JULY 2008

Highlights

July 2008 over 2007:

- Trips from the U.S. to Ontario posted a decline of 11.4%, with same-day travel down by 19.9% and overnight trips down by 3.1%.
- Visits from overseas markets to Ontario increased by 2.4%.
- Travel by Ontarians to the U.S. increased by 0.9% (same-day travel decreased by 0.4%, while overnight trips up by 3.0%), while travel to overseas countries increased by 11.3%.
- Occupancy rates in Ontario hotels were down by 1.1 percentage points, while the average daily rate (ADR) was down by 1.0%.
- Ontario's Travel Price Index was up by 18.7%.

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Tourism Industry Statistics

Border Crossings

Total International Entries

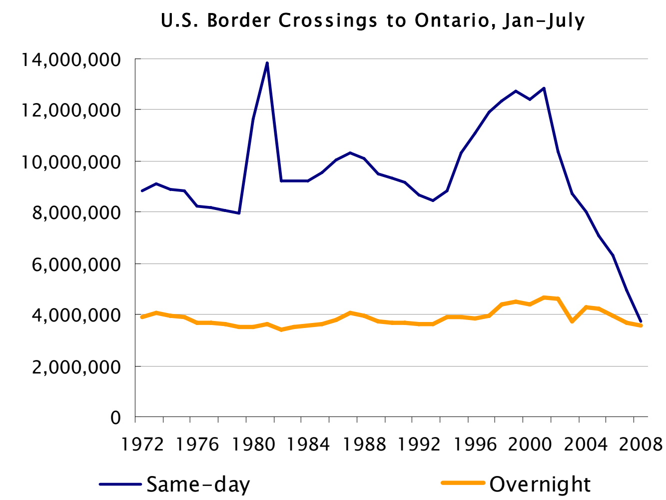
During July 2008, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 9.9% over July 2007, to about 2.1 million crossings (in 2007, July accounted for 15% of Ontario's annual international border crossings).

Total international border crossings in the first seven months of 2008 were 12.1% below 2007 levels.

U.S. Entries

During the month of July 2008, U.S. border crossings to Ontario fell by 11.4% over 2007 to 1.85 million crossings. **83% of the decline was attributable to losses in same-day entries**, which were down by 19.9% over 2007. **Overnight entries**, meanwhile, **were down by 3.1%**.

In July, the decrease in overnight travel was the result of a decrease of 2.9% in auto travel and a decrease of 3.6% in non-auto travel.



Source: Statistics Canada

During the first seven month of 2008, there were 7.4 million border crossings from the U.S. to Ontario, a decrease of 14.0% over 2007 – and 56% fewer entries than in 1998, the peak year for U.S. border crossings.

For the first seven months of 2008, there were 3.9 million same-day U.S. entries to Ontario, a decrease of 21.4% (or 1.1 million fewer entries) over the same period in 2007. Overnight entries, which totalled 3.6 million, were down 4.2% (or 160,000 entries) from 2007.

Though all provinces are experiencing large declines in U.S. border crossings over the first seven months of the year, Ontario's losses are the most significant.

Province	U.S. Entries, July 2008 over 2007		U.S. Entries, YTD: Jan-July 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	**1,850,424**	**-11.4%**	**7,442,482**	**-14.0%**
B.C.	671,170	-10.6%	2,640,297	-11.3%
Quebec	277,930	-9.9%	1,239,035	-11.0%
Canada	3,263,091	-11.2%	12,891,026	-13.1%

Source: Statistics Canada

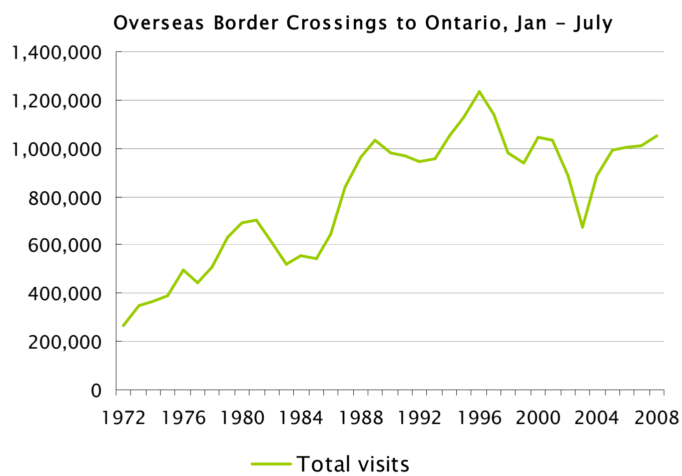
U.S. Entries: Air Travel

In July, commercial air travel[1] from the U.S. to Ontario was down by just 0.3% over July 2007. For the first seven months of 2008, air travel was down 3.4% over 2007.

Overseas Entries

In July 2008, overseas border crossings to Ontario increased by 2.4% over July 2007.

In the first seven months of 2008, overseas border crossings increased by 4.4% over the same period in 2007.



Source: Statistics Canada

[1] Commercial air travel represents 97% of all air travel.

Ontario has seen growth in overseas crossings over the first seven months of 2008. The province's performance is above that of the country with the exception of Quebec, which has seen strong growth over the recent months.

Province	Overseas Entries, July 2008 over 2007		Overseas Entries, YTD: Jan-July 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	**275,089**	**+2.4%**	**1,052,772**	**+4.4%**
B.C.	222,859	-0.3%	892,738	+0.3%
Quebec	133,510	+10.4%	469,659	+5.6%
Canada	715,176	+2.9%	2,728,957	+3.6%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In July 2008, Ontario saw an increase in arrivals from France, while arrivals from the U.K. decreased and those from Germany and Japan remained stable over July 2007.

Over the first seven months of 2008, arrivals from Germany and France are up, by 5.4% and 2.3%, respectively, while arrivals from the U.K. and Japan are down significantly over the same period of last year.

Market	July 2008 over 2007		YTD: Jan-July 2008 over 2007	
	Entries*	% change	Entries*	% change
U.K.	52,022	-10.4%	198,654	-6.1%
Germany	15,556	+0.1%	67,435	+5.4%
Japan	10,743	0.0%	50,370	-15.6%
France	10,135	+3.1%	36,300	+2.3%

Source: Statistics Canada

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

*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.

In July 2008, arrivals from India, South Korea, Australia and Brazil saw the most significant increases over 2007.

In the first seven months of 2008, arrivals from Mexico, China, India and South Korea have seen the most significant increase over the previous year.

Market*	July 2008 over 2007		YTD: Jan-July 2008 over 2007	
	Entries*	% change	Entries*	% change
Mexico	20,998	+4.0%	72,295	+14.6%
South Korea	12,696	+13.2%	44,952	+10.3%
India	7,225	+17.2%	38,107	+12.1%
China	7,943	-1.3%	32,997	+12.6%
Brazil	6,615	+6.6%	30,616	+1.6%
Italy	7,822	-3.4%	29,252	+4.2%
Australia	5,986	+8.3%	27,060	+7.6%
Netherlands	7,475	-2.9%	26,586	+6.2%
Hong Kong	5,573	+3.8%	21,189	+2.8%

Source: Statistics Canada

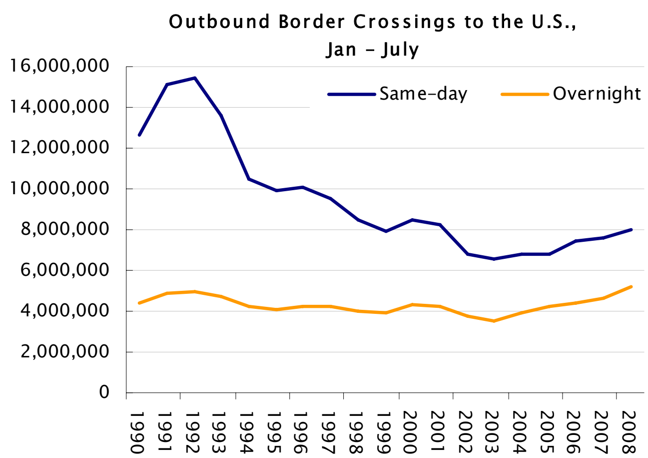
*Origin markets listed in order, based on YTD entries.

Outbound Travel

Ontarians are travelling outside of Canada in record numbers.

Travel to the U.S.

Ontarians made more than 2.1 million crossings to the U.S. in July 2008, an increase of 0.9% over 2007. Overnight visits, which represented 40% of crossings, were up by 3.0% over July 2007, while same-day visits were down by 0.4%.



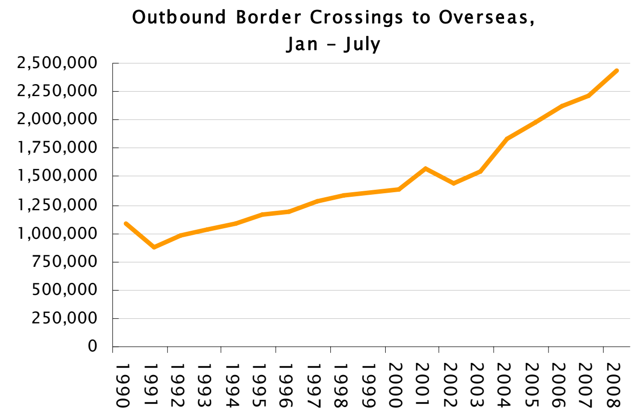
Source: Statistics Canada

Over the first seven months of 2008, visits by Ontarians to the U.S. are up 7.9% over 2007, with overnight visits up 12.6% (or 585,000 entries) and same-day visits up by 5.1% (or 390,000 entries).

Travel to Overseas Countries

Ontarians made almost 300,000 trips to overseas countries in July 2008, up by 11.3% over 2007.

Over the first seven months of 2008, travel by Ontarians to overseas countries was up 9.4%, or almost 210,000 trips, from the same period of 2007.



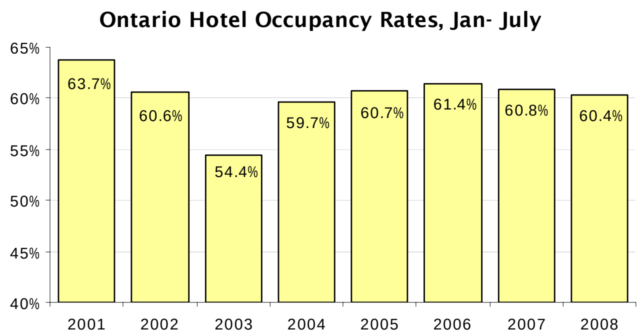
Source: Statistics Canada

Accommodation

Occupancy Rates

The occupancy rate at Ontario hotels in July 2008 was 67.1%, down 1.1 percentage points over 2007. Across the province, occupancy was highest in Niagara Falls (84.2%), Thunder Bay (80.1%), Sudbury (76.9%) and downtown Toronto (74.5%). Of these regions, all experienced an increase in occupancy rates over July 2007. Across the rest of the province, other regions saw either declines or only marginal growth.

Over the first seven months of 2008, occupancy rates at Ontario hotels averaged 60.4%, down 0.5 of a percentage point over the same period of last year.

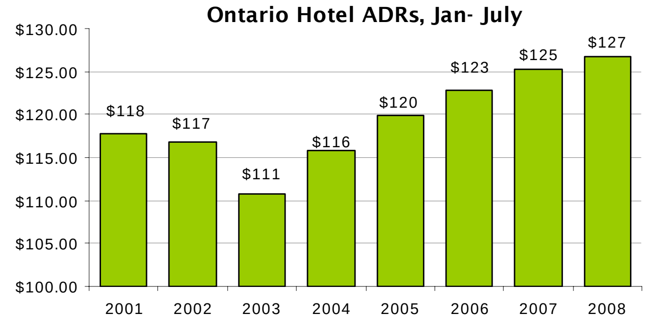


Source: PKF Consulting, Hotel Trends

Average Daily Rates

The average daily rate (ADR) in Ontario decreased by 1.0% in July 2008 to $125.90, with Niagara Falls ($171.11), and downtown Toronto ($152.95), Kingston ($136.60) and downtown Ottawa ($129.69) achieving the highest ADRs for the month. Results were mixed across the province, with the Northern and Eastern regions experiencing growth over 2007 while most other regions experienced declines.

Over the first seven months of 2008, the ADR in Ontario increased 1.3% to $126.82 for the period. Results were moderately positive across most of the province, with the exception of Central Ontario and Niagara Falls and Windsor, in the Southern Ontario corridor, which experienced minor declines. The Northern regions are enjoying healthy growth in rates over the period.



Source: PKF Consulting, Hotel Trends

Revenue per Available Room

Revenue per available room (revPAR) in July 2008 was down 2.6% over 2007, while over the first seven months of 2008, revPAR was up 0.5% over the same period last year.

Canadian Air Carriers Data

Overall passenger traffic for Air Canada, measured in revenue-passenger miles (RPMs), decreased by 0.6% in July 2008 over 2007. For the first seven months of 2008, passenger traffic increased by 2.6% over the same period of 2007.

In July 2008, overall passenger traffic for WestJet increased by 18.3% over 2007 and by 19.0% in the first half of 2008 over 2007.

Source: aircanada.ca and westjet.ca

Travel Price Index

Ontario's Travel Price Index (TPI) increased by 3.1% in July 2008 over the previous month. The increase was due to a mix of small increases or decreases in across a number of categories.

Looking back over the last year, Ontario's TPI in July 2008 was up by 18.7% over July 2007. Increases in the cost of auto operation, inter-city transportation and, to a lesser extent, local transportation, were the main sources of the increase. These were partially offset by declines in the cost of auto rentals, recreational equipment and services and home recreation equipment.

Ontario's TPI is increasing at a faster rate than the province's Consumer Price Index (CPI), which was up by 0.8% in July 2008 over the previous month, and by 3.6% over July 2007.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index was up 1.5% in July 2008 over the previous month, and was up 10.2% over July 2007.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

After significant declines in the two previous months, the national consumer confidence index stabilized in July, moving up 1.4 points to close at 81.0 (2002=100). Consumers were a little more optimistic about their current and future financial conditions and about making major purchases, but remained concerned about future job prospects in their communities.

The gains in consumer confidence were in Central Canada, where the index in Quebec was up 5.0 points and 2.6 points in Ontario. Optimism continued to decline in British Columbia where the index fell 3.6 points. In the Prairies, the index was down 1.7 points while it was down 2.5 points in the Atlantic provinces.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index which has been declining since last summer, improved moderately in July. The index was up 1.5 points to stand at 51.9 points (1985=100).

Source: The Conference Board

Employment

After little change in June, employment in Canada dropped by 0.3% or 55,000 jobs in July. The national unemployment rate, however, edged down 0.1 percentage points to 6.1% as many people left the labour force. Employment grew by 1.3% over the last 12 months, with the economy adding 227,000 new jobs.

Employment in Ontario was down in July over the previous month, with 19,000 fewer jobs. The unemployment rate declined by 0.3 percentage points to 6.4% as many people exited the workforce. Ontario saw growth in employment in July 2008 over July 2007 of 1.2%, slightly below the national average.

In July 2008, employment in Ontario's tourism-related industries was up 9.4% over the previous month. Employment, however, was down by 10.1% over July 2007 across the sector, with decreases in many areas including traveller accommodation, other amusement and recreation industries, performing arts and travel arrangements.

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

Bankruptcies

In July, there were 3,229 bankruptcies in Ontario. Of these, 168 were businesses while the rest were consumers. Business bankruptcies were down 20% over July 2007. Consumer bankruptcies, however, were up 22% over July 2007.

In the first seven months of 2008, there were 21,359 bankruptcies in Ontario, including 1,573 by businesses. Business bankruptcies were down by 5% over the same period of 2007.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 32,000 calls to the 1-800-ONTARIO call centre in July 2008, down 7% over July 2007.

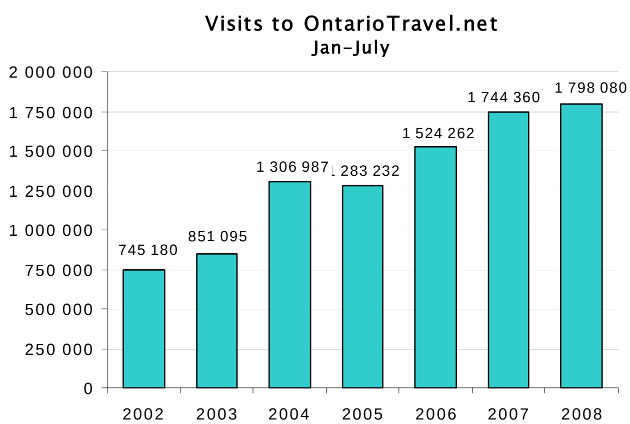
There have been about 105,000 calls over the first seven months of 2008, a decrease of 21% over 2007.

Source: Electronic Data Systems

OntarioTravel.net

In July 2008, there were approximately 325,000 user sessions on **ontariotravel.net,** Ontario's travel website, an increase of 8% in the number of user sessions on the main website over July 2007.

In the first seven months of 2008, there were approximately 1.8 million user sessions on the main site of the province's travel website, up 3% from 2007.



Source: Ontario Tourism Marketing Partnership Corp.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 210,000 in July 2008, a decrease of 21% over 2007.

Over the first seven months of 2008, there were about 580,000 visits to Ontario TICs, 23% fewer than in the same period of 2007.

Change in Visits to Ontario's TICs

Location	July 2008 over 2007	YTD: Jan-July 2008 over 2007
Barrie	-31.4%	-21.8%
Cornwall	-15.8%	-21.1%
Fort Erie	-46.8%	-49.4%
Fort Frances	-31.7%	-46.7%
Niagara Falls	-20.4%	-24.1%
Sarnia	-18.1%	-15.0%
Sault Ste Marie	-34.0%	-35.5%
St. Catharines	-5.2%	-17.2%
Toronto	1.3%	-1.5%
Windsor Park	15.5%	-3.5%
Windsor HC	-27.0%	-28.5%
Hill Island	-40.7%	-37.4%
Kenora	-21.9%	-15.8%
Lancaster	-57.9%	-55.0%
Pigeon River	-33.1%	-26.4%
Prescott	-29.2%	-31.1%
Rainy River	-19.6%	-18.3%
417	28.3%	4.5%
TOTAL	-21.1%	-22.9%

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	July 2008 over 2007	YTD: Jan -July 2008 over 2007
Royal Ontario Museum	+29%	+57%
Ontario Science Centre	-15%	-10%
Science North	-11%	-4%
Ontario Place	-5%	+5%
McMichael Gallery	+26%	-15%
Royal Botanical Gardens	+5%	+1%
Ontario Heritage Trust[2]	+5%	+14%
Fort William Historical Park	+3%	-28%
Huronia Historical Parks	+10%	+4%

Source: Individual agencies are self-reporting.

[2] Ontario Heritage Trust includes: Winter Garden, Fulford Place, and Uncle Tom's Cabin.

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 result.
It is anticipated that domestic travel data for 2006 will be available by early fall 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 2005.
  - 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.

[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).