



BUSINESS COUNCIL
OF ALBERTA

December 2021

Alberta's Economy: Sector Snapshots

Tourism





Tourism



Based on the latest data pre-COVID (2018 or 2019)

VALUE	Economic Value	Person Visits																
	\$6.5B 1.94% -1.5% v 2018	34.7M -1.5% v 2018																
EMPLOYMENT	Employment	Total + Provincial Tax Contribution																
	68k 3% -19% v 5 years ago	\$1.1B \$371M																
VISITORS	Visitors by Origin	Average Spending																
	<table border="0"> <tr><td>Alberta</td><td>82%</td></tr> <tr><td>Other Canada</td><td>12%</td></tr> <tr><td>Overseas</td><td>3%</td></tr> <tr><td>US</td><td>3%</td></tr> </table>	Alberta	82%	Other Canada	12%	Overseas	3%	US	3%	<table border="0"> <tr><td>Alberta</td><td>\$151</td></tr> <tr><td>Other Canada</td><td>\$402</td></tr> <tr><td>Overseas</td><td>\$828</td></tr> <tr><td>US</td><td>\$1,119</td></tr> </table>	Alberta	\$151	Other Canada	\$402	Overseas	\$828	US	\$1,119
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- Tourism is a \$6.5 billion industry in Alberta, representing 1.94% of provincial GDP, pre-COVID.
- The industry encompasses a range of businesses used by tourists from hotels to gift shops to bike rentals.
- Canadians—from other provinces as well as Albertans traveling within the province—make up the majority of tourism activity in Alberta, including spending and visits, accounting for about 75% of spending and about 94% of visit.
- Visitors from all over the world come to Alberta, too.
 - American tourists account for the most visits and dollars with 1 million visits and \$961M in spending annually.
 - People from the UK, China, and Japan are Alberta’s next most common visitors.
- These dollars and visits support the equivalent of 68k jobs in the province.
- Additionally, they also support government coffers: bringing in \$1.1 billion in federal tax revenue and \$371 million in provincial revenue.





Tourism: Key Trends & Forces



COVID

The biggest question for the tourism sector is the impact of COVID in the medium and long-term. One question is when international travel will fully return. Another question is if business travel will ever fully return. The latter is particularly important with respect to American travelers: Americans are more likely to come for the purpose of business than other travelers (22% compared with 10% of overseas travelers). They also spend more than Canadian travelers.



Growth Plans

Though the plan has yet to be revealed, the provincial government has set a goal to nearly double tourism revenue by 2030 to \$20 billion. This would require increasing the brand awareness of Alberta as a top destination for travel, increasing the number of tourists, and, likely, increasing opportunities for travel across the province in order to limit congestion and overcrowding.



Climate

Changing weather is changing the mix and availability of seasonal tourist activities. The sector is vulnerable to increasing wildfire smoke and shortened ski seasons and the longer-term impact on wildlife and biodiversity.





Tourism: SWOT Analysis



Strengths

- Alberta's natural beauty, climate, and outdoor recreation opportunities
- Banff and Jasper are by far the two most widely visited national parks in Canada
- A number of world-class tourist destinations including Banff, Lake Louise, Waterton, and Drumheller
- Easy access via two international airports and an Alberta-based airline
- Unique-to-Alberta experiences which attract tourists from all over the world such as the Calgary Stampede, and the Edmonton Mall
- Travel Alberta, an organization responsible for the promotion of Alberta as a tourism destination



Weaknesses

- Highly seasonal demand
- Major destinations like Banff are congested and expansion opportunities are limited
- Lack of affordable workforce housing
- Despite an announcement and goals to more than double the size of the industry by 2030, the sector currently lacks a plan for growth
- Accessibility limitations for some of Alberta's top tourist attractions
- Air travel costs limit potential visitors from within Canada
- Popular destinations like Banff could be unaffordable for lower-income Albertans



Opportunities

- Improved accessibility across the province such as the Calgary-Banff Rail Project
- Providing more tourism experiences that also balance sustainability
- Local community input into development and strategy
- Encouraging growth in lesser-known attractions and areas
- Pent-up demand post-COVID for travel and experiences
- Growth of the film and television industry, supported by the [Film & Television Tax Credit](#), can help to build brand awareness of the province
- Indigenous cultural tours and an emphasis on authentic tourism experiences



Threats

- Longer-term consequences of COVID on consumers interests, and ease of travel, especially internationally
- The uncertain role of business travel in the future, which is a main driver of visits from the US
- Changing weather patterns impacts, especially with respect to wildfires in the summer and a shortened ski season
- Potential changes in exchange rates which could make it more costly for American tourists
- Dependence on Temporary Foreign Workers to fulfil seasonal needs