

APRIL 2008

Highlights

April 2008 over 2007:

- Trips from the U.S. to Ontario posted a decline of 17.3%, with same-day travel down by 24.2% and overnight trips down by 5.8%.
- Visits from overseas markets to Ontario increased by 5.1%.
- Travel by Ontarians to the U.S. increased by 4.0% (same-day travel and overnight trips up by 3.7% and 4.5%, respectively), while travel to overseas countries increased by 6.2%.
- Occupancy rates in Ontario hotels were up by 3.2 percentage points, while the average daily rate (ADR) was up by 2.3%.
- Ontario's Travel Price Index was up by 3.4%.
- Employment in Ontario's tourism-related industries was down by 12.4%.

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Tourism Industry Statistics

Border Crossings

Total International Entries

During April 2008, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 15.0% over April 2007, to approx. 960,000 crossings (in 2007, April accounted for 6.7% of Ontario's annual international border crossings).

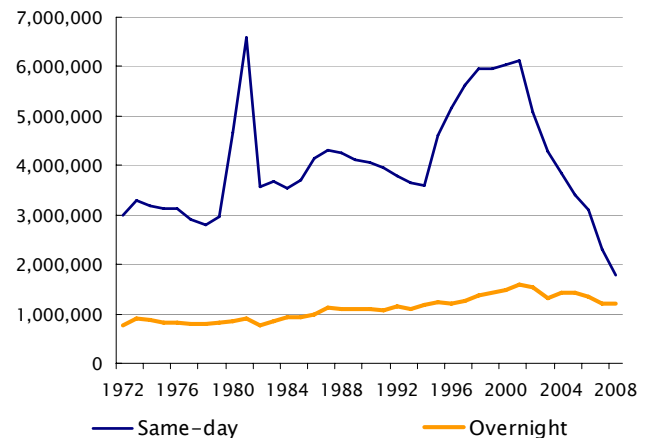
Total international border crossings in the first four months of 2008 were 13.8% below 2007 levels.

U.S. Entries

During the month of April 2008, U.S. border crossings to Ontario fell by 17.3% over 2007 to approx. 840,000 crossings. **88% of the decline was attributable to losses in same-day entries**, which were down by 24.2% over 2007. **Overnight entries**, meanwhile, were down by 5.8%.

In April, the decrease in overnight travel was the result of a decrease of 10.4% in auto travel, which was partially offset by a 2.6% increase in non-auto travel.

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



Source: Statistics Canada

During the first four months of 2008, there were 3.0 million border crossings from the U.S. to Ontario, a decrease of 15.6% over 2007 – and 60% fewer entries than in 1998, the peak year for U.S. border crossings.

For the first four months of 2008, there were 1.8 million same-day U.S. entries to Ontario, a decrease of 22.9% (or almost 530,000 fewer entries) over the same period in 2007. Overnight entries, which totalled 1.2 million, were down 1.7% (or 20,000 entries) from 2007.

Though all provinces are experiencing large declines in U.S. border crossings, Ontario's losses are the most significant.

Province	U.S. Entries, Apr 2008 over 2007		U.S. Entries, YTD: Jan-Apr 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	839,948	-17.3%	2,979,007	-15.6%
B.C.	261,519	-13.6%	1,004,570	-11.7%
Quebec	152,339	-8.4%	552,995	-8.7%
Canada	1,398,210	-15.5%	5,068,752	-14.0%

Source: Statistics Canada

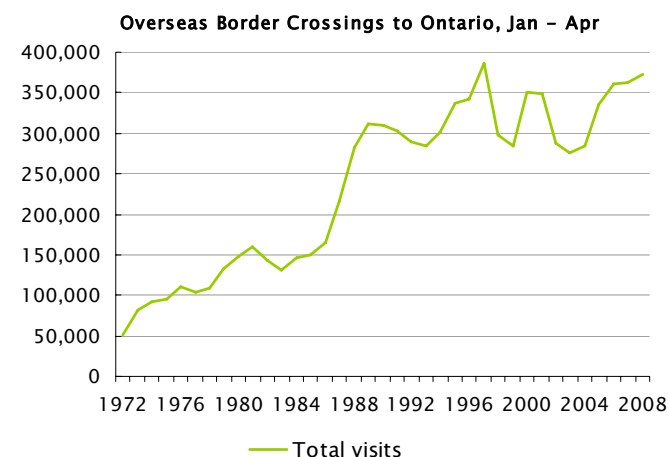
U.S. Entries: Air Travel

In April, commercial air travel¹ from the U.S. to Ontario was up 1.0% over April 2007. For the first four months of 2008, air travel was down 2.4% over 2007.

Overseas Entries

In April 2008, overseas border crossings to Ontario increased by 5.1% over April 2007.

In the first four months of 2008, overseas border crossings have increased 3.0% over the same period in 2007.



Source: Statistics Canada

With a stronger performance than other provinces in both March and April 2008, the growth of Ontario's overseas crossings is now above that of other provinces over the first four months of 2008.

Province	Overseas Entries, Apr 2008 over 2007		Overseas Entries, YTD: Jan-Apr 2008 over 2007	
	Entries*	% change	Entries*	% change
Ontario	121,199	+5.1%	372,749	+3.0%
B.C.	81,625	-6.0%	325,198	-0.2%
Quebec	47,875	-1.0%	172,997	+1.3%
Canada	277,731	+0.8%	983,189	+2.3%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In April 2008, Ontario saw an increase in arrivals from Germany and France, while arrivals from the U.K. and Japan decreased.

Over the first four months of 2008, arrivals from France and Germany are up 1.8% and 1.5%, respectively, while arrivals from the U.K. and Japan are down significantly over the same period of last year.

Market	Apr 2008 over 2007		YTD: Jan-Apr 2008 over 2007	
	Entries*	% change	Entries*	% change
U.K.	22,941	-0.7%	67,902	-5.2%
Germany	7,240	+5.0%	23,158	+1.5%
Japan	5,819	-33.7%	20,250	-28.1%
France	3,956	+2.6%	13,115	+1.8%

Source: Statistics Canada

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

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

Overseas Entries: Emerging Markets

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

Those markets which are showing growth in the first quarter of 2008 are highlighted in the table below.

Market*	Apr 2008 over 2007		YTD: Jan - Apr 2008 over 2007	
	Entries*	% change	Entries*	% change
Mexico	7,845	+8.3%	28,561	+21.6%
South Korea	4,661	+7.3%	15,348	+4.7%
Brazil	3,769	+3.0%	13,590	-0.1%
China	3,894	+13.4%	13,156	+39.8%
India	4,673	+3.8%	12,706	+3.6%
Australia	3,818	+16.7%	10,607	+12.3%
Italy	3,790	+2.5%	9,958	+2.8%
Hong Kong	1,858	-3.2%	7,423	+0.8%
Netherlands	3,758	+43.5%	8,272	+20.9%

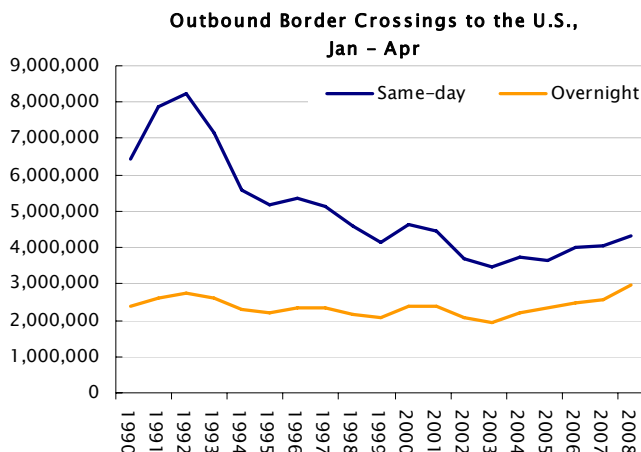
* Origin markets listed in order, based on YTD entries.

Outbound Travel

Ontarians are travelling outside of Canada in record numbers.

Travel to the U.S.

Ontarians made almost 1.9 million crossings to the U.S. in April 2008, an increase of 4.0% over 2007. Overnight visits, which represented 40% of crossings, were up by 4.5% over April 2007, while same-day visits were up by 3.7%.



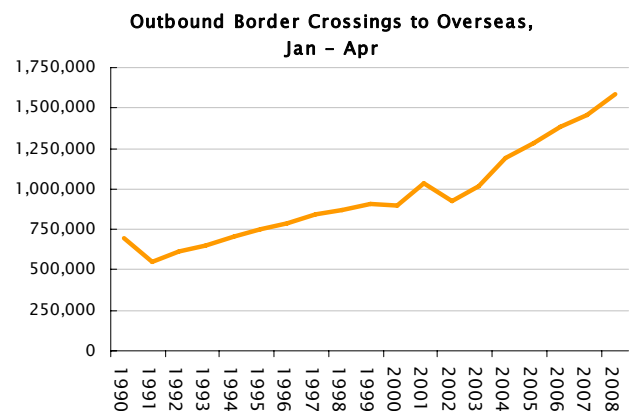
Source: Statistics Canada

The trend is more pronounced over the first four months of 2008. Overall visits by Ontarians to the U.S. are up 10.0% over 2007, with overnight visits up 15.0% (or 390,000 entries) and same-day visits up by 6.8% (or 270,000 entries).

Travel to Overseas Countries

Ontarians made almost 325,000 trips to overseas countries in April 2008, up 6.2% over 2007.

Over the first four months of 2008, overseas travel by Ontarians was up 8.9%, or about 130,000 trips, from the same period of 2007.



Source: Statistics Canada

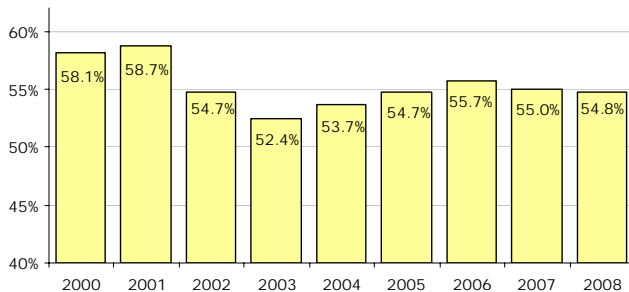
Accommodation

Occupancy Rates

The occupancy rate at Ontario hotels in April 2008 was 59.9%, up 3.2 percentage points over 2007. Across the province, occupancy was highest in downtown Toronto (70.1%), in the Ottawa region (70.2%), in Sudbury (76.8%) and in Thunder Bay (74.0%). All these areas experienced above average increases in occupancy rates over April 2007. In fact, most regions experienced increases in occupancy over last year, with the exception of a few southern Ontario areas, including Niagara Falls (-4.9 points), Windsor (-2.0 points) and the Kitchener-Waterloo area (-1.4 points).

Over the first four months of 2008, occupancy rates at Ontario hotels averaged 54.8%, down 0.2 percentage points over the same period of last year.

Ontario Hotel Occupancy Rates, Jan- Apr

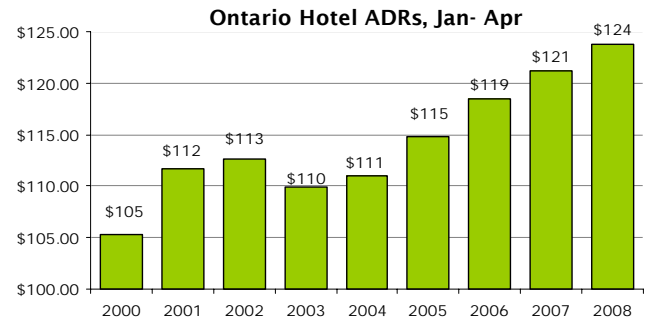


Source: PKF Consulting, Hotel Trends

Average Daily Rates

The average daily rate (ADR) in Ontario increased by 2.3% in April 2008 to \$125.13, with downtown Toronto (\$157.78) and downtown Ottawa (\$141.41) achieving the highest ADRs for the month. Results were mostly positive across the province, with the Ottawa region (+5.6%), the Eastern Ontario region (+3.9%) and the North East (+7.3%) seeing the most significant gains. Some of the Southern Ontario municipalities and Sault Ste. Marie saw decreases in rates over 2007.

Over the first four months of 2008, the ADR in Ontario increased 2.1% to \$123.77 for the period. Results were positive across most of the province, with a number of regions enjoying healthy growth in rates.



Source: PKF Consulting, Hotel Trends

Revenue per Available Room

Revenue per available room (revPAR) in April 2008 was up 8.2% over 2007 with most regions seeing an increase. Over the first four months of 2008, revPAR is up 1.8% over the same period last year.

Canadian Air Carriers Data

Overall passenger traffic for Air Canada, measured in revenue-passenger miles (RPMs), increased by 0.8% in April 2008 over 2007. For the first four months of 2008, passenger traffic increased by 3.5% over the same period of 2007.

Growth in passenger traffic for WestJet continued in April 2008 with a 21.1% gain in RPMs over 2007. Overall traffic increased by 19.4% in the first four months of 2008 over 2007.

Source: aircanada.ca and westjet.ca

Travel Price Index

Ontario's Travel Price Index (TPI) increased by 2.0% in April 2008 over the previous month. Increases in the cost of inter-city transportation (+4.3%) and auto operation (+3.8%) were partially offset by the reduced cost of retail purchases like clothing, pharmaceuticals, and personal care items.

Looking back over the last year, Ontario's TPI was up by 3.4% over April 2007. Increases in the cost of local and inter-city transportation, auto operation and food and beverage were partially offset by declines in the cost of auto rentals, recreational equipment and services and home recreation equipment.

Ontario's TPI is increasing at a faster rate than the province's Consumer Price Index (CPI), which was up by 0.7% in April 2008 over the previous month, and by 1.3% over April 2007.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index in April 2008 was up 3.0% over the previous month, and was up 6.8% over April 2007.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

In April, the national consumer confidence index fell 1.8 points to close at 92.8 (2002=100). Consumers were less confident about their families' current financial position, were less likely to think now was the right time for a major purchase but more noticeably, were concerned about future job market conditions.

Consumer confidence fell in most regions of the country. Ontario and Quebec, fell 1.5 points and 1.3 points, respectively while western Canada saw larger declines in confidence. British Columbia experienced a decline of 3.7 points and the Prairies were down 4.1 points. In contrast, the Atlantic provinces saw an increase in consumer confidence of 3.5 points.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index which has been declining since last summer, and fell almost 12 points in March, dropped another 3.6 points in April. The Index now stands at 62.3 points (1985=100).

Source: The Conference Board

Employment

Employment in Canada was up again slightly in April 2008. An increase in the number of entrants into the labour market, however, pushed up the national unemployment rate 0.1 percentage points to 6.1%. Employment was up by 2.1% over the last twelve months, with the economy adding 348,000 new jobs.

Employment in Ontario edged up in April after being unchanged in March. An increase of 12,000 jobs helped move the unemployment rate down by 0.1 percentage points to 6.3%. Ontario has seen employment growth of 2.2% over the past 12 months, just above the national average with gains in construction and several service industries offsetting the ongoing losses in the manufacturing sector.

In April 2008, employment in Ontario's tourism-related industries was unchanged over the previous month. Employment was down by 12.4% over April 2007 across the sector, however, with decreases in many areas including travel arrangements, performing arts and gambling industries.

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

Bankruptcies

In April, there were 3,533 bankruptcies in Ontario. Of these, 241 were businesses while the rest were consumers. Business bankruptcies were up 10.6% over April 2007.

In the first four months of 2008, there were 11,918 bankruptcies in Ontario, including 936 by businesses. Business bankruptcies were down marginally (0.3%) over the first four months of 2007.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 11,400 calls to the 1-800-ONTARIO call centre in April 2008, down 7% over 2007.

There have been about 36,000 calls over the first four months of 2008, a decrease of 29% over 2007.

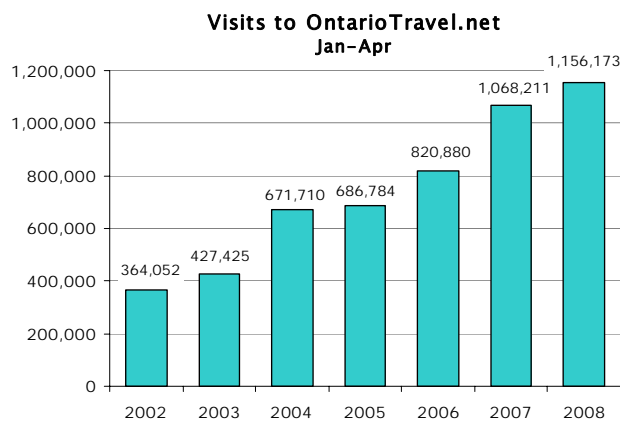
Source: Electronic Data Systems

OntarioTravel.net

In April 2008, there were approximately 210,000 user sessions on **ontariotravel.net**, Ontario's travel website, a decrease of 37% over April 2007.

Note: Starting on April 1, the OTMPC's seasonal microsite strategy transitioned to a segmentation strategy, which launched on April 21. As April was a transition month, this could account for the difference in visitation.

In the first four months of 2008, there were approx. 1.2 million user sessions on the province's travel website, an increase of 8% over 2007.



Source: Ontario Tourism Marketing Partnership Corp.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 50,000 in April 2008, a decrease of 18% over 2007.

Over the first four months of 2008, there were about 150,000 visits to Ontario TICs, 39% fewer than in the same period of 2007.

Change in Visits to Ontario's TICs

Location	April 2008 over 2007	YTD: Jan-Apr 2008 over 2007
Barrie	-3.9%	-30.3%
Cornwall	-21.3%	-34.2%
Fort Erie	-53.2%	-57.0%
Fort Frances	-62.4%	-65.8%
Niagara Falls	-31.3%	-36.9%
Sarnia	-3.1%	-32.7%
Sault Ste Marie	-7.7%	-50.3%
St. Catharines	-26.7%	-48.9%
Toronto	12.0%	-7.9%
Windsor Park	-13.5%	-37.9%
Windsor HC	-30.4%	-46.3%
Hill Island	Closed for the season	
Kenora	Closed for the season	
Lancaster	Closed for the season	
Pigeon River	Closed for the season	
Prescott	Closed for the season	
Rainy River	Closed for the season	
417	Closed for the season	
TOTAL	-18.4%	-39.3%

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	Apr 2008 over 2007	YTD: Jan - Apr 2008 over 2007
Royal Ontario Museum	+38%	+105%
Ontario Science Centre	-7%	-13%
Science North	-19%	-6%
McMichael Gallery	-10%	-29%
Royal Botanical Gardens	-2%	-7%
Ontario Heritage Trust ²	-5%	-28%
Fort William Historical Park	+19%	-56%
Huronian Historical Parks	-5%	-9%

Source: Individual agencies are self-reporting.

² Ontario Heritage Trust includes Winter Garden, Fulford Place, and Uncle Tom's Cabin. Small attendance volume can create significant variability in performance.

APPENDIX: BACKGROUND

Note: In 2005, the Canadian Travel Survey (CTS) was replaced by the Travel Survey of Residents of Canada (TSRC). The change to the TSRC means that 2005 will be the new baseline year, resulting in a delay in reporting on domestic travel result. It is anticipated that domestic travel data for 2006 will be available by summer 2008. Statistics Canada is also developing a bridging mechanism to restate data prior to 2005, to enable historical comparisons.

In the interim, travel data for the U.S. and overseas travel markets for 2006 will be provided.

2006 Statistics (U.S. and Overseas only)

- There were 17.5 million U.S. visits to Ontario in 2006, a decrease of 9.5% over 2005. Spending by U.S. visitors amounted to \$3.8 billion, a decrease of 3.4% over 2005.
 - Visits from the Border States, which made up 81% of all U.S. visits in 2006, decreased by 11.1% while visits from other states decreased by 2.2% over 2005.
 - Same-day visits, which made up 61% of all U.S. visits in 2006, decreased by 12.5% while overnight visits were down by 4.3% over 2005.
- There were 2.2 million overseas visits to Ontario in 2006, an increase of 1.2% over 2005. Spending by overseas visitors amounted to \$2.6 billion, an increase of 6.3% over 2005.
 - Visits from Ontario's traditional markets (the U.K., Japan, Germany and France), which in 2006 made up 39% of all overseas visits, decreased by 25.6% while visits from other travel markets increased by 6.1% over 2005.

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.

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

Note: Recent updates and improvements to the Ministry of Tourism's Tourism Regional Economic Impact Model (TREIM) have changed the tourism economic impact figures reported. The economic impact figures reported in the following section (GDP, jobs and taxes) reflect the changes that have taken place.

- 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)³ 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 GDP⁴ (direct, indirect and induced) amounted to \$19.4 billion in 2004.
- In 2004, tourism employment⁵ in Ontario reached 205,670 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 205,670 tourism jobs by sector:
 - 49,850 jobs in Accommodations
 - 49,380 jobs in Food & Beverage services
 - 19,670 in Arts, Recreation and Entertainment
 - 36,780 in Transportation
 - 22,960 in Retail
 - 16,930 in Travel Services
 - 1,500 in Car Rental and
 - 8,600 in other service sectors
- Total contribution of tourism to the employment in the province⁶ (direct, indirect and induced) reached 310,518 jobs in 2004.

³ 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.

⁴ 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).

⁵ 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.

⁶ 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).

- In 2004, tax revenues from tourism⁷ for all three levels of government in Ontario reached \$6.4 billion – \$3.4 billion in federal tax revenues, \$2.9 billion in provincial and \$125 million in municipal tax revenues⁸.
- For every dollar of tourism receipts in Ontario in 2004, governments received 30 cents in tax revenues directly, of which federal government received 16 cents, provincial government 13 cents and municipal governments 1 cent.
- The total contribution of tourism to tax revenues⁹ (direct, indirect and induced) for all three levels of government amounted to \$10.0 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>

⁷ 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

⁸ 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.

⁹ 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).