

# Canada

## Tourism in the economy

Tourism is an important part of the Canadian economy and is a source of jobs and growth in every region of the country. It accounts for 2.1% of Canada's GDP and 3.1% of total exports, directly supports 739 700 jobs, or 3.9% of total employment, and generates over CAD 100 billion in tourism spending each year. Travel exports represented 26.6% of total service exports in 2018.

In 2018, Canada welcomed a record 21.2 million international tourists, up 1.2% over 2017. Canada's largest tourism source market is the United States, which accounts for over two-thirds of overnight tourists, with over 14.7 million tourist arrivals in 2018. Among tourists from other source markets, visitors from China, France, Mexico and India set country records.

In 2018, 278 million total domestic trips were recorded, down from 328.5 million in 2017, of which 95.4 million were overnight trips. Domestic tourism accounted for 268.3 nights in 2018, down 2.5% over 2017.

## Tourism governance and funding

In Canada, the Federal Government, ten provincial governments, three territorial governments and numerous municipalities all play a role in supporting the tourism sector. The Federal Ministry of Innovation, Science and Economic Development is responsible for tourism.

Destination Canada is the national destination marketing organisation. As a Crown corporation, it reports to Parliament through the Minister responsible for tourism. Destination Canada works with partners in both the public and private sectors, which include provincial, territorial, regional and municipal destination marketing organisations, and private companies, including airlines, to promote Canada abroad as a premier tourism destination. The federal government also holds exclusive responsibility for air policy and visa policy.

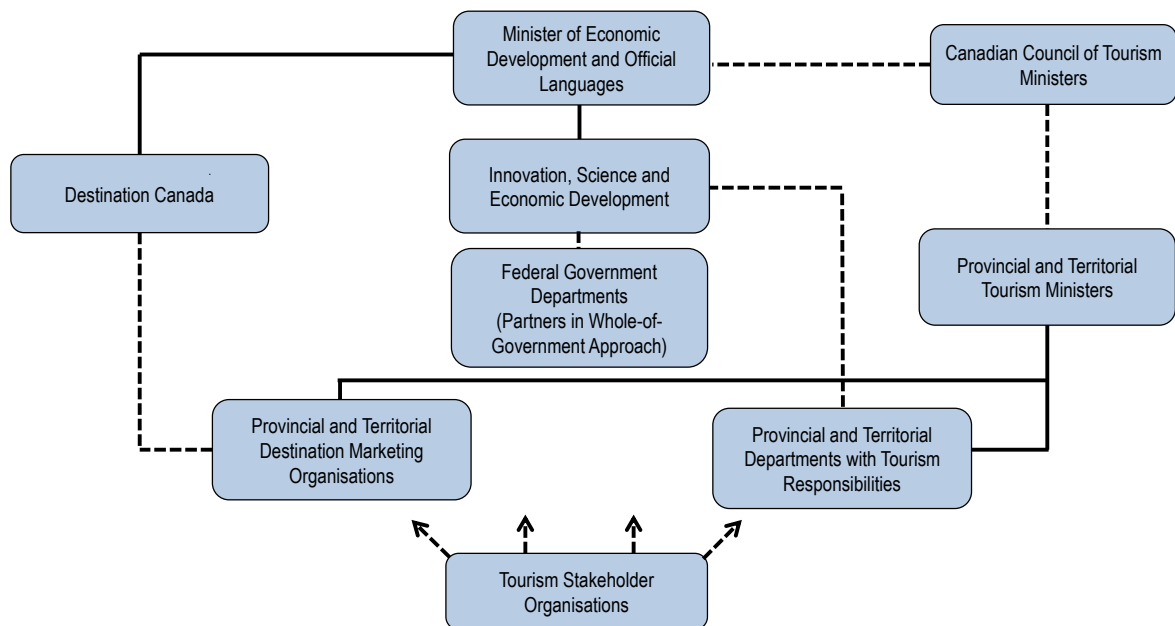
Provincial and territorial governments are responsible for domestic (and some international) tourism promotion, destination and product development, the regulation of accommodation, and hospitality and tourism education. At the municipal level, tourism activities generally involve attracting meetings and conventions, and promoting festivals and events.

Canada has various mechanisms to ensure horizontal and vertical co-ordination and collaboration on tourism. Chief among these is the Canadian Council of Tourism Ministers, which annually gathers federal, provincial and territorial tourism ministers to discuss trends and issues facing Canada's tourism sector and to identify opportunities for collaboration.

In 2017, Destination Canada's funding levels were stabilised and made permanent at CAD 95.5 million. In addition, in 2019 a one-year infusion of CAD 5 million for a domestic tourism marketing campaign was allocated to help Canadians discover new destinations such as less visited national parks, and promote off-peak seasonal travel and Indigenous experiences. The 2019 Federal Budget recognised tourism as an

important source of jobs and growth, and also provided CAD 58.5 million over two years, starting in 2019 - 20, for the Canadian Experiences Fund (Box 3.10), which supports investments in tourism-related infrastructure – such as accommodation or local attractions – and the development of tourism products and experiences.

### Canada: Organisational chart of tourism bodies



Source: OECD, adapted from Department of Innovation, Science and Economic Development, 2020

### Tourism policies and programmes

The Government of Canada's main policy priorities with respect to tourism are threefold: creating jobs; diversifying and dispersing tourism offerings; and attracting investment to the sector.

In December 2018, Destination Canada released a report titled *Unlocking the Potential of Canada's Visitor Economy* that identified the following key challenges facing Canada's tourism sector:

- Concentrated demand: Demand for Canada's tourism offerings is concentrated in Canada's major cities and a few key tourism destinations, and during the summer season.
- Labour shortage and skills development: Access to skilled labour is a challenge, preventing the sector from maintaining sustainable business growth.
- Access: The long-haul nature of much of the market and high cost of travel to Canada and between Canadian destinations.
- Investment: The tourism sector has difficulty accessing investment and financing that is a barrier to new tourism business development.
- Governance: Collaboration among governments is ad hoc and could be more strategic.

In May 2019, Canada's Minister responsible for tourism launched *Creating Middle Class Jobs: A Federal Tourism Growth Strategy*. This new initiative is built around three pillars: building tourism in communities, attracting investment, and promoting public-private collaboration (Box 1.4).

**Pillar 1: Building tourism in communities** recognises that all communities have the potential to be a tourism destination. It seeks to enable communities in every region of the country to realise that potential by investing in infrastructure and tourism products. It is supported by the Canadian Experiences Fund, which was established to help improve Canada's tourism product offering through investment in five priority categories:

- *Winter and shoulder-season tourism* – with investments where Canada has an advantage, to provide more reasons to visit in off-peak periods.
- *Indigenous tourism* – with investments to help Indigenous peoples present their unique histories, traditional stories, creative arts and contemporary values to the world. Over a third of visitors to Canada are interested in Indigenous experiences.
- *Rural and remote tourism* – with investments in rural and remote areas to create jobs and economic opportunities in these communities, and to entice tourists to lesser-known parts of the country.
- *Farm-to-table and culinary tourism* – with investments in projects like culinary trails, Indigenous culinary experiences, food festivals and farmers' markets, as well as onsite experience development such as breweries, wineries, farms, fisheries and maple syrup producers.
- *Inclusive Tourism* – with investments to expand LGBTQ2 diversity training and market readiness programmes, and support Pride festivals.

**Pillar 2: Attracting investment to the visitor economy** includes the establishment of Tourism Investment Groups in every region of the country, with the objectives of better aligning investments in tourism products across the national government and other jurisdictions, and strengthening the ability of tourism destinations to attract more investment. These Groups are made-up of a network of core departments and agencies responsible for national parks, culture, and SME financial support, led by Destination Canada and the country's regional economic development agencies. A broader network of local and regional partners from government, private, and not-for-profit sectors are expected to be involved to identify potential tourism projects, attract private investment, and catalyse impactful tourism projects, iconic attractions, and clusters.

**Pillar 3: Renewed focus on public-private collaboration** recognises the long-standing barriers to growing Canada's tourism sector, which are not easily overcome in the short term. Stronger partnerships with industry leaders are needed to tackle those challenges over the long term. To support this, in 2019, the Government committed to establish an Economic Strategy Table for Tourism. This new model for industry-government collaboration was created in 2017 and was focused on turning Canadian economic strengths into global advantages. Each Table promotes development in high-growth and high-potential sectors, and consists of industry leaders who set ambitious growth targets, identify sector-specific challenges and bottlenecks, and lay out an actionable roadmap to making the country an innovation leader in these sectors. The Economic Strategy Table for Tourism is expected to enable new ways of working in close collaboration with the private sector. This new initiative will ensure that tourism is on the front lines of economic policy-making, so that challenges are effectively addressed and strategic opportunities are seized to grow the visitor economy and create jobs. The Table will allow the Government to better identify medium-term tourism trends and any policy blind spots. Critical areas the Table is likely to address include the cost of travelling to and within Canada, labour shortages and the lack of investment. It may also look at competitiveness, sustainability, the sharing economy and digital platforms, and destination development.

The Federal Government has set ambitious but achievable targets to determine how well the Growth Strategy is performing, and three metrics will help measure its economic impact. Taking 2018 as a baseline and 2025 as the target year, the Federal Government will track:

- Revenue (total spending by tourists on goods and services), with a target end value of CAD 128 billion (+25%).
- Number of jobs created, with a target of 54 000 new jobs created (+7.3%).
- Tourism GDP growth, with the aim of outpacing national economic growth.

The Strategy also sets targets for the seasonal dispersal of tourists, to increase by 1 million international tourist arrivals from November to April, and for geographic dispersion, aiming at growth in spending outside Canada's top three major tourism regions, Greater Toronto Area, Montréal, and Vancouver.

## Statistical Profile

### Canada: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism</b>					
Total domestic trips	..	..	..	328 454	278 060
Overnight visitors (tourists)	108 647	109 805	113 053	117 368	95 445
Same-day visitors (excursionists)	..	..	..	211 086	182 615
Nights in all types of accommodation	292 569	306 212	344 706	356 977	268 258
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
<b>Inbound tourism</b>					
Total international arrivals	25 557	27 555	30 142	31 081	31 274
Overnight visitors (tourists)	16 537	17 971	19 822	20 652	21 153
Same-day visitors (excursionists)	9 020	9 584	10 320	10 429	10 122
Top markets					
United States	11 508	12 669	13 892	14 238	14 650
United Kingdom	659	686	805	794	762
China	448	483	591	674	719
France	465	477	515	547	593
Germany	324	325	359	385	386
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
<b>Outbound tourism</b>					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	33 518	32 267	31 278	32 730	26 033
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION CAD</b>					
<b>Inbound tourism</b>					
Total international receipts	27 155	29 519	34 049	36 846	34 175
International travel receipts	23 800	25 996	29 961	32 446	34 175
International passenger transport receipts	3 355	3 523	4 088	4 400	..
<b>Outbound tourism</b>					
Total international expenditure	49 655	51 578	51 935	54 386	44 574
International travel expenditure	41 568	43 223	43 360	45 010	44 574
International passenger transport expenditure	8 087	8 355	8 575	9 376	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076419>

## Canada: Enterprises and employment in tourism

	Number of establishments	Number of persons employed <sup>1</sup>				
	2018	2014	2015	2016	2017	2018
<b>Total</b>	..	<b>700 300</b>	<b>710 400</b>	<b>721 400</b>	<b>735 800</b>	<b>739 700</b>
<b>Tourism industries</b>	<b>223 231</b>	<b>551 200</b>	<b>560 100</b>	<b>569 300</b>	<b>580 400</b>	<b>583 300</b>
Accommodation services for visitors	21 299	140 700	142 700	143 900	146 500	149 400
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	87 420	216 400	221 100	227 200	233 500	235 500
Passenger transport	48 803	84 700	84 800	85 800	87 300	85 600
Air passenger transport	..	..	..	..	..	..
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	..	..	..	..	..
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	8 778	44 700	44 800	44 900	44 300	43 800
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	56 931	64 800	66 800	67 500	68 900	69 100
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	<b>..</b>	<b>149 100</b>	<b>150 300</b>	<b>152 100</b>	<b>155 400</b>	<b>156 400</b>

.. Not available

1. Data refer to number of jobs.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076438>

## Canada: Internal tourism consumption

Million CAD

	2018		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	..	..	..
<b>Consumption products</b>	<b>80 044</b>	<b>22 179</b>	<b>102 223</b>
Tourism characteristic products	48 797	17 191	65 988
Accommodation services for visitors	9 127	5 507	14 634
Food and beverage serving services	12 788	4 010	16 798
Passenger transport services	18 984	5 258	24 242
Air passenger transport services	..	..	..
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	4 435	232	4 667
Cultural services	3 463	2 184	5 647
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	31 247	4 988	36 235
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
<b>Non-consumption products</b>	<b>..</b>	<b>..</b>	<b>..</b>

.. Not available

Source: OECD Tourism Statistics (Database).

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