

Profile of Sector Tourism

Sector Overview

Vancouver continues to rank as a top international destination based on its natural beauty, Indigenous culture, diversity, health and wellness, commitment to sustainability, gateway to the Pacific Rim, and integrated tourist infrastructure. Rapid transit connects Vancouver International Airport, downtown hotels and cruise facilities with regional connections such as float plane service, ferries, and trains all within the city.³

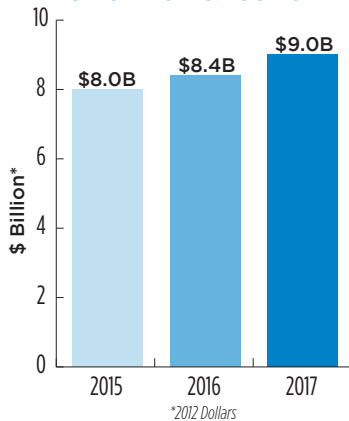
Destination BC has developed a methodology for defining tourism businesses and jobs. The following three figures illustrate the important contribution of this sector to the provincial economy.

Why Is This Sector Important?

Economic Impact

Tourist activity contributes significantly to the local and provincial economies. Tourism was the third largest industry in the province in 2017 after Real Estate (\$43B) and Construction (\$20B).¹⁰ In 2017, Tourism contributed \$9B to the provincial economy (GDP)⁸ with visitors directly spending \$4.8B in the Vancouver region.³

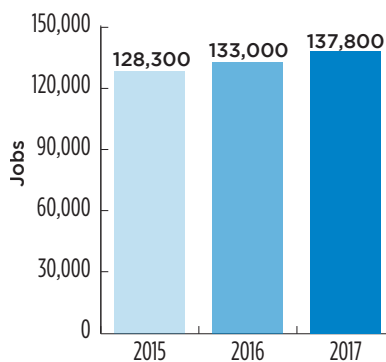
FIGURE 1. TOURISM SECTOR'S CONTRIBUTION TO BC ECONOMY⁸



Jobs

In 2017, the sector supported 137,800 jobs in BC,⁸ which equates to a job for roughly 1 out of every 16 people employed in the province. There are over 70,000 full-time tourism jobs in the Vancouver region³.

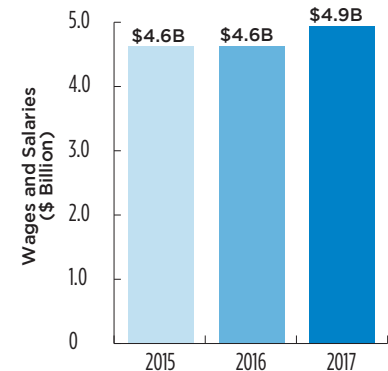
FIGURE 2. BC TOURISM SECTOR JOBS⁸



Incomes

In 2017 in BC, Tourism provided \$4.9B in wages and salaries with an average compensation of \$36,000 per worker.⁸ Tourism wages and salaries have increased by 31.3% since 2007.⁸

FIGURE 3. BC TOURISM SECTOR WAGES & SALARIES⁸



Indigenous Tourism

Indigenous tourism is a tourism business majority owned, operated or controlled by Indigenous peoples which demonstrates a connection and responsibility to the local Indigenous community and traditional territory where the operation is based.¹⁵ Indigenous tourism contributed \$705M in GDP and 7,400 direct full-time jobs in 2017 in BC, with half of these jobs filled by Indigenous people.² Indigenous tourism has increased steadily with 3.6 million overnight travellers to BC taking part. This represents a 27% increase in 2017 over the previous three years.²

Skwachàys Lodge Aboriginal Hotel & Gallery in Vancouver's Downtown Eastside Neighbourhood is a boutique hotel that offers unique rooms with Indigenous art and includes artists in residence as part of the experience. The hotel directly supports the Vancouver Native Housing Society which provides safe, secure and affordable housing to Vancouver's urban Indigenous population.¹⁰

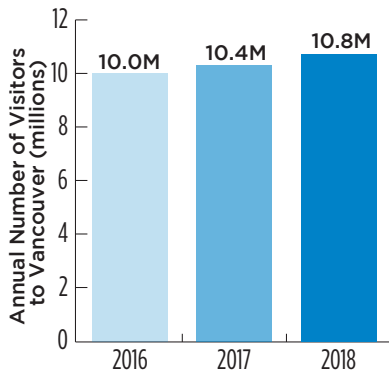
Local Impact

Tourism makes a significant contribution to Vancouver’s economy. For every \$100M in Tourism revenue, it is estimated that there is a further \$69M in economic impact which supports local communities.¹⁰ Based on volume, half of all tourists travel to BC just to visit the Vancouver, coast, mountain area.¹⁰

Visitors

Visitors represent spending and associated economic impacts to local businesses. The city of Vancouver welcomed 10.7 million visitors in 2018.³

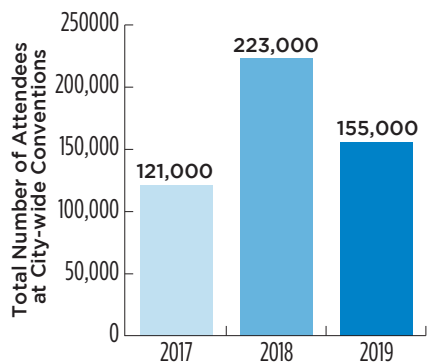
FIGURE 4. VISITORS TO VANCOUVER^{1,3}



Conventions

Vancouver consistently ranks as one of the top meeting destinations in North America. In 2018, the city of Vancouver ranked first in Canada and second in North America as a meeting destination.⁹ Large city-wide conventions have the biggest economic impact.

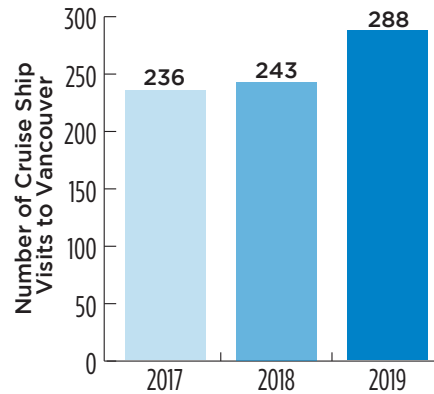
FIGURE 6. NUMBER OF ATTENDEES AT CITY-WIDE CONVENTIONS¹²



Cruise Ships

Cruise ships have a large impact on the local economy. In 2019, Vancouver welcomed 288 cruise ships, an increase from the average of approximately 230 ships per year.¹

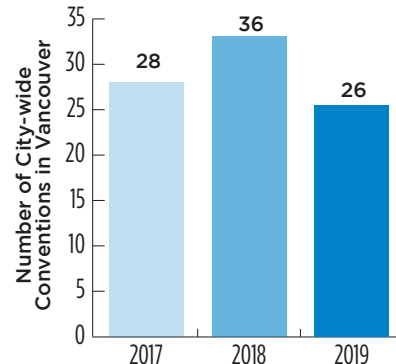
FIGURE 5. CRUISE SHIP VISITS TO VANCOUVER¹



Each cruise ship generates nearly \$3 million in economic activity for the local economy.¹ They also support local businesses by sourcing food from Vancouver’s independent food distributors such as “Produce Row” on Malkin Avenue.¹¹ This activity supports low-barrier, good paying jobs.¹¹

The Tourism industry defines a city-wide convention as an event that will attract 1,000 or more out-of-town attendees, will use the Vancouver Convention Centre, and will use at least three downtown convention hotels.¹² In 2019, the city hosted 26 city-wide conventions and events, drawing over 155,000 visitors.

FIGURE 7. TOTAL CITY-WIDE CONVENTIONS IN VANCOUVER¹²



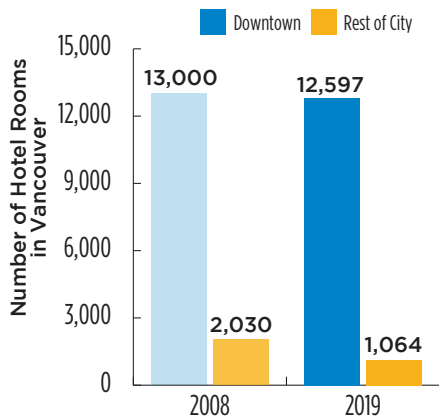
Hotels

Vancouver’s hotels host visitors and local residents for business and leisure. Hotels also provide meeting and conference space, and provide amenities such as spas and restaurants.

Rooms

Vancouver has over 13,000 hotel rooms, accounting for 57% of all rooms in the region.³ The average daily room rate for downtown reached \$254 in 2018 with a corresponding occupancy rate of 81%.⁷

FIGURE 8. NUMBER OF HOTEL ROOMS IN VANCOUVER⁵



Vancouver’s continued increase in visitors and demand for hotel rooms outpaces room supply. In addition, Vancouver has lost a net supply of over 1,000 rooms over the last decade, which translates into lost tourist spending in the local economy. If this trend continues, it will become difficult to reliably secure major city-wide conference bookings and have other associated economic impacts. Analysis undertaken by Tourism Vancouver indicates that continued lack of accommodation supply, either for hotel rooms or short-term rentals may lead to constrained growth in the leisure Tourism and Hospitality industry.⁴

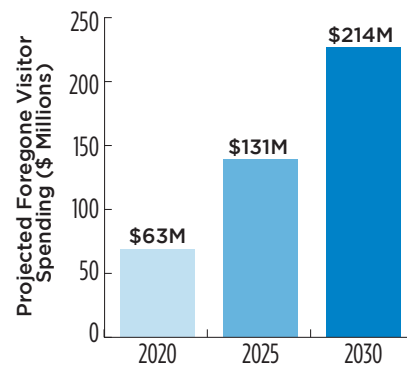
Data Sources

¹Port of Vancouver, press release: *Last cruise ship of the 2019 season departs Canada Place tomorrow*, October 31, 2019
²Indigenous Tourism BC (ITBC), ITBC “The Next Phase” Tourism Performance Audit Report, 2018
³Tourism Vancouver, MNP, Conference Board of Canada (TEAM), Visitor Exit Survey, Community Resident Survey
⁴MNP (for Tourism Vancouver), Economic Analysis of Hotel Supply and Demand in Vancouver, 2019
⁵Tourism Vancouver, Hotel/Motel Rooms Available in Metro, Vancouver 2018, 2018.
⁶Aboriginal Tourism Association of Canada, National Aboriginal Tourism Research Project 2015: Economic Impact of Aboriginal Tourism in Canada, 2015

Outlook

Tourism Vancouver estimates that in 2020, the shortage of rooms in downtown Vancouver will account for an estimated 170,000 foregone room nights translating into \$80M in foregone visitor spending. The projected 2020 foregone visitor spending in downtown Vancouver has a cumulative impact of \$63M in GDP, 1000 full-time equivalent* jobs, and \$16M in tax revenue. By 2030, the room shortage and foregone visitor spending is estimated to account for over \$214M in GDP and 3,300 full-time equivalent* jobs in downtown Vancouver.⁴

FIGURE 9. PROJECTED FOREGONE VISITOR SPENDING IN DOWNTOWN VANCOUVER⁴



*Full-time equivalent jobs is the total hours worked divided by average annual hours worked in full-time jobs.

⁷Destination BC, Provincial Tourism Indicators: 2019 Year-to-Date, 2019
⁸Destination BC, Value of Tourism: Trends from 2007-2017, 2018
⁹Watkins Research Group, 2018 Meeting Planners Report, 2018
¹⁰Ministry of Tourism, Arts, & Culture, Welcoming Visitors – Benefiting Locals – Working Together: A Strategic Framework for Tourism in British Columbia 2019 – 2021, 2019
¹¹CommunityIMPACT Consulting, A Strategic Situational Analysis for Produce Row, 2016
¹²Tourism Vancouver
¹³Indigenous Tourism Council of Canada, National Guidelines: Developing Authentic Indigenous Experiences in Canada, 2018