



Vancouver Island
British Columbia

Highlights from the National Tourism Indicators to the second quarter of 2021¹

<p>Tourism Demand in Canada</p> <p>Q2 2021 CAD \$11.7 billion (+44.4% vs 2020, -53.4% vs 2019)</p>	<ul style="list-style-type: none"> • A full year following the onset of the COVID-19 pandemic and the resulting collapse in tourism demand, tourism spending reached \$11.7 billion between April and June 2021, representing a welcomed gain of 44.4% over the <u>second quarter of 2020</u>. • Nonetheless, tourism demand remained lower than pre-pandemic levels at 53.4% below the same quarter in 2019. • With international arrivals restricted to essential travel, tourism spending by Canadians on domestic goods and services accounted for 95% of total tourism activities.
<p>Domestic Demand</p> <p>Q2 2021 CAD \$11.1 billion (+42.6% vs 2020, -37.2% vs 2019)</p>	<ul style="list-style-type: none"> • Canadians' tourism spending on domestic goods and services over the second quarter of 2021 rose 42.6% year-over-year, still 37.2% below its pre-pandemic 2019 level. • Despite an uptick in the public health restrictions as represented by the Bank of Canada's <u>COVID-19 stringency index</u> (Figure 1), an increasing number of vaccinated Canadians enabled some travel to resume over the second quarter of 2021. Indeed, tourism spending by Canadians expanded 5.4% on a seasonally adjusted basis in the second quarter of 2021 relative to the preceding quarter. This trend is expected to accelerate over the third quarter. • Notably, Canadians continued to spend on pre-trip expenditures throughout the COVID-19 pandemic, which grew between April and June 2021 by 39.2% year-over-year, or by \$480 million. Pre-trip expenditures are those made on five single-purpose consumer durable goods used chiefly for travel, including motor homes, travel and tent trailers, luggage and travel sets, tents and camping equipment, and sleeping bags. Pre-trip expenditures were 37.1% higher than the second quarter of 2019 (see table 2), highlighting Canadians' propensity and intentions to travel outdoors and in open spaces.

¹ Unless otherwise indicated, all numbers are in current Canadian dollars, not adjusted for inflation and percentage changes are expressed on a year-over-year basis against the same period the previous year

<p>Tourism Export</p> <p>Q2 2021 CAD \$585 million (+89.9% vs 2020, -92.1% vs 2019)</p>	<ul style="list-style-type: none"> • Despite the Canadian border remaining closed to non-essential travel, tourism export reached \$585 million over the second quarter of 2021, up 89.9% over the \$308 million recorded over the second quarter of 2020 when Canada closed its borders to international visitors. • Tourism spending by non-residents remained subdued at 92% below the \$7.4 billion earned in 2019.
<p>Tourism GDP</p> <p>Q2 2021 CAD \$4.7 billion (+45.4% vs 2020, -56.5% vs 2019)</p>	<ul style="list-style-type: none"> • Over the second quarter of 2021, tourism generated \$4.7 billion in value-added to the Canadian economy, representing 0.8% of Canada's GDP, which was a slight improvement over its contribution during the same quarter in 2020 (0.7%), but much lower than its pre-pandemic level of 2.1% in 2019. • While the Canadian economy over the second quarter of 2021 surpassed its pre-pandemic level in 2019 by 7.1%, tourism remained 56.5% below its 2019 second-quarter performance — highlighting the significant impact of public health and safety measures on the tourism sector.
<p>Jobs Sustained by Tourism Activities</p> <p>Q2 2021 462,900 (+24.4% vs 2020, -33.2% vs 2019)</p>	<ul style="list-style-type: none"> • With tighter public health and safety measures needed to control the third wave of the pandemic in April and May 2021, jobs required to service visitors increased at a lower rate than overall tourism activities over the second quarter of 2021. • Whereas the accommodation, food and beverage services, and recreation and entertainment sectors posted jobs gains exceeding 40% relative to the pandemic-stricken second quarter of 2020, the passenger transportation and travel services sectors continued to shed jobs due to continued weak demand for services.

Table 1. Tourism Expenditures on Canadian goods and services, 2021 Q2 compared to 2020 Q2

Commodity	Total Expenditures			Domestic Expenditures			Tourism Exports		
	\$ million	2021Q2/ 2020Q2	Share of total expenditures	\$ million	2021Q2/ 2020Q2	Share of total expenditures on commodity	\$ million	2021Q2/ 2020Q2	Share of total expenditures on commodity
Transportation	2,743	64.2%	23%	2,631	62.5%	96%	112	115.4%	4%
Passenger air transport	588	129.7%	5%	521	129.5%	89%	67	131.0%	11%
Accommodation	2,081	55.9%	18%	1,887	52.5%	91%	194	98.0%	9%
Food and beverage services	2,231	42.7%	19%	2,157	41.3%	97%	74	100.0%	3%
Recreation and entertainment	759	60.1%	6%	741	59.4%	98%	18	100.0%	2%
Pre-trip expenditures	1,705	39.2%	15%	1,705	39.2%	100%			0%
Travel Services	308	-10.7%	3%	299	-12.3%	97%	9	125.0%	3%
Convention fees	86	56.4%	1%	82	54.7%	95%	4	100.0%	5%
Other goods and services	1,778	24.7%	15%	1,604	21.5%	90%	174	64.2%	10%
Total	11,691	44.4%	100%	11,106	42.6%	95%	585	89.9%	5%

Table 2. Tourism Expenditures on Canadian goods and services, 2021 Q2 compared to 2019 Q2

Commodity	Total Expenditures			Domestic Expenditures			Tourism Exports		
	\$ million	2021Q2/ 2020Q2	Share of total Expenditures	\$ million	2021Q2 /2019Q2	Share of Domestic Expenditures	\$ million	2021Q2 /2019Q2	Share of Tourism Export Expenditures
Transportation	2,743	-71.0%	23%	2,631	-63.0%	24%	112	-94.5%	19%
Passenger air transport	588	-89.1%	5%	521	-86.3%	5%	67	-97.7%	11%
Accommodation	2,081	-47.4%	18%	1,887	-6.6%	17%	194	-77.6%	33%
Food and beverage services	2,231	-44.1%	19%	2,157	-25.0%	19%	74	-94.1%	13%
Recreation and entertainment	759	-46.2%	6%	741	-14.5%	7%	18	-98.3%	3%
Pre-trip expenditures	1,705	37.1%	15%	1,705	37.1%	15%			
Travel Services	308	-74.8%	3%	299	-71.7%	3%	9	-99.6%	2%
Convention fees	86	-64.3%	1%	82	-38.3%	1%	4	-100.0%	1%
Other goods and services	1,778	-50.7%	15%	1,604	-32.3%	14%	174	-98.9%	30%
Total	11,691	-53.4%	100%	11,106	-37.2%	100%	585	-92.1%	100%

Table 3. National Tourism Performances over the first two quarter of 2021

	2021 Q1	2021Q1/ 2020Q1	2021 Q2	2021Q2/ 2020Q2	2021Q2/ 2019Q2	2021H1/ 2020H1
Total Tourism Demand (\$million)	8,652	-51.3%	11,691	44.4%	-53.4%	-21.3%
Domestic Demand (\$million)	8,350	-40.6%	11,106	42.6%	-37.2%	-10.9%
Tourism Export (\$million)	302	-91.8%	585	89.9%	-92.1%	-77.9%
GDP (\$million) ¹	3,471	-53.5%	4,738	45.4%	-56.5%	-23.4%
Tourism GDP Share ²	0.7%	-0.8p.p.	0.8%	+0.2 p.p.	-1.1 p.p.	-0.4 p.p.
Employment (thousand jobs)	434.7	-31.7%	462.9	24%	-33.2%	-11.0%
Tourism Implicit Price Index (100=2012) ³	109.7	+0.2 p.p.	109.8	+4.6	-0.3 p.p.	+1.1

¹ GDP at basic price, estimated for direct contribution only

² Seasonally adjusted, dollars expressed in constant 2012 dollars

³ Variance expressed as the difference between two periods of reference

p.p. for percentage point

Sources: Statistics Canada, National Tourism Indicators 2021 Q2 custom tables, all values expressed in non-seasonally adjusted current dollars and values; Destination Canada for tourism share estimates

Figure 1. Bank of Canada COVID-19 Stringency Index

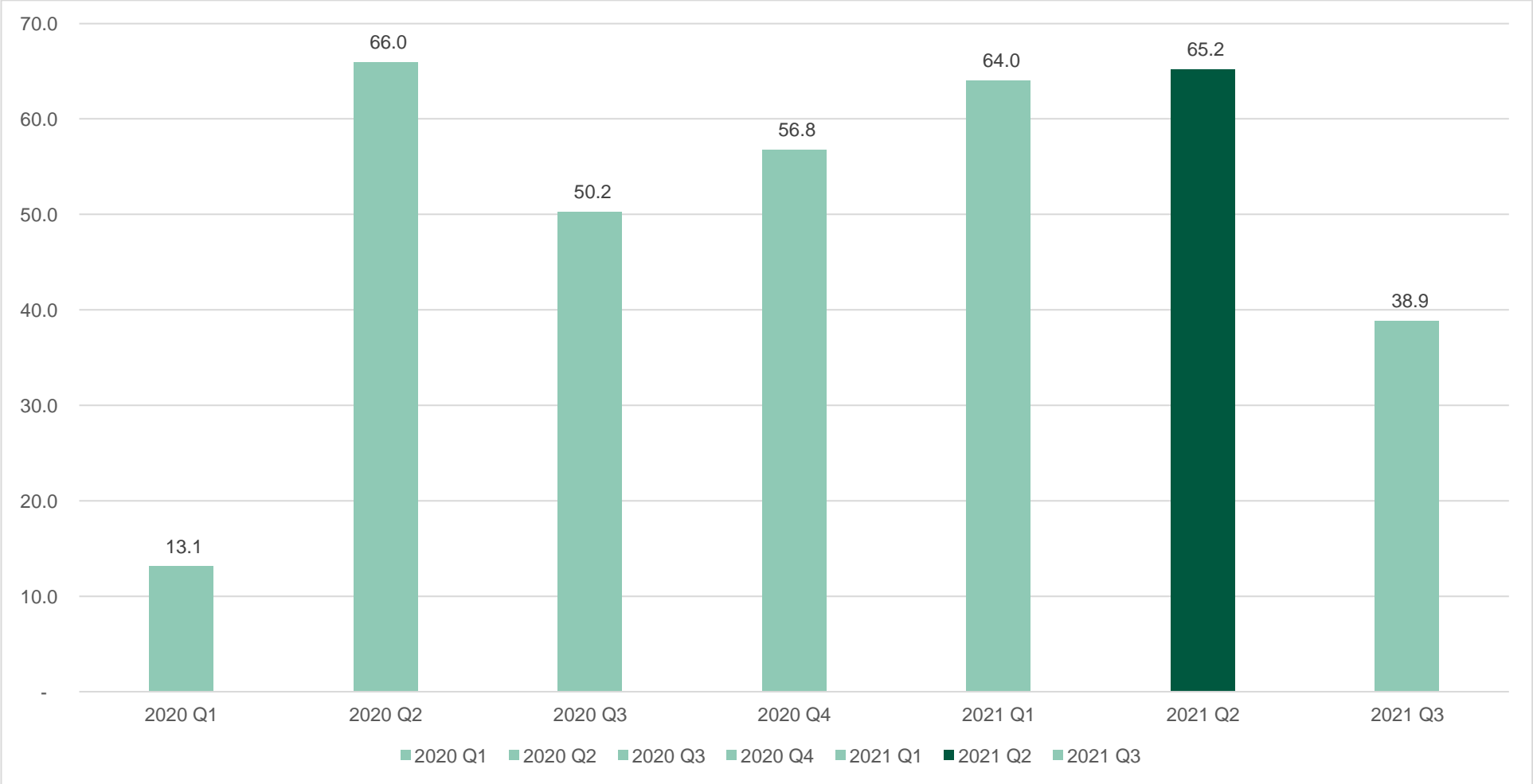


Figure 1 Bank of Canada Stringency Index measuring the stringency of policies related to containment restrictions and public information campaigns associated to COVID-19. Source: Bank of Canada

Figure 2. Quarterly Economic Evolution of Tourism in Canada 1986 - 2021 Q2

Index Year 1986=100 based on 2012 constant seasonally adjusted expenditures

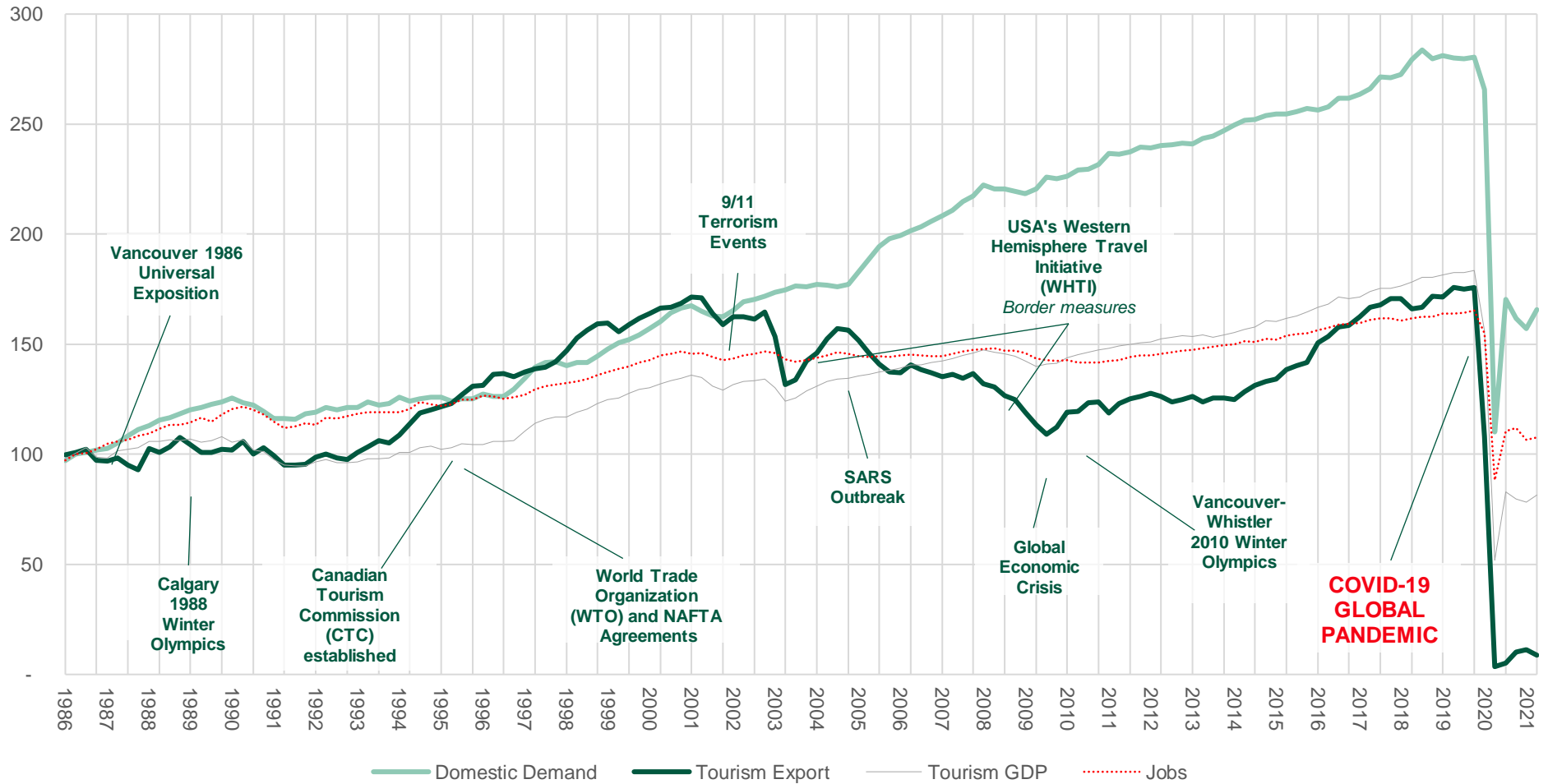


Figure 2 Evolution of tourism economic indicators from 1986 to the second quarter of 2021. Each time series is index against its 1986 quarterly average. The data is seasonally adjusted to remove the impact of seasonal variation and expressed in constant 2012 Canadian dollars to remove the impact of inflation.