**QUARTERLY TOURISM SNAPSHOT**

**SPRING 2022**

An ongoing monitor of the performance of Canada’s tourism sector

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### KEY HIGHLIGHTS

**1. Momentum is building for Tourism’s recovery**

Momentum is picking up as we head into our busiest season. Traveller demand and confidence is strong with March arrivals at 68% of pre-pandemic levels, which is on par with the highs of the 2021 holiday season. International business events are currently pacing at 56% of where they should be as of this time of the year for events scheduled in 2023.

**2. Key markets, including the US, are in a travel state of mind**

US consumers are reporting strong excitement for travel with 86% in a ready-to-travel state of mind and 56% feel safe to do so — both at their highest peaks since the start of the pandemic. As March, Canada tops their most desired foreign destination.

**3. Uncertainties still remain**

Momentum is positive for rebuilding tourism, but there are new uncertainties on the horizon including labour shortages. There are currently 170,000 unfilled jobs in tourism, equating to 10% of all tourism jobs.

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### STATE OF THE INDUSTRY

#### Tourism Demand

While domestic tourism is leading the sector’s recovery, international demand has rapidly increased since the re-opening of the Canadian border and the easing of COVID-19 restrictions both in Canada and abroad.

- **Domestic**
- **International**
- **Overall**

#### Total tourism expenditures on Canadian goods and services

<table>
<thead>
<tr>
<th>Year</th>
<th>2019 Total</th>
<th>2020 Total</th>
<th>2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-pandemic baseline (starting March 2019)</td>
<td>$28.15T</td>
<td>$76.38T</td>
<td>$44.07T</td>
</tr>
</tbody>
</table>

#### Tourism Activity

Tourism activity, a composite index of air movement, land movement, spending and other sources, has been making strong gains until the onset of the Omicron variant.

- **Domestic**
- **International**

#### Key Dates for US entry to Canada

- Border closed to all non-essential foreign travel
- Announcement of border re-opening to US and international travellers
- Border open to US leisure travellers
- Border open to all other international leisure travellers
- Removal of pre-entry testing for fully vaccinated travellers

- **2020:** +11%  
- **2019:** -31%  
- **2021:** +2%  
- **2020:** -83%  
- **2019:** +10%  
- **2021:** -45%

#### Tourism Employment

At the start of 2022, the overall Canadian unemployment rate stood at 5.5%, while the unemployment rate of the tourism sector stood at 5.1%.

#### Labour Force Active in the Canadian Economy

By April 2022, the Canadian labour force had expanded 3% over its pre-pandemic level. The labour force active in the tourism sector still remained 10% below its pre-pandemic level.

#### Active Business

As a result of COVID-19, tourism industries faced the most significant declines in active businesses. While on the road to recovery, tourism has not kept pace with the recovery of the business sector. Travel services remain the most fragile.

- **Canadian businesses**
- **Tourism industries**

#### Change in the number of businesses active in tourism industries 2022-01 vs 2020-01

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel services</td>
<td>-23.7%</td>
</tr>
<tr>
<td>Bus transportation, taxi &amp; limousine services</td>
<td>-35.5%</td>
</tr>
<tr>
<td>Rail, scenic &amp; sightseeing transportation</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Air transportation</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Recreation &amp; entertainment</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Food &amp; beverage services</td>
<td>-2.8%</td>
</tr>
<tr>
<td>+0.1%</td>
<td>Accommodation</td>
</tr>
<tr>
<td>Average Tourism Industries</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Canadian businesses</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Water transportation</td>
<td>-22.2%</td>
</tr>
</tbody>
</table>

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Source: Statistics Canada, National Tourism Indicators, April 25, 2022.
### Quarterly Tourism Snapshot

#### Tourism Performance

**Travel Confidence and Intent**

- **Domestic Level of Welcome**
  - Level of welcome towards US and other international visitors increased from end of January 2022 to end of February 2022, and has remained steady into April.

- **Welcome towards visitors from other parts of Canada**
  - 70%

- **Welcoming towards travellers from the United States**
  - 48%

- **Welcoming towards travellers from other countries**
  - 44%

- **Travel Considerations**
  - Web Search Trends for Air & Accommodation to Canada
  - Travel Confidence
  - Int’l Business Events Booking Pace

#### Travel Connectivity & Bookings

**Air Connectivity**

- **Global Domestic Flight Seat Capacity**
  - Pre-pandemic baseline (2019 Q2)
  - Canadian Domestic Air Connectivity stands at 15% below its 2019 level, lagging behind the average recovery pace of 4% below 2019 in other countries.

- **Global Int’l Seat Capacity**
  - Pre-pandemic baseline (2019 Q2)
  - US: 63%
  - Europe: 48%
  - Asia/Pacific: 48%
  - Mexico City: 63%

**Hotel Occupancy**

- **Urban**
  - 63% in 2022 vs. 66% in 2019
  - 58% in 2022 vs. 67% in 2019

- **Small Metro/Town**
  - 69% in 2022 vs. 71% in 2019
  - 65% in 2022 vs. 72% in 2019

- **Resort**
  - 49% in 2022 vs. 51% in 2019
  - 51% in 2022 vs. 55% in 2019

**Arrivals**

- **Monthly Arrivals of International Tourists in Canada**
  - U.S.: 278,049 in 2022 vs. 354,724 in 2019
  - Pre-pandemic baseline (March 2019)
  - Int’l arrivals have stood 58% below 2019 level.

- **Year to date arrivals, border counts**
  - Pre-pandemic baseline (March 2019)
  - Total: 678,059 in 2022 vs. 1,033,307 in 2019

**Connectivity on par with int’l recovery, 30% below 2019 level.**

**Index on 100% search in 2019**

- **Booking Pace of Air Tickets in DC Markets**
  - Benchmarked to historical 3 year average (2017 to 2019).
  - Definite International Events by Arrival Year.

- **Booking pace of return-ticket to date for 2022**
  - Pre-pandemic baseline (3Q 2019)
  - Bookings for future events as of April 30, 2022

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**Travel search for Canada in DC’s key markets surged following the mid-March announcement of the end of pre-arrival COVID testing for travelers entering Canada starting on April 1.**

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**Sources:**
- Destination Canada, Business Events from Reopening Plans, April 30, 2022
- Destination Insights with Google, data extracted on April 06, 2022
- Destination Canada COVID-19 Resident Sentiment, April 05, 2022
- IATA Global Agency Pro, data extracted on April 06, 2022
- Statistics Canada, tables 24-10-0053-01, May 24, 2022

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**Notes:**
- Int’l arrivals have stood 58% below 2019 level.
- Since the re-opening of the Canadian border, int’l arrivals have improved and currently stand 58% below pre-COVID levels (as of March 2022).

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**Review external document**