KEY TAKEAWAYS

Tourism demand surpassing 2019 levels
Overall tourism spend is above 2019 levels (not adjusting for inflation). This is driven by Domestic spend (109% of 2019 levels). Spend from international markets is still just 95% of 2019 levels, but continues to grow. Confidence to travel among Americans continues to grow, with Canada among their top destinations to visit. Google Search from International markets exceeds 2019 levels.

Resident sentiment is strong: visitors are welcome
This quarter offers new measures for resident sentiment. These show that sentiment is strong and exceeds global benchmarks. Residents are generally positive about tourism and support its growth. There is an opportunity to engage them further in tourism decisions and policy.

Tourism supply continues its slower path to full recovery
Employment in tourism remains a challenge. Many jobs remain unfilled (6.8%) and the unemployment rate (6.0%) is higher than the Canadian economy’s average (5.4%). Active tourism businesses continue to trail, with travel services and passenger transportation the most fragile sectors.

STATE OF THE INDUSTRY

Tourism Spend
In Q1 2023, tourism spend surpassed pre-pandemic levels to reach 106% of Q1 2019 spending in unadjusted-inflation terms. This performance was led by domestic tourism spending, which reached 109% 2019 levels. Though still slightly behind the domestic recovery, tourism spending by international visitors continued to improve, reaching 95% of 2019 levels in Q1 2023.

Tourism Employment
While the Canadian labour force expanded 5.8% over its pre-pandemic level by March 2023, the labour force active in the tourism sector remained 4.2% below its pre-pandemic level.

Active Business
Tourism industries faced the most significant declines in active businesses and its recovery has trailed behind the business sector. As of March 2023, tourism remained 1.9% below pre-pandemic levels. Travel services and passenger transportation services remain the most fragile tourism sectors.

Labour Force Active in the Canadian Economy
While the Canadian labour force expanded 5.8% over its pre-pandemic level by March 2023, the labour force active in the tourism sector remained 4.2% below its pre-pandemic level.

Unemployment Rate
The unemployment rate for the Canadian economy was at 5.4% in March 2023. Unemployment in tourism stood at 6.0% and was 7.0 percentage points lower than it was in March 2021, but 0.6 percentage points higher than March 2022.

Tourism industries faced the most significant declines in active businesses and its recovery has trailed behind the business sector. As of March 2023, tourism remained 1.9% below pre-pandemic levels. Travel services and passenger transportation services remain the most fragile tourism sectors.

Change in the number of businesses active in tourism industries
2023 March vs 2020 - January

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### TOURISM PERFORMANCE

#### Domestic Tourism Sentiment

**Overall:**
- The Domestic Tourism Sentiment Index was 67% in Q1 2023—21 points above the benchmarked norm. The Tourism Growth Support Index, which measures the net proportion of residents that support the growth of tourism in their region, was 66%—6 points above the norm.

#### Resident Sentiment Index

- **Global Benchmark:** 46%
- **Overall sentiment:** which measures the balance of positive vs. negative consequences of tourism.

#### Tourism Growth Support Index

- **Global Benchmark:** 60%
- **Net proportion of residents that support the growth of tourism.**

#### Resident Consideration Index

- **Global Benchmark:** 34%
- **Balance between residents considering that tourism policy takes into consideration to affect on their lives vs. those who do not agree with this.**

#### Tourismphobia Index

- **Global Benchmark:** 4%
- The proportion of residents opposed to tourism and its growth. 1.9%  

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#### Travel Considerations

**Web Search Trends for Air & Accommodation to Canada**

- From United States
- From Europe (incl. UK, France & Germany)
- From Asia-Pacific (incl. Australia, Japan & South Korea)

**Travel Connectivity & Bookings**

**Air Connectivity**

- **Global Domestic Flight Seat Capacity**
  - Pre-pandemic baseline (2019 Q1): 94%
  - 2020 (Q1): 26%
  - 2021 (Q1): 71%
  - 2022 (Q1): 61%
  - 2023 (Q1): 89%
  - 2020 (Q1): 100%

- **Global International Flight Seat Capacity**
  - Pre-pandemic baseline (2019 Q1): 94%
  - 2020 (Q1): 12%
  - 2021 (Q1): 51%
  - 2022 (Q1): 55%
  - 2023 (Q1): 87%

**Hotel Occupancy**

- **Average occupancy at small towns and resorts continues to exceed urban occupancy levels.**

**Int’l Business Events Booking Pace**

- **International business events scheduled in Canada for Q1 2023:** More than 70

**Int’l’ Events delegations/arrivals estimated for Q1 2023**

- **Canadian**
  - International attendance: 32,815

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#### TRAVEL CONNECTIVITY & BOOKINGS

**Air Connectivity**

**Global Domestic Flight Seat Capacity**

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>2020 (Q1)</th>
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**Hotel Occupancy**

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<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Urban</th>
<th>Small Metros/Towns</th>
<th>Resorts</th>
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<tbody>
<tr>
<td>2019</td>
<td>56%</td>
<td>58%</td>
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<td>2023</td>
<td>57%</td>
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**Int’l Business Events Booking Pace**

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