

JULY 2007

Highlights

- In July, trips from the U.S. to Ontario posted a decline of 14.5% over 2006. Overnight trips decreased by 9.3%, while same-day travel was down 19.1% over the same month in 2006.
- In July, visits from overseas markets to Ontario decreased by 0.2% over 2006.
- Meanwhile, in July, travel by Ontarians to overseas countries increased by 1.4% while travel to the U.S. increased by 6.1% over 2006.

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Tourism Industry Statistics

Border Crossings

Total International Entries

In July 2007, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 13.0% to just under 2.4 million crossings, about 340,000 fewer international visitors than in July 2006.

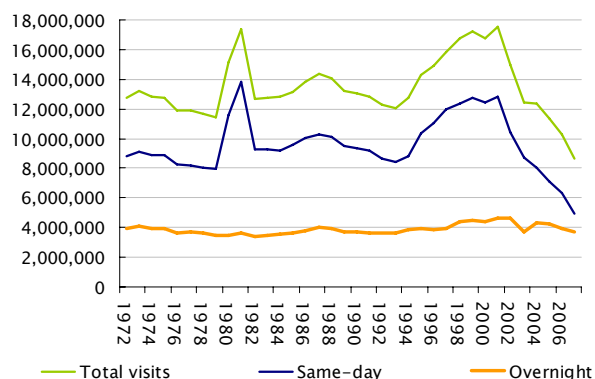
Over the first seven months of 2007, international border crossings to Ontario were down by 14.5% over the same period last year.

U.S. Entries

During the month of July 2007, U.S. border crossings to Ontario fell by 14.5% over 2006.

For the first seven months of 2007, U.S. border crossings into Ontario were down by 15.9% over the same period of 2006 – 51% fewer entries for the period than in 2001, the peak year for U.S. border crossings during the period.

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



During the month of July 2007, same-day U.S. entries to Ontario were down by 19.1% over 2006, while overnight entries were down by 9.3%. During this period, overnight travel by auto decreased by 7.8% while overnight non-auto travel declined by 13.8% over 2006.

In July 2007, commercial air travel¹ from the U.S. to Ontario was down 13.3% over July 2006. Over the first seven months of 2007, commercial air travel was down 10.3% over the same period in 2006.

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

In the first seven months of 2007, there were 5.0 million same-day U.S. entries to Ontario, a decrease of 21.4% (or 1.4 million entries) from the same period in 2006. Overnight entries, which totalled 3.7 million for the period, were down 7.2% (or approx. 290,000 entries) over the same period in 2006.

Compared to other provinces, Ontario experienced a larger decline both in July 2007 and over the first seven months of 2007 over 2006.

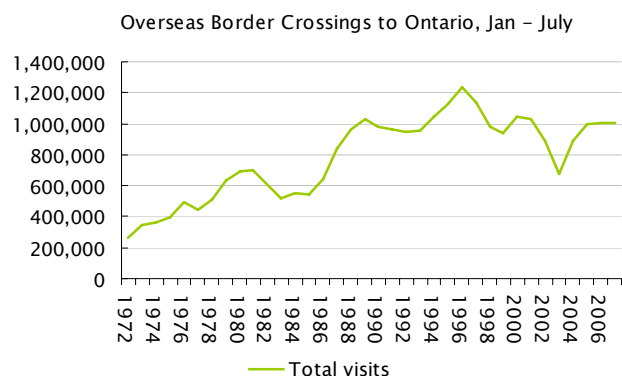
Province	U.S. Entries July 2007 over 2006		U.S. Entries, YTD: Jan - July 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	2,089,316	-14.5%	8,658,581	-15.9%
B.C.	750,452	-8.3%	2,976,762	-5.3%
Quebec	2,308,401	-8.9%	1,391,814	-10.2%
Canada	3,675,7226	-11.2%	14,480,664	-12.3%

Source: Statistics Canada

Overseas Entries

In July 2007, overseas border crossings to Ontario decreased by 0.2% over 2006.

In the first seven months of 2007, overseas border crossings have increased by 0.2% over the same period in 2006.



In July, direct entries to Ontario from overseas countries were up by 1.9% over 2006, while entries to Ontario via the U.S. were down by 5.7%.

In the first seven months of 2007, direct entries to Ontario were up by 1.9% over 2006, while entries via the U.S. were down 3.8%.

In July 2007, while Ontario experienced a slight decrease in overseas border crossings, British Columbia and Quebec experienced increases.

In the first seven months of 2007, Ontario saw only negligible growth in its overseas border crossings while BC and Quebec have seen strong growth.

Province	Overseas Entries, July 2007 over 2006		Overseas Entries, YTD: Jan - July 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	268,576	-0.2%	1,008,666	+0.2%
B.C.	223,537	+4.0%	890,173	+3.9%
Quebec	120,925	+2.0%	444,762	+6.0%
Canada	694,893	+4.0%	2,633,932	+3.9%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In July 2007, Ontario saw decreases in visits from three of its four primary overseas markets – France, Japan and Germany – while the U.K. showed an increase over July 2006.

Over the first seven months of 2007, the U.K. and Germany have posted a small increase over the same period in 2006.

Market	July 2007 over 2006		YTD: Jan - July 2007 over 2006	
	Entries*	% change	Entries*	% change
U.K.	57,399	+5.3%	207,974	+1.0%
Germany	14,882	-2.4%	60,328	+0.5%
Japan	9,763	-22.0%	54,727	-21.5%
France	9,665	-24.6%	34,564	-12.9%

Source: Statistics Canada

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

Overseas Entries: Emerging Markets

A broader set of emerging markets continues to change the composition of Ontario's international visitors. During July 2007, significant growth was seen in the number of entries from China and Mexico compared to June 2006.

In the first seven months of 2007, seven of the markets listed have seen growth over the same period in 2006.

Market	July 2007 over 2006		YTD: Jan - July 2007 over 2006	
	Entries*	% change	Entries*	% change
Mexico	19,997	+25.2%	61,433	+16.4%
India	6,064	+3.6%	33,312	+9.8%
Brazil	6,140	-1.8%	29,967	-1.9%
Israel	6,969	-13.4%	29,828	-14.8%
China	67,662	+28.0%	28,124	+23.1%
South Korea	6,403	-13.3%	25,331	+8.6%
Italy	7,253	+4.7%	24,661	+6.9%
Netherlands	7,594	-22.0%	24,656	-8.1%
Australia	5,202	+0.9%	23,402	+1.6%
Hong Kong	5,271	-11.3%	20,292	-4.7%

Source: Statistics Canada

Outbound Travel

Travel by Ontarians to international destinations increased by 5.6% in July 2007 over 2006.

Travel to the U.S. increased by 6.1%, while travel to overseas countries increased by 1.4%.

In the first seven months of 2007, outbound travel by Ontarians has grown by 2.8%, with growth in travel to overseas countries (4.8%) outpacing growth in travel to the U.S. (2.4%).

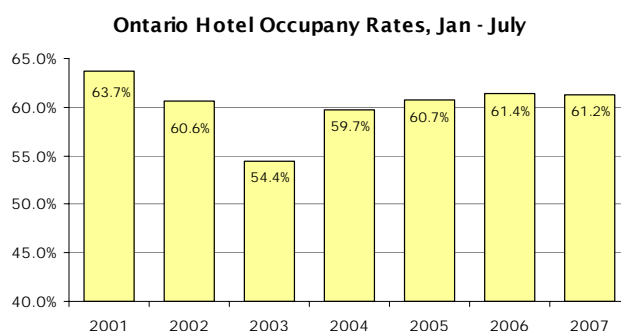
Source: Statistics Canada

Accommodation

The occupancy rate at Ontario hotels in July 2007 was 68.7%, up 0.7 percentage points over 2006.

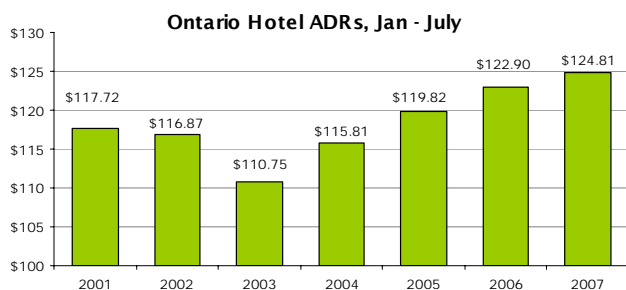
Across the province, occupancy was highest in North Bay (77.4%), Sault Ste. Marie (74.3%), Kingston (73.1%) and Ottawa West (72.5%). The regions which saw the most notable increases over the previous year were Ottawa East (+9.4 percentage points), downtown Ottawa (+8.2 points), Ottawa West (+5.0 points) and Sault Ste. Marie (+2.7 points).

For the first seven months of 2007, the occupancy rates at Ontario hotels averaged 61.2%, a decrease of 0.2 of a percentage point over 2006 – still below 2001 levels for the same period.



The average daily rate (ADR) in Ontario decreased by 0.1% in July 2007 to \$126.92, with Niagara Falls (\$180.84), downtown Toronto (\$155.69), Kingston (\$135.27) and downtown Ottawa (\$134.18) achieving the highest ADRs for the month. A few locations experienced notable increases in ADR, including downtown Ottawa (+7.3%), Hamilton/Brantford (+5.8%) and GTA East/North (4.9%) while downtown Toronto (-7.0%) and Ottawa East (-5.8%) experienced considerable declines.

The ADR in Ontario for the first seven months of the year increased 1.6% to \$124.81. All regions, except Windsor and Central Ontario, have seen increases in ADR over the period. The biggest gains can be seen in Hamilton/Brantford (7.5%), Sault Ste. Marie (54.6%), and Kingston (4.3%).



Revenue per available room (revPAR) in July 2007 increased by 1.0% over 2006, while similar revPAR growth (1.2%) was seen over the first seven months of 2007 over 2006.

Significant variability continues across the regions, with Hamilton/ Brantford (10.8%) and Ottawa West and East (10.8% and 8.9%) showing considerable growth in revPAR, while Windsor (-12.1%) and Central Ontario (-8.7%) experienced significant declines in their revPAR over the period.

Source: PKF Consulting, Hotel Trends

Canadian Air Carriers Data

Overall passenger traffic on Air Canada's mainline, measured in revenue-passenger miles (RPMs), increased by 1.3% in July 2007 over 2006. Meanwhile, Jazz saw an increase of 8.5% in passenger traffic.

In the first seven months of 2007, overall passenger traffic for Air Canada and Jazz combined increased by 3.5% over the same period of 2006.

Passenger traffic growth continued for WestJet in July 2007 with a 17% gain over July 2006, and a 21% increase in overall traffic in the first seven months of 2007 over 2006.

Source: InterVISTAS, aircanada.ca and westjet.ca

Economic Indicators

Consumer Confidence

The national consumer confidence index edged up a little in July 2007 to 98.6 (2002=100), an increase of 0.5 points over the previous month. Optimism about current and future financial conditions and making major purchases increased slightly while consumers were less confident about future job prospects.

Quebec posted the largest increase in its consumer confidence index, with a gain of 3.6 points. Atlantic Canada recorded a decline of 1.5 points (following two months of strong gains), while Ontario saw a decline of 1.9 points to offset a similar increase in the previous month. The index was up in the Prairies by 2.6 points, while British Columbia posted a decline of 0.6 points.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index was unchanged in July to stand at 103.9 (1985=100), down 4.6 points over the previous month.

Source: The Conference Board (U.S.)

Labour Force

Employment in Canada was little changed in July 2007, with the national unemployment rate edging down 0.1 percentage points to 6.0%, the lowest level since 1974. Since July 2006, employment was up by 2.0% with the economy adding 350,800 jobs.

Ontario's employment was also little changed in July, though manufacturing employment was up for the first time in more than a year with gains across several sectors. Employment was up 1.1% (74,300 jobs) over the past 12 months, though the province is still lagging behind national job growth rate. Ontario's unemployment rate in July 2007 increased 0.1 percentage points to 6.6%.

In July, employment in Ontario's tourism-related industries increased by 3.9% over the previous month. Employment was up by 14.0% over July 2006 across the sector, with more people employed in air transportation, traveller accommodations, performing arts companies and other amusement and recreation industries.

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

Bankruptcies

In July 2007, there were 2,713 bankruptcies in Ontario. Of these, 211 were businesses while the rest were consumers. Bankruptcies were up 10.0% over July 2006.

Of the business bankruptcies reported in July 2007 in Ontario, 33 were in accommodation and food services and 5 were in the arts, entertainment and recreation sector. In July 2006, there were 28 and 4 bankruptcies recorded in these sectors, respectively.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 34,000 calls to the 1-800-ONTARIO call centre in July 2007, a decrease of 13% over July 2006. In the first seven months of 2007, there has been a 3% decrease in calls over the same period in 2006.

Source: Electronic Data Systems

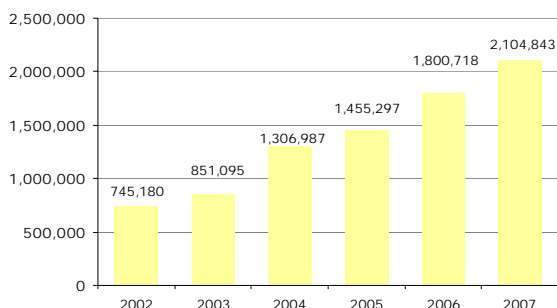
OntarioTravel.net

In July 2007, there were more than 350,000 user sessions on Ontario's travel website **ontariotravel.net**, an increase of 9% over 2006. User sessions increased by 11% on the main website and by 2% on the seasonal site.

User sessions over the first seven months of 2007 exceeded 2.1 million, an increase of 17% over the same period in 2006. Traffic on the main site is up 14%, while traffic on the seasonal site is up 30%.

Source: Electronic Data Systems

Visits to OntarioTravel.net
Jan - July



Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled almost 265,000 in July 2007, a decrease of 11.1% over 2006.

In the first seven months of 2007, there have been approximately 750,000 visits to TICs, a 10.6% decrease over the same period in 2006.

Change in Visits to Ontario's TICs

Location	July 2007 over 2006	YTD: Jan - July 2007 over 2006
Barrie	+4.8%	-0.9%
Cornwall	-16.6%	-11.0%
Fort Erie	5.0%	-1.1%
Fort Frances	-33.0%	-18.4%
Niagara Falls	-15.3%	-9.3%
Sarnia	-19.8%	-18.6%
Sault Ste Marie	-16.3%	-16.2%
St. Catharines	-17.5%	-16.5%
Toronto	-18.5%	-12.9%
Windsor Park	-13.5%	-6.2%
Windsor HC	-16.5%	-22.5%
Hill Island	-9.8%	-6.7%
Kenora	1.7%	2.4%
Lancaster	7.4%	16.1%
Pigeon River	-18.2%	-16.1%
Prescott	-11.6%	-2.3%
Rainy River	-18.9%	-24.3%
417	-5.9%	-4.7%
TOTAL	-11.1%	-10.6%

Source: Ontario Ministry of Tourism

Attendance at Agencies

The following table shows the percentage change in total visits at Ontario agencies for both July 2007 over July 2006 and year-to-date 2007 over 2006.

Agency	July 2007 over 2006	YTD: Jan - July 2007 over 2006
Royal Ontario Museum	+33.4%	+25.3%
Ontario Science Centre	+5.8%	-26.7%
Science North	+3.3%	-2.7%
Art Gallery of Ontario ²	-63.8%	-27.7%
McMichael Art Gallery	-13.3%	+12.0%
Ontario Heritage Trust ³	+33.7%	+29.6%
Ontario Place	-14.2%	-16.2% ⁴
Fort William Historical Park	-6.8%	-41.1%
Huronian Historical Park	-2.3%	-4.1%
Upper Canada Village	+13.0%	+11.0%
Fort Henry	+8.8%	+5.4%

² The AGO is undergoing a major renovation, expected to be complete in 2008.

³ The Ontario Heritage Trust includes: Fulford Place, Elgin & Winter Garden and Uncle Tom's Cabin.

⁴ Attendance at Ontario Place reported for period May - July.

APPENDIX: BACKGROUND

2005 Statistics

- There were 19.3 million U.S. visits to Ontario in 2005, a decrease of 9.6% over 2004. Spending by U.S. visitors amounted to \$3.9 billion, a decrease of 10.6% over 2004.
 - Visits from the border states, which made up 82% of all U.S. visits, decreased by 10.7% while visits from other states decreased by 7.5% over 2004.
 - Same-day visits, which make up 63% of all U.S. visits, decreased by 13.3% while overnight visits were down by 3.3% over 2004.
- There were 2.2 million overseas visits to Ontario in 2005, a 6.0% increase over 2004. Spending by overseas visitors amounted to \$2.5 billion, an increase of 6.6% over 2004.
 - Visits from Ontario's traditional markets (the U.K., Japan, Germany and France), which make up 42% of all overseas visits, increased by 2.2% while visits from other travel markets increased by 8.9% over 2004.

NOTE: What about domestic travellers to Ontario?

Domestic travel accounts for about 75% of all person visits to Ontario, and more than 60% of tourism receipts in the province, however, information concerning domestic travel for 2005 **is not yet available**.

In 2005, the Canadian Travel Survey (CTS) which provided information on domestic travel was replaced by the Travel Survey of Residents of Canada (TSRC). The TSRC will offer some significant benefits over its predecessor, including filtering in tourism trips while filtering out routine trips, focusing on decision makers (respondents must be 18+ yrs rather than 15+) and ensuring that all jurisdictions are using a common metric. 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 as a basis comparable to previous years.

It is anticipated that domestic travel data for 2005 and 2006 will be available by the end of 2007. Statistics Canada is also developing a procedure to restate data prior to 2005, to enable historical comparisons. In the interim, only travel data for the U.S. and overseas travel markets for 2005 will be provided.

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/research/trends/index.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)⁵ 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 GDP⁶ (direct, indirect and induced) amounted to \$20.4 billion in 2004.
- In 2004, tourism employment⁷ 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

⁵ 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.

⁶ 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).

⁷ 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.

- Total contribution of tourism to the employment in the province⁸ (direct, indirect and induced) reached 322,600 jobs in 2004.
- In 2004, tax revenues from tourism⁹ 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 revenues¹⁰.
- 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 revenues¹¹ (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/research/trends/index.html>

⁸ 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).

⁹ 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

¹⁰ 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.

¹¹ 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).