

Tourism Works for Alberta



2012



The Economic Impact of Tourism in the Alberta South Tourism Region 2012

Overview:

- Direct visitor spending by all tourists (resident and non-resident) in southern Alberta was approximately **\$734** million in 2012.
- This spending resulted in a net economic impact (value-added) of over **\$799** million province-wide.
- A total of **10,185** full-time equivalent jobs were sustained province-wide in 2012 as a result of visitor expenditures in southern Alberta.
- Approximately **\$322** million in total tax revenue accrued to all three levels of government in 2012 as a result of tourism activity in southern Alberta. This included **\$181** million to the federal government, **\$99** million to the provincial government, and **\$42** 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 the Alberta South Tourism Region by Visitor Origin, 2012

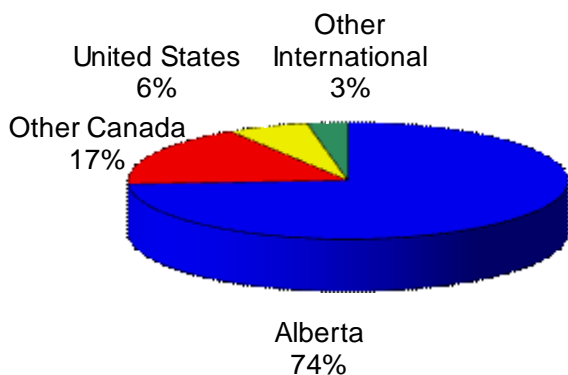
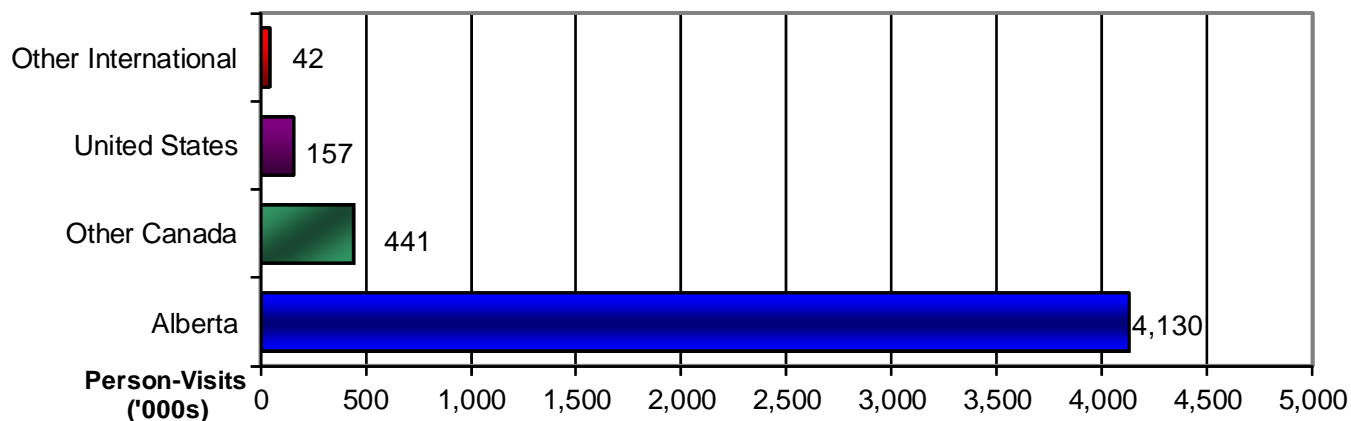
In 2012, 4.77 million visits were made to southern Alberta by residents of Alberta, other parts of Canada, visitors from the United States and other international visitors. Direct tourism expenditures by these visitors were approximately \$734 million.

	Alberta	Other Canada	United States	Other International	Total
('000s)					
Person-Visits	4,130	441	157	42	4,770
Tourism Expenditures	\$540,341	\$128,926	\$43,049	\$21,408	\$733,724

Domestic visitors include same-day and overnight, while international visitors include overnight visitors only.

Person-Visits, 2012

Residents of Alberta accounted for 87% of all visits to southern Alberta. Visitors from other parts of Canada accounted for 9%, visitors from the United States accounted for 3% and other international visitors accounted for 1% of the visits to the region.



Direct Tourism Expenditures, 2012

Residents of Alberta accounted for 74% of direct visitor spending in southern Alberta TR. Visitors from other parts of Canada accounted for 17%, visitors from the United States accounted for 6%, and other international visitors accounted for 3% of the direct tourism expenditures in the region.

Tourism Expenditures in the Alberta South Tourism Region by Category, 2012

Residents of Alberta ranked number one for spending in every tourism expenditure category in southern Alberta. Approximately 40% of all visitor spending made by residents of Alberta in the region was on private/rental auto, while another 38% was spent on accommodation, food and beverage.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Public/Local Transportation	\$21,224	\$12,386	\$656	\$1,381	\$35,647
Private/Rental Auto	\$217,096	\$26,943	\$6,935	\$2,331	\$253,305
Accommodation, Food and Beverage	\$202,639	\$57,227	\$23,799	\$10,960	\$294,625
Recreation/Entertainment	\$36,034	\$12,578	\$6,070	\$2,317	\$56,999
Retail/Other	\$63,348	\$19,792	\$5,589	\$4,419	\$93,148
Total	\$540,341	\$128,926	\$43,049	\$21,408	\$733,724

Economic Impact of Tourism in the Alberta South Tourism Region, 2012

In 2012, the net economic impact (value-added) was over **\$799** million province-wide. A total of **10,185** full-time equivalent jobs were sustained province-wide. The total value of wages and salaries associated with tourism-related employment was over **\$480** million.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Initial Expenditure	\$540,341	\$128,926	\$43,049	\$21,408	\$733,724
Value-Added	\$582,481	\$142,733	\$49,407	\$24,539	\$799,160
Gross Output	\$1,384,004	\$326,968	\$109,289	\$53,589	\$1,873,850
Wages & Salaries	\$339,343	\$90,300	\$33,695	\$16,839	\$480,177
Taxes*	\$233,302	\$58,075	\$20,731	\$10,224	\$322,332
Employment (Full-Time Equivalent)	7,077	1,955	774	379	10,185

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