

2026

# STATE OF THE INDUSTRY REPORT



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## Executive Summary

Welcome to the Tourism Industry Association of Alberta's (TIAA) 2026 annual state of the tourism industry report. In this our fifth state of the industry report, we review the performance of the sector in 2025 and look ahead at what to expect for the industry in 2026.

## 1. 2025: CANADA PLATEAUS WHILE ALBERTA GROWS

- 2025 was another strong year for tourism visitors and spending in Canada and Alberta. While the provincial tourism industry continues to grow, nationally, visitor counts and expenditures declined slightly for the first time since 2021 - despite global visitation up 4% year over year. Canada-US trade relations are clearly a factor in this new reality, along with global geopolitics.

### 1.1. NATIONAL TOURISM INDICATORS

- Nationally, tourism expenditures have continued to be strong, building upon the recovery momentum from previous years. However, in 2025 visitor spending effectively stalled and is expected to decline by about 4.5% relative to 2024, driven by a pullback from US visitors, whose total visitation numbers are expected to decline by 3% in 2025.
- In comparison, the number of international visitors to Canada from countries other than the US is expected to increase by 6.5%.

### 1.2. A STRONG ALBERTA INDUSTRY

- For Alberta, 2025 was a year of continued growth, with total visitor spending expected to reach \$14.7 billion, representing a 2% increase from 2024. This translates into \$13.7 billion in GDP activity across Canada and \$2.3 billion in taxes for all levels of government.



- Total tourism employment is estimated at 265,000 jobs in 2025, which marks the first time the industry has exceeded the pre-pandemic employment levels of 2019.
- The number of tourism businesses in Alberta has also been on the rise, at 29,000 businesses, 2024 is the first year the industry has fully recovered since the pandemic.

### 1.3. ALBERTA INTERNATIONAL VISITOR TRENDS

- Much of Alberta's growth in 2025 has been driven by international visitors, whose expenditures are estimated to have increased by over 13% year over year.
- Within the international segment and, in contrast to the national trend, US visitation to Alberta actually increased by 7% relative to 2024, and non-US international visitation is up a significant 22%.
- One of the key drivers of Alberta's growing international visitor market is expanded air access. In the first half of 2025, Alberta's international seat capacity grew by over 100,000 seats relative to the first half of 2024. This was a significant lift for the sector that is expected to be sustained into 2026.

### 1.4. ALBERTA'S DOMESTIC VISITOR MARKET

- Despite its strong international visitor draw Alberta is heavily reliant on domestic visitors. Approximately 93% of visitors to Alberta come from within Canada, and nearly 82% of visitors are Albertans. The province is expected to see a slight decrease of 2% in the number of Alberta visitors in 2025, which continues a declining trend from 2024.
- Alberta visitor numbers have now declined two years in a row, pointing to some fatigue in the in-province market.
- The number of Canadian visitors from outside Alberta increased by 1.7% to 4.2 million. While this growth is favourable, it is slowing relative to prior years.
- Although overall visitor spending in Alberta will grow by 2.3% in 2025, visitor spending by Albertans is expected to decline by 2% in 2025.
- Whereas in 2023 Alberta's expenditure deficit to BC was approximately \$1.5 billion (i.e. Albertans spend \$1.5 billion more in BC on tourism than they receive from BC visitors), that number decreased to \$1.2 billion, which is closer to 2022 levels and in-line with industry aims to repatriate more tourism dollars to be spent by Albertans, in Alberta.
- In terms of the rest of Canada, Alberta is closing the expenditure gap across the board. Alberta's total tourism spending deficit decreased from \$1.6 billion in 2023 to \$770k in 2024.



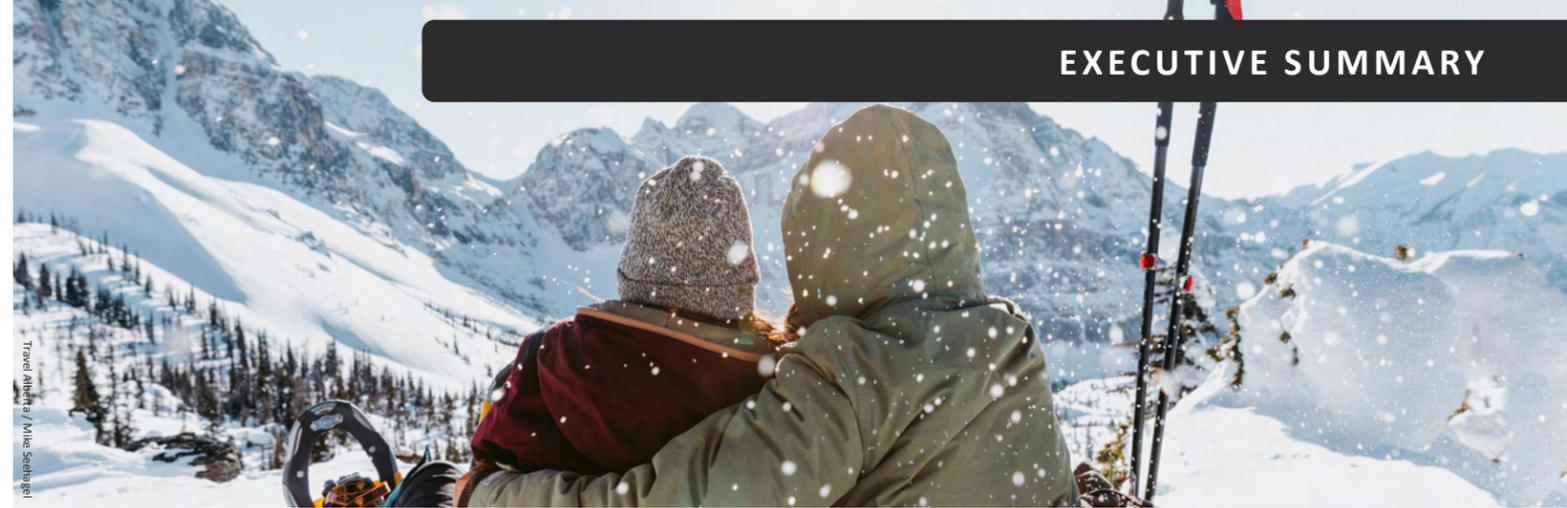
## 2. 2026 AND BEYOND: WANING GROWTH IN THE FACE OF GLOBAL UNCERTAINTY

- The global tourism industry continued at a strong pace in 2025, with total visitor arrivals growing by 4% annually to 1.5 billion visitors, and total receipts hitting a record \$2.2 trillion USD. Looking to 2026, visitation is expected to grow by 3-4% globally, although economic factors, high travel costs, and geopolitical risks as the main challenges international tourism could face in 2026.
- The imposition of US tariffs has reduced Canadian business investment and exports, led to slower wage and employment growth, higher unemployment and reduced foreign investment. The result is a diminished economic outlook for the country, and significant uncertainty for the future of the Canadian economy, which could dampen domestic tourism expenditures in 2026.
- With the renegotiations of CUSMA expected to begin no later than June, there is a risk of Canada having a much more constrained trading relationship with the US — including the potential loss of temporary entry provisions. Canadian economic growth is expected to be only 1.1% in 2026 — which has been declining since 2022.
- At a provincial level Alberta is forecasted to lead the country in economic growth despite the challenges that US tariffs pose. While this bodes well for purchasing power of Albertans, economic struggles in other areas of the country could dampen interprovincial visitation in 2026. Sliding commodity prices will also act as a drag on public tourism investment in the province.
- This report forecasts that the tourism industry will grow by 3% in 2026 relative to 2025, with the strongest growth coming from international markets.

## 3. REACHING HIGHER GROUND — GROWING ALBERTA'S VISITOR ECONOMY TO ITS FULL POTENTIAL

- In 2024 the province released its *Higher Ground Tourism Sector Strategy*, which set an ambitious goal of growing tourism expenditures to \$25 billion by 2035. Since the release of the strategy, tourism expenditures exceeded government expectations in each of 2024 and 2025.
- While the increased spending is encouraging and a testament to the commitment of the province to grow the industry, its full potential as a tool for economic diversification remains untapped and under-appreciated.
- Without further policy enablement and the additional investment that will help catalyze private sector risk takers to build new, world-class products and experiences, the province's goal for tourism growth as presented in the *Higher Ground Tourism Strategy* is likely to fall short of its visitor spending targets.

Alberta's Higher Ground strategy targets \$25 billion in tourism spending by 2035 and is already exceeding expectations



### 3.1. TOURISM AS A STRATEGIC EXPORT FOR ALBERTA

- When looked at through the lens of its “export” value, international tourism expenditures in Alberta represent the fourth largest export product by value. Through this lens tourism is the most valuable Alberta export next to oil, gas and petroleum, yet it has never been prioritized for its economic diversification potential.
- Unlike other exports, tourism revenue is geographically diversified - just 54% is tied to the U.S., compared to 90% of Alberta's overall exports - making it a hedge against single market overdependence.
- What we need is a reframing of the tourism industry in Alberta — one that seeks to reposition the role of the industry as a leading export, a hedge against single market risk, a strategic investment opportunity and gateway to foreign direct investment (FDI) and trade.
- **Recommendation**
  - Evaluate and prioritize visitor markets in countries with Canadian Free Trade Agreements to better support FDI attraction and strategic geopolitical alignment to maximize the economic value of Alberta's tourism strategy while ensuring strategic alignment from a diplomatic relations perspective. Alberta should set a goal to double tourism's proportion of FDI by 2030.

### 3.2. TRAVEL ALBERTA'S EFFORTS TO EXPAND AND DIVERSIFY ALBERTA'S TOURISM OFFERINGS

- Government's commitment to growing tourism has helped attract new investment activity to the province. There is nearly \$5 billion worth of tourism and recreation projects proposed or under construction in Alberta today. While Calgary and Edmonton represent the majority of the activity at \$2.6 billion and \$1.1 billion respectively, there is over \$1 billion worth of investment in tourism/recreation projects outside of Alberta's two major urban centres. Realizing this pipeline requires alignment across private investors, municipal partners, Indigenous communities, and provincial agencies on land-use, infrastructure investment, and streamlined approval processes.

- However, a structural challenge undermining Alberta's growth potential is its limited seasonal capacity for hosting additional visitors, which is largely located in the legacy markets of Calgary, Edmonton and the Rockies.
- Travel Alberta plays a key role in expanding and diversifying visitor markets in Alberta. The Agency also offers a product development fund to cost-share new investments and is actively seeking to expand tourism assets in its ten tourism development zones across the province. These efforts have significant potential but need to be scaled to truly catalyze on the opportunity to diversify Alberta's tourism product offering and extend the visitor season year-round.

#### ■ Recommendation

- Travel Alberta, as Alberta's destination marketing and development organization, is well positioned strategically to attract investment in tourism product offerings and grow the industry in new markets across the province. What it requires is sufficient resources, at scale, to capitalize on the investment and marketing opportunities before it.

### 3.3. REVISITING THE STRATEGIC INTENT OF THE ALBERTA TOURISM LEVY

- With government considering how best to ensure visitors to Alberta pay a fair amount of taxes and fees, it is critical that this exploration be informed by fact and sound economic policy.
- In 2009 Travel Alberta was incorporated and guaranteed 75% of the net revenue from the Alberta Tourism Levy (ATL) to support destination marketing, but government ended the policy of providing net tourism levy revenue to the Ministry, leaving ministry funding to be determined via the regular budget process that is in place today.
- Despite demonstrating positive return-on-investment for use of ATL funds, because the Government of Alberta continues to choose not to earmark the full value of the levy to Travel Alberta, the industry is simply unable to achieve its full potential. The total incremental corporate and personal tax revenues associated with growth in the tourism industry is estimated at approximately \$100 million between 2023 and 2024. This is considerably more than the budgetary appropriation currently earmarked for Travel Alberta on an annual basis.
- For private investors evaluating the risk-return profile of Alberta's \$5 billion tourism project pipeline, full levy repatriation and a stable, integrated policy framework signal government commitment and lower perceived policy risk — making it easier to move proposals toward capital deployment and development.

#### ■ Recommendation

- Immediately commit the full annual intake revenues generated through the Alberta Tourism Levy to Travel Alberta to support its role as a destination marketing and management organization and commit an additional funding tranche of no less than \$60M/year over the next 5-years, to support its efforts to catalyze private sector investment, to support infrastructure and new destination development, and to further address structural supply challenges, such as air route development, and tourism career awareness/ labour force initiatives.

### 3.4. AN INTEGRATED TOURISM STRATEGY FOR GOVERNMENT

- Integrated government decision-making is critical to the success and growth of the tourism industry. The industry is impacted by multiple government ministries beyond tourism, including housing, transportation, interprovincial and international relations, economic development and trade, skills training, immigration, rural economic development, environment and protected areas, and finance/tax policy.
- Other jurisdictions have developed integrated and whole of government approaches to support and grow their tourism industries. However, unlike OECD best practice, Alberta does not have a multi-disciplinary table that evaluates and coordinates government tourism decision-making across functional areas, thereby limiting its potential for growth.

#### ■ Recommendation

- Establish and resource an Inter-Ministerial Committee on Tourism (IMCT) that reports to the Premier, is chaired by the tourism minister, and whose membership includes deputy level staff from all ministries that impact tourism.
- Direct the Inter-Ministerial Committee on Tourism to develop and resource a tourism growth workplan that drives visitation and investment, and incorporates contributory roles from each ministry into achieving the Higher Ground Strategy. Key areas of focus should include FDI attraction, trade/ visitor market expansions, workforce capacity and rural economic development.
- Direct the IMCT to formally consult with the TIAA and its Industry Associations Advisory Council of CEOs on annual strategic policy and budgetary considerations to ensure alignment to the goals of the Higher Ground Tourism Strategy and the needs of the tourism industry overall.
- Create a regular forum where the IMCT meets with municipal and Indigenous leaders to align on tourism priorities, infrastructure needs, and project approvals.

**Without full reinvestment of the Alberta Tourism Levy, Alberta's tourism industry cannot achieve its full growth potential**

## 4. KEY RISKS TO THE OUTLOOK

- While this report forecasts 3% growth for Alberta's tourism industry in 2026 relative to 2025, the risk outlook for the industry is higher than in previous years.

### 4.1. CANADA-US TRADE TENSIONS

- The most significant risk confronting Canada and Alberta's tourism industry relates to Canada-US trade tensions and the anticipated renegotiation of the Canada-US-Mexico Free Trade Agreement in 2026. There is significant downside risk to Canada if the country's trade with the US becomes substantially constrained. Both in terms of the overall economic well-being of Canadians and the prospect of limiting the temporary entry provisions between Canada and the US, which could significantly diminish the number of US visitors to Canada.

### 4.2. GEOPOLITICAL CONFLICT

- Current conflicts around the world have the potential limit tourism activity — both in terms of limiting visitation to and from conflicted regions, as well as raising safety and security concerns among global tourist populations. This was identified a primary travel deterrent by the UN World Tourism Barometer for 2026. The US in particular is signalling an interest in exerting greater influence on the world stage, which could add greater conflict/ instability in the global political order.



# Introduction

Welcome to the Tourism Industry Association of Alberta's (TIAA) 2026 annual state of the tourism industry report. In this our fifth state of the industry report, we review the performance of the sector in 2025 and look ahead at what to expect for the industry in 2026. This report provides timely insights on the economic health and competitiveness of the sector, particularly as it continues its trajectory of growth in the face of North American trade uncertainty and geopolitical risk. We look to what 2026 will bring for the industry and how we need to best position ourselves. We then explore strategic opportunities and roles for the Alberta government — concluding with a summary of recommendations for action.

# 1

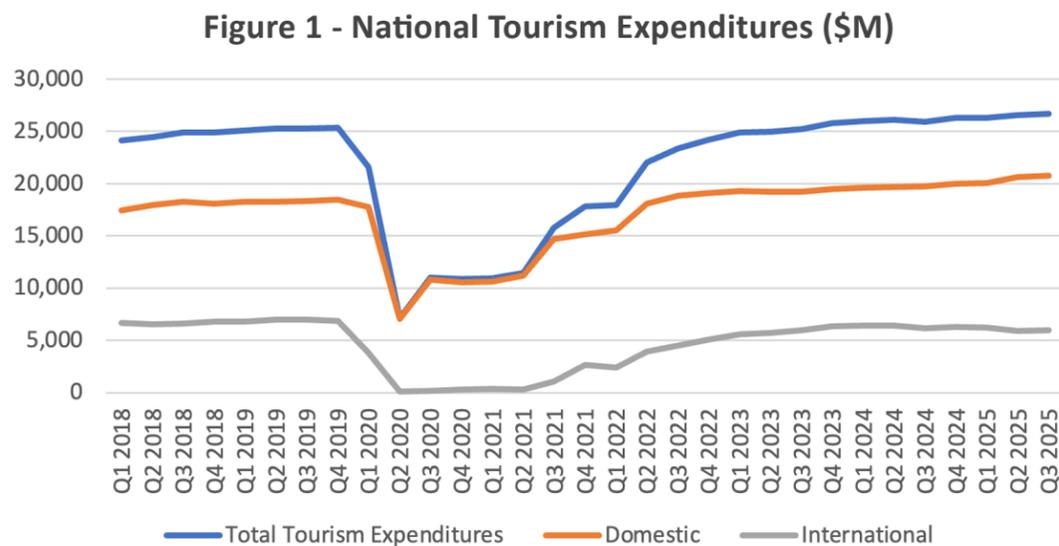
## 2025: Canada Plateaus While Alberta Grows



2025 was another strong year for tourism visitors and spending in Canada and Alberta. While the provincial tourism industry continues to grow, nationally, visitor counts and expenditures declined slightly for the first time since 2021 - despite global visitation up 4% year over year. Canada-US trade relations are clearly a factor in this new reality, along with global geopolitics.

### 1.1. NATIONAL TOURISM INDICATORS

Nationally, tourism expenditures have continued to be strong, building upon the recovery momentum from previous years (Figure 1). However, in 2025 visitor spending effectively stalled and is expected to decline by about 4.5% relative to 2024.



Source: Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)

**Table 1: National Tourism Expenditures - \$M**

	2023	2024	2025F	2024-25F% Change
<b>Total</b>	\$100,848	\$104,354	\$99,629	-4.5%
<b>Domestic</b>	\$77,241	\$79,067	\$77,008	-2.6%
<b>International</b>	\$23,607	\$25,287	\$22,625	-10.5%

Derived by Verum Consulting from Statistics Canada. Table 36-10-0230-01 Available at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610023001>

International spending will decrease by 10.5% and a 2.6% decline in domestic spending. While the decline in domestic spending is concerning, it is relatively flat compared to 2024 and is consistent with overall performance of the Canadian economy, which is expected to grow by 1.2% annually in 2025 — a decline from 1.6% in 2024.<sup>1</sup>

The decline in international spending is driven by a pullback from US visitors, whose total visitation numbers are expected to decline by 3% in 2025. In comparison, the number of international visitors to Canada from countries other than the US is expected to increase by 6.5% in 2025, on the heels of an 11% increase the previous year. This is a positive sign and affirmation that, fundamentally, Canada continues to be a desirable destination for international visitors, which will be an increasing source of tourism as the country looks to diversify its trade markets in the face of US protectionism.

**Table 2: International Visitors to Canada**

	2023	2024	2025F	2024-25F% Change
<b>Total</b>	27,209,536	29,818,152	29,525,509	-1.0%
<b>United States</b>	21,203,944	23,463,413	22,757,819	-3.0%
<b>Overseas</b>	6,005,592	6,354,739	6,766,986	6.5%

Source: Statistics Canada. Table 24-10-0050-01 Non-resident visitors entering Canada, by country of residence. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610023001>

International visitors from markets outside the U.S. are projected to grow by

**6.5%  
in 2025**

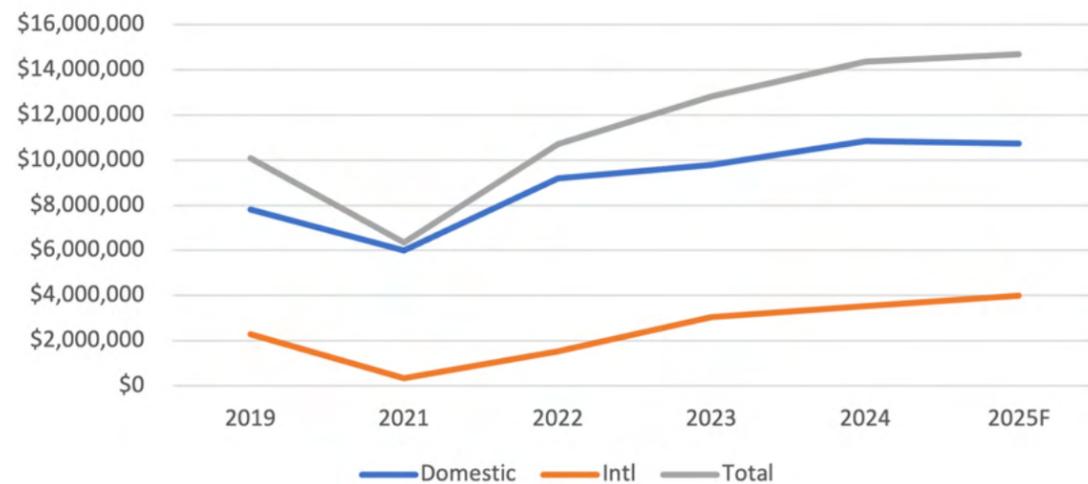
<sup>1</sup> Bank of Canada. 2025. Monetary Policy Report. October. Available at: <https://www.bankofcanada.ca/wp-content/uploads/2025/10/mpr-2025-10-29.pdf>



### 1.2. A STRONG ALBERTA INDUSTRY

For Alberta, 2025 was a year of continued growth, with total visitor spending expected to reach \$14.7 billion, representing a 2% increase from 2024 (Figure 2).

Figure 2 - Alberta Visitor Spending (\$000)



Source: Travel Alberta, Verum Consulting. , <https://industry.travelalberta.com/research/tourism-indicators/visitor-spend>

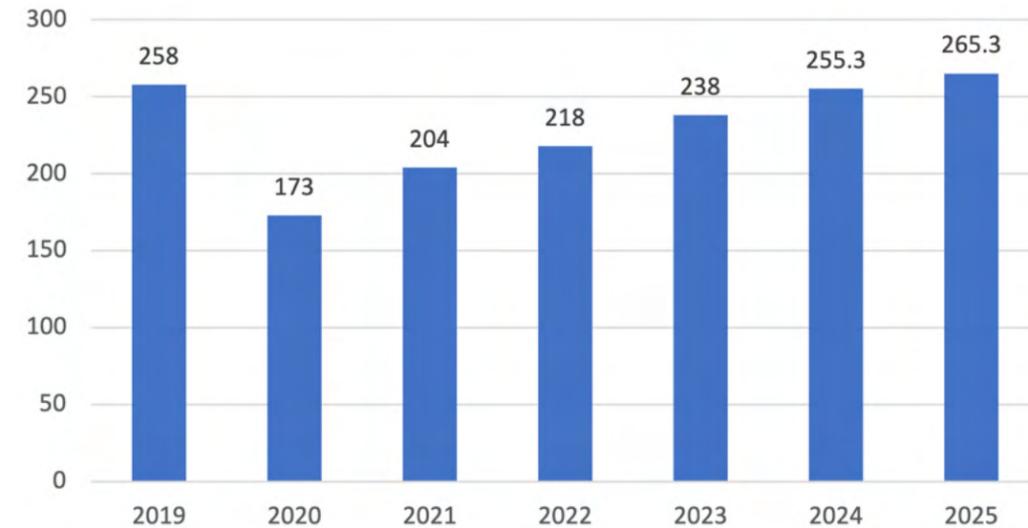
Through its 2024 *Higher Ground Tourism Sector Strategy*, the province set an ambitious goal of growing tourism expenditures to \$25 billion by 2035<sup>2</sup>, and it has been making progress in achieving that goal for the last number of years.

<sup>2</sup> Government of Alberta. 2024. Higher Ground: A Tourism Sector Strategy. Amplifying the Alberta Advantage for the Visitor Economy. P. 4. Accessed at: <https://open.alberta.ca/publications/higher-ground-tourism-sector-strategy#:~:text=The%20strategy%20focuses%20on%20five,visitor%20economy%20reaches%20new%20heights>

Tourism expenditures have grown for four consecutive years since 2021 and are now 46% higher than pre-pandemic levels in 2019. The industry’s \$14.7 billion in expenditures in 2025 translates into \$13.7 billion in GDP activity across Canada and \$2.3 billion in taxes for all levels of government.<sup>3</sup>

Businesses in the industry are, correspondingly, performing well. Total tourism employment in Alberta is estimated at 265,000 jobs in 2025 (Figure 3). This marks the first time the industry has exceeded the pre-pandemic employment levels of 2019.

Figure 3 - Alberta Tourism Employment (000s)



Source: Tourism HR Canada. Available at: <https://tourismhr.ca/labour-market-information/tourism-employment-tracker-insights-into-covid-19s-impact/>

The number of tourism businesses in Alberta has also been on the rise since 2021 (Table 3). 2024 is the first year the industry has fully recovered since the pandemic — growing by nearly 5,000 business since 2023, and now sitting at over 29,000. Transportation and travel service industries saw the largest increases within the sector — although all types of tourism business including accommodation, food and beverage and recreation are on the rise.



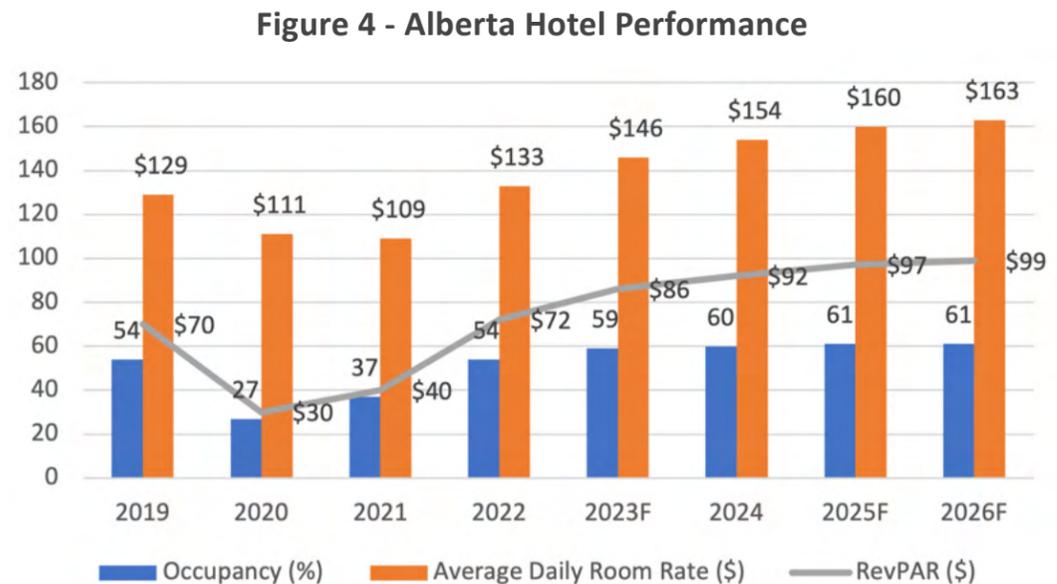
<sup>3</sup> Derived by Verum Consulting from Statistics Canada and Travel Alberta.

**Table 3: Number of Tourism Businesses in Alberta 2019-2024**

	2019	2021	2022	2023	2024	2023-24 % Change
Accommodation	2,352	2,266	2,408	2,219	2,670	2.3%
Food and Beverage	10,153	10,140	10,461	9,598	10,872	2.5%
Recreation and Attractions	4,942	4,046	4,388	4,680	5,213	7.6%
Transportation	7,136	4,873	5,193	6,930	9,345	27.0%
Travel Services	994	802	764	720	992.9	15.5%
<b>Total</b>	<b>25,594</b>	<b>22,128</b>	<b>23,214</b>	<b>24,140</b>	<b>29,093</b>	<b>10.6%</b>

Source: Derived by Verum Consulting from Statistics Canada. Table 33-10-0493-01 Canadian Business Counts, with employees, December 2024

Similarly, Alberta hotels continue to show strong performance. According to CBRE, occupancy, room rates and revenue per available room (RevPAR) have been on the rise since 2020, and are projected to remain strong through 2025-26, although occupancy levels are expected to level off in 2026, even though the average room rates and RevPARs are expected to increase.<sup>4</sup> At the same time, many operators are still managing higher operating costs, ongoing labour shortages in peak season, and reliance on a short summer window, which makes all-season development and productivity gains even more important.



Source: CBRE Hotels Canada Industry Outlook Q4 2025. Available at <https://www.cbre.ca/insights/reports/cbre-hotels-canada-industry-2026-outlook>

**1.3. ALBERTA INTERNATIONAL VISITOR TRENDS**

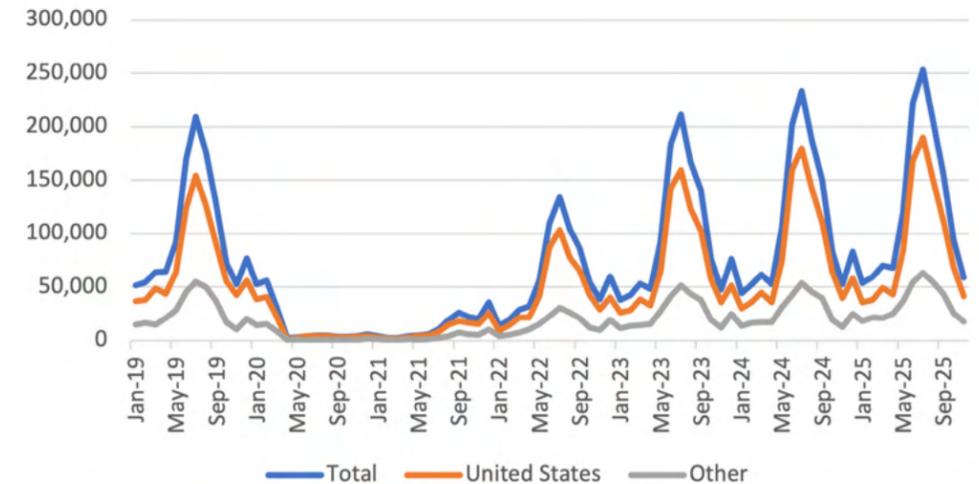
Much of Alberta’s growth in 2025 has been driven by international visitors, whose expenditures are estimated to have increased by over 13% year over year.

**Table 4: Alberta Tourism Expenditures (000s)**

	2022	2023	2024	2025F	2024-25 % Change
Domestic	\$9,190,000	\$9,780,000	\$10,840,000	\$10,750,000	-0.8%
International	\$1,530,000	\$3,038,000	\$3,530,000	\$4,000,000	13.3%
<b>Total</b>	<b>\$10,700,000</b>	<b>\$12,818,000</b>	<b>\$14,370,000</b>	<b>\$14,700,000</b>	<b>2.3%</b>

Source: Travel Alberta, Verum Consulting. <https://industry.travelalberta.com/research/tourism-indicators/visitor-spend>

**Figure 5 - Alberta Visitation by Source**



Source: Statistics Canada. Table 24-10-0050-01 Non-resident visitors entering Canada, by country of residence.

International visitor spending in Alberta increased by over **13% in 2025** driving much of the province’s tourism growth

Within the international segment and, in contrast to the national trend, US visitation to Alberta actually increased by 7% relative to 2024, and non-US international visitation is up a significant 22%. These indicators bode very well for the province, which is defying the national trend by demonstrating growth in both US and overseas segments.

<sup>4</sup> CBRE. 2025. CBRE Hotels Canada Industry 2026 Outlook. Available at: <https://www.cbre.ca/insights/reports/cbre-hotels-canada-industry-2026-outlook>

	2019	2021	2022	2023	2024	2025F	2024-25F % Change
<b>US</b>	1.3	0.1	0.6	1.3	1.4	1.5	6.6%
<b>Overseas</b>	1.2	0.1	0.6	1.0	1	1.2	22.0%
<b>Total</b>	33.4	25.5	32.7	37.8	38	37.8	3.0%

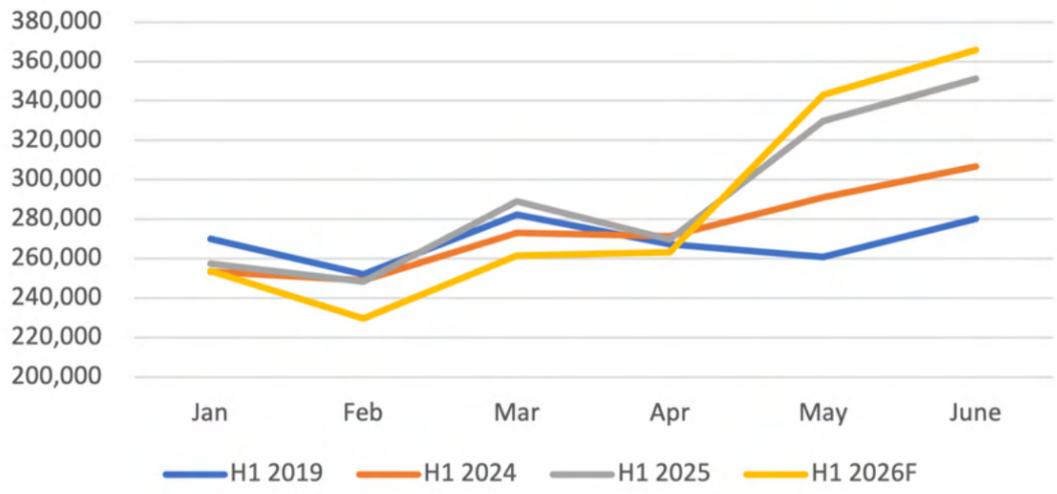
Source: Statistics Canada National Travel Survey. Travel Alberta, Verum Consulting. <https://industry.travelalberta.com/research/tourism-indicators/visitation-trends>

One of the key drivers of Alberta’s growing international visitor market is expanded air access. In the first half of 2025, Alberta’s international seat capacity grew by over 100,000 seats relative to the first half of 2024 (Figure 6).<sup>5</sup> This was a significant lift for the sector that is expected to be sustained into 2026, although slightly lower by 28,000 seats.

	H1 2019	H1 2024	H1 2025	H1 2026F
<b>Jan</b>	270,030	253,535	257,591	253,972
<b>Feb</b>	252,205	249,044	248,433	229,725
<b>Mar</b>	282,367	273,148	289,194	261,590
<b>Apr</b>	267,448	271,357	269,639	263,299
<b>May</b>	260,775	291,162	329,970	343,164
<b>June</b>	280,142	306,943	351,184	365,749
<b>Total H1</b>	1,612,967	1,645,189	1,746,011	1,717,499
<b>YOY Difference</b>		32,222	100,822	-28,512

Source: Travel Alberta, International Direct Seat Capacity. <https://industry.travelalberta.com/research/tourism-indicators/air-access>

Figure 6 - International Direct Seat Capacity to Alberta



Source: Travel Alberta, International Direct Seat Capacity

Key growth markets include Mexico (+236%), Japan (+29%) and France (+2) this coming year.

Origin Country	2025-26F H1 % Change
<b>Total</b>	-2%
<b>China</b>	0%
<b>France</b>	2%
<b>Germany</b>	-6%
<b>Japan</b>	39%
<b>Mexico</b>	236%
<b>South Korea</b>	0%
<b>United Kingdom</b>	-7%
<b>United States</b>	-4%

Source: Travel Alberta, International Direct Seat Capacity

**Alberta’s international air capacity is shifting toward high-growth markets, led by Mexico (+236%) and Japan (+39%)**

<sup>5</sup> Travel Alberta. 2025. International Direct Seat Capacity Available at: <https://industry.travelalberta.com/research/tourism-indicators/air-access>

Much of this capacity comes as WestJet continues its expansions in 2024 and 2025,<sup>6</sup> which build on WestJet’s 2022 MoU with the province to grow seat capacity and network connections significantly in the province.<sup>7</sup>

Alberta’s growing tourism industry and air access capacity has helped increase Alberta’s share of Canada’s international visitor market. Since 2022, both Calgary and Edmonton have seen an increase in the share of Canada’s US and international airport arrivals, while Toronto and Montreal have both experienced decreases (Table 8).

Table 8: Share of US Arrivals to Canada by Airport				
	2022	2023	2024	2022-24 Change
Toronto	42.6%	40.6%	39.4%	-3.2%
Montreal	16.3%	16.2%	15.9%	-0.4%
Vancouver	20.4%	20.3%	20.4%	0.0%
Calgary	11.6%	12.4%	12.1%	0.5%
Edmonton	2.1%	2.6%	3.0%	0.9%
ROC	2.1%	3.7%	4.8%	2.7%

Share of International Arrivals to Canada by Airport				
	2022	2023	2024	2022-24 Change
Toronto	47.6%	44.5%	44.1%	-3.5%
Montreal	27.1%	26.5%	26.3%	-0.8%
Vancouver	15.8%	16.5%	16.5%	0.7%
Calgary	5.5%	6.0%	6.1%	0.6%
Edmonton	0.9%	1.3%	1.3%	0.4%
ROC	1.5%	2.2%	2.7%	1.2%

Source: Statistics Canada. Table 23-10-0253-01 Air passenger traffic at Canadian airports, annual <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2310025301>

Travel Alberta, the government’s destination marketing and development agency, continually assesses new and existing visitor markets to identify market growth and prioritization opportunities. Its key market development criteria include current and future air seats, visitor spend, market size, trip purpose (e.g. business, leisure, visit friends and relatives), long haul market share, economic outlook, visa processing times, and priorities of partner agencies such as Destination Canada<sup>8</sup> The agency has identified the following priority countries for expanding visitor markets (Figure 7).

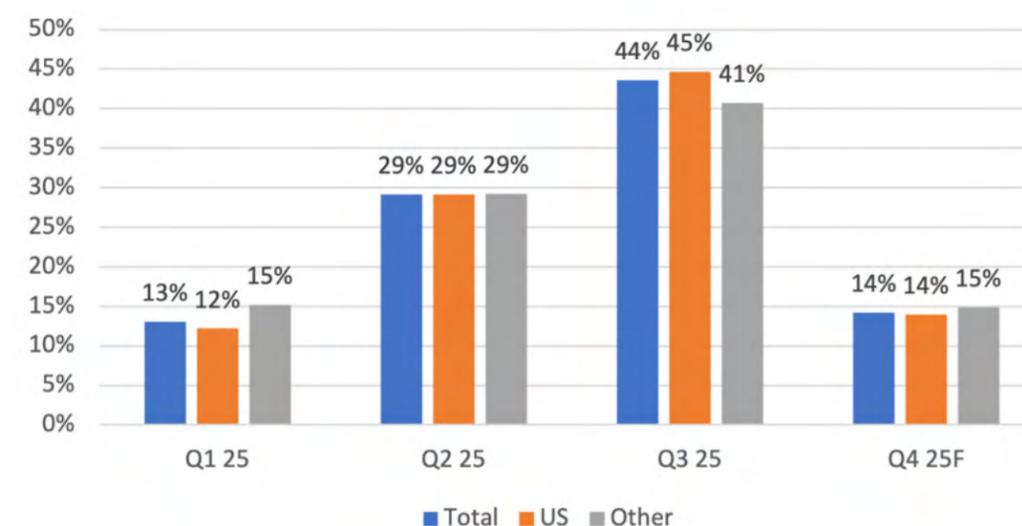
Figure 7 - Travel Alberta 2025 Market Priorities

MARKET	DESTINATION CANADA	TA REPS & AGENCIES	ALBERTA GOV'T SUPPORT	ALBERTA DMOs
UNITED STATES				
UNITED KINGDOM				
GERMANY				
FRANCE				
SOUTH KOREA				
MEXICO				
AUSTRALIA				
CHINA				
NETHERLANDS				
JAPAN				
ITALY				

Source: Travel Alberta

That said, regardless of source country, Alberta remains a seasonally dependent tourist destination, with the vast majority of international visitors coming over the spring and summer months (Figure 8). This trend has remained durable over time, as systemic structural and weather-related barriers have made it difficult to incentivize international visitation in the fall and winter months of the year. Rapid development of all season resorts and additive tourism products and experiences within Alberta’s identified tourism development zones represent a strategic response to these systemic challenges.

Figure 8 - Seasonality of International Visitors



Source: Statistics Canada. Table 24-10-0050-01 Non-resident visitors entering Canada, by country of residence.

<sup>6</sup> WestJet. 2024, 2025. Westjet Media Room. Available at <https://www.westjet.com/en-ca/news/all-results>  
<sup>7</sup> WestJet. 2024. WestJet and the Government of Alberta celebrate two years of successful partnership that brought growth and solid economic benefit to the province. December. Available at: <https://www.westjet.com/en-ca/news/2024/westjet-and-the-government-of-alberta-celebrate-two-years-of-suc>  
<sup>8</sup> Travel Alberta Market Analysis. 2025.

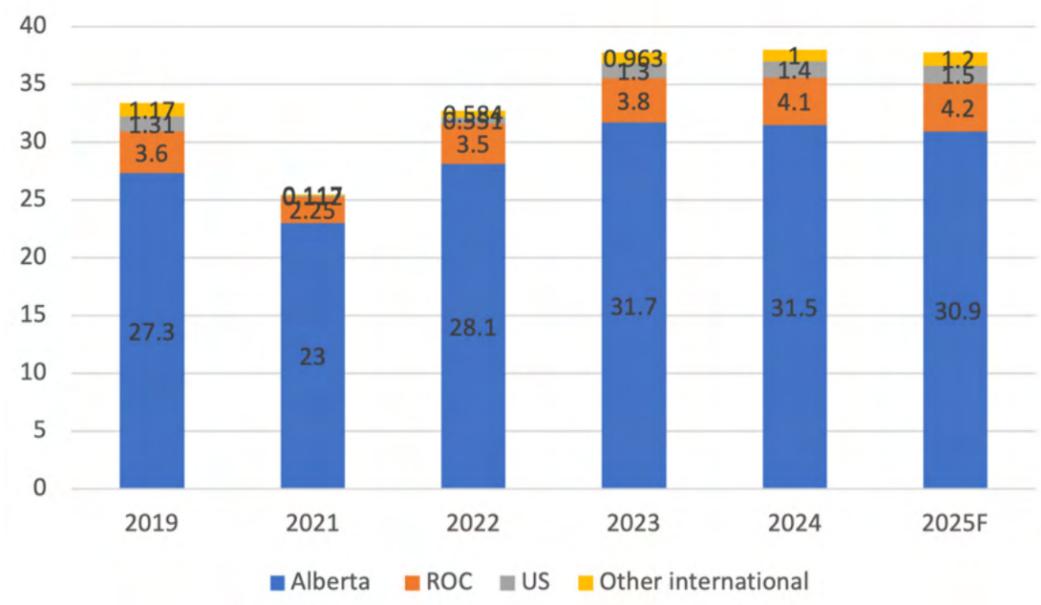




### 1.4. ALBERTA'S DOMESTIC VISITOR TRENDS

Despite its strong international visitor draw Alberta remains heavily reliant on domestic visitors. Approximately 93% of visitors to Alberta come from within Canada, and nearly 82% of visitors are Albertans (Figure 9). The province is expected to see a slight decrease of 2% in the number of Alberta visitors in 2025, which continues a declining trend from 2024.

Figure 9 - Alberta Visitation by Source (M)



Source: derived by Verum Consulting from Statistics Canada National Travel Survey. Travel Alberta, Verum Consulting. <https://industry.travelalberta.com/research/tourism-indicators/visitation-trends>

This declining trajectory suggests there is some exhaustion from the Alberta visitor segment, whose visitation numbers have exceeded pre-pandemic levels each year since 2022. If this trend is not arrested it could have a significant impact on the fortunes of Alberta's tourism sector. The province needs to go further to catalyze private sector investment in new and novel tourism experiences, while also looking at ways to incentivize Albertans to recreate within their own backyard — particularly at slow-demand periods of the year.

That said, the number of Canadian visitors from outside Alberta continues to increase. In 2025, the number of Canadian visitors to Alberta is expected to grow by 1.7% to 4.2 million. While this growth is favourable, it is slowing relative to prior years.

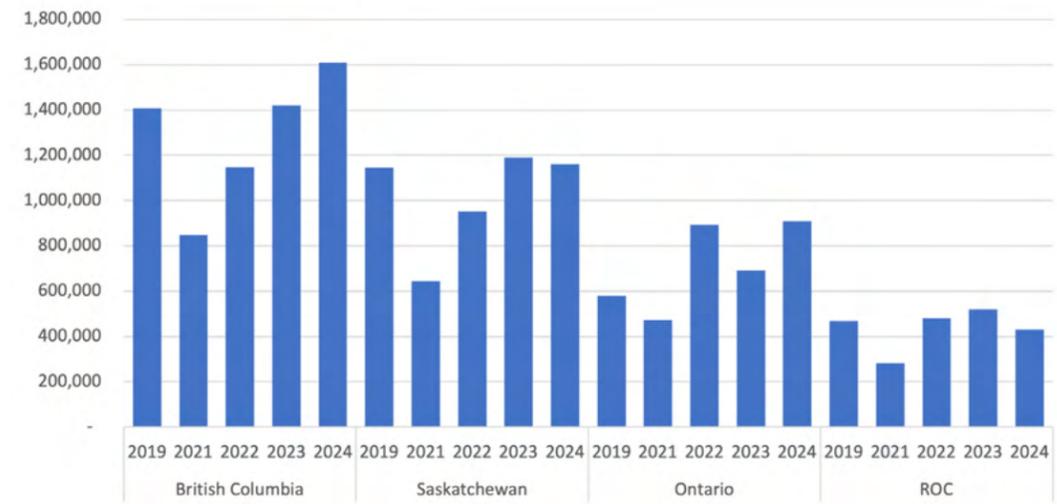
Although overall visitor spending in Alberta will grow by 2.3% in 2025, visitor spending by Albertans is expected to decline by 2% in 2025.

Table 9: Alberta Visitor Spending by Type				
	2022	2023	2024	2025F
Alberta	\$6.3	\$6.8	\$7.6	\$7.5
ROC	\$2.9	\$3.0	\$3.2	\$3.3
US	\$0.7	\$1.6	\$2.0	\$2.2
Overseas	\$0.8	\$1.5	\$1.5	\$1.8
<b>Total</b>	<b>\$10.7</b>	<b>\$12.5</b>	<b>\$14.4</b>	<b>\$14.7</b>

Source: Derived by Verum Consulting from Travel Alberta, <https://industry.travelalberta.com/research/tourism-indicators/visitor-spend>

In terms of the composition of Canadians visiting Alberta, visitors from BC, Saskatchewan and Ontario continue to dominate Alberta's visitor market (Figure 10). Perhaps most notably, Alberta has been drawing an increased number BC visitors since 2021. While Saskatchewan visitation growth has also been favourable it has levelled off recently, and Ontarians have renewed their interest in the province after a year of declining visitation in 2023.

Figure 10 - Canadian Visits to Alberta by Province



Source: Statistics Canada National Travel Survey as presented by Travel Alberta: <https://industry.travelalberta.com/research/tourism-indicators/visitation>

Alberta tourism operators face strong competition for the in-province market from across Canada and, particularly, British Columbia. Whereas in 2019 Alberta's expenditure deficit to BC was approximately \$1 billion (i.e. Albertans spend \$1 billion more in BC on tourism

**Total visitor spending in Alberta is projected to reach \$14.7B in 2025**

than they receive from BC visitors), that number increased to \$1.2 billion in 2022, and to \$1.5 billion in 2023. (Table10). However, in 2024 the gap decreased to \$1.2 billion, which is closer to 2022 levels.

**Table 10: Alberta's Tourism Expenditure Deficit to BC (000s)**

	2019	2021	2022	2023	2024
<b>Alberta Visitor Expenditures in BC</b>	\$1,571,844	\$1,600,169	\$2,018,907	\$2,440,973	\$2,307,659
<b>BC Visitor Expenditures in AB</b>	\$518,242	\$547,669	\$772,490	\$930,159	\$1,134,056
<b>Alberta Deficit</b>	-\$1,053,602	-\$1,052,500	-\$1,246,417	-\$1,510,814	-\$1,173,603

Source: Statistics Canada National Travel Survey, Travel Alberta

While the province may never close the AB-BC visitor and expenditure deficit entirely, there is clearly significant opportunity in striving towards doing so by competing for tourism based on a comparable strategic policy approach and investment of resources in areas of existing, and potential tourism development.

In terms of the rest of Canada, generally speaking Alberta is closing the expenditure gap across the board (Table 11). The total tourism spending deficit decreased from \$1.6 billion in 2023 to \$770k in 2024. This is a significant improvement - particularly in Ontario and BC. Only in Quebec and New Brunswick did net spending by Albertans increase between 2023-24.



**Table 11: Alberta-Canada Domestic Travel Expenditure Surplus/Deficit (\$000s)**

	2023			2024		
	Spending by Other Canadians in Alberta	Spending by Albertans in Other Provinces	Deficit/Surplus	Spending by Other Canadians in Alberta	Spending by Albertans in Other Provinces	Deficit/Surplus
<b>British Columbia</b>	930,159	2,440,973	-1,510,814	1,134,056	2,307,659	-1,173,603
<b>NFLD and Labrador</b>	32,092	173,322	-141,230	18,741	44,199	-25,458
<b>Nova Scotia</b>	39,742	141,652	-101,910	76,104	117,976	-41,872
<b>Prince Edward Island</b>	8,498	70,742	-62,244	6,451	35,010	-28,559
<b>New Brunswick</b>	25,172	21,145	4,027	43,667	42,519	1,148
<b>Manitoba</b>	240,630	132,187	108,443	248,426	111,796	136,630
<b>Quebec</b>	260,901	201,679	59,222	144,577	249,851	-105,274
<b>Saskatchewan</b>	616,730	388,455	228,275	620,670	376,930	243,740
<b>Ontario</b>	814,667	969,407	-154,740	922,477	698,703	223,774
<b>Total</b>	2,968,591	4,539,562	-1,570,971	3,215,169	3,984,643	-769,474

Source: Statistics Canada, Travel Alberta

2

# 2026 and Beyond: Waning Growth in the Face of Global Uncertainty



The global tourism industry continued at a strong pace in 2025, with total visitor arrivals growing by 4% annually to 1.5 billion visitors, and total receipts hitting a record \$2.2 trillion USD.<sup>9</sup> Europe (6%) and the Middle East (39%) saw the most visitor growth in 2025, while visitor growth in the Americas came it at 1% due to weaker US activity. Looking to 2026, visitation is expected to grow by 3-4% globally, although economic factors, high travel costs, and geopolitical risks represent the main challenges international tourism could face in 2026.<sup>10</sup>

These factors ring particularly true in Canada. The imposition of US tariffs has reduced Canadian business investment and exports, led to slower wage and employment growth, higher unemployment and reduced foreign investment in Canada.<sup>11</sup> Indeed, according to the Bank of Canada:

"Exports to the United States have fallen, and business investment has declined. The structural shift in the Canada-US trade relationship has put the economy on a lower path. At the same time, the reconfiguration of global trade and the restructuring of the Canadian economy are adding costs and putting upward pressure on inflation. Considerable uncertainty remains around US tariffs and how changes to global trade relationships will affect economic growth and consumer prices in Canada. This uncertainty includes the review of the Canada-United States-Mexico Agreement [CUSMA]."

The result is a diminished economic outlook for the country, and significant uncertainty for the future of the Canadian economy, which could dampen domestic tourism expenditures in 2026. Moreover, with the renegotiations of CUSMA expected to begin no later than June, there is a risk of Canada having a much more constrained trading relationship with the US — including the potential loss of temporary entry provisions that are vital for high-value business, convention and event travel across the Canada-US border. As a consequence, Canadian economic growth is expected to be only 1.1% in 2026 — which has been declining since 2022 (Table 12).

Table 12: Bank Of Canada Contributions to Average Annual Real GDP Growth

	2024	2025F	2026F	2027F
<b>Consumption</b>	1.3	1.5	0.8	0.9
<b>Housing</b>	-0.1	0.1	0.2	0.1
<b>Government</b>	1.1	0.7	0.7	0.4
<b>Business Fixed Investment</b>	-0.2	-0.2	0	0.3
<b>GDP</b>	1.6	1.2	1.1	1.6
<b>CPI Inflation</b>	2.4	2	2.1	2.1

Source: Monetary Policy Report. Oct 2025. Available at: <https://www.bankofcanada.ca/wp-content/uploads/2025/10/mpr-2025-10-29.pdf>

At a provincial level Alberta is forecasted to lead the country in economic growth despite the challenges that US tariffs pose (Table 13).<sup>12</sup> According to RBC:

- Alberta and Saskatchewan will grow far more than the national average, supported by energy infrastructure and agricultural output, respectively<sup>13</sup>

While this bodes well for purchasing power of Albertans, economic struggles in other areas of the country could dampen interprovincial visitation in 2026. Sliding commodity prices will also act as a drag on public tourism investment in the province.

<sup>9</sup> UN World Tourism Barometer. 2026. Available at: [https://pre-webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2026-01/World\\_Tourism%20Barometer\\_Jan26\\_excerpt\\_v2.pdf?VersionId=u75u9KWP6Dzc2CUHld7AvQ49FYrDTQC](https://pre-webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2026-01/World_Tourism%20Barometer_Jan26_excerpt_v2.pdf?VersionId=u75u9KWP6Dzc2CUHld7AvQ49FYrDTQC)

<sup>10</sup> Ibid p. 5

<sup>11</sup> Statistics Canada. 2025. Research to Insights: Canada's Economy During Recent Canada-U.S. Trade Developments. October. Available at: <https://www150.statcan.gc.ca/n1/pub/11-631-x/11-631-x2025004-eng.htm>

<sup>12</sup> Royal Bank of Canada. Quarterly Canadian Outlook. Available at: <https://www.rbc.com/en/economics/canadian-analysis/featured-analysis/quarterly-canadian-outlook/quarterly-canadian-outlook-low-but-positive-growth-ahead/>

<sup>13</sup> Royal Bank of Canada. 2026. Beyond the forecast: Six themes for Canada's economy in 2026. Available at: <https://ca.rbcwealthmanagement.com/joanne.avery/blog/4719454-Beyond-the-forecast-Six-themes-for-Canadas-economy-in-2026>

Table 13: GDP Growth by Province			
	2024	2025F	2026F
Alberta	3	2.4	2.3
BC	1.1	1.0	1.4
Saskatchewan	3	2.2	2.1
Ontario	1.6	0.9	1.0
Quebec	1.7	1.0	1.1
Canada	1.6	1.2	1.2

Source: Royal Bank of Canada. Quarterly Canadian Outlook. Available at: <https://www.rbc.com/en/economics/canadian-analysis/featured-analysis/quarterly-canadian-outlook/quarterly-canadian-outlook-low-but-positive-growth-ahead/>

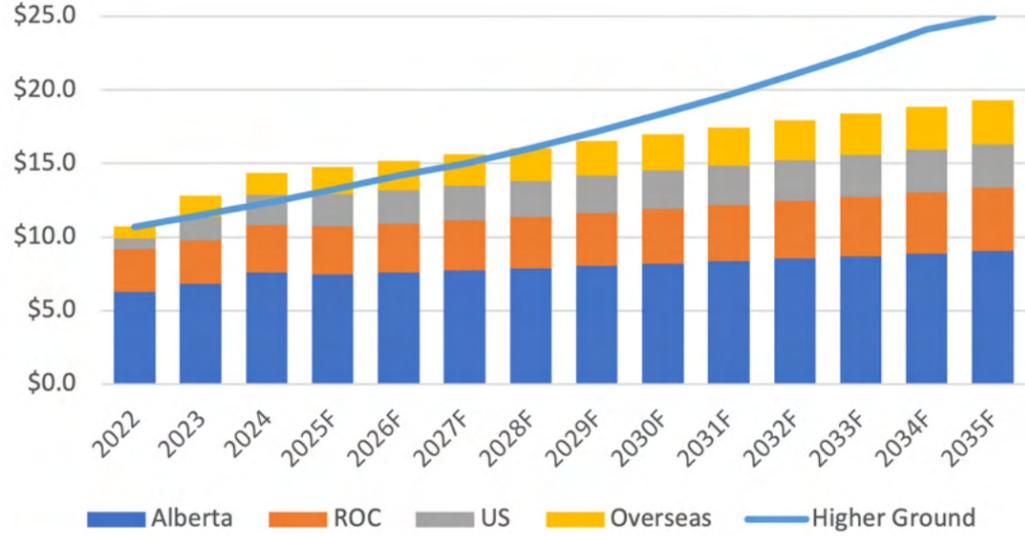


# 3 Reaching Higher Ground: Growing Alberta's Visitor Economy to its Full Potential



In 2024 the province released its *Higher Ground Tourism Sector Strategy*, which set an ambitious goal of growing tourism expenditures to \$25 billion by 2035.<sup>14</sup> Since the release of the strategy, tourism expenditures have exceeded government expectations in each of 2024 and 2025 (Figure 11).

Figure 11 - Tourism Spending Forecast (\$B)



Source: Government of Alberta, Travel Alberta and Verum Consulting

<sup>14</sup> Government of Alberta. 2024. Higher Ground: A Tourism Sector Strategy. Amplifying the Alberta Advantage for the Visitor Economy. P. 4. Accessed at: <https://open.alberta.ca/publications/higher-ground-tourism-sector-strategy#:~:text=The%20strategy%20focuses%20on%20five,visitor%20economy%20reaches%20new%20heights>

While the increased spending is encouraging and a testament to the commitment of the province to grow the industry, its full potential as a tool for economic diversification remains untapped and under-appreciated. The recent increase in tourism spending can largely be attributed to:

- Rebuilding and prioritizing air access, which has reconnected key markets and enabled renewed visitor flows post-pandemic;
- Aligning marketing efforts nationally and provincially, which has elevated national visibility and encouraged domestic travel in the face of US trade protectionism;
- Increased provincial resources for Travel Alberta to support destination marketing and development;
- Investments in new attractions and product offerings; and
- A favourable exchange rate for U.S. visitors.

However, the potential to drive further revenue growth from these levers is diminishing, as existing capacity is absorbed and marginal gains become harder to achieve in the rapidly unfolding geopolitical and economic climate. This report forecasts that the tourism industry will grow by 3% in 2026 relative to 2025, with the strongest growth coming from international markets.

- While Alberta has continued to attract US visitors, this is a market at risk of diminishing in the face of Canada-US trade negotiations;
- Overseas visitors present a growing opportunity for the province, but this segment only represents 13% of the market;
- While Canadian visitation has grown in recent years, the growth rate of this market segment is diminishing and could decrease further in the face of strained economic growth;
- The number of Alberta-based visitors has declined in each of 2024 and 2025, and this segment needs to recover in order to avoid an overall visitation decline in 2026.

Without further policy enablement and the additional investment that will help catalyze private sector risk takers to build new, world-class products and experiences, the province’s goal for tourism growth as presented in the Higher Ground Tourism Strategy is likely to fall short of its visitor spending targets.

<sup>19</sup> Government of Alberta. 2024. Higher Ground: A Tourism Sector Strategy. Amplifying the Alberta Advantage for the Visitor Economy. P. 4. Accessed at: <https://open.alberta.ca/publications/higher-ground-tourism-sector-strategy#:~:text=The%20strategy%20focuses%20on%20five,visitor%20economy%20reaches%20new%20heights>

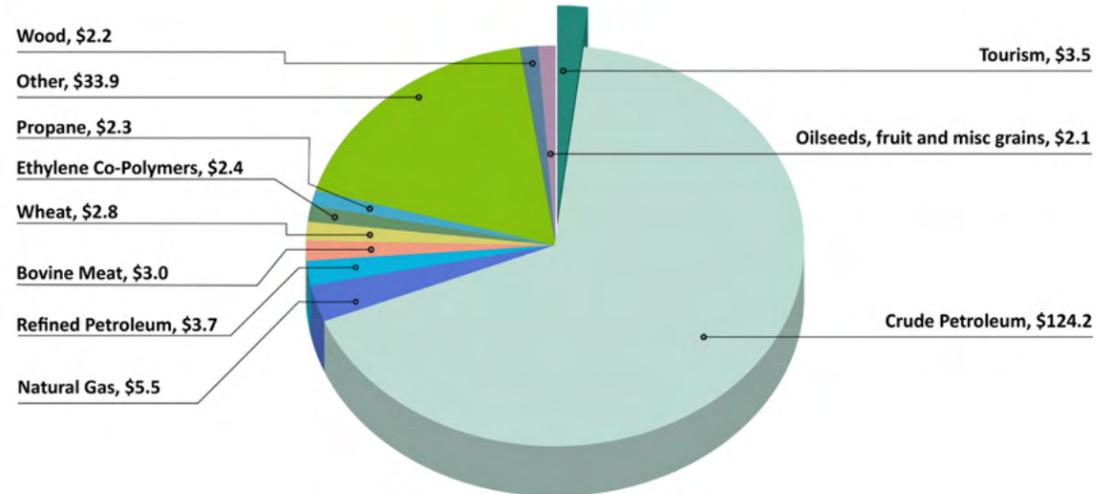
What we need is a reframing of the tourism industry in Alberta — one that seeks to reposition the role of the industry as a leading export, a hedge against single market risk, a strategic investment opportunity and gateway to foreign direct investment (FDI) and trade.

**3.1. TOURISM AS A STRATEGIC EXPORT FOR ALBERTA**

The tourism industry is a strategic asset that touches virtually every dimension of Alberta’s economy and strengthens its ability to develop long-term export markets for the province’s many product and service exports. It has the potential to deliver jobs, build Alberta’s global reputation, and support trade, investment, talent attraction and diplomatic linkages.

When looked at through the lens of its “export” value, international tourism expenditures in Alberta represent the fourth largest export product by value — exceeding \$3.5 billion in 2024.<sup>15 16</sup> This is higher than cattle (\$3B), wheat (\$2.8B), wood (\$2.2B) but lower than crude oil (\$124B), natural gas (\$5.5B) and refined petroleum (\$3.7B).<sup>17</sup> Through this lens tourism is the most valuable Alberta export next to oil, gas and petroleum, yet it has never been prioritized for its economic diversification potential.

**Figure 12: 2024 Alberta Exports by Product (\$B)**



Source: Export Alberta, Travel Alberta

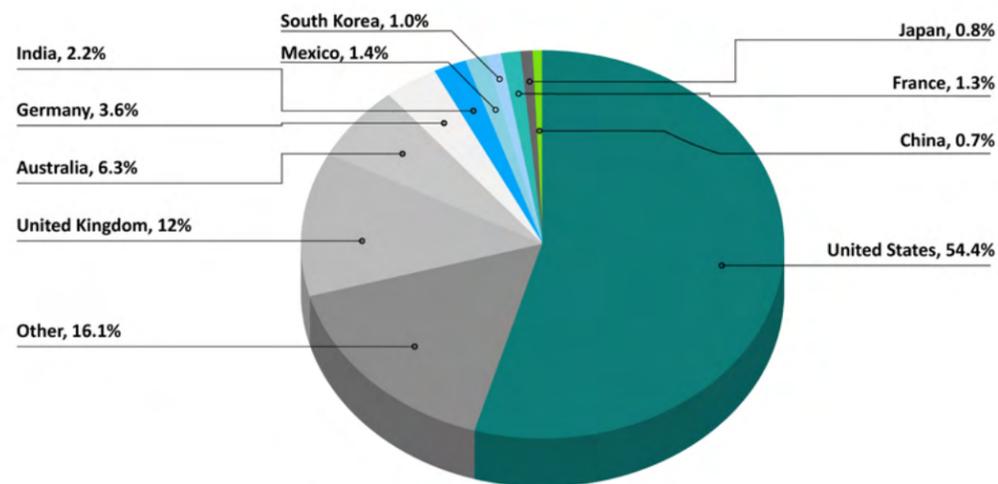
Unlike other exports, tourism revenue is geographically diversified - just 54% is tied to the U.S., compared to 90% of Alberta’s overall exports - making it a hedge against single market overdependence. In the face of the new hostile US trading policies, tourism can serve as a bridge to build and expand trade relations and attract investment with strategic partners.

<sup>15</sup> Travel Alberta. 2025. Visitor Spend. Available at: <https://industry.travelalberta.com/research/tourism-indicators/visitor-spend>

<sup>16</sup> 2024 International tourism spending in Alberta was ~\$3.5B Rest of Canada tourism spending in Alberta was \$3.2B. Spending by Albertans was \$7.6B.

<sup>17</sup> Export Alberta. 2025. Export Tool. Available at: <https://export.alberta.ca/export-tool/#&product=&industry=&market=ALL&region=&year=2024&traderregion=&usState=&currency=CAD&importExport=albertaexport&dataType=value&vue=0&aebpcHLevel=4&aebpcChartType=list>

Figure 13: 2023 Alberta Visitor Spend by Source Country



Source: Statistics Canada Table 24-10-0047-01. Note this data table has become archived.

The Alberta government has recently prioritized “diversifying Alberta’s export markets and attracting foreign direct investment through successful missions to Asia, the Middle East, and Latin America.”<sup>18</sup> Given that tourism is an instrument of soft diplomacy and trade-enabling activity between countries, there is a tremendous opportunity for greater alignment between Travel Alberta and the Alberta government to achieve this objective.

A potential opportunity lies in Canada’s free trade agreement (FTA) countries. Canada has 15 active FTAs, giving it favourable access to 51 countries.<sup>19</sup> In 2024, the value of Canada’s trade reached \$1.5 trillion, of which 85% was exchanged with FTA countries.<sup>20</sup> FTAs lead to substantial growth in two-way trade following their implementation. Notably, Global Affairs Canada estimates that FTAs doubled the amount of trade flows between Canada and the FTA countries after implementation.<sup>21</sup>

As Travel Alberta and the Alberta government continue to evolve their approach towards evaluating and prioritizing international visitor markets, consideration could be given to leveraging our FTA country trade and investment relationships to better integrate FDI attraction and strategic diplomacy into tourism market growth priorities.

The United States accounts for over half of Alberta’s international visitor spending

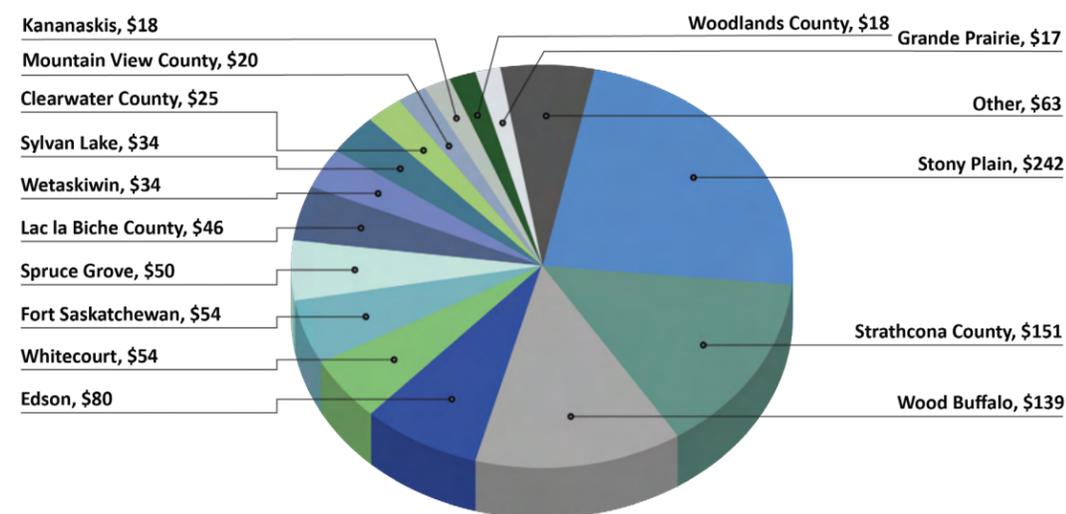
### 3.2. TRAVEL ALBERTA’S EFFORTS TO EXPAND AND DIVERSIFY ALBERTA’S TOURISM OFFERINGS

Government’s commitment to growing tourism has helped attract new investment activity to the province. There is nearly \$5 billion worth of tourism and recreation projects proposed or under construction in Alberta today.<sup>22</sup> While Calgary and Edmonton represent the majority of the activity at \$2.6 billion and \$1.1 billion respectively, there is over \$1 billion worth of investment in tourism/recreation projects outside of Alberta’s two major urban centres.

These projects include hotels, event centres, attractions, arts and culture exhibits and sport facilities. They are spread throughout the province — including in central Alberta, the Northwest, the Northeast, the Rockies, the South and in major urban centres. This is a growing industry that directly benefits all Albertans in small towns, big cities, and urban and rural settings.

Despite not robustly appearing in provincial data, capital deployment in the mountain parks has accelerated at a feverish pace for almost a decade. In 2023, the largest hotel real estate transaction in Canada occurred in the Alberta mountain parks at a value of \$170 million. Over the past three seasons, a further \$100 million in upgrades has flowed into ski areas in Banff and Jasper, modernizing lift infrastructure and expanding all-season capacity.

Figure 14: Tourism/Recreation Projects by Value (\$M) ~\$1 Billion Total Value



Source: Government of Alberta Major Project List. Excludes Edmonton and Calgary and the mountain parks.

<sup>18</sup> Government of Alberta. 2025. Deputy Minister of Intergovernmental and International Relations Mandate Letter. Available at: <https://open.alberta.ca/dataset/b0769b96-7a45-40b5-b57c-415ff82aca49/resource/2d7d3470-5552-4710-b183-e8effc36f15a/download/exc-mandate-letter-executive-council-2025.pdf>

<sup>19</sup> Canada’s international trade and investment agreements. 2025. Available at: <https://international.canada.ca/en/global-affairs/services/trade/agreements-negotiations/investment-agreements>

<sup>20</sup> Fun with Data. Canada Facts. How many free trade agreements does Canada have? Available at: <https://www.funwithdata.ca/canada-facts/economy/how-many-free-trade-agreements-does-canada-have#:~:text=Canada%20has%2015%20active%20free,trade%20deals%20involving%20multiple%20countries.>

<sup>21</sup> Government of Canada. 2025. Canada’s Free Trade Agreements. 2025. Available at: <https://international.canada.ca/international-canada/assets/pdfs/global-affairs/campaigns/diversifying-trade/fta-campaign-en.pdf>

<sup>22</sup> Government of Alberta. 2025. Alberta Major Projects. Available at: <https://majorprojects.alberta.ca/#/>

However, as major project data suggest, a structural challenge undermining Alberta's growth potential is its limited seasonal capacity for hosting additional visitors, which is largely located in the legacy markets of Calgary, Edmonton and the Rockies.

Provincial and private sector efforts to grow the tourism economy during off-peak periods and develop new destination offerings outside of traditional markets will help to alleviate congestion, diversify visitor experiences and extend the visitor season year-round. The Province's All-Season Resort initiative will help diversify and provide new recreational opportunities for Alberta visitors in new areas and extended seasons going forward.<sup>23</sup>

Travel Alberta also plays a key role in expanding and diversifying visitor markets in Alberta. The crown corporation conducts in-depth research and investment analysis to support expansion of Alberta's tourism product offerings. Some of their more notable investment opportunities include a northern lights product offering, upscale guest ranches, a luxury eco-lodge, a high-end resort and various attractions to expand the Edmonton area product offering.<sup>24</sup>

The Agency also offers a product development fund to cost-share new investments and is actively seeking to expand tourism assets in its ten tourism development zones across the province. These efforts have significant potential but need to be scaled to truly catalyze on the opportunity to diversify Alberta's tourism product offering and extend the visitor season year-round.

### 3.3. REVISITING THE STRATEGIC INTENT OF THE ALBERTA TOURISM LEVY

In fall 2025, Alberta published a new mandate letter for the Minister of Tourism and Sport, specifically including the following:

*"Work collaboratively with Treasury Board and Finance to ensure that visitors to Alberta pay a fair amount of tax and fees to ensure Alberta can grow its tourism industry and related infrastructure in a sustainable fashion."<sup>25</sup>*

With government considering how best to ensure visitors to Alberta pay a fair amount of taxes and fees, it is critical that this exploration be informed by fact and sound economic policy. TIAA welcomes the opportunity to explore changes to the Alberta tourism levy, but only in the context of growing the industry and attracting investment.

The levy itself was established in 2005, as a 4% surcharge on temporary fixed roof accommodation, and at that time it was intended that 100% of the revenues collected would be dedicated to the ministry responsible for tourism. With government considering how best to ensure visitors to Alberta pay a fair amount of taxes and fees, it is critical that this exploration be informed by fact and sound economic policy.

<sup>23</sup> Government of Alberta. 2025. All Season Resorts. Available at: <https://www.alberta.ca/all-season-resorts>.

<sup>24</sup> Travel Alberta. 2025. Market Research and Opportunities Reports.

<sup>25</sup> Government of Alberta. 2025. Mandate Letter: Minister of Tourism and Sport. Available at: <https://open.alberta.ca/dataset/b0769b96-7a45-40b5-b57c-415ff82aca49/resource/3ffa6e01-c8f6-4f13-bdbe-094b379a97cb/download/ts-mandate-letter-tourism-and-sport-2025.pdf>



In 2009 Travel Alberta was incorporated and guaranteed 75% of the net revenue to support destination marketing, but government ended the policy of providing net tourism levy revenue to the Ministry, leaving ministry funding to be determined via the regular budget process that is in place today.

The allocation of tourism levy revenues to support destination marketing and management is the critical lynchpin to the success of such programs. Increased hotel taxes have proven to decrease room sales and deter investment.<sup>26</sup> That said, provided the revenues are reinvested in promoting and growing industry, visitor activity can actually increase after a levy is introduced.<sup>27</sup>

All Canadian provinces impose some form of accommodation tax, with many earmarking revenues for investment in tourism destination management and development.<sup>28</sup>

As the government again contemplates the highest and best use of the levy which is aligned to the spirit of the *Tourism Levy Act*, it needs to do so in the context of maintaining the competitiveness of the industry and growing the sector to achieve its 2035 vision for the industry. As it stands right now, Alberta is getting exceptional value for the money it invests in Travel Alberta for destination marketing and management.

According to Travel Alberta's metrics:

- Every dollar Travel Alberta invests in international marketing results in \$33 in visitor spend;
- In 2024-25, Travel Alberta attracted \$12.50 in private sector investment for every dollar it invested, and the economic contribution from total project investments under the Product Development program was \$199 million in GDP; and
- Every \$1 dollar invested by Travel Alberta on route development and promotional campaigns equaled \$11 in visitor spend (11:1)

<sup>26</sup> Tavares, Kevin. 2010. Trends in Taxation on Tourism Services & Products. Available at: <https://atrium.lib.uoguelph.ca/server/api/core/bitstreams/800a7c87-90af-45bc-ba58-89c97b24f47e/content>

<sup>27</sup> Hudson, Meng, Kam Fung So, and Smith. 2019. The effect of lodging tax increases on US destinations Available at: [https://www.researchgate.net/publication/337627063\\_The\\_effect\\_of\\_lodging\\_tax\\_increases\\_on\\_US\\_destinations](https://www.researchgate.net/publication/337627063_The_effect_of_lodging_tax_increases_on_US_destinations)

<sup>28</sup> Tourism Tax in Canada. A Complete Guide. Available at: <https://trippz.com/tourist-tax/canada>

Despite demonstrating positive return-on-investment for use of ATL funds, because the Government of Alberta continues to choose not to earmark the full value of the levy to Travel Alberta, the industry is simply unable to achieve its full potential. The total incremental corporate and personal tax revenues associated with growth in the tourism industry is estimated at approximately \$100 million between 2023 and 2024. This is considerably more than the budgetary appropriation currently earmarked for Travel Alberta on an annual basis.

For private investors evaluating the risk-return profile of Alberta's \$5 billion tourism project pipeline, full levy repatriation and a stable, integrated policy framework signal government commitment and lower perceived policy risk — making it easier to move proposals toward capital deployment and development.

### 3.4. AN INTEGRATED TOURISM STRATEGY FOR GOVERNMENT

Integrated government decision-making is critical to the success and growth of the tourism industry. The industry is impacted by multiple government ministries beyond tourism, including housing, transportation, interprovincial and international relations, economic development and trade, skills training, immigration, rural economic development, environment and protected areas, and finance/ tax policy.

Other jurisdictions have developed integrated and whole of government approaches to support and grow their tourism industries.<sup>29</sup> However, unlike OECD best practice, Alberta does not have a multi-disciplinary table that evaluates and coordinates government tourism decision-making across functional areas, thereby limiting its potential for growth.

The Alberta government has recognized the importance of an integrated and strategic government approach to tourism development, and has recently passed the All-Season Resorts initiative, which will create a new All-Season Resorts Branch in the Ministry of Tourism and Sport and will establish a clear and straightforward resort development approval process for proponents.<sup>30</sup>

The Alberta government could establish new governance infrastructure to implement a strategic framework to execute on the integrated strategy needed to capitalize on the diversification and trade potential of the tourism economy in the province.



# 4

## Policy Recommendations

In 2024, Alberta set the ambitious goal of growing tourism expenditures from \$10.7 billion in 2022 to \$25 billion by 2035, and it actually achieved its 2026 goal of \$14 billion a year early.<sup>31</sup> This is a commendable result for the province and a clear indication that there has been a solid return on investment for government as a result of its recent year's support for Travel Alberta. Nevertheless, there are increasing global headwinds and unless the province adopts a more holistic, economically-aligned-across-key-ministries approach that seeks to tap into the breadth of private sector ingenuity and risk-taking, the province is likely to fall short of its goal and potential.

### TOURISM AS A STRATEGIC EXPORT FOR ALBERTA

- Evaluate and prioritize visitor markets in countries with Canadian Free Trade Agreements to better support FDI attraction and strategic geopolitical alignment to maximize the economic value of Alberta's tourism strategy while ensuring strategic alignment from a diplomatic relations perspective. Alberta should set a goal to double tourism's proportion of FDI by 2030.

<sup>29</sup> OECD. 2024. Tourism Trends and Policies. July. Pp 14-15 Available at: [https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/07/oecd-tourism-trends-and-policies-2024\\_17ff33a3/80885d8b-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/07/oecd-tourism-trends-and-policies-2024_17ff33a3/80885d8b-en.pdf)

<sup>30</sup> Government of Alberta. 2024. Developing all-season resorts across Alberta. Available at: <https://www.alberta.ca/developing-all-season-resorts-across-alberta>

<sup>31</sup> Government of Alberta. 2024. Higher Ground: A Tourism Sector Strategy. Amplifying the Alberta Advantage for the Visitor Economy. P. 3. Accessed at: <https://open.alberta.ca/publications/higher-ground-tourism-sector-strategy#:~:text=The%20strategy%20focuses%20on%20five,visitor%20economy%20reaches%20new%20heights>

### SUPPORT TRAVEL ALBERTA'S EFFORTS TO EXPAND AND DIVERSIFY ALBERTA'S TOURISM OFFERINGS

- Travel Alberta, as Alberta's destination marketing and development organization, is well positioned strategically to attract investment in tourism product offerings and grow the industry in new markets across the province. What it requires is sufficient resources, at scale, to capitalize on the investment and marketing opportunities before it.

### REVISITING THE STRATEGIC INTENT OF THE ALBERTA TOURISM LEVY

- Immediately commit the full annual intake revenues generated through the Alberta Tourism Levy to Travel Alberta to support its role as a destination marketing and management organization and commit an additional funding tranche of no less than \$60M/year over the next five years, to support its efforts to catalyze private sector investment, to support infrastructure and new destination development, and to further address structural supply challenges, such as air route development, and tourism career awareness/ labour force initiatives.

### AN INTEGRATED TOURISM STRATEGY FOR GOVERNMENT

- Consistent with the provincial Higher Ground Strategy, establish and resource an Inter-Ministerial Committee on Tourism (IMCT) that reports to the Premier, is chaired by the tourism minister, and whose membership includes deputy level staff from all ministries that impact tourism.
- Direct the Inter-Ministerial Committee on Tourism to develop and resource a tourism growth workplan that drives visitation and investment, and incorporates contributory roles from each ministry into achieving the Higher Ground Strategy. Key areas of focus should include FDI attraction, trade/ visitor market expansions, workforce capacity and rural economic development.
- Direct the IMCT to formally consult with the TIAA and its Industry Associations Advisory Council of CEOs on annual strategic policy and budgetary considerations to ensure alignment to the goals of the Higher Ground Tourism Strategy and the needs of the tourism industry overall.
- Create a regular forum where the IMCT meets with municipal and Indigenous leaders to align on tourism priorities, infrastructure needs, and project approvals.



# 5

## Key Risks to the Outlook

While this report forecasts 3% growth for Alberta's tourism industry in 2026 relative to 2025, the risk outlook for the industry is higher than in previous years.

### 5.1. CANADA-US TRADE TENSIONS

The most significant risk confronting Canada and Alberta's tourism industry relates to Canada-US trade tensions and the anticipated renegotiation of the Canada-US-Mexico Free Trade Agreement in 2026. There is significant downside risk to Canada if the country's trade with the US becomes substantially constrained. Both in terms of the overall economic well-being of Canadians (and their corresponding ability to consume tourism in the event of a trade related economic shock), and in terms of the prospect of limiting the temporary entry provisions between Canada and the US which could significantly diminish the number of US visitors to Canada.

### 5.2. GEOPOLITICAL CONFLICT

Current conflicts around the world have the potential limit tourism activity — both in terms of limiting visitation to and from conflicted regions, as well as raising safety and security concerns among global tourist populations. This was identified a primary travel deterrent by the UN World Tourism Barometer for 2026. The US in particular is signalling an interest in exerting greater influence on the world stage, which could add greater conflict/ instability in the global political order.



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