

**The Conference
Board of Canada**



Economic Impact Analysis of Tourism in the City of London (Internal Report)

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Introduction

The purpose of the study is to conduct an economic impact analysis of tourism in the City of London for 2020. This study is a follow up to the ones completed in 1996 through 2019 by Tourism London in conjunction with the Conference Board of Canada (Conference Board). The 2020 information is based on projections made by the Conference Board 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). Due to a change in Statistics Canada's methodology to collect data, data may not be comparable against previous years.

Projections were conducted by the Conference Board to account for changes in visitor volumes to London during 2020 based on accommodation data collected by Tourism London and on other indicators regularly monitored by the Conference Board.

This report indicates that tourism activity in London was estimated to have generated \$477.6 million dollars of spending, a decrease of approximately \$345.4 million dollars from 2019, or 42.0 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 the Conference Board using the Tourism Economic Assessment Model (TEAM).

Overnight Visitation to London

In 2020, it is estimated that the City of London was host to approximately 1.15 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 2020 represents a -45.9 percent decline over the number of overnight visitors estimated for 2019.

Table 1
Overnight Visitors to London
(Person-Trips)

Visitor Origin	2019e	2020e	% Increase (2020 vs. 2019)
Canada	1,907,000	1,125,000	-41.0%
United States	182,000	20,000	-89.0%
Other International	37,000	5,000	-86.5%
Total	2,126,000	1,150,000	-45.9%

Source: The Conference Board of Canada.

Table 2
Overnight Visitors to London
(As a share of total visitors)

Visitor Origin	2019e	2020e
Canada	89.7%	97.8%
United States	8.6%	1.8%
Other International	1.7%	0.4%
Total	100.0%	100.0%

Source: The Conference Board of Canada.

Tourism Spending in London

In 2020, spending by both same-day and overnight visitors to London is estimated to be \$477.6 million dollars. This is a 42.0 percent decline from the (estimated) 2019 figure. In 2020, the largest portion of spending in London was attributed to spending on food and beverage which totalled \$193.1 million (\$143.4 million in restaurants and \$49.8 million at stores). Tourists also spent nearly \$16.4 million on public transportation which includes ticket fares for intercity trains and buses. Accommodation spending by visitors accounted for \$45.3 million.

Table 3
Tourism Spending in London
(\$000's)

Expenditure Category	2020e	Percent of Total
Public Transportation	\$16,394	3.4%
Rental Cars	\$3,840	0.8%
Private Transportation	\$66,982	14.0%
Local Transportation	\$3,447	0.7%
Accommodation	\$45,337	9.5%
Food & Beverage - At Stores	\$49,770	10.4%
Food & Beverage -At Restaurants	\$143,370	30.0%
Entertainment & Recreation	\$32,497	6.8%
Retail Spending - Clothing	\$75,416	15.8%
Retail Spending - Other Goods	\$40,521	8.5%
Total	\$477,573	100.0%

Source: The Conference Board of Canada.

Table 4
Tourism Spending in London
(\$000's)

Expenditure Category	2019e	2020e	Percentage Change Over 2019
Public Transportation	\$26,562	\$16,394	-38.3%
Rental Cars	\$9,932	\$3,840	-61.3%
Private Transportation	\$121,279	\$66,982	-44.8%
Local Transportation	\$5,725	\$3,447	-39.8%
Accommodation	\$101,617	\$45,337	-55.4%

Food & Beverage - At Stores	\$78,947	\$49,770	-37.0%
Food & Beverage - At Restaurants	\$225,326	\$143,370	-36.4%
Entertainment & Recreation	\$51,705	\$32,497	-37.1%
Retail Spending - Clothing	\$135,719	\$75,416	-44.4%
Retail Spending - Other Goods	\$66,177	\$40,521	-38.8%
Total	\$822,989	\$477,573	-42.0%

Source: The Conference Board of Canada.

Economic Impact of Tourism in London

As stated earlier, spending by visitors to London in 2020 is estimated at \$477.6 million dollars. Using these expenditures as inputs into the Conference Board'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.

Table 5
Impact of Tourism in London on Employment, 2020
(Full-year jobs)

Impact Phase	Employment in Ontario	Employment in London
Direct	3,407	3,345
Indirect	1,466	683
Induced	1,285	796
Total	6,158	4,825

Source: The Conference Board of Canada.

Just under 6,200 full year jobs were supported within Ontario by tourism in London, with over 4,800 of these employed in London. In 2020, there were an estimated 252,000¹ residents employed in the London workforce. Our analysis suggests that tourism helped support 1.9 per cent of the local employment.

Table 6
Impact of Tourism in London on Gross Domestic Product (GDP), 2020
(\$000's)

Impact Phase	GDP in Ontario	GDP in London
Direct	167,666	161,510
Indirect	172,769	57,800
Induced	119,554	55,242
Total	459,989	274,552

Source: The Conference Board of Canada.

¹ Based on Statistics Canada, Labour Force Survey for London CMA (annual average of monthly data).

In total, tourism activity in London helped generate a total of nearly \$460 million in GDP for the province and over \$274 million in GDP for the local economy of London.

In addition, \$218.7 million dollars of taxes for all levels of government were supported by tourism in London and related economic activity. \$101.5 million of these taxes were allocated to the federal government, \$87.2 million to the province and \$29.9 million to municipal governments. In the City of London, \$21.9 million dollars was paid by London businesses and citizens in municipal taxes.

Appendix A: Glossary of Terms

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.

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