

Highlights

- In November 2006, the decrease in U.S. border crossings to Ontario continued (-10%), albeit at a slower rate (-15.9% decline seen in October 2006).
- Ontario welcomed fewer overseas travellers (-3.1%) in November 2006 over 2005, although year-to-date overseas entries are still marginally ahead of 2005 (+0.5%).
- Hotel indices for November 2006 show occupancy rates unchanged from November 2005 and average room rates up by 2%.

Inside This Issue

Tourism Industry Statistics

- 1 Border Crossings
- 2 Accommodation Statistics
- 3 Canadian Air Carriers Data
- 4 Travel Price Index

Economic Indicators

- 5 Consumer Confidence
- 6 Labour Force
- 7 Bankruptcies

Consumer Response Indicators

- 8 1-800-ONTARIO
- 9 Ontario Travel Information Centres
- 10 OntarioTravel.net
- 11 Attendance at Agencies

Tourism Industry Statistics

Border Crossings

Total International Entries

In November 2006, total international border crossings (including U.S. and overseas residents) to Ontario declined by 9.5% to 1.1 million crossings, approximately 120,000 fewer visitors than in November 2005.

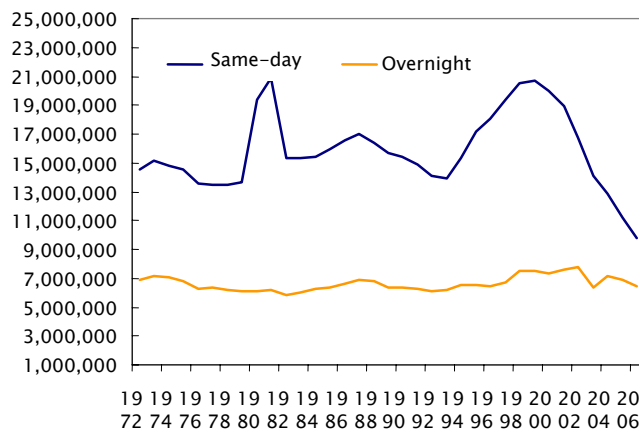
Over the first eleven months of the year, total international border crossings to Ontario have fallen by 9.2% over the same period last year.

U.S. Entries

During the month of November 2006, U.S. border crossings to Ontario decreased by 10.0% over 2005.

For the period of January to November 2006, border crossings from the U.S. to Ontario have decreased by 10.1% over 2005. In fact, Ontario received 43% fewer entries from the U.S. in the most recent eleven-month period than it did in the same period in 1999.

U.S. Border Crossings to Ontario, January - November



In November 2006, same day U.S. entries to Ontario dropped by 13.4% over 2005, while overnight entries were down by 2.6%. Since January, same day U.S. entries are down 12.8% and overnight entries are down by 5.7% over the same period in 2005.

Other provinces are also experiencing noticeable declines in U.S. entries, though Ontario's is the most significant. U.S. entries into Canada overall are decreasing at a similar rate.

Province	U.S. Entries Nov. 2006 over 2005		U.S. Entries, Jan.- Nov. 2006 over 2005	
	Entries*	% change	Entries*	% change
Ontario	1,057,410	-10.0%	16,227,237	-10.1%
B.C.	252,978	-10.7%	5,044,212	-6.3%
Quebec	167,145	-7.3%	2,501,150	-9.1%
Canada	1,657,936	-9.2%	26,992,840	-9.0%

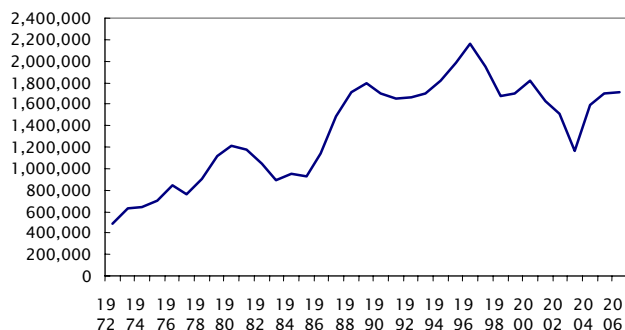
Source: Statistics Canada

Overseas Entries

In November 2006, overseas border crossings to Ontario decreased by 3.1% over 2005. Since January, Ontario has seen an increase of 0.5% in overseas entries over the same period of 2005.

Overseas entries into Ontario during the January to November period, however, are still almost 21% lower than the same period in 1996.

Overseas Border Crossings to Ontario,
January - November



In November, direct entries to Ontario from overseas countries remained stable (-0.4%) over November 2005, while entries to Ontario via the U.S. decreased by 8.6%. Over the first eleven months of the year, direct entries are up 3.5% while entries via the U.S. are down by 5.7%.

In November, Ontario experienced a sharper decline in its overseas border crossing than Québec or British Columbia. Looking at the first eleven months of 2006, Quebec has seen the largest increase in overseas crossings (approx. 10,000), while Ontario has seen an increase of approx. 8,000 visits over the same period in 2005.

Province	Overseas Entries, Nov. 2006 over 2005		Overseas Entries, Jan.- Nov. 2006 over 2006	
	Entries*	% change	Entries*	% change
Ontario	88,072	-3.1%	1,710,530	0.5%
B.C.	63,441	-0.9%	1,370,342	-0.6%
Quebec	31,348	-0.8%	716,927	1.4%
Canada	197,165	-0.8%	4,216,471	0.0%

Source: Statistics Canada

In November 2006, Ontario saw decreases from three of its four primary overseas markets: the U.K., Japan and Germany while France posted an increase of 5.3%. In the first eleven months of 2006, France and Japan are still ahead of 2005, posting growth of 5.8% and 2.1%, respectively.

Market	Nov. 2006 over 2005		Jan. - Nov. 2006 over 2005	
	Entries*	% change	Entries*	% change
U.K.	17,461	-6.0%	355,241	-8.0%
Japan	6,656	-33.0%	121,481	+2.1%
Germany	5,074	-5.8%	107,995	-10.0%
France	2,673	+5.3%	78,157	+5.8%

Source: Statistics Canada

Other markets are making up some of the gap created by the drop in traffic from Ontario's traditional international markets, with significant growth markets shown in the table below:

Market	Nov. 2006 over 2005		Jan. - Nov. 2006 over 2005	
	Entries*	% change	Entries*	% change
Mexico	4,063	+26.1%	81,084	+10.5%
South Korea	3,103	+35.4%	58,345	+14.9%
India	3,140	+31.1%	49,158	+10.0%
Brazil	2,611	+5.5%	47,460	+10.8%
China	3,521	+9.6%	43,861	+56.7%

Source: Statistics Canada

It is interesting to note that 2006 year-to-date entries from Mexico have surpassed those from France, one of Ontario's traditional overseas source markets.

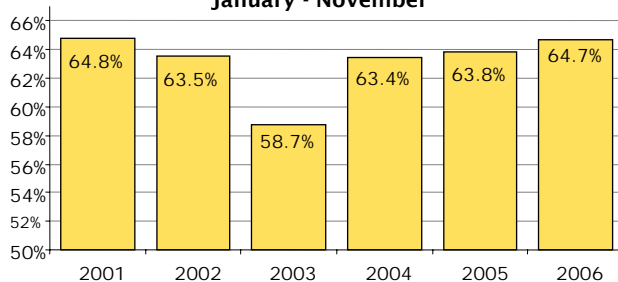
* Arrivals are an estimate of Ontario's total visits. Arrivals (or border crossings) understate the actual number of visits from these markets, since a number of them visit Ontario but enter Canada through a non-Ontario port.

Accommodation

The occupancy rate at Ontario hotels was 62.0% in November, unchanged from the same period in 2005. Across the province in November, occupancy was highest in downtown Toronto (77.6%), downtown Ottawa (71.3%) and in Sudbury (74.5%). However, it was Hamilton/ Brantford (+6.7), the region of North Western Ontario (+6.7) and Ottawa East (+6.4) that recorded the most significant increase over November 2005 while downtown Toronto's and Sudbury's occupancy actually showed a decrease (-1.0 and -3.0, respectively) over last November's occupancy rates.

For the first eleven months of 2006, the occupancy rate at Ontario hotels was 64.7%, an increase of 0.9 of a percentage point over the same period in 2005, growing but still below the level of the same period in 2001.

**Ontario Hotel Occupancy Rates,
January - November**



Source: PKF Consulting, Hotel Trends.

The average daily rate (ADR) in Ontario increased by 2.0% in November 2006 to \$121.86, with downtown Toronto (\$156.01) and downtown Ottawa (\$131.86) achieving the highest ADRs for the period. Some areas, including the Ottawa region, London, Toronto Airport and Central Ontario, experienced above average increases (4% or more) while a few regions, notably Hamilton/Brantford and Niagara Falls, experienced declines in their ADR over last November.

The ADR in Ontario for the first eleven months of the year increased 3.0% to \$125.58. The biggest gains in year-to-date ADR remain in downtown Toronto (6.6%), Sudbury (5.2%), North Bay (4.0%) and North Western Ontario (4.5%) though all locations (except Sault Ste. Marie) have seen an increase over 2005.

Revenue per available room (revPAR) in November maintained its momentum, increasing by 2.1% over November 2005 and contributing to a 4.5% increase in revPAR in the first eleven months of 2006 over 2005. This increase continues to be led by substantial increases in RevPar for Ottawa East and West (13.7% and 11.8%), North Eastern Ontario (North Bay at 11.9% and Sudbury at 9.5%), Hamilton/Brantford (9.7%) and North Western Ontario (9.4%).

Canadian Air Carriers Data

Air Canada's overall passenger traffic, measured in revenue-passenger miles (RPMs), saw an increase of 4.1% in November 2006 over 2005. Domestic air travel was up by 6.7% on Air Canada's mainline – the first increase since September 2005, while Jazz saw an increase of 23.4% in domestic traffic. Passenger traffic for Air Canada has increased by 1.8% so far this year.

Passenger traffic on WestJet continued to increase with November 2006 seeing a 29% gain over 2005. Year-to-date traffic is up 23% for the carrier.

Source: InterVISTAS, aircanada.ca and westjet.ca

Travel Price Index

Ontario's Travel Price Index (TPI) decreased by 2.3% in November 2006 over October 2006. The decrease is primarily due to an 8.0% decrease in the cost of travellers' accommodation.

Looking back over the last year, Ontario's TPI was 1.5% higher in November 2006 than in November 2005. Declines in the cost of auto operation, clothing and footwear and recreational equipment and services continue to partially offset increases in the cost of inter-city and local transportation and in various food and beverage purchases.

Ontario's Consumer Price Index (CPI) in November 2006 increased slightly (0.2%) over the previous month, while an increase of 1.1% was seen over November 2005.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index decreased by 1.9% in November over October 2006, while the index was up by the same amount over November 2005.

Source: Travel Industry Association of America.

Economic Indicators

Consumer Confidence

Affected by downward pressure from Central Canada, the national consumer confidence index declined by 2 points in November to 119.0 (1991=100), its lowest level this year. Reduced optimism about the current financial situation and fewer households planning major purchases were the most significant contributors to the decline.

In Ontario, a 3.7 point decline in November reversed October's 4.3 point increase while Quebec posted its second consecutive loss, with a decline of 2.8 points. Similar to last month, Atlantic Canada and the Prairies edged down marginally by 0.7 and 0.3, respectively while British Columbia posted a gain of 1.2 points, its third consecutive gain.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index, which edged down by 0.5 points in October, declined a further 2.2 points in November to 102.9 (1985=100). Both the Present Situation Index and Expectations Index saw decreases from the previous month, down by 1.5 and 2.9 points, respectively. The curb in consumer confidence is being attributed to a tighter labour market and a more guarded short-term outlook.

Source: The Conference Board (U.S.)

Labour Force

Employment in Canada was up 22,000 jobs in November. The national unemployment rate was 6.3%, up 0.1 percentage point. In the first eleven months of 2006, employment was up by 1.7% over the same period of 2005.

In Ontario, employment increased in November with employment gains in service industries including trade, health care and social assistance and finance, insurance, real estate and leasing making up for declines in the manufacturing sector. The unemployment rate held steady at 6.4%. Overall employment in Ontario is up by just 71,000 jobs (or, 1.1%) in the first eleven months of 2006.

In November 2006, employment in Ontario's tourism-related industries decreased by 2.4% over November 2005. In the first eleven months of 2006, employment in tourism-related industries experienced an increase of 4.0% over the same period in 2005.

Source: Statistics Canada, Labour Force Survey

Bankruptcies

In November 2006, there were 2,951 bankruptcies in Ontario. Of these, 223 were businesses while the rest were consumers. Bankruptcies were up by 0.8% over November 2005 when there were 2,927 bankruptcies.

Of the business bankruptcies reported in November in Ontario, 32 were in accommodation and food services and 2 were in the arts, entertainment and recreation sector whereas in November 2005, there were 31 and 4 bankruptcies recorded in the sectors, respectively.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

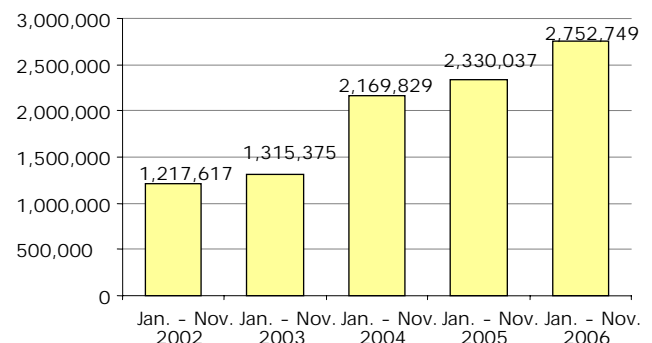
1-800-ONTARIO

The call volume to the 1-800-ONTARIO Call Centre continued to decrease in November, falling by 20% over November 2005. For the first eleven months of 2006, overall call volume has decreased by 28% over 2005.

Source: Electronic Data Systems

OntarioTravel.net

Visits to OntarioTravel.net (main & Seasonal sites)
January to November



In November 2006, visits to Ontario's travel website **ontariotravel.net** increased by 2.3% over 2005. The main website experienced a decrease of 4.8%, while the seasonal website saw an increase of 87.7%.

Over the first eleven months of 2006, there have been more than 2.7 million user sessions at the combined websites. This represents an 18.1% increase over the same period in 2005, with traffic growth on the seasonal website (36.6%) outpacing growth on the main website (15.1%).

Source: Electronic Data Systems

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled approximately 54,000 in November 2006, a 3.9% decrease over November 2005.

In the first eleven month of the year, there have been about 1.5 million visits to TICs, a decrease of 9.2% over the same period in 2005.

Niagara Falls (8.8%) and Fort Erie (6.4%) continue to see notable growth in both their month and year-to-date comparisons.

Change in Visits to Ontario's TICs

Location	Nov. 2006 over 2005	Jan. - Nov. 2006 over 2005
Barrie	-1.2%	-6.6%
Cornwall	-8.1%	-12.7%
Fort Erie	+4.0%	+6.4%
Fort Frances	+10.4%	-8.7%
Niagara Falls	+18.5%	8.8%
Sarnia	-27.8%	-16.1%
Sault Ste Marie	-3.5%	-11.9%
St. Catharines	-16.0%	-14.9%
Toronto	+7.5%	-5.8%
Windsor Park	-5.1%	-8.2%
Windsor HC	-10.8%	-19.4%
Hill Island	Closed for season	-12.1%
Kenora	Closed for season	-4.2%
Lancaster	Closed for season	0.6%
Pigeon River	Closed for season	-22.1%
Prescott	Closed for season	-21.1%
Rainy River	Closed for season	-7.9%
417	Closed for season	-16.8%
TOTAL	-3.9%	-9.2%

Source: Ontario Ministry of Tourism

Attendance at Agencies

Agencies

The following table shows the percentage change in total visits at Ontario agencies for both November and year-to-date.

Agency	Nov. 2006 over 2005	Jan. - Nov. 2006 over 2005
Royal Ontario Museum	+29.9%	-12.1%
Ontario Science Centre	-42.3%	n/a
Science North	-11.4%	+11.6%
McMichael Art Gallery	+28.9%	+3.4%
Art Gallery of Ontario	-68.8%	-34.9%
Ontario Place	-19.1%	-2.1%
Royal Botanical Gardens	+4.8%	+0.3%
Fort William Historical Park	+43.5%	+2.7%
Huronian Historical Park	-61.9%	-4.9%

APPENDIX: BACKGROUND

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.
- Ontarians' outbound travel to international destinations in 2004 increased by 5% over 2003 to 21.0 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/tourdiv/research/trends.html>.

Economic Impact of Tourism in 2004

- 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)¹ 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.

¹ 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.



- 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 GDP² (direct, indirect and induced) amounted to \$20.4 billion in 2004.
- In 2004, tourism employment³ in Ontario reached 213,500 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 213,500 tourism jobs by sector:
 - 50,015 jobs in Accommodations
 - 54,060 jobs in Food & Beverage services
 - 21,345 in Recreation and Entertainment
 - 32,625 in Transportation
 - 25,090 in Retail
 - 16,900 in Travel Services
 - 2,315 in Car Rental and
 - 11,150 in other service sectors
- Total contribution of tourism to the employment in the province⁴ (direct, indirect and induced) reached 322,600 jobs in 2004.
- In 2004, tax revenues from tourism⁵ for all three levels of government in Ontario reached \$5.8 billion – 3.2 billion in federal tax revenues, \$2.4 billion in provincial and \$198 million in municipal tax revenues⁶.
- For every dollar of tourism receipts in Ontario in 2004, all three levels of governments received 27.0 cents in tax revenues directly, of which federal government received 14.9 cents, provincial government 11.2 cents and municipal governments 1 cent.
- The total contribution of tourism to tax revenues⁷ (direct, indirect and induced) for all three levels of government amounted to \$9.2 billion in 2004.

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

² 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).

³ 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.

⁴ 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).

⁵ 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

⁶ 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.

⁷ 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).