

## GAINING THE EDGE: A STATUS UPDATE

### February 18, 2014

Tourism is a critical sector within BC’s economy. In 2012, the tourism industry generated \$13.5 billion in revenue, an increase of 2.5% from 2011 and a 43% increase from 2001. The industry also contributed \$7.1 billion in GDP and \$3.2 billion in export revenues. Over 127,000 workers are employed in the sector, translating to roughly 1 out of every 15 people employed in the province, and they earn around \$4.3 billion in salaries and wages and represents over 18,000 businesses in British Columbia.

The growth in tourism is especially encouraging, given challenges such as a high-valued Canadian dollar, economies around the globe that continue to be troubled, and fierce competition from other jurisdictions on tourism.

Government's five-year tourism strategy, *Gaining the Edge* set the plan for 2012 – 2016. This plan has advanced the provincial tourism industry through targeted action in four key areas: leadership through partnership and coordination, focussed marketing, a world-class visitor experience, and removing barriers to sustainability and competitiveness.



GTE Objective	Key Accomplishments	Looking Forward – Key Deliverables for 2014
<b>Leadership through Partnership and Coordination</b>	<ul style="list-style-type: none"> <li>• Destination BC, an industry-led, formula funded provincial destination marketing organization was launched on April 1, 2013. It leads marketing B.C. to travellers, both domestically and internationally.</li> <li>• Destination BC established a Tourism Marketing Committee, with representatives nominated by B.C.’s six regional destination marketing organizations on July 31, 2013. The committee will inform provincial marketing strategies and recommend approaches to better align regional and provincial marketing activities.</li> <li>• “The Next Phase: A Five-Year Strategy for Aboriginal Cultural Tourism in B.C.” was released by the Aboriginal Tourism Association of BC (AtBC) in 2012. Government and Destination BC have both supported the strategy by providing funding to further facilitate the development of Aboriginal cultural tourism.</li> </ul>	<ul style="list-style-type: none"> <li>• The Ministries of Jobs, Tourism and Skills Training (JTST) and the Ministry of Finance will finalize a demand-driven funding formula for Destination BC to link funding for Destination BC to the performance of the tourism industry.</li> <li>• Destination BC will continue to increase the amount of private sector and community funds leveraged for cooperative marketing efforts by 5 per cent per year, with a target of \$7.25 million in 2014/15.</li> <li>• JTST is leading efforts to develop an enhanced accountability framework to increase the benefits of the Municipal and Regional District Tax program, which funds community level tourism marketing efforts in 50 communities across the province.</li> <li>• JTST is forming partnerships between Government agencies, AtBC, and a variety of First Nations entrepreneurs and communities, to continue to propel the growth in Aboriginal owned or operated tourism businesses in BC.</li> </ul>

## Focused Marketing

- Destination BC delivered successful marketing campaigns for ski and summer touring experiences.
  - BC saw greater increases in US overnight visitation than the rest of Canada.
  - Marketing investments focus on key target markets. While established markets such as Germany, California, Japan, UK, and Australia remain integral to marketing strategies, emerging markets with long-term potential include China, India and Mexico.
  - Investment in emerging markets such as China and India has increased, paying off in greater visitation. B.C. remains Canada's most popular province for Chinese tourists. In 2013, tourism from China was up 26.5 per cent - a trend that's expected to continue.
  - Destination BC's consumer website "HelloBC" has been significantly refreshed and upgraded to enable mobile use across five international websites<sup>1</sup>.
  - Destination BC has expanded its social media activities. Destination BC now has almost 120,000 Facebook fans 61,000 followers on Twitter, and almost 11,000 on Instagram.
- Destination BC will release a new multi-year strategic marketing plan in consultation with their Tourism Marketing Committee, communities and key stakeholders.



## World Class Visitor Experiences

- Working with destination marketing organizations, businesses, communities and sectors, Destination BC has created and implemented tools and programs to develop the industry.
  - These include Community Tourism Foundations (working with over 150 communities), BC Experiences (working with 19 tourism sectors), and WorldHost which is internationally recognised as setting the standard for training.
  - Destination BC provided funding for a broad network of community Visitor Centres across BC, building upon an outstanding system of tourism information by providing excellence in travel services.
  - To stay on top of emerging labour challenges and opportunities, Go2, with funding from JTST's Canada BC Labour
- JTST will lead efforts to ensure provincial skills development programs are effectively leveraged to address the challenges raised in the Tourism Labour Market Strategy.
  - JTST is partnering with the Ministry of Transportation and Infrastructure and Destination BC to provide visitor and road side rest stop services, in keeping with B.C.'s global reputation of a safe and sophisticated destination with an awe-inspiring natural environment.
  - JTST is initiating partnerships with other agencies to develop strategies that leverage B.C.'s parks, trails, and other assets and infrastructure to support tourism development.
  - JTST continues to spearhead efforts to develop new, emerging and growing sectors, such as nature-based tourism

<sup>1</sup> UK, Germany, France, Australia, and India

## Removing Barriers to Industry Sustainability and Competitiveness

Market Development Agreement, released the Tourism Labour Market Strategy in 2012, with regionally-specific updates in the fall of 2013.

and city stays, by highlighting opportunities at sector conferences and bringing key partners and resources together.

- Since 2012, several new direct flights and/or increased existing non-stop services from priority markets through six different airlines have been brought into B.C. These include (but not limited to):
  - Sichuan Air from Chengdu and Shenyang in 2012,
  - Virgin Atlantic from London in 2012,
  - Lufthansa from Munich in 2013,
  - Pacific Coastal Airlines service between Cranbrook and Kelowna starting November 2013,
  - WestJet launched daily service between Nanaimo and Calgary International airports in June 2013,
  - All Nippon Airways from Tokyo starting in March 2014,
  - Icelandair from Reykjavik starting in May 2014.
- The backlog of land-based tenure applications, including those from the tourism sector, has been reduced by 50 per cent.
- A \$3 million increase in the Small Business Venture Capital Tax Credit, announced in 2012, is encouraging more investors to make equity capital investments in B.C. small businesses, including those in the tourism sector, to develop and grow.
- The Government of BC has made significant inroads in reducing red tape for tourism and other businesses. The Canadian Federation of Businesses has given B.C. an “A” for its efforts to reduce red tape for three years in a row. In CFIB’s 2014 report card, BC was the only province to receive an “A” rating.
- About 17,000 tourism small businesses (about 93 per cent of the industry) are benefitting from initiatives under the Small Business Accord, including online mentorship supports and improvements to the BizPal online integrated licensing and permitting system.
- JTST will continue to collaborate with the federal government to to:
  - a) Deliver the Beyond the Border action plan initiatives, with a focus on opportunities for new and expanded passenger pre-clearance and trusted traveller programs at air, marine and land borders; and
  - b) Address international air access impediments (including costs). This includes seeking opportunities for more direct flights to B.C. airports.
- JTST will continue to engage with the 30 tourism sectors, including heli-skiing and guides and outfitters, on approaches to define and resolve barriers to growth.
- Government’s 2013 Liquor Policy Review will enhance the competitiveness of B.C.’s tourism industry enabling businesses to provide visitors with experiences comparable to those of global competitors.
- As one of five priority JTST projects to further reduce red tape, the “How to Start a Restaurant in B.C.” online roadmap will be developed to clearly explain to entrepreneurs how to start up and operate a restaurant in B.C and reduce the time a restaurant spends interacting with government.

