



**ECONOMIC IMPACT ANALYSIS
OF TOURISM IN THE CITY OF LONDON
2018**

produced by

Tourism London

in co-operation with

The Canadian Tourism Research Institute

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Introduction

The purpose of the study was to conduct an economic impact analysis of tourism in the City of London for 2018. This study is a follow up to the ones completed in 1996 through 2017 by Tourism London and by the Canadian Tourism Research Institute (CTRI). The Canadian Tourism Research Institute is a division of the Conference Board of Canada. The 2018 information is based on projections made by the CTRI and identifies the relationship that tourism has on the local economy as well as the overall economy of Ontario.

The benchmark visitor volumes and spending data relating to domestic travel to London comes from custom tabulations produced by Statistics Canada's Travel Survey of Residents of Canada (TSRC) and International Traveller Survey (ITS). The benchmark figures were tabulated for the year 2012. Due to a change in Statistics Canada's methodology to collect data, domestic data is not comparable to previous years.

Projections were conducted by the CTRI to account for changes in visitor volumes to London during 2018 based on accommodation data collected by Tourism London and on other indicators regularly monitored by the CTRI.

This report indicates that tourism activity in London was estimated to have generated \$831.8 million dollars of spending, an increase of approximately \$40.1 million dollars from 2017, or 5.1 percent. The study includes an estimate of "Overnight Visitors to London", "Tourism Spending in London" and the "Economic Impact of Tourism in London". It was produced by Tourism London utilizing the CTRI's Tourism Economic Assessment Model (TEAM).

1. Overnight Visitation to London

In 2018, it is estimated that the City of London was host to over 2.17 million overnight visitors. This figure includes the number of visitors from the United States, other international countries, as well as domestic visitors from other parts of Canada, including Ontario. The figure estimated for 2018 represents a 0.8 percent increase over the number of overnight visitors estimated for 2017.

1.1 Overnight Visitors to London (Person - Trips), 2017 & 2018

Visitor Origin	2017e	2018e	% Increase 2018 vs. 2017
Canada	1,935,000	1,956,000	1.1%
United States	181,000	174,000	-4.1%
Other Intern'al	40,000	41,000	3.2%
Total	2,156,000	2,171,000	0.8%

Source: Conference Board of Canada.

1.2 Overnight Visitors to London, 2017 & 2018 as a Percentage of Total Visitors

Origin of Visitors	2017e	2018e
Canada	89.7%	90.1%
United States	8.4%	8.0%
Other Intern'al	1.9%	1.9%
Total	100.0%	100.0%

Source: Conference Board of Canada.

2. Tourism Spending in London

In 2018, spending by both same-day and overnight visitors to London is estimated to be \$831.8 million dollars. This is a 5.1 percent increase from the (estimated) 2017 figures. In 2018, the largest portion of spending in London was attributed to spending on food and beverage which totalled \$305.7 million (\$226.6 million in restaurants and \$79.1 million at stores). Tourists also spent nearly \$26.8 million on public transportation which includes ticket fares for intercity trains and buses. Accommodation spending by visitors accounted for just over \$103.0 million.

2.1 Tourism Spending in London (\$thousands)

Expenditure Category	2018 Spending	Percentage of Total
Public Transportation	\$26,765	3.2%
Rental Cars	\$9,951	1.2%
Private Transportation	\$132,322	15.9%
Local Transportation	\$5,797	0.7%
Accommodation	\$103,065	12.4%
Food & Beverage - At Stores	\$79,133	9.5%
Food & Beverage - At Restaurants	\$226,618	27.2%
Entertainment & Recreation	\$51,769	6.2%
Retail Spending - Clothing	\$131,839	15.9%
Retail Spending - Other Goods	\$64,492	7.8%
TOTAL	\$831,750	100.0%

2.2 Tourism Spending in London 2017 – 2018 (\$thousands)

Expenditure Category	2017	2018	Percentage Change Over 2017
Public Transportation	\$25,825	\$26,765	3.6%
Rental Cars	\$9,703	\$9,951	2.6%
Private Transportation	\$119,357	\$132,322	10.9%
Local Transportation	\$5,609	\$5,797	3.3%
Accommodation	\$97,982	\$103,065	5.2%
Food & Beverage - At Stores	\$75,503	\$79,133	4.8%
Food & Beverage - At Restaurants	\$218,676	\$226,618	3.6%
Entertainment & Recreation	\$49,210	\$51,769	5.2%
Retail Spending - Clothing	\$127,598	\$131,839	3.3%
Retail Spending - Other Goods	\$62,205	\$64,492	3.7%
TOTAL	\$791,668	\$831,750	5.1%

3. Economic Impact of Tourism in London

As stated earlier, spending by visitors to London in 2018 is estimated at \$831.8 million dollars. Using these expenditures as inputs into CTRL's Tourism Economic Assessment Model (TEAM), it generated the impact of tourist spending on the economy of London as well as for the Province of Ontario.

Tourism in London during 2018 generated a total of \$801.4 million of Gross Domestic Product (GDP) for Ontario, \$476.9 million in London. Approximately \$517.0 million of this economic activity was converted into wages and salaries for citizens of Ontario, \$339.9 million for London.

3.1. Impact of Tourism in London on Employment, 2018

Impact Phase	Employment in Ontario (Full Year Jobs)	Employment in London (Full Year Jobs)
Direct	5,992	5,887
Indirect	2,661	1,232
Induced	2,295	1,418
Totals	10,949	8,537

Over 10,700 full year jobs were supported within Ontario by tourism in London, with nearly 8,400 of these employed in London. In 2017, there were an estimated 245,800* residents employed in the London workforce. Our analysis suggests that tourism helped support 3.4 per cent of the local employment.

In addition, \$366.8 million dollars of taxes for all levels of government were supported by tourism in London and related economic activity. \$168.7 million of these taxes were allocated to the federal government, \$145.2 million to the province and \$52.9 million to municipal governments. In the City of London, \$39.5 million dollars was paid by London businesses and citizens in municipal taxes.

* Statistics Canada, Labour Force Survey for London CMA (annual average of monthly data)

GLOSSARY OF TERMS

The Economic Impact of Visits in London and other Ontario regions: since no Ontario region is economically self-sustaining, in order to produce the goods and services demanded by its visitors, it will need to import some goods and services from other regions. As such, some of the economic benefits of the visitors' spending in London will spill over to other Ontario regions.

Gross Domestic Product (GDP): value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. This GDP is measured at market prices. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

Direct impact: refers to the impact generated in businesses or sectors that produce or provide goods and services directly to travelers, e.g. accommodations, restaurants, recreations, travel agents, transportation and retail enterprises etc. Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues.

Indirect impact: refers to the impact resulting from the expansion of demand from businesses or sectors directly produce or provide goods and services to travelers, to other businesses or sectors.

Induced impact: refers to the impact associated with the re-spending of labour income and /or profits earned in the industries that serve travelers directly and indirectly.

Employment: refers to number of jobs, include full-time, part-time, seasonal employment, as well as both employed and self-employed.

Federal tax revenues: include personal income tax, corporate income tax, commodity tax (federal share of HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that collected by the federal government.

Provincial tax revenues: include personal income tax, corporate income tax, commodity tax (provincial share of HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that collected by Ontario provincial government.

Municipal tax revenues: includes business and personal property taxes that are collected by the municipalities. It should be noted that the taxes reported are based on the share of the total property taxes collected by a municipality based on the share of revenues (or earnings) attributed to tourism.