Session 5 – How to use TSA data for tourism policies

A Canadian Perspective

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Measuring the economic impact of tourism in Europe:
The Tourism Satellite Account (TSA)
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Advocacy and Awareness

TSA-related data in the news

Canada has become a prime culinary destination. Our tourism sector supports over 1.7M jobs! #TourismWeek

Great to see Canada's tourism industry surpassing last year's economic contribution to GDP.

FACT With 1.78 million employees, tourism in Canada provides more jobs than manufacturing, education services, or public administration!

Our National Tourism Indicators for Q2 are available - there are 735,100 jobs in the tourism industry! bit.ly/2wqj3aG

DYK international visitors to Canada spent $819 million more than 2015. That's 11.5% more in Q3 2016 than Q3 2015. #TourismCanada bit.ly/2hmHS4W

Canada's tourism industry is booming: visitors who came to #ExploreCanada in Q3 2016 injected $7.9B to our economy. bit.ly/2hmHS4W
The CTSA Modules are designed to meet the needs of a variety of users

• Advocacy and Awareness for Government and Public Recognition
• Policy & Planning
  • Reporting to government
  • Budget
  • Policy design
• Marketing
  • Impact of DC marketing on the Canadian economy
  • Establishing minimum break-even targets
• Manpower, Education and Training
  • HR Needs
  • Forecasting
  • Informing policies on work visa programs
Awareness and advocacy

Use of TSA and HRM data to reveal the impact of tourism in regional economies

• Informing **elected politicians** and government officials about the impact of tourism among their constituencies

• The TSA and Human Resource Module (HRM) can be linked to the National Household Survey and Canadian Business Count to obtain tourism labour market and business information for individual electoral districts
  • Tourism Employees
  • Tourism Businesses
  • Share of Tourism labour force
    • as % of local labour force or
    • by Industry segments

Tourism jobs and establishments are estimated by linking the CTSAt at NAISC-4 with the Statistics Canada Business Location Counts by Federal Electoral Riding

Sources: Tourism Industry Association of Canada (TIAC) and Tourism HR Canada
**Destination Canada** is mandated with sustaining a vibrant and profitable tourism industry

**How can you measure vibrancy?**

TSA-based data enables Destination Canada to credibly monitor the evolution of tourism in Canada in terms of

- Economic activities
- Export Revenues
- Government revenues attributable to Tourism
- Jobs
- Establishment counts by provinces

Analysis of key TSA indicators are reported to the Canadian Parliament via Annual Reports

*Source: Canadian Tourism Commission Act*
Reporting results to the Government
Tourism supports a vibrant economy

- **Tourism spending in 2016**: 91.6 billions
  - >2% of GDP ($38.8 billion)

- **Engine of entrepreneurship**:
  - 200,835 tourism **business establishments** are in tourism industries
    - 7% of all businesses in Canada
    - 99.9% are SMEs

- **Engine of employment**:
  - 1 in 10 jobs in Canada depends on tourism
  - 721,600 jobs directly attributable to tourism (3.9% of total employment)
Policy and Planning

NTI is a rich source of information to analyze tourism development in terms of trends, structure and policy impact.

Quarterly Macroeconomic Economic Evolution of Tourism in Canada
1986-2017 B2

Source: Statistics Canada, National Tourism Indicators
Policy and Planning

Federal treasury board officers need credible facts for budget decisions

TSA related numbers instantly gain credibility because the TSA is rooted in the System of National Accounts and is comparable to other industries,

- It facilitates discussions by moving beyond data credibility issues

Example of policy proposal:
Benchmarking tourism promotion budgets to the consumption tax (GST) earnings associated to tourism demand

GST is estimated by linking the National Tourism Indicators to the Government Revenues Attributable to Tourism module of the TSA to extract the GST portion associated to export revenues. This can be linked to ad tracking and ROI studies to impact of marketing on GST earnings.

| Table 1  Estimation of GST from Tourism Spending by Non-Residents (Export Revenues) |
|-----------------------------------------------|-----------------|-----------------|-----------------|
| Commodity Purchased by Tourists               | Tourism Export Receipts 2011 ($ million) | GST share of Tourism Export Receipts 2007 | GST share of Tourism Export Receipts 2011 |
| Transportation                                | 4,419           | 3.13%           | 3.13%           |
| Passenger air transport                       | 2,773           | 3.72%           | 3.72%           |
| Passenger rail transport                      | 103             | 4.36%           | 4.36%           |
| Interurban bus transport                      | 318             | 1.78%           | 1.78%           |
| Vehicle rental                                | 424             | 3.34%           | 3.34%           |
| Vehicle repairs and parts                     | 69              | 3.63%           | 3.63%           |
| Vehicle fuel                                  | 488             | 5.61%           | 5.61%           |
| Other transportation                          | 243             | 2.76%           | 2.76%           |
| Accommodation                                | 3,521           | 1.31%           | 1.31%           |
| Food and beverage services                   | 2,515           | 5.68%           | 4.88%           |
| Other tourism commodities                     | 1,787           | 59.09%          | 59.09%          |
| Recreation and entertainment                 | 1,585           | 4.16%           | 3.47%           |
| Travel services                              | 158             | 1.44%           | 1.20%           |
| Pre-trip expenditures                         | 44              | 5.94%           | 4.95%           |
| Convention fees                              | -               | -               | -               |
| Total tourism commodities                     | 12,343          | 43.6%           | 36.4%           |
| Total other commodities                       | 2,785           | 4.36%           | 3.64%           |
| Tourism expenditures                          | 15,128          | 3.64%           | 3.06%           |
| Source: Statistics Canada, National Tourism Indicators; CTC Calculations |

*CTC Share of GST based on S/6% of the 2007 GST shares of export revenues by commodities applied to the 2011 export revenues by commodities.
Indicators from the NTI and the Government Revenues Attributable to Tourism module are linked to marketing return on investment estimates (surveys):

- Estimate jobs supported and tax earned for tourism activities generated by marketing campaigns

- Determine break-even tax revenues to cover investment in special marketing programs

Source: Destination Canada
Policy and Planning

Forecasting tourism industry labour force needs

Provides detailed information on tourism employment
- Supply perspective: Employees in tourism industries serve both visitors and local clients

Key measures
- Number of jobs, hours worked, earnings from employment

Key categories
- Type of job, FT/PT status, industry, occupation, age group, gender, immigrant status, compensation and educational attainment

Strategic tool for training and planning for tourism
- Long term labour supply/demand forecasts for occupations in tourism industries
  - Developed by the Conference Board of Canada/Tourism HR Canada
  - Used by tourism businesses in wage determination
HRM focuses on the labour force requirement to service the tourism industries

About 1/3 of jobs in the tourism industries are attributable to tourism activities

Sources: Statistics Canada, National Tourism Indicators and Human Resource Module of the TSA
Estimating Future Labour Needs

The Tourism Supply and Demand Model

Demand

- The Conference Board of Canada Tourism demand model
- Projections of the demand for tourism goods and services
- Key macroeconomic drivers
- TSA, NTI
- Projections of labour demand for specific tourism occupations projections

Supply

- The Conference Board of Canada Employment productivity model
- The Conference Board of Canada Economic and tourism forecast models
- Demographic projections
- Specific workforce parameters - including relative wages and the attractiveness of tourism occupations to labour force participants
- HRM, PTHRM
- Projections of labour supply for specific tourism occupations
The Future of Tourism

Demand Side
- Tourists
  - Foreign
  - Domestic
  - Locals
- Economic / Population Projections

Tourism Current State

Supply Side
- Labour Force
  - Immigrants
  - Youth
  - Indigenous

2015
2020
2025
2035
Results of current labour supply projections

Demand set to exceed that of the industry to meet that demand due to a lack of workers.

- **2010**: 133,000 additional workers needed
- **2020**: 240,000

Unfilled Jobs Hampered Growth
Policy implications

Impact of a 1% population immigration intake on the tourism labour market

Estimating the future areas of labour surplus or shortages in the tourism labour market allows government, industry and businesses to adopt policies that ensure tourism remains sustainable.

- Additional workers needed: 53,926
Thank you

Merci