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1. FOREWORD

Tourism makes a valuable contribution to the economic, social and environmental well-being of Canadians across the country. The tourism sector is unique in its economic and cultural significance contributing to every region’s economy while enabling Canadians to explore their heritage and celebrate their culture as they travel this vast country. Tourism’s impact goes beyond creating jobs and providing foreign exchange and revenue. The many international visitors coming to Canada, whether to visit icon attractions, study, or attend a convention, strengthen Canada’s nation brand and international profile.

With revenues of approximately $61.4 billion in 2005, generating over $25.6 billion of value added (2.01% of GDP) to the Canadian economy, the significance of this industry is often misunderstood or underestimated (agriculture, forestry, fishing and hunting constitute 2.2% of GDP in 1997 constant dollars). Tourism is an industry of industries that generates revenue in a number of essential businesses in the Canadian economy. Typically tourism represents about 95% of airplane passengers, 92% of train users, 90% of guests in hotels and other accommodations, 67% of vehicle rentals, 24% of recreation and entertainment revenue and 20% of food and beverage sales. However, the positive economic spillovers flow far beyond these industries. For example, a decision to locate a firm in Canada, form a joint venture, procure Canadian goods and services, or the decision to emigrate can all be precipitated by positive impressions and experiences gained during a vacation or visit to Canada.

Our country is vast—the second largest in the world—which brings both challenges and opportunities. Provinces and territories have varying needs and their respective tourism industries face different issues and priorities. The tourism industry worldwide operates in a challenging environment. Increasing concerns over global security and security risk responses such as the Western Hemisphere Travel Initiative (WHTI), threats to public health, natural disasters, volatile economic conditions and growing competition from new destinations are pushing countries to re-evaluate their approach to tourism.

It is in this turbulent global environment that Canada has to compete and our market share is eroding. In 2004, Canada slipped out of the top 10 destinations, both in terms of arrivals and receipts in favour of other destinations in Europe and Asia. Arrivals from the United States continue to decline. This erosion underscores the fact that the Canadian tourism industry must contend with growing competition from established (the United States and the European Union) and emerging (Latin America, Asia and the Middle East) tourism destinations.

Under these conditions, joint international marketing strategies and partnering arrangements and a strong Canada brand will be extremely important to ensure that the Canadian tourism industry is able to withstand global pressures and increase its market share. Collaboration will be required to develop common strategies to mitigate the anticipated impact of the WHTI, the most pressing issue currently facing the Canadian tourism industry. Also, public and private tourism stakeholders must be better positioned to address specific challenges presented by aging infrastructure, shifting demographics and travel patterns, new technologies, provincial/territorial priorities, and an evolving Aboriginal tourism industry.

The strengths and opportunities of the tourism industry in Canada are many—whether providing breathtaking experiences in a natural and pristine environment; highlighting provincial/territorial and multicultural diversity, developing quality Aboriginal tourism products and experiences, or serving the business and convention markets. Canada has the opportunity to showcase that it is a world class destination in upcoming major international and domestic events such as the 400th anniversary of the founding of Quebec in 2008 and the 2010 Olympic and Paralympic Winter Games in British Columbia. These events...
will provide an opportunity to brand Canada and position the country on the world stage in order to generate significant long-term economic benefits across the country.

The National Tourism Strategy lays a path for future growth of tourism in Canada by defining a new way of doing business. Through a focused and co-ordinated approach, federal, provincial and territorial (F/P/T) governments, in close partnership with their industry, can enhance their commitment to the tourism industry. The world is changing and the tourism sector as a whole has to adapt to a changing environment. The status quo is no longer an option and the repercussions of inaction may be detrimental to tourism as a whole.

2. INTRODUCTION: A NEW ERA OF COLLABORATION

It is evident that the current way of doing business is no longer feasible to meet the challenges facing the tourism sector or to seize emerging opportunities. A new era of collaboration, involving all tourism stakeholders, is necessary to enable Canada to increase its market share and raise its domestic and international profile.

Building a National Tourism Strategy presents a vision for tourism in Canada. The strategy will establish ambitious goals and set out priority actions for achieving these goals. It will be a key instrument in promoting sustainable tourism in the 21st century economy.

**Vision**

Make Canada a sustainable and top-of-mind tourist destination, renowned worldwide for its exceptional and unique year-round, quality travel experiences.

Tourism ministers have acknowledged the importance of enhancing cooperation among, and between, governments and industry to maximize the benefits of tourism investments. They confirmed their commitment to a collaborative approach in November 2003 by signing the Quebec Declaration and by creating the Canadian Council of Tourism Ministers (CCTM). The Declaration is mirrored in the key principles that guide the National Tourism Strategy:

- Promote F/P/T interventions that are research-based, and lead to action and innovation in product development and marketing.
- Develop tourism priorities that are nationally focused, provincially/territorially sensitive, and that recognize Northern and Aboriginal tourism as an emerging and important sector.
- Develop strong, flexible and dynamic partnerships among stakeholders and key decision makers at all levels of government.
- Enhance co-ordination and co-operation mechanisms to increase efficiency in accordance with the roles and responsibilities of each partner.
- Develop strategies to foster and encourage sustainable practices in the tourism industry.

In November 2003, tourism ministers also launched consultations with their stakeholders on the key elements of a National Tourism Strategy. Private sector involvement in the development and implementation of the strategy is crucial to ensuring that the tourism industry can respond to growing competition with innovative products and practices.

The Strategy reflects the results of these consultations and provides the basis for enhanced coordination and collaboration within governments, between governments and with the tourism industry. Commitment and collaboration from all governments will be required on an ongoing basis to validate and update the strategy in order to realize the ambitious goals that have been set by F/P/T governments and tourism stakeholders.

**Goals**

F/P/T governments working in close partnership and in collaboration with the private sector to ensure Canada is among the world’s top 10 tourist destinations, in terms of international arrivals and expenditures, and to increase domestic and international tourism revenues to $75 billion by 2010.
3. ENVIRONMENTAL OVERVIEW: THE CONTEXT FOR CHANGE

Global Trends: A Changing and Volatile Environment
The major tourism drivers are strong economic conditions and personal disposable income. However, tourism is increasingly affected by a host of global events such as political unrest, security and health-related concerns, natural disasters, increased competition from new and emerging destinations, as well as shifting demographics. The tourism industry has to have the capability to adjust rapidly to both natural and economic shocks.

Until 2000, the tourism industry was experiencing steady growth in international travel. Following the events of 9/11 and subsequent international factors (the war in Iraq, potential terrorist attacks, SARS, BSE and West Nile), international travel declined dramatically, with worldwide arrivals dropping 1% to 694 million arrivals in 2003, capping a three-year period of stagnant growth.

In 2005, international tourism continued the tremendous recovery that began in 2004, when arrivals grew by 10.7%. Worldwide travel reached 808 million arrivals in 2005, an increase of 5.5%—the largest annual increase in more than 25 years. Almost all regions shared in this rebound, with Asia-Pacific experiencing growth of 7.4%, the Middle East 6.9%, the Americas 5.8% and Europe 4.3%. In January 2006, the World Tourism Organization (WTO), World Tourism Barometer, reported that events and developments such as natural disasters and acts of terrorism do not appear to be deterring global international tourism; rather they have caused temporary shifts in travel patterns. The WTO estimates that international tourist arrivals worldwide should grow by 4% and 5% in 2006.

While external threats may not have deterred travel, consumers cannot adjust to an economic slowdown by simply seeking alternative destinations. A sustained decline in disposable income or in discretionary spending would eventually result in reduced international travel.

How Is Canada Performing?
Canada is losing market share. After being shaken by the cumulative effects of terrorism and health concerns, the Canadian tourism industry must now contend with the impact of a stronger Canadian dollar. The monthly average exchange rate bottomed out in January 2002, when the Canadian dollar was worth US$0.62. However, in spring 2006, the Canadian dollar had surpassed the US$0.90 threshold, a difference of 45% between its 2002 low and its current value. Diminishing performance in the key U.S. market largely accounts for the erosion in Canada’s market share while the rest of the world experiences a surge in travel.

Table 1: World’s Top 10 Destinations

<table>
<thead>
<tr>
<th>Rank</th>
<th>International Tourist Arrivals</th>
<th>2003 (million)</th>
<th>2004 (million)</th>
<th>Change (%) 03/02</th>
<th>Change (%) 04/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>75.0</td>
<td>75.1</td>
<td>-2.6</td>
<td>0.1</td>
</tr>
<tr>
<td>2</td>
<td>Spain</td>
<td>51.8</td>
<td>55.6</td>
<td>-0.9</td>
<td>3.1</td>
</tr>
<tr>
<td>3</td>
<td>United States</td>
<td>41.2</td>
<td>46.1</td>
<td>-5.4</td>
<td>11.8</td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>33.0</td>
<td>41.8</td>
<td>-10.4</td>
<td>26.7</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>39.6</td>
<td>37.1</td>
<td>-0.5</td>
<td>-6.4</td>
</tr>
<tr>
<td>6</td>
<td>United Kingdom</td>
<td>24.7</td>
<td>27.8</td>
<td>2.2</td>
<td>12.3</td>
</tr>
<tr>
<td>7</td>
<td>Hong Kong (China)</td>
<td>15.5</td>
<td>21.8</td>
<td>-6.2</td>
<td>40.4</td>
</tr>
<tr>
<td>8</td>
<td>Mexico</td>
<td>18.7</td>
<td>20.6</td>
<td>-5.1</td>
<td>10.5</td>
</tr>
<tr>
<td>9</td>
<td>Germany</td>
<td>18.4</td>
<td>20.1</td>
<td>2.4</td>
<td>9.4</td>
</tr>
<tr>
<td>10</td>
<td>Austria</td>
<td>19.1</td>
<td>19.4</td>
<td>2.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Table 1: International Tourist Receipts

<table>
<thead>
<tr>
<th>Rank</th>
<th>International Tourist Receipts (US$ billion) 2003</th>
<th>2004</th>
<th>Change (%) 03/02</th>
<th>Change (%) 04/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>64.3</td>
<td>74.5</td>
<td>-3.6</td>
</tr>
<tr>
<td>2</td>
<td>Spain</td>
<td>39.6</td>
<td>45.2</td>
<td>24.9</td>
</tr>
<tr>
<td>3</td>
<td>France</td>
<td>36.6</td>
<td>40.8</td>
<td>13.2</td>
</tr>
<tr>
<td>4</td>
<td>Italy</td>
<td>31.2</td>
<td>35.7</td>
<td>17.1</td>
</tr>
<tr>
<td>5</td>
<td>United Kingdom</td>
<td>22.7</td>
<td>28.2</td>
<td>11.2</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>23.1</td>
<td>27.7</td>
<td>20.1</td>
</tr>
<tr>
<td>7</td>
<td>China</td>
<td>17.4</td>
<td>25.7</td>
<td>-14.6</td>
</tr>
<tr>
<td>8</td>
<td>Turkey</td>
<td>13.2</td>
<td>15.9</td>
<td>10.9</td>
</tr>
<tr>
<td>9</td>
<td>Austria</td>
<td>14.0</td>
<td>15.3</td>
<td>24.2</td>
</tr>
<tr>
<td>10</td>
<td>Australia</td>
<td>10.3</td>
<td>13.6</td>
<td>20.3</td>
</tr>
</tbody>
</table>

Source: World Tourism Organization, Tourism Highlights 2005
In 2004, Canada dropped out of the top 10 destinations as measured by both international arrivals and receipts. In 2002, it ranked 7th in terms of arrivals, dropping to 11th in 2004; in terms of receipts it ranked 8th in 2001 and 12th in 2004 (see Table 1). Between 2000 and 2004, Canada’s share of world overnight travel fell from 2.9% to 2.5%. North America as a whole also experienced a decline, with its share dropping from 15.9% to 11% since the early 1990s, but Europe’s remained steady at roughly 55% throughout this period.

The Conference Board of Canada’s forecast indicates that international travel to Canada from select markets will grow at the following compound annual growth rate (CAGR) from 2005 to 2010: France 4.0%, Germany 3.9%, the UK 4.4%, Japan 3.7%, Korea 6.7%, China 8.7% and the U.S. –0.6%.

The Conference Board’s 2006 outlook on the Canadian tourism industry is moderately optimistic, forecasting an increase of 3.8% in total (domestic and international) overnight travel in Canada, with 4.9% growth in corresponding tourism expenditures. The domestic market, bolstered by the strong Canadian economy and rising consumer confidence, will continue to drive growth (4.6%), while the U.S. market pulls down an otherwise strong international performance. Overseas arrivals are expected to increase by 6.4% in 2006, but the U.S. market is expected to decline by 3.1% in that period after a 4.6% drop in 2005.

Total travel from the U.S. market has been slipping since 1999. From 1999 to 2004, overnight travel remained relatively stable at about 15 million person-trips per year (except in 2002 and 2003 due to 9/11 and SARS). Same-day trips however have been on a steady decline during this period going from 29.4 million to 19.5 million.

In 2005, the U.S. market continued to deteriorate as both U.S. overnight and same-day travel declined 4.6% and 11.4% respectively, resulting in the lowest volume of U.S. arrivals since 1979.

Confusion among Americans regarding WHTI requirements and its implementation may account, in part, for this major drop.

Under provisions of the WHTI, starting January 2007, all air and sea travellers entering the U.S., including Americans, will require a passport and starting no later than June 1, 2009, everyone wanting to enter the U.S. at a land border will require a passport or other accepted documentation to be admitted or re-enter the U.S. The Conference Board of Canada estimates that 34% of U.S. residents aged 18 and over currently possess a valid passport; by comparison, 41% of the corresponding group of Canadians hold passports.

An August 2006 Conference Board of Canada study on the expected impact of the WHTI on the Canadian tourism industry indicates that from 2005 to 2010, WHTI implementation could reduce the number of U.S. arrivals to Canada by 14 million, or 7.2%. Of this number, a decline of 8.8 million is expected from same-day trips. Ontario is expected to experience the brunt of the decline with 8.5 million fewer trips during the period. The biggest impact is expected in the first year of implementation at the land border, with a forecasted reduction of 14.1% in U.S. arrivals to Canada, that year.

Canada’s declining performance in the U.S. market has been a concern for some time especially with the record high resurgence of U.S. domestic and overseas travel following 9/11. The impending implementation of the WHTI is elevating the concern to new heights. It is generating considerable media attention that has resulted in confusion among American travellers, many of whom do not hold passports but believe that one is already required to re-enter the U.S. Canadian governments and industry need to collaborate in the development of strategies that mitigate the WHTI’s impact on the Canadian tourism industry.

In addition to the decline of tourists from the U.S., Canada has also been recording reductions in
visitors from other countries (see Figure 1). Overseas arrivals remain 9.2% below 2000 levels, despite a surge in 2004. The persistent decline is, in part, attributable to the decrease in overseas travellers entering Canada through the U.S. In 2004, the number of visitors from countries other than the U.S. arriving directly into Canada rebounded close to 2000 levels, while overseas arrivals via the U.S remained 13% below 2000 levels. Given that approximately one third of international visitors from countries other than the U.S. enter Canada from the U.S. (either by land or by air), this continuing contraction is cause for concern and will need to be examined in greater depth.

Figure 1

Source: International Travel (Statistics Canada)

**International Tourism Long-Term Growth — Projections to 2020**

Although world tourism has experienced uneven growth in recent years, the WTO forecasts that international arrivals will surpass 1.6 billion per year by 2020. Regionally, arrivals are expected to breakdown as follows: Europe, 717 million; South and East Asia and the Pacific, 416 million; the Americas, 282 million; Africa, 77 million; and the Middle East, 69 million.

As demonstrated in Table 2, the projections suggest the European market share will decrease from a peak of 60% in 1995 to 46% by 2020. The Americas are also expected to experience a decline of approximately 1%, with increases likely in Africa, East Asia and the Pacific, the Middle East, and South Asia. It is noteworthy that travellers’ tastes are expected to shift away from the traditional European and American destinations to other areas in the world, an indication of many tourists’ inclination to seek out new experiences.

| WTO Tourism 2020 Vision: Forecast of Tourist Arrivals by Region of Arrival (million) |
|---------------------------------|----------|----------|-------------|----------|
|                                  | Base Year | 2010     | 2020        | Market Share |
| World                           | 565.4    | 1,006.4  | 1,561.1     | 100      |
| Africa                          | 20.2     | 47.0     | 77.3        | 5.0      |
| Americas                        | 108.9    | 190.4    | 282.3       | 18.1     |
| East Asia and the Pacific       | 81.4     | 195.2    | 397.2       | 25.4     |
| Europe                          | 338.4    | 527.3    | 717.0       | 45.9     |
| Middle East                     | 12.4     | 35.9     | 68.5        | 4.4      |
| South Asia                      | 4.2      | 10.6     | 18.8        | 1.2      |

Source: World Tourism Organization (WTO) © (Actual Data as in WTO database July 2000)

The WTO predicts that by 2020 China will have 100 million outbound tourists per year, the fourth largest source of outbound tourists in the world. Leisure tours are the fastest-growing element of China’s outbound travel market. Current Chinese law requires that countries obtain Approved Destination Status (ADS) before Chinese tour operators are allowed to travel there. At present, there are in excess of 80 countries that have obtained ADS. Australia was granted ADS in 1999 and has since seen substantial growth in the number of Chinese tour operators. Between 1999 and 2005, Australia recorded 200,000 people arriving in (ADS) tour groups from China. From 2003 to 2004, total arrivals from China to Australia jumped almost 43% to 251,300. However, from 2004 to 2005, growth slowed to 13.4% reaching 284,942 arrivals.

On January 21, 2005, Canada was recognized as an approved travel destination by China. An ADS
implementation agreement is being negotiated with the China National Tourism Administration (CNTA), however these negotiations are unlikely to be concluded before 2007. The Canadian Tourism Commission (CTC), Canada's national tourism marketing agency, estimates that the implementation of ADS will increase Canada's revenues from the Chinese market by 18% to 20% in the first year of the agreement.

China is Canada’s fastest growing source of international tourists, with a total of 113,300 arrivals in 2005, a growth of 18.8% since 2004. This is more than twice the 8.2% average increase from all key overseas markets. In 2005, a bilateral air accord was signed that provides for a three-fold increase in passenger and cargo flights between China and Canada.

Canada’s Tourism Industry: A Strong Contributor to the Canadian Economy
The WTO and the United Nations Statistical Commission defines tourism as “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.”

Table 3

<table>
<thead>
<tr>
<th><strong>Canadian 2005 Tourism Highlights</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism directly employs 625,700 (3.9% of total employment).</td>
</tr>
<tr>
<td>Tourism in Canada is comprised of approximately 160,000 businesses.</td>
</tr>
<tr>
<td>Value-added for the industry was $25.6 billion (2.01% of GDP).</td>
</tr>
<tr>
<td>Total tourism revenues were $61.4B.</td>
</tr>
<tr>
<td>Canadians spend roughly 13% of their total consumption on travel and tourism.</td>
</tr>
<tr>
<td>Domestic travellers account for two-thirds (71%) of tourism expenditures, however international travellers spend more per person.</td>
</tr>
<tr>
<td>U.S. travellers make up 87.5% of total international arrivals.</td>
</tr>
</tbody>
</table>

Several industry sectors supply tourism commodities; these include transportation, accommodation, food and beverage services, and other tourism commodities consisting of recreation and entertainment, travel agency services, convention fees and pre-trip expenditures. Most tourism commodities are those that are purchased while travelling, however, durable goods bought solely for the purpose of travel are also included among tourism commodities. They are described as pre-trip expenses and are treated as part of “other tourism commodities.”

Canadian Trends: Domestic and International Travellers’ Spending Patterns
Total tourism spending in Canada (constant 1997 dollars) has been increasing since 1992 (except for 2002, with the 9/11 aftermath and 2003, because of SARS). In 2005, spending reached $61.4 billion with domestic travel accounting for 71% ($43.5 billion) and international travel, non-residents travelling in Canada, accounting for 29% ($17.9 billion) of spending. Between 2000 and 2005, total tourism spending grew at a CAGR of 1.4%, driven by domestic market growth of 2.9% per year. The international market, on the other hand, has been a drag on Canada’s tourism performance as it has declined at the rate of 2% per year since 2000. While neither the U.S. nor overseas markets have been performing well, declines in the U.S. market dominate the trend since the U.S. accounts for approximately 61% of Canada’s international expenditures.

The Conference Board of Canada forecasts that tourism spending from the domestic tourism market will increase by 5.2% in 2006. A strong economy and solid consumer confidence are overriding high energy prices as Canadian travel continues to climb. Canadians made 116 million overnight trips in 2005, an increase of 2.6% over the previous year. For each overnight trip taken, Canadians stayed on average three nights away from home and spent $265 per person. The main purpose for domestic travel is pleasure, followed by visiting friends and relatives.

* Study of the Canadian Tourism Satellite Account (CTSA)
The strong economy and the high value of the Canadian dollar (see Figure 2) are also fuelling Canadian travel abroad. Outbound travel grew by 6.7% and 5.3% respectively in 2004 and 2005. The Conference Board of Canada predicts that the trend will continue as outbound travel is forecast to grow by 4.5% in 2006. Increased spending by Canadians travelling abroad is sustaining a travel deficit that reached an 11-year high of $4.1 billion in 2004 (see Figure 3).

Despite recent declines, the U.S. remains by far Canada’s largest international market accounting for approximately 61% of total international expenditures (see Figure 4). On average, overnight visitors (all modes of travel) stay four days and spend $541 per trip or $134 per day. Americans, who travel here by air and stay overnight, are Canada’s most lucrative tourists spending $902 per trip or $191 per day.

Overseas tourists usually stay longer (16 days) and consequently spend more per trip ($1,379). On a "spending per day" basis, however, U.S. visitors outspend overseas tourists by a margin of 57%, spending $134 per day versus $85 (see Table 4).

### Reasons for Visiting Canada
What motivates people to travel to Canada? Understanding the behaviour and reasoning behind this decision is key for the tourism industry. Most visitors come to Canada for leisure travel (including outdoor activities and sports),
followed by visiting friends and relatives, with business (including convention and employment) in third place (see Figure 5a). All three categories grew over the 2000 to 2002 period but then declined in 2003, with a moderate recovery in 2004.

According to the “Anholt-GMI Nation Brand Index” (quarter 2, 2005) international survey, Canada’s global ranking as a tourism destination is significantly impacted by a low perception of its culture and heritage. SARS and the 9/11 aftermath appear to be persuading some firms to opt for greater use of improved telecommunications and web applications instead of travel. U.S. visitors spend more on business trips and much more on leisure trips than non-U.S. visitors, once again highlighting the importance of the U.S market to Canada (see Figure 5b).

Figure 5a

<table>
<thead>
<tr>
<th>Trips by Foreign Visitors, by Purpose (millions of person-trips)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
</tr>
<tr>
<td>Business, convention or employment</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

Source: International Travel 2003 and 2004, Statistics Canada

Figure 5b

<table>
<thead>
<tr>
<th>Spending by Foreign Visitors, by Purpose - 2004 ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-U.S. Visitors</td>
</tr>
<tr>
<td>Business, convention or employment</td>
</tr>
<tr>
<td>2,000</td>
</tr>
</tbody>
</table>

Source: International Travel 2004, Statistics Canada

4. CHALLENGES AND OPPORTUNITIES FACING CANADA’S TOURISM INDUSTRY

The world has changed dramatically over the past 10 years, but some of the issues that faced the tourism industry in the early 1990’s are still here today. The environment in which the industry operates requires tourism stakeholders to fundamentally shift their strategic approach not only to resolve long-standing issues but more importantly to effectively address current challenges and capitalize on new opportunities.

Changing demographics, shifting travel patterns and volatile economic conditions are increasing the pressure on industry stakeholders to develop effective campaigns and business strategies. More recently, health and safety issues such as pandemics and global security concerns as manifested by WHTI have increased the urgency for industry action.

The challenges facing the tourism industry are complex and numerous. Addressing these challenges will require a high level of coordination and cooperation to marshal resources more effectively. Fiscal pressures and competing priorities among all F/P/T partners and tourism stakeholders will require new and innovative partnership arrangements to respond to growing competition and global opportunities.

Opportunities exist for governments and the private sector to seize the extraordinary opportunity afforded by “mega events” occurring in Canada and abroad. For example, Canada can learn from Australia’s experience with the Sydney Games in 2000 as it prepares to host the 2010 Olympics in Vancouver. The Sydney Games demonstrated that strong public/private partnerships and cooperation result in widespread incremental benefits. The challenge confronting governments and tourism stakeholders will be to establish the necessary linkages to ensure the development of collaborative strategies in conjunction with major international or domestic events so that lasting benefits will be created across the country.
The analysis of domestic and international arrivals and spending patterns indicates that if Canada is to continue to be a pre-eminent destination for leisure and business travel, investments will have to be made to enhance and tailor tourism products and services according to the needs of a highly competitive marketplace. Further analysis of niche markets and specific strategies to position the industry within those niches will have to be undertaken by both public and private sector tourism stakeholders. It is in this context that Building a National Tourism Strategy will be developed and refined.

The consultations with industry stakeholders confirmed many challenges that were identified in the November 2003 Consultation Framework and the key challenges listed below represent priority areas for collaboration. However, since then, changing circumstances may have altered stakeholder priorities. At the time of the consultations, the U.S. had yet to announce the WHTI. Following the announcement in April 2005, it became increasingly clear that this measure could be highly detrimental to the Canadian tourism industry.

WHTI is a national, industry-wide concern affecting every region and most sectors of the tourism industry. As such, it is an issue that could be effectively addressed in the context of a National Tourism Strategy.

Provincial/territorial governments will continue addressing particular issues and challenges in their jurisdictions but increased collaboration is required so that their strategies and action plans can help strengthen the tourism industry by enhancing its international competitiveness. Whether competing with new and emerging destinations or responding to world “shocks,” addressing the challenges facing the industry in a collaborative manner will be key to growing tourism in Canada.

Key challenges raised during industry consultations include:

1. Comprehensive research to better understand the expectations of travellers;
2. More cohesive marketing and promotional campaigns while reflecting provincial/territorial realities and diversity in Canada;
3. Further development of Aboriginal tourism;
4. Human resource strategies to attract and retain employees in the industry;
5. Investments in tourism infrastructure;
6. Efficient and integrated transportation systems; and.

1. Understanding the Expectations of Travellers

Research has shown that as demographics shift so do travel patterns and demand for products and services. The advancement of technology has also had a significant impact on the tourism industry. Continuing to upgrade and modernize visitor information services will be important in providing visitors with quality, user-friendly and consistent year-round information. Being able to understand and adapt to these changes will be increasingly important.

a) An Aging Population
What was once a relatively homogeneous market for international tourism products is now fragmented into a number of highly specialized niches. As the baby-boom generation advances through middle age, industry stakeholders recognize that customer needs and expectations are changing. There will be rapid growth in the seniors market segment as the baby-boom generation begins to reach 65 years of age in 2011. It is estimated that seniors will represent 25% of Canada’s overall population by 2026, compared to the current 12%. Similar aging trends are forecasted in most developed countries. Trips by foreign residents in the older segments of the population have been increasing more rapidly than trips taken by other age groups.
This slow but steady shift is forcing the industry to adapt its services and products in order to appeal to a growing, mature clientele.

Figure 6

![Trips by Foreign Residents, by Age Group](chart)

The Government of Ontario’s report “Impacts of Aging the Canadian Market on Tourism in Ontario,” states that “if the new generation of [mature] Ontario residents displays similar tourism activity preferences to their 2000 counterparts, the impact of an aging population will result in a shift away from outdoor activity such as canoeing and fishing, towards non-strenuous warm weather activities and indoor cultural events and attractions.” This reinforces the importance of conducting research on travel patterns to be able to tailor tourism products, and be more responsive to present and future preferences.

b) Changing Travel Patterns

According to a survey conducted by the Western Australia Tourism Commission, an emerging market referred to as the “children of the information age” is developing. This segment is characterized by increasingly sophisticated travellers who are experienced, well-educated and discriminating consumers who are more aware of what the competition has to offer. They are becoming less destination-oriented and more experience-oriented (see Table 5). This transformation into an “experience market” is based on personalized services and customized holidays that allow visitors to play a more active role in their travelling experiences and search continually for new tourism products, such as the increasing variety of spa vacations. The CTC has identified a similar trend in Canada and research in this area will help better position the country.

Table 5

<table>
<thead>
<tr>
<th>Major Changes in Travel Patterns, Products, and Marketing *</th>
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<tbody>
<tr>
<td><strong>Switch from</strong></td>
</tr>
<tr>
<td>Plan well in advance ...</td>
</tr>
<tr>
<td>Full packaged / fixed schedule holidays ...</td>
</tr>
<tr>
<td>Established destinations ...</td>
</tr>
<tr>
<td>City tourism ...</td>
</tr>
<tr>
<td>Undifferentiated markets ...</td>
</tr>
<tr>
<td>Theme parks and man-made attractions ...</td>
</tr>
<tr>
<td>Mass marketing ...</td>
</tr>
<tr>
<td>Destinations taking who arrives ...</td>
</tr>
<tr>
<td>Non-branded destinations ...</td>
</tr>
</tbody>
</table>

c) Visitor Information Services: Increasing Use of Technology

Increasingly, the knowledge economy is having a significant impact on the tourism sector and the travel industry is one of the most connected in Canada.

According to the 2004 Conference Board Consumer Internet Barometer, two-thirds of consumers are now using the Internet to make travel arrangements and the level of satisfaction reported among users is very high.

In 2003, 26% of Canadian businesses made travel-related purchases online, up 18% from 2002. Combined private and public sector online travel sales reached $19.1 billion in 2003, an increase of almost 40% on top of a 27% jump the previous year. The Economist referred to online travel as being one of the most successful forms of e-commerce. Americans presently buy…

* Source: Partnership 21/2001-2005 Tourism Industry Plan, Western Australian Tourism Commission
20% of their total travel online, but many in the industry believe this proportion could reach 50-60% within a decade.*

The International Federation for Information Technology and Travel and Tourism reported in January 2005 that convergence of the Internet, wireless applications and interactive objects are increasing the importance of smart business networks. Additionally, pervasive computing applications will provide new services and greater convenience for customers. The last decade has seen Internet business solutions transform consumer behaviour and business practices resulting in a rapid growth of new business models such as the low-cost airlines and their online reservations systems and ‘smart businesses’. Smart businesses are flexible, dynamic, collaborative, and able to move swiftly to leverage market opportunities.

Internet business solutions are not only affecting business models, they are also driving market changes. In 2004, online bookings in Europe increased by more than 50% and 10% of total revenues in travel and tourism came from online business. Three consumer trends are e-business driven: readiness to spend more on trips, more frequent vacations but shorter stays, and an increasing importance of the mature segment of the market. Internet business solutions are increasingly used to improve visitor information services but their application to reduce costs and increase operating effectiveness and efficiency can have a substantial impact on business viability.

The F/P/T partners will need to collaborate in working with their tourism industry to ensure that they fully capitalize on the advantages provided by IBS.

2. **Cohesive Marketing Campaigns that Reflect Provincial/Territorial Realities**

Canada’s cultural, geographical and language landscape makes the country a highly appealing tourist destination. Diversity is one of Canada’s major differentiating characteristics and capitalizing on it must become a tourism planning priority. The tourism industry’s maturity or level of development varies among provinces and territories. Some areas of Canada are still emerging destinations, while others are better established with thriving tourism businesses.

Southern Canada is characterized by major cities, events and gateways, relative ease of access and a wide variety of well-established and emerging products. Maximizing the potential of festivals and events (ie., sport, culture, and heritage events) will require new horizontal approaches for the tourism sector. Northern Canada is characterized by emerging destinations based on nature tourism, niche products, Aboriginal attractions and wilderness. Access to these areas and their sustainable capacity are an on-going challenge facing tourism development.

Research requirements and product development and marketing opportunities vary across provinces and territories and among rural and urban areas. The CTC leads Canada’s national marketing campaigns in collaboration with those of the provinces/territories. However, there is a need to keep developing collaborative approaches to increase the cohesion, effectiveness and efficiency of national initiatives, while at the same time, recognizing the different priorities and needs of all provinces and territories. Strengthening the collaboration of tourism marketing between the provinces/territories and the CTC will not only serve to better coordinate existing initiatives but it will improve their complementarity, potentially leading to innovative partnerships.

The F/P/T partners need to collaborate on research initiatives to identify growth opportunities for all provinces and territories of Canada. Improving overall coordination of research, product development and marketing strategies will better enable F/P/T partners to capitalize on new and emerging opportunities both domestically and internationally.

* "Click to buy and fly", The Economist, Oct 1, 2004
3. **Developing Aboriginal Tourism**

Aboriginal tourism is one of Canada’s unique strengths, in both the domestic and international markets. However, the growth of this segment of the tourism industry faces significant challenges. Tourism represents about one quarter of the Aboriginal economy in Quebec, the North and the West.

According to the 2003 National Study on Aboriginal Tourism in Canada, demand for Aboriginal tourism is outpacing capacity. There are relatively few market-ready products in the Aboriginal tourism sector, particularly near gateway cities and major tourism routes. Many businesses do not have sufficient tourism market awareness, business skills, product development and marketing expertise to successfully compete. The Virtual Tour of Aboriginal Canada (vtca-gvtac.ca), a web portal, was developed in response to the perceived need to generate a higher level of public awareness regarding Canada’s Aboriginal tourism industry.

There is great potential to increase Aboriginal tourism activities and at the same time contribute to the wealth creation, economic development and self-reliance of Aboriginal people and communities in all provinces/territories in Canada. The Quebec Declaration clearly recognizes Northern and Aboriginal tourism as an emerging and important sector. Improving partnerships between Aboriginal stakeholders, industry and government will require a better understanding of Aboriginal aspirations and Aboriginal culture in relation to market realities in an effort to evolve the Aboriginal owned product offering.

4. **Developing Northern Tourism**

Canada’s northern tourism products offer a truly unique experience. While the North is renowned for its nature and wilderness adventures and aurora tourism, it also offers history, distinctive culture and festivals as well as some innovative emerging products such as ‘diamond tourism’ in the Northwest Territories.

The number of tourists travelling to the North is slowly rising. In 2004, the Yukon had over 250,000 arrivals, an 8% increase over 1999. The Northwest Territories saw arrivals increase by almost 4% between 2002 and 2004 when the number surpassed 61,000. While Americans represent over three quarters of the Yukon’s tourists, more than half of the arrivals in the Northwest Territories are Canadian.

Increasing the number of tourists that visit the North is challenging because it is a product with a narrow market segment. Other issues include access, both in terms of availability and cost, receptive capacity and sustainability. Transportation infrastructure is expensive. Long distances with low traffic result in high costs to individual travellers. These key considerations must be taken into account when endeavouring to develop northern tourism. The northern environment is remote and highly fragile; its natural beauty is part of Canada’s heritage and wealth.

5. **Attracting and Retaining a Workforce**

The Conference Board of Canada estimates that there will be a shortfall of close to one million workers in the Canadian economy by 2020. According to the Canadian Tourism Human Resource Council, Canada’s overall labour force is expected to decline from a growth rate of 1.4% in 2005 to 0.4% in 2016, due to an aging population and lower birth rates. To compound the problem, labour demand continues to increase across all sectors as a result of strong economic growth.

The tourism labour market is characterized as a seasonal, fragmented, multi-faceted service industry, with a large number of entry-level jobs. The seasonal nature of the tourism industry is contributing to the development of dual labour markets, comprised of core workers and peripheral ones. In many cases, employees view tourism as a gateway into the labour market.

Approximately 60% of tourism employment is within the food and beverage, and accommodation
sectors (see Figure 7 below). These are the areas most in need of a stable and skilled workforce.

Figure 7

![Tourism Industries Employment (2004)]

Source: Statistics Canada National Tourism Indicators

In light of potential labour shortages, it has become increasingly important to enhance the quality of jobs in the tourism industry and to facilitate the entry of those who are under-represented in the labour force. Canada needs to study what other countries are doing to address similar challenges. For example, some Organisation for Economic Co-operation and Development (OECD) countries are currently undertaking efforts to enhance the employability of foreign workers. An opportunity exists to examine how Canada can adjust current immigration policies to better reflect the tourism industry’s needs.

Although the tourism industry offers the first work experience for many people, the sector is sometimes ill-perceived as a career choice. At the same time, the ability to attract skilled employees is critical to the industry’s growth. There is a need to promote the wide range of long-term career opportunities and prospects that tourism offers, particularly in the operation and management ranks, as well as general hospitality. Attractions, hotels, airlines, auto rentals, and entertainment are but a few areas that offer rewarding, long-term careers.

6. Investing in Tourism Infrastructure

Typically tourism infrastructure is viewed as consisting of museums, cultural institutions, heritage sites and parks, but the enjoyment and success of tourism experiences also requires quality public infrastructure. All governments are committed to work collaboratively to restore infrastructure in Canada. As such, they have invested more than $30 billion in infrastructure since 1993 in numerous projects across the country.

Despite the substantial investment that governments have made in infrastructure, Statistics Canada reports that the growth in value of public infrastructure assets in Canada has been significantly lagging behind the economy as a whole. In the mid-1970s, public infrastructure as a share of GDP was 23%, but declined to 16% by 2001. However all governments are making substantial investments in public infrastructure that benefits the tourism sector directly and indirectly.

The significance of tourism interests in infrastructure projects must continue to be communicated to the various jurisdictions responsible for infrastructure development. The strategy will be instrumental in championing coordination and cooperation between governments, particularly in providing policy direction on tourism and related infrastructure projects.

7. Ensuring an Efficient Transportation System

As the second largest country in the world, Canada’s vast territory and diverse geography pose an ongoing transportation challenge for the tourism industry. During the stakeholder consultations, concerns regarding the impact of an inadequate transportation system were raised.

The high cost of air travel in Canada’s remote areas and limited transportation options, especially by rail and ferry, affect the ability of
tourism operators to promote their products. At the same time, recent shifts and growth in the low-cost carrier segment of the airline industry is helping the domestic tourism market. The cheaper, more flexible price structure of these airlines has enticed more people to travel. They provide affordable air access to many provinces and territories in Canada that were once considered too costly to serve.

In this context, there is a need to continue seeking opportunities to ensure that accessibility, affordability, and service quality are facilitated by a liberalized international air policy, and that tourists’ entry into Canada is not impeded. Efforts to seek opportunities for new international bilateral agreements with other countries need to continue. In addition, the updating of existing agreements, such as the recently concluded liberalization of the Open Skies bilateral agreement with the U.S. should be encouraged. As changes to air liberalization are primarily related to federal transport policy, the CCTM will collaborate with key transportation departments and other stakeholders, as required, in achieving the key results and outcomes.

There is also a need to better integrate the national transportation system to allow passengers to connect easily between modes of transportation, whether they are traveling by bus, boat, plane, train or automobile to or from other points within and outside Canada. As part of this, particular attention should be paid to ensuring the efficiency and security of the Canada-U.S. land border, since the U.S. is our main source of international travelers. To this end, Canada and the U.S. signed the Smart Border Declaration in 2001, agreeing on a 32-point action plan to address border processes, invest in border infrastructure, and identify technological solutions to speed movement across the border while ensuring security. The Border Infrastructure Fund was established to support border infrastructure projects at Canada’s busiest land border ports of entry. Furthermore, as part of the 2005 Security and Prosperity Partnership of North America, Canada, the U.S. and Mexico are committed to a number of initiatives that promote border efficiency and security.

The fluidity of our major international gateways and trade corridors is crucial not only for the tourism industry, but for the economy as a whole. Through the Asia-Pacific Gateway and Corridor Initiative, Canada seeks to boost commerce with the Asia-Pacific region to integrate investments in transportation infrastructure and improve the efficiency and reliability of the regional transportation system.

8. **Adopting Sustainable Tourism Development and Quality Practices**

Sustainable tourism enhances and preserves our natural and cultural heritage and improves Canadians’ quality of life. Tourism development needs to balance economic viability, environmental conservation and social impacts. Sustainable tourism endeavours to minimize environmental and cultural impacts while contributing to economic development. The long-term success of the industry depends on business owners and operators being stewards of the environment and adopting quality practices.

In *A Manual for Sustainable Tourism Destination Management* by Walter Jamieson and Alex Noble, 2000, it states that increasing evidence shows that an integrated approach to tourism planning and management is now required to achieve sustainable tourism. The document goes on to identify some of the most important principles of sustainable tourism development which include:
Tourism should be initiated with the help of broad-based input that involves all stakeholders, including the community where the development is taking place, and the stakeholders should maintain control of tourism development.

- Tourism should provide quality local employment and a linkage between the local businesses and tourism should be established.
- A code of practice should be established for tourism at all levels—national, regional, and local—based on internationally accepted standards. Guidelines for tourism operations, impact assessment, monitoring of cumulative impacts and limits to acceptable change should be established.
- Education and training programs to improve and manage heritage and natural resources should be established.

F/P/T governments and the industry must work together to develop a cohesive strategy for tourism sustainability in Canada. In spring 2004, the Tourism Industry Association of Canada (TIAC) undertook an update of the Code of Ethics and Guidelines for Sustainable Tourism developed in 1992. The update, prepared in consultation with industry, was released in February 2005. The Code provides a common basis and framework for the industry to move forward effectively in support of the shared responsibility for sustainable tourism. The aim is to enhance the quality and sustainability of natural and cultural heritage-based experiences. The Code could provide the basis for F/P/T partners to develop a collaborative approach to a sustainable tourism.

5. THE WAY FORWARD—CANADA’S NATIONAL TOURISM STRATEGY

The development and implementation of a National Tourism Strategy needs to be in incremental. The F/P/T governments recognize that building a comprehensive National Tourism Strategy will take time, commitment and collaboration.

Role of F/P/T Governments

The public sector has a dual role: policy maker and custodian/manager of some of Canada’s flagship tourism products. As policy makers, governments help to establish a business environment that is conducive to the growth of the tourism industry. Providing policy leadership in those areas that affect the tourism industry—transportation, infrastructure, gateway and border issues, regulations and immigration—will be a key role for governments in the development and implementation of a National Tourism Strategy. Enabling governments to present common positions on policy issues affecting tourism will make them far more influential among decision makers. As custodian/manager, the public sector also has the responsibility for managing museums, visitor centres, parks and heritage sites, as well as preserving culture and natural resources and promoting sustainable tourism.

Within the federal government, the Minister of Industry has the lead responsibility for tourism policy, and through the Canadian Tourism Commission (CTC), for tourism marketing and research. Several other federal government departments and agencies, such as Canadian Heritage, Parks Canada and regional development agencies also provide significant support for tourism. In most provinces and territories the responsibility for tourism resides in economic development departments or in recreation, culture or heritage departments. The federal government, as well as several provincial, territorial and municipal governments, have established agencies with a focus on marketing and partnerships.

In 2003, F/P/T tourism ministers agreed to create the CCTM to champion coordination and cooperation between governments on tourism. It gives a national focus to tourism policy issues, and helps strengthen the competitive position of Canada’s tourism industry.

F/P/T governments make significant investments in the tourism sector. Coordinating tourism
expenditures and activities to maximize effectiveness and efficiency is a major challenge for governments, given the different tourism governance structures and priorities across Canada. The need to ensure that international codes of practice, standards and other national, provincial and territorial planning frameworks and strategies are reflected in their respective tourism planning provides yet another challenge.

Collaboration must become the fundamental operating principle among F/P/T governments and in their interactions with the tourism industry. To enhance this partnership process, F/P/T tourism officials will have to integrate efforts with other existing F/P/T committees in related areas that could potentially affect tourism, such as culture, infrastructure and transportation.

**Industry Is a Key Partner with F/P/T Governments**

Tourism organizations and businesses have a key role to play in the development and implementation of a National Tourism Strategy. High quality experiences will require businesses, among others, to adopt sustainable practices and standards, provide necessary training to staff, respond to changing requirements such as the Internet, and finally, work with tourism stakeholders and non-traditional partners to ensure that travellers have access to products that are high quality, innovative and internationally competitive.

Increased cooperation between F/P/T governments and industry will better position Canada’s tourism industry to respond to the demands from a rapidly changing and competitive marketplace. Capitalizing on major opportunities, such as ADS from China or mega events such as the 2010 Olympics, will solidify partnerships and accelerate many new marketing initiatives to brand Canada as a tourist and business destination of choice. With a conscious and concerted effort to optimize existing and future resources, improve communication and work collaboratively toward shared objectives, the tourism sector will be stronger, more resilient and in a better position to compete internationally.

6. **STRATEGIC OBJECTIVES AND KEY RESULTS**

Strategic objectives drive action. They will provide the F/P/T with a focus so that resources get directed to areas that are critical to the development of a stronger and more vibrant Canadian tourism industry. The Quebec Declaration clearly outlines the objectives that will guide future cooperation among F/P/T governments. These objectives dictate the priorities that the industry must address in an effort to put itself on a sustained growth path. As such, the National Tourism Strategy focuses on the following four strategic objectives:

1. **Exceptional Hosts**

Canadians continue to be renowned as welcoming, friendly and truly exceptional hosts to our visitors.

**Key Results**

- Efforts are coordinated nationally through the Canadian Tourism and Human Resources Council (CTHRC)*.
- Canadians are recognized as hospitable and welcoming people.
- Tourism/hospitality education is high quality, articulated and recognized nationally and internationally.
- Tourism/hospitality training is industry-defined, relevant and recognized nationally and internationally.
- Exceptional tourism and hospitality businesses, employers and employees are recognized nationally for their excellence.
- Tourism labour force and volunteer-base growth matches requirements.

2. **Exceptional Experiences**

Canada offers truly exceptional and authentic tourism experiences that provide opportunities for visitors to continue exploring Canada.

**Key Results**

- The quality of Canadian tourism products is enhanced, product offerings diversified and international product-readiness improved.

* In Québec, this section will be implemented by the government of Québec
New high-quality and sustainable tourism destinations and products are developed.
Access to financing tourism product development is improved.
Public and private investment in tourism product development is increased.
Aboriginal and northern tourism are priorities for coordinated development efforts.
Inter-governmental and industry coordination in support of product development is improved.

3. **Accessible Destination:**
Getting to and around Canada is efficient, affordable and secure.

**Key Results**
- Communicate national tourism infrastructure priorities, considering the goal of a high quality “coast to coast to coast” transportation system.
- Ensure international gateway and border crossings are secure, efficient, integrated and offer visitors a uniquely Canadian welcome.
- Encourage the development of Canada’s international gateway airports to handle targeted international capacity in a secure and efficient manner.
- Encourage increased air, rail, marine, and road capacities and integration to meet anticipated growth in tourism.
- Encourage the development of seamless, efficient and affordable intermodal travel services across Canada.

4. **Exceptional Reputation**
Canada is renowned as an exciting, yet sustainable and safe destination.

**Key Results**
- A cohesive marketing strategy is in place to support Canada’s brand.
- Marketing is focused on yield.
- Regional tourism development and marketing initiatives are in place across Canada.
- Aboriginal and northern tourism experiences are marketed as unique, emerging experiences.
- Measurement of tourism marketing results is timely, accurate, and meaningful.

7. **PRIORITIES FOR IMMEDIATE ACTION**
The Strategy identifies six key priorities for immediate action and collaboration. The priorities reflect the input obtained from the tourism industry through consultation. They were selected because of their national significance or consequence to the industry at large and they require the collaboration of governments to effect change.

**Key Priorities for Collaboration:**

1. **Accessible Destination—Border Crossing**

**Goal**
- Ensure the efficient flow of tourists to and from Canada.

**Strategies:**
- Canadian governments will continue to work with the U.S. to streamline the secure and efficient movement of travellers across borders.
- Governments will speak with a unified voice on border issues in the interests of the tourism sector in decisions affecting the industry.
- Inform the Canada-U.S.-Mexico Security and Prosperity Partnership initiatives that seek to improve the efficiency of the cross-border movement of people and goods while upholding security.

**Outcomes:**
- Due consideration of tourism-related interests in all matters concerning border crossings.
- Encourage new and expanded border infrastructure and processing.

2. **Accessible Destination—Transportation**

**Goals**
- Emphasize the need to implement transportation policies and programs that take into consideration national, provincial/territorial, and regional tourism economic benefits.
Emphasize the importance of ensuring transportation policies enhance the ability of tourists to travel to and within Canada.

**Strategies:**

a) Continue to expand and develop new international bilateral agreements with other countries.

b) Continue to pursue initiatives that facilitate improvements to F/P/T policies and practices that impact tourism.

**Outcome:**

a) Increase competitiveness and access to all Canadian destinations.

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### 3. Exceptional Experiences—Product Development

**Goal**

Ensure that existing products are enhanced and new products developed to take advantage of new and emerging opportunities.

**Strategies:**

a) Build upon the existing tourism structures and related organizations to identify and influence the development of new tourism products that respond to new and emerging opportunities and markets.

b) Encourage the activities of F/P/T partners in bidding for and hosting major international events.

c) Encourage investment in public infrastructure and investment that enhances tourism business and product development.

**Outcomes:**

a) Provide unique and differentiated products that respond to evolving demand.

b) Attract major international events to Canada.

c) Encourage enhanced public infrastructure that strengthens tourism businesses.

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### 4. Exceptional Hosts—Human Resources

**Goal**

Ensure that the supply of the tourism/hospitality labour is consistent with the demand.

**Strategies:**

a) Governments will work with their sectoral/workplace partner organizations to increase participation from new immigrants, volunteers and underutilized labour pools: youth, older workers, Aboriginal workers, and persons with disabilities.

b) Governments will work with their sectoral/workplace partner organizations to develop effective programs to promote the industry as a profession, to attract professionals/workers to the industry, and provide recognition of excellence for people and organizations.

**Outcomes:**

a) A highly skilled, educated, and trained professional tourism/hospitality labour force capable of delivering Canada's exceptional tourism experiences.

b) Tourism and hospitality businesses, employers and employees that are recognized nationally and internationally for their excellence.

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### 5. Exceptional Reputation—Tourism Information and Statistics

**Goals**

- Improve access by governments, business, and stakeholders to relevant information and analysis for decision making.

- Improve measurement of tourism’s performance and impact on the economy.

**Strategies:**

a) Governments continue to work with the CTC and research committees to improve baseline data, fill gaps, address duplication and establish comparable measures across jurisdictions.
b) Develop a consistent model for establishing a business case for tourism investment.

c) Improve dissemination and awareness of tourism information, analysis, performance and impacts.

Outcomes:

a) Market research based and market driven business decisions.

b) Improved quantifiable tools and enhanced tourism knowledge and decision-making.

6. Exceptional Reputation—Tourism Marketing

Goals:

- Better harmonize and coordinate marketing activities between the CTC and provinces/territories (P/T) to better position Canadian destinations.

- Optimize existing resources through increased government collaboration.

Strategies:

a) Enhance P/T and CTC coordination and collaboration to ensure compatible and cohesive marketing strategies.

b) Optimize existing and announced financial commitments.

c) Increase collaboration between P/T and CTC to maximize revenues from campaigns targeting high-yield international markets in accordance with P/T priorities.

Outcomes:

a) A coherent approach to promote Canada’s brand.

b) Optimized tourism investments.

c) Marketing campaigns are high yield.

8. CONCLUSION

Governments and the tourism industry have an unprecedented opportunity, particularly through support of the CCTM, to exercise policy leadership in pursuing a common vision for tourism in Canada.

The National Tourism Strategy provides a foundation for a long-term, coordinated approach to sustainable growth of the tourism sector. By working collaboratively, public and private sector tourism stakeholders can continue building an internationally competitive tourism sector for Canada and its future generations.

F/P/T governments and industry have taken the first step to improving cooperation and collaboration among governments and industry. The next steps will be to continue to work together to advance the Strategy, and to implement the “priorities for action” set out on the two previous pages. All governments, in partnership with their industry, must bring to bear their resolve to turn actions into results.