

**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 2021. This study is a follow up to the ones completed in 1996 through 2020 by Tourism London in conjunction with the Conference Board of Canada (Conference Board). The 2021 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.

Projections were conducted by the Conference Board to account for changes in visitor volumes to London during 2021 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 \$692.2 million dollars of spending, an increase of approximately \$214.6 million dollars from 2020, or 44.9 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 2021, it is estimated that the City of London was host to approximately 1.55 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 2021 represents a 34.8 percent increase over the number of overnight visitors estimated for 2020.

Table 1
Overnight Visitors to London
(Person-Trips)

Visitor Origin	2020e	2021e	% Increase (2021 vs. 2020)
Canada	1,125,000	1,520,000	35.1%
United States	20,000	25,000	25.0%
Other International	5,000	5,000	0.0%
Total	1,150,000	1,550,000	34.8%

Source: The Conference Board of Canada.

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

Visitor Origin	2020e	2021e
Canada	97.8%	98.1%
United States	1.8%	1.6%
Other International	0.4%	0.3%
Total	100.0%	100.0%

Source: The Conference Board of Canada.

Tourism Spending in London

In 2021, spending by both same-day and overnight visitors to London is estimated to be \$692.2 million dollars. This is a 44.9 percent increase from the (estimated) 2020 figure. In 2021, the largest portion of spending in London was attributed to spending on food and beverage which totaled \$272.7 million (\$202.1 million in restaurants and \$70.6 million at stores). Tourists also spent nearly \$22.2 million on public transportation which includes ticket fares for intercity trains and buses. Accommodation spending by visitors accounted for \$66.3 million.

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

Expenditure Category	2021e	Percent of Total
Public Transportation	\$22,228	3.2%
Rental Cars	\$5,451	0.8%
Private Transportation	\$121,089	17.5%
Local Transportation	\$4,695	0.7%
Accommodation	\$66,334	9.6%
Food & Beverage - At Stores	\$70,639	10.2%
Food & Beverage -At Restaurants	\$202,111	29.2%
Entertainment & Recreation	\$46,226	6.7%
Retail Spending - Clothing	\$99,717	14.4%
Retail Spending - Other Goods	\$53,732	7.8%
Total	\$692,221	100.0%

Source: The Conference Board of Canada.

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

Expenditure Category	2020e	2021e	Percentage Change Over 2020
Public Transportation	\$16,394	\$22,228	35.6%
Rental Cars	\$3,840	\$5,451	41.9%
Private Transportation	\$66,982	\$121,089	80.8%
Local Transportation	\$3,447	\$4,695	36.2%
Accommodation	\$45,337	\$66,334	46.3%

Food & Beverage - At Stores	\$49,770	\$70,639	41.9%
Food & Beverage - At Restaurants	\$143,370	\$202,111	41.0%
Entertainment & Recreation	\$32,497	\$46,226	42.2%
Retail Spending - Clothing	\$75,416	\$99,717	32.2%
Retail Spending - Other Goods	\$40,521	\$53,732	32.6%
Total	\$477,573	\$692,221	44.9%

Source: The Conference Board of Canada.

Economic Impact of Tourism in London

As stated earlier, spending by visitors to London in 2021 is estimated at \$692.2 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, 2021
(Full-year jobs)

Impact Phase	Employment in Ontario	Employment in London
Direct	4,539	4,460
Indirect	2,062	939
Induced	1,746	1,069
Total	8,347	6,468

Source: The Conference Board of Canada.

Just over 8,300 full year jobs were supported within Ontario by tourism in London, with nearly 6,500 of these employed in London. In 2021, there were an estimated 281,000¹ residents employed in the London workforce. Our analysis suggests that tourism helped support 2.3 per cent of the local employment.

Table 6
Impact of Tourism in London on Gross Domestic Product (GDP), 2021
(\$000's)

Impact Phase	GDP in Ontario	GDP in London
Direct	236,597	228,250
Indirect	258,094	85,253
Induced	172,323	79,239
Total	667,013	392,742

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 \$667 million in GDP for the province and nearly \$393 million in GDP for the local economy of London.

In addition, \$318.0 million dollars of taxes for all levels of government were supported by tourism in London and related economic activity. \$148.0 million of these taxes were allocated to the federal government, \$126.8 million to the province and \$43.2 million to municipal governments. In the City of London, \$31.5 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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