

AUGUST 2009

Highlights

August 2009 over August 2008:

- Crossings from the U.S. to Ontario decreased 21.8%, with same-day travel down 26.5% and overnight crossings down 17.9%.
- Visits from overseas markets to Ontario declined by 16.0%.
- Travel by Ontarians to the U.S. decreased by 14.8% (same-day crossings down by 19.7% and overnight crossings down by 8.2%), while travel to overseas countries declined 6.1%.
- Employment in Ontario's tourism-related industries decreased by 5.1%.
- Ontario's Travel Price Index decreased 1.3%.

YTD Aug 2009 versus YTD Aug 2008:

- U.S. crossings to Ontario decreased 11.9%, with same-day crossings down 15.2% and overnight crossings down 8.5%.
- Visits from overseas markets to Ontario decreased 14.8%.
- Ontarians' crossings to the U.S. declined by 13.2%, (same-day visits down 20.7% and overnight entries down 9.3%), while travel to overseas countries increased by 0.3%.

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Tourism Industry Statistics

Border Crossings

Total International Entries

During August 2009, total international border crossings (including U.S. and overseas visitors) to Ontario decreased by 21.1% over August 2008 to 1.7 million crossings. In 2008, August accounted for 14.3% of Ontario's annual international border crossings.

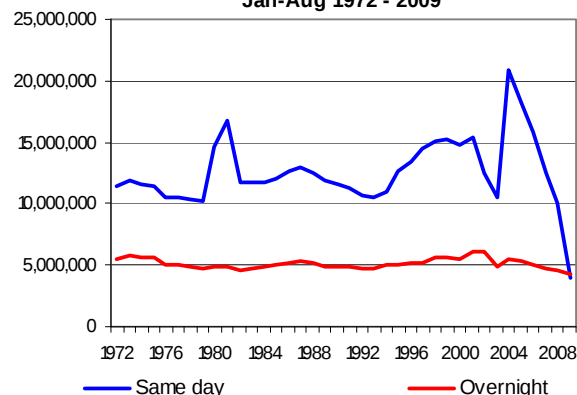
For the 8 months ending August 2009, total international border crossings (9.3 million entries) declined by 12.3% over 2008.

U.S. Entries

U.S. entries accounted for 88% of international entries into Ontario in August 2009. During this month, U.S. border crossings into Ontario declined 21.8% over August 2008 to 1.5 million crossings. Same-day entries declined 26.5% while overnight entries decreased 17.9%.

As of June 1, 2009 the Western Hemisphere Travel Initiative required all persons, including US residents, to have a passport, a NEXUS card (a pre-approved travel document for low-risk travellers), or an enhanced driver's license in order to enter or re-enter the United States.

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



Source: Statistics Canada

During the first 8 months of 2009, there were 8.2 million border crossings from the U.S. to Ontario, a decrease of 11.9% over 2008. Same-day crossings declined 15.2% with 721,000 fewer crossings and overnight crossings dropped 8.5% or 392,000 fewer crossings.

In August 2009, US entries declined to all regions of Canada. US entries also decreased to all regions during January-August 2009. Ontario accounted for 53% of U.S. entries into Canada during the first 8 months of 2009.

Province	U.S. Entries, Aug 2009 over Aug 2008		U.S. Entries, YTD Aug 2009 over YTD Aug 2008	
	Entries*	% change	Entries*	% change
Ontario	1,476,101	-21.8%	8,217,728	-11.9%
B.C.	645,260	-7.0%	3,180,735	-4.6%
Quebec	261,089	-14.1%	1,417,966	-8.1%
Canada	2,782,090	-16.1%	14,700,940	-9.3%

Source: Statistics Canada

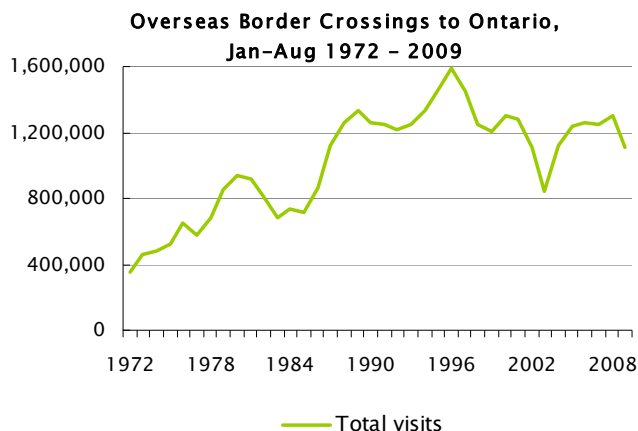
U.S. Entries: Mode of Transportation

In August 2009, 84% of U.S. entries to Ontario were via an automobile, 10% by commercial air travel¹, 2% by bus and 4% by other modes. Entries by automobile were down 22.8% in August 2009 and down 12.5% for the 8 months ending August 2009 compared with 2008. Commercial air travel from the U.S. was down 6.1% in August 2009 and entries by bus decreased 32.7%.

Overseas Entries

In August 2009, the 204,000 overseas entries into Ontario accounted for 12.2% of the province's total international entries, a decline of 16.0% compared to August 2008. August accounted for 13.2% of overseas entries in 2008.

During the first 8 months of 2009, overseas entries to Ontario dropped 14.8% over 2008.



Source: Statistics Canada

¹ Commercial Air Travel represents 96% of all air travel

All provinces experienced a decrease in overseas entries in August 2009. During the first 8 months of 2009, overseas entries to all regions also dropped. Ontario accounted for 37% of Canada's overseas entries during Jan-August 2009.

Province	Overseas Entries, Aug 2009 over Aug 2008		Overseas Entries, YTD Aug 2009 over YTD Aug 2008	
	Entries*	% change	Entries*	% change
Ontario	204,452	-16.0%	1,104,553	-14.8%
B.C.	177,599	-13.6%	962,976	-12.3%
Quebec	113,104	-11.8%	542,749	-9.2%
Canada	557,280	-14.6%	2,945,574	-12.9%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In August 2009, arrivals from all traditional markets, U.K., Germany, Japan, and France were down relative to August 2008.

During the first 8 months of 2009, arrivals from France rose slightly by 0.1%, while arrivals from the U.K., Germany and Japan fell compared to 2008.

Market	Aug 2009 over Aug 2008		YTD Aug 2009 over YTD Aug 2008	
	Entries*	% change	Entries*	% change
U.K.	39,332	-19.2%	203,787	-17.6%
Germany	17,015	-4.7%	80,631	-5.5%
Japan	8,059	-26.5%	38,111	-37.9%
France	11,149	-11.2%	48,932	0.1%

Source: Statistics Canada

Overseas Entries: Emerging Markets

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

Arrivals from most overseas countries other than the China were down both in August 2009 and for the 8 months ending August 2009 compared to 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*	Aug 2009 over Aug 2008		YTD Aug 2009 over YTD Aug 2008	
	Entries*	% change	Entries*	% change
Mexico	4,517	-64.0%	52,168	-37.8%
South Korea	6,024	-42.4%	34,132	-38.4%
India	5,875	-4.7%	37,554	-15.2%
China	6,927	14.8%	36,639	-6.1%
Italy	10,170	-12.5%	36,259	-11.3%
Brazil	4,399	-29.3%	31,046	-15.7%
Australia	3,945	-22.7%	26,852	-16.5%
Netherlands	5,250	-2.3%	29,627	-7.3%
Hong Kong	3,392	-16.4%	22,381	-11.3%

Source: Statistics Canada

Outbound Travel

Total International Entries

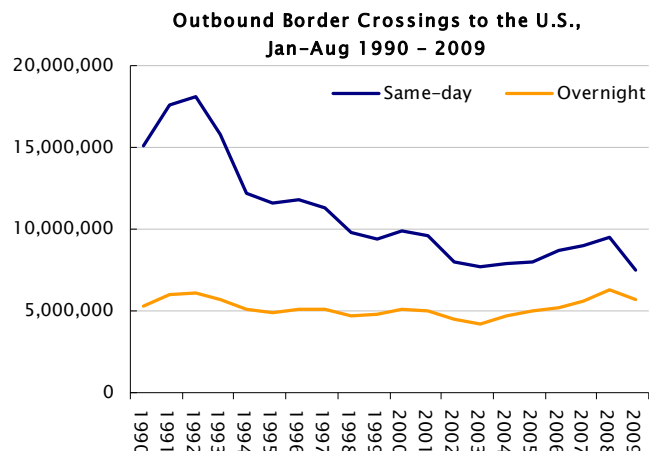
During August 2009, Ontarians made 2.5 million international border crossings (U.S. and overseas), a decrease of 13.7% versus August 2008.

Total international border crossings by Ontarians decreased 13.8% to 16.0 million crossings during January-August 2009 compared to 2008.

Ontario continues to generate more visitors to international destinations than it receives: in August 2009, there were 1.7 million international entries into Ontario compared to 2.5 million international border crossings made by Ontarians.

Travel to the U.S.

In August 2009, travel to the U.S. accounted for 86% of Ontarian's international visits. Ontario residents made 2.2 million entries into the U.S. in August 2009, 14.8% fewer than in August 2008. Same-day visits, which represented 55% of entries, declined 19.7% while overnight visits dropped 8.2%.



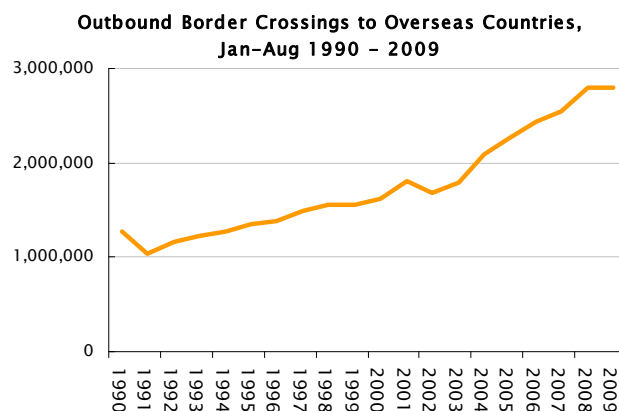
Source: Statistics Canada

For the 8 months ending August 2009, there were 13.2 million border crossings from Ontario to the U.S., a decrease of 13.2% over 2008. Same-day visits declined 20.7% or 2.0 million entries while overnight visits dropped 9.3% or 585,000 entries compared to 2008.

Travel to Overseas Countries

In August 2009, overseas travel represented 14% of Ontario resident's international border crossings with 348,000 crossings. Travel to overseas countries declined 6.1% in August 2009 compared to August 2008.

During the first 8 months of 2009, Ontarians made 2.8 million overseas crossings, a slight decrease of 0.3% over 2008.



Source: Statistics Canada

Accommodation

Occupancy Rates

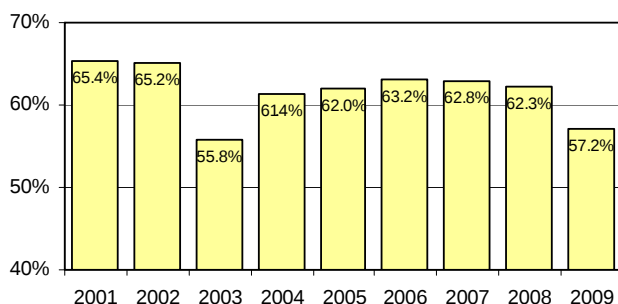
The occupancy rate at Ontario hotels in August 2009 was 68.0%, down 6.0 percentage points over August 2008.

Niagara Falls reported occupancy rates of 85.8%, while Northern Ontario, downtown Toronto and Ottawa, and Kingston all had rates above 70%. Compared to 2008, occupancy was down in all regions across the province, except in Sault Ste. Marie.

During the first 8 months in 2009, hotel occupancy in Ontario was 57.2%, down 5.1 percentage points compared to the first 8 months of 2008.

Downtown Toronto and Ottawa, Kingston, North Western and North Eastern Ontario all posted a 8 month occupancy rate over 60%. Occupancy rates in all regions declined in the 8 months ending August 2009 compared to August 2008.

**Ontario Hotel Occupancy Rates,
Jan-Aug 2001-2009**



Source: PKF Consulting, Hotel Trends

Average Daily Rates

The average daily rate (ADR) decreased by 5.2% in August 2009 to \$120.66.

In August 2009, ADR was highest in downtown Toronto at \$139.29 and lowest in Ottawa East at \$85.10. North Central Ontario and parts of Ottawa reported an increase in monthly ADR compared to the previous year while ADR in all other regions declined.

For the first 8 months of 2009, Ontario ADR was down 5.8% to \$119.18 compared to January-August 2008. Year-to-date ADR was up in North Eastern and North Western; Ottawa East and West; and parts of Southern Ontario.

**Ontario Hotel ADRs,
Jan-Aug 2001-2009**



Source: PKF Consulting, Hotel Trends

Revenue per Available Room

Revenue per available room (revPAR) at \$82.06 in August 2009 was down by 12.9% over August 2008. During January-August 2009, revPAR was down 13.5% to \$68.14 compared to January-August 2008.

Travel Price Index

Ontario's TPI decreased 1.3% in August 2009 compared to August 2008, driven by lower gas and accommodation prices. During the first 8 months of 2009, the Ontario TPI grew 0.8% compared to 2008. Increases in the cost of local transportation, food and beverage, and recreational services were the sources of the growth while the cost of operating a vehicle and accommodations declined.

In August 2009, the decrease in Ontario's TPI at 1.3% compares to a 1.0% decline in Ontario's CPI.

Ontario Index	Aug 2009 over Aug 2008
TPI	-1.3%
CPI	-1.0%

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index for August 2009 was down 8.7% over August 2008 while the US CPI was down 1.5%.

US Index	Aug 2009 over Aug 2008
TPI	-8.7%
CPI	-1.5%

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

The Index of Consumer Confidence increased for the 6th consecutive month in August 2009 to 88.4 (2002 = 100). Canadians are increasingly confident about current and future financial and employment conditions.

Confidence increased in all regions and grew 5.8 points in Ontario in August 2009.

Region	Aug 2009	Point change Aug 2009 vs Jul 2009
Canada	88.4	+5.5
BC	97.6	+5.8
Prairie provinces	92.5	+8.6
Ontario	86.3	+5.8
Quebec	85.1	+3.4
Atlantic provinces	86.5	+4.8

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index increased 0.4 points in August 2009 and now stands at 54.5 (1985=100).

Source: The Conference Board

Employment

In August 2009, employment in Ontario's tourism-related industries was down 5.1% compared to August 2008.

For the 8 months ending August 2009, tourism related employment decreased slightly by 0.8% versus 2008. Growth in the Air Transportation, Performing Arts and Amusement/Recreation industries were offset by declines in employment in Heritage Institutions, the Gambling industry and Accommodation services.

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

Consumer Response Indicators

1-800-ONTARIO

There were approximately 18,000 calls to the 1-800-ONTARIO call centre in August 2009, a decline of 21.7% over August 2008.

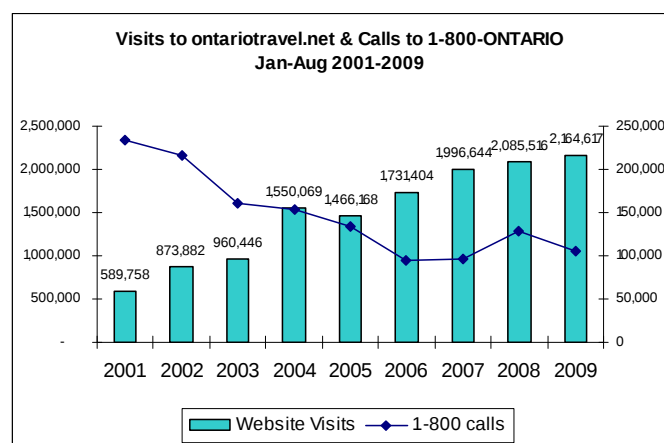
Throughout the first 8 months of 2009, there were about 106,000 calls, a decrease of 17.3% over the same period in 2008.

Source: Electronic Data Systems

OntarioTravel.net

In August 2009, there were approximately 305,000 user sessions on **ontariotravel.net**, Ontario's travel website, an increase of 6.0% in the number of user sessions on the main website compared to August 2008.

During the first 8 months of 2009, there were approximately 2.2 million user sessions on the main site of the province's travel website, up 3.8% from the first 8 months of 2008.



Source: Ontario Tourism Marketing Partnership Corp.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 197,000 in August 2009, a decrease of 8.4% over August 2008.

For the first 8 months of 2009, there were about 777,000 visits to Ontario TICs, 2.7% less than in the first 8 months of 2008.

Change in Visits to Ontario's TICs		
Location	Aug 2009 over Aug 2008	YTD Aug 2009 over YTD Aug 2008
Barrie	-18%	-13%
Cornwall	-18%	-4%
Fort Erie	-1%	20%
Fort Frances	38%	36%
Niagara Falls	-11%	-2%
Sarnia	-8%	-8%
Sault Ste Marie	12%	3%
St. Catharines	-8%	-3%
Toronto	-18%	-12%
Windsor Park	-25%	-12%
Windsor HC	-31%	-11%
Hill Island	-17%	-13%
Kenora	-4%	1%
Lancaster	-7%	29%
Pigeon River	7%	-10%
Prescott	60%	65%
Rainy River	30%	20%
417	-10%	-20%
TOTAL	-8%	-3%

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	Aug 2009 over Aug 2008	YTD Aug 2009 over YTD Aug 2008
AGO	+275%*	+229%*
Fort William Historical Park	-26%	+25%
Huronian Historical Parks	+2%	-1%
McMichael Gallery	-24%	+4%
Niagara Parks Commission ²	-2%	-1%
Ontario Heritage Trust	+5%	+9%
Ontario Place	-27%	-21%
Ontario Science Centre	+16%	+11%
Royal Botanical Gardens	-19%	+3%
Royal Ontario Museum	+3	-4%
Science North	+4%	+7%
St Lawrence Parks ³	-18%	-14%

*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