



Canada's Tourism Industry

Tourism has become one of the world's fastest growing industries and is recovering following the economic turbulence of the last few years. In fact, according to the United Nations World Tourism Organization (UNWTO), international tourist arrivals reached an estimated 935 million in 2010 (a gain of 6.7% from 877 million in 2009), and are projected to reach 1.6 billion by 2020.

Overall, stimulated by improved confidence and global economic conditions, as well as increased awareness from the Vancouver 2010 Olympic and Paralympic Winter Games, international tourist arrivals to Canada increased by 1.8% in 2010 to reach nearly 16 million.

The Canadian tourism industry is widely varied. It ranges from small- and medium-sized enterprises (SMEs) operating in a single location to large, far-reaching corporations. It also includes provincial marketing organizations (PMOs), destination marketing organizations (DMOs), as well as tourism industry and trade associations.

For 2010, it is estimated that Canada's tourism industry was made up of over **177,900** tourism-related businesses and contributed nearly **600,000** jobs to the Canadian economy.

Based on Statistics Canada estimates, Canada's tourism industry saw significant growth in 2010, contributing to the Canadian economy:

- **\$73.4 billion** in tourism revenues (up 6.7% over 2009):
 - **\$58.5 billion** from spending by domestic travellers (up 6.9% over 2009).
 - **\$14.9 billion** from spending by overseas travellers (up 5.7% over 2009).
- **\$29.3 billion** to Canada's Gross Domestic Product (up 6.0% over 2009).
- **\$20.1 billion** in government revenues (up 5.0% over 2009).

The Canadian Tourism Commission (CTC) is Canada's national tourism marketing organization. A federal Crown corporation wholly owned by the Government of Canada, it leads the Canadian tourism industry in marketing Canada as an internationally competitive, premier four-season tourism destination in 11 key markets around the world.

International travellers to Canada spend an average of **30%** more than domestic travellers.

Canadian tourism industry economic activity

	Final Estimates				Preliminary Estimates	
	2008	08/07	2009	09/08	2010	10/09
Total tourism revenue	\$72.5 billion	+5.5%	\$68.8 billion	-5.2%	\$73.4 billion	+6.7%
• Domestic revenue	\$56.3 billion	+6.7%	\$54.7 billion	-2.9%	\$58.5 billion	+6.9%
• International revenue	\$16.2 billion	+2.5%	\$14.1 billion	-13.2%	\$14.9 billion	+5.7%
Tourism's total contribution to Canada's GDP	\$29.0 billion	+4.1%	\$27.7 billion	-4.4%	\$29.3 billion	+6.0%
Total government revenue generated by tourism (GRAT)	\$19.9 billion	+0.9%	\$19.2 billion	-3.7%	\$20.1 billion	+5.0%
• Federal government revenue	\$9.3 billion	+0.9%	\$8.8 billion	-5.0%	\$9.4 billion	+5.8%
Total jobs in Canada as a result of tourism spending	617,400	+0.6%	601,200	-2.6%	594,500	-1.1%

Source: Statistics Canada NTI 2010 Q4; CTC for GRAT estimates - based on Statistics Canada GRAT 2009 key indicators



Competitor performance in 2010

Canada was not alone in experiencing gains in international tourist arrivals over the last year. As the following table illustrates, some of Canada's established international competitors also experienced gains in 2010. The US experienced only a mild setback from the UK and saw gains from all other CTC key markets, including sharp increases from China (52.8%) and South Korea (48.9%), which can largely be attributed to specific policy reforms, namely: the US government dropped the visa requirement for South Korean travellers in late 2008; and China granted Approved Destination Status to the US in 2009.

Although Australia experienced small declines from the US and the UK, it saw increases from France, Japan, China, South Korea, India and Brazil. The result was an overall increase in arrivals from total key markets of 6.4% over 2009.

Conversely, while the UK experienced increases from Germany, Australia, China and India, the setbacks from the US, France, Japan and Mexico resulted in an overall decrease from these key markets of 0.3% from 2009.

Canada's performance from a yield perspective remains relatively flat, but evidence based on data produced by the UNWTO shows that Canada's calculated yield from tourist arrivals and receipts still registered the third largest gain in the 1996-2009 period. Against its main competitors, Canada's yield over the 13 years increased by 171.8%, for an annual average gain of 4.3%, or an estimated 6.0% in constant terms. To emphasize the point, while the volume of travellers to Canada decreased 10.7% over 1996-2009, tourist receipts from travellers increased 59.2% over the same period. The fact that tourist receipts have increased over 15 times more than tourist arrivals reflects the success of our strategy to target high-yield consumers.

Average spent/trip (\$CDN)

	1996	2009	09/96%
Australia	\$1,554	\$5,234	236.8
US	\$1,099	\$1,953	77.7
Germany	\$850	\$1,636	92.5
Thailand	\$926	\$1,284	38.7
UK	\$622	\$1,223	96.6
Canada	\$365	\$992	171.8
Turkey	\$461	\$951	106.3
China	\$315	\$891	182.9
France	\$333	\$761	128.5

2010 estimated overnight visits by CTC market (000s)

	CANADA		US		AUS		UK	
	10/09	10/09	10/09	10/09	10/09	10/09	10/09	10/09
US total	11,749	+0.7%	-	-	472	-1.6%	2,671	-7.2%
UK	659	-3.8%	3,851	-1.2%	647	-2.6%	-	-
France	408	+5.1%	1,342	+11.4%	97	+4.2%	3,610	-4.6%
Germany	315	+8.1%	1,726	+2.3%	160	-0.9%	2,994	+7.7%
Japan	215	+19.5%	3,386	+16.0%	398	+12.0%	220	-6.4%
Australia	202	+7.5%	904	+25.0%	-	-	976	+7.0%
China	193	+21.2%	802	+52.8%	454	+23.9%	138	+7.8%
South Korea	158	+20.0%	1,108	+48.9%	214	+18.2%	-	-
India	150	+16.6%	651	+18.5%	139	+11.1%	365	+33.7%
Mexico	116	-28.1%	13,423	+1.5%	-	-	67	-17.3%
Brazil	71	+25.5%	1,198	+34.2%	27	+5.0%	-	-
Total key markets	14,237	+1.4%	28,390	+7.5%	2,608	+6.4%	11,041	-0.3%
Total international markets	15,864	+1.8%	59,745	+8.7%	5,885	+5.0%	29,637	-0.8%

Source: Statistics Canada ITS preliminary estimates 2010; US Office of Travel and Tourism Industries; Australian Bureau of Statistics National Accounts; UK Office for National Statistics.