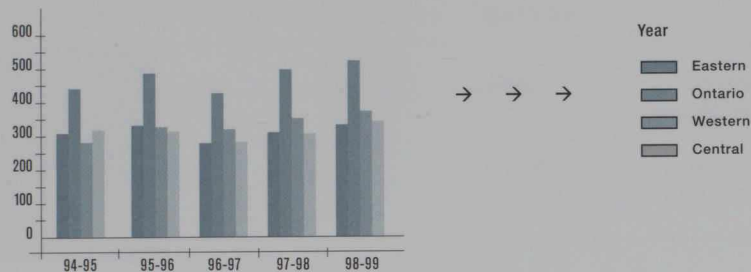


Figure 6 ISSUED TRAVEL DOCUMENTS BY REGION
(in thousands)



PASSPORT ISSUANCE BY REGION

A third of all Canadian passports are issued to residents of Ontario. The other regions are fairly equal in terms of numbers of documents issued.

consistent for the last five years.

These transactions are a direct function of demand for passports as more people travel abroad. Even travel to the United States, where a passport is not required, is easier if one has a valid passport, because a passport is one's proof of identity and citizenship. The number of people traveling abroad depends on demographics, the state of the economy, weather, and the political climate in the countries that are travel destinations. Also, airline policy changes regarding travel requirements and destination countries' entry requirements sometimes cause fluctuations in demand. In spite of this, it is possible to forecast what would likely be the trend for the coming years.

Variation in numbers of travel documents issued

The 1998-99 volume of travel documents issued has increased by 7.4 percent from the previous fiscal year. The size of this year's increase is slightly smaller than the one observed for last year, which was 10 percent. Despite the last two years' substantial increases, however, the average annual variation since 1995 has remained constant at the rate of 3.5 percent.

This is consistent with the forecasted 3.5 percent growth in demand. (see *FIGURE 3: Annual Variation Rate of Issued Passports*).

Region by region...

Region by region, the number of passports issued closely follows the population makeup of the country. Ontario has the largest population in Canada, and that is where 518,978 passports, over a third of the total volume, were issued in 1998-99. The Western Region—consisting of the western Canadian provinces—issued 370,557 passports, nearly a quarter. The Central Region (comprised of Ottawa-Hull offices and all mail-in applications within Canada and from Canadian nationals residing and working in United States) and Eastern Region (Quebec and the Atlantic Provinces) issued 330,872 and 328,678, respectively. (see *FIGURE 6: Issued Travel Documents by Region*).

This year's observed growth rate in demand for passports in the Ontario and Eastern Regions was 7 percent. The Western Region recorded a 6 percent increase. The Central Region reported a surprisingly high 13 percent growth in demand. (At this time, we cannot explain why this