

The Right Honourable Mark Carney, P.C., O.C., M.P. Prime Minister of Canada 80 Wellington Street Ottawa, ON K1A 0A2

May 14, 2025

## Dear Prime Minister Carney:

As you lead Canada into this next chapter, it is essential to recognize the critical role that Canada's tourism sector plays in shaping both our economy and our national identity. Tourism is a significant contributor to the economy, cultural exchange and international goodwill. Tourism is at the heart of political ridings from coast to coast to coast – from our bustling urban centres to our country's beautiful rural landscapes and seascapes.

Canada's travel and tourism sector represents over 243,000 businesses and over 2 million households who rely on tourism, conferences, events, and travel for their livelihoods. **This sector is crucial in every single electoral district in Canada. In 2024, tourism generated \$130 billion in economic activity.**With over \$32 billion of annual spending coming from international visitors, tourism is also our country's third largest export industry representing over 14 percent of Canada's total service export revenue.

Though the tourism sector demonstrated remarkable resilience after being the hardest hit during the global pandemic, it is now facing a real and similar crisis. More than ever, the sector requires the support of our government and political leaders.

While the on-going trade tensions between the United States and Canada threatens to increase business operating costs economy-wide, unlike many other sectors, the success of Canadian tourism is also deeply tied to the influx of travelers from the U.S. Whether they're visiting for family vacations, exploring our stunning national parks, discovering cultural and historical landmarks, embarking on whale-watching adventures, or attending international conferences and events, American visitors represent a crucial demographic for the industry. They represent the largest inbound market for many destinations, attractions, as well as transportation and accommodation businesses across the country.

Statistics Canada reports significant declines in cross-border visitors in February, March, and April 2025 when compared to the same month in previous years, underscoring the immediate impact of global trade uncertainty on Canada's tourism sector. A recent poll conducted by TIAC finds that half (47%) of tourism businesses and organizations have supply chains that are reliant on products from the U.S. and 70% of tourism organizations rely heavily on U.S. travellers. The rapid drop in American visitors in a number of markets is already threatening the viability of operators across the country and putting at risk

Statistics Canada. <u>Table: 24-10-0057-01</u>. Leading indicator, International visitors entering or returning to Canada by land, by vehicle type, vehicle licence plate and traveller type. Release date: 2025-05-12











<sup>&</sup>lt;sup>1</sup> Statistics Canada. <u>Table: 24-10-0056-01</u>. Leading indicator, International visitors entering or returning to Canada by air, by country of residence and traveller type. Release date: 2025-05-12

the livelihoods of the more than 2 million Canadians employed in the sector – a prolonged reduction of U.S. visitors could have detrimental effects.

Understanding the crucial roles that travel and tourism play in shaping Canada's economic future, we are calling on you to take immediate action in supporting policies and investments that will stabilize and fuel the growth of this essential sector.

- Fortify Canada's international marketing capacity through meaningful investments in Destination Canada to attract more international visitors from other parts of the world;
- **Expedite visitor entry into Canada** by expanding programs like the Electronic Travel Authorization (eTA), reducing processing times for visitor visas, and digitizing screening and clearance procedures;
- Strengthen the tourism workforce by supporting the integration of underemployed
   Canadians—including youth, asylum seekers, newcomers, and underrepresented groups—into rewarding tourism careers;
- **Incentivize business investment** aimed at renewing our country's tourism infrastructure and assets, and developing innovative tourism ventures across the country;
- **Develop a national, multi-modal transportation strategy** that expands connectivity, enhances rural/urban connections, and improves traveller access to and throughout Canada.
- Invigorate Canada's business events sector through expanded support for the International Convention Attraction Fund (ICAF); and,
- **Support sustainability** for Canadian travel and transportation industries by investing in Sustainable Aviation Fuel (SAF) and alternative green power solutions.

These recommendations can help secure the future of tourism in Canada—fueling job creation, strengthening local economies, and making Canada a top destination worldwide.. According to the BDC, a mere 10% increase in tourism spending could boost Canada's GDP by a full 1%—a powerful return on investment that fortifies thousands of businesses and creates sustainable employment for generations to come.

We hope you will take this opportunity to champion a sector that touches every corner of the country.

Sincerely,

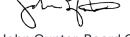
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