MARCH 2008

Highlights

March 2008 over 2007:

- Trips from the U.S. to Ontario posted a decline of 16.3%, with same-day travel down by 25.2% and **overnight trips up by 0.6%.**
- Visits from overseas markets to Ontario increased by 0.8%.
- Travel by Ontarians to the U.S. increased by 12.1% (same-day travel and overnight trips up by 5.1% and 21.5%, respectively), while travel to overseas countries increased by 9.7%.
- Occupancy rates in Ontario hotels were down by 4.0%, while the average daily rate (ADR) was up by 1.1%.
- Ontario's Travel Price Index was up by 2.8%.
- Employment in Ontario's tourism-related industries was down by 15.1%.

Inside This Issue

Tourism Industry Statistics

Border Crossings

Total International Entries

During March 2008, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 14.7% over March 2007, to approx. 875,000 crossings. (In 2007, international border crossings in March accounted for 5.2% of the total annual crossings.)

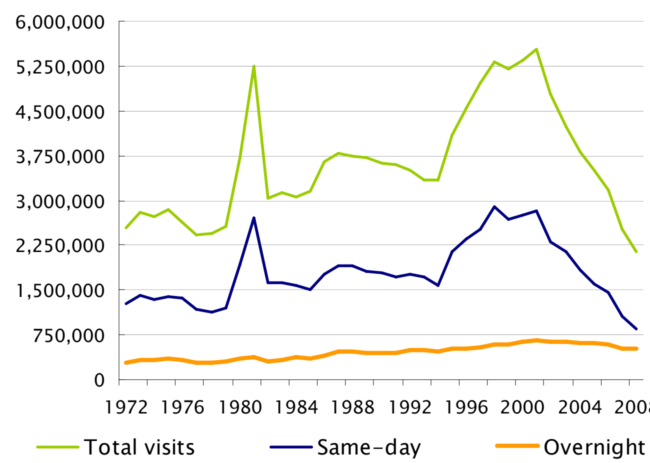
Total international border crossings in the first three months of 2008 were 13.3% below 2007 levels.

U.S. Entries

During the month of March 2008, U.S. border crossings to Ontario fell by 16.3% over 2007 to approx. 875,000 crossings. **The decline was due entirely to losses in same-day entries**, which were down by 25.2% over 2007. **Overnight entries**, meanwhile, **were up by 0.6%**.

This increase in overnight travel was the result of an increase of 3.0% in auto travel, while non-auto travel was down by 3.6% over March 2007.

U.S. Border Crossings to Ontario, Jan-March



Source: Statistics Canada

During the first three months of 2008, there were 2.1 million border crossings from the U.S. to Ontario, a decrease of 14.8% over 2007 – and 60% fewer entries than in 1998, the peak year for U.S. border crossings.

For the first three months of 2008, there were 1.3 million same-day U.S. entries to Ontario, a decrease of 22.3% (or 375,000 fewer entries) over the same period in 2007. Overnight entries, which totalled 840,000, were up 0.2% from 2007.

Though all provinces are experiencing large declines in U.S. border crossings, Ontario's losses are the most significant.

Province	U.S. Entries, March 2008 over 2007		U.S. Entries, YTD: Jan-March 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	**781,454**	**-16.3%**	**2,139,059**	**-14.8%**
B.C.	269,738	-13.2%	743,051	-11.0%
Quebec	140,067	-8.0%	400,656	-8.9%
Canada	1,333,329	-14.8%	3,670,542	-13.4%

Source: Statistics Canada

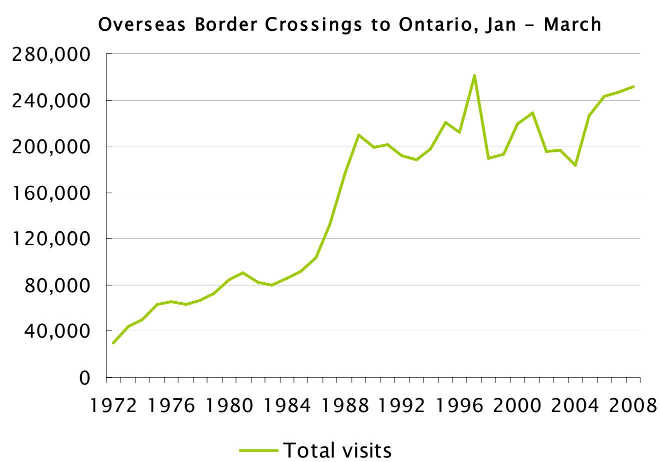
U.S. Entries: Air Travel

In March, commercial air travel[1] from the U.S. to Ontario was down 4.5% over March 2007. For the first three months of 2008, air travel was down 5.0% over 2007.

Overseas Entries

In March 2008, overseas border crossings to Ontario increased by 0.8% over March 2007.

In the first three months of 2008, overseas border crossings have increased 2.0% over the same period in 2007.



Source: Statistics Canada

With a stronger performance than other provinces in March 2008, the growth of Ontario's overseas crossings is now comparable to that of other provinces over the first quarter of 2008.

Province	Overseas Entries, March 2008 over 2007		Overseas Entries, YTD: Jan-March 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	**97,246**	**+0.8%**	**251,550**	**+2.0%**
B.C.	85,890	-3.6%	243,573	+1.9
Quebec	42,952	-0.2%	125,122	+2.2%
Canada	257,894	+0.3%	705,458	+2.9%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In March 2008, Ontario saw an increase in arrivals from Germany, while arrivals from France, the U.K. and Japan decreased significantly.

Over the first three months of 2008, arrivals from France are up 1.5%, arrivals from Germany are unchanged, while arrivals from the U.K. and Japan are down significantly over the same period of last year.

Market	March 2008 over 2007		YTD: Jan-March 2008 over 2007	
	Entries*	% change	Entries*	% change
U.K.	17,158	-10.8%	44,961	-7.4%
Germany	6,247	+2.5%	15,918	0.0%
Japan	6,565	-21.7%	14,431	-25.6%
France	2,711	-8.2%	9,159	+1.5%

Source: Statistics Canada

[1] Commercial air travel represents 96% of all air travel.

*Number of non-resident travellers entering Canada, by country of residence (excluding the United States).

Overseas Entries: Emerging Markets

A broader set of origin markets is changing the composition of Ontario's international visitors.

Those markets which are showing growth in the first quarter of 2008 are highlighted in the table below.

Market*	March 2008 over 2007		YTD: Jan – March 2008 over 2007	
	Entries*	% change	Entries*	% change
Mexico	9,324	+36.0%	20,716	+27.5%
South Korea	3,676	+2.9%	10,687	+3.6%
Brazil	2,992	-11.9%	9,821	-1.3%
China	3,306	+61.5%	9,262	+55.0%
India	3,178	+3.2%	8,033	+3.5%
Australia	2,229	+0.2%	6,789	+10.0%
Italy	2,337	-12.4%	6,168	+3.0%
Hong Kong	1,950	+10.3%	5,565	+2.2%
Netherlands	1,608	+10.0%	4,514	+6.9%

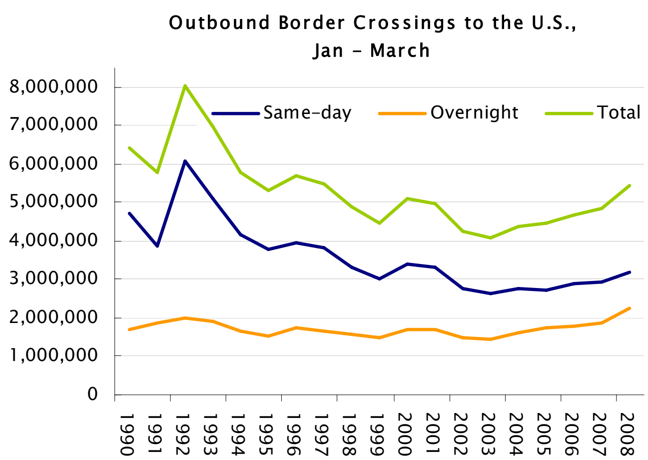
*Origin markets listed in order, based on YTD entries.

Outbound Travel

Ontarians are travelling outside of Canada in record numbers.

Travel to the U.S.

Ontarians made almost 2.2 million crossings to the U.S. in March 2008, an increase of 12.1% over 2007. Overnight visits, which represent 46% of crossings, were up by 21.5% over March 2007, while same-day visits were up by 5.1%.



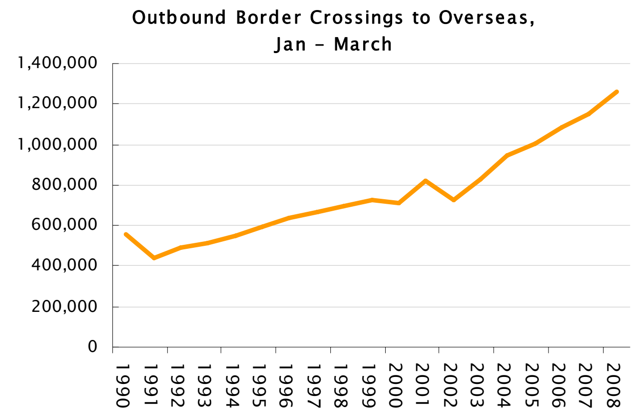
Source: Statistics Canada

The trend is similar over the first three months of 2008. Overall visits by Ontarians to the U.S. are up 12.3% (or, almost 600,000 crossings), with overnight visits up 19.1% and same day visits up by 7.9%.

Travel to Overseas Countries

Ontarians made more than 450,000 trips to overseas countries in March 2008, up 9.7% over 2007.

Over the first three months of 2008, overseas travel by Ontarians was up 9.6%, or about 110,000 trips, from the same period of 2007.



Source: Statistics Canada

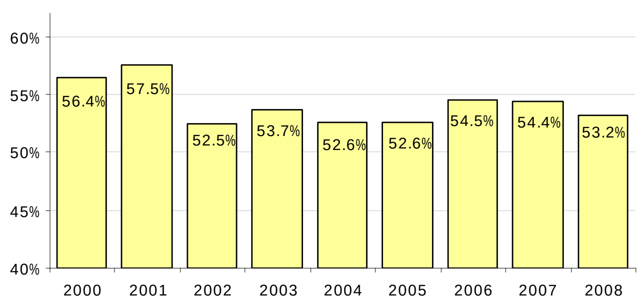
Accommodation

Occupancy Rates

The occupancy rate at Ontario hotels in March 2008 was 54.5%, down 4.0 percentage points over 2007. Across the province, occupancy was highest at the Toronto Airport (65.4%), in the Ottawa region (61.7%), and in North Eastern Ontario (61.7%). All these areas, however, experienced declines in occupancy rates over March 2007, as did most other areas of the province. Hamilton/Brantford (-14.7 points), Kitchener-Waterloo (-10.1 points), London (-9.9) and the Ottawa Region (-7.8 points) recorded the most significant declines in occupancy in March 2008 while only a few regions recorded stable results or marginal increases.

Over the first quarter of 2008, occupancy rates at Ontario hotels averaged 53.2%, down 1.2 percentage points over the same period of last year.

Ontario Hotel Occupancy Rates, Jan- March



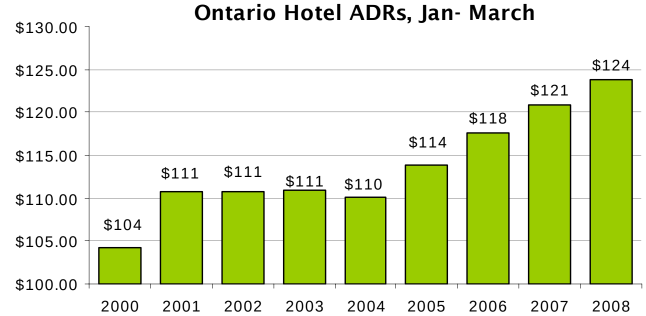
Source: PKF Consulting, Hotel Trends

Average Daily Rates

The average daily rate (ADR) in Ontario increased by 1.1% in March 2008 to $123.00 with downtown Toronto ($160.64) and downtown Ottawa ($134.65) achieving the highest ADRs for the month. Results varied across the province, with a number of regions enjoying healthy growth in rates, including Ottawa West (+4.8%), North Eastern Ontario (+4.7%), Niagara Falls (+4.1%) and Sault Ste. Marie (+3.6%). Other regions, including Hamilton/Brantford (-4.0%) and Central Ontario (-2.5%), experienced declines in rates relative to the same month last year.

Over the first three months of 2008, the ADR in Ontario increased 2.0% to $123.36 for the period.

Ontario Hotel ADRs, Jan- March



Source: PKF Consulting, Hotel Trends

Revenue per Available Room

Revenue per available room (revPAR) in March 2008 was down 5.8% over 2007 with most regions experiencing declines. Over the first three months of 2008, revPAR is down 0.2% over the same period last year.

Canadian Air Carriers Data

Overall passenger traffic for Air Canada, measured in revenue-passenger miles (RPMs), increased by 3.6% in March 2008 over 2007. For the first three months of 2008, passenger traffic increased by 4.2% over the same period of 2007.

Growth in passenger traffic for WestJet continued in March 2008 with a 21.7% gain in RPMs over 2007. Overall traffic increased by 19.1% in the first three months of 2008 over 2007.

Source: aircanada.ca and westjet.ca

Travel Price Index

Ontario's Travel Price Index (TPI) increased by 0.8% in March 2008 over the previous month. An increase in the cost of auto operation (+1.3%) and inter-city transportation (+1.1%) was partially offset by the reduced cost of travellers' accommodation (-3.2%).

Looking back over the last year, Ontario's TPI was up by 2.8% over March 2007. Increases in the cost of local and inter-city transportation, auto operation, travellers' accommodation and food and beverage were partially offset by declines in the cost of auto rentals, recreational equipment and services and home recreation equipment.

Ontario's Consumer Price Index (CPI) increased by 0.3% in March 2008 over the previous month, and by 0.8% over March 2007.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index in March 2008 was up 3.0% over the previous month, and was up 8.0% over March 2007.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

In March, the national consumer confidence index fell 2 points to close at 94.5 (2002=100) as consumer concerns about their families' future financial position weakened. Despite the drop, optimism in Canada remains in stark contrast to the situation in the U.S.

Reversing the situation of the previous month, Ontario was the only region in Canada to post an increase. With an increase of 1 point, however, Ontario still lags behind its regional counterparts.

After sizable increases on both coasts in February, the Atlantic Provinces' index tumbled 8.4 points in March, while British Columbia experienced a decline of 6.7 points. Consumer confidence was down 0.9 points in Quebec, while the Prairies saw a decrease of 4.8 points.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index, which has been declining since last summer, fell almost 12 points in March 2008, closing at 64.5 points (1985=100).

Source: The Conference Board

Employment

Employment in Canada was up slightly in March 2008. A large number of entrants into the labour market, however, pushed up the national unemployment rate 0.2 percentage points to 6.0%. Employment was up by 1.9% over the last twelve months, with the economy adding 325,000 new jobs.

After recording strong employment growth in February, Ontario's employment was unchanged in March. Similar to the national picture, a boost in the labour market pushed up the unemployment rate by 0.3 percentage points to 6.4%. Ontario has seen employment growth of 1.8% over the past 12 months, just below the national average with gains in educational services, public administration and business, building and other support services.

In March 2008, employment in Ontario's tourism-related industries increased by 2.0% over the previous month. Employment was down by 15.1% over March 2007 across the sector, however, with decreases in many areas including gambling industries, performing arts and travel arrangements.

Source: Statistics Canada, Labour Force Survey, Ontario Ministry of Tourism

Bankruptcies

In March, there were 2,873 bankruptcies in Ontario. Of these, 232 were businesses while the rest were consumers. Business bankruptcies were down 2.5% over March 2007.

In the first quarter of 2008, there were 8,385 bankruptcies in Ontario, including 695 by businesses. Business bankruptcies were down 3.6% over the first quarter of 2007. Of these business bankruptcies, 100 were in accommodation and food services sector and 13 were in the arts, entertainment and recreation sector. In the first quarter of 2007, there were 77 and 13 bankruptcies recorded in these sectors, respectively.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 9,400 calls to the 1-800-ONTARIO call centre in March 2008, down 19% over 2007.

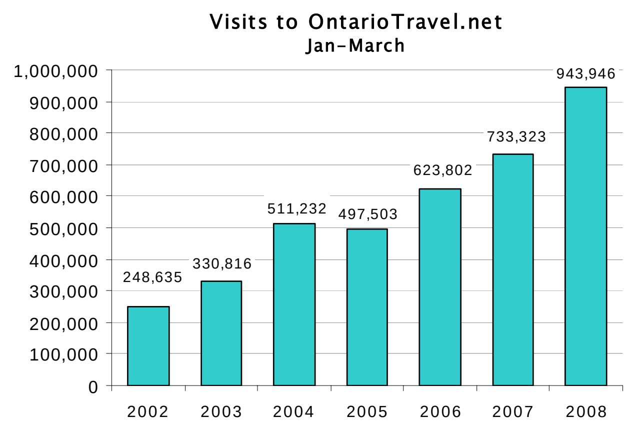
There have been about 24,000 calls over the first three months of 2008, a decrease of 36% over 2007.

Source: Electronic Data Systems

OntarioTravel.net

In March 2008, there were approximately 360,000 user sessions on **ontariotravel.net,** Ontario's travel website, an increase of 25% over March 2007. User sessions were up 10% on the main website, while they were up by almost 125% on the seasonal site.

In the first three months of 2008, there were almost 950,000 user sessions on the province's travel website, an increase of 29% over 2007.



Source: Ontario Tourism Marketing Partnership Corp.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 38,000 in March 2008, a decrease of 35% over 2007.

Over the first three months of 2008, there were about 100,000 visits to Ontario TICs, 31% fewer than in the same period of 2007.

Change in Visits to Ontario's TICs

Location	March 2008 over 2007	YTD: Jan-March 2008 over 2007
Barrie	-14.8%	-13.6%
Cornwall	-26.5%	-25.2%
Fort Erie	-55.9%	-49.7%
Fort Frances	-68.1%	-63.5%
Niagara Falls	-37.5%	-32.6%
Sarnia	-14.8%	-18.7%
Sault Ste Marie	-52.3%	-47.8%
St. Catharines	-35.5%	-34.5%
Toronto	-21.4%	-10.6%
Windsor Park	-35.0%	-26.8%
Windsor HC	-43.0%	-38.4%
Hill Island	Closed for the season	
Kenora	Closed for the season	
Lancaster	Closed for the season	
Pigeon River	Closed for the season	
Prescott	Closed for the season	
Rainy River	Closed for the season	
417	Closed for the season	
TOTAL	**-35.0%**	**-30.7%**

Source: Ontario Ministry of Tourism

Attendance at Agencies

The following table shows the percentage change in total visits at Ontario agencies:

Change in Visits to Ontario's Agencies

Agency	March 2008 over 2007	YTD: Jan – March 2008 over 2007
Royal Ontario Museum	+95%	+127%
Ontario Science Centre	-17%	-14%
Science North	-2%	0%
Royal Botanical Gardens	-6%	-11%
McMichael Art Gallery	-24%	-35%
Ontario Heritage Trust[2]	-65%	-44%
Fort William Historical Park	-31%	-64%
Huronia Historical Parks	-56%	-16%

Source: Individual agencies are self-reporting.

[2] Ontario Heritage Trust includes Winter Garden, Fulford Place and Uncle Tom's Cabin. Small attendance volumes create significant variability in growth/declines.

APPENDIX: BACKGROUND

Note: In 2005, the Canadian Travel Survey (CTS) was replaced by the Travel Survey of Residents of Canada (TSRC). The change to the TSRC means that 2005 will be the new baseline year, resulting in a delay in reporting on domestic travel results for 2005 and 2006. It is anticipated that domestic travel data for 2005 and 2006 will be available by May 2008. Statistics Canada is also developing a bridging mechanism to restate data prior to 2005, to enable historical comparisons. In the interim, travel data for the U.S. and overseas travel markets for 2006 will be provided.

2006 Statistics (U.S. and Overseas only)

- There were 17.5 million U.S. visits to Ontario in 2006, a decrease of 9.5% over 2005. Spending by U.S. visitors amounted to $3.8 billion, a decrease of 3.4% over 2004.
  - Visits from the Border States, which made up 81% of all U.S. visits in 2006, decreased by 11.1% while visits from other states decreased by 2.2% over 2005.
  - Same-day visits, which made up 61% of all U.S. visits in 2006, decreased by 12.5% while overnight visits were down by 4.3% over 2005.
- There were 2.2 million overseas visits to Ontario in 2006, an increase of 1.2% over 2005. Spending by overseas visitors amounted to $2.6 billion, an increase of 6.3% over 2005.
  - Visits from Ontario's traditional markets (the U.K., Japan, Germany and France), which in 2006 made up 39% of all overseas visits, decreased by 25.6% while visits from other travel markets increased by 6.1% over 2005.

2004 Statistics

Overall Results

- Ontario had Canada's largest tourism industry in 2004, accounting for 42% of Canada's visitors and 33% of Canada's tourism revenues.
- The total number of visitors to Ontario in 2004 was 118.3 million (up 3% over 2003), while visitor spending was $17.1 billion (up 8% over 2003).
- The total tourism receipts in Ontario in 2004 reached $21.4 billion, an 8% increase over 2003.

Number of Visitors

- Overseas visitors to Ontario in 2004 increased by 32% over 2003 to 2.0 million while U.S. visitors to Ontario decreased by 3% over 2003 to 21.4 million.
- Domestic visitors to Ontario in 2004 increased by 4% over 2003 to 94.8 million.

Visitor Spending

- Spending by overseas visitors in Ontario amounted to $2.3 billion in 2004, a 30% increase over 2003. Spending by U.S. visitors in Ontario amounted to $4.4 billion, an 11% increase over the previous year.
- Visitor spending by domestic visitors to Ontario reached $10.4 billion in 2004, a 3% increase over 2003 while tourism receipts by domestic visitors in Ontario increased by 5% over the previous year to $14.7 billion. (The difference between visitor spending and tourism receipts is Ontarians' spending on Canadian transportation carriers for travel to destinations outside of Ontario but within Canada. Visitor spending describes the economic importance of inbound travel to the economy while tourism receipts describe the importance of the whole tourism industry to the economy.)

- Ontario's tourism industry is extremely diverse. Its businesses are predominantly small to medium-sized. In 2004, there were 161,850 businesses in tourism-related sectors in Ontario, a 3% increase over 2003. These businesses represented 19% of the total number of businesses in the province.

For more historical Ontario tourism statistics, please visit http://www.tourism.gov.on.ca/english/research/trends/index.html

Economic Impact of Tourism in 2004

Note: Recent updates and improvements to the Ministry of Tourism's Tourism Regional Economic Impact Model (TREIM) have changed the tourism economic impact figures reported. The economic impact figures reported in the following section (GDP, jobs and taxes) reflect the changes that have taken place.

- In 2004, tourism was Ontario's 7th largest generator of foreign exchange, following Transportation Equipment, Machinery, Chemical Products, Computer & Electronic Products, Primary Metals, and Plastics and Rubber Products Manufacturing. Tourism generated $6.7 billion in foreign exchange for the province.
- In 2004, tourism Gross Domestic Product (GDP)[3] in Ontario was $11.6 billion. This means that 2.2% of the provincial economy was directly attributable to the value added of the tourism industry.
- Tourism GDP in Ontario was greater than that of the agriculture, forestry/logging, commercial fishing/hunting and mining industries combined in 2004.
- The total contribution of tourism to the provincial GDP[4] (direct, indirect and induced) amounted to $19.4 billion in 2004.
- In 2004, tourism employment[5] in Ontario reached 205,670 jobs, accounting for 3.3% of Ontario's total employment. Tourism was the 14th largest industry in the province in terms of employment.
- This is the break-down of the 205,670 tourism jobs by sector:
    - 49,850 jobs in Accommodations
    - 49,380 jobs in Food & Beverage services
    - 19,670 in Arts, Recreation and Entertainment
    - 36,780 in Transportation
    - 22,960 in Retail
    - 16,930 in Travel Services
    - 1,500 in Car Rental and
    - 8,600 in other service sectors

- Total contribution of tourism to the employment in the province[6] (direct, indirect and induced) reached 310,518 jobs in 2004.

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[3] Gross Domestic Product (GDP): Value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. This GDP is measured at market prices. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

[4] The total contribution of tourism to the provincial GDP includes: tourism GDP, indirect GDP (the GDP generated from the expansion of demand from tourism-related businesses to other businesses or sectors) plus induced GDP (the GDP associated with the re-spending of labour income and /or profits earned in the industries that serve travellers directly and indirectly).

[5] Tourism employment: The full-time, part-time and seasonal jobs, as well as both employed and self-employed jobs in those tourism-related businesses that directly produce or provide goods and services for travelers.

[6] Total contribution of tourism to the employment in the province: Includes tourism employment, indirect employment (the jobs generated from the expansion of demand from travellers to other businesses or sectors) plus induced employment (the jobs associated with the re-spending of labour income and /or profits earned in the industries that serve travellers directly and indirectly).

- In 2004, tax revenues from tourism[7] for all three levels of government in Ontario reached $6.4 billion – $3.4 billion in federal tax revenues, $2.9 billion in provincial and $125 million in municipal tax revenues[8].
- For every dollar of tourism receipts in Ontario in 2004, governments received 30 cents in tax revenues directly, of which federal government received 16 cents, provincial government 13 cents and municipal governments 1 cent.
- The total contribution of tourism to tax revenues[9] (direct, indirect and induced) for all three levels of government amounted to $10.0 billion in 2004.

For more information on the economic impact of tourism in Ontario, please visit
http://www.tourism.gov.on.ca/english/research/trends/index.html

[7] Tax revenue from tourism: refers to the personal, corporate, commodity and other taxes generated in those businesses that directly produce or provide goods and services for travelers

[8] Federal tax revenues: refers to personal income tax, corporate income tax, commodity tax (GST, gas tax, excise tax, duty tax, air tax and trading profits) and payroll deduction that collected by the federal government.

Provincial tax revenues: refers to personal income tax, corporate income tax, commodity tax (PST, gas tax, gallon tax, amusement tax and trading profits) and employer health tax that collected by Ontario provincial government.

Municipal tax revenues: refers to business and personal property taxes that collected by the municipalities.

[9] The total contribution to tax revenue of tourism: Includes tax revenue from tourism, indirect tax revenues (the tax revenues generated from the expansion of demand from travellers to other businesses or sectors) plus induced tax revenues (the tax revenues associated with the re-spending of labour income and /or profits earned in the industries that serve travellers directly and indirectly).