



Economic Impact Analysis of Tourism in the City of London (Internal Report)

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Tourism London

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Preface

This research was undertaken by The Conference Board of Canada's Economic Research Division with funding and support from Tourism London. In keeping with The Conference Board's guidelines for financed research, the design and method of research, as well as the content of this study, were determined solely by The Conference Board.

The following members of The Conference Board contributed to this research: Tony Bonen, Director; Gregory Hermus, Principal Economist; Alan Chaffe, Senior Economist; and Anthony Landry, Economist.

About The Conference Board of Canada

The Conference Board is Canada's foremost independent, not-for-profit, applied research organization. We provide unbiased, highly focused research and analysis to help build leadership capacity for a better Canada by creating and sharing insights on economic trends, public policy issues, and organizational performance. The Conference Board's Economic Research Division employs nearly 20 professional economists with decades of research experience who combine their knowledge to produce custom economic forecasts and research. The Economic Research team studies complex issues from multiple perspectives, applying proprietary economic models and cutting-edge methodologies—supported by a deep understanding of the market, political, and social context in which they occur. These integrated insights help create meaningful impacts within Canadian organizations and industries by helping leaders cut through the noise and make informed decisions. The Conference Board was established in 1954 and is affiliated with the U.S.-based Conference Board, Inc., which serves some 2,000 companies in 60 nations.



Key Findings

- In 2023, tourism spending in London was estimated to be approximately \$1,088.9 million, an increase of 10.8% relative to 2022.
- Purchases of food and beverages totaled \$417.3 million (38 per cent of total tourism spending), of which \$311.1 million was spent in restaurants while the remaining \$106.3 million was spent in stores.
- Year-over-year, rental cars (18.1 per cent), retail spending on clothing (13.5 per cent), and food and beverage spending at restaurants (12.7 per cent) demonstrated the strongest growth in tourism spending.
- The City of London was host to roughly 2.1 million overnight visitors, an increase of almost 5 per cent relative to 2022, including 136,000 visitors from the United States, 25,000 from other international countries, and nearly 2.0 million domestic tourists.
- Tourism activity in London helped generate a total of roughly \$1,051.5 million in GDP for the province and nearly \$616.1 million for the local economy of London.
- In 2023, tourism activity in London supported 10,196 full-year jobs in Ontario, 7,864 of which were in London.
- London's tourism sector contributed an estimated \$503.1 million in tax revenues across all levels of government. Of this, \$233.8 million accrued to the federal government, \$200.1 million to the provincial government, and \$69.2 million to municipal governments.



Introduction

The purpose of the study was to assess the economic impact of the tourism sector in London, Ontario, in 2023. Tourism spending in London increased nearly 11 per cent (\$106.5 million) in 2023 as tourist activities resumed to normalcy following the strict health and safety measures from the COVID-19 pandemic. Estimates of the economic impact are based on visitor volumes in the City of London and accommodation data collected by Tourism London for 2023, as well as other indicators regularly monitored by The Conference Board. The final economic impact estimates in this study were produced using The Conference Board's Tourism Economic Assessment Model.



Overnight Visits to London

In 2023, the City of London was host to approximately 2.1 million overnight visitors, a 4.6 per cent increase from 2022. The number of overnight visitors to London includes 136,000 visitors from the United States, 25,000 visitors from other international countries, and nearly 2.0 million domestic tourists (see Table 1).

As a share of total visitors, the percentage of overnight visitors coming to London from the United States rose from 5.3 per cent in 2022 to 6.4 per cent in 2023, while the share of other international visitors rose from 0.9 per cent to 1.2 per cent over the same period. Despite the 3.0 per cent year-over-year increase in the number of overnight domestic tourists to London, the share of overnight domestic tourists fell 1.4 percentage points from 2022 to 2023 (see Table 2).

Table 1
Overnight Visitors to London
(Person-Trips)

Visitor Origin	2022e	2023e	Percentage Change (2023 vs. 2022)
Canada	1,899,000	1,956,000	3.0%
United States	107,000	136,000	27.1%
Other International	18,000	25,000	38.9%
Total	2,024,000	2,117,000	4.6%

Source: The Conference Board of Canada.

Table 2
Overnight Visitors to London
(As a share of total visitors)

Visitor Origin	2022e	2023e
Canada	93.8%	92.4%
United States	5.3%	6.4%
Other International	0.9%	1.2%
Total	100.0%	100.0%

Source: The Conference Board of Canada.



Tourism Spending in London

In 2023, spending by both same-day and overnight visitors to London was estimated to be roughly \$1,088.9 million, 10.8 per cent greater than in 2022. As in 2022, the largest share of tourism spending in London in 2023 was driven by purchases of food and beverages. Overall, spending on food and beverages was \$417.3 million or 38.3 per cent of total spending in 2023—about three-quarters of which (\$311.0 million) was spent in restaurants, and the remaining (\$106.3 million) in stores (see Table 3).

Tourists spent \$229.0 million (21.0 per cent of the total) on retail spending—nearly two-thirds of which (\$151.6 million) was spent on clothing while the remaining third (\$77.5 million) on other goods. In addition, tourists spent \$207.7 million on private transportation (19.1 per cent of the total), namely the use of personal vehicles, including vehicle parts and maintenance.

Accommodation spending by visitors accounted for \$112.7 million (10.4 per cent of the total).

Tourists also spent \$35.1 million (3.2 per cent of the total) on public transportation, which includes ticket fares for intercity trains and buses (see Table 3).

Table 3
Purchases of Food and Beverages Account for Largest Share of Tourism Spending
(\$000's)

Expenditure Category	2023e	Share of Total
Food & Beverages	\$417,338	38.3%
Food & Beverages – Restaurants	\$311,051	28.6%
Food & Beverages – Stores	\$106,287	9.8%
Retail Spending	\$229,046	21.0%
Retail Spending – Clothing	\$151,553	13.9%
Retail Spending – Other Goods	\$77,493	7.1%
Private Transportation	\$207,744	19.1%
Accommodation	\$112,746	10.4%
Recreation & Entertainment	\$69,032	6.3%
Public Transport	\$35,143	3.2%
Rental Cars	\$10,977	1.0%
Local Transport	\$6,893	0.6%
Total	\$1,088,921	100.0%

Source: The Conference Board of Canada.



Year-over-year, rental cars (18.1 per cent), retail spending on clothing (13.5 per cent), and food and beverage spending at restaurants (12.7 per cent) experienced the greatest growth in tourism spending (see Table 4).

Table 4
Tourism Spending in London, Year over Year
 (\$000's)

Expenditure Category	2022e	2023e	Percentage Change (2023 vs. 2022)
Food & Beverages	\$371,098	\$417,338	12.5%
Food & Beverages – Restaurants	\$276,018	\$311,051	12.7%
Food & Beverages – Stores	\$95,079	\$106,287	11.8%
Retail Spending	\$202,626	\$229,046	13.0%
Retail Spending – Clothing	\$133,547	\$151,553	13.5%
Retail Spending – Other Goods	\$69,080	\$77,493	12.2%
Private Transportation	\$193,135	\$207,744	7.6%
Accommodation	\$104,455	\$112,746	7.9%
Recreation & Entertainment	\$61,921	\$69,032	11.5%
Public Transport	\$33,520	\$35,143	4.8%
Rental Cars	\$9,298	\$10,977	18.1%
Local Transport	\$6,393	\$6,893	7.8%
Total	\$982,445	\$1,088,921	10.8%

Source: The Conference Board of Canada.



Economic Impact of Tourism in London

The Conference Board's Tourism Economic Assessment Model results estimate that tourism in London supported almost 10,200 full-year jobs in Ontario in 2023, with most of these jobs (7,864) in London (see Table 5). Given that overall employment in the London metropolitan region was 306,800 in 2023, our analysis suggests that tourism supported 2.6 per cent of the region's employment.¹ In total, tourism activity in London helped generate a total of \$1,051.5 million in GDP for the province and roughly \$616.1 million for the local economy of London (see Table 6).

Table 5
Impact of Tourism in London on Employment, 2023
(Full-year jobs)

Impact Phase	Employment in Ontario	Employment in London
Direct	5,505	5,406
Indirect	2,555	1,155
Induced	2,136	1,302
Total	10,196	7,864

Source: The Conference Board of Canada.

Table 6
Impact of Tourism in London on Gross Domestic Product (GDP), 2023
(\$000's)

Impact Phase	GDP in Ontario	GDP in London
Direct	\$369,503	\$356,308
Indirect	\$411,205	\$135,494
Induced	\$270,744	\$124,305
Total	\$1,051,452	\$616,107

Source: The Conference Board of Canada.

¹ Based on Statistics Canada, Labour Force Survey for London Census Metropolitan Area (annual average of monthly data). The London CMA includes the following cities, municipalities, and townships: Adelaide-Metcalf, Central Elgin, London, Middlesex Centre, Southwold, St. Thomas, Strathroy-Caradoc, and Thames Centre.



In addition, London's tourism sector contributed an estimated \$503.1 million in tax revenues across all levels of government. Of this, almost \$233.8 million accrued to the federal government, \$200.1 million to the provincial government, and \$69.2 million to municipal governments. In the City of London, it is estimated that \$50.6 million was paid by London businesses and citizens in municipal taxes (see Table 7).

Table 7
Impact of Tourism in London on Taxes, 2023
(\$000's)

Level of Government	Taxes in Ontario	Taxes in London
Federal	\$233,794	\$155,044
Provincial	\$200,123	\$144,816
Municipal	\$69,227	\$50,626
Total	\$503,145	\$350,487

Source: The Conference Board of Canada.



Conclusion

This study leveraged projections on locally collected accommodation data as well as a broad range of economic indicators to estimate visitor volumes and spending on tourism activity within London, Ontario. Based on these sources, tourism activity generated an impressive \$1,088.9 million in spending during 2023, which marked a substantial increase of approximately \$106.5 million or 10.8 per cent relative to 2022. This increased activity elevated tourism's role in driving economic growth, employment, and revenue generation for the local economy. Policymakers, businesses, and stakeholders in the tourism sector may leverage this valuable information to make informed decisions, allocate resources efficiently, and develop strategies that capitalize on the City of London's tourism potential.



Appendix A: Glossary of Terms

Gross Domestic Product (GDP): the value of goods and services produced by labour and capital located within a country (or region), regardless of the nationality of labour or ownership. GDP in this report is measured at market prices. Tourism GDP refers to the GDP generated by those businesses that directly produce or provide goods and services for travellers.

Employment: refers to the number of representative full-year jobs, including both full-time and part-time jobs, as well as workers employed by businesses or self-employed. Seasonal employment is also included, however, it only accounts for a fractional share of a full-year job, proportional to the duration of employment.

Federal tax revenues: include personal income tax, corporate income tax, commodity tax (i.e., the federal share of HST, gas tax, excise tax, excise duty, air tax, and trading profits), and payroll deductions that are collected by the federal government.

Provincial tax revenues: include personal income tax, corporate income tax, commodity tax (i.e., the provincial share of HST, gas tax, liquor gallonage tax, amusement tax, and trading profits), and employer health tax collected by the Ontario provincial government.

Municipal tax revenues: include business and personal property taxes that are collected by municipalities. It should be noted that the taxes reported are based on the share of the total property taxes collected by a municipality based on the share of revenues (or earnings) attributed to tourism.

Direct impact: measures the value added to the economy from businesses in the tourism sector (e.g., accommodations, restaurants, recreation centres, travel agents, transportation, and retail enterprises) that are attributed directly to the sector's employees, wages earned, and firms' profits.

Indirect impact: measures the value added that the "direct impact" firms generate within the economy through their demand for intermediate inputs or other support services. For example, hotel owners purchase linen from suppliers.

Induced impacts: are derived when employees of the tourism sector spend their income and owners spend their profits on food, clothing, shelter, and other consumer goods and services



within the region. These purchases lead to more employment, higher wages, and increased income and tax revenues, and can be felt across a wide range of industries.



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meet impact