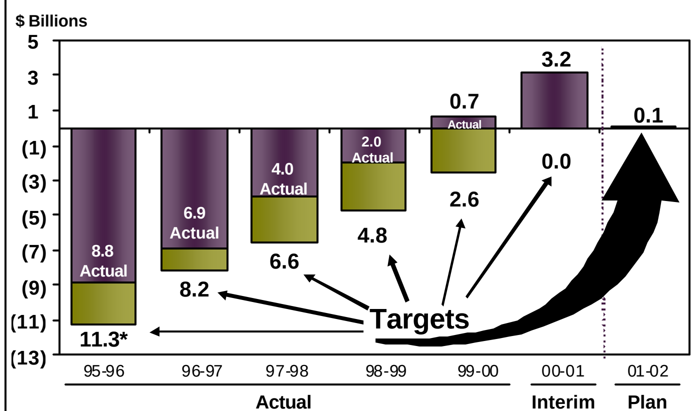
May 9, 2001

- Ontario is centrally located for both the Canadian and United States markets.
- Ontario accounts for approximately 41% of Canada's GDP. In 2000, Ontario's GDP was C$428 billion or US$288 billion.
- Ontario is the industrial heartland of Canada, accounting for:
  - > 52.3% of Canada's machinery industry
  - > 55.1% of Canada's manufacturing output
  - > 16.3% of North America's auto assembly
- Toronto, capital of Ontario, is Canada's financial centre and is tied with Boston as having the third highest employment in financial services 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 in size 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

ON-GOING COMMITMENT TO BALANCED BUDGETS



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

Second Consecutive Budget Surplus

- Ontario balanced its budget in five years, one full year ahead of schedule by recording a $668 million surplus in 1999-00. With a $3,192 million surplus projected for 2000-01, Ontario will have achieved two consecutive surpluses for the first time in more than half a century.
- With surpluses recorded in each of the past two years, the Province is on track to achieve a third consecutive balanced budget in 2001-02.

FISCAL SUMMARY

March 31, 2001 ($ Millions)	2000-01 Budget Plan	2000-01 Interim	2001-02 Budget Plan
Revenue	62,060	64,927	64,270
Expenditure			
Programs	49,525	50,428	52,011
Restructuring & Other Charges	—	31	—
Total Program Expenditure	49,525	50,459	52,011
Capital	2,075	2,075	1,944
Public Debt Interest			
Provincial	8,940	8,883	8,795
Electricity Sector	520	520	520
Total Expenditure	61,060	61,937	63,270
Less: Reserve	1,000	—	1,000
Add: Net Impact of Electricity Restructuring to be Recovered from Ratepayers*	—	202	140
Surplus / (Deficit)	**0**	**3,192**	**140**

* Reflects the estimated excess of revenue over expenditure 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

ontario**financing**authority

Economic Growth Continues

- Last year, the Ontario economy grew faster than anticipated at the time of the 2000 Budget. Ontario's real Gross Domestic Product (GDP) grew by 5.5% in 2000, significantly higher than the Budget assumption of 4.6%.

Faster Growth in the Second Half of 2001

- Ontario's economy is expected to pick up in the second half of the year as lower interest rates and tax cuts promote solid growth in domestic demand and export demand strengthens.

New Jobs Being Created

- Ontario experienced record job creation over the past three years. Despite slower growth in the global economy in 2001, Ontario will continue to create new jobs this year. The pace of job creation is expected to pick up along with economic growth in the second half of the year.

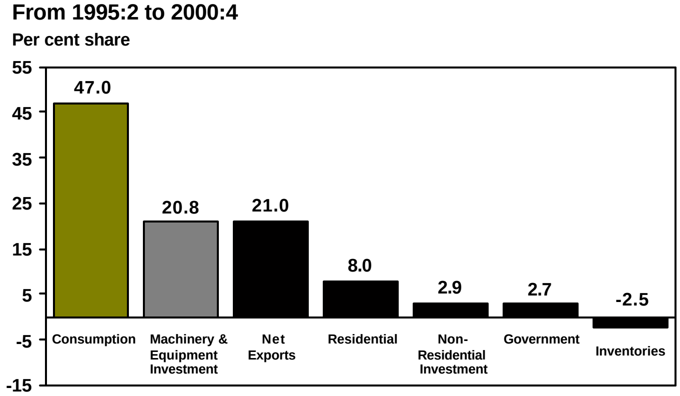
ONTARIO'S ECONOMIC OUTLOOK

Per cent (Annual Average)	1999	2000	2001p	2002p
Real GDP Growth	6.1	5.5	2.2	3.5
Unemployment Rate	6.3	5.7	5.5-6.0	5.5-6.0
CPI Inflation	1.9	2.9	2.8	2.0

p = Ministry of Finance planning assumption.
Sources: Statistics Canada and Ontario Ministry of Finance.

SOURCES OF ECONOMIC GROWTH

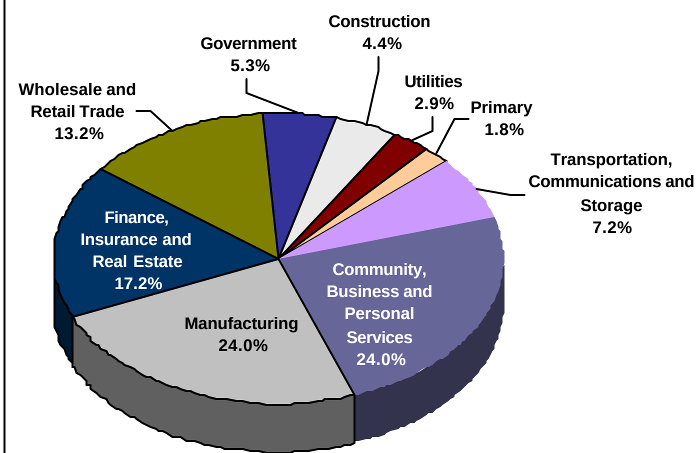
From 1995:2 to 2000:4



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 of Economic Cooperation and Development (OECD), Statistics Canada, Ontario Ministry of Economic Development and Trade and Ontario Ministry of Finance.

STRUCTURE OF THE ONTARIO ECONOMY, 2000



Employment by Selected Sectors, 2000

	(000s)	% of Total
Services Producing Sectors	4,271	72.7%
Manufacturing	1,099	18.7%
Construction & Utilities	370	6.3%
Primary Industries	133	2.3%
Total	**5,872**	**100.0%**

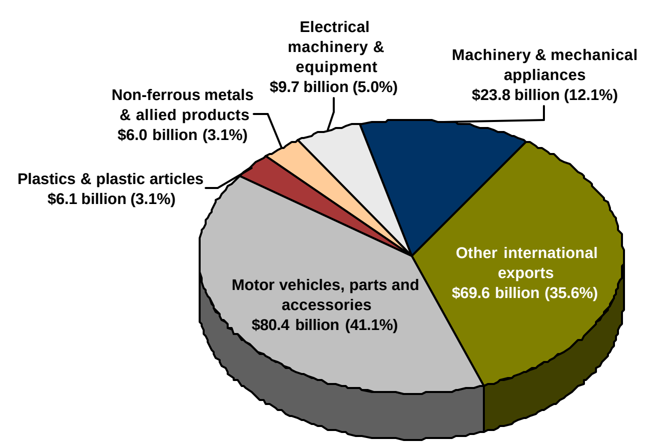
Note: numbers may not add due to rounding.

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



For more information, please contact the Investor Relations Unit, Ontario Financing Authority, One Dundas Street West, Suite 1400, Toronto, Ontario, M7A 1Y7, Canada. Telephone: (416) 325-0918 / Fax: (416) 204-7946 / Email: investor@ofina.on.ca.