

2025 State of the Industry Report





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Overview

Welcome to the Tourism Industry of Association’s (TIAA) 2025 annual state of the tourism industry report. In this our fourth state of the industry report, we review the performance of the sector in 2024 and look ahead at what to expect for the industry in 2025.

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This report provides timely insights on the economic health and competitiveness of the sector, particularly as it continues on its trajectory of growth and recovery since the pandemic. We look to what 2025 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. 2024: A Strong Year for Industry

2024 was a strong year for tourism visitors and expenditures. Alberta continues to lead the country in tourism industry growth, and visitor access to the province has been increasing. Despite the strong industry performance, the wildfire that devastated the Town of Jasper will have a lasting impact on one of Alberta’s premier international legacy destinations, and it is not likely to fully recover before 2030.

That said, in February 2024, the Alberta government released Higher Ground – its much-anticipated long-term tourism strategy for the province, with a vision to grow visitor spending from \$10.7 billion in 2022 to \$25 billion by 2035. This bold vision seeks to increase total visitor expenditures from all sources by 134%, and industry employment would grow by over 100,000 employees under this plan.

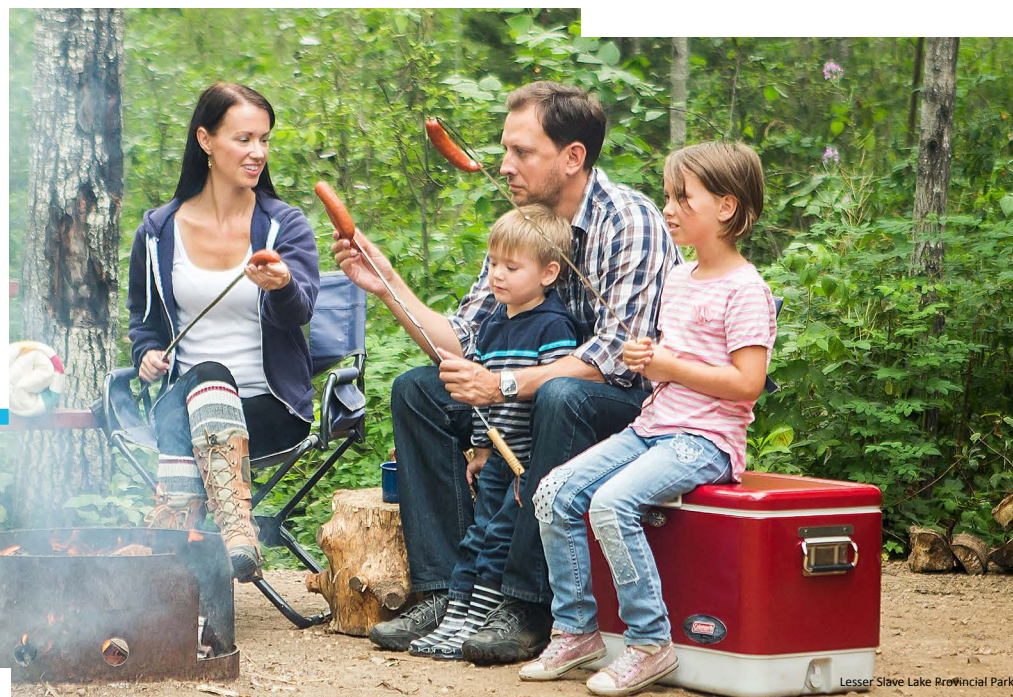
The province’s commitments and progress towards strengthening the tourism economy in Alberta are to be commended. With tourism expenditures having increased by 26% since 2019, there is significant momentum in the industry’s favour right now. With the right policies and areas of focus, the province should be well-positioned to continue on its growth trajectory towards Higher Ground.

Alberta Tourism Expenditures

- 2023 was a year of continued growth for Alberta’s visitor economy. Total visitor expenditures were \$12.7 billion – up \$2 billion year over year, and \$2.6 billion since the pandemic. Of note is the fact that international visitor expenditures have grown by 88% since 2022. This marked the first year that international visitor expenditures exceeded pre-pandemic

\$12.7 billion

in total expenditures, up \$2 billion Year over Year.



levels, which is critical to the sector’s long-term recovery and growth prospects. This trend has continued into 2024, with visitor spending up 15% to \$6 billion in the first half of the year.

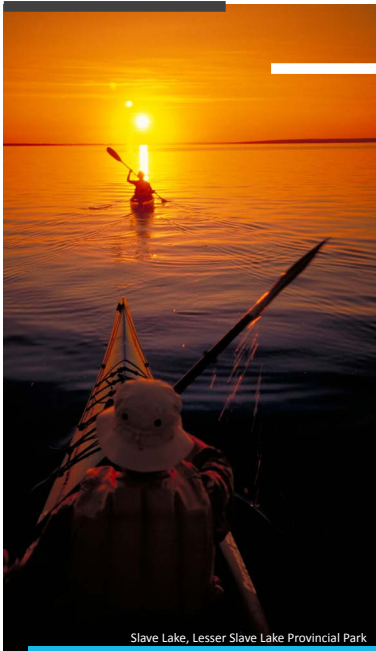
- Tourism expenditures of \$12.7 billion in 2023 translates into \$10.8 billion in GDP, \$1.5 billion in taxes for all levels of government and 119,000 jobs. The sector generated an incremental \$2 billion in visitor expenditures, \$1.6 billion in GDP, \$210 million in taxes and 19,000 jobs since 2022. Since 2019 the tourism industry has grown by approximately 25,000 jobs \$2.2 billion in GDP and generated an incremental \$300 million in taxes.
- Nationally, tourism expenditures have effectively recovered to their pre-pandemic levels, but it has taken to mid-2024 to do so. Alberta continues to outperform the rest of the country, given that the province recovered to pre-pandemic spending levels in 2022.

Alberta’s International Visitor Market

- The number of international visitors in 2023 exceeded pre-pandemic levels, and as of July 2024, was at its highest point since 1972 when Statistics Canada visitor records first became available. This is also the case for the US visitor segment; however, overseas visitor counts have not yet breached this record.
- Visitor spending has increased substantially in a number of our source markets such as the US, UK, Australia and India. However, spending by travellers from key Asian markets such as China, Japan and South Korea is well short of pre-pandemic levels. Other notable market recovery opportunities include Germany, France and Mexico, as visitor expenditures from these countries continue to be lower than in 2019.
- Regardless of source country, Alberta is a seasonally dependent tourist destination, with the vast majority of international visitors coming over the spring and summer months

Alberta’s Domestic Visitor Market

- Domestically, the number of Canadian visitors to Alberta has also recovered since the pandemic. In 2023, Alberta welcomed 3.8 million visitors compared to 3.5 million in 2022, and 3.6 million in 2019.
- Visitor numbers from BC, Saskatchewan, Quebec and Atlantic Canada have been on an increasing trend since 2021. However, visitation from Ontario and Manitoba has decreased since 2022.
- While Alberta total tourism spending is on the rise, the province is losing the battle for domestic visitors. Whereas in 2019 Alberta’s expenditure deficit to BC was



Slave Lake, Lesser Slave Lake Provincial Park

approximately \$1 billion, that number increased to \$1.2 billion in 2022, and to \$1.5 billion in 2023. Additionally, Albertans spent \$60 million more in the rest of Canada (outside of BC) than other Canadians spent here, bringing the total domestic deficit to nearly \$1.6 billion in 2023. Moreover, internationally, Albertans spent \$3.45 billion on visitor travel in 2022, but international expenditures in the province totalled \$1.53 billion – for a deficit of \$1.92 billion.

- 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 Act*, 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.

Alberta's Tourism Sector

- According to Tourism HR Canada total tourism employment in Alberta is estimated at 255,000 jobs in 2024. The sector has recovered 82,000 jobs since the pandemic and is just under 3,000 short of its 2019 high.
- The number of tourism businesses in Alberta is also recovering. While there are approximately 1,400 fewer tourism businesses in Alberta since 2019 (or 6% less), the industry grew by nearly 1,000 businesses since 2022.
- Alberta hotel performance has been consistently improving since 2020. Occupancy, room rates and revenue per available room (RevPAR) are all higher in 2024 than in 2019 and forecasts for 2025-26 are positive for all metrics.
- The industry is also benefiting from expanded air access. In the first half of 2025, Alberta international seat capacity is expected grow by over 3,100 seats relative to 2022, which is 37,000 more than in 2019. Much of this growth in capacity comes as WestJet announced an 11% and 23% capacity increase this summer in Calgary and Edmonton respectively.
- These efforts to grow connection routes and seat capacity in the province will contribute to increasing the proportion of international visitor volumes through Alberta airports, relative to the rest of Canada. Alberta's share of airport traffic has grown from 13% to 15% for US travellers, and from 6% to 7% for overseas travellers.

2. Looking to 2025 and Beyond: Optimism for Continued Tourism Growth

- In 2024, the *UN World Tourism Organization Panel of Experts* estimates that industry finally recovered from pre-pandemic levels and will continue building on this momentum into 2025.



- Global and national economies are expected to maintain stable growth through 2025-26. According to the International Monetary Fund (IMF) advanced and emerging economies are expected to maintain or increase GDP growth levels relative to 2024.
- Domestically the Bank of Canada predicts the Canadian economy will expand in 2025 and 2026, and Alberta is forecasted lead the country in economic growth through 2026.

3. Reaching Higher Ground

- Through its Higher Ground Tourism Sector Strategy, the province has set an ambitious goal of growing tourism expenditures to \$25 billion by 2035.
- The economic benefits of achieving this goal are compelling – \$21 billion in GDP, \$2.8 billion in taxes and 233,000 jobs. On an annualized basis, this represents a 6% increase year over year from 2023 and 2035. The industry grew by 6.5% on average annually between 2019-23, so it is an achievable goal.
- A more robust approach that supports government's aims to create a larger, more economically contributive sector of the economy will require greater public investment in new destination development, new tourism product and service development, supporting infrastructure investment, and investment in the development of more direct air access routes in alignment with air partners.
- Government funding for the sector has not kept pace with its GDP and employment contribution. For every job in the tourism industry, the government spends approximately \$3,100. Comparatively, the government spends approx. \$21,400 per job in agriculture, \$54,500 in forestry and \$7,200 in oil and gas. In 2023 government spent 7 times more per job on agriculture relative to tourism, 17 times more on forestry and 2.3 times more on oil & gas. Catalyzing Investment in Alberta Tourism Products and Amenities
- Travel Alberta has embraced its new mandate as a destination management organization and is using the approximate incremental \$20 million in annual funding over three years to support targeted, private sector catalyzing investments, based on an assessment of high potential opportunities in select regions Alberta.
- This effort could not have come at a more important time. In 2024 the World Economic Forum ranked Canada in 11th place on its Travel and Tourism

For every Tourism job, the government spends \$3,100, far less than agriculture, forestry, and oil and gas.

Development Index (TTDI). Canada used to be in the top 10 of this ranking, and Destination Canada has set a goal for Canada to be in 7th place by 2030.

- Canada scores poorly on demand sustainability, availability of cultural resources, and prioritization of T&T. These are all factors within direct control of the Alberta government.
- Strengthening demand sustainability and increasing cultural resources can both be addressed through strategic government levers to both promote and financially de-risk these investments.
- Through its strategy to achieve government's goal to increase visitor expenditures to \$25 billion by 2035, Travel Alberta has recognized that accommodation investments are demand drivers and that 7,000 more rooms will be required to meet this objective.
- CBRE analysis commissioned by Travel Alberta identified three near-term viable projects including a luxury ecolodge and two resort hotels, representing a total of 360 new hotel rooms. The construction related benefits include \$184 million in GDP, 1,500 jobs and \$6.3 million in taxes, while the associated increased visitor spending will total \$1.1 billion from 2029 to 2035.
- What is needed is additional funding for Travel Alberta to attract investors and help de-risk viable tourism projects to grow Alberta's tourism amenity base.

An Alberta Tourism Experience Tax Credit

- Successful implementation of the Alberta Tourism Sector Strategy will require the province to be able to compete with other jurisdictions. While total tourism spending is on the rise, the province is losing the battle for domestic visitors – both with Albertans and Canadians. The domestic visitor expenditure deficit in 2023 is -\$1.6 billion – compared to a surplus of \$186 million in 2022. Moreover, internationally, Albertans spent \$3.45 billion on visitor travel in 2022, but international expenditures in the province totalled \$1.53 billion – for a deficit of \$1.92 billion.
- Closing the interprovincial expenditure deficit should be a key priority for government policy makers, as this is the first line of defense in reducing economic leakage into other jurisdictions and growing the tourism economy in the province – this could be a particularly effective strategy not only relative to BC, but also the US in the event tariffs are introduced and it becomes less desirable for Albertans to travel there.
- Albertans currently account for 84% of total visitation in the province, but they also spend the least per trip of all visitors to the province. At \$215, Albertans spend

27% of what other Canadians spend, 17% of the average American, and 16% of the average overseas visitor.

- The province needs to consider ways to incentivize and increase Albertans' per capita visitation and spending per trip, in concert with the execution of the Alberta Tourism Sector Strategy.
- Unlike other policy instruments, a refundable tax credit is only paid by government on the back end of a consumer purchase, thus ensuring government only pays-out on having received the incremental economic benefit.

Tourism Industry Workforce Housing Strategy

- Alberta's visitor economy currently employs approximately 100,000 Albertans; however, it is forecast that to reach the \$25 billion target by 2035 more than 100,000 additional employees will be required. From a sectoral perspective, over 32,000 new positions would be in food and beverage, 23,000 in transportation, 20,000 in accommodation, 14,000 in recreation and 10,000 in clothes, gifts and other. Calgary and Edmonton are expected to need approximately 30,000 and 26,000 new employees respectively, while the Canadian Rockies would require 18,500 new employees.
- Housing affordability is an essential component in solving the industry's labour shortages. While this is a strategic challenge facing many sectors of the economy, it is a structural issue within the tourism sector.
- Employees in tourism related industries such as accommodation, arts, entertainment and recreation have a housing price to income ratio of between 12 to 13. For food and beverage employees, the value is significantly higher at 19. This compared to the economy as a whole at 7. That said, the tourism industry is unique in that it provides a significant proportion of compensation in the form of non-wage benefits, including non-market housing, discounted or free meals, employee discounts on products and gratuities for food service employees. Combined, these benefits contribute an additional 20% to 30% to income which, while a substantial increase to the base wage, still leaves the industry in a structural disadvantage relative to other sectors.
- Unlike tourism-based communities where employment is principally oriented around supporting the local tourism economy, tourism employers in economically diverse, urban centers do not offer staff accommodation housing to near the same extent as tourism-based communities, which leaves employees more exposed to tight housing market conditions.
- While governments at all levels are streamlining housing approval processes and providing funding/resources to support housing supply and affordability, tourism industry employees are disproportionately disadvantaged relative to other sectors of

the economy.

- For the province to be successful in increasing tourism expenditures to \$25 billion by 2035, it needs to develop a specific government housing support strategy for the industry that is aligned to the growth goals of legacy tourism destinations, tourism development zones, and resort development.

4. Policy Recommendations

Strategic Resourcing

- Commit the necessary resources to achieve the provincial goal of growing tourism expenditures to \$25 billion by 2035 by immediately committing the full annual intake revenues generated through the Alberta Tourism Levy (~\$118 million annually), or an equivalent amount, to Travel Alberta to support its role as a destination management organization
- Recognizing that the dedication of the ATL to support the Travel Alberta Corporation will still fall short of the needed government financial supports to generate \$25 billion in travel related expenditures by 2035, the government would be well-served to commit, through budget appropriations, an additional funding tranche of no less than \$60 million/year over the next 5-years, 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 and labour force development. The total annual incremental funding of \$178 million represents a fraction of the economic benefits associated with achieving the government's \$25 billion 2035 goal.

Alberta Tourism Experience Tax Credit

- Introduce an Alberta Tourism Experience Tax Credit as a 3-year pilot program with the following features
 - Set at 20%, up to a maximum value of \$500 per household (\$2,500 household spend) and \$250 per individual (\$1,250 individual spend).
 - Applied to expenditures on accommodation, daily admissions, gear rentals, food and beverage, and parking for trips a minimum of 40km distance one-way.
 - The credit would be available between October and May to encourage off-peak tourism
 - The credit could be supplemented with promotional programming to encourage Albertans to visit new locations and experiences.
 - It is estimated that the tax credit would cost government \$200 million annually.

Tourism Industry Housing Strategy

- Work with industry and municipalities to develop a province-wide tourism industry workforce housing strategy in support of its strategic efforts to increase tourism expenditures to \$25 billion by 2035. This strategy should include a focus on partnering with industry to remove barriers and advance the development of employee housing in the industry. Key initiatives include:
 - Set the board and lodging employee deduction limitations under Alberta's Employment Standards Code for industry lodging and accommodation to be closer to market price for the tourism industry to remove disincentives to investing in needed employee-provided housing supply.
 - Explore having municipalities partner with industry through housing cooperatives, trusts and/or other mechanisms to support the provision of tourism employees housing, including through land donations, access to municipal finance rates, differential tax rates, transportation infrastructure investments and regulatory streamlining for industry housing projects.
 - Develop best practices guide/ framework for the development of new resorts in Alberta, including workforce housing and transportation planning provisions.
 - Travel Alberta incorporate workforce planning and employee housing supply considerations in the development of its tourism development zone and provincial tourism strategies.
 - Industry undertake strategic efforts to strengthen their workforce planning and retention policies with a focus on viewing labour as an investment rather than a cost and incorporating the long-term cost savings and reputational benefits into their business plans.
 - Develop an inter-governmental comprehensive strategy to enable the Town of Jasper to recover and rebuild its employee housing stock in addition to its permanent residential properties. This strategy would ideally involve all levels of government and include funding and land allocations to expedite construction workforce housing, zoning and densification reforms to expedite building processes and incent densification, as well as grants, loans and other programs to support the community and industry in returning to pre-disaster operations

Alberta's tourism growth depends on workforce housing - plans include removing barriers, municipal partnerships, and policy alignment.

5. Key Risks to the Outlook

While the industry is favourably positioned for growth in the near term, there are a number of risks that could significantly impact the industry going forward.

US Tariffs.

- The prospect of a tariff of up to 25% on all Canadian goods exported to the US has the potential to substantially impact the livelihood of Canadians' jobs and income levels. Notwithstanding the fact the Canada-US trading relationship generates \$3.6 billion in daily trade between the two countries, the economic impact of proposed tariffs could cost every Canadian \$1,900 CDN and every American, \$1,300 USD.
- Canadian counter tariffs imposed on US imports will further hinder economic activity, with the government of Canada announcing that \$155 billion worth of goods would be subject to Canadian tariffs.
- RBC has estimated that a 25% tariff could wipe out Canadian growth for up to three years, which is consistent with the Bank of Canada findings that Canadian GDP would decrease from -3.4 to -4.2 percentage points, compared to what would otherwise be expected.
- While the US President has stated an intention to close the US's trade deficit with Canada, the reality, for Canada, is that this trade surplus doesn't even come close to mitigating the estimated \$400 billion in annual financial outflows to the U.S. The

balance of payments deficit for Canada is material because it may be symptomatic of a weak Canadian economy and 'unattractive investment environment.' This does little to support the needs of Canada's tourism industry that already suffers the consequence of limited access to capital.

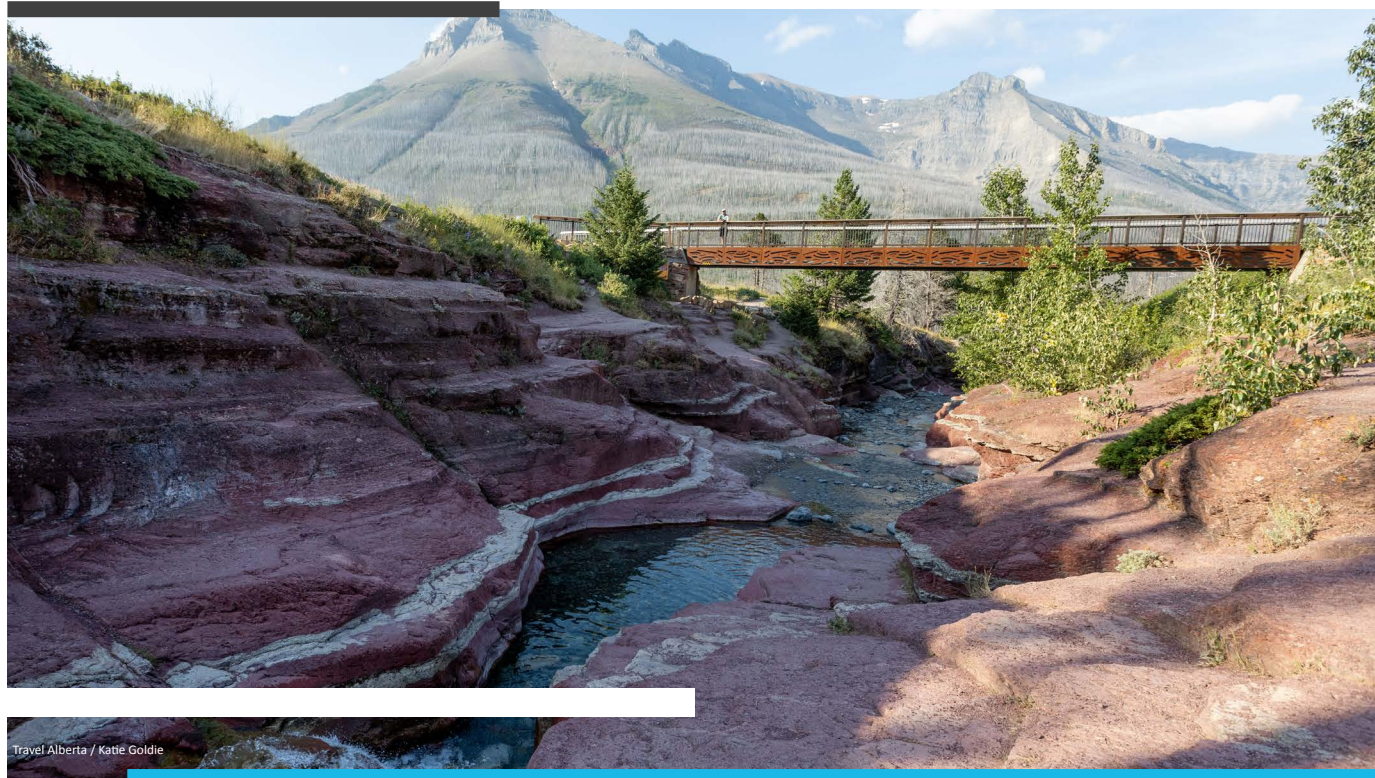
- The potential for an evolving US policy narrative that prioritizes the purchase of American-made goods (and possibly travel experiences) over Canadian options could have a notable impact on Alberta given that 54% of international spending on tourism in Alberta in 2023 was from the U.S.

Housing Affordability.

- Housing affordability and accessibility remains a key risk for tourism businesses seeking to hire and retain sufficient staffing levels needed to meet demand and take advantage of new growth opportunities. Until this issue can be durably addressed at a sectoral level industry will continue to be challenged to recruit and retain staff and grow the sector.

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. The US in particular is signaling an interest in exerting greater influence on the world stage, which could add greater conflict/ instability in the global political order.



The 2025 TIAA state of the industry report reviews 2024's tourism performance forecast 2025 trends, and outlines strategic opportunities for growth.

1

2024: A Strong Year for Industry



2024 was a strong year for tourism visitors and expenditures. Alberta continues to lead the country in tourism industry growth, and visitor access to the province has been increasing. Despite the strong industry performance, the wildfire that devastated the Town of Jasper will have a lasting impact on one of Alberta’s premier international legacy destinations, and it is not likely to fully recover before 2030. That said, with the right policies and areas of focus, the province should be well-positioned to continue on its growth trajectory towards *Higher Ground*.

1.1. Alberta Tourism Expenditures

2023 was a year of continued growth for Alberta’s visitor economy. Total visitor expenditures were \$12.7 billion – up \$2 billion year over year, and \$2.6 billion since the pandemic (Table 1). Of note is the fact that international visitor expenditures have grown by 88% since 2022. This marked the first year that international visitor expenditures exceeded pre-pandemic levels, which is critical to the sector’s long-term recovery and growth prospects. In fact, international visitor expenditure growth has now exceeded domestic visitor expenditure growth by ~1% since 2019. This growth trend has continued into 2024, with visitor spending up 15% to \$6 billion in the first half of the year.

Table 1: Alberta Tourism Expenditures (000s)

	2019	2021	2022	2023	2022-23 % Change	2019-23 % Change
Domestic	\$7,800,000	\$5,990,000	\$9,190,000	\$9,780,000	6.40%	25.40%
International	\$2,280,000	\$353,000	\$1,530,000	\$2,880,000	88.20%	26.30%
Total	\$10,100,000	\$6,340,000	\$10,700,000	\$12,700,000	18.70%	25.70%

Source: Travel Alberta, Statistics Canada National Visitor Survey, National Travel Survey,

Tourism expenditures of \$12.7 billion in 2023 translates into \$10.8 billion in GDP, \$1.5 billion in taxes for all levels of government and 119,000 jobs. The sector generated an incremental \$2 billion in visitor expenditures, \$1.6 billion in GDP, \$210M in taxes and 19,000 jobs since 2022. Since 2019 the tourism industry has grown by approximately 25,000 jobs \$2.2 billion in GDP and generated an incremental \$300 million in taxes.¹

Table 2: Total Direct, Indirect and Induced Alberta Tourism GDP, Net Taxes and Jobs

	Expenditures (\$000)	GDP (\$000)	Net Taxes (\$000)	Jobs
2019	\$10,100,000	\$8,610,000	\$1,150,000	93,800
2021	\$6,340,000	\$5,400,000	\$720,000	58,900
2022	\$10,700,000	\$9,160,000	\$1,250,000	100,000
2023	\$12,700,000	\$10,800,000	\$1,460,000	119,000
Higher Ground 2035 Target	\$24,900,000	\$21,200,000	\$2,870,000	233,000

Source: Derived by Verum Consulting from Statistics Canada. Table 36-10-0595-01 Input-output multipliers, provincial and territorial, detail level.

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610059501>

In February 2024, the Alberta government released Higher Ground – its much-anticipated long-term tourism strategy for the province, with a vision to grow visitor spending from \$10.7 billion in 2022 to \$25 billion by 2035.² This bold vision seeks to increase total visitor expenditures from all sources by 134%, and industry employment would grow by over 100,000 employees under this plan.

The province’s commitments and progress towards strengthening the tourism economy in Alberta are to be commended. With tourism expenditures having increased by 26% since 2019, there is significant momentum in the industry’s favour right now.

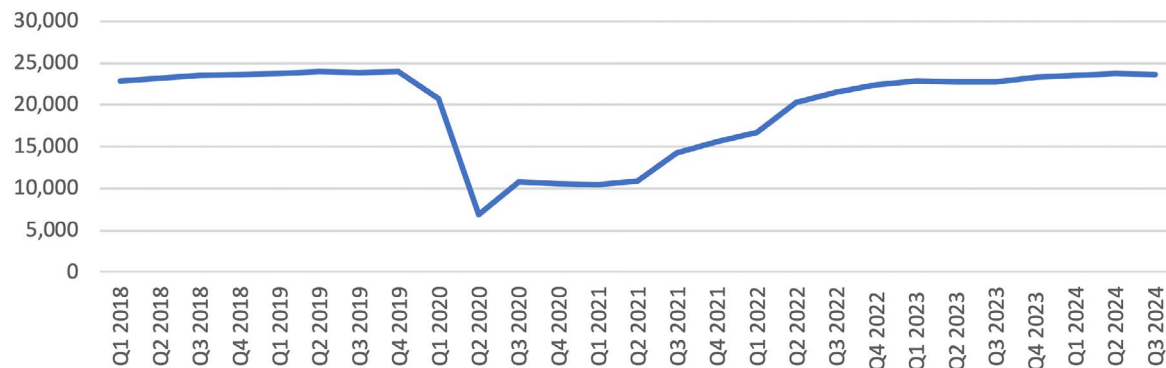
Nationally, tourism expenditures have effectively recovered to their pre-pandemic levels, but it has taken to mid-2024 to do so (Figure 1). Alberta continues to outperform the rest of the country, given that the province recovered to pre-pandemic spending levels in 2022.

¹ Note, these estimates differ than those of Tourism HR Canada, which estimates Alberta tourism employment in 2019 at 241,000, 191,300 in 2021, 216,800 in 2022, 238,000 in 2023 and 255,000 in 2024. <https://tourismhr.ca/labour-market-information/tourism-labour-force-survey/>

² 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.>

In 2023, tourism generated \$12.7 billion in spending, \$10.8 billion in GDP, \$ 1.5 billion in taxes, and 119,000 jobs - adding 25,000 jobs and \$2.2 billion in GDP since 2019

Figure 1: National Tourism Expenditures (\$Million)

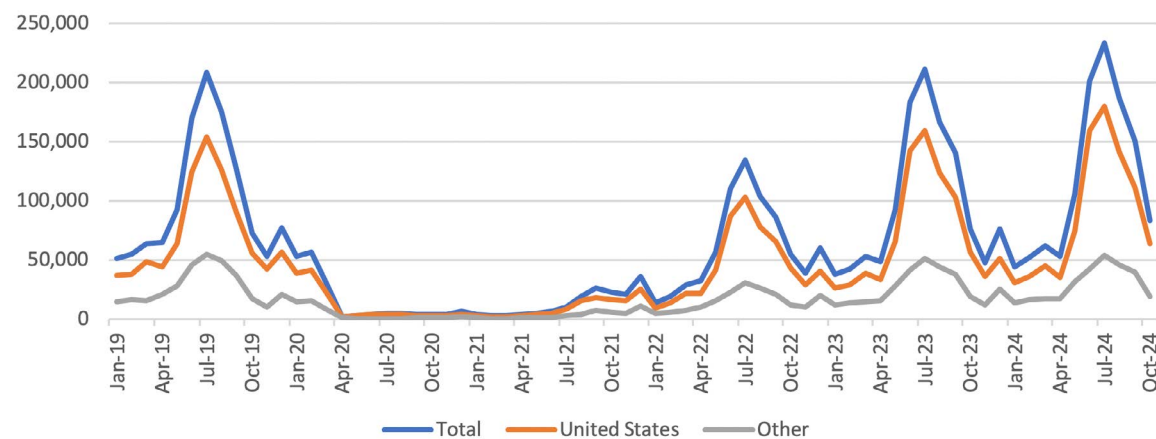


Source: Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)

1.2. Alberta’s International Visitor Market

The number of international visitors in 2023 exceeded pre-pandemic levels, and as of July 2024, was at its highest point since 1972 when Statistics Canada visitor records first became available (Figure 2). This is also the case for the US visitor segment; however, overseas visitor counts have not yet breached this record.

Figure 2: International Visitors to Alberta



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

This trend is very favourable, as international visitors spent approximately \$2.3 billion in 2019, and \$2.9 billion in 2023 (Table 3). The cumulative revenue loss from international visitors since the pandemic now sits as \$4 billion, which is a decrease of \$700 million since 2022.

International tourism in Alberta hit a record high in 2023, with visitor spending \$2.9 billion - up from \$2.3 billion in 2019.

Table 3: International Visitors Total Spending in Alberta (000s)

	2019	2020	2021	2022	2023	Cumulative revenue loss (2020-2023)
Total	\$2,283,545	\$280,180	\$352,881	\$1,528,759	\$2,920,189	-\$4,052,171
United States	\$993,037	\$131,267	\$182,534	\$730,245	\$1,588,727	-\$1,339,375
Overseas	\$1,290,508	\$148,913	\$170,347	\$798,515	\$1,331,462	-\$2,712,795

Source: Table 24-10-0047-01 Spending by foreign residents travelling in Canada by country of residence, tourism region and spending category (x 1,000)

Visitor spending has increased substantially in a number of our source markets such as the US, UK, Australia and India – which represent continued growth opportunities going forward (Table 4). However, spending by travellers from key Asian markets such as China, Japan and South Korea is well short of pre-pandemic levels. Other notable market recovery opportunities include Germany, France and Mexico, as visitor expenditures from these countries continue to be lower than in 2019.

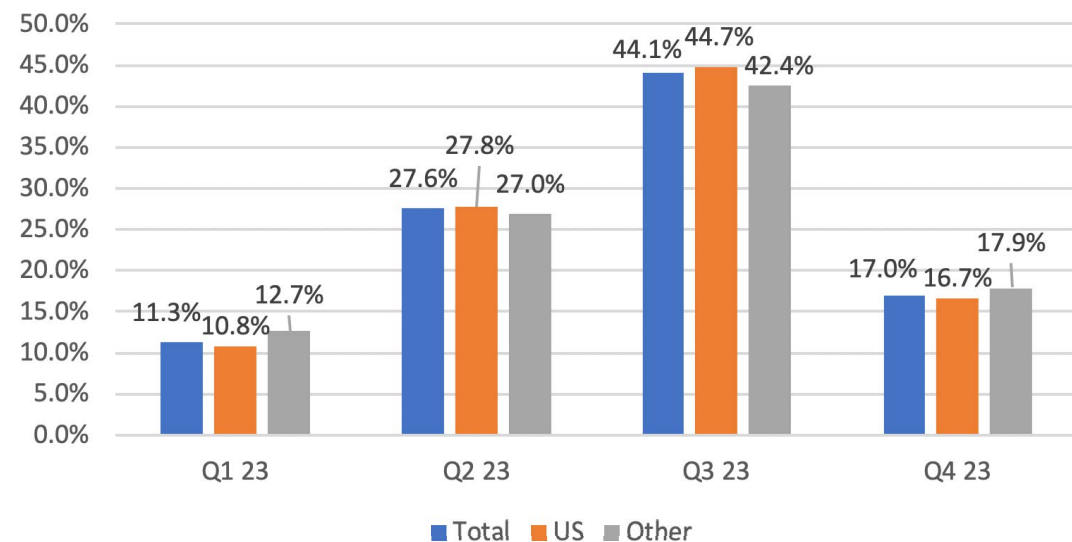
Table 4: International Visitor Expenditures in Alberta by Country of Origin (000s)

Area of Residence	2019	2020	2021	2022	2023	2019-23 Difference	2019-23 % Change
Total	\$1,945,400	\$280,180	\$352,881	\$1,528,759	\$2,920,189	\$974,789	50.10%
US	\$993,037	\$131,267	\$182,534	\$730,245	\$1,588,727	\$595,690	60.00%
UK	\$215,743	\$29,044	\$33,002	\$183,663	\$349,277	\$133,534	61.90%
China	\$162,910	\$18,482	\$10,554	\$17,073	\$20,319	-\$142,591	-57.50%
Australia	\$140,222	\$13,537	\$5,401	\$77,362	\$185,240	\$45,018	32.10%
Germany	\$120,014	\$9,906	\$11,343	\$77,174	\$105,190	-\$14,824	-12.40%
Japan	\$59,279	\$5,360	\$5,014	\$15,258	\$22,229	-\$37,050	-62.50%
S Korean	\$57,332	\$5,898	\$5,430	\$19,234	\$27,932	-\$29,400	-51.30%
India	\$48,863	\$7,0900	\$6,618	\$24,806	\$62,797	\$13,934	28.50%
France	\$47,741	\$5,226	\$5,739	\$31,636	\$38,458	-\$9,283	-19.40%
Mexico	\$44,424	\$6,603	\$10,716	\$37,773	\$40,682	-\$3,742	-8.40%
Other	\$393,981	\$47,765	\$76,529	\$314,531	\$471,447	\$77,466	19.70%

Source: Statistics Canada: Non-resident visitors entering Canada, by country of residence 1, Table:24-10-0050-01

Regardless of source country, Alberta is a seasonally dependent tourist destination, with the vast majority of international visitors coming over the spring and summer months (Figure 3). This trend has remained relatively 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.

Figure 3: Seasonality of International Visitors



1.3. Alberta’s Domestic Visitor Market

Domestically, the number of Canadian visitors to Alberta has also recovered since the pandemic. In 2023, Alberta welcomed 3.8 million visitors compared to 3.5 million in 2022, and 3.6 million in 2019 (Table 5).

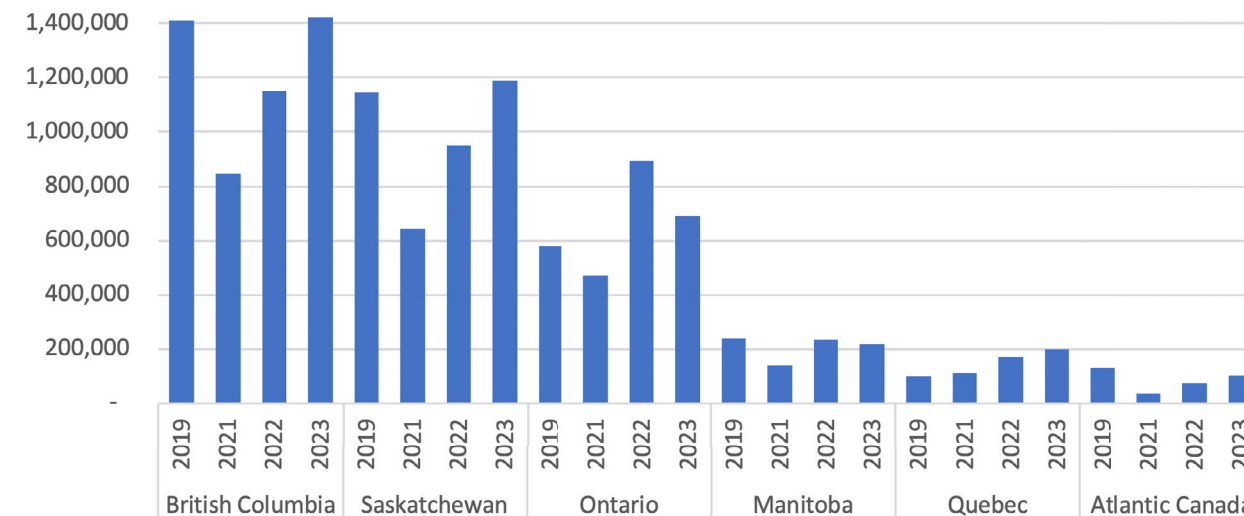
Table 5: Canadian Visitors to Alberta (000s)				
	2019	2021	2022	2023
Total	3,603,000	2,246,000	3,476,000	3,822,000

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

Visitor numbers from BC, Saskatchewan, Quebec and Atlantic Canada have been on an increasing trend since 2021. However, visitation from Ontario and Manitoba has decreased since 2022.

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

Figure 4: Canadian Visits to Alberta



Overall, the cumulative loss to the Alberta economy as a result of the lower Canadian visitors to Alberta since 2019 is \$3.1 billion, which is a substantial improvement compared to the 2019-22 gap, which was \$5.1 billion (Table 6).

Table 6: Total Expenditures – Canadian Visitors (000s)							
	2019	2021	2022	2023	Difference 2022-23	Difference 2019-23	Cumulative Expenditure Loss 2020-23
Total	\$7,800,000	\$5,990,000	\$9,190,000	\$9,780,000	6.4%	25.4%	-\$3,145,981

Source: Data provided by Travel Alberta from Statistics Canada “Visit-Expenditures in Canada by Duration of Visit, Province of Trip Origin and Province of Expenditures”

Combining both domestic and international visitors, Alberta’s visitor economy has foregone an estimated \$7 billion in tourism expenditures since 2020, which is nearly \$3 billion lower than the 2020-22 gap of \$9.8 billion.

In terms of visitor composition, Alberta is significantly reliant on domestic visitors. Over 94% of visitors to Alberta come from within Canada, and nearly 84% of visitors are Albertans (Figure 5). The return of international visitors has brought the 2023 proportions back towards 2019 levels.

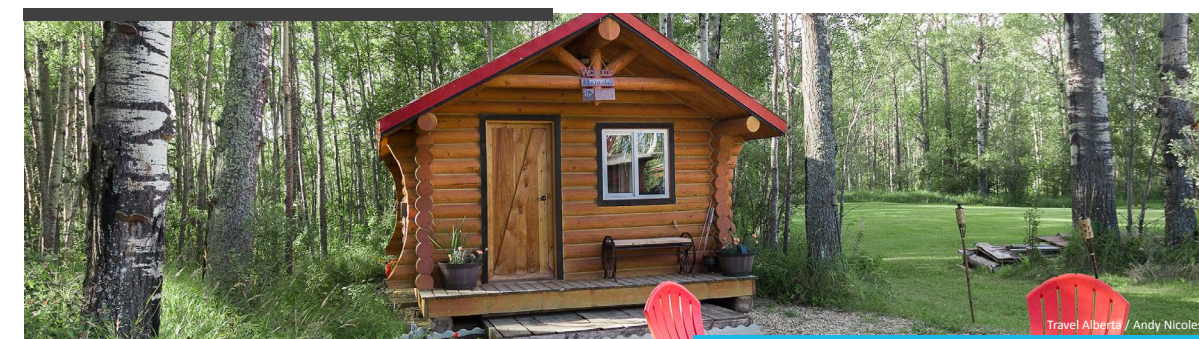
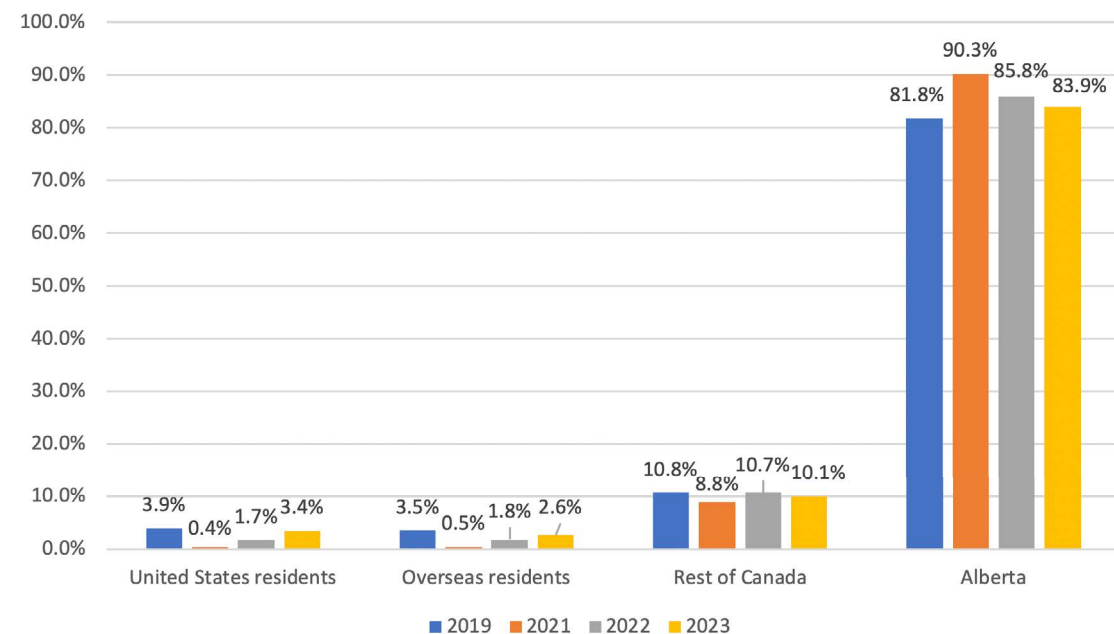


Figure 5: Alberta Visitation by Source



Source: Statistics Canada National Travel Survey.

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 than they receive from BC visitors), that number increased to \$1.2 billion in 2022, and to \$1.5 billion in 2023. (Table 7). Had the 2023 gap closed to zero, Alberta’s spending would be \$14.2 billion in 2023 – a 33% annual increase.

Table 7: Alberta’s Tourism Expenditure Deficit to BC (000s)

	2019	2021	2022	2023
Alberta Visitor Expenditures in BC	\$1,571,844	\$1,600,169	\$2,018,907	\$2,440,973
BC Visitor Expenditures in AB	\$518,242	\$547,669	\$772,490	\$930,159
Alberta Deficit	-\$1,053,602	-\$1,052,500	-\$1,246,417	-\$1,510,814

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. An over 21% increase in the year-over-year Alberta travel deficit with BC (2023 vs 2022) is indicative of Alberta’s eroding competitiveness in introducing new products and experiences to the market. Additionally, Albertans spent \$60 million more in the rest of Canada (outside of BC) than other Canadians spent here, bringing the total domestic deficit to nearly \$1.6 billion (Table 8).³

³ Statistics Canada National Travel Survey and Travel Alberta.

Table 8: Alberta-Canada Domestic Travel Expenditure Surplus/Deficit (\$000s)

	2022			2023		
	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
British Columbia	772,490	2,018,907	-1,246,417	930,159	2,440,973	-1,510,814
NFLD and Labrador	9,982	66,638	-56,656	32,092	173,322	-141,230
Nova Scotia	44,996	83,437	-38,441	39,742	141,652	-101,910
Prince Edward Island	4,884	20,647	-15,763	8,498	70,742	-62,244
New Brunswick	47,795	28,569	19,226	25,172	21,145	4,027
Manitoba	203,782	173,875	29,907	240,630	132,187	108,443
Quebec	297,770	135,891	161,879	260,901	201,679	59,222
Saskatchewan	521,579	166,549	355,030	616,730	388,455	228,275
Ontario	977,975	570,534	977,804	814,667	969,407	-154,740
Total	2,881,253	3,265,047	186,569	2,968,591	4,539,562	-1,570,971

Source: Statistics Canada National Travel Survey.

While Alberta total tourism spending is on the rise, the province is losing the battle for domestic visitors – both with Albertans and Canadians. The domestic visitor expenditure deficit in 2023 is -\$1.6 billion – compared to a surplus of \$186 million in 2022. Moreover, internationally, Albertans spent \$3.45 billion on visitor travel in 2022, but international expenditures in the province totalled \$1.53 billion – for a deficit of \$1.92 billion.⁴

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 Act, 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.⁵

This is an essential element for enabling the development and expansion of Alberta’s tourism industry, which will provide the long-term certainty needed to attract investment. A similar approach adopted in BC in 2005 is widely recognized as critical in the success that British Columbia has experienced in the development of its tourism industry, which now stands at \$21 billion in annual visitor expenditures (Table 9).⁶

⁴ Travel Alberta. 2023. 2024-2027 Business Plan: Wheels Up. Available at: https://travalberta-prod.dotcdn.io/contentAsset/raw-data/5a2a4789-791e-422e-9ac4-0b3322d898c8/fileAsset/Business%20Plan%202024-27_External.pdf

⁵ Government of Alberta. 2024. Developing all-season resorts across Alberta. Available at: <https://www.alberta.ca/developing-all-season-resorts-across-alberta>

⁶ Government of British Columbia, Ministry of Forests, Lands, Natural Resources Operations and Rural Development. Available at <https://www2.gov.bc.ca/gov/content/industry/natural-resource-use/resort-development>



Tongue on Post

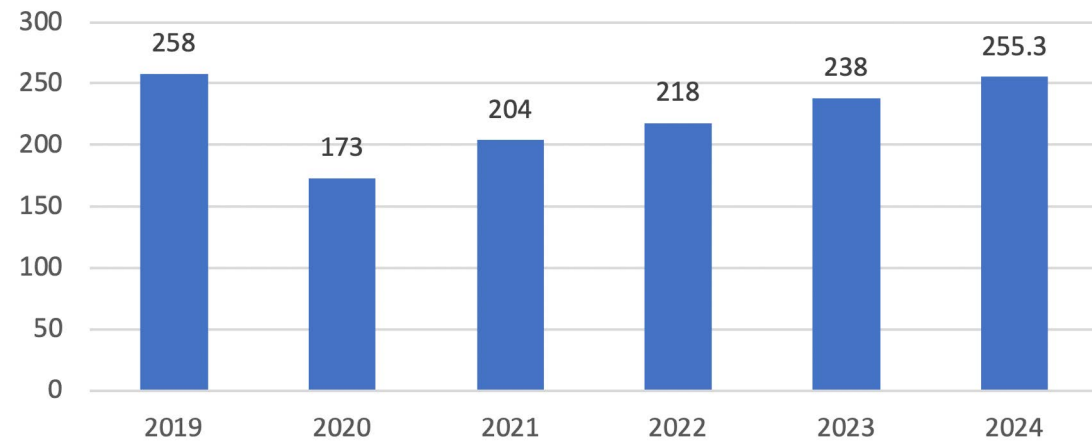
	BC	Alberta
2019	\$22.3	\$10.1
2022	\$17.0	\$10.7
2023	\$21.3	\$12.7
22-23 % Change	25.3%	18.7%

Source: Travel Alberta, Canada West Ski Areas Association

1.4. Alberta's Tourism Sector

With the increase in domestic and international visitors and tourism spending, the industry continues to improve economically. According to Tourism HR Canada, total tourism employment in Alberta is estimated at 255,000 jobs in 2024 (Figure 6). The sector has recovered 82,000 jobs since the pandemic and is just under 3,000 short of its 2019 high.

Figure 6: 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 is also recovering (Table 10). While there are approximately 1,400 fewer tourism businesses in Alberta since 2019 (or 6% less), the industry grew by nearly 1,000 businesses since 2022, most of which was in the transportation and recreation sub-sectors.

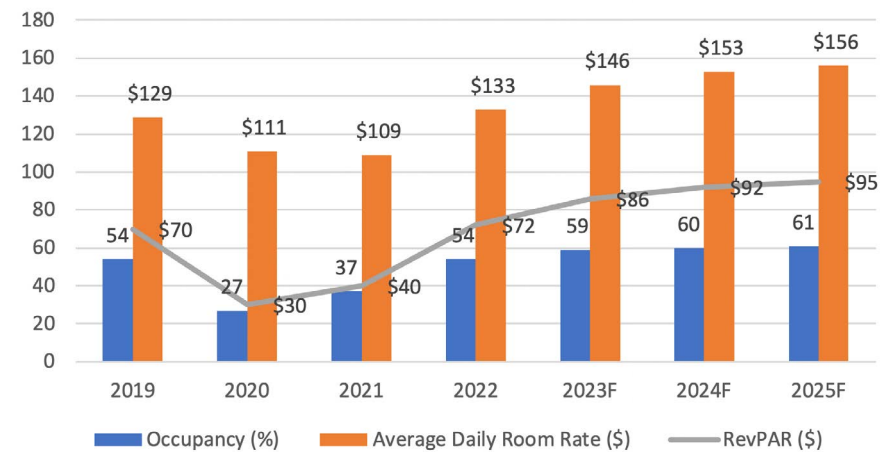
Table 10: Number of Tourism Businesses in Alberta 2019-2023

	2019	2021	2022	2023	2019-23 Difference	2019-23 % Change
Accommodation	2,352	2,266	2,408	2,219	-133	-6%
Food and Beverage	10,153	10,140	10,461	9,598	-555	-5%
Recreation and Attractions	4,942	4,046	4,388	4,680	-262	-5%
Transportation	7,136	4,873	5,193	6,930	-206	-3%
Travel Services	994	802	764	720	-275	-28%
Total	25,594	22,128	23,214	24,140	-1,454	-6%

Source: Statistics Canada. Table 33-10-0493-01 Canadian Business Counts, with employees, December 2021

Alberta hotel performance has also been consistently improving since 2020 (Figure 7). According to CBRE, occupancy, room rates and revenue per available room (RevPAR) are all higher in 2024 than in 2019 and forecasts for 2025-26 are positive for all metrics.⁷

Figure 7: Alberta Hotel Performance



Source: CBRE Hotels Canada Industry Outlook Q3 2022. Available at <https://www.cbre.ca/insights/reports/cbre-hotels-canada-industry-outlook-q3-2024>

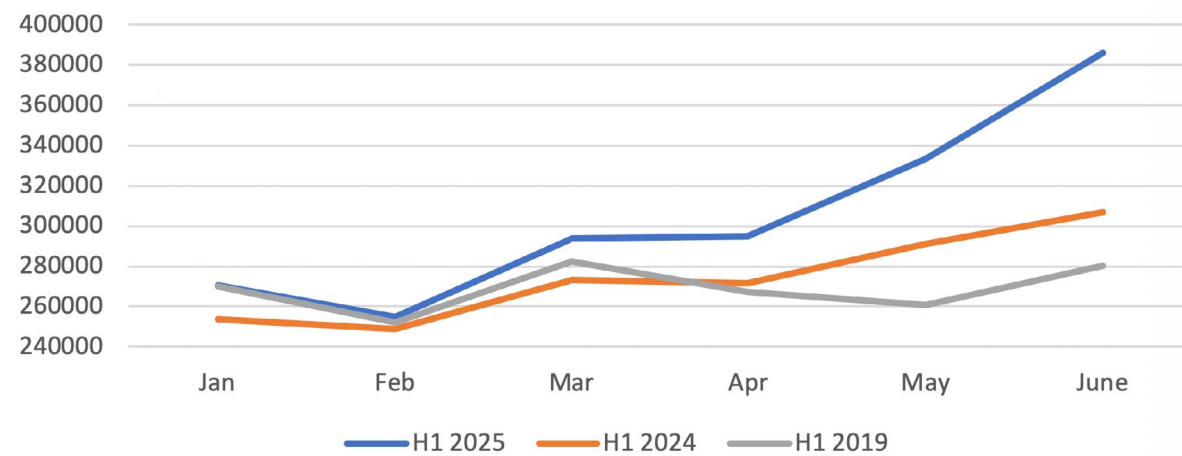
According to Royal LePage Commercial's 2024 Hospitality Report, "continued population growth and economic stabilization will likely sustain demand for hospitality services, leading to higher ADRs and RevPAR (Revenue Per Available Room)."⁸

The industry is also benefiting from expanded air access. In the first half of 2025, Alberta international seat capacity is expected grow by over 3,100 seats relative to 2022, which is 37,000 more than in 2019 (Figure 8).⁹

Alberta's hotel performance has outpaced 2019 levels, with rising occupancy, room rates, and air access fueling growth into 2025 - 2026

⁷ CBRE. 2024. CBRE Hotels Canada Industry 2024 Outlook. Available at: <https://www.cbre.ca/insights/reports/cbre-hotels-canada-industry-outlook-q3-2024>
⁸ Royal LePage Commercial. 2024. 2024 Hospitality Report.
⁹ Travel Alberta. 2024. International Direct Seat Capacity Compared to 2019 - Next 6 Months. Available at: <https://industry.travelalberta.com/research/tourism-indicators/air-access>

Figure 8: Alberta International Direct Seat Capacity



Source: Travel Alberta. 2024.

Much of this growth in capacity comes as WestJet announced an 11% and 23% capacity increase this summer in Calgary and Edmonton respectively.¹⁰ These increases build on WestJet’s 2022 MoU with the province, which include the following ambitions:¹¹

- By 2025, a 47 per cent growth in seat capacity since 2022, with WestJet now operating more than 100 aircraft from Alberta, offering more than 130 non-stop routes.
- A robust network connecting Alberta to the world, carrying more than 14 million guests annually and operating more than 450 daily flights to and from the province, making WestJet a critical link for both regional and international markets.
- Expanding Alberta’s network connectivity with 42 new routes since 2022, including service to Asia and Europe and 20 new transborder routes.

Recently WestJet announced 5 weekly non-stop flights between Calgary and Mexico starting in May 2025.¹² This “provides vital links for Alberta’s business sectors, allowing greater access to one of North America’s largest consumer markets and one of the world’s largest trading markets.” The company will now serve 13 cities in Mexico from 24 Canadian cities in 2025.

These efforts to grow connection routes and seat capacity in the province will contribute to increasing the proportion of international visitor volumes through Alberta airports, relative to the rest of Canada. While Alberta’s share of airport traffic has grown from 13% to 15% for US travellers, and from 6% to 7% for overseas travellers, Toronto, Montreal and Vancouver continue to dominate the US (77%) and international (90%) airport markets (Figures 9 and 10).



WestJet is fueling Alberta’s air travel, expanding capacity by 47% since 2022, adding 42 new routes and launching non-stop Calgary - Mexico flights in 2025.

Figure 9: US Arrivals to Canada By Airport 2023

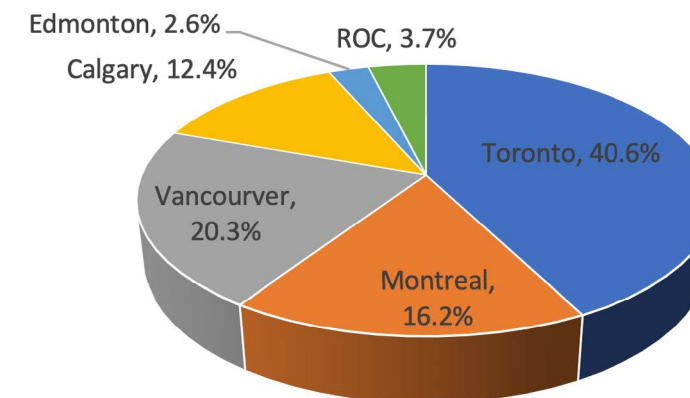
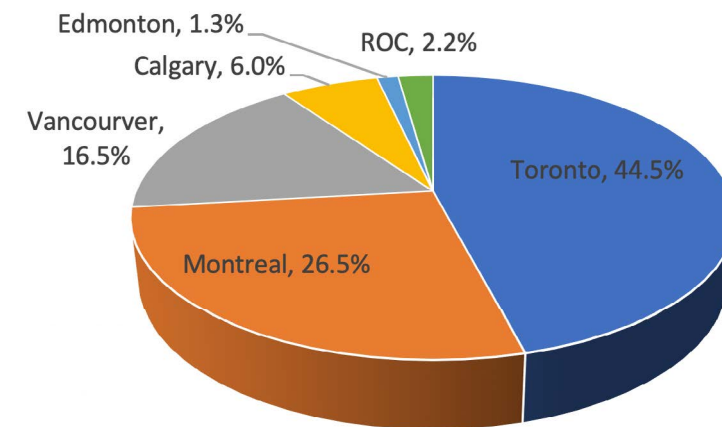


Figure 10: International Arrivals to Canada By Airport 2023



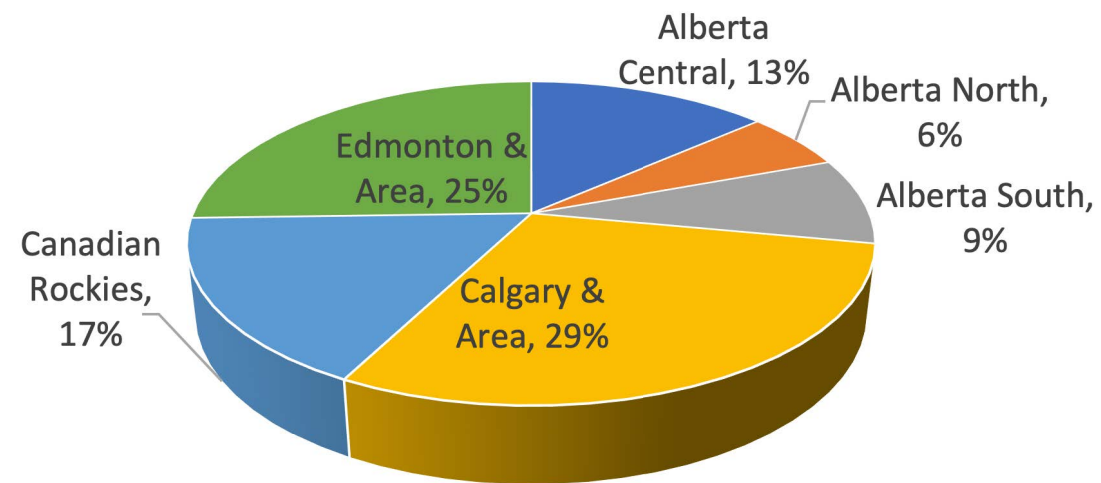
¹⁰ WestJet. 2024. WestJet unveils comprehensive summer schedule, strengthening connectivity with 10 per cent growth in seat capacity across its network. November. Available at: <https://westjet.mediaroom.com/2024-11-18-WestJet-unveils-comprehensive-summer-schedule,-strengthening-connectivity-with-10-per-cent-growth-in-seat-capacity-across-its-network>

¹¹ 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>

¹² WestJet. 2025. Jet set to Mexico City: WestJet’s new non-stop Calgary route set to take off in summer 2025. Available at: <https://westjet.mediaroom.com/2025-01-13-Jet-set-to-Mexico-City-WestJets-new-non-stop-Calgary-route-set-to-take-off-in-summer-2025>

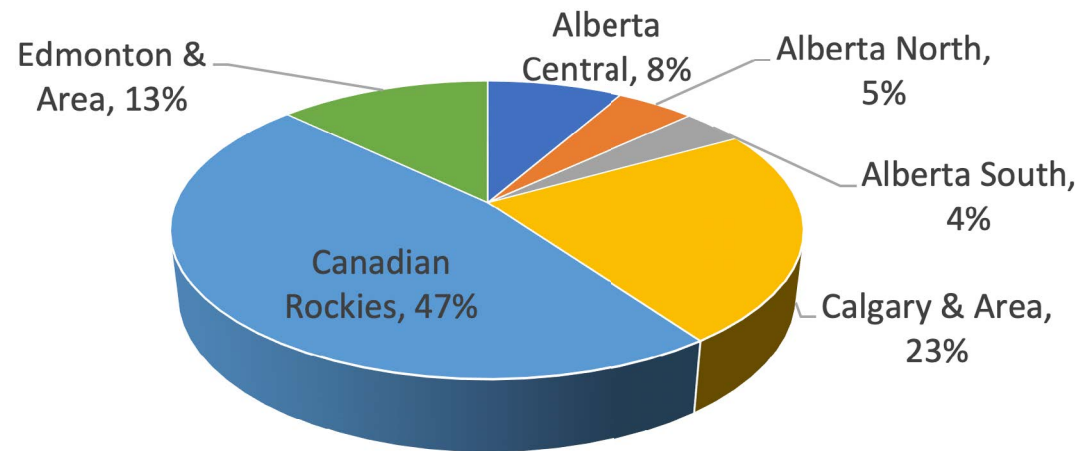
Additionally, Alberta’s tourism market continues to be concentrated in Calgary, Edmonton and the Canadian Rockies (Figures 11 and 12). Domestically the region accounts for 70% of total tourism expenditures in the province. Internationally, this increases to 83%, with 47% of international visitors going to the Canadian Rockies.

Figure 11: Domestic Visitor Expenditures by Region



Source: Travel Alberta 2019 visitor profiles by region. Available at: <https://www.alberta.ca/alberta-visitor-profiles.aspx>

Figure 12: International Visitor Expenditures by Region



Source: International proportions from 2014 Travel Alberta Visitor profiles by region, cross-referenced with Statistics Canada 2019 NVS actual expenditures by region, which are publicly available separately for the Rockies and Calgary regions as a means of calibration.

This poses both a challenge and opportunity for the province, as diversifying Alberta’s tourism regions and product offerings will help create the capacity needed to attract additional visitors and achieve the ambitious goals within the *Higher Ground* strategy.

2

Looking to 2025 and Beyond: Optimism for Continued Tourism Growth

The tourism industry thrives when economies are strong and global international dynamics are stable and supportive of travel and human connectivity.

In 2024, the *UN World Tourism Organization Panel of Experts* estimates that industry finally recovered from pre-pandemic levels and will continue building on this momentum into 2025.¹³ Specifically:

- An estimated 1.4 billion international tourists (overnight visitors) were recorded around the world in 2024, an increase of 11% over 2023, or 140 million more.
- Total export revenues from tourism (including passenger transport) are estimated at a record USD \$1.9 trillion in 2024, about 3% higher than before the pandemic and 4% more than in 2019 (real terms).
- International tourist arrivals are expected to grow 3% to 5% in 2025 compared to 2024, according to preliminary estimates.

Global and national economies are expected to maintain stable growth through 2025-26 (Table 11). According to the International Monetary Fund (IMF) advanced and emerging economies are expected to maintain or increase GDP growth levels relative to 2024.

¹³ UN World Tourism Organization. 2025. International tourist arrivals recover pre-pandemic levels in 2024. January. Available at: [https://www.unwto.org/un-tourism-world-tourism-barometer-data#:~:text=International%20tourism%20virtually%20recovered%20\(99,most%20destinations%20exceeding%202019%20numbers](https://www.unwto.org/un-tourism-world-tourism-barometer-data#:~:text=International%20tourism%20virtually%20recovered%20(99,most%20destinations%20exceeding%202019%20numbers)

Table 11: Economic Growth Forecasts (GDP % Change)

	2023	2024F	2025F	2026F
Global Economic Growth	3.3	3.2	3.3	3.3
Advanced Economies	1.7	1.7	1.9	1.8
Emerging Economies	4.4	4.2	4.2	4.3
United States of America	2.9	2.8	2.7	2.1
United Kingdom	0.3	0.9	1.6	1.5
Canada	1.5	1.3	2	2
Japan	1.5	-0.2	1.1	1.8
China	5.2	4.8	4.6	4.5
India	8.2	6.5	6.5	6.5

Source: IMF World Economic Outlook Report. Jan 2025 <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

Domestically the Bank of Canada has embarked upon an ambitious schedule of interest rate reductions in 2024 – decreasing from 5% in April to 3.25% in December.¹⁴ Moreover, economists continue to expect further interest rate reductions in 2025.¹⁵ With inflation largely in hand and business investment expected to increase, the Bank predicts the Canadian economy will expand in 2025 and 2026 (Table 12).

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

	2023	2024	2025	2026
Consumption	0.9	1.2	0.7	1.1
Housing	-0.9	0	0.5	0.5
Government	0.5	0.7	0.6	0.4
Business Fixed Investment	-0.1	-0.1	0.4	0.5
GDP	1.2	1.2	2.1	2.3
CPI Inflation	3.9	2.5	2.2	2

Source: Monetary Policy Report. Oct 2024. Available at: <https://www.bankofcanada.ca/publications/mpr/mpr-2024-10-23/>

At a provincial level Alberta is forecasted lead the country in economic growth through 2026 (Table 13). According to RBC:¹⁶

“Robust commodity markets and strong population growth have kept demand and output churning at a solid pace, promoting a relatively healthy labour market and positive sentiment around business investment...Lower interest rates should help the household sector also as debt loads lighten for some Albertans. We see this stimulating greater per capita spending, supporting a 2.1% increase

in retail sales on the heels of a particularly weak year for spending (0.9%).”

Moreover, strengthening economies in Ontario, BC, Saskatchewan and Quebec could help buttress interprovincial travel expenditures in Alberta.

Table 13: RBC Provincial Economic Outlook

	2024F	2025F	2026F
Alberta	2.7	2.8	2.5
BC	0.9	1.5	1.8
Saskatchewan	1.9	1.9	2.1
Ontario	0.7	1.2	1.5
Quebec	1.2	1.2	1.4

Source: Royal Bank of Canada. Macroeconomic Outlook. Available at: <https://thoughtleadership.rbc.com/canadas-growth-prospects-brighten-in-2025-but-not-without-challenges/>

Clearly the 2025 outlook is favourable for the tourism industry in Alberta. However, the single greatest near-term risk to the Canadian economy in 2025 is the prospect of a 25% tariff on all Canadian imports to the US – which is currently being contemplated by President Trump. According to TD Economics, “an estimated 46,000 companies in Canada depend on exporting to the U.S., supporting around 2 million jobs. That makes up nearly 10% of total employment...there are more than 300,000 jobs in Alberta tied to exports.”¹⁷ From a tourism perspective more directly, the prospect of tariffs can create a nationalist sentiment in Canada and the US, which could lead to decreased US tourists visiting Canada in the near term.

RBC has estimated that a 25% tariff could wipe out Canadian growth for up to three years, which is consistent with the Bank of Canada findings that Canadian GDP would decrease from -3.4 to -4.2 percentage points, compared to what would otherwise be expected.¹⁸

Alberta’s tourism outlook for 2025 is strong, but a proposed 25% U.S. tariff threatens exports, 300,000 jobs, and U.S. visitor demand.



¹⁶ RBC. 2024. Canada’s growth prospects brighten in 2025 but not without challenges. December. Available at: <https://thoughtleadership.rbc.com/canadas-growth-prospects-brighten-in-2025-but-not-without-challenges/>

¹⁷ TD Economics. 2025. What are tariffs and how could they affect Canada’s economy? January. Available at: <https://stories.td.com/ca/en/article/what-are-tariffs-us-canada>

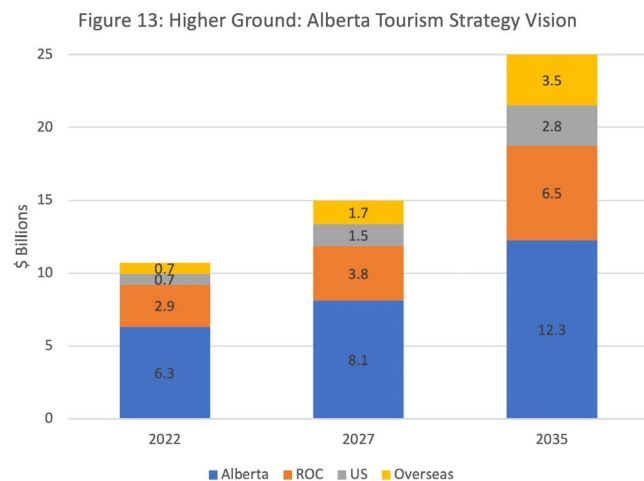
¹⁸ RBC Economics. 2025. A U.S.-Canada trade shock now in play: first economic takeaways. January. Available at: <https://thoughtleadership.rbc.com/a-us-canada-trade-shock-first-economic-takeaways/>



Reaching Higher Ground

Achieving Alberta's \$25 billion tourism goal by 2035 could add \$21 billion to GDP and 233,000 jobs. However, reaching higher ground will require increased investment in destinations, infrastructure, and air access.

Through its *Higher Ground Tourism Sector Strategy*, the province has set an ambitious goal of growing tourism expenditures to \$25 billion by 2035 (Figure 13).¹⁹



The economic benefits of achieving this goal are compelling – \$21 billion in GDP, \$2.8 billion in taxes and 233,000 jobs. However, it also requires substantial effort and strategic investment – \$25 billion is equivalent to a 97% increase relative to 2023 visitor expenditures. On an annualized basis, this represents a 6% increase year over year from 2023 and 2035.

¹⁹ 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>

The industry grew by 6.5% on average annually between 2019-23, so it is an achievable goal. While this growth rate has been impressive, it has largely been driven by the resurgence of international visitors since the pandemic, as domestic expenditures increased by only 6.4% between 2022-23 after recovering substantially the year prior. Moreover, the wildfire that devastated the Town of Jasper is going to diminish both domestic and international visitor spending in the national park, and the tourism economy is not likely to fully recover before 2030.

A more robust approach that supports government's aims to create a larger, more economically contributive sector of the economy will require greater public investment in new destination development, new tourism product and service development, supporting infrastructure investment, and investment in the development of more direct air access routes in alignment with air partners. This financial commitment will complement the strong policy commitment on the part of government to execute on its vision.

Government funding for the sector has not kept pace with its GDP and employment contribution. Table 14 depicts the sector's GDP and employment ranking over time, and relative to government spending levels.

Table 14: Alberta Tourism Industry 2019 - 23 Dashboard

	AB GDP Ranking	AB Jobs Ranking	Govt Spending/\$million GDP	Govt Spending per Job	Govt Tourism Spending (\$million)
2019	15	14	43	3,646	303
2021	18	16	63	5,407	286
2022	14	13	40	3,457	302
2023	13	12	37	3,151	325
2019-22 Change	+1	+1	-7.0%	-5.2%	-0.7%
2022-23 Change	+1	+1	-8.4%	-8.9%	+7.9%

Source: Derived by Verum from Statistics Canada. Table 36-10-0402-01, Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000). Table 14-10-0022-01 Labour force characteristics by industry, monthly, unadjusted for seasonality (x 1,000). <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201> <https://www150.statcan.gc.ca/t1/tbl1/en/>

Tourism was the 13th largest sector by GDP in 2023 – ahead of information and culture, agriculture, utilities, accommodation and food services, mining, arts entertainment and recreation, forestry and management. Its ranking has increased from 14th position in 2022, 18th position in 2021, and 15th position in 2019.

From an employment perspective, tourism was the 12th largest sector in 2023 – greater

Tourism in Alberta grew 6.5% annually from 2019 to 2023, but sustaining this pace hinges on stronger investment.

Tourism outperforms agriculture and forestry in GDP and jobs but gets far less funding - just \$3,151 per job vs. \$21,397 for agriculture and \$54,448 for forestry.



than wholesale trade, information and culture, agriculture and forestry. With the exception of the 2021 pandemic year, Tourism employment has consistently increased in ranking relative to other sectors since 2019.

Despite its strong contribution to GDP and employment across the province, the level of government funding support for the tourism industry is not commensurate with its economic contribution and potential. Government spending on tourism per \$ millions of GDP and number of jobs decreased 8.4% and 8.9% respectively between 2022-23.

What is striking is that the tourism industry, which is tasked to double revenues by 2035, received approximately \$82 million in funding support annually. When combined with culture, sports and recreation, arts, parks and heritage expenditures, this number increases to \$325 million. This is in contrast to other key industries in the province such as Energy (\$1,048 million), Forestry (\$412 million), and Agriculture (\$1,100 million).

Table 15: 2023 Government Funding Relative to Jobs and GDP Contribution by Industry

Industry	GDP (\$ million)	Jobs	Govt Spending 2022-23 -2024-25 Average (000s)	Govt Funding per \$000s of GDP	Govt Funding per Job
Tourism	\$8,873	103,184	\$325,087	\$37	\$3,151
Agriculture	\$5,408	44,750	\$957,507	\$177	\$21,397
Forestry	\$442	3,600	\$196,014	\$447	\$54,448
Oil and Gas	\$64,725	133,742	\$969,752	\$15	\$7,251

Source: Derived by Verum Consulting from Government of Alberta and Statistics Canada.

For every job in the tourism industry, the government spends approximately \$3,100. Comparatively, the government spends approx. \$21,400 per job in agriculture, \$54,500 in forestry and \$7,200 in oil and gas. In 2023 government spent 7 times more per job on agriculture relative to tourism, 17 times more on forestry and 2.3 times more on oil & gas (Table 16).

Table 16: Govt Spending Per Job, Relative to the Tourism Industry

	Agriculture	Forestry	Oil and Gas
2023	6.8	17.3	2.3
2022	12.1	14.0	2.7
2021	8.9	16.6	1.7
2019	6.5	39.0	2.3
Average	8.6	21.8	2.2

Source: Derived by Verum Consulting from Government of Alberta and Statistics Canada.

At parity, this would translate into an additional \$423 million of government spending for tourism compared to energy, \$1.8 billion compared to agriculture and \$5.9 billion compared to forestry.

3.1 Catalysing Investment in Alberta Tourism Products and Amenities

In 2019 the Alberta government made what could be considered unprecedented policy commitments to support the tourism sector, one of the most notable was to reorient Travel Alberta from a destination marketing organization to a destination management organization with a mandate for more active facilitation of private investment and government partnership in the industry.

Travel Alberta has embraced its mandate as a destination management organization and is using the approximate incremental \$20 million in annual funding over three years to support targeted, private sector catalyzing investments, based on an assessment of high potential opportunities in select regions across the province.

Its 2024-27 business plan destination development priorities include: ²⁰

- Stimulate growth across select destinations and tourism businesses.
- Attract and facilitate private sector investment.
- Enable tourism businesses to launch and prosper.

Through its investment attraction programs, Travel Alberta offers funding to tourism businesses and investors to de-risk and attract tourism investments across all areas of the province.

By purposefully creating the authentic, nature-based and sustainable tourism products and

²⁰ Travel Alberta. 2024. 2024-27 Business Plan: Wheels Up. Available at: https://travalalberta-prod.dotcdn.io/contentAsset/raw-data/5a2a4789-791e-422e-9ac4-0b3322d898c8/fileAsset/Business%20Plan%202024-27_External.pdf

experiences that visitors desire, local economies will be stronger, supporting more year-round businesses and persons employed in the visitor economy. These new and timely products and experiences that come on stream will drive additional visits, longer stays, and more spending per trip.

This effort could not have come at a more important time. In 2024 the World Economic Forum ranked Canada in 11th place on its Travel and Tourism Development Index (TTDI), which measures “the set of factors and policies that enable the sustainable development of T&T”.²¹ Canada used to be in the top 10 of this ranking, and Destination Canada has set a goal for Canada to be in 7th place by 2030.²²

However, to raise Canada’s international tourism investment attractiveness ranking, Canada needs to overcome a number of key challenges. Specifically, Canada scores poorly on demand sustainability, availability of cultural resources, prioritization of T&T, openness to T&T and price competitiveness.²³ These terms are defined below:

- **T&T Demand Sustainability:** Measures factors that may indicate the existence of, or risk related to, overcrowding, demand volatility and other potentially unsustainable demand trends.
- **Cultural Resources:** Measures the availability of cultural resources such as archaeological sites and entertainment facilities. To an extent, this pillar captures how cultural resources are promoted and developed rather than the actual existing cultural heritage of a country.
- **Prioritization of T&T:** Measures the extent to which the government actively promotes, tracks and invests in the development of the T&T sector.
- **Openness to T&T:** Measures how open a country is to visitors and facilitating cross-border travel.
- **Price Competitiveness:** Measures how costly it is to travel or operate in a country.

The lack of demand sustainability, cultural resources and government prioritization are all factors within direct control of the Alberta government.

Fragile demand sustainability can be addressed by expanding visitor hosting capacity/accommodation in the province, while increasing cultural resources can be achieved by expanding the visitor experience offerings. The list below is a summary visitor experiences/trip anchor drivers that are desired by international visitors to Alberta:²⁴

- Northern Lights
- Natural Attractions Like
- Mountains



- Hiking or Walking in Nature
- Viewing Wildlife
- Exploring Indigenous culture traditions or history
- Guided Train Tours
- Snowshoeing or Cross-Country Skiing

In Alberta, the primary (legacy) tourism destinations are Calgary, Edmonton and the Rockies. These are established visitor centres and business case for tourism investment in these areas is well-established. However, outside of these major visitor centres, the case for investment is less well established and, may introduce a higher degree of risk to investors.

Strengthening demand sustainability and increasing cultural resources can both be addressed through strategic government levers to both promote and financially de-risk these investments.

²¹ World Economic Forum. 2024. Travel and Tourism Development Index. May. Available at: https://www3.weforum.org/docs/WEF_Travel_and_Tourism_Development_Index_2024.pdf

²² Radio Canada. 2024. Canada wants to be in the top 10 global tourism destinations — but it’s struggling to get there. August. Available at: <https://ici.radio-canada.ca/rci/en/news/2094148/canada-global-tourism-top-10>

²³ World Economic Forum. 2024. Travel and Tourism Development Index. May. P 32. Available at: https://www3.weforum.org/docs/WEF_Travel_and_Tourism_Development_Index_2024.pdf

²⁴ Source: Travel Alberta. 2024.

Through its strategy to achieve government’s goal to increase visitor expenditures to \$25B by 2035, Travel Alberta has recognized that accommodation investments are demand drivers and that 7,000 more rooms will be required to meet this objective.²⁵ This is equal to the number of rooms that came into the market over the last 10 years.

To understand the economic viability of accommodation investments in Alberta, Travel Alberta commissioned CBRE Hotels and CBRE Tourism Consulting (“CBRE”) to “undertake an Accommodation Development Assessment for the province of Alberta. This project was designed to review Travel Alberta’s initial analysis of the provincial accommodation sector and room supply gap analysis...and provide recommendations relative to the areas of the highest potential for new supply across the province.”²⁶ . Key product offerings considered include luxury ecolodges, resort hotels, motel redesigns and luxury glamping products.

Three near-term viable projects evaluated by CBRE include a luxury ecolodge and two resort hotels, representing a total of 360 new hotel rooms, which have the potential to generate significant economic benefits (Table 17).



In addition to the construction related benefits \$184 million in GDP, 1,500 jobs and \$6.3 million in taxes, these projects will attract additional visitors and increase visitor spending in the province over time. Assuming 57% occupancy, an average daily room rate of \$519 (as per CBRE estimates)²⁷ and a completion date of 2029, these units would generate an additional \$178 million in visitor spending annually, and \$1.1 billion cumulatively to 2035.

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While these specific projects are economically viable, these and other viable projects need investors to become a reality. Through its investment attraction programs, Travel Alberta markets these projects and provides catalytic stimulus of up to \$500,000 per project help investors de-risk these and other economically viable tourism projects across the province.

One potential funding source is the Alberta Tourism Levy (ATL), which was established in 2005 as a 4 per cent surcharge on all temporary fixed roof accommodation in Alberta. The original intent was that 100% of the revenue collected would be dedicated to the ministry responsible for tourism, however, this has changed over time. Prior to 2015, Travel Alberta received between 70-80% of the levy revenues as the destination marketing agency. Since then, the formal linkage between Travel Alberta’s budget and the tourism levy has ceased.

There is a compelling case for allocating the full value of the Tourism Levy to Travel Alberta (or allocating an equivalent funding envelope) given that the government recently expanded the organization’s mandate to that of a destination management organization. In 2024 the levy generated \$118 million in revenue.

Recognizing that the dedication of the ATL to support the Travel Alberta Corporation will still fall short of the needed government financial supports to generate \$25B in travel related expenditures by 2035, the government would be well-served to commit, through budget appropriations, an additional funding tranche of no less than \$60M/year over the next 5-years, 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 and labour force development. The

²⁷ CBRE. 2024. Final Report: Luxury Ecolodge Hinton Investment Package. Prepared for Travel Alberta. P 16

²⁸ Assumes accommodation is 22% of total visitor spending

Table 17: Alberta Tourism Accommodation Potential

Property Type	Location	Rooms	Cost per Room	Total Construction Cost	Construction GDP	Construction Jobs	Construction Tax Revenues
Luxury Ecolodge	Hinton	80	\$500,000	\$40,000,000	\$40,920,000	342	\$1,400,000
Resort Hotel	Drumheller	80	\$500,000	\$40,000,000	\$40,920,000	342	\$1,400,000
Resort Hotel	Kananaskis <small>Source: CBRE, Statistics Canada</small>	200	\$500,000	\$100,000,000	\$102,300,000	855	\$3,500,000
Total		360	\$1,500,000	\$180,000,000	\$184,000,000	1,538	\$6,300,000

²⁵ Travel Alberta. 2024. *From Recovery to Resilience & Onward*. Presentation to AHLA Ascend Conference.

²⁶ CBRE. 2024. Final Report: Luxury Ecolodge Hinton Investment Package. Prepared for Travel Alberta.

total annual incremental funding of \$178 million represents a fraction of the economic benefits associated with achieving the government’s \$25B 2035 goal.

3.2 An Alberta Tourism Experience Tax Credit²⁹

Successful implementation of the Alberta Tourism Sector Strategy will require the province to be able to compete with other jurisdictions. As discussed, while total tourism spending is on the rise, the province is losing the battle for domestic visitors – both with Albertans and Canadians. The domestic visitor expenditure deficit in 2023 is -\$1.6 billion – compared to a surplus of \$186 million in 2022. Moreover, internationally, Albertans spent \$3.45 billion on visitor travel in 2022, but international expenditures in the province totalled \$1.53 billion – for a deficit of \$1.92 billion.³⁰

Closing the interprovincial expenditure deficit should be a key priority for government policy makers, as this is the first line of defense in reducing economic leakage into other jurisdictions and growing the tourism economy in the province – this could be a particularly effective strategy not only relative to BC, but also the US in the event trade relations become strained and it becomes less desirable for Albertans to travel there.

However, this requires a concerted effort to encourage Albertans to vacation within the province. Albertans currently account for 84% of total visitation in the province (Figure 3). Albertans also spend the least per trip of all visitors to the province. At \$215, Albertans spend 27% of what other Canadians spend, 17% of the average American, and 16% of the average overseas visitor (Table 18).

	Expenditures (Billions)	Visitors (Millions)	Expenditures per visitor
Alberta	6.8	31.7	\$214.5
ROC	3.0	3.8	\$789.5
US	1.6	1.3	\$1,230.8
Overseas	1.3	.963	\$1,349.9
Total	12.7	37.763	\$336.3

Source: Travel Alberta Tourism Indicators. <https://industry.travelalberta.com/research/tourism-indicators/>

Achieving the government targets will require that Albertans increase both in their number of visits per capita, as well as how much they spend per trip. The province could accelerate more spending by Albertans by incentivizing Albertans to increase their per capita visitation and spending per trip, in concert with the execution of the Alberta Tourism Sector Strategy.

²⁹ This section draws from TIAA’s 2024 Tourism Experience Tax Credit Report. Available at: <https://www.tiaalberta.ca/download/eJwFwQEKgCAMAMAXORWbab9Z2j-KlDYIen13u!qQxVo5r!OUHgUJQI2!ftMrUHqzFQtvhZ0j!OZYkomi3r!fHTMkdM6exiVf9GtF6Y=/TIAA%20TETC%20Report%202024%20-%20Apr%2024.pdf>
³⁰ Travel Alberta. 2023. 2024-2027 Business Plan: Wheels Up. Available at: https://travalberta-prod.dotcdn.io/contentAsset/raw-data/5a2a4789-791e-422e-9ac4-0b332d898c8/fileAsset/Business%20Plan%202024-27_External.pdf

An Alberta Tourism Experience Tax Credit could be a significant catalyst to grow the province’s domestic tourism market and leverage government and industry efforts to develop the industry’s product offering across the province – thus supporting provincial efforts to achieve the ambitious vision for tourism expenditure growth.

Just as the province leaned-in to help build the province’s film and television industry to an industry worth over \$1 billion and 9,000 jobs through the Alberta Film and Television Tax Credit³¹, an Alberta Tourism Experience Tax Credit could have a transformational impact in creating new businesses, jobs and additional tax revenue for the government.

Moreover, taking a “Made in Alberta”³² approach to tourism, similar to what the government has done to promote the province’s food and beverage industry, could readily raise awareness about Alberta tourism products and experiences and promote awareness of and support for Alberta-based tourism businesses, and jobs.

Unlike other policy instruments government might consider stimulating a desired economic outcome, a refundable tax credit is only paid by government on the back end of a consumer purchase, thus ensuring government only pays-out on having received the incremental economic benefit. Additionally, the government could offer a tourism discount scheme for tourism products and experiences in provincial parks during off-peak months as a complimentary approach .

3.3. Tourism Industry Workforce Housing Strategy³³

Alberta’s visitor economy currently employs approximately 100,000 Albertans; however, it is forecast that to reach the \$25B target by 2035 more than 100,000 additional employees will be required. From a sectoral perspective, over 32,000 new positions will be in food and beverage, 23,000 in transportation, 20,000 in accommodation, 14,000 in recreation and 10,000 in clothes, gifts and other. Calgary and Edmonton are expected to need approximately 30,000 and 26,000 new employees respectively, while the Canadian Rockies will require 18,500 new employees.

Housing affordability is an essential component in solving the industry’s labour shortages. While this is a strategic challenge facing many sectors of the economy, it is a structural issue within the tourism sector.

Employees in tourism related industries such as accommodation, arts, entertainment and recreation have a housing price to income ratio of between 12 to 13. For food and beverage employees, the value is significantly higher at 19. This compared to the economy as a whole at 7.

³¹ Global News. 2021. Alberta film and television tax credit brings \$1B in production since January 2020: Kenney. Accessed at: <https://globalnews.ca/news/8082018/kenney-film-tv-alberta-covid-19-changes/>
³² Government of Alberta, Made in Alberta. Available at: <https://madeinalberta.co/about/>
³³ This section draws from the findings of TIAA’s Industry Housing Strategy Report: Tourism Industry Association of Alberta. 2024. An Alberta Tourism Industry Workforce Housing Strategy. Available at: <https://www.tiaalberta.ca/download/eJwFwQsKgCAMANATbTr8pN1mqVGUGW0QdPre21RvMY2R@TxE!VEUh9z5Gxe@gmV0422wFyBZDmCr95CoqUBNddyJin0vCu6w!83hdi/TIAA%20Alberta%20Tourism%20Industry%20Workforce%20Housing%20Strategy.pdf>



That said, the tourism industry is unique in that it provides a significant proportion of compensation in the form of non-wage benefits, including non-market housing, discounted or free meals, employee discounts on products and gratuities for food service employees. Combined, these benefits contribute an additional 20 to 30% to income which, while a substantial increase to the base wage, still leaves the industry in a structural disadvantage relative to other sectors.

In fact, there are various roles within the industry (such as supervisors, managers, senior leaders) that command salaries that are well above those of entry-level employees. However, even these individuals struggle to find affordable housing in their communities. In effect, building tourism careers requires access to affordable accommodation.

The key workforce housing challenges confronting the tourism industry in Alberta are driven by a number of factors, including:

- Market demand driving price appreciation due to strong population growth, a strong economy and high demand for primary and recreational housing.
- Increased investment demand for short term rental accommodation which competes with full time residents for housing supply.
- The seasonal nature of the industry, which creates demand for housing accommodation during peak seasons for travelling resort workers exploring resort destinations for an interim period. It is this segment that is best served by employee housing offerings provided by employers/ the municipality etc.
- Limited supply of entry level housing/ housing to accommodate young individuals and families looking to build a career in the industry. This segment is perhaps the most poorly served in the housing market (particularly in tourism communities, as these groups seek affordable higher quality offerings, and their needs are not generally met through employee housing.
- Limited economics of purpose-built rental accommodation due to limitations on employer deductions for employee lodging and challenged project economics

relative to condominium developments.

- Zoning and community densification/ development limitations that prevent critical new housing supply for being brought to market.
- Limited access to transportation, which is an essential requirement in well-planned resorts and in cities with successful tourism industries. Convenient and affordable transportation options are necessary for attracting and retaining tourism employees as well as visitors to tourism destinations.

Established resort destinations such as Banff, Canmore and Jasper have significant land supply constraints and tend to attract a more mobile worker population (e.g. international workers) compared to major urban centres such as Calgary and Edmonton. Employers in tourism-based communities are or are more likely to provide some form of living accommodation for staff, often in conjunction with the direction of the municipality. Tourism is also a major industry in Alberta's urban centres. At \$3 billion in expenditures, the Calgary area is the largest tourist region in the province, while Edmonton is second at \$2.5 billion.

Unlike tourism-based communities where employment is principally oriented around supporting the local tourism economy, tourism employers in economically diverse, urban centers do not offer staff accommodation housing to near the same extent as tourism-based communities, which leaves employees more exposed to tight housing market conditions.

Governments at all levels are prioritizing housing affordability:

- Alberta's tourism municipalities are already seeking to address housing affordability through a variety of tools including staff housing requirements, direct funding, purpose-built rental incentives, freezing new tourist home developments and applying differential taxes on vacant properties.
- Calgary, Edmonton and Banff have undertaken substantive efforts to strengthen housing supply through city-wide zoning reforms that permit higher density housing in residential areas.
- The federal government has significantly prioritized housing affordability in its 2024 Canada's Housing Plan and subsequent Federal Budget, and
- The province has several affordable housing programs and is advancing a 10-year affordable housing strategy that seeks to support 82,000 households in the province.
- The Town of Jasper was tragically devastated by wildfire this summer. Approximately one third of the Town was destroyed. It is imperative that a comprehensive strategy involving the Town, the province, the federal government and industry be advanced to enable the Town of Jasper to recover and rebuild its employee housing stock in addition to its residential properties.



The increased focus of tourism as a priority in urban centres creates an increased impetus for industry specific housing and labour solutions to be advanced in these centres. The industry faces similar structural challenges in urban centres as it does in tourism-based communities – albeit to a lesser degree. Key best practices that could be applied in tourism-based communities and urban centres include:

- ❑ Municipal Housing Authority
- ❑ Community Land Trust (CLT)/ Co-operatives
- ❑ Land Use Policy
- ❑ Tax/ Fiscal Policies
- ❑ Industry Direct Housing Provision or
- ❑ Combination of Tools

The critical element from a tourism industry perspective is ensuring the industry, the province and the municipality co-invest to create the housing solutions needed to meet workforce needs.

While governments at all levels are streamlining housing approval processes and providing funding/resources to support housing supply and affordability, tourism industry employees are disproportionately disadvantaged relative to other sectors of the economy as a higher percentage of take-home income goes toward securing housing needs.

For the province to be successful in increasing tourism expenditures to \$25 billion by 2035, it needs to develop a specific government housing support strategy for the industry that is aligned to the growth goals of legacy tourism destinations, tourism development zones, and resorts.

This is a critical lynchpin in supporting the attraction, retention and career development of a deep and rich tourism industry labour force.



4

Policy Recommendations

Calgary Stampede

The Alberta tourism industry presents significant opportunity for economic prosperity and job creation across all regions of the province. The industry is well-positioned for growth and expansion based off a strong foundation, and the Alberta government can take a leadership role in further supporting the industry in realizing the substantial economic upside from growing tourism expenditures to \$25B in the province. To this end, this report offers the following recommendations:

4.1. Strategic Resourcing

Commit the necessary resources to achieve the provincial goal of growing tourism expenditures to \$25 billion by 2035 by immediately committing the full annual intake revenues generated through the Alberta Tourism Levy to Travel Alberta to support its role as a destination management organization, including the following amendments to the Tourism Levy Act and Tourism Levy Regulation:

Amending the definition section 1(1) of the Tourism Levy Act to include a new definition 1(1)(a) “tourism marketing and development” which would read: “tourism marketing and development” means approved tourism marketing and development efforts led by the province’s designated destination management organization, Travel Alberta Corporation.

Amending definition section 1(a) of the Tourism Levy Regulation 398/87 to read: “Act” means the Tourism Levy Act which exists to support approved tourism marketing and development efforts led by the province’s designated destination management organization, Travel Alberta Corporation.

Recognizing that the dedication of the ATL to support the Travel Alberta Corporation will still fall short of the needed government financial supports to generate \$25 billion in travel related expenditures by 2035, the government would be well-served to commit, through budget appropriations, an additional funding tranche of no less than \$60 million/year over the next 5-years, 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 and labour force development.

4.2. Alberta Tourism Experience Tax Credit

Introduce a refundable “Alberta Tourism Experience Tax Credit” program as a 3-year pilot with the following features:

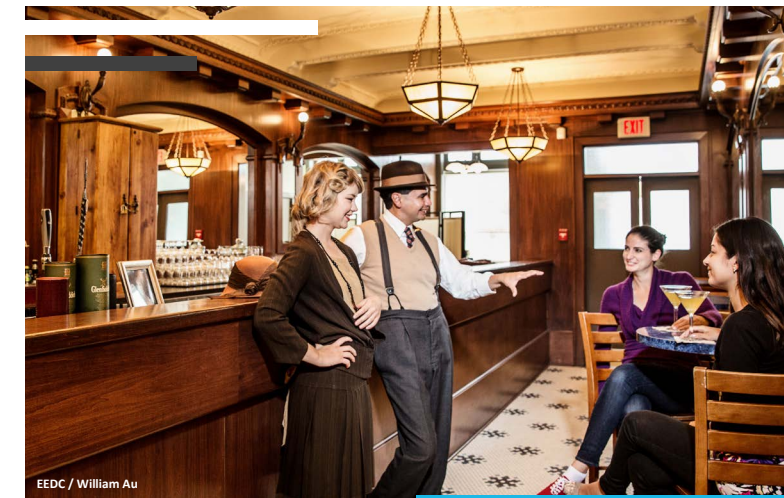
- Set at 20%, up to a maximum value of \$500 per household (\$2,500 household spend) and \$250 per individual (\$1,250 individual spend).
- Applied to expenditures on accommodation, daily admissions, gear rentals, food and beverage, and parking for trips a minimum of 40km distance one-way.
- The credit would only be available for trips taken between October and May, to encourage off-peak tourism.
- Supplemented with promotional programs to encourage Albertans to visit new locations and experiences.
- This approach would not only encourage Albertans to spend above existing levels, but with the right promotional and marketing supports in place, would also incent them to direct tourism spending from other jurisdictions into new and developing tourism areas during off-peak travel months.
- Over a 3-year pilot period, it is expected that Albertans’ incremental tourism spending could be heavily influenced by the existence of the tax credit, which could help generate upward of \$1.3 billion in incremental spending. This spending would be distributed across all regions throughout the year, with government’s expected cost of the travel tax credit being in the order of \$200 million annually.
- As Alberta’s experience with the Film and Television Tax Credit has demonstrated, a purpose-built, refundable tax credit that incentivizes incremental tourism activity would be transformational for Alberta in achieving its bold economic vision for tourism in the province.

4.3. Tourism Industry Housing Strategy

Work with industry and municipalities to develop a province-wide tourism industry workforce housing strategy in support of its strategic efforts to increase tourism expenditures to \$25 billion by 2035. This strategy should include a focus on partnering with industry to remove barriers and advance the development of employee housing in

the industry. Key initiatives include:

- Set the board and lodging employee deduction limitations under Alberta’s Employment Standards Code for industry lodging and accommodation to be closer to market price for the tourism industry to remove disincentives to investing in needed employee-provided housing supply.
- Explore having municipalities partner with industry through housing cooperatives, trusts and/or other mechanisms to support the provision of tourism employees housing, including through land donations, access to municipal finance rates, differential tax rates, transportation infrastructure investments and regulatory streamlining for industry housing projects.
- Develop best practices guide/ framework for the development of new resorts in Alberta, including workforce and transportation planning provisions and regulatory approval processes in government all-season resort development policies.
- Develop a policy and regulatory framework for short term rental accommodations that ensures they compete on a level playing field with traditional hotels, including establishing comparable tax rates, health and safety requirements, inspections, and licensing/ registration.
- Travel Alberta incorporate workforce planning and employee housing supply considerations in the development of its tourism development zone strategies and overarching provincial tourism strategy.
- Industry undertake strategic efforts to strengthen their workforce planning and retention policies with a focus on viewing labour as an investment rather than a cost and incorporating the long-term cost savings and reputational benefits associated with retaining employees into their business plans.
- Develop an inter-governmental comprehensive strategy to enable the Town of Jasper to recover and rebuild its employee housing stock in addition to its permanent residential properties.
 - This strategy would ideally involve all levels of government and include funding and land allocations to expedite construction workforce housing, zoning and densification reforms to expedite building processes and incent densification, as well as grants, loans and other programs to support the community and industry in returning to pre-disaster operations.



5

Key Risks to the Outlook

While the industry is favourably positioned for growth in the near term, there are a number of risks that could significantly impact the industry going forward.



US Tariffs

The prospect of US tariffs of up to 25% on all Canadian goods exported to the US has the potential to substantially impact the livelihood of Canadians' jobs and income levels. Notwithstanding the fact the Canada-US trading relationship generates \$3.6 billion in daily trade between the two countries, the economic impact of proposed tariffs could cost every Canadian \$1,900 CDN and every American, \$1,300 USD.³⁵

Canadian counter tariffs imposed on US imports will further hinder economic activity, with the government of Canada announcing that \$155 billion worth of goods would be subject to Canadian tariffs.³⁶

While the US President has stated an intention to close the US's trade deficit with Canada, the reality, for Canada, is that that this trade surplus doesn't even come close to mitigating the estimated \$400 billion in annual financial outflows to the U.S. The balance of payments deficit for Canada is material because it may be symptomatic of a weak Canadian economy and 'unattractive investment environment.'³⁷ This does little to support the needs of Canada's tourism industry that already suffers the consequence of limited access to capital.

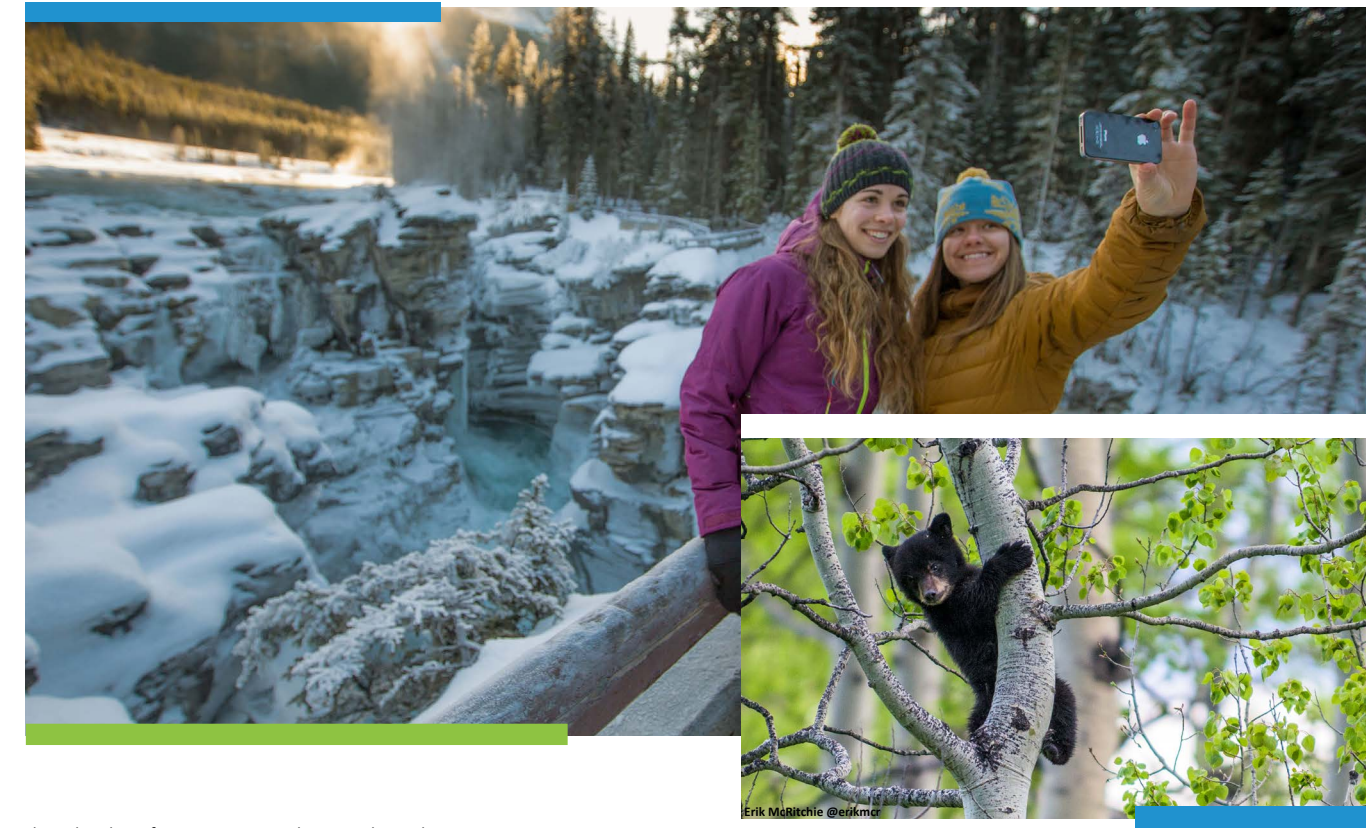
The potential for an evolving US policy narrative that prioritizes the purchase of American-made goods (and possibly travel experiences) over Canadian options could have a notable impact on Alberta given that 54% of international spending on tourism in Alberta in 2023 was from the U.S.

Housing Affordability

Housing affordability and accessibility remains a key risk for tourism businesses seeking to hire and retain sufficient staffing levels needed to meet demand and take advantage of new growth opportunities. Until this issue can be durably addressed at a sectoral level industry will continue to be challenged to recruit and retain staff and grow the sector.

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. 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.



³⁵ Canadian Chamber of Commerce, Canada-US Trade Tracker

³⁶ Government of Canada. 2025. Canada announces \$155B tariff package in response to unjustified U.S. tariffs. Available at: <https://www.canada.ca/en/departement-finance/news/2025/02/canada-announces-155b-tariff-package-in-response-to-unjustified-us-tariffs.html>

³⁷ Premier Smith is right that restricting oil exports is a bad idea. Here's a better option: January 22, 2025, Commentary, Trevor Tombe, Professor, University of Calgary, Director, Fiscal and Economic Policy, The School of Public Policy

