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NAME House of Commons Ottawa, Ontario, Canada KIA 0A6

February ##, 2023

Sent via Email

Ref: Ensuring the Federal Tourism Growth Strategy Supports the Recovery & Competitiveness of Ontario's Tourism Industry

Dear MP/Minister [NAME],

Since the beginning of the COVID-19 pandemic, tourism has been one of the hardest hit sectors. With the support of the Government of Canada, tourism businesses have weathered the storm and reopened their doors to visitors. But as Canada emerges from the pandemic, it's important to remember that reopening doesn't mean recovery. While other economic sectors are returning to pre-pandemic levels, tourism is simply not there yet.

The Tourism Industry Association of Ontario (TIAO) is the voice of the tourism industry in Ontario, representing over 200,000 businesses and over 400,000 jobs, and we've seen and heard firsthand from operators that have done all they can to get through the pandemic, rebuild their businesses, and welcome visitors back to Ontario. While our industry is recovering, the COVID-19 pandemic continues to have a severe and enduring impact on the tourism industry in Ontario. Border closures, capacity restrictions, and lockdowns exacerbated structural issues that have left the industry far from recovery.

As a result, while the rest of Ontario and Canada moves forward, businesses in your riding that rely on the visitor economy are still dealing with the lasting impact of revenue losses of up to 93%, staggering six-figure debts, and the displacement of tourism workers to other industries. New and longstanding challenges further hinder recovery, with tourism businesses struggling with recruitment and retention, supply chain disruptions, inflation, rising taxes, reduced commercial insurance coverage, and gaps in transportation infrastructure. Moreover, not all visitor markets and regions are rebuilding at the same pace: business travel and events have yet to fully return, Northern Ontario is still hard-hit due to the slow return of US visitor markets, and as many as 4 in 10 Ontario tourism operators do not expect to be profitable until at least 2024. Alarmingly, according to the latest Ontario Economic Report, business confidence has dropped to a new low, with only 16% of organizations expressing confidence in the outlook of Ontario's economy in 2023.

Thanks to the support of government programs and the entrepreneurial spirit that exists in Ontario, we've managed to mitigate the very worst of the COVID-19 pandemic. As the members we represent are looking to the future, hoping to hire more Ontarians and help our economy rebound as quickly as possible, our global competitors are already moving forward



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and capturing a growing share of visitor spend. At this critical juncture, it is imperative that we invest in a national tourism growth strategy that unleashes the full potential of our industry. We can't be left behind.

To enable our industry to overcome barriers and fully leverage the opportunities to recover and prosper—now and for the future—we need a national tourism growth strategy that best positions our industry to move forward. This includes tangible economic investments that take destination marketing to the next level, enable businesses to rebuild and grow innovative made-in-Ontario experiences, and support the capacity of Ontario's tourism offer to remain globally competitive. Together with the Ontario Chamber of Commerce, TIAO has outlined just such a blueprint in our 2022 State of the Ontario Tourism Industry Report, one which aligns with the <u>national strategy</u> put forward by the Tourism Industry Association of Canada (TIAC).

Tourism and hospitality matter for Ontario and for Canada. Its economic impact extends beyond our own industry, benefiting other businesses, sectors, communities, and the economy as a whole through tax revenue, community infrastructure, and creating vibrant communities to work and live in. Tourism is therefore not only a key economic driver as an industry; it is an indispensable component of broader economic development across the country.

That is why we're asking for your support in calling on the Minister of Finance and the Minister of Tourism to ensure our industry remains one of the most competitive and successful in the world.

Thank you for your consideration of the contents of this letter. If you have any questions, please don't hesitate to get in contact with us.

Yours sincerely,

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Dr. Jessica Ng Director, Policy and Government Affairs ing@tiaontario.ca