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TURNING TOURISM INTO TRADE: THE IMPACT OF THE VISITOR ECONOMY ON CANADIAN EXPORTS

Executive Summary for Destination Leaders



Ottawa Tourism, ON

THE STUDY AT A GLANCE

WHAT WE ASKED

Does inbound international tourism to Canada cause measurable growth in Canadian exports beyond the direct value of tourism itself?

WHO CONDUCTED IT

EY-Parthenon, commissioned by Destinations International in partnership with the Canadian Destination Leadership Council, with support from the Destinations International Foundation.

HOW WE DID IT

A fixed-effects panel regression on 23 years of data drawn from Statistics Canada, the IMF, World Bank, and CEPII, with Granger causality testing as a robustness check.

WHAT IT MEASURES

The relationship between a 1% increase in inbound international visitors and Canada's subsequent goods and the increase in non-tourism services exports over a two-year horizon.

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WHY THIS MATTERS NOW

Canada is engaged in an ongoing national dialogue about competitiveness, productivity, trade diversification, and evolving global market relationships.

Too often, the visitor economy is left out of that conversation. The visitor economy should be treated as a key enabler of trade and investment outcomes.

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THE FINDING:

A 1% increase in non-resident visits to Canada generates

$1.06 BILLION

in additional export revenues over a two-year period.

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BUILDING ON A BODY OF EVIDENCE

This study updates and extends a body of work that finds the same fundamental relationship between visitation and exports.

2010

Poole

Demonstrated business travel's role in initiating new export relationships, particularly for differentiated goods that require trust and information exchange.

2011

Keum

Used Granger causality testing across 12 years of data and 21 trading partners to show international tourism causally precedes export growth.

2013

Deloitte

"Passport to Growth" analyzed Canada specifically to estimate $817M in additional exports per 1% lift in inbound tourism.

FOUR WAYS THE VISITOR ECONOMY DRIVES CANADIAN TRADE

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THE VISITOR ECONOMY IS A STRATEGIC ENABLER OF TRADE AND INVESTMENT OUTCOMES



COMMERCIAL RELATIONSHIPS & TRADE DIVERSIFICATION

International visitor build relationships that lead to long-term trade agreements and commercial engagement.



BUSINESS EVENTS

Events bring global decision-makers together, creating opportunities for Canadian businesses to showcase innovation, negotiate deals, and form strategic partnerships across sectors.



TRADE CORRIDOR DEVELOPMENT

Air service driven by visitor demand establishes trade corridors that enable export industries.



NATIONAL IDENTITY & GLOBAL BRAND

Every international visitor experiences Canadian values, which strengthens trust in Canadian products and services abroad and enhances Canada's reputation in global markets.

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COMMERCIAL RELATIONSHIPS & TRADE DIVERSIFICATION: BRIDGES TO EMERGING MARKETS

THE MECHANISM

People-to-people connections precede formal trade agreements. Visitors build the familiarity and trust that mature into long-term commercial relationships.

The visitor economy complements trade promotion in priority markets, creating cultural and commercial bridges that government export programs alone cannot build.

IN PRACTICE

Canada's Indo-Pacific Strategy

Aims to double non-US exports within the next decade. The visitor economy reinforces Canada's presence and reputation in priority Asian markets.

Sino-Canadian Diplomatic Thaw

Resumption of Chinese group tour business in Canada marks a diplomatic thaw and renewed opportunities for trade dialog with one of the world's fastest growing economies.

BUSINESS EVENTS: CONFERENCES AS TRADE PLATFORMS

THE MECHANISM

International conferences, conventions, and trade shows function as reverse trade missions: they bring global decision-makers, buyers, and investors to Canada rather than sending Canadians abroad.

These face-to-face interactions accelerate dealmaking, build trust, and create long-term partnerships across strategic sectors.

IN PRACTICE

International Convention Attraction Fund (ICAF)

In 2024, Destination Canada's ICAF secured 21 major international conferences, expected to bring more than 51,000 delegates and generate $122 million in direct spending.

Enabling Investment in Priority Sectors

Strategic investment in business events drives investment in key sectors such as life sciences, advanced manufacturing, clean energy, and digital technologies. These events create opportunities for Canadian firms to showcase innovation and negotiate deals.

TRADE CORRIDORS: TOURISM BUILDS THE ROUTES THAT CARRY CARGO

THE MECHANISM

Airlines launch and sustain long-haul international routes when passenger demand makes them economically viable. Once a route is operating, the same aircraft carries belly cargo — opening export pathways for Canadian agri-food, seafood, pharmaceuticals, and other high-value perishables.

Tourism demand underpins the air logistics that exporters rely on. Bilateral air agreements, airport incentives, and destination marketing should be recognized as dual-purpose investments.

IN PRACTICE

WestJet's Transpacific Expansion
New 2024 passenger routes to Tokyo and Seoul drove a 60% year-over-year increase in WestJet cargo revenue, for example carrying Alberta beef and Pacific seafood to Asian markets.

Atlantic Canada's Transatlantic Routes
Seasonal tourism volumes sustain direct flights from Halifax to London, Dublin, and Edinburgh that are also used to ship live seafood to overseas buyers.

NATIONAL BRAND: BUILDING TRUST IN CANADIAN VALUES

THE MECHANISM

Every international visitor experiences Canadian values firsthand. These experiences shape global perceptions of Canada, strengthening trust in Canadian products and services and reinforcing Canada's reputation as a reliable trading partner.

A strong national brand increases the competitiveness of Canadian exports and supports long-term trade relationships.

IN PRACTICE

SHOWCASING CANADIAN VALUES

Positive visitor experiences reinforce Canada's brand attributes — environmental stewardship, inclusive society, reliability — which increasingly shape foreign consumer preferences and business decisions.

THE POWER OF INTERNATIONAL VISITATION

International visitors drive $28.9B in spending, which is 13.8% of total Canadian services exports. The sector supports 2 million+ Canadian jobs.

Conversation Starters

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WHAT THIS MEANS FOR YOUR DESTINATION

KEY MESSAGES FOR YOUR STAKEHOLDERS

Destination Organization Boards:
Position the visitor economy as part of your community's trade and economic development strategy, not just a hospitality function.

Local Government:
Frame destination promotion as a dual-purpose investment that contributes to both visitor revenue and export competitiveness — supporting local jobs, the tax base, and trade through a single line of spending.

Economic Development Partners:
Identify which export sectors in your region depend on air connectivity, business events, or international relationships, and where investments in destination promotion can directly support them.

QUESTIONS WORTH ASKING

- What major international business events do we host or could we attract that align with our region's strategic export sectors?
- What inbound markets matter most to our region's export future, and how does destination marketing in those markets reinforce trade promotion?
- Which air routes and direct connections are most critical to our export economy, and how are we protecting or expanding them?
- Are we measuring the visitor economy's contribution to exports and trade, or only its direct hospitality spend?
- Which trade missions, diplomatic visits, or investment delegations should our destination be co-leading or hosting?

Turning Tourism Into Trade: The Impact of the Visitor Economy on Canada's Exports

READ THE FULL STUDY

The study is available on Destinations International's website:

destinationsinternational.org/impact-visitor-economy-canadian-exports

THANK YOU

SCAN TO ACCESS

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