

MARCH 2009

Highlights

March 2009 over March 2008:

- Employment in Ontario's tourism-related industries was up slightly by 0.2%.
- Trips from the U.S. to Ontario declined 3.9%, with same-day travel down slightly by 0.6% and overnight trips down by 10.4%.
- Visits from overseas markets to Ontario declined by 19.1%.
- Travel by Ontarians to the U.S. decreased by 15.1% (same-day trips down by 18.8% and overnight trips down by 10.7%), while travel to overseas countries grew by 2.3%.
- Ontario's Travel Price Index was up by 4.3%.

YTD March 2009 versus YTD March 2008:

- U.S. trips to Ontario decreased 3.7%, with same-day visits dropping 2.2% and overnight trips declining 5.9%.
- Visits from overseas markets to Ontario decreased 10.9%.
- Ontarians' trips to the U.S. declined by 15.5% (same-day visits down 18.7% and overnight entries down 10.9%), while travel to overseas countries increased by 3.2%.

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Tourism Industry Statistics

Border Crossings

Total International Entries

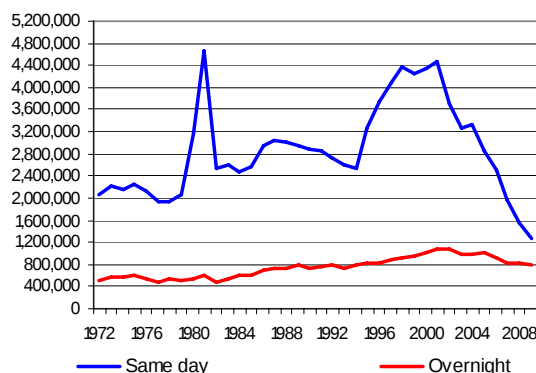
During March 2009, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 5.6% over March 2008 to 829,000 crossings. Although March recorded a drop in entries, the decline was well below the 2008 average decline of 11.2%. In 2008, March accounted for 5.9% of Ontario's annual international border crossings.

For the 3 months ended March 2009, total international border crossings (2.3 million entries) declined by 4.4% over 2008.

U.S. Entries

U.S. entries accounted for 91% of international entries into Ontario in March 2009. During this month, U.S. border crossings into Ontario fell by 3.9% over March 2008 to 751,000 crossings. This decline was driven by a 10.4% drop in overnight entries while same-day entries were down slightly by 0.6%.

US Border Crossings to Ontario, Jan-Mar 1972 -2009



Source: Statistics Canada

For the 3 months ending March 2009, there were 2.1 million border crossings from the U.S. to Ontario, a decrease of 3.7% over 2008. Same-day visits declined 2.2% (29,000 fewer crossings) while overnight visits dropped 5.9% (49,000 fewer crossings).

U.S. entries into other provinces declined at a greater rate than entries to Ontario, both in March 2009 and Q1 2009. During January-March 2009, Ontario, which accounted for 59% of U.S. entries into Canada, experienced a 3.7% decline in U.S. visits, lower than the national average decline of 5.6%.

Province	U.S. Entries, Mar 2009 over Mar 2008		U.S. Entries, YTD Mar 2009 over YTD Mar 2008	
	Entries*	% change	Entries*	% change
Ontario	750,606	-3.9%	2,060,923	-3.7%
B.C.	245,365	-9.0%	675,548	-9.1%
Quebec	123,827	-11.6%	365,283	-8.8%
Canada	1,254,647	-5.9%	3,466,304	-5.6%

Source: Statistics Canada

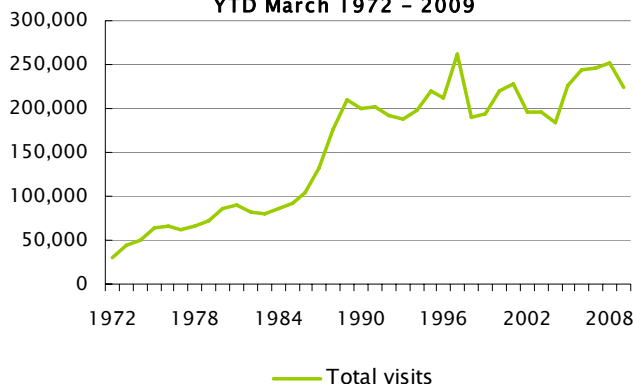
U.S. Entries: Mode of Transportation

In March 2009, 81% of U.S. entries to Ontario were via an automobile, 12% by commercial air travel¹, 6% by bus and 1% by other modes. Entries by automobile were down 4.3% in March 2009 and down 4.5% for the 3 months ended March 2009 compared with 2008. Commercial air travel from the U.S. was down 10.0% in February 2009 while entries by bus were up 24.4%.

Overseas Entries

In March 2009, the 79,000 overseas entries into Ontario accounted for 9.5% of the province's total international entries, a decline of 19.1% compared to March 2008. During Q1 2009, overseas entries to Ontario dropped 10.9% over 2008. March accounted for 5.3% of overseas entries in 2008.

Overseas Border Crossings to Ontario,
YTD March 1972 - 2009



Source: Statistics Canada

¹ Commercial Air Travel represents 96% of all air travel

Other provinces also experienced a decrease in overseas entries during March 2009. For the 3 months ended March 2009, overseas entries to all regions dropped. Ontario accounted for 35% of Canada's overseas entries during Q1 2009.

Province	Overseas Entries, Mar 2009 over Mar 2008		Overseas Entries, YTD Mar 2009 over YTD Mar 2008	
	Entries*	% change	Entries*	% change
Ontario	78,648	-19.1%	224,182	-10.9%
B.C.	78,275	-8.9%	226,983	-6.8%
Quebec	34,645	-19.3%	111,963	-10.5%
Canada	215,419	-16.5%	636,815	-9.7%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In March 2009, Ontario saw an increase in arrivals from France, relative to March 2008, while U.K., German and Japanese arrivals were down.

For the 3 months ended March 2009, arrivals from France rose 14.0% while arrivals from Germany, the U.K. and Japan fell compared to 2008.

Market	Mar 2009 over Mar 2008		YTD Mar 2009 over YTD Mar 2008	
	Entries*	% change	Entries*	% change
U.K.	12,635	-26.4%	36,733	-18.3%
Germany	5,060	-19.0%	15,432	-3.1%
Japan	3,378	-48.5%	7,511	-48.0%
France	3,069	+13.2%	10,438	+14.0%

Source: Statistics Canada

Overseas Entries: Emerging Markets

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

March 2009 arrivals were up for the Netherlands (8.3%) compared to March 2008. Arrivals during Q1 2009 were up for Brazil, China and the Netherlands versus Q1 2008.

* Number of non-resident travelers entering Canada through an Ontario port of entry, by country of residence (excluding the United States.) Number of entries will differ from 'visits' reported through domestic and international surveys.

Market*	Mar 2009 over Mar 2008		YTD Mar 2009 over YTD Mar 2008	
	Entries*	% change	Entries*	% change
Mexico	6,016	-35.5%	14,869	-28.2%
South Korea	2,607	-29.1%	7,464	-30.2%
India	2,924	-8.0%	7,433	-7.5%
China	2,934	-11.3%	9,808	5.9%
Italy	1,769	-24.3%	5,158	-16.4%
Brazil	2,362	-21.1%	10,407	6.0%
Australia	1,578	-29.2%	5,717	-15.8%
Netherlands	1,742	8.3%	4,940	9.4%
Hong Kong	1,622	-16.8%	5,000	-10.2%

Source: Statistics Canada

Outbound Travel

Total International Entries

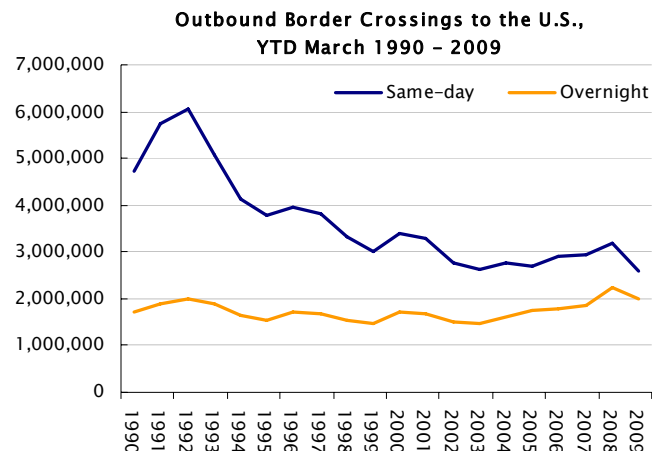
During March 2009, Ontarians made 2.3 million international border crossings (U.S. and overseas), a decline of 12.3% versus March 2008.

Total international border crossings during January-March 2009 by Ontarians decreased by 12.0% over 2008 to 5.9 million crossings.

Ontario continues to generate more visitors to international destinations than it receives: in March 2009, there were 829,000 international entries into Ontario compared to 2.3 million international border crossings made by Ontarians.

Travel to the U.S.

Travel to the U.S. accounted for 80% of Ontarian's international visits in March 2009. Ontario residents made 1.8 million entries into the U.S. in March 2009, 15.1% fewer than in March 2008. Same-day visits, which represented 52% of entries, declined 18.8% while overnight visits dropped 10.7%.

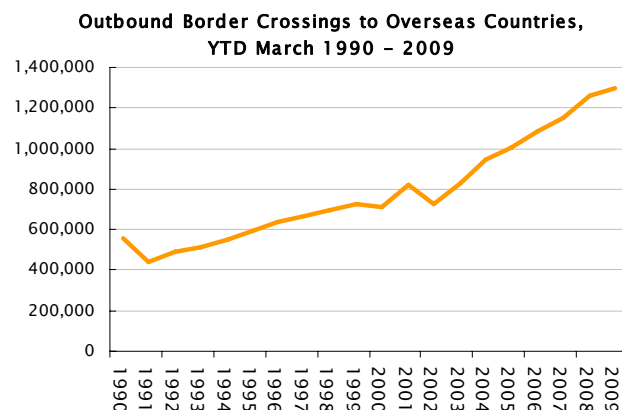


Source: Statistics Canada

For the 3 months ended March 2009, there were 4.6 million border crossings from Ontario to the U.S., a decrease of 15.5% over 2008. Same-day visits declined 18.7% (or 600,000 entries) while overnight visits dropped 10.9% (or 243,000 entries) compared to 2008.

Travel to Overseas Countries

In March 2009, overseas travel represented 20% of Ontario resident's international border crossings with 466,000 entries. Travel to overseas countries has been growing since 2003 and this growth is continuing in 2009 with a 2.3% increase in March 2009 and a 3.2% increase in Q1 2009 compared to 2008.



Source: Statistics Canada

Accommodation

Occupancy Rates

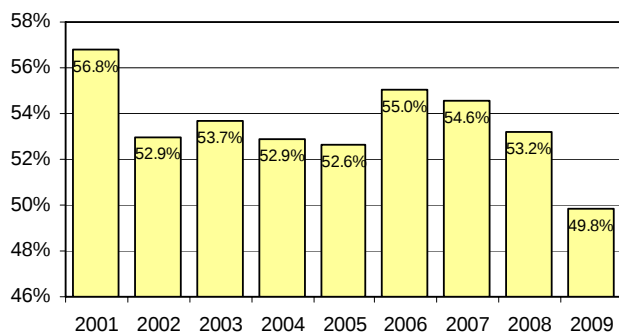
The occupancy rate at Ontario hotels in March 2009 was 51.4%, down 2.8 percentage points over March 2008.

North Bay, Ottawa, downtown Toronto and Thunder Bay all reported occupancy rates over 60% while the Niagara region and Kitchener/Waterloo/Cambridge/Guelph posted rates below 40%. Across the province, occupancy was down in most regions in March 2009 compared to March 2008.

Q1 tends to have lower occupancy than other quarters throughout the year, and for Q1 2009, hotel occupancy in Ontario was 49.8%, down 3.2 percentage points compared to Q1 2008.

In comparison to Q1 2008, Niagara Falls, North Bay and Kingston were all up over 2 points in Q1 2009. Conversely Hamilton was down 12.8 points, Sudbury - 12.1, and Toronto Airport -7.3 in Q1 2009 over Q1 2008.

Ontario Hotel Occupancy Rates, Jan-Mar



Source: PKF Consulting, Hotel Trends

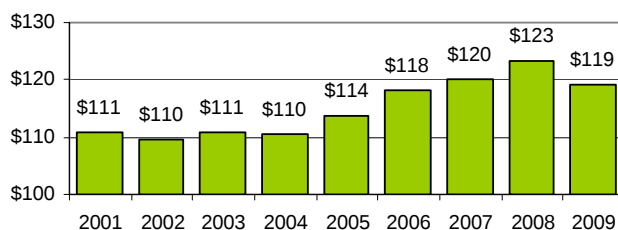
Average Daily Rates

The average daily rate (ADR) in Ontario decreased by 2.9% in March 2009 to \$119.32. ADR averaged \$127.15 in 2008 and fell below \$120 in only one month (Dec) of 2008.

In March 2009, ADR was highest in downtown Toronto at \$148.89 and lowest in Sault Ste. Marie at \$83.25. All regions other than the GTA, Southern Ontario and Central Ontario reported an increase in monthly ADR compared to the previous year.

For the 3 months ending March 2009, Ontario ADR was down 3.0% to \$119.06 compared to January-March 2008. Similar to the March monthly results, quarterly ADR is down in the GTA, Southern Ontario and Central Ontario.

Ontario Hotel ADRs, Jan-Mar



Source: PKF Consulting, Hotel Trends

Revenue per Available Room

Revenue per available room (revPAR) at \$61.38 in March 2009 was down by 7.9% over 2008. For Q1 2009, revPAR was down 8.9% to \$59.35 compared to Q1 2008.

Travel Price Index

Ontario's Travel Price Index (TPI) increased 2.0% in March 2009 over February 2009. This increase was mainly due to increases in the cost of travel and retail.

Ontario's TPI in March 2009 was up 4.3% compared to March 2008. Increases in the cost of inter-city and local transportation, food and beverage, and air transportation were the sources of the growth.

In March 2009, Ontario's Consumer Price Index (CPI) was up slightly (an increase of 0.5%) over February 2009. Relative to March 2008, however, the growth in Ontario's TPI (4.3%), outpaced that of the CPI which increased only by 1.8%.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index for March 2009 was down 8.1% over March 2008.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

The Index of Consumer Confidence edged up slightly in March 2009, growing 2.7 percentage points to 71.5 (2002 = 100). Ontarians continue to have concerns over their current and future financial situation, however, their confidence in regards to future employment opportunities did improve. Also, for the sixth consecutive month, a greater proportion of consumers indicated that now was a good time to make a major purchase.

Ontario results were unchanged from February while all other regions showed improvement.

Region	Mar 2009	Point change Mar 2009 vs Feb 2009
Canada	71.5	+2.7
BC	82.6	+1.4
Prairie provinces	76.1	+5.1
Ontario	66.3	No change
Quebec	68.8	+4.5
Atlantic provinces	80.7	+7.0

Source: The Conference Board of Canada

Although the U.S. Consumer Confidence Index set a new all time low in February 2009, it edged up slightly in March 2009 to 26.0 (1985=100).

Source: The Conference Board

Employment

In March 2009, employment in Ontario's tourism-related industries was up slightly by 0.9% compared to February 2009. Employment in Amusement, Recreation, and Gambling Industries, Travel Arrangement and Rail Transportation grew in March 2009 while Retail experienced declines.

In comparison to March 2008, employment in March 2009 was up slightly by 0.2%. Growth came primarily from the Accommodation and Food industry while employment in Transportation and Retail also increased.

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

Consumer Response Indicators

1-800-ONTARIO

There were approximately 8,600 calls to the 1-800-ONTARIO call centre in March 2009, down 9% over March 2008.

Throughout the first 3 months of 2009, there were about 20,000 calls, a decrease of 18% over the same period in 2008.

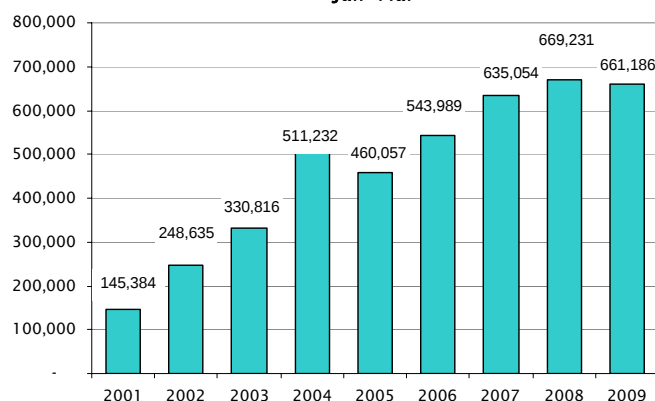
Source: Electronic Data Systems

OntarioTravel.net

In March 2009, there were approximately 221,000 user sessions on **ontariotravel.net**, Ontario's travel website, a decrease of 19% in the number of user sessions on the main website over March 2008.

During Q1 2009, there were approximately 661,000 user sessions on the main site of the province's travel website, down 1% from Q1 2008.

Visits to OntarioTravel.net
Jan-Mar



Source: Ontario Tourism Marketing Partnership Corp.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 42,000 in March 2009, an increase of 9.6% over March 2008.

For the first 3 months of 2009, there were about 106,000 visits to Ontario TICs, 7% more than in the first quarter of 2008.

Change in Visits to Ontario's TICs		
Location	Mar 2009 over Mar 2008	YTD Mar 2009 over YTD Mar 2008
Barrie	-3%	-3%
Cornwall	+24%	+19%
Fort Erie	+64%	+49%
Fort Frances	+56%	+60%
Niagara Falls	+23%	+8%
Sarnia	-25%	-8%
Sault Ste Marie	+7%	0%
St. Catharines	+15%	+22%
Toronto	-5%	-5%
Windsor Park	+8%	+4%
Windsor HC	+27%	+15%
Hill Island	Closed for season	Closed for season
Kenora	Closed for season	Closed for season
Lancaster	Closed for season	Closed for season
Pigeon River	Closed for season	Closed for season
Prescott	Closed for season	Closed for season
Rainy River	Closed for season	Closed for season
417	Closed for season	Closed for season
TOTAL	+10%	+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	Mar 2009 over Mar 2008	YTD Mar 2009 over YTD Mar 2008
AGO	+250%*	+168%*
Fort William Historical Park	+45%	+98%
Huronian Historical Parks	+114%	-4%
McMichael Gallery	+17%	+26%
Niagara Parks Commission ²	+12%	+14%
Ontario Heritage Trust	-24%	-9%
Ontario Place	-8%	-19%
Ontario Science Centre	+15%	+6%
Royal Botanical Gardens	+110%	+44%
Royal Ontario Museum	-6%	-9%
Science North	+12%	+8%
St Lawrence Parks ³	closed until May	closed until May

*AGO reopened in Nov 08 therefore % change are versus 2007

Source: Individual agencies are self-reporting.

² Niagara Parks Commission attractions include: Sir Adam Beck, Butterfly Conservatory, Aerocar, Maid Of The Mist Elevator, White Water Walk, Journey Behind The Falls, Niagara's Fury

³ St Lawrence Parks includes Fort Henry and Upper Canada Village