Tourism is a Strong Economic Contributor for Ontario, but its Potential is Far from Realized

Dec. 4, 2018, Toronto—Tourism matters in Ontario. Our industry represents $34.1 billion in annual receipts and 4.3 per cent of the provincial GDP. Tourism contributes more than $5 billion annually in tax revenues for the provincial government, meaning that the total economic contribution of tourism is larger than agriculture, forestry and mining combined.

The tourism industry contributes to the province’s economy and quality of life by creating jobs, promoting pride of place and celebrating diverse communities across the province. But while the positive impacts of Ontario’s tourism sector deserve to be praised, economic activity generated by the industry can reach new heights through effective policy development, ongoing financial investment, and collaboration between the Government of Ontario and the province’s tourism community.

Tourism is one of the world’s fastest-growing industries; the United Nations World Tourism Organization (UNWTO) forecasts growth in global international tourist arrivals between 4 and 5 per cent in 2018. In Ontario, however, forecasted tourist arrivals for 2018 and 2019 show less than 2 per cent growth. Ontario is leaving important visitor spending on the table, but strategic investments and partnerships can leverage the province’s power as a tourist destination of choice.

Recent announcements prove that the Ford Government supports the tourism industry. Commitments to develop a new tourism strategy, and to continue the Celebrate Ontario fund for 2019 are evidence of this support. Going forward, we encourage the government to preserve investment in the tourism industry by maintaining the budgets of Destination Ontario, the Regional Tourism Organizations, the Tourism Development Fund, and other tourism marketing and destination development programs. These investments allow industry to work with our government partners to continue to develop, grow and attract more international visitors to our great province.

By continuing to work collaboratively with the private sector and tourism businesses, Ontario can maximize the industry’s significant economic return on investment. Every $1 million spent by visitors in Ontario generates 13 new jobs and $604,800 in wages and salaries. Tourism is also a growth market, projected to generate more than $31 billion in visitor spending in Ontario in 2019. Additionally, according to TIAO’s Travel and Destination Analytics Ontario Report released in partnership with Global Payments Canada, international visitors spent 9 per cent more when travelling to Ontario in 2018 compared to the previous year. Increased international visitation and spending translates into a greater economic impact for tourism in every riding across the province.

As a powerful revenue generator and job creator for the province, the benefits of ongoing support for Ontario’s tourism industry are clear. As the Province makes preparations for its 2019 Budget, the tourism industry encourages investment in the sector to be maintained.

However, our industry is facing a performance gap, wherein there is a difference between potential and actual visitation growth. As such, on behalf of its membership and stakeholders, the Tourism Industry Association of Ontario (TIAO) has prepared recommendations for the provincial government to bolster the sector in three key areas: People, Product and Promotion.

Representatives from Ontario’s tourism industry welcome the opportunity to discuss TIAO’s recommendations with MPPs and government staff at its annual Tourism Day at Queen’s Park and in future. Together, public and private entities can implement measures to help tourism in Ontario reach its fullest potential.

About TIAO

TIAO is recognized as the umbrella advocacy organization for leading associations, destination marketing organizations, regional tourism organizations, educators and businesses serving Ontario’s diverse tourism industry. Collectively representing 188,000 businesses and 391,000 employees, TIAO provides a strong and unified voice for the sector and is committed contributing to evidenced-based policy and providing strategic insight on how to create favourable public policy that allows the tourism industry to flourish.