

JANUARY 2008

Highlights

Tourism performance, January 2008 over January 2007:

- Trips from the U.S. to Ontario posted a decline of 15.7%, with same-day travel down by 22.4% and overnight trips down by 0.8%.
- Visits from overseas markets to Ontario increased by 4.0%.
- Travel by Ontarians to the U.S. increased by 7.8% (same-day travel up by 5.2% and overnight trips up by 12.1%), while travel by Ontarians to overseas countries increased by 4.9%.
- Ontario's Travel Price Index was up by 4.7%.
- Employment in Ontario's tourism-related industries was down by 12.5%.

Inside This Issue

Tourism Industry Statistics

Border Crossings	1
Accommodation Statistics	4
Canadian Air Carriers Data	4
Travel Price Index	5

Economic Indicators

Consumer Confidence	5
Labour Force	5
Bankruptcies	5

Consumer Response Indicators

1-800-ONTARIO	6
Ontario Travel Information	6
OntarioTravel.net	6
Attendance at Agencies	7

Tourism Industry Statistics

Border Crossings

Total International Entries

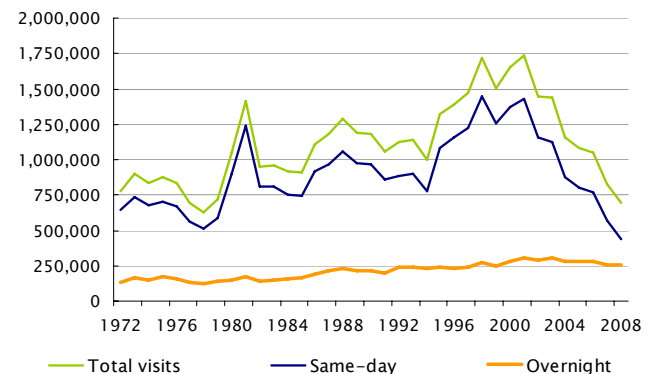
During January 2008, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 14.1% over the same month in 2007, to just under 775,000 crossings. In 2007, international border crossings in January accounted for 4.6% of the total annual crossings.

Total international border crossings to Ontario in 2007 were 12.7% below the level achieved in 2006.

U.S. Entries

During the month of January 2008, U.S. border crossings to Ontario fell by 15.7% over 2007 to under 700,000 crossings. The decline was largely due to fewer same-day entries to Ontario, which were down by 22.4% over 2007, while overnight entries were down by just 0.8%.

U.S. Border Crossings to Ontario, January 1972-2008



Source: Statistics Canada

This decline in overnight travel was the result of small decreases in both auto travel and non-auto travel, down 0.3% and 1.5%, respectively over January 2007.

For the year 2007, there were about 15 million border crossings from the U.S. to Ontario, a decrease of 14.0% over 2006 – and 50% fewer entries than in 1998, the peak year for U.S. border crossings.

For the year 2007, 89% of the decline in U.S. border crossings can be attributed to the decline in same-day travel.

For the year 2007, there were 8.3 million same-day U.S. entries to Ontario, a decrease of 20.6% (or 2.2 million entries) over 2006. Overnight entries, which totalled 6.6 million, were down 4.0% (or approx. 280,000 entries) over 2006.

In January, commercial air travel¹ from the U.S. to Ontario was down 6.3% over 2007. For the year 2007, air travel was down 9.2% over 2006.

Compared to other provinces, Ontario has experienced a more significant decline in U.S. border crossings, both in the recent reporting month and year.

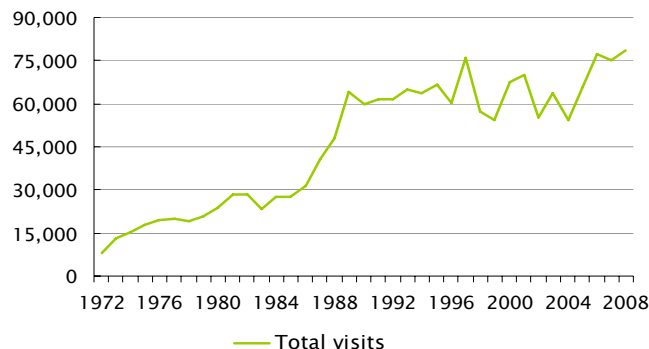
Province	U.S. Entries Jan 2008 over 2007		U.S. Entries, YTD: Jan - Dec 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	695,795	-15.7%	14,937,874	-14.0%
B.C.	221,096	-9.7%	5,061,984	-5.9%
Quebec	120,817	-11.9%	2,455,763	-9.0%
Canada	1,164,543	-14.0%	25,694,557	-11.0%

Source: Statistics Canada

Overseas Entries

In January 2008, overseas border crossings to Ontario increased by 4.0% over January 2007.

Overseas Border Crossings to Ontario, January 1972-2008



Source: Statistics Canada

In 2007, the volume of overseas border crossings remained stable at about 1.8 million crossings, a nominal increase of 0.1% relative to 2006. Overseas crossings, however, were down 19.4% from 1996, the peak year for overseas border crossings.

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

In January, direct entries from overseas countries were up 3.8% from 2007, while entries to Ontario via the U.S. were up by 4.5%.

However, for the year 2007, direct entries to Ontario were up by 1.4% over 2006, while entries via the U.S. were down 3.0%.

During January 2008, Ontario's increase in overseas crossings exceeded that of Quebec, but was half of that experienced by British Columbia.

For the year 2007, other regions of Canada have seen strong growth in overseas crossings while Ontario has only remained stable.

Province	Overseas Entries, Jan 2008 over 2007		Overseas Entries, YTD: Jan - Dec 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	78,369	+4.0%	1,832,625	+0.1%
B.C.	78,292	+8.0%	1,514,842	+3.3%
Quebec	35,824	+1.0%	819,644	+6.2%
Canada	218,378	+5.5%	4,678,912	+3.6%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In January 2008, Ontario saw decreases in visits from three of its four primary overseas markets – the U.K., Germany and Japan.

For the year 2007, Ontario saw an increase in overseas entries from the U.K. over 2006, and dramatic decreases in entries from Japan and France.

Market	Jan 2008 over 2007		YTD: Jan - Dec 2007 over 2006	
	Entries*	% change	Entries*	% change
U.K.	12,999	-4.8%	393,362	+1.6%
Germany	4,677	-8.2%	120,699	-0.8%
Japan	3,172	-31.9%	112,667	-18.8%
France	3,180	+13.0%	72,490	-14.6%

Source: Statistics Canada

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

Overseas Entries: Emerging Markets

A broader set of emerging markets is changing the composition of Ontario's international visitors. During January 2008, significant growth was seen in the entries from Mexico, China, Brazil and Australia compared to 2007.

For the year 2007, six of the markets listed below have seen growth over 2006.

Market*	Jan 2008 over 2007		YTD: Jan - Dec 2007 over 2006	
	Entries*	% change	Entries*	% change
Mexico	6,246	+27.5%	105,536	+17.9%
South Korea	4,032	+1.6%	74,420	+10.0%
China	3,352	+47.1%	58,092	+18.7%
India	2,486	+0.6%	55,346	+4.7%
Italy	2,182	+5.9%	54,635	+2.9%
Israel	2,065	-32.8%	51,779	-18.2%
Brazil	4,196	+12.0%	51,749	-2.9%
Australia	2,652	+16.9%	45,909	+6.5%
Netherlands	1,412	+5.6%	44,176	-9.8%
Hong Kong	1,603	+10.8%	34,332	-4.1%

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

Outbound Travel

Ontarians are travelling outside of Canada in record numbers.

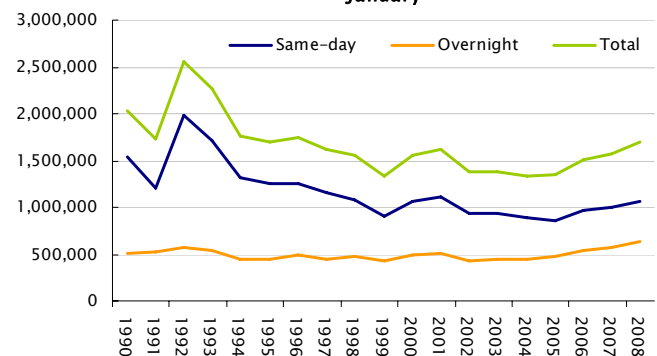
During January 2008, travel by Ontarians to international destinations (including the U.S. and overseas) increased by 7.2% over 2007, to more than 2.1 million crossings.

Outbound travel by Ontarians in 2007 grew by 6.8% - almost 1.7 million more crossings than in 2006.

Travel to the U.S.

Travel to the U.S. by Ontarians increased by 7.8% in January 2008 over 2007. Overnight visits were up by 12.1% over January 2007, while same-day visits were up by 5.2%.

Outbound Border Crossings to the U.S., January



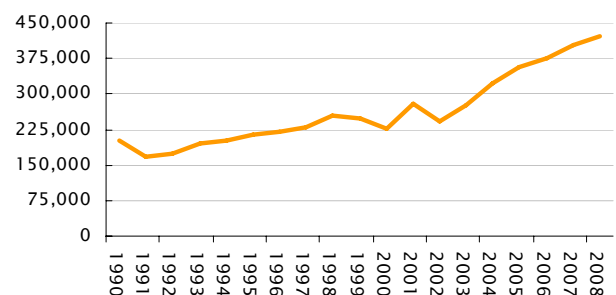
Source: Statistics Canada

For the year 2007, outbound travel by Ontarians to the U.S. increased by 7.0% over 2006, with overnight travel up by 10.3% or about 780,000 more visits and same-day travel up by 5.2% or about 690,000 more visits to the U.S. than in the previous year.

Travel to Overseas Countries

Travel by Ontarians to overseas countries was also up in January 2008, up 4.9% (or, almost 20,000 crossings) over January 2007.

Outbound Border Crossings to Overseas, January



Source: Statistics Canada

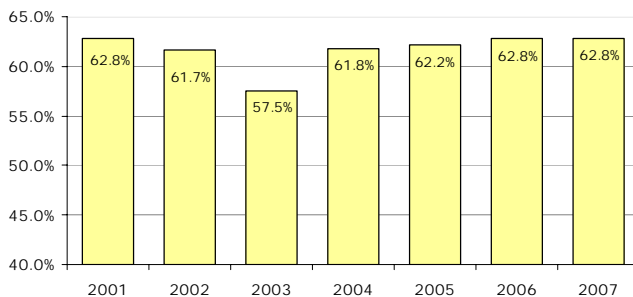
Over the year 2007, Ontarians have taken almost 190,000 more trips to overseas countries than in 2006, representing an increase of 5.6%.

Accommodation

NOTE: Data from PKF Consulting for January 2008 is not available. The information will be combined with February 2008 and will be reported in the next edition of the Tourism Performance update.

In 2007 overall, the occupancy rates at Ontario hotels averaged 62.8%, unchanged from 2006 – and at the same level as 2001.

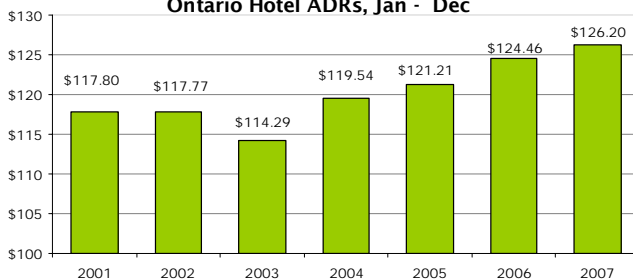
Ontario Hotel Occupancy Rates, Jan - Dec



Source: PKF Consulting, Hotel Trends

The ADR in Ontario in 2007 increased 1.4% to \$126.20. All regions, except Windsor (-4.5%), Central Ontario (-1.6%) and GTA West (0.1%) have seen increases in ADR over the year. The biggest gains can be seen in Hamilton/Brantford (6.7%), Ottawa East (4.8%) and Sault Ste. Marie (4.3%).

Ontario Hotel ADRs, Jan - Dec



Source: PKF Consulting, Hotel Trends

Over 2007, revPAR increased by 1.4% over 2006. There is, however, significant variability across the regions in terms of revPAR, with Ottawa West and East (+11.3% and +8.1%), Hamilton/ Brantford (+6.8%) and Sudbury (+5.7%) showing considerable growth in revPAR over the year, while Windsor (-8.6%) and Central Ontario (-4.4%) experienced significant declines in their revPAR over the period.

Canadian Air Carriers Data

Overall passenger traffic for Air Canada, measured in revenue-passenger miles (RPMs), increased by 3.8% in January 2008 over 2007. For the year 2007, passenger traffic increased by 3.3% over 2006.

Growth in passenger traffic for WestJet continued in January 2008 with a 16.2% gain in RPMs over 2007. In 2007, overall traffic increased by 19.9% over 2006.

Source: aircanada.ca and westjet.ca

Travel Price Index

Ontario's Travel Price Index (TPI) increased by 1.7% in January 2008 over the previous month. An increase in the cost of travellers' accommodation (+1.2%) was somewhat offset by declines in the cost of inter-city transportation (-4.0%), clothing & footwear (-3.0%) and recreation equipment and services (-3.0%).

Looking back over the last year, Ontario's TPI was up by 4.7% over January 2007. Increases in the cost of auto operation, local transportation, travellers' accommodation 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 Consumer Price Index (CPI) decreased by 0.2% in January 2008 over the previous month, while there was an increase of 2.1% over January 2007.

Source: Statistics Canada, Ontario Ministry of Tourism

The January 2008 U.S. Travel Price Index was up 2.0% from December 2007 and was up 9.2% over January 2007.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

The national consumer confidence index in January fell another 0.8 points, after falling 4.0 points in December. The index closed at 95.3 (2002=100). Consumer optimism was up regarding their current and future income situation, but consumers were again uncertain about making major purchases.

The overall decline in consumer confidence was due to declines in central Canada. The index in Ontario fell 1.4 points – bringing the index for the province to its lowest level since the end of 2005. Quebec was down 2.8 points, essentially eliminating any gains made in 2007. In the west, the index in British Columbia held steady after a large decline the previous month, whereas the Prairies were up by 3.2 points. The Atlantic Provinces dropped 1.2 points, their fourth consecutive month of declines.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index, which has been declining since summer 2007, declined again in January 2008, falling another 1.3 points to close at 87.3 points (1985=100).

Source: BMO Economics

Employment

Employment in Canada was up in January 2008 by 46,000 new jobs – boosting the employment rate to a record high. The national unemployment rate was 5.8%. Over the last twelve months, employment was up by 2.0% with the economy adding 337,000 jobs.

Employment in Ontario was up slightly in January, bringing the unemployment rate down to 6.3%.

The province experienced employment growth of 1.5% (95,200 jobs) over the past 12 months, as losses in manufacturing; and in accommodation and food services were somewhat offset by gains in a number of service industries.

In January 2008, employment in Ontario's tourism-related industries decreased by 3.1% over the previous month. Employment was down by 12.5% over January 2007 across the sector, with decreases in many areas including gambling industries, restaurants, performing arts and travel arrangements.

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

Bankruptcies

In January, there were 2,592 bankruptcies in Ontario. Of these, 220 were businesses while the rest were consumers. Bankruptcies were down 6% over January 2007.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 6,300 calls to the 1-800-ONTARIO call centre in January 2008, down 25% over January 2007.

In 2007, the call centre received about 183,000 calls, 4% fewer calls than in 2006.

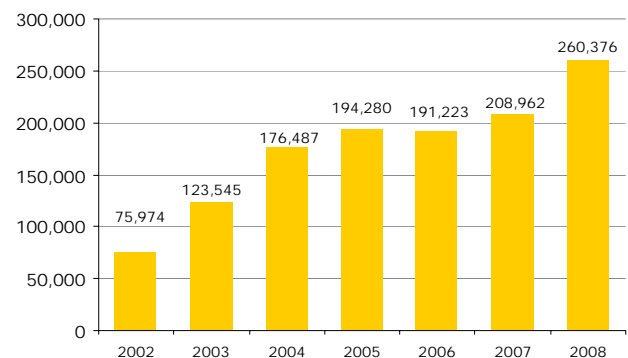
Source: Electronic Data Systems

OntarioTravel.net

In January 2008, there were approximately 260,000 user sessions on Ontario's travel website **ontariotravel.net**, about 25% more user sessions than in January 2007. User sessions were flat on the main website, while traffic was up by more than 200% on the seasonal site.

There were more than 3.2 million user sessions on the travel website over 2007, an increase of 9% over 2006. Traffic was up by 9% on the main site (which represents 84% of user sessions) and up by 12% on the seasonal site.

**Visits to OntarioTravel.net
January**



Source: Ontario Tourism Marketing Partnership Corp.

Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled about 30,000 in January 2008, a decrease of 32% over January 2007.

Over 2007, there were approximately 1.25 million visits to Ontario's TICs, an 11.4% decrease over the previous year.

Change in Visits to Ontario's TICs

Location	Jan 2008 over 2007	YTD: Jan - Dec 2007 over 2006
Barrie	-11.5%	-2.4%
Cornwall	-27.5%	-14.0%
Fort Erie	-52.0%	-5.4%
Fort Frances	-59.2%	-28.0%
Niagara Falls	-36.9%	-9.9%
Sarnia	-32.4%	-11.6%
Sault Ste Marie	-46.9%	-19.8%
St. Catharines	-43.2%	-14.5%
Toronto	-3.6%	-15.7%
Windsor Park	-23.3%	-10.4%
Windsor HC	-44.8%	-16.4%
Hill Island	Closed for the season	-6.4%
Kenora	Closed for the season	-2.1%
Lancaster	Closed for the season	9.9%
Pigeon River	Closed for the season	-13.1%
Prescott	Closed for the season	7.7%
Rainy River	Closed for the season	-15.8%
417	Closed for the season	-6.2%
TOTAL	-32.0%	-11.4%

Source: Ontario Ministry of Tourism

Attendance at Agencies

The following table shows the percentage change in total visits at Ontario agencies for both January 2008 over 2007 and for the year 2007 over 2006.

Agency	Jan 2008 over 2007	YTD: Jan - Dec 2007 over 2006
Royal Ontario Museum	+121%	+26%
Ontario Science Centre	-17%	-19%
Science North	-8%	-3%
Art Gallery of Ontario ²	-	-37%
McMichael Art Gallery	-42%	+23%
Ontario Heritage Trust	-44% ³	+13%
Ontario Place ⁴	-	-16%
Upper Canada Village	+6%	+8%
Fort William Historical Park	-16%	-21%
Huronion Historical Park ⁴	-	0%

Source: Individual agencies are self-reporting.

² The Art Gallery of Ontario closed for renovations on Oct. 8 2007, and will reopen in fall 2008.

³ Small attendance volumes create significant variability in growth/declines.

⁴ Ontario Place, Upper Canada and Huronia closed for the season during January.

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 results for 2005 and 2006. It is anticipated that domestic travel data for 2005 and 2006 will be available by May 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.
- 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

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)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 \$19.4 billion in 2004.
- In 2004, tourism employment⁷ 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 province⁸ (direct, indirect and induced) reached 310,518 jobs in 2004.

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.

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).

- In 2004, tax revenues from tourism⁹ 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 revenues¹⁰.
- 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 revenues¹¹ (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>

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).