

This week's indicators of Ontario's economic activity are moderately positive. International tourism increased in March. The rate of growth in total population over the next five years is projected to be on par with recent history.

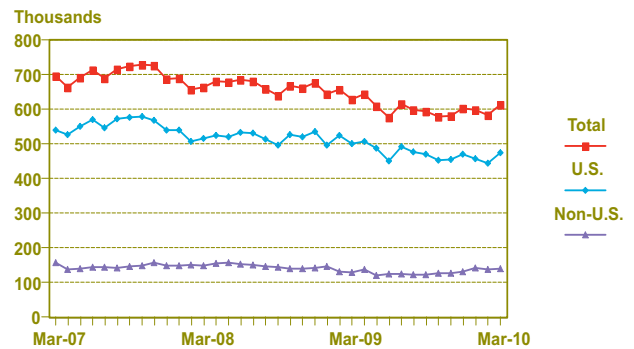
International non-resident traveller entries to Ontario increased in March, marking the first gain since December. This was almost entirely due to more visitors from the United States. March's growth is counter to the prevailing downward trend that began in early 2001. Since then, visits from the U.S., which account for almost 80% of the total flow, have steadily declined.

Entries totalled 615,021 persons in March, seasonally adjusted, up 30,691 persons (5.3%) from February, according to the latest estimates from Statistics Canada. Visits from the U.S. climbed by 30,198 persons (6.8%) month-over-month, while visits from other countries inched up by 493 persons (0.4%). In the first quarter of 2010, entries are down 55,665 persons (5.5%) from the same period a year earlier.

International tourism will likely continue to struggle for some time yet. The global economic recovery will lift business travel in the coming years, but discretionary travel spending is likely to remain weak for some time due to high and rising household and government debt, as well as beefed-up border security efforts.

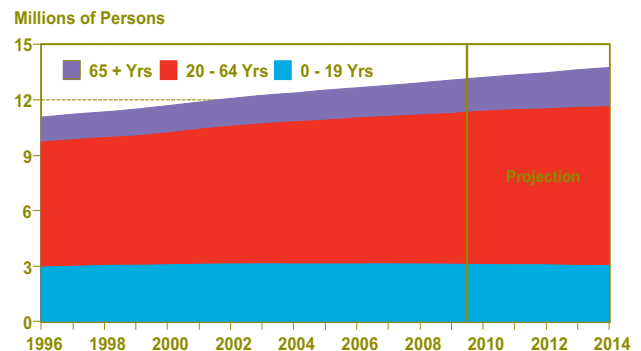
The **population** of Ontario is projected to reach 13,771,800 persons by July 2014, according to the latest projection from Statistics Canada. That represents an increase of 702,618 persons (5.4%) from July 2009. The dominant source of growth over this five-year period will be net international immigration, while natural change (births minus deaths) will contribute about one-fifth of total population growth. Meanwhile, net inter-provincial out-migration will subtract a bit from overall population growth. Projected population growth will be unevenly distributed by age, largely due to the post-WWII baby boom and subsequent oscillations in fertility.

**International Non-Resident Traveler Entries
Ontario, Seasonally Adjusted, Monthly**



Source: Statistics Canada.

**Population by Age Group
Ontario, Annual (July 1st)**



Source: Statistics Canada.

Ontario's total population is projected to grow at an average rate of 1.1% per year through 2014, on par with the average growth rate over the past five years. The fastest growth rate will be among persons aged 65 years and over: an average rise of 3.4% per year is projected through 2014, up from the 2.4% average over the past five years. The predominant working-age group of 20 to 64 year-olds is



projected to grow at an annual average rate of 1.0%, down from 1.3%. Meanwhile, the newborn to 19 year-old group is projected to decline by an average 0.3% per year, down from 0.2%.

Projected population growth from 2010 through 2014 will be concentrated among several more specific age groups. The 50 to 64 year-old group will grow by 368,358 over the five years. Those aged 65 years and over will increase by 327,523. The baby-boom echo, aged 20 to 34 years, will grow by 197,522 persons, while children from newborns to nine year-olds will increase by 53,341.

Some age groups will shrink over the five years. The baby-bust generation, aged 35 to 49 years, will decline by 147,382 persons, and the 10 to 19 year-old group will shrink by 96,794 persons.

Projected population change has many implications for Ontario's economy over the near term. Business and government goods and services targeted to growing age groups will be able to grow organically, while those targeted to shrinking age groups will have to increase market share just to maintain current output. The predominant working aged population from 20 to 64 years-old will continue to increase, but at a much slower pace than any time since the early 1990s.

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