

OCTOBER 2007

Highlights

- In October, trips from the U.S. to Ontario posted a decline of 8.8% over 2006. Same-day travel was down by 16.8%, while overnight trips were up by 3.7% over the same month in 2006.
- In October, visits from overseas markets to Ontario increased by 2.5% over 2006.
- Meanwhile, in October, travel by Ontarians to the U.S. increased by 20.4% while travel to overseas countries increased by 8.6% over 2006.

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Tourism Industry Statistics

Border Crossings

Total International Entries

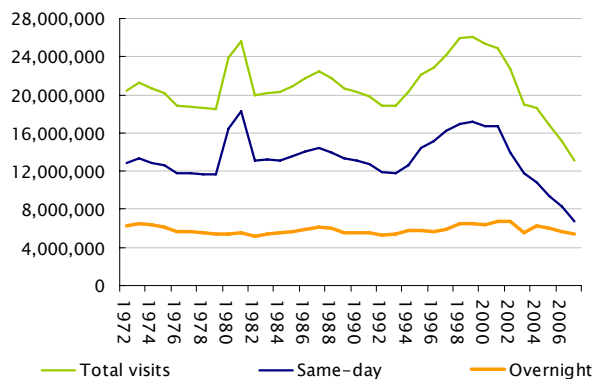
In October 2007, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 7.6% to under 1.25 million crossings, about 100,000 fewer international visitors than in October 2006.

Over the first ten months of 2007, international border crossings to Ontario were down by 12.1% over the same period last year.

U.S. Entries

During the month of October 2007, U.S. border crossings to Ontario fell by 8.8% over 2006. For the first ten months of 2007, U.S. border crossings were down by 13.3% over the same period of 2006 – almost half the entries than in the same period in 1998, the recent peak year for U.S. border crossings.

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



During the month of October 2007, same-day U.S. entries to Ontario were down by 16.8% over 2006, while overnight entries were up by 3.7%. During this period, overnight travel by auto increased by 7.4% while overnight non-auto travel decreased by 2.9% over 2006.

For the period of January to October 2007, 88% of the decline in U.S. border crossings can be attributed to same-day travel.

In the first ten months of 2007, there were 7.3 million same-day U.S. entries to Ontario, a decrease of 19.6% (or 1.7 million entries) from the same period in 2006. Overnight entries, which totalled 5.8 million for the period, were down 4.0% (or approx. 245,000 entries) over the same period in 2006.

In October 2007, commercial air travel¹ from the U.S. to Ontario was down 6.1% over 2006. Over the first ten months of 2007, commercial air travel was down 9.5% over 2006.

Ontario's decline in U.S. border crossings for the month of October was exceeded (in % terms) by that of British Columbia, though Quebec fared better than did the rest of the country.

However, Ontario's decline is much more significant than that of other provinces over the first ten months of 2007 over 2006.

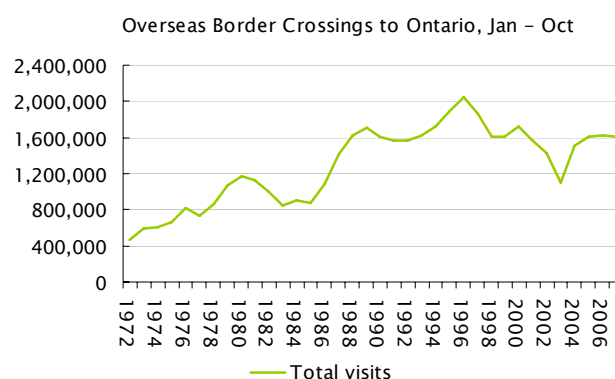
Province	U.S. Entries Oct 2007 over 2006		U.S. Entries, YTD: Jan - Oct 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	1,097,245	-8.8%	13,151,224	-13.3%
B.C.	282,756	-9.4%	4,535,886	-5.3%
Quebec	204,732	-1.7%	2,136,479	-8.5%
Canada	1,840,328	-7.6%	22,731,526	-10.3%

Source: Statistics Canada

Overseas Entries

In October 2007, overseas border crossings to Ontario increased by 2.5% over 2006.

In the first ten months of 2007, overseas border crossings have decreased by 0.5% over the same period in 2006.



In October, direct entries from overseas countries were up 2.9% from October 2006, while entries to Ontario via the U.S. were up by 1.7%.

In the first ten months of 2007, direct entries to Ontario were up by 1.4% over 2006, while entries via the U.S. were down 4.7%.

During October 2007, in a reversal of the overall trend in overseas border crossings, Ontario experienced an increase while British Columbia and Quebec experienced decreases.

For the period of January to October 2007, however, Ontario has seen a decline in its overseas crossings while other regions of Canada have seen strong growth.

Province	Overseas Entries, Oct 2007 over 2006		Overseas Entries, YTD: Jan - Oct 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	1 52,567	+2.5%	1,614,577	-0.5%
B.C.	89,706	-3.3%	1,349,346	+3.2%
Quebec	67,845	-0.9%	724,704	+5.7%
Canada	344,975	+1.7%	4,152,233	+3.3%

Source: Statistics Canada

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

Overseas Entries: Traditional Markets

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

Over the first ten months of 2007, only the U.K. has posted an increase over the same period in 2006.

Market	Oct 2007 over 2006		YTD: Jan - Oct 2007 over 2006	
	Entries*	% change	Entries*	% change
U.K.	35,777	+13.3%	350,659	+2.0%
Germany	10,111	-1.3%	108,662	-0.4%
Japan	12,657	-21.4%	101,126	-19.5%
France	7,699	-11.9%	65,399	-15.8%

Source: Statistics Canada

Overseas Entries: Emerging Markets

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

In the first ten months of 2007, six of the markets listed below have seen growth over 2006.

Market	Oct 2007 over 2006		YTD: Jan - Oct 2007 over 2006	
	Entries*	% change	Entries*	% change
Mexico	6,611	+8.8%	91,987	+17.4%
South Korea	6,814	+13.5%	66,091	+9.7%
China	5,461	+14.1%	49,902	+17.8%
India	3,729	+0.3%	49,239	+5.0%
Israel	3,783	-26.3%	45,716	-17.6%
Italy	4,183	+18.1%	47,285	+0.6%
Brazil	4,335	-1.9%	44,410	-1.6%
Netherlands	3,762	-0.7%	39,773	-11.3%
Australia	3,781	+6.2%	39,616	+5.5%
Hong Kong	2,573	-4.9%	30,166	-4.6%

Source: Statistics Canada

*Number of non-resident travellers entering Canada, by country of residence (excluding the United States).

Outbound Travel

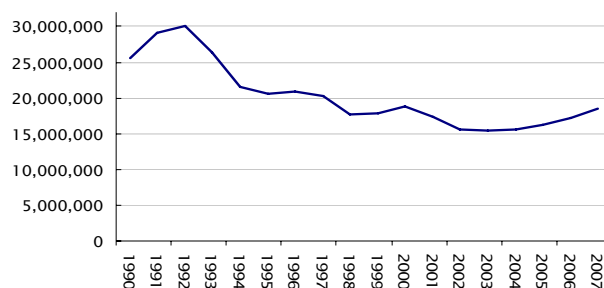
Ontarians are travelling outside of Canada in record numbers.

Travel by Ontarians to international destinations increased by 19.0% in October 2007 over 2006. In the first ten months of 2007, outbound travel by Ontarians has grown by 6.0% (about 1.2 million crossings).

Travel to the U.S.

Travel to the U.S. by Ontarians jumped by 20.4% (or, about 345,000 additional crossings) in October 2007 over 2006. Both same-day visits (+20.6%) and overnight visits (+19.9%) contributed to the increase.

Outbound Border Crossings to the U.S., Jan - Oct

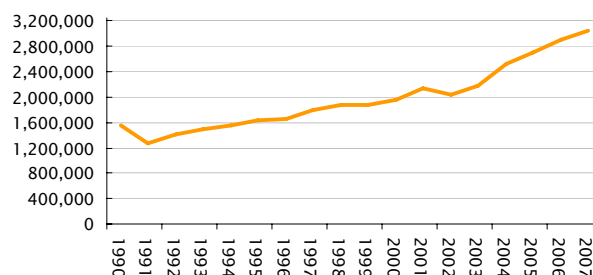


In the first ten months of 2007, outbound travel by Ontarians to the U.S. has increased by 6.2%, with overnight travel up by 8.4% over the same period of 2006 and same-day travel up by 4.9%.

Travel to Overseas Countries

Travel by Ontarians to overseas countries also increased considerably in October, up 8.6% (or, almost 19,000 crossings) over October 2006.

Outbound Border Crossings to Overseas, Jan - Oct



Over the period of January to October 2007, travel by Ontarians to overseas countries has grown by 5.1% over the same period of 2006.

Source: Statistics Canada

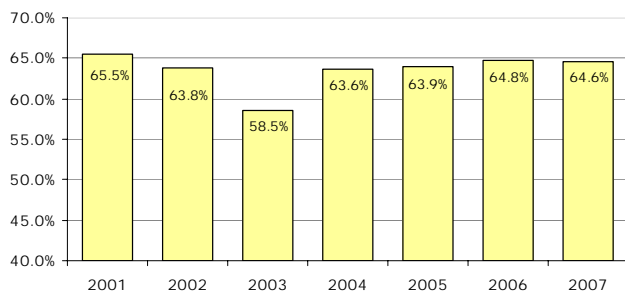
Accommodation

The occupancy rate at Ontario hotels in October 2007 was 68.6%, up 0.9 percentage points over 2006.

Across the province, occupancy was highest in downtown Ottawa (81.6%), Ottawa West (78.7%), downtown Toronto (78.7%) and Ottawa East (77.3%). While these regions experienced an increase in occupancy over October 2006, it was the GTA West (+6.8 percentage points) which saw the strongest growth, while North Bay (-9.5 points) and Niagara Falls (-6.1 points) experienced considerable declines in October 2007 over 2006.

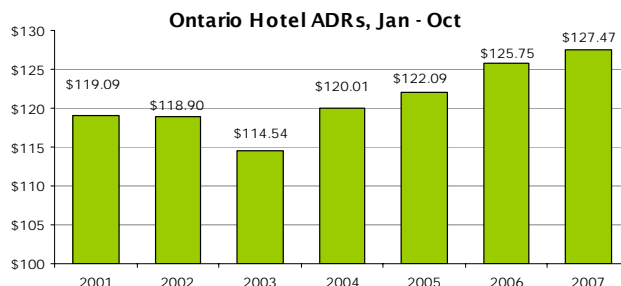
For the first ten months of 2007, the occupancy rates at Ontario hotels averaged 64.6%, a decrease of 0.2 of a percentage point over 2006 – noticeably below 2001 levels for the same period.

Ontario Hotel Occupancy Rates, Jan - Oct



The average daily rate (ADR) in Ontario increased by 2.1% in October 2007 to \$129.92, with downtown Toronto (\$174.12), downtown Ottawa (\$148.60), Niagara Falls (\$138.22) and Kingston (\$125.72) achieving the highest ADRs for the month. Most of the regions experienced ADR growth over the month, led by Hamilton/Brantford (+8.6%), Kingston (+8.2%), Ottawa West (+7.3%) and Thunder Bay (+7.3%). The exceptions were Central Ontario (-3.1%) and GTA East/North (-0.3%), who each saw declines over the month.

The ADR in Ontario for the first ten months of the year increased 1.4% to \$127.47. All regions, except Windsor (-5.5%), Central Ontario (-1.6%) and downtown Toronto (-0.2%), have seen increases in ADR over the period. The biggest gains can be seen in Hamilton/Brantford (6.9%), Ottawa East (6.0%) and Sault Ste. Marie (5.0%).



Revenue per available room (revPAR) in October 2007 saw a strong increase overall across the province (+3.4%) over 2006. For the period of January to October 2007, revPAR has increased a more modest 1.0% over the same period of 2006.

The 1.0% increase in revPAR is moderating significant variability across the regions, with Ottawa West and East (+10.7% and +9.0%), Hamilton/Brantford (+7.1%) and Kingston (+5.4%) showing considerable growth in revPAR over the period, while Windsor (-8.6%) and Central Ontario (-5.8%) experience significant declines in their revPAR over the period.

Source: PKF Consulting, Hotel Trends

Canadian Air Carriers Data

Overall passenger traffic for Air Canada, measured in revenue-passenger miles (RPMs), increased by 2.7% in October 2007 over 2006. In the first ten months of 2007, overall passenger traffic has increased by 3.5% over the same period of 2006.

Passenger traffic growth for WestJet continued in October 2007 with a 21% gain over 2006, and a 20% increase in overall traffic in the first ten months of 2007 over 2006.

Source: InterVISTAS, aircanada.ca and westjet.ca

Travel Price Index

In October 2007, Ontario's Travel Price Index (TPI) decreased by 1.9% over the previous month. Small increases in a number of categories were more than offset by a significant decrease in the cost of travellers' accommodation (-7.4%) and in the cost of inter-city transportation (-2.5%).

Looking back over the last year, Ontario's TPI was up by 0.9% in October 2007 over 2006. Increases in the cost of auto operation, food and beverage and other recreational services were partially offset by declines in the cost of inter-city transportation, auto rentals, recreational equipment and services and home recreation equipment.

Ontario's Consumer Price Index (CPI) decreased by a marginal 0.1% in October 2007 over the previous month, while there was an increase of 2.3% over October 2006.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index increased by 0.7% in October compared to the previous month, while the index was up by 7.5% over October 2006.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

The national consumer confidence index in October fell 1.7 points from the previous month, to 98.2 (2002=100) as consumers became less optimistic in all areas, led by concerns about future job market conditions.

Consumer confidence was generally negative across the country, with the exception of British Columbia where the index was up 3.1 points after five months of consecutive declines. In Quebec, the index was flat while the Atlantic Provinces lost 3.9 points, the Prairies lost 1.4 points and Ontario saw the largest decline at 4.1 points.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index was down for the third consecutive month in October, closing at 95.6 points (1985=100), its lowest level in two years.

Source: The Conference Board (U.S.)

Labour Force

Employment in Canada continued to rise in October, with an estimated 63,000 new jobs created. The national unemployment rate dipped another 0.1 of a percentage point to a 33-year low of 5.8%. Since October 2006, employment was up by 2.5% with the economy adding 421,600 jobs.

More than half of the increase in employment in Canada occurred in Ontario. 32,000 new jobs were added in the province, reducing the unemployment rate by 0.2 percentage points to 6.0%. The largest gains in employment in the province were in public administration, accounting for 20,000 jobs (explained in part by the provincial election which coincided with the Labour Force Survey reference week). Over the past 12 months, employment was up 2.5% (164,700 jobs), though the province is still lagging behind the national job growth rate.

In October, employment in Ontario's tourism-related industries increased by 1.0% over the previous month. Employment was up by 9.2% over October 2006 across the sector, however, with more people employed in travel arrangement and reservations, spectator sports, traveller accommodations and other amusement and recreation industries.

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

Bankruptcies

In October 2007, there were 3,110 bankruptcies in Ontario. Of these, 222 were businesses while the rest were consumers. Bankruptcies were up 7% over October 2006.

Of the business bankruptcies reported in October 2007 in Ontario, 28 were in accommodation and food services and 12 were in the arts, entertainment and recreation sector. In October of 2006, there were 28 and 3 bankruptcies recorded in these sectors, respectively.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 6,600 calls to the 1-800-ONTARIO call centre in October 2007, up 3% over October 2006. In the first ten months of 2007, the call centre has received about 175,000 calls, 4% fewer calls than in the same period of 2006.

Source: Electronic Data Systems

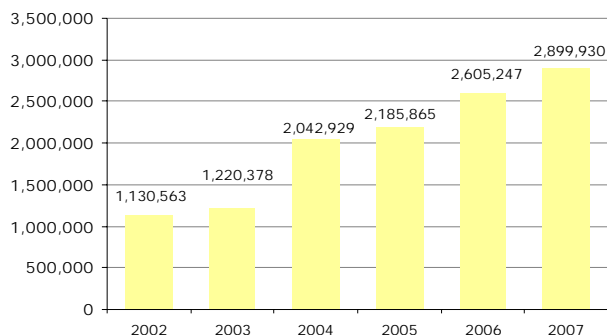
OntarioTravel.net

In October 2007, there were approximately 260,000 user sessions on Ontario's travel website **ontariotravel.net**, a decrease of 5% over 2006. User sessions were down by 36% on the seasonal site while traffic was up 5% on the main website.

User sessions over the first ten months of 2007 have reached almost 2.9 million, an increase of 11% over the same period in 2006. Traffic on the main site is up 11%, while traffic on the seasonal site is up 13%.

Source: Electronic Data Systems

Visits to OntarioTravel.net
Jan - Oct



Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled more than 75,000 in October 2007, a decrease of 5.2% over 2006.

In the first ten months of 2007, there have been approximately 1.2 million visits to TICs, a 9.6% decrease over the same period in 2006.

Change in Visits to Ontario's TICs

Location	Oct 2007 over 2006	YTD: Jan - Oct 2007 over 2006
Barrie	+4.6%	-2.4%
Cornwall	-11.0%	-10.8%
Fort Erie	+12.8%	-1.8%
Fort Frances	-33.1%	-24.7%
Niagara Falls	-2.7%	-8.0%
Sarnia	+15.0%	-11.7%
Sault Ste Marie	-8.5%	-16.6%
St. Catharines	-6.6%	-12.5%
Toronto	-11.6%	-12.7%
Windsor Park	+11.6%	-8.7%
Windsor HC	-4.1%	-14.9%
Hill Island	+11.0%	-6.4%
Kenora	Closed for the season	-2.1%
Lancaster	-26.3%	+9.9%
Pigeon River	-29.7%	-13.1%
Prescott	-20.8%	+7.7%
Rainy River	Closed for the season	-15.8%
417	-41.6%	-6.2%
TOTAL	-5.2%	-9.6%

Source: Ontario Ministry of Tourism

Attendance at Agencies

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

Agency	Oct 2007 over 2006	YTD: Jan – Oct 2007 over 2006
Royal Ontario Museum	+46%	+22%
Ontario Science Centre	-14%	-21%
Science North	-7%	-3%
McMichael Art Gallery	+112%	+32%
Ontario Heritage Trust ²	-10%	+11%
Ontario Place ³	-	-16%
Fort Henry ³	-	-11%
Upper Canada Village ³	-	+5%
Fort William Historical Park	-68%	-21%
Huronian Historical Park	-1%	-2%

² Includes Fulford Place, Elgin and Winter Garden and Uncle Tom's Cabin.

³ Ontario Place, Fort Henry and Upper Canada closed for the season during October.

APPENDIX: BACKGROUND

2005 Statistics (U.S. and Overseas)

- 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.

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.

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)⁴ 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 GDP⁵ (direct, indirect and induced) amounted to \$20.4 billion in 2004.
- In 2004, tourism employment⁶ 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 province⁷ (direct, indirect and induced) reached 322,600 jobs in 2004.
- In 2004, tax revenues from tourism⁸ 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 revenues⁹.

⁴ 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.

⁵ 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).

⁶ 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.

⁷ 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).

⁸ 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

⁹ 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.

- 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 revenues¹⁰ (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>

¹⁰ 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). 10