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Ontario

economic and fiscal fact sheet

2003-04 Third Quarter Ontario Finances

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Province of Ontario

- Ontario is centrally located for both the Canadian and United States markets.
- Ontario accounts for 41% of Canada's GDP. In 2002, Ontario's GDP was C$478 billion or US$304 billion.
- Ontario is the industrial heartland of Canada, accounting for:
  - 54.0% of Canada's manufacturing shipments
  - 15.5% of North America's auto assembly
- As of July 1, 2003, Ontario's population was 12.2 million, or 39 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

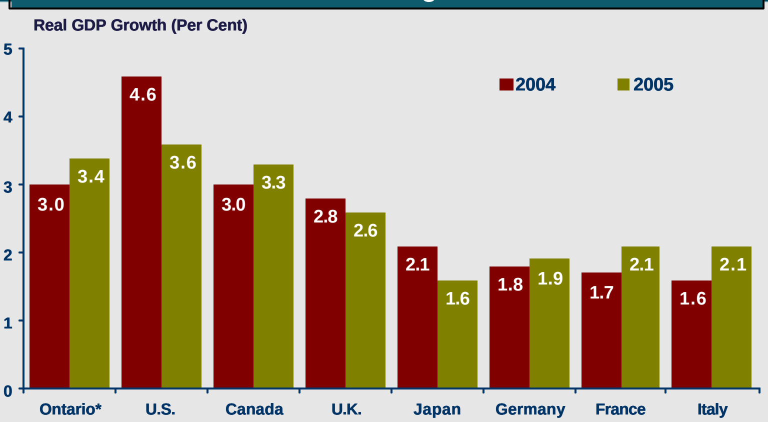
	GDP (2002) (US$ billion)
Ontario	**304.5**
Switzerland	267.4
Belgium	245.4
Sweden	240.3
Austria	204.1

Source: OECD and Ontario Ministry of Finance

Economic Update

- Ontario real GDP fell by 0.6 per cent (2.5 per cent annualized) in the third quarter of 2003, the second decline in as many quarters.
- In 2003, Ontario employment grew by 160,500 net new jobs, up 2.6 per cent from 2002 and accounting for 48 per cent of all job creation in Canada.
- Ontario's unemployment rate was 7.0 per cent in 2003, down slightly from 7.1 per cent in 2002.
- Ontario retail sales fell 0.7 per cent in October, the third consecutive monthly decline. Over the first ten months of 2003, retail sales were 3.4 per cent ahead of the same period in 2002.
- Ontario consumer prices rose 2.7 per cent in 2003, up from 2.0 per cent in 2002.
- In 2003, Ontario housing starts hit their highest level in 14 years, up 1.9 per cent from 2002.
- The value of Ontario building permits issued in November fell 8.3 per cent from the level in October, but permits issued were up 3.0 per cent for the first eleven months of 2003.
- Ontario merchandise exports fell 3.3 per cent in November (Ontario Finance estimate), after declining 2.3 per cent in October. Ontario merchandise imports rose 2.1 per cent in November after falling 0.5 per cent in October.
- Ontario manufacturing shipments fell 1.6 per cent in November to $22.3 billion, following October's decline of 0.9 per cent. Over the first 11 months of 2003, Ontario shipments were 2.1 per cent below the same period in 2002.

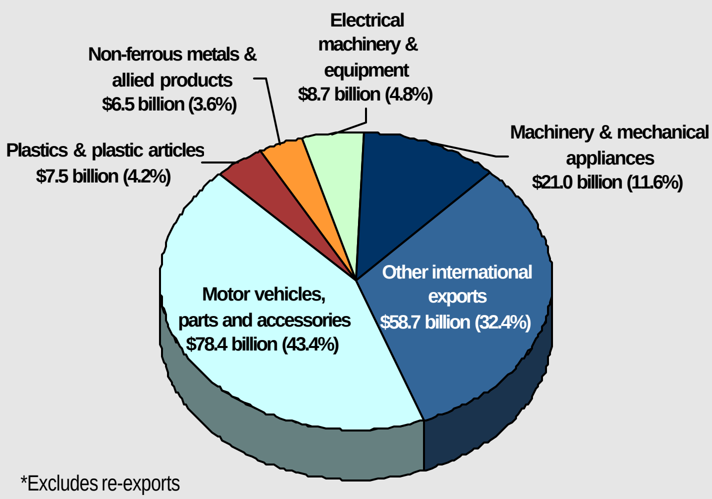
Ontario Remains Among Growth Leaders



Sources: Consensus Forecasts (January 2004) and *Ontario Ministry of Finance Survey of Forecasts (January 2004).

Ontario Export Sector

Top International Exports* in 2002



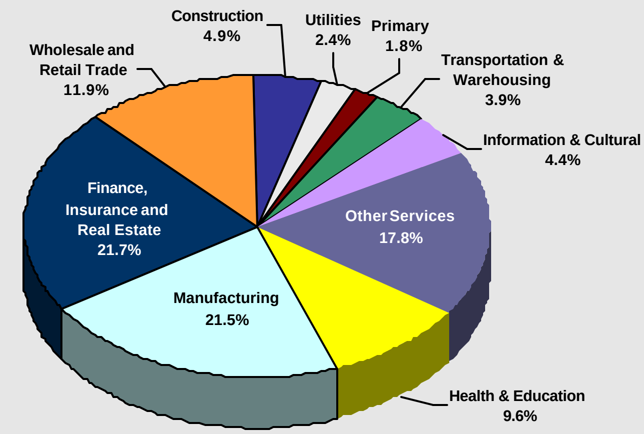
*Excludes re-exports

International Export Markets, 2002 (%)

United States	93.3
Western Europe (incl. European Union)	3.2
Asia & Oceania (incl. Pacific Rim)	1.9
Latin America & Caribbean	1.0
Middle East, Eastern Europe & Africa	0.6

Structure of the Ontario Economy, 2003

Percentage Share of Gross Domestic Product, $1997



Employment by Selected Sectors, 2003

	(000s)	% of Total
Services Producing Sectors	4,580	73.5%
Manufacturing	1,092	17.5%
Construction & Utilities	441	7.1%
Primary Industries	116	1.9%
Total	**6,229**	**100.0%**

Note: numbers may not add due to rounding.

2003-04 In-Year Performance

Deficit Outlook at $5.6 Billion

- The 2003-04 current outlook is unchanged from the fiscal outlook presented in the 2003 Ontario Economic Outlook and Fiscal Review. As of December 31, 2003, a deficit of $5,621 million is projected for 2003-04.

Revenue at $69.5 Billion

- The revenue outlook, at $69,532 million, is unchanged from the 2003 Ontario Economic Outlook and Fiscal Review.

Expense at $75.2 Billion

- Total expense, at $75,153 million, is unchanged from the 2003 Ontario Economic Outlook and Fiscal Review. Increased ministry expense mainly due to a negotiated wage settlement with the Ontario Provincial Police Association, and additional funding for post-secondary education capital projects are fully offset from the operating and capital contingency funds.

Fiscal Summary

($ Millions)

		2003-04		
	Actual 2002-03	**Fall Outlook***	**Current Outlook**	**In-Year Change**
Revenue	68,609	69,532	69,532	--
Expense				
Programs	56,922	62,554	62,554	--
Capital	1,876	2,574	2,574	--
Interest on Debt	9,694	10,025	10,025	--
Total Expense	68,492	75,153	75,153	--
Surplus/(Deficit)	**117**	**(5,621)**	**(5,621)**	**--**

* As presented in the 2003 Ontario Economic Outlook and Fiscal Review.

Note: Consistent with the treatment in the 2002-03 Public Accounts, the Ontario Electricity Financial Corporation (OEFC) is consolidated on a line-by-line basis.

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

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