

Alberta's Visitor Economy

Forecast Scenarios & Spending Segmentation

January 2023

Prepared for:



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1 Key findings



Introduction

Travel Alberta previously engaged Tourism Economics to provide forecast scenarios for 2020 to 2035 during the early stages of the COVID-19 pandemic, Travel Alberta is seeking an update of these scenarios along with details on spending by different segments of tourists. **Except where noted otherwise, all figures presented are in nominal (as opposed to real) dollars.** The analysis is organized into nine parts:

- Key findings – reviews major findings;
- Macroeconomic conditions- examines the macroeconomic environment Alberta is facing;
- Current data in Alberta– reviews hotel and airline data in Alberta;
- Scenario overview– provides an overview of three scenarios;
- Economic impacts– analyze the impact of these scenarios on Alberta' Economy;
- Economic impacts in context – compares economic losses to other key data points;
- Spending by purpose of trip– examines historical and forecasted spending by purpose of trip;
- Spending by destination– examines historical and forecasted spending by destination in Alberta; and
- Spending by sector– examines historical and forecasted spending by sector.

Key findings

Three scenarios investigate a range of possible impacts

Upside

Travel spending recovers to \$11.1 billion in 2023. Relative to the pre-pandemic 2019 benchmark spending, impacts amount to \$9.6 billion between 2020 and 2022.

Baseline

Travel spending recovers to \$10.1 billion in 2023. Relative to the pre-pandemic 2019 benchmark spending, impacts amount to \$10.0 billion between 2020 and 2023.

Downside

Travel spending recovers to \$9.0 billion in 2023. Relative to the pre-pandemic 2019 benchmark spending, impacts amount to \$11.8 billion between 2020 and 2024.

Summary of Alberta travel spending losses in three scenarios

Nominal dollars, billions

	2019	2020	2021	2022	2023	2024	2025	Total
Total traveler spending								
Upside Scenario	\$10.1	\$4.6	\$6.3	\$9.8	\$11.1	\$12.2	\$13.1	\$67.2
Baseline Scenario	\$10.1	\$4.6	\$6.3	\$9.3	\$10.1	\$11.4	\$12.1	\$63.9
Downside Scenario	\$10.1	\$4.6	\$6.3	\$8.8	\$9.0	\$10.0	\$10.2	\$58.9
Scenario losses compared to 2019								
Upside Scenario	--	\$5.5	\$3.7	\$0.3	--	--	--	\$9.6
Baseline Scenario	--	\$5.5	\$3.7	\$0.7	\$0.01	--	--	\$10.0
Downside Scenario	--	\$5.5	\$3.7	\$1.3	\$1.1	\$0.1	--	\$11.8
Losses as a share of 2019								
Upside Scenario	--	55%	37%	3%	--	--	--	--
Baseline Scenario	--	55%	37%	7%	0.1%	--	--	--
Downside Scenario	--	55%	37%	13%	11%	1%	--	--

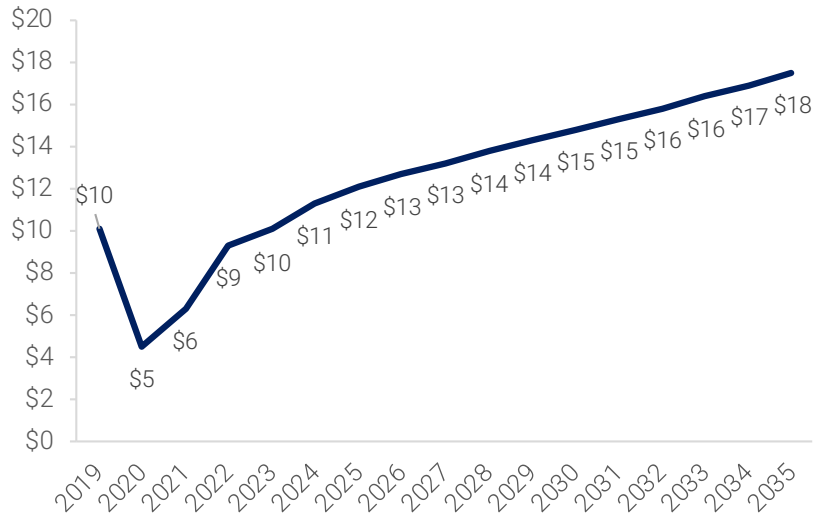
Source: StatCan; Tourism Economics

Key findings

Baseline scenario

Total travel spending in Alberta

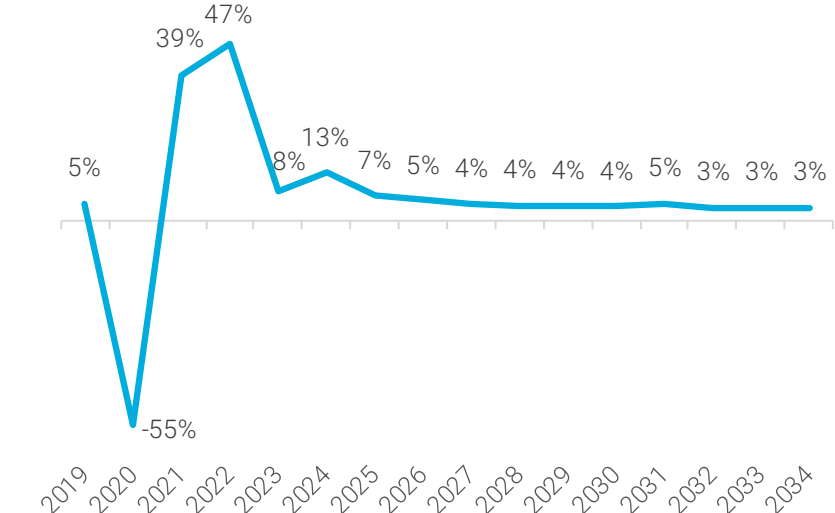
Nominal dollars, billions



Source: StatCan; Tourism Economics

Total travel spending in Alberta

Annual percent change



Source: StatCan; Tourism Economics

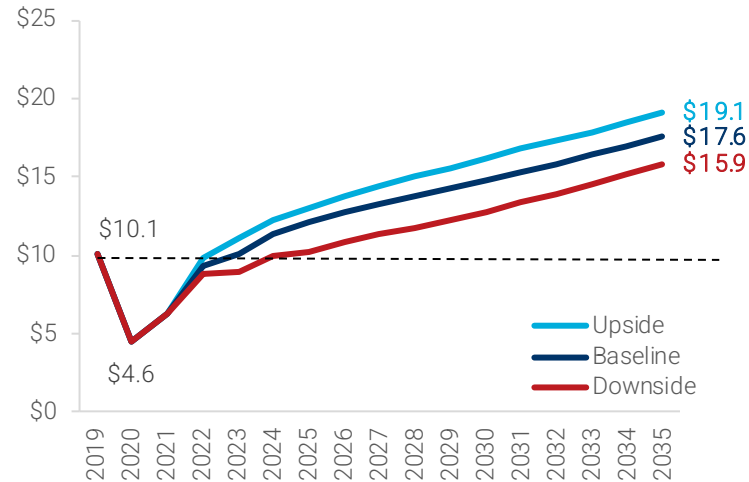
- Inbound spending is expected to grow 47% in 2022 and 8% in 2023. This strong growth will be a result of two factors: high inflation and recovery from the pandemic-related declines.
- Inflation is expected to stabilize after 2023. Therefore, most of the growth between 2024 and 2026 will come from the continued recovery.
- After 2025, with stable inflation and Alberta having fully recovered from the pandemic losses, total travel spending will return to a long-term 4% annual growth rate.

Key findings

Scenarios overview

Total travel spending in Alberta

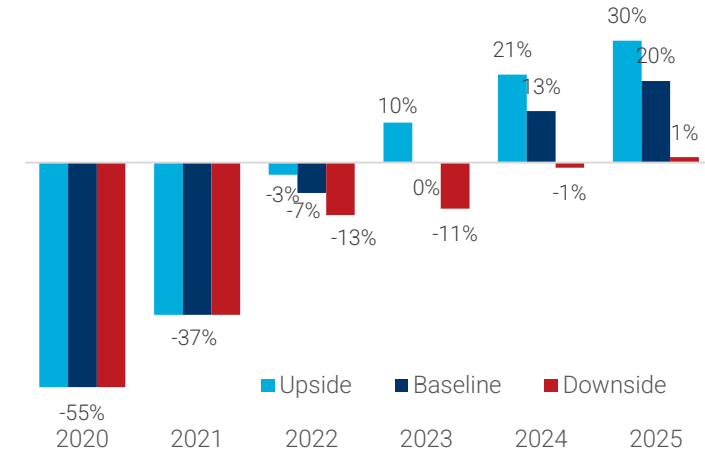
Nominal dollars, billions



Source: StatCan; Tourism Economics

Three scenarios for COVID-19's impact on travel spending in Alberta

Percent losses compared to 2019



Source: StatCan; Tourism Economics

We believe a recession is already underway in Canada, and while a recession would typically result in a major downturn in travel expenditures, we believe travel is uniquely positioned to grow during this downturn for four key reasons:

1. Momentum is still evident despite our belief that the recession has already started
2. Pent-up demand will result in households prioritizing travel
3. Business and group travel will continue to rebuild
4. A weakening Loonie will keep Canadian travelers local and draw in Americans

2 Macroeconomic conditions

Macroeconomic conditions

Short-term outlook

Canada will be in recession for most of 2023

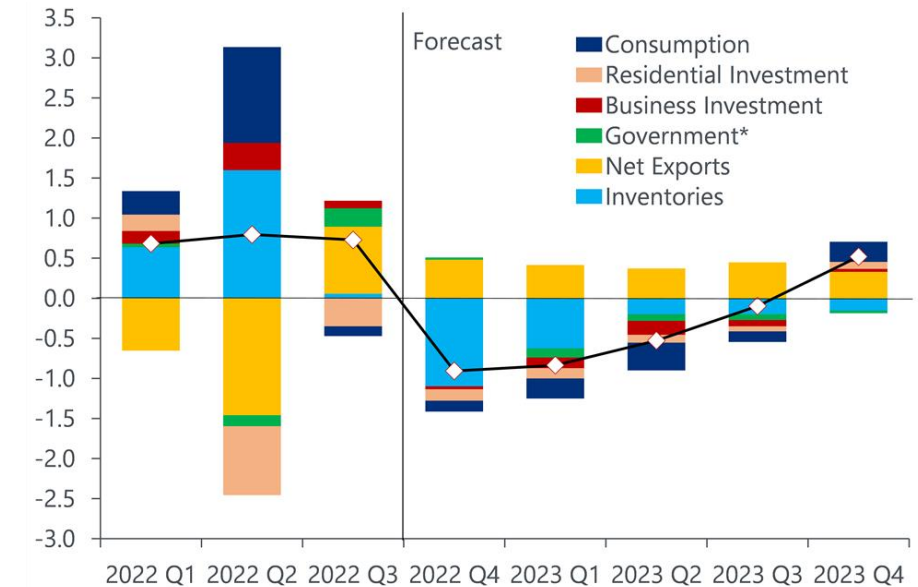
Canada likely slipped into recession in Q4 amid rising interest rates, tightening financial conditions, falling real incomes, and a continuing slump in housing. Historically high household debt and still overvalued housing make the economy more vulnerable to higher interest rates, so Canada's recession is expected to be deeper and longer than in other advanced economies without these underlying imbalances.

Accordingly, we expect GDP in Canada will shrink 2.3% from peak-to-trough between Q4 2022 and Q3 2023. Compared to other Canadian recessions in the past 50 years, excluding the pandemic-driven slump in 2020, this would be one quarter longer but just shy of the average 2.5% drop.

Consumer spending will be hurt by the BoC's aggressive interest rate hikes, negative wealth effects from declining asset prices, lower real incomes, and frail confidence. Highly indebted households will likely cut spending as they deleverage. The housing market is already in the midst of a major correction, while housing starts and home renovation activity have begun to falter.

GDP growth in Canada

% Q/Q growth rate



Source: StatCan; Oxford Economics

Macroeconomic conditions

Household debt

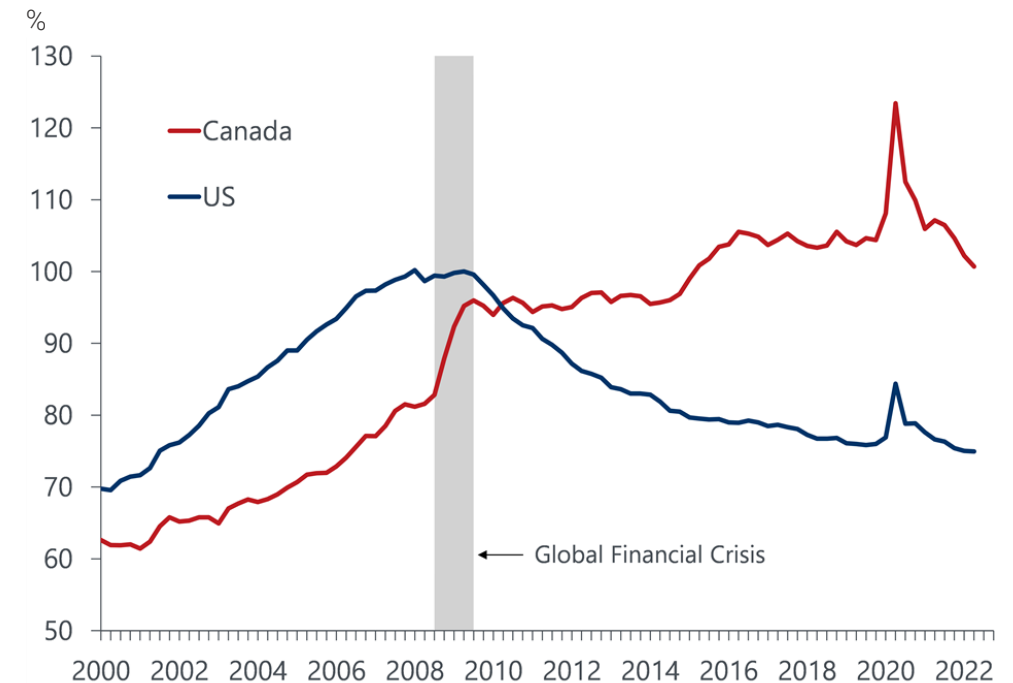
Highly indebted households and overvalued housing will be hard hit

Canada's elevated household debt burden and still stretched housing valuations have made the economy more vulnerable to higher interest rates. Household debt as a share of disposable income remains near all-time highs in Canada and is much higher as a share of the economy than in the US before the 2008-2009 global financial crisis.

Higher interest rates will raise debt service costs and weigh heavily on household finances. Our modelling shows household interest payments as a share of disposable income will jump over 8% by mid-2023, above the peak during the BoC's last tightening cycle in 2018-2019 and the highest since 2009.

Rising debt service costs and falling real incomes are squeezing household budgets. Consumers had already begun to cut spending in Q3, down 0.2% q/q, which was sooner than we expected. Over the course of the recession, we forecast a 1.8% peak-to-trough decline in consumer expenditures. This would be less than the average 2.9% pullback in past recessions, largely due to unsatisfied demand for major items that saw supply shortages during the pandemic – durable goods such as autos, and services, like travel, that have been largely unavailable for the past few years.

North American household debt-to-GDP ratio



Source: StatCan

Macroeconomic conditions

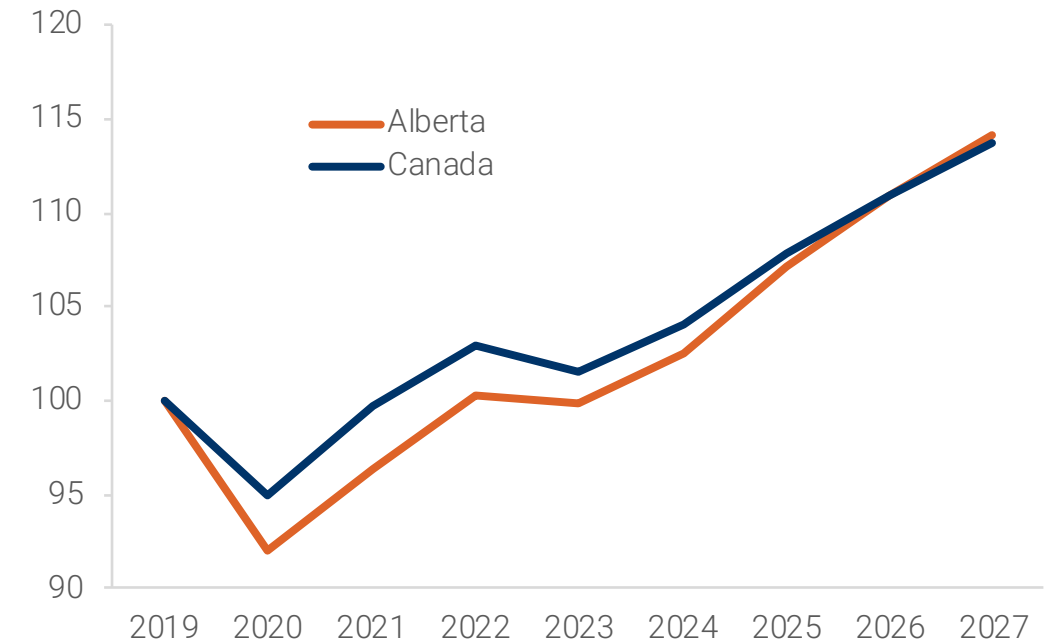
National comparison

Alberta had a faster downturn during the pandemic but will bounce back faster during the recovery.

Higher energy prices and a relatively young and fast-growing population will bolster growth in the short and medium-term.

GDP growth in Canada and Alberta

Index (2019=100)



Source: StatCan

Macroeconomic conditions

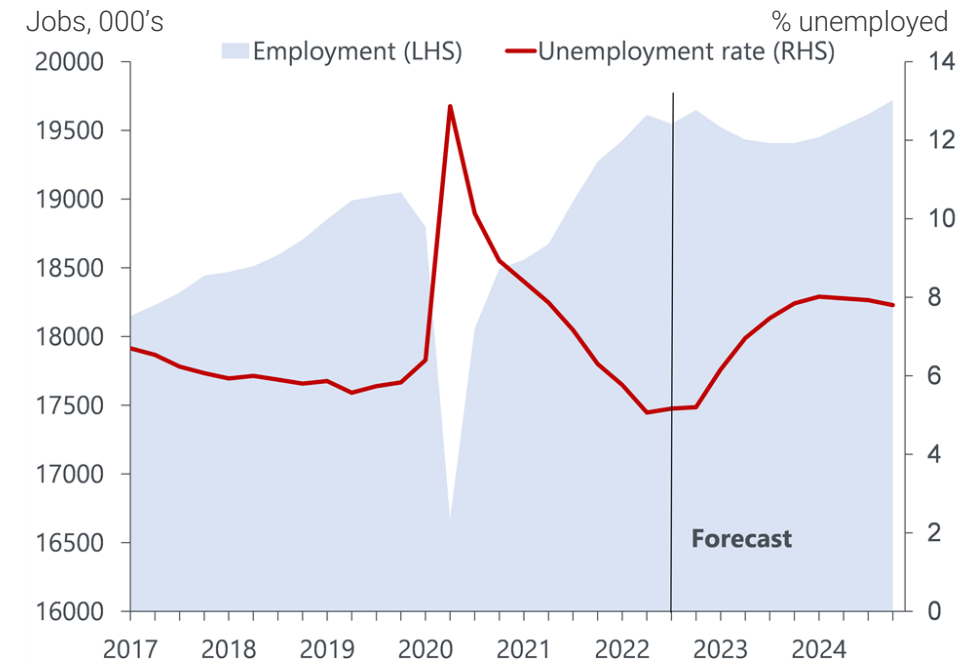
Unemployment rate

Labour markets will loosen but historic shortages are a wild card

Employment typically lags GDP in recessions, and we expect that will be the case during this downturn as well. Employment declined an average 1.6% from peak-to-trough over three quarters in Canada's previous downturns since 1970, excluding the pandemic-driven recession in 2020. For this recession, we forecast a decline of only 1% in total employment – much less than the average drop in past downturns.

Labour shortages remain prominent, with job vacancies elevated across many industries. We expect the difficulty many firms have had hiring new employees will likely motivate them to cut work hours rather than lay off staff to the same degree as in prior recessionary periods. A reduction in average hours worked also typically leads the onset of recession as firms initially cut back on production while trying to retain employees. Indeed, we've already seen early evidence of this, with average weekly hours worked down 1.7% in November from the recent high in March 2022.

Employment and unemployment rate in Canada



Source: StatCan

Macroeconomic conditions

Inflation

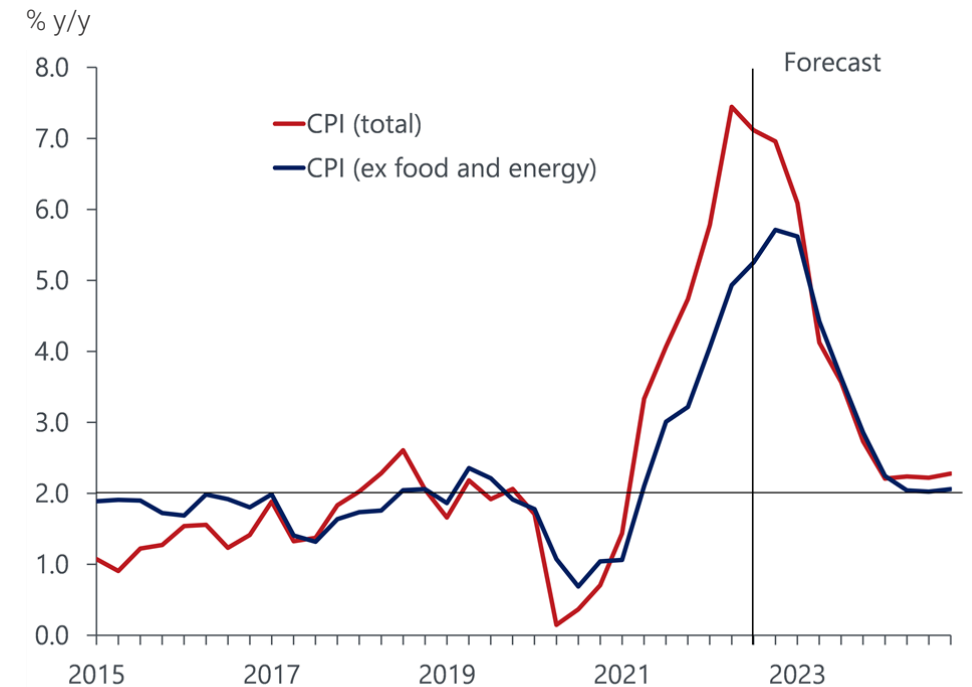
Inflation will fall but remain above the central bank's 2% target next year

We forecast inflation will continue to trend lower in 2023 but remain above the Bank of Canada 2% target by the year end. After peaking at 8.1% y/y in June 2022, inflation slowed to 6.9% y/y in October and the recent drop in gasoline prices means it likely continued to fall in the final months of the year.

In 2023, we expect a combination of falling global energy and commodity prices, lower house prices, gradually improving supply chains, weaker aggregate demand, and building labour market slack will drive headline inflation lower, ending the year at 2.7% y/y.

Falling energy prices have been a major source of easing inflation in H2 2022 and will continue to be an important driver of lower inflation in 2023. However, the key thing to watch on the inflation front next year will be how quickly core inflation decelerates. This will help determine the speed at which overall inflation returns to the BoC's 2% target and how long it keeps interest rates in restrictive territory.

Headline and core inflation in Canada



Source: StatCan

Macroeconomic conditions

Core inflation

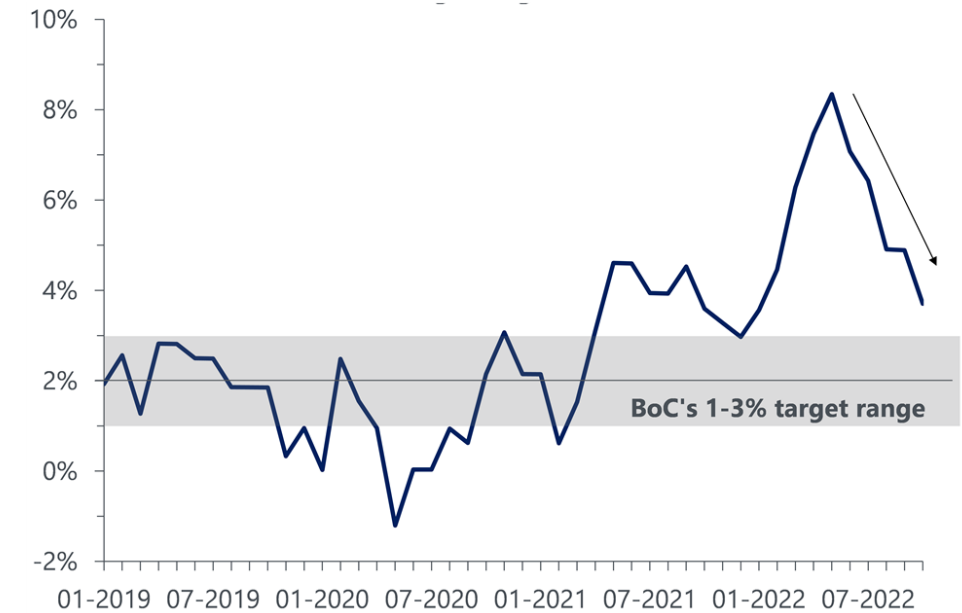
Inflation will fall but remain above the central bank's 2% target next year

We forecast core inflation (CPI excluding food and energy) will peak at 5.7% in Q4 2022 before steadily declining to around 2.9% by Q4 2023 as the recession leads to weaker aggregate demand and builds slack in the labour market amidst a backdrop of gradually improving global supply chains.

There are some early signs of an easing in core inflation. The CPI excluding food and energy rose just 2.5% on a seasonally adjusted m/m annualized basis in October, the slowest pace since November 2021, while its three-month moving average fell to 3.7% from a recent high of 8.3% in May. If the downward trend in m/m core price growth continues, it will help drive core and headline inflation lower in 2023.

CPI excluding food and energy in Canada

% m/m annualized 3-month moving average



Source: StatCan

Macroeconomic conditions

Stimulus unlikely

Major fiscal stimulus is not coming

Typically, during a recession the government provides fiscal stimulus to help offset the decline in private sector demand. This time, we think the government will opt not to introduce major new stimulus to avoid further fanning inflationary pressures and undermining monetary policy.

The end of pandemic emergency measures will see program spending shrink, while pre-planned public infrastructure projects appear well timed to support the economy. In contrast to past downturns, we expect government consumption will fall about 2% during the coming recession. But government capital projects introduced in the 2020 and 2021 budgets are expected to continue to ramp up over the next couple of years, which should provide a much-needed buffer against weaker private domestic demand.

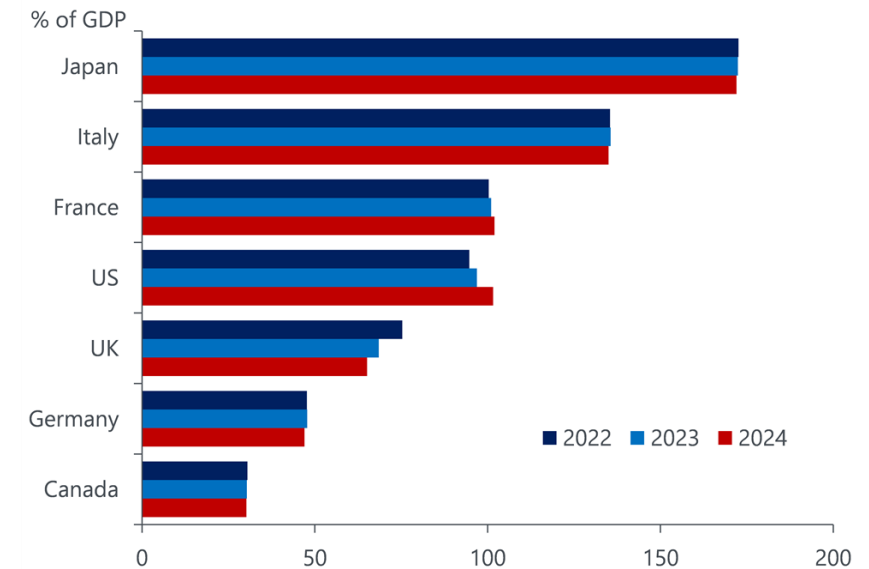
The 2022 Fall Economic Statement introduced only modest targeted new spending, totalling about C\$30bn over the next six years. The spring federal budget may deliver more small, targeted measures – for example to help low-income Canadians cope with housing affordability issues and the rising cost of living. But, in our view, major new fiscal stimulus is unlikely unless the recession is more severe.

That said, the federal government does have fiscal room to act if it needs to. Canada's fiscal position looks favourable relative to its G7 peers. According to the IMF, Canada's net debt to GDP is the lowest in the G7 by a large margin and is likely to decline in the years ahead.

Inflation in Canada

Percent y/y

G7: General government net debt-to-GDP



Source: StatCan

Macroeconomic conditions

Baseline forecast summary

Forecast for Canada

Annual % change unless specified

	2020	2021	2022	2023	2024	2025
GDP	-5.1	5.0	3.3	-1.3	2.3	3.7
Private Consumption	-6.1	5.0	4.6	-0.7	2.4	4.2
Fixed Investment	-2.4	7.4	-0.5	-2.5	2.9	5.6
Stockbuilding (% of GDP)	-1.2	-0.2	1.8	0.6	0.2	0.2
Government Consumption	1.3	6.4	1.3	-1.3	-0.2	0.8
Exports of Goods and Services	-8.9	1.4	2.4	1.5	3.1	3.4
Imports of Goods and Services	-9.3	7.8	7.7	-2.6	0.4	3.4
Industrial Production	-8.2	4.5	3.7	-0.7	3.5	3.8
Consumer Prices	0.7	3.4	6.8	4.1	2.2	2.3
Current Balance (% of GDP)	-2.2	-0.3	-0.7	-0.7	-1.3	-2.6
Government Budget (% of GDP)	-10.3	-4.1	-0.8	-3.0	-3.0	-2.4
Short-Term Interest Rates (%)	0.76	0.33	2.64	4.50	3.50	2.24
Long-Term Interest Rates (%)	0.75	1.36	2.78	3.00	2.89	2.85
Exchange Rate (Per US\$)	1.34	1.25	1.30	1.39	1.34	1.26
Exchange Rate (Yen per Can \$)	79.6	87.6	101.3	102.5	103.6	103.8

Source: StatCan

3 Latest trends in Alberta



Latest trends in Alberta

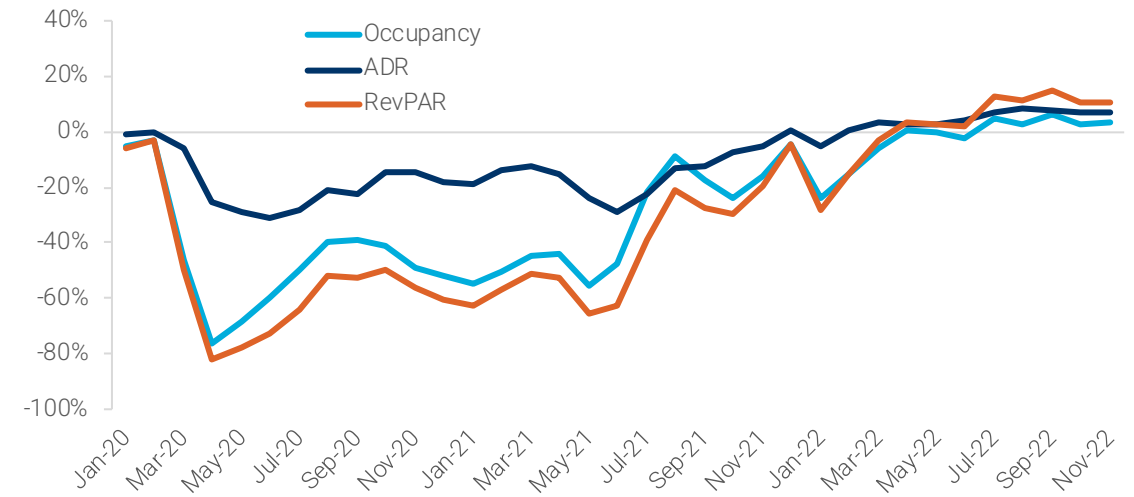
Hotel sector metrics

The hotel sector has recovered.

Since the summer of 2022, occupancy, average daily rate (ADR), and revenue per room (RevPAR) have registered at rates above 2019. From June to November, RevPAR has averaged 10% higher than before the pandemic.

Alberta hotel sector metrics

M/M changes from 2019



Source: STR

Latest trends in Alberta

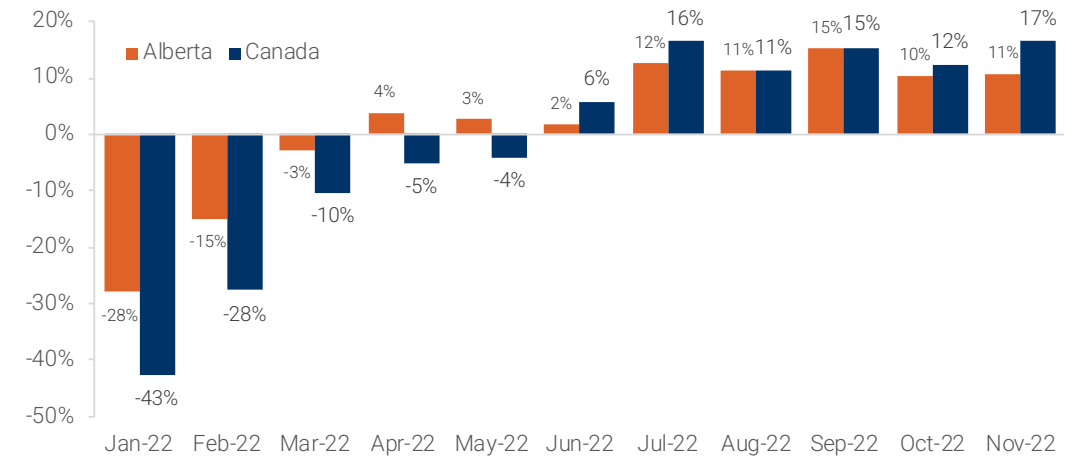
Hotel sector metrics

Alberta's hotel sector outperforming has slowed compared to the nation.

While Alberta was generally outperforming the nation prior to the summer, since June, Alberta has lagged behind Canada in terms of RevPAR recovery.

RevPAR, Alberta versus Canada

Percent change relative to the same month in 2019



Source: STR

Latest trends in Alberta

Air arrivals in Alberta

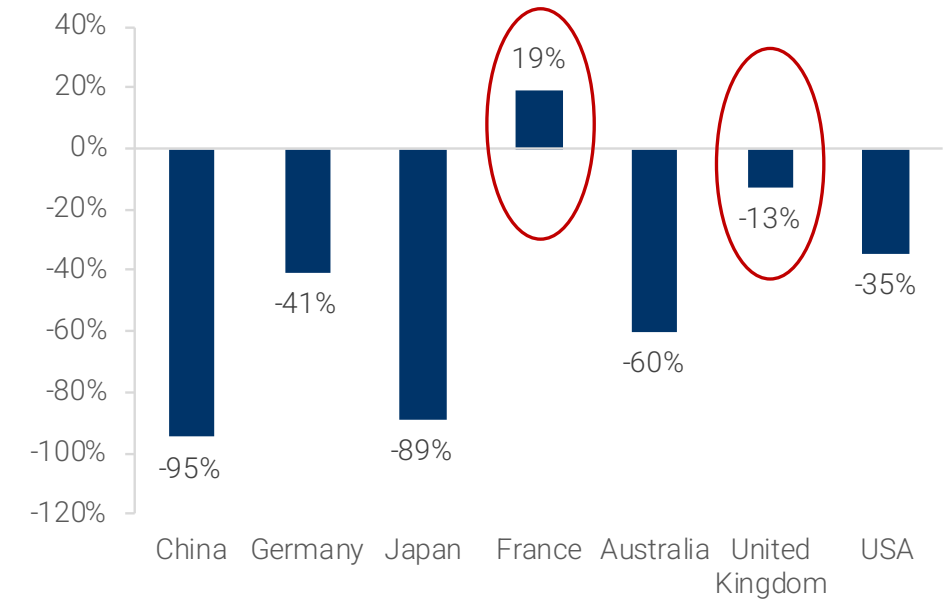
Europe heads Alberta's recovery in international arrivals this year.

2022 year-to-date indicators through October show Europe leading Alberta's recovery in international arrivals this year. France, the UK, and Germany registered the strongest recovery in air arrivals to Alberta in the first ten months of 2022 relative to 2019.

Asia and Pacific are showing slowest recovery, with China down 90% relative to the same time period in 2019.

October year-to-date international arrivals in Alberta

Percent change relative to 2019



Source: OAG

4 Scenarios overview



Scenarios assumptions

Economic assumptions summary

The global economic outlook has deteriorated since our previous forecast in July 2022. Global economic prospects have deteriorated further. We now expect the global economy to fall into technical recession in the near term. Risks to this outlook remain skewed to the downside.

In the Alberta travel sector forecast, we consider a baseline, a downside and an upside scenarios.

Baseline : We forecast for world GDP to grow by 1.3% in 2023, while in Canada, GDP declines 1.3% and inflation moderates to 4.1%. Our 2023 outlook is still weaker than last year's likely 3% gain, but we expect the trough in quarter-on-quarter world growth was in Q4 last year and believe growth will improve in 2023. In all, we still think that the world economy will likely fall into recession this year, but we now expect the weakest quarter-on-quarter growth for world GDP was in Q4 2022. We also think that the balance of risks is less tilted to the downside and believe that the risks of a substantial global economic slump have diminished.

Downside scenario: In this scenario, central bank credibility is threatened by the ongoing period of elevated inflation. Despite the rapid central bank tightening underway, long-term inflation expectations become de-anchored from central bank targets and cost and

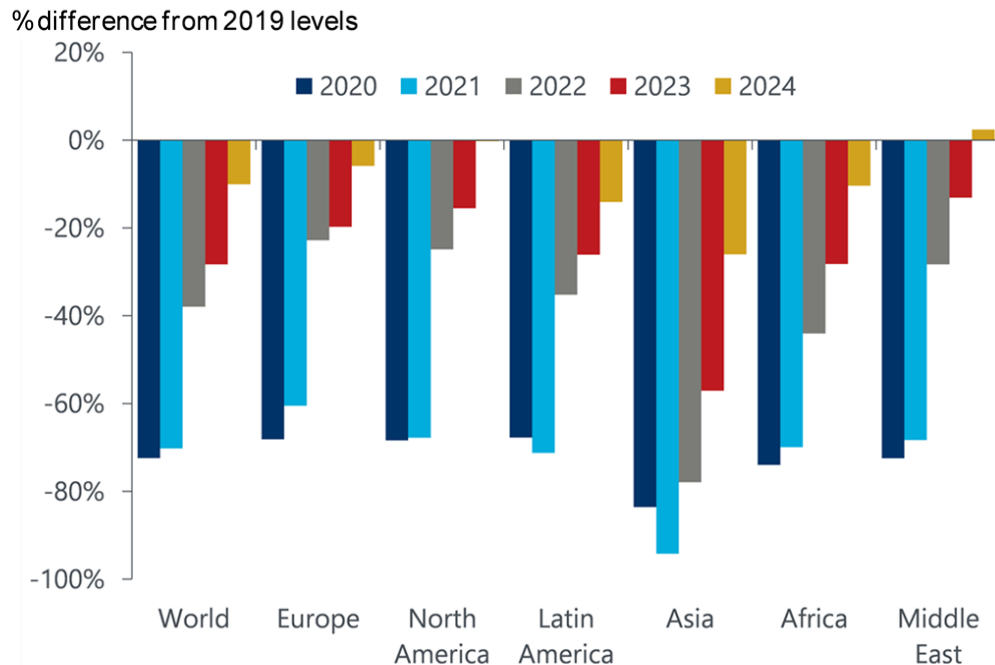
price pressures remain persistently elevated. Financial markets are rocked. Globally, monetary policy tightens more rapidly, accompanied by marked rises in government bond yields and falls in equity prices. As sentiment worsens, a broad-based US dollar appreciation ensues. The global economy slows, reflecting in part a persistent squeeze on households' real disposable income. Global GDP Growth slows to 0.6% in 2023, while in Canada, GDP declines 1.8% while inflation moderates to 5.2%. Recovery is subdued with inflation, inflation expectations, and policy rates all elevated for a protracted period.

Upside scenario: Inflationary pressures ease markedly. Supply-chains normalize more quickly than expected, aided by an early and successful pivot by the Chinese authorities away from their zero-Covid policy. With commodity market disruption also more limited than anticipated, earlier producer price rises partially unwind. Sentiment improves. In financial markets, equities rise and government bond yields fall below baseline, while most currencies appreciate against the US dollar. Business and consumer confidence improve, aiding the recovery in demand. Central banks remain cautious, with policy rates in the major economies on hold throughout 2023. But lower inflation then allows sharper loosening of policy than in the baseline. Overall, the global economy expands by 2.1% in 2023, while Canada, GDP declines by 0.6% and inflation moderates to 3.8%.

Global inbound travel forecast

Baseline by destination region

Global inbound travel by destination region

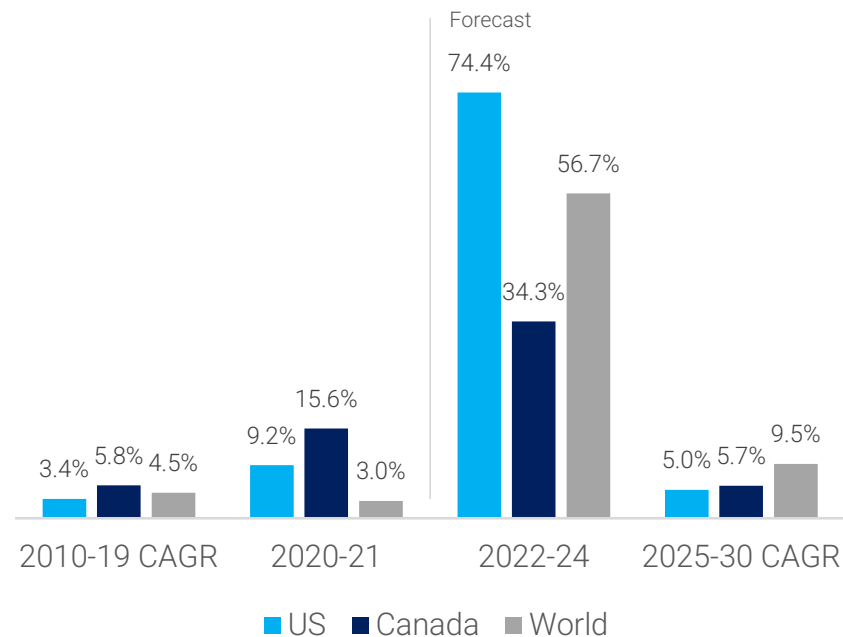


Source: Tourism Economics, GTS Global Highlights, March 2022

- Global travel will show resilience in the face of the approaching economic downturn signalled by the pace of forward bookings and positive survey data. A continuing recovery in business travel, as well as some remaining built-up savings and pent-up demand, will support the ongoing travel recovery.
- Nevertheless, the recession in the advanced economies will limit the pace of recovery in 2023. The Canadian economy is set for a recession in 2023 but this will be countered by the strong dollar and accumulated savings. A looming recession and higher than previously anticipated inflation across Europe will erode earnings and weigh on consumer spending and tourism demand.
- Staff shortages will continue to increase labour costs for the industry which will have to be, at least partially, passed on to consumers. Additional costs for travel will also feed through from higher energy prices and especially jet fuel prices.
- The resumption of Chinese travel will contribute to the recovery of long-haul travel market share in 2023. The absence of Chinese outbound demand beyond this would be a major blow for the travel & tourism industry and for destinations worldwide.

Total inbound travel spending forecast

Baseline forecast, Canada vs. World



- Between 2010 and 2019, total inbound spending in Canada grew at an average annual rate of 5.8%, while in the US this rate stood at 3.4% and the global rate equaled 4.5%.
- Canada is expected to fully recover to the pre-pandemic 2019 benchmark in 2024. After full recovery is reached, total inbound spending in Canada is expected to grow 5.7% annually.

Source: Tourism Economics, GTS Global Highlights, March 2022

Travel sector recovery

Summary of forecast assumptions

While a recession would typically result in a major downturn in travel expenditures, we believe travel in Canada is uniquely positioned to grow during this downturn

- Momentum is still evident despite our belief that the recession has already started
- Pent-up demand will result in households prioritizing travel
- Business and group travel will continue to rebuild
- A weakening Looney will keep Canadian travelers local and draw in Americans

The travel outlook

Despite the recession, we still expect growth across all traveler segments

Scenario overview

Travel spending growth

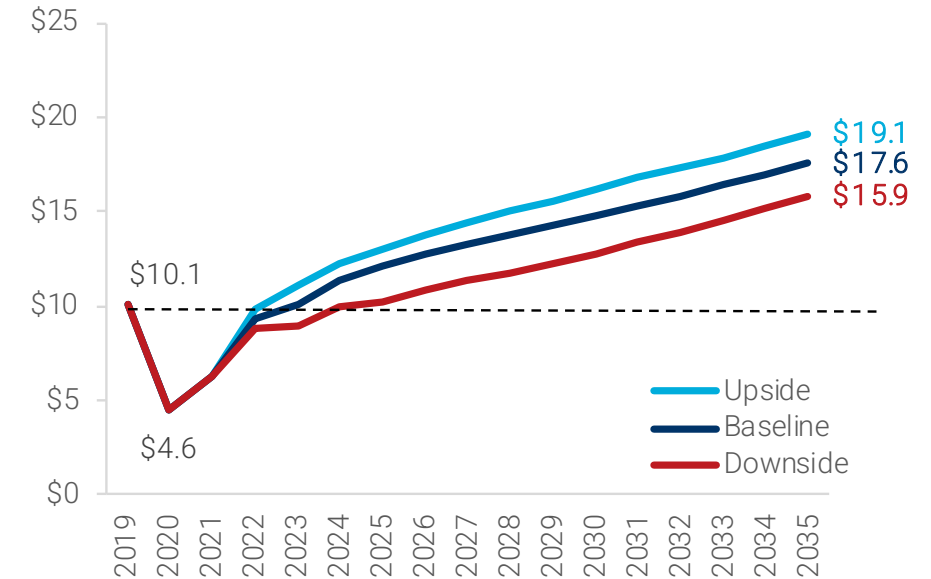
**In the near term, downside risks are significantly greater than upside opportunities.
But in the longer term, some rebalancing of risks occurs.**

Over the next few years, the difference between the downside scenario and the baseline is much higher than between the upside and the baseline, suggesting greater downside risks than upside opportunities.

Over the longer term, risks are skewed to the downside: by 2030, the downside is 20% below the baseline and the upside is 14% higher than the baseline.

Alberta travel spending by scenario

Nominal dollars, billions



Source: StatCan; Tourism Economics

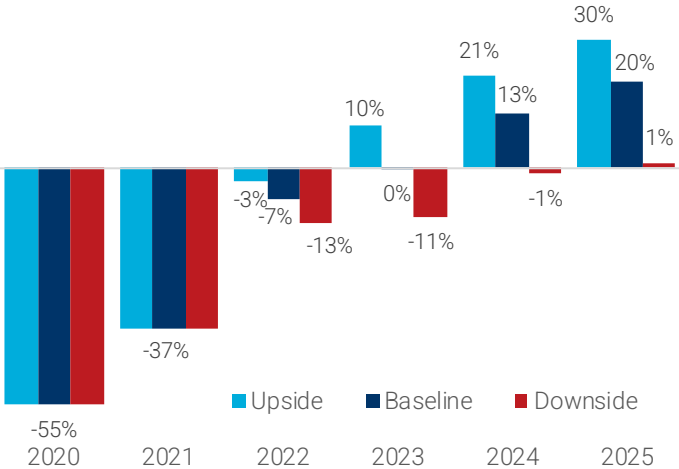
Scenario overview

Travel spending losses

Full recovery to 2019 travel spending levels is expected around 2023 only in the upside and baseline model, while longer recovery period is expected in the downside.

Alberta travel spending by scenario

Percent losses compared to 2019

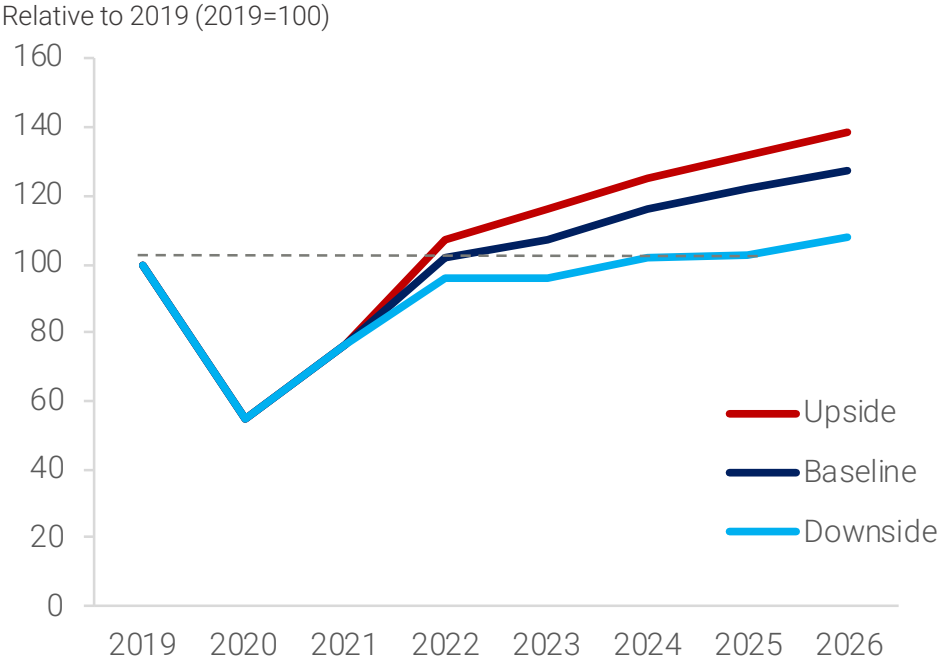


Source: StatCan; Tourism Economics

Scenario overview

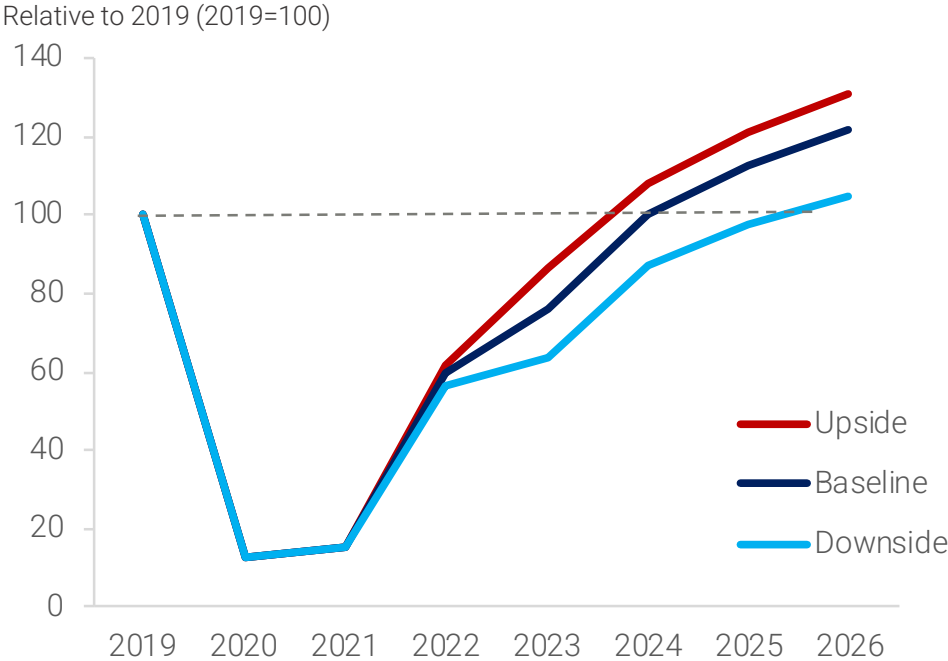
Alberta travel spending recovery by segment

Domestic travel spending by scenario



Source: StatCan; Tourism Economics

International travel spending by scenario



Source: StatCan; Tourism Economics

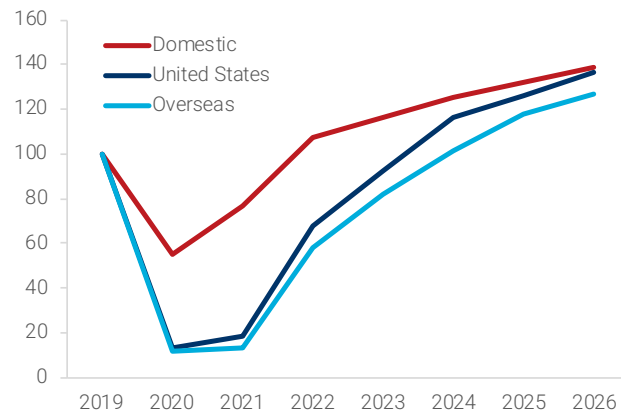
Scenario overview

Alberta travel spending comparison

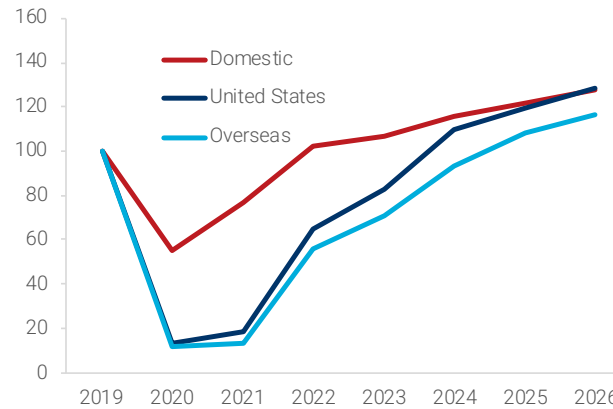
Alberta travel spending by origin in different scenarios

Relative to 2019 (2019=100)

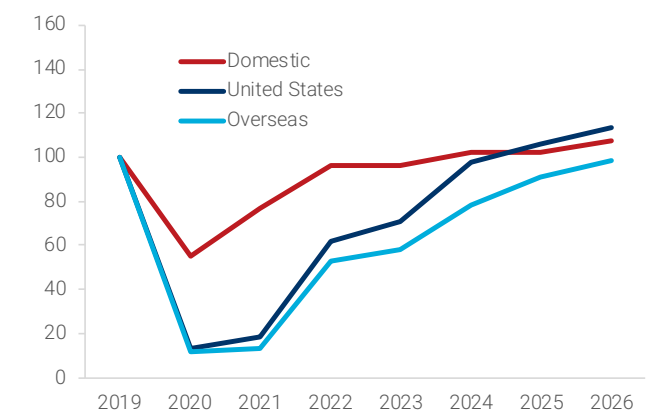
Upside



Baseline



Downside



Source: StatCan; Tourism Economics

- International tourism rebounds in 2022 in all three scenarios, but overseas markets do not fully recover until 2026 in the downside.
- Domestic tourism spending surpasses 2019 levels by 2023 in the upside and the baseline.
- Downside scenario projects slower performance across all markets and a bumpier recovery.

Scenario overview

Spending details - nominal

Alberta travel spending by origin

Nominal dollars. millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Recovery year*	2019-2035 growth
Upside Scenario																			
Alberta	\$5,704	\$3,406	\$4,555	\$6,340	\$6,777	\$7,219	\$7,589	\$7,939	\$8,249	\$8,559	\$8,869	\$9,179	\$9,462	\$9,753	\$10,054	\$10,364	\$10,684	2022	87.3%
Rest of Canada	\$2,098	\$877	\$1,433	\$2,037	\$2,313	\$2,562	\$2,717	\$2,867	\$3,005	\$3,145	\$3,286	\$3,430	\$3,545	\$3,663	\$3,786	\$3,912	\$4,042	2023	92.7%
United States	\$993	\$131	\$183	\$669	\$918	\$1,156	\$1,256	\$1,357	\$1,414	\$1,474	\$1,536	\$1,602	\$1,664	\$1,728	\$1,794	\$1,863	\$1,935	2024	94.9%
Overseas	\$1,291	\$149	\$170	\$745	\$1,061	\$1,310	\$1,519	\$1,635	\$1,748	\$1,850	\$1,937	\$2,026	\$2,110	\$2,198	\$2,289	\$2,385	\$2,484	2024	92.5%
Total	\$10,086	\$4,564	\$6,341	\$9,791	\$11,069	\$12,247	\$13,080	\$13,798	\$14,416	\$15,028	\$15,628	\$16,237	\$16,780	\$17,342	\$17,924	\$18,524	\$19,146	2023	89.8%
Baseline Scenario																			
Alberta	\$5,704	\$3,406	\$4,555	\$6,038	\$6,217	\$6,684	\$7,008	\$7,311	\$7,575	\$7,838	\$8,099	\$8,360	\$8,611	\$8,870	\$9,137	\$9,412	\$9,695	2022	70.0%
Rest of Canada	\$2,098	\$877	\$1,433	\$1,940	\$2,122	\$2,372	\$2,509	\$2,640	\$2,759	\$2,880	\$3,001	\$3,124	\$3,239	\$3,358	\$3,482	\$3,610	\$3,743	2023	78.4%
United States	\$993	\$131	\$183	\$645	\$820	\$1,092	\$1,183	\$1,276	\$1,328	\$1,381	\$1,436	\$1,495	\$1,552	\$1,612	\$1,674	\$1,739	\$1,806	2024	81.9%
Overseas	\$1,291	\$149	\$170	\$719	\$915	\$1,203	\$1,395	\$1,502	\$1,607	\$1,701	\$1,782	\$1,864	\$1,946	\$2,032	\$2,121	\$2,215	\$2,313	2025	79.2%
Total	\$10,086	\$4,564	\$6,341	\$9,342	\$10,075	\$11,351	\$12,095	\$12,729	\$13,268	\$13,800	\$14,319	\$14,842	\$15,349	\$15,872	\$16,414	\$16,975	\$17,556	2024	74.1%
Downside Scenario																			
Alberta	\$5,704	\$3,406	\$4,555	\$5,676	\$5,595	\$5,882	\$5,886	\$6,178	\$6,439	\$6,701	\$6,965	\$7,231	\$7,522	\$7,824	\$8,139	\$8,466	\$8,807	2024	54.4%
Rest of Canada	\$2,098	\$877	\$1,433	\$1,823	\$1,910	\$2,087	\$2,107	\$2,231	\$2,345	\$2,462	\$2,581	\$2,702	\$2,835	\$2,974	\$3,120	\$3,273	\$3,434	2025	63.7%
United States	\$993	\$131	\$183	\$613	\$703	\$973	\$1,051	\$1,129	\$1,170	\$1,212	\$1,256	\$1,301	\$1,354	\$1,409	\$1,467	\$1,526	\$1,588	2025	59.9%
Overseas	\$1,291	\$149	\$170	\$683	\$748	\$1,015	\$1,178	\$1,269	\$1,358	\$1,439	\$1,508	\$1,578	\$1,659	\$1,744	\$1,832	\$1,926	\$2,024	2027	56.9%
Total	\$10,086	\$4,564	\$6,341	\$8,795	\$8,956	\$9,958	\$10,223	\$10,807	\$11,312	\$11,814	\$12,310	\$12,813	\$13,370	\$13,951	\$14,558	\$15,192	\$15,854	2025	57.2%

Source: StatCan; Tourism Economics

Scenario overview

Spending details, nominal dollar losses

Alberta travel spending losses by origin

Nominal dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total losses
Upside Scenario										
Alberta	--	\$2,298	\$1,149	--	--	--	--	--	--	\$3,447
Rest of Canada	--	\$1,221	\$665	\$61	--	--	--	--	--	\$1,947
United States	--	\$862	\$811	\$324	\$75	--	--	--	--	\$2,071
Overseas	--	\$1,142	\$1,120	\$545	\$230	--	--	--	--	\$3,037
Total	--	\$5,522	\$3,745	\$295	--	--	--	--	--	\$9,561
Baseline Scenario										
Alberta	--	\$2,298	\$1,149	--	--	--	--	--	--	\$3,447
Rest of Canada	--	\$1,221	\$665	\$158	--	--	--	--	--	\$2,044
United States	--	\$862	\$811	\$348	\$173	--	--	--	--	\$2,193
Overseas	--	\$1,142	\$1,120	\$571	\$375	\$87	--	--	--	\$3,295
Total	--	\$5,522	\$3,745	\$743	\$11	--	--	--	--	\$10,020
Downside Scenario										
Alberta	--	\$2,298	\$1,149	\$28	\$109	--	--	--	--	\$3,583
Rest of Canada	--	\$1,221	\$665	\$275	\$188	\$11	--	--	--	\$2,359
United States	--	\$862	\$811	\$380	\$290	\$20	--	--	--	\$2,362
Overseas	--	\$1,142	\$1,120	\$607	\$543	\$275	\$113	\$22	--	\$3,821
Total	--	\$5,522	\$3,745	\$1,290	\$1,130	\$128	--	--	--	\$11,814

Source: StatCan; Tourism Economics

Scenario overview

Spending details, percent change - nominal

Alberta travel spending relative to 2019

Percent change from 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Upside Scenario																	
Alberta	--	-40%	-20%	11%	19%	27%	33%	39%	45%	50%	55%	61%	66%	71%	76%	82%	87%
Rest of Canada	--	-58%	-32%	-3%	10%	22%	30%	37%	43%	50%	57%	64%	69%	75%	80%	86%	93%
United States	--	-87%	-82%	-33%	-8%	16%	26%	37%	42%	48%	55%	61%	68%	74%	81%	88%	95%
Overseas	--	-88%	-87%	-42%	-18%	2%	18%	27%	35%	43%	50%	57%	63%	70%	77%	85%	93%
Total	--	-55%	-37%	-3%	10%	21%	30%	37%	43%	49%	55%	61%	66%	72%	78%	84%	90%
Baseline Scenario																	
Alberta	--	-40%	-20%	6%	9%	17%	23%	28%	33%	37%	42%	47%	51%	56%	60%	65%	70%
Rest of Canada	--	-58%	-32%	-8%	1%	13%	20%	26%	32%	37%	43%	49%	54%	60%	66%	72%	78%
United States	--	-87%	-82%	-35%	-17%	10%	19%	29%	34%	39%	45%	51%	56%	62%	69%	75%	82%
Overseas	--	-88%	-87%	-44%	-29%	-7%	8%	16%	24%	32%	38%	44%	51%	57%	64%	72%	79%
Total	--	-55%	-37%	-7%	0%	13%	20%	26%	32%	37%	42%	47%	52%	57%	63%	68%	74%
Downside Scenario																	
Alberta	--	-40%	-20%	0%	-2%	3%	3%	8%	13%	17%	22%	27%	32%	37%	43%	48%	54%
Rest of Canada	--	-58%	-32%	-13%	-9%	-1%	0%	6%	12%	17%	23%	29%	35%	42%	49%	56%	64%
United States	--	-87%	-82%	-38%	-29%	-2%	6%	14%	18%	22%	26%	31%	36%	42%	48%	54%	60%
Overseas	--	-88%	-87%	-47%	-42%	-21%	-9%	-2%	5%	12%	17%	22%	29%	35%	42%	49%	57%
Total	--	-55%	-37%	-13%	-11%	-1%	1%	7%	12%	17%	22%	27%	33%	38%	44%	51%	57%

Source: StatCan; Tourism Economics

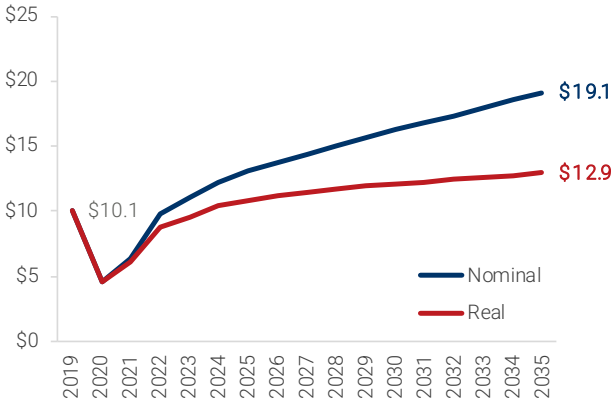
Scenario overview

Nominal and real dollar comparison

Alberta travel spending

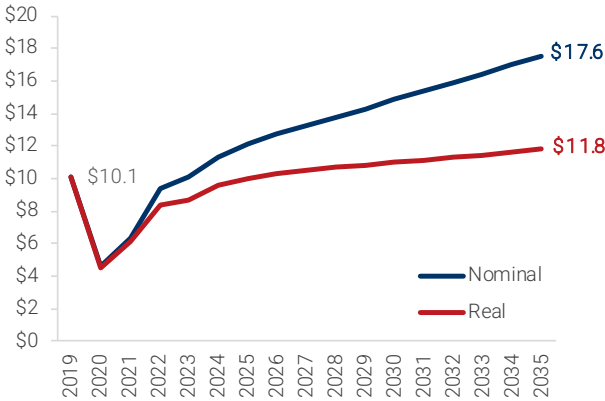
Nominal and real dollars, billions

Upside

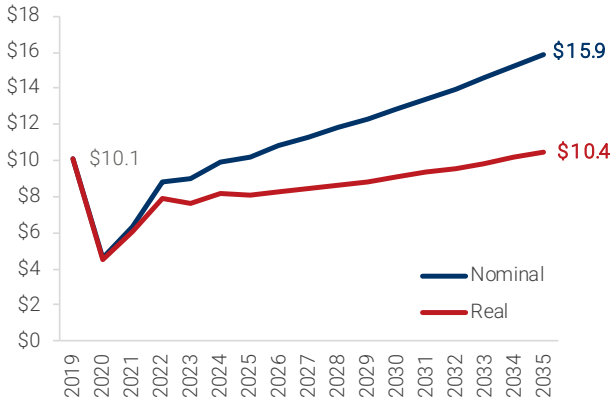


Source: StatCan; Tourism Economics

Baseline



Downside



The boost in spending attributable to inflation is apparent when comparing nominal and real spending figures.

Scenario overview

Spending details - real

Alberta travel spending by origin

Real dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Recovery year*	2019-2035 growth
Upside Scenario																			
Alberta	\$5,704	\$3,382	\$4,373	\$5,698	\$5,867	\$6,130	\$6,314	\$6,472	\$6,574	\$6,672	\$6,765	\$6,852	\$6,924	\$6,998	\$7,073	\$7,148	\$7,223	2023	26.6%
Rest of Canada	\$2,098	\$871	\$1,376	\$1,830	\$2,003	\$2,175	\$2,261	\$2,337	\$2,395	\$2,451	\$2,507	\$2,561	\$2,594	\$2,628	\$2,663	\$2,698	\$2,733	2024	30.3%
United States	\$993	\$130	\$175	\$601	\$795	\$982	\$1,045	\$1,106	\$1,127	\$1,149	\$1,172	\$1,196	\$1,217	\$1,240	\$1,262	\$1,285	\$1,308	2025	31.8%
Overseas	\$1,291	\$148	\$164	\$670	\$918	\$1,113	\$1,264	\$1,332	\$1,393	\$1,442	\$1,477	\$1,512	\$1,544	\$1,577	\$1,611	\$1,645	\$1,680	2026	30.2%
Total	\$10,086	\$4,531	\$6,088	\$8,800	\$9,583	\$10,400	\$10,883	\$11,248	\$11,488	\$11,715	\$11,921	\$12,122	\$12,279	\$12,444	\$12,609	\$12,775	\$12,945	2024	28.3%
Baseline Scenario																			
Alberta	\$5,704	\$3,382	\$4,373	\$5,427	\$5,368	\$5,644	\$5,787	\$5,905	\$5,984	\$6,058	\$6,127	\$6,191	\$6,251	\$6,316	\$6,379	\$6,444	\$6,508	2025	14.1%
Rest of Canada	\$2,098	\$871	\$1,376	\$1,743	\$1,832	\$2,003	\$2,072	\$2,133	\$2,180	\$2,226	\$2,270	\$2,314	\$2,352	\$2,391	\$2,431	\$2,471	\$2,513	2026	19.8%
United States	\$993	\$130	\$175	\$580	\$708	\$922	\$977	\$1,031	\$1,049	\$1,068	\$1,087	\$1,107	\$1,127	\$1,148	\$1,169	\$1,191	\$1,212	2026	22.1%
Overseas	\$1,291	\$148	\$164	\$646	\$790	\$1,016	\$1,152	\$1,213	\$1,269	\$1,315	\$1,348	\$1,380	\$1,413	\$1,447	\$1,481	\$1,516	\$1,553	2028	20.3%
Total	\$10,086	\$4,531	\$6,088	\$8,397	\$8,698	\$9,586	\$9,988	\$10,282	\$10,482	\$10,667	\$10,832	\$10,991	\$11,143	\$11,302	\$11,461	\$11,622	\$11,786	2026	16.9%
Downside Scenario																			
Alberta	\$5,704	\$3,382	\$4,373	\$5,102	\$4,780	\$4,828	\$4,664	\$4,734	\$4,789	\$4,901	\$5,011	\$5,118	\$5,246	\$5,379	\$5,514	\$5,652	\$5,794	2035	1.6%
Rest of Canada	\$2,098	\$871	\$1,376	\$1,639	\$1,631	\$1,713	\$1,670	\$1,709	\$1,745	\$1,801	\$1,857	\$1,913	\$1,977	\$2,045	\$2,114	\$2,185	\$2,259	2033	7.7%
United States	\$993	\$130	\$175	\$551	\$600	\$799	\$833	\$865	\$870	\$887	\$903	\$921	\$945	\$969	\$994	\$1,019	\$1,045	2033	5.2%
Overseas	\$1,291	\$148	\$164	\$614	\$639	\$833	\$933	\$972	\$1,010	\$1,052	\$1,085	\$1,117	\$1,157	\$1,199	\$1,241	\$1,286	\$1,332	2035	3.2%
Total	\$10,086	\$4,531	\$6,088	\$7,905	\$7,650	\$8,173	\$8,099	\$8,280	\$8,414	\$8,641	\$8,856	\$9,069	\$9,324	\$9,590	\$9,863	\$10,143	\$10,430	2034	3.4%

Source: StatCan; Tourism Economics

Scenario overview

Spending details, real dollar losses

Alberta travel spending losses by origin

Real dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total losses
Upside Scenario																		
Alberta	--	--	--	\$6	--	--	--	--	--	--	--	--	--	--	--	--	--	\$6
Rest of Canada	--	--	--	\$268	\$95	--	--	--	--	--	--	--	--	--	--	--	--	\$363
United States	--	--	--	\$392	\$198	\$11	--	--	--	--	--	--	--	--	--	--	--	\$601
Overseas	--	--	--	\$621	\$372	\$178	\$27	--	--	--	--	--	--	--	--	--	--	\$1,198
Total	--	--	--	\$1,285	\$502	--	--	--	--	--	--	--	--	--	--	--	--	\$1,788
Baseline Scenario																		
Alberta	--	--	--	\$277	\$336	\$60	--	--	--	--	--	--	--	--	--	--	--	\$673
Rest of Canada	--	--	--	\$355	\$266	\$95	\$26	--	--	--	--	--	--	--	--	--	--	\$742
United States	--	--	--	\$413	\$285	\$71	\$16	--	--	--	--	--	--	--	--	--	--	\$785
Overseas	--	--	--	\$644	\$500	\$274	\$138	\$77	\$21	--	--	--	--	--	--	--	--	\$1,655
Total	--	--	--	\$1,689	\$1,387	\$500	\$97	--	--	--	--	--	--	--	--	--	--	\$3,673
Downside Scenario																		
Alberta	--	--	--	\$602	\$924	\$876	\$1,040	\$970	\$915	\$803	\$693	\$586	\$458	\$325	\$190	\$52	--	\$7,410
Rest of Canada	--	--	--	\$459	\$467	\$385	\$428	\$389	\$353	\$297	\$241	\$185	\$121	\$53	--	--	--	\$3,204
United States	--	--	--	\$442	\$393	\$194	\$160	\$128	\$123	\$106	\$90	\$72	\$49	\$24	--	--	--	\$1,708
Overseas	--	--	--	\$677	\$652	\$457	\$357	\$318	\$281	\$238	\$206	\$173	\$134	\$92	\$49	\$5	--	\$3,359
Total	--	--	--	\$2,180	\$2,435	\$1,912	\$1,986	\$1,805	\$1,672	\$1,444	\$1,230	\$1,016	\$762	\$495	\$223	--	--	\$15,681

Source: StatCan; Tourism Economics

Scenario overview

Spending details, percent change - real

Alberta travel spending relative to 2019

Percent change from 2019 – real dollars

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Upside Scenario																	
Alberta	--	-41%	-23%	0%	3%	7%	11%	13%	15%	17%	19%	20%	21%	23%	24%	25%	27%
Rest of Canada	--	-58%	-34%	-13%	-5%	4%	8%	11%	14%	17%	19%	22%	24%	25%	27%	29%	30%
United States	--	-87%	-82%	-39%	-20%	-1%	5%	11%	14%	16%	18%	20%	23%	25%	27%	29%	32%
Overseas	--	-89%	-87%	-48%	-29%	-14%	-2%	3%	8%	12%	14%	17%	20%	22%	25%	27%	30%
Total	--	-55%	-40%	-13%	-5%	3%	8%	12%	14%	16%	18%	20%	22%	23%	25%	27%	28%
Baseline Scenario																	
Alberta	--	-41%	-23%	-5%	-6%	-1%	1%	4%	5%	6%	7%	9%	10%	11%	12%	13%	14%
Rest of Canada	--	-58%	-34%	-17%	-13%	-5%	-1%	2%	4%	6%	8%	10%	12%	14%	16%	18%	20%
United States	--	-87%	-82%	-42%	-29%	-7%	-2%	4%	6%	7%	9%	11%	13%	16%	18%	20%	22%
Overseas	--	-89%	-87%	-50%	-39%	-21%	-11%	-6%	-2%	2%	4%	7%	9%	12%	15%	18%	20%
Total	--	-55%	-40%	-17%	-14%	-5%	-1%	2%	4%	6%	7%	9%	10%	12%	14%	15%	17%
Downside Scenario																	
Alberta	--	-41%	-23%	-11%	-16%	-15%	-18%	-17%	-16%	-14%	-12%	-10%	-8%	-6%	-3%	-1%	2%
Rest of Canada	--	-58%	-34%	-22%	-22%	-18%	-20%	-19%	-17%	-14%	-11%	-9%	-6%	-3%	1%	4%	8%
United States	--	-87%	-82%	-45%	-40%	-20%	-16%	-13%	-12%	-11%	-9%	-7%	-5%	-2%	0%	3%	5%
Overseas	--	-89%	-87%	-52%	-50%	-35%	-28%	-25%	-22%	-18%	-16%	-13%	-10%	-7%	-4%	0%	3%
Total	--	-55%	-40%	-22%	-24%	-19%	-20%	-18%	-17%	-14%	-12%	-10%	-8%	-5%	-2%	1%	3%

Source: StatCan; Tourism Economics

5 Spending by purpose of trip



Spending by purpose of trip

Origin market detail

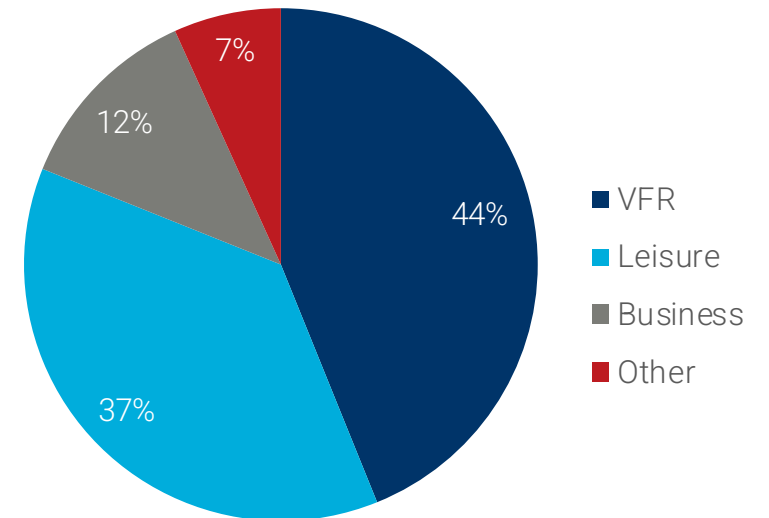
Alberta is predominantly a leisure destination.

This section will review Alberta travel spending by purpose of trip.

VFR and leisure led while business experienced the most significant decline during the pandemic.

Alberta travel spending by trip purpose, 2022 (estimated)

Percent of origin market total



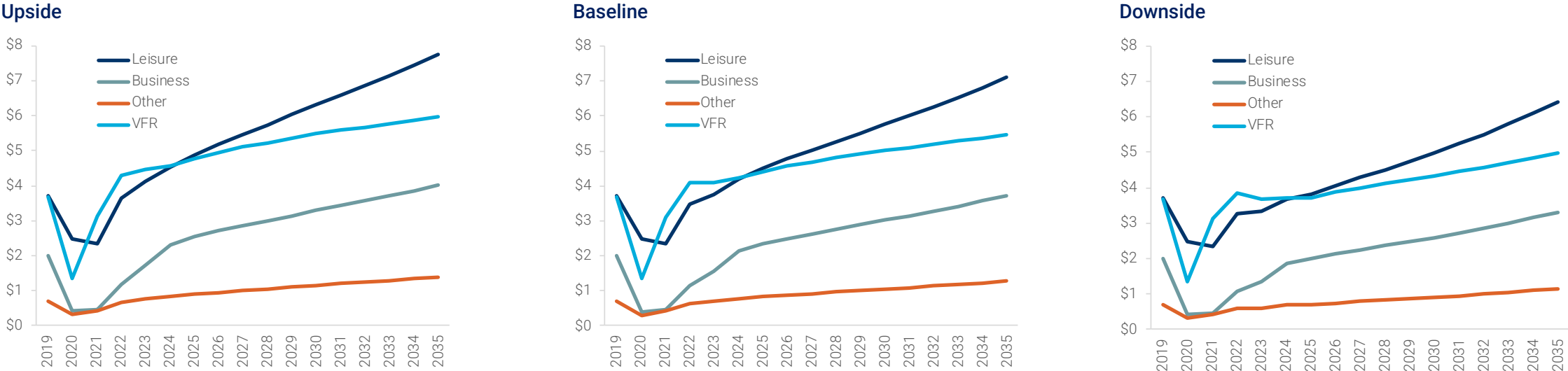
Source: StatCan; Tourism Economics

Spending by purpose of trip

Scenario comparison

Alberta travel spending by trip purpose in different scenarios

Nominal dollars, billions

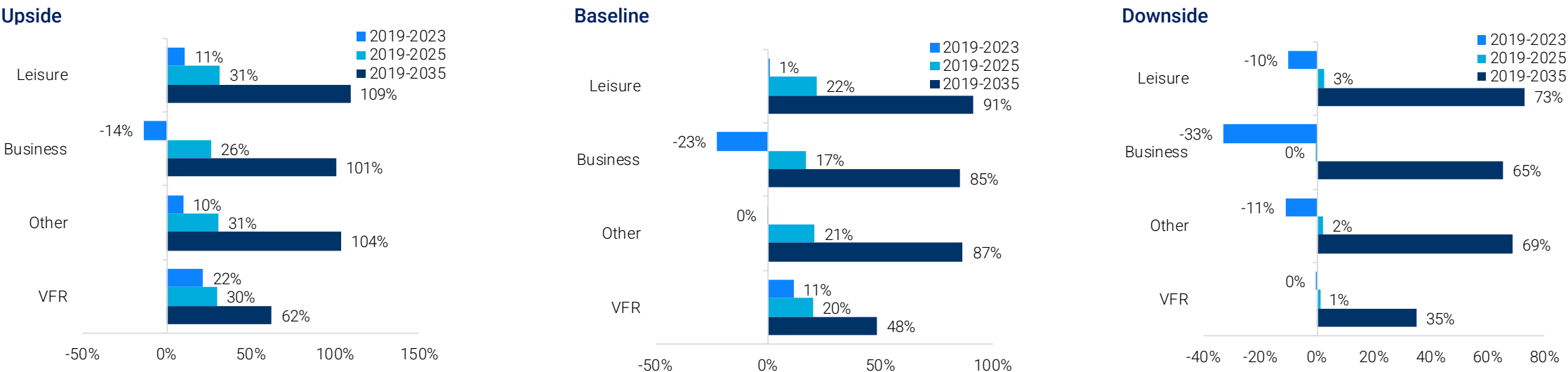


Source: StatCan; Tourism Economics

Spending by purpose of trip

Scenario comparison

Alberta traveler spending recovery by trip purpose in the short-, medium-, and long-term



Source: StatCan; Tourism Economics

- Leisure travel leads the recovery.

Spending by purpose of trip

Spending details

Alberta travel spending by trip purpose

Nominal dollars. millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Recovery year*	2019-2035 growth
Upside Scenario																			
Leisure	\$3,708	\$2,489	\$2,351	\$3,643	\$4,108	\$4,537	\$4,875	\$5,182	\$5,461	\$5,744	\$6,024	\$6,311	\$6,577	\$6,854	\$7,142	\$7,441	\$7,751	2023	109%
Business	\$2,005	\$408	\$461	\$1,185	\$1,730	\$2,306	\$2,532	\$2,703	\$2,852	\$2,997	\$3,140	\$3,286	\$3,422	\$3,564	\$3,711	\$3,864	\$4,022	2024	101%
Other	\$686	\$305	\$417	\$662	\$753	\$835	\$896	\$952	\$1,000	\$1,051	\$1,100	\$1,150	\$1,196	\$1,243	\$1,293	\$1,344	\$1,398	2023	104%
VFR	\$3,683	\$1,362	\$3,112	\$4,301	\$4,478	\$4,569	\$4,778	\$4,962	\$5,103	\$5,236	\$5,365	\$5,490	\$5,585	\$5,681	\$5,778	\$5,876	\$5,975	2022	62%
Total	\$10,086	\$4,564	\$6,341	\$9,791	\$11,069	\$12,247	\$13,080	\$13,798	\$14,416	\$15,028	\$15,628	\$16,237	\$16,780	\$17,342	\$17,924	\$18,524	\$19,146	2023	90%
Baseline Scenario																			
Leisure	\$3,708	\$2,489	\$2,351	\$3,475	\$3,743	\$4,203	\$4,506	\$4,778	\$5,023	\$5,271	\$5,515	\$5,764	\$6,009	\$6,264	\$6,530	\$6,805	\$7,092	2023	91%
Business	\$2,005	\$408	\$461	\$1,135	\$1,549	\$2,139	\$2,344	\$2,499	\$2,632	\$2,762	\$2,889	\$3,019	\$3,148	\$3,281	\$3,420	\$3,565	\$3,716	2024	85%
Other	\$686	\$305	\$417	\$631	\$685	\$774	\$829	\$878	\$921	\$965	\$1,008	\$1,051	\$1,094	\$1,138	\$1,184	\$1,231	\$1,281	2024	87%
VFR	\$3,683	\$1,362	\$3,112	\$4,100	\$4,098	\$4,235	\$4,416	\$4,574	\$4,692	\$4,802	\$4,907	\$5,008	\$5,098	\$5,189	\$5,280	\$5,373	\$5,467	2022	48%
Total	\$10,086	\$4,564	\$6,341	\$9,342	\$10,075	\$11,351	\$12,095	\$12,729	\$13,268	\$13,800	\$14,319	\$14,842	\$15,349	\$15,872	\$16,414	\$16,975	\$17,556	2024	74%
Downside Scenario																			
Leisure	\$3,708	\$2,489	\$2,351	\$3,271	\$3,332	\$3,688	\$3,802	\$4,051	\$4,278	\$4,510	\$4,741	\$4,977	\$5,237	\$5,510	\$5,797	\$6,098	\$6,414	2025	73%
Business	\$2,005	\$408	\$461	\$1,073	\$1,342	\$1,863	\$1,997	\$2,133	\$2,251	\$2,367	\$2,480	\$2,597	\$2,727	\$2,864	\$3,007	\$3,158	\$3,315	2026	65%
Other	\$686	\$305	\$417	\$595	\$608	\$680	\$701	\$746	\$786	\$827	\$867	\$908	\$953	\$1,001	\$1,050	\$1,102	\$1,157	2025	69%
VFR	\$3,683	\$1,362	\$3,112	\$3,856	\$3,673	\$3,726	\$3,722	\$3,876	\$3,997	\$4,111	\$4,222	\$4,332	\$4,453	\$4,577	\$4,704	\$4,835	\$4,968	2022	35%
Total	\$10,086	\$4,564	\$6,341	\$8,795	\$8,956	\$9,958	\$10,223	\$10,807	\$11,312	\$11,814	\$12,310	\$12,813	\$13,370	\$13,951	\$14,558	\$15,192	\$15,854	2025	57%

Source: StatCan; Tourism Economics

Spending by purpose of trip

Spending details, nominal dollar losses

Alberta travel spending losses by trip purpose

Nominal dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	Total losses
Upside Scenario									
Leisure	--	\$1,220	\$1,357	\$65	--	--	--	--	\$2,642
Business	--	\$1,597	\$1,544	\$820	\$275	--	--	--	\$4,236
Other	--	\$381	\$269	\$24	--	--	--	--	\$674
VFR	--	\$2,321	\$571	--	--	--	--	--	\$2,892
Total	--	\$5,522	\$3,745	\$295	--	--	--	--	\$9,562
Baseline Scenario									
Leisure	--	\$1,220	\$1,357	\$233	--	--	--	--	\$2,810
Business	--	\$1,597	\$1,544	\$870	\$456	--	--	--	\$4,466
Other	--	\$381	\$269	\$54	\$1	--	--	--	\$706
VFR	--	\$2,321	\$571	--	--	--	--	--	\$2,892
Total	--	\$5,522	\$3,745	\$744	\$11	--	--	--	\$10,020
Downside Scenario									
Leisure	--	\$1,220	\$1,357	\$437	\$376	\$20	--	--	\$3,410
Business	--	\$1,597	\$1,544	\$932	\$663	\$142	\$8	--	\$4,886
Other	--	\$381	\$269	\$91	\$77	\$6	--	--	\$825
VFR	--	\$2,321	\$571	--	\$10	--	--	--	\$2,901
Total	--	\$5,522	\$3,745	\$1,291	\$1,130	\$128	--	--	\$11,814

Source: StatCan; Tourism Economics

Spending by purpose of trip

Spending details, percent change

Alberta travel spending relative to 2019

Percent change from 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Upside Scenario																	
Leisure	--	-33%	-37%	-2%	11%	22%	31%	40%	47%	55%	62%	70%	77%	85%	93%	101%	109%
Business	--	-80%	-77%	-41%	-14%	15%	26%	35%	42%	49%	57%	64%	71%	78%	85%	93%	101%
Other	--	-56%	-39%	-4%	10%	22%	31%	39%	46%	53%	60%	68%	74%	81%	89%	96%	104%
VFR	--	-63%	-16%	17%	22%	24%	30%	35%	39%	42%	46%	49%	52%	54%	57%	60%	62%
Total	--	-55%	-37%	-3%	10%	21%	30%	37%	43%	49%	55%	61%	66%	72%	78%	84%	90%
Baseline Scenario																	
Leisure	--	-33%	-37%	-6%	1%	13%	22%	29%	35%	42%	49%	55%	62%	69%	76%	84%	91%
Business	--	-80%	-77%	-43%	-23%	7%	17%	25%	31%	38%	44%	51%	57%	64%	71%	78%	85%
Other	--	-56%	-39%	-8%	0%	13%	21%	28%	34%	41%	47%	53%	59%	66%	73%	80%	87%
VFR	--	-63%	-16%	11%	11%	15%	20%	24%	27%	30%	33%	36%	38%	41%	43%	46%	48%
Total	--	-55%	-37%	-7%	0%	13%	20%	26%	32%	37%	42%	47%	52%	57%	63%	68%	74%
Downside Scenario																	
Leisure	--	-33%	-37%	-12%	-10%	-1%	3%	9%	15%	22%	28%	34%	41%	49%	56%	64%	73%
Business	--	-80%	-77%	-46%	-33%	-7%	0%	6%	12%	18%	24%	30%	36%	43%	50%	57%	65%
Other	--	-56%	-39%	-13%	-11%	-1%	2%	9%	15%	21%	26%	32%	39%	46%	53%	61%	69%
VFR	--	-63%	-16%	5%	0%	1%	1%	5%	9%	12%	15%	18%	21%	24%	28%	31%	35%
Total	--	-55%	-37%	-13%	-11%	-1%	1%	7%	12%	17%	22%	27%	33%	38%	44%	51%	57%

6 Spending by destination



Spending by destination

Destination detail

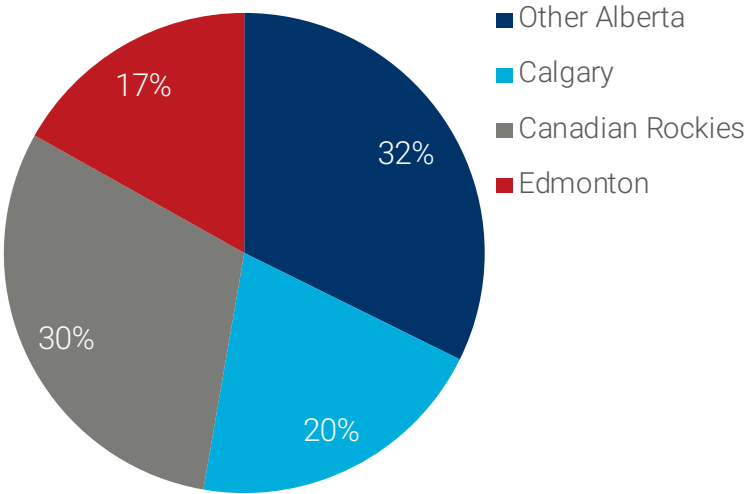
Rural destinations outperformed urban destinations in 2022.

This section will review Alberta travel spending by destination.

Canadian Rockies and destinations outside of Edmonton and Calgary attracted more than 65% of total Alberta travel spending in 2022.

Alberta travel spending by destination, 2022 (estimated)

Percent of origin market total



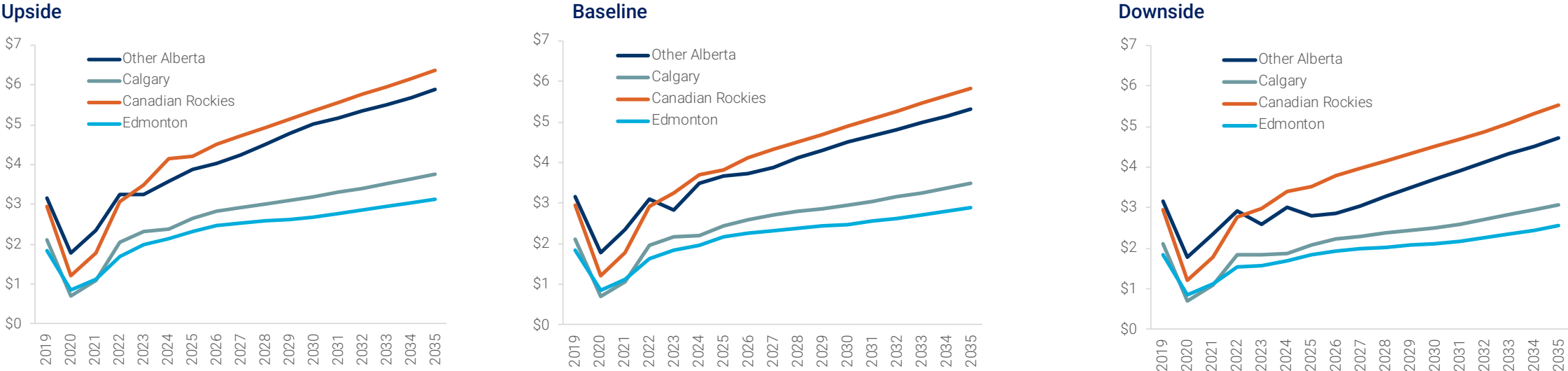
Source: StatCan; Tourism Economics

Spending by destination

Scenario comparison

Alberta travel spending by destination in different scenarios

Nominal dollars, billions



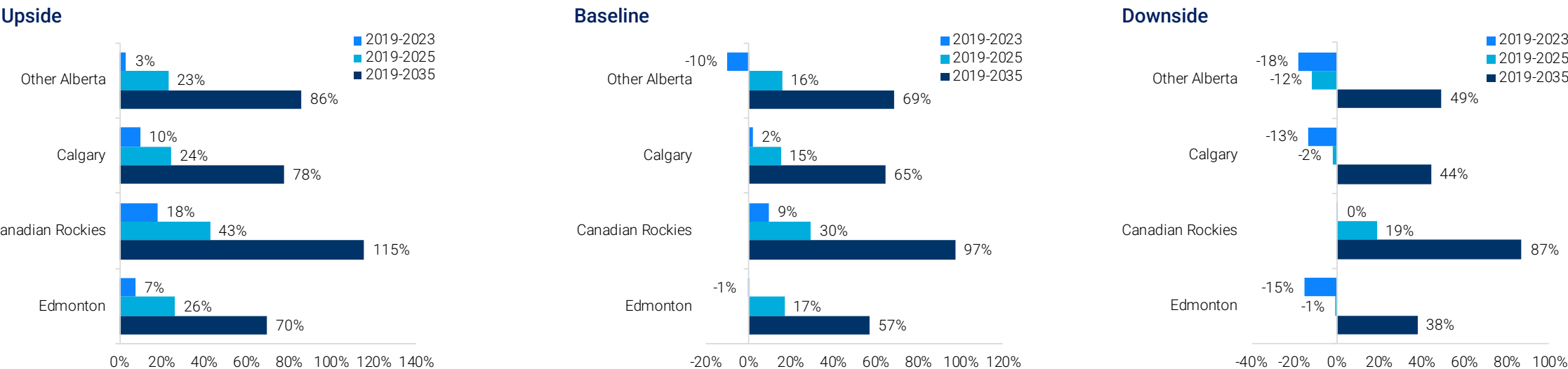
Source: StatCan; Tourism Economics

- Growth accelerates fastest in the upside scenario.

Spending by purpose of trip

Scenario comparison

Alberta traveler spending recovery by trip purpose in the short-, medium-, and long-term



Source: StatCan; Tourism Economics

Spending by destination

Spending details

Alberta travel spending by destination

Nominal dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Recovery year*	2019-2030 growth
Upside Scenario																			
Other Alberta	\$3,160	\$1,787	\$2,353	\$3,262	\$3,259	\$3,586	\$3,890	\$4,020	\$4,241	\$4,515	\$4,771	\$5,028	\$5,171	\$5,331	\$5,503	\$5,685	\$5,874	2022	86%
Calgary	\$2,120	\$707	\$1,075	\$2,061	\$2,331	\$2,373	\$2,637	\$2,814	\$2,922	\$3,010	\$3,100	\$3,191	\$3,300	\$3,412	\$3,526	\$3,645	\$3,767	2023	78%
Canadian Rockies	\$2,959	\$1,218	\$1,780	\$3,071	\$3,496	\$4,153	\$4,222	\$4,507	\$4,729	\$4,928	\$5,130	\$5,340	\$5,552	\$5,756	\$5,958	\$6,162	\$6,371	2022	115%
Edmonton	\$1,847	\$852	\$1,134	\$1,702	\$1,983	\$2,135	\$2,332	\$2,457	\$2,524	\$2,574	\$2,626	\$2,678	\$2,757	\$2,844	\$2,936	\$3,033	\$3,134	2023	70%
Total	\$10,086	\$4,564	\$6,341	\$10,095	\$11,069	\$12,247	\$13,080	\$13,798	\$14,416	\$15,028	\$15,628	\$16,237	\$16,780	\$17,342	\$17,924	\$18,524	\$19,146	2022	90%
Baseline Scenario																			
Other Alberta	\$3,160	\$1,787	\$2,353	\$3,112	\$2,843	\$3,480	\$3,662	\$3,717	\$3,891	\$4,111	\$4,313	\$4,513	\$4,662	\$4,819	\$4,983	\$5,153	\$5,329	2024	69%
Calgary	\$2,120	\$707	\$1,075	\$1,966	\$2,158	\$2,197	\$2,442	\$2,605	\$2,705	\$2,787	\$2,871	\$2,955	\$3,052	\$3,154	\$3,261	\$3,372	\$3,487	2023	65%
Canadian Rockies	\$2,959	\$1,218	\$1,780	\$2,930	\$3,237	\$3,698	\$3,832	\$4,132	\$4,335	\$4,518	\$4,703	\$4,895	\$5,084	\$5,270	\$5,455	\$5,645	\$5,839	2023	97%
Edmonton	\$1,847	\$852	\$1,134	\$1,624	\$1,836	\$1,977	\$2,159	\$2,275	\$2,337	\$2,383	\$2,432	\$2,480	\$2,550	\$2,629	\$2,715	\$2,806	\$2,900	2024	57%
Total	\$10,086	\$4,564	\$6,341	\$9,632	\$10,075	\$11,351	\$12,095	\$12,729	\$13,268	\$13,800	\$14,319	\$14,842	\$15,349	\$15,872	\$16,414	\$16,975	\$17,556	2024	74%
Downside Scenario																			
Other Alberta	\$3,160	\$1,787	\$2,353	\$2,930	\$2,589	\$3,016	\$2,794	\$2,865	\$3,046	\$3,272	\$3,485	\$3,700	\$3,921	\$4,123	\$4,319	\$4,516	\$4,717	2028	49%
Calgary	\$2,120	\$707	\$1,075	\$1,851	\$1,834	\$1,867	\$2,075	\$2,215	\$2,300	\$2,369	\$2,440	\$2,512	\$2,600	\$2,702	\$2,814	\$2,933	\$3,059	2026	44%
Canadian Rockies	\$2,959	\$1,218	\$1,780	\$2,758	\$2,972	\$3,394	\$3,518	\$3,793	\$3,980	\$4,147	\$4,318	\$4,494	\$4,677	\$4,874	\$5,083	\$5,303	\$5,532	2023	87%
Edmonton	\$1,847	\$852	\$1,134	\$1,529	\$1,561	\$1,681	\$1,835	\$1,934	\$1,986	\$2,026	\$2,067	\$2,108	\$2,172	\$2,252	\$2,343	\$2,441	\$2,545	2026	38%
Total	\$10,086	\$4,564	\$6,341	\$9,068	\$8,956	\$9,958	\$10,223	\$10,807	\$11,312	\$11,814	\$12,310	\$12,813	\$13,370	\$13,951	\$14,558	\$15,192	\$15,854	2025	57%

Source: StatCan; Tourism Economics

Spending by destination

Spending details, nominal dollar losses

Alberta travel spending losses by destination

Nominal dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total losses
Upside											
Other Alberta		\$1,373	\$807	--	--	--	--	--	--	--	\$2,180
Calgary	--	\$1,413	\$1,045	\$121	--	--	--	--	--	--	\$2,579
Canadian Rockies	--	\$1,741	\$1,180	--	--	--	--	--	--	--	\$2,921
Edmonton	--	\$995	\$713	\$196	--	--	--	--	--	--	\$1,903
Total	--	\$5,522	\$3,745	\$294	--	--	--	--	--	--	\$9,561
Baseline											
Other Alberta		\$1,373	\$807	\$141	\$253	--	--	--	--	--	\$2,575
Calgary	--	\$1,413	\$1,045	\$213	--	--	--	--	--	--	\$2,671
Canadian Rockies	--	\$1,741	\$1,180	\$117	--	--	--	--	--	--	\$3,038
Edmonton	--	\$995	\$713	\$271	\$25	--	--	--	--	--	\$2,004
Total	--	\$5,522	\$3,745	\$743	\$11	--	--	--	--	--	\$10,020
Downside											
Other Alberta		\$1,373	\$807	\$318	\$515	\$83	\$301	\$225	\$41	--	\$3,665
Calgary	--	\$1,413	\$1,045	\$324	\$301	\$268	\$62	--	--	--	\$3,414
Canadian Rockies	--	\$1,741	\$1,180	\$284	\$15	--	--	--	--	--	\$3,219
Edmonton	--	\$995	\$713	\$364	\$299	\$180	\$26	--	--	--	\$2,576
Total	--	\$5,522	\$3,745	\$1,290	\$1,130	\$128	--	--	--	--	\$11,814

Source: StatCan; Tourism Economics

Spending by destination

Spending details, percent change

Alberta travel spending relative to 2019

Percent change from 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Upside																	
Other Alberta	--	-43%	-26%	3%	3%	13%	23%	27%	34%	43%	51%	59%	64%	69%	74%	80%	86%
Calgary	--	-67%	-49%	-3%	10%	12%	24%	33%	38%	42%	46%	51%	56%	61%	66%	72%	78%
Canadian Rockies	--	-59%	-40%	4%	18%	40%	43%	52%	60%	67%	73%	80%	88%	95%	101%	108%	115%
Edmonton	--	-54%	-39%	-8%	7%	16%	26%	33%	37%	39%	42%	45%	49%	54%	59%	64%	70%
Total	--	-55%	-37%	0%	10%	21%	30%	37%	43%	49%	55%	61%	66%	72%	78%	84%	90%
Baseline																	
Other Alberta	--	-43%	-26%	-2%	-10%	10%	16%	18%	23%	30%	36%	43%	48%	52%	58%	63%	69%
Calgary	--	-67%	-49%	-7%	2%	4%	15%	23%	28%	32%	35%	39%	44%	49%	54%	59%	65%
Canadian Rockies	--	-59%	-40%	-1%	9%	25%	30%	40%	47%	53%	59%	65%	72%	78%	84%	91%	97%
Edmonton	--	-54%	-39%	-12%	-1%	7%	17%	23%	27%	29%	32%	34%	38%	42%	47%	52%	57%
Total	--	-55%	-37%	-4%	0%	13%	20%	26%	32%	37%	42%	47%	52%	57%	63%	68%	74%
Downside																	
Other Alberta	--	-43%	-26%	-7%	-18%	-5%	-12%	-9%	-4%	4%	10%	17%	24%	30%	37%	43%	49%
Calgary	--	-67%	-49%	-13%	-13%	-12%	-2%	4%	8%	12%	15%	18%	23%	27%	33%	38%	44%
Canadian Rockies	--	-59%	-40%	-7%	0%	15%	19%	28%	34%	40%	46%	52%	58%	65%	72%	79%	87%
Edmonton	--	-54%	-39%	-17%	-15%	-9%	-1%	5%	8%	10%	12%	14%	18%	22%	27%	32%	38%
Total	--	-55%	-37%	-10%	-11%	-1%	1%	7%	12%	17%	22%	27%	33%	38%	44%	51%	57%

7 Spending by sector



Spending by sector

Origin market detail

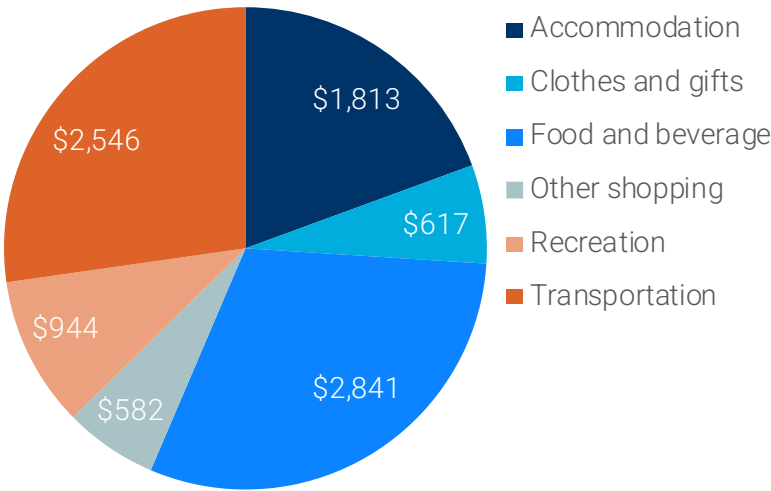
Food and beverage spending led all categories in 2022

This section will review Alberta travel spending by sector.

International travelers to Alberta spent more on accommodation and less on transportation in 2022.

Alberta travel spending by sector, 2022 (estimated)

Percent of total spending



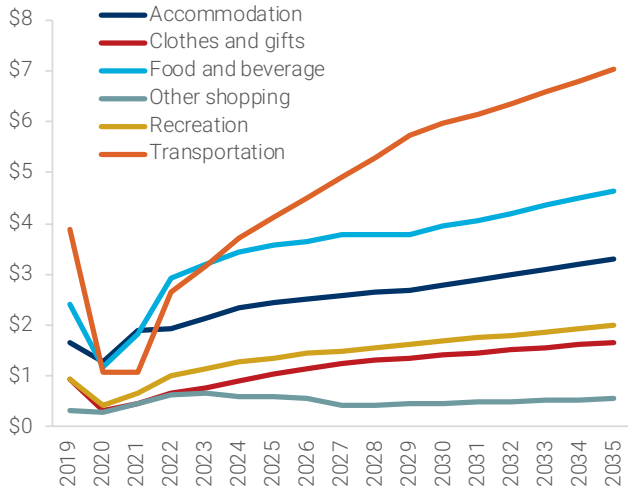
Source: StatCan; Tourism Economics

Spending by sector

Scenario comparison

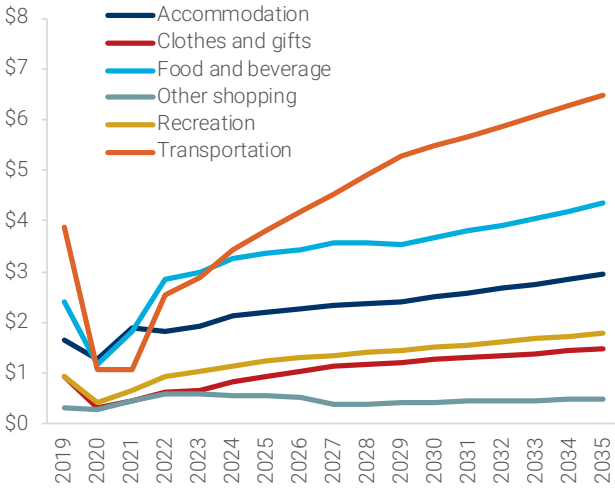
Alberta travel spending by sector in different scenarios
Nominal dollars, billions

Upside

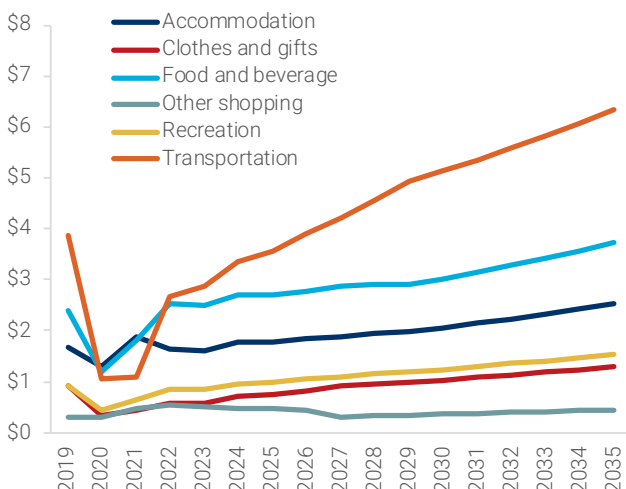


Source: StatCan; Tourism Economics

Baseline



Downside

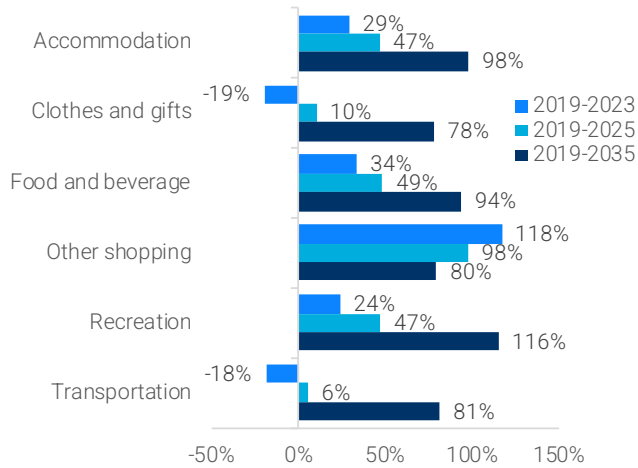


Spending by sector

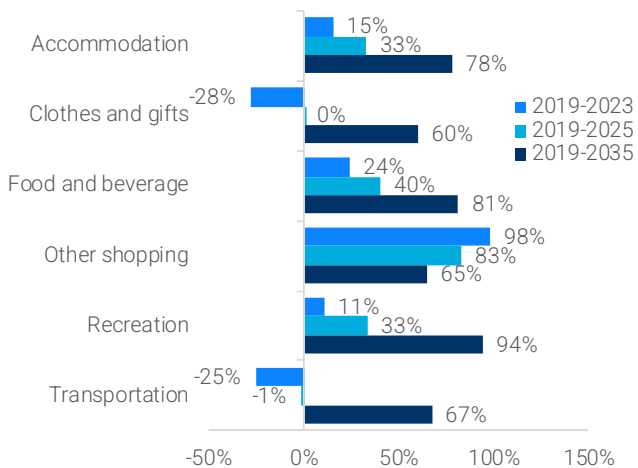
Scenario comparison

Alberta traveler spending recovery by sector in the short-, medium-, and long-term

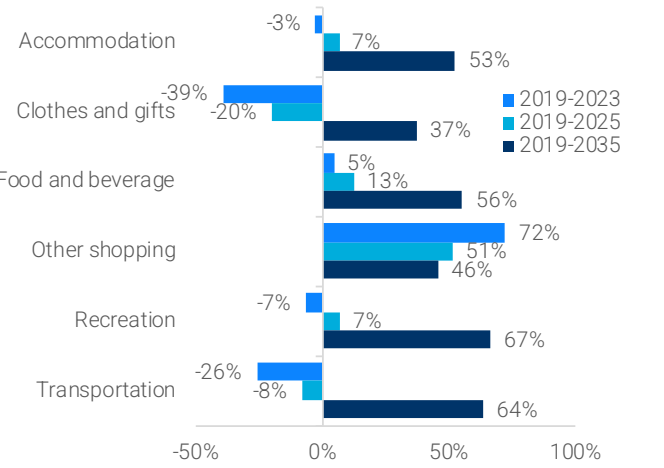
Upside



Baseline



Downside



Source: StatCan; Tourism Economics

Spending by sector

Spending details

Alberta travel spending by sector

Nominal dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Recovery year*	2019-2030 growth
Upside																			
Accommodation	\$1,662	\$1,284	\$1,893	\$1,938	\$2,147	\$2,328	\$2,437	\$2,519	\$2,579	\$2,635	\$2,685	\$2,790	\$2,883	\$2,980	\$3,080	\$3,183	\$3,290	2021	98%
Clothes and gifts	\$932	\$321	\$446	\$660	\$753	\$917	\$1,028	\$1,139	\$1,249	\$1,302	\$1,354	\$1,407	\$1,454	\$1,503	\$1,553	\$1,605	\$1,659	2025	78%
Food and beverage	\$2,395	\$1,179	\$1,819	\$2,918	\$3,199	\$3,434	\$3,557	\$3,640	\$3,792	\$3,794	\$3,788	\$3,936	\$4,067	\$4,204	\$4,345	\$4,490	\$4,641	2022	94%
Other shopping	\$303	\$284	\$457	\$610	\$658	\$605	\$598	\$566	\$407	\$433	\$444	\$461	\$476	\$492	\$509	\$526	\$544	2021	80%
Recreation	\$921	\$434	\$647	\$1,009	\$1,143	\$1,267	\$1,356	\$1,433	\$1,497	\$1,561	\$1,623	\$1,686	\$1,743	\$1,801	\$1,861	\$1,924	\$1,988	2022	116%
Transportation	\$3,873	\$1,062	\$1,080	\$2,657	\$3,169	\$3,696	\$4,104	\$4,501	\$4,892	\$5,302	\$5,734	\$5,957	\$6,156	\$6,363	\$6,576	\$6,796	\$7,024	2025	81%
Total	\$10,086	\$4,564	\$6,341	\$9,791	\$11,069	\$12,247	\$13,080	\$13,798	\$14,416	\$15,028	\$15,628	\$16,237	\$16,780	\$17,342	\$17,924	\$18,524	\$19,146	2023	90%
Baseline																			
Accommodation	\$1,662	\$1,284	\$1,893	\$1,813	\$1,916	\$2,115	\$2,209	\$2,278	\$2,327	\$2,372	\$2,412	\$2,500	\$2,585	\$2,674	\$2,765	\$2,859	\$2,957	2021	78%
Clothes and gifts	\$932	\$321	\$446	\$617	\$672	\$833	\$932	\$1,030	\$1,127	\$1,173	\$1,217	\$1,261	\$1,304	\$1,349	\$1,395	\$1,442	\$1,492	2025	60%
Food and beverage	\$2,395	\$1,179	\$1,819	\$2,841	\$2,972	\$3,247	\$3,356	\$3,427	\$3,561	\$3,555	\$3,542	\$3,671	\$3,796	\$3,926	\$4,060	\$4,199	\$4,342	2022	81%
Other shopping	\$303	\$284	\$457	\$582	\$599	\$561	\$553	\$522	\$375	\$398	\$407	\$421	\$436	\$451	\$466	\$482	\$498	2021	65%
Recreation	\$921	\$434	\$647	\$944	\$1,020	\$1,151	\$1,229	\$1,296	\$1,351	\$1,405	\$1,458	\$1,511	\$1,563	\$1,616	\$1,671	\$1,728	\$1,787	2022	94%
Transportation	\$3,873	\$1,062	\$1,080	\$2,546	\$2,897	\$3,443	\$3,815	\$4,176	\$4,527	\$4,897	\$5,284	\$5,478	\$5,664	\$5,858	\$6,058	\$6,265	\$6,479	2026	67%
Total	\$10,086	\$4,564	\$6,341	\$9,342	\$10,075	\$11,351	\$12,095	\$12,729	\$13,268	\$13,800	\$14,319	\$14,842	\$15,349	\$15,872	\$16,414	\$16,975	\$17,556	2024	74%
Downside																			
Accommodation	\$1,662	\$1,284	\$1,893	\$1,621	\$1,618	\$1,763	\$1,774	\$1,837	\$1,885	\$1,929	\$1,970	\$2,050	\$2,140	\$2,233	\$2,330	\$2,431	\$2,537	2021	53%
Clothes and gifts	\$932	\$321	\$446	\$569	\$568	\$694	\$748	\$831	\$913	\$954	\$994	\$1,034	\$1,079	\$1,126	\$1,175	\$1,226	\$1,280	2028	37%
Food and beverage	\$2,395	\$1,179	\$1,819	\$2,541	\$2,509	\$2,706	\$2,695	\$2,764	\$2,884	\$2,892	\$2,892	\$3,011	\$3,142	\$3,278	\$3,421	\$3,570	\$3,725	2022	56%
Other shopping	\$303	\$284	\$457	\$543	\$522	\$482	\$458	\$435	\$313	\$334	\$343	\$357	\$372	\$388	\$405	\$423	\$441	2021	46%
Recreation	\$921	\$434	\$647	\$844	\$861	\$959	\$987	\$1,045	\$1,094	\$1,143	\$1,191	\$1,239	\$1,293	\$1,349	\$1,408	\$1,469	\$1,533	2024	67%
Transportation	\$3,873	\$1,062	\$1,080	\$2,678	\$2,878	\$3,353	\$3,561	\$3,895	\$4,223	\$4,563	\$4,921	\$5,122	\$5,345	\$5,577	\$5,820	\$6,073	\$6,337	2026	64%
Total	\$10,086	\$4,564	\$6,341	\$8,795	\$8,956	\$9,958	\$10,223	\$10,807	\$11,312	\$11,814	\$12,310	\$12,813	\$13,370	\$13,951	\$14,558	\$15,192	\$15,854	2025	57%

Spending by sector

Spending details, nominal dollar losses

Alberta travel spending losses by sector

Nominal dollars, millions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total losses
Upside											
Accommodation	--	\$378	--	--	--	--	--	--	--	--	\$378
Clothes and gifts	--	\$611	\$486	\$272	\$179	\$15	--	--	--	--	\$1,564
Food and beverage	--	\$1,216	\$576	--	--	--	--	--	--	--	\$1,792
Other shopping	--	\$18	--	--	--	--	--	--	--	--	\$18
Recreation	--	\$486	\$274	--	--	--	--	--	--	--	\$761
Transportation	--	\$2,811	\$2,793	\$1,216	\$705	\$177	--	--	--	--	\$7,702
Total	--	\$5,522	\$3,745	\$295	--	--	--	--	--	--	\$9,561
Baseline											
Accommodation	--	\$378	--	--	--	--	--	--	--	--	\$378
Clothes and gifts	--	\$611	\$486	\$315	\$260	\$99	--	--	--	--	\$1,772
Food and beverage	--	\$1,216	\$576	--	--	--	--	--	--	--	\$1,792
Other shopping	--	\$18	--	--	--	--	--	--	--	--	\$18
Recreation	--	\$486	\$274	--	--	--	--	--	--	--	\$761
Transportation	--	\$2,811	\$2,793	\$1,327	\$977	\$430	\$58	--	--	--	\$8,397
Total	--	\$5,522	\$3,745	\$743	\$11	--	--	--	--	--	\$10,020
Downside											
Accommodation	--	\$378	--	\$40	\$44	--	--	--	--	--	\$462
Clothes and gifts	--	\$611	\$486	\$363	\$364	\$238	\$184	\$101	\$19	--	\$2,367
Food and beverage	--	\$1,216	\$576	--	--	--	--	--	--	--	\$1,792
Other shopping	--	\$18	--	--	--	--	--	--	--	--	\$18
Recreation	--	\$486	\$274	\$77	\$60	--	--	--	--	--	\$898
Transportation	--	\$2,811	\$2,793	\$1,196	\$995	\$521	\$313	--	--	--	\$8,629
Total	--	\$5,522	\$3,745	\$1,290	\$1,130	\$128	--	--	--	--	\$11,814

Source: StatCan; Tourism Economics

Spending by sector

Spending details, percent change

Alberta travel spending relative to 2019

Percent change from 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2032	2031	2032	2033	2034	2035
Upside																	
Accommodation	–	-23%	14%	17%	29%	40%	47%	52%	55%	59%	62%	68%	74%	79%	85%	92%	98%
Clothes and gifts	–	-66%	-52%	-29%	-19%	-2%	10%	22%	34%	40%	45%	51%	56%	61%	67%	72%	78%
Food and beverage	–	-51%	-24%	22%	34%	43%	49%	52%	58%	58%	58%	64%	70%	76%	81%	87%	94%
Other shopping	–	-6%	51%	102%	118%	100%	98%	87%	35%	43%	47%	52%	57%	63%	68%	74%	80%
Recreation	–	-53%	-30%	10%	24%	38%	47%	56%	63%	69%	76%	83%	89%	96%	102%	109%	116%
Transportation	–	-73%	-72%	-31%	-18%	-5%	6%	16%	26%	37%	48%	54%	59%	64%	70%	75%	81%
Total	--	-55%	-37%	-3%	10%	21%	30%	37%	43%	49%	55%	61%	66%	72%	78%	84%	90%
Baseline																	
Accommodation	–	-23%	14%	9%	15%	27%	33%	37%	40%	43%	45%	50%	56%	61%	66%	72%	78%
Clothes and gifts	–	-66%	-52%	-34%	-28%	-11%	0%	11%	21%	26%	31%	35%	40%	45%	50%	55%	60%
Food and beverage	–	-51%	-24%	19%	24%	36%	40%	43%	49%	48%	48%	53%	59%	64%	70%	75%	81%
Other shopping	–	-6%	51%	92%	98%	85%	83%	73%	24%	32%	34%	39%	44%	49%	54%	59%	65%
Recreation	–	-53%	-30%	2%	11%	25%	33%	41%	47%	53%	58%	64%	70%	75%	81%	88%	94%
Transportation	–	-73%	-72%	-34%	-25%	-11%	-1%	8%	17%	26%	36%	41%	46%	51%	56%	62%	67%
Total	--	-55%	-37%	-7%	0%	13%	20%	26%	32%	37%	42%	47%	52%	57%	63%	68%	74%
Downside																	
Accommodation	–	-23%	14%	-2%	-3%	6%	7%	11%	13%	16%	19%	23%	29%	34%	40%	46%	53%
Clothes and gifts	–	-66%	-52%	-39%	-39%	-26%	-20%	-11%	-2%	2%	7%	11%	16%	21%	26%	32%	37%
Food and beverage	–	-51%	-24%	6%	5%	13%	13%	15%	20%	21%	21%	26%	31%	37%	43%	49%	56%
Other shopping	–	-6%	51%	79%	72%	59%	51%	44%	4%	10%	13%	18%	23%	28%	34%	40%	46%
Recreation	–	-53%	-30%	-8%	-7%	4%	7%	13%	19%	24%	29%	35%	40%	47%	53%	60%	67%
Transportation	–	-73%	-72%	-31%	-26%	-13%	-8%	1%	9%	18%	27%	32%	38%	44%	50%	57%	64%
Total	--	-55%	-37%	-13%	-11%	-1%	1%	7%	12%	17%	22%	27%	33%	38%	44%	51%	57%

Source: StatCan; Tourism Economics

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

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