

KEY RESULTS: Economic Contribution of Business Events in Canada

Canadian Economic Impact Study 3.0, 2012 Base Year

The aim of the Canadian Economic Impact Study (CEIS) 3.0 was to report on the economic significance of meetings, specifically business events, held in Canada for the base year 2012. Building on the original CEIS conducted for the base year 2006 and other subsequent studies conducted in the United States, Mexico and United Kingdom, this study included the additional capacity to produce economic assessment of business events at the regional, provincial and metropolitan levels.

Research has revealed:

- In 2012, business events in Canada attracted 35.3 million participants and involved \$29.1 billion in direct spending across a broad range of participants and non-participants.
- Of the total \$29.1 billion in spending attributed to business events, participants accounted for just over \$25 billion.
- Meeting organizers received a total \$7.8 billion to host business events in Canada, including \$4.5 billion from registration fees (including optional program elements) and \$3.3 billion from sponsors and other non-participants.
- These events delivered \$27.5 billion to Canada's gross domestic product (GDP) in 2012 – approximately 1.5% of Canada's total GDP.
- Business events contributed \$8.5 billion in taxes and service fees to all levels of government.
- DMO's and other financial partners contributed a further \$140 million to attract business events to communities and to cover costs associated with hosting events at various non-profit venues.
- Business events supported employment of more than 200,000 full-year jobs directly – nearly double that of telecommunications or utilities.
- Including indirect and induced employment effects, business events in Canada supported more than 340,000 full-year jobs.
- The analysis reveals that one full-year job is supported in Canada for every \$85,000 in direct spending on business events.
- These economic effects were generated by more than 585,000 business events held in Canada during 2012 in more than 2,000 venues.
- While the largest share of business events were hosted in hotels, resort properties and other non-conventional properties were quite popular for incentive events.
- The 35 million people who attended business events in Canada in 2012 included 30.7 million delegates, over 2 million exhibitors, and 2.6 million professional speakers or other attendees.
- Of those, 14.6 million attendees (41%) were tourists, having travelled more than 80 kilometers to attend the business event with 1.5 million of these tourists coming from other countries.

Gross Provincial Product by Province

- Ontario: \$8.6 billion
- Alberta: \$5.5 billion
- British Columbia: \$4.3 billion
- Quebec: \$4.3 billion
- Manitoba: \$1.4 billion
- Saskatchewan: \$1.0 billion
- Nova Scotia: \$990 million
- New Brunswick: \$700 million
- Newfoundland & Labrador: \$390 million
- Prince Edward Island: \$106 million
- Territories: \$110 million

Note: The currency values referenced reflect the Canadian dollar (CAD).

EXECUTIVE SUMMARY:

Economic Contribution of Business Events in Canada

Canadian Economic Impact Study 3.0, 2012 Base Year

Introduction

The goals of the Canadian Economic Impact Study (CEIS) 3.0 were to report on the economic significance of meetings, specifically business events, held in Canada for the base year 2012. Building on the original CEIS conducted for the base year 2006, this study included the additional capacity to produce economic assessments at the regional, provincial and metropolitan level.

The study was conducted by Maritz Research Canada, the Conference Board of Canada, Greenfield Services Inc., and the Canadian Tourism Human Resource Council on behalf of the Meeting Professionals International Foundation Canada (MPIFC). Inputs for the analysis were collected via in-depth survey responses from venue managers, meeting organizers, exhibitors, speakers, delegates, and destination marketing organizations. In total, over 3,400 completed surveys were integrated into the analysis. The tabulated survey results confirm that business events involve the participation of multiple stakeholders and require considerable financial commitments.

Key Metrics

Specifically, the analysis found that Canada hosted over 585,000 business events in 2012. Meetings by type break out as follows:

MEETING TYPE	NUMBER
Conferences/Conventions/Congresses	116,176
Trade Shows/Business Exhibitions	15,332
Incentive Events	19,944
Corporate /Business Meetings	364,812
Other Meetings	69,175
Total	585,439

These events were hosted in 2,176 venues across Canada. Over 502,000 meetings, more than 85% of the total activity took place in hotels and resorts. While purpose built venues hosted 6% and universities and colleges hosted 1%.

These events attracted 35.3 million participants and involved \$29.1 billion in direct spending across a broad range of participants and non-participants. While a large share of the costs associated with staging business events were supported through registration fees (\$4.5 billion), a further \$3.4 billion stemmed from contributions of host organizations as well as sponsorships and other financial support from various non-participants. Excluding registration fees, participants at business events spent \$20.8 billion on either getting to events and/or spending in and around host cities.

CEIS 3.0	
Total meetings	585,000
Total participants	35.3 million
Direct spending	\$29.1 billion

- Of the 35.3 million participants, 20.7 million (58.7%) were local, having travelled less than 80 kilometers to reach their meetings; 13.0 million (37%) were based within their host province, and 1.6 million (4%) travelled internationally
- Further, attendees included 30.7 million delegates, over 2.0 million exhibitors, and 2.6 million professional speakers or other attendees.

The analysis suggests that the economic footprint associated with the costs involved to attract, plan, stage and attend business events is enormous. In fact, business events were shown to directly support over 200,000 full-year jobs with a further 142,000 full-year jobs supported through indirect and induced supply chain linkages and household re-spending. These results point to a sector of the economy that can support one full-year job for every \$85,000 in direct spending.

Economic Contribution of Business Events Activity (2012) - National Perspective

In total, business events supported \$55 billion in economic activity for Canadian businesses during 2012. The extent of economic benefits attributed to business events also extended to include tax contributions. Specifically, business events returned total revenues of \$4.1 billion to the federal government, \$3.6 billion to provincial governments and over \$770 million to municipalities. Of the total \$8.5 billion returned to government coffers, \$1.7 billion came in the form of personal income taxes, \$1.6 billion in social security contributions, \$1.4 billion in federal goods and services tax (GST) and harmonized sales tax (HST) and over \$1.0 billion in provincial sales taxes. A further \$1.3 billion was attributed to other federal and provincial taxes and service fees, with a further \$690 million stemming from corporate taxes.

Direct Value Added Contribution (GDP)	\$12.5 billion
Indirect & Induced Value Added Contribution (GDP)	\$15.0 billion
Direct Wages	\$9.2 billion
Indirect & Induced Wages	\$8.1 billion
Direct Tax Revenue (all levels)	\$5.1 billion
Indirect and Induced Tax Revenue (all levels)	\$3.4 billion

(000's Full-Year Jobs)

Direct Employment	201,000
Indirect & Induced Employment	140,000

(Industry Output)

Total Economic Activity of Business Events Activity	\$55.0 billion
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Economic Contribution of Business Events Activity (2012) - Central Canada Perspective

Out of the total 585,000 business events hosted in Canada during 2012, Central Canada is estimated to have hosted 306,000. About two-thirds of these business events were hosted in Ontario with the remaining one-third in Quebec. Between the two provinces, nearly 16.1 million attendees participated in the events held that year.

These events resulted in generating \$12.5 billion in spending and directly supporting nearly 97,000 full-year jobs with a further 68,000 full-year jobs supported through indirect and induced supply chain linkages and household re-spending.

In total, business events supported \$26 billion in economic activity for businesses in Central Canada during 2012. Business events also returned a collective \$4.2 billion in total revenues to all levels of government. Across many of the traditional economic impact measures (GDP, wages, employment and taxes), Central Canada accounts for between 47 and 49% of the national totals.

Direct Value Added Contribution (GDP)	\$5.8 billion
Indirect & Induced Value Added Contribution (GDP)	\$7.1 billion
Direct Wages	\$4.5 billion
Indirect & Induced Wages	\$3.9 billion
Direct Tax Revenue (all levels)	\$2.5 billion
Indirect and Induced Tax Revenue (all levels)	\$1.7 billion

(000's Full-Year Jobs)

Direct Employment	97,000
Indirect & Induced Employment	68,000

(Industry Output)

Total Economic Activity of Business Events Activity	\$26.0 billion
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Meanwhile, in terms of the spending associated with business events, Western Canada accounted for the largest share—edging out Central Canada with \$13.8 billion in spending to \$12.5 billion. Western Canada is estimated to have hosted over 191,000 business events in 2012. About 45% of these business events were hosted in Alberta, 32% in British Columbia, 13% in Manitoba and the remaining 10% in Saskatchewan. In total, 13.5 million attendees participated in the events held across the western provinces during 2012.

The spending associated with these events resulted in directly supporting over 85,000 full-year jobs with a further 60,000 full-year jobs supported through indirect and induced supply chain linkages and household re-spending.

Business events resulted in over \$24 billion in economic activity for businesses in Western Canada and for supporting nearly \$3.5 billion in total tax revenues for all levels of government. Across many of the traditional economic impact measures (GDP, wages, employment and taxes), Western Canada accounted for between 41 and 45% of the national totals.

Direct Value Added Contribution (GDP)	\$5.6 billion
Indirect & Induced Value Added Contribution (GDP)	\$6.7 billion
Direct Wages	\$3.9 billion
Indirect & Induced Wages	\$3.6 billion
Direct Tax Revenue (all levels)	\$2.1 billion
Indirect and Induced Tax Revenue (all levels)	\$1.5 billion

(000's Full-Year Jobs)

Direct Employment	85,000
Indirect & Induced Employment	60,000

(Industry Output)

Total Economic Activity of Business Events Activity	\$24.5 billion
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Economic Contribution of Business Events Activity (2012) - Atlantic Business events in Atlantic Canada accounted for just under \$2.5 billion in spending, or just under 9% of the national total. During 2012, Atlantic Canada hosted nearly 78,000 business events. Approximately 39% of these business events were hosted in Nova Scotia, 29% in New Brunswick, 20% in Newfoundland & Labrador and the remaining 12% in Prince Edward Island. In total, 5.2 million attendees participated in the events held across Atlantic Canada during 2012.

The spending associated with these events resulted in directly supporting nearly 18,000 full-year jobs with a further 12,000 full-year jobs supported through indirect and induced supply chain linkages and household re-spending.

Business events resulted in \$4.3 billion in economic activity for businesses in Atlantic Canada and for supporting nearly \$770 million in total tax revenues for all levels of government. Across many of the traditional economic impact measures (GDP, wages, employment and taxes), Atlantic Canada accounted for between 8 to 10% of the national totals.

Direct Value Added Contribution (GDP)	\$1.0 billion
Indirect & Induced Value Added Contribution (GDP)	\$1.2 billion
Direct Wages	\$0.7 billion
Indirect & Induced Wages	\$0.6 billion
Direct Tax Revenue (all levels)	\$0.5 billion
Indirect and Induced Tax Revenue (all levels)	\$0.3 billion

(000's Full-Year Jobs)

Direct Employment	18,000
Indirect & Induced Employment	12,000

(Industry Output)

Total Economic Activity of Business Events Activity	\$4.3 billion
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Our analysis also tracked some activity associated with business events in Northern Canada. However, given the small sample size of completed surveys and difficulty in obtaining consistent secondary data across the territories, the results generated likely underestimate the level of activity associated with business events in the North.

In sum, the Business Events industry has made considerable progress over the past few years in defining itself and gaining recognition of its economic importance. Although previous studies commissioned by MPI have focused on the National economic impact, the current Canadian economic impact study is the first MPI-commissioned Canadian study to provide data at a subnational level. These findings and future findings to be shared represent proof the industry is a formidable force, contributing heavily not only to the economy but also shaping how people come together, interact, innovate, and bond.

Note: The currency values referenced reflect the Canadian dollar (CAD).