



THE TIAC REPORT

Harnessing Canada's Competitive Edge

Conservative Tourism Caucus

April 5, 2017



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Tourism Industry Association of Canada



Objective



“To increase Canada’s global competitiveness as an international destination for business, study and leisure travel.”





Canada's Tourism Industry

***“travel is an economic driver and job creator,
powering the rise of the new innovation economy...”***

**TRAVEL IS AN
\$90.3 BILLION
SECTOR (2015)ⁱ**
LARGER than Agriculture, Forestry,
Fishing and Hunting COMBINED

1.7 MILLION JOBS

**Travel is a Major Source of
Employment for Youth**



under 35 years of age,
who occupy 51% of
jobs in travel industries

**1 OUT OF EVERY 11 JOBS
IN CANADA
IS DIRECTLY INVOLVED
WITH TRAVELLERS**



LARGEST service
export in Canada with

\$17.2 BILLIONⁱⁱⁱ

- \$8.4 B. from overseas markets
- \$7.4 B. from the United States





2016 – A Year of Milestones for Tourism

Just under 20 million international travelers

\$20 billion in foreign spending

- Best summer tourism season ever 8.5 million visitors
- U.S. growth up 17% with 13.9 million visitors
- China continued to grow by 22%
- Mexico grew by 23%
- January/17 shows growth in all key markets

Based on Statistics Canada numbers for 2016





Building on Success

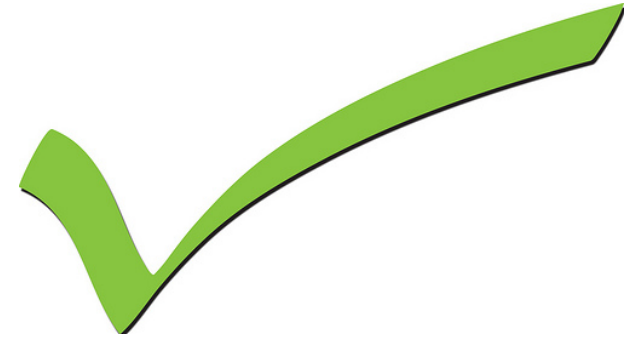
- **Lonely Planet/NY Times**
#1 destination to visit in 2017
- **U.S. News & World Report**
#1 Country in the world according to millennials
- **The Economist Top 5 Cities**
Canadian cities hold 3 of the Top 5 positions
- **National Geographic Top Destinations**
Banff





Tourism's Winning Streak

- **2016 Record visitation and spending since 2002**
 - Incremental Marketing Budgets/Innovative Campaigns
 - Low Dollar
 - Strong Canada Brand
- **Looking forward to 2017:**
 - Destination Canada funding model secured at \$95.5M per year
 - Significant investments in Statistics Canada tourism data collection
 - Investments to support Indigenous tourism development
 - Investments to maintain Parks
 - Investments Supporting Airport Security





How Canada Measures Up

FIGURE 7
UNWTO TOP 20 COUNTRY RANKING

RANK	COUNTRY NAME	2000	RANK	COUNTRY NAME	2010	RANK	COUNTRY NAME	2015
	World	674.0		World	950.0		World	1,186.0
#1	France	77.2	#1	France	77.1	#1	France	84.5
#2	United States	51.2	#2	United States	59.8	#2	United States	77.5
#3	Spain	46.4	#3	China	55.7	#3	Spain	68.2
#4	Italy	41.2	#4	Spain	52.7	#4	China	56.9
#5	China	31.2	#5	Italy	43.6	#5	Italy	50.7
#6	United Kingdom	23.2	#6	United Kingdom	28.3	#6	Turkey	39.3
#7	Mexico	20.6	#7	Turkey	27.0	#7	Germany	35.0
#8	Canada	19.6	#8	Germany	26.9	#8	United Kingdom	34.4
#9	Russia	19.2	#9	Malaysia	24.6	#9	Mexico	32.1
#10	Germany	19.0	#10	Mexico	22.3	#10	Russian Federation	34.5
#11	Austria	18.0	#11	Austria	22.0	#11	Thailand	29.9
#12	Poland	17.4	#12	Ukraine	21.2	#12	Austria	26.7
#13	Greece	13.1	#13	Russia	20.3	#13	Hong Kong	26.7
#14	Portugal	12.1	#14	Hong Kong	20.1	#14	Malaysia	25.7
#15	Malaysia	10.2	#15	Canada	16.1	#15	Greece	23.6
#16	Bangladesh	10.0	#16	Switzerland	15.0	#16	Japan	19.7
#17	Turkey	9.6	#17	India	14.2	#17	Saudi Arabia	18.0
#18	Thailand	9.6	#18	Singapore	14.1	#18	Canada	18.0
#19	Hong Kong	8.8	#19	Japan	13.2	#19	Poland	16.7
#20	Switzerland	7.8	#20	Netherlands	12.9	#20	Netherlands	15.0
Total Top 20 Countries		465.5			593.2			733.1
As % of Total		69.1%			62.4%			61.8%

- Worldwide travel has reached 1.3 billion arrivals
- We need more than 16 million arrivals to get back in the top 10
- What will it take?

Source: UNWTO, World Tourism Barometer | Notes: Numbers represent international arrivals (excludes same-day travellers)





Canada Compared to the World

- International arrivals - 17th
- Global competitiveness - 10/141
- Airport infrastructure - 1/141
- Safety and security - 21/141
- Visa requirements - 118/141
- Cost competitiveness - 130/141
- Tourism as gov't priority - 36/141

• Source: World Economic Forum Travel and Tourism Competitiveness Report 2015





Travel Barriers: Taxes, Fees and Levies



Like a Dagwood, they stack up

- ❖ Airport rents
- ❖ Air travel taxes, fees and levies
- ❖ Rescinding GST/HST Tax incentives
- ❖ The only export that is not zero-rated





What Will the Future bring?



- Opportunity and Risk
- Canada's Brand at All-Time High
- Safe and Desirable Destination
- Affordable
- Border Issues
- Competitive Issues Remain





Tourism Week 2017

Tourism Town Halls

- Wednesday, May 24th ; Waterloo, ON
- Wednesday, May 24th; Fredericton, NB
- Thursday, May 25th; Winnipeg, MB
- Thursday, May 25th; Digby, NS
- Thursday, May 25th; Gaspe, QC
- Friday, May 26th; St John's, NL

Tourism Hill Day and Reception – May 30th

- Stay tuned for more details!





Stronger Together





Contact Us



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