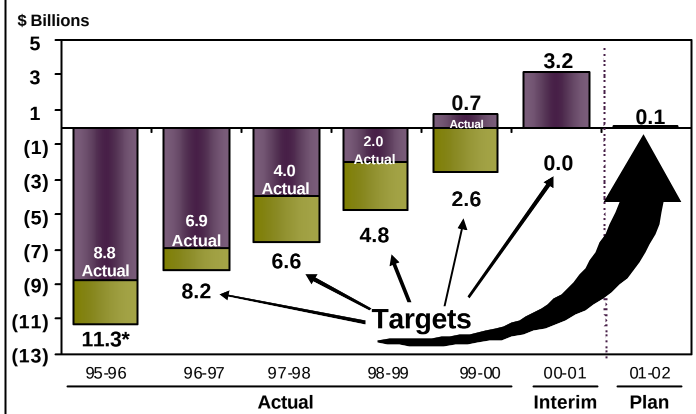
ontario**financing**authority

economic and fiscal fact sheet

July 5, 2001

ON-GOING COMMITMENT TO BALANCED BUDGETS



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

- 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 Comparisons

	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

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

June 30, 2001 ($ Millions)	2000-01 Interim	2001-02 Budget Plan	2001-02 Current Outlook	2001-02 In-Year Change
Revenue	64,927	64,270	64,270	—
Expenditure				
Programs	50,428	52,011	52,011	—
Restructuring & Other Charges	31	—	—	—
Total Program Expenditure	50,459	52,011	52,011	—
Capital	2,075	1,944	1,944	—
Public Debt Interest				
Provincial	8,883	8,795	8,795	—
Electricity Sector	520	520	520	—
Total Expenditure	61,937	63,270	63,270	—
Less: Reserve	—	1,000	1,000	—
Add: Net Impact of Electricity Restructuring to be Recovered from Ratepayers*	202	140	140	—
Surplus / (Deficit)	**3,192**	**140**	**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

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.

Strong Job Growth in 2001

- The Ontario economy continued to generate new jobs at a brisk pace in 2001 with employment up 145,000 over the first five months of 2001 compared to the same period in 2000. The strong employment performance so far in 2001 follows solid gains of 184,000 in 2000 and 198,000 in 1999.

ONTARIO'S ECONOMIC OUTLOOK

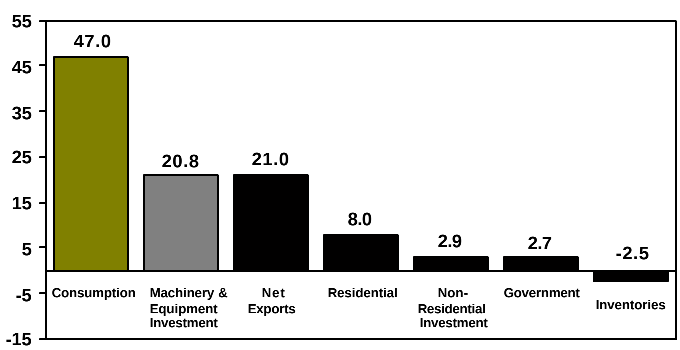
Per cent (Annual Average)	1999	2000	2001p	2002p
Real GDP Growth	6.1	5.5	2.2	3.5
Unemployment Rate	6.3	5.7	5.5-6.0	5.5-6.0
CPI Inflation	1.9	2.9	2.8	2.0

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

SOURCES OF ECONOMIC GROWTH

From 1995:2 to 2000:4

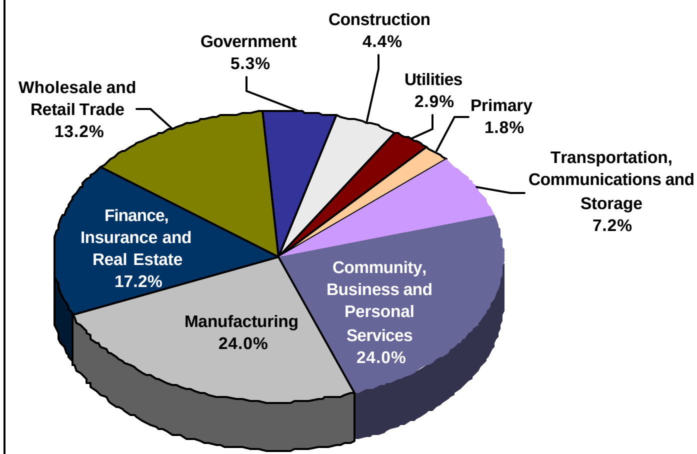
Per cent share



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%**

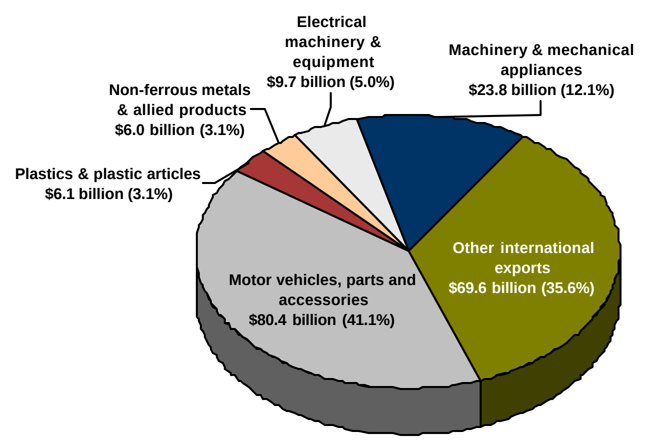
Note: numbers may not add due to rounding.

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.