

INDIGENOUS TOURISM IN CANADA IS 22% DOWN SINCE 2019



Indigenous tourism in Canada has not yet recovered to the pre-pandemic levels of 2019, according to a study by the Conference Board of Canada and the Indigenous Tourism Association of Canada. Both organizations attribute this downturn to inflation and labor shortages and call for federal government financial support to revitalize the industry.

In 2023, indigenous tourism contributed \$1.6 billion to Canada's GDP. However, this represents a 10% decrease compared to 2019 and a decline of nearly 24% when adjusted for inflation.

Alan Chaffe, the associate director of economic research at the Conference Board of Canada, notes that **indigenous tourism is experiencing more significant inflationary pressures than other sectors**. For instance, the prices of tourism products and services in 2023 were 18.8% higher than in 2019, surpassing the overall inflation rate of 15.5% for the entire economy during the same period.

Taking inflation into account, the revenues of the indigenous tourism sector fell from \$3.8 billion in 2019 to \$3 billion in 2023, a decline of about 22%. Furthermore, despite an increase in indigenous tourism businesses in recent years, these businesses now employ fewer workers.

In 2023, over 2,750 businesses and organizations were part of the indigenous tourism sector in Canada, an increase from 1,900 in 2021. However, the sector's direct workforce in 2023 consisted of 34,711 individuals, nearly 5% lower than in 2019.

In addition, employee earnings within the sector have declined, being 6% lower than in 2019. This decrease is attributed to rising operational costs and the absence of price adjustments for indigenous tourism experiences.

Federal Support Requested

The Indigenous Tourism Association of Canada (ITAC) expresses concern about the industry's lack of financial support and investment. They believe that **federal government contributions are crucial for reviving indigenous tourism in Canada**, representing a significant missed opportunity for both indigenous communities and the country.

Experts emphasize that as we look toward 2025 and beyond, it will be increasingly important for federal, territorial, and provincial stakeholders to work together to support the continuous recovery of indigenous tourism in Canada.

ITAC aims for indigenous tourism to contribute \$6 billion to Canada's GDP and create 60,000 direct jobs by 2030.

Date: 2025-02-09

Article link:

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