



Briefing Note Advice to Minister

Date: February 11, 2019

Cliff #: 35427

Issue: 2017 Economic Contribution of Tourism in British Columbia

Background:

- Destination BC (DBC) has provided preliminary estimates for the 2017 economic contribution of tourism in British Columbia (see Appendix 1 for DBC generated briefing note). Estimates are compiled from data provided by Statistics Canada, BC Stats and DBC.
- These figures will form the basis for the annual Value of Tourism report, a DBC publication that provides a snapshot of the economic value of tourism to British Columbia. It is expected that the 2017 snapshot will be published in March. The full '*Value of Tourism in British Columbia: Trends from 2006 to 2017*' report will be available in September 2019.
- Key highlights from the 2017 figures include:
 - Tourism industry generated \$18.4 billion in revenue – 8.4 percent increase over 2016.
 - Tourism contribution to GDP grew more rapidly than that of the B.C. economy as a whole; 6.6 percent compared to 4.0 percent.
 - Tourism accounts for 3.8 percent of GDP in the provincial economy; and added \$9.0 billion of value to BC's economy, an increase of 6.7 percent over 2016.
 - Tourism generated \$1.2 billion in provincial tax revenue, an increase of 5.8 percent from 2016.
 - The industry employed 137,800 in B.C., up 3.6 percent over 2016.
 - Tourism generated \$5.4 billion in export revenue, an increase of 7.1 percent over 2016.

Analysis:

- Tourism continues its strong growth and is a valuable contributor to the B.C. economy. An area where growth is the slowest is the number of tourism-related businesses. In 2017, BC had 19,243 tourism-related businesses in operation, up 0.4 percent from 2016.
- These economic figures are used by government, DBC and industry in communications to express the economic contribution of tourism in B.C. as well as to help operators make informed business decisions.
- The new 2017 figures have been included in TAC and DBC's Service Plan which will be released publicly on Budget Day (Feb. 19, 2019).

• s.13

•



Next Steps:

- s.13

Approved / Not Approved

A handwritten signature in cursive script, reading "Lisa Beare".

Honourable Lisa Beare

February 19, 2019

Date

Appendix 1: *DBC Briefing Note: 2017 Economic Contribution of Tourism in BC*
Contact: *Suzanne Ferguson, ED, Tourism Branch 250-415-3451*

2017 Economic Contribution of Tourism in BC

Subject:

Preliminary estimates of the economic contribution of tourism to the BC economy in 2017 were provided to Destination BC for review by BC Stats on December 18, 2018. Destination BC completed the review and analysis of the preliminary estimates on January 7, 2019. In 2017, tourism revenue increased by 8.4 percent over 2016. In addition, tourism GDP grew more rapidly than that of the BC economy as a whole (6.7 percent compared to 4.0 percent).

Background:

Data provided by BC Stats includes 2017 tourism generated GDP, tourism sector revenue, tourism tax revenue, employment, and wages and salaries. BC Stats' tourism sector statistics program is supported and partly funded by Destination BC. The data in this document is produced by BC Stats under a contract with Destination BC. BC Stats will publish the 2017 estimates later this year. Additional data included in this document is produced by Statistics Canada, or derived by Destination BC based on the International Travel Survey from Statistics Canada.

A time-lag for tourism estimates is seen each year (e.g. 2017 estimates are available early 2019) as a result of availability of complete annual business data, as well as processing and review time. Many tourism estimates are based on annual surveys conducted by Statistics Canada. Surveys can only be completed by businesses once data of a given reference year is available. Once annual data is submitted, Statistics Canada requires processing time before release. Following the availability of data from Statistics Canada, BC Stats requires additional time to produce the tourism estimates, and Destination BC then requires further time to review and analyze the data to include in this document.

Discussion – The Data:**Tourism GDP:**

- Tourism accounts for 3.8 percent of GDP in the provincial economy.
- The tourism industry contributed \$9.0 billion of added value to the BC economy, as measured through GDP (in 2012 constant dollars) in 2017. This is an increase of 6.7 percent over 2016. GDP of the BC economy as a whole grew by 4.0 percent in 2017.
- In 2017, the largest increase driving GDP from tourism was in transportation (and related) services, which increased 9.7 percent over 2016.
- The tourism industry has contributed the largest added value to the BC economy between 2007 and 2017 relative to other primary resource industries such as oil and gas extraction, mining and quarrying, forestry and logging, and agriculture and fishing.
- Note: The adjusted value of currency used to compare dollar values of real GDP has been updated from 2007 constant dollars to 2012 constant dollars. As a result, the GDP estimates available here are not directly comparable to estimates published prior to January 2019 which are based on 2007 constant dollars.

Tourism Revenues:

- In 2017, the tourism industry generated \$18.4 billion in revenue. This represents an increase of 8.4 percent over 2016.

Tourism Tax Revenue:

- Tourism generated provincial tax revenue was \$1.2 billion in 2017, an increase of 5.8 percent from 2016.

Tourism Employment:

- In 2017, there were 137,800 people employed in BC directly due to tourism expenditures, up 3.6 percent over 2016.
- Tourism provides a job for roughly 1 out of every 16 people employed in the province.
- Note: Tourism employment estimates are based on SEPH (Survey of Employment, Payrolls and Hours) data from Statistics Canada.

Wages and Salaries:

- In 2017, the tourism industry paid \$4.9 billion in wages and salaries, up 6.9 percent over 2016.

Tourism Businesses:

- In 2017, BC had 19,243 tourism-related businesses in operation, up 0.4 percent over 2016.

Visitor Entries:

- Total international overnight visitor entries to Canada through BC increased 2.8 percent in 2017 over 2016.
- Overnight entries from the US increased 1.1 percent while same day visits increased 5.8 percent over 2016. Total entries from the US to BC increased 2.8 percent in 2017 over 2016.
- Entries from overseas to BC rose 5.8 percent in 2017 from 2016.
- Note: Overnight visitor entries are based on Statistics Canada's International Visitor Arrivals.

Tourism Export Revenue:

- In 2017, tourism export revenue generated \$5.4 billion in revenue for BC, an increase of 7.1 percent over 2016.
- Note: Tourism export revenue is derived by Destination BC from Statistics Canada's International Travel Survey.

10-Year Trend Overview

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Real GDP (\$2012 M)	6,786	6,780	6,656	6,904	6,910	7,060	7,217	7,681	8,046	8,430	8,991
% change	4.0%	-0.1%	-1.8%	3.7%	0.1%	2.2%	2.2%	6.4%	4.8%	4.8%	6.7%
Revenue (\$M)	13,005	13,390	12,499	13,047	13,193	13,459	13,988	14,953	15,807	16,964	18,381
% change	6.5%	3.0%	-6.7%	4.4%	1.1%	2.0%	3.9%	6.9%	5.7%	7.3%	8.4%
Total Prov' Taxes (\$M)	858	877	811	923	1,062	1,106	981	995	1,076	1,138	1,204
% change	2.3%	2.2%	-7.5%	13.8%	15.1%	4.1%	-11.3%	1.4%	8.1%	5.8%	5.8%
Employment ('000)	118.3	122.0	120.8	119.7	119.4	118.8	122.3	125.4	128.3	133.0	137.8
% change	3.1%	3.1%	-1.0%	-0.9%	-0.3%	-0.5%	2.9%	2.5%	2.3%	3.7%	3.6%
Wages & Salaries (\$M)	3,764	3,889	3,805	3,841	3,847	3,881	4,044	4,301	4,615	4,625	4,944
% change	5.1%	3.3%	-2.2%	0.9%	0.2%	0.9%	4.2%	6.4%	7.3%	0.2%	6.9%
Businesses	NA	NA	NA	NA	NA	NA	NA	18,682	18,938	19,170	19,243
% change	NA	NA	NA	NA	NA	NA	NA	NA	1.4%	1.2%	0.4%

For more information

Please contact Kailee Penner, Senior Researcher at 604.660.3573.



Meeting Backgrounder

Prepared For: Honourable Lisa Beare, Minister of Tourism, Arts and Culture

Meeting Date: February 25, 4:00pm

CLIFF #: 35562

MEETING:

Minister's Quarterly Meeting with Destination BC (DBC)

ISSUE:

DBC will provide an update on key programs. Supporting materials have been provided by DBC. Background for select discussion points from the agenda are included below. Agenda attached as Appendix 1.

KEY FACTS REGARDING AGENDA ITEMS:

AGENDA ITEM:	BACKGROUND:	CONSIDERATIONS:
1. Performance Reporting		
a) Report on Mandate Letter	<ul style="list-style-type: none">• DBC to provide update on actions against its Mandate Letter• See DBC Materials Item 1(a)	<ul style="list-style-type: none">• n/a
b) 2018 Tourism Industry Performance and Value of Tourism 2017	<ul style="list-style-type: none">• DBC to provide update on tourism industry performance• See DBC materials Item 1(b)	<ul style="list-style-type: none">• Minister was briefed on 2017 Value of Tourism numbers in mid-February.• Figures became public with release of DBC's Service Plan as part of Budget 2019.• DBC and GCPE are discussing a potential joint news release.
c) Interim Expenditure Controls & Organizational Review	<ul style="list-style-type: none">• In November 2018, the Minister advised outgoing DBC chair Andrea Shaw that incoming chair Dawn Black would be conducting an organizational review and put expenditure controls in place until March 31, 2019.	<ul style="list-style-type: none">• DBC chair will likely update the Minister on the status of the review.• DBC CEO continues to submit contracts to TAC for DM approval.
2. Corporate Priorities		

a) Tourism Strategic Framework Priorities	<ul style="list-style-type: none"> • DBC will update Minister on how DBC's corporate strategy and operational plan can support the Provincial Tourism Strategic Framework • See DBC materials Item 2(a) 	<ul style="list-style-type: none"> • DBC will have responsibility for supporting actions related to destination development and marketing.
b) Tourism Vancouver Island 2019/20 c) Regional Tourism	<ul style="list-style-type: none"> • Tourism Vancouver Island (TVI) and DBC recently agreed to extend TVI's contract for an additional year in order to give time for DBC to review the Regional Destination Management Organization's (RDMOs) contracts. • This extension will bring TVI's contract in line with the contract terms of the other four RDMOs. • See DBC materials Item 2(b) 	s.13
d) Content Commonwealth	<ul style="list-style-type: none"> • DBC's corporate strategy focuses on building a powerful marketing network to create efficiencies across the province. One aspect is the development of a shared approach to content marketing that they are calling the Content Commonwealth. • In 2018, DBC launched and enabled access for partners to two best-in-class technology platforms: CrowdRiff and Censhare • See DBC materials Item 2(d) 	<ul style="list-style-type: none"> • DBC will likely update on the participation of tourism stakeholders in the new technology platforms.

3. Program Updates

s.13,s.17

	s.13,s.17	
b) Regional and Seasonal Dispersion	<ul style="list-style-type: none"> • DBC will report on initiatives to improve regional and seasonal dispersion, a key priority in the provincial tourism framework. • See DBC materials item 3(b) 	<ul style="list-style-type: none"> • It will be important for DBC to ensure this work is aligned with approaches also being proposed by the Regional DMOs.
c) Accessibility	<ul style="list-style-type: none"> • DBC will report on initiatives and programs supporting accessibility. • See DBC materials item 3(c) 	<ul style="list-style-type: none"> • Accessibility is a key focus of the strategic tourism framework. • Opportunities exist for DBC and TAC to work more closely together on specific initiatives related to this priority.

Attachment 1: DBC Quarterly Meeting Agenda

Program Area Contact: Amber Mattock

778-698-1699

AGENDA

Minister's Quarterly Meeting with Destination BC

4:00 pm - 5:00 pm – February 25, 2019
Minister's Office, Room 151, Victoria

ATTENDEES

TAC	Destination BC
Honourable Lisa Beare, Minister Shauna Brouwer, Deputy Minister Claire Avison, Assistant Deputy Minister	Dawn Black, Board Chair Marsha Walden, CEO

1. Performance Reporting

- | | |
|---|------------------------------|
| a) Report on Mandate Letter | Item 1(a) – Information Only |
| b) 2018 Tourism Industry Performance
& Value of Tourism 2017 | Item 1(b) – Information Only |
| c) Interim Expenditure Controls & Organizational Review | Discussion |

2. Corporate Priorities

- | | |
|-------------------------------------|------------------------|
| a) Tourism Framework Priorities | Item 2(a) – Discussion |
| b) Tourism Vancouver Island 2019/20 | Item 2(b) – Discussion |
| c) Regional Tourism | Discussion |
| d) Content Commonwealth | Item 2(d) – Discussion |

3. Program Updates

- | | |
|---|------------------------|
| a) Destination Development ^{s.13,s.17} | s.13 |
| b) Regional and Seasonal Dispersion | Item 3(b) – Discussion |
| c) Accessibility | Item 3(c) – Discussion |

4. Upcoming Engagement Opportunities

Item 4(a) – Information Only