

Tourism Works for Alberta



2012



The Economic Impact of Tourism in Alberta 2012

Overview:

- Direct visitor spending by all tourists (resident and non-resident) in Alberta was over **\$7.41** billion in 2012.
- This spending resulted in a net economic impact (value-added) of over **\$8.31** billion province-wide.
- Over **114,000** full-time equivalent jobs were sustained province-wide in 2012.
- Approximately **\$3.41** billion in total tax revenue accrued to all three levels of government in 2012. This included **\$1.88** billion to the federal government, **\$1.08** billion to the provincial government, and **\$452** million to local governments province-wide.

What is Economic Impact Analysis?

Economic impact analysis is used to determine the impacts of additional tourist spending primarily on employment, income (value-added) and government tax revenues in an economy. It provides a snapshot of the economy at a particular point in time based on the initial spending. It is based on the premise that initial or direct impacts alone are poor measures of the total impact of tourism on the economy. It is often the case that indirect and induced impacts are just as large, if not greater, than direct impacts and frequently involve sectors and activities distantly, but importantly, connected to the initial activity.

Let's suppose a tourist travels to Alberta and spends \$100 at a gas station. In an economic impact analysis, the focus is not on the amount of sales (in this case \$100), but rather the impact of those sales on the provincial/regional economy.

If you consider:

- **Direct Impact:** The gasoline station owner must take part of the \$100 spent by the tourist and buy more gasoline from a wholesale distributor, and pay wages and taxes.
- **Indirect Impact:** In the second round, the wholesale gasoline distributor buys additional items and pays salaries/wages with part of the \$100.
- **Induced Impact:** The gasoline station employees and the employees of the wholesale distributor spend part of their salaries on groceries, rent, automobiles, and so on.

This ripple effect based on the initial amount of tourist spending circulates throughout the economy and creates a "multiplier effect". In this analysis, the objective is to estimate and analyze the ripple effect of tourism spending in each tourism region and understand tourism's vital economic contribution to every region of the province.

All economic impacts include direct, indirect, and induced effects.

Sources:

Statistics Canada's 2012 International Travel Survey and 2012 Travel Survey of Residents of Canada
Econometric Research Limited

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Travel to Alberta by Visitor Origin, 2012

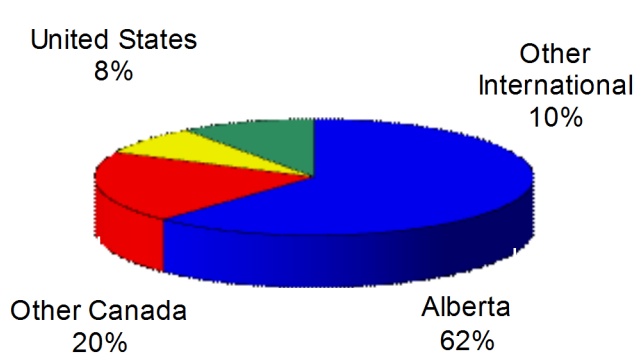
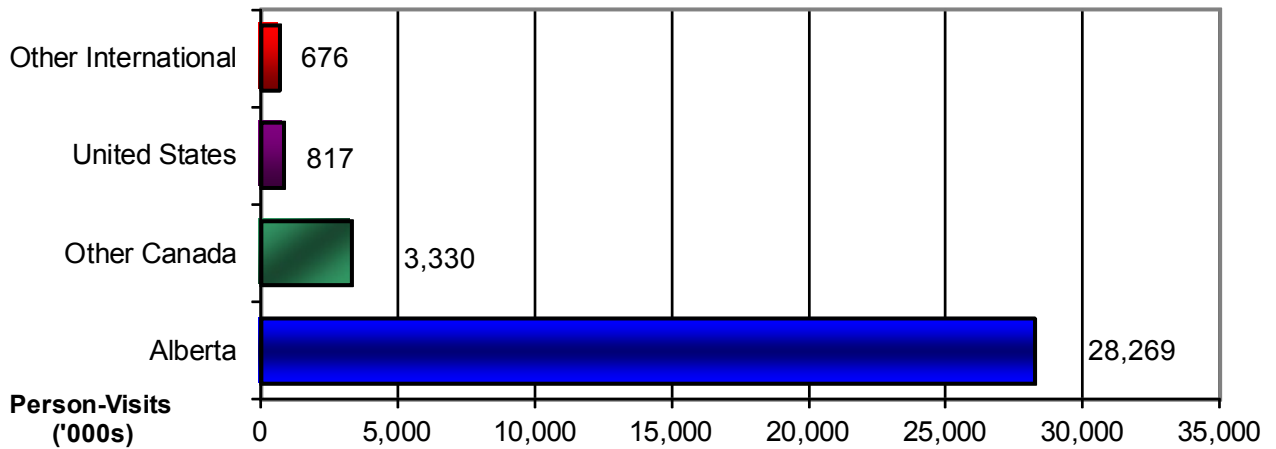
In 2012, **33.10** million total visits were made to Alberta by residents of Alberta, other parts of Canada, visitors from the United States and other international visitors. Direct tourism expenditures by these visitors were over **\$7.41** billion.

	Alberta	Other Canada	United States	Other International	Total
('000s)					
Person-Visits	28,269	3,330	817	676	33,092
Tourism Expenditures	\$4,598,935	\$1,470,560	\$619,527	\$723,136	\$7,412,158

Person-visits for domestic visitors include same-day and overnight, while international visitors include overnight visitors only.

Person-Visits, 2012

Residents of Alberta accounted for 85% of all visits to Alberta. Visitors from other parts of Canada accounted for 10%, visitors from the United States accounted for 2% and other international visitors accounted for 2% of the visits to Alberta.



Direct Tourism Expenditures, 2012

Residents of Alberta accounted for 62% of direct visitor spending in Alberta. Visitors from other parts of Canada accounted for 20%, visitors from the United States accounted for 8% and other international visitors accounted for 10% of the direct tourism expenditures in Alberta.

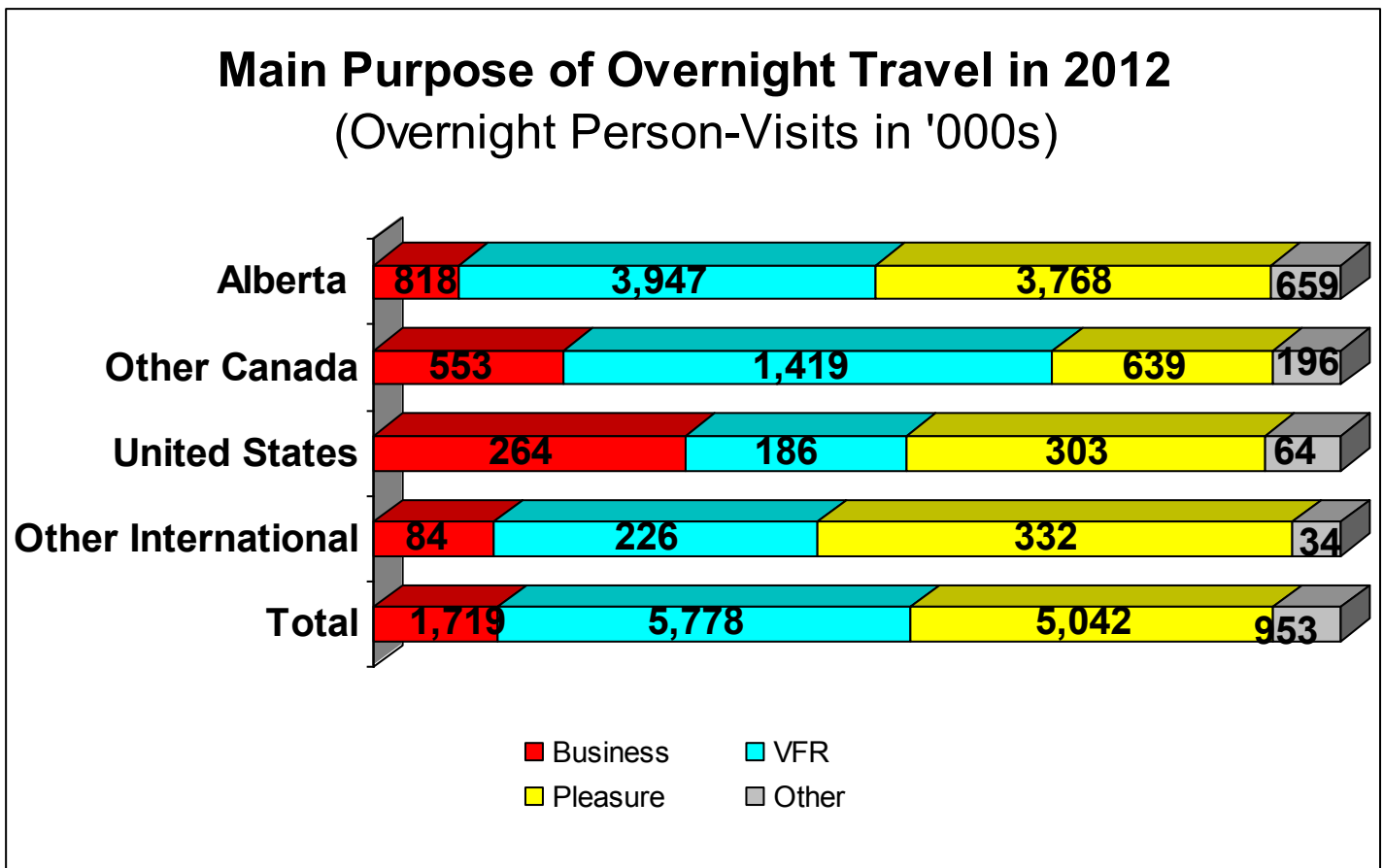
Overnight Person-Visits to Alberta

In 2012, approximately 41% of all visits to the province included at least one overnight stop, yielding **13.49** million overnight visits. Of those 13.49 million overnight visits, approximately 68% were made by Albertans. Another 21% were made by visitors from other Canada, 6% were made by visitors from the United States and 5% were made by other international visitors.

Main Purpose of Overnight Travel to Alberta

Overnight visits in Alberta totaled **13.49** million visits in 2012. Across all markets, the overnight visiting friends and relatives segment represented 43% of all overnight travel in the province (5.78 million). The pleasure market accounted for 37%, business travel accounted for 13% of all overnight trips in the province and 7% were for other purposes.

Travelling to Alberta for the main purpose of pleasure accounted for 37% of the visitors from the United States and 49% for other international visitors. Visiting friends and relatives accounted for 23% of overnight travel by visitors from the United States and 33% for other international visitors. Business accounted for 9% of overnight travel by Albertans and 32% of overnight travel by residents of the United States.

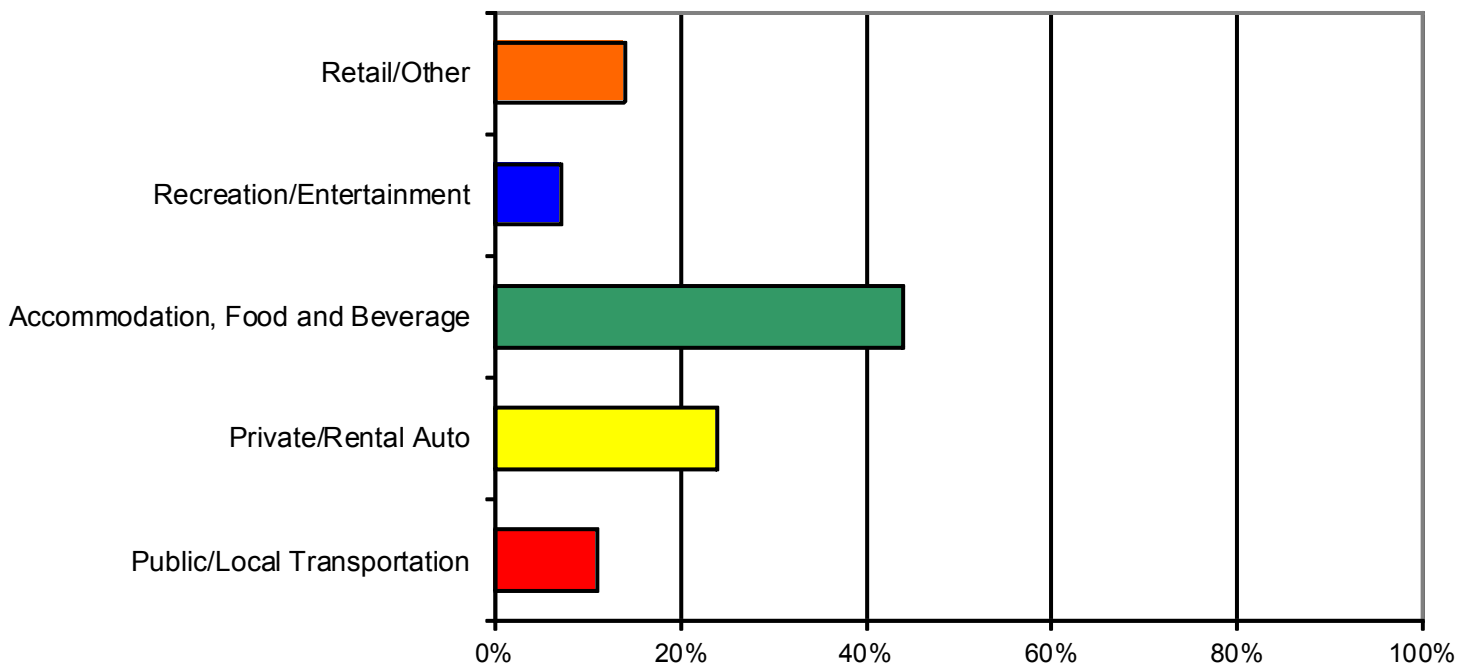


Direct Tourism Expenditures in Alberta by Category, 2012

Residents of Alberta ranked number one for spending in every direct tourism expenditure category. Approximately 38% of all visitor spending made by residents of Alberta in the province was on accommodation, food and beverage, while an additional 30% was spent on private/rental auto.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Public/Local Transportation	\$438,503	\$282,585	\$37,140	\$55,346	\$813,574
Private /Rental Auto	\$1,374,756	\$256,481	\$71,703	\$52,769	\$1,755,709
Accommodation, Food and Beverage	\$1,745,992	\$335,891	\$202,885	\$423,668	\$3,247,210
Recreation/ Entertainment	\$342,788	\$80,931	\$55,866	\$64,699	\$544,284
Retail/Other	\$696,896	\$178,782	\$49,049	\$126,654	\$1,051,381
Total	\$4,598,935	\$1,470,560	\$619,527	\$723,136	\$7,412,158

Distribution of Tourism Expenditures in Alberta by Type of Expenditures, 2012



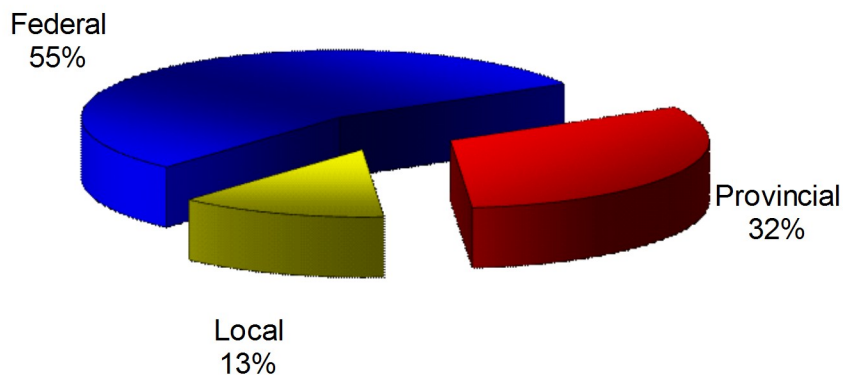
Economic Impact of Tourism in Alberta, 2012

In 2012, the net economic impact (value-added) was over **\$8.31** billion province-wide. A total of **114,146** full-time equivalent jobs were sustained province-wide. The value of wages and salaries associated with tourism-related employment was over **\$5.27** billion.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Initial Expenditure	\$4,598,935	\$1,470,560	\$619,527	\$723,136	\$7,412,158
Value-Added	\$5,064,999	\$1,680,426	\$728,284	\$837,474	\$8,311,183
Gross Output	\$11,662,064	\$3,680,426	\$1,563,847	\$1,808,935	\$18,715,292
Wages & Salaries	\$3,093,355	\$1,096,456	\$505,973	\$578,866	\$5,274,650
Taxes*	\$2,048,698	\$694,700	\$311,196	\$353,708	\$3,408,301
Employment (Full-Time Equivalent)	65,177	23,650	11,909	13,410	114,146

Tax Impacts of Tourism Expenditures in Alberta

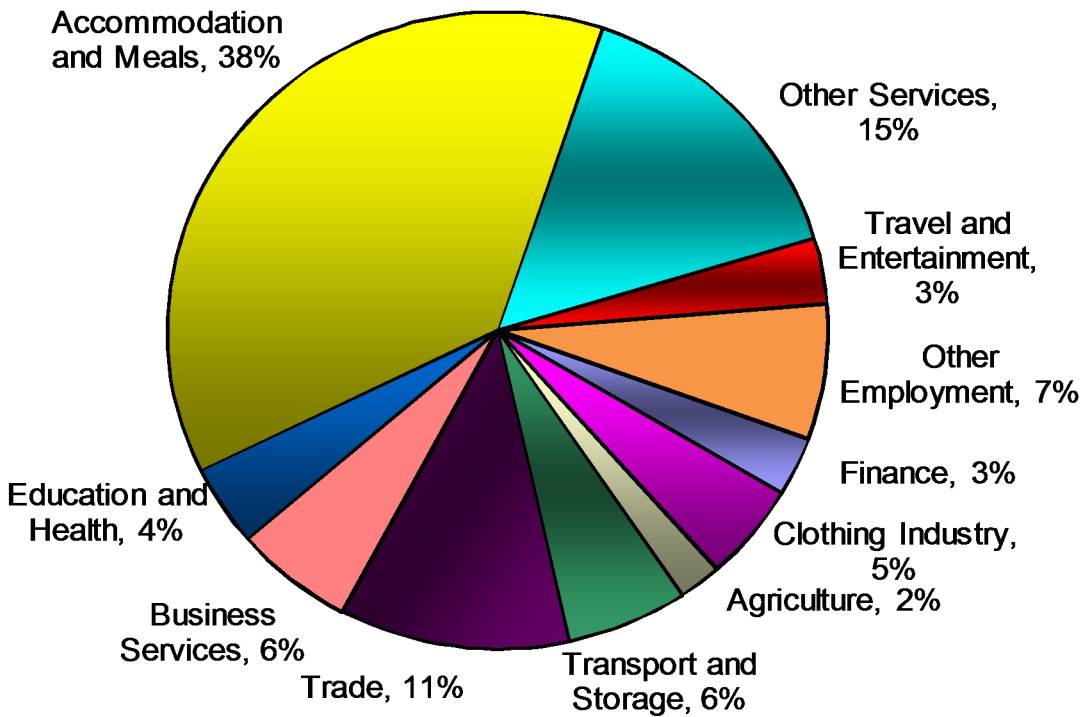
In 2012, approximately \$3.41 billion in total tax revenue accrued to all three levels of government. This included \$1.88 billion (55%) to the federal government, \$1.08 billion (32%) to the provincial government, and \$452 million (13%) to local governments province-wide.



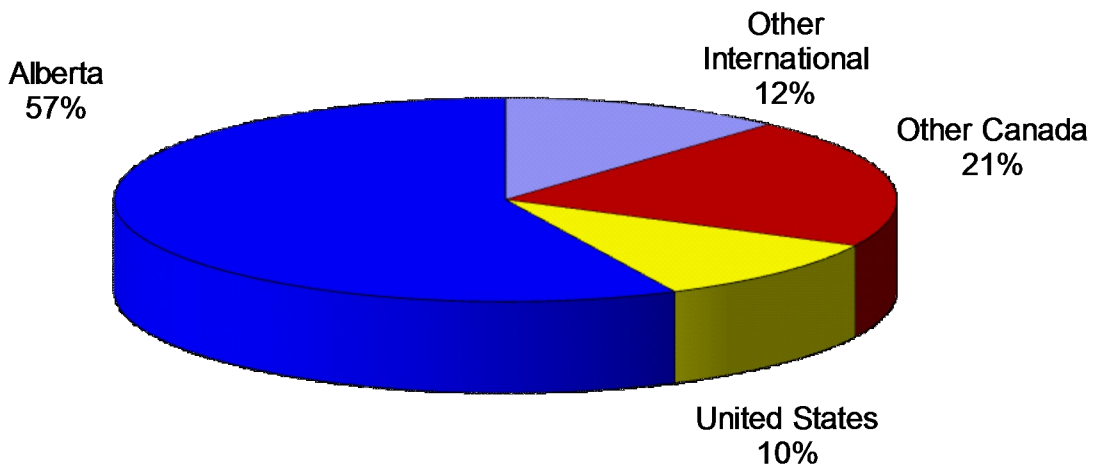
* Taxes accrue to all 3 levels of government (federal, provincial and local).

Employment Impacts of Tourism Expenditures in Alberta, 2012

In 2012, the accommodation and meal sector accounted for 38% of the employment impact on the tourism industry. The trade sector accounted for 11% of the employment impact on the tourism industry.

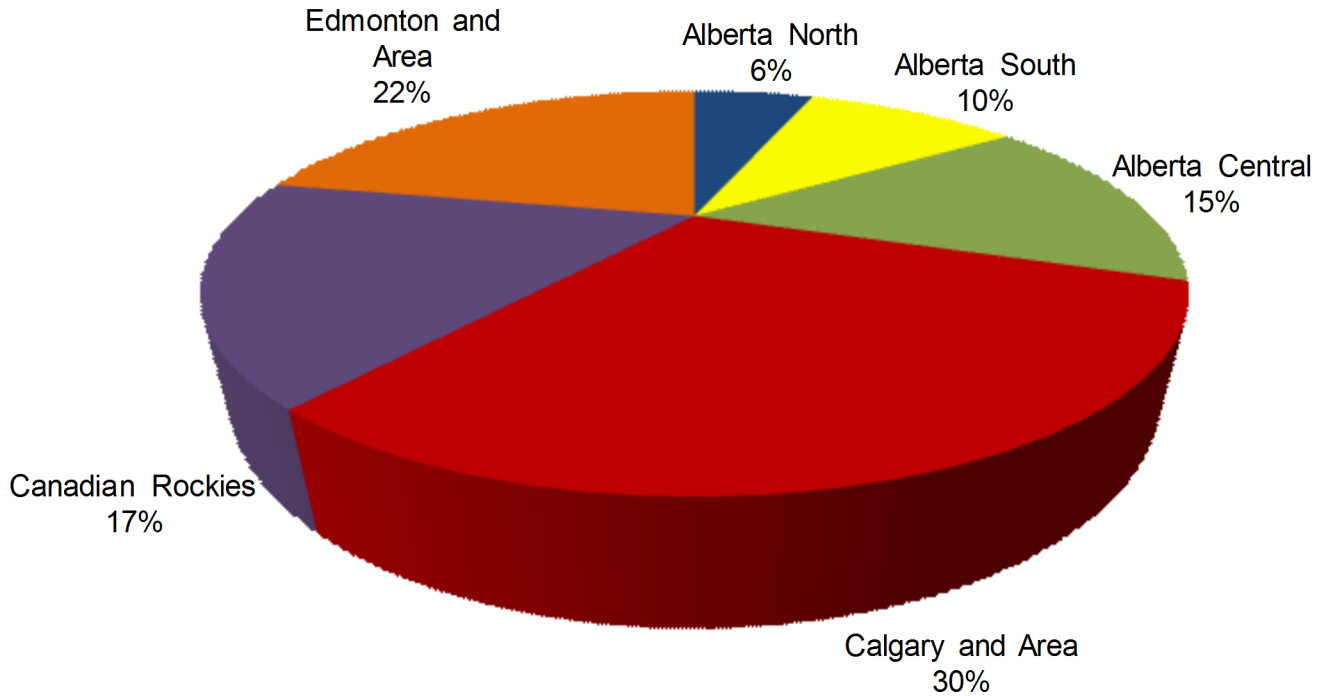


Employment Impacts in Alberta by Origin of Visitor, 2012



Distribution of Tourism Expenditures in Alberta Tourism Regions

In 2012, the Calgary and area tourism region accounted for 30% of the visitor spending in Alberta. The Edmonton and area region accounted for 22% and the Canadian Rockies region accounted for 17% of total spending in Alberta. In total, the three respective regions accounted for 69% of tourism expenditures in Alberta.



Tourism Expenditures in Alberta by Tourism Region and Type

	Alberta North	Alberta Central	Edmonton & Area	Canadian Rockies	Calgary & Area	Alberta South	Total
(\$000s)							
Public/Local Transportation	\$82,846	\$12,710	\$224,972	\$49,446	\$407,953	\$35,647	\$813,574
Private Auto	\$123,221	\$379,680	\$365,031	\$162,893	\$471,579	\$253,305	\$1,755,709
Accommodation, Food and Beverage	\$163,186	\$415,308	\$642,803	\$780,636	\$950,652	\$294,625	\$3,247,210
Recreation	\$17,755	\$75,046	\$118,039	\$153,706	\$122,739	\$56,999	\$544,284
Retail	\$35,505	\$207,196	\$274,820	\$144,322	\$296,390	\$93,148	\$1,051,381
Total	\$422,513	\$1,089,940	\$1,625,665	\$1,291,003	\$2,249,313	\$733,724	\$7,412,158