

F. TOURISM

Overview

The tourism sector in Canada is composed of five interrelated subsectors: accommodation, food service, transportation, attractions and events, and tourism distribution and sales. It is a sector that is largely Canadian-owned, and numbers over 100,000 businesses across the country, most of whom are small.

In 1982, revenue from offshore visitors to Canada was \$1.3 billion, of which 12 per cent or \$161 million could be attributed to the United Kingdom. Canada's current market share in long-haul traffic from the U.K. is 17 per cent and is 25 per cent of all overseas visitors who remain more than 24 hours.

The 24 members of the Organization for Economic Co-operation and Development (OECD) accounted for 67 per cent of the world's total international tourist arrivals in 1981. The general prediction of the OECD December 1983 report was that the economic recovery in Europe was "modest" and that real GNP growth by mid-1985 would likely be some 3 per cent higher than in mid-1983. Most, if not all, OECD countries are likely therefore to experience increases in international tourist arrivals, receipts and expenditures.

Opportunity

In international tourism, the United Kingdom is the third biggest export market in the world. In 1981, Britons made 19 million trips abroad spending over \$7.5 billion amounting to 6.7 per cent of the total world expenditures of \$112.3 billion on international tourism excluding international fares. The enormous importance of the British tourism export market is further reflected by the fact that in the 1971-81 ten-year period the number of trips abroad by Britons doubled, from 9.5 million in 1971 to 19.0 million in 1981. In the same period their tourism expenditures multiplied almost seven times from \$1.1 billion to \$7.5 billion.

Canada has benefitted from the U.K.'s travel propensity as there is a strong ethnic affinity between the United Kingdom and Canada. An estimated 1 in 6 of the U.K. population has friends or relatives in Canada. The United Kingdom is thus Canada's largest offshore tourism market.

In the 1971-81 period, the number of visitors from the United Kingdom to Canada increased 260 per cent, from 150,251 to 540,588. Their expenditures in Canada, excluding airfares, increased from \$42 million to \$169 million in the same period. In 1982 and 1983, the number of visitors declined to 474,097 and 400,925 respectively, due in part to the recession and a strong Canadian dollar. A turnaround is expected as the economy continues to recover.

On the average, a British tourist spent \$377 and stayed 14.5 days in Canada in 1982. Of the total number of visits by Britons in that year, 50 per cent were to Ontario, 20 per cent to British Columbia,

12 per cent to Alberta, 9 per cent to Québec and 9 per cent to other provinces.

Recent Canadian Marketing Activity

In recent years, joint marketing programs have been developed in order to minimize the individual partner's (federal, provincial, private sector) costs and to maximize the total impact of efforts to promote Canada as a travel destination to U.K. visitors.

Provincial governments have made considerable investments in promoting tourism in their own provinces, and these have complemented the efforts of the federal Tourism Canada offices.

Each spring, Tourism Canada organizes Rendez-Vous Canada, a marketplace for buyers of Canadian tourism from the U.S. and the overseas markets. Of the 164 buyers from overseas markets at the 1984 event there were 19 from the U.K. market. Held in a different Canadian city each year, the 1984 marketplace took place in the National Capital Region (Ottawa/Hull). The 1985 Rendez-Vous Canada will be staged in Edmonton from April 28 to May 1.

The present delivery and growth potential of the U.K. market has resulted in dramatically increased activity in the market by Canada-based interests. Marketing strategy and promotional efforts for the U.K. are often co-ordinated through the 22 member consortium, Canadian Holiday and Travel Associates. (Membership in this consortium is extended to the Canadian High Commission in the U.K.)

During the period November 30-December 4, 1983 overseas buyers and sellers of tourism products and services met at the Olympia Exhibition Halls in London to participate in the World Travel Market Show. At the 1983 exhibition, 28 Canadian organizations promoted their products/services to some 22,600 visitors, of which 7,700 were travel consumers and 14,900 represented the travel trade.

Market Considerations

Research among long-haul holiday-makers from the U.K., undertaken by the firm, Research Services Limited, in Spring 1982, showed that Canada still ranked highest in many respects as a tourism destination. Canada was rated first of seven destinations for outstanding scenery, a quiet and unspoiled atmosphere, and variety of outdoor experiences. The target group also placed Canada top of the list for stable political situation and simple entry formalities for visitors.

Further research shows that the primary market for U.K. travel to Canada is concentrated in the higher socio-economic groups. More than 50 per cent of this group are over 35 years old and childless. However, there is some evidence that an increasing number of younger people are travelling to Canada.

Visiting friends and relatives (VFR) was found to be the predominant motivation for visiting Canada. Nevertheless, those visiting were found much more likely than in previous years to stay in forms of