



Revisiting the Visitor's Rebate Program

Retail Council of Canada

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About the Retail & the Retail Council of Canada

ABOUT RETAIL

Retail is Canada's largest employer with over 2.1 million Canadians working in our industry. The sector annually generates over \$76 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were \$369 billion in 2017.

ABOUT THE RETAIL COUNCIL OF CANADA

Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium and large retail businesses in every community across the country. As the Voice of Retail, we proudly represent more than 45,000 storefronts in all retail formats, including department, grocery, specialty, discount, independent retailers and online merchants.

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Tourism in Canada

- In Canada, Tourism generated \$35,486 million in GDP last year. About 2.94 million Canadians have jobs directly related to tourism.
- In the Niagara Region, tourism accounted for \$2.4 billion in GDP, with an estimated 40,000 jobs directly related to tourism
- The Visitor's Rebate Program (VRP) was canceled in 2007 – since then, the Tourism Industry Association of Canada (TIAC) has called for its reinstatement.
- RCC will now be joining that call to action. Our analysis of the past 20 years of data show that the cancelation of VRP has harmed retailers in Canada

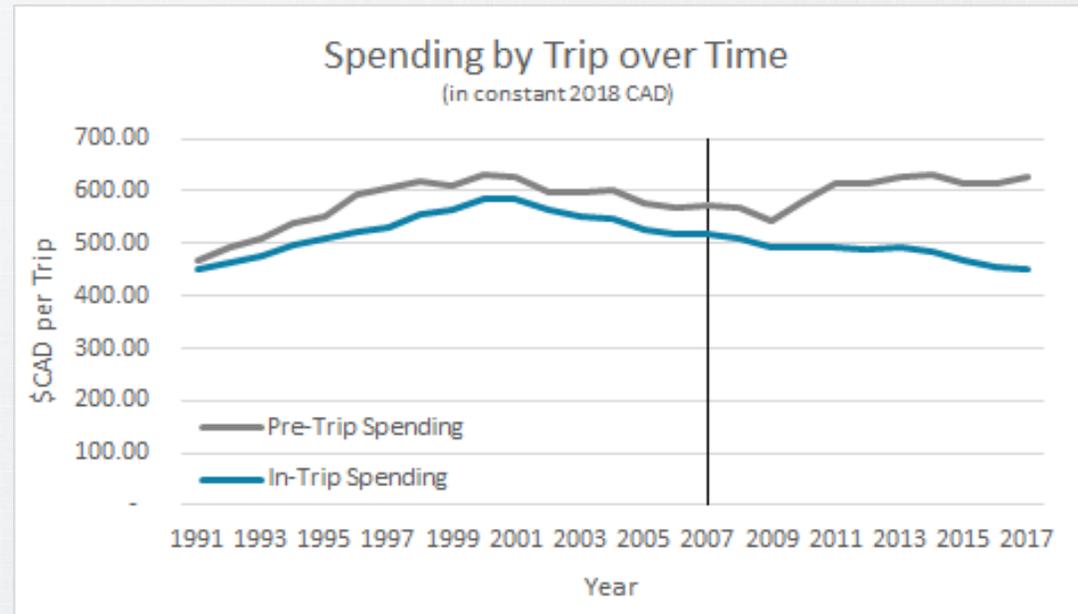


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Tourist Spending

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

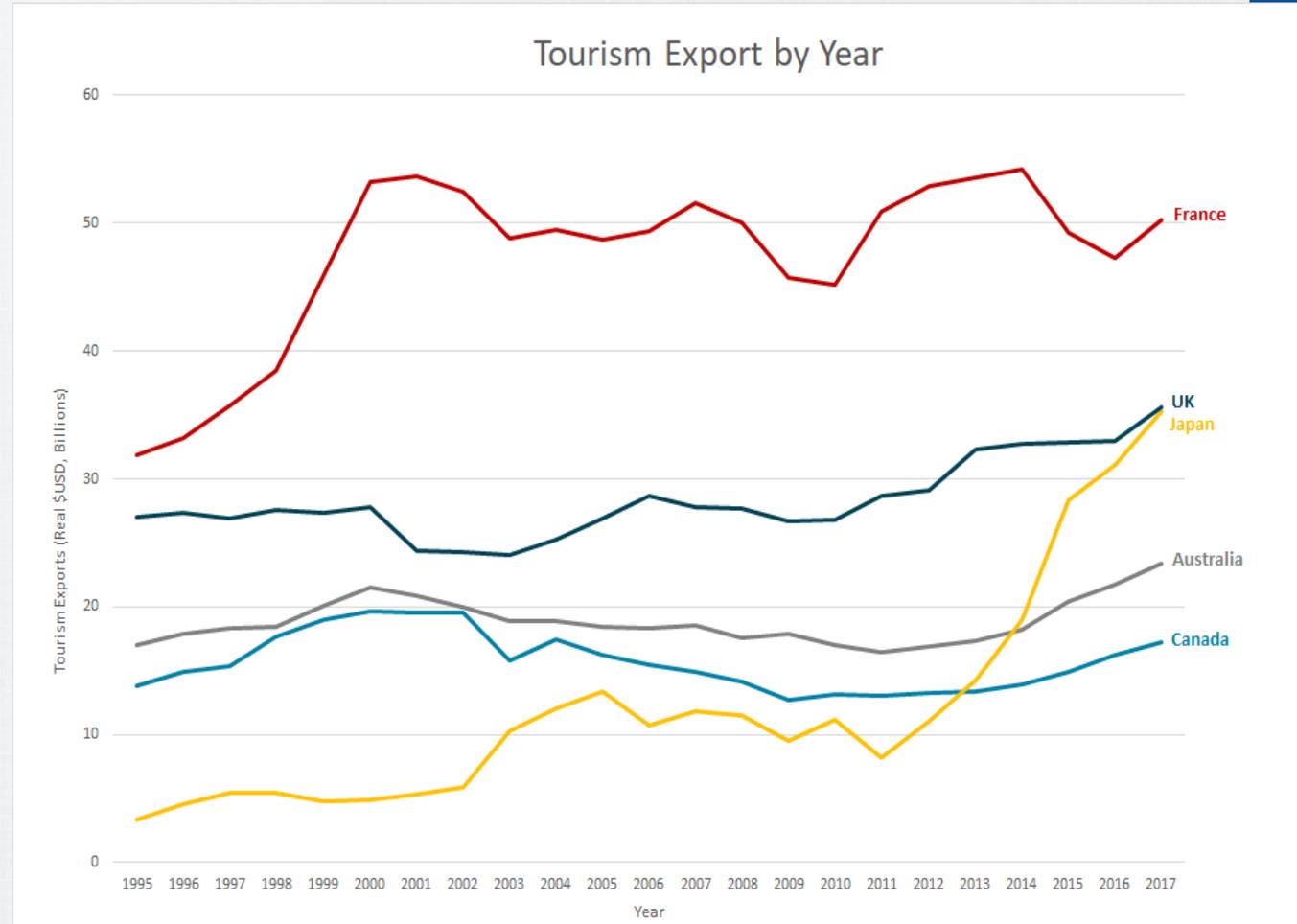
Source: For Tourist Spending: Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)
For Trips: Statistics Canada. Table 24-10-0043-02 One or more nights trips by non-residents to Canada



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International Comparison

- Since 1995, Canada has seen a real average annual increase in Tourism Exports by 1.29%
- Out of the 36 OECD member countries, Canada's growth is ranked 32nd, making us the fifth slowest growing tourism market in the OECD.



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What we found

- Our study finds that the presence of a VRP does impact Tourism Exports
- We find that an annual increase to Tourism GDP by \$595.7 million when a Visitor Rebate is present.
- Further, we find that increase in GDP would have meant an increase in revenue for the federal Government of \$154.9 million. At the time of canceling the program, the then government stated it cost \$86.3 million a year to run (in 2007 dollars).
- In current dollars, netting the savings from the revenue, the government loses \$51.6 million each year it doesn't have a Visitor Rebate Program



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Summary & Next Steps

- Over the last 10 years, canceling the VRP has cost the tourism sector \$5.96 billion dollars.
- Over the last 10 years, canceling the VRP has cost government \$515.7 million.
- The Retail Council of Canada asks that the federal Government to reinstate the Visitor Rebate Program in its upcoming budget.
- Next steps for us will be to reach out to other stakeholders with aligned viewpoints on this issue, and have all of our members engage with the federal Government to support reinstatement.

