House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Tourism Industry Association of Canada (TIAC)

or

( ) **an individual** **Name:** _____

Topic: Trade and investment

*Recommendation 1: Please provide a short summary of your recommendation.

In addition to existing CTC campaigns in developing markets, TIAC recommends creating "Recapture USA,"a new 3 year, $35M/year federal investment in a fully aligned, fully matched private/public CTC-led national marketing campaign in the US to provide immediate returns for Canada's tourism economy. The initial $35M will be partnered with industry totaling $70M invested per year generating $205M in federal tax revenue over a 3yr period. This campaign will utilize "city pairs" to increase visitation from key regions across the US directly into almost every key Canadian international airport

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$10 million-$99.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

A strategically aligned, well-funded 3 year campaign, Recapture USA will reach US consumers never before targeted by Canada and introduce them to interesting, international exotic experiences within a few hours flight from home. The timing is right for re-investment into this market a slightly discounted Canadian currency, signs of US economic recovery and increased passport ownership all point to pent up demand for international travel by American consumers. This campaign will help to counter the significant $20M+ Brand USA campaign currently underway targeting Canada's domestic market.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Travel and tourism is economically important to every riding across Canada. Recapture USA will target high yield travelers from key US regions within four hours of an airport offering direct access into almost every province in Canada. These travelers act as influencers whose habits trend to the mainstream fairly quickly. Early research suggests that marketing in regions that support six key US airports will reach 17 key Canadian airports in almost every province with one hop to the Territories and Newfoundland. American travelers will then be encouraged to explore regional experiences.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The Canadian travel and tourism industry is over-reliant on domestic travel. Growth requires increased international visitation. Recapture USA will drive an estimated $1.56B in incremental tourism revenue, 2.654M incremental visitors and sustain an additional 6,000 Canadian jobs over 3yrs. This added demand is the impetus for investments in hotel real estate, product innovation, infrastructure renewal, additional flights and airlines to Canada and overall increased competition. All factors that drive real and sustainable economic development, jobs and prosperity for Canadians.

Topic: Please select from the pull-down menu

Recommendation 2: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

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Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

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Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Please use this page if you wish to provide more explanation about your recommendation(s).

Canada's travel and tourism industry is committed to diversifying its marketing investments into emerging markets which hold high long term potential for Canada, but offer short term challenges in immediate return on investment and overcoming policy issues that impede performance. While TIAC is confident that this approach will yield strong benefit for Canada in the medium term, to achieve more immediate return and impact to Canada's tourism economy, it is recommending a new,fully matched private/public national marketing campaign in the US through the CTC.

The diversification of our export markets is critical to long-term sustainability, and Canada has made strong gains in markets like China, India, Brazil and Mexico, these markets are exclusively long-haul, higher yield but lower volume driving only a certain band of demand. While time and maturity will enhance their performance, these markets continue to have structural barriers like visa requirements and air access issues. In other words, marketing alone cannot drive these markets, we'll need coordinated approach to improve travel documentation and air lift in order to succeed.

The travel and tourism sector has been an effective partner in developing the fundamentals of the Global Commerce Strategy, however we cannot continue to ignore – the potential returns from incremental visitation from a national marketing perspective – the opportunity to incremental visitation from high yield US markets.

An strategically-aligned well funded marketing partnership into key US markets will compliment the objectives of the Global Commerce Strategy. The added demand generated by Recapture USA will drive investments in hotel real estate, product innovation, infrastructure renewal, additional flights and airlines to Canada and overall increased competition. All factors that drive real and sustainable economic development, jobs and prosperity for Canadians

*Please note that at least one recommendation must be provided