

NOVEMBER 2007

Highlights

Tourism performance, November 2007 over 2006:

- Trip from the U.S. to Ontario posted a decline of 15.7%, with same-day travel down by 24.5% and overnight trips up by 1.2%.
- Visits from overseas markets to Ontario increased by 6.4%.
- Travel by Ontarians to the U.S. increased by 18.0%, while travel to overseas countries increased by 10.3%.
- Occupancy rates in Ontario were up by 2.0 percentage points, while the average daily rate (ADR) was up by 2.3%.
- Ontario's Travel Price Index was up by 1.9%
- Employment in Ontario's tourism-related industries was up by 7.6%.

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Tourism Industry Statistics

Border Crossings

Total International Entries

During November 2007, total international border crossings (including U.S. and overseas visitors) to Ontario declined by 14.0% over 2006, to just under one million crossings.

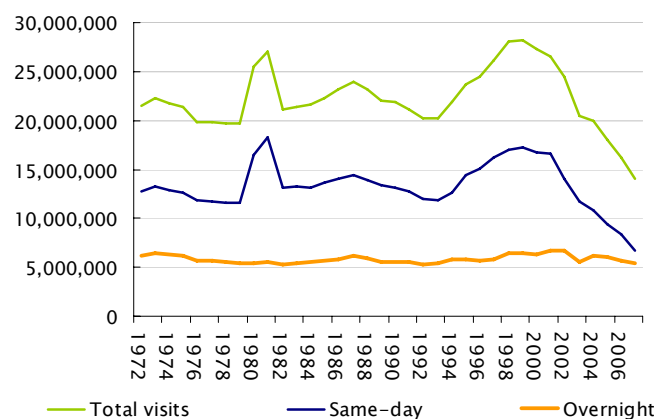
Over the first eleven months of 2007, international border crossings to Ontario were down by 12.2% over the same period of 2006.

U.S. Entries

In November 2007, U.S. border crossings to Ontario fell by 15.7% over 2006 to under 900,000 crossings.

For the first eleven months of 2007, U.S. border crossings were down by 13.5% over the same period of 2006 – Ontario received about half the U.S. entries it did in the same period in 1998, the recent peak year for U.S. border crossings.

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



During the month of November 2007, same-day U.S. entries to Ontario were down by 24.5% over 2006, while overnight entries were up by 1.2%. During this period, overnight travel by auto increased by 3.3% while overnight non-auto travel decreased by 2.4% over 2006.

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

In the first eleven months of 2007, there were 7.8 million same-day U.S. entries to Ontario, a decrease of 20.0% (or 1.9 million entries) from the same period in 2006. Overnight entries, which totalled 6.3 million for the period, were down 4.0% (or approx. 240,000 entries) over the same period in 2006.

In November 2007, commercial air travel¹ from the U.S. to Ontario was down 5.2% over 2006. Over the first eleven months of 2007, commercial 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 November 2007 and over the first eleven months of 2007 over 2006.

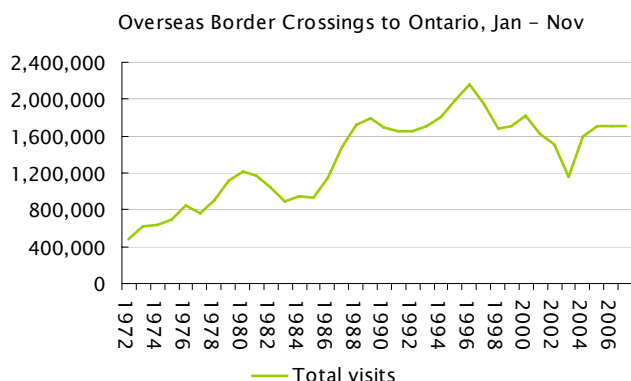
Province	U.S. Entries Nov 2007 over 2006		U.S. Entries, YTD: Jan - Nov 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	891,307	-15.7%	14,042,531	-13.5%
B.C.	236,662	-6.4%	4,772,548	-5.4%
Quebec	150,333	-10.1%	2,286,812	-8.6%
Canada	1,437,897	-13.3%	24,169,423	-10.5%

Source: Statistics Canada

Overseas Entries

In November 2007, overseas border crossings to Ontario increased by 6.4% over 2006.

The volume of overseas border crossings has remained unchanged (-0.1%) in the first eleven months of 2007 relative to the same period in 2006.



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

In November, direct entries from overseas countries were up 5.7% from November 2006, while entries to Ontario via the U.S. were up by 8.1%.

In the first eleven months of 2007, direct entries to Ontario were up by 1.6% over 2006, while entries via the U.S. were down 4.0%.

During November 2007, all of the provinces experienced growth in overseas crossings.

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

Province	Overseas Entries, Nov 2007 over 2006		Overseas Entries, YTD: Jan - Nov 2007 over 2006	
	Entries*	% change	Entries*	% change
Ontario	93,729	+6.4%	1,708,306	-0.1%
B.C.	64,615	+1.9%	1,413,961	+3.2%
Quebec	36,338	+15.9%	761,042	+6.2%
Canada	211,343	+7.2%	4,363,576	+3.5%

Source: Statistics Canada

Overseas Entries: Traditional Markets

In November 2007, Ontario saw decreases in visits from two of its four primary overseas markets – Germany and Japan – while the U.K. and France (though much less significant in terms of volume) posted increases over November 2006.

Over the first eleven months of 2007, U.K. has posted an increase over the same period in 2006, while Germany has remained essentially unchanged.

Market	Nov 2007 over 2006		YTD: Jan - Nov 2007 over 2006	
	Entries*	% change	Entries*	% change
U.K.	18,233	+2.7%	368,892	+2.1%
Germany	5,258	-1.0%	113,920	-0.4%
Japan	6,559	-6.9%	107,685	-18.8%
France	2,844	+2.2%	68,243	-15.2%

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 November 2007, significant growth was seen in the number of entries from Mexico, China, South Korea Italy and Australia compared to November 2006.

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

Market*	Nov 2007 over 2006		YTD: Jan - Nov 2007 over 2006	
	Entries*	% change	Entries*	% change
Mexico	5,346	+28.4%	97,333	+18.0%
South Korea	3,607	+3.8%	69,698	+9.4%
China	4,300	+17.3%	54,202	+17.8%
India	3,077	-3.4%	52,316	+4.4%
Italy	3,069	+12.5%	50,354	+1.3%
Israel	3,7161	-20.6%	48,877	-17.8%
Brazil	2,693	+2.6%	47,103	-1.4%
Australia	2,353	+19.5%	41,969	+6.2%
Netherlands	1,765	+5.4%	41,538	-10.7%
Hong Kong	1,696	-0.9%	31,862	-4.4%

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

Source: Statistics Canada

Outbound Travel

Ontarians are travelling outside of Canada in record numbers.

Travel by Ontarians to international destinations (including the U.S. and overseas) increased by 17.2% in November 2007 over 2006.

In the first eleven months of 2007, outbound travel by Ontarians has grown by 7.0% - almost 1.6 million more crossings than in the same period of 2006.

Travel to the U.S.

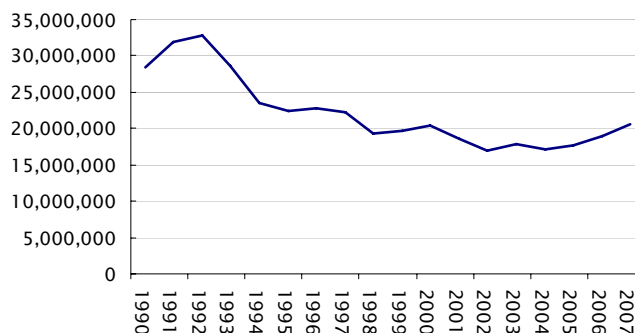
Travel to the U.S. by Ontarians jumped by 18.0% (or, more than 315,000 additional crossings) in November 2007 over 2006. Overnight visits were up by 25.8% or about 150,000 visits while same-day visits were up by 14.2% or about 165,000 visits over November 2006.

Over the first eleven months of 2007, outbound travel by Ontarians to the U.S. has increased by 7.2%, with overnight travel up by 9.8% over the same period of 2006 and same-day travel up by 5.8%.

Travel to Overseas Countries

Travel by Ontarians to overseas countries also increased considerably in November, up 10.3% (or, almost 21,000 crossings) over November 2006.

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

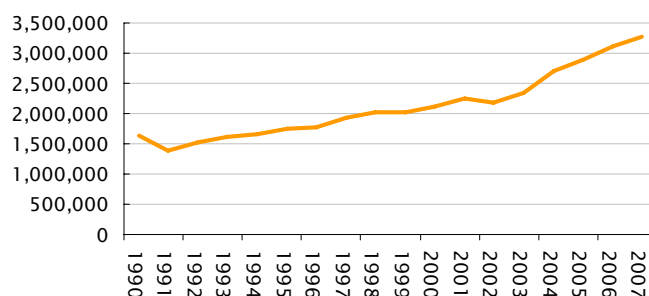


Over the period of January to November 2007, Ontarians have taken almost 170,000 more trips to

overseas countries than in the same period of 2006, representing an increase of 5.5%.

Source: Statistics Canada

Outbound Border Crossings to Overseas, Jan - Nov

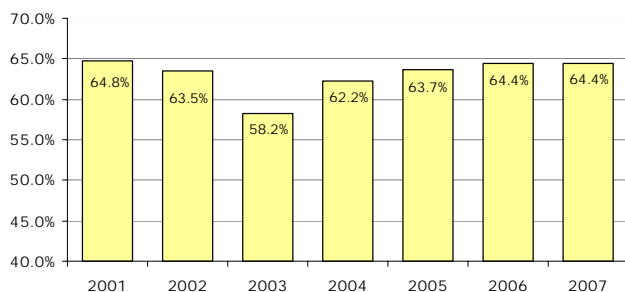


Accommodation

The occupancy rate at Ontario hotels in November 2007 was 63.7%, up 2.0 percentage points over 2006. Across the province, occupancy was highest in downtown Toronto (79.5%), Ottawa West and East (74.1% and 73.5%) and in Sudbury (73.9%). There was significant variability across the regions, with Ottawa West (+8.1 points), Central Ontario (+6.6 points) and GTA West (+6.2 points) experiencing strong growth in occupancy rates over November 2006, while Windsor (-4.0 points), downtown Ottawa (-3.3 points) and Thunder Bay (-2.5 points) each experienced considerable declines in occupancy rates over November 2007.

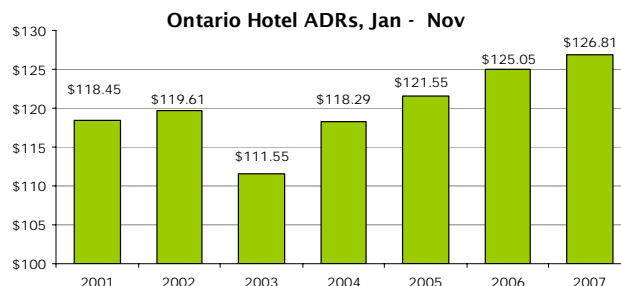
For the first eleven months of 2007, the occupancy rates at Ontario hotels averaged 64.4%, unchanged from 2006 – and still 0.4 percentage points below 2001 levels for the same period.

Ontario Hotel Occupancy Rates, Jan - Nov



The average daily rate (ADR) in Ontario increased by 2.3% in November 2007 to \$125.38, with downtown Toronto (\$169.94), downtown Ottawa (\$1441.91) and Ottawa West (\$124.71) achieving the highest ADRs for the month. Most of the regions experienced ADR growth over the month, led by North Bay (+8.1%), Hamilton/Brantford (+6.6%) and Ottawa West (+6.3%). The exceptions were Niagara Falls (-4.4%) and GTA West (-1.8%), who each saw declines over the month.

The ADR in Ontario for the first eleven months of the year increased 1.4% to \$126.81. All regions, except Windsor (-4.8%) and Central Ontario (-1.8%) have seen increases in ADR over the period. The biggest gains can be seen in Hamilton/Brantford (6.8%), Ottawa East (5.7%) and Sault Ste. Marie (4.9%).



Boosted by higher occupancy rates and ADRs, revenue per available room (revPAR) in November 2007 saw a strong increase overall across the province (+5.6%) over 2006. For the period of January to November 2007, revPAR has increased a more modest 1.3% over the same period of 2006.

The 1.3% overall increase in revPAR across the province is moderating significant variability across the regions, with Ottawa West and East (+11.5% and +8.9%) and Hamilton/ Brantford (+6.6%) showing considerable growth in revPAR over the period, while Windsor (-8.3%) and Central Ontario (-4.8%) 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 November 2007 over 2006. In the first eleven months of 2007, overall passenger traffic has increased by 3.4% over the same period of 2006.

Passenger traffic growth for WestJet continued in November 2007 with an 18% gain over 2006, and a 20% increase in overall traffic in the first eleven months of 2007 over 2006.

Source: InterVISTAS, aircanada.ca and westjet.ca

Travel Price Index

In November 2007, Ontario's Travel Price Index (TPI) was unchanged from the previous month (-0.1%). There were small offsetting increases and decreases in a number of categories with the only substantial changes affecting the cost of local transportation (+4.3%) and travellers' accommodation (-5.6%).

Looking back over the last year, Ontario's TPI was up by 1.9% in November 2007 over 2006. Increases in the cost of auto operation, local transportation and food and beverage were partially offset by declines in the cost of auto rentals, inter-city transportation, recreational equipment and services and home recreation equipment.

Ontario's Consumer Price Index (CPI) increased by 0.3% in November 2007 over the previous month, while there was an increase of 2.4% over November 2006.

Source: Statistics Canada, Ontario Ministry of Tourism

The U.S. Travel Price Index was unchanged in November compared to the previous month, while the index was up by 8.8% over October 2006.

Source: Travel Industry Association of America

Economic Indicators

Consumer Confidence

The national consumer confidence index in November bounced back with a gain of 2.0 points over October, closing at 100.2 (2002=100) as consumers became more optimistic in all areas, with the most positive movement occurring in consumers' expectations for future income.

Consumer confidence was up across the country, with the exception of a marginal decline in the Atlantic Provinces (-0.3 points). Ontario saw the biggest gain (+2.9 points), followed by British Columbia (+2.2 points). In the Prairies, the index gained 1.0 point while Quebec's index increased 1.9 points.

Source: The Conference Board of Canada

The U.S. Consumer Confidence Index, which has been declining since the summer, declined further in November, closing at 87.3 points (1985=100), due primarily to a decline in the Expectations Index.

Source: The Conference Board (U.S.)

Labour Force

Employment in Canada continued to increase in November, with an estimated 43,000 new jobs created. The national unemployment rate, however, increased 0.1 of a percentage point to 5.9% as more people entered the workforce. Since November 2006, employment was up by 2.7% with the economy adding 440,700 jobs.

After two months of strong growth, employment in Ontario was little changed in November. More people entered the workforce, however, pushing the unemployment rate up 0.2 of a percentage point to 6.2%. Over the past 12 months, employment was up 2.2% (141,900 jobs), though the province is still lagging behind the national job growth rate.

In November, employment in Ontario's tourism-related industries decreased by 4.9% over the previous month. Employment was up by 7.6% over November 2006 across the sector, however, with increases in employment in the travel arrangement and reservations, spectator sports, and other amusement and recreation industries more than offsetting decreases in employment in the air transportation and gambling industries.

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

Bankruptcies

In November 2007, there were 3,071 bankruptcies in Ontario. Of these, 195 were businesses while the rest were consumers. Bankruptcies were up 4% over November 2006.

Of the business bankruptcies reported in November 2007 in Ontario, 15 were in accommodation and food services and 7 were in the arts, entertainment and recreation sector. In November of 2006, there were 32 and 2 bankruptcies recorded in these sectors, respectively.

Source: Office of the Superintendent of Bankruptcy Canada

Consumer Response Indicators

1-800-ONTARIO

There were approximately 3,000 calls to the 1-800-ONTARIO call centre in November 2007, down 15% over November 2006 call volume. In the first eleven months of 2007, the call centre has received about 180,000 calls, 4% fewer calls than in 2006.

Source: Electronic Data Systems

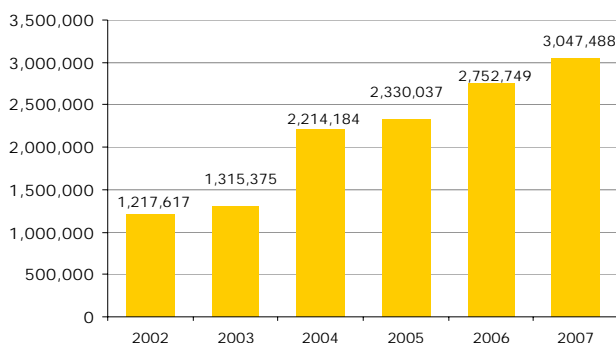
OntarioTravel.net

In November 2007, there were approximately 150,000 user sessions on Ontario's travel website **ontariotravel.net**, the same number of user sessions as in November 2006. User sessions were up 5% on the main website, while traffic was down by 29% on the seasonal site.

There have been more than 3 million user sessions on the travel website over the first eleven months of 2007, an increase of 11% over the same period in 2006. Traffic is up in similar proportions on both the main site and the seasonal site.

Source: Electronic Data Systems

Visits to OntarioTravel.net
Jan - Nov



Ontario Travel Information Centres

Visits to Ontario's Travel Information Centres (TICs) totalled more than 37,000 in November 2007, a decrease of 30.2% over 2006.

In the first eleven months of 2007, there have been approximately 1.2 million visits to TICs, a 10.4% decrease over the same period in 2006.

Change in Visits to Ontario's TICs

Location	Nov 2007 over 2006	YTD: Jan - Nov 2007 over 2006
Barrie	-2.9%	-2.4%
Cornwall	-40.1%	-12.4%
Fort Erie	-26.7%	-3.1%
Fort Frances	-53.7%	-26.2%
Niagara Falls	-22.7%	-8.6%
Sarnia	-2.2%	-11.3%
Sault Ste Marie	-57.1%	-18.5%
St. Catharines	-36.2%	-13.4%
Toronto	-31.5%	-13.8%
Windsor Park	-21.7%	-9.4%
Windsor HC	-26.9%	-15.5%
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	-30.2%	-10.4%

Source: Ontario Ministry of Tourism

Attendance at Agencies

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

Agency	Nov 2007 over 2006	YTD: Jan - Nov 2007 over 2006
Royal Ontario Museum	+24%	+22%
Science North	+6%	-3%
Art Gallery of Ontario ²	-	-37%
McMichael Art Gallery	+9%	+29%
Royal Botanical Gardens	-2%	+21%
Ontario Place ³	-	-16%
Fort Henry ³	-	-11%
Upper Canada Village ³	-	+5%
Fort William Historical Park	-5%	-21%
Huronian Historical Park	+234%	+2%

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

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

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

- 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

- 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>

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.

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).