

FALL 2018

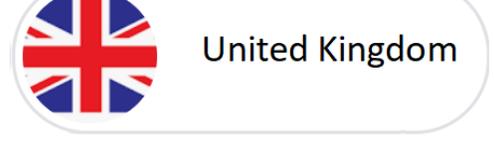
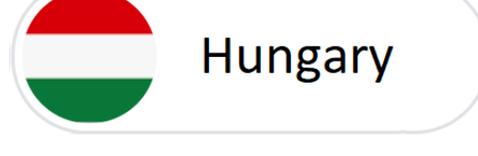
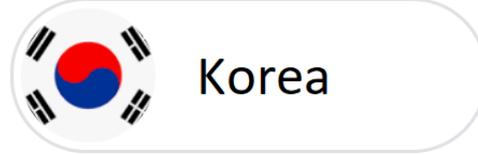
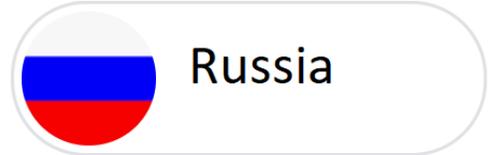
RETAIL PERSPECTIVES



Revisiting the Visitor Rebate Program: 10 Year Impact Analysis



Just some of the countries with a Visitor Rebate Program



1 | EXECUTIVE SUMMARY

On April 1st, 2007, the Canadian Government became the first member country of the Organisation for Economic Co-operation and Development (OECD) to cancel its Visitor Rebate Program. To date, Canada is the only OECD country with a federal sales tax to not provide a rebate to visitors.

It has been over a decade since Government's decision to move away from the Visitor Rebate Program. Still today, many industry insiders and retailers in Canada call for a reinstatement of the program.

With ten years of data since the decision to cancel the visitor Rebate Program, this study by the Retail Council of Canada (RCC) seeks to understand how that decision has impacted our economy. Is there a provable deterioration as a result of the cancelling of the program? Of more importance for us here at RCC, what has been the impact of that cancellation on retailers in Canada?

When the Federal government was seeking to cancel the program, reaction by sector insiders predicted that there would be a deleterious effect on the Canadian economy. A report was commissioned by Global Refund in 2007 which concluded that: "The bottom line is that an attempt to save around \$86 million dollars at the expense of a loss in GDP of \$238 million dollars is not sensible policy from an economic perspective. It is also a short-sighted fiscal policy, since it will ultimately lead to a net loss of \$46 million in Government revenues."¹

This RCC *Retail Perspectives* report finds history agrees with the warnings provided by sector insiders at the time. The cancellation of the program resulted in a GDP loss per year of \$595.7 million dollars. This report estimate that the 2007 policy decision by the Government led to an average net loss in revenues of \$83.5 million each year for the federal treasury. In other words, while this policy decision was made in order to save money, the decrease in revenue is greater than the annual administrative savings as a result of the cancellation.

With this report, RCC asks for the federal Government to explore reinstating the Visitor Rebate Program in Canada. Should the Government be interested discussing the topic further, RCC would be happy to provide the Government with a more in-depth analysis of how rebate programs work in other jurisdictions, and which systems we believe would maximize visitor spending while in-country.

¹ Global Refund Canada (2007). The GST Visitor Rebate Program for Individual Travellers, An Economic Impact Analysis.

2 | HISTORICAL CONTEXT

The Visitor Rebate Program was put in place January of 1991. The federal Government of the day pointed out that Tourism was functionally an export industry – like lumber, or vehicles – and by providing visitors with a rebate, Canada was functionally treating tourism goods and services just like any other export.

Canada, like nearly all of its trading partners, has a mercantilist view to trade. Each country attempts to maximize exports, with restrictions and tariffs generally being saved for imports, to protect local jobs and the economy. It is well understood that the application of taxes generally increases the price of a good or service, and that as those prices increase, there is a downward (negative) pressure on demand. That is why previous Canadian governments have held the opinion and belief that taxing exports ought to be avoided.

When the program was policy, there was a system in place to prevent improper use of the Visitor Rebate Program. To qualify for a rebate, tourists had to provide four items. (1) The receipts on which they were seeking a rebate. In addition, those receipts needed to be validated by a customs officer. (2) Proof of impending departure from Canada – an example would be an airplane ticket. (3) A copy of some ID proving foreign residency; and, (4) a completed form, available thorough then Customs and Revenue Agency. Tourists who had the presence of mind to complete these items prior to leaving the country could submit the documentation through most Duty-Free Stores. As an additional (international) option, tourists could submit all items by mail for a rebate.

In April of 2007, the federal Government decided to cancel the Visitor Rebate Program. This made Canada something of an international anomaly. It became the first OECD country to cancel a Visitors Rebate Program and remains the only OECD country with a federal sales tax that does not provide visitors with a rebate.

Further – and of ideological importance to the Retail Council of Canada – Canada became a country that is functionally taxing an export, harming its local businesses.

During the pre-budget consultation process that led up to the cancellation of the program, there was vocal opposition by industry insiders. As an example, Global Refund Canada publicly asserted that “this is a lose-lose decision, there is no money to be saved by canceling this program, the only result will be lost jobs and further damage to the tourism industry”². The Tourism Industry Association of Canada (TIAC) was actively against the move in 2007 and has remained so since – providing government with submissions each year asserting their position that this has harmed Canada’s Tourism Industry.

As with most decisions in government, there are two viewpoints. The federal Government pointed out during debate that there was an excessive cost to administer the program relative to its utilization by visitors.

When asked about the cancelled program during Question Period, then Finance Minister Jim Flaherty stated that “[The Visitor Rebate Program] was being used by 3% of the 35 million visitors to Canada and was a very inefficient way of raising taxes”³. At the time, the federal Government argued that by cancelling the program, the Canadian tax payer would save \$86 million annually.

² Global Refund Canada calls cancellation of individual VRP a "lose-lose" decision. (2007, March 20). Retrieved from News Wire website: <https://www.newswire.ca/news-releases/global-refund-canada-calls-cancellation-of-individual-vrp-a-lose-lose-decision-533548211.html>

³ Flaherty, J. (2006, Dec. 12). "Oral Questions" Canada. Parliament. House of Commons. Edited Hansard 084. 39th Parliament, 1st session. Retrieved from the Parliament of Canada website: <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=2528725&Language=E&Mode=1#nt-1788776>

Our focus of this paper is not on explaining why those divergent views existed – it is on providing a statistical understanding of the impact of that decision. With that said, we will provide one suggestion; the divergent views might have been coloured by how onerous the process was for tourists to reclaim sales taxes paid. Mail-in-Rebates are a marketing tool. Experience shows that simply by adding the extra step of having would-be customers mail something for a rebate drastically lowers redemption rates.

It very well could have been that both parties were correct. Tourism insiders were articulating the view that visitor purchase decisions were made under the assumption they could reclaim the sales tax. For the federal Government, it observed the low uptake numbers for the program, potentially a result of an overly complex process, and reacted accordingly.

Whatever the impetus, Canada is now the only OECD country with a federal sales tax that does not have a rebate program and is analogous within the Canadian policy environment. Visitors purchasing in-country items are the only form of export which are not relieved of sales taxes.

This 2007 policy decision is juxtaposed with the growing image of Canada as a country open to international business. While the current federal Government has been seen to laud the values of open trade, evidenced through our multiple free-trade agreements, Canada's policy of taxing Canadian exports by not rebating our sales tax for visitors harms total exports.

3 | TOURISM IN CONTEXT

3.1| TOURISM IN CANADA

Tourism is a major contributor to Canada’s economy. In 2017, Statistics Canada data indicates that nearly three million Canadians work in the tourism sector⁴, and that tourism contributed over \$35 billion dollars to its GDP⁵.

TABLE 1: Impact of Tourism in Canada, for 2007 & 2017.

Category	GDP (in CAD Millions, 2007 constant prices)		Employment (in Thousands)	
	2007	2017	2007	2017
Transportation	\$ 6,418	\$ 9,350	318.9	346.6
Accommodation	\$ 6,221	\$ 7,142	586.0	586.5
Food & Beverage	\$ 4,207	\$ 5,068	754.1	938.0
Other Tourism Commodities	\$ 4,335	\$ 4,418	451.0	454.0
Other Commodities	\$ 7,834	\$ 9,508	602.6	619.2
Total Tourism	\$ 29,015	\$ 35,486	2,712.6	2,944.3

Source: For GDP: Statistics Canada. Table 36-10-0234-01 Tourism gross domestic product, constant prices (x 1,000,000)

For Employment: Statistics Canada. Table 36-10-0232-01 Employment generated by tourism (x 1,000)

RCC is primarily interested in the intersection point of tourism and retail. Because of that retail-lens, we are also keenly interested in the spending that takes place while a visitor is in Canada. With that in mind, we have analysed tourism’s contribution to Canada by subdividing visitor spending into two categories; (1) Pre-Trip Spending (which includes items like; travel, accommodations, travel agency fees, convention fees), and (2) In-Trip Spending (which includes items like; food, entertainment, groceries, and souvenirs). For the full approach to calculating these numbers, please see Section 4.1, where we go into detail.

TABLE 2: Average Spending Per Visitor Per Trip in Canada, for 2007 & 2017.

Category	Visitor Spending by Trip (in CAD Millions, 2018 constant prices)	
	2007	2017
Pre-Trip Spending	\$ 571.28	\$ 626.66
In-Trip Spending	\$ 516.82	\$ 450.32
Total Spending	\$ 1,088.10	\$ 1,076.98

Source: For Tourist Spending: Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)

For Trips: Statistics Canada. Table 24-10-0043-02 One or more nights trips by non-residents to Canada

Comparing 2007 and 2017, we see that the average In-Trip spending of visitors staying one or more night has decreased by \$66.50. That’s substantial - in 2017, there were nearly 20.8 million visitors to Canada who stayed for one or more night. Had each of those visitors increased their spending to the

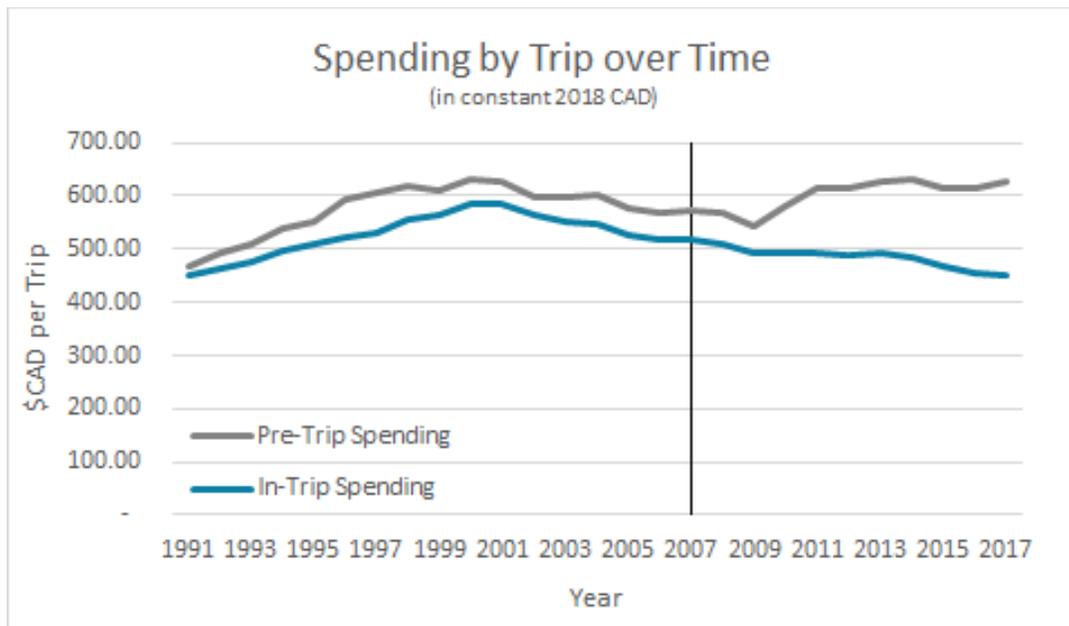
⁴ Statistics Canada. Table 36-10-0234-01 Tourism gross domestic product, constant prices (x 1,000,000)

⁵ Statistics Canada. Table 36-10-0232-01 Employment generated by tourism (x 1,000)

average 2007 spend, Canada’s tourism sector would have generated an additional \$1.38 billion in GDP in 2017.

While Total Spending appears relatively constant between the two points in time represented by Table 2, when viewed as a time series, we see a divergence between Pre-Trip and In-Trip spending. While Pre-Trip costs start to climb post-recession, In-Trip spending continues on a downward trajectory.

GRAPH 1: Spending by type in Canada, 1991 to 2017.



Source: Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)
 Statistics Canada. Table 24-10-0043-02 One or more nights trips by non-residents to Canada

This is meant to provide the reader with an understanding of the tourism sector. To understand the impact of this policy decision, we need to understand these data in the context of different tourism drivers.

With that high-level view of some of Canada’s tourism numbers, we will now provide some context as to how Canada has preformed relative to international comparators.

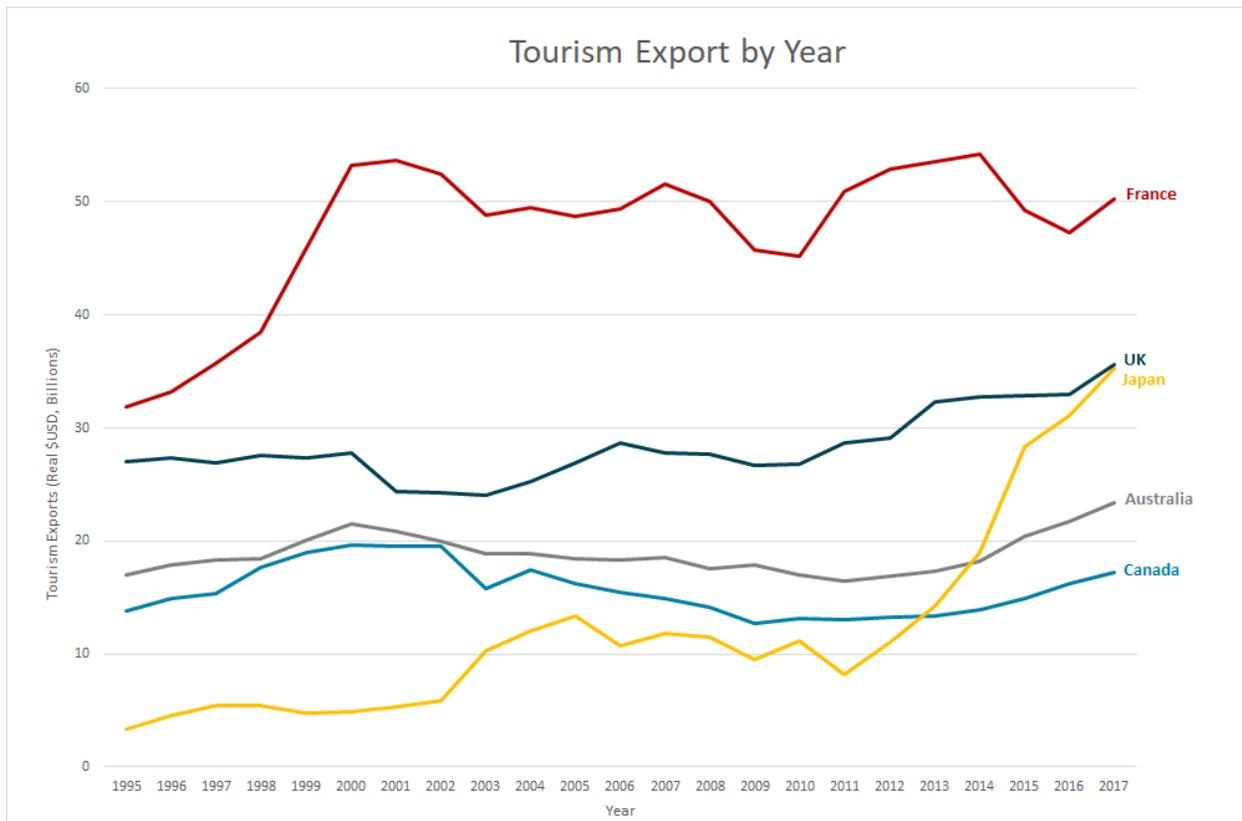
3.2| TOURISM INTERNATIONALLY

When we look at an international context, it is more challenging to compare per-trip spending numbers on an apples-to-apples basis. What is much easier to compare over time is total tourism exports by country, by year. Something that is particularly useful here is to understand how Canada’s tourism exports have grown relative to other countries.

In Graph 2, the total tourism exports as reported by the World Travel & Tourism Council are displayed for France, the United Kingdom, Japan, Australia and Canada. In Appendix A, there is a more detail list, ranking all OECD countries by their real average tourism growth rates from 1995 to 2017.

Out of the 36 OECD member-countries, Canada is ranked 32 – that means for the past 22 years, Canada has been the fifth slowest growing OECD country in terms of tourism. Canada low year-over-year average growth rate from 1995 to 2017 comes in at 1.29% on an adjusted real basis.

GRAPH 2: Total Tourism Exports by Country, 1995 to 2017.



Source: World Travel & Tourism Council. Visitor Exports (Foreign spending). Retrieved from: <https://tool.wttc.org/>

Since the cancelation of Canada’s Visitor Rebate Program in 2007, technology has continued to improve, and visitor rebate programs have become easier to implement. One country that is particularly worth noting in this regard is Japan. As can be seen in Graph 2, Japan has seen a massive upswing in foreign tourist spending. That upswing coincides with major modifications to their method of rebating sales tax for visitors. In 2014, Japan changed their system so that visitors need only present their passport at stores to be exempt from sales tax – no rebating required (so long as total purchases exceed ¥5,000, which is about \$58 CAD).

To illustrate that upswing in numbers, Japan had \$14.2 billion USD in sales in 2013. In 2014, when the policy was instated, sales jumped to \$19.0 billion USD. 2015 represented the first full year of the new program; sales that year were \$28.3 billion. Since instating the new on-site visitor sales tax exemption, tourism exports have more than doubled in just four years. Now, Japan has nearly \$35.3 billion USD in tourism exports; just shy of surpassing the United Kingdom in foreign spending.

RCC would be happy to share with the government more details on the system currently in place in Japan, how it has majorly benefited retailers in that country, and why retailers in Canada could benefit from a similar system.

4 | IMPACT OF POLICY CHANGE

4.1 | DEFINITIONS

To understand impact, first we need to articulate how the variables used in this report were calculated, and the sources from which they were gathered.

We will start with our dependent variables. Our focus is on overall Tourism Demand, with a secondary focus on Pre-Trip Spending and In-Trip Spending. Canada is home to a wealth of publicly available data through Statistics Canada. Tourism Demand is a figure that is collected quarterly. For this paper, we annualized those data⁶. While Tourism Demand is attributed in that dataset by non-resident visitors and Canadian visitors, there is not a disaggregation of same day visitors versus one or more-night visitors. The spending behaviour is very different between visitors driving across the border to visit for a few hours, and for visitors staying over night.

In order to arrive at a Tourism Demand number excluding day trips, we first have to understand the number of day trips relative to one or more-night trips. That number is retrievable through a different StatCan dataset⁷. Then, the number is multiplied by a spending figure for day trips and subtracted from total Tourism Demand. In order to keep estimates the same, we rely on the same day trip estimation made in the 2007 Economic Impact Analysis report on the Visitor Rebate Program⁸.

Using those same Statistics Canada data, we built out a number for Pre-Trip Demand and In-Trip Demand. Those variables were annualized using the following StatCan columns:

Pre-Trip Demand = Transportation + Accommodations + Travel Agency Services + Convention Fees + Pre-trip Expenditures

In-Trip Demand = Food and beverage services + Recreation and entertainment + Total other commodities

Next, we define our independent variables – our drivers of Canadian tourism.

Canadian Dollar. It has been said, time and time again, that a low dollar positively impacts tourism. We use the annual average exchange rate between Canada and the US as a proxy for the strength of the Canadian dollar.

The data we use was measured by the Bank of Canada and reported by StatCan⁹. In terms of data treatment, we took the closing spot rate for each trading day reported in the table and did a simple average (summed and divided by the number of trading days).

World Economy. Global booms and busts have an impact on the number of visitors. During the time frame that we use, there was a global economic slowdown. That's something that we account for by understanding how global economies impact local visits.

⁶ Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)

⁷ Statistics Canada. Table 24-10-0043-01 International tourists entering or returning to Canada, by province of entry

⁸ Global Refund, 2007. The GST Visitor Rebate Program for Individual Travellers, An Economic Impact Analysis. Retrieved from: http://www.tians.org/pdf/EconomicReport_web.pdf

⁹ Statistics Canada. Table 10-10-0008-01 Foreign exchange rates in Canadian dollars, Bank of Canada, daily

In our regression, we took an average of the GDP per capita numbers for the 10 countries that sent the greatest number of tourists to Canada in 2017¹⁰. That means we used GDP per capita data from the United States, United Kingdom, China, France, Germany, Australia, Mexico, Japan, and South Korea. Those data were retrieved from the World Bank's International Comparison database¹¹.

Canadian Advertising. Marketing is a powerful tool. Each year, the federal Government spends several million dollars advertising Canada as a destination to international markets. That exact value, however, fluctuates substantially year-to-year. While there may be other sources of advertising, to approximate this value, we use the total annual expense of Destination Canada. We believe this to be a fair proxy, with Destination Canada historically spending between \$60 million dollars and \$130 million dollars advertising Canada.

The total annual expenses of Destination Canada were collected directly from the Crown Corporation's Annual Report.

Visitors. When we start talking about total visitor spending, one of the critical variables to understand is how many visitors Canada receives in a given year. In this regression, we use the total number of non-resident travellers who spend one or more nights in Canada.

Those data were retrieved from StatCan¹² and were annualized to match with the other datasets.

Time Frame. To maximize the data available, we used a reference period of 1997 to 2017 for our regressions. While 1991 was the start of the rebate, the availability of Destination Canada Annual Reports where a limiting factor. This still gives us 10 years on either side of the 2007 cancelling of the tourism rebate.

For our T-test, we use all years, from 1991 to 2017.

All these data are understood in an annual manner.

Policy Dummy Variable. Finally, what we are really interested in testing for, we create a dummy variable that adopts a value of 1 for any year in which the Visitors Rebate Program was available to non-resident visitors of Canada, and a value of 0 otherwise.

4.3| T-TEST & REGRESSION

In this study, we ran one T-test, and two regression. The outputs can be seen in Appendix B, C and D.

For the T-test, we explore if the In-Trip spending prior to the policy change and after the policy change are a part of the same distribution, or if there are two unique distributions.

The regressions looking at total Tourism Demand, with an additional regression with In-Trip Demand as the dependent variable. Tourism Demand's regression takes the form of the equation below.

Tourism Demand = $\alpha + \beta_1$ Canadian Dollar + β_2 World Economy + β_3 Canadian Advertising + β_4 Visitors + β_5 Policy Dummy Variable + ϵ

¹⁰ Top ten countries were selected by using data available through StatCan. Statistics Canada. Table 24-10-0006-01 Non-resident travellers entering Canada, by country of residence, seasonally adjusted

¹¹ World Bank, International Comparison Program database. Retrieved from <http://databank.worldbank.org/data/reports.aspx?source=2&series=NY.GDP.PCAP.PP.KD&country=#>

¹² Statistics Canada. Table 24-10-0043-02 One or more nights trips by non-residents to Canada

4.4| ANALYSIS OF RESULTS

From our regression, there are several key conclusions we can draw.

First, the fit of our model is strong, with an Adjusted R² over 0.9 for overall Tourism Demand.

According to our model, if the annual average for the Canadian dollar falls by one cent (ex. from 78 cents USD to 77 cents USD for the whole year), then total tourism demand in Canada increases by \$25.47 million.

When looking at overall Tourism demand, we find that a \$1 million increase in GDP for Canada's top ten tourist destinations translated to an increase of \$1,444 for Canadian tourism.

Each additional tourist that visits Canada and stays for one or more nights adds \$857.84 to its economy.

For every dollar spend advertising Canada to international markets, we increase tourism demand by just over \$10.

We find that Canada's Visitor Rebate policy increased tourism demand by \$595.7 million each year. Cumulatively, that means a \$5.9 billion-dollar impact on Canada's GDP was lost because of this policy change. That is money that is not going to Canadian retailers, and money that is not supporting employment and economic growth.

To approximate how much the federal Government would have earned from the Visitor Rebate Program from 2008 to 2017, we take the average tax to GDP rate, which was 31%, and reduce it by the 5% GST amount (because it would be rebated). The remaining 26% acts as a loose approximation. Multiplying that by 5.9 billion, we can see that the federal Government forwent 1.5 billion dollars in revenue.

It did, however, save \$86.3 million per year (in 2007 dollars)¹³. Inflating that figure into today's dollars and factoring in that the savings reoccurred annually since 2007, we see that the federal government realized \$1.0 billion in savings.

Netting those two numbers out, because of the decision to cut the visitor rebate in 2007, the federal Government saw a net lost of \$515.7 million dollars. In other words, the federal Government annually loses about \$51.6 million dollars for each year it chooses not to renew the Visitor Rebate Program.

¹³ The \$86.3 million a year savings is the sum of \$7.5 million (for overhead & administration) and \$78.8 million (annual rebate of GST)
For \$7.5 million: Jones, C. (2006, Nov. 9). "Standing Committee on Finance" Canada. Parliament. House of Commons. Meeting 050. 39th Parliament, 1st session, Retrieved from the Parliament of Canada website:
<http://apps.ourcommons.ca/ParlDataWidgets/en/intervention/1770909/> ; (see time 39m45sec)
For \$78.8 million: Murphy, S. (2006, Oct. 26). "Budget Implementation Act, 2006, No. 2" Canada. Parliament. House of Commons Edited Hansard 070. 39th Parliament, 1st session. Retrieved from the Parliament of Canada website:
<http://www.ourcommons.ca/DocumentViewer/en/39-1/house/sitting-70/hansard#Int-1725833>

5 | CONCLUSION

When the Visitor Rebate was canceled in 2007, the rationale advanced at the time was that this policy change would result in Government savings. This study demonstrates that was not the case. The federal Government has experienced a net loss of \$515.7 million dollars between 2007 and 2017 and experiences an additional net loss each year of \$51.6 million dollars.

If the federal Government were to reinstate the Visitor Rebate Program today, then our study indicates demand for Canadian tourism would increase by \$595.7 million per year.

With this report, RCC expresses its desire to have the federal Government explore reinstating the Visitor Rebate Program. Canada is the only OECD country with a federal sales tax that does not have a rebate program. Additionally, this is an anomaly in Canada, with visitor in-country spending being the only export that is not exempt from sales tax.

It is our belief that the policy to tax sales to visitors is functionally a tax on exports – and by taxing exports, we lower our exports. Canada's current policy position on this issue is juxtaposed with policy decisions to open up international markets to Canadian exporters, by successfully negotiating a series of free trade agreements with Europe, with our North American neighbours, and with our Trans-Pacific trading partners.

Should the Government be interested discussing the topic further, RCC would be happy to provide the Government with a more in-depth analysis of how rebate programs work in foreign jurisdictions, and which systems we believe would maximize visitor spending while in-country.

Appendix A: Rank of OECD Countries by Average Visitor Export Growth, 1995 to 2017

	Visitor Exports	Avg % Increase	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
1	Latvia	25.76%	0.09	0.44	0.64	0.96	0.98	0.99	1.03	1.09	1.29	1.28	1.27
2	Lithuania	13.68%	0.18	0.78	1.23	0.98	1.26	1.33	1.32	1.32	1.28	1.37	1.38
3	Japan	13.55%	3.35	4.87	13.41	11.19	8.24	11.05	14.29	19.02	28.32	31.14	35.27
4	Iceland	10.44%	0.50	0.64	0.69	1.20	1.42	1.69	1.96	2.32	2.83	3.72	4.06
5	Turkey	8.46%	6.77	11.39	18.95	18.44	21.84	22.70	26.00	29.76	31.41	24.34	31.31
6	Ireland	6.22%	3.63	5.31	6.33	7.58	8.52	8.62	8.70	10.14	11.03	11.70	12.95
7	South Korea	6.06%	7.38	12.20	9.35	16.29	18.54	20.26	20.32	22.44	19.74	22.00	16.78
8	Slovakia	6.01%	0.94	0.69	1.20	1.90	1.92	1.92	2.12	2.05	2.30	2.62	2.71
9	Sweden	5.69%	5.25	6.48	8.38	10.09	10.58	10.60	11.02	12.37	13.99	15.41	16.52
10	Greece	5.22%	7.93	17.19	17.71	14.48	15.02	14.51	16.36	17.87	18.53	17.77	19.46
11	Chile	5.09%	1.79	2.12	2.31	2.25	2.45	2.83	2.84	3.13	3.66	3.95	4.82
12	Portugal	4.59%	8.02	10.27	9.66	11.84	12.97	13.81	14.53	15.75	16.49	17.71	20.60
13	Germany	3.71%	23.44	33.98	38.91	42.36	43.59	45.06	46.60	48.33	47.89	48.87	50.45
14	Spain	3.47%	36.57	53.89	55.08	52.22	56.83	57.48	59.49	62.36	63.96	68.41	75.42
15	Mexico	3.35%	12.02	10.59	12.86	11.34	10.41	11.29	11.59	13.47	17.61	21.68	22.39
16	New Zealand	2.66%	6.17	7.12	8.32	7.05	7.07	6.70	6.72	7.12	8.90	9.64	10.04
17	Belgium	2.49%	8.64	13.56	11.93	12.03	12.50	12.91	13.10	13.62	13.82	13.35	13.49
18	Denmark	2.41%	4.71	6.33	6.40	6.00	6.58	6.63	6.88	7.28	7.35	7.54	7.58
19	France	2.34%	31.89	53.18	48.69	45.14	50.93	52.85	53.56	54.22	49.23	47.27	50.31
20	United States	2.32%	129.90	153.24	133.30	164.86	181.01	189.94	202.79	213.77	218.67	209.07	200.67
21	Israel	2.32%	5.42	7.03	5.85	6.47	6.36	6.97	6.84	6.67	7.06	6.83	7.25
22	Estonia	2.01%	1.34	1.67	1.80	1.43	1.55	1.59	1.83	1.99	1.94	1.96	2.00
23	Luxembourg	1.82%	1.01	1.55	1.57	1.34	1.34	1.35	1.34	1.45	1.34	1.33	1.36
24	Norway	1.80%	4.50	4.41	4.60	4.35	4.68	4.85	5.09	5.70	6.36	6.52	6.41
25	Netherlands	1.80%	13.04	17.54	14.01	14.92	15.32	14.94	15.64	15.84	16.22	16.82	18.53

26	Finland	1.79%	2.73	3.06	3.22	4.09	4.75	4.80	4.76	4.37	3.28	3.47	3.69
27	Poland	1.74%	10.42	9.74	7.57	8.46	9.36	10.21	10.29	10.50	10.87	12.02	13.03
28	Australia	1.59%	16.97	21.54	18.44	17.03	16.47	16.94	17.37	18.25	20.40	21.77	23.41
29	Czech Republic	1.50%	5.85	6.39	6.94	6.94	7.13	7.19	6.73	6.83	7.12	7.27	7.53
30	Switzerland	1.39%	14.99	16.76	15.95	18.32	18.21	18.25	18.77	19.65	19.02	19.16	19.82
31	United Kingdom	1.37%	27.04	27.75	26.90	26.83	28.72	29.13	32.33	32.72	32.91	33.02	35.63
32	Canada	1.29%	13.79	19.70	16.26	13.13	13.07	13.26	13.38	13.87	14.87	16.24	17.22
33	Slovenia	1.20%	2.26	1.97	2.10	2.47	2.52	2.51	2.54	2.56	2.60	2.68	2.83
34	Austria	1.15%	17.33	18.44	20.37	19.67	19.60	19.91	20.11	20.62	20.92	21.74	22.02
35	Italy	0.78%	38.92	45.60	39.33	35.35	37.56	37.96	39.13	40.51	41.34	42.17	44.91
36	Hungary	0.57%	6.97	5.10	4.05	4.50	4.71	4.46	4.73	5.58	6.38	6.90	7.14

Highlighted on this chart: Comparators graphed in Graph 2.

“Avg % Increase” calculation uses all data from 1995 to 2017. This is just an excerpt of those data, to demonstrate rank by average growth rate.

For the full dataset, please visit the World Travel & Tourism Council’s Data Gateway at <https://tool.wttc.org/>

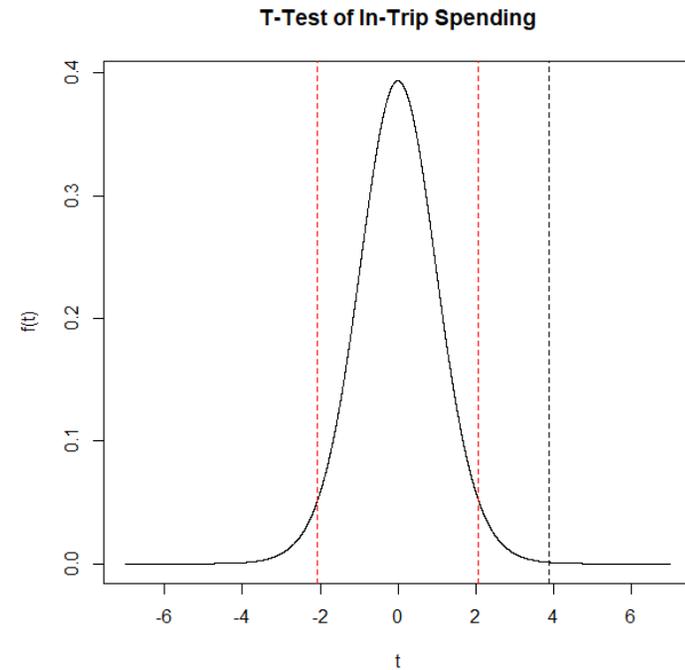
Appendix B: Regression of Total Tourism Demand

F-Test Two-Sample for Variances

<i>In-Trip Spending</i>	'91 to '07	'08 to '17
Mean	527.021803	482.839125
Variance	1581.52486	365.56854
Observations	17	10
Df	16	9
F	4.32620613	
P(F<=f) one-tail	0.01556047	
F Critical one-tail	2.98896556	

T-Test: Two-Sample Assuming Unequal Variances

<i>In-Trip Spending</i>	'91 to '07	'08 to '17
Mean	527.021803	482.839125
Variance	1581.52486	365.56854
Observations	17	10
Hypothesized Mean Difference	0	
Df	24	
t Stat	3.88123644	
P(T<=t) one-tail	0.00035547	
t Critical one-tail	1.71088208	
P(T<=t) two-tail	0.00071095	
t Critical two-tail	2.06389856	



Appendix C: Regression of Total Tourism Demand

Regression Statistics

Multiple R	0.971294586
R Square	0.943413173
Adj. R Square	0.924550897
Standard Error	429851758.8
Observations	21

ANOVA

	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	5	4.6208E+19	9.24156E+18	50.01587249	7.96045E-09
Residual	15	2.7716E+18	1.84773E+17		
Total	20	4.8979E+19			

Regression Equation

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-9030184408	3162367935	-2.85551352	0.012031523	-1577061210	-228975670	-1.577E+10	-228975670
#Tourists	857.842104	153.989804	5.570772104	5.34881E-05	529.6206064	1186.0636	529.620606	1186.0636
USD in CAD	2546946688	1941848852	1.311609132	0.209373496	-1592006166	6685899542	-15920061	6685899542
World Economy	0.001443526	0.00032026	4.507399208	0.000417102	0.000760914	0.00212614	0.00076091	0.00212614
Canadian Ads	10.0635074	5.55207209	1.812567856	0.08995948	-1.77045413	21.8974689	-1.7704541	21.8974689
PolicyDummy	595727135.3	567661586	1.049440635	0.310590465	-614214894	1805669165	-61421489	1805669165

Appendix D: Regression of In-Trip Spending

Regression Statistics

Multiple R	0.93432975
R Square	0.87297208
Adj. R Square	0.84121511
Standard Error	15.9991309
Observations	21

ANOVA

	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	4	28145.8229	7036.45574	27.4891415	5.4125E-07
Residual	16	4095.55503	255.972189		
Total	20	32241.378			

Regression Equation

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	599.904228	60.3998153	9.93221957	3.0192E-08	471.862339	727.946116	471.862339	727.946116
USD in CAD	13.0748229	39.082055	0.33454799	0.74231148	-69.7754326	95.9250785	-69.775432	95.9250785
World Economy	-2.9226E-11	7.9741E-12	-3.6650861	0.00209101	-4.613E-11	-1.2321E-11	-4.613E-11	-1.2321E-11
Canadian Ads	1.0979E-07	1.8326E-07	0.5990797	0.55750772	-2.787E-07	4.9827E-07	-2.787E-07	4.9827E-07
PolicyDummy	9.55922632	15.7722628	0.60607831	0.55296484	-23.8764771	42.9949297	-23.876477	42.9949297

For additional information on the methodology, contact:

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