

The Economic Impact of Economic Impact of Visitor Spending AQ 2019 in South Eastern Ontario (RTO 9) in 2021

**This report was generated by
the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries TREIM model**

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Note: The Ministry of Heritage, Sport, Tourism and Culture Industries does not take any responsibility for inputs that the user has provided, nor for the interpretation of the results.

1. Introduction

This report provides an estimate of the economic impact that Economic Impact of Visitor Spending AQ 2019 is expected to have on Ontario's economy, in terms of Gross Domestic Product, employment and taxes generated. The analysis is based on the following information the user has provided to the MHSTCI Tourism Regional Economic Impact Model:

Number of Visitors for Activity (or Event) of Type Festivals/Fairs

| | Total Number of Visitors | Same Day (% of visitors' origin) | Overnight (% of visitors' origin) | Average Length of Stay (nights) |
|----------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------|
| Ontario | 39,470 | 50.00% | 50.00% | 0 |
| Rest of Canada | 3,450 | 20.00% | 80.00% | 0 |
| USA | 2,449 | 10.00% | 90.00% | 0 |
| Overseas | 206 | 0.00% | 100.00% | 0 |
| Total | 45,575 | | | |

The user also has selected the following parameters:

- The visits take place in South Eastern Ontario (RTO 9) in 2021
- The impact is to be shown for South Eastern Ontario (RTO 9)
- Induced impacts of household spending are included
- Induced impacts of business investment are included
- Local government property tax revenue impacts are included

2. Summary of Findings

Table 1. Economic Impact of Visitor Spending AQ 2019 in South Eastern Ontario (RTO 9) in 2021 (in dollars)

| | South Eastern Ontario (RTO 9) | Rest of Province |
|-------------------------------------|--|-------------------------|
| Total Visitors' Spending | \$10,938,302 | |
| Gross Domestic Product (GDP) | | |
| Direct | \$5,081,903 | \$0 |
| Indirect | \$947,434 | \$853,207 |
| Induced | \$1,351,350 | \$780,940 |
| Total | \$7,380,687 | \$1,634,147 |
| Labour Income | | |
| Direct | \$2,675,934 | \$0 |
| Indirect | \$623,498 | \$542,798 |
| Induced | \$820,292 | \$506,954 |
| Total | \$4,119,725 | \$1,049,752 |
| Employment (Jobs) | | |
| Direct | 71 | 0 |
| Indirect | 9 | 7 |
| Induced | 9 | 6 |
| Total | 89 | 14 |
| Direct Taxes | | |
| Federal | \$900,306 | \$0 |
| Provincial | \$1,296,125 | \$0 |
| Municipal | \$143,845 | \$0 |
| Total | \$2,340,276 | \$0 |
| Total Taxes | | |
| Federal | \$1,316,711 | \$228,259 |
| Provincial | \$1,597,033 | \$159,359 |
| Municipal | \$340,891 | \$61,000 |
| Total | \$3,254,635 | \$448,618 |

Table 2. Economic Impacts of Economic Impact of Visitor Spending AQ 2019 in South Eastern Ontario (RTO 9) on GDP by industry (in dollars)

| Industry | Impact on South Eastern Ontario (RTO 9) | | Impact on Rest of Province | |
|---|---|--------------------|----------------------------|--------------------|
| | Direct GDP | Total GDP | Direct GDP | Total GDP |
| Crop and Animal Production | \$0 | \$8,432 | \$0 | \$31,938 |
| Forestry, Fishing and Hunting | \$0 | \$1,707 | \$0 | \$4,129 |
| Mining and Oil and Gas Extraction | \$0 | \$14,007 | \$0 | \$16,793 |
| Utilities | \$0 | \$35,212 | \$0 | \$35,525 |
| Construction | \$0 | \$134,190 | \$0 | \$99,490 |
| Manufacturing | \$103,193 | \$253,253 | \$0 | \$146,381 |
| Wholesale Trade | \$0 | \$50,067 | \$0 | \$251,319 |
| Retail Trade | \$643,107 | \$846,198 | \$0 | \$72,034 |
| Other Transportation and Warehousing | \$97,383 | \$163,114 | \$0 | \$334,676 |
| Ground Passenger Transportation (excl. Rail) | \$54,167 | \$64,400 | \$0 | \$12,013 |
| Information and Cultural Industries | \$6,229 | \$63,037 | \$0 | \$78,444 |
| Other Finance, Insurance, Real Estate and Renting and Leasing | \$13 | \$492,777 | \$0 | \$229,030 |
| Car Renting and Leasing | \$95,048 | \$106,683 | \$0 | \$5,857 |
| Owner Occupied Housing | \$0 | \$276,706 | \$0 | \$43,444 |
| Professional, Scientific and Technical Services | \$0 | \$166,088 | \$0 | \$75,724 |
| Other Administrative and Other Support Services | \$0 | \$85,378 | \$0 | \$37,092 |
| Travel Agencies | \$0 | \$6,724 | \$0 | \$3,627 |
| Education Services | \$32,746 | \$83,654 | \$0 | \$14,229 |
| Health Care and Social Assistance | \$5,896 | \$76,023 | \$0 | \$15,773 |
| Arts, Entertainment and Recreation | \$506,333 | \$526,579 | \$0 | \$13,870 |
| Accommodation Services | \$831,123 | \$836,448 | \$0 | \$2,190 |
| Food & Beverage Services | \$942,884 | \$991,940 | \$0 | \$22,807 |
| Other Services (Except Public Administration) | \$116,990 | \$167,286 | \$0 | \$25,167 |
| Operating, Office, Cafeteria, and Laboratory Supplies | \$0 | \$0 | \$0 | \$0 |
| Travel & Entertainment, Advertising & Promotion | \$0 | \$0 | \$0 | \$0 |
| Transportation Margins | \$0 | \$0 | \$0 | \$0 |
| Non-Profit Institutions Serving Households | \$65,327 | \$86,882 | \$0 | \$8,363 |
| Government Sector | \$50,647 | \$103,468 | \$0 | \$21,037 |
| Net Indirect Taxes on Production | \$1,530,817 | \$1,740,431 | \$0 | \$33,194 |
| Total | \$5,081,903 | \$7,380,687 | \$0 | \$1,634,147 |

Appendix:

The Economic Impact of Visits in South Eastern Ontario (RTO 9) and, if applicable, the rest of Ontario: since no Ontario region is economically self-sustaining, in order to produce the goods and services demanded by its visitors, it will need to import some goods and services from other regions. As such, some of the economic benefits of the visitors' spending in South Eastern Ontario (RTO 9) will spill over to the rest of the province and to regions outside Ontario. Impacts outside Ontario are not estimated by the TREIM.

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. GDP is measured at market prices which include net indirect taxes on products. 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, it include full-time, part-time, seasonal and temporary employment (based on the share of the year worked), for both employed and self-employed workers.

Federal tax revenues: include personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that is collected by the federal government.

Provincial tax revenues: include personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that is collected by the Ontario provincial government.

Municipal tax revenues: include business and personal property and education taxes that are collected by the municipalities. Collection, however, does not follow immediately the consumption or production of goods and services in a municipality by visitors (as is the case with HST or personal income taxes). Rather, these taxes show the percent of the total property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.

Industry: The industry follows Statistics Canada's North America Industry Classification System (NAICS) Input-Output small aggregation industry classification.