



Niagara Region  
Active Economy / Sport Tourism  
Sector Profile

March 2023



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This report has been provided for the purpose of informing and assisting the Regional Municipality of Niagara (“Niagara Region”) to produce sector profiles for five emerging sectors, with this profile featuring the investment and growth potential of the Active Economy / Sport Tourism sector. Sector definitions were created with the input of Niagara Region, and research provided is secondary. Deloitte did not develop any independent forecasts or analysis of the sectors.

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# Introduction

Tourism is an important industry in Canada, and to the Niagara region. With over 13 million visitors annually, the Niagara region is a preeminent tourism destination in North America. Sport Tourism is a growing sector worldwide, and the Niagara region would like to explore the potential to increase the number of tourists by attracting additional investment in sport tourism infrastructure. With infrastructure improvements, the increased opportunity to host international competitions is expected to spur the local sport tourism sector to grow.

## The Emerging Sector Profiles

Niagara Region Economic Development retained Deloitte LLP to produce sector profiles for five emerging sectors, including the marine sector, the health sector, film sector, and active economy/sport tourism, and electric vehicle battery industry. In the design of the project, the aerospace sector was added to the analysis. These sectors were initially identified in '[Niagara's 10 Year Economic Development Strategy 2022-2032](#)'. This profile features the investment and growth potential of the Sport Tourism / Active Economy sector. This profile was developed by defining the industries that make up and broadly support the Sport Tourism / Active Economy sector. These industries were

characterized using business and employment data and include support and supply businesses. From this broad overview, international, national, and local trends were considered to identify high potential areas relevant to Niagara's economy. The research also included a focus group to ground the findings in the perspectives of local stakeholders, as well as a review of existing literature. The data were pulled together to show a picture of the sector's future potential. This profile does not include a benchmarking of the Sport Tourism / Active Economy sector, and further research is needed to accurately identify employment directly linked to this sector.

The following data sources were used in the development of this sector profile: Lightcast (formerly EMSI Economic Modeling) 2022, Vicinity Jobs 2022, FDI Markets, Statistics Canada, and Canadian Business Counts<sup>1</sup> June 2022.

## Key Observations

- **Well-established tourism sector:** Over 13 million tourists visit Niagara each year, primarily to see Niagara Falls, but also to Niagara's wine region, historic Niagara-on-the-Lake, beaches, trails, and events and amenities. Visitor spending in the region totals over \$2 billion annually and has a significant impact on the regional economy, employing more than 40,000 people.<sup>2,3</sup>
- **Experience hosting international sports events:** Niagara Region has hosted and co-hosted important international events in sports such as hockey, basketball, sailing, rowing, dragon boat racing, and multidisciplinary competitions such as the Pan American Games and more recently the Canada Games.
- **Absence of a Sport Tourism department:** Unlike other large municipalities such as Hamilton or London, the Niagara Region does not have a Sport Tourism

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<sup>1</sup> The June 2022 Canadian Business Counts were used to determine the total number of registered businesses in the Niagara Region. Statistics Canada's Canadian Business Counts Data provides a record of business establishments by industry and size. This data is collected from the Canada Revenue Agency (CRA). The business data collected for Niagara Region included all local businesses that met at least one of the three following criteria: Have an employee workforce for which they submit payroll remittances to CRA, or have a minimum of \$30,000 in annual sales revenue, or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

<sup>2</sup> Niagara Region, <<https://niagaracanada.com/key-sectors/tourism/>>

<sup>3</sup> These figures have not been produced by Deloitte. Deloitte has not independently verified these figures.

department or official lead agency funded and mandated to bid on and coordinate sporting events.

- **Numerous sporting venues:** Owned by the individual cities and towns across the Niagara Region, there are more than 15 major sporting venues, some of which are of national and international caliber (e.g., Canada Games Park, Meridian Centre, Welland International Flatwater Centre, etc.), which support the Sport Tourism Economy. There are also many other community facilities that support the Active Economy. To stay competitive in a national and global context of Sport Tourism, continuing financial investment will be needed to maintain existing facilities and build new ones. Currently there is no region-wide sporting facility master plan, nor any collaborative effort to attract investment or explore private-public funding models.

## **Sport Tourism / Active Economy in Niagara Region**

### **Sport Tourism**

Several large international sports events have been hosted in Niagara, according to Brock University's Centre for Sport Capacity,<sup>4</sup> including the Royal Canadian Henly Regatta, the Lightning North American Sailing Championships, the Pan American Games, World Dragonboat Championships, IIHF Ice Hockey Women's U18 World Championship and FIBA U18 Americas Basketball Championships. In 2017, approximately 259,000 sport tourists visited Niagara and spent over \$45 million in the regional economy. Despite these important figures, the Region is said to have limited institutional capacity to promote itself as a sporting event host, according to Brock University's Centre for Sport Capacity.<sup>5</sup> Sport tourism stakeholders feel Niagara is losing out on business and should develop a sport tourism plan and partnership. The creation of a central, region-wide sport event office with stable operational funding would position Niagara Region as an active partner among sport tourism stakeholders, and as a champion for economic development.

### **Sport-related Visitation**

Data from Statistics Canada does not include detailed visitor expenditures specifically for domestic or international guests who attend sports events. Only person-visit numbers are available for sports-related visitors from Canada, and that data is classified as "use with caution" by Statistics Canada due to high coefficients of variation. No person-visit data is available for sports-related visitors from the U.S. or overseas.

According to the National Travel Survey, in 2019, 43,000 person-visits from Canada were recorded as attending a sports event in St. Catharines-Niagara Census Metropolitan Area (CMA), or 0.56% of all domestic person-visits (7.6 million). Of that total of domestic person-visits, 88% were residents of Ontario and 37% stayed overnight.<sup>6</sup>

Data presented for 2017 indicated that 170,000 visits by residents of Canada were attributed to "attending a sports event as a spectator", of which 84% were from Ontario. The data is sourced from Statistics Canada, Travel Survey of the Residents of Canada,

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<sup>4</sup> Stevens, J (Toward a "Made-in-Niagara" Sport Tourism Model: The Case for a Sport Event Office. Centre for Sport Capacity, Brock University

<sup>5</sup> Ibid.

<sup>6</sup> Number of Person-Visits to St. Catherines-Niagara CMA, 2019, National Travel Survey, Statistics Canada. Special note: This data had a coefficient of variation greater than 35% and was flagged by Statistics Canada with an E, which means "use with caution"



Custom Tabulation, 2017. The 2019 dataset stated that the two years cannot be compared.<sup>7</sup> If an average visitor expenditure of \$157.64 is applied, the total estimated visitor expenditure was \$26.8 million.

Deloitte has calculated visitor spending potentially attributable to sports-related events, but these numbers should be used with caution.

- Calculated at an average expenditure per person of \$196.95, domestic spend on sports events totaled \$8.4 million, or 0.6% of all visitor expenditures (\$1.375 billion).
- The 2019 International Travel Survey recorded 3.2 million person-visits by U.S. residents visiting the St. Catharines-Niagara CMA.<sup>8</sup> If the same share of domestic visitors who attended a sports event (0.56%) is applied to U.S. visitors, then about 18,000 Americans are estimated to have attended a sports event during their visit. At \$204.19 per person spending, U.S. visitors attending sports events are estimated to have contributed \$3.6 million in expenditures.
- About 1.1 million overseas residents visiting the St. Catharines-Niagara CMA in 2019.<sup>9</sup> If the same share of domestic visitors who attended a sports event (0.56%) is applied to overseas visitors, then about 6,100 international guests are estimated to have attended a sports event during their visit. At \$208.17 per person spending, overseas visitors attending sports events are estimated to have contributed \$1.27 million in expenditures.

## **Spectator Sports**

There were 54 businesses involved in spectator sports in Niagara Region in 2018, of which 11 were employers. The majority of those (8) had one to 19 employees.<sup>10</sup> Employment in spectator sports decreased 7.9% from 593 jobs in 2011 to 546 in 2018, the second largest decline in Niagara Region after gambling industries. Spectators' sports maintained a location quotient of 2.5.

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<sup>7</sup> Niagara Tourism Profile, <https://brocku.ca/niagara-community-observatory/wp-content/uploads/sites/117/NCO-Archives-2018-NiagaraRegion-Niagara-Tourism-Profile.pdf>

<sup>8</sup> United States Residents Visiting Canada (Inbound), International Travel Survey, Statistics Canada, 2019.

<sup>9</sup> Overseas Residents Visiting Canada (Inbound), International Travel Survey, Statistics Canada, 2019.

<sup>10</sup> Niagara Tourism Profile, Arts, Entertainment, and Recreation Business Counts, Employers and Non-Employers, Niagara Region, 2018.



# Active Economy / Sport Tourism Overview

Niagara's 10 Year Economic Development Strategy (2022-2032) encouraged a broader perspective that positioned sport as an economic driver as part of the "active economy." The Strategy stated that the active economy incorporates all enterprises improving individual or community prosperity through active living, organized sports, active recreation, and health and wellness experiences.

The Sport Tourism sector is considered to be a component of the "Regional Active Economy" cluster. The Active Economy cluster is a conceptual economic framework pioneered by two professors at Mount Royal University in Calgary: David Finch and

David Legg, Finch, Legg and others formed the Active City Collective in Calgary, Alberta,<sup>11</sup> the concepts for which are modelled on New Zealand's Living Standards Framework and Richard Florida's Creative Class theory.<sup>12</sup>

### **Defining Active Economy**

The Active Economy cluster and supply chain includes commercial entities, nonprofit organizations, and the public sector.<sup>13</sup> According to a presentation to the Goodman School of Business by Julie Stevens, Special Advisor to the Brock University President for Canada Summer Games, the Active Economy is called a cluster because it can be geographically defined, possesses complementary expertise, includes a range of traditional sectors, involves collaboration, and provides competitive advantage. The Active Economy comprises 11 nominal sectors (see Figure 1): a "delivery cluster" (Organized Sport, Active Recreation, Active Life, Active Tourism, and Sport Betting) and an "enabling cluster" (Active Products and Gear, Active Technology and Accessories, Design and Infrastructure, Health and Wellness, Media and Content, and Professional Services).

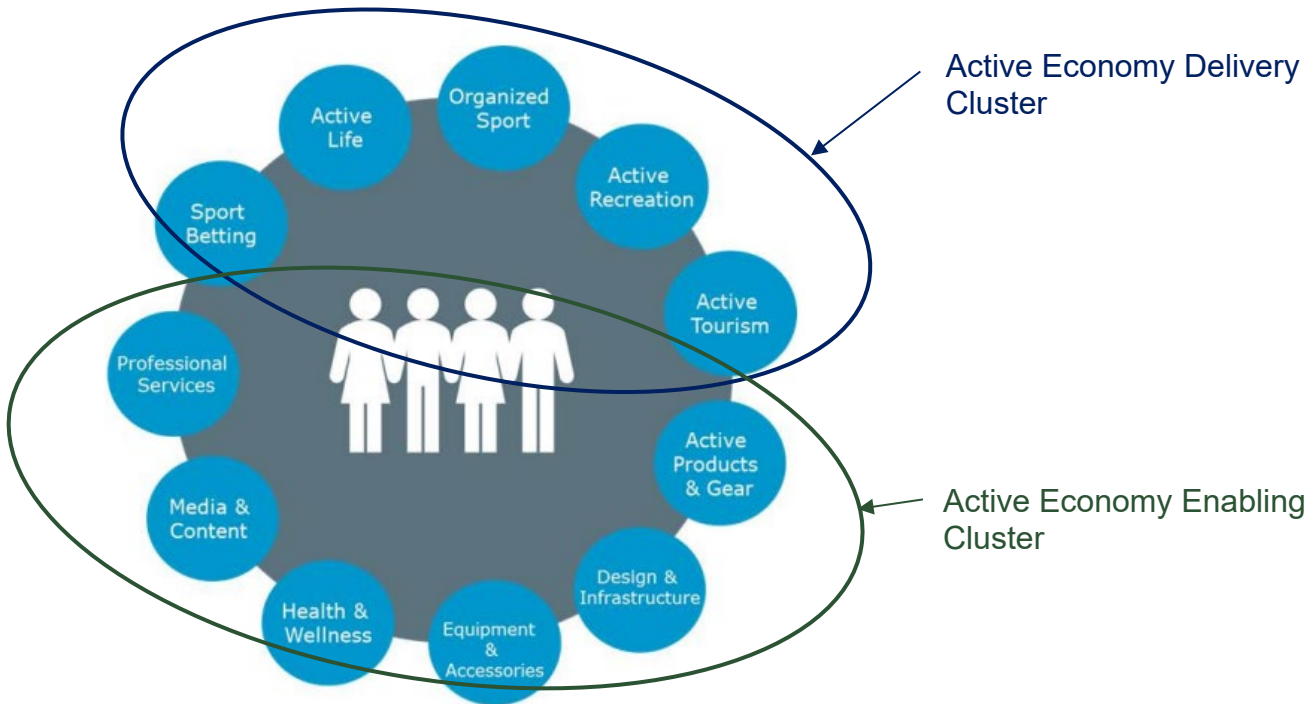
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<sup>11</sup> Active City, CityXLab, [learningcity.ca/active-economy](http://learningcity.ca/active-economy)

<sup>12</sup> Sport Information Resource Centre, [sirc.ca/blog/evolution-of-the-active-economy/](http://sirc.ca/blog/evolution-of-the-active-economy/)

<sup>13</sup> Presentation by Julie Stevens, Goodman Group Business Breather Series, Brock University, <https://youtu.be/-NAQeZ9KpQw>

Figure 1: The Active Economy



Source: ActiveCity Collective, Playbook 2030<sup>14</sup>

The Ontario Ministry of Heritage, Sport, Tourism, and Culture Industries (MHSTCI), consistent with Statistics Canada’s Provincial and Territorial Tourism Satellite Account, classifies specific industries at NAICS (North American Industry Classification System) as the tourism-related industries.<sup>15</sup> For the purpose of this analysis, in consultation with Niagara Region, the following codes were used to collect employment and business counts numbers for the Active Economy / Sport Tourism sector. In addition, and with the support of Niagara Region’s project team, the Active Economy / Sport Tourism industry subsectors were further classified into core, and support/supply chain subcategories. In Figure 2, core industry subsectors are highlighted in blue:

Figure 2 – Active Economy / Sport Tourism Sector NAICS

<sup>14</sup> ActiveCity Collective, Playbook 2030, [activecitycollective.ca/playbook2030](https://activecitycollective.ca/playbook2030)

<sup>15</sup> MHSTCI Concepts and Definitions, <https://www.ontario.ca/page/tourism-research-statistics#section-6>

<b>Industry</b>	<b>NAICS</b>	<b>Description</b> <b>(Core Industry Subsectors highlighted in blue)</b>
<b>Agriculture, Forestry, Fishing and Hunting</b>	1141	Fishing
	1142	Hunting and trapping
<b>Construction</b>	2379	Other heavy and civil engineering construction
<b>Manufacturing</b>	3231	Printing and related support activities
	3399	Other miscellaneous manufacturing
<b>Wholesale trade</b>	4141	Textile, clothing and footwear merchant wholesalers
	4144	Personal goods merchant wholesalers
	4151	Motor vehicle merchant wholesalers
	4191	Business-to-business electronic markets, and agents and brokers
<b>Retail Trade</b>	4461	Health and personal care stores
	4481	Clothing stores
	4482	Shoe stores
	4511	Sporting goods, hobby and musical instrument stores
	4533	Used merchandise stores
<b>Information and cultural industries</b>	5151	Broadcasting (except internet)
	5152	Pay and specialty television
	5191	Other information services
<b>Real Estate and Rental and Leasing</b>	5321	Automotive equipment rental and leasing
	5322	Consumer goods rental
<b>Professional, Scientific, and Technical Services</b>	5414	Specialized design services
<b>Admin. &amp; Support and Waste Management</b>	5615	Travel arrangement and reservation services
<b>Educational Services</b>	6116	Other schools and instruction
<b>Health Care and Social Assistance</b>	6213	Offices of other health practitioners
	6216	Home health care services
	6219	Other ambulatory health care services
	7111	Performing arts companies
	7112	Spectator sports

Industry	NAICS	Description (Core Industry Subsectors highlighted in blue)
<b>Arts, entertainment and recreation</b>	7113	Promoters (presenters) of performing arts, sports and similar events
	7114	Agents and managers for artists, athletes, entertainers, and other public figures
	7132	Gambling industries
	7139	Other amusement and recreation industries
<b>Accommodation and Food Services</b>	7211	Traveller accommodation
	7212	Recreational vehicle (RV) parks and recreational camps
	7223	Special food services
	7224	Drinking places (alcoholic beverages)
	7225	Full-service restaurants and limited-service eating places
<b>Other Services</b>	8121	Personal care services
	8134	Civic and social organizations
	8139	Business, professional, labour and other membership organizations

Active life and active recreation are components of the Active Economy. The Conference Board of Canada estimated the total “economic footprint” of angling, hunting, trapping and sport shooting activities in Canada to be \$13.2 billion, supporting just under 107,000 jobs and \$6.4 billion in labour income.<sup>16</sup>

The Active Economy Cluster within the “delivery sectors” of Organized Sport, Active Recreation, Active Tourism, Active Life, and Sport Betting can be measured using several metrics, such as:<sup>17</sup>

- Number of participants
- Total hours of engagement
- Total number of volunteers
- Total hours volunteering
- Fan attendance
- Ticket sales
- Broadcast ratings

<sup>16</sup> Ontario Federation of Anglers and Hunters, ofah.org/wp-content/uploads/2019/09/Economic-Footprint-Analysis-of-AHTS.pdf

<sup>17</sup> Understanding the Active Economy, igi-global.com/chapter/mapping-the-active-economy-to-community-value/279874

- Social media engagement
- Total number of major active economy events hosted in jurisdiction

To assist in measuring Niagara Region's Active Economy, Julie Stevens of Brock University reported that a Niagara Sport Database<sup>18</sup> is being developed with the assistance of the Digital Scholarship Lab, since the current inventory is out of date.<sup>19</sup> The database would include events, facilities, and organizations. Mapping of stakeholders would also be a key first step in mobilizing the Active Economy, according to the ActiveCity Collective's Playbook 2030.<sup>20</sup> Stevens contends that evidence provided through measurement of the Active Economy can support decision makers and other leaders who have a role to play in driving Niagara's economic strategy.

A list of sports clubs and facilities in Niagara Region has been prepared by Rel8ed, a provider of commercial and specialty data. The map includes golf (150 assets), ice hockey (58), martial arts (49), soccer (39), baseball (36), and many other sports.<sup>21</sup>

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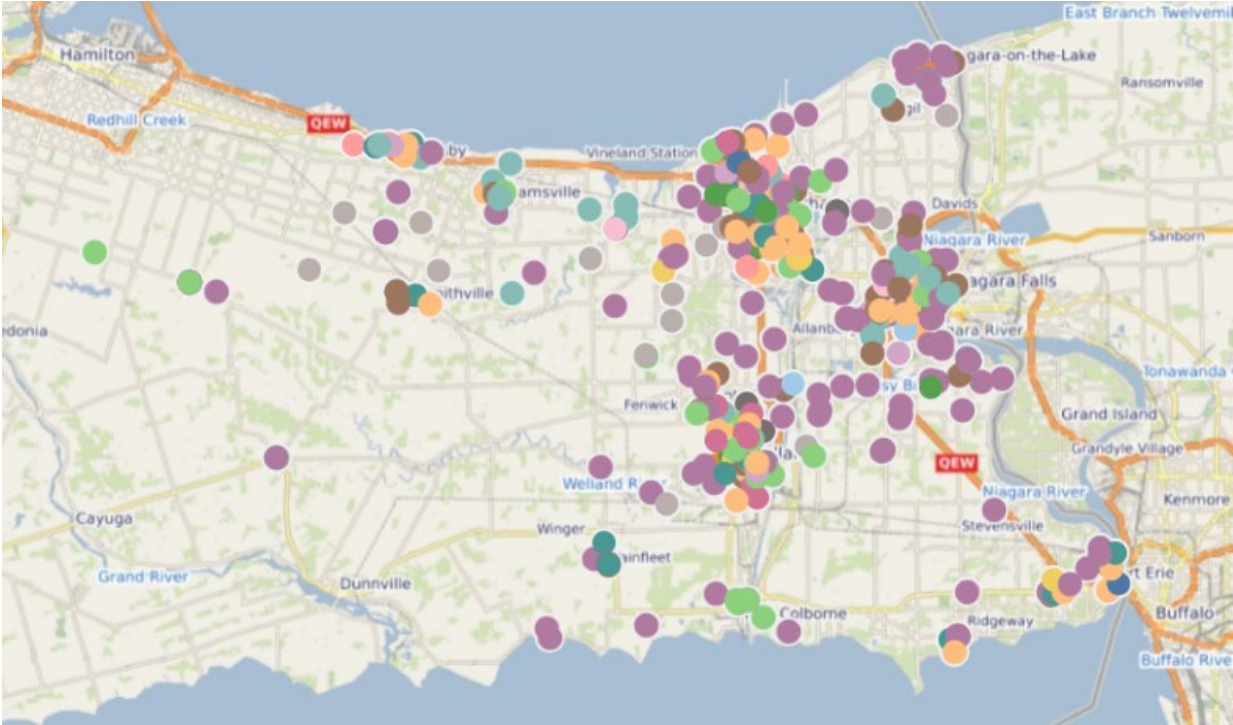
<sup>18</sup> Niagara Sport Database, [brocku.ca/sport-capacity/research-projects/descriptions/#1646245919249-08c6b6d5-0f2e](https://brocku.ca/sport-capacity/research-projects/descriptions/#1646245919249-08c6b6d5-0f2e)

<sup>19</sup> Presentation to Goodman School of Business, 2022, [youtu.be/-NAQeZ9KpQw](https://youtu.be/-NAQeZ9KpQw)

<sup>20</sup> Playbook 2030, Active City Collective, [activecitycollective.ca/playbook2030](https://activecitycollective.ca/playbook2030)

<sup>21</sup> Sports Clubs and Facilities in Niagara Region, Rel8ed, [public.tableau.com/app/profile/rel8ed.to/viz/openRaspberry\\_v4\\_0/ClubsFacilities](https://public.tableau.com/app/profile/rel8ed.to/viz/openRaspberry_v4_0/ClubsFacilities)

Figure 3: Sports Clubs and Facilities in Niagara Region





## Defining Sport Tourism within the Active Economy

When studying the Active Economy cluster, it is Deloitte's observation that it would be difficult to focus, resource, and measure any efforts to attract investment to such a broad sector of the economy that is comprised primarily of non-profit organizations, municipal agencies, and small businesses. Within the Active Economy cluster, the Sport Tourism sector has a more tangible definition, as well as a worldwide organization behind it. According to the United Nations World Tourism Organization:<sup>22</sup>

- Sports Tourism is one of the fastest growing sectors in tourism. More and more tourists are interested in sport activities during their trips whether sports are the main objective of travel or not.
- Sport events of various kinds and sizes attract tourists as participants or spectators and destinations try to add local flavours to them to distinguish themselves and provide authentic local experiences.
- Sports events can be a catalyst for tourism development if successfully leveraged in terms of destination branding, infrastructure development and other economic and social benefits.

## International Landscape

The global sports industry was valued at US\$620 billion in 2011, with projected growth of 4% to 6% per year.<sup>23</sup> The industry's economic features include infrastructure construction, the sale of sporting goods, licensed products, and spending associated with live sports events. In terms of the shares of the worldwide sports event market by sport, soccer remains king, with three times as much share as the next largest sports: U.S. football, baseball, Formula 1, basketball, hockey, tennis, and golf. As a result of the COVID-19 pandemic, the tourism industry, including the sport tourism segment, witnessed a catastrophic downturn. International events were postponed or cancelled, and spectators were not allowed inside the venues at events that proceeded.

There are many recent examples of investments in sport venue development around the world:

- UBS Arena, New York, US\$1.5 billion (opened 2021);
- SoFi Stadium, California, US\$5.5 billion (2020)
- Allegiant Stadium, Las Vegas, US\$1.9 billion (2020)
- Globe Life Field, Texas, US\$1.1 billion (2020)
- Tottenham Hotspur Stadium, London, US\$1.32 billion (2019)
- Mercedes-Benz Stadium, Atlanta, US\$1.5 billion (2017)

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<sup>22</sup> UNWTO Sports Tourism Congress, [unwto.org/world-sports-tourism-congress](http://unwto.org/world-sports-tourism-congress)

<sup>23</sup> Kearney, < <https://www.kenarney.com/media/article/-/insights/the-sports-market>>

- Optus Stadium, Australia, US\$1.27 billion (2017)
- Krestovsky Stadium, Russia, US\$1.17 billion (2017)
- Little Caesars Arena, Detroit, US\$730 million (2017)
- SunTrust Park, Atlanta, US\$710 million (2017)<sup>24</sup>

According to the European Tourism Futures Institute, there are many niche markets within sports tourism in Europe. European tour operators offer trips within the following niches: water sports, diving, fishing, golf, adrenaline activities, cycling, spectator-based sports tourism trips, skiing, and running.<sup>25</sup> Germany, France, the U.K., Denmark, Finland, and Austria are the largest markets for sport tourism in Europe.<sup>26</sup>

Sports travellers, event organizers and venues in the U.S. spent a total of US\$39.7 billion in 2021, generating US\$91.8 billion in total economic impact, supporting 635,000 full and part-time jobs, and generating US\$12.9 billion in taxes, according to a report prepared by Tourism Economics for the Sports Events and Tourism Association.<sup>27</sup>

### **Sport Tourism in Canada**

International sport tourism in Canada was valued at \$7.4 billion in 2019, according to an economic impact study prepared by Sport Tourism Canada.<sup>28</sup> Ontario had the largest value of international sport tourism in the country at nearly \$2.5 billion.<sup>29</sup> Toronto was estimated to have the highest international value at almost \$1.1 billion. No data was calculated specifically for Niagara Region. Like the rest of the tourism industry, sports tourism was negatively impacted by the COVID-19 pandemic and was estimated to suffer an economic loss of over \$5.4 billion in 2020.<sup>30</sup>

A 2015 report commissioned by Scotiabank and Canadian Tire estimated the annual impacts of hockey-related tourism to be \$2.6 billion in direct hockey-related impact, and \$5.1 billion in direct-plus-indirect multiplier effects between Canadian communities.<sup>31</sup>

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<sup>24</sup> Construction Disputes, [constructiondisputes.com/the-30-most-expensive-sports-stadiums-ever-built/](https://www.constructiondisputes.com/the-30-most-expensive-sports-stadiums-ever-built/)

<sup>25</sup> Centre for Promotion of Imports, [cbi.eu/market-information/tourism/sport-tourism/market-potential](https://cbi.eu/market-information/tourism/sport-tourism/market-potential)

<sup>26</sup> Ibid.

<sup>27</sup> Sports Events and Tourism Association, [sportseta.org/blog/2022/05/04/state-of-the-industry-report-for-the-918-billion-sport-tourism-industry](https://sportseta.org/blog/2022/05/04/state-of-the-industry-report-for-the-918-billion-sport-tourism-industry)

<sup>28</sup> Sport Tourism Canada, *2019 Sport Tourism Impact by Province/City*, 2020.

<sup>29</sup> Ibid.

<sup>30</sup> Sports Tourism Canada, *Bouncing Back Preparing for a Sport Hosting and Economic Reboot Part 2: International*, June 2021.

<sup>31</sup> Ice Hockey in Canada, 2015 Impact Study Summary, [scotiabank.com/ca/common/pdf/Ice-Hockey-in-Canada-Summary-and-Infographic.pdf](https://scotiabank.com/ca/common/pdf/Ice-Hockey-in-Canada-Summary-and-Infographic.pdf)

Statistics Canada, in 2015, reported five years of economic indicators of the sporting and athletic goods industry, comprised of establishments primarily engaged in manufacturing sporting and athletic goods, except clothing and footwear. The domestic market for these goods totaled \$2.543 billion in 2015, an increase of 8.3% since 2011.<sup>32</sup>

The Canadian Gaming Association reported in 2020 that Canadians are wagering approximately \$10 billion annually through illegal bookmaking operations in Canada, usually operated by organized crime. Additionally, more than \$4 billion is wagered through offshore online sports wagering sites. Currently, only \$500 million is wagered through legal provincial sports lottery products.<sup>33</sup>

### **Sport Tourism in Ontario**

MHSTCI has stated as part of its annual plan that it supports national and international amateur sport events hosted in Ontario. MHSTCI announced an investment of almost \$1.5 million through its 2022-23 Sport Hosting Program, with its first intake supporting 15 national and five international amateur sport events in Ontario.<sup>34</sup> Expected outcomes from the Ministry's Strategic Plan include building resilience and maintaining capacity in the ministry's sectors, positioning ministry sectors for sustainable economic and social recovery, helping ministry sectors to increase their competitiveness and to deliver new, innovative, modernized and inclusive experiences.<sup>35</sup> In the 2022-2023 fiscal year, the MHSTCI budgeted \$57.6 million for sport, recreation, and community programs.

The rise in Sports Tourism spending is not only occurring in larger metropolitan areas but also in smaller communities. As such, there is increasing support for sport tourism as a legitimate way to boost the number of visitors and visitor spending. Sport tourism indirectly attracts visitors for other travel purposes and promotes the profile and reputation of a community as a destination and a place to live. These economic impacts are complemented by various community benefits, including a better quality of life, a stronger sport community and the legacy of sport tourism events – from new or upgraded equipment and facilities to the “soft” legacies of improved volunteer capacity,

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<sup>32</sup> Sporting and athletic goods industry profile, 2011-2015, Statistics Canada, [isde.canada.ca/site/consumer-products/en/industry-profiles/sporting-and-athletic-goods](https://isde.canada.ca/site/consumer-products/en/industry-profiles/sporting-and-athletic-goods)

<sup>33</sup> Canadian Gaming Association, February 2020, [canadiangaming.ca/canadian-gaming-association-welcomes-the-introduction-of-the-safe-and-regulated-sports-betting-act/](https://canadiangaming.ca/canadian-gaming-association-welcomes-the-introduction-of-the-safe-and-regulated-sports-betting-act/)

<sup>34</sup> Government of Ontario, *Published plans and annual reports 2022-2023: Heritage, Sport, Tourism and Culture Industries, 2022*

<sup>35</sup> Ibid.

expertise and motivation, improved marketing profile/reputation, expanded contacts and enhanced sustainability.



# Sector Trends

## The Niagara Region Advantage

- Many national and international sports events have been hosted in Niagara region and some of the infrastructure and venues are the legacy of previous events: Canada Games Park, Eleanor Misener Aquatic Centre, Jack Gatecliffe Arena, Meridian Centre (5,300-seat capacity), Niagara-on-the-Lake Sailing Club, Niagara-on-the-Lake Tennis Club, Oakes Park, Royal Canadian Henley Rowing Course, Southward Park, Welland Baseball Stadium, Welland International Flatwater Centre, Welland Tennis Club, Youngs Sportplex, as well as Brock University's pool, gymnasium, and tennis courts; Niagara College's gymnasiums and fitness centres; and Ridley College's fields for soccer, rugby, and football and the Iggulden Building and Athletic Complex (under construction).
- Niagara Region's emerging economic sectors complement the Active Economy / Sport Tourism cluster, including Computer Systems Design (Active Products); Other Professional, Scientific and Technical Services (Professional Services, Media and Content); Architectural, Engineering and Related Services (Professional Services, Design and Infrastructure); Scientific Research and Development (Design and

Infrastructure); Information and Technology (Professional Services); and Digital Media (Media and Content).<sup>36</sup>

- Niagara's tourism sector is well-established and one of the top sectors in the region. The region is within driving distance of the Greater Toronto Area and Western New York.

## Major Sport Teams in Niagara Region

There are a number of major sport teams in Niagara Region that attract thousands of visitors annually:

- **Niagara IceDogs, Meridian Centre, St. Catharines:** As part of the Ontario Hockey League, the Niagara IceDogs have seen attendance at home games grow steadily since the club's first season in 2007-08. In 2018-19, per-game yearly average attendance was 5,035, the fourth-highest attendance in the league that season.<sup>37</sup> There are 20 teams in the OHL, which stretches across the Great Lakes region from Niagara to Sault Ste. Marie and Ottawa to Erie, Pennsylvania.
- **Welland Jackfish, Welland Stadium, Welland:** Since starting play in Niagara Region in 2019 as part of the Intercounty Baseball League, per-game attendance at Jackfish games grew to 1,120 in 2022, up 32% over 2019.<sup>38</sup> There are nine teams in the IBL, stretching from Welland to Chatham-Kent and north to Barrie.
- **Niagara River Lions, Meridian Centre, St. Catharines:** As part of the Canadian Elite Basketball League, the Niagara River Lions play at the Meridian Centre. Average attendance at games in 2019 was 2,237.<sup>39</sup> There are seven teams in the CEBL across Canada.
- **St. Catharines Roma Wolves, Roma Fields, St. Catharines:** Part of League 1 Ontario (L1O), the St. Catharines Roma Wolves<sup>40</sup> have a Women's and Men's Premier teams that play in tournaments sanctioned through FIFA, Canada Soccer Association and Ontario Soccer. L1O boasts 118 teams across Ontario.<sup>41</sup> The Tiamo Festival Cup is a soccer tournament and festival scheduled for July 2023 at Club Roma in St. Catharines.
- **Greater Niagara Baseball Association:** Minor league baseball teams in the Greater Niagara Baseball Association play in the Niagara District Baseball

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<sup>36</sup> Presentation by Julie Stevens to Goodman School of Business, 2022, [youtu.be/-NAQeZ9KpQw](https://youtu.be/-NAQeZ9KpQw)

<sup>37</sup> Internet Hockey Database, [hockeydb.com/nhl-attendance/att\\_graph.php?tmi=7121](https://hockeydb.com/nhl-attendance/att_graph.php?tmi=7121)

<sup>38</sup> Welland Jackfish, [wellandjackfish.com/history](https://wellandjackfish.com/history)

<sup>39</sup> Niagara River Lions, 2019 Q1 Report, [riverlions.ca/river-lions-2019-quarter-season-report-1](https://riverlions.ca/river-lions-2019-quarter-season-report-1)

<sup>40</sup> St. Catharines Club Roma Soccer, [romasoccer.com](https://romasoccer.com)

<sup>41</sup> League1 Ontario, [league1ontario.com/league1](https://league1ontario.com/league1)

Association (NDBA, and official affiliate of the Ontario Baseball Association (OBA). Tournaments for the league are periodically hosted in Niagara, and teams include Niagara Falls Falcons, Welland Junior Jackfish, and St. Catharines Cobras.

- **Niagara District Hockey League (NDHL):** There are several Minor A hockey teams across Niagara Region that are members of the Ontario Minor Hockey Association: Fort Erie Meteors, Niagara Falls Flyers, Niagara-on-the-Lake Wolves, Pelham Panthers, Port Colborne Sailors, Thorold Blackhawks, Wainfleet Wild, Welland Tigers, and West Niagara Flying Aces.<sup>42</sup>

## Employment and Business Structure in Niagara Region

The Active Economy / Sport Tourism sector and its supporting industries employed 42,549 people in the Niagara Region. There are 27,997 workers employed in the core industry sectors.

The largest Active Economy / Sport Tourism sectors (core industries) are traveller accommodations (4,976 jobs or 12% of sector jobs), other amusements and recreation industries (2,688/6%), and health and personal care stores (2,364/6%).

Figure 4 – Employment in Active Economy / Sport Tourism, Niagara Region, 2022

Sub-Sectors	Employment 2022	%
<b>Total Active Economy / Sport Tourism Sector</b>	<b>42,549</b>	<b>100%</b>
Full-service restaurants and limited-service eating places	14,552	34%
Traveller accommodation	4,976	12%
Other amusement and recreation industries	2,688	6%
Health and personal care stores	2,364	6%
Clothing stores	2,277	5%
Offices of other health practitioners	2,161	5%
Home health care services	1,938	5%
Personal care services	1,687	4%
Other schools and instruction	1,586	4%
Gambling industries	892	2%
Sporting goods, hobby and musical instrument stores	780	2%
Special food services	626	1%
Used merchandise stores	537	1%
Business, professional, labour and other membership organizations	534	1%

<sup>42</sup> Niagara District Hockey League, [hockeyniagara.com/](http://hockeyniagara.com/)

<b>Sub-Sectors</b>	<b>Employment 2022</b>	<b>%</b>
Other miscellaneous manufacturing	488	1%
Other information services	390	1%
Other heavy and civil engineering construction	382	1%
Performing arts companies	374	1%
Shoe stores	327	1%
Printing and related support activities	325	1%
Other ambulatory health care services	321	1%
Travel arrangement and reservation services	319	1%
Civic and social organizations	293	1%
Recreational vehicle (RV) parks and recreational camps	244	1%
Business-to-business electronic markets, and agents and brokers	240	1%
Specialized design services	213	1%
Personal goods merchant wholesalers	204	0%
Textile, clothing and footwear merchant wholesalers	156	0%
Promoters (presenters) of performing arts, sports and similar events	140	0%
Drinking places (alcoholic beverages)	129	0%
Automotive equipment rental and leasing	110	0%
Motor vehicle merchant wholesalers	92	0%
Broadcasting (except internet)	72	0%
Consumer goods rental	58	0%
Spectator sports	35	0%
Pay and specialty television	25	0%
Agents and managers for artists, athletes, entertainers, and other public figures	14	0%
Fishing	0	0%
Hunting and trapping	0	0%

Source: Lightcast, 2022- Datarun 2022.1 | Core sectors highlighted in blue

Overall, the Active Economy / Sport Tourism sector is expected to decline by 605 jobs (-1%) between 2022 and 2028; these declines, led by employment losses in traveller accommodation (-841 jobs or 17% decline)<sup>43</sup>. The tourism sector in general was severely impacted by the COVID-19 Pandemic. Despite some sign of recovery taking place in the sector, Ontario's tourism industry is not expected to fully recover from the

<sup>43</sup> Lightcast, 2022, Datarun 2022.1



pandemic until 2025.<sup>44</sup> The projected job declines may be influenced as well by the labour shortages experienced by the hospitality sector. According to the Hotel Association of Canada, two thirds of accommodation businesses see labour issues as a significant business impediment, and if the labour shortage is not addressed nationwide, the accommodation industry could experience a labour shortfall of 10,000 people during the next decade.<sup>45</sup>

Other core Active / Economy Sport Tourism industries expected to see declines in employment during the same period are spectator sports (-35/-100%), and personal goods merchant wholesalers (-28 jobs or 14% decline). Meanwhile, other core sectors are expected to see significant employment growth to balance out the losses. Most of these gains will occur in other amusement and recreation industries (+219 jobs or 8% growth), other schools and instruction (+163/+10%), and recreation vehicle (RV) parks and recreational camps (+51/+21%).

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<sup>44</sup> CBC News. Ontario's tourism sector won't fully recover from pandemic until 2025, report says. Posted December 12, 2022

<sup>45</sup> Hotel Association of Canada. Labour Shortage. Retrieved from <<http://www.hotelassociation.ca/labour/>>

Figure 5 – Employment Change, Active Economy / Sport Tourism, Niagara Region, 2022-2028



Source: Lightcast, 2022- Datarun 2022.1

Niagara Region had 6,107 businesses with at least \$30,000 in revenue in the Active Economy / Sport Tourism sector in June 2022. Most were businesses without employees (3,196 businesses fall under this category), this may suggest this sector has

a high share of individual entrepreneurs or self-employed people. The largest core Active Economy / Sport Tourism sectors were health and personal care stores (407 businesses or 7% of sector businesses), traveller accommodations (325/5%), and other amusement and recreation industries (286/5%). The larger proportion of businesses in the Active Economy / Sport Tourism sector were in businesses that support the broader active economy, rather than core industries.

Figure 6 – Business Counts, Active Economy / Sport Tourism Economic Sector, Niagara Region, June 2022

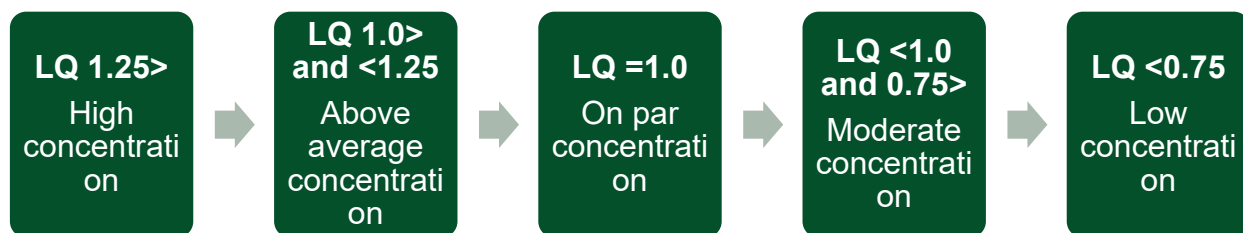
Sub-Sectors	With Employees	Without Employees	Total
<b>Total Sport Tourism Businesses</b>	<b>2,911</b>	<b>3,196</b>	<b>6,107</b>
Full-service restaurants and limited-service eating places	887	293	1,180
Offices of other health practitioners	267	574	841
Personal care services	243	347	590
<b>Health and personal care stores</b>	<b>261</b>	<b>146</b>	<b>407</b>
<b>Traveller accommodation</b>	<b>118</b>	<b>207</b>	<b>325</b>
Business, professional, labour and other membership organizations	95	195	290
Other amusement and recreation industries	148	138	286
<b>Other schools and instruction</b>	<b>77</b>	<b>174</b>	<b>251</b>
Clothing stores	178	63	241
Civic and social organizations	57	124	181
Specialized design services	31	141	172
Special food services	54	72	126
<b>Sporting goods, hobby and musical instrument stores</b>	<b>61</b>	<b>59</b>	<b>120</b>
Travel arrangement and reservation services	42	75	117
Business-to-business electronic markets, and agents and brokers	38	61	99
<b>Other miscellaneous manufacturing</b>	<b>34</b>	<b>61</b>	<b>95</b>
Performing arts companies	11	65	76
Printing and related support activities	38	37	75
Other information services	15	49	64
Home health care services	21	40	61
Used merchandise stores	25	21	46
Drinking places (alcoholic beverages)	28	17	45

<b>Sub-Sectors</b>	<b>With Employees</b>	<b>Without Employees</b>	<b>Total</b>
Promoters (presenters) of performing arts, sports and similar events	12	30	42
Automotive equipment rental and leasing	19	22	41
Shoe stores	36	3	39
<b>Spectator sports</b>	<b>11</b>	<b>27</b>	<b>38</b>
Textile, clothing and footwear merchant wholesalers	16	19	35
<b>Recreational vehicle (RV) parks and recreational camps</b>	<b>15</b>	<b>19</b>	<b>34</b>
<b>Personal goods merchant wholesalers</b>	<b>12</b>	<b>21</b>	<b>33</b>
Motor vehicle merchant wholesalers	6	23	29
Other heavy and civil engineering construction	13	13	26
Consumer goods rental	14	12	26
Other ambulatory health care services	6	17	23
Gambling industries	9	10	19
Broadcasting (except internet)	8	7	15
<b>Agents and managers for artists, athletes, entertainers and other public figures</b>	<b>3</b>	<b>8</b>	<b>11</b>
Fishing	2	2	4
<b>Hunting and trapping</b>	<b>0</b>	<b>3</b>	<b>3</b>
Pay and specialty television	0	1	1

Source: Canadian Business Counts, June 2022 | Provided by Niagara Region | Core sectors highlighted in blue

**Location Quotient**

As part of the economic baseline analysis, a Location Quotient (LQ) Analysis was completed to determine the concentration of employment in the Active Economy / Sport Tourism sector, in Niagara region and relative to the province. The location quotient reveals what makes a region unique, in this case in comparison with other communities in Ontario. The following chart shows common LQ Classifications to interpret the figures in Figure 5.



Overall, the Active Economy / Sport Tourism sector shows an above average concentration of businesses in the Niagara Region compared to Ontario. Core sectors with a high concentration of businesses in the area include traveller accommodation, spectator sports, other amusement and recreation industries, and sporting goods, hobby and musical instrument stores.

Figure 7 – Business Concentration, Active Economy / Sport Tourism Sector, Niagara Region, June 2022

Description	Business Location Quotient (LQ)
<b>Total Sport Tourism Economy</b>	<b>1.19</b>
Traveller accommodation	2.92
Gambling industries	2.52
Spectator sports	2.36
Drinking places (alcoholic beverages)	1.92
Used merchandise stores	1.80
Travel arrangement and reservation services	1.52
Other heavy and civil engineering construction	1.50
Promoters (presenters) of performing arts, sports and similar events	1.49
Other amusement and recreation industries	1.47
Civic and social organizations	1.45
Full-service restaurants and limited-service eating places	1.35
Sporting goods, hobby and musical instrument stores	1.33
Shoe stores	1.31
Special food services	1.30
Consumer goods rental	1.28
Personal care services	1.27
Fishing	1.23
Clothing stores	1.23
Home health care services	1.14
Health and personal care stores	1.13
Offices of other health practitioners	1.08

Description	Business Location Quotient (LQ)
Printing and related support activities	1.02
Other miscellaneous manufacturing	1.02
Other schools and instruction	0.94
Other ambulatory health care services	0.94
Personal goods merchant wholesalers	0.92
Business-to-business electronic markets, and agents and brokers	0.92
Motor vehicle merchant wholesalers	0.89
Performing arts companies	0.88
Business, professional, labour and other membership organizations	0.88
Other information services	0.86
Automotive equipment rental and leasing	0.84
Recreational vehicle (RV) parks and recreational camps	0.78
Textile, clothing and footwear merchant wholesalers	0.73
Broadcasting (except internet)	0.73
Specialized design services	0.68
Agents and managers for artists, athletes, entertainers and other public figures	0.66
Hunting and trapping	0.55
Pay and specialty television	0.36

Source: Canadian Business Counts, June 2022 | Provided by Niagara Region

**Job Demand**

There is not a significant demand for workers (job postings) in the core Active Economy / Sport Tourism sectors in Niagara region. Between January 1, 2020, to November 30 2022 1,306 job postings in industries related to Active Economy / Sport Tourism were recorded in the Niagara region. 60% of these job postings were in non-core sectors such clothing stores (515 job postings) and automotive equipment rental and leasing (114 job postings). On the other hand, core sectors with the largest demand included health and personal care stores (429 job postings), and sporting goods, hobby and musical instrument stores (64 job postings)<sup>46</sup>.

<sup>46</sup> Vicinity Jobs. Data corresponds to newly published job postings between January 1, 2020, to November 30, 2022. These figures have not been independently verified by Deloitte.

Most of the job postings were published in 2022; more than a 350% growth from 2020 (it is important to note that data for 2022 is only available up to November 30, and this number is likely to have increased by the end of 2022).

Figure 6 – Job Demand (Job Postings) by Industry Sector (Active Economy / Sport Tourism), Niagara Region, Jan 1, 2020, to Nov 30, 2022

NAICS	2020	2021	2022	Total Postings	%
<b>Total*</b>	<b>170</b>	<b>370</b>	<b>766</b>	<b>1,306</b>	<b>100%</b>
4481 - Clothing Stores	55	105	355	515	39.4%
4461 - Health and Personal Care Stores	84	181	164	429	32.8%
5321 - Automotive Equipment Rental and Leasing	12	16	86	114	8.7%
4511 - Sporting Goods, Hobby and Musical Instrument Stores	1	5	58	64	4.9%
4533 - Used Merchandise Stores	1	5	24	30	2.3%
5152 - Pay and Specialty Television	5	10	15	30	2.3%
4482 - Shoe Stores	5	4	18	27	2.1%
4191 - Wholesale Agents and Brokers	0	2	19	21	1.6%
2379 - Other Heavy and Civil Engineering Construction	1	18	0	19	1.5%
3399 - Other Miscellaneous Manufacturing	1	7	9	17	1.3%
3231 - Printing and Related Support Activities	1	5	10	16	1.2%
4144 - Personal Goods Wholesaler-Distributors	4	7	0	11	0.8%
4151 - Motor Vehicle Wholesaler-Distributors	0	5	5	10	0.8%
4141 - Textile, Clothing and Footwear Wholesaler-Distributors	0	0	2	2	0.2%
5151 - Radio and Television Broadcasting	0	0	1	1	0.1%

Source: Vicinity Jobs \* Number of Postings applicable to the reporting period but excluded from this report's grand total due to lack of reliable and relevant information

## Sector Development

There are no known incentives for private lenders to invest in the Active Economy / Sport Tourism sector. Senior levels of government provide funding for sport hosting and, until recently, funded tourism sector programs:

**Canada's Hosting Program:** The federal government's Hosting Program assists sport organizations to host the Canada Games and international sport events in Canada. It received over \$118 million in funding between 2015-16 and 2019-20<sup>47</sup> and is delivered through the following components: International Major Multisport Games (supports large, multisport games that are governed by an international sport franchise holder with links to international sport federations), International Single Sport Events (assists national sport organizations (NSOs) in hosting international single sport events in Canada, such as World Championships, Olympic or Paralympic qualification events and World Cups), International Multisport Games for Aboriginal Peoples and Persons with a Disability (provides competitive opportunities for designated, under-represented groups in Canada that face systemic barriers to sport participation), and Canada Games (provides funding to organizations that are duly incorporated for the staging of the country's largest domestic multisport event).<sup>48</sup>

**Ontario Sport Hosting Program (closed):** The Ontario Sport Hosting Program provided project-based funding to help applicants deliver national and international amateur sport events in Ontario. The province's annual investment of \$3 million supported 134 events between 2013 and 2022. The program funded a variety of winter and summer sports, contributed to athlete development, and encouraged the development of legacies for amateur sport and local communities.<sup>49</sup> Current funding intakes are available through the Reconnect Ontario Marquee Event Fund but any amateur sporting event that is receiving funding from the Ontario Sport Hosting Program is ineligible.<sup>50</sup>

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<sup>47</sup> Grouped Evaluation, [canada.ca/en/canadian-heritage/corporate/publications/evaluations/grouped-evaluation-sport-canada-program.html](https://canada.ca/en/canadian-heritage/corporate/publications/evaluations/grouped-evaluation-sport-canada-program.html)

<sup>48</sup> Canada Hosting Program, [canada.ca/en/canadian-heritage/services/funding/hosting-program.html](https://canada.ca/en/canadian-heritage/services/funding/hosting-program.html)

<sup>49</sup> Ontario Sport Hosting Program, [ontario.ca/page/ontario-sport-hosting-program](https://ontario.ca/page/ontario-sport-hosting-program)

<sup>50</sup> Reconnect Ontario – Marquee Event Funding, [forms.mgcs.gov.on.ca/en/dataset/on00419](https://forms.mgcs.gov.on.ca/en/dataset/on00419)



**Tourism Relief Fund (closed):**<sup>51</sup> With a budget of \$500 million over two years (ending March 31, 2023), including \$485 million in regional priorities funding administered by Canada's regional development agencies, with \$50 million specifically dedicated to Indigenous tourism initiatives, and the \$15 million National Priorities Stream administered by Innovation, Science and Economic Development Canada (ISED), this fund is expected to position Canada as a destination of choice as domestic and international travel rebounds by:

- empowering tourism businesses to create new or enhance existing tourism experiences and products to attract more local and domestic visitors; And,
- helping the sector reposition itself to welcome international visitors by providing the best Canadian tourism experiences we have to offer the world.

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<sup>51</sup> Innovation, Science and Economic Development Canada (ISED)

## Global Market Drivers

A key potential driver of further investment in Sport Tourism, is sports technology. The sports technology market is growing with a range of applications driven largely by the demand for technological solutions post-pandemic.<sup>52</sup> Sporting events globally are expected to grow at a marginal rate from US\$27.4 billion in 2023 to US\$30.5 billion in 2027, representing a compound annual growth rate CAGR of 3%.<sup>53</sup> A key driver of the sporting events market is the sports technology market which has been driven by increased investment into the digital technologies that support the proliferation of this segment. 2021 saw peak investment into the sport technology sector globally representing US\$10 billion which signifies an increase of 161% from 2020.<sup>54</sup> The value of the North American sports technology market is US\$6.5 billion followed by the Asia Pacific which represents US\$3.2 billion and Europe which accounts for US\$1.9 billion.<sup>55</sup>

Looking at supporting wider Active Economy / Sport Tourism sector, rehabilitation services and sports recovery for athletes is a potential avenue that capitalizes on Niagara's history as a sporting event host and strengths in its healthcare sector. Economic drivers propelling the sector forward include the need for rehabilitation goods and an increasing patient population.<sup>56</sup> The need for rehabilitation and healthcare services in the sports industry also plays on the cost effectiveness of healthcare in Canada and the demand for niche healthcare services that are accessible. While this is a niche subsector and does not reflect the scale and magnitude of the other sectors explored in this report, it is because the Sport Tourism economy in Niagara is not competitive in the main driver of FDI projects.<sup>57</sup>

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<sup>52</sup> Global News Wire. Retrieved from <<https://www.globenewswire.com/news-release/2021/04/15/2211133/0/en/Sports-Technology-Market-Size-to-Reach-USD-40-22-Billion-by-2028-Rapid-Adoption-of-Technologically-Advanced-Solutions-for-Urgent-Need-For-Recovery-Across-The-Sports-Industry-will-P.html>>

<sup>53</sup> Statista. Retrieved from <<https://www.statista.com/outlook/dmo/eservices/event-tickets/sport-events/worldwide>>

<sup>54</sup> Sports Pro Media. Retrieved from <<https://www.sportspromedia.com/analysis/sports-tech-investment-dream11-fanatics-dapper-labs-nfts-connected-fitness/>>

<sup>55</sup> Ibid.

<sup>56</sup> In-Depth Analysis of Five Emerging Sectors, Research on Investment (ROI), January 2023.

<sup>57</sup> Given that sports tourism is not a traditional investment category, investment trends can be understood through the rehabilitation and medical device subsections that go some way to show how this segment overall is performing. Venture capital trends show that 37 investment rounds were recorded for innovations in rehabilitation services and

An example of investments at the intersection of sport and healthcare includes a project established in 2022 by Illinois-based Athletico Psychological Therapy in Allen (Texas) which provides orthopedic rehabilitation services. Going beyond North America, investments in this niche have come from Hong Kong for example, in 2018, Hocoma, a developer of automated therapy equipment for the rehabilitation of patients with neurological movement disorders opened a new branch in Cologne, Germany.

Venture capital trends show that 37 investment rounds were recorded for innovations in rehabilitation services and 1,335 investment rounds were recorded for medical devices.<sup>58</sup> Unique location assets that are essential for investment in this segment are a strong proximity to the existing sports tourism and Sport Tourism economy market and customers.

### **Investment Trends & Location Factors**

The 2023 Deloitte Sports Industry Outlook<sup>59</sup> reports that private equity has taken an increasingly active role in sports in general globally over the past few years, with firms establishing funds and new entities being created to invest solely in sports. In the U.S., major sports leagues generally have a higher rate of return than the S&P 500, with some leagues significantly higher. With expectations of reliable revenue streams and solid return on investment, private equity firms are buying shares of teams, leagues, and broadcast rights. Nearly US\$60 billion in private equity was invested in sports in 2021 and more than US\$30 billion in 2022 through August. In Europe, the rules are fairly relaxed for private equity involvement. In North America, the NBA, MLB, NHL, and MLS have encouraged private equity, with guardrails. These can include setting minimum investment levels, controlling the individual and total percentages that private equity firms and other institutional investors can own, and limiting the number of teams a single firm can invest in.

Other nations have taken a keen interest in financial investments in sport infrastructure, notably the Saudi Event Investment Fund (EIF).<sup>60</sup> The EIF will have an initial capitalization of CAD\$3.7 billion, aiming to develop a sustainable infrastructure for the culture, tourism, entertainment, and sports sectors. EIF will conceptualize, finance and

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1,335 investment rounds were recorded for medical devices (Crunchbase). Location assets that have been identified as crucial for companies investing in these sectors are a strong proximity to the existing sports tourism and Sport Tourism economy market and customers (fDimarkets).

<sup>58</sup> Crunchbase

<sup>59</sup> Deloitte, [deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/sports-business-trends-disruption.html](https://deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/sports-business-trends-disruption.html)

<sup>60</sup> Saudi Event Investment Fund, < <https://eif.gov.sa/en/sports/> >

oversee the development of more than 35 venues by 2030, including indoor arenas, horse racetracks, state-of-the-art shooting ranges, and international motorsports facilities designed to accommodate international events. EIF will develop multiple assets to position Saudi Arabia as a global hub for a wide range of sports. The fund's activities will directly contribute to strengthening and enhancing the sector's infrastructure, promoting sports activities within the community and achieving excellence in sports both regionally and internationally.

Major projects that were recorded in the sport technology sector and its supply chain in Ontario from 2018 to 2022 include:

- In July 2022, the sports analytics company NBN23 opened its new North American headquarters in Toronto, Canada; an investment worth \$9.3 million. The project has received support by Toronto Global as well as the Embassy of Canada and created 72 jobs. NBN23 recently announced its partnership with North Pole Hoops, a multi-layered pathway targeted to student athletes starting at 10 years old guiding them all the way to the professional level of basketball in Canada.<sup>61</sup>
- In June 2022, US-based Oak View Group, an entertainment and sports facilities company, opened a new office in Toronto, Canada. The project was worth \$1.9 million and created 26 jobs. In the past, t

The company is focused particularly on mid-size Canadian cities that don't have major-league sports anchor tenants for its business. The company launched OVG360, a full-service venue management and event programming company in 2022, which manages, operates and provides hospitality services for over 400 venues on four continents.<sup>62</sup>

- In November 2019, Italy-based Stone Island, a sportswear retailer, opened a new store on Yorkville Avenue in Toronto, Canada. The \$44 million investment was said to employ 34 people.

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<sup>61</sup> NBN23, <<https://www.nbn23.com/north-pole-hoops-and-nbn23-paving-the-way-for-a-digital-basketball-revolution-in-canada/>>

<sup>62</sup> Oak View Group, <<https://www.oakviewgroup.com/>>

Figure 8 – Investment motives into the North American rehabilitation and sport recovery market

Motive	% of FDI Projects	% of Companies
Proximity to markets or customers	57.1	66.6
Domestic market growth	28.5	25.0
Transport infrastructure	9.5	16.6
Government support	9.5	16.6
Skilled workforce availability	9.5	16.6
Quality of life	4.7	8.3
Sites & property	4.7	8.3
Industry cluster	4.7	8.3

Source: fDimarkets

Globally, the wellness economy is forecast to record 9.9% of average annual growth accounting for a market revenue of \$7 trillion in 2025.<sup>63</sup> Within this overall market, the global sports recovery market is expected to reach US\$15.2 billion by 2027 and is projected to grow by 8.2% from 2020 to 2030.<sup>64</sup> It is notable that sporting organizations and athletes require niche needs and the more a region can shape their healthcare facilities around these (e.g., sports cardiology, physical rehabilitation, rheumatology, orthopedic sport medicine, occupational medicine), the more likely they are to capitalize on these trends. North America is expected to register the strongest growth in the forecast period and the potential for Niagara to position itself as an affordable healthcare rehabilitation space is strong given its proximity to the United States.

From an FDI perspective, to fully capitalize on the trends in Sport Tourism, event attraction technology and e-Sports requires a strong labour force in software as well as a notable sporting team linked to the existing ecosystem. Outside of sports technology, business consulting services that support sport the organizing and planning of sport events could be a potential avenue to explore but the workforce considerations and existing ecosystem are an important consideration.

**Recruitment Zones**

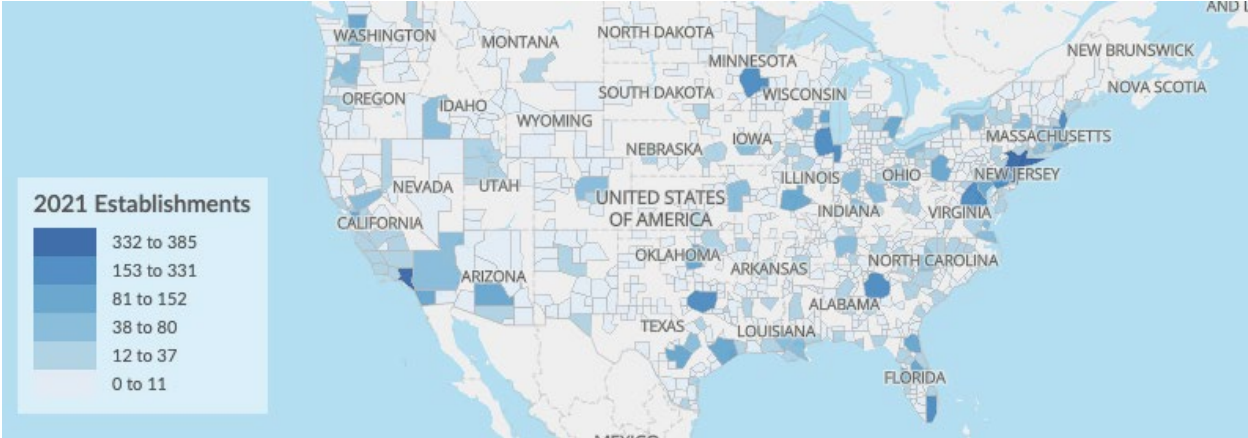
The United States is the most likely recruitment zone for the rehabilitation and sports recovery segment of Sport Tourism. Hubs for this market are big metropolitan cities with

<sup>63</sup> Global News Institute. Retrieved from <<https://globalwellnessinstitute.org/press-room/statistics-and-facts/>>

<sup>64</sup> Global View Research. Retrieved from <<https://www.grandviewresearch.com/industry-analysis/sports-medicine-industry>>

a strong healthcare segment and sporting ecosystem. New York City, Los Angeles, Boston, Chicago, and Miami stand out in terms of establishment numbers for this sector. Sports technology is clustered around traditional tech hubs such as San Francisco and the Bay Area. Outside of the United States, top European cities for sports tech investment are Paris, London and Berlin.

Figure 9 – Rehabilitation and sports recovery hubs in the United States



Source: Lightcast

# SWOT Analysis

The following is an overview of the strengths, weaknesses, opportunities, and threats that face the Active Economy / Sport Tourism sector in the Niagara Region. This SWOT analysis utilizes the background research that was completed for the sector, as well as engagement from key stakeholders from Niagara Region. Marketing messaging is recommended to align with the opportunities and strengths statements detailed below, which were drawn from stakeholder focus group sessions and uncovered through the research.

Sport Tourism Sector SWOT	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• The Niagara region is already a top tourism destination in Canada and North America. The region receives over 13 million tourists each year. Over 4 million of these are international tourist<sup>65</sup>.</li> <li>• North America is expected to register growth in the sector, and the research identifies the potential for Niagara to position itself as an affordable healthcare rehabilitation space.</li> <li>• The Niagara region has a high concentration of spectator sports, promoter of performing arts, sports and similar events, traveller accommodation, and other amusement and recreation industries that support sport tourism.</li> <li>• The presence of physical and natural assets for sport tourism events and facilities such as the Canada Games Park, Meridian Centre, and Welland International Flatwater Centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of mapping of the Active Economy and Sport Tourism</li> <li>• Lack of performance measurement of the Active Economy and Sport Tourism</li> <li>• Closure of the Niagara Sports Commission: there is no longer a central office to bid on events available in the Canadian sports tourism market. This translates into less sport events being attracted to Niagara, and therefore, less interest from an investor perspective to invest in sports-related businesses in the region.</li> <li>• No dedicated resources in the Region for sports tourism.</li> <li>• Governance of facilities is fragmented. Bureaucracy becomes a burden when looking at attracting multi-facility events.</li> <li>• Poor air transportation connectivity to attract international events to the region.</li> </ul>

<sup>65</sup> Niagara Economic Development  
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<ul style="list-style-type: none"> <li>Niagara was able to effectively mobilize volunteers. As evidence, there was a strong volunteer network for the 2022 Canada Summer Games.</li> </ul>	
<p><b>Opportunities</b></p>	<p><b>Threats</b></p>
<ul style="list-style-type: none"> <li>A big driver of the sporting events market is the sports technology market which has been driven by increased investment into the digital technologies that support the proliferation of this segment.</li> <li>Opportunities for rehabilitation and healthcare services in the sports industry also plays on the cost effectiveness of healthcare in Canada and the demand for niche healthcare services that are accessible.</li> <li>Existing venues can support provincial and national tournaments for a variety of amateur sports such as volleyball, badminton, basketball, and others.</li> <li>Capitalize on the success of the 2022 Canada Summer Games and build from the achievement to attract additional events to the region such as provincial or national tournaments.</li> <li>Bring partners together to develop a sports tourism strategy and align efforts among the ecosystems.</li> <li>Protect green space and maintain fundamental infrastructure for biking, hiking, and other active recreational activities.</li> <li>Promote longer term stays in the region. This could be through events and attract individuals to come before the event or stay after the event.</li> </ul>	<ul style="list-style-type: none"> <li>Staffing challenges are beginning to emerge in the sector.</li> <li>Ontario’s tourism sector is not expected to fully recover from the pandemic until 2025.</li> <li>According to Lightcast projections, employment in the sector is expected to decline by 1% by 2028; loses will be more significant in core active sports businesses.</li> <li>A sport tourism office requires sustained operational and bid funding.<sup>66</sup></li> <li>International visitation has not rebounded as strongly as anticipated since the COVID-19 pandemic.</li> <li>Need for leadership and coordination among stakeholder to bring suitable sport events to the region.</li> </ul>

<sup>66</sup> Global View Research. Retrieved from <<https://www.grandviewresearch.com/industry-analysis/sports-medicine-industry>>



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| <ul style="list-style-type: none"><li>• Support the development of a sports tourism body for future development of the sector in Niagara region.</li><li>• Support the development of sports professionals such as umpires so that external resources do not need to be imported for major events.</li><li>• Build from events to promote the region more holistically with artistic events to keep visitors in the region and provide additional activities.</li></ul> |  |
|---|--|

# Conclusion

Niagara Region's successful hosting of the 2022 Canada Summer Games proves its ability to compete for national events and the region has earned status as a recognized hosting location.

The Games also built sports facilities and infrastructure for the benefit of the community and towards hosting other events in the future. To realize sport tourism event attraction requires the coordination of diverse partners, volunteer recruitment, funds to support bids, and staff time to prepare event bids. Stakeholders reported a need for leadership in the network and support for a strategic process to align the region's efforts in event attraction to follow on this success. Air transportation is preferred to move people and staff for large events, and more regular air service would be an asset for the sector.

The business investment opportunities associated with the Active Economy / Sport Tourism sector are found in infrastructure for sport event hosting, sports technology, rehabilitation, and wellness industries, which can offer some potential alignment with the emerging health care and life sciences sector.

To become a leader in the Active Economy / Sport Tourism sector, a strong coordination of diverse stakeholders and intentional efforts to support recovery of the tourism sector post-pandemic will assist in increasing the impact and presence of major sporting events and business investment.



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