

CANADA REPORTS SLIGHT INCREASE IN TOURISM SPENDING



Tourism spending in Canada increased by 4.4% in 2021, following a staggering 49% decline in 2020.

According to Statistics Canada data released last week, the main drivers of this increase were accommodation (+16.8%) and food services (+13.3%).

"These increases have more than compensated for annual declines in air passenger transportation (-17.8 percent) and travel services (-33.3 percent)," the federal agency said.

For the fourth quarter of 2021, on the other hand, domestic tourism spending increased by 8.7 percent, following a 29.3 percent increase in the third quarter.

"Despite the continued threat of COVID-19 and the emergence of new variants throughout 2021, increased vaccination rates throughout the year and the resulting easing of restrictions led to increased tourism spending in Canada in 2021. By the end of the third quarter, fully vaccinated travelers were allowed to enter Canada for non-essential travel," said Statistics Canada, which recalls that in the fourth quarter Canada reinstated some travel requirements due to the Omicron variant.

Employment in the tourism sector increased by 5.1 percent in the fourth quarter, mainly due to food services (+4.8 percent) and accommodation (+5.7 percent). For the year 2021 as a whole, it increased by 1.5%.

Meanwhile, tourism gross domestic product (GDP) grew by 11.9 percent in the fourth quarter of 2021, and by 5 percent compared to a year earlier. "Despite this increase, tourism GDP in the fourth quarter was 35% below the pre-pandemic levels," noted Statistics Canada.

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