

The Value of Travel and Tourism in Canada

**Travel and Tourism's Impact on the Canadian Economy
and Destination Canada's Return on Investment**

Executive Summary



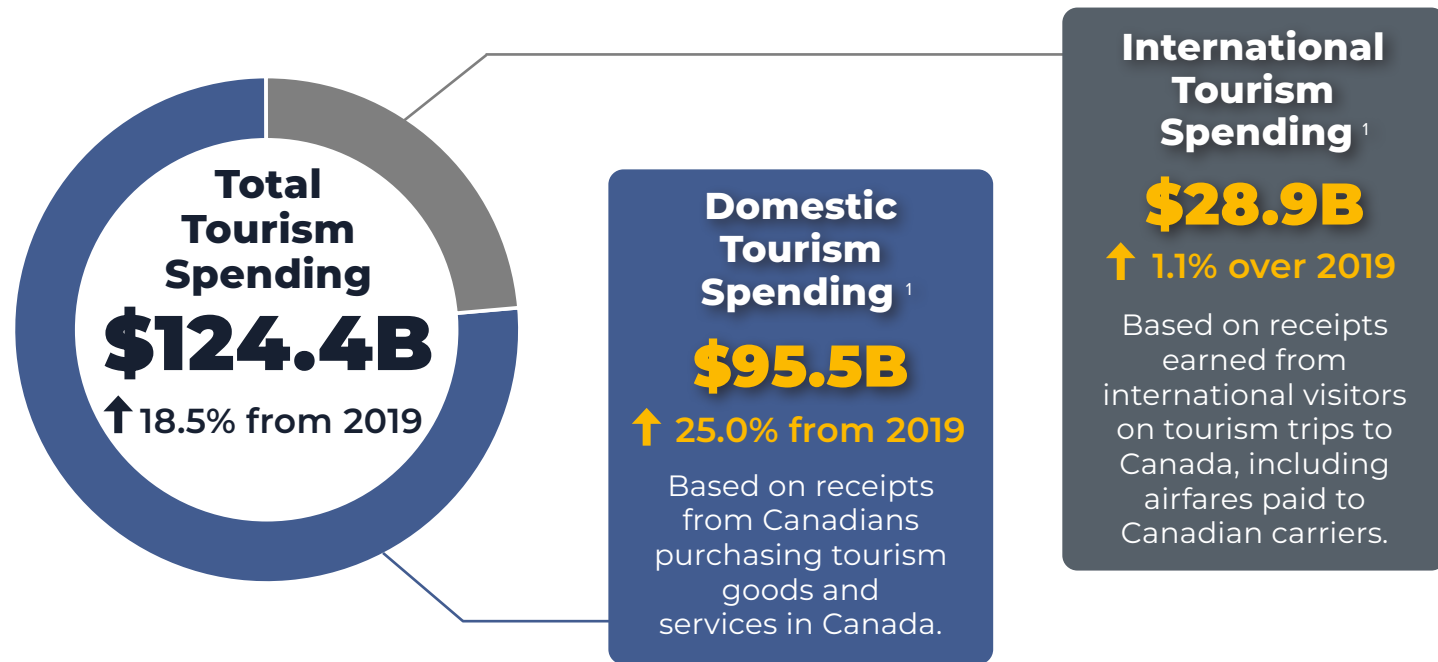
Travel and Tourism is Vital to the Canadian Economy

Visitor spending produces significant benefits to Canadian households and businesses.

Tourism is a catalyst for economic activity in Canada. In 2023, the industry generated \$124.4 billion in tourism revenue, exceeding pre-pandemic levels from 2019. Domestic travel led the recovery with \$95.5 billion in spending, while international visitors added \$28.9 billion to the economy. Tourism functions as an export since international travellers bring new money into Canada. In 2019, international visitor spending was Canada’s top service export.

The direct visitor spending impact of \$124.4 billion generated a total economic impact of \$252.2 billion in Canada in 2023, including indirect and induced impacts. This total economic impact sustained nearly 1.1 million jobs and generated approximately \$50.9 billion in total tax revenues in 2023.

Canadian Tourism Revenue in 2023



¹ Source: Statistics Canada, National Tourism Indicators, published 2025-03-27
 (Note: due to rounding, individual components may not sum to the total)

Tourism is one of Canada’s most valuable economic engines. The evidence demonstrates that investing in the tourism sector generates exceptional returns, and Destination Canada plays a pivotal role in maximizing those returns. Their marketing activities create a multiplier effect that benefits communities throughout Canada, directly supporting jobs, income, and tax revenue.

- Adam Sacks, President, Tourism Economics



Destination Canada generated a return of \$23.85 for every \$1.00 of its budget, in terms of total economic impact.



Destination Canada Delivers a Proven Return on Investment (ROI)

Investments in destination marketing activities yield measurable increases in visitor spending that far exceed their cost.

Destination Canada focuses its marketing in nine leisure source markets: Australia, China, France, Germany, Japan, Mexico, South Korea, the United Kingdom and the United States. In addition, Destination Canada’s Business Events team attracts global events that match Canada’s priority economic sectors.

Destination Canada directly generated approximately 879,000 international visits to Canada in 2023. These visitors generated \$1.6 billion in incremental² visitor spending in Canada in 2023.

For Business Events programs alone, Destination Canada yielded \$497.3 million in spending.

Every \$1.00 invested in Destination Canada marketing generated \$16.65 in visitor spending. Beyond marketing, Destination Canada develops destinations, supports the tourism industry, and provides data insights. Overall, it achieved a direct ROI of \$11.77 in visitor spending per \$1.00 invested and also generated \$169.9 million in direct Federal tax revenue, generating \$1.27 in federal taxes per \$1.00 invested.

The \$1.6 billion in visitor spending had a ripple effect across the tourism supply chain, supporting businesses and employees who, in turn, spent their wages throughout the broader economy. This boosted GDP, jobs, and tax revenues — contributing to the prosperity of communities across Canada. In total, the economic impact reached \$3.2 billion, **delivering a return of \$23.85 for every \$1.00 invested in Destination Canada.**

² Incremental spending is spending generated by marketing activities

The Canadian Travel and Tourism Economy

Travel and tourism is an important pillar in the Canadian economy.

In 2023, visitors to Canadian destinations spent \$124.4 billion on tourism-related goods and services, including accommodations, food and beverage services, recreation and travel services, and other tourism-focused industries. **Tourism contributes \$341 million a day.** Tourism impacts the Canadian economy both directly and indirectly and is a vital source of export revenue.

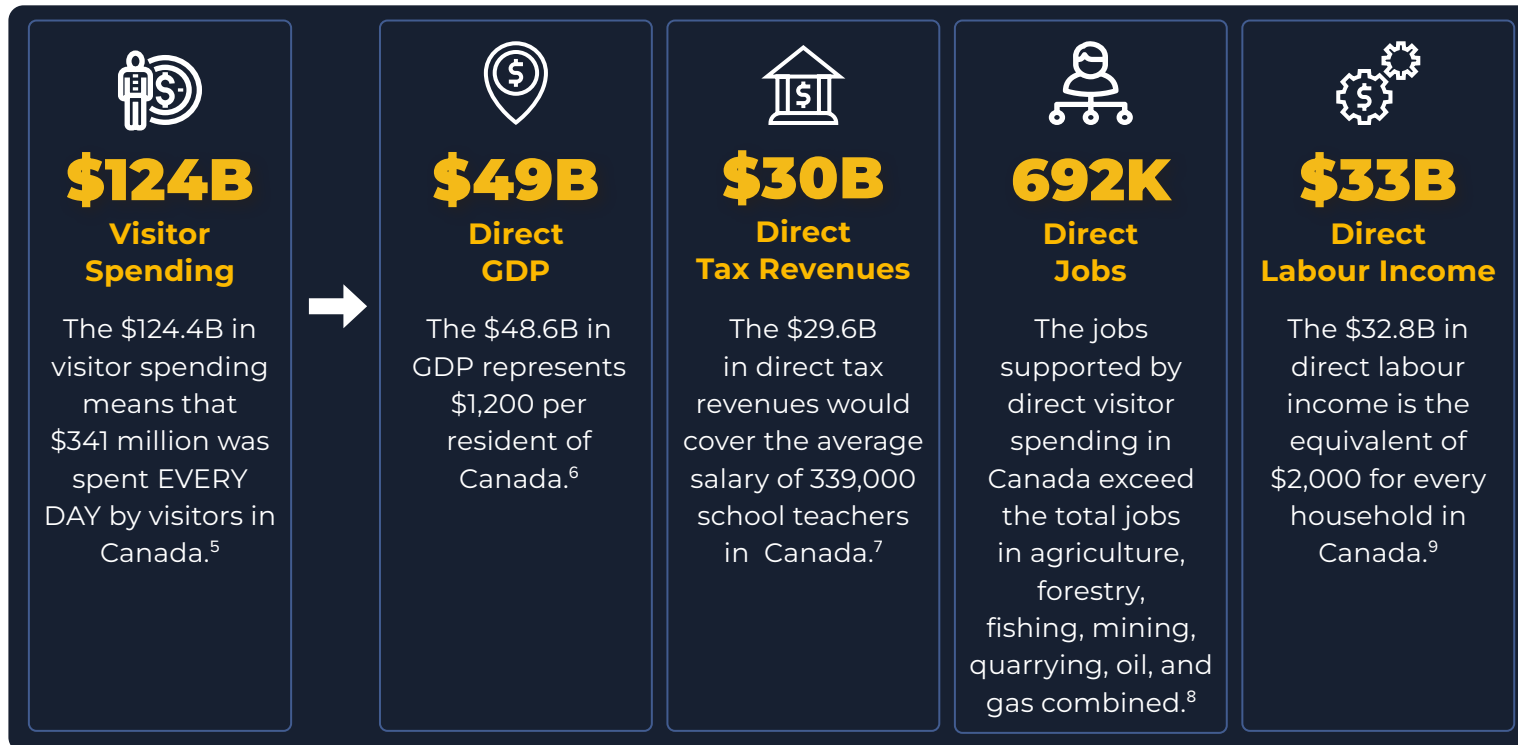
Direct Economic Impacts of Tourism

Tourism generates significant direct economic benefits.

Tourism directly contributed \$48.6 billion in gross domestic product and generated \$29.6 billion in tax revenue in 2023. Domestic and international visitor activities in Canada directly supported 692,100 jobs throughout Canada, generating \$32.8 billion in labour income.

Tourism Businesses in the Community

The tourism sector caters to both tourists and locals, such as those visiting museums or restaurants. In Canada, the tourism sector includes 242,000 businesses operating across more than 70 different industries, together providing employment to more than 2 million people.^{3,4} Overall, **one in ten jobs in Canada is dependent on tourism.** As such, the broader impact of tourism contributes to improving the quality of life for residents and fostering community strength.



³ Source: Statistics Canada Business Register establishment level for Destination Canada, 2023

⁴ Source: Statistics Canada, Labour Force Survey, Customized Tabulations Tourism HR Canada

⁵ Source: Statistics Canada, National Tourism Indicators

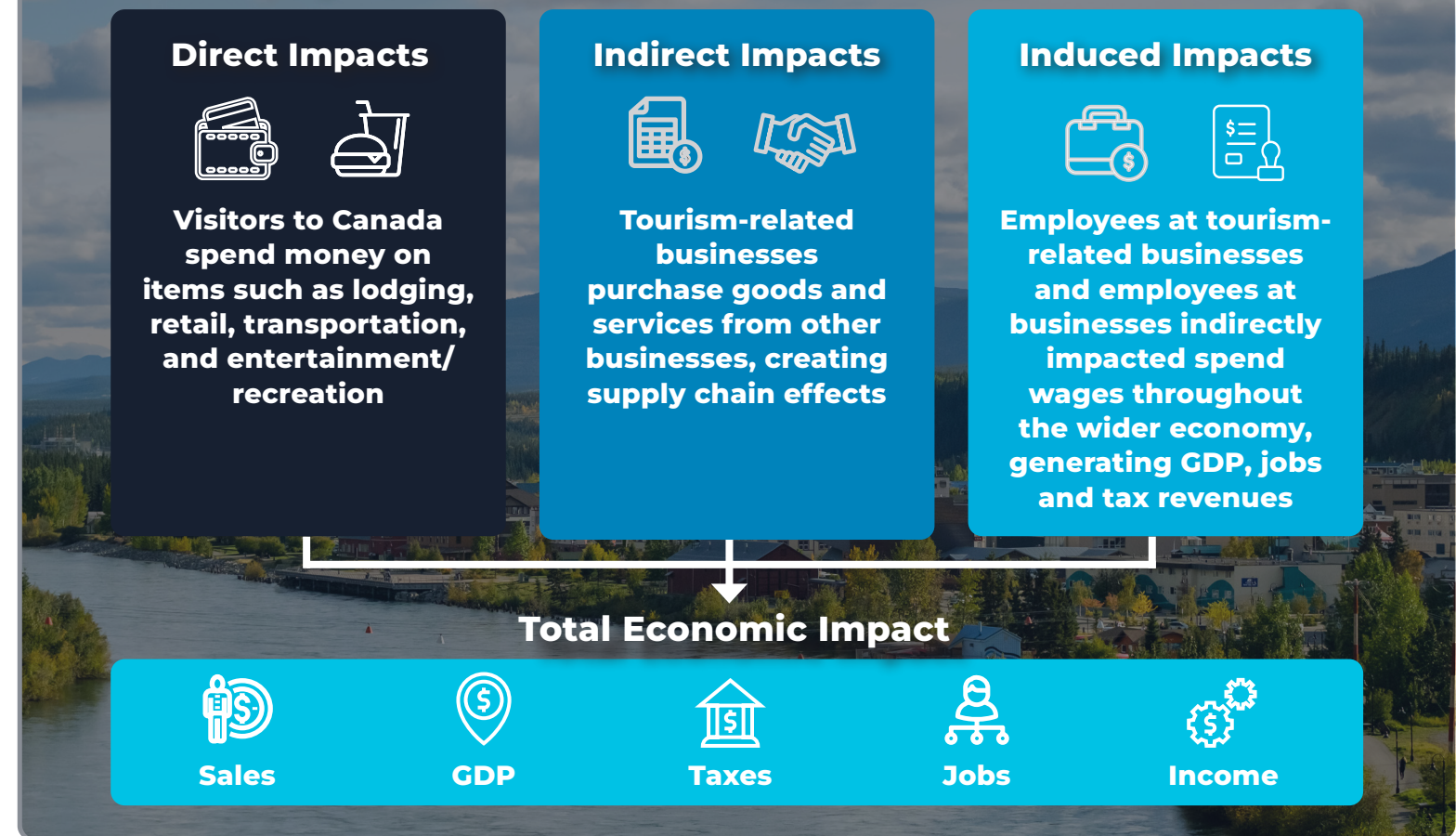
⁶ Source: Destination Canada, Statistics Canada, population estimates quarterly

⁷ Source: Statistics Canada, National Tourism Indicators & Annual statutory teachers' salaries in public institutions

⁸ Source: Statistics Canada, National Tourism Indicators, labour statistics consistent with the System of National Accounts

⁹ Source: Destination Canada, Statistics Canada. Estimates of the number of private households by size on July 1st

Economic Impact Framework



Total Economic Impact of Tourism

The impact of tourism extends to indirect supply chain and induced spending effects.

Tourism generated total economic activity of \$252.2 billion in 2023. This activity supported 1.1 million jobs, including direct, indirect, and induced impacts. Just under \$60.0 billion in labour income was channelled to these workers. Importantly, tourism also supported government finances, generating nearly \$50.9 billion in federal, provincial, and municipal tax revenue in 2023.

Total Economic Impact of Tourism in 2023¹⁰ (\$ Billions)



¹⁰ Source: Statistics Canada, National Tourism Indicators, Destination Canada



International Visitors are Vital to the Canadian Travel and Tourism Economy

International visitors to Canada spent \$28.9 billion in 2023, representing nearly one-quarter of the visitor economy.

International tourism spending surpassed the pre-pandemic peak of 2019 for the first time. Overseas overnight tourists spent \$2,091 per trip in Canada in 2023, compared to \$523 for domestic overnight tourists.¹¹

The United States was Canada's largest tourism market. American tourists spent \$12.8 billion in Canada in 2023. The United Kingdom was Canada's largest overseas market in 2023, followed by France and Mexico.

Tourism Spending, by Market in 2023¹²

Market	Spending in 2023 (Amounts as Indicated)
Destination Canada Source Markets	
United States	\$ 12.8B
United Kingdom	\$ 1.5B
France	\$ 990 M
Mexico	\$ 964 M
Australia	\$ 820 M
China	\$ 753 M
Germany	\$ 657 M
South Korea	\$ 284 M
Japan	\$ 238 M
Rest of the World	\$ 5.1B

Notes: Overseas tourists includes tourists from all international markets excluding the USA.

Spending by market does not include spending by International tourists on flights to Canada on Canadian carriers.

¹¹ Source: Statistics Canada. Trips, nights and spending for visitors to Canada, by country of residence and mode of transport (x 1,000) & National Travel Survey

¹² Source: Statistics Canada. Spending by foreign residents travelling in Canada by country of residence, tourism region and spending category

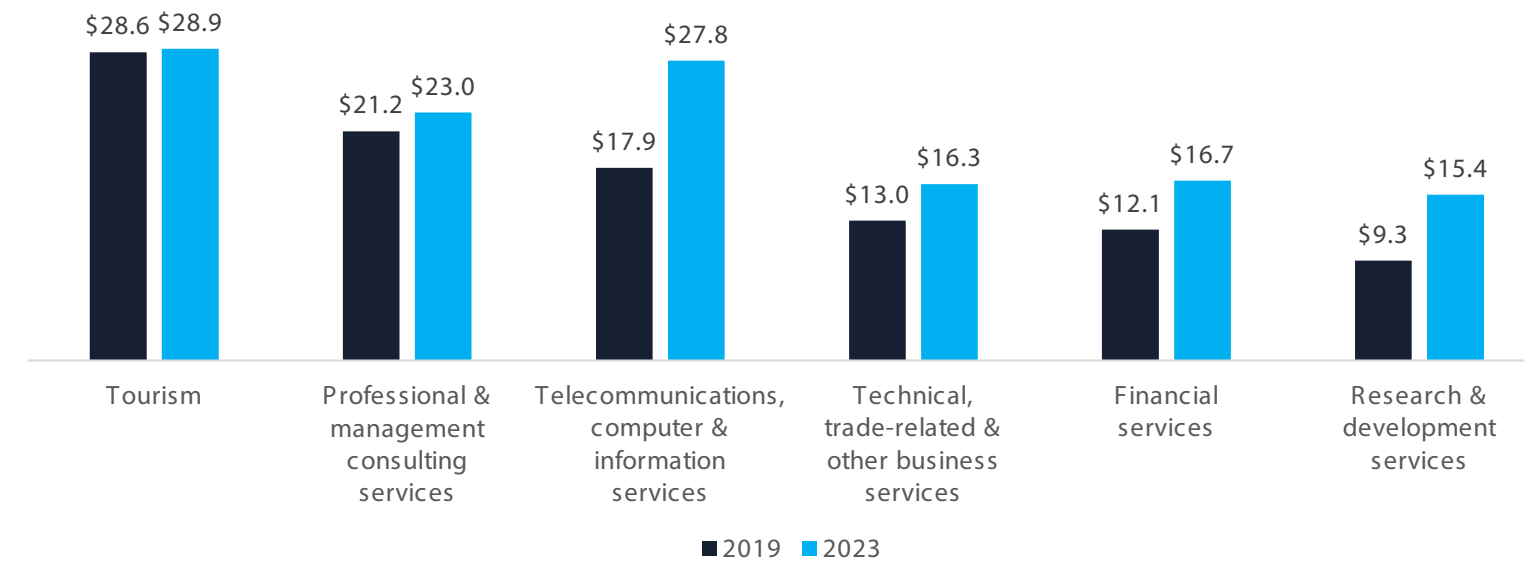


Tourism as a Driver of Exports

International visitor spending is a leading service export for Canada.

Tourism ranked as Canada's top service export prior to 2019 and is projected to resume its position as Canada's top service export as international tourism strengthens. International visitor spending contributed 13.8% of all service export revenue in 2023. International tourism is forecast to grow faster than domestic tourism.

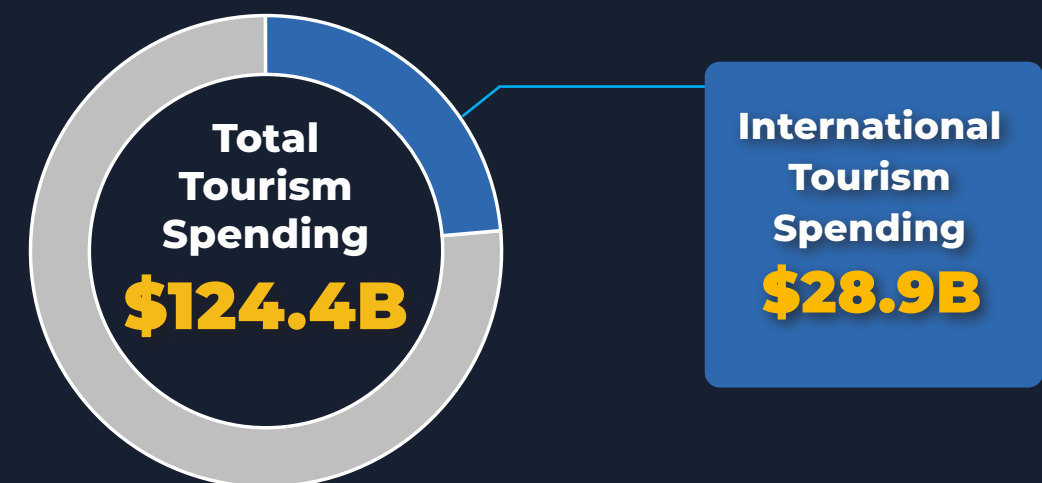
Service Exports, Select Industries in 2019 & 2023¹³ (\$ Billions)



¹³ Source: Statistics Canada, National Tourism Indicators & International Transactions in Services



Total Tourism Revenue & International Tourism Spending in 2023 (\$ Billions)



CANADA* Destination Canada's Direct Return on Investment

Destination Canada programs generated 879,000 international visits to Canada. These visitors spent \$1.6 billion in Canada, driving a significant share of tourism's service exports.

Destination Canada directly generated approximately 879,000 international visits to Canada in 2023. These include visitors from the nine leisure markets (Australia, China, France, Germany, Japan, Mexico, South Korea, the United Kingdom and the United States) as well as delegates for Business Events.

Each \$1.00 invested in Destination Canada's marketing budget returns \$16.65 of visitor spending. Including its entire budget, each \$1.00 invested in Destination Canada returns \$11.77 of visitor spending.

Destination Canada Returns by Region

Each target market delivered a positive return on investment, with particularly strong results in Business Event promotions.

European markets posted strong returns with France and the UK generating \$48.99 and \$32.08 per dollar invested, respectively.

The United States provided the single largest source of investment returns, with \$624 million in visitor spending generated in 2023.

Returns from the Asia-Pacific region were low in 2023 due to modest returns from China and the delayed recovery in other key markets to pre-2019 levels. The Asia-Pacific region still presents significant opportunities for the Canadian tourism industry, with accelerated growth expected in 2027 and beyond.

Summary of Destination Canada Marketing Returns on Investment by Region in 2023¹⁴

Region	DC Investment	Incremental Visitors	Visitor Spending	Return per Dollar Invested
North America	\$42,427,703	442,674	\$682,195,691	\$16.08
Europe	\$10,047,220	111,922	\$332,287,674	\$33.07
APAC	\$9,629,586	\$24,589	\$68,428,395	\$7.11
Business Events*	\$12,915,928	\$299,429	\$497,315,638	\$38.50
Other/Global**	\$19,895,992	-	-	-
Total marketing investment	\$94,916,429	878,614	\$1,580,227,397	\$16.65
Non-marketing investment	\$39,392,927	-	-	-
Total Destination Canada budget	\$134,309,356	878,614	\$1,580,227,397	\$11.77

* Includes the value of future events booked in 2023

** Includes Global brand creative, Indigenous Tourism Association of Canada, global publishers and partnerships

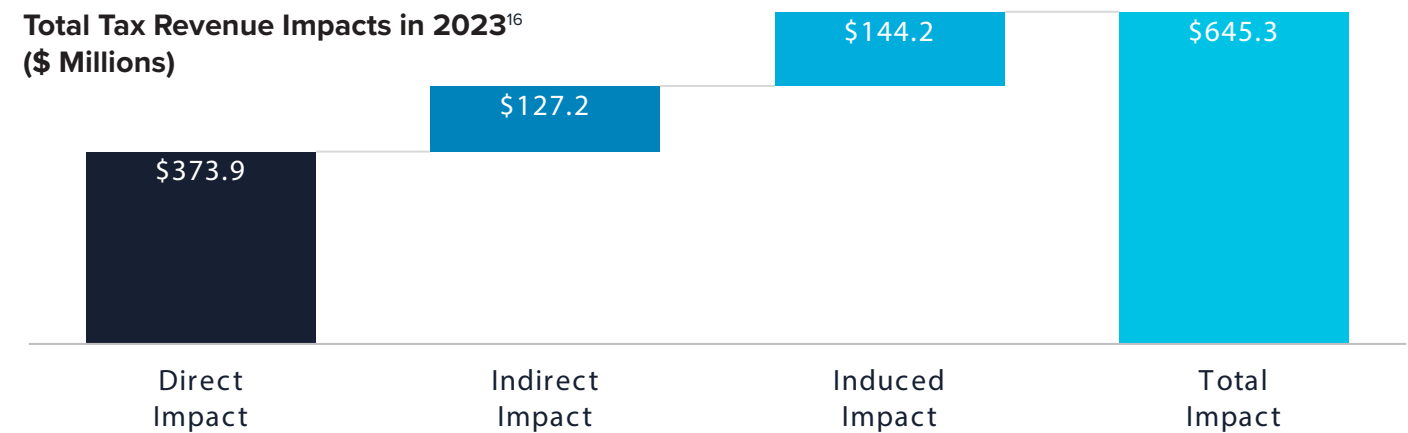
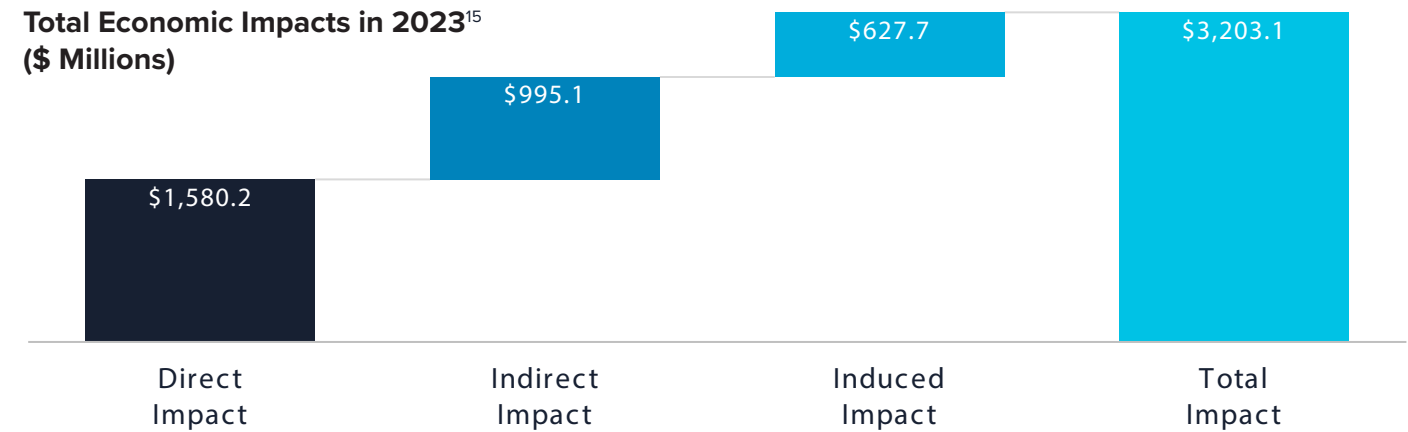
¹⁴ Source: Destination Canada, Tourism Economics

CANADA* Total Economic Impact of Destination Canada

Destination Canada generated direct visitor spending of \$1.6 billion in 2023, producing a total economic value of \$3.2 billion (including indirect and induced impacts).

Destination Canada's total impact on gross domestic product (GDP) was \$1.4 billion in 2023. The total economic activity generated by Destination Canada sustained 11,581 full-time equivalent (FTE) jobs.

Destination Canada's marketing investments also contributed \$645.3 million to government finances, including \$373.9 million in direct tax impacts and \$271.4 million in indirect and induced tax impacts.



¹⁵ Source: Destination Canada, Tourism Economics

¹⁶ Source: Destination Canada, Tourism Economics



Each \$1.00 invested in Destination Canada's marketing budget returns \$16.65 of visitor spending. Including its entire budget, each \$1.00 invested in Destination Canada returns \$11.77 of visitor spending.

CANADA* Destination Canada's Strong Economic Outcomes

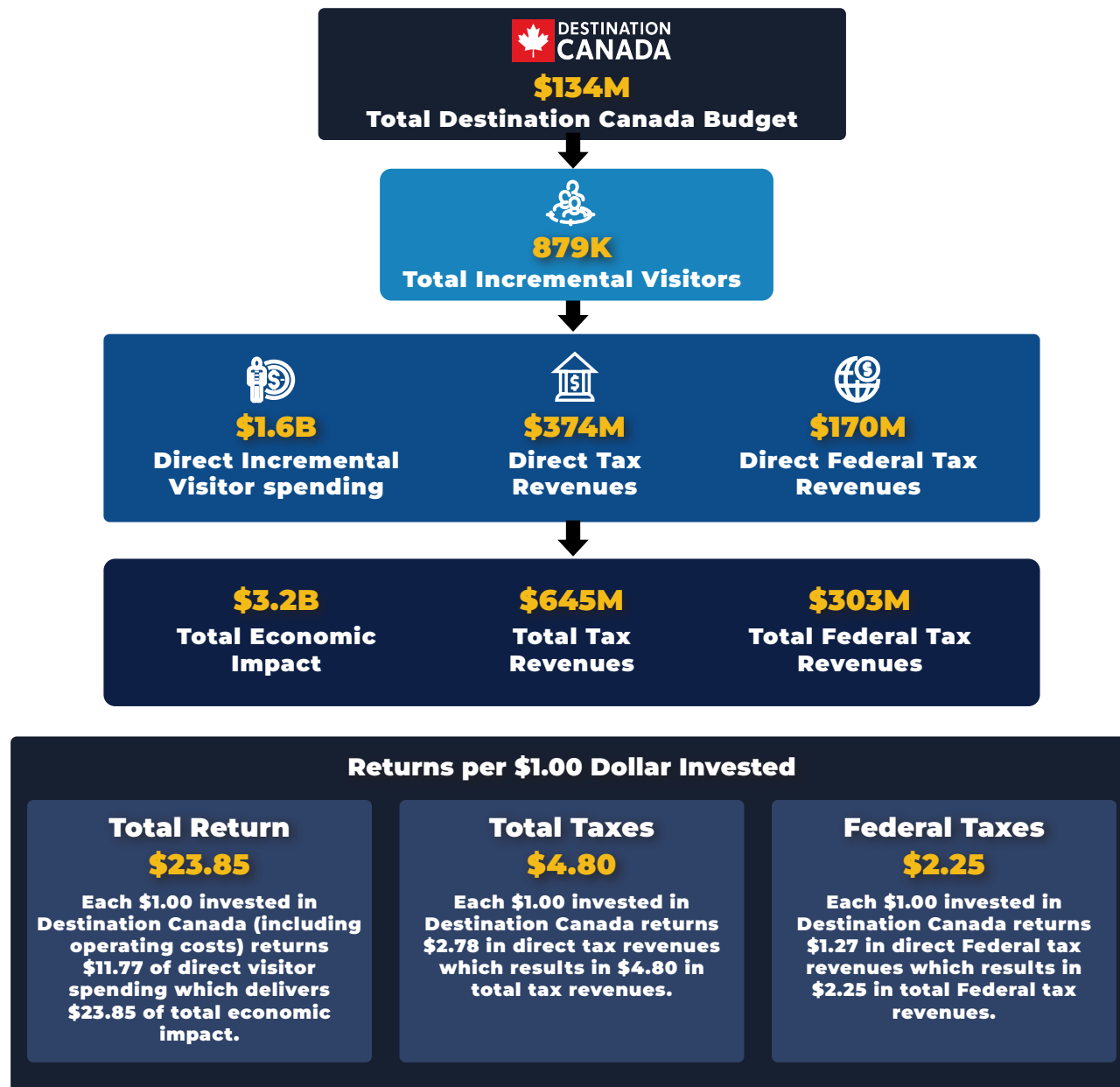
Each dollar of investment in Destination Canada in 2023 generated \$23.85 in total economic activities.

Destination Canada's direct impact on international visitors acts as an economic multiplier, with benefits accruing to multiple sectors, government revenues and communities from coast to coast to coast.

Considering the direct, indirect and induced impact, Destination Canada generated \$645.3 million in total taxes and \$302.5 million in federal taxes. Destination Canada's contribution to federal finances outpaced its total base funding from the federal government.

As Canada's flag-bearer, Destination Canada's role is to build demand for travel to Canada. This amplifies the investments and boosts the performance of provinces, territories, cities, and private sector businesses.

Destination Canada Impacts and ROI Metrics (2023)



The \$1.6 billion in visitor spending generated by Destination Canada marketing activities produced a total economic value of \$3.2 billion.

Research Overview

Destination Canada is Canada's national tourism organization, generating incremental travel to Canada. Destination marketing plays an integral role in the competitiveness of the visitor economy and drives economic development through fostering trade and investment.

Destination Canada focuses its marketing in nine leisure source markets: Australia, China, France, Germany, Japan, Mexico, South Korea, the United Kingdom and the United States. In addition, Destination Canada's Business Events team targets global events that match Canada's priority economic sectors.

Tourism Economics, an Oxford Economics company, was retained to evaluate the economic return on investment (ROI) of Destination Canada's marketing activities in 2023.

This study presents the findings of our analysis, including a review of internal and third-party analysis. In summary, we find that Destination Canada generates economic impacts well above its investments in destination marketing.

Legend



Destination Canada's Impact on the Canadian Economy



Tourism's Impact on the Canadian Economy

About the Research Team

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 400 full-time staff, including 250 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.